

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

NOTICE OF COMMUNICATION

COMES NOW Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (collectively, the “Company”) and for its Notice of Written Communication states as follows:

Pursuant to 4 CSR 240-4.020(8)(A), the Company files this Notice of Communication with schedules in all of its contested cases pending before the Missouri Public Service Commission.

Event: **Tour of Iatan Generating Station Unit 2**

**Written
Communication:** **Presentation to Missouri Public Service Commission Power Point**

Date: **Monday, November 16, 2015**

Time: **11:30 a.m. to 2:30 p.m.**

Location: **20250 Hwy 45 N, Weston, Missouri 64098**

The event was attended by those listed on the attached Schedule 2: Sign-In Sheet.

Respectfully Submitted,

/s/ Joshua Harden

Joshua Harden, Mo 57941
Dentons US LLP
4520 Main St #1100
Kansas City, MO 64111
816-460-2535
joshua.harden@dentons.com

Attorney for the Company

CERTIFICATE OF SERVICE

The undersigned certified that a true and correct copy of the foregoing document was sent by electronic transmission, facsimile, U.S. Mail or e-mail to all parties of record in all of its contested cases pending before the Missouri Public Service Commission on this 17th day of November, 2015.

/s/ Joshua Harden

Joshua Harden, Mo 57941



Presentation to Missouri Public Service Commission





Terry Bassham
President & CEO



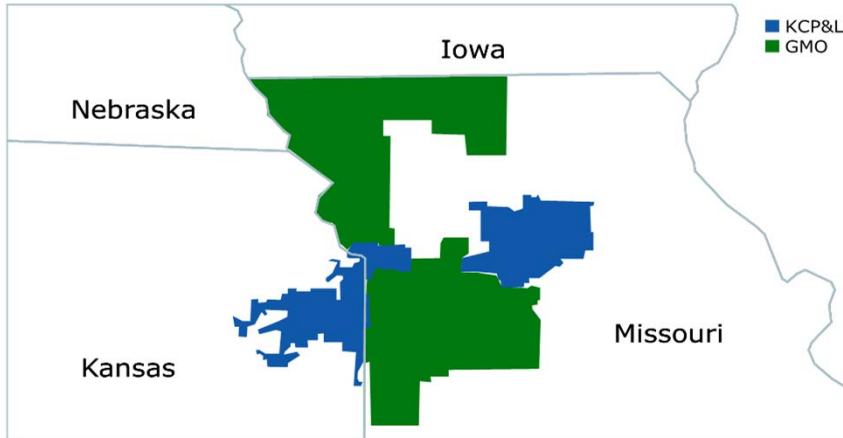
Agenda

Welcome to Iatan Generating Station!

- | | |
|----------------------|--|
| 11:30 | All meet at Iatan Generating Station |
| 11:30 – 11:45 | Introductions, discuss agenda for visit |
| 11:45 – 1:15 | Lunch and presentations
<i>Terry Bassham</i>
<i>Kevin Bryant</i>
<i>Scott Heidtbrink</i> |
| 1:15 – 1:30 | Wrap-up/Q&A |
| 1:30 – 2:30 | Tour of Iatan 2
<i>Tom Mackin</i> |
| 2:30 | All leave Iatan |

Solid Vertically Integrated Midwest Utilities

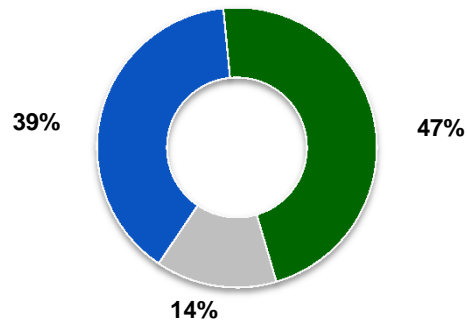
Service Territories: KCP&L and GMO



Business Highlights

- Solid Midwest fully regulated electric utility operating under the KCP&L brand
- Company attributes
 - Regulated operations in Kansas and Missouri
 - ~844,200 customers / ~3,000 employees
 - ~6,600 MW of primarily low-cost coal baseload generation
 - ~3,600 circuit miles of transmission lines; ~22,500 circuit miles of distribution lines
 - ~\$10.5 billion in assets at 2014YE
 - ~\$6.6 billion in rate base

