
Docket No. 16-KCPE-593-ACQ

STAFF’S REPLY TO JOINT APPLICANTS’ VERIFIED RESPONSE TO COMMISSION’S ORDER ON MERGER STANDARDS

The Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission,” respectively) files its Reply to Joint Applicants’ Verified Response to Commission’s Order on Merger Standards (Reply). In support of its Reply, Staff states as follows:

I. BACKGROUND

1. On June 28, 2016, Great Plains Energy Incorporated (GPE), Kansas City Power & Light Company (KCP&L), and Westar Energy, Inc. and Kansas Gas and Electric Company (Westar), (collectively referred to as “Joint Applicants”) filed an application seeking approval for GPE to acquire 100% of the stock of Westar in a transaction valued at approximately $12.2 billion, including assumed debt.¹

2. On August 9, 2016, the Commission issued an Order on Merger Standards wherein the Commission reaffirmed the merger standards as enumerated in the November 14, 1991 order approving the Kansas Power & Light and Kansas Gas & Electric merger in consolidated dockets 172,745-U and 174,155-U and as modified in the September 28, 1999 order

¹ Joint Application, ¶6 (June 28, 2016).
in docket no. 97-WSRE-676-MER.\(^2\) The Commission’s August 9, 2016 Order on Merger Standards set out the standards to be used in determining whether a proposed merger will promote the public interest.\(^3\)

3. On August 30, 2016, the Joint Applicants filed their Verified Response to the Commission’s Order on Merger Standards (Verified Response).\(^4\) In their Verified Response, Joint Applicants state they fully adopt the merger standards and any paraphrasing was not intended to change the Commission’s merger standards.\(^5\) Joint Applicants further explain in their Verified Response that despite the omission of the words “in excess of book value” in the recitation of factor (a)(iv) in the Joint Application, testimony supporting the Joint Application addresses this factor.\(^6\) Finally, Joint Applicants’ Verified Response goes on to address the additional questions raised in the Commission’s Order on Merger Standards.\(^7\)

II. **STAFF’S RESPONSE**

4. While the Joint Applicants state that by “paraphrasing” the merger standards, they did not intend to change the Commission’s merger standards in any way; the revisions to the merger standards in the Joint Application and testimony go far beyond “paraphrasing.” In several respects, the revisions that the Joint Applicants made to the merger standards dramatically change the meaning of the standards in a way that would ease the burden on the Joint Applicants. Among the most substantive revisions to the merger standards in the Joint Application involve standard (a)(ii), *the effect of the transaction on consumers, including [...] reasonableness of the purchase price, including whether the purchase price was reasonable in*

\(^3\) *Id.* at ¶5.
\(^5\) See *id.* at ¶¶6-7.
\(^6\) *Id.* at ¶8.
\(^7\) See *id.* at ¶¶10-19.
light of the savings that can be demonstrated from the merger and whether the purchase price is within a reasonable range\(^8\); and standard (a)(iv), the effect of the transaction on consumers, including [...] whether there are operational synergies that justify payment of a premium in excess of book value.\(^9\) These revisions are discussed in greater detail below.

5. Given that the testimony in support of the Joint Application addresses Joint Applicants’ significantly revised merger standards, there are several areas of the Joint Application that are currently deficient. Necessarily, these areas must be supplemented by the Joint Applicants in order for the Commission to have a complete record upon which to determine whether the proposed transaction will promote the public interest under the Commission’s merger standards.

6. Staff requests the Commission direct Joint Applicants to rectify these deficiencies by amending their Joint Application with the necessary information immediately so that Staff and intervening parties may have the opportunity to respond to a full and complete Joint Application that properly addresses the Commission’s merger standards; or, in the alternative, to dismiss the Joint Application without prejudice so that Staff and intervening parties are not placed at a procedural disadvantage. Staff’s specific concerns with merger standards (a)(ii) and (a)(iv) are as follows:

**A) Merger Standard (a)(ii); the effect of the transaction on consumers, including [...] reasonableness of the purchase price, including whether the purchase price was reasonable in light of the savings that can be demonstrated from the merger and whether the purchase price is within a reasonable range.**

7. Merger standard (a)(ii), with redlines and strikethrough as presented in Attachment A of the Joint Applicants' Verified Response, is as follows:

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\(^8\) Merger Standard (a)(ii) as set forth in the Commission’s August 9, 2016 Order on Merger Standards.

