BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger With Westar Energy, Inc.	)))	File No. EM-2018-0012

NOTICE OF COMPLIANCE

COME NOW Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO") (collectively, the "Company"), and for their *Notice of Compliance* ("Notice") to the Missouri Public Service Commission ("Commission"), state as follows:

1. Pursuant to Condition 31 of the Merger Commitments and Conditions identified in Exhibit A to the *Stipulation and Agreement* filed in this docket on January 12, 2018, KCP&L and GMO hereby notify the Commission that they have prepare the attached Request for Proposal ("RFP") with input from to Staff for the Commission ("Staff") and the Office of the Public Counsel ("OPC"):

> Independent Third-Party Management Audit of Affiliate Transactions and Corporate Cost Allocations Report: Holdco, KCP&L and GMO shall agree to an independent third-party management audit report of new holding company, KCP&L and GMO corporate cost allocations and affiliate transaction protocols. A committee, which shall be comprised of an equal number of Staff, OPC, and Applicant representatives, shall develop a Request for Proposal ("RFP") with input from all committee members on the scope of work, and this RFP shall be submitted to the Commission for approval within six months after the closing of the Merger. The selection of a successful bidder shall be conducted by the same committee and shall me made by unanimous vote. If the vote is not unanimous, the Commission will determine the successful bidder and scope of work. The independent third-party management auditor's contract shall preserve the auditor's independence by precluding Staff, OPC, Holdco, KCP&L, and GMO representatives from directing or influencing the report's conclusions. Upon completion, the report of the audit shall be filed with the Commission.
>
> a. The audit will examine Holdco, KCP&L, and GMO's corporate cost allocations, affiliate transaction protocols, and ensure that the existing CAM fully documents newly formed operations, or to make recommendations to revise the CAM to address newly formed operations. The audit shall be designed to assess compliance with

the Commission's Affiliate Transactions Rule (4 CSR 240-20.015) as well as the appropriateness of the allocation of corporate costs among Holdco, KCP&L, GMO, and all affiliates. Holdco, KCP&L, GMO, and all (regulated and non-regulated) affiliates shall cooperate fully with the auditor by timely providing all information requested to complete the audit including, but not limited to, informal and interactive interviews followed up with formal discovery.

b. The audit report shall express an independent opinion on the degree and extent of KCP&L and GMO's compliance with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015) and shall provide recommendations, if appropriate, regarding procedures and methodologies used by Holdco, KCP&L and GMO in allocating corporate costs and complying with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015).

c. It is expressly acknowledged that Holdco, KCP&L and GMO shall collectively provide $500,000, funded below the line (and not recovered in rates), for purposes of funding the independent third-party management audit. Any additional expense beyond $500,000, required by the Commission, will be split 50/50 between ratepayers and shareholders.

d. Any cost in excess of $500,000 shall be deferred to account 182.3 (other regulatory assets) and recovered through amortization, subject to the 50/50 split provided immediately above, in retail rates and cost of service in the first KCP&L and GMO general rate cases subsequent to the completion of the audit.

2. **Exhibit A** appended hereto contains the RFP as contemplated in Condition 31.

WHEREFORE, KCP&L and GMO request that the Commission take notice of their compliance with the condition cited above.

Respectfully submitted,

/s/Robert J. Hack

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Attorneys for Kansas City Power & Light Company, and KCP&L Greater Missouri Operations Company

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed or mailed, postage prepaid, this 4th day of December 2018, to all counsel of record.

/s/ Robert J. Hack

Attorney for Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company

COMPETITIVE BIDDING

REQUEST FOR PROPOSAL

MANAGEMENT AUDIT OF AFFILIATE TRANSACTIONS AND COPORATE COST ALLOCATIONS

JANUARY 15, 2019

PROPRIETARY AND CONFIDENTIAL

Table of Contents

1.0 PURPOSE

1.1 PURPOSE

The purpose of this solicitation is for Kansas City Power and Light Company, Greater Missouri Operations, and Westar Energy, Inc., Evergy Companies (hereafter referred to as "The Company") to select the most qualified consultant(s) to provide Labor and Equipment to perform the Services requested within this Request for Proposal ("RFP").

THIS DOCUMENT IS A SOLICITATION FOR BIDS THAT SHALL BE CONSIDERED OFFERS TO SELL. THIS DOCUMENT IS NOT AND IS NOT INTENDED TO BE AN OFFER TO BUY. THE COMPANY EXPLICITLY RESERVES THE RIGHT TO REJECT ANY OR ALL BIDS RECEIVED, TO WITHDRAW THIS REQUEST FOR PROPOSALS, TO ACCEPT OR REJECT ANY OR ALL OF THE ITEMS IN THE PROPOSAL, OR TO WITHDRAW THIS REQUEST FOR BIDS. THE COMPANY EXPLICITLY RESERVES THE RIGHT TO NEGOTIATE WITH ANY OR ALL RESPONDENTS AFTER THE BID SUBMISSION IF SUCH ACTION IS DEEMED TO BE IN THE COMPANY'S BEST INTEREST. THE COMPANY EXPLICITLY RESERVES THE RIGHT TO ACCEPT OTHER THAN THE LOWEST INITIAL BID. RESPONDENT IS RESPONSIBLE FOR ANY AND ALL COSTS IN CONJUNCTION WITH RESPONDENT'S PARTICIPATION IN THIS SOLICITATION.

1.2 CONFIDENTIAL INFORMATION

Respondent shall regard and preserve as confidential, all information received from The Company and related to the business activities of The Company, as well as third parties, exclusive of any information of public knowledge. Respondent shall hold such information in trust and confidence and accordingly agrees to disclose such information only to its personnel who have a need to know such information in connection with Respondent's response to this RFP and only if such personnel are subject to non-disclosure requirements at least as restrictive as those contained herein.

If Respondent is a party to a valid Non-Disclosure Agreement with The Company, then the terms of that agreement will govern the handling of confidential information under this RFP.

1.3 CODE OF ETHICAL BUSINESS CONDUCT

The Company has established a set of company standards and business practices defining our Guiding Principles an Code of Ethical Business Conduct, (collectively, the "Code"), by which all The Company Suppliers must abide, while they are conducting business with and/or on behalf of The Company. The Business Conduct is addressed on pages 6-7 at the following website:
https://www.kcpl.com/-/media/indexedmedia/about_kcpl/business/code_of_conduct/codeofethicalbusinessconduct.pdf

The Respondent is responsible for ensuring that their employees and subcontractors understand and adhere to the Code. The Company reserves the right to request immediate removal/termination of any Supplier (or Supplier's employee, agent or subcontractor) who has behaved in a manner that is unlawful or in breach of the obligations imposed by the Code.

2.0 INSTRUCTIONS TO RESPONDENTS

2.1 RFP PROCUREMENT SCHEDULE

The procurement schedule for this project is as follows:

Activity	Schedule Date
Issuance of RFP	01/15/2019
RFP Acknowledgement Due From Respondents	01/18/2019
Pre-Bid Meeting – Performed via Teleconference	01/23/2019
RFP Questions Due From Respondents	01/29/2019 @ 3:00pm CST
Company Response To RFP Questions	02/06/2019
Proposals Due From Respondents	02/13/2019 @ 3:00pm CST
Project Team Interviews	Week of 02/25/2019
Supplier Selection (tentative date)	03/15/2019

Note: **The Company reserves the right to adjust this schedule as necessary.**

2.2 THE COMPANY DESIGNATED CONTACT

Upon release of this RFP, all Respondent communications shall be directed to the The Company Designated Contact listed herein. Unauthorized contact regarding this RFP with any other The Company employees or any third party may result in disqualification. Any oral communications, or written communiations that are not from the The Company Designated Contact will be considered unofficial and non-binding by The Company. Respondents shall rely only on written statements issued by the The Company Designated Contact.

Questions requesting clarification of the bid event must be submitted to the The Company Designated Contact prior to 3:00pm, CST on January 29, 2019 via the PowerAdvocate messaging platform:

Designated Contact:	Kevin Schmitt
Title:	Manager Procurement Operations
Address:	818 S Kansas Ave
Address:	Topeka, KS 66612
Office Phone:	785-575-8117
Email:	kevin.schmitt@westarenergy.com

Failure to notify the The Company Designated Contact of any conflicts or ambiguities in this bid event may result in items being resolved in the best interest of The Company. Any modification of this bid event shall be communicated to all Respondents who received the original request. Only written communications are binding. Answers to all questions submitted will be available and communicated to all Respondents who received the original request.

2.3 NEW SUPPLIER REGISTRATION

All potential suppliers are asked to complete the new supplier registration form, at http://www.kcpl.com/about-kcpl/doing-business-with-kcpl/supplier-registration, to be considered for work with The Company or its affiliates. Detailed instructions for completing the new supplier registration form can be found at the same web address.

2.4 NOTICE OF INTENT TO BID

Please acknowledge receipt of this RFP and confirm that your intention to respond by the required date. Please direct your acknowledgement via the PowerAdvocate platform. Should any addenda to this RFP be necessary, such addenda will be sent to all Respondents who have submitted a Notice of Intent to Bid.

2.5 PROPOSAL SUBMITTAL

Proposals for this RFP must be received electronically in accordance with the RFP Timeline. Please be prepared to conduct follow-up discussions upon submission of your proposal. Please follow the submittal guideline below:

Proposal's must be received on or before 3:00 PM Central on 02/13/2019 via poweradvocate platform.

2.6 PROPOSAL WAIVER

The Company reserves the right to reject any and all proposals, to waive any of these procedures for submitting proposals, to waive any formality or informality in proposals received, to accept or reject any or all of the items in the proposal, and to award the contract in whole or in part or not at all if it is deemed in The Company's best interest. The Company reserves the right to negotiate after proposals are opened with any Respondent, if such action is deemed in the best interest of The Company. The Company reserves the right to negotiate any of the terms and conditions as proposed, including the ability to require the Respondent to indemnify and hold harmless others and name others as additional insured on their general liability policy if it is deemed in the best interest of The Company. Respondent is responsible for any and all costs in conjunction with Respondent's participation in this solicitation.

2.7 EVALUATION CRITERIA

Award shall be made in the best interest of The Company. Consideration may focus toward, but is not limited to:

1. **Proposal Content**:
    a. Proposed schedule of Audit – As part of your proposal, prepare and submit a schedule for the detailed review identified in the Scope of this document. The schedule shall illustrate your company's ability to complete the work and identify milestones such as start date and completion date.

b. Narrative of proposed project plan and audit approach – Describe your understanding of the work to be performed and assess your ability to perform the work within the time frame. Prepare and submit how your company will approach the proposed services and include the use of affiliates, if any.

c. Deviations/Exceptions from the scope – The proposal shall indentify any exceptions to the proposed work. All exceptions shall be specific in nature and referenced to the applicable item in the Scope of this document.

d. Payment Schedule – Payments will be made in response to a properly submitted invoice in accordance with the mutually agreed upon payment schedule. There will be no payments for any deliverable that is deficient, unsatisfactory, or unacceptable to The Company.

e. Acceptance of Master Service Agreement (MSA) Terms and Conditions – Your company is requested to review Attachment A and specifically document any exceptions or additions you wish to be included. Any such exceptions or additions shall be identified as a response in your proposal. Do not include exceptions which simply re-word existing concepts or seek to conform the contract to your company's forms or templates. A significant number of exceptions may be a negative factor in the evaluation or your company's proposal. **Respondent shall not submit its company standard terms & conditions as a response to this section.** If Respondent has an MSA in place with The Company, please reference the MSA number in the proposal.

f. Proof of Insurance – Please review the insurance requirements contained in Attachment A. In the proposal provide proof that your company will fully comply with The Company's insurance requirements.

2. **Project Team Experience**:

a. Key Personnel and Organizational Structure – As part of the proposal prepare and submit resumes for the key management and personnel that shall be assigned to the Management Audit. Provide an overview of your organization including company history, number of years in business, biographical information on key resources and business objectives.

b. Success on similar projects – Respondent shall provide audit reports that document their objectives, results, and recommendations from previous management audits completed. The audit reports should be completed by all or some of the key management and personnel who will be completing the Management Audit described herein.

c. Past experience – Please provide past work experience with The Company, Missouri Public Service Commission (Commission), or Missouri Office of Public Counsel (OPC). In addition, provide a list of any employees who have worked for The Company, Commission, or OPC.

d. References – Respondent shall provide a list of utility companies or other customers for which it has provided management audit services. Include information about how many years you have been providing these services, names, email address, and telephone numbers of contacts.

3. **Cost/Price Evaluation Factor**:
    a. This will be a Lump Sum proposal.
    b. Respondent shall complete the price proposal table included herein in its entirety. Any exceptions to the price proposal table shall be adequately explained and noted in the proposal. Failure to complete the table in its entirety could render a Proposal non-responsive.
4. **Diverse Supplier Participation**:
    a. The Company sets utilization goals to optimize the use of certified diverse businesses. Proposal shall indicate if Respondent or any subcontractors are a diverse supplier as described herein.
5. **Interviews**:
    a. <u>Inteviews of project team</u> – Interviews will be conducted with any or all Respondents. The individuals that will be interviewed must be the same person that is identified in the Respondents' Proposal. No substitutes, proxies, phone interviews, or electronic interviews will be allowed (special circumstances may be considered at the sole discretion of The Company – please notify The Company with as much advance notice as possible). Individuals who fail to attend the interview will be given a score of zero, which may jeopardize the Respondent's competitiveness.

All proposals received will be evaluated by a committee composed of three members each from Commission Staff (Staff), OPC, and The Company. If a unanimous selection cannot be made by the committee, the Commission will determine the successful Respondent. Selection may be based on initial proposals received, without discussion. Your company should submit their most competitive proposal. Selection shall be based on assessment of the responses received to the evaluation criteria outlined above and identifying the proposals that offer the greatest value to The Company. All factors of the evaluation criteria will receive relative consideration when determining the greatest value.

2.8 BINDING PROPOSAL

All proposals submitted shall be binding upon the Respondent, if accepted by The Company, for 180 calendar days from the proposal submission deadline. No proposals may be withdrawn during this 180-day period. Negligence upon the part of the Respondent in preparing the proposal confers no right of withdrawal after the time fixed for the submission of proposals.

2.9 ACCEPTANCE OF RFP CONTENT

Provisions of this RFP, the contents of the successful response and the results of negotiations will be used for establishment of final contractual obligations. The Company and the successful Respondent shall enter into a written contract for the work to be performed. It is expressly understood that any or all of this RFP and the Respondent's proposal may be attached and/or included by reference in an Agreement signed by The Company and the successful Respondent.

2.10 DULY AUTHORIZED SIGNATURE ON ALL PROPOSALS

The proposal must contain the signature of a duly authorized officer of the Respondent empowered with the right to bind the Respondent.

2.11 RIGHT OF REJECTION

The Company reserves the right to accept or reject any or all of any proposal submitted. The Company also reserves the right to withdraw or modify this RFP in any manner at its sole discretion.

2.12 INTERPRETATION

The words "shall" or "must" are used to signify minimum requirements that are to be met for a qualified Respondent solution. The word "may" is used to signify an optional item.

3.0 COMMERCIAL TERMS

3.1 GOVERNING AGREEMENT

All work related to the RFP will be performed under the terms and conditions of the Master Service Agreement (MSA) (see Attachment A).

If Respondent is currently a party to an agreement with The Company that Respondent believes is appropriate for the proposed work, Respondent shall note the name and date of such agreement in their response.

3.2 EXCEPTIONS TO THE MASTER SERVICE AGREEMENT

Exceptions to the Master Service Agreement must be entered by the Respondent in the word document itself using the track changes feature of MS Word. A separate supplemental document may be submitted to explain the Respondent's rationale or comments relative to the exceptions taken.

NOTE: The volume and magnitude of exceptions taken by each Respondent will be key criteria in The Company's evaluations of the Proposals received in response to this RFP.

3.3 PAYMENT TERMS

Payment in full will be made on agreed upon terms.

4.0 SPECIFICATIONS

This section describes the work upon which The Company is asking Respondent to propose. It may include, among other items, the nature, scope, volume, location, conditions, and deadline/duration of the work. If the Respondent is supplying goods in connection with the work, technical specifications or similar requirements documentation may also be included. The Company may give volume estimates or representative data to help Respondent better understand the scope of the services, but reserves the right to alter these at any time.

4.1 SERVICE TERMS

Services are to required beginning June 1, 2019, to end no later than October 31, 2019.

Note: The Company reserves the right to adjust this schedule as necessary.

4.2 SCOPE

Background:

The merger of Great Plains Energy Incorporated (GPE) and Westar resulted in the formation of a new holding company, Evergy, Inc. (Evergy). Evergy owns four utilities: KCP&L operates in Missouri and Kansas; KCP&L Greater Missouri Operations Company (GMO) operates in Missouri; Westar operates in Kansas along with its subsidiary utility Kansas Gas and Electric Company (KGE). The Report and Order approving the GPE/Westar merger issued by the Missouri Public Service Commission in Case No. EM-2018-0012 on May 24, 2018, included the following requirement:

> Independent Third Party Management Audit of Affiliate Transactions and Corporate Cost Report: Evergy, KCP&L and GMO shall agree to an independent third party management audit report of Evergy, KCP&L and GMO corporate cost allocations and affiliate transaction protocols. A committee, which shall be comprised of an equal number of Staff, OPC and Applicant representatives, shall develop a Request for Proposal ("RFP") with input from all committee members on the scope of work, and this RFP shall be submitted to the Commission for approval within six months after the closing of the Merger. The selection of a successful bidder shall be conducted by the same committee and shall me made by unanimous vote. If the vote is not unanimous, the Commission will determine the successful bidder and scope of work. The independent third party management auditor's contract shall preserve the auditor's independence by precluding Staff, OPC, Evergy, KCP&L, and GMO representatives from directing or influencing the report's conclusions. Upon completion, the report of the audit shall be filed with the Commission.

<u>Scope</u>: The independent review and report regarding the level of compliance with the Rule (4 CSR 240-20-015) will address the following areas:

1. The level of compliance with the Rule, including but not limited to the following provisions:
    a. The Definitions found in subsection (1) of the Rule (4 CSR 240-20.015(1));
    b. The Standards found in subsection (2) of the Rule (4 CSR 240-20.015(2));
    c. The Evidentiary Standards found in subsection (3) of the Rule (4 CSR 240-20.015(3));
    d. The Record Keeping Requirements found in subsection (4) of the Rule (4 CSR 240-20.015(4));
    e. The Records of Affiliated Entities found in subsection (5) of the Rule (4 CSR 240-20.015 (5));
    f. The Access to Records of Affiliated Entities found in subsection (6) of the Rule (4 CSR 240-20.015 (6);
    g. The training and advice requirements found in subsection (9) of the Rule (4 CSR 240-20.015(9)).
2. The extent to which the existing cost allocation manual (CAM) fully documents newly formed operations, or ways in which the existing CAM should be revised to reflect newly formed operations.
3. The level of compliance with all existing variances from or waivers of the Rule. (Waiver and variance orders should be provided with actual Rule attached to RFP).
4. Any other significant area regarding compliance with the rule and the way it should be addressed.

NOTE: The volume and magnitude of exceptions taken by each Respondent will be key criteria in The Company's evaluations of the Proposals received in response to this RFP.

<u>Deliverables</u>:

1. An audit report that expresses an independent opinion on the degree and extent of KCP&L and GMO's compliance with the Commission's Affiliate Transaction Rule (4 CSR 240-20.015).
2. The audit report shall provide recommendations, if appropriate, regarding procedures and methodologies used by KCP&L and GMO in complying with the Commission's Affiliate Transaction Rule (4 CSR 240-20.015).

4.3 SAFETY

All Suppliers performing work for The Company are expected to maintain safety as the highest priority. Suppliers that perform or provide field service work activities at one of the The Company facilities may also be referred to in this section as "Contractors". The Company considers that all Suppliers and Contractors have the responsibility and general supervisory authority over their worksite, including the power to correct safety and health violations. In addition, Suppliers and Contractors are responsible for the safe performance of work and for ensuring the safety performance of its employees, agents and subcontractors. The Company reserves the right to interrupt or suspend the work if, in the sole reasonable judgment of The Company, its parent company, or any affiliated company, the work is being performed in a manner which endangers the safety of any individual. In the event that work is suspended for this reason, Supplier/Contractor agrees to promptly remedy the problems and work methods which occasioned the work suspension. If Supplier fails to promptly remedy the problems and work methods, The Company, its parent company, or any affiliated company, as applicable, may at its sole discretion, terminate the Purchase Order and cause the work to be completed by The Company, its parent company, or any affiliated company, or another contractor. In the event that this termination of the Purchase Order incurs costs in excess of those shown on the Purchase Order, Supplier/Contractor shall promptly reimburse The Company, its parent company or any affiliated company, as applicable, for the overage. Supplier/Contractor shall be paid for its actual out-of-pocket costs incurred through the time of termination.

Safety Documentation

The “Contractor Safety Requirements’ may be amended from time to time without prior notice. Suppliers and Contractors shall be responsible for compliance with all current requirements as defined in each relevant Statement of Work (“SOW”) and/or Purchase Order.

Nothing in this provision is intended to prohibit any personnel from freely communicating with each other in any non-English language.

4.4 DIVERSE SUPPLIER PARTICIPATION

The Company is a strong supporter of the development of diverse businesses and sets utilization goals to optimize the use of certified diverse businesses. “Diverse Suppliers” shall include businesses in the following categories: Small Business, Minority-owned Business Enterprise, Woman-owned Business Enterprise, Disabled Business Enterprise, Veteran Owned Business Enterprise, Disabled Veteran Owned Business Enterprise, Service Disabled Veteran Business Enterprise, HUBZone Small Business, 8(a) and Small Disadvantaged Business.

When utilizing subcontractors, Supplier shall proactively pursue small/diverse supplier participation. The Company has an annual corporate goal to achieve a percentage of spend with small/diverse participation. Supplier is strongly encouraged to strive to achieve a goal of second tier spend with Diverse Suppliers within each 12-month period of the Agreement term per contract and total spend. Upon a minimum of five days' notice, The Company shall have the right to inspect all supplier records relating to its attempts to achieve this goal. If Supplier is planning to utilize subcontractors, and the contract equals or exceeds $700,000 for goods and services ($1.5 million for construction projects), respondent shall submit a detailed small business subcontracting plan addressing how diverse supplier participation will be achieved

For further information on The Company’s Diversity program, 2nd tier form, and an example of a Small Business Subcontracting Plan template, please go to:
http://www.kcpl.com/about-kcpl/doing-business-with-kcpl/supplier-diversity

The Company requires that Supplier report direct spend with Diverse Suppliers and other reportable category spend attributable to Services and Goods supplied under this Agreement. Specifically, the report categories shall include all qualified business categories as listed in the preceding paragraph. This reporting should be submitted in accordance with directions from The Company and on the form provided by The Company. This reporting shall separate each of the qualified business categories listed above and include all categories the Supplier corresponds to. For example, if a Supplier is both women and veteran owned, the reporting shall include the same spend in each category.

If assistance is needed in identifying certified Diverse Supplier firms, please contact:

Supplier Diversity Department
Phone: 800-880-1952
Email: suppdiv@kcpl.com

5.0 PRICE PROPOSAL

5.1 PRICE

Respondent ***shall propose a pricing structure for*** all ***services*** and/or goods ***described in this proposal.*** The Company will award the bid, depending on the bid responses and Respondent(s) capabilities, which is in the best interest of The Company. Bid price is binding for 180 days.

Description	Hours	Cost	Notes
Audit Planning			
Assessment of compliance with Rule 4 CSR 240-20.015			
Review of Cost Allocation Manual			
Evaluation of compliance with variances or waivers of the Rule.			
Other Compliance Review Activities			
Audit Report			
Expenses:			
Travel			
Lodging			
Meals			
Other (define in Notes)			

Note 1: The Company reserves the right to negotiate best and final offer with the Respondent selected.

Note 2: Compliance with Rule 4 CSR 240-20.015 includes cost allocation procedures. Cost allocation procedures encompass direct assignment of costs, indirect assignment of costs and general allocation of costs.

5.2 ALTERNATIVE PROPOSAL AND PRICING

Respondent is encouraged to provide innovative alternative proposals and pricing, in addition to a proposal meeting the requirements of this RFP.

6.0 ATTACHMENTS

6.1 LIST OF ATTACHMENTS

- Attachment A – Great Plains Energy Services (GPES) MSA Template
- Attachment B – MoPSC Rule 4 CSR 240-20.15
- Attachment C – KCP&L and GMO CAM dated 12/04/2018

7.0 RESPONDENT REPRESENTATIONS AND SIGNATURES

7.1 RESPONDENT REPRESENTATIONS

In submitting this Proposal, Respondent represents, as more fully set forth in this RFP, that:

7.1.1 Respondent is satisfied as to the general, local, and site conditions that may affect cost, progress, performance, and furnishing of the work.

7.1.2 Respondent is familiar with and is satisfied as to all federal, state, and local laws and regulations that may affect cost, progress, performance, and furnishing of the work.

7.1.3 Respondent has obtained and carefully studied (or assumes responsibility for having done so) all such additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions at or contiguous to the sites or otherwise which may affect cost, progress, performance, or furnishing of the work, or which relate to any aspect of the means, methods, techniques, sequences, and procedures of the work to be employed by Respondent and safety precautions and programs incident thereto.

7.1.4 Respondent does not consider that any additional examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Proposal for performing and furnishing of the work in accordance with the times, price, and other terms and conditions of this RFP.

7.1.5 Respondent is aware of the general nature of work to be performed by The Company and others at the sites that relates to the work for which this Proposal is submitted as indicated in the RFP.

7.1.6 Respondent has correlated the information known to Respondent, information and observations obtained from visits to the sites and the RFP, and all additional examinations, investigations, explorations, tests, studies, and data with the RFP.

7.1.7 Respondent has given The Company written notice of all conflicts, errors, ambiguities, or discrepancies that Respondent has discovered in the RFP, and the written resolution thereof by The Company is acceptable to Respondent.

7.1.8 The RFP is generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the work for which this Proposal is submitted.

7.2 DECLARATIONS AND SIGNATURES

The undersigned hereby declares that only the persons or firms interested in the Proposal as principal or principals are named herein, and that no other persons or firms than herein mentioned have any interest in the Proposal or in the contract to be entered into; that this Proposal is made without connection with any other person, company, or parties likewise submitting a Proposal; and that it is in all respects for and in good faith.

The undersigned hereby certifies that he or she has read, examined and fully understood all of the RFP and its attachments and has familiarized himself or herself with conditions affecting the work.

The undersigned hereby certifies that, it offers to furnish and/or erect the services and equipment in strict compliance with the agreed to terms and conditions of the executed Master Services Agreement and Statement of Work.

Dated this ________________ day of ___________________, 2019

Respondent ____

By ____

Title ____

Business Address of Respondent

____

____

State of Incorporation

____

Address of Principal Office

____

____

MASTER SERVICE AGREEMENT
BETWEEN
GREAT PLAINS ENERGY SERVICES INCORPORATED
AND
[SUPPLIER]

THIS MASTER SERVICE AGREEMENT No. [ ] ("Agreement") is effective as of, [ ], 20[ ], and is between Great Plains Energy Services Incorporated, a Missouri corporation (GPES), and [ ], a [ ] corporation ("Supplier"). The parties agree as follows

1. **Scope.** This Agreement sets forth the terms and conditions that apply to all requests for services (the "Services") which GPES may make of Supplier and all orders for goods (the "Goods") which GPES may place with Supplier, from time to time during the term of this Agreement. In the event Supplier supplies Goods in conjunction with any Purchase Order or otherwise, the terms and conditions of Exhibit A to this Agreement will apply to such purchase in addition to the terms and conditions contained herein. If only Services are supplied under this Agreement, Exhibit A will be of no effect. Any Services or Goods provided pursuant to this Agreement shall be specifically defined in separate Purchase Orders (the "Purchase Order"), substantially in the form attached hereto as Exhibit B. GPES and Supplier may enter into separate statements of work (each, a "Statement of Work"), substantially in the form attached hereto as Exhibit C, generally describing certain Services and Goods to be provided by Supplier under this Agreement. Statements of Work may include, but will not be limited to, pricing, schedule, specifications for Services and Goods and additional delivery instructions. In the event GPES desires to order Services and Goods in accordance with a particular Statement of Work, GPES will issue a Purchase Order referencing the appropriate Statement of Work, and such Purchase Order will describe the specific Services and Goods that the parties mutually agree the Supplier will provide to GPES. For Services or Goods totaling two thousand dollars ($2,000) or less, GPES may elect to purchase with a credit card in lieu of issuing a Purchase Order. In such instances, the terms and conditions contained in this Agreement shall nevertheless apply to the purchase.

This Agreement or any Statement of Work does not commit GPES to order any Services or Goods, however, all Services provided by Supplier to GPES or GPES affiliates (as defined in Section 4) during the term of this Agreement will be covered by this Agreement, unless specifically covered by another written agreement between the parties.

This Agreement supersedes any preprinted terms or conditions on any preprinted purchase order submitted by Supplier or GPES or any printed or typed conditions forming a part of Supplier's proposal. Any additional or different terms and conditions set forth in Supplier's invoices, purchase order acknowledgments or similar writings, or in Supplier's electronic data interchange acknowledgments are not binding upon GPES unless specifically assented to in writing by an authorized representative of GPES.

2. **Purchase Orders.** The Services or Goods should be described specifically in one or more Purchase Orders. Supplier shall not commence Services or delivery of Goods without receipt of a Purchase Order from GPES or any of its affiliates. Following the issuance of a Purchase Order, Supplier will furnish the Services and Goods identified in the Purchase Order. Supplier's commencement of performance under a Purchase Order shall constitute acceptance of the Purchase Order.

3. **Specifications for Services.** Services will be performed in accordance with the specifications, schedule and pricing and other terms agreed to by the parties as described in the applicable Purchase Order and/or Statement of Work.

4. **Affiliate Transactions.** GPES enters into this Agreement on its own behalf and for the benefit of all GPES affiliates. GPES' affiliates may directly purchase any of the goods or services available under this Agreement under the same terms and conditions contained herein. An "affiliate" will be defined as any entity that directly or indirectly controls, is controlled by, or is under common control with GPES. Only the GPES affiliate for whom Supplier performs Services will have any obligation to Supplier for such Services.

5. **Project Managers.** For each Purchase Order and/or Statement of Work, each party shall designate a "Project Manager" as the main interface between them. The GPES Project Manager shall be responsible for directing Supplier's activities pursuant to such Purchase Order and/or Statement of Work but shall not be solely authorized to negotiate or approve Change Orders submitted pursuant to this Agreement. Periodically (at a mutually-agreed-upon time period), Supplier shall submit to GPES a written status report describing its activities and accomplishments during the preceding month, including: the current status of activities (with explanatory narrative when appropriate); resources used since the last report; a cumulative total of problems encountered and the actions taken to solve them. Upon request, GPES shall meet with Supplier to review the status of Supplier's activities. When on GPES 's premises, Supplier employees shall observe and comply with GPES' procedures, rules, regulations, policies, working hours and holiday schedules, and Supplier shall at all times use its best efforts to minimize any disruption to GPES' normal business operations. GPES shall provide ample working space, materials and computer support for Supplier's employees, when required.

6. **Acceptance.** Each Purchase Order and/or Statement of Work will include or reference a complete and full description of the Services to be performed, documentation or other materials to be produced, the schedule for completion of each of the foregoing, the applicable charges, and such additional information as the parties shall agree upon (collectively, the "Deliverables"). Each Deliverable shall be subject to a verification of acceptability by GPES requirements specified in the Purchase Order for that project. If any Deliverable is not acceptable to GPES within thirty (30) days after its completion and turnover by Supplier, GPES may, at its sole option and without obligation or liability of any kind, terminate the Purchase Order involved and reimburse Supplier, upon receipt of an invoice and appropriate backup documentation, for direct expenditures that cannot be redirected to other work in Supplier's normal course of business. If any Deliverable is not acceptable to GPES within thirty (30) days after its completion and turnover by Supplier due to the fact that the Deliverable substantially deviates from the requirements specified in the Purchase Order, Supplier shall make good faith efforts to correct such deviations in the Deliverable. In the event Supplier has not cured such deviation within sixty (60) days of written notice from GPES, GPES may terminate the Purchase Order involved without obligation to Supplier for any costs or expenditures.

7. **Fees and Expenses.** Applicable fixed prices and/or time and material charges shall be specified on the Purchase Order and/or Statement of Work. In no event shall charges exceed Supplier's applicable published standard rates. GPES agrees to pay for reasonable out-of-pocket costs and expenses required and actually incurred in performing services, provided that Supplier has: (i) obtained GPES' prior written consent; and (ii) submitted supporting documentation satisfactory to GPES, and conforming to the following general guidelines:

(a) All air travel must be coach or economy and booked at least 14 calendar days in advance, unless a shorter time period is required by GPES. All parking, transportation and car rental must be economy or lower. Supplier will not charge hourly rates for travel time. This includes time "To and From" Airport, during the flight, and "To and From" home/office. Additional personal expenses (phone charges, dry cleaning, etc.) will not be reimbursed; and

(b) Reimbursable expenses will be invoiced on a monthly basis on the same invoice as the Services to which such expenses correspond. In addition to clearly identifying any expenses on the invoice, Supplier must submit an expense report. The expense report must contain: (i) passenger flight coupon and travel itinerary; (ii) the original receipt for meals and parking and toll fees (tear tab receipts are not accepted); and (iii) the original receipt for hotel accommodations, vehicle rental costs, and fuel costs for rental vehicle usage (regardless of the amount).

Supplier agrees that where business meals or entertainment expenses are billed by Supplier to GPES, Supplier shall not invoice or transfer charges to GPES for any reimbursement of expenses in violation of IRS rules relating to expense deductibility limitations. Additional guidelines related to Hotel and Meal expenses for Services performed at KCP&L and Westar facilities will be defined in the relevant Puchase Order and/or Statement of Work.

8. **Invoicing.** Unless another payment schedule is specified in the Statement of Work or on the Purchase Order, Supplier shall invoice GPES: (i) upon GPES' written acceptance of any Deliverables, products or work performed on a fixed price basis, or, in the absence of notification rejecting the Deliverable, product or work, upon the passage of thirty (30) days' time since delivery of the Deliverable, Goods or Services to GPES; or (ii) monthly in arrears, for services provided on a time and materials basis and for out-of-pocket expenses. Supplier shall submit to GPES, with the invoice, backup documentation for all amounts invoiced. All invoices, except for amounts disputed by GPES, shall be payable within GPES' approved payment terms. Any disputed amounts shall not affect payment of non-disputed charges and expenses. All invoices must reference this Agreement number, the appropriate GPES contact person and, if applicable, the relevant Purchase Order number. Invoices must be sent in accordance with the instructions listed within each relevant Purchase Order. Each invoice must be attached as a separate Acrobat, Word or Excel file. The invoice must be the first page of the attached file with supporting documentation following the invoice in the same attachment. All payments to Supplier will be paid by GPES' approved payment methods. At least one business day prior to payment, GPES will email Supplier with notification of payment to Supplier provided email address.

Invoices must be submitted to GPES within one (1) year of the date of completion of Services. Should Supplier fail to timely submit any invoice to GPES, the right to reimbursement for such Services is waived by Supplier.

9. **Taxes.** Supplier shall be solely responsible for payment of any taxes whatsoever which may be assessed against Supplier or which may apply to the delivery of Goods and performance of Services, or the payment for Goods and Services. To the extent that any such taxes are proposed to be assessed against Supplier, where Supplier is required to collect from GPES under the applicable state or local tax law, Supplier shall: (i) notify GPES of such proposed assessment as soon as Supplier shall have notice thereof; and (ii) cooperate with GPES in any defense against the proposed assessment.

10. **Term.** The term of this Agreement is 5 years from the effective date. The terms of this Agreement continue in effect for any Purchase Order that is outstanding at the time this Agreement terminates or expires.

11. **Termination.** GPES may, upon 30 days prior notice, terminate this Agreement for any reason and without penalty. Either party may terminate this Agreement immediately upon notice to the other party if such other party is in material breach of this Agreement and if such other party fails to cure the breach within ten (10) days after receiving notice thereof. This Agreement will continue in effect for any Purchase Order that is outstanding at the time of termination or expiration of this Agreement, unless such Purchase Order has been cancelled according to the terms of this Agreement. Termination by GPES for Supplier's breach shall not prejudice any claims by GPES against Supplier for damages or non-performance during the entire term of this Agreement.

12. **Cancellation of Services.** GPES may cancel any commitment to purchase Services or any Purchase Order upon notice to Supplier. Upon receipt of notice of cancellation of a Purchase Order, Supplier must discontinue its performance of such cancelled Services, preserve and protect materials, work in progress and completed work and, if requested by GPES, transition the performance of such Services to GPES or a third party in accordance with GPES' instructions. GPES may designate a transition period of up to three months. GPES agrees to pay Supplier for Services performed prior to the effective date of cancellation, at the agreed upon rates.

13. **Confidential Information.** Each party may have access to confidential or proprietary information of the other during the term of this Agreement and accordingly agree to disclose such information only to its personnel who have a need to know such information in connection with the performance of Services and who are subject to non-disclosure requirements at least as restrictive as those contained in this Agreement. Each party will use confidential information of the other only in connection with the performance of Services, and will store such information in a secure location. In addition, each party must provide the same care (and in no event less than reasonable care) to avoid disclosure or unauthorized use as it provides to protect its own confidential information. Expiration or termination of the Agreement does not relieve any party from its obligations to protect confidential information received during the term of the Agreement. The terms and existence of this Agreement and any Statement of Work or Purchase Order are each party's confidential information. If Supplier has executed a separate Non-Disclosure Agreement with GPES, Supplier agrees that its use and disclosure of GPES confidential and proprietary information and trade secrets shall be governed by, and be subject to, the terms and conditions of such Non-Disclosure Agreement.

In response to a demand from a regulatory or other governmental body, the parties may disclose confidential information to such regulatory or other governmental body as required by law. The disclosing party shall notify the other party immediately upon such request and in advance of such disclosure.

14. **Non-solicitation.** Unless otherwise agreed in writing, neither party shall hire or knowingly solicit the employment of the other's personnel during the term of this Agreement or within one year of the completion of any Purchase Order hereunder. Notwithstanding the foregoing, the parties hereby acknowledge and agree that the restrictions of this section shall not apply to the hiring by either party of any individual who, not being specifically solicited or targeted, responds to a general recruitment advertisement of the other party.

15. **GPES Property.** All information, equipment, materials and data of every kind and description that Supplier receives, directly or indirectly, from GPES or from a third party on behalf of GPES is the property of GPES.

16. **Intellectual Property.**

(a) Supplier Intellectual Property. Any and all preexisting patents, copyrights or other intellectual property owned or licensed to Supplier and utilized by Supplier in providing the Services or Goods under this Agreement shall remain the sole property of Supplier or the applicable licensor.

(b) GPES Intellectual Property. Supplier assigns to GPES all materials, research, plans, specifications, drawings, works of authorship and other data and intellectual property generated, conceived or developed in connection with this Agreement (the "Developed Material") and any resulting patents, copyrights and other intellectual property rights. Works of authorship in any form of expression, including, manuals, plans, specifications, drawings, and software developed in connection with this Agreement, are "works for hire" and belong exclusively to GPES. Supplier will take all reasonable actions, at its expense, necessary to transfer GPES all of Supplier's rights in and to the Developed Material. Supplier represents that it has agreements in place with its personnel sufficient to protect GPES' rights under this paragraph.

17. **Inspection.** GPES may inspect Supplier's performance under this Agreement from time to time. GPES' inspection (or lack of inspection) will not constitute an acceptance of any Services or a waiver of any right or warranty or preclude GPES from rejecting any defective Services.

18. **Warranty on Services.** Supplier warrants that it will perform all Services in a workmanlike manner in accordance with good industry practices and with the degree of skill, competence and care customarily exercised by a skilled service provider under similar circumstances. The Services will also be free from defects and conform to the established specifications set forth in the Purchase Order or Statement of Work. For a period of one year after GPES' acceptance of the Services, Supplier will promptly correct defects or deficiencies in the Services at its expense after GPES' notice to Supplier. Any defects or deficiencies that are corrected hereunder shall have a one year warranty from the date of correction. If Supplier fails to promptly correct a defect or deficiency, GPES may cause the defect or deficiency to be corrected at the expense of Supplier. This provision shall not be construed as disclaiming or limiting any other express or implied warranty or guarantee made by Supplier. If a defect exists in the Services that was not and normally would not be revealed, discovered or located before the end of a warranty period by any reasonably careful inspection (hereinafter "Latent Defect"), GPES will promptly notify Supplier when such Latent Defect becomes apparent and Supplier shall correct such defects at its expense.