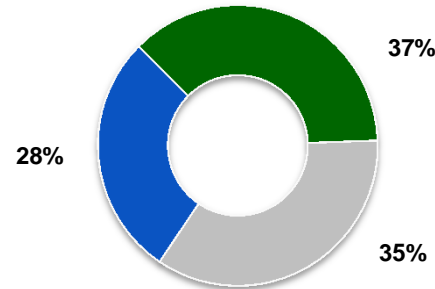
2014 Retail MWh Sold by Customer Type



■ Residential ■ Commercial ■ Industrial

Total: ~ 23,115 MWhs¹

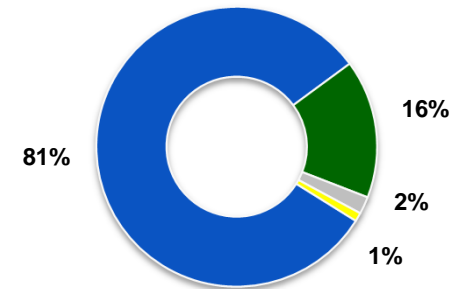
2014 Retail MWh Sales by Jurisdiction



■ Kansas ■ Missouri (KCP&L) ■ GMO

Total: ~ 23,115 MWhs¹

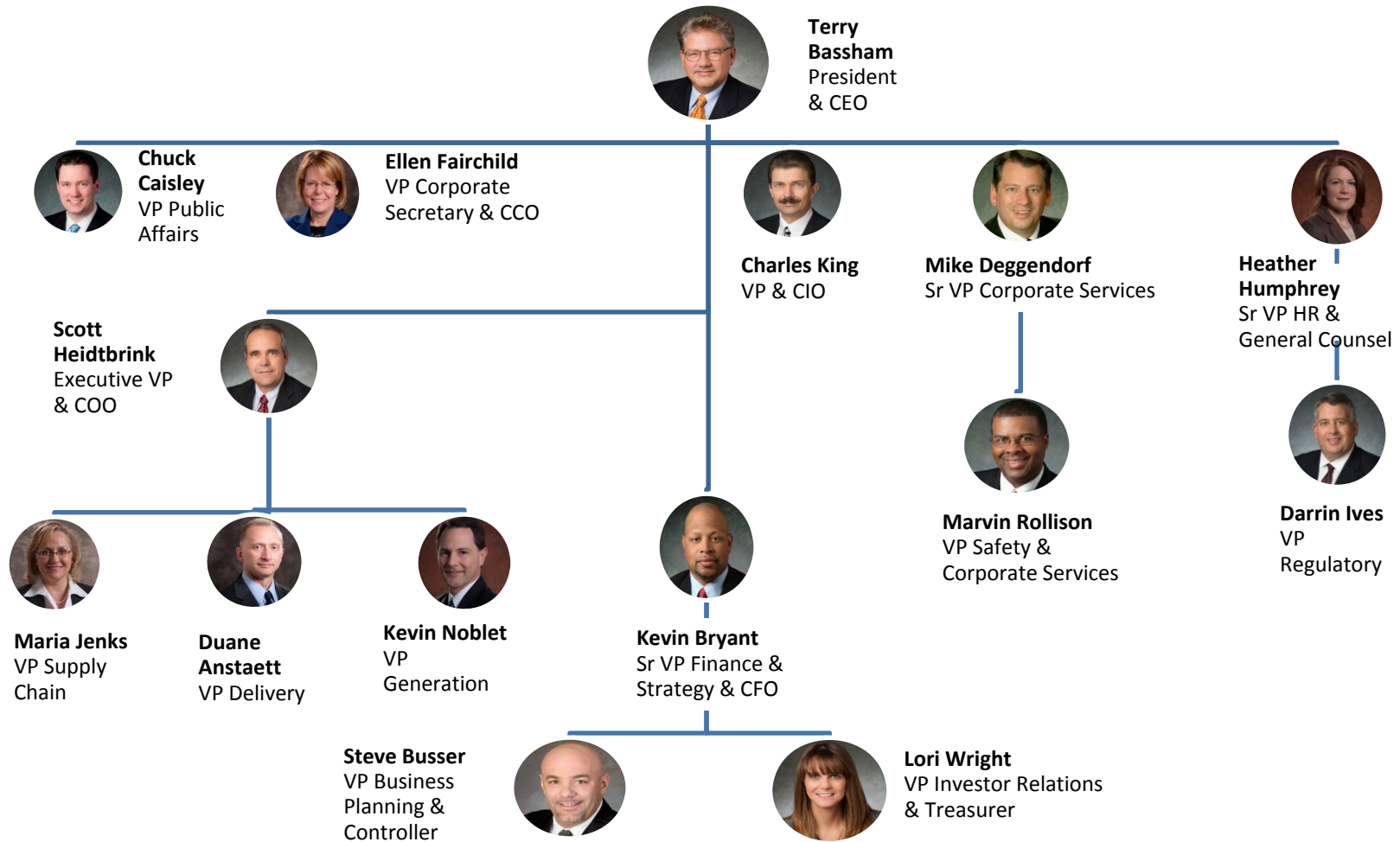
2014 MWh Generated by Fuel Type



■ Coal ■ Nuclear ■ Wind ■ Natural Gas and oil

1. In thousands

Officer Team



Clear Focus

Continue to promote the economic strength of the region,
improve the customer experience and grow earnings