\(^9\) Merger Standard (a)(iv) as set forth in the Commission’s August 9, 2016 Order on Merger Standards.
(a)(ii) Reasonableness of the purchase price, including whether the purchase price was reasonable in light of the potential savings that can be demonstrated from the caused-by merger and whether is the purchase price is within a reasonable range;¹⁰

8. With regard to the revision of merger standard (a)(ii) in the Joint Application, Staff notes that the Verified Response indicates that the Joint Applicants believe that these substantial revisions “do not change the meaning of the merger standard(s) to be applied in this case.”¹¹ Staff does not agree that the revision to this merger standard contained in the Joint Application and testimony do not change the meaning of the standard. Further, Staff does not agree that the support provided in the Joint Application for this revised standard can be used to support the original merger standard (a)(ii) as contained in the Commission’s August 9, 2016 Order on Merger Standards.

9. The Joint Application is replete with references to potential or estimated savings that can be caused by the merger, but the Joint Application lacks details about savings that can be demonstrated from the merger. Additionally, early discovery efforts have not resulted in any additional details regarding savings that can be demonstrated from the merger. If anything, discovery responses provided to Staff to date have only further confirmed that savings are speculative, containing statements such as, “[i]t has not yet been determined what specific departments or functions will remain or be relocated to the Topeka office or which, if any, departments will be eliminated or relocated to Kansas City as a result of the Transaction,”¹² and, “[w]hile GPE has committed to having its Kansas headquarters located in Topeka after the Transaction, it has not determined a

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¹¹ See Verified Response, ¶7.
¹² See response to Staff Data Request No. 6 (Attached hereto as ‘Attachment 1’).
period of time for that commitment."\(^{13}\) Further, in response to a Staff discovery request seeking specific details on overhead cost allocation savings, Joint Applicants’ response, in part, stated:

> Information at the specific level of detail requested in this data request is not currently available as the integration process has only recently started. Nevertheless, there are certain types of overhead costs of the combined companies that will obviously decrease as a result of the Transaction. Examples of these overhead costs include: public company costs (e.g., Westar will no longer publish an annual shareholders report, etc.), executive management costs (e.g., there will be only one CEO, CFO, COO, General Counsel, etc.) and corporate support services (e.g., there will be only one leader of departments for accounting, human resources, information technology, regulatory affairs, etc.).\(^{14}\)

10. While the Joint Applicants have been responsive to Staff’s early investigatory efforts and discovery requests, it appears as though the Joint Applicants simply have not prepared an analysis of savings that can be *demonstrated from* the proposed transaction. This could likely be due in part to Joint Applicants basing the Joint Application and testimony on a revised standard that called for *potential* savings, as opposed to savings that can actually be demonstrated. Therefore, Staff requests the Commission require the Joint Applicants to provide testimony and evidence supporting the savings that can be *demonstrated from* the proposed transaction, as opposed to just *potential* savings from the proposed transaction.

11. Related to and integral with Staff’s concerns about the Joint Application and testimony lacking a presentation and discussion of savings that can be demonstrated by the proposed transaction, Staff is concerned that Great Plains has not yet sought the Missouri Public Service Commission’s (MoPSC) approval of a variance for Missouri’s affiliate transaction rule. Missouri’s affiliate transaction rule presently would require KCP&L and GPE to provide goods

\(^{13}\) See *id.*

\(^{14}\) See response to Staff Data Request No. 4 (Attached hereto as ‘Attachment 2’).
and services to Westar at the greater of fair market value or fully distributed costs.\textsuperscript{15} Conversely, without obtaining a waiver of this rule, KCP&L and GPE would be required to compensate Westar for goods and services provided by Westar at the lesser of fair market value or fully distributed costs.\textsuperscript{16} This issue is discussed at length a recent report of the Staff of the MoPSC.\textsuperscript{17}

12. Further, GPE’s response to Missouri Staff’s Investigation Report acknowledges that, “[r]equiring asymmetrical pricing in such circumstances would only serve to cause one state’s retail rate regulated customers to subsidize another state’s retail regulated rate customers.”\textsuperscript{18} Despite GPE’s acknowledgment of the consequences of the application of Missouri’s affiliate transaction rule to the proposed transaction, Joint Applicants cannot indicate to Staff with any certainty when GPE will make a request for a variance.

