

Office of the President

November 29, 2016

Jay Scott Emler
Chairman, Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

Chairman Emler and Kansas Corporation Commission,

The state of Kansas is at an important crossroads in our effort to meet the energy needs of today while preparing for the demands and regulatory requirements of tomorrow. Kansas Farm Bureau is the largest farm organization in Kansas, representing nearly 40,000 farmer and rancher members, all of which rely on electricity to raise, produce, distribute, market and add value to their products across the state, country and world. Our members understand reliable and cost-efficient energy is key in growing our state's economy. We are grateful to have partners in Westar Energy and KCP&L who understand the challenges we face in rural Kansas. Their mutual commitment to building a diversified and reliable portfolio of generation mitigates our risk for what the future may hold while continuing to keep our current energy costs low.

Many of our members were anxious when we heard rumors Westar might be up for sale. This is clearly not the time for our state to lose a major employer and taxpayer; however, when KCP&L announced in late May they would be merging with Westar our members' felt a sense of relief. After meeting with executives of both companies and learning more about the transaction and KCP&L's plans, Kansas Farm Bureau is happy to offer our support of this merger. I am writing you today to ask you approve this transaction in order to unlock the benefits this will bring to Kansas, including many farmer and rancher members of Kansas Farm Bureau.

Like other industries, agriculture continues to see its share of consolidation and mergers. Whenever companies of this size declare an intention to merge, people can get skittish and have many questions they want answered. We are pleased the KCC is taking its role seriously and look forward to the due diligence and merits of the case being debated publicly. After you hear the arguments in favor of the merger, we believe you will conclude this merger is in the best interest of our state and its citizens.

In conversations with Westar executives, it is clear they intend to sell to someone, whether this proposed merger goes through or not. The worst-case scenario for farmers and ranchers in Kansas would be for a company with no prior history or commitment to Kansas to purchase Westar. We are a unique state with our own set of unique challenges, especially when it comes to public utilities. Therefore, we believe it is in the best interest of all

involved that a company with known ties and relationships in Kansas join forces with Westar.

As you can imagine, keeping rates affordable is a top priority of Kansas Farm Bureau, which is another reason for our support of this merger. It is well-known many of the costs in the electricity generation business have been driven by an increasingly aggressive Environmental Protection Agency (EPA) in our nation's capitol. The federal mandates handed down by EPA have led directly to increased costs for consumers. This dynamic is something farmers and ranchers across Kansas are all too familiar with. A merged company would be better able to bear the brunt of future federal mandates and spread the costs over more customers. This will help keep costs lower in the future than they would be without the merger.

Westar and KCP&L are a natural fit. Westar has sold to a local company that has made public commitments that will result in the continuation of a major employer and taxpayer remaining here. Most importantly, KCP&L knows Kansas and has been doing business in our state for more than 100 years. I look forward to what their combined efforts will do for our state over the next 100 years.

Thank you for your consideration and support.

Sincerely,



Rich Felts
President
Kansas Farm Bureau

cc: Commissioner Shari Feist Albrecht
Commissioner Pat Apple