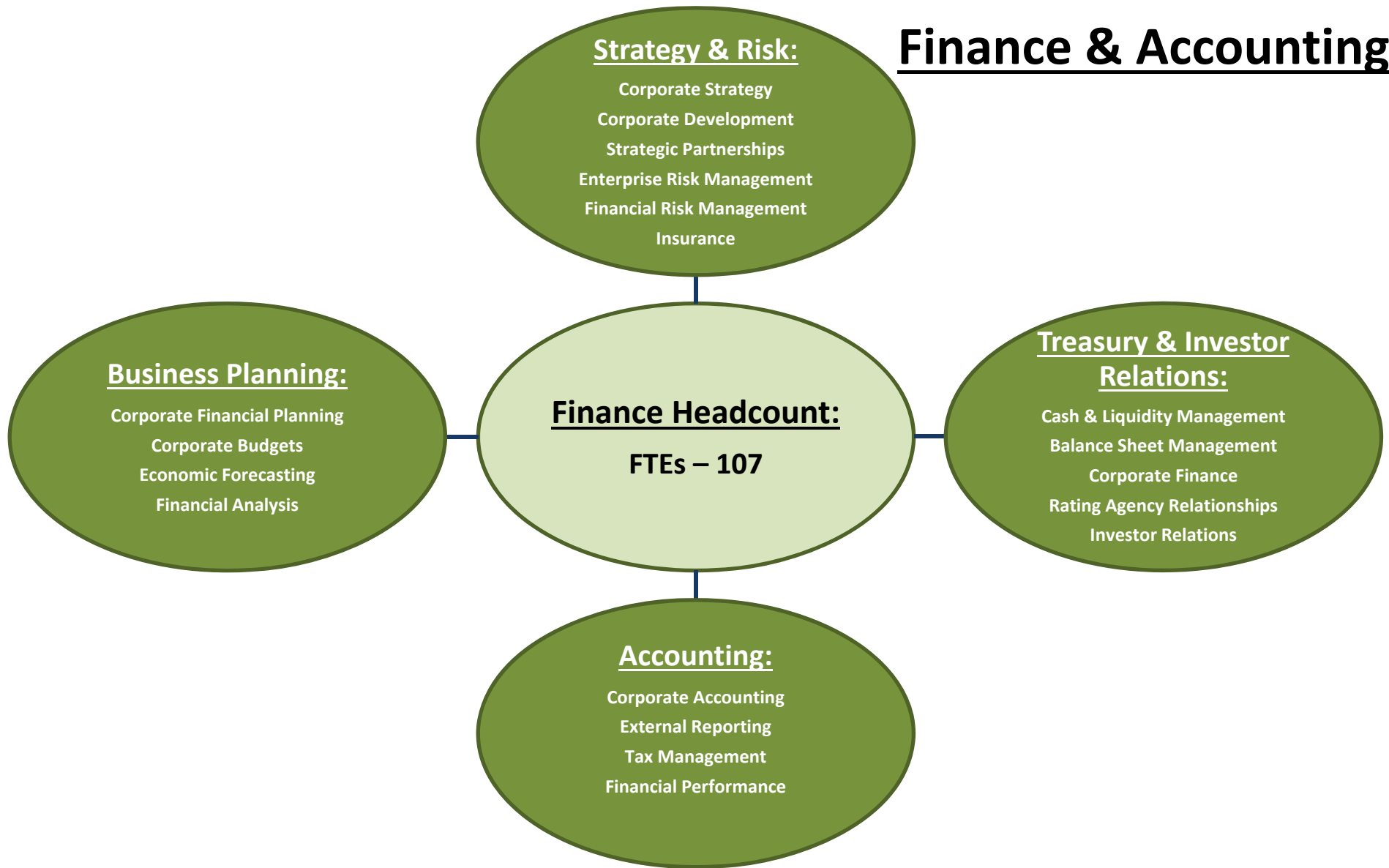
Best in Class Electric Utility Operations	Customer Experience	Targeted Investment Opportunities
<ul style="list-style-type: none">❑ Disciplined execution to deliver reliable and low cost power❑ Focused on earning our allowed return by actively managing regulatory lag❑ Proactive economic development	<ul style="list-style-type: none">❑ Responsive to changing customer expectations<ul style="list-style-type: none">○ Technology investments that facilitate more informed customer interaction○ Expand comprehensive suite of energy-related products and services	<ul style="list-style-type: none">❑ Balanced strategic growth initiatives through national transmission opportunities and flexibility for opportunistic growth



Kevin Bryant
Senior Vice President Finance & Strategy
CFO



Finance & Accounting



Approach & Key Objectives

Committed to collaboratively balancing the needs of our key stakeholders

Approach



- Collaboration
- Dependability
- Transparency
- Perspective

Key Objectives



- Optimal Customer Value
- Employment Stability
- Strong Balance Sheet
- Acceptable Investor Returns

Our Guiding Principles

We choose to operate within the framework of our guiding principles, which represent the core beliefs, parameters and mission of KCP&L as a corporate entity

Higher Purpose: Improving life in the communities we serve

Mission: The Mission of KCP&L, as a leading and trusted energy partner, is to provide safe, reliable power and customer-focused energy solutions that create stakeholder value through operational excellence, innovation and a diverse, engaged workforce.

Parameters

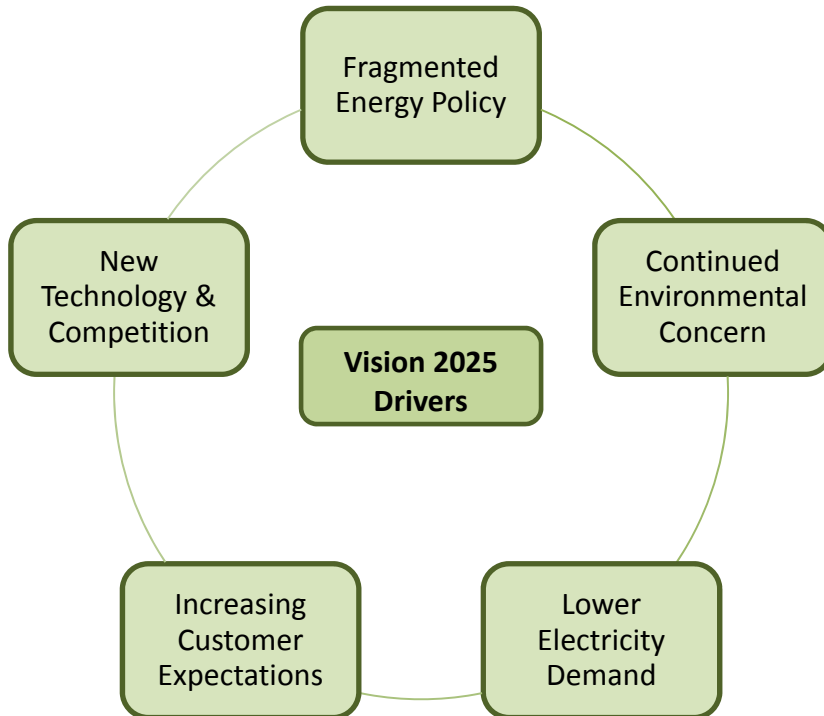
- We will never compromise safety.
- We will always comply with laws and regulations and act in an ethical manner.
- We will always be accountable for our actions.
- We will always treat people respectfully.
- We will always be environmentally aware and responsible.
- We will always empower and support employees.
- We will always recognize the outstanding performance of our employees.
- We will always be cost conscious.

