

Meetings with the Missouri Public Service Commission (MPSC) Commissioners

Wednesday, August 17, 2011 @ 9th floor Agenda Room, PSC Building

Attendance 9:30 – 10:30 a.m. – Commissioners Jeff Davis and Terry Jarrett, MPSC Advisors Mark Hughes and Janet Wheeler, Kansas City Power & Light Company (“KCP&L”) representatives Michael Chesser, CEO, Terry Bassham, President and COO, and Darrin Ives, Senior Director, Regulatory Affairs.

Attendance 10:30 – 11:30 a.m. – Chairman Kevin Gunn, Cheryl Voss, Director of Regulatory, KCP&L representatives Michael Chesser, CEO, Terry Bassham, President and COO, and Darrin Ives, Senior Director, Regulatory Affairs.

9:30 – 10:30 a.m.:

Mr. Bassham discussed the fair treatment by both State Commissions and the positive outcome of the CEP. Company representatives also briefly touched on Iatan 2 being profiled as power plant of the year in Power magazine. Commissioners Davis and Jarrett requested copies of the Power magazine article.

Mr. Bassham discussed operational issues. He discussed rail issues into Kansas City generally due to flooding and coal inventory levels by station and current rail cycle times and deliveries. Mr. Chesser provided a brief discussion on supply operational improvement initiatives and the importance of customer satisfaction.

Mr. Bassham next discussed the current status of KCP&L’s Kansas LaCygne predetermination docket, the timing of order and anticipated September start date of construction (assuming the Kansas order is favorable). Mr. Bassham indicated that we would be communicating actively with Staff and other parties over the course of the project including quarterly cost and schedule updates. Next, Mr. Bassham discussed current cost control activities including the voluntary separation program and Supply Chain transformation.

Messrs. Chesser and Bassham both discussed lower experienced load demand and impacts of economy, efficient appliances and changes in customer habits. They indicated that demand profiles may be changing for the future and the days of 2 to 3% load growth may be over and that this changes how we look at regulatory lag considerations prospectively as a utility and industry.

Mr. Chesser spent a few minutes indicating that the Company may in the future request some recovery of flood related costs and losses.

Mr. Chesser discussed supplier diversity with the Commissioners, the Company’s diversity commitment and a couple of specific initiatives including our LightSource program and secondary diverse spend.

Messrs. Chesser and Bassham provided an overview of the Company’s Investor Day presentation including lower demand expectations, specifics around impacts of environmental regulations, and regulatory lag considerations. In particular, Mr. Bassham discussed our indication to investors that by 2013 we wanted to move to 50 basis points of regulatory lag. Commissioner Davis touched on the Company’s concerns regarding regulatory lag and the recent

Ameren order and its treatment of property taxes. Mr. Bassham also discussed significant cash requirements of environmental retrofits, renewables and transmission. He continued by saying that the Company stresses the importance of credit metric performance to finance investments and weighs PPAs versus steel in the ground as part of its assessment. Mr. Chesser finished the Investor Day discussion indicating that investors were generally disappointed with 2011 guidance but understood the operational impacts of the Wolf Creek outage and flooding/coal conservation. Also, investors shared continued disappointment in 2012 but gained an understanding of equity convertibles and other 2012 impacts. The Company believes that investors are focusing on 2013 earnings potential. The Company indicated that it would make arrangements for Mr. Bassham and Jim Shay, KCP&L's Chief Financial Officer, to present an overview of the Investor Day presentation to the Commissioners in the near term, should their be any interest. Commissioner Davis requested the Company to provide the Commissioners with copies of the entire Investor Day presentation.

Demand Side Management/Energy Efficiency ("DSM/EE") was discussed generally. Mr. Chesser indicated in both meetings his continuing support for DSM/EE. He discussed the success of our pilot programs but our position that to continue to invest there would need to be appropriate cost recovery that was equivalent to supply side investment.

The Commissioners briefly discussed recently announced MPSC Staff changes.

10:30 – 11:30 a.m.:

The topics discussed with Chairman Gunn were consistent with those outlined above with the following additions:

Mr. Bassham provided additional information regarding the extended Wolf Creek refueling outage and the subsequent forced outage.

In discussions on DSM/EE investment, Chairman Gunn indicated that he understood that the State was asking utilities to go against their historical business model by asking them to sell less of their product. He indicated that his belief that the current Missouri rules provided for fair cost recovery and that he believed there would likely need to be a level of incentive, at least in the early years of programs for utilities to change their business model.

Chairman Gunn discussed the interest of both Commissioner Kenney and NARUC related to supplier diversity and the Commission's interest in getting it right.

Chairman Gunn discussed Commission initiatives to improve processes including shortened case timeline investigation, Staff reorganization, the recent docket established to work with Kansas to understand KCP&L Off-System Sales ("OSS") allocation issues between the jurisdictions. He believes these and other options can help in regulatory lag reduction and providing fair and consistent regulatory treatment in Missouri.