

nue breakdown: residential, 40%; commercial, 39%; industrial, 9%;

2200. Internet: www.greatplainsenergy.com.

261 254 307 Fixed Charge Cov. (%) ANNUAL RATES Past Past Est'd '14-'16 of change (per sh) 10 Yrs. to '20-'22 -1.0% 1.0% 3.5% 3.5% 2.5% -7.5% -1.5% -3.0% Revenues -1.0%'Cash Flow' 3.0% Nil Earnings -5.0% 4.0% 5.0% 1.0% Dividends Book Value

Cal- endar	QUAR Mar.31	TERLY RE Jun.30	VENUES (Sep.30		Full Year
2014	585.1	648.4	782.5	552.2	2568.2
2015	549.1	609.0	781.4	562.7	2502.2
2016	572.1	670.8	856.8	576.3	2676.0
2017	570.7	675	875	579.3	2700
2018	600	700	900	600	2800
Cal-	EARNINGS PER SHARE A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2014	.15	.34	.95	.12	1.57
2015	.12	.28	.82	.15	1.37
2016	.17	.20	.86	.39	1.61
2017	d.11	.20	.80	.11	1.00
2018	.13	.25	.84	.13	1.35
Cal-	QUARTERLY DIVIDENDS PAID B =				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2013	.2175	.2175	.2175	.23	.88
2014	.23	.23	.23	.245	.94
2015	.245	.245	.245	.2625	1.00
2016	.2625	.2625	.2625	.275	1.06
2017	.275	.275			

The Kansas Corporation Commission rejected Great Plains Energy's proposed acquisition of Westar Energy, but a deal isn't necessarily dead. Great Plains had agreed to pay \$8.6 billion (85% in cash, 15% in stock) for Westar, which owns utilities that serve more than 700,000 customers in Kansas. However, there was some opposition to the deal, and the KCC expressed concern about the high price Great Plains would have paid, the company's capital structure if the transaction went through, and the prospective benefits for customers. The KCC denied the companies' petition for reconsideration, so Great Plains is deciding whether to revise the terms of the agreement with Westar or proceed as a stand-alone entity. The proposed deal made earnings lower, and more unpredictable. Great Plains has already issued debt and equity in anticipation of closing the acquisition. The company is incurring merger-related costs and is recording mark-to-market accounting gains or losses resulting from an interest-rate swap. Note that our figures

are for Great Plains as a stand-alone

entity, and do not reflect the costs to un-

wind the deal (an estimated \$500 million. including a \$380 million breakup fee) if it doesn't go through.

Kansas City Power & Light received a rate order in Missouri. Effective May 28th, electric tariffs were raised \$32.5 million, based on a return of 9.5% on a common-equity ratio of 49.2%. Frequent regulatory activity is necessary to deal with the effects of regulatory lag, especially in Missouri, which lacks regulatory mechanism used in other states that track certain kinds of expenses or capital spending. Great Plains' utilities plan to put forth rate applications in each of their iurisdictions in 2018.

Will the hunter become the hunted? If Great Plains is unable to reach a revised deal with Westar, or a new merger attempt is rejected again, the possibility that another utility makes a bid for Great Plains cannot be ruled out. However, we advise against buying the untimely stock based on such a possibility. The dividend yield and 3- to 5-year total return potential are each above average for an electric utility

Paul E. Debbas, CFA June 16, 2017

(A) Diluted earnings. Excl. nonrec. gains (losses): '01, (\$2.01); '02, (5¢); '03, 29¢; '04, (7¢); '09, 12¢; gain (losses) on disc. ops... '03, (13¢); '04, 10¢; '05, (3¢); '08, 35¢. '14 & '16

plan avail. (C) Incl. intang. In '16: \$5.65/sh.

EPS don't sum due to rounding. Next egs. report due mid-Aug. (B) Div'ds historically paid in mid-Mar., June, Sept. & Dec. ■ Div'd reinv.

(D) In mill. (E) Rate base: Fair value. Rate allowed on com. eq. in MO in '17: 9.5%; in KS in '15: 9.3%; earned on avg. com. eq., '16: 6.7%. Regulatory Climate: MO, Below Avg.; KS, Avg. © 2017 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product

Company's Financial Strength Stock's Price Stability B+ 95 Price Growth Persistence 15 **Earnings Predictability** 80