Beliefs

- In an unwavering commitment to safety.
- In the inherent value of people.
- Integrity and honesty are at the foundation of everything we do.
- Effective communication builds trust.
- In diversity and inclusion
- Collaboration promotes unity and delivers greater results.
- In our responsibility to be good stewards of all resources.
- Innovation, flexibility and adaptability are crucial in an ever-changing environment.
- Outcomes are best when employees are involved in the decision-making process.

Our Vision 2025 Strategy

We continue to advance our Vision 2025 strategy in a dynamic environment



Our Strategy

- Manage the Existing Business to deliver consistent and reliable customer service and returns
- Improve and expand customer experience to ensure we are the Provider of Choice and to deliver incremental earnings
- Pursue new and entrepreneurial opportunities primarily within the Energy Value Chain to provide material incremental earnings

Recent Events

<p>Completion of KCP&L Rate Cases</p>	<ul style="list-style-type: none"> • Constructive outcomes but lower ROE's • MO Fuel Adjustment Clause ("FAC") but excludes transmission • No MO property tax tracker 	<p>Legend: Filed (blue), Ordered (green) in millions</p> <table border="1"> <thead> <tr> <th>State</th> <th>Filed</th> <th>Ordered</th> </tr> </thead> <tbody> <tr> <td>MO</td> <td>\$121</td> <td>\$90</td> </tr> <tr> <td>KS</td> <td>\$67</td> <td>\$49</td> </tr> </tbody> </table>	State	Filed	Ordered	MO	\$121	\$90	KS	\$67	\$49
State	Filed	Ordered									
MO	\$121	\$90									
KS	\$67	\$49									
<p>EPA Clean Power Plan Update</p>	<ul style="list-style-type: none"> • Final reductions significantly greater than proposed rule • Evaluating impact and strategies 	<p>Legend: Draft (green), Proposed (blue) CO2 Reductions by 2030</p> <table border="1"> <thead> <tr> <th>State</th> <th>Draft</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>MO</td> <td>21%</td> <td>37%</td> </tr> <tr> <td>KS</td> <td>23%</td> <td>44%</td> </tr> </tbody> </table>	State	Draft	Proposed	MO	21%	37%	KS	23%	44%
State	Draft	Proposed									
MO	21%	37%									
KS	23%	44%									
<p>Continued Industry Consolidation</p>	<ul style="list-style-type: none"> • Uptick in M&A activity with increased focus on natural gas opportunities • Increase in transaction premiums/multiples 	<p>Recent Utility & Power M&A Multiples</p> <table border="1"> <tbody> <tr> <td>Iberdrola/UII (Feb'15)</td> <td>21.7x</td> </tr> <tr> <td>Southern/AGL (Aug'15)</td> <td>22.1x</td> </tr> <tr> <td>Emera/TECO (Sep'15)</td> <td>25.0x</td> </tr> </tbody> </table>	Iberdrola/UII (Feb'15)	21.7x	Southern/AGL (Aug'15)	22.1x	Emera/TECO (Sep'15)	25.0x			
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<p>Investor Interest In Strategy</p>	<ul style="list-style-type: none"> • KCP&L rate case complete; what is timing of future rate cases? • Major construction complete; what is next investment opportunity and dividend strategy? 	<p>Legend: Yes (green), No (blue) Utilities That Provide Long Term Targets*</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>Earnings</td> <td>65%</td> <td>35%</td> </tr> <tr> <td>Dividends</td> <td>74%</td> <td>26%</td> </tr> </tbody> </table>	Category	Yes	No	Earnings	65%	35%	Dividends	74%	26%
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Earnings	65%	35%									
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*Source: 2015 Morgan Stanley Survey

Transitioning Our Strategy Forward

Our 2015 rate cases are an inflection point in our history

- **The past 10 years have had significant capital investment activity due to our Comprehensive Energy Plan, the Aquila merger and our LaCygne Environmental and Wolf Creek investments**
- **Implementation of our Vision 2025 Strategy has challenged our employees to meet our customers ever-changing needs and to expand our business model over the next 10 years**
 - Strong regulatory relationships will be important as we navigate an evolving business model
 - Effective investor messaging will be required as we balance providing excellent customer service with delivering commensurate returns to our shareholders
- **Through 2019, we will focus on both policy and tactical strategies to reduce regulatory lag and earn fair returns on our investments**
 - Will use our 3Q 2015 investor communications as the first opportunity to engage key external stakeholders in our long term plans

Investment Thesis

Pure-play, regulated Midwest Utility with balanced total shareholder return profile

- ❑ Earnings growth driven by infrastructure investments, disciplined cost management and national transmission opportunities
- ❑ Increasing cash flow flexibility expected to drive dividend growth and potential share repurchases
- ❑ Solid track record of execution and constructive regulatory treatment with opportunities for improvements in regulatory framework
- ❑ Flexible investment opportunities with improved risk profile

**Annual EPS Growth
of 4% - 6%¹**

+

**Enhanced Dividend Growth
of 4% - 6%²**

=

**Attractive Platform
for Shareholders**

1. From 2014 to 2016 based on our 2014 earnings per share guidance range of \$1.60 - \$1.75

2. From 2014 to 2016

Long-Term Growth Targets

Strategy – To provide Safe and Reliable Service to Our Customers at a Reasonable Cost and Deliver Competitive Total Shareholder Returns