19. **Financial Ability, Proceedings and Obligations.** Supplier represents and warrants that it is financially capable of fulfilling all of its obligations under this Agreement, that there are no legal or administrative proceedings pending or threatened against it that could adversely affect Supplier's performance and that the Supplier is not prohibited by any arrangements or any document or obligation from entering into or performing this Agreement. At the sole discretion of the Company, Supplier may be required to provide financial assurance in the form of a surety bond, letter of credit, cash deposit, or other acceptable guarantee.

20. **No Infringement; No Conflict.** Supplier warrants that the Services will not infringe upon the rights of any third party and will not conflict with its existing obligations under other contracts.

21. **Change Orders.** Unless otherwise stated in a Purchase Order or Statement of Work, GPES may, upon written notice to Supplier, request changes in specifications, schedules, testing or any other terms contained or referenced in a Purchase Order. If such a change will increase or decrease the price of the Services, or the time required for performance of the Services, Supplier must notify GPES in writing within seven (7) days after receiving GPES' change request. Upon receipt of such a notice from Supplier, the parties will negotiate appropriate changes to the Purchase Order. If Supplier fails to timely provide such notice, it will have waived any right to request an increase in price or the time required for performance. At GPES' request, Supplier agrees to continue performance of Purchase Orders pending resolution of any adjustments to the price or performance date.

22. **Indemnification.**

(a) Each party (the "Indemnifying Party") will indemnify, hold harmless and defend the other party and its officers, directors, shareholders, agents, employees, and representatives (collectively, the "Indemnified Party") from all claims, liabilities, fines, interest, costs, expenses and damages (including reasonable attorneys' fees) incurred by the Indemnified Party (collectively, the "Indemnified Losses"), for any damage, injury, death, loss or destruction of any kind to persons or property, to the extent the damage, injury, death, loss or destruction arises out of or is related to the conduct, negligence, error, omission, willful misconduct, misrepresentation, breach of warranty or other breach of this Agreement on the part of the Indemnifying Party or any of its servants, representatives, agents, employees or contractors.

(b) Supplier agrees to indemnify and defend all claims brought against GPES or GPES' customers that any of the Developed Materials or Services (or components thereof) specified in the Purchase Order, or other materials or services furnished to and used by GPES, constitutes an infringement of any patent or copyright of any country, or misappropriation of any trade secret, or constitutes a breach of any moral right, right of publicity, or intellectual property right (collectively, "Infringing Materials"). The contractual indemnification obligations contained in this Subsection (b) shall apply equally to any Infringing Materials including, but not limited to, software or firmware, which is provided with or as a component part of any Goods, Developed Materials or Services. Additionally, if GPES is prohibited from using such Infringing Materials for their intended purpose, Supplier will, at its expense: (i) procure on behalf of GPES the right to use such Infringing Materials; (ii) replace such Infringing Materials with equivalent, non-infringing materials; (iii) modify such Infringing Materials so they become non-infringing but retain their functionality; or (iv) if (i), (ii) and (iii) are not commercially reasonable, refund all compensation paid by GPES to Supplier for such Infringing Materials. The foregoing obligations are in addition to the indemnification obligations of Supplier set forth in Subsection (a) above.

(c) Supplier will indemnify and defend GPES against Indemnified Losses arising out of claims by Supplier personnel or any government agency related to the payment of employment taxes, benefits and workers' compensation in connection with the performance of Services by such Supplier personnel.

23. **Insurance Coverages.** Supplier agrees to procure and maintain, and require the same of Supplier's subcontractors, at its own cost and expense, for the term covered by any Statement of Work or Purchase Order, insurance, as set forth below, provided by a reputable and financially responsible insurance company which shall safeguard GPES against liability for damage to property, including injuries resulting in death when Supplier is engaged in the performance of services under this Agreement. Insurers must be licensed to do business in all jurisdictions where Services are performed and have an A.M. Best's rating of A- or better;VII or other rating agency equivalent. Supplier agrees to furnish satisfactory evidence of such insurance to GPES for the following minimum insurance coverages:

(a) <u>Workers Compensation Insurance.</u> Supplier shall maintain statutory workers compensation as required under any workers compensation or similar law in the jurisdiction where the Services are performed and employers liability insurance. Employers liability limits shall not be less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease. If Supplier has USL&H (on or above the water), Jones Act (seaman) or FELA (railroad) exposure, then policies addressing these exposures must be purchased. If the exposure is incidental, the Workers Compensation policy should be endorsed to include these coverages.

(b) <u>General Liability Insurance.</u> Supplier shall maintain commercial general liability with a limit of not less than $1,000,000 each occurrence and $2,000,000 aggregate. The policy must cover liability arising from premises, operations, independent contractors, damage to property,products-completed operations, personal injury and advertising injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). Supplier's General Liability policy should be endorsed to include a Designated Construction Project(s) General Aggregate Limit Endorsement that specifically refers to GPES' project or provide blanket language that states coverage applies to all ongoing projects of the Supplier. Completed Operations coverage is to extend for two years following the last to occur of the following events: (i) the termination of this Agreement; or (ii) the termination of all outstanding Purchase Orders.

(c) Automobile Liability Insurance. Supplier shall maintain automobile liability with a limit of not less than $1,000,000 combined single limit. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos).

(d) Errors and Omissions Liability Insurance. IF THE SERVICES ARE CONSIDERED PROFESSIONAL SERVICES, errors and omissions liability coverage appropriate to the service should be provided. Coverage must apply to economic damages resulting from a professional error, act, or omission arising out of the scope of services defined in this contract. Coverage must be maintained in an amount of at least $2,000,000 per occurrence and aggregate for at least two (2) years after completion. The retroactive date should be prior to commencement of work.

(e) Excess/Umbrella Liability Insurance. Supplier shall maintain commercial excess or umbrella liability insurance excess of employers liability, general liability and automobile liability with an available limit of not less than $5,000,000 per occurrence. The scope of coverage must be as broad or broader than the underlying coverages.

(f) Technology. Technology errors and omissions insurance with limits of $10,000,000 per occurrence and in the aggregate, including coverage for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copy must be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing, including outsourcing development and design; (6) systems design, consulting, development, and modification; (7) training services relating to computer software or hardware; (8) management, repair, and maintenance of computer products, networks, and systems; (9) marketing, selling, servicing, distributing, installing, and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage retrieval or preparation of data output; and any other services provided by Supplier, including privacy/network security (cyber) liability coverage, providing protection against liability for (1) privacy breaches (liability arising from the loss or disclosure of confidential information no matter how it occurs); (2) system breaches; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

If providing Goods to GPES, Supplier and/or its subcontractor shall provide replacement cost coverage under any combination of inland marine/ocean cargo/installation floater insurance during the transportation, loading, unloading and installation until GPES acceptance.

GPES, its parent, affiliates, sister entities, officers, directors, employees, agents, subsidiaries, joint owners and assigns must be included as an additional insured with respect to the Supplier's acts, ommisions, services, products or operations, whether in whole or in part, under the General Liability (including products/completed operations), Automobile Liability and Excess/Umbrella Liability policies provided to

GPES.

Supplier’s insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to GPES. The policies will be so endorsed to be primary with respect to this contract. General Liability and Umbrella/Excess Liability policies must not contain any Cross Liability Exclusion Endorsements. Any deductibles or self-insured retentions carried by Supplier are the sole responsibility of Supplier and must be declared on certificates of insurance. The primary and umbrella excess policies can be combined to meet required policy limits. Supplier’s (or Supplier’s subcontractor’s) failure to comply with the insurance requirements shall not limit Supplier’s liability or impact their indemnification obligations.

Except for damages caused by the negligence of GPES, Supplier shall retain the risk of loss for any damage whatsoever to their own equipment, stationary or mobile, tools, supplies, materials, automobiles and vehicles, highway or otherwise, cranes and hoists or any other property owned or leased, including employee tools, which will not be incorporated into the physical construction. If separate insurance is maintained for any property described in this section, it shall contain a waiver of subrogation on the part of the insurance company in favor of GPES. If Supplier or Supplier’s subcontractors choose to self-insure any of the property described under this section, GPES shall be held harmless for any loss or damage to the property while on site.

24. **Waiver of Subrogation.** To the extent damages are covered by the insurance set forth in Section 23 above, Supplier waives and shall require waivers of all rights of subrogation against GPES and its agents, officers, directors and employees for the recovery of damages.

25. **Evidence of Insurance.** Prior to the provision of Goods or Services, or upon request, Supplier shall furnish GPES with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth herein. GPES’ failure to review, or Suppliers failure to provide, accurate evidence of insurance shall not be a waiver of Supplier’s obligation to comply with the requirements of these sections.

Supplier shall provide thirty (30) days written notice to GPES in the event of cancellation or non-renewal of the policies.

26. Right to Audit. Supplier shall establish and maintain a reasonable accounting system that enables GPES to readily identify Supplier’s assets, expenses, costs of goods, and use of funds. GPES, and its authorized representatives, shall have the right to audit, examine, and to make copies of, or extracts from, all financials, books, and records (in whatever form they may be kept, whether written, electronic or other and including the verification of information and amounts through interviews and written confirmations) relating or pertaining to this Agreement (including any and all documents and other materials, in whatever form they may be kept, which support or underlie those books and records), kept by or under the control of the Supplier, including, but not limited to those kept by the Supplier, its employees, agents, assigns, successors and subcontractors. GPES further reserves the right to review all files of any subcontractor employed by Supplier to provide services or commodities under this Agreement where payments by GPES are based on records of time, salaries, materials or actual expenses.

GPES or its authorized representatives will have the right to audit Supplier’s performance including compliance with contract requirements for deliverables, compliance with approved plans and specifications, compliance with GPES’ business ethics expectations.

Supplier shall maintain all such books and records, together with such supporting or underlying documents and materials for the duration of, and for at least five (5) years following, the completion of this Agreement, including any Purchase Order(s) and/or Statement(s) of Work, and all renewals thereof. All financial information, books, and records, together with the supporting or underlying documents and materials shall be made available, upon reasonable request, to GPES, through its employees, agents, representatives, contractors or other designees. If an audit inspection or examination confirms overpricing or overcharges (of any nature) by the Supplier to GPES, Supplier will pay any retroactive adjustments in full within thirty (30) days of notice and substantiation of such inaccuracy. Supplier shall, without charge, provide reasonable cooperation to GPES pursuant to any examination or audit hereunder.

27. **Removal of Personnel.** GPES may require Supplier to remove any Supplier personnel from providing Services to GPES for any lawful reason. If GPES issues a notice of removal within fifteen (15) days of the date the Supplier personnel to be removed began providing Services to GPES, GPES is not obligated to pay for Services provided by the removed Supplier personnel. GPES is not obligated to pay for Services provided by the removed Supplier personnel following GPES' notice of removal to Supplier.

28. **Diverse Supplier Participation; Reporting.** GPES is a strong supporter of the development of diverse businesses and sets utilization goals to optimize the use of certified diverse businesses. "Diverse Suppliers" shall include businesses in the following categories: Small Business, Minority-owned Business Enterprise, Woman-owned Business Enterprise, Disabled Business Enterprise, Veteran Owned Business Enterprise, Disabled Veteran Owned Business Enterprise, Service Disabled Veteran Business Enterprise, HUBZone Small Business, 8(a) and Small Disadvantaged Business.

When utilizing subcontractors, Supplier shall proactively pursue small/diverse supplier participation. GPES has an annual corporate goal to achieve a percentage of spend with small/diverse participation. Supplier is strongly encouraged to strive to achieve a goal of second tier spend with Diverse Suppliers within each 12-month period of the Agreement term per contract and total spend. Upon a minimum of five days' notice, GPES shall have the right to inspect all Supplier records relating to its attempts to achieve this goal. If Supplier is planning to utilize subcontractors, and the contract equals or exceeds $700,000 for goods and services ($1.5 million for construction projects), respondent shall submit a detailed small business subcontracting plan addressing how diverse supplier participation will be achieved

For further information on GPES' Diversity program, 2nd tier form, and an example of a Small Business Subcontracting Plan template, please go to:

http://www.kcpl.com/about-kcpl/doing-business-with-kcpl/supplier-diversity

GPES requires that Supplier report direct spend with Diverse Suppliers and other reportable category spend attributable to Services and Goods supplied under this Agreement. Specifically, the report categories shall include all qualified business categories as listed in the preceding paragraph. This reporting should be submitted in accordance with directions from GPES and on the form provided by GPES. This reporting shall separate each of the qualified business categories listed above and include all categories the Supplier corresponds to. For example, if a Supplier is both women and veteran owned, the reporting shall include the same spend in each category.

If assistance is needed in identifying certified Diverse Supplier firms, please contact:

Supplier Diversity Department
Phone: 800-880-1952
Email: suppdiv@kcpl.com

29. **Background Checks.** Supplier agrees to conduct pre-employment background checks going back a minimum of seven years on each of Supplier's employees, agents, representatives and contractors ("Supplier Personnel") that will perform Services on GPES' property, GPES' "rights of way", the property of GPES' customers, or any aspect of GPES' computer systems. Supplier acknowledges and agrees that only those persons who have successfully passed these background checks will perform such Services.

At a minimum, Supplier will confirm and verify each Supplier Personnel's identity (social security number verification), authorization to work in the United States using e-Verify, seven year federal and multi-county criminal conviction check, terrorist list (OFAC) search, driver's license history and drug screening. Supplier shall disclose to GPES the background check process it uses, and the sources from which information is obtained, including processes and sources utilized for employees providing services in foreign countries. In addition, for any Supplier Personnel who will have access to GPES' computer systems or areas critical to the support of the electricity infrastructure, the Supplier will submit either a redacted copy of the background screen or a tear off sheet from the background screen before any such access will be granted by GPES.

Supplier shall disclose to GPES any and all foreign offices and personnel who will be performing any services under this Agreement.

Background checks must be renewed every seven years as long as the Supplier Personnel is performing service on GPES' property, GPES' "rights of way" or any aspect of GPES' computer systems.
Supplier is responsible for all costs related to such background checks and agrees to maintain accurate records pertaining to such background checks for a minimum of five (5) years after termination of this Agreement, unless limited by law.

30. **Independent Contractor.** Supplier agrees and represents that it is an independent contractor and its personnel are not employees or agents of GPES for federal tax purposes or any other purposes whatsoever, and are not entitled to any GPES employee benefits. Supplier assumes sole and full responsibility for the acts of its employees and agents. Supplier, and not GPES, is solely responsible for the compensation of Supplier employees assigned to perform services hereunder, and payment of worker's compensation, disability, and other similar benefits, unemployment and other similar insurance, and for withholding income and other taxes and social security. Supplier further agrees to defend and save GPES harmless against any claim from an employee or subcontractor of Supplier with respect to the subject matter of this Section.

31. **Notices.** All notices under this Agreement must be in writing, identified by the Agreement number set forth above and, if applicable the relevant Purchase Order number and sent by certified mail, return receipt requested, by overnight mail or by hand delivery to the following:

GPES: Great Plains Energy Services Incorporated	Supplier: (Company) ___________________
ATTN: Procurement Department	ATTN: ________________________________
1200 Main Street	(Address) _____________________________
Kansas City, MO 64105	______________________________________
Procurement@kcpl.com	

or to such other addresses as either party may notify the other of in writing.

32. **Assignment; Subcontracting.** This Agreement is personal to Supplier. Supplier may not assign this Agreement or any of its rights, or delegate or subcontract any of its obligations under this Agreement, without the prior written consent of GPES. Supplier will ensure that its contractors and subcontractors

performing Services comply with the terms and provisions of this Agreement while such persons perform the Services. GPES may assign this Agreement without consent of Supplier.

33. **Liens.** Supplier shall not permit a lien to be placed on any GPES property by Supplier's subcontractors, agents, employees, or suppliers. Should GPES receive notice of an intent to file a lien from any of Supplier's agents, employees, or suppliers, GPES will notify Supplier. Upon receipt of notice from GPES of the intent of one of Supplier's agents, employees, or suppliers to file a lien, Supplier shall immediately take any and all steps necessary, including paying an amount in dispute to the party intending to file such lien, to prevent the filing of such lien. If Supplier fails to prevent the filing of such lien, Supplier shall be responsible and liable for and shall indemnify GPES for all of GPES' costs, expenses (including attorneys' fees), liabilities, damages, fees, penalties, judgments and settlement costs arising either directly or indirectly from the placement of such lien.

34. **Safety.** All Suppliers performing work for GPES are expected to maintain safety as the highest priority. Suppliers that perform or provide field service work activities at one of the GPES facilities may also be referred to in this section as "Contractors". GPES considers that all Suppliers and Contractors have the responsibility and general supervisory authority over their worksite, including the power to correct safety and health violations. In addition, Suppliers and Contractors are responsible for the safe performance of work and for ensuring the safety performance of its employees, agents and subcontractors. GPES reserves the right to interrupt or suspend the work if, in the sole reasonable judgment of GPES, its parent company, or any affiliated company, the work is being performed in a manner which endangers the safety of any individual. In the event that work is suspended for this reason, Supplier/Contractor agrees to promptly remedy the problems and work methods which occasioned the work suspension. If Supplier fails to promptly remedy the problems and work methods, GPES, its parent company, or any affiliated company, as applicable, may at its sole discretion, terminate the Purchase Order and cause the work to be completed by GPES, its parent company, or any affiliated company, or another contractor. In the event that this cover incurs costs in excess of those shown on the Purchase Order, Supplier/Contractor shall promptly reimburse GPES, its parent company or any affiliated company, as applicable, for the overage. Supplier/Contractor shall be paid for its actual out-of-pocket costs incurred through the time of termination.

Safety Documentation

The "Contractor Safety Requirements' may be amended from time to time without prior notice. Suppliers and Contractors shall be responsible for compliance with all current requirements as defined in each relevant Statement of Work ("SOW") and/or Purchase Order.

Annual Pre-Qualification Requirements

Suppliers and Contractors that perform or provide field service work activities may be subject to the annual Safety Pre-Qualification documentation requirements. This requirement is ultimately a decision for the Safety Program Administrator or GPES Safety.

Work Rules & Orientations – KCP&L Legacy Generating Station and Delivery Division Locations

If field service work is to be performed at any of the "KCP&L legacy generating station locations", all work is to be performed in accordance with the approved "Contractor Safety Requirements" document, are subject to the Contractor Safety Requirements Program, and may be subject to the annual orientation process. The "Contractor Safety Requirements" may be amended from time to time without prior notice.

If field service work is to be performed for the "KCP&L legacy Delivery Divisions", all work must meet or exceed the KCP&L legacy "Delivery Safety Rules & Procedures". All field service work activities may also require annual orientation. KCP&L legacy “Delivery Safety Rules & Procedures” may be amended from time to time without prior notice.

Additional information regarding KCP&L’s Contractor Safety Programs and Work Rules can be found in the following link:

http://www.kcpl.com/about-kcpl/doing-business-with-kcpl/code-of-conduct/contractor-safety-requirements

If field service work is to be performed for any other KCP&L legacy locations not defined here, the KCP&L Site Project Manager will give direction on safety work rules and orientation.

Work Rules & Orientations – Westar Legacy Locations

If Service work is to be performed at any of the “Westar locations”, all work is to be performed in accordance with the “Westar Safety Manual” and may be subject to the PowerSafe orientation program. The “Westar Safety Manual” may be amended from time to time without prior notice.

Further information regarding GPES’ Contractor Safety Programs and documentation requirements may also be specified in the relevant Purchase Order(s) and/or Statement(s) of Work.

35. **Work Site Conditions.** If work is to be performed at any of the generating station locations, all work is to be performed in accordance with the approved “Work Site Conditions” applicable to all Suppliers and their subcontractors entering the property of GPES, its parent company or any affiliated company for the purpose of delivering services. The “Work Site Conditions” may be amended from time to time without prior notice.

36. **Bi-lingual.** Due to the high degree of safety risks inherent in working at or around electric power generation, distribution and transmission sites, it is necessary to require that Supplier’s employees working in safety-sensitive jobs or sites must be able to, directly or through a bilingual supervisor or other employee of the Supplier:

i. Understand communications from GPES personnel given in English;
ii. Receive information from or contribute information to GPES personnel in English; and
iii. Be informed of and be subject to safety rules given in English.

If an individual Supplier employee is assigned to work in a safety-sensitive job or GPES site, and he or she is not English-proficient, then such worker will be permitted to perform services under this Agreement only if a bi-lingual supervisor or other employee of the Supplier is also working within close proximity, e.g., within line of sight and hearing distance, of the non-English-proficient Supplier employee, and will be readily available to translate for and communicate with the non-English-proficient Suppler employee.

Nothing in this provision is intended to prohibit any personnel from freely communicating with each other in any non-English language.

37. **Governing Law; Jurisdiction; Waiver of Jury Trial.** In the event of a dispute which arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try in good faith to settle the dispute by negotiations between representatives of Supplier and GPES who have authority to settle the dispute before resorting to litigation. This Agreement will be governed by, and construed in accordance with, the laws of the State of Missouri, without regard to conflicts of law principles. Supplier consents and submits to the personal jurisdiction and venue of the state and federal courts sitting in the State of Missouri and acknowledges that the foregoing covenant is a material inducement for GPES to enter into this

Agreement. **EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY COURT ACTION ARISING BETWEEN THE PARTIES, WHETHER UNDER THIS AGREEMENT OR OTHERWISE RELATED TO THE SERVICES, AND WHETHER MADE BY CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR OTHERWISE.**

38. **Compliance with Laws; Permits and Licenses.** Supplier and any subcontractors shall comply with all applicable laws and regulations and shall secure any and all necessary governmental authorizations and permits, and shall upon request furnish satisfactory proof of compliance with any law or regulation. Supplier and subcontractors must also comply with the provisions of GPES' Federal Contracting Requirements attached hereto as Exhibit D.

39. **Cybersecurity.** If Services or Goods provided by Supplier will connect to any network or individual electronic device of GPES or its affiliates, or if upgradable software is used in conjunction with the acquisition of Services or Goods provided by Supplier, then Supplier will comply with the Cybersecurity Requirements set forth in Exhibit E. "Upgradable software" includes, but is not limited to, operating system software, application software and programmable logic controller (PLC)-type device software.

40. **Damages; Remedies.** Neither party will be directly liable to the other party for indirect, incidental or consequential damages. A breach of any covenants regarding confidentiality or non-solicitation may cause irreparable injury to the non-breaching party that is not adequately compensable in monetary damages. Accordingly, each party may seek injunctive relief for a breach or threatened breach of such covenants, in addition to any other remedies at law or in equity.

41. **Force Majeure.** Neither GPES nor Supplier will be liable or responsible to the other for any delay or failure to perform any of its obligations under this Agreement (other than those contained in the confidentiality and non-solicitation Sections of this Agreement) due to acts of God or of the public enemy, riots, wars or hostilities, fires, floods, storms or earthquakes. If a force majeure event occurs, the party claiming the force majeure will promptly give notice to the other party (stating with reasonable particularity the event of force majeure claimed) and use its commercially reasonable efforts to perform its obligations under this Agreement despite the force majeure event. If Supplier, despite the exercise of due diligence, is nevertheless unable to overcome an event of force majeure within a reasonable time under the circumstances but in no event more than thirty (30) days, GPES may terminate any affected Statements of Work or Purchase Orders without liability upon written notice to Supplier.

42. **Invalid Provisions.** If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions shall continue unimpaired.

43. **Advertising and Publicity.** Neither party will issue any news release, announcement, denial, or confirmation of work performed under this Agreement or advertise the relationship between the parties without the other party's prior written approval. GPES may, in its sole discretion, withhold consent to any publicity. In addition, nothing in this Agreement grants Supplier the right to use any trademarks, trade names, logos or other intellectual property of GPES or its affiliates.

44. **Miscellaneous.** The waiver of a breach of any term or condition of this Agreement will not constitute the waiver of any other breach of the same term or condition or any other term or condition. A waiver must be in writing and signed by the party against whom the waiver is sought. The Sections regarding confidentiality, non-solicitation, GPES property, assignment of intellectual property, indemnification, insurance, damages and remedies, this Section, and any other provisions of this Agreement that, by their nature, are intended to survive, will survive any termination of this Agreement or any cancellation of any Statement of Work or Purchase Order. This Agreement may be executed in

counterparts, each of which will be an original and both of which, when taken together, will constitute one and the same instrument. This Agreement, together with all Statements of Work executed by the parties from time to time and Purchase Orders issued by GPES, constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and may not be amended except in a writing signed by both parties. Headings are for reference only and are not intended to affect the meaning of any terms. This Agreement will not be construed against either party due to authorship.

Attachments:

Exhibit A	Additional Terms Applicable to the Purchase of Goods
Exhibit B	Form of Purchase Order
Exhibit C	Form of Statement of Work
Exhibit D	Federal Contracting Requirements
Exhibit E	Cybersecurity Requirements

Signed:

AUTHORIZED REPRESENTATIVE FOR GREAT PLAINS ENERGY SERVICES INCORPORATED 1200 Main Street Kansas City, MO 64105	**AUTHORIZED REPRESENTATIVE FOR [SUPPLIER NAME] Street Address City, State, Zip**
________________________________ (signature)	________________________________ (signature)
________________________________ (print name)	________________________________ (print name)
________________________________ (title)	________________________________ (title)
________________________________ (date)	________________________________ (date)

ADDITIONAL TERMS APPLICABLE TO THE PURCHASE OF GOODS

1. **Application.** The Provisions of this Exhibit are applicable only if Goods (including, but not limited to, materials and equipment) are being supplied under the Agreement.

2. **Goods.** Supplier agrees to sell, deliver and install all Goods described in any Purchase Order to this Agreement.

3. **Price.** The price for the Goods is as stated in any Purchase Order hereto and shall be paid to Supplier pursuant to the terms and conditions of the Agreement.

4. **Delivery and Installation.** Time is of the essence to this Agreement. The Goods shall be delivered, installed and in good working order on or before the installation date specified in the Purchase Order. The Acceptance by GPES of Goods shall be pursuant to the Section regarding Acceptance in the Agreement. Notwithstanding the foregoing, if GPES returns Goods, GPES will not be liable for restocking fees unless specifically agreed to in a Purchase Order. GPES agrees to provide a suitable environment for the Goods and to provide any necessary interconnections with other equipment or systems. All deliveries of Goods to GPES' premises or work site shall be subject to GPES' security and safety regulations.

5. **Risk of Loss.** The risk of loss from any casualty to the Goods, regardless of the cause, shall be on the Supplier until the Goods have been accepted by GPES per the acceptance terms of this Agreement.

6. **Title.** Supplier warrants that the Goods at the time of delivery shall be free from any security interest or other lien or encumbrance, and that Supplier has complete and good title to the Goods.

7. **Warranty on Goods and Materials.** Supplier warrants that the Goods and any materials will be (a) newly manufactured, unless expressly agreed to otherwise in a writing signed by both parties, (b) conform to the specifications in the Purchase Order or Statement of Work, (c) be free from defects and all liens, security interests, claims and encumbrances and (d) be merchantable and fit for their intended purpose. For a period of one year after GPES' acceptance of the Goods or materials, Supplier will repair or replace any defective Goods or materials at its expense after GPES' notice to Supplier. Any Goods or materials that are repaired or replaced hereunder shall have a one year warranty from the date of repair or replacement. If Supplier fails to promptly repair or replace a defect, GPES may cause the defect to be corrected at the expense of Supplier. If Supplier is not the manufacturer of the Goods, Supplier will pass through to GPES any additional manufacturer warranties, and at the request of GPES, make warranty claims against the manufacturer on GPES' behalf. This provision shall not be construed as disclaiming or limiting any other express or implied warranty or guarantee made by Supplier.

If a defect exists in the Goods or materials that was not and normally would not be revealed, discovered or located before the end of a warranty period by any reasonably careful inspection (hereinafter "Latent Defect"), GPES will promptly notify Supplier when such Latent Defect becomes apparent and Supplier shall repair or replace the Goods or materials at its expense.

8. **Freight.** Unless otherwise provided in a Purchase Order, the delivery of all the Goods shall be as specified by GPES, FOB destination, freight collect.

9. **Invoices for Goods and Related Documents -** Send all bills of lading and shipping notices to the GPES Procurement Department. Send original invoices to GPES Accounts Payable. All invoices should indicate the date the Goods were shipped and the shipping point and contain a statement indicating compliance with the Fair Labor Standards Act of 1938 as amended. Packing slips must be included in all shipments and the last shipment must state "Order Completed." Packing slips must include the Purchase

Order number, the GPES Item ID and the Manufacturer/Catalog Number. Packaging must be limited to the material shown on the Purchase Order. Supplier must furnish Material Safety Data Sheets for qualifying material.

Purchase Order

Company

Company Name
Address Line 1
Kansas City, Missouri 64141-

DISPATCHED

Purchase Order	Date	Revision	Page
XXXX0000XXXXXX	00/00/00		1

Purchasing Contact	Requestor
Doe, Jane 111/111-1111 111/111-2222 Fax	John Smith 222/222-2222

Payment Terms	Freight Terms
Net 30	F.O.B. Dest., Frt. Coll.

Vendor: 0000123456
USA COMPANY
11111 NORTH ST.
USA, USA 22222
USA
Fax: 333/333-3333

Ship To:
USA

Purchase Order date determines applicable Terms and Conditions;
see Terms and Conditions at NewCo Website

Tax Exempt? N   Tax Exempt ID:

Line-Sch	Item				Delivery Date
Quantity	UOM	Unit Price	Ext Price	Price Type	

IF THE FOB TERMS SET FORTH IN THIS PURCHASE ORDER SPECIFY FREIGHT COLLECT, SHIPMENTS MUST BE MADE IN ACCORDANCE WITH GPES ROUTING INSTRUCTIONS. DO NOT SHIP C.O.D. PLEASE PROVIDE THE GPES PURCHASE ORDER NUMBER TO THE CARRIER AND INSTRUCT THEM TO INCLUDE THE PURCHASE ORDER NUMBER ON ALL SHIPPING DOCUMENTS.

1-1	Requisition	XX/XX/XX	1	EA	0.00	0.00	

Schedule Total 0.00

Item ID   **Item Total** 0.00

Total PO Amount 0.00

STATEMENT OF WORK

PURSUANT TO
MASTER SERVICE AGREEMENT
BY AND BETWEEN
GREAT PLAINS ENERGY SERVICES INCORPORATED
AND
[SUPPLIER]

THIS STATEMENT OF WORK NUMBER [ ], dated [ ], 20[ ], by and between Great Plains Energy Services Incorporated ("GPES") and [SUPPLIER NAME] ("Supplier") is subject to the terms and provisions of, and is made a part of, that certain MASTER SERVICE AGREEMENT Number [ ] (the "Agreement"), effective [ ], 20[ ], between GPES and Supplier.

The parties agree as follows:

A. Scope of Services

Supplier will perform [If general: Include general description of work and reference to any specifications/drawings related to the performance of Supplier's Scope]. OR [If project-specific: Include detailed description of project and reference all documents/specs/schedules/drawings related to the project].

B. Compensation [if Project-specific] OR Pricing [if multiple orders for services will be placed under fixed pricing]

The GPES affiliate identified in any Purchase Order will pay Supplier [ ]. OR

Pricing per attached Exhibit A.

C. Delivery or Work Schedule

The schedule shall be as follows: [ ].

D. Delivery or Work Location

The Services will be performed at [ ].

E. Invoicing Instructions

Supplier will invoice GPES affiliates separately, as indicated on any Purchase Order referencing this Statement of Work. Supplier will submit invoices in accordance with the Agreement, unless other terms are specifically set forth here:

Invoices will reference the applicable Purchase Order number and be distributed as indicated in such Purchase Order.

F. Term of Statement of Work

The term of this Statement of Work begins on [ ] and ends on [ ].

G. Project Managers

The Project Managers for the Services and Goods related to this Statement of Work are as follows:

GPES:	[GPES Project Manager Name Address Email Address]
Supplier:	[Supplier Project Manager Name Address Email Address]

H. Legal Terms and Conditions

The legal terms and conditions governing this Statement of Work are contained in the Agreement between the parties. In order to be effective, any modifications, additions or deletions to the legal terms and conditions applicable to this Statement of Work must be specifically set forth here:

None.

In the event of any conflict between the legal terms and conditions set forth here and the legal terms and conditions contained in the Agreement, the legal terms and conditions set forth here will control only for work performed under this Statement of Work.

I. Entire Agreement

This Statement of Work, any Purchase Order issued by GPES referencing this Statement of Work and the Agreement constitute the entire agreement between GPES and Supplier with respect to the subject matter of this Statement of Work, and this Statement of Work may not be amended or modified except by a written document signed by both parties and made in accordance with the Agreement.

SIGNED:

Authorized Representative for «Legal_Entity»	**Authorized Representative for**
________________________________	__<EXAMPLE – DO NOT SIGN HERE>___
(signature)	(signature)
________________________________	________________________________
(print name)	(print name)
________________________________	________________________________
(title)	(title)
________________________________	________________________________
(date)	(date)

FEDERAL CONTRACTING REQUIREMENTS

52.252-2 Clauses Incorporated by Reference (FEB 1998)

This Agreement incorporates one or more of the following clauses by reference, which shall have the same force and effect as if they were given in full text. Upon request, GPES will make their full text available. Also, the full text of a clause may be accessed electronically at the following web address: http://acquisition.gov/comp/far/index.html

FAR Reference	Prescribed In	Federal Acquisition Regulation
1. Clauses applicable to this Agreement or any Statement of Work:		
52.202-1	2.201	Definitions (NOV 2013)
52.212-5	13.301(b)(4)	Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items (JAN 2017)
52.222-21	22.810(a)(1)	Prohibition of Segregated Facilities (APR 2015)
52.222-26	22.810(e)	Equal Opportunity (SEPT 2016)
52.222-50	22.1705(a)(1)	Combatting Trafficking in Persons (MAR 2015)
52.244-6	44.403	Subcontracts for Commercial Items (JAN 2015)
2. Clauses applicable to this Agreement or any Statement of Work that Exceeds $15,000:		
52.222-36	22.1408(a)	Equal Opportunity for Workers with Disabilities (JUL 2014)
3. Clauses applicable to this Agreement or any Statement of Work that Exceeds $35,000:		
52.209-6	9.409	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (OCT 2015)
4. Clauses applicable to this Agreement or any Statement of Work that Exceeds $150,000:		
52.203-6	3.503-2	Restrictions on Subcontractor Sales to the Government (SEPT 2006)
52.203-7	3.502-3	Anti-Kickback Procedures (MAY 2014)
52.203-12	3.808(b)	Limitation on Payments to Influence Certain Federal Transactions (OCT 2010)
52.219-8	19.708(a)	Utilization of Small Business Concerns (NOV 2016)
52.222-35	22.1310(a)(1)	Equal Opportunity for Veterans (OCT 2015)
52.222-37	22.1310(b)	Employment Reports on Veterans (FEB 2016)
5. Clauses applicable to this Agreement or any Statement of Work that Equals or Exceeds $700,000 (or $1.5 million for construction of any public facility):		
52.219-9	19.708(b)	Small Business Subcontracting Plan (JAN 2017)

FERC

GPES requires compliance with the Federal Energy Regulatory Commission's (FERC's) Standards of Conduct rules and regulations.

Veterans and Individuals with Disabilities

The parties hereby incorporate the requirements of 41 CFR § 60-1.4(a)(7) and 29 CFR Part 471, Appendix A to Subpart A, if applicable. If applicable, **this Supplier and any subcontractors shall also abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.**

Repeal of Clauses During Term of Contract

If, during the term of this Agreement, any of the clauses contained in this Exhibit are repealed, revoked, or dissolved by the Government, then such clauses shall no longer be part of this Agreement as of the date of such repeal, revocation, or dissolution. The elimination of these clauses by reason of such repeal, revocation, or dissolution shall not affect the continuing validity and effectiveness of the remainder of this Agreement or other clauses referenced in this Agreement. The parties' conduct thereafter shall be modified accordingly and reflect the repeal, revocation, or dissolution as related to their respective rights and obligations hereunder.

In the event that the Supplier does not comply with any of the requirements set forth in this Exhibit, this Agreement or Statement of Work may be cancelled, terminated, or suspended in whole or in part.

CYBERSECURITY REQUIREMENTS

1. Supplier represents and warrants that:

   i. it continually adapts its software system development life cycle to adapt to emerging threats and vulnerabilities;

   ii. the SANS Top 25 Most Dangerous Programming Errors and/or the OWASP Top Ten identified vulnerabilities are integrated into its system development life cycle for software, system or Services provided to GPES or its affiliates;

   iii. the required third-party software and/or operating system security vulnerabilities are remediated prior to delivery of any cyber assets;

   iv. a conduct security code review and/or or automated application security scan of products is performed and all identified security vulnerabilities are remediated prior implementation in the applicable environment; and

   v. any security vulnerabilities unable to be remediated must be mutually agreed and approved.

2. After implementation and during the term of the parties' Agreement, if either party becomes aware of any published significant and material identified vulnerabilities of the software, system, or Services according to the SANS Top 25 or the OWASP Top Ten identified vulnerabilities or published by US-CERT, then such party shall promptly notify the other party. If such a vulnerability is discovered and Supplier is notified of such discovery, then Supplier will prepare and present a vulnerability assessment to GPES within three (3) business days, without charge to GPES. Depending upon the results of the vulnerability assessment and the severity of the vulnerability, the parties shall work together on a reasonably acceptable remediation plan. Supplier will remediate any such discovered code vulnerabilities, including at a minimum, the SANS Top 25, the OWASP Top Ten, or a vulnerability confirmed by US-CERT according to the agreed upon remediation plan.

3. Supplier represents and warrants that the software, system or Services will not limit GPES' ability to apply security-related patches, configuration changes, and upgrades to GPES computers hosting the software, system or Services, so long as the patches, configuration changes, and upgrades do not take the software, system or Services out of a supported environment. Patches, configuration changes, and updates to anti-malware products include, but are not limited to, protection against any known or unknown malicious code and/or vulnerable security configurations.

Supplier Access to GPES Systems.

4. No access shall be given to Supplier except for that provided for through the parties' Agreement.

5. Supplier agrees to abide by applicable GPES' information policies while connected to GPES systems. Applicable policies are to be provided by GPES upon request.

   A. Remote Access.

i. All access will use a virtualized solution that is mutually agreed upon by both parties. If the solution is a Virtual Private Network (VPN), it shall not allow split tunneling.

ii. Supplier will only be granted access to the specific devices hosting its products, and Supplier agrees to access only those specific devices.

iii. Level of access will be minimized based on required functions defined by the Agreement.

iv. All requests for administrative access by Supplier must be mutually agreed upon and approved. If granted, rights will not extend beyond the specific system hosts applicable to the Agreement.

v. Supplier will ensure that computers used at the remote end of any remote connection will have the latest available security patches applied to the operating system, browser, and/or application when accessing GPES' network and systems.

vi. Supplier will ensure that computers used at the remote end of any remote connection will have current anti-malware/virus software actively protecting the remote environment. Anti-malware/virus solution used by the Supplier must be a commercially-purchased product.

B. Onsite Access.

i. GPES will assign a unique set of credentials to each individual employed by Supplier requiring access to a GPES system.

ii. Supplier will forbid its employees from sharing any GPES login credentials.

iii. Supplier shall notify GPES within 48 hours when there is any change in employment or position status of any of its GPES-credentialed staff performing services under the Agreement.

iv. If Supplier support requires the use of equipment not maintained by GPES, it will ensure that such equipment will adhere to the following standards before connecting to GPES systems:

a. Any computer system shall have the latest available critical security patches applied to the operating system, browser, and/or application.

b. The computer shall have current anti-malware/virus software actively protecting the remote environment. Anti-malware/virus solution used by the Supplier must be a commercially-purchased product.

c. The Supplier agrees to allow GPES to perform any security-related scans deemed prudent by GPES before or while the computer is connected to GPES' network.

Data Protection.

6. Any data interface requiring transit of GPES data outside of GPES systems shall include agreed upon security mechanisms, and at a minimum shall include encryption and authentication.

7. Supplier will not transfer data via removable media without authorization by a GPES member of Security management and not before a manual anti-virus scan is performed on the media. No data file will be transferred into GPES' network without being scanned for malicious code first. Any data that must be moved across the DMZ will be done via a secure file copy agreed to by GPES.

8. Supplier represents to GPES that neither the system, software nor Services contain any "backdoors" or other method of gaining access to the system, software or Services that bypasses normal authentication procedures.

Data Breaches.

9. For purposes of this document, "Data Breach" means (i) any unauthorized use or disclosure of GPES data by Supplier or any of its affiliates or subcontractors; (ii) any unauthorized use or disclosure of Supplier's or any third party development environment, product or service provided to GPES; and (iii) any reasonable belief that an unauthorized individual has accessed GPES data.