13. Joint Applicants’ response to Staff discovery regarding KCP&L and GPE’s plans to seek a variance to these affiliate transaction rule was as follows:

GPE expects that such a variance request, which is consistent with the variance granted to GMO and KCP&L in connection with GPE’s acquisition of Aquila in 2008, will be made prior to the closing of the GPE/Westar transaction but does not presently have a more specific date.\textsuperscript{19}

14. Without an affirmative determination by the MoPSC relevant to GPE’s request for a variance regarding Missouri’s affiliate transaction rule, the Joint Applicants cannot demonstrate what the effects of the proposed transaction will be on the combined cost structure

\begin{footnotes}
\item[16] See id.
\item[19] See response to Staff Data Request No. 21 (Attached hereto as ‘Attachment 3’).
\end{footnotes}
of the combined company, including whether there will be any savings attributable to the proposed transaction. Therefore, Staff requests the Commission require the Joint Applicants provide testimony and evidence to verify that the variance request has been approved by the MoPSC, as such is a key requirement of providing support for savings that can be demonstrated from the merger.

B) Merger Standard (a)(iv): *the effect of the transaction on consumers, including [...] whether there are operational synergies that justify payment of a premium in excess of book value.*

15. Merger standard (a)(iv), with redlines and strikethrough as presented in Attachment A of the Joint Applicants’ Verified Response, is as follows:

(a)(iv) Whether there are any operational synergies that justify payment of premium in excess of book value;20

16. Regarding merger standard (a)(iv) in the Joint Application, the Joint Applicants contend that although the phrase “in excess of book value” was eliminated from the merger standard in the Joint Application and testimony, this issue has been fully addressed throughout the testimony.21 Staff disagrees. A review of the Joint Application and testimony reveals that the words “book value” only appear one time in the entire filing; on page 12 of Stephen P. Busser’s Direct Testimony. Through this testimony, Mr. Busser describes the $4.9 billion of goodwill that will be recorded on the books of Great Plains, however he does not describe how this amount can be justified on the basis of any operational synergies that the Joint Applicants believe can be demonstrated as a result of the merger.22

17. While several other witnesses discuss the Joint Applicants’ view of the potential amount of savings that will arise from the proposed transaction, none of these witnesses attempt

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22 See Direct Testimony of Steven P. Busser, pp. 8-9, 11-12.
to justify the amount of the purchase price or acquisition premium over book value that is justified by these potential savings or synergies. Mr. Bryant’s Direct Testimony contains discussion on the reasonableness of the purchase price, the size of the premium agreed to be paid to Westar shareholders in excess of market value ($2.3 billion), and the amount of savings estimated by the Joint Applicants.23 However, nowhere in this testimony does he mention how any of this relates to the existing book value of Westar’s assets, rate base, or equity. In fact, the term “book value” does not appear in Mr. Bryant’s testimony.

18. In response to Staff discovery seeking information relevant to premium paid over book value relative to operation synergies, Joint Applicants identified one witness’ testimony covering the accounting of the goodwill and another witness’ testimony covering anticipated savings, but assert that, “because the Joint Applicants are not requesting recovery from customers of the premium paid above book value, the operational synergies justifying the purchase price are more relevant in relation to Merger Standard (a)(ii).”24

19. In the Verified Response, the Joint Applicants again downplay the omission of any discussion or support in the Joint Application and testimony for how the premium paid over book value can be justified by operational synergies or cost savings.25 By pointing out that previous Commission Orders in merger cases have tied recovery of the acquisition premium to an analysis of cost savings, the Joint Applicants seem to indicate that this factor is irrelevant because they are not seeking recovery of the acquisition premium through rates.

20. Conversely, Staff believes the issue of whether the premium over book value that can be justified by the level of operational synergies is very relevant to the Commission’s determination of whether this transaction is in the public interest as it offers valuable insight into

23 See Direct Testimony of Kevin E. Bryant, p. 7-8.
24 See response to Staff Data Request no. 17 (Attached hereto as ‘Attachment 4’).
25 See Verified Response, ¶8.
how Great Plains views the true drivers of value in Westar’s utility business going forward. For example, how does GPE justify payment of the acquisition premium above the net present value of demonstrated synergies, and how does GPE intend to recover the acquisition premium if not from synergies and not from ratepayers? Staff recommends the Commission find the Joint Application and testimony is lacking in substance and support for how the agreed upon purchase price over book value can be justified by operational synergies that can be demonstrated from the merger.

21. Joint Applicants’ revision of this standard in the Joint Application and testimony, to completely remove the phrase in excess of book value, should not be dismissed as simple paraphrasing. This omission is a substantive revision of the merger standard, and a simple comparison between the size of the premium in terms of market value ($2.3 billion26) and the size of the premium in terms of book value ($4.9 billion27) illustrates this. Further, it is also important to note that a regulated utility’s book value has unique meaning and importance in the context of utility regulation; this is the value that a utility’s shareholders are legally entitled an opportunity to earn a ‘return on’ and a ‘return of’ for purposes of ratemaking. In other words, there is very little difference between Westar’s rate base and its book value of assets. Therefore, Staff requests the Commission require Joint Applicants to provide testimony and evidence supporting how the operational synergies and cost savings that can be demonstrated from the proposed transaction justify GPE’s desire to pay nearly $5 billion more than the book value (rate base) of Westar.