Targeting Earnings Growth	Targeting Dividend Growth
<ul style="list-style-type: none">❑ Near term (2014 - 2016)<ul style="list-style-type: none">– Compounding annual EPS growth of 4% - 6%¹– Rate base increase from \$5.8 billion to \$6.6 billion❑ Longer term (Post 2016)<ul style="list-style-type: none">– Competitive customer rates– Infrastructure & system reliability– Physical & cyber security– Investments in sustainability– National transmission	<ul style="list-style-type: none">❑ Near term (2014 - 2016)<ul style="list-style-type: none">– Compounding annual dividend growth of 4% - 6%– 55% - 70% payout ratio❑ Longer term (Post 2016)<ul style="list-style-type: none">– 60% - 70% payout ratio– Increasing cash flow flexibility– Favorable tax position through 2023 due to NOLs and tax credits– Improving credit metrics

1. Based on our 2014 earnings per share guidance range of \$1.60 - \$1.75

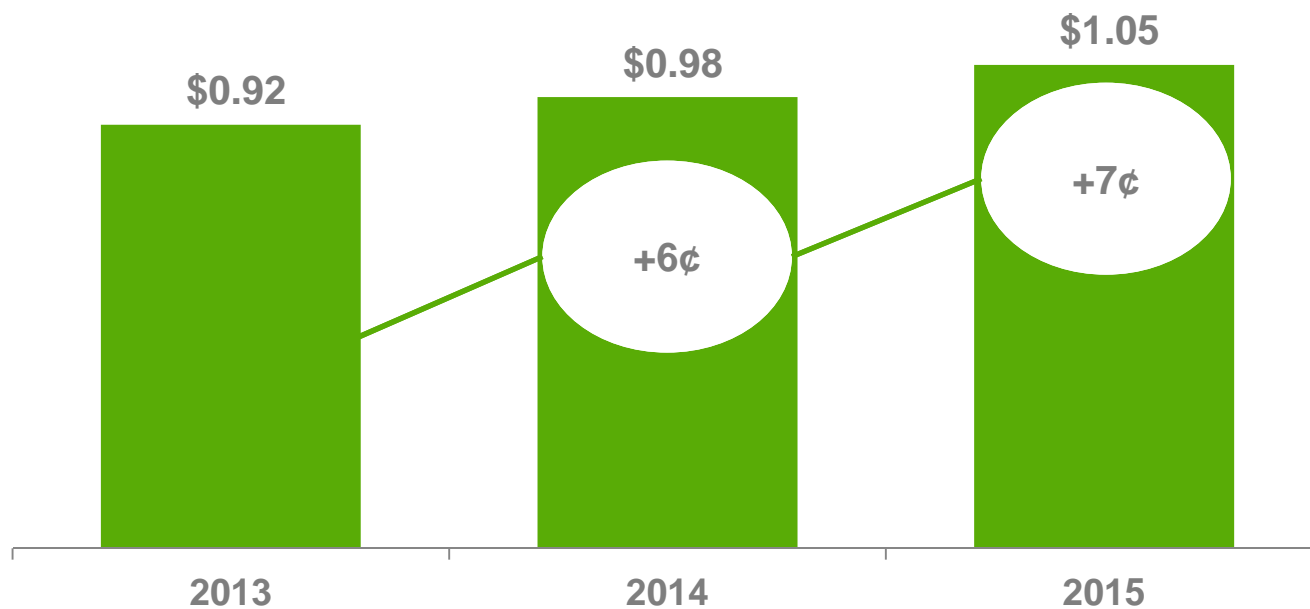
2016 and 2017 Considerations

	2016	2017
Earnings Growth	<ul style="list-style-type: none"> ❑ 4 – 6% growth target from 2014 – 2016 off of initial 2014 earnings per share guidance range of \$1.60 – \$1.75 	
Monitor Demand and Tightly Control O&M	<ul style="list-style-type: none"> ❑ Weather-normalized retail sales growth of flat to 0.5%, net of energy efficiency ❑ Focused O&M and capital management 	<ul style="list-style-type: none"> ❑ Weather-normalized retail sales growth of flat to 0.5%, net of energy efficiency ❑ Focused O&M and capital management
Operational and Regulatory Execution	<ul style="list-style-type: none"> ❑ Full year of new KCP&L retail rates on total Great Plains Energy rate base of \$6.6 billion <ul style="list-style-type: none"> – Fuel adjustment clause ❑ File GMO general rate case ❑ File abbreviated rate case for KCP&L KS 	<ul style="list-style-type: none"> ❑ Anticipate new retail rates in 2017 for KCP&L KS and GMO
Improve Cash Flow Position and Support Targeted Dividend Growth	<ul style="list-style-type: none"> ❑ No plans to issue equity ❑ No plans to issue long-term debt ❑ Utilization of NOLs and tax credits, minimizing cash income tax payments 	<ul style="list-style-type: none"> ❑ No plans to issue equity ❑ Refinance long-term debt ❑ Increasing cash flow flexibility ❑ Utilization of NOLs and tax credits, minimizing cash income tax payments

Increasing Cash Flexibility

Increasing cash flexibility expected to drive dividend growth

**~7% Dividend CAGR¹ exceeds
target of 4% – 6% from 2014 to 2016**



Target dividend payout ratio of 55% to 70% from 2014 to 2016 and 60% to 70% thereafter

1. 2013 – 2015 based on fourth quarter declared dividend

Financial Highlights and Business Update

Financial Review

- ❑ Third quarter 2015 EPS of \$0.82 compared with \$0.95 in 2014
- ❑ September 30, 2015, year-to-date EPS of \$1.22 compared with \$1.44 in 2014
- ❑ Narrowing 2015 EPS guidance range from \$1.35 - \$1.60 to \$1.35 - \$1.45