10. Supplier shall report, either orally or in writing, any Data Breach to GPES. Supplier shall make the report to GPES immediately upon discovery, but in no event more than two (2) business days after Supplier reasonably believes there has been or will be such Data Breach. Supplier's report shall identify: (i) the nature of the unauthorized use or disclosure; (ii) the GPES data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what Supplier has done or shall do to mitigate any Data Breach; and (v) what corrective action Supplier has taken or shall take to prevent future similar Data Breach. Supplier shall provide such other information, including a written report, as may be reasonably requested by GPES.

11. Each party acknowledges that, in the course of performance of the Agreement, confidential and sensitive information that is transferred by GPES to Supplier Services/Infrastructure/Platform may be restricted by law from disclosure. Notwithstanding any other provision of the parties' Agreement to the contrary, Supplier will be responsible for all damages, fines, and corrective action arising from unauthorized disclosure/breach of confidentiality and/or security of GPES data caused by Supplier, its officers, directors, employees, agents, representatives, contractors or others under its direction and control. The provisions of this clause shall supersede any term of the Agreement that conflicts with this provision.

Client Environment.

12. If access to Supplier's system, software or Services relies on third-party software installed on GPES' computers, Supplier agrees to maintain compatibility with the third-party software's critical security update schedule, at no charge to GPES. Supplier will provide updated product to GPES within one week of a third-party's notice of a flaw in software. If agreed upon in writing by both parties, the update schedule can be delayed.

Training.

13. The Supplier will provide periodic cyber security awareness training for its employees participating in the execution of any work under this Agreement.

Federal Regulation.

14. If applicable, Supplier agrees to assist GPES with compliance with federal regulatory constraints regarding information systems applying to system, software or Services defined in the Agreement.

Right to Audit: Oversight of Security Compliance.

15. GPES or its designated agent shall have the right to perform an assessment, audit, examination or review of all controls in Supplier's physical and/or technical environment in relation the system, software or Services being provided to GPES pursuant to the Agreement to confirm Supplier's compliance with these terms, as well as any applicable laws, regulations and industry standards. Supplier shall fully cooperate with such assessment by providing access to knowledgeable personnel, physical premises, documentation, infrastructure and application software that processes, stores or transports information and data for GPES pursuant to the Agreement. In addition, upon GPES' request, Supplier shall provide GPES with the results of any audit by or on behalf of Supplier that assesses the effectiveness of Supplier's information security program as relevant to the security and confidentiality of information and data shared during the course of the Agreement.

The following additional terms apply when access by GPES or hosting of GPES data occurs outside of GPES systems. Examples include, but are not limited to Software as a Service (SaaS), Infrastructure as a Service (IaaS), or Platform as a Service (PaaS).

Hosted Environment.

16. If Supplier stores GPES information on a Supplier system (the "Hosted Environment"), Supplier agrees to maintain current anti-malicious code mechanisms for the environment it is hosting. Supplier will have a patch management program that keeps anti-virus/malware signatures updated as well as operating systems and any other software systems supporting the environment patched with regard to published security related vulnerabilities. Updates must be evaluated within one (1) week of publication of said patches/updates, and patches/updates deemed applicable must be implemented within one (1) month, unless a further delay is agreed upon by both parties. Published urgent critical patches are expected to be evaluated, and if deemed applicable, implemented in an expedited manner.

17. Supplier agrees to maintain secure configurations of its hosted environment with respect to emerging threats.

18. If Supplier requires an internet web interface for GPES access to its products, encrypted access mechanisms are required.

Service Level Agreement.

19. Service Level Agreements ("SLA") shall be provided and included in the applicable Statement of Work or Purchase Order. The SLA should address: uptime, performance and response time; error correction time; specific remedies and Infrastructure/security.

Data Processing & Storage - Ownership of and Access to Data.

20. Other than the rights and interests expressly set forth in the Agreement, GPES reserves all right, title and interest (including all intellectual property and proprietary rights) in data it provides to Supplier or

GPES data which is otherwise in Supplier's possession or control. At GPES' sole discretion, GPES retains the right to access and retrieve its data stored outside of GPES systems on Supplier's system, software or Services infrastructure.

Disposition of Data.

21. Upon written request by GPES made before or within sixty (60) days after the effective date of termination, Supplier will make available to GPES a complete and secure (i.e., encrypted and appropriately authenticated) download file of GPES data in Extensible Markup Language (XML) format, or other format as reasonably requested by GPES, including, at a minimum, all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in their native format.

22. On the expiration or termination of the Agreement or any applicable Statement of Work or Purchase Order, Supplier shall, at the choice of GPES, securely return all GPES data transferred and all copies thereof to GPES, or shall destroy all the GPES data and certify to GPES that it has done so, unless applicable law does not allow for the return or destruction of all or part of the data transferred. In that case, Supplier represents and warrants that it will ensure the confidentiality of the data transferred and will cease use and active processing of GPES data. GPES or its designated agent shall have the right to audit Supplier's data processing facilities for purposes of confirming compliance with the requirements set forth in this section.

Location of Data and *SUPPLIER/CONTRACTOR* Staff with Access to Data.

23. Supplier agrees to store and process GPES' data only in the continental United States. Supplier will limit remote access to GPES data to employees located in the continental United States or such other geographic location expressly agreed upon in writing by GPES.

Disaster Recovery.

24. Supplier has disaster recovery and business continuity mechanisms, processes, and responsibilities in place to ensure continuation of the contractually-agreed level of software, system or Services.

Functionality.

25. Supplier must provide written notice to GPES at least 18 months prior to discontinuing a feature or functionality of its software, system or services.

Vendor Outsourcing.

26. Supplier must identify to GPES any functionality that is outsourced, as well as the identity and the location of the outsourcing Regardless of any such outsourcing, Supplier will remain directlyresponsible for all aspects of complying with the terms of the Agreement with GPES.

Legal/Government Requests for Access to Data

27. Where SUPPLIER/CONTRACTOR is required to disclose the confidential information of Westar pursuant to the order of a court or administrative body of competent jurisdiction or a government agency, SUPPLIER/CONTRACTOR shall (i) if practicable and permitted by law, notify Westar prior to such disclosure, and as soon as possible after such order; (ii) cooperate with Westar (at Westar's cost and expense) in the event that Westar elects to legally contest, request confidential treatment, or otherwise attempt to avoid or limit such disclosure; and (iii) limit such disclosure to the extent legally permissible

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 20—Electric Utilities

4 CSR 240-20.010 Rate Schedules
(Rescinded April 30, 2003)

AUTHORITY: section 393.140, RSMo 1986. Original rule filed Dec. 19, 1975, effective Dec. 29, 1975. Amended: Filed May 16, 1977, effective Dec. 11, 1977. Rescinded: Filed Aug. 16, 2002, effective April 30, 2003.

4 CSR 240-20.015 Affiliate Transactions

PURPOSE: This rule is intended to prevent regulated utilities from subsidizing their non-regulated operations. In order to accomplish this objective, the rule sets forth financial standards, evidentiary standards and record-keeping requirements applicable to any Missouri Public Service Commission (commission) regulated electrical corporation whenever such corporation participates in transactions with any affiliated entity (except with regard to HVAC services as defined in section 386.754, RSMo Supp. 1998, by the General Assembly of Missouri). The rule and its effective enforcement will provide the public the assurance that their rates are not adversely impacted by the utilities' nonregulated activities.

(1) Definitions.

(A) Affiliated entity means any person, including an individual, corporation, service company, corporate subsidiary, firm, partnership, incorporated or unincorporated association, political subdivision including a public utility district, city, town, county, or a combination of political subdivisions, which directly or indirectly, through one (1) or more intermediaries, controls, is controlled by, or is under common control with the regulated electrical corporation.

(B) Affiliate transaction means any transaction for the provision, purchase or sale of any information, asset, product or service, or portion of any product or service, between a regulated electrical corporation and an affiliated entity, and shall include all transactions carried out between any unregulated business operation of a regulated electrical corporation and the regulated business operations of a electrical corporation. An affiliate transaction for the purposes of this rule excludes heating, ventilating and air conditioning (HVAC) services as defined in section 386.754 by the General Assembly of Missouri.

(C) Control (including the terms "controlling," "controlled by," and "common control") means the possession, directly or indirectly, of the power to direct, or to cause the direction of the management or policies of an entity, whether such power is exercised through one (1) or more intermediary entities, or alone, or in conjunction with, or pursuant to an agreement with, one or more other entities, whether such power is exercised through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, affiliated entities, contract or any other direct or indirect means. The commission shall presume that the beneficial ownership of ten percent (10%) or more of voting securities or partnership interest of an entity constitutes control for purposes of this rule. This provision, however, shall not be construed to prohibit a regulated electrical corporation from rebutting the presumption that its ownership interest in an entity confers control.

(D) Corporate support means joint corporate oversight, governance, support systems and personnel, involving payroll, shareholder services, financial reporting, human resources, employee records, pension management, legal services, and research and development activities.

(E) Derivatives means a financial instrument, traded on or off an exchange, the price of which is directly dependent upon (i.e., "derived from") the value of one or more underlying securities, equity indices, debt instruments, commodities, other derivative instruments, or any agreed-upon pricing index or arrangement (e.g., the movement over time of the Consumer Price Index or freight rates). Derivatives involve the trading of rights or obligations based on the underlying product, but do not directly transfer property. They are used to hedge risk or to exchange a floating rate of return for a fixed rate of return.

(F) Fully distributed cost (FDC) means a methodology that examines all costs of an enterprise in relation to all the goods and services that are produced. FDC requires recognition of all costs incurred directly or indirectly used to produce a good or service. Costs are assigned either through a direct or allocated approach. Costs that cannot be directly assigned or indirectly allocated (e.g., general and administrative) must also be included in the FDC calculation through a general allocation.

(G) Information means any data obtained by a regulated electrical corporation that is not obtainable by nonaffiliated entities or can only be obtained at a competitively prohibitive cost in either time or resources.

(H) Preferential service means information or treatment or actions by the regulated electrical corporation which places the affiliated entity at an unfair advantage over its competitors.

(I) Regulated electrical corporation means every electrical corporation as defined in section 386.020, RSMo, subject to commission regulation pursuant to Chapter 393, RSMo.

(J) Unfair advantage means an advantage that cannot be obtained by nonaffiliated entities or can only be obtained at a competitively prohibitive cost in either time or resources.

(K) Variance means an exemption granted by the commission from any applicable standard required pursuant to this rule.

(2) Standards.

(A) A regulated electrical corporation shall not provide a financial advantage to an affiliated entity. For the purposes of this rule, a regulated electrical corporation shall be deemed to provide a financial advantage to an affiliated entity if—

1. It compensates an affiliated entity for goods or services above the lesser of—

A. The fair market price; or

B. The fully distributed cost to the regulated electrical corporation to provide the goods or services for itself; or

2. It transfers information, assets, goods or services of any kind to an affiliated entity below the greater of—

A. The fair market price; or

B. The fully distributed cost to the regulated electrical corporation.

(B) Except as necessary to provide corporate support functions, the regulated electrical corporation shall conduct its business in such a way as not to provide any preferential service, information or treatment to an affiliated entity over another party at any time.

(C) Specific customer information shall be made available to affiliated or unaffiliated entities only upon consent of the customer or as otherwise provided by law or commission rules or orders. General or aggregated customer information shall be made available to affiliated or unaffiliated entities upon similar terms and conditions. The regulated electrical corporation may set reasonable charges for costs incurred in producing customer information. Customer information includes information provided to the regulated utility by affiliated or unaffiliated entities.

(D) The regulated electrical corporation shall not participate in any affiliated transactions which are not in compliance with this rule, except as otherwise provided in section (10) of this rule.

(E) If a customer requests information from the regulated electrical corporation about goods or services provided by an affiliated entity, the regulated electrical corporation may provide information about its affiliate but must inform the customer that regulated services are not tied to the use of an affiliate provider and that other service providers may be available. The regulated electrical corporation may provide reference to other service providers or to commercial listings, but is not required to do so. The regulated electrical corporation shall include in its annual Cost Allocation Manual (CAM), the criteria, guidelines and procedures it will follow to be in compliance with this rule.

(F) Marketing materials, information or advertisements by an affiliate entity that share an exact or similar name, logo or trademark of the regulated utility shall clearly display or announce that the affiliate entity is not regulated by the Missouri Public Service Commission.

(3) Evidentiary Standards for Affiliate Transactions.

(A) When a regulated electrical corporation purchases information, assets, goods or services from an affiliated entity, the regulated electrical corporation shall either obtain competitive bids for such information, assets, goods or services or demonstrate why competitive bids were neither necessary nor appropriate.

(B) In transactions that involve either the purchase or receipt of information, assets, goods or services by a regulated electrical corporation from an affiliated entity, the regulated electrical corporation shall document both the fair market price of such information, assets, goods and services and the FDC to the regulated electrical corporation to produce the information, assets, goods or services for itself.

(C) In transactions that involve the provision of information, assets, goods or services to affiliated entities, the regulated electrical corporation must demonstrate that it—

1. Considered all costs incurred to complete the transaction;
2. Calculated the costs at times relevant to the transaction;
3. Allocated all joint and common costs appropriately; and
4. Adequately determined the fair market price of the information, assets, goods or services.

(D) In transactions involving the purchase of goods or services by the regulated electrical corporation from an affiliated entity, the regulated electrical corporation will use a commission-approved CAM which sets forth cost allocation, market valuation and internal cost methods. This CAM can use benchmarking practices that can constitute compliance with the market value requirements of this section if approved by the commission.

(4) Record Keeping Requirements.

(A) A regulated electrical corporation shall maintain books, accounts and records separate from those of its affiliates.

(B) Each regulated electrical corporation shall maintain the following information in a mutually agreed-to electronic format (i.e., agreement between the staff, Office of the Public Counsel and the regulated electrical corporation) regarding affiliate transactions on a calendar year basis and shall provide such information to the commission staff and the Office of the Public Counsel on, or before, March 15 of the succeeding year:

1. A full and complete list of all affiliated entities as defined by this rule;
2. A full and complete list of all goods and services provided to or received from affiliated entities;
3. A full and complete list of all contracts entered with affiliated entities;
4. A full and complete list of all affiliate transactions undertaken with affiliated entities without a written contract together with a brief explanation of why there was no contract;
5. The amount of all affiliate transactions by affiliated entity and account charged; and
6. The basis used (e.g., fair market price, FDC, etc.) to record each type of affiliate transaction.

(C) In addition, each regulated electrical corporation shall maintain the following information regarding affiliate transactions on a calendar year basis:

1. Records identifying the basis used (e.g., fair market price, FDC, etc.) to record all affiliate transactions; and
2. Books of accounts and supporting records in sufficient detail to permit verification of compliance with this rule.

(5) Records of Affiliated Entities.

(A) Each regulated electrical corporation shall ensure that its parent and any other affiliated entities maintain books and records that include, at a minimum, the following information regarding affiliate transactions:

1. Documentation of the costs associated with affiliate transactions that are incurred by the parent or affiliated entity and charged to the regulated electrical corporation;
2. Documentation of the methods used to allocate and/or share costs between affiliated entities including other jurisdictions and/or corporate divisions;
3. Description of costs that are not subject to allocation to affiliate transactions and documentation supporting the nonassignment of these costs to affiliate transactions;
4. Descriptions of the types of services that corporate divisions and/or other centralized functions provided to any affiliated entity or division accessing the regulated electrical corporation's contracted services or facilities;
5. Names and job descriptions of the employees from the regulated electrical corporation that transferred to a nonregulated affiliated entity;
6. Evaluations of the effect on the reliability of services provided by the regulated electrical corporation resulting from the access to regulated contracts and/or facilities by affiliated entities;
7. Policies regarding the availability of customer information and the access to services available to nonregulated affiliated entities desiring use of the regulated electrical corporation's contracts and facilities; and
8. Descriptions of and supporting documentation related to any use of derivatives that may be related to the regulated electrical corporation's operation even though obtained by the parent or affiliated entity.

(6) Access to Records of Affiliated Entities.

(A) To the extent permitted by applicable law and pursuant to established commission discovery procedures, a regulated electrical corporation shall make available the books and records of its parent and any other affiliated entities when required in the application of this rule.

(B) The commission shall have the authority to—

1. Review, inspect and audit books, accounts and other records kept by a regulated electrical corporation or affiliated entity for the sole purpose of ensuring compliance with this rule and making findings available to the commission; and
2. Investigate the operations of a regulated electrical corporation or affiliated entity and their relationship to each other for the sole purpose of ensuring compliance with this rule.

(C) This rule does not modify existing legal standards regarding which party has the burden of proof in commission proceedings.

(7) Record Retention.

(A) Records required under this rule shall be maintained by each regulated electrical corporation for a period of not less than six (6) years.

(8) Enforcement.

(A) When enforcing these standards, or any order of the commission regarding these standards, the commission may apply any remedy available to the commission.

(9) The regulated electrical corporation shall train and advise its personnel as to the requirements and provisions of this rule as appropriate to ensure compliance.

(10) Variances.

(A) A variance from the standards in this rule may be obtained by compliance with paragraphs (10)(A)1. or (10)(A)2. The granting of a variance to one regulated electrical corporation does not constitute a waiver respecting or otherwise affect the required compliance of any other regulated electrical corporation to comply with the standards. The scope of a variance will be determined based on the facts and circumstances found in support of the application.

1. The regulated electrical corporation shall request a variance upon written application in accordance with commission procedures set out in 4 CSR 240-2.060(11); or

2. A regulated electrical corporation may engage in an affiliate transaction not in compliance with the standards set out in subsection (2)(A) of this rule, when to its best knowledge and belief, compliance with the standards would not be in the best interests of its regulated customers and it complies with the procedures required by subparagraphs (10)(A)2.A. and (10)(A)2.B. of this rule—

A. All reports and record retention requirements for each affiliate transaction must be complied with; and

B. Notice of the noncomplying affiliate transaction shall be filed with the secretary of the commission and the Office of the Public Counsel within ten (10) days of the occurrence of the non-complying affiliate transaction. The notice shall provide a detailed explanation of why the affiliate transaction should be exempted from the requirements of subsection (2)(A), and shall provide a detailed explanation of how the affiliate transaction was in the best interests of the regulated customers. Within thirty (30) days of the notice of the noncomplying affiliate transaction, any party shall have the right to request a hearing regarding the noncomplying affiliate transaction. The commission may grant or deny the request for hearing at that time. If the commission denies a request for hearing, the denial shall not in any way prejudice a party's ability to challenge the affiliate transaction at the time of the annual CAM filing. At the time of the filing of the regulated electrical corporation's annual CAM filing the regulated electrical corporation shall provide to the secretary of the commission a listing of all non-complying affiliate transactions which occurred between the period of the last filing and the current filing. Any affiliate transaction submitted pursuant to this section shall remain interim, subject to disallowance, pending final commission determination on whether the noncomplying affiliate transaction resulted in the best interests of the regulated customers.

(11) Nothing contained in this rule and no action by the commission under this rule shall be construed to approve or exempt any activity or arrangement that would violate the antitrust laws of the state of Missouri or of the United States or to limit the rights of any person or entity under those laws.

AUTHORITY: sections 386.250, RSMo Supp. 1998, and 393.140, RSMo 1994. Original rule filed April 26, 1999, effective Feb. 29, 2000.*

**Original authority: 386.250, RSMo 1963, amended 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

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TAB A

Kansas City Power & Light Company

INTRODUCTION

Evergy, Inc. ("Evergy"), headquartered in Kansas City, Missouri, is a registered public utility holding company with three wholly-owned direct utility subsidiaries—Kansas City Power & Light Company ("KCP&L"), KCP&L Greater Missouri Operations Company ("GMO") and Westar Energy, Inc. ("Westar") and three direct non-regulated subsidiaries. All Evergy subsidiaries and affiliates are shown on the five (5) pages of Appendix 1 entitled Evergy, Inc. Organizational Structure. KCP&L and Westar employees operate and manage the business and properties of Evergy and its affiliates as well as the non-regulated activities of KCP&L, GMO and Westar.

KCP&L is a regulated electric utility serving approximately 542,000 customers as of December 2017 in western Missouri and eastern Kansas and owns Kansas City Power & Light Receivables Company ("KCREC"), a wholly-owned subsidiary to whom all its retail electric accounts receivables are sold through an affiliate transaction.

KCP&L is regulated by the Public Service Commission of the State of Missouri ("MoPSC") and The State Corporation Commission of the State of Kansas ("KCC") with respect to retail rates, certain accounting matters, standards of service and, in certain cases, the issuance of securities, certification of facilities and service territories. KCP&L is classified as a public utility under the Federal Power Act and is subject to regulation by the Federal Energy Regulatory Commission ("FERC"). KCP&L has a 47%

ownership interest in Wolf Creek Generating Station ("Wolf Creek"), which is regulated by the Nuclear Regulatory Commission. KCP&L also has a 47% ownership interest in Wolf Creek Nuclear Operating Corporation ("WCNOC"), which operated Wolf Creek.

GMO is a regulated electric utility and also wholly owns GMO Receivables Company ("GREC"), a subsidiary to whom all its retail electric accounts receivables are sold through an affiliate transaction, MPS Merchant Services, Inc., an unregulated subsidiary which has certain long-term natural gas contracts, and several unregulated subsidiaries some of which no longer have active operations. These unregulated subsidiaries are:

MPS Gas Pipeline Corporation
MPS Platt County Power LLC
MOPUB Group Inc.
Golden Bear Hydro, Inc.
Energia, Inc.
LoJamo, LLC MO
MPS Finance Corp.
SJLP Inc.
Trans MPS, Inc.
MPS Europe, Inc.
MPS Canada Holdings, Inc.
Missouri Public Service Company
MPS Networks Canada Corp.
MPS Canada Corp.
MPS Sterling Holdings, LLC

GMO served approximately 325,000 customers as of December 2017 and is regulated by the MoPSC and FERC. In addition to providing electrical services, GMO also provides industrial steam to a limited number of customers in the St. Joseph service area.

Westar is a regulated electric utility serving approximately 708,000 customers as of December 2017 in Kansas and is regulated by the KCC and FERC. Westar has one active wholly-owned subsidiary with significant operations, Kansas Gas and Electric Company ("KGE"), which has a 47% ownership interest in WCNOC and operates Wolf Creek.

In 2012, Transource Energy, LLC ("Transource") was formed as a non-MoPSC regulated joint venture between Evergy and American Electric Power Company ("AEP") to pursue competitive transmission projects. Evergy owns 13.5% of Transource through its wholly-owned non-MoPSC regulated direct subsidiary GPE Transmission Holding Company, LLC ("GPTHC") with AEP owning the remaining 86.5%. Transource Missouri, LLC, a wholly-owned subsidiary of Transource, was formed for regional transmission projects in Missouri and is in part MoPSC regulated. AEP will operate Transource and intends to provide the majority of staff and services through its service company. However, KCP&L may provide certain services to Transource and will be reimbursed consistent with the Stipulation and Agreement approved by the MoPSC in File No. EA-2013-0098. A copy of the relevant pages of that Report and Order is attached as Appendix 4 for ease of reference.

Evergy has two other non-regulated subsidiaries-GXP Investments, Inc. ("GXPI") and Great Plains Energy Services Incorporated ("GPES"). GXPI has investments in KCP&L Solar, Inc., a solar supplier and other various businesses within the energy ecosystem.. GPES is used as a contracting vehicle for purposes of administrative efficiencies.

This Cost Allocation Manual ("CAM") is a requirement of the MoPSC Affiliate Transactions Rule (4 CSR 240-20.015). This rule is intended to prevent MoPSC regulated utilities from subsidizing their non-regulated operations. KCP&L will include in its annual CAM the criteria, guidelines, and procedures it will follow to be in compliance with this rule.

In its July 1, 2008, Report and Order in File No. EM-2007-0374 the MoPSC granted KCP&L and GMO a variance to 4 CSR 240-20.015. The MoPSC granted the variance to all regulated transactions between KCP&L and GMO except for wholesale power transactions, which would be based on rates approved by FERC. This variance is referenced below in TAB F – Transfer Pricing.

Also in its July 1, 2008, Report and Order in File No. EM-2007-0374 the MoPSC required GMO and KCP&L to execute a joint operating agreement within ninety (90) days of the effective date of its July 1, 2008, Report and Order approving Evergy's acquisition of Aquila Inc. ("GMO"). On October 10, 2008, GMO and KCP&L filed with the MoPSC a Joint Operating Agreement ("JOA") dated October 10, 2008. The purpose of the JOA is to provide the contractual basis for the coordinated planning, construction, acquisition, disposition, operation and maintenance of GMO's and KCP&L's business and properties to achieve synergies, consistent with reliable electric service and all legal and other requirements. A copy of the JOA is included as Appendix 5.

In June 2018, the Report and Order in merger docket EM-2018-0012, granted a limited variance from the affiliate transaction rules to facilitate transactions between the regulated operations of KCP&L, GMO and Westar by allowing all transactions to occur at cost except for wholesale power transactions, which will be based on rates approved by FERC.

It is the objective of the KCP&L CAM to provide a high level of assurance that KCP&L has implemented and is monitoring a set of criteria, guidelines, and procedures that also provides a high level of assurance that KCP&L is not subsidizing its affiliated activities or non-regulated operations to the detriment of its regulated electric customers in Missouri.

KCP&L established a fully-functioning CAM Team in January 2015 consisting of a necessary number of trained employees to oversee the operations and management of KCP&L's affiliate transactions. The CAM Team will ensure that all affiliate transactions are either consistent with the MoPSC's Affiliate Transactions Rule or KCP&L has followed the required variance procedures to allow KCP&L to participate in non-complying affiliate transactions.

KCP&L will apply for a waiver from applicable affiliate transaction requirements consistent with the process specified in 4 CSR 240-20.015(10) or it will not participate in the noncomplying affiliate transaction as required in 4 CSR 240-20.015(2)(D).

KCP&L CAM submittals will identify the KCP&L management position that is responsible for the overall governance and enforcement of the KCP&L CAM preparation and implementation of criteria, guidelines, and procedures necessary to provide full compliance with the MoPSC's Affiliate Transactions Rule.

The CAM Team will be involved in decision-making regarding all affiliate transactions to the extent necessary to ensure that these decisions will be based on information regarding complying with the MoPSC's Affiliate Transactions Rule.

Anytime there is 1) an addition or 2) a deletion of an affiliated entity or non-regulated activity, the CAM Team will be notified within the day of the event.

All additions to or deletions of affiliated entities / non-regulated activities will be submitted in writing to the MoPSC Staff Counsel's Office and the Office of the Public Counsel ("OPC") within thirty (30) days of the event occurring.

TAB B

Kansas City Power and Light Company

OVERVIEW OF COSTING METHODOLOGY & SERVICE AGREEMENTS

KCP&L provides information, assets, goods and services to Evergy and its subsidiaries/affiliates. Related costs are collected and assigned directly or indirectly to a business unit when applicable, with business unit referring to a legal entity or regulatory jurisdiction within Evergy.

Costs are assigned on a fully distributed cost ("FDC") basis to reflect all costs incurred in providing goods, assets, information, and services. Costs specifically related to one business unit are billed directly to that unit while costs related to more than one business unit are allocated or assigned based on a cost causative relationship as well as in the aggregate by a general allocator of truly common costs. Since Evergy and certain of its subsidiaries/affiliates may be operated and managed by KCP&L employees, KCP&L will be required to bill out labor charges and related loadings incurred by and benefiting other business and operating units. The allocation and billing of costs is designed to reflect benefits received as closely as practical and to prevent subsidization of any business unit and ensure equitable fair market price ("FMP") or fully distributed cost distributions, as applicable, among Evergy and its affiliates.

KCP&L realizes that failure to fully charge affiliates or non-regulated activities for the relevant fully distributed cost or fair market price of goods, services, assets, or information provided to or on the behalf of these affiliated entities or non-regulated operations is expressly prohibited by the MoPSC's Affiliate Transactions Rule.

The regulated utility's billing of direct assigned, and allocated fully distributed cost or fair market price, if higher, is designed to prevent providing a financial advantage to or subsidization of any business unit or non-regulated activity while also ensuring equitable charges among Evergy and its subsidiaries/affiliates.

Affiliates are billed on a FDC basis which includes all direct and indirect costs, including cost of capital and overheads, or at the fair market price, whichever is higher. The following three types of cost assignments are utilized to determine proper FDC billings:

1) **Billing between Business Units (TAB C)** – Applies to balance sheet and income statement costs between KCP&L and affiliates. The billing of costs between business units is based on the operating unit field charged in the account code. The operating unit field identifies what business unit is benefiting from the cost and is required on all capital and expense transactions. For billing purposes, costs are grouped into two basic groups: (a) direct billed projects and (b) indirect billed projects. Direct billed projects are assigned directly to a business unit based on the operating unit, while the indirect billed projects are allocated based on relevant cost allocation factors. In addition, affiliates will be charged for the use of common plant and for the use of capital whenever such charges are appropriate.

2) **Clearings and Loadings (TAB D)** – Applies to types of costs that are assigned based on the usage related to other costs. In some applications, costs are distributed, or "cleared" over a distribution of direct costs, such as fleet clearings. In other applications, costs are distributed, or "loaded" onto a related cost, such as paid absence, and distributed based on a payroll distribution.

3) **Specific Assignment Method (TAB E)** – Applies to costs that can be assigned to the benefiting business unit based on a statistical analysis, usage study, or association with the underlying asset or liability. For instance, depreciation expense is assigned based on the related plant asset.

KCP&L will rely upon its Accounting Department or the group responsible for control of the costs to determine the specific assignments. KCP&L and affiliates shall enter into service agreements which establish the terms and conditions for affiliate transactions, including a general description of goods and services provided, pricing, billing and payment methods and dispute resolution. Refer to Appendix 2 for a listing of services. Additional services may be provided if needed. Appendix 2 and Service Agreements will be updated if additional services are provided or removed. The agreements will comply with all applicable MoPSC rules and orders to prevent any preferential treatment among the affiliates.

Kansas City Power & Light Company

SHARED SERVICE BILLINGS BETWEEN BUSINESS UNITS

KCP&L provides goods, services, assets, and information to other entities within Evergy including Evergy. When goods are provided or services are performed for the benefit of these entities, the fully distributed cost of providing the good or service is accumulated and billed to the affiliate. On a monthly[1] basis, these accumulated fully distributed costs are then compared with the fair market price of the good or service. After the comparison is made, if the fair market price is higher than the fully distributed cost an adjustment will be made for the difference and billed by KCP&L to the benefiting business unit on a monthly basis.

Since KCP&L and Westar are the only business units among all Evergy business units that have employees, they must bill out labor charges and related loading costs (such as pensions, OPEBs and other loadings) incurred for the benefit of other business units. Employees enter their time by account code in a time-entry system which allows

[1] Staff supports a two-year variance ending March 16, 2019 from KCP&L billing its affiliates, except for affiliates where a waiver for variances exist, the higher of cost (FDC) or market (FMP) at the time KCP&L bills its affiliates for the provision of assets, goods, information, and services on a monthly basis. KCP&L is to be allowed to bill its affiliates at cost for the first two months of each calendar quarter with true-up bills in the third month of each calendar quarter for market price to the extent market price is higher than cost. These true-up bills are to include an interest charge at the late payment charge rate for the period KCP&L delayed receiving its money if the initial bill would have reflected the higher market price. The variance described in this paragraph is to expire March 16, 2019, or sooner if KCP&L chooses to implement monthly billing, except as provided in section 4 CSR 240-20.015(10).

for payroll to be accurately assigned. Below is a description of the various billings between business units.

Income Statement Billings – Income and expenses are classified into the following two groups for billings purposes—direct and indirect. Costs are accumulated at the operating unit level of the account code with the operating unit indicating the allocation group where the cost belongs.

1. **Direct Billings** – These are costs incurred to provide a specific service (e.g., filing federal income tax returns, satisfying filing requirements at a specific state or other level) to a specific business unit. There is a direct relationship between the cost incurred and the business unit receiving the benefit of the cost. These costs are billed to the business unit based on the owner of the operating unit charged.

2. **Indirect Billings** – These are costs incurred to provide services benefiting more than one business unit. These costs are billed to the business units based on predefined allocation factors or the results of periodic allocation studies. The allocation factors are determined based on a cost causative relationship as well as in the aggregate by a general allocator of truly common costs. KCP&L is aware that all costs are to be directly or indirectly charged to Evergy or its affiliates to the maximum extent possible. Common costs result from residual costs that could not reasonably be directly or indirectly assigned. Refer to Appendix 3 for a list of allocation factors and how the factors are calculated.

The Utility Massachusetts Formula will only be used as a general allocator to allocate common costs that apply only to GMO, Westar, KGE and KCP&L's regulated operations and activities. All other residual common costs will be allocated using the General Allocator calculation. The General Allocator allocates costs based on an entity's relative ratio of direct and assigned expenses to total direct and assigned expenses incurred.

Balance Sheet Billings – All costs incurred by a business unit for the benefit of another business unit that are charged to a construction, undistributed stores expense or clearing account, are then billed to the benefiting business unit based on the operating unit designations. These costs are primarily direct billings from one business unit to another, however, there may be charges to undistributed stores expense or clearing accounts that are billed out based on an assignment or allocation factor.

Common Use Plant and Asset Transfers

Common Use Plant – In the ordinary course of business, assets belonging to KCP&L may be used by another entity. This property, referred to as common use plant, is primarily service facilities, telecommunications equipment, network systems and software. In order to ensure the regulated entities do not subsidize Evergy and its other companies, KCP&L charges costs for the use of its common assets. Monthly billings are based on the depreciation and/or amortization expense of the underlying asset and a rate of return applied to the net plant. The total cost is then assigned or allocated on an applicable factor to the business unit benefiting from the use of the asset. All direct costs incurred to common plant are directly charged to the Evergy entity causing those costs.

Asset Transfers – KCP&L will not sell, lease, assign, mortgage, transfer, or otherwise dispose or encumber the whole or any part of its franchise, works, or system, necessary or useful in the performance of its duties to the public, nor by any means, direct or indirect, merge or consolidate such works or system, or franchises, or any part thereof, with any other corporation, person, or public utility, without having first secured from the MoPSC an order authorizing it so to do. (Section 393.190 RSMo).

Compensation for the Use of Capital – Transactions between legal entities result in the creation of intercompany receivables or payables with settlement due in the following month. In addition to the above charges, a charge for the use of capital based on the outstanding intercompany receivable balance and the daily Commercial Paper Rate published by the Board of Governors of the Federal Reserve System for A2/P2 non-financial issuers will be applied. Any receivables outstanding after thirty (30) days from month end will result in a late payment fee which will be based on the late payment fee charged to KCP&L's regulated customers.

TAB D

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CLEARINGS & LOADINGS

Paid Absence Loadings – KCP&L is required to follow the FERC Uniform System of Accounts ("USOA") that describes how the various paid absence costs will be allocated over the "at work" activities. Monthly, costs charged to the various paid absence accounts are allocated to capital and expense accounts based on each account's respective straight-time payroll activity for the month. Employees will directly or indirectly[1] charge labor to Evergy and its affiliates for each and every activity performed that benefits Evergy and its affiliates, including KCP&L based on the goods or services provided to these entities. Paid absence loading will be assigned to these labor charges at the time of these direct and indirect charges.

Payroll Tax Loadings – Payroll taxes are loaded to labor charged to expense accounts, work orders and clearing accounts based on a projected rate applied to direct labor charged to these accounts. This process allows for payroll taxes to follow the original labor distribution and to be included in construction costs. Employees will directly or indirectly[2] charge labor to Evergy and its affiliates and non-regulated operations for each and every activity benefitting Evergy and its affiliates and non-

[1] Employees will directly charge labor that can be directly assigned to an affiliate. Employees will indirectly charge labor that cannot be directly assigned.

[2] See footnote 1.

regulated operations. Payroll taxes will be assigned to these labor charges at the time of these direct and indirect charges.

Pensions and Other Benefits Loadings – Pension, post-retirement, employee insurance and other benefits are applied to labor costs to ensure that an appropriate portion of benefits is capitalized and to provide management with costs per project. Loadings are based on a projected rate applied to direct labor. Employees will directly or indirectly[3] charge labor to Evergy and its affiliates for each and every activity benefitting Evergy and its affiliates and non-regulated operations. Pensions and other benefit costs will be assigned to these labor charges at the time of these direct and indirect charges.

Material and Tool Loading – The FERC USOA requires the use of undistributed stores expense accounts (163 accounts) to accumulate purchasing and store keeping costs of inventory materials. These costs are cleared based on historical loading rates. The rates are applied to materials issued to O&M and capital projects.

Administrative and General ("A&G") Loading – The purpose of this loading is to capitalize a portion of the various A&G costs that are incurred in support of capital activities. Based on a time study, specific departments monthly labor charges are allocated to all open construction projects.

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[3] See footnote 1.

T&D Division Overheads – The purpose of this loading is to capitalize a portion of the delivery division service costs that are related to construction and removal activity but impractical to charge directly. The overhead costs are cleared through account 184780 based on current month applicable labor charges.

Generation Division Clearing – The purpose of this clearing is to capitalize a portion of the generation service costs that are related to construction and removal activity but impractical to charge directly. The overhead costs are cleared through account 184781 based on current month generation labor charges.

Flyash Clearings – This clearing distributes general costs in account 502010, Steam Operations Solid By-Products, to the appropriate coal fired plants. Current month activity in this account is cleared to expense plant projects based on a twelve months ended MMBTU's factor.

Unit Train Maintenance Clearing – The purpose of this clearing is to distribute general unit train maintenance charges to coal fired plants. Labor and non-labor in account 151601, Unit Train Maintenance, are spread to specific coal fired plant expense projects based on train cars assigned to each plant.

Combustion Turbine ("CT") Fuel Clearing – The purpose of this clearing is to distribute general charges in fuel expense and CT expense accounts 547101-554000, to the appropriate combustion turbines. This allocation transfers the monthly activity of general projects in these accounts to specific CT projects based on the twelve months ended MMBTU's factor.

Fuel Clearing – This clearing distributes general charges in fuel expense and steam accounts 500000 and 501500-514001, to the appropriate coal fired plants. This allocation transfers the monthly activity of general projects in these accounts to specific coal fired plant projects based on the twelve months ended MMBTU's factor.

Fleet Clearings – The purpose of this clearing is to spread the cost of vehicles to the appropriate departments and capital and expense accounts. Fleet vehicles are owned by specific departments with a vehicle rate assigned to each department based on the type and number of vehicles. Account 184004, Transportation, is used to accumulate the operations and maintenance expenses. The monthly charges are then cleared from this account to each departmental owner with the clearing following labor.

TAB E

Kansas City Power & Light Company

SPECIFIC ASSIGNMENT METHOD

Specific assignment of costs among business units is used 1) when a statistical analysis of the underlying cost indicates the benefiting business unit or 2) when the cost can be assigned based on the ownership of the related assets or liabilities. Specific assignment methods could be used for such transactions as property insurance premiums which are allocated based on an appropriate cost causative driver or depreciation expense which follows the ownership of the related assets.

For example, property insurance premiums may provide coverage to more than one business unit but the premiums are billed with one invoice. Under the FDC method, to allocate the premium to the benefiting business units, an analysis is done to determine the appropriate cost causative driver which determines the amount related to each business unit. The invoice amount is then charged to all applicable business units.

In addition, the specific assignment method may be utilized to track costs that are or potentially will benefit non-regulated activities. When a potential new non-regulated activity is identified, a project may be assigned to help identify and accumulate costs associated with the new non-regulated activity. Ultimately, these projects will be used to segregate those costs from regulated activities.

TAB F

Kansas City Power & Light Company

TRANSFER PRICING

Affiliate transactions between regulated and non-regulated affiliates follow a "best for the business" transfer pricing policy designed to prevent cross subsidization between affiliates. For example, a business would not provide a good, service, information, or asset below fully distributed cost unless it was operating under distressed circumstances. Also, a business would not provide a good, service, information, or asset at fully distributed cost if the fair market price was greater than the cost to create or provide the good or service. The MoPSC's Affiliate Transactions Rule is predicated on the utility acting in the utility's best interests when dealing with affiliates or its non-regulated activities. If a utility provides a good, service, asset, or information to an affiliate at cost when the fair market value is greater than fully distributed cost, the utility will experience the opportunity loss while the affiliate or non-regulated activity extracts the higher fair market value that the utility forfeited when it charged the affiliate the lower fully distributed cost-based price. All information, assets, goods or services provided by a regulated Evergy affiliate to a non-regulated affiliate/product will be charged at the greater of fair market price or the fully distributed cost incurred to provide the good or service.

Information, assets, goods or services provided by a non-regulated affiliate to a regulated affiliate will be priced at the lower of fair market price or the fully distributed cost. The regulated affiliates will document the fair market price either through competitive bids or other measures and will analyze the fully distributed costs to determine appropriate pricing. KCP&L can and should acquire the good or service at fair market price from a non-affiliate source whenever it is below the fully distributed cost to produce the good or service itself. KCP&L should acquire the good or service at its fully distributed cost when fair market price is higher.

