

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Joint Application of )  
Great Plains Energy Incorporated, Kansas )  
City Power & Light Company and Westar ) Docket No. 16-KCPE-593-ACQ  
Energy, Inc. for approval of the Acquisition )  
of Westar Energy, Inc. by Great Plains )  
Energy Incorporated. )

**JOINT APPLICANTS' MOTION TO REOPEN THE RECORD**

COMES NOW Great Plains Energy Incorporated (“GPE”), Kansas City Power & Light Company (“KCP&L”) and Westar Energy, Inc. (collectively “Joint Applicants”), and, pursuant to K.A.R. 82-1-230(k), file this Motion to Reopen the Record of this docket for the limited purpose of receiving information that will update certain information already in the record regarding debt issued to finance GPE’s acquisition of Westar Energy, Inc. In support of this Motion, Joint Applicants state as follows:

1. On June 28, 2016, Joint Applicants filed a Joint Application seeking approval for Great Plains Energy’s acquisition of Westar (the “Transaction”). Testimony was pre-filed by the parties to the docket and an evidentiary hearing was held before the Commission January 30 – February 7, 2017.

2. Under the terms of the Transaction, GPE will pay \$8.6 billion to Westar shareholders and assume Westar’s existing debt which was approximately \$3.6 billion when the Transaction was announced, for a total Transaction value of \$12.2 billion. The \$8.6 billion payment is to be financed by GPE with approximately 50% debt and 50% equity. At the time of hearing, GPE had completed the equity portion of the financing by successfully issuing common stock and mandatory convertible preferred stock; however, GPE had not yet issued the debt financing.

3. On March 6, 2017, GPE priced \$4.3 billion of senior notes. These notes comprised the following amounts, rates and maturity:

- \$750 million at a coupon of 2.50% maturing in 2020;
- \$1.15 billion at a coupon of 3.15% maturing in 2022;
- \$1.4 billion at a coupon of 3.90% maturing in 2027; and
- \$1 billion at a coupon of 4.85% maturing in 2047.

This completes GPE's remaining Transaction financing and results in Transaction debt with a weighted average interest rate of 3.68% and a weighted average maturity of 12.1 years. GPE's actual Transaction debt financing compares favorably to the assumptions GPE used in its financial modeling in the following respects: (1) the amount of long-term debt assumed in the financial modeling was \$4.325 billion; the weighted average interest rate assumed in the financial modeling was 3.95%; and the weighted average maturity (tenure) assumed in the financial modeling was seven years.<sup>1</sup> The order book finished approximately 5.8x times oversubscribed with nearly \$25 billion of orders from numerous recognizable, high quality participants. Proceeds from the financing will be used to finance a portion of the cash consideration for GPE's proposed acquisition of Westar.

4. K.A.R. 82-1-230(k) states,

After the record of testimony has been closed by the presiding officer, any party may apply to reopen the record for good cause shown. However, no record shall be reopened for further hearing except upon order of the commission. Any record of any hearing may be reopened by the commission on its own motion.

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<sup>1</sup> See Grady Direct, KCPL response to KCC Staff Data Request 169, page 6 of the response.

There is good cause to reopen the record in this docket for the limited purpose of updating the facts related to the debt issuances so that the Commission has actual data rather than projected or estimated data that we now know is not accurate. Those reasons are as follows:

- (1) This case is one of the most important for the State of Kansas that the Commission will decide during its tenure so the Commission should have accurate and complete information in the record to consider in its deliberations.
- (2) The updated information is very important to the Commission's deliberations since Transaction debt to be incurred by GPE is an issue in the docket.
- (3) The information submitted is not new; it updates information already in the record so that it is actual rather than projected.
- (4) The information was not available until March 6, 2017.
- (5) Other parties should not be harmed by admitting the information into the record because it consists only of facts that can easily be confirmed as accurate.

5. In addition to K.A.R. 82-1-230(k), K.A.R. 82-1-230(f) recognizes the Commission's discretion in receiving additional evidence, even after the close of testimony. The Commission has accepted, and in some instances, requested, supplemental information be submitted by a party post-hearing when such information was deemed important to the Commission's deliberation on a matter.<sup>2</sup>

6. In the present docket, the Commission has already accepted additional evidence into the record provided by a party after the conclusion of the hearing. On February 23, 2017, Staff filed a *Motion Requesting the Commission Take Administrative Notice of Certain Files and Records*, asking that the Commission include in the record of this docket an Order of the

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<sup>2</sup> See Docket No. 12-KCPE-764-RTS, Kansas City Power & Light Company's Notice of Filing of Supplemental Exhibits, October 17, 2012; Docket No. 12-LHPT-875-AUD, Order Overruling LaHarpe's Objection to Admission of Late-Filed Exhibits, May 20, 2013 ("LaHarpe Order").

Missouri Public Service Commission issued February 22, 2017. The Commission granted Staff's Motion by Order issued March 2, 2017.

7. The updated information included with this Motion will allow the Commission to evaluate the issues related to GPE's increased level of debt based upon actual, accurate data. "The Commission has broad authority to request and receive evidence it deems necessary to determination of a matter."<sup>3</sup> The Commission should accept into the record of this docket the information presented with this Motion as it substitutes projected data with actual data and it will assist the Commission in properly analyzing the Application on an issue fundamental to the outcome of this case.

WHEREFORE, Joint Applicants hereby request the Commission reopen the record in this docket for the limited purpose of accepting the information included with this Motion regarding the debt issuances of GPE to finance the Transaction proposed in the Joint Application.

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<sup>3</sup> LaHarpe Order, p. 3, ¶9.

Respectfully submitted,

/s/ Robert J. Hack

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**COUNSEL FOR GREAT PLAINS  
ENERGY AND KANSAS CITY POWER  
& LIGHT**

VERIFICATION

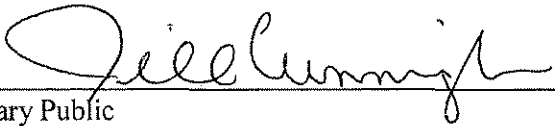
STATE OF MISSOURI       )  
                                  ) ss.  
COUNTY OF JACKSON    )

I, Darrin R. Ives, being duly sworn, on oath state that I am Vice President – Regulatory Affairs of Kansas City Power & Light Company, that I have read the foregoing and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

GREAT PLAINS ENERGY INCORPORATED  
KANSAS CITY POWER & LIGHT COMPANY

By:   
Darrin R. Ives

The foregoing was subscribed and sworn to before me this 8<sup>th</sup> day of March, 2017.

  
Notary Public

My Commission Expires:

1/5/20



JILL M. CUNNINGHAM  
My Commission Expires  
January 5, 2020  
Clay County  
Commission #00409289

**CERTIFICATE OF SERVICE**

I do hereby certify that on the 8<sup>th</sup> day of March, 2017, I electronically filed via the Kansas Corporation Commission's Electronic Filing System, a true and correct copy of the above and foregoing with a copy emailed to all parties of record.

***Robert J. Hack***

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Robert J. Hack