26 See Direct Testimony of Kevin E. Bryan, p. 11, l. 7-9.
27 See Direct Testimony of Steven P. Busser, p. 12, ll. 3-4.
III. Summary

22. The insufficient detail and lack of support for the Joint Application have caused Staff (and other intervening parties to this docket) to use valuable investigatory time seeking information, data, and other support in an attempt to get Joint Applicants' request to a place where it merely meets the threshold requirements for consideration. Even so, the necessary supporting information remains absent.

23. To resolve this deficiency, Staff requests the Commission direct Joint Applicants to amend their Joint Application and provide this information immediately so that Staff and other intervening parties to this docket have a full and complete application to investigate and analyze. In the alternative, in order to preserve the procedural rights and due process for all parties to the docket that will be responding to these substantial revisions to the Joint Application and testimony, Staff recommends the Commission dismiss the Joint Applicant without prejudice as this will preserve the full statutorily allotted time afforded to the Commission to review a merger transaction pursuant to K.S.A. 66-131.

WHEREFORE, for the reasons more fully set forth above, Staff respectfully requests the Commission (i) find that the Joint Applicants' Verified Response is deficient insofar as it does not adequately address the Commission's merger standards as affirmed by the Commission in its August 9, 2016 Order on Merger Standards; (ii) direct the Joint Applicants amend the Joint Application and testimony to fully address the merger standards as more specifically detailed herein; or, in the alternative, dismiss the Joint Application without prejudice; and (iii) for any such further relief as the Commission deems just and proper.
Respectfully Submitted,

Amber Smith, #23911  
Chief Litigation Counsel  
Michael Neeley, #25027  
Litigation Counsel  
Kansas Corporation Commission  
1500 S.W. Arrowhead Road  
Topeka, Kansas 66604  
Phone: 785-271-3110  
Fax: 785-271-3167  

ATTORNEYS FOR STAFF
RE: Kansas Headquarters:

Paragraph 23 of the Application states GPE will retain Westar's downtown Topeka offices as its Kansas headquarters after closing of the Transaction.

(a) Please indicate the specific departments and functions at Westar's current headquarters projected to remain at or be relocated to the Topeka office as a result of the Transaction.

(b) Please indicate the specific departments and functions at Westar's current headquarters projected to be eliminated or relocated to GPE's headquarters in Kansas City, Missouri as a result of the Transaction.

(c) Please identify the projected Transaction savings and related transition costs associated with retaining Westar's downtown Topeka offices as GPE's Kansas headquarters.

(d) Please indicate the period of time GPE will commit to having its Kansas headquarters located in Topeka after the Transaction.

Response:

(a) and (b) It has not yet been determined what specific departments or functions will remain or be relocated to the Topeka office or which, if any, departments will be eliminated or relocated to Kansas City as a result of the Transaction.

(c) This information is not presently available.

(d) While GPE has committed to having its Kansas headquarters located in Topeka after the Transaction, it has not determined a period of time for that commitment. In the Merger Agreement between GPE and Westar, GPE provided the following commitment:

SECTION 6.06 Governance Matters.
(a) Parent shall cause the Surviving Corporation to maintain its headquarters in Topeka, KS.
In short, there is no duration to the commitment to retaining Westar's Topeka downtown headquarters.

That said, upon close of the transaction, approximately 60% of GPE's retail customers, through its operating subsidiaries, will be located in Kansas. Going into this transaction, we understood the importance of Westar to the communities it serves and the meaningful contributions it makes as a major employer in Kansas. We also have as a core value strong commitment to the communities we serve. These factors led us to the commitment to maintaining the Topeka downtown headquarters in support of our Kansas service territory operations. We believe it is essential to our operations to maintain a strong presence in the communities we serve.

Attachment: Q6_Verification.pdf
Verification of Response

Kansas City Power & Light Company

Docket No. 16-KCPE-593-ACQ

The response to [KCC Data Request# 6], submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: [Signature]
Title: Sr. Director, Corporate Strategy
Date: 8/9/16
Question: 4

RE: Overhead Costs:

Paragraph 20 of the Application starting on page 10 states: "An additional benefit to all of GPE's utility subsidiary customers, including KCP&L's Kansas customers and Westar's Kansas customers occurs as a result of the increased number of customers GPE utility subsidiaries will serve after the Transaction. Customers will receive a smaller per customer portion of certain overhead costs of the combined companies because those costs will be allocated among a larger customer base".