Transactions between KCP&L, GMO and Westar

As noted above in TAB A, in its July 1, 2008 Report and Order in File No. EM-2007-0374 the MoPSC granted GMO and KCP&L a variance to the Affiliate Transactions Rule for all transactions between GMO and KCP&L except for wholesale power transactions, which would be based on rates approved by FERC. At paragraph 589, page 187, of the MoPSC Report and Order, the MoPSC noted that "[r]ather than the asymmetrical pricing prescribed in the rule, the Applicants request that the Commission grant a waiver from the rules to the extent necessary to allow KCPL and Aquila to provide services at fully distributed costs, except for wholesale power transactions, which would be based on rates approved by FERC." [Footnote omitted].

The MoPSC explained the variance at page 264 of its Report and Order:

> G. Conclusions of Law Regarding the Commission's Affiliate Transactions Rule
>
> * * * *
>
> 3. Final Conclusions Regarding the Affiliate Transactions Rule
>
> The Commission determines that substantial and competent evidence in the record as a whole supports the conclusions that: (1) the Commission's Affiliate Transactions Rule, 4 CSR 240.015, applies to KCPL and Aquila because these entities meet the Rule's definition of "affiliates"; (2) the purpose of the Commission's Affiliate Transactions Rule is to prevent cross-

> subsidization of regulated utility's non-regulated operations, not to prevent transactions at cost between two regulated affiliates; (3) to the extent that the Affiliate Transactions Rule is applicable to transactions between KCPL and Aquila, a variance shall be granted; and (4) more specifically, the variance shall be granted for all transactions except for wholesale power transactions, which would be based on rates approved by FERC.

Finally, at page 265 of the Report and Order the Commission noted that:

> ...although both KCPL and Aquila will continue to be subject to the Commission's recordkeeping requirements for regulated electrical corporations, the sections of 4 CSR 240.015 which relate to recordkeeping will not be waived. . . .

Also as noted in Tab A, in the 2018 Report and Order in docket EM-2018-0012, the MoPSC granted KCP&L, GMO and Westar a variance from the Affiliate Transaction Rule except for wholesale power transactions, which would be based on rates approved by FERC.

Fully Distributed Costs ("FDC"): FDC as described in this CAM include all costs to produce a product or service including direct, indirect, capital and overhead costs. First, labor and non-labor costs that are directly assignable to an affiliate are billed to that affiliate. These include costs that directly benefit the affiliate or product. Secondly, indirect costs are billed. These include costs attributable to affiliates which are allocated based on a cost causative relationship and general service costs that are allocated using the general allocator. The general allocator will be used with the exception of transactions that only benefit directly or indirectly KCP&L's, GMO's or Westar's regulated operations between KCP&L, GMO and Westar. In transactions only between KCP&L, GMO and Westar, the Utility Massachusetts Formula may be used in lieu of the General Allocator. The Utility Massachusetts Formula is currently based on a three-factor formula which includes investments/net fixed assets, operating revenues and labor charged to operations and maintenance. The specific components of the Utility Massachusetts Formula should be adjusted as necessary to more closely fit (result in a more reasonable allocation) the type of cost that is being allocated based on the characteristics of the entities receiving the allocation. Refer to Appendix 3 for more information on the allocation factors.

FDC includes but is not limited to billings for the following:

1) Labor-the cost of human capital associated with the service provided.
2) Loadings-the benefits, pensions, OPEBs, insurance, paid absences, payroll taxes, etc. associated with labor and capital loadings associated with functional parts of the organization.
3) Plant, including Common Use Plant, which includes the use of common facilities such as telecommunication and network systems used in support of the organization.
4) Non-Labor-all other charges for materials, services and overheads.

Fair Market Price ("FMP"): The fair market price is the price that would be received to sell or acquire a good or service in an orderly transaction (i.e., not a forced liquidation or distressed sale) between market participants at or near the measurement date, under current market conditions. The fair market price will be used to document the pricing of goods and services to KCP&L's affiliates, with the exception of GMO's MoPSC regulated operations and Westar's regulated operations. In the absence of current comparable market prices, benchmarking, if approved by the MoPSC, may be used. The transaction to sell a good or provide a service is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the good or provides the service. The objective is to determine the price that would be received to sell or paid to acquire the good or service at or near the measurement date (an exit price).

Fair Value Measurement ("FVM"): Fair value measurement guidelines under generally accepted accounting principles ("GAAP") can be found in Accounting Standards Codification 820 ("ASC 820," formerly "FAS 157").

For purposes of this CAM, assets and liabilities in this definition will be the same for goods and services. Also for the purposes of this CAM, the term "fair value" or "fair value measurement" as used in this CAM and ASC 820 has the same meaning as "fair market price" as used in this CAM and the MoPSC's Affiliate Transactions Rule. KCP&L shall use a valuation technique that is appropriate for the circumstances and for which sufficient data is available to measure the fair market price, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The objective of using a fair market valuation technique, such as the one reflected in this CAM, is to determine the price at which an orderly transaction to transfer or acquire goods or provide or acquire services would take place between market participants at the measurement date under current market conditions. KCP&L will use the market approach described in this CAM to determine fair market prices. The market approach is described in ASC 820.

The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) goods and services. (A quoted price in an active market provides the most reliable evidence of fair value.) A fair market price is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing the good or service. As a basis for considering market participant assumptions in fair market price determinations, this CAM uses a fair value hierarchy (described below) that distinguishes between:

1) market participant assumptions developed based on market data obtained from sources independent of the regulated utility (observable inputs) and
2) the regulated utility's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).

The use of unobservable inputs is allowed only in situations in which there is little, if any, market activity for the good or service at or near the measurement date. In those situations, KCP&L need not undertake all reasonable efforts to obtain information about market participant assumptions. However, KCP&L will not ignore information about market participant assumptions that is reasonably available without undue cost and effort.

The fair market price of the good or service shall be determined based on the assumptions that market participants would use in pricing the good or service. In developing those assumptions, KCP&L may, but need not identify specific market participants. Rather, KCP&L should identify characteristics that distinguish market participants generally, considering factors specific to:

a) the good or service,
b) the principal (or most advantageous) market for the good or service, and
c) market participants with whom KCP&L would transact in that market.

Market participants are buyers and sellers in the principal (or most advantageous) market for goods or services that are:

a) Not related parties,
b) Knowledgeable, having a reasonable understanding about the good or service and the transaction based on all available information, including information that might be obtained through due diligence efforts that are usual and customary,
c) Able to transact for the good or service, and
d) Willing to transact --motivated but not forced or otherwise compelled to do so.

Inputs refer broadly to the assumptions that market participants would use in pricing a good or service. Inputs may be observable or unobservable:

a) Observable inputs are inputs that reflect the assumptions market participants would use in pricing the good or service developed based on market data obtained from sources independent of the regulated utility.

b) Unobservable inputs are inputs that reflect the regulated utility's own assumptions about the assumptions market participants would use in pricing the good or service developed based on the best information available in the circumstances.

Fair Market Pricing Process: In the process of determining the fair market price for a good or service provided to or received from an affiliate, KCP&L will use a process based on obtaining the highest quality of information reasonably available to determine the fair market price of an affiliate transaction. The process for determining fair market price prioritizes the inputs to valuation techniques used to measure fair market price into three broad levels based on quality of information. The process used by KCP&L gives the highest priority to quoted prices (unadjusted) in active markets for identical goods and services and the lowest priority to unobservable inputs.

<u>High Quality inputs (observable)</u>

High quality inputs are quoted prices (unadjusted) in active markets for identical goods or services that the regulated utility has the ability to access at or near the measurement date (date of the transaction). An active market for a good or service is a market in which transactions for the good or service occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of a fair market price and shall be used to measure the fair market price (as required by 4 CSR 240-20.015(2)(A) whenever available. The MoPSC's Affiliate Transactions Rule requires at 4 CSR 240-20.015(3)(A) that when a utility purchases information, assets, goods or services from an affiliate, the utility shall either obtain competitive bids or demonstrate why competitive bids were neither necessary nor appropriate. Assuming a reasonably-designed bidding process, the obtaining of competitive bids for the purchase of goods or services by the utility may constitute a high quality input for the purposes of this CAM.

Medium Quality inputs (observable)

Medium quality inputs are inputs other than quoted prices that are observable for the good or service, either directly or indirectly. If the good or service has a specified (contractual) term, a medium quality input must be observable for substantially the full term of the good or service. Medium quality inputs include the following:

a) Quoted prices for similar goods or services in active markets.
b) Quoted prices for identical or similar goods or services in markets that are not active.
c) Inputs other than quoted prices that are observable for the good or service.
d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Depending on the nature of the benchmark, benchmarking practices that have the characteristics of medium quality inputs (if approved by the MoPSC - 4 CSR 240-20.015(3)(D)), can constitute a medium quality input.

Lower Quality inputs (unobservable)

Lower quality inputs are unobservable inputs for the good or service. Unobservable inputs shall be used to measure the fair market price to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the good or service at or near the measurement date. Unobservable inputs shall reflect the regulated utility's own assumptions about the assumptions that market participants would use in pricing the good or service. Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the regulated utility's own data. Due to the lower quality nature of these unobservable inputs, greater effort will be made to ensure the fair market price determination using this data reviewed closely for reasonableness using the Conservatism Principle of Accounting. In developing unobservable inputs, KCP&L need not undertake all possible efforts to obtain information about market participant assumptions. However, KCP&L shall not ignore information about market participant assumptions that is reasonably available without undue cost and effort. Therefore, KCP&L's own data used to develop unobservable inputs shall be adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

KCP&L's Labor Costs

Since Evergy and certain of its subsidiaries/affiliates are operated and managed by KCP&L employees, KCP&L will be required to bill out labor costs benefiting affiliates and non-regulated activities. To determine the fair market price of a good or service provided by KCP&L to an affiliate, the market approach as described above will be used. The CAM Team, which includes representatives across several functions, including the Procurement Department, will conduct current fair market pricing analysis which will determine whether the appropriate amount to record an affiliate transaction is at FDC or fair market price.

KCP&L's Non-Labor Purchases

For all non-labor affiliate purchases exceeding corporate established competitive bid Policies ($100,000 for all purchases), KCP&L will do the following:

The Procurement Department, will solicit and obtain multiple competitive bids from non-affiliated vendors in addition to the bid from the affiliate. Prior to awarding the bid to an affiliate, the Procurement Department will review the bids received and use its procurement expertise to determine if the price proposed by the affiliate is within the range of the responsive bids received from the non-affiliated vendors. For transactions that are below the referenced competitive bid thresholds, the market approach as described in this Tab will be used.

Allocation of Costs Between KCP&L / GMO / Westar

The above language is subject to the Commission variance from the Affiliate Transactions Rule granted to KCP&L and GMO in File No. EM-2007-0374 and to KCP&L, GMO and Westar in EM-2018-0012.

KCP&L provides goods, services, assets, and information to other entities within Evergy including Evergy. When goods are provided or services are performed for the benefit of these entities, the fully distributed cost of providing the good or service is accumulated and billed to the affiliate. On a monthly[1] basis, these accumulated fully distributed costs are then compared with the fair market price of the good or service. After the comparison is made, if the fair market price is higher than the fully distributed cost an adjustment will be made for the difference and billed to the benefiting business unit on a monthly basis.

[1] Staff supports a two-year variance ending March 16, 2019 from KCP&L billing its affiliates, except for affiliates where a waiver for variances exist, the higher of cost (FDC) or market (FMP) at the time KCP&L bills its affiliates for the provision of assets, goods, information, and services on a monthly basis. KCP&L is to be allowed to bill its affiliates at cost for the first two months of each calendar quarter with true-up bills in the third month of each calendar quarter for market price to the extent market price is higher than cost. These true-up bills are to include an interest charge at the late payment charge rate for the period KCP&L delayed receiving its money if the initial bill would have reflected the higher market price. The variance described in this paragraph is to expire March 16, 2019, or sooner if KCP&L chooses to implement monthly billing, except as provided in section 4 CSR 240-20.015(10).

Kansas City Power & Light Company

AFFILIATE MARKETING MATERIALS

Any marketing materials or advertisements for the unregulated affiliates with similar names, logos or trademarks to regulated affiliates will state in a font size no smaller than the smallest font size on the page and will clearly display that it is "Not Regulated by the Missouri Public Service Commission." Copies of all such material for each reporting period will be available for review on or before the submittal date of the CAM.

TAB H

Kansas City Power & Light Company

RECORD KEEPING REQUIREMENTS

KCP&L's affiliate transactions policies and procedures are governed by the rules and regulations of FERC and the MoPSC. KCP&L will maintain each affiliate's books and records separately and each will be maintained so affiliate transactions are auditable on KCP&L's books. Affiliate transaction records will document the cost of transactions, the methods used to assign costs and descriptions of the services provided. Affiliate transactions will be retained for a period of at least six years or as required to meet MoPSC rules. Any non-assignment of affiliate costs or variances from the costing methods outlined in the CAM will be tracked and provided for MoPSC regulatory review on an annual basis.

An Affiliate Transactions Report will be submitted annually for review or as required to meet all regulatory requirements. The annual filing will include the following:

1) A list of affiliate entities
2) A description and dollar amount of all affiliate transactions
3) A list of all contracts between affiliates
4) A list of affiliate transactions without a written contract
5) The basis used for pricing the affiliate transactions (FDC or fair market price)
6) A Code of Conduct which discusses training, enforcements and audits
7) Cost Allocation Manual

KCP&L will conduct periodic audits to review affiliate transactions for compliance with the CAM's documented policies and procedures and with FERC and MoPSC rules and orders.

TAB I

Kansas City Power & Light Company

TRAINING

Annually, employees are required to complete Evergy's Code of Ethical Business Conduct which includes training and proper compliance with accounting and record keeping rules and procedures, antitrust regulations, fair trading and various ethical issues. The on-line training is mandatory for all employees and requires passage of an on-line test following completion of the training and a compliance questionnaire and certification.

New supervisors are required to complete Supervisor's Training. Beginning in 2016, a portion of the training was dedicated to the rules governing affiliate transactions to ensure new supervisors are properly trained and informed regarding KCP&L's affiliate transaction policies and procedures and how they impact their departments.

KCP&L identified the functional areas that are involved in the provision of goods, services, information, or assets to Evergy and its affiliates per executed written agreements.

All KCP&L employees performing services on behalf of other affiliates (including supervisors and executives) who are involved in the provision of goods, services, information, or assets to Evergy, its affiliates, and non-regulated operations will receive overall training regarding the MoPSC's Affiliate Transactions Rule.

All KCP&L employees performing services on behalf of other affiliates (including supervisors and executives), who are involved in the provision of goods, services, information, or assets to Evergy, its affiliates, and non-regulated operations, are given training materials that (1) identifies all of the goods, services, information, or assets identified in service agreements with affiliates they may provide to Evergy and its affiliates and (2) indicates that goods, services, information, or assets are not to be provided in the absence of a service agreement.

In addition, KCP&L employees performing services on behalf of other affiliates (including supervisors and executives) are trained as to the proper recording required for the goods, services, information, or assets they will be providing to Evergy and its affiliates. The training materials are maintained to provide continued support for affiliate transactions reporting and recording questions and issues. KCP&L will provide individual training as needed.

In 2014, training courses were enhanced to include detailed information regarding the MoPSC Affiliate Transactions Rule and expectations to each designated employee (including supervisors and executives) regarding the specific goods, services, information, or assets he/she provides to Evergy and its affiliates. Employees are requested to certify if they have knowledge of any potential abuses specific to affiliate transactions, and that those abuses have been communicated in writing to the CAM Team. Internal communications, department Intranet sites and new employee orientation will be updated and maintained to provide additional information on affiliated entities and affiliate rules and requirements. Internal communications may include company-wide leadership meetings, various staff meetings, manager-specific communications, company-wide e-mail announcements and printed communications regarding the MoPSC's Affiliate Transactions Rule and related topics.

TAB J

Kansas City Power & Light Company

VARIANCES

The Affiliate Transactions Rule variance process is described in 4 CSR 240-20.015(10).

KCP&L understands that with limited exceptions an exemption needs to be granted by or be in process before the MoPSC from an applicable standard pursuant to the Affiliate Transactions Rule, 4 CSR 240-20.015, before KCP&L may participate in an affiliate transaction that is not consistent with the MoPSC's Affiliate Transactions Rule. The limited exception as outlined in the rule is related to the affiliated transaction pricing standard and only when KCP&L believes complying with the standards set out in the Affiliate Transactions Rule would to its best knowledge and belief not be in the best interests of its regulated customers. If any such pricing variance were to occur, KCP&L must request a variance through a written application to the MoPSC or provide notice to the Secretary of the MoPSC and the OPC within ten (10) days of the non-complying transaction.

To comply with Missouri Affiliate Transactions Rule 4 CSR 240-20.015(2)(D) and (10)(A)2, KCP&L will file notice of any non-complying affiliate transaction occurrence. The notice will contain a detailed explanation of why the affiliate transaction was exempt from affiliate requirements and why the variance was in the best interest of regulated customers.

At this time, KCP&L has variances/waivers granted by the MoPSC regarding transactions with GMO and Westar (File Nos. EM-2007-0374 and EM-2018-0012) and the provision of goods, services, information, and assets to Transource and Transource Missouri (File No. EO-2012-0367 and File No. EA-2013-0098).

Any revisions, additions and deletions, to the CAM will be filed with the Secretary of the MoPSC and OPC within ten (10) days of the occurrence of the change as either a variance application: (1) in accordance with 4 CSR 240-20.015(10)(A)1 and 4 CSR 240-2.060(4), KCP&L cannot act in accordance with the variance application until the request receives MoPSC approval); or (2) in accordance with 4 CSR 240-20.015(10)(A)2, KCP&L can operate under the revised CAM before final MoPSC determination as explained below. The notice shall explain in detail the reasons for the change and explain why the change is in the best interest of regulated customers. Within thirty (30) days of the notice, Staff, OPC, or any entity shall have the right to request a hearing on the change. The MoPSC may grant or deny a request for a hearing. If the MoPSC denies a request for hearing, the denial shall not in any way prejudice an entity's ability to challenge the revision at the time of the annual KCP&L CAM filing. At the time of the filing of KCP&L's CAM, KCP&L shall provide to the Secretary of the MoPSC a listing of all revisions, additions and deletions, which occurred between the period of the last filing and the current filing. Any revisions shall remain interim, pending final MoPSC determination on whether each revision is in the best interests of the regulated customers.

TAB K

Kansas City Power & Light Company

REPORTING PERIOD RESULTS

Reporting period results should include:

- A summary of charges by absolute total with the amount charged to or billed from each subsidiary or affiliate of Evergy including KCP&L. The KCP&L portions should identify charges to both regulated and each of its non-regulated activities.
- "Affiliate Transactions Report" for KCP&L in its CAM.
- "KCP&L Additional Affiliate Transaction Information" for KCP&L in its CAM.
- A schedule listing all changes from prior CAM filing.
- A listing of all CAM changes that have not been approved by MoPSC.

Kansas City Power & Light Company

GLOSSARY OF TERMS

CAM Team – Team made up of KCP&L and Westar employees to implement and supervise the KCP&L CAM.

Cost Allocation Manual ("CAM") – a document that includes the criteria, guidelines and procedures a regulated utility will follow to be in compliance with the MoPSC's Affiliate Transactions Rule (4 CSR 240-20.015).

FERC – Federal Energy Regulatory Commission.

GAAP – Generally accepted accounting principles. As used in this CAM, GAAP refers to FASB Statement 157 and ASC 820 (Codification Topic 820) *Fair Value Measurements and Disclosures* (on July 1, 2009, FASB Statement 157 was codified into ASC Topic 820).

General Allocator – A "last resort" allocation method only used when neither direct nor indirect measures of cost causation can be found to charge a cost to a specific entity. KCP&L may use a three factor formula made up of operating revenues, labor charged to O&M and Net Plant as an allocator for costs allocated between KCP&L, GMO and Westar. For all other costs, KCP&L uses a General Allocator which allocates based on an entity's relative ratio of direct and assigned expenses to total direct and assigned expenses incurred.

GMO – KCP&L Greater Missouri Operations Company, a wholly-owned subsidiary of Evergy, whose primary purpose is to provide electricity to customers within its regulated Missouri territories.

Evergy – Evergy, Inc., the holding company.

Evergy's Code of Ethical Business Conduct – a document together with Evergy's "Guiding Principles" provides Evergy the structure for decisions it makes and how it deals with legal and ethical issues. In addition, these documents, located on Evergy's website, describe how Evergy treats it employees, customers, shareholders, regulators, legislators and communities.

GPES – Great Plains Energy Services Incorporated, a wholly-owned subsidiary of Evergy.

GPTHC – GPE Transmission Holding Company, LLC, a wholly-owned subsidiary of Evergy.

GXPI – GXP Investments, Inc., formerly known as KLT, is a wholly-owned non-regulated subsidiary of Evergy.

IRS Form 7004 (Rev Dec 2012) – *Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns* for Evergy's and Subsidiaries' Affiliated Group Information Statement 1 which lists the name and address of each member of the affiliated group.

KCC – The State Corporation Commission of the State of Kansas.

KCP&L – Kansas City Power & Light Company, a wholly-owned subsidiary of Evergy, whose primary purpose is to provide electricity to customers within its regulated service territory in Missouri and Kansas.

KCP&L Receivables Company ("KCREC") – a wholly-owned subsidiary of KCP&L to whom all regulated retail electric accounts receivables are sold through an affiliate transaction.

KCP&L Solar, Inc. – a subsidiary of GXP.

MoPSC – Public Service Commission of the State of Missouri.

MPS Merchant Services, Inc. – a wholly-owned subsidiary of GMO which has certain long-term natural gas contracts, and several unregulated subsidiaries some of which no longer have active operations

Service Agreement – a written agreement detailing the scope of any information, assets, goods or services that KCP&L is obligated to provide to any affiliated entity or KCP&L is obliged to receive and compensate any affiliated entity.

Transource Energy, LLC ("Transource") – formed in 2012 by Evergy and American Electric Power Company ("AEP") to pursue competitive transmission projects. Evergy owns 13.5% of Transource through its wholly-owned direct subsidiary GPE Transmission Holding Company, LLC ("GPTHC") with AEP owning the remaining 86.5%.

Transource Missouri, LLC – a wholly-owned subsidiary of Transource Energy LLC formed for regional transmission projects in Missouri.

Variance – A variance from the standards of the MoPSC's Affiliate Transactions Rule may be obtained by compliance with paragraphs (10)(A)1 or (10)(A)2 of the MoPSC Affiliate Transactions Rule (4 CSR 240-20.015).

Westar – Westar Energy, Inc., a wholly-owned subsidiary of Evergy, whose primary purpose is to provide electricity to customers within its regulated Kansas territories.

Wolf Creek Generating Station ("Wolf Creek") – a nuclear generating station located near Burlington Kansas in which KCP&L has a 47% ownership interest.

Wolf Creek Nuclear Operating Corporation ("WCNOC") – the Company that operates the Wolf Creek Generating Station. The ownership is divided among KCP&L (47%), Westar Energy (47%) and Kansas Electric Power Cooperative, Inc. (6%).

Kansas City Power & Light Company

TESTS

KCP&L will complete the following tests and report the results of the tests in its annual CAM filing as a function of quality control for each future reporting period:

- Employees who complete or assist in the completion of IRS Form 7004 are to notify the CAM Team within five business days of any material changes from KCP&L prior year tax return filing. The KCP&L CAM will be checked to see whether entities identified in the Form 7004 are addressed in the CAM or an explanation is included in the CAM justifying why no costs were assigned to entities that are included on the Form 7004.

- Annual charges to Evergy and each of its subsidiaries will be identified in a Summary Schedule and included in Tab K Reporting Period Results. An explanation must be given as to the appropriateness of the absence of any charges to Evergy or any of its affiliates.

- The controller will affirm that he/she has examined the Affiliate Transactions Report and to the best of his/her knowledge, information and belief, all statements, information and material contained in the Affiliate Transactions Report are complete and correct in compliance with the MoPSC's Affiliate Transactions Rule 4 CSR 240-20.015.

- The CAM Team, under the direction of the controller, will be responsible to ensure that:

    1) all contracts that exist are reported in the CAM;
    2) all contracts reported in the CAM are currently in effect;
    3) all contracts no longer in effect have been removed from the CAM;
    4) all affiliates that engage in transactions with KCP&L have a current contract or the CAM includes an explanation of why no contract exists and a certification that this treatment (engaging in transactions with no written contract) is consistent with the treatment KCP&L provides to non-affiliated entities;
    5) to the extent KCP&L finds that contracts exist that were not reported and contracts reported in the CAM are no longer effective, KCP&L will take action to correct the discrepancies and institute appropriate controls to minimize the likelihood of future discrepancies;
    6) internal controls are created and employed to ensure that employees who provide or assist in the provision of affiliate services are charging time to the affiliates; and
    7) all documents used to support affiliate transaction fair market price determinations are reasonable and current.

- In all cases where Evergy affiliates have no charges during the reporting year, KCP&L will provide an explanation of how it did not provide any goods or services for that entity to exist and/or that none of its employees or officers are employees or officers of the affiliate.

TAB N

Kansas City Power & Light Company

AUDITS

Audits Completed or Currently Pending:

KCP&L shall list all audits completed or currently pending regarding affiliate transactions or non-regulated utility activity. The list for KCP&L shall contain the title of the audits as well as a reference to the location where each audit report is or will be retained. KCP&L should consider that the MoPSC Staff and OPC will want to receive a copy of each audit report in a mutually agreeable medium with work papers upon completion of the audit.

Audits Planned:

KCP&L shall list all audits planned regarding affiliate transaction or non-regulated utility activity that will occur in the upcoming year (or a longer period of time if consistent with the audit planning horizon) following the reporting period. KCP&L shall provide a description of the audit areas of each planned audit.

Independent Attestation:

Staff or OPC may request the MoPSC establish an independent attestation engagement of the CAM and propose a cost allocation for the engagement. This settlement agreement in File No. EO-2014-0189 does not prohibit any party from opposing this request and cost allocation proposal on any grounds.

TAB O

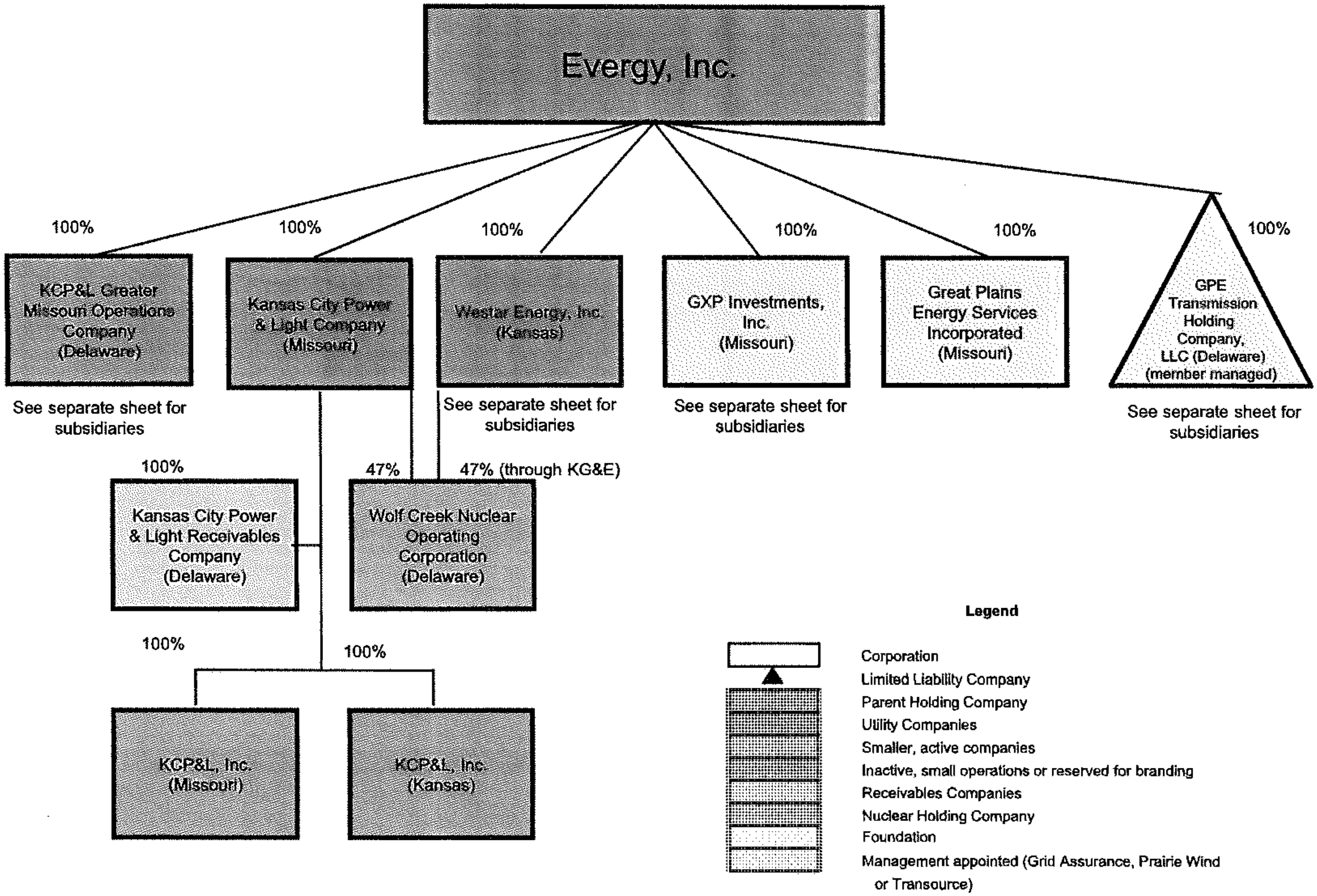
Kansas City Power & Light Company

CUSTOMER INFORMATION

2 CSR 240-20.015(2)(C) requires that customer information be made available to "affiliated or unaffiliated" entities only with the consent of the customer or as otherwise allowed by Commission rules or orders. KCP&L will comply with the rule as explained by the Commission's Report and Order, issued April 27, 2016, effective May 27, 2016 and the Commission's Order Regarding Script Revisions, issued May 26, 2016, effective May 27, 2016, in File No. EC-2015-0309.

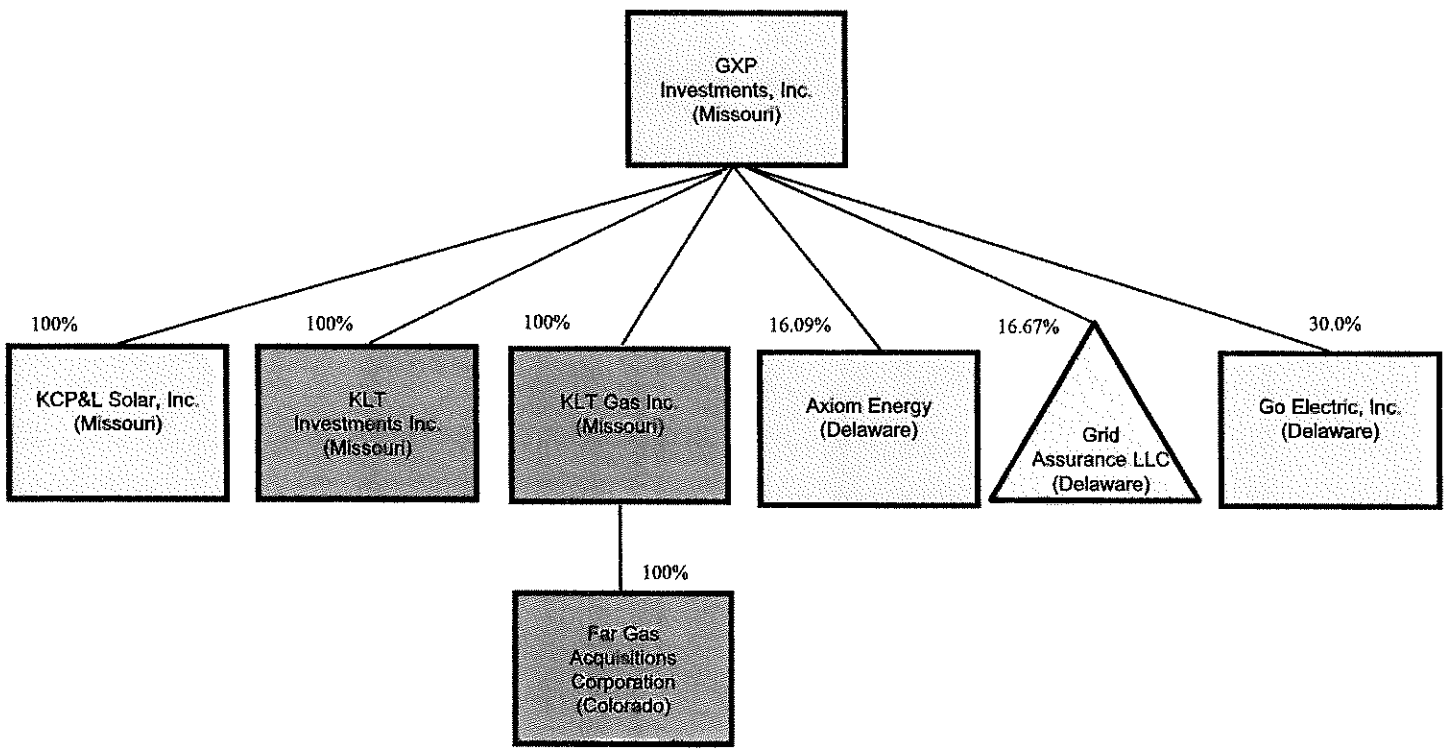
Effective 6.4.2018

Evergy, Inc.
Organizational Structure



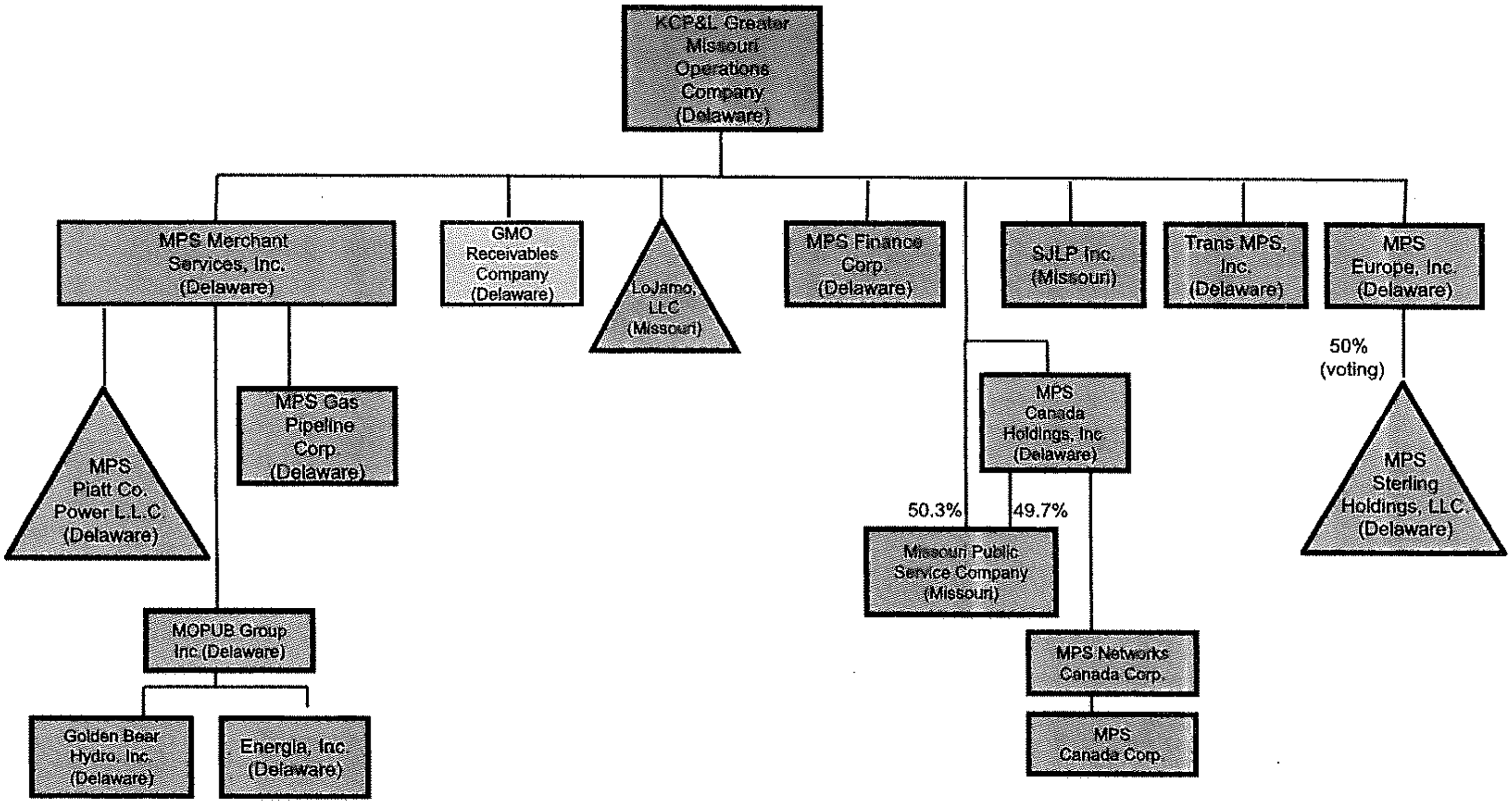
Last Revised July 2, 2018

Evergy, Inc.
Organizational Structure



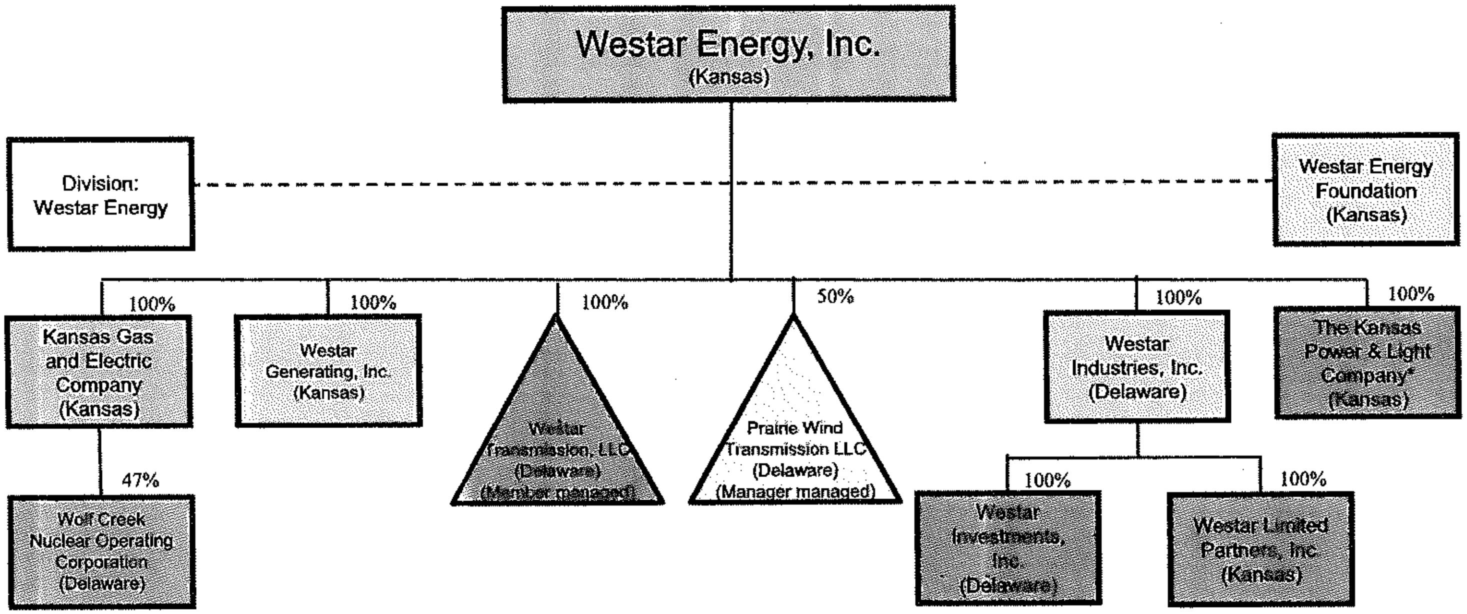
APPENDIX 1

Evergy, Inc.
Organizational Structure

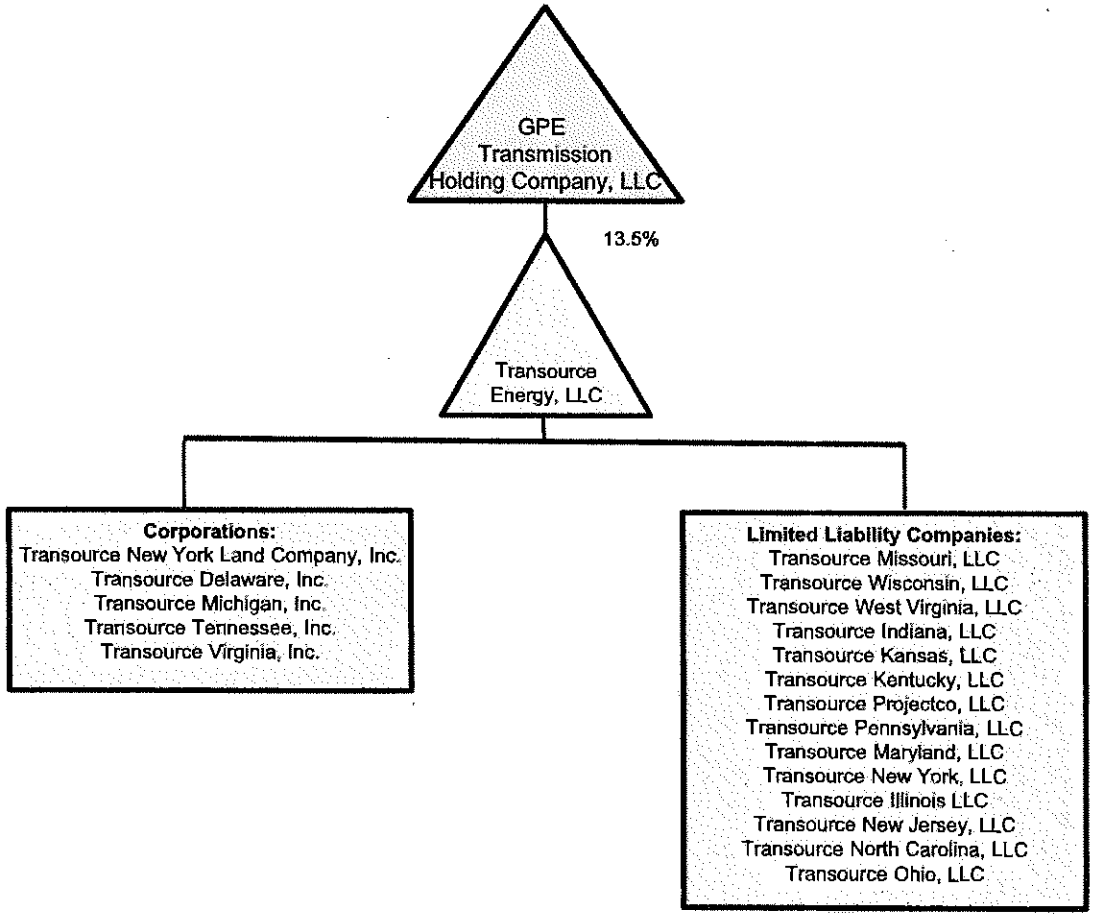


Notes: (a) All wholly-owned companies except where indicated
(b) Golden Bear Hydro, Inc. and Energia, Inc. hold a 0.5% general partnership and 99.0% limited partnership interest, respectively, in G.B. Hydro Partners L.P. which in turn holds a 50% partnership interest in Mega Renewables.

