## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Great Plains Energy Incorporated, Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company for a variance from 4 CSR 240-20.015. ) Case No. EE-2017-0113 )

## MECG REPLY REGARDING APPLICATION TO INTERVENE

COMES NOW, the Midwest Energy Consumers Group, and for its Reply Regarding its Application to Intervene, respectfully states as follows:

1. Late on the afternoon of November 16, 2016, Great Plains filed its latest responses in opposition to the applications to intervene of customers, unions, environmental interests and other interested parties. As the Commission undoubtedly recognizes, Great Plains' opposition to each and every intervention application is unprecedented. While specific interventions have been opposed in the past, this is the first instance in which a utility has opposed <u>all</u> applications to intervene. This fact alone should cause the Commission to pause and question what Great Plains is trying to hide and why it is attempting to silence the voice of all of these other interests.

2. In its latest response, Great Plains continues to hide the true purpose underlying this docket. Specifically, Great Plains insists that this is simply a request for a variance from the Commission's affiliate transaction rule and is not a merger docket. Great Plains argument is undermined by several points.

*<u>First</u>*, the provisions of the settlement executed with Staff and OPC both contain mergerrelated provisions. Specifically, those settlements address issues related to acquisition premium, recovery of transaction costs, employment levels and the location of the corporate headquarters following the close of the Westar transaction. Simply, these provisions have nothing to do with a variance from the affiliate transaction rule, but are designed to address a minimal number of detrimental items underlying the acquisition.

<u>Second</u>, a recent filing by the Staff reflects the fact that its settlement was designed to address merger, not affiliate transaction, related concerned. On June 7, 2016, Staff filed its Reply in Case No. EM-2016-0324. In that pleading, Staff urged the Commission to find that it had jurisdiction over the Westar acquisition and order Great Plains to file the necessary application for Commission approval. Shortly after the filing of MECG's complaint on the same subject, Staff suddenly claimed that, as a result of the settlement executed in this alleged affiliate transaction docket, the Commission no longer needed to exercise such authority.

Staff states further that the agreement it has negotiated and the separate agreement negotiated by the Office of the Public Counsel, provide important protections and safeguards for Missouri ratepayers and avoid the uncertainty and expense of protracted litigation. With these safeguards, Staff's concerns regarding the proposed acquisition have been addressed and Staff notes that the proposed transaction may result in benefits for Missouri ratepayers.<sup>1</sup>

In the pleading, Staff specifically references its settlement in this docket. Clearly, the immediate docket was designed to address merger, not affiliate transaction, concerns.

Third, the OPC settlement specifically ties this docket to merger related dockets as well. The OPC settlement contains a provision which provides that Great Plains will uphold its provisions, "in consideration of OPC's support of this Stipulation, and in further consideration of OPC's agreement to not file any complaint nor support or otherwise assist in any way the prosecution of any complaint that may be filed by others alleging that GPE is, or may be, in violation of any requirement that prior Commission approval of the Transaction was required."<sup>2</sup>

Clearly, given the contents of the Staff and OPC settlements, this docket is designed to address more than simply affiliate transaction related issues. In fact, those settlements do not

<sup>&</sup>lt;sup>1</sup> See, Staff Reply, Case No. EC-2016-0106 and 0107, filed November 8, 2016.

<sup>&</sup>lt;sup>2</sup> See, OPC Settlement, Case No. EE-2017-0113, filed October 12, 2016, at provision 12.

even address the affiliate transaction rule, but are entirely focused on detriments associated with the Westar acquisition.

3. As the Commission recognizes from the recent Empire acquisition docket, as well as previous merger related dockets before that, a corporate acquisition inevitably raises dozens of concerns. In this case, Great Plains has simply sought to address the minimal concerns raised by Staff and Public Counsel – two entities that are guaranteed participation in all Commission cases. Yet, Great Plains has opposed the intervention of all other entities.

Great Plains / Westar have allowed the concerns of similar entities to be heard in its Kansas docket. There, each and every entity has been granted intervention. For unexplained reasons, Great Plains has attempted to silence parties in Missouri. Absent the participation and scrutiny of these parties, the Westar acquisition will undoubtedly lead to a detrimental impact on Missouri operations. The Commission should recognize its statutory responsibility to protect the <u>public</u>, not the utility, and allow these entities to intervene and raise their concerns for Commission consideration.

WHEREFORE, MECG urges the Commission to recognize the true point of this docket and allow the voices of concerned parties to be heard by granting the applications to intervene in this case.

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Respectfully submitted,

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David L. Woodsmall, MBE #40747 308 E. High Street, Suite 204 Jefferson City, Missouri 65101 (573) 636-6006 (telephone) (573) 636-6007 (facsimile) david.woodsmall@woodsmalllaw.com

ATTORNEY FOR THE MIDWEST ENERGY CONSUMERS' GROUP

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

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David L. Woodsmall

Dated: November 17, 2016