(a) Please identify each of the specific "overhead costs of the combined companies" to which this paragraph refers.

(b) For each specific overhead cost identified in (a), provide the following information and provide all supporting documentation and calculations:

(i) State the amount of the overhead cost in 2015 and the cost per customer based on KCP&L's Kansas customers at December 2015.

(ii) State the amount of the overhead cost and the cost per customer projected in 2020 for KCP&L's Kansas customers.

Response:

(a) Information at the specific level of detail requested in this data request is not currently available as the integration process has only recently started. Nevertheless, there are certain types of overhead costs of the combined companies that will obviously decrease as a result of the Transaction. Examples of these overhead costs include: public company costs (e.g., Westar will no longer publish an annual shareholders report, etc.), executive management costs (e.g., there will be only one CEO, CFO, COO, General Counsel, etc.) and corporate support services (e.g., there will be only one leader of departments for accounting, human resources, information technology, regulatory affairs, etc.).

(b) (i) and (ii) GPE’s estimate of Operations and Support non-fuel operations and maintenance expense per customer reductions due to the Transaction (comparing 2015 to projections for 2020) can be seen in GPE’s financial modeling as follows:
Customers
680,000 Westar KS
+ 237,000 KCP&L KS
917,000 KS combined
+ 609,100 MO
1,526,100 Pro-Forma combined customers

2015 Operations and Support NFOM
$646,027,734 GPE Standalone
+ $580,569,936 Westar Standalone
$1,226,594,670 Pro-forma combined
/ 1,526,100 Pro-forma combined customers
$ 803.74 Pro-forma combined per customer

2020 Operations and Support NFOM
$746,747,808 GPE Standalone
+ $593,642,476 Westar Standalone
$1,340,390,284 Pro-forma combined before efficiencies ($878.31 per customer)
- $171,970,000 Pro-forma combined projected efficiency savings
$1,168,420,284 Pro-forma combined projection
/ 1,526,100 Pro-forma combined customers
$ 756.62 Pro-forma combined per customer

$756.62 (2020) vs $803.74 (2015) = 5.9% reduction
$756.62 (2020) after savings vs $878.31 (2020) before savings = 13.9% reduction

Attachment: Q4_Verification.pdf
Verification of Response

Kansas City Power & Light Company

Docket No. 16-KCPE-593-ACQ

The response to KCC Data Request# 4, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: [Signature]

Title: [Director, Regulatory Affairs]

Date: August 11, 2016
KCPL KS
Case Name: 2016 Westar Acquisition
Case Number: 16-KCPE-593-ACQ

Response to Figgs Katie Interrogatories - KCC_20160810
Date of Response: 08/15/2016

Question:21

Has KCP&L requested, or does KCP&L intend to request, a variance to the Missouri Public Service Commission's affiliate transactions rule, 4 CSR 240-20.015(2)(A), 1 and 2, which will allow KCP&L, GMO, and Westar to provide information, assets, goods, or services at cost to, and receive information, assets, goods, or services at cost from each other, and not consider fair market price in those transactions? If so, please provide the date of the request or state when KCP&L intends to request the variance.

Number of Attachments:

Response:

GPE expects that such a variance request, which is consistent with the variance granted to GMO and KCP&L in connection with GPE's acquisition of Aquila in 2008, will be made prior to the closing of the GPE/Westar transaction but does not presently have a more specific date.

Attachment: Q21_Verification.pdf
Verification of Response

Kansas City Power & Light Company

Docket No. 16-KCPE-593_ACQ

The response to KCC Data Request# 21, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Mary Britt Turner

Title: Director, Regulatory Affairs

Date: August 15, 2016
With reference to the Commission's Merger Standards set in 174,155-U at page 35 paragraph a (iv), indicate which Joint Applicant witness(es) addresses the premium paid to book value relative to operational synergies expected from the acquisition.

Number of Attachments:

Response:

The testimony of Steven Busser addresses how GPE will account for the Transaction. He states,

"GPE will record the net assets acquired at fair market value. The excess of the purchase price over the fair market value of the net identifiable assets is recorded as goodwill. In the case of regulated assets and liabilities, fair value is generally considered to be book value. Goodwill to be recorded for the Transaction is currently estimated at almost $4.9 billion. Goodwill and the related purchase accounting adjustments will be recorded at consolidated Great Plains Energy and will not be pushed down to Westar's books."

He goes on to explain that GPE will not amortize this goodwill into an expense and is not asking for recovery in rates of the amortization expense of goodwill. (Busser Direct, pp. 11-12.)