Evergy, Inc.
Organizational Structure



Evergy, Inc.
Organizational Structure



EVERGY, INC.

DESCRIPTION OF SERVICES PROVIDED BY KCP&L

Corporate Services

Corporate Services is responsible for providing information technology, purchasing and facilities and resource protection services.

Information Technology: Supports existing applications, technology and infrastructure to ensure business continuity and leverage capabilities. Systems include CIS, PeopleSoft, desktop, real-time systems, radio and telecommunications.

Purchasing: Provides procurement services in acquiring goods and services for operations, maintenance and construction projects.

Facilities: Responsible for planning and management of existing company buildings and grounds as well as new building construction and remodeling. Also provides print, courier, mailroom and records management services.

Delivery

Delivery is responsible for providing customer, transmission and distribution services. This includes business performance services, claims services, customer services, major outage event management services, energy efficiency and demand response services, metering, resource management, safety training and incident response services. Delivery also includes transmission and distribution operations, maintenance and construction, engineering, planning and compliance.

Business Performance Services: Develops and gathers data to create financial and reliability delivery reports.

Claims Services: Administers claims received for property damage and/or service issues.

Community Liaison and Communications Services: Acts as a liaison with government agencies, civic organizations and other community stakeholders.

Customer Services: Receives and processes customer requests though all customer contact channels; answers customer questions, creates and enters service orders, educates customers and manages energy assistance programs. Also records meter data and manages field collection process at the customer premise, invoices customers, manages payment process and investigates complaints.

Economic Development Services: Manages and administers business development initiatives, and programs for retention, expansion and recruitment of customers.

Energy Efficiency and Demand Response Service (EE/DSM): Identifies and develops EE/DSM projects including market analysis, technology reviews, load research and tariff development. Also provides marketing and education of EE/DSM programs to customers.

Major Outage/Catastrophic Event Management Services: Provides "command and control" management including allocation of resources, communication with stakeholders, coordination with the Mutual Assistance Group, and analysis of operation and performance data.

Metering and Infrastructure Technology Services: Plans, designs and implements integrated technologies to supply, manage, and enable more efficient use of energy for utility and customers.

Resource Management: Provides supervision of resource procurement, including strategic sourcing, vendor development, order and supplier management, consignment systems and contract governance. Also manages vegetation, infrastructure and fleet services.

Safety Training and Incident Response Services: Creates and presents public safety education and training demonstrations and responds to incidents of personal injury and property damage.

Transmission and Distribution Construction Maintenance Management: Analyzes coordinates and supports work for system expansion, system improvements, construction and corrective and preventive maintenance. Also provides patrolling services of infrastructure and acts as company liaison.

Transmission and Distribution Operations and Maintenance: Provides first response to outage and irregular system operations and coordinates and supports work to restore service.

Transmission, Distribution and Substation Engineering and Asset Management: Analyzes, coordinates and supports work for delivery and substation system expansions, improvements, and provides corrective and preventive maintenance. Also provides engineering, planning, design, mapping services, right-of-way and zoning services.

Transmission Policy, Planning and Compliance Services: Develops policies, monitors key developments, policies and procedures and participates in industry groups related to transmission reliability, operations and policy issues including FERC, NERC, Southwest Power Pool, MISO, EEI, KETA. Services also include monitoring system reliability and security.

Supply

Supply is responsible for all aspects of providing the electric energy necessary to reliably fulfill the electric demands of customers. Supply may provide the following services: resource planning, plant operations and maintenance, fuel procurement, generation dispatch, power purchases and sales, new construction and Black Start.

Resource Planning: Develops integrated resource plans, provides capacity testing, reliability reporting and interconnection applications and maintains fleet generation statistics.

Plant Operations and Maintenance: Conducts safety training and incident investigations, manages plant operation and maintenance, maintains facilities and equipment, manages inventory, environmental compliance and reporting.

Fuel Procurement and Logistics: Develops fuel procurement plans, arranges fuel delivery handling and storage, and the sale or off-site disposal of coal combustion products.

Generation Dispatch: Provides unit scheduling, maintenance of reserve requirements, coordination with the RTO and coordination of generation stations and load balancing.

Power Purchases and Sales: Manages day ahead and real time sales and/or purchases to meet customer demand, secure transmission paths, manage wholesale customers and tracks and manages RTO transactions.

New Unit Construction: Organizes and manages the construction efforts to place new generating assets into service or to retro-fit existing facilities and also manages the removal of abandoned equipment.

Black Start: Maintains and periodically tests the system black-start capability.

Human Resources

Human Resources (HR) is responsible for the planning, development and implementation of all aspects of human capital.

Employee Relations: Provides generalists to work with operating groups as business partners to support operating needs.

Labor Relations: Works with the IBEW locals in labor strategy, negotiations, grievances, arbitration, job bidding and other union activities.

Staffing and Recruitment: Oversees the recruiting, interviewing, testing, placement and on-boarding processing. Also manages internship and diversity programs.

Compensation and Benefits: Develops and maintains the overall reward programs including base salary, incentives and benefits. Also oversees the Affirmative Action programs.

Safety and Medical: Manages worker's compensation, return-to-work, DOT and other health and safety programs.

Training and Development: Ensures an effective professional workforce through the development and delivery of training programs, leadership development, work force planning, surveys and performance management systems.

Human Resource Information System: Ensures secure and effective systems to report employee-related information, provide employee self-service and other HR systems.

HR Strategy and Planning: Establishes goals, metrics and plans to enhance HR services and implement workforce strategies.

Finance and Accounting Services

Finance and Accounting Services is responsible for all aspects of financial services to the Company.

Accounting Systems: Provides system support operations and maintenance of all financial systems including PeopleSoft financial and HR systems, CIS customer billings systems, and PowerPlant,

Accounts Payable: Provides accounts payable transaction processing and reporting.

Audit Services: Examines and evaluates the adequacy and effectiveness of the company's governance and risk management processes and internal control structure. This includes the review of reliability and integrity of financial and operation information, compliance with Sarbanes-Oxley Act of 2002 and other laws and regulations and safeguarding of assets.

Corporate Accounting: Maintains the accounting books and records of all GPE companies and provides internal and external reporting and other financial support as required.

Corporate Finance: Directs the Company's corporate finance function including development, analysis and implementation of financial plans and capital structure. Corporate finance is also responsible for the management of relationships with rating agencies and the financial community.

Corporate Planning and Budgeting: Developes budgets and financial forecasts including total company and department operating and capital budgets.

Corporate Treasury: Responsible for all cash management activities including short-term financing facilities, cash monitoring and controls and customer remittance activities.

Income and Transaction Taxes: Responsible for all aspects of maintaining the tax books and records including the preparation and filing of consolidated and separate federal, state and local income, franchise, sales, use, gross receipts, fuel excise, property and other miscellaneous tax returns and payments

Insurance: Provides insurance services including management of insurance policies and filing of claims.

Property Accounting: Maintains all fixed assets and intangible property records.

Risk Management: Provides credit risk management services related to wholesale counterparties, reviews contracts, monitors credit markets and develops policies to mitigate market risk.

Strategic Planning and Development: Provides long-term strategic development and coordination for major asset decisions, renewable energy, climate change, nuclear power, energy efficiency and other energy related issues.

Legal and Environmental Services

Legal and Environmental Services is responsible for providing legal advice and representation and environmental services.

Legal Advice and Representation: Services include advising and representing the company on litigation matters, contract negotiations, regulatory compliance, security filings and general corporate matters.

Environmental Services: Responsible for compliance with applicable environmental laws and regulations and obtainment of environmental permits.

Regulatory Affairs

Regulatory Affairs is responsible for supporting and representing the Company in all regulatory processes and procedures including developing regulatory strategies and policies, filing for changes in rate levels, responding to Commission investigations and the administration of tariff filings and rate designs.

Corporate Secretary and Governance

The Corporate Secretary and Governance area is responsible for compliance with applicable corporate laws and regulations, development and maintenance of corporate documents, compliance with corporate policies and procedures, and acts as a liaison between management and the Board of Directors.

Evergy, Inc.
Allocation Factors
July 2018

Allocation Factor	Description
General Allocator	Ratio of entities direct and indirect expenses to total company direct and indirect expenses.
Customers/Transmission Miles	Company/business unit average of jurisdictional retail customers and transmission pole miles as a percent of total.
Number of Customers	Jurisdictional retail customers as a percent of total retail customers.
Plant Capacity Factor	Jurisdictional plant capacity as a percent of total plant capacity.
Transmission Miles	Jurisdictional transmission pole miles as a percent of total pole miles.
Utility Massachusetts Formula	Utility companies (KCP&L, GMO & Westar) average of 1) Operating revenues 2) Labor charged to O&M and 3) Net plant.

(1) Factors are updated annually or as necessary if allocation basis changes significantly.

TAB P
APPENDIX 4

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Transource Missouri	)	
Missouri, LLC for a Certificate of Convenience	)	
and Necessity Authorizing It to Construct,	)	File No. EA-2013-0098
Finance, Own, Operate, and Maintain the	)	
Iatan-Nashua and Sibley-Nebraska City	)	
Electric Transmission Projects	)	

REPORT AND ORDER

Issue Date: August 7, 2013

Effective Date: September 6, 2013

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 7th day of August, 2013.

In the Matter of the Application of Transource Missouri Missouri, LLC for a Certificate of Convenience and Necessity Authorizing It to Construct, Finance, Own, Operate, and Maintain the Iatan-Nashua and Sibley-Nebraska City Electric Transmission Projects	))))))	File No. EA-2013-0098

REPORT AND ORDER

Issue Date: August 7, 2013 Effective Date: September 6, 2013

The Missouri Public Service Commission is approving disposition by settlement, granting the applications,[1] and incorporating the proposed conditions and terms. The applications relate to two transmission projects: the Iatan-Nashua line and the Sibley-Nebraska City line ("the projects"):

For authorization to	Applicant	Title
Transfer plant and operating rights for the projects	Kansas City Power & Light Company ("KCPL"), and KCP&L Greater Missouri Operations Company ("GMO")	*Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company*[2] ("transfer application")
Construct and operate the projects	Transource Missouri, LLC ("Transource Missouri")	*Application of Transource Missouri, LLC for a Certificate of Convenience and Necessity and Request for Waiver*[3] ("CCN application")

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[1] Consolidated under this file number is the action in File No. EO-2012-0367, *In the Matter of the Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company Regarding Arrangements for Approval to Transfer Certain Transmission Property to Transource Missouri, L.L.C. and for Other Related Determinations*.

[2] File No. EO-2012-0367, Electronic Filing and Information System ("EFIS)" No. 4. All other EFIS citations refer to File No. EA-2013-0098. EFIS is accessible at http://psc.mo.gov/default.aspx.

[3] EFIS No. 1.

Contents

I. Jurisdiction

The Commission has jurisdiction over the subject matter because the Commission's jurisdiction generally includes electrical corporations.[4] That includes KCPL and GMO, because KCPL and GMO own electric plant, and will include Transource Missouri when it owns and operates transmission facilities. [5] The Commission also has jurisdiction over the disposition of certain utility property,[6] including operating rights,[7] and the construction and operation of the utility projects[8] proposed by Transource Missouri. The signatories cite other statutes supporting the Commission's jurisdiction over the applications as set forth in Appendix 2 of this report and order. Therefore, the Commission concludes that it has jurisdiction to rule on the applications.

II. Docket

KCPL, GMO, and Transource Missouri ("applicants") filed the transfer application and the CCN application ("applications").[9] The Commission gave notice,[10] and additional notice,[11] of the applications and set a deadline for filing applications to intervene. The

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[4] Sections 386.250(1) and 393.140(1), RSMo 2000; and 386.020(43), RSMo Supp. 2012.

[5] Sections 393.110 and 386.020(15) and (14), RSMo Supp. 2012.

[6] Sections 393.190.1 and 386.250(1), RSMo 2000.

[7] Section 386.250(1), RSMo 2000, and 4 CSR 240-3.110(1)(A).

[8] Section 393.170.1, RSMo 2000.

[9] On August 31, 2012.

[10] EFIS No. 7, *Order Directing Notice, Setting Intervention Deadline, Directing Filing and Scheduling a Conference*.

[11] EFIS No. 9, *Order Directing Additional Notice*; EFIS No. 60, *Order Directing Notice to County Clerks*.

Commission granted an application to intervene from Missouri Industrial Energy Consumers ("MIEC").[12] The Commission issued notice of a contested case. [13]

Applicants, Staff, and the Office of the Public Counsel ("signatories") filed a stipulation and agreement.[14] The signatories also filed an amendment to the stipulation and agreement.[15] No party filed any objection to the stipulation and agreement or amendment ("together, "settlement") within the time provided by regulation. [16] The Commission convened an evidentiary hearing.[17] The signatories filed a proposed report and order,[18] and a supporting memorandum. [19]

The Commission convened a settlement conference. [20] The signatories filed a proposed report and order and consent order[21] with supporting suggestions. [22] The

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[12] EFIS No. 12, *Order Granting Requests to Intervene.*

[13] EFIS No. 40, *Notice of Contested Case.*

[14] EFIS No. 54, *Non-Unanimous Stipulation and Agreement.*

[15] EFIS No. 92, *First Amendment to Non-Unanimous Stipulation and Agreement.*

[16] 4 CSR 240-2.115(2)(C).

[17] EFIS No. 61, Transcript volume 2.

[18] EFIS No. 100, *Joint Proposed Order Approving Unanimous Stipulation and Agreement.*

[19] EFIS No. 99, *Joint Memorandum in Support of the Stipulation.*

[20] EFIS No. 106, *Order Setting Conference.*

[21] EFIS No. 110, *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement.*

[22] EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement.*

Commission ordered the record supplemented[23] with materials that Transource Missouri filed setting forth the final route for the Sibley-Nebraska City line. [24]

III. Findings, Conclusions, and Orders

The Commission's decision must stand on the law.[25] The Commission must always state its conclusions of law.[26] The Commission makes each ruling on consideration of each party's allegations and arguments.

A.Procedure

In any Commission proceeding, formalities do not invalidate any order.[27] Specifically in a contested case, parties may waive any procedural formality up to the final decision.[28] Parties to a contested case may submit a proposed resolution of this action under the Commission's regulations: The parties may at any time file a stipulation and agreement as a proposed resolution of all or any part of a contested case. A stipulation and agreement shall be filed as a pleading. [29] A pleading includes the following.

> Each pleading shall include a clear and concise statement of the **relief** requested, a specific reference to the statutory provision or other **authority** under which relief is requested, and a concise statement of the **facts** entitling the party to relief. [[30]]

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[23] EFIS No. 109, *First Order Supplementing Record*.

[24] EFIS No. 104, *Applicants' Supplemental Filing*.

[25] Mo. Const., Art. V, Section 18.

[26] Section 386.420.2, RSMo 2000.

[27] Section 386.410, RSMo 2000.

[28] Sections 536.060(3), RSMo 2000.

[29] 4 CSR 240-2.110(1)(A).

[30] 4 CSR 240-2.080(4) (emphasis added).

That regulation also allows the Commission to treat the settlement as unanimous when no party files an objection. [31] The Commission is doing so, and for that reason the signatories refer to the settlement's components as "Unanimous."[32] A stipulation of fact eliminates the need for evidence on the matter stipulated. [33] But that does not end the Commission's duty for the following reasons.

First, while a stipulation of fact conclusively establishes the matter stipulated,[34] no stipulation can control procedure, bind the Commission to a conclusion of law,[35] or contravene a statute.[36] A remedy statutorily committed to the commission's discretion is therefore not subject to stipulation. [37] The Commission must therefore independently make its conclusions of law and determine the relief that is due.

Second, the Commission is charged by statute with protecting the public interest. Also, unlike a private party or State agency, Staff has no authority of its own to settle an action. Therefore, Commission approval is necessary for Staff's participation in the settlement.

Third, the signatories premise their proposed resolution on a Commission determination that the settlement includes no term that is contrary to the public interest. The General Assembly has further specified what the public interest means for certain

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[31] 4 CSR 240-2.115(2) (emphasis added).

[32] Which is why they carry that designation in Appendix 3 and Appendix 4.

[33] *Howard v. Missouri State Bd. of Educ.*, 847 S.W.2d 187, 191 (Mo. App., S.D. 1993).

[34] *Howard v. Missouri State Bd. of Educ.*, 847 S.W.2d 187, 191 (Mo. App., S.D. 1993).

[35] *Bull v. Excel Corp.*, 985 S.W.2d 411, 417 (Mo. App., W.D. 1999).

[36] *Tidwell v. Walker Const.*, 151 S.W.3d 127, 133 (Mo. App. S.D. 2004).

[37] *Tidwell v. Walker Const.*, 151 S.W.3d 127, 133 (Mo. App. S.D. 2004).

actions[38] in the statutes cited in the signatories' *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement,*[39] as set forth in Appendix 2. The signatories call the determination, that the settlement does not offend those standards, "approval."[40]

Neither the Commission's procedural regulations in 4 CSR 240-2, nor any statute cited in the applications, define "approval" of a stipulation and agreement.[41] As the signatories use that term, they explain, it means reviewing a document to determine whether it is contrary to the public interest. The signatories are correct that the public interest is a consideration in every action before the Commission. Therefore, the Commission rules on the applications accordingly.

B.Merits

The settlement seeks an order granting the applications subject to the provisions of the settlement.

i. Law

The applications are subject to statutory standards that describe the Commission's authority to grant the permissions sought.

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[38] The courts have held that such a standard for Commission decisions is an expression of the public interest. Public Serv. Comm'n of State v. Missouri Gas Energy, 388 S.W.3d 221, 228 (Mo. App., W.D. 2012).

[39] EFIS No. 111.

[40] This does not tell the Commission what any other set of parties in any other action want when they ask the Commission to "approve" a stipulation and agreement.

[41] The Commission expressly may approve a stipulation related to the Missouri Energy Efficiency Initiative Act under Section 393.1075(11), RSMo Supp. 2012. That statute provides a specific standard for approval. But those provisions do not apply to the applications in this case.

For the CCN application, the standard is public convenience and necessity, [[42]]" which means that an additional service would be an improvement that justifies the cost,[43] and includes such conditions as the Commission "may deem reasonable and necessary."[44]

For the transfer application, the standard implicit in the applicable statute[45] is the absence of public detriment.[46] Like the standard, the authority to condition the transfer is not express. But guarding against public detriment implicitly includes conditions to that end, which is more efficient than denial of an imperfect application.

Among the proposed terms conditions are waivers of specified Commission regulations. For those regulations, the standard for waiver is good cause.[47] Good cause means a good faith request for reasonable relief. [48]

The signatories also ask that no term or condition that is contrary to the public interest, on its face or as explained in the record, and as gauged by the standards in Appendix 2, find its way into the Commission's order.

ii. Fact

Meeting those standards requires evidence, or a substitute for evidence like stipulated facts, on the record. [49] Applicants have the burden of proof.[50] The quantum of

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[42] Section 393.170.3, RSMo 2000.

[43] *State ex rel. Intercon Gas, Inc., v. Public Serv.Comm'n*, 848 S.W.2d 593, 597 (Mo. App., W.D. 1993).

[44] Section 393.170.3, RSMo 2000

[45] Section 393.190.1, RSMo 2000.

[46] *State ex rel. City of St. Louis v. Public Service Comm'n of Missouri*, 73 S.W.2d 393, 395 (Mo. 1934).

[47] 4 CSR 240-2.060(4)(B).

[48] *American Family Ins. Co. v. Hilden*, 936 S.W.2d 207, 210 (Mo. App., W.D. 1996).

[49] Mo. Const., Art. V, Section 18.

proof necessary to carry that burden is the preponderance of the evidence[51] or reasonable inferences from the evidence. [52] Generally in any proceeding, technical rules of evidence do not bind the Commission. [53]

This record includes evidence relevant to the standards. All findings needed to support this decision stand on the facts stipulated in the settlement and in the *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement*, the testimony provided at the evidentiary hearing,[54] and the prepared testimony of the parties received into the record. That testimony is in the record pursuant to the signatories' waiver of procedural formalities.[55]

The Commission has considered the substantial and competent evidence on the whole record. Where the evidence conflicts, the Commission determines which evidence is the most credible, and this report and order reflects the Commission's determinations of credibility implicitly.[56] No law requires the Commission to make any statement as to what portions of the record the Commission accepted or rejected.[57] The Commission need not separately state any finding of fact when a stipulation, agreed settlement, or a consent

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50 Central Cnty. Emergency 911 v. International Ass'n of Firefighters Local 2665, 967 S.W.2d 696, 699 (Mo. App., W.D. 1998).

51 State Board of Nursing v. Berry, 32 S.W.3d 638, 641 (Mo. App., W.D. 2000).

52 Farnham v. Boone, 431 S.W.2d 154 (Mo. 1968).

53 Section 386.410, RSMo 2000.

54 EFIS No. 61, Transcript volume 2.

55 EFIS No. 54, *Non-Unanimous Stipulation and Agreement* page 16.

56 *Stone v. Missouri Dept. of Health & Senior Servs.*, 350 S.W.3d 14, 26 (Mo. banc 2011).

57 Stith v. Lakin, 129 S.W.3d 912, 919 (Mo. App., S.D. 2004).

order disposes of the case.[58] Nevertheless, a brief description of the projects illustrates the factual basis for this report and order.

Transource Missouri is a Delaware limited liability corporation qualified to conduct business in Missouri, with its principal place of business in Columbus, Ohio. Transource Missouri is a wholly-owned subsidiary of Transource Energy, LLC ("Transource"). Transource was established by Great Plains Energy Incorporated ("GPE"), the Companies' parent corporation, and American Electric Power Company, Inc. ("AEP") to build wholesale regional transmission projects within SPP, as well as other regional transmission organizations.

The two projects are regional, high-voltage, wholesale transmission projects approved by Southwest Power Pool, Inc. ("SPP") known as the Iatan-Nashua 345kV transmission project ("Iatan-Nashua Project") and the Sibley-Nebraska City 345kV transmission project ("Sibley-Nebraska City Project") (collectively, the "Projects").

The plant that the Companies requested be transferred to Transource Missouri is property of GMO. KCP&L and GMO previously requested and received authorization from the Commission to transfer at cost from KCP&L to GMO certain transmission property owned and operated by KCP&L between GMO's Alabama Substation and KCP&L's Nashua Substation ("Alabama-Nashua Line"). The southern portion of the Alabama-Nashua Line will be retired and removed, and the corridor will be used to construct the East Segment of the Iatan-Nashua Project. The remaining portion of this existing 161kV line, which runs to GMO's Alabama Substation near St. Joseph, Missouri, will remain the

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[58] Section 536.090, RSMo 2000.

property of GMO and is not to be transferred. This line will continue intact and energized at 161kV as a radial line and will not be a part of the new 345kV facilities.

There is a need for the service to be rendered by the Projects based upon studies performed by SPP in 2009 and 2010. These studies demonstrated that the Projects will improve electric grid reliability, minimize transmission congestion effects, bring economic benefits to SPP members, and help support public policy goals regarding renewable energy. The studies also demonstrated that the Projects will provide estimated benefits and savings that exceed the Projects' estimated costs.

Transource Missouri is qualified to construct, finance, own, operate, and maintain the Projects given the support by the transmission and related expertise of KCP&L and of American Electric Power Company, Inc. ("AEP"). Transource Missouri will have the financial ability to construct, own, operate and maintain the Projects given the equity funding that the subsidiaries of Great Plains Energy Incorporated ("GPE"), the parent corporation of KCP&L and GMO, and AEP will provide to Transource Missouri, and Transource Missouri's plan to issue debt. Furthermore, Transource Missouri will fully recover the cost of the Projects once completed, as the Projects' costs are regionally allocated under the FERC-approved SPP Tariff Schedule 11. Transource Missouri's construction of the Projects is economically feasible by virtue of the cost/benefit analysis conducted by SPP, as well as its FERC-approved cost allocation methodology under its Tariff Schedule 11.

The Projects as proposed to be built by Transource Missouri are in the public interest, given all the above, as well as the agreement of KCP&L, GMO, and Transource

Missouri to follow the provisions of Paragraphs 27, 28, and 29 of the stipulation and agreement regarding the final route of the Sibley-Nebraska City Project.

iii. Ruling

The record weighs in favor of granting the applications with the provisions proposed, including the proposed waivers. The Commission finds no term or condition of the settlement contrary to the public interest. Therefore, the Commission will grant the applications subject to the settlement's provisions as set forth in Appendix 3 and Appendix 4.

C.Consent Order

Appendix 4 sets forth the settlement's provisions that are outside the Commission's authority to mandate. The signatories have clarified that they seek no resolution on the merits for those terms,[59] and the law encourages freedom of contract and settlements in lieu of litigation.[60] In that spirit, the statutes provide that any contested case is subject to disposition by consent order as follows.

i. Authority

The signatories argue that a consent order is not authorized for any matter except as described in one statute that does not apply to the Commission. In support, the signatories rely on a reading of Section 536.060, RSMo 2000. That statute's history refutes the signatories' reading.

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[59] EFIS No. 110, *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement*, page 2 third paragraph. EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement* page 3 paragraph 6.

[60] *Walley v. La Plata Volunteer Fire Dep't*, 368 S.W.3d 224, 231 (Mo. App., W.D. 2012).

Section 536.060's current language is the result of a 1995 amendment. The amendment deleted language (in brackets and italics below) and added language (underscored below) as follows.

> *[Nothing contained in sections 536.060 to 536.095 shall preclude the informal disposition of]* Contested cases <u>and other matters involving licensees and licensing agencies described in section 621.045, RSMo, may be informally resolved by consent agreement or agreed settlement or may be resolved</u> by stipulation, consent order, or default, or by agreed settlement where such settlement is permitted by law. Nothing contained in sections 536.060 to 536.095 shall be construed (1) to impair the power of any agency to take lawful summary action in those matters where a contested case is not required by law, or (2) to prevent any agency authorized to do so from assisting claimants or other parties in any proper manner, or (3) to prevent the waiver by the parties (including, in a proper case, the agency) of procedural requirements which would otherwise be necessary before final decision, or (4) to prevent stipulations or agreements among the parties (including, in a proper case, the agency). [[61]]

Informal disposition of all agencies' contested cases was the original subject of that statute as the bracketed and italicized language shows.[62] The amendment simply added the specified "noncontested cases and other matters [.]"[63]

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[61] 1995 Mo. Laws 1032, 1246 (88th Gen. Assem., 1st Reg. Sess., S.B. 3, Section 536.060).

[62] The original language provided that the opportunity for hearing:

> . . . shall not preclude the informal disposition of such case by stipulation, consent order or default, or by agreed settlement where such settlement is permitted by law.

1945 Mo. Laws 1504, 1505 (63rd Gen. Assem., S.B.196, Section 6). Similar language appears in the 1961 Model State Administrative Procedure Act adopted by many states:

> Unless precluded by law, informal disposition may be made of any contested case by stipulation, agreed settlement, consent order, or default.

15 U.L.A. 1961 *Model State Administrative Procedure Act*, Section 9(d).

[63] In response to the amended judgment in <u>*Bodenhausen v. State Bd. of Regis'n for the Healing Arts*</u>, Case No. CV192-1105CC (Jan. 6, 1994, Cir. Ct. Cole Cnty), McHenry, J.; and the affirming opinion in <u>*Bodenhausen v. State Bd. of Regis'n for the Healing Arts*</u>, WD 48914, 1994 WL 532696 (Mo. App., W.D. Oct. 4, 1994). As to the latter action, the Missouri Supreme Court ordered transfer on January 30, 1995. In each action, the court

Section 536.060, original and current, is expansive. It offers remedies in conformance with the public policy favoring settlement by contractual arrangement. If there were any ambiguity on this issue, the law would require the Commission to read the statute generously in the direction of the intended remedy. The signatories' reading bars resolution by "consent order, or default, or by agreed settlement" in all contested cases, except the specified matters, which furthers no conceivable beneficial end. Therefore, the Commission concludes that a contested case before the Commission is subject to disposition by consent order—just as it is subject to disposition by stipulation, default, or agreed settlement—under Section 536.060.

ii. Characteristics

The signatories describe the properties of a consent order by comparison to a consent judgment. The analogy is correct. The analogous properties, as described by the signatories, include the following.

> Missouri courts have held that a judgment by consent "is based on an agreement between the parties as to the terms, amount or conditions of the judgment to be rendered." In this context it is important to recognize: "Consent decrees do not arise from a judicial determination of the rights of the parties or the merits of the case [.]" It is also important to note: "A consent judgment needs no cause or consideration other than an adjustment of differences and a desire to set at rest all possibility of litigation. In exchange for the saving of cost and elimination of risk, the parties each give up something that they might have won had they proceeded with litigation." [[64]]

barred informal resolution of contested cases and other matters involving licensees and licensing agencies under section 621.045, RSMo. The Missouri Supreme Court issued its decision on May 30, 1995, also affirming the judgment. Bodenhausen v. Missouri Bd. of Regis'n for the Healing Arts, 900 S.W.2d 621 (Mo. banc 1995).

[64] EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement* page 6 paragraph 13.

Also, a judgment issued pursuant to the parties' agreement does not aggrieve any such party so, if aggreivement is necessary for standing to appeal, no appeal is available to any such party.[65] In Missouri, a consent judgment has the same force and effect as any other judgment.[66]

In Missouri, whenever the issue has arisen, the courts have applied the analogy between a consent judgment and a consent order. For example, the courts hold that a consent order does not constitute the agency's decision on the merits but, at most, a review as to whether a parties' agreement comports with the public policy entrusted to the respective agencies.[67] Further, where the General Assembly has comprehensively delegated the regulation of a subject matter to an agency, that agency is the first resort for enforcing settlement of an action before that agency.[68]

iii. Ruling

As the signatories note, chapter 536, RSMo, applies when chapters 386 and 393 provide nothing to the contrary.[69] The signatories also note that "approval of the [settlement] here would not be inconsistent with the concept of a consent order [.]" [70] Therefore, the Commission will order memorialize the proposed provisions that are beyond the Commission's authority as a consent order, as set forth in Appendix 3. As explained in

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65 Strawhun v. Strawhun, 164 S.W.3d 536 (Mo. App., S.D. 2005).

66 Household Fin. Corp. v. Jenkins, 213 S.W.3d 194, 196 (Mo. App., E.D. 2007).

67 Seifner v. Treasurer of State-Custodian of Second Injury Fund, 362 S.W.3d 59, 65 (Mo. App., W.D. 2012).

68 State ex rel. St. Joseph School Dist. v. Missouri Dept. of Elem. And Sec. Educ., 307 S.W.3d 209, 213-17 (Mo. App., W.D. 2010). filing

69 State ex rel. Praxair, Inc. v. Missouri Pub. Serv. Comm'n, 344 S.W.3d 178, 184 (Mo. 2011).

70 EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement* page 6 paragraph 13.

part III.A of this report and order, the approval procedure that the Commission applies in this action is based on the approval that the parties asked for, the authorities that they cited, and the documents that they filed. That procedure does not necessarily apply under any other relief, law, or facts.

THE COMMISSION ORDERS THAT:

1. Disposition of the applications by settlement is approved.

2. Transfer Application. The *Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company* ("transfer application") is granted. The transfer of the items as described in the transfer application is authorized. This paragraph includes the notices to construct as described in the transfer application.

3. The *Application of Transource Missouri, LLC for a Certificate of Convenience and Necessity and Request for Waiver* ("CCN application") is granted. A certificate of convenience and necessity for the projects, as described in the CCN application, shall issue to Transource Missouri, LLC.

4. The following are incorporated into this report and order as if fully set:

    a. *Non-Unanimous Stipulation and Agreement*;

    b. *First Amendment to Non-Unanimous Stipulation and Agreement*; and

    c. *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement.*

5. Ordered paragraphs 1, 2, 3, and 4, are subject to the provisions of Appendix 3 and Appendix 4.

6. This order shall become effective on September 6, 2013.

BY THE COMMISSION

Morris L Woodruff

Morris L.
Woodruff
Secretary

R. Kenney, Chm., Jarrett, Stoll, and
W. Kenney, CC., concur;
and certify compliance with the
provisions of Section 536.080, RSMo.

Dated at Jefferson City, Missouri,
on this 7th day of August, 2013.

Appendix 1: Appearances

Party	*Counsel*	*Counsel's Address*
A. Applicants		
Kansas City Power & Light Company KCP&L Greater Missouri Operations Company	Roger W. Steiner	1200 Main, PO Box 418679, Kansas City, MO 64141-9679
Transource Missouri, LLC	Karl Zobrist Lisa A. Gilbreath	4520 Main, Suite 1100, Kansas City, MO 64111
	Larry W. Brewer	400 West 15th Street, Suite 1500, Austin, TX 78701
B. Parties under 4 CSR 240-2.010(10)		
Staff of the Commission	Steven Dottheim Nathan Williams	200 Madison Street, Suite 800, Jefferson City, MO 65102
Office of the Public Counsel	Lewis Mills	P.O. Box 2230, 200 Madison Street, Suite 650, Jefferson City, MO 65102
C. Intervenors		
AG Processing, Inc. a Cooperative and Midwest Energy Users' Group	Stuart Conrad	3100 Broadway, Suite 1209, Kansas City, MO 64111
Midwest Energy Consumers Group	David Woodsmall	807 Winston Court, Jefferson City, MO 65101
Missouri Department of Natural Resources	Jessica L. Blome	221 W. High Street P.O. Box 899 Jefferson City, MO 65102
Missouri Industrial Energy Consumers	Diana M. Vuylsteke	211 N. Broadway, Suite 3600 St. Louis, MO 63102

Appendix 2: Statutes cited by the Signatories

386.250. The jurisdiction, supervision, powers and duties of the public service commission herein created and established shall extend under this chapter:

(1) [To] electric plants, and to [entities] owning, leasing, operating or controlling the same;

* * *

(7) To such other and further extent, and to all such other and additional matters and things, and in such further respects as may herein appear, either expressly or impliedly.

386.310. 1. The commission shall have power, after a hearing . . . to require every . . . public utility to maintain and operate its . . . plant . . . in such manner as to promote and safeguard the health and safety of its employees, customers, and the public, and to this end to prescribe . . . appropriate safety and other devices or appliances, to establish uniform or other standards of equipment, and to require the performance of any other act which the health or safety of its employees, customers or the public may demand [.]

386.610. . . . The provisions of this chapter shall be liberally construed with a view to the public welfare, efficient facilities and substantial justice between patrons and public utilities.

393.130. 1. [E]very electrical corporation . . . shall furnish and provide such service instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such . . . electrical corporation . . . for . . . electricity . . . rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable charge made or demanded for . . . electricity . . . or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited.

2. No . . . electrical corporation . . . shall directly or indirectly by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for . . . electricity . . . or for any service rendered or to be rendered or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like and contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions.

3. No . . . electrical corporation . . . shall make or grant any undue or unreasonable preference or advantage to any person, corporation or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever [.]

393.140. The commission shall:

(1) Have general supervision of all . . . electrical corporations . . . having authority under any special or general law or under any charter or franchise to lay down, erect or maintain wires, pipes, conduits, ducts or other fixtures in, over or under the streets, highways and public places of any municipality, for the purpose of . . . transmitting electricity for light, heat or power, or maintaining underground conduits or ducts for

electrical conductors, . . . , and all . . . electric plants . . . owned, leased or operated by any . . . electrical corporation [.]

(2) [E]xamine or investigate the methods employed by such persons and corporations in manufacturing, distributing and supplying . . . electricity for light, heat or power and in transmitting the same, . . , and have power to order such reasonable improvements as will best promote the public interest, preserve the public health and protect those using such . . . electricity, . . . and those employed in the manufacture and distribution thereof, and have power to order reasonable improvements and extensions of the works, wires, poles, pipes, lines, conduits, ducts and other reasonable devices, apparatus and property of . . . electrical corporations [.]

(3) Have power . . . to prescribe from time to time the efficiency of the electric supply system, of the current supplied and of the lamps furnished by the persons or corporations generating and selling electric current [.]

(4) Have power, in its discretion, to prescribe uniform methods of keeping accounts, records and books, to be observed by . . . electrical corporations . . . engaged in the manufacture, sale or distribution of . . . electricity for light, heat or power [.]

(5) [To determine whether] rates or charges or the acts or regulations of any such persons or corporations are unjust, unreasonable, unjustly discriminatory or unduly preferential or in any wise in violation of any provision of law, [and] determine and prescribe the just and reasonable rates and charges thereafter to be in force for the service to be furnished, notwithstanding that a higher rate or charge has heretofore been authorized by statute, and the just and reasonable acts and regulations to be done and observed; and whenever the commission shall be of the opinion, after a hearing had upon its own motion

or upon complaints, that the property, equipment or appliances of any such person or corporation are unsafe, insufficient or inadequate, the commission shall determine and prescribe the safe, efficient and adequate property, equipment and appliances thereafter to be used, maintained and operated for the security and accommodation of the public and in compliance with the provisions of law and of their franchises and charters.

* * *

(8) Have power . . . after hearing, to prescribe by order the accounts in which particular outlays and receipts shall be entered, charged or credited.

* * *

(11) Have power to require every . . . electrical corporation . . . to file with the commission and to print and keep open to public inspection schedules showing all rates and charges made, established or enforced or to be charged or enforced, all forms of contract or agreement and all rules and regulations relating to rates, charges or service used or to be used, and all general privileges and facilities granted or allowed by such . . . electrical corporation [.] The commission shall have power to prescribe the form of every such schedule, and from time to time prescribe by order such changes in the form thereof as may be deemed wise [.]

Appendix 3: Conditions Determined on the Merits

The Commission grants the CCN application and the transfer application subject to the following provisions, as drawn verbatim from the *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement,*[71] which are subject to the report and order. The parties refer to the settlement, defined in the body of this report and order, as the "Unanimous Stipulation and Agreement" the "Unanimous First Amendment [.]"