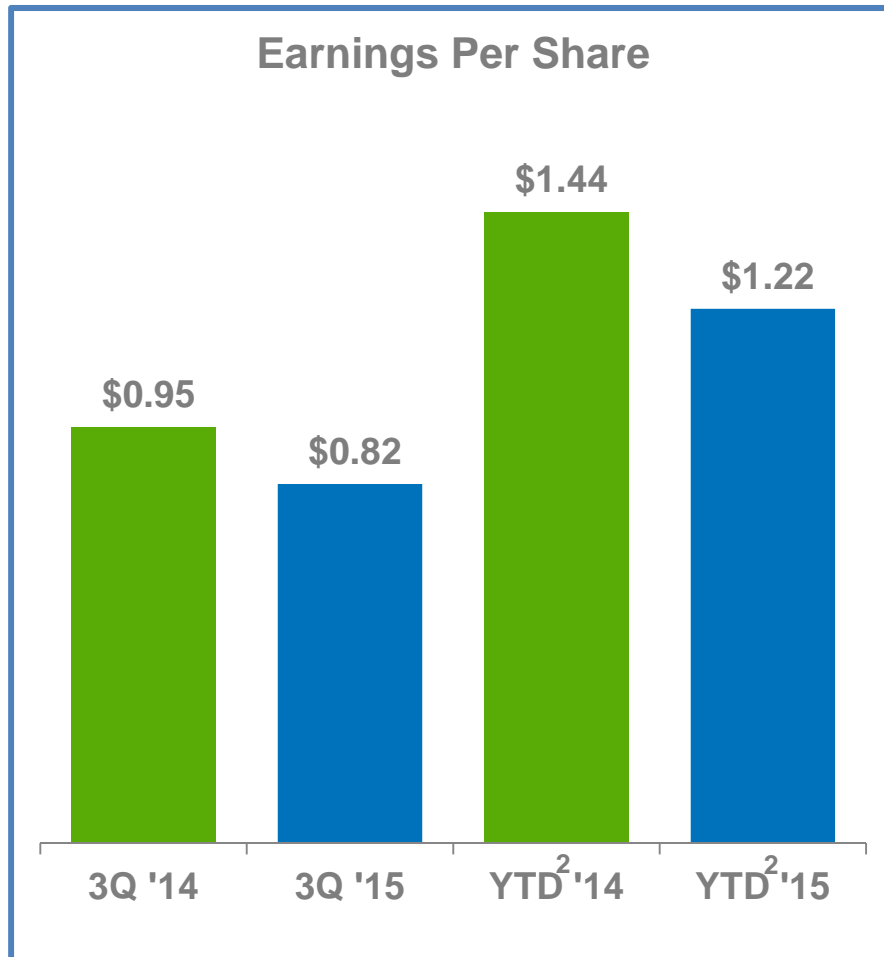
Regulatory Update

- ❑ New retail rates and cost recovery mechanisms in KCP&L's Missouri and Kansas jurisdictions effective September 29, 2015 and October 1, 2015, respectively
 - Total revenue increase of \$138 million
 - Missouri authorized Fuel Adjustment Clause
 - Kansas authorized Transmission Delivery Charge rider and Critical Infrastructure Protection Standards / Cybersecurity tracker
 - La Cygne environmental upgrade project included in rate base – no disallowance in rate cases

Dividend Action

- ❑ Increased quarterly common stock dividend 7.1% from \$0.245 per share to \$0.2625 per share

Earnings – 2015 versus 2014



Narrowed 2015 earnings per share guidance range from \$1.35 - \$1.60 to \$1.35 - \$1.45

EPS: 2015 Compared to 2014 ¹		
	3Q 2015	YTD 2015 ²
Weather	\$0.09	(\$0.02)
WN Demand	(\$0.01)	-
New Retail Rates	\$0.01	\$0.03
KCP&L MO Wholesale Margin	(\$0.02)	(\$0.07)
Other Margin	(\$0.03)	-
Transmission	(\$0.01)	(\$0.03)
Fuel & Purchase Power	\$0.02	\$0.06
O&M	(\$0.04)	\$0.05
AFUDC	(\$0.04)	(\$0.08)
Depreciation & Amortization	(\$0.02)	(\$0.08)
2014 Release of Uncertain Tax Position	(\$0.05)	(\$0.05)
Other	(\$0.03)	(\$0.03)
Total	(\$0.13)	(\$0.22)