William Kemp's testimony addresses the anticipated savings in detail. He explains that GPE estimates the Transaction would produce total savings of approximately $426 million over a 3.5-year period from mid-2017 to the end of 2020. Thereafter, ongoing savings would be close to $200 million per year. (Kemp Direct, p. 6)

However, because the Joint Applicants are not requesting recovery from customers of the premium paid above book value, the operational synergies justifying the purchase price are more relevant in relation to Merger Standard (a)(ii),

(ii) reasonableness of the purchase price, including whether the purchase price was reasonable in light of the savings that can be demonstrated from the merger and whether the purchase price is within a reasonable range;
Kevin Bryant testified that the Acquisition Premium is $2.3 billion when computed using the stock price of Westar. Mr. Bryant explained why this price was reasonable in today's marketplace and how the Transaction benefits shareholders. (Bryant Direct, pp. 11, 19-20.) Terry Bassham and Mark Ruelle also explain the value of the acquisition to the Company overall, justifying the Transaction, including the purchase price.

Attachment: Q17_Verification.pdf
Verification of Response

Kansas City Power & Light Company

Docket No. 16-KCPE-593-ACQ

The response to KCC Data Request# 17, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: [Signature]

Title: Director, Regulatory Affairs

Date: August 12, 2016
VERIFICATION

STATE OF KANSAS  }

COUNTY OF SHAWNEE  }

Amber Smith, of lawful age, being duly sworn upon her oath deposes and states that she is Chief Litigation Counsel for the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing Staff's Reply to Joint Applicants' Verified Response to Commission's Order on Merger Standards, and attests that the statements therein are true to the best of her knowledge, information and belief.

Amber Smith, S. Ct. #23911
Chief Litigation Counsel
The State Corporation Commission
of the State of Kansas

My Appointment Expires: 10-30-18
CERTIFICATE OF SERVICE

16-KCPE-593-ACQ

I, the undersigned, certify that a true and correct copy of the above and foregoing docket was served via electronic service this 9th day of September, 2016, to the following:

MICHAEL E. AMASH, ATTORNEY
BLAKE & UHLIG PA
SUITE 475 NEW BROTHERHOOD BLDG
753 STATE AVE.
KANSAS CITY, KS 66101
Fax: 913-321-2396
mea@blake-uhlig.com

KURT J. BOEHM, ATTORNEY
BOEHM, KURTZ & LOWRY
36 E SEVENTH ST STE 1510
CINCINNATI, OH 45202
Fax: 513-421-2764
kboehm@bkllawfirm.com

JODY KYLER COHN, ATTORNEY
BOEHM, KURTZ & LOWRY
36 E SEVENTH ST STE 1510
CINCINNATI, OH 45202
Fax: 513-421-2764
jkylercohn@bkllawfirm.com

MARTIN J. BREGMAN
BREGMAN LAW OFFICE, LLP.
311 PARKER CIRCLE
LAWRENCE, KS 66049
mjb@mjbregmanlaw.com

ANDREW J ZELLERS, GEN COUNSEL/VP REGULATORY AFFAIRS
BRIGHTERGY, LLC
1712 MAIN ST 6TH FLR
KANSAS CITY, MO 64108
Fax: 816-511-0822
andy.zellers@brightergy.com

GLENDA CAFER, ATTORNEY
CAFER PEMBERTON LLC
3321 SW 6TH ST
TOPEKA, KS 66606
Fax: 785-233-3040
glenda@caferlaw.com

TERRI PEMBERTON, ATTORNEY
CAFER PEMBERTON LLC
3321 SW 6TH ST
TOPEKA, KS 66606
Fax: 785-233-3040
teri@caferlaw.com

THOMAS J. CONNORS, ATTORNEY AT LAW
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
tj.connors@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.nickel@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov
CERTIFICATE OF SERVICE

SHONDA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
sd.smith@curb.kansas.gov

KEN HOLMBOE, ATTORNEY AT LAW
DUNCAN & ALLEN
1730 RHODE ISLAND AVENUE NW
SUITE 700
WASHINGTON, DC 20036-3155
Fax: 202-289-8450
kh@duncanallen.com

KEVIN HIGGINS
ENERGY STRATEGIES, LLC
PARKSIDE TOWERS
215 S STATE ST STE 200
SALT LAKE CITY, UT 84111
Fax: 801-521-9142
khi@energystrat.com

ALI NELSON, PARALEGAL
FAGAN EMERT & DAVIS LLC
730 NEW HAMPSHIRE SUITE 210
LAWRENCE, KS 66044
Fax: 785-331-0303
anelson@fed-firm.com

DARRELL MCCUBBINS, BUSINESS MANAGER
IBEW LOCAL UNION NO. 1464
PO BOX 33443
KANSAS CITY, MO 64120
Fax: 816-483-4239
kwhiteman@ibew1464.org

DAVID PINON, BUSINESS MANAGER
IBEW LOCAL UNION NO. 1613
6900 EXECUTIVE DR
SUITE 180
KANSAS CITY, MO 64120
local1613@earthlink.net

ASHLEY M. BOND, ATTORNEY
DUNCAN & ALLEN
1730 RHODE ISLAND AVENUE NW
SUITE 700
WASHINGTON, DC 20036-3155
Fax: 202-289-8450
amb@duncanallen.com

GREGG D. OTTINGER, ATTORNEY
DUNCAN & ALLEN
1730 RHODE ISLAND AVENUE NW
SUITE 700
WASHINGTON, DC 20036-3155
Fax: 202-289-8450
go@duncanallen.com

WILLIAM R. LAWRENCE
FAGAN EMERT & DAVIS LLC
730 NEW HAMPSHIRE SUITE 210
LAWRENCE, KS 66044
Fax: 785-331-0303
wlawrence@fed-firm.com

SARAH STEELE
GILMORE & BELL, P.C.
ONE MAIN PLACE
100 NORTH MAIN, STE. 800
WICHITA, KS 67202
ssteele@gilmorebell.com

DUANE NORDICK, BUSINESS MANAGER
IBEW LOCAL UNION NO. 1523
609 N BROADWAY
WICHITA, KS 67214
duane_nordick@sbcglobal.net

RAYMOND ROGERS, BUSINESS MANAGER
IBEW LOCAL UNION NO. 225
PO BOX 404
BURLINGTON, KS 66239-0404
rcrogers@cableone.net
CERTIFICATE OF SERVICE

16-KCPE-593-ACQ

JOHN GARRETSON, BUSINESS MANAGER
IBEW LOCAL UNION NO. 304
3906 NW 16TH STREET
TOPEKA, KS 66615
Fax: 785-235-3345
johng@ibew304.org

BILL MCDANIEL, BUSINESS MANAGER
IBEW LOCAL UNION NO. 412
6200 CONNECTICUT
SUITE 105
KANSAS CITY, MO 64120
Fax: 816-231-5515
business.manager@me.com

JOHN KRAJEWSKI, PRESIDENT
J K ENERGY CONSULTING LLC
650 J STREET STE 108
LINCOLN, NE 68508
Fax: 402-438-4322
jk@jenergyconsulting.com

RICHARD S. HARPER
JENNINGS, STROUSS & SALMON, P.L.C
1350 I Street, NW
Suite 810
WASHINGTON, DC 20005
Fax: 202-371-9025
rharper@jsslaw.com

ALAN I. ROBBINS, ATTORNEY
JENNINGS, STROUSS & SALMON, P.L.C
1350 I Street, NW
Suite 810
WASHINGTON, DC 20005
Fax: 202-408-5406
arobbins@jsslaw.com

DEBRA D. ROBY, ATTORNEY
JENNINGS, STROUSS & SALMON, P.L.C
1350 I Street, NW
Suite 810
WASHINGTON, DC 20005
Fax: 202-371-9025
droby@jsslaw.com

JOHN R. WINE, JR.
410 NE 43RD
TOPEKA, KS 66617
Fax: 785-246-0339
jwine2@cox.net

ANDREW FERRIS, DIRECTOR OF ELECTRIC SUPPLY PLANNING
KANSAS CITY KANSAS BOARD OF PUBLIC UTILITIES
312 N 65TH STREET
KANSAS CITY, KS 66102
aferris@bpu.com

ROBERT J. HACK, LEAD REGULATORY COUNSEL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
Fax: 816-556-2787
rob.hack@kcpl.com

ANGELA LAWSON, SENIOR COUNSEL
KANSAS CITY KANSAS BOARD OF PUBLIC UTILITIES
540 MINNESOTA AVENUE
KANSAS CITY, KS 66101-2930
alawson@bpu.com

ROGER W. STEINER, CORPORATE COUNSEL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
Fax: 816-556-2787
roger.steiner@kcpl.com

DARRIN R. IVES, VICE PRESIDENT, REGULATORY AFFAIRS
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
Fax: 816-556-2110
darrin.ives@kcpl.com
CERTIFICATE OF SERVICE

16-KCPE-593-ACQ

MARY TURNER, DIRECTOR, REGULATORY AFFAIR
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64144-9679
Fax: 816-556-2110
mary.turner@kcpl.com