1. The Unanimous Stipulation and Agreement, attached hereto as Attachment 1, and the Unanimous First Amendment to that Stipulation, attached hereto as Attachment 2, are approved and adopted, and the signatory parties are ordered to comply with their terms. The Commission is not a party to the Stipulation and only approves the agreements that have been entered into by the Signatories.

2. KCP&L and GMO's Transfer Application is granted conditioned upon the terms of the Unanimous Stipulation and Agreement and the Unanimous First Amendment, including the Commission making specific findings after the final selection of the Sibley-Nebraska City route.

3. KCP&L and/or GMO shall file a copy of the final purchase agreement, detail of the costs included in CWIP, and detail of the property to be transferred at the time of transfer of the Projects' facilities.

4. To the extent that the SPP NTCs regarding the Projects are assets, the Commission approves KCP&L and GMO's plans to novate those NTCs.

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[71] EFIS No. 110, page 14 through 16, part I.D., paragraphs 1 through 11.

5. The Commission's Affiliate Transactions Rule sections 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 are waived with respect to:

a. The transfer, license, or assignment of transmission assets, easements, or right of ways (or use thereof) owned by GMO or KCP&L associated with the Projects;

b. Materials and services provided by KCP&L or GMO to Transource, Transource Missouri, or a subsidiary for the Projects prior to novation or transfer of the cost of the Projects to Transource Missouri; and

c. Information, assets, goods, and services provided by KCP&L or GMO to Transource, Transource Missouri, or a subsidiary until the Projects are in service.

6. The Commission's Affiliate Transactions Rule sections 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 are waived to the extent necessary to allow KCP&L and GMO to use a 20% markup to their fully distributed cost methodology in lieu of using the fair market value under the Rule with respect to:

a. Non-Project goods and services (if the Signatories cannot agree regarding the reasonableness of these charges, this matter shall be taken to the Commission for resolution);[72] and

[72] Although the Signatories have not expressly requested a waiver of the Rule in Paragraph 6 of the Stipulation, the Commission finds that the provisions of Paragraph 6 propose treating non-Project goods and services in a manner different from the requirements of the Rule and, therefore, the Commission will treat Paragraph 6 as requesting a waiver of the Rule to the extent of its provisions.

b. Information, assets, goods, and services provided by KCP&L or GMO to Transource, Transource Missouri, or a subsidiary for the Projects after they are in service.

7. KCP&L and GMO shall file for Commission approval of their cost allocation manuals ("CAMs") before providing any information, assets, goods, and services to Transource or Transource Missouri after either the novation or transfer of the cost of the Projects, whichever occurs first, but KCP&L and GMO may provide to Transource or Transource Missouri information, assets, goods, and services in a manner consistent with the provisions of the Stipulation prior to Commission approval of their CAMs. [73].

8. Transource Missouri's CCN Application is granted conditioned upon the terms of the Unanimous Stipulation and Agreement and the Unanimous First Amendment, including the Commission making specific findings after the final selection of the Sibley-Nebraska City route.

9. Transource Missouri shall provide the Commission with the 4 CSR 240-3.105 information for the Sibley-Nebraska City route as soon as that information is available.

10. The reporting requirements of 4 CSR 240-3.175, Submission Requirements For Electric Utility Depreciation Studies, are waived subject to the Stipulation's provision regarding Staff's and OPC's access to documents.

11. Subsections 4 CSR 240-3.190 (1), (2), and (3)(A)-(D), Reporting Requirements For Electric Utilities And Rural Electric Cooperatives, are waived for Transource Missouri.

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[73] Transcript, Vol. 2 at 108-10; 4 CSR 240-20.015(3)(D), 4 CSR 240-20.015(10)(A)2.B.

Appendix 4: Consent Order

The Signatories agree to a grant of the CCN application and the transfer application subject to the following provisions, drawn verbatim from the *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement*, [74] and the settlement, which are subject to the provisions of the report and order.

1. The Stipulation contains a series of agreements among the Signatories that, among other things, require them (particularly the Applicants) to fulfill certain obligations. The Stipulation also specifies the establishment of certain regulatory liabilities and the manner of their future treatments. The Stipulation provides a process for administering affiliate transactions between the Signatories and related parties.

2. In particular, Section II(A) of the Stipulation provides for certain rate treatment respecting costs allocated to KCP&L or GMO by SPP involving FERC items such as authorized return on equity ("ROE"), capital structure, construction work in progress ("CWIP"), or other FERC transmission rate incentives for the Iatan-Nashua Project and the Sibley-Nebraska City Project facilities located in KCP&L's and GMO's respective service territories that are constructed by Transource Missouri. KCP&L and GMO have agreed to make these adjustments in all rate cases so long as the transmission facilities are in service.

<u>A.Rate Treatment – Affiliate Owned Transmission</u>

> 1. With respect to transmission facilities located in KCP&L certificated territory that are constructed by Transource Missouri that are part of the Iatan-Nashua and Sibley-Nebraska City Projects, KCP&L agrees that for ratemaking purposes in Missouri the costs allocated to KCP&L by SPP will be adjusted by an amount equal to the difference between: (a) the SPP

[74] EFIS No. 110, page 16 through 18, section II, paragraphs 1 through 8.

load ratio share of the annual revenue requirement for such facilities that would have resulted if KCP&L's authorized ROE and capital structure had been applied and there had been no Construction Work in Progress ("CWIP") (if applicable) or other FERC Transmission Rate Incentives, including but not limited to Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities; and (b) the SPP load ratio share of the annual FERC-authorized revenue requirement for such facilities. KCP&L will make this adjustment in all rate cases so long as these transmission facilities are in service.

2. With respect to transmission facilities located in GMO certificated territory that are constructed by Transource Missouri that are part of the Iatan-Nashua and Sibley-Nebraska City Projects, GMO agrees that for ratemaking purposes in Missouri the costs allocated to GMO by SPP will be adjusted by an amount equal to the difference between: (a) the SPP load ratio share of the annual revenue requirement for such facilities that would have resulted if GMO's authorized ROE and capital structure had been applied and there had been no CWIP (if applicable) or other FERC Transmission Rate Incentives, including but not limited to Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities; and (b) the SPP load ratio share of the annual FERC-authorized revenue requirement for such facilities. GMO will make this adjustment in all rate cases so long as these transmission facilities are in service.

3. Sections II(B) and II(D) address issues under the Commission's Affiliate Transactions Rule, 4 CSR 240-20.015 ("Rule"). The Signatories agreed that provisions of the Affiliate Transactions Rule, 4 CSR 240-20.015, should apply to transactions between KCP&L and GMO on the one hand, and GPE, Transource, and Transource's utility subsidiaries on the other hand, except for the waivers as provided for in Paragraphs 4 through 6, and 11 through 13 of the Stipulation. All Signatories reserved the right to seek or oppose additional waivers for other projects (i.e., projects other than the Iatan-Nashua

Project and the Sibley-Nebraska City Project) from the Affiliate Transactions Rule in the future.[75]

B.Affiliate Transactions Rule

> 3. The provisions of the Affiliate Transactions Rule, 4 CSR 240-20.015, shall apply to transactions between KCP&L and GMO on the one hand, and GPE, Transource Missouri, and Transource Missouri's utility subsidiaries on the other hand, except for the waivers as provided for in paragraphs 4 through 6, and 11 through 13. All Signatories reserve the right to seek or oppose additional waivers for other projects (i.e., projects other than the Projects) from the Affiliate Transactions Rule in the future.
>
> 4. The Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to transfer, license, or assignment of easements or right of ways (or use thereof, including joint usage where KCP&L/GMO are using the easement or right of way and permit Transource Missouri to use the same easement or right of way) owned by GMO or KCP&L associated with the Projects. The affiliate transactions referenced in this paragraph are subject to the provisions of paragraph 7.
>
> 5. The Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to materials and services (including, but not limited to, usage of KCP&L/GMO employees, contracted labor/services, vehicles, equipment, and facilities) provided by KCP&L or GMO to Transource Missouri, Transource Missouri, or a subsidiary for the Projects prior to novation or transfer of the cost of the Projects to Transource Missouri. The providing entity shall be compensated for these materials and services including Allowance for Funds Used During Construction ("AFUDC") and capitalized property taxes at its fully distributed cost at the time of transfer of the cost of the Projects.
>
> 6. The Signatories agree that non-Project goods and services (defined as goods and services that are not directly related to the Projects) were to be provided and are to be

75 Transcript, Vol. 2 (Apr. 16, 2013) at 103-09; 4 CSR 240-20.015(10); 4 CSR 240-2.060(4).

provided at the higher of fair market value or fully distributed cost by KCP&L to Transource Missouri, Transource Missouri, and GPE prior to the novation or transfer of the cost of the Projects. KCP&L and GMO will, by June 1, 2013, ensure that charges to Transource Missouri, Transource Missouri, and GPE regarding the development and formation of Transource Missouri and Transource Missouri reflect the higher of fair market value or the fully distributed cost. The Signatories agree that KCP&L and GMO can use a 20% markup to their fully distributed cost methodology for such goods and services in lieu of using the fair market value. If the Signatories cannot agree regarding the reasonableness of these charges, this matter will be taken to the Commission for resolution. In support of the resolution of the treatment for non-Project goods and services provided prior to the novation or transfer of the cost of the Projects, KCP&L and GMO will contribute a total of $50,000 to the State School Fund or a mutually agreeable organization. This contribution will not be recovered from KCP&L and GMO customers. The Signatories agree that all outstanding issues related to the provision of non-Project goods and services to Transource Missouri, Transource Missouri, and GPE prior to the novation or transfer of the cost of the Projects are resolved, except as provided in this paragraph.

7. Transource Missouri will pay GMO the higher of $5.9 million or net book value for transferred transmission assets, easements, and right-of-ways that have been previously included in the rate base and reflected in the retail rates of KCP&L and GMO customers. KCP&L and GMO agree to book a regulatory liability reflecting the value of this payment to the extent it exceeds net book value. This regulatory liability shall be amortized over three years beginning with the effective date of new rates in KCP&L's and GMO's next retail rate cases.

D. KCP&L Operations Specific to the Projects

11. If KCP&L assists Transource Missouri for the Projects in communicating with local landowners in the KCP&L and GMO certificated service territories, with local governmental authorities, and with other members of the public, or if KCP&L continues to provide ongoing construction management, cost control management, engineering services, construction services, procurement of materials, and related services for the Projects, the Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-

20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to information, assets, goods, and services (including, but not limited to, usage of KCP&L or GMO employees, contracted labor/services, vehicles, equipment, and facilities) provided by KCP&L or GMO to Transource Missouri, Transource Missouri, or a subsidiary until the Projects are in service. These materials and services will be provided at fully distributed cost until the Projects are in service. For the purposes of this paragraph and paragraph 12, "in service" is defined as the commercial operation date for each of the Projects.

12. If KCP&L provides operations and maintenance services and related capital for the Projects after they are in service, it will do so in a manner consistent with the application of the Commission's Affiliate Transactions Rule, except that the Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to information, assets, goods, and services (including, but not limited to, usage of KCP&L or GMO employees, contracted labor/services, vehicles, equipment, and facilities) provided by KCP&L or GMO to Transource Missouri, Transource Missouri, or a subsidiary to the extent necessary to allow KCP&L and GMO to use a 20% markup to their fully distributed cost methodology in lieu of using the fair market value.

13. KCP&L and GMO shall file for Commission approval of their Cost Allocation Manuals ("CAM") before providing any information, assets, goods, and services to Transource Missouri or Transource Missouri after either the novation or transfer of the cost of the Projects, whichever occurs first. The Signatories agree that KCP&L and GMO can provide information, assets, goods, and services to Transource Missouri or Transource Missouri in a manner consistent with the provisions of this Stipulation prior to Commission approval of the CAM.

4. The Signatories have agreed to certain payments to be made by Transource Missouri, KCP&L and GMO, including their regulatory treatment.[76] The Signatories have

[76] Stipulation, Paragraph II(B)(7) at p. 7: "Transource Missouri will pay GMO the higher of $5.9 million or net book value for transferred transmission assets, easements, and right-of-ways that have been previously included in the rate base and reflected in the retail rates of KCP&L and GMO customers. KCP&L and GMO agree to book a regulatory liability reflecting the value of this payment to the extent it exceeds net book value. This regulatory liability shall be amortized over three years beginning with the effective date of new rates in

also agreed to other procedures that KCP&L, GMO, Transource Missouri, and their affiliates will follow with regard to the Projects.

5. The Stipulation contains provisions regarding the future operations of the Applicants in Section II(C), reporting requirements in Section II(E), and access by Staff and OPC to the books and records of Transource Missouri and Transource Energy in Section II(F). There are additional conditions in Section II(G) regarding the final selection of the route of the Sibley-Nebraska City Project, as well as public outreach efforts related to the siting, routing, easement acquisition and right-of-way acquisition for the Projects.

> C. Transource Missouri Operations/Future Transfer
>
> 8. Transource Missouri will not pursue future transmission projects that are subject to a right of first refusal ("ROFR") in the KCP&L and GMO respective certificated service territories.
>
> 9. KCP&L and GMO will pursue future transmission projects subject to ROFR in their respective certificated service territories. KCP&L or GMO may seek a waiver from the provisions of this paragraph from the Commission for good cause.
>
> 10. Transource Missouri agrees to seek approval from the Commission for any subsequent transfer of the Projects' facilities.
>
> E. Additional Reporting and Provision of Information Regarding the Projects
>
> 14. KCP&L will file a copy of the final purchase agreement, detail of the costs included in CWIP, and detail of the property to be transferred at the time of transfer of the Projects' facilities.
>
> 15. KCP&L, GMO, and/or Transource Missouri will continue coordinated efforts with Omaha Public Power District

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KCP&L's and GMO's next retail rate cases." Stipulation, Paragraph II(B)(6) at p. 6: "... KCP&L and GMO will contribute a total of $50,000 to the State School Fund or a mutually agreeable organization. This contribution will not be recovered from KCP&L and GMO customers."

until the details of the routing and interception point for the Sibley-Nebraska City line are finalized.

16. KCP&L, GMO, and/or Transource Missouri will provide to Staff and OPC the Sibley-Nebraska City Project cost control budget estimate in the fourth Quarter of 2013.

17. KCP&L, GMO, and/or Transource Missouri will continue to file quarterly status reports on the Iatan-Nashua Project to the Commission, as KCP&L and GMO are doing in File No. EO-2012-0271.

18. KCP&L, GMO, and/or Transource Missouri will file in File No. EA-2013-0098, or other case as designated by the Commission, quarterly status reports on the Sibley-Nebraska City Project to the Commission consistent with those provided by KCP&L and GMO in File No. EO-2012-0271.

19. Updates to SPP regarding the Projects are now being entered on a quarterly basis directly into SPP's Transmission and Generation Interconnection Tracking ("TAGIT") project tracking database through a secure interface. SPP reviews the updates and includes them in its quarterly Project Tracking Reports, which are publicly available on SPP's website. Transource Missouri will provide to Staff and OPC any other periodic updates required by SPP regarding the Projects that are not included in the publicly available quarterly Project Tracking Reports.

F. Access to Books and Records Necessary for the Commission to Perform Its Statutory Duties

20. Transource Missouri will produce in Missouri, upon reasonable notice, duplicate copies of Transource Missouri's and Transource Missouri's books and records.

21. Transource Missouri will provide Staff and OPC access to the following documents, including but not limited to: (a) Meeting Minutes of, and Materials distributed at, the Transource Missouri Board of Managers and Members (including Committee Minutes and Materials); (b) Meeting Minutes of, and Materials distributed at, the Transource Missouri Board of Managers and Members (including Committee Minutes and Materials); (c) Workpapers of the external auditors of Transource Missouri; (d) Workpapers of the external auditors of Transource Missouri; (e) General

Ledger (provided electronically) of Transource Missouri; (f) General Ledger (provided electronically) of Transource Missouri; (g) Chart of Accounts and Written Accounting Policies of Transource Missouri; (h) Chart of Accounts and Written Accounting Policies of Transource Missouri; (i) Organizational Charts of Transource Missouri; (j) Organizational Charts of Transource Missouri; (k) Total Company and Missouri Jurisdictional Financial Statements (Income Statement, Balance Sheet, Statement of Cash Flows) on a Quarterly Basis of Transource Missouri; (l) Total Company and Missouri Jurisdictional Financial Statements (Income Statement, Balance Sheet, Statement of Cash Flows) on a Quarterly Basis of Transource Missouri; (m) Monthly Operating/Financial Reports of Transource Missouri (used for internal reporting of the utility ongoing operations and earnings results); (n) Monthly Operating/Financial Reports of Transource Missouri (used for internal reporting of the utility ongoing operations and earnings results); (o) Construction and Operating Budgets for the Current and Succeeding Three Years of Transource Missouri; (p) Construction and Operating Budgets for the Current and Succeeding Three Years of Transource Missouri; (q) Federal and Missouri Income Tax Returns of Transource Missouri; and (r) Federal and Missouri Income Tax Returns of Transource Missouri.

22. Transource Missouri will work with Staff to provide office space in Columbus, Ohio if it is more efficient for the Staff to perform its duties in Columbus, rather than by reviewing copies of books and records provided in Missouri.

23. New or updated agreements between the Applicants that are executed after the approval of the settlement agreement in this case will be provided to the Signatories as they become available.

G. Additional Conditions Agreed to for Approval of Applications

24. GMO agrees to establish a regulatory liability reflecting the amount collected in retail customer rates for the transferred property from the date of the novation or transfer of the costs of the Projects until new GMO rates are established. The treatment of the regulatory liability will be determined in GMO's next retail rate case.

25. Transource Missouri requested that the Commission grant approval of the CCN Application conditioned upon: (a) PSC approval of the transfer requests in File No. EO-2012-0367; (b) SPP's approval of Transource Missouri as a transmission owning member; (c) novation of the NTCs to Transource Missouri; and (d) FERC's acceptance of the novation agreements.

26. KCP&L and GMO requested that the Commission grant approval of the Transfer Application conditioned upon: (a) Transource Missouri obtaining the necessary approvals to construct the Projects; (b) Transource Missouri executing the SPP Membership Agreement as a Transmission Owner; (c) SPP's approval of the novation of the NTCs to Transource Missouri; and (d) FERC's acceptance of the novation agreements.

27. The Signatories agree that it would be reasonable for the Commission to grant conditional approval of KCP&L and GMO's Transfer Application and Transource Missouri's CCN Application prior to the final selection of route for the Sibley-Nebraska City Project. The Signatories request that the Commission grant approval conditioned upon the Commission making specific findings, through means determined at the Commission's discretion, after the final selection of the Sibley-Nebraska City route has been made, that the Transfer Application is not detrimental to the public interest and that the CCN Application is necessary and convenient for the public service. Transource Missouri shall provide the Commission with the 4 CSR 240-3.105 information for the Sibley-Nebraska City route as soon as that information is available.

28. Nothing in this Stipulation restricts any Signatory's right to request reasonable additional notice, local public hearings, or additional processes in these cases. No Signatory is restricted from opposing such request to the Commission.

29. KCP&L and GMO will provide the Commission with a report and information in File No. EA-2013-0098 within 90 days of the effective date of a Commission order approving this Stipulation outlining its public outreach efforts for siting, routing, easement acquisition and right-of-way acquisition for the Projects. KCP&L and GMO will update the report at least quarterly thereafter.

JOINT OPERATING AGREEMENT

This Joint Operating Agreement (the "Agreement") is made and entered into this 10th day of October, 2008 by and between Kansas City Power & Light Company ("KCP&L") and Aquila, Inc., doing business as KCP&L Greater Missouri Operations Company ("KCP&L GMO").

WITNESSETH

WHEREAS, KCP&L is a wholly-owned subsidiary of Great Plains Energy Incorporated ("Great Plains Energy"); and

WHEREAS, Great Plains Energy acquired KCP&L GMO as of July 14, 2008, and

WHEREAS, to facilitate utility operations integration and to realize synergies, employees of KCP&L GMO were transferred to KCP&L, and employees of KCP&L will operate and manage the business and properties of both KCP&L and KCP&L GMO, and

WHEREAS, in Case No. EM-2007-0374 before the Missouri Public Service Commission (the "MPSC"), KCP&L and KCP&L GMO requested a waiver from the MPSC affiliate transaction rules to permit KCP&L to provide services and non-power goods to KCP&L GMO at fully distributed cost, and offered to execute and file a joint operating agreement to document the provision of such services and non-power goods, and

WHEREAS, the MPSC granted such waiver, authorized Great Plains Energy to acquire KCP&L GMO, and directed that such a joint operating agreement be filed with the MPSC, and

WHEREAS, KCP&L and KCP&L GMO have entered into this Agreement whereby each party agrees to provide and to accept and pay for various services and non-power goods.

NOW THEREFORE, in consideration of the promises and the mutual agreements herein contained, the parties to this Agreement covenant and agree as follows:

ARTICLE I – JOINT OPERATING SERVICES

Section 1.1 Purpose. This Agreement provides the contractual basis for the coordinated planning, construction, acquisition, disposition, operation and maintenance of KCP&L's and KCP&L GMO's business and properties to achieve synergies, consistent with reliable electric service and all legal and other requirements.

Section 1.2 KCP&L Designated Agent and Operator. KCP&L GMO hereby designates KCP&L as its agent and operator of its business and properties. KCP&L shall be responsible for and shall perform, through its employees, agents, and contractors, all such actions and functions (including, without limitation, the entry into contracts for the benefit of or as agent for KCP&L GMO) as may be required or appropriate for the proper design, planning, construction, acquisition, disposition, operation, engineering, maintenance and management of KCP&L GMO's business and properties in accordance with the terms of this Agreement (the "Services"). KCP&L GMO hereby delegates to KCP&L, and KCP&L hereby accepts responsibility and authority for the duties set forth in this Agreement.

Section 1.3 Description of the Services. The Services shall include all services required or appropriate for the design, planning, construction, acquisition, disposition, operation, engineering, maintenance and management of KCP&L GMO's business and properties. The Services exclude wholesale electricity and transmission service transactions between KCP&L and KCP&L GMO, which will be governed by applicable Federal Energy Regulatory Commission ("FERC") tariffs and rules. Such Services are more fully described in Appendix A hereto.

Section 1.4 Standards for Services. KCP&L shall provide the Services in accordance with its practices, methods, standards, guides, policies and procedures in effect from time to time which, as applicable, will be consistent with those that are generally accepted in the electric utility industry. KCP&L will comply with all applicable Federal, State and local laws, regulations, ordinances and other requirements in the provision of Services to KCP&L GMO.

Section 1.5 Facilities Services. KCP&L will use its properties, systems, agreements and other assets in providing Services (the "KCP&L Facilities Services"). KCP&L GMO consents to the use of its properties, systems and agreements by KCP&L in providing Services and in operating and managing KCP&L's own business (the "KCP&L GMO Facilities Services"). The KCP&L Facilities Services and the KCP&L GMO Facilities Services are collectively referred to as the "Facilities Services". The provision of, and payment for, the Facilities Services will be done pursuant to the terms of this Agreement.

Section 1.6 Compliance with Policies and Agreements. In connection with its receipt of the Services, each party shall comply with (i) all applicable policies and procedures of the other party, and (ii) all applicable terms and conditions of any third party agreements pursuant to which KCP&L GMO receives Services and KCP&L receives Facilities Services, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

Section 1.7 Adequacy of Personnel. KCP&L shall use commercially reasonable efforts to maintain a staff trained and experienced in provision of the Services. Notwithstanding the foregoing, KCP&L may (i) arrange for the services of nonaffiliated experts, consultants, attorneys and other third parties in connection with the performance of any of the Services or (ii) subcontract performance of the Services to one or more third parties.

Section 1.8 Parity of Services and Internal KCP&L Operations. KCP&L will at all times use its commercially reasonable efforts to provide the Services in scope, quality and schedule equivalent to those it provides to its own internal operations. In providing the Services, KCP&L will seek to maximize the aggregate synergies to both companies, and shall not take any action that would unduly prefer either party over the other party.

ARTICLE II - COMPENSATION

Section 2.1 Payment for Services. As compensation for the Services, KCP&L GMO shall reimburse KCP&L for all costs that reasonably can be identified and related to the Services performed by or on behalf of KCP&L for KCP&L GMO including, but not limited to, KCP&L's cost of salaries and wages, office supplies and expenses, third party vendor costs, property insurance, injuries and damages, employee pensions and benefits, taxes, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital. Notwithstanding anything herein to the contrary, the price of the Services shall comply with all applicable rules and regulations of the FERC, the MPSC, all other applicable regulatory commissions, and the provisions of Great Plains Energy's Cost Allocation Manual, which includes KCP&L and KCP&L GMO cost allocation information, filed from time to time with the MPSC.

Section 2.2 Payment for Facilities Services. It is understood that KCP&L GMO Facilities Services may be used by KCP&L in providing Services to KCP&L GMO, as well as used by KCP&L for its own business. In order to avoid duplicate billing, the parties agree that KCP&L will be billed, and will reimburse KCP&L GMO, only for that portion of KCP&L GMO Facilities Services used by KCP&L for its own business. As compensation for Facilities Services, the receiving party shall reimburse the providing party for all costs that can reasonably be identified and related to the Facilities Services including, but not limited to, cost of salaries and wages, office supplies and expenses, third party vendor costs, property insurance, injuries and damages, employee pensions and benefits, taxes, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, compensation for use of capital, and a return on capital associated with the assets used to provide Facilities Services. Costs recovered through Services billings shall be excluded from the costs of Facilities Services. Notwithstanding anything herein to the contrary, the price of Facilities Services shall comply with all applicable rules and regulations of the FERC, the MPSC, all other applicable regulatory commissions, and the provisions of Great Plains Energy's Cost Allocation Manual, which includes KCP&L and KCP&L GMO cost allocation information, filed from time to time with the MPSC.

Section 2.3 Billing. KCP&L shall render a monthly statement to KCP&L GMO setting forth a description of the Services and KCP&L Facilities Services rendered to KCP&L GMO in the previous month and KCP&L's costs in connection therewith. The monthly statement to KCP&L GMO will also set forth a description of KCP&L GMO Facilities Services used by KCP&L for its own business and KCP&L GMO's associated costs. KCP&L shall maintain reasonable supporting documentation in connection with costs. Payment shall be made by remittance of the amounts billed within thirty (30) days of the date of the statement or by making appropriate accounting entries on KCP&L's and KCP&L GMO's books.

Section 2.4 Dispute Resolution. In the event that a dispute arises between KCP&L and KCP&L GMO regarding the costs charged by the providing party to the receiving party for Services or Facilities Services hereunder, representatives of KCP&L and KCP&L GMO will attempt to resolve the issues. Unresolved disputes regarding costs or any other claim or dispute related to this Agreement shall be resolved by binding arbitration by the American Arbitration Association under the rules then in effect. Any award of the arbitrator(s) may be entered as a judgment in any court of competent jurisdiction.

Section 2.5 Records Inspection. KCP&L GMO at its own expense may examine KCP&L's pertinent books, records, data and other documents once each year for the purpose of evaluating the accuracy of KCP&L's statements to KCP&L GMO. Such examination shall begin no fewer than thirty (30) days after KCP&L receives a written notice requesting an examination and shall be completed no later than thirty (30) days after the start of such examination. Such examination shall be conducted by an independent auditor reasonably acceptable to both KCP&L GMO and KCP&L. If an independent auditor is used, KCP&L GMO shall cause the independent auditor to execute a nondisclosure agreement reasonably acceptable to KCP&L. Each audit shall be conducted on the premises of KCP&L during normal business hours. KCP&L shall cooperate fully in any such audit, providing the auditor reasonable access to any and all appropriate KCP&L employees and books, records and other documents reasonably necessary to assess the accuracy of KCP&L's invoices. The results of the examination shall be provided to KCP&L.

If KCP&L and KCP&L GMO agree that the amount of any statement should be adjusted as a result of the examination, the amount of the adjustment shall be paid or reimbursed, as applicable, promptly with interest at a rate equal to the applicable compensation for use of capital if the adjustment is related to Services provided, or at a rate equal to the applicable return on capital used for Facilities Services billings (as such rates are described in the Great Plains Energy Cost Allocation Manual) from the due date of the applicable invoice. Any unresolved dispute shall be submitted to arbitration pursuant to Section 2.3, and any resulting award shall include interest calculated on Services or Facilities Services as previously described from the due date of the applicable invoice.

ARTICLE III – TERM AND TERMINATION

This Agreement shall become effective as of the date first written above and shall continue in force until terminated pursuant to this Article III (the "Term"). This Agreement may be terminated by either party upon at least one year's prior written notice to the other party. This Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Agreement may conflict with any applicable law, rule, regulation or order of any regulatory body adopted before or after the date of this Agreement. Further, this Agreement shall automatically terminate in the event of a direct or indirect change of control of either KCP&L or KCP&L GMO. Sections 2.4, 2.5, 4.1, 4.2, 5.3 and 5.4 shall survive expiration or termination of this Agreement for any reason.

ARTICLE IV –

DISCLAIMER OF WARRANTIES; LIMITATION OF LIABILITY

Section 4.1 EXCEPT AS SET FORTH IN SECTION 1.4, KCP&L MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SERVICES AND HEREBY DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES AS TO MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

Section 4.2 Limitation of Liability. Except with respect to its indemnification obligations set out in this Section 4.2, KCP&L's aggregate liability to KCP&L GMO pursuant to this Agreement for any acts or omissions in any 12-month period during the Term shall not exceed the aggregate charges payable to KCP&L by KCP&L GMO pursuant to Section 2.1 and 2.2 in such 12-month period. Except with respect to its indemnification obligations set out in this Section 4.2, KCP&L GMO's aggregate liability to KCP&L pursuant to this Agreement for any acts or omissions in any 12-month period during the Term shall not exceed the aggregate charges payable to KCP&L GMO by KCP&L pursuant to Section 2.2 in such 12-month period. Notwithstanding the foregoing sentences, each party hereto will defend, indemnify and save harmless the other party hereto from and against any and all liability, loss, costs, damages and expenses, including reasonable attorney's fees, caused by or arising out of the gross negligence, willful misconduct or breach of this Agreement by such indemnifying party. In no event shall any party be liable to the other party for any punitive, exemplary, indirect, special or consequential damages in connection with this Agreement.

ARTICLE V - MISCELLANEOUS

Section 5.1 Amendments. No amendment, change, or modification of this Agreement shall be valid, unless made in writing and signed by the parties hereto.

Section 5.2 No Assignment. Neither party may assign this agreement, in whole or in part, without the prior written consent of the other party.

Section 5.3 Choice of Laws. This Agreement will be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the laws of Missouri, without giving effect to rules concerning conflicts of laws.

Section 5.4 No Third Party Beneficiaries. This Agreement is not intended to, and does not, confer upon any party other than KCP&L and KCP&L GMO any rights or remedies hereunder.

Section 5.5 Regulatory Filings. KCP&L and KCP&L GMO shall make all necessary regulatory filings and seek all necessary regulatory approvals for this Agreement.

Section 5.6 No Effect on Other Agreements. This Agreement shall not modify the obligations of any party under any agreement with a third party, and shall not modify any agreement between the parties under any tariff or other agreement filed with the FERC, the

MPSC or other regulatory commission.

Section 5.7 Waivers. Any waiver at any time by a party of any of its rights with respect to a default by the other party under this Agreement shall not be deemed a waiver with respect to any subsequent default of similar or different nature, nor shall it prejudice its right to deny waiver of any other default by the other party.

Section 5.8 Independent Contractor. KCP&L and KCP&L GMO agree that for the purposes of this Agreement, each party is an independent contractor to the other party. KCP&L will be solely responsible for directing the work of its personnel. KCP&L is solely responsible for the compensation of its employees assigned to provide the Services hereunder, and payment of workers' compensation, disability and other similar benefits, unemployment and other similar insurance, and for withholding, income, social security and other taxes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

Kansas City Power & Light Company

William H Downey

William H. Downey
President and Chief Operating Officer

Aquila, Inc., doing business as KCP&L Greater Missouri Operations Company

William H Downey

William H. Downey
President and Chief Operating Officer

Approved by Counsel:

William G. Riggins
General Counsel and Chief Legal Officer
Kansas City Power & Light Company
Aquila, Inc.

APPENDIX A

Description of Services

General descriptions of the Services to be provided by KCP&L to KCP&L GMO are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The descriptions are not intended to be exhaustive, and KCP&L will provide such additional services, whether or not referenced below, that are necessary or appropriate to meet the service needs of KCP&L GMO.

Corporate Services

Corporate Services is responsible for providing Information Technology, Purchasing, Facilities and Resource Protection services for KCP&L GMO operations. These services also apply to any new facilities that may be added from time to time.

Information Technology ("IT"): Support existing applications, technologies and infrastructure to ensure business continuity and leverage capabilities. Examples include CIS, PeopleSoft, desktop, real-time systems, radio and telecommunications. In addition, IT will work with KCP&L GMO to develop and deploy new applications and technologies as appropriate.

Purchasing: Acquire goods and services on behalf of KCP&L GMO operations, as well as for all construction projects; exercise governance and oversight over all procurement functions and ensure compliance with established policies and procedures.

Facilities: Responsible for the planning and management of existing company buildings and grounds, whether owned or leased, as well as for any new building construction or remodeling; and provide print, courier and mailroom services and records management.

Resource Protection: Responsible for the protection of the physical, human and information assets of KCP&L GMO, and for business continuity planning and adherence to applicable standards such as required by Homeland Security, etc.

Delivery

Delivery is responsible for providing customer, transmission and distribution services. This includes business performance services, claims services, customer services, major outage/catastrophic event management services, energy efficiency and demand response services, metering and infrastructure technology services, resource management, safety training and incident response services, transmission and distribution construction and maintenance management, transmission and distribution operations and maintenance, transmission, distribution and substation engineering and asset management, transmission policy, planning and compliance services to KCP&L GMO. These services also apply to any new facilities that may be added from time to time.

Business Performance Services: Develop, gather data, manage, create and maintain financial and reliability reports; provide financial analysis, training on financial systems and business support; oversee financial and accounting processes; direct the preparation of budgets and forecasts; draft certain regulatory reports and testimony; develop policies, monitor key developments in the electrical delivery arena and KCP&L GMO territories; prepare and file compliance related reporting; manage process and performance improvement; create and conduct process and performance training; and collect and analyze benchmarking and scorecard data.

Claims Services: Administer claims received relating to property damage and/or service issues in KCP&L GMO service territories; prosecute claims to recover damages for property damage against KCP&L GMO assets.

Community Liaison and Communication Services: Act as liaison with government agencies; federal, state and locally elected officials, civic organizations, and other community stakeholders affecting the KCP&L GMO service area; respond to media and governmental stakeholder requests for information; and create and present information to the public through press releases, advertising, public speaking and other available communication channels.

Community Relations Services: Identify and administer investment and membership support in KCP&L GMO's community organizations; administer contributions to nonprofit agencies identified in KCP&L GMO's service and operating territories that support at-risk youth, the environment and economic/workforce development; administer memberships with chambers, economic development corporations and other organizations in KCP&L GMO's service and operating territories; coordinate presentations and public speaking requests; identify and administer community sponsorships in coordination with partners; manage and provide support for KCP&L GMO's events, including town hall meetings and executive visits; identify and manage employees in KCP&L GMO community support roles, such as serving on boards and providing direct service to underserved people and communities.

Customer Services: Receive and process customer requests through all customer contact channels; answer customer questions, create and enter service orders, and educate customers about KCP&L GMO services; obtain and record meter data; process customer service orders; manage the field collection process at the customer premise, investigate potential revenue loss, and report irregular customer activities pertaining to their electric service; prepare and deliver accurate and timely statements and invoices to customers; manage the payment application process, reconcile payments received from customers, remit payments received, and conduct research on non-routine payments; collect amounts owed on delinquent accounts, bad debt recoveries, and bankruptcy; process and remit amounts recovered; manage and apply energy assistance payments; conduct fraud investigations, diversion investigations, and analyze customer usage and pricing for accuracy and timeliness of sending customer bills; investigate and manage commission complaints to resolution; design programs to increase funding to assist low income customers; manage programs targeted for the elderly and vulnerable (i.e., medical emergency) customers; create partnerships with energy assistance agencies; administer cold and hot weather rules; develop and present outreach programs designed to educate customers about energy usage and efficiency; design and use measurement and assessment tools to gauge effectiveness and efficiency of customer contact work processes; and collect, verify and report statistics and data as requested by internal customers.

Economic Development Services: Manage and administer business development initiatives, strategies and programs associated with retention, expansion and recruitment of major customers in KCP&L GMO's service territory; manage and develop relationships with strategic state, regional and local development groups while being familiar with state and local incentives, and financing options; assist KCP&L GMO's communities in strategic planning, setting goals and priorities, and facilitate implementation of community and economic development programs; and represent KCP&L GMO on relevant community and state boards.

Energy Efficiency and Demand Response Services ("EE/DSM"): Identify and develop products for EE/DSM including market analysis, technology review, feasibility analysis, load research and tariff development/approval; provide marketing of EE/DSM to customers; act as liaison and support EE/DSM programs with large industrial and commercial users; create and present public education and training demonstrations on EE/DSM programs; provide eServices management; and develop and provide marketing, sales and product support for unregulated, revenue generating services.

Major Outage/Catastrophic Event Management Services: Provide "command and control" management including allocation of resources, communication with MPSC, internal and external stakeholders, coordination with the Mutual Assistance Group, and analysis of operational and performance data from KCP&L GMO systems; act as liaison with government agencies, municipalities and emergency response organizations; and create and conduct training with stakeholders .

Metering and Infrastructure Technology Services: Plan, design and implement integrated technologies to better supply, manage, and enable more efficient use of energy both by the utility and the customer; identify and evaluate existing and emerging technologies in the areas of advanced metering, distribution automation, grid communication networks, advanced control centers, demand response, energy efficiency, as well as the integration of renewable and distributed supply resources; and plan, design and implement metering and meter reading infrastructure.

Resource Management: Provide supervision of resource procurement, including strategic sourcing, vendor alliance development, order management, supplier management, consignment systems and contract governance; manage vegetation management services and infrastructure monitoring and improvements consistent with approved KCP&L GMO vegetation and infrastructure plans; provide supply chain management to drive optimum service, quality and innovation for material, services and fleet management in order to achieve operational excellence and lower operational and maintenance costs; develop policies and implement contract compliance practices to ensure value is captured; provide work management asset tracking services; provide meter procurement and maintenance services; and provide shop services that include equipment testing and reconditioning, welding, mechanical services, pipefitting, plumbing and carpentry.

Safety Training and Incident Response Services: Create and present public safety education and training demonstrations; respond to incidents of personal injury and/or property damage involving employees and/or KCP&L GMO assets; and develop operating and compliance guidelines.

Transmission and Distribution Construction and Maintenance Management: Analyze, coordinate and support work for system expansion, construction, system improvements, and corrective and preventive maintenance; provide patrolling services of infrastructure and equipment; and act as company liaison to customers, municipalities, community organizations and local stakeholders.

Transmission and Distribution Operations and Maintenance: Provide "first response" to outage and irregular system operation reports and analyze, coordinate and support work to restore service and return system to regular operating status.

Transmission, Distribution and Substation Engineering and Asset Management: Analyze, coordinate and support work for delivery and substation system expansion, improvements, and corrective and preventive maintenance; provide engineering, planning, design, trouble-shooting and mapping services; support field personnel in handling right-of-way purchases, right-of-way inquiries, zoning permits and crossing permits; and establish and monitor system-wide electrical standards.

Transmission Policy, Planning and Compliance Services: Develop policies, monitor key developments in the transmission arena, and participate in industry groups and forums relevant to transmission system reliability, operations and policy issues; act as liaison with FERC, NERC, Southwest Power Pool ("SPP"), Midwest Independent Transmission System Operator ("MISO"), Edison Electric Institute ("EEI"), Kansas Electric Transmission Authority ("KETA"), the Transmission Owners and Operators Forum and other organizations and stakeholders; perform analysis and planning of transmission system; negotiate agreements with transmission stakeholders; provide support for real-time transmission system analysis, monitor system reliability and security; respond to threats against system reliability and security; provide compliance review of relevant NERC and FERC standards and policies; administer transmission tariffs; and provide accounting of energy flowing across transmission system and monitor transmission revenues received.

Supply

Supply is responsible for all aspects of providing the electric energy necessary to reliably, and in compliance with applicable laws, fulfill the electric demands of KCP&L GMO customers. In order to effectively meet this obligation, Supply shall provide the following general services to KCP&L GMO: resource planning; plant operations and maintenance; fuel procurement and logistics; generation dispatch; power purchases and sales; new unit construction; and system black-start. These services shall apply to all present and future KCP&L GMO generating facilities. These services also include the optimization of all KCP&L GMO jointly owned units and all capacity and energy contracts that exist or may be entered into from time to time.