1. Numbers may not add due to the effect of dilutive shares on EPS

2. As of September 30



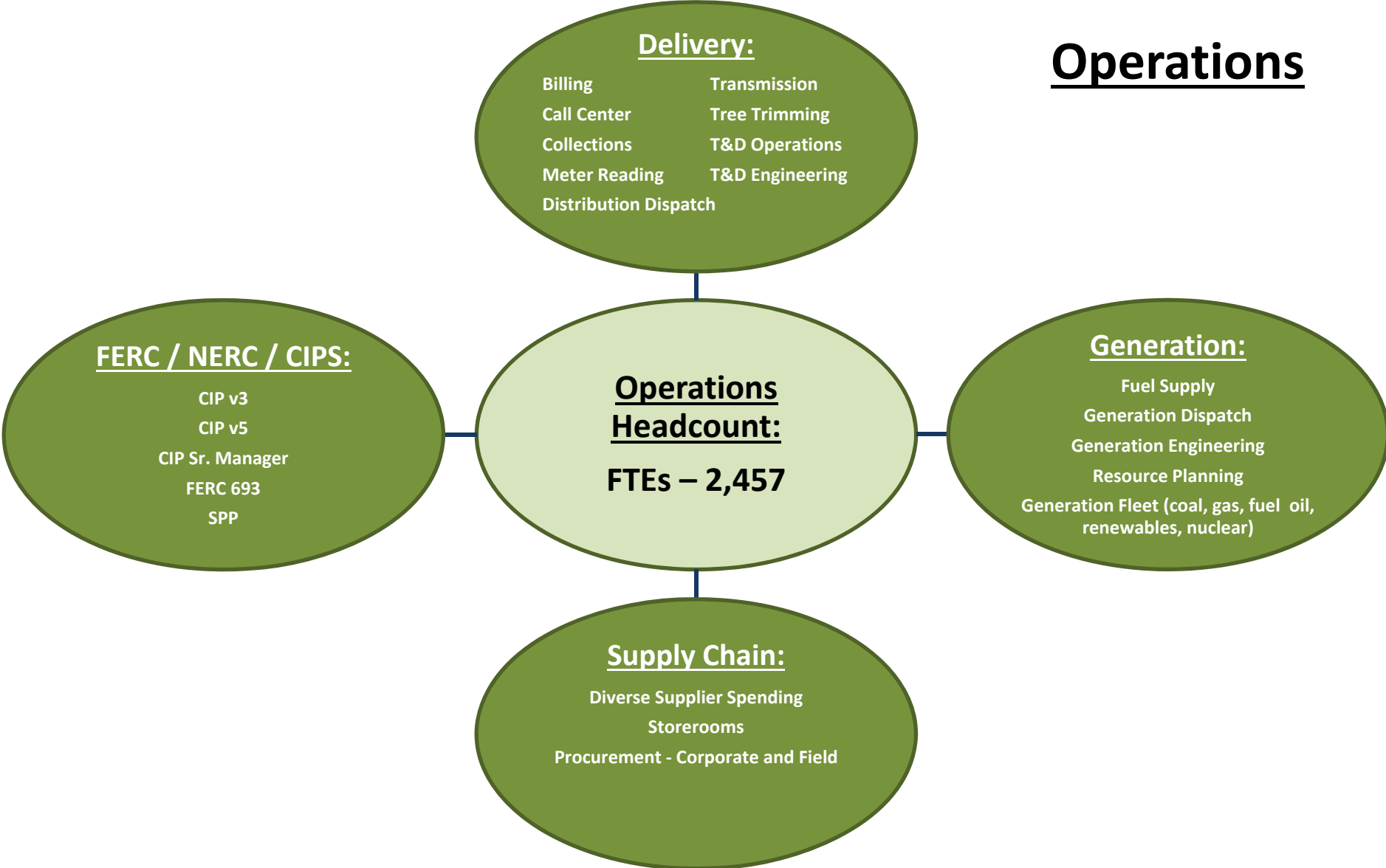
Scott Heidtbrink
Executive Vice President
COO



Discussion Topics

- **Overall Operations**
- **Weston / Infrastructure Investment**
- **Plant Retirements**
- **Benchmarking**
- **CIP v3 and v5**

Operations



Critical Infrastructure Protection (CIP)

Overview

CIP is a Series of NERC Standards Dealing with Cyber and Physical Protections for Bulk Electric System Infrastructure

CIP Standards

- Version 3 (CIP v3) - KCP&L is currently required to be compliant with CIP v3
- Version 5 (CIP v5) was approved by FERC in November 2013
 - Will replace CIP v3 on April 1, 2016

CIP v5

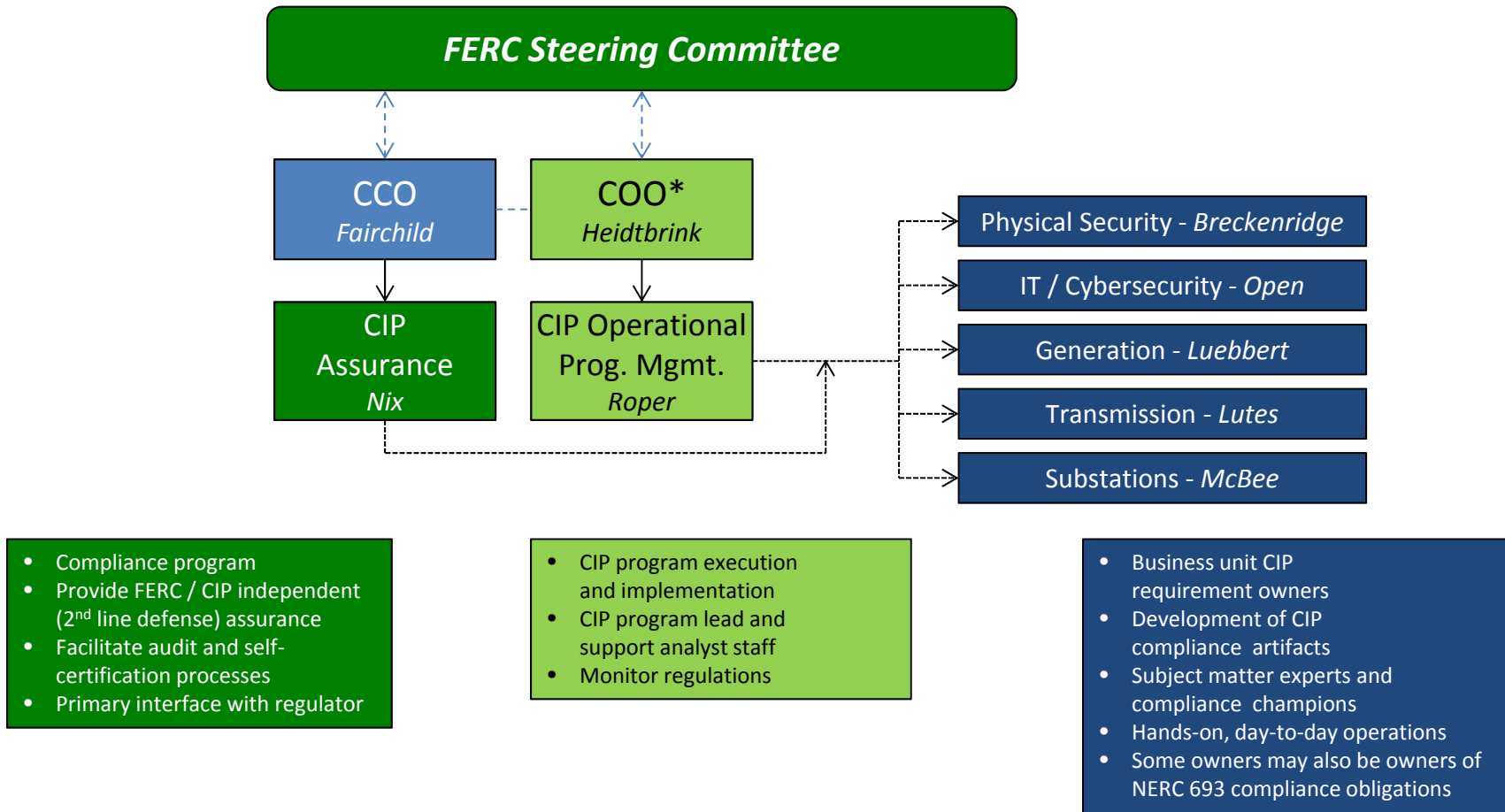
- Brings in many more assets and requirements (e.g. power plants and substations)
- All Bulk Electric System assets will have some levels of protection requirements
 - Today, the protection requirements are only for those assets KCP&L deems critical (i.e. 13 substations, 2 data centers, 2 combustion turbines and 4 control centers)

Notes:

NERC - North American Electric Reliability Corporation

FERC - Federal Energy Regulatory Commission

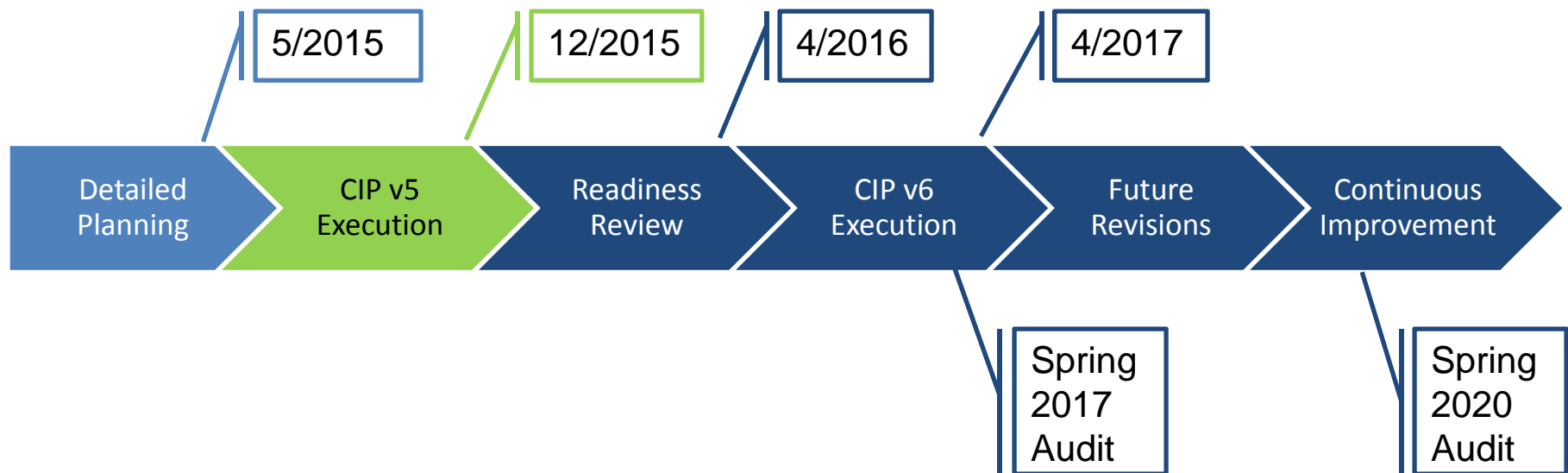
Organizational CIP Governance Chart



*CIP Senior Manager (NERC defined term)
 Required in CIP-003-5 R3. Accountable for overall CIP compliance

Timeline - CIP v5

KCP&L's Timeline to Meet CIP v5 Compliance Takes into Account, Short Term and Longer Term Cyber Security Compliance Needs



CIP v3 Ongoing Compliance

CIP v5/v6 Ongoing Compliance

CIP Standard Revisions

Frequent Modifications to the CIP Standards by NERC and FERC are an Ongoing Challenge for KCP&L

Moving Target - CIP v5 is in a State of Flux

- NERC guidance documents are routinely changing / expanding the CIP v5 scope

Next Version - (CIP v6) Already in the Works and Imminent

- Response by NERC to FERC ordered revisions to CIP v5
 - Will modify and replace CIP v5 standards
 - FERC has issued a Notice of Proposed Rulemaking that it intends to approve CIP v6
- KCP&L's CIP v5 transition project team is already planning and budgeting to address CIP v6 in its expected final form

More Versions, More Standards - Expected in the Future

- NERC has not addressed all of FERC's orders regarding CIP modifications
 - NERC standards drafting teams are already working on future revisions of the CIP standards to address FERC's orders



**Presentation to
Missouri Public Service Commission**

Wrap-up Q&A – Thank you for attending!





Plant Tour & Safety Briefing

Tom Mackin
Iatan Plant Manager