DUSTIN KIRK, DEPUTY GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3364
d.kirk@kcc.ks.gov

AMBER SMITH, CHIEF LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
a.smith@kcc.ks.gov

WILLIAM G. RIGGINS, SR VICE PRES AND GENERAL COUNSEL
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW (66615)
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-271-4884
briggins@kepco.org

JEFFREY L. MARTIN, VICE PRESIDENT, REGULATORY AFFAIRS
KANSAS GAS & ELECTRIC CO.
D/B/A WESTAR ENERGY
618 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66604-0889
Fax: 785-271-4884
jeff.martin@westarenergy.com

CURTIS M. IRBY, GENERAL COUNSEL
KANSAS POWER POOL
LAW OFFICES OF CURTIS M. IRBY
200 EAST FIRST ST, STE. 415
WICHITA, KS 67202
Fax: 316-264-6860
cmirby@sbcglobal.net

WILLIAM DOWLING, VP ENGINEERING & ENERGY SUPPLY
MIDWEST ENERGY, INC.
1330 CANTERBURY ROAD
PO BOX 898
HAYS, KS 67601-0898
Fax: 785-625-1487
bdowling@mwenergy.com

BRIAN G. FEDOTIN, DEPUTY GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3314
b.fedotin@kcc.ks.gov

MICHAEL NEELEY, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
m.neeley@kcc.ks.gov

MARK DOLJAC, DIR RATES AND REGULATION
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW (66615)
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-575-8136
mdoljac@kepco.org

CATHRYN J DINGES, CORPORATE COUNSEL
KANSAS GAS & ELECTRIC CO.
D/B/A WESTAR ENERGY
618 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66604-0889
Fax: 316-264-3434
lholloway@kansaspowerpool.org

LARRY HOLLOWAY, ASST GEN MGR OPERATIONS
KANSAS POWER POOL
100 N BROADWAY STE L110
WICHITA, KS 67202
Fax: 316-264-3434
lholloway@kansaspowerpool.org
CERTIFICATE OF SERVICE

16-KCPE-593-ACQ

EARNEST A. LEHMAN, PRESIDENT & GENERAL MANAGER
MIDWEST ENERGY, INC.
1330 Canterbury Rd
PO Box 898
Hays, KS 67601-0898
elehman@mwenergy.com

FRANK A. CARO, JR., ATTORNEY
POLLENELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
Fax: 816-753-1536
fcaro@polsinelli.com

RENEE BRAUN, CORPORATE PARALEgal, SUPERVISOR
SUNFLOWER ELECTRIC POWER CORPORATION
301W. 13TH
PO BOX 1020 (67601-1020)
HAYS, KS 67601
Fax: 785-623-3395
rbraun@sunflower.net

DAVIS ROONEY, VICE PRESIDENT AND CFO
SUNFLOWER ELECTRIC POWER CORPORATION
301W. 13TH
PO BOX 1020 (67601-1020)
HAYS, KS 67601
Fax: 785-623-3395
hrooney@sunflower.net

MARK D. CALCARA, ATTORNEY
WATKINS CALCARA CHTD.
1321 MAIN ST STE 300
PO DRAWER 1110
GREAT BEND, KS 67530
Fax: 620-792-2775
mcaldcaral@wcrf.com

DAVID L. WOODSMALL
WOODSMALL LAW OFFICE
308 E HIGH ST STE 204
JEFFERSON CITY, MO 65101
Fax: 573-635-7523
david.woodsmall@woodsmalllaw.com

ANNE E. CALLENBACH, ATTORNEY
POLLENELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
Fax: 913-451-6205
acallenbach@polsinelli.com

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
jim@smizak-law.com

JAMES BRUNGARDT, REGULATORY AFFAIRS ADMINISTRATOR
SUNFLOWER ELECTRIC POWER CORPORATION
301W. 13TH
PO BOX 1020 (67601-1020)
HAYS, KS 67601
Fax: 785-623-3395
jbrungardt@sunflower.net

AL TAMIMI, VICE PRESIDENT, TRANSMISSION PLANNING AND POLICY
SUNFLOWER ELECTRIC POWER CORPORATION
301W. 13TH
PO BOX 1020 (67601-1020)
HAYS, KS 67601
Fax: 785-623-3395
atamimi@sunflower.net

TAYLOR P. CALCARA, ATTORNEY
WATKINS CALCARA CHTD.
1321 MAIN ST STE 300
PO DRAWER 1110
GREAT BEND, KS 67530
Fax: 620-792-2775
tcalcara@wcrf.com
CERTIFICATE OF SERVICE

16-KCPE-593-ACQ

Vicki Jacobsen