KCP&L and KCP&L GMO will be operated and planned for as separate control areas with wholesale transactions governed by applicable FERC tariffs and rules, until and unless otherwise determined by the parties and approved by all applicable regulatory bodies.

Resource Planning: Develop periodic integrated resource plans, capacity testing, reliability reporting, and interconnection applications; coordinate new source review as needed; and maintain fleet generation statistics.

Plant Operations and Maintenance: Conduct safety training, safety incident investigation, training of the operating and maintenance staff; develop/maintain operating procedures; manage operating staff; maintain planning (near term and long term); maintain facilities and equipment; outage planning; maintenance management; contractor management; inventory management; and environmental compliance and reporting.

Fuel Procurement and Logistics: Develop fuel procurement plan, fuel procurement for power production (coal, oil and natural gas); arrange for fuel delivery, nomination of required natural gas deliveries, procurement, delivery of all plant combustion reagents (lime, limestone, ammonia, urea, etc.); fuel handling and storage at the plants; and fuel inventory management, sale or off-site disposal of coal combustion products (including fly ash, bottom ash, and scrubber by-products).

Generation Dispatch: Unit scheduling; maintenance of reserve requirements; coordination with the RTO; and coordination with generating stations and load balancing.

Power Purchases and Sales: Manage day ahead and real time sales and/or purchases to effectively meet customer demand; secure transmission paths; cultivate wholesale customers on both the buy and sell side; track and manage RTO transactions and costs; and manage participation in RTO markets as they become available (energy imbalance market, ancillary services, etc.).

New Unit Construction: Organize and manage the construction efforts necessary to place new generating assets into service or to retro-fit existing facilities with new process equipment necessary to allow the unit to continue to operate, including the removal of abandoned equipment, as may be necessary.

Black Start: Maintain and periodically test the system black-start capability.

Human Resources

Services are provided to KCP&L GMO by employees of KCP&L. Human Resources ("HR") is responsible for the planning, development, and implementation of all aspects of human capital strategy which complements and reinforces the strategies of KCP&L GMO and its affiliates. HR will meet KCP&L GMO's needs through the general services categories described below.

Employee Relations – HR uses a Generalist model in working with operating groups as business partners to ensure close alignment with, and proactive support of, operating needs.

Labor Relations – Provide centralized leadership in working collaboratively with the IBEW locals, including labor strategy, negotiations, grievances, arbitrations, job bidding, and other activities.

Staffing and Recruitment – Ensure a robust pipeline of talent into the organization by creatively sourcing candidates and overseeing/coordinating the recruiting, interviewing, testing, placement, and on-boarding processes; and manage a variety to specialized sourcing programs ranging from college recruiting, internship programs, high programs, diversity programs, and other practices.

Compensation and Benefits – Recommend and develop the overall reward program to ensure the acquisition and retention of talent and effective cost management, including base salary, incentive, and all other benefit and recognition programs; and oversee Affirmative Action Programs.

Safety and Medical – Oversee worker's compensation and return-to-work programs, DOT, and other health and safety programs.

Winning Culture – Work to ensure a workforce that is engaged, innovative, accountable, and high-performing.

Training and Development – Ensure an effective professional workforce through the development/delivery of programs through the GPE University; identify suitable external programs and leadership development opportunities; and identify, coaching, and development of high potential employees; and oversee an assessment center, workforce planning, periodic employee surveys, and effective performance management processes.

Human Resource Information System – Ensure secure and effective systems that allow accurate reporting of employee-related information; develop and implement systems and processes that enable increased employee and manager self-service; and promote and implement process improvements for HR.

HR Service Center - The HR Service Center provides a "one-stop shop" for efficient response to employees' and retirees' HR questions.

HR Strategy and Planning – Ensure awareness of best practices and adopts as appropriate; ensures goals, metrics, and plans are established to enhance service and efficiency; and craft and implement company-wide strategies to address chronic workforce challenges.

Finance and Accounting Services

Finance and Accounting Services ("F&A") is responsible for all aspects of providing services across the organization necessary to support the operations of KCP&L GMO and all other corporate entities. These services are provided by KCP&L to the other entities. F&A will meet KCP&L GMO's need for F&A services through the general services categories described below.

Accounting Systems: Provide system support of financial systems for all entities, including KCP&L GMO. Major financial systems include the PeopleSoft financial and HR systems, CIS+ customer billing system, and the property management system, PowerPlant. System support is categorized into operations and project management functions. The operations function includes; run the month-end financial close process; maintain PeopleSoft and PowerPlant security for the organization; update PeopleSoft chart fields; maintain the PeopleSoft allocation processes; maintain PeopleSoft trees for reporting, and nVision and query development for the organization; including support provided in gathering financial information to respond to regulatory, customer, or audit requests. The project management function includes upgrades and system enhancements and consists of gathering requirements, developing timelines, developing and maintaining test scripts for testing phases, and signoff during implementations.

Accounts Payable: Provide accounts payable transaction processing and reporting for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: Create/maintain vendor profiles; receive/process paper/electronic invoices and payments; prepare vendor 1099s; review/update invoice approval workflow; review/update voucher account coding; reconcile payment records and vendor balances; research/resolve purchase order payment exceptions; provide monthly reporting metrics; and receive/research/provide vendor and/or payment inquiries.

Audit Services: Examine and evaluate the adequacy and effectiveness of the organization's governance, risk management process, internal control system structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. Primary services provided include: review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information; review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations, including relevant provisions of the Sarbanes-Oxley Act of 2002, which could have a significant impact on operations and reports, and assessing whether the organization is in compliance; review the means of safeguarding assets and, as appropriate, verifying the existence of such assets; review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned; review specific matters at the request of the audit committee or management, as appropriate; monitor and evaluate the effectiveness of the organization's risk management system; and review, where contractually authorized, accounting and other relevant records of joint ventures, contractors, suppliers, and other third party business associates.

Corporate Accounting: Maintain the accounting books and records of all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: establish and maintain accounting policies and procedures; establish and monitor internal controls; record revenues, operation and maintenance expenses, other income/expense and assets and liabilities, and analyze activity in accounts; and perform account monitoring and reconciliations, management reports, certain regulatory reports and provide financial support to operations, regulatory affairs and other internal customers, as requested.

Corporate Finance: Direct the Company's corporate finance function, which includes the development, analysis, and implementation of financial plans and capital structure so as to maintain continuous access to capital at the lowest overall cost. Primary services provided include: prepare documentation and satisfy the filing requirements associated with the Company's financing and lead negotiations of specific costs and terms of security issues and/or leases by working directly with the underwriters; minimize the cost of debt by managing the variable rate debt portfolio utilizing interest rate management products; support the Company's regulatory efforts, including cost of capital analysis / testimony preparation assistance; primary day-to-day management of relationships with rating agencies, members of the Company's bank group and any other investment banks; and preparation of financial materials for internal and external stakeholders as requested and required.

Corporate Planning & Budgeting: Develop budgets and financial forecasts for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: collection of departmental operating and capital budgets; allocation of budgeted pension and benefit costs, jointly owned facilities, and other allocable costs between business units; and development of forecasted financial statements as needed.

Corporate Treasury: Responsible for all cash management activities, including short-term financing facilities, for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: maintain an appropriate level of liquidity through supervision of cash management activities, maintenance of banking relationships and accessing of capital markets for longer-term funding; issue commercial paper or draw on credit facilities as needed, keeping an appropriate maturity ladder; conduct intra-company lending/borrowing to share liquidity within the corporation and minimize idle balances; oversee issuance of letters of credit and guarantees; assist Enterprise Risk in monitoring and maintaining credit support; maintain banking and brokerage relationships, negotiate lines of credit and determine banking/treasury management services to use; monitor and manage investment portfolios in compliance with the corporate investment policy; supervise remittance processing activities in coordination with the Customer Service division; establish and monitor external remittance processing agents (lockbox, direct debit, pay-stations, credit/debit cards, etc.) so to offer customers, reliable, lost cost service; assist in the issuance of capital market securities; provide input in the determination of desired capital structure through detailed cash forecasting; assure compliance with Sarbanes-Oxley requirements and maintenance of proper documentation and controls; provide information for rate cases, regulatory filings, financings and other applications; develop and maintain department policies; create and maintain a corporate wide investment policy; and oversee required accounting and record keeping to maintain the general ledger and reconcile cash accounts.

Income and Transaction Taxes: Responsible for all aspects of maintaining the tax books and records of all Great Plains Energy entities, including KCP&L GMO. Tax services can be categorized in five major functions providing the primary services as follows: prepare, review and file all consolidated and separate federal, state and local income, franchise, sales, use, gross receipts, fuel excise, property and other miscellaneous tax returns and payments; research tax issues and questions, including interpretation of rules and proceedings, develop short and long range planning for all types of taxes and monitor and review new or proposed tax laws, regulations, court decisions and industry positions; provide tax data for budget estimates and rate cases, provide reports of tax activity and projected cash requirements and prepare, review and record tax data for financial reports; supervise and review tax audit activities; respond to vendor-related tax matters associated with tax compliance or tax saving opportunities and process customer tax refunds and adjustments to customer accounts.

Insurance: Provide the following insurance services: place and administer Property and Casualty insurance policies, including Property, Liability, Workers Compensation and Management Liability; file and manage Property insurance claims; review contracts and agreements as needed for adequacy of insurance provisions; issue Certificates of Insurance and other evidence of coverage; and place and administer bonds.

Property Accounting: Maintain all fixed asset and intangible property records for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: set up, maintain and close capital projects; provide analysis of capital projects; calculate, record and report AFUDC; maintain fixed assets and accumulated depreciation; perform month end close processes; support billing of joint owner projects; support construction projects, including those associated with the Comprehensive Energy Plan; and perform processes to support day-to-day property accounting activity and prepare necessary internal and external reports, and support regulatory filings and depreciation studies.

Regulatory Accounting: Serve as the primary liaison between the Regulatory Affairs and Accounting Services teams and provide Accounting Services support for all jurisdictional filings and regulatory reporting for the Company, including KCP&L GMO. Primary services provided include: primary accounting support of rate case process including accounting adjustment planning and preparation; primary accounting support and data request response preparation and review; support of rate case process for accounting focused issue areas; regulatory reporting preparation and filing for all jurisdictional areas including the preparation of the annual FERC Form 1 and quarterly FERC Form 3-Q and certain other monthly, quarterly and annual statistical reports and jurisdictional surveillance reporting; development, tracking and reporting of all merger synergies and transition costs created/incurred across the organization, as relates to the acquisition of KCP&L GMO; and maintenance, review and analysis of critical revenue requirement input components, including regulatory asset and liability tracking and maintenance, debt assignment process maintenance and tracking and FERC account activity analysis for rate case adjustment impacts.

Risk Management: Provide the following risk management services on behalf of KCP&L GMO: credit risk management to include complete credit reviews for wholesale counterparties; develop, gather data, manage, create and maintain financial, reliability and accounting reports; develop credit limits for wholesale counterparties and monitor credit exposure on an ongoing basis; manage collateral requirements with wholesale counterparties and manage daily margining requirements; review contracts and agreements for adequacy of credit risk provisions; monitor the external credit markets and develop policies and procedures to help mitigate potential credit risks; prepare and file compliance related reporting; market risk management which includes monitor wholesale commodity transactions and verify that transaction types are covered by risk control policies, monitor wholesale commodity transactions and monitor compliance with risk control limits; develop market volatility curves for new transaction locations and commodities within the deal capture system; monitor the wholesale power and gas markets and develop policies and procedures to help mitigate market risks; and prepare and file compliance related reporting.

Strategic Planning and Development: Provide strategy development and coordination in the following areas: manage the development and approval process for the Company's long term strategic plans; coordinate strategic planning for major asset decisions; coordinate internal and public policy positions on renewable energy, climate change, nuclear power, energy efficiency and other energy related issues; and develop and manage renewable energy resource strategy and development of the renewable resource portfolio.

Legal and Environmental Services

Legal and Environmental Services is responsible for providing legal advice and representation and environmental services to KCP&L GMO. The following is a representative list of the types of services provided.

Legal Advice and Representation: Advise and represent KCP&L GMO concerning anticipated and pending litigation matters, contract negotiation and administration, general corporate matters and regulatory compliance, including the representation of KCP&L GMO before the MPSC, the FERC, and other regulatory bodies; provide legal advice and support for securities filings, financings and their administration; and provide legal advice and support for other transactions and matters as requested.

Environmental Services: Advise KCP&L GMO concerning compliance with all applicable environmental laws and regulations, including the obtainment of any requisite environmental permits related to KCP&L GMO's operations.

Regulatory Affairs

Regulatory Affairs is responsible for all aspects of providing services across the organization necessary to support the regulatory strategies that achieve corporate goals and which satisfy the requirements of regulatory policies, rules and procedures for KCP&L GMO The following is a representative list of the types of services provided.

Maintain a working knowledge state and federal regulatory practices, rules and regulations, KCP&L GMO tariffs, regulatory affairs activities of other utilities, and regulatory trends; contribute to the achievement of corporate goals by developing regulatory strategies to enhance earnings, mitigate risk, and guide regulatory and legislative industry restructuring; provide justification for KCP&L GMO's need for changes in rate levels by directing the preparation of filing requirements and responses to Commission complaint investigations, and by submitting testimony; build relationships with state and federal regulators, and consumer counsels; represent KCP&L GMO by serving as a regulatory expert before regulatory commissions, legislatures, and other public forums; work with the Commission and staff of the Missouri Public Service Commission, FERC and legislative committees to establish regulatory policy; oversee economic, engineering, and financial analysis in relation to revenues and costs, day-to day administration of rates, rules, regulations, and tariff filings, review and strategy of revenue requirements, determination of rate designs, and revenue verification; contribute to the development of revenue and resource planning by providing review of cost studies and by participating in the development and review of KCP&L GMO objectives and strategies; and provide information and training to other divisions (departments) on regulatory requirements, rates, rules, and regulations and provide assistance to operational departments in fulfilling regulatory requirements.

Corporate Secretary and Governance

These functions are primarily responsible for ensuring compliance with applicable corporation laws and regulations, the requirements of organizational documents, and appropriate corporate governance principles. These functions are also responsible for the design, maintenance and administration of director and officer compensation programs. The following is a representative list of the types of services provided: prepare and maintain Board and Committee communications, minutes, materials and other corporate documents; provide advice and analysis to directors and officers on current and emerging corporate governance matters, and recommend appropriate actions in light of those matters; prepare and file all documents necessary to maintain the corporate existence of KCP&L GMO and its subsidiaries; ensure that KCP&L GMO conducts its business in compliance with applicable corporate legal and organizational requirements; act as a liaison between management and the Board of Directors; design, maintain and administer director and officer compensation programs; and provide corporate compliance program management, support and training.

KCP&L Greater Missouri Operations Company

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TAB A

KCP&L Greater Missouri Operations Company

INTRODUCTION

Evergy, Inc. ("Evergy"), headquartered in Kansas City, Missouri, is a registered public utility holding company with three wholly-owned direct utility subsidiaries—KCP&L Greater Missouri Operations Company ("GMO"), Kansas City Power & Light Company ("KCP&L") and Westar Energy, Inc. ("Westar") and three direct non-regulated subsidiaries. All Evergy subsidiaries and affiliates are shown on the five (5) pages of Appendix 1 entitled Evergy, Inc. Organizational Structure. GMO has no employees with KCP&L employees primarily operating and managing the business and properties of GMO. In addition, GMO may receive services from Westar.

GMO is an electric utility regulated by the Public Service Commission of the State of Missouri ("MoPSC") with respect to retail rates, certain accounting matters, standards of service and, in certain cases, the issuance of securities, certification of facilities and service territories. GMO is classified as a public utility under the Federal Power Act and is subject to regulation by the Federal Energy Regulatory Commission ("FERC").

GMO also wholly owns GMO Receivables Company ("GREC"), a wholly-owned subsidiary to whom all its retail electric accounts receivables are sold through an affiliate transaction, MPS Merchant Services, Inc., an unregulated subsidiary which has certain long-term natural gas contracts, and several unregulated subsidiaries some of which no longer have active operations. These unregulated subsidiaries are:

MPS Gas Pipeline Corporation
MPS Platt County Power LLC
MOPUB Group Inc.
Golden Bear Hydro, Inc.
Energia, Inc.
LoJamo, LLC MO
MPS Finance Corp.
SJLP Inc.
Trans MPS, Inc.
MPS Europe, Inc.
MPS Canada Holdings, Inc.
Missouri Public Service Company
MPS Networks Canada Corp.
MPS Canada Corp.
MPS Sterling Holdings, LLC

GMO served approximately 325,000 customers as of December 2017. In addition to providing electrical services, GMO also provides industrial steam to a limited number of customers in the St. Joseph service area.

In 2012, Transource Energy, LLC ("Transource") was formed as a non-MoPSC regulated joint venture between Evergy and American Electric Power Company ("AEP") to pursue competitive transmission projects. Evergy owns 13.5% of Transource through its wholly-owned non-MoPSC regulated direct subsidiary GPE Transmission Holding Company, LLC ("GPTHC") with AEP owning the remaining 86.5%. Transource Missouri, LLC, a wholly-owned subsidiary of Transource, was formed for regional transmission projects in Missouri and is in part MoPSC regulated. AEP will operate Transource and intends to provide the majority of staff and services through its service company. However, GMO may provide certain services to Transource and will be reimbursed consistent with the Stipulation and Agreement approved by the MoPSC in File No. EA-2013-0098. A copy of the relevant pages of that Report and Order is attached as Appendix 4 for ease of reference.

Evergy has two other non-regulated subsidiaries-GXP Investments, Inc. ("GXPI") and Great Plains Energy Services Incorporated ("GPES"). GXPI has investments in KCP&L Solar, Inc., a solar supplier and various businesses within the energy ecosystem. GPES is uses as a contracting vehicle for purposes of administrative efficiencies. Refer to Appendix 1 for the organizational chart identifying Evergy and its affiliates.

This Cost Allocation Manual ("CAM") is a requirement of the MoPSC Affiliate Transactions Rule (4 CSR 240-20.015). This rule is intended to prevent MoPSC regulated utilities from subsidizing their non-regulated operations. GMO will include in its annual CAM the criteria, guidelines, and procedures it will follow to be in compliance with this rule.

In its July 1, 2008, Report and Order in File No. EM-2007-0374 the MoPSC granted GMO and KCP&L a variance to 4 CSR 240-20.015. The MoPSC granted the variance to all regulated transactions between GMO and KCP&L except for wholesale power transactions, which would be based on rates approved by FERC. This variance is referenced below in TAB F – Transfer Pricing.

Also in its July 1, 2008, Report and Order in File No. EM-2007-0374 the MoPSC required GMO and KCP&L to execute a joint operating agreement within ninety (90) days of the effective date of its July 1, 2008, Report and Order approving Evergy's acquisition of Aquila Inc. ("GMO"). On October 10, 2008, GMO and KCP&L filed with the MoPSC a Joint Operating Agreement ("JOA") dated October 10, 2008. The purpose of the JOA is to provide the contractual basis for the coordinated planning, construction, acquisition, disposition, operation and maintenance of GMO's and KCP&L's business and properties to achieve synergies, consistent with reliable electric service and all legal and other requirements. A copy of the JOA is included as Appendix 5.

In June 2018, the Report and Order in merger docket EM-2018-0012, granted a limited variance from the affiliate transaction rules to facilitate transactions between the regulated operations of GMO, KCP&L, Westar and KGE by allowing all transactions to occur at cost except for wholesale power transactions, which will be based on rates approved by FERC.

It is the objective of the GMO CAM to provide a high level of assurance that GMO has implemented and is monitoring a set of criteria, guidelines, and procedures that also provides a high level of assurance that GMO is not subsidizing its affiliated activities or non-regulated operations to the detriment of its regulated electric customers in Missouri.

Evergy established a fully-functioning CAM Team in January 2015 consisting of a necessary number of trained employees to oversee the operations and management of GMO's affiliate transactions. The CAM Team will ensure that all affiliate transactions are either consistent with the MoPSC's Affiliate Transactions Rule or GMO has followed the required variance procedures to allow GMO to participate in non-complying affiliate transactions.

GMO will apply for a waiver from applicable affiliate transaction requirements consistent with the process specified in 4 CSR 240-20.015(10) or it will not participate in the noncomplying affiliate transaction as required in 4 CSR 240-20.015(2)(D).

GMO CAM submittals will identify the GMO management position that is responsible for the overall governance and enforcement of the GMO CAM preparation and implementation of criteria, guidelines, and procedures necessary to provide full compliance with the MoPSC's Affiliate Transactions Rule.

The CAM Team will be involved in decision-making regarding all affiliate transactions to the extent necessary to ensure that these decisions will be based on information regarding complying with the MoPSC's Affiliate Transactions Rule.

Anytime there is 1) an addition or 2) a deletion of an affiliated entity or non-regulated activity, the CAM Team will be notified within the day of the event.

All additions to or deletions of affiliated entities / non-regulated activities will be submitted in writing to the MoPSC Staff Counsel's Office and the Office of the Public Counsel ("OPC") within thirty (30) days of the event occurring.

KCP&L Greater Missouri Operations Company

OVERVIEW OF COSTING METHODOLOGY & SERVICE AGREEMENTS

GMO provides information, assets, goods and services[1] to Evergy and its subsidiaries/affiliates. Related costs are collected and assigned directly or indirectly to a business unit when applicable, with business unit referring to a legal entity or regulatory jurisdiction within Evergy.

Costs are assigned on a fully distributed cost ("FDC") basis to reflect all costs incurred in providing goods, assets, information, and services. Costs specifically related to one business unit are billed directly to that unit while costs related to more than one business unit are allocated or assigned based on a cost causative relationship as well as in the aggregate by a general allocator of truly common costs. Since GMO is operated and managed by KCP&L employees, KCP&L will be required to bill out on GMO's behalf the labor charges and related loadings incurred by GMO. Any goods or services provided or received from Westar will be required to be billed to the benefiting business unit. The allocation and billing of costs is designed to reflect benefits received as closely as practical and to prevent subsidization of any business unit and ensure equitable fair market price ("FMP") or fully distributed cost distributions, as applicable, among Evergy and its affiliates.

[1] GMO currently provides limited information, assets, goods and services to Evergy and its subsidiaries/affiliates.

GMO realizes that failure to fully charge affiliates or non-regulated activities for the relevant fully distributed cost or fair market price of goods, services, assets, or information provided to or on the behalf of these affiliated entities or non-regulated operations is expressly prohibited by the MoPSC's Affiliate Transactions Rule.

The regulated utility's billing of direct assigned, and allocated fully distributed cost or fair market price, if higher, is designed to prevent providing a financial advantage to or subsidization of any business unit or non-regulated activity while also ensuring equitable charges among Evergy and its subsidiaries/affiliates.

Affiliates are billed on an FDC basis which includes all direct and indirect costs, including cost of capital and overheads, or at the fair market price, whichever is higher. The following three types of cost assignments are utilized to determine proper FDC billings:

1) **Billing between Business Units (TAB C)** – Applies to balance sheet and income statement costs between GMO and affiliates. The billing of costs between business units is based on the operating unit field charged in the account code. The operating unit field identifies what business unit is benefiting from the cost and is required on all capital and expense transactions. For billing purposes, costs are grouped into two basic groups: (a) direct billed projects and (b) indirect billed projects. Direct billed projects are assigned directly to a business unit based on the operating unit, while the indirect billed projects are allocated based on relevant cost allocation factors. In addition, affiliates will be charged for the use of common plant and for the use of capital

whenever such charges are appropriate.

2) **Clearings and Loadings (TAB D)** – Applies to types of costs that are assigned based on the usage related to other costs. In some applications, costs are distributed, or "cleared" over a distribution of direct costs, such as fleet clearings. In other applications, costs are distributed, or "loaded" onto a related cost, such as paid absence, and distributed based on a payroll distribution.

3) **Specific Assignment Method (TAB E)** – Applies to costs that can be assigned to the benefiting business unit based on a statistical analysis, usage study, or association with the underlying asset or liability. For instance, depreciation expense is assigned based on the related plant asset.

GMO will rely upon its Accounting Department or the group responsible for control of the costs to determine the specific assignments. GMO and affiliates shall enter into service agreements which establish the terms and conditions for affiliate transactions, including a general description of goods and services provided, pricing, billing and payment methods and dispute resolution. Refer to Appendix 2 for a listing of services. Additional services may be provided if needed. Appendix 2 and Service Agreements will be updated if additional services are provided or removed. The agreements will comply with all applicable MoPSC rules and orders to prevent any preferential treatment among the affiliates.

TAB C

KCP&L Greater Missouri Operations Company

SHARED SERVICE BILLINGS BETWEEN BUSINESS UNITS

GMO provides goods, services, assets, and information to other entities within Evergy including Evergy. When goods are provided or services are performed for the benefit of these entities, the fully distributed cost of providing the good or service is accumulated and billed to the affiliate. On a monthly[1] basis, these accumulated fully distributed costs are then compared with the fair market price of the good or service. After the comparison is made, if the fair market price is higher than the fully distributed cost an adjustment will be made for the difference and billed by GMO to the benefiting business unit on a monthly basis.

Since KCP&L and Westar are the only business units among all Evergy business units that have employees, they must bill out labor charges and related loading costs (such as pensions, OPEBs and other loadings) incurred for the benefit of other business units. KCP&L and Westar employees enter their time by account code in a time-entry system which allows for payroll to be accurately assigned. Below is a description of the various billings between business units.

[1] Staff supports a two-year variance ending March 16, 2019 from KCP&L billing its affiliates, except where a waiver for variances exist, the higher of cost (FDC) or market (FMP) at the time KCP&L bills its affiliates for the provision of assets, goods, information, and services on a monthly basis. KCP&L is to be allowed to bill its affiliates at cost for the first two months of each calendar quarter with true-up bills in the third month of each calendar quarter for market price to the extent market price is higher than cost. These true-up bills are to include an interest charge at the late payment charge rate for the period KCP&L delayed receiving its money if the initial bill would have reflected the higher market price. The variance described in this paragraph is to expire March 16, 2019, or sooner if KCP&L chooses to implement monthly billing, except as provided in section 4 CSR 240-20.015(10).

operations and activities. All other residual common costs will be allocated using the General Allocator calculation. The General Allocator allocates costs based on an entity's relative ratio of direct and assigned expenses to total direct and assigned expenses incurred.

Balance Sheet Billings – All costs incurred by a business unit for the benefit of another business unit that are charged to a construction, undistributed stores expense or clearing account, are then billed to the benefiting business unit based on the operating unit designations. These costs are primarily direct billings from one business unit to another, however, there may be charges to undistributed stores expense or clearing accounts that are billed out based on an assignment or allocation factor.

Common Use Plant and Asset Transfers

Common Use Plant – In the ordinary course of business, assets belonging to GMO may be used by another entity. This property, referred to as common use plant, is primarily service facilities, telecommunications equipment, network systems and software. In order to ensure the regulated entities do not subsidize Evergy and its other companies, GMO charges costs for the use of its common assets. Monthly billings are based on the depreciation and/or amortization expense of the underlying asset and a rate of return applied to the net plant. The total cost is then assigned or allocated on an applicable factor to the business unit benefiting from the use of the asset. All direct costs incurred to common plant are directly charged to the Evergy entity causing those costs.

Asset Transfers – GMO will not sell, lease, assign, mortgage, transfer, or otherwise dispose or encumber the whole or any part of its franchise, works, or system, necessary or useful in the performance of its duties to the public, nor by any means, direct or indirect, merge or consolidate such works or system, or franchises, or any part thereof, with any other corporation, person, or public utility, without having first secured from the MoPSC an order authorizing it so to do. (Section 393.190 RSMo).

Compensation for the Use of Capital – Transactions between legal entities result in the creation of intercompany receivables or payables with settlement due in the following month. In addition to the above charges, a charge for the use of capital based on the outstanding intercompany receivable balance and the daily Commercial Paper Rate published by the Board of Governors of the Federal Reserve System for A2/P2 non-financial issuers will be applied. Any receivables outstanding after thirty (30) days from month end will result in a late payment fee which will be based on the late payment fee charged to GMO's regulated customers.

TAB D

KCP&L Greater Missouri Operations Company

CLEARINGS & LOADINGS

Paid Absence Loadings – GMO is required to follow the FERC Uniform System of Accounts ("USOA") that describes how the various paid absence costs will be allocated over the "at work" activities. Monthly, costs charged to the various paid absence accounts are allocated to capital and expense accounts based on each account's respective straight-time payroll activity for the month. Initially, KCP&L and Westar employees will directly or indirectly[1] charge labor to GMO and GMO affiliates for each and every activity performed by KCP&L or Westar that benefits GMO and its affiliates. Paid absence loading will be assigned to these labor charges at the time of these direct and indirect charges.

Payroll Tax Loadings – Payroll taxes are loaded to labor charged to expense accounts, work orders and clearing accounts based on a projected rate applied to direct labor charged to these accounts. This process allows for payroll taxes to follow the original labor distribution and to be included in construction costs. Initially, KCP&L and Westar employees will directly or indirectly[2] charge labor to GMO and GMO affiliates for each and every activity performed by KCP&L or Westar that benefits GMO and its

[1] Employees will directly charge labor that can be directly assigned to an affiliate. Employees will indirectly charge labor that cannot be directly assigned.

[2] See footnote 1.

affiliates. Payroll taxes will be assigned to these labor charges at the time of these direct and indirect charges.

Pensions and Other Benefits Loadings – Pension, post-retirement, employee insurance and other benefits are applied to labor costs to ensure that an appropriate portion of benefits is capitalized and to provide management with costs per project. Loadings are based on a projected rate applied to direct labor. Initially, KCP&L and Westar employees will directly or indirectly[3] charge labor to GMO and GMO affiliates for each and every activity performed by KCP&L or Westar that benefits GMO and its affiliates. Pensions and other benefit costs will be assigned to these labor charges at the time of these direct and indirect charges.

Material and Tool Loading – The FERC USOA requires the use of undistributed stores expense accounts (163 accounts) to accumulate purchasing and store keeping costs of inventory materials. These costs are cleared based on historical loading rates. The rates are applied to materials issued to O&M and capital projects.

Administrative and General ("A&G") Loading – The purpose of this loading is to capitalize a portion of the various A&G costs that are incurred in support of capital activities. Based on a time study, specific departments monthly labor charges are allocated to all open construction projects.

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[3] See footnote 1.

T&D Division Overheads – The purpose of this loading is to capitalize a portion of the delivery division service costs that are related to construction and removal activity but impractical to charge directly. The overhead costs are cleared through account 184780 based on current month applicable labor charges.

Generation Division Clearing – The purpose of this clearing is to capitalize a portion of the generation service costs that are related to construction and removal activity but impractical to charge directly. The overhead costs are cleared through account 184781 based on current month generation labor charges.

Flyash Clearings – This clearing distributes general costs in account 502010, Steam Operations Solid By-Products, to the appropriate coal fired plants. Current month activity in this account is cleared to expense plant projects based on a twelve months ended MMBTU's factor.

Unit Train Maintenance Clearing – The purpose of this clearing is to distribute general unit train maintenance charges to coal fired plants. Labor and non-labor in account 151601, Unit Train Maintenance, are spread to specific coal fired plant expense projects based on train cars assigned to each plant.

Combustion Turbine ("CT") Fuel Clearing – The purpose of this clearing is to distribute general charges in fuel expense and CT expense accounts 547101-554000, to the appropriate combustion turbines. This allocation transfers the monthly activity of general projects in these accounts to specific CT projects based on the twelve months ended MMBTU's factor.

Fuel Clearing – This clearing distributes general charges in fuel expense and steam accounts 500000 and 501500-514001, to the appropriate coal fired plants. This allocation transfers the monthly activity of general projects in these accounts to specific coal fired plant projects based on the twelve months ended MMBTU's factor.

Fleet Clearings – The purpose of this clearing is to spread the cost of vehicles to the appropriate departments and capital and expense accounts. Fleet vehicles are owned by specific departments with a vehicle rate assigned to each department based on the type and number of vehicles. Account 184004, Transportation, is used to accumulate the operations and maintenance expenses. The monthly charges are then cleared from this account to each departmental owner with the clearing following labor.

KCP&L Greater Missouri Operations Company

SPECIFIC ASSIGNMENT METHOD

Specific assignment of costs among business units is used 1) when a statistical analysis of the underlying cost indicates the benefiting business unit or 2) when the cost can be assigned based on the ownership of the related assets or liabilities. Specific assignment methods could be used for such transactions as property insurance premiums which are allocated based on an appropriate cost causative driver or depreciation expense which follows the ownership of the related assets.

For example, property insurance premiums may provide coverage to more than one business unit but the premiums are billed with one invoice. Under the FDC method, to allocate the premium to the benefiting business units, an analysis is done to determine the appropriate cost causative driver which determines the amount related to each business unit. The invoice amount is then charged to all applicable business units.

In addition, the specific assignment method may be utilized to track costs that are or potentially will benefit non-regulated activities. When a potential new non-regulated activity is identified, a project may be assigned to help identify and accumulate costs associated with the new non-regulated activity. Ultimately, these projects will be used to segregate those costs from regulated activities.

KCP&L Greater Missouri Operations Company

TRANSFER PRICING

Affiliate transactions between regulated and non-regulated affiliates follow a "best for the business" transfer pricing policy designed to prevent cross subsidization between affiliates. For example, a business would not provide a good, service, information, or asset below fully distributed cost unless it was operating under distressed circumstances. Also, a business would not provide a good, service, information, or asset at fully distributed cost if the fair market price was greater than the cost to create or provide the good or service. The MoPSC's Affiliate Transactions Rule is predicated on the utility acting in the utility's best interests when dealing with affiliates or its non-regulated activities. If a utility provides a good, service, asset, or information to an affiliate at cost when the fair market value is greater than fully distributed cost, the utility will experience the opportunity loss while the affiliate or non-regulated activity extracts the higher fair market value that the utility forfeited when it charged the affiliate the lower fully distributed cost-based price. All information, assets, goods or services provided by a regulated Evergy affiliate to a non-regulated affiliate/product will be charged at the greater of fair market price or the fully distributed cost incurred to provide the good or service.

Information, assets, goods or services provided by a non-regulated affiliate to a regulated affiliate will be priced at the lower of fair market price or the fully distributed cost. The regulated affiliates will document the fair market price either through competitive bids or other measures and will analyze the fully distributed costs to determine appropriate pricing. GMO can and should acquire the good or service at fair market price from a non-affiliate source whenever it is below the fully distributed cost to produce the good or service itself. GMO should acquire the good or service at its fully distributed cost when fair market price is higher.

Transactions between GMO / KCP&L / Westar

As noted above in TAB A, in its July 1, 2008 Report and Order in File No. EM-2007-0374 the MoPSC granted GMO and KCP&L a variance to the Affiliate Transactions Rule for all transactions between GMO and KCP&L except for wholesale power transactions, which would be based on rates approved by FERC. At paragraph 589, page 187, of the MoPSC Report and Order, the MoPSC noted that "[r]ather than the asymmetrical pricing prescribed in the rule, the Applicants request that the Commission grant a waiver from the rules to the extent necessary to allow KCPL and Aquila to provide services at fully distributed costs, except for wholesale power transactions, which would be based on rates approved by FERC." [Footnote omitted].

The MoPSC explained the variance at page 264 of its Report and Order:

> G. Conclusions of Law Regarding the Commission's Affiliate Transactions Rule
>
> * * * *
>
> 3. Final Conclusions Regarding the Affiliate Transactions Rule
>
> The Commission determines that substantial and competent evidence in the record as a whole supports the conclusions that: (1) the Commission's Affiliate Transactions Rule, 4 CSR 240.015, applies to KCPL and Aquila because these entities meet the Rule's definition of "affiliates"; (2) the purpose of the Commission's Affiliate Transactions Rule is to prevent cross-

> subsidization of regulated utility's non-regulated operations, not to prevent transactions at cost between two regulated affiliates; (3) to the extent that the Affiliate Transactions Rule is applicable to transactions between KCPL and Aquila, a variance shall be granted; and (4) more specifically, the variance shall be granted for all transactions except for wholesale power transactions, which would be based on rates approved by FERC.

Finally, at page 265 of the Report and Order the Commission noted that:

> ...although both KCPL and Aquila will continue to be subject to the Commission's recordkeeping requirements for regulated electrical corporations, the sections of 4 CSR 240.015 which relate to recordkeeping will not be waived. . . .

Also as noted in Tab A, in the 2018 Report and Order in docket EM-2018-0012, the MoPSC granted GMO, KCP&L and Westar a variance from the Affiliate Transaction Rule except for wholesale power transactions, which would be based on rates approved by FERC.

Fully Distributed Costs ("FDC"): FDC as described in this CAM include all costs to produce a product or service including direct, indirect, capital and overhead costs. First, labor and non-labor costs that are directly assignable to an affiliate are billed to that affiliate. These include costs that directly benefit the affiliate or product. Secondly, indirect costs are billed. These include costs attributable to affiliates which are allocated based on a cost causative relationship and general service costs that are allocated using the general allocator. The general allocator will be used with the exception of transactions that only benefit directly or indirectly GMO's, KCP&L's or Westar's regulated operations between GMO, KCP&L and Westar. In transactions only between GMO, KCP&L and Westar the Utility Massachusetts Formula may be used in lieu of the General Allocator. The Utility Massachusetts Formula is currently based on a three-factor formula which includes investments/net fixed assets, operating revenues and labor charged to operations and maintenance. The specific components of the Utility Massachusetts Formula should be adjusted as necessary to more closely fit (result in a more reasonable allocation) the type of cost that is being allocated based on the characteristics of the entities receiving the allocation. Refer to Appendix 3 for more information on the allocation factors.

FDC includes but is not limited to billings for the following:

1) Labor-the cost of human capital associated with the service provided.
2) Loadings-the benefits, pensions, OPEBs, insurance, paid absences, payroll taxes, etc. associated with labor and capital loadings associated with functional parts of the organization.
3) Plant, including Common Use Plant, which includes the use of common facilities such as telecommunication and network systems used in support of the organization.
4) Non-Labor-all other charges for materials, services and overheads.

Fair Market Price ("FMP"): The fair market price is the price that would be received to sell or acquire a good or service in an orderly transaction (i.e., not a forced liquidation or distressed sale) between market participants at or near the measurement date, under current market conditions. The fair market price will be used to document the pricing of goods and services to GMO's affiliates, with the exception of KCP&L and Westar. In the absence of current comparable market prices, benchmarking, if approved by the

MoPSC, may be used. The transaction to sell a good or provide a service is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the good or provides the service. The objective is to determine the price that would be received to sell or paid to acquire the good or service at or near the measurement date (an exit price).

Fair Value Measurement ("FVM"): Fair value measurement guidelines under generally accepted accounting principles ("GAAP") can be found in Accounting Standards Codification 820 ("ASC 820," formerly "FAS 157").

For purposes of this CAM, assets and liabilities in this definition will be the same for goods and services. Also for the purposes of this CAM, the term "fair value" or "fair value measurement" as used in this CAM and ASC 820 has the same meaning as "fair market price" as used in this CAM and the MoPSC's Affiliate Transactions Rule. GMO shall use a valuation technique that is appropriate for the circumstances and for which sufficient data is available to measure the fair market price, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The objective of using a fair market valuation technique, such as the one reflected in this CAM, is to determine the price at which an orderly transaction to transfer or acquire goods or provide or acquire services would take place between market participants at the measurement date under current market conditions. GMO will use the market approach described in this CAM to determine fair market prices. The market approach is described in ASC 820.

The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) goods and services. (A quoted price in an active market provides the most reliable evidence of fair value.) A fair market price is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing the good or service. As a basis for considering market participant assumptions in fair market price determinations, this CAM uses a fair value hierarchy (described below) that distinguishes between:

1) market participant assumptions developed based on market data obtained from sources independent of the regulated utility (observable inputs) and
2) the regulated utility's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).

The use of unobservable inputs is allowed only in situations in which there is little, if any, market activity for the good or service at or near the measurement date. In those situations, GMO need not undertake all reasonable efforts to obtain information about market participant assumptions. However, GMO will not ignore information about market participant assumptions that is reasonably available without undue cost and effort.

The fair market price of the good or service shall be determined based on the assumptions that market participants would use in pricing the good or service. In developing those assumptions, GMO may, but need not identify specific market participants. Rather, GMO should identify characteristics that distinguish market participants generally, considering factors specific to:

a) the good or service,

b) the principal (or most advantageous) market for the good or service, and

c) market participants with whom GMO would transact in that market.

Market participants are buyers and sellers in the principal (or most advantageous) market for goods or services that are:

a) Not related parties,

b) Knowledgeable, having a reasonable understanding about the good or service and the transaction based on all available information, including information that might be obtained through due diligence efforts that are usual and customary,

c) Able to transact for the good or service, and

d) Willing to transact --motivated but not forced or otherwise compelled to do so.

Inputs refer broadly to the assumptions that market participants would use in pricing a good or service. Inputs may be observable or unobservable:

a) Observable inputs are inputs that reflect the assumptions market participants would use in pricing the good or service developed based on market data obtained from sources independent of the regulated utility.

b) Unobservable inputs are inputs that reflect the regulated utility's own assumptions about the assumptions market participants would use in pricing the good or service developed based on the best information available in the circumstances.

Fair Market Pricing Process: In the process of determining the fair market price for a good or service provided to or received from an affiliate, GMO will use a process based on obtaining the highest quality of information reasonably available to determine the fair market price of an affiliate transaction. The process for determining fair market price prioritizes the inputs to valuation techniques used to measure fair market price into three broad levels based on quality of information. The process used by GMO gives the highest priority to quoted prices (unadjusted) in active markets for identical goods and services and the lowest priority to unobservable inputs.

<u>High Quality inputs (observable)</u>

High quality inputs are quoted prices (unadjusted) in active markets for identical goods or services that the regulated utility has the ability to access at or near the measurement date (date of the transaction). An active market for a good or service is a market in which transactions for the good or service occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of a fair market price and shall be used to measure the fair market price (as required by 4 CSR 240-20.015(2)(A) whenever available. The MoPSC's Affiliate Transactions Rule requires at 4 CSR 240-20.015(3)(A) that when a utility purchases information, assets, goods or services from an affiliate, the utility shall either obtain competitive bids or demonstrate why competitive bids were neither necessary nor appropriate. Assuming a reasonably-designed bidding process, the obtaining of competitive bids for the purchase of goods or services by the utility may constitute a high quality input for the purposes of this CAM.

Medium Quality inputs (observable)

Medium quality inputs are inputs other than quoted prices that are observable for the good or service, either directly or indirectly. If the good or service has a specified (contractual) term, a medium quality input must be observable for substantially the full term of the good or service. Medium quality inputs include the following:

a) Quoted prices for similar goods or services in active markets.
b) Quoted prices for identical or similar goods or services in markets that are not active.
c) Inputs other than quoted prices that are observable for the good or service.
d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Depending on the nature of the benchmark, benchmarking practices that have the characteristics of medium quality inputs (if approved by the MoPSC - 4 CSR 240-20.015(3)(D)), can constitute a medium quality input.

Lower Quality inputs (unobservable)

Lower quality inputs are unobservable inputs for the good or service. Unobservable inputs shall be used to measure the fair market price to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the good or service at or near the measurement date. Unobservable inputs shall reflect the regulated utility's own assumptions about the assumptions that market participants would use in pricing the good or service. Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the regulated utility's own data. Due to the lower quality nature of these unobservable inputs, greater effort will be made to ensure the fair market price determination using this data reviewed closely for reasonableness using the Conservatism Principle of Accounting. In developing unobservable inputs, GMO need not undertake all possible efforts to obtain information about market participant assumptions. However, GMO shall not ignore information about market participant assumptions that is reasonably available without undue cost and effort. Therefore, GMO's own data used to develop unobservable inputs shall be adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

GMO's Non-Regulated Operations (KCP&L's and Westar's Labor Costs)

Since GMO has no employees, KCP&L's and Westar's labor costs that benefit GMO's non-regulated operations will be charged directly to GMO or GMO's non-regulated operations. Any adjustment between FMV and FDC associated with labor activities benefitting GMO's non-regulated operations will be charged to GMO's non-regulated operations and credited to KCP&L or Westar's regulated operations. All of these charges will be billed by KCP&L or Westar to GMO's non-regulated operations at the higher of FDC or FMP. To determine the fair market price of a good or service provided by GMO to an affiliate, the market approach as described above will be used.

The CAM Team, which includes representatives across several functions, including the Procurement Department, on the behalf of GMO, will conduct current fair market pricing analysis which will determine whether the appropriate amount to record an affiliate transaction is at FDC or fair market price.

GMO's Non-Labor Costs

Since GMO has no employees, KCP&L and Westar's non-labor costs that benefit GMO's non-regulated operations will be charged directly to GMO or GMO's non-regulated operations. Any adjustment between FMV and FDC associated with non-labor activities benefitting GMO's non-regulated operations will be charged to GMO's non-regulated operations and credited to KCP&L or Westar's regulated operations. All of these charges will be billed by KCP&L or Westar to GMO's non-regulated operations at the higher of FDC or FMP. To determine the fair market price of a good or service provided by GMO to an affiliate, the market approach as described above will be used.

and billed to the affiliate. On a monthly[1] basis, these accumulated fully distributed costs are then compared with the fair market price of the good or service. After the comparison is made, if the fair market price is higher than the fully distributed cost an adjustment will be made for the difference and billed to the benefiting business unit on a monthly basis.

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[1] Staff supports a two-year variance ending March 16, 2019 from KCP&L billing its affiliates, except where a waiver for variances exist, the higher of cost (FDC) or market (FMP) at the time KCP&L bills its affiliates for the provision of assets, goods, information, and services on a monthly basis. KCP&L is to be allowed to bill its affiliates at cost for the first two months of each calendar quarter with true-up bills in the third month of each calendar quarter for market price to the extent market price is higher than cost. These true-up bills are to include an interest charge at the late payment charge rate for the period KCP&L delayed receiving its money if the initial bill would have reflected the higher market price. The variance described in this paragraph is to expire March 16, 2019, or sooner if KCP&L chooses to implement monthly billing, except as provided in section 4 CSR 240-20.015(10).

TAB G

KCP&L Greater Missouri Operations Company

AFFILIATE MARKETING MATERIALS

Any marketing materials or advertisements for the unregulated affiliates with similar names, logos or trademarks to regulated affiliates will state in a font size no smaller than the smallest font size on the page and will clearly display that it is "Not Regulated by the Missouri Public Service Commission." Copies of all such material for each reporting period will be available for review on or before the submittal date of the CAM.

TAB H

KCP&L Greater Missouri Operations Company

RECORD KEEPING REQUIREMENTS

Evergy's affiliate transactions policies and procedures are governed by the rules and regulations of FERC and the MoPSC. GMO will maintain each affiliate's books and records separately and each will be maintained so affiliate transactions are auditable on GMO's books. Affiliate transaction records will document the cost of transactions, the methods used to assign costs and descriptions of the services provided. Affiliate transactions will be retained for a period of at least six years or as required to meet MoPSC rules. Any non-assignment of affiliate costs or variances from the costing methods outlined in the CAM will be tracked and provided for MoPSC regulatory review on an annual basis.

An Affiliate Transactions Report will be submitted annually for review or as required to meet all regulatory requirements. The annual filing will include the following:

1) A list of affiliate entities
2) A description and dollar amount of all affiliate transactions
3) A list of all contracts between affiliates
4) A list of affiliate transactions without a written contract
5) The basis used for pricing the affiliate transactions (FDC or fair market price)
6) A Code of Conduct which discusses training, enforcements and audits
7) Cost Allocation Manual

GMO will conduct periodic audits to review affiliate transactions for compliance with the CAM's documented policies and procedures and with FERC and MoPSC rules and orders.

TAB I

KCP&L Greater Missouri Operations Company

TRAINING

Annually, employees are required to complete Evergy's Code of Ethical Business Conduct which includes training and proper compliance with accounting and record keeping rules and procedures, antitrust regulations, fair trading and various ethical issues. The on-line training is mandatory for all employees and requires passage of an on-line test following completion of the training and a compliance questionnaire and certification.

New supervisors are required to complete Supervisor's Training. Beginning in 2016, a portion of the training was dedicated to the rules governing affiliate transactions to ensure new supervisors are properly trained and informed regarding GMO's affiliate transaction policies and procedures and how they impact their departments.

GMO identified the functional areas that are involved in the provision of goods, services, information, or assets to Evergy and its affiliates per executed written agreements.

All employees performing services on behalf of GMO (including supervisors and executives) who are involved in the provision of goods, services, information, or assets to Evergy, its affiliates, and non-regulated operations will receive overall training regarding the MoPSC's Affiliate Transactions Rule.

All employees performing services on behalf of GMO (including supervisors and executives), who are involved in the provision of goods, services, information, or assets to Evergy, its affiliates, and non-regulated operations, are given training materials that (1) identifies all of the goods, services, information, or assets identified in service agreements with affiliates they may provide to Evergy and its affiliates and (2) indicates that goods, services, information, or assets are not to be provided in the absence of a service agreement.

In addition, employees performing services on behalf of GMO (including supervisors and executives) are trained as to the proper recording required for the goods, services, information, or assets they will be providing to Evergy and its affiliates. The training materials are maintained to provide continued support for affiliate transactions reporting and recording questions and issues. GMO will provide individual training as needed.

In 2014, training courses were enhanced to include detailed information regarding the MoPSC Affiliate Transactions Rule and expectations to each designated employee (including supervisors and executives) regarding the specific goods, services, information, or assets he/she provides to Evergy and its affiliates. Employees are requested to certify if they have knowledge of any potential abuses specific to affiliate transactions, and that those abuses have been communicated in writing to the CAM Team. Internal communications, department Intranet sites and new employee orientation will be updated and maintained to provide additional information on affiliated entities and affiliate rules and requirements. Internal communications may include company-wide leadership meetings, various staff meetings, manager-specific communications, company-wide e-mail announcements and printed communications regarding the MoPSC's Affiliate Transactions Rule and related topics.

TAB J

KCP&L Greater Missouri Operations Company

VARIANCES

The Affiliate Transactions Rule variance process is described in 4 CSR 240-20.015(10).

GMO understands that with limited exceptions an exemption needs to be granted by or be in process before the MoPSC from an applicable standard pursuant to the Affiliate Transactions Rule, 4 CSR 240-20.015, before GMO may participate in an affiliate transaction that is not consistent with the MoPSC's Affiliate Transactions Rule. The limited exception as outlined in the rule is related to the affiliated transaction pricing standard and only when GMO believes complying with the standards set out in the Affiliate Transactions Rule would to its best knowledge and belief not be in the best interests of its regulated customers. If any such pricing variance were to occur, GMO must request a variance through a written application to the MoPSC or provide notice to the Secretary of the MoPSC and the OPC within ten (10) days of the non-complying transaction.

To comply with Missouri Affiliate Transactions Rule 4 CSR 240-20.015(2)(D) and (10)(A)2, GMO will file notice of any non-complying affiliate transaction occurrence. The notice will contain a detailed explanation of why the affiliate transaction was exempt from affiliate requirements and why the variance was in the best interest of regulated customers.

At this time, GMO has variances/waivers granted by the MoPSC regarding transactions with KCP&L and Westar (File Nos. EM-2007-0374 and ER-2018-0012) and the provision of goods, services, information, and assets to Transource and Transource Missouri (File No. EO-2012-0367 and File No. EA-2013-0098).

Any revisions, additions and deletions, to the CAM will be filed with the Secretary of the MoPSC and OPC within ten (10) days of the occurrence of the change as either a variance application: (1) in accordance with 4 CSR 240-20.015(10)(A)1 and 4 CSR 240-2.060(4), GMO cannot act in accordance with the variance application until the request receives MoPSC approval); or (2) in accordance with 4 CSR 240-20.015(10)(A)2, GMO can operate under the revised CAM before final MoPSC determination as explained below. The notice shall explain in detail the reasons for the change and explain why the change is in the best interest of regulated customers. Within thirty (30) days of the notice, Staff, OPC, or any entity shall have the right to request a hearing on the change. The MoPSC may grant or deny a request for a hearing. If the MoPSC denies a request for hearing, the denial shall not in any way prejudice an entity's ability to challenge the revision at the time of the annual GMO CAM filing. At the time of the filing of GMO's CAM, GMO shall provide to the Secretary of the MoPSC a listing of all revisions, additions and deletions, which occurred between the period of the last filing and the current filing. Any revisions shall remain interim, pending final MoPSC determination on whether each revision is in the best interests of the regulated customers.

TAB K

KCP&L Greater Missouri Operations Company

REPORTING PERIOD RESULTS

Reporting period results should include:

- A summary of charges by absolute total with the amount charged to or billed from each subsidiary or affiliate of Evergy including GMO. The GMO portions should identify charges to both regulated and each of its non-regulated activities.
- "Affiliate Transactions Report" for GMO in its CAM.
- Comparable information for GMO as is reported in the “KCP&L Additional Affiliate Transaction Information”.
- A schedule listing all changes from prior CAM filing.
- A listing of all CAM changes that have not been approved by MoPSC.

KCP&L Greater Missouri Operations Company

GLOSSARY OF TERMS

Cost Allocation Manual ("CAM") – a document that includes the criteria, guidelines and procedures a regulated utility will follow to be in compliance with the MoPSC's Affiliate Transactions Rule (4 CSR 240-20.015).

FERC – Federal Energy Regulatory Commission.

GAAP – Generally accepted accounting principles. As used in this CAM, GAAP refers to FASB Statement 157 and ASC 820 (Codification Topic 820) *Fair Value Measurements and Disclosures* (on July 1, 2009, FASB Statement 157 was codified into ASC Topic 820).

General Allocator – A "last resort" allocation method only used when neither direct nor indirect measures of cost causation can be found to charge a cost to a specific entity. A three factor formula made up of operating revenues, labor charged to O&M and Net Plant as an allocator for costs allocated between KCP&L, GMO and Westar. For all other costs, a General Allocator is used which allocates based on an entity's relative ratio of direct and assigned expenses to total direct and assigned expenses incurred.

GMO – KCP&L Greater Missouri Operations Company, a wholly-owned subsidiary of Evergy, Inc. whose primary purpose is to provide electricity to customers within its regulated Missouri territories.

CAM Team – Team made up of KCP&L and Westar employees to implement and supervise the GMO CAM.

Evergy – Every, Inc. the holding company.

GMO Receivables Company ("GREC") – a wholly-owned subsidiary of GMO to whom all its retail electric accounts receivables are sold through an affiliate transaction.

Evergy's Code of Ethical Business Conduct – a document together with Evergy's "Guiding Principles" provides Evergy the structure for decisions it makes and how it deals with legal and ethical issues. In addition, these documents, located on Evergy's website, describe how Evergy treats it employees, customers, shareholders, regulators, legislators and communities.

GPES – Great Plains Energy Services Incorporated, a wholly-owned subsidiary of Evergy.

GPTHC – GPE Transmission Holding Company, LLC, a wholly-owned subsidiary of Evergy.

IRS Form 7004 (Rev Dec 2012) – *Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns* for Evergy's and Subsidiaries' Affiliated Group Information Statement 1 which lists the name and address of each member of the affiliated group.

KCP&L – Kansas City Power & Light Company, a wholly-owned subsidiary of Evergy, whose primary purpose is to provide electricity to customers within its regulated service territory in Missouri and Kansas.

MoPSC – Public Service Commission of the State of Missouri.

MPS Merchant Services, Inc. – a wholly-owned subsidiary of GMO which has certain long-term natural gas contracts, and several unregulated subsidiaries some of which no longer have active operations

Service Agreement – a written agreement detailing the scope of any information, assets, goods or services that GMO is obligated to provide to any affiliated entity or GMO is obliged to receive and compensate any affiliated entity.

Transource Energy, LLC ("Transource") – formed in 2012 by GPE and American Electric Power Company ("AEP") to pursue competitive transmission projects. GPE owns 13.5% of Transource through its wholly-owned direct subsidiary GPE Transmission Holding Company, LLC ("GPTHC") with AEP owning the remaining 86.5%.

Transource Missouri, LLC – a wholly-owned subsidiary of Transource Energy LLC formed for regional transmission projects in Missouri.

Variance – A variance from the standards of the MoPSC's Affiliate Transactions Rule may be obtained by compliance with paragraphs (10)(A)1 or (10)(A)2 of the MoPSC Affiliate Transactions Rule (4 CSR 240-20.015).

Westar – Westar, Inc., a wholly-owned subsidiary of Evergy whose primary purpose is to provide electricity to customers within its regulated service territory in Kansas.

KCP&L Greater Missouri Operations Company

TESTS

GMO will complete the following tests and report the results of the tests in its annual CAM filing as a function of quality control for each future reporting period:

- Employees who complete or assist in the completion of IRS Form 7004 are to notify the CAM Team within five business days of any material changes from GMO's prior year tax return filing. The CAM will be checked to see whether entities identified in the Form 7004 are addressed in the CAM or an explanation is included in the CAM justifying why no costs were assigned to entities that are included on the Form 7004.

- Annual charges to Evergy and each of its subsidiaries will be identified in a Summary Schedule and included in Tab K Reporting Period Results. An explanation must be given as to the appropriateness of the absence of any charges to Evergy or any of its affiliates.

- The controller will affirm that he/she has examined the Affiliate Transactions Report and to the best of his/her knowledge, information and belief, all statements, information and material contained in the Affiliate Transactions Report are complete and correct in compliance with the MoPSC's Affiliate Transactions Rule 4 CSR 240-20.015.

- The CAM Team, under the direction of the controller, will be responsible to ensure that:

  1) all contracts that exist are reported in the CAM;
  2) all contracts reported in the CAM are currently in effect;
  3) all contracts no longer in effect have been removed from the CAM;
  4) all affiliates that engage in transactions with GMO have a current contract or the CAM includes an explanation of why no contract exists and a certification that this treatment (engaging in transactions with no written contract) is consistent with the treatment GMO provides to non-affiliated entities;
  5) to the extent GMO finds that contracts exist that were not reported and contracts reported in the CAM are no longer effective, GMO will take action to correct the discrepancies and institute appropriate controls to minimize the likelihood of future discrepancies;
  6) internal controls are created and employed to ensure that employees who provide or assist in the provision of affiliate services are charging time to the affiliates; and
  7) all documents used to support affiliate transaction fair market price determinations are reasonable and current.

- In all cases where Evergy affiliates have no charges during the reporting year, GMO will provide an explanation of how it did not provide any goods or services for that entity to exist and/or that none of its employees or officers are employees or officers of the affiliate.

TAB N

KCP&L Greater Missouri Operations Company

AUDITS

Audits Completed or Currently Pending:

GMO shall list all audits completed or currently pending regarding affiliate transactions or non-regulated utility activity. The list for GMO shall contain the title of the audits as well as a reference to the location where each audit report is or will be retained. GMO should consider that the MoPSC Staff and OPC will want to receive a copy of each audit report in a mutually agreeable medium with work papers upon completion of the audit.

Audits Planned:

GMO shall list all audits planned regarding affiliate transaction or non-regulated utility activity that will occur in the upcoming year (or a longer period of time if consistent with the audit planning horizon) following the reporting period. GMO shall provide a description of the audit areas of each planned audit.

Independent Attestation:

Staff or OPC may request the MoPSC establish an independent attestation engagement of the CAM and propose a cost allocation for the engagement. This settlement agreement in File No. EO-2014-0189 does not prohibit any party from opposing this request and cost allocation proposal on any grounds.

TAB O

KCP&L Greater Missouri Operations Company

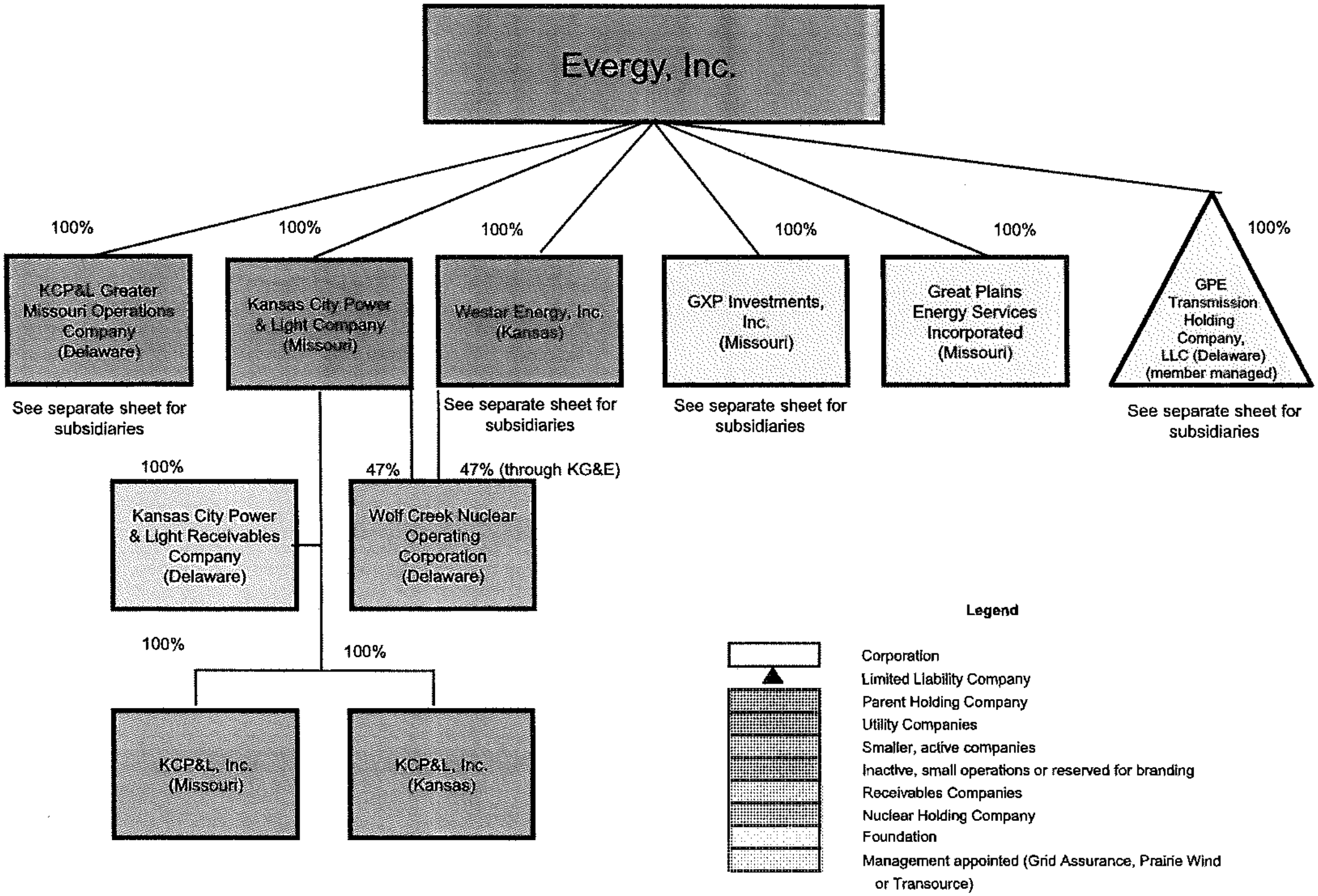
CUSTOMER INFORMATION

2 CSR 240-20.015(2)(C) requires that customer information be made available to "affiliated or unaffiliated" entities only with the consent of the customer or as otherwise allowed by Commission rules or orders. GMO will comply with the rule as explained by the Commission's Report and Order, issued April 27, 2016, effective May 27, 2016 and the Commission's Order Regarding Script Revisions, issued May 26, 2016, effective May 27, 2016, in File No. EC-2015-0309.

APPENDIX 1

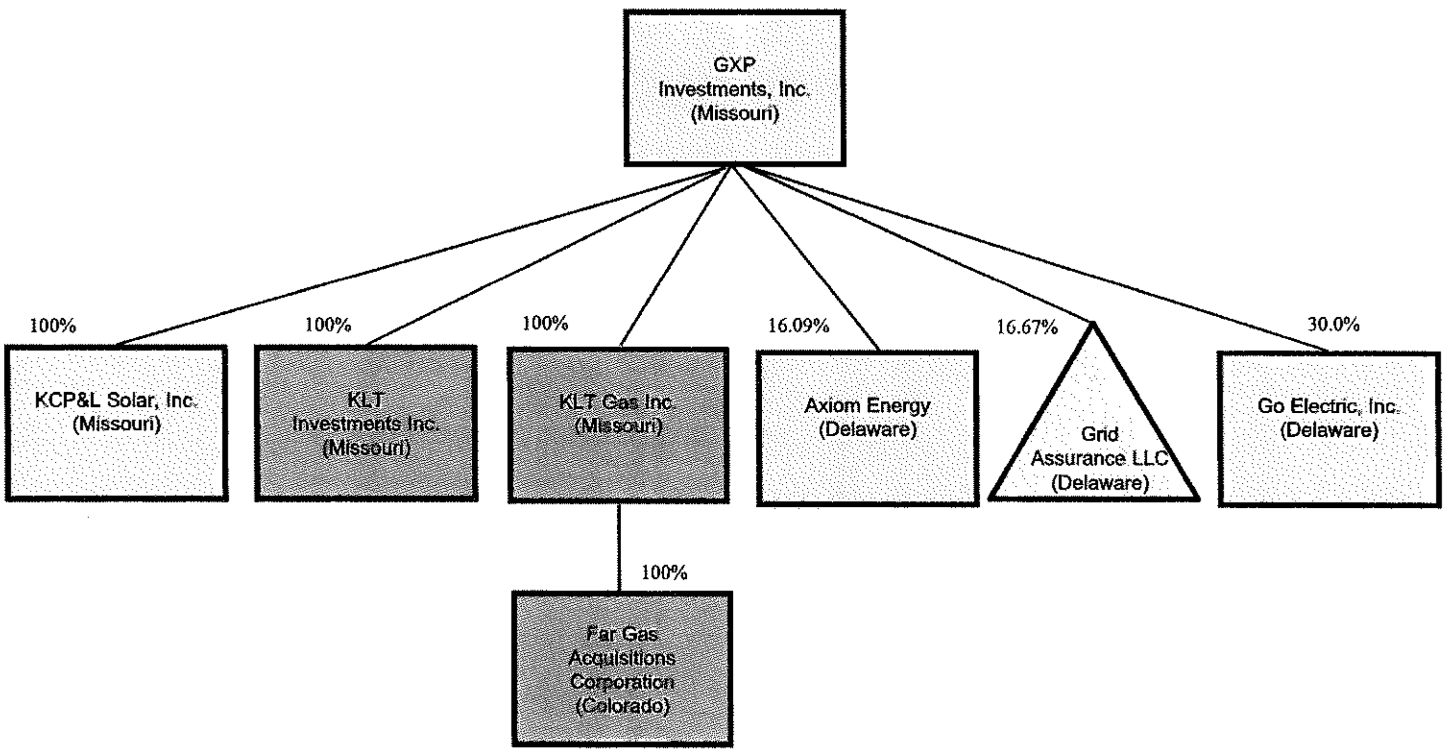
Effective 6.4.2018

Evergy, Inc.
Organizational Structure



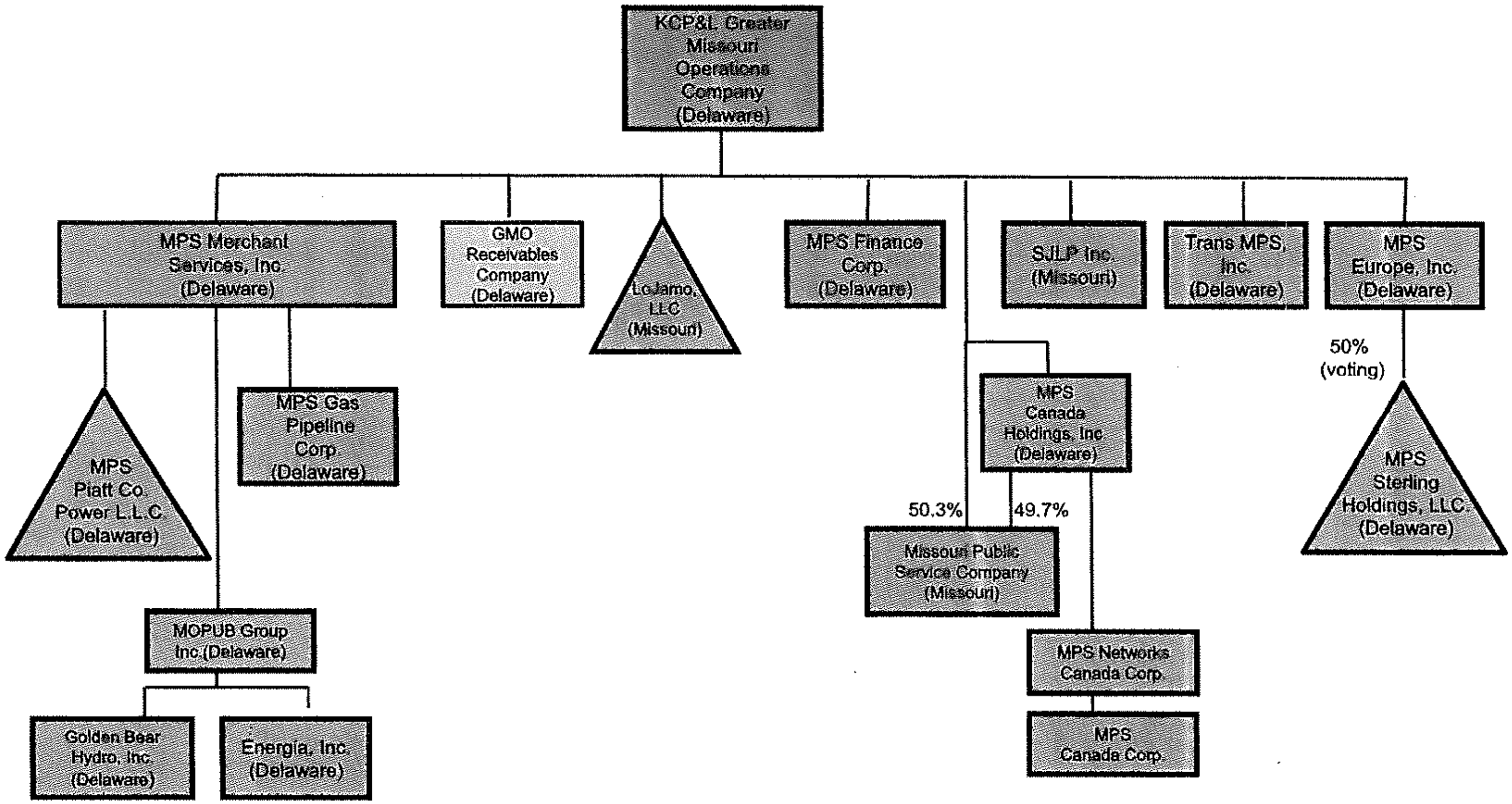
Last Revised July 2, 2018

Evergy, Inc.
Organizational Structure



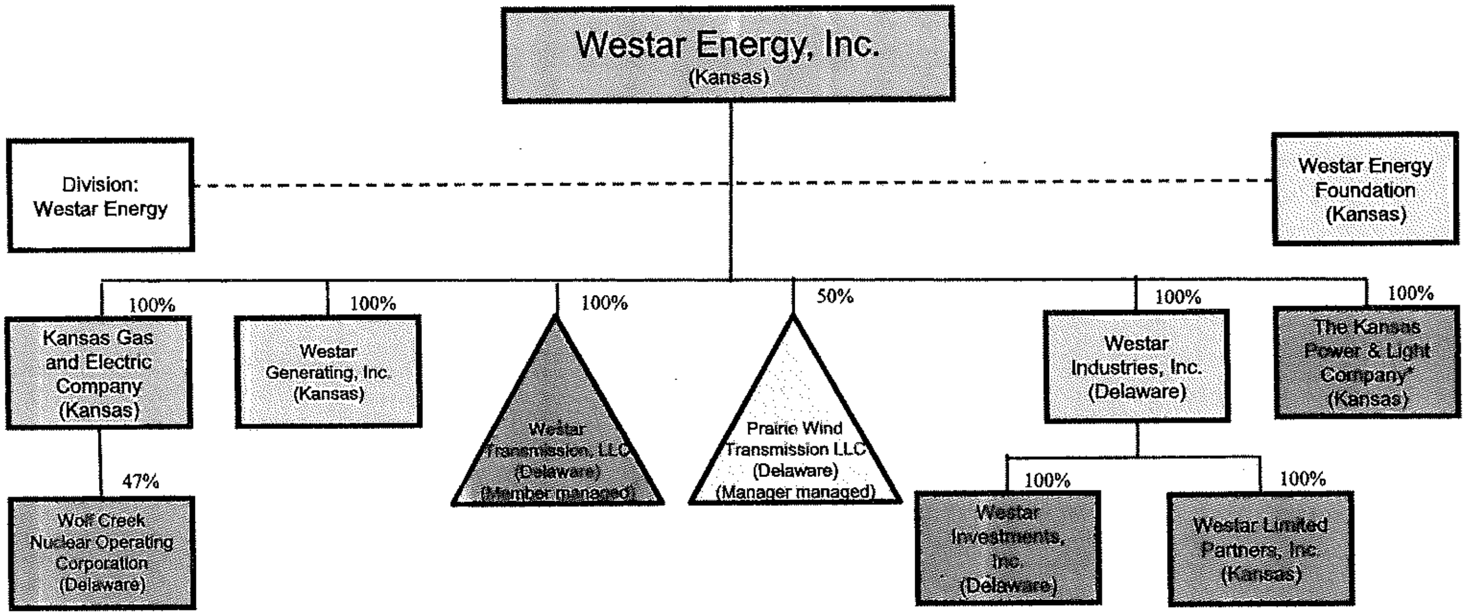
APPENDIX 1

Evergy, Inc.
Organizational Structure

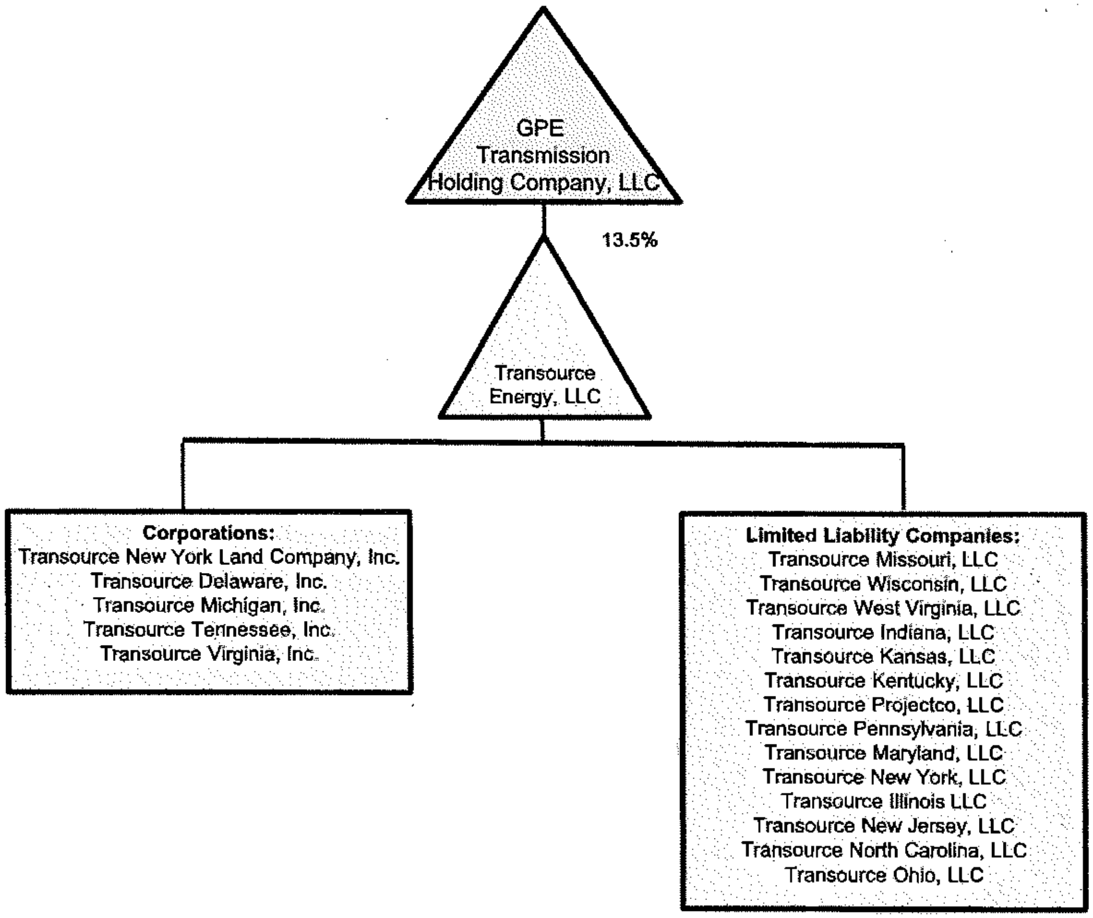


Notes: (a) All wholly-owned companies except where indicated
(b) Golden Bear Hydro, Inc. and Energia, Inc. hold a 0.5% general partnership and 99.0% limited partnership interest, respectively, in G.B. Hydro Partners L.P. which in turn holds a 50% partnership interest in Mega Renewables.

Evergy, Inc.
Organizational Structure



Evergy, Inc.
Organizational Structure



EVERGY, INC.

DESCRIPTION OF SERVICES PROVIDED BY KCP&L

Corporate Services

Corporate Services is responsible for providing information technology, purchasing and facilities and resource protection services.

Information Technology: Supports existing applications, technology and infrastructure to ensure business continuity and leverage capabilities. Systems include CIS, PeopleSoft, desktop, real-time systems, radio and telecommunications.

Purchasing: Provides procurement services in acquiring goods and services for operations, maintenance and construction projects.

Facilities: Responsible for planning and management of existing company buildings and grounds as well as new building construction and remodeling. Also provides print, courier, mailroom and records management services.

Delivery

Delivery is responsible for providing customer, transmission and distribution services. This includes business performance services, claims services, customer services, major outage event management services, energy efficiency and demand response services, metering, resource management, safety training and incident response services. Delivery also includes transmission and distribution operations, maintenance and construction, engineering, planning and compliance.

Business Performance Services: Develops and gathers data to create financial and reliability delivery reports.

Claims Services: Administers claims received for property damage and/or service issues.

Community Liaison and Communications Services: Acts as a liaison with government agencies, civic organizations and other community stakeholders.

Customer Services: Receives and processes customer requests though all customer contact channels; answers customer questions, creates and enters service orders, educates customers and manages energy assistance programs. Also records meter data and manages field collection process at the customer premise, invoices customers, manages payment process and investigates complaints.

Economic Development Services: Manages and administers business development initiatives, and programs for retention, expansion and recruitment of customers.

Energy Efficiency and Demand Response Service (EE/DSM): Identifies and develops EE/DSM projects including market analysis, technology reviews, load research and tariff development. Also provides marketing and education of EE/DSM programs to customers.

Major Outage/Catastrophic Event Management Services: Provides "command and control" management including allocation of resources, communication with stakeholders, coordination with the Mutual Assistance Group, and analysis of operation and performance data.

Metering and Infrastructure Technology Services: Plans, designs and implements integrated technologies to supply, manage, and enable more efficient use of energy for utility and customers.

Resource Management: Provides supervision of resource procurement, including strategic sourcing, vendor development, order and supplier management, consignment systems and contract governance. Also manages vegetation, infrastructure and fleet services.

Safety Training and Incident Response Services: Creates and presents public safety education and training demonstrations and responds to incidents of personal injury and property damage.

Transmission and Distribution Construction Maintenance Management: Analyzes coordinates and supports work for system expansion, system improvements, construction and corrective and preventive maintenance. Also provides patrolling services of infrastructure and acts as company liaison.

Transmission and Distribution Operations and Maintenance: Provides first response to outage and irregular system operations and coordinates and supports work to restore service.

Transmission, Distribution and Substation Engineering and Asset Management: Analyzes, coordinates and supports work for delivery and substation system expansions, improvements, and provides corrective and preventive maintenance. Also provides engineering, planning, design, mapping services, right-of-way and zoning services.

Transmission Policy, Planning and Compliance Services: Develops policies, monitors key developments, policies and procedures and participates in industry groups related to transmission reliability, operations and policy issues including FERC, NERC, Southwest Power Pool, MISO, EEI, KETA. Services also include monitoring system reliability and security.

Supply

Supply is responsible for all aspects of providing the electric energy necessary to reliably fulfill the electric demands of customers. Supply may provide the following services: resource planning, plant operations and maintenance, fuel procurement, generation dispatch, power purchases and sales, new construction and Black Start.

Resource Planning: Develops integrated resource plans, provides capacity testing, reliability reporting and interconnection applications and maintains fleet generation statistics.

Plant Operations and Maintenance: Conducts safety training and incident investigations, manages plant operation and maintenance, maintains facilities and equipment, manages inventory, environmental compliance and reporting.

Fuel Procurement and Logistics: Develops fuel procurement plans, arranges fuel delivery handling and storage, and the sale or off-site disposal of coal combustion products.

Generation Dispatch: Provides unit scheduling, maintenance of reserve requirements, coordination with the RTO and coordination of generation stations and load balancing.

Power Purchases and Sales: Manages day ahead and real time sales and/or purchases to meet customer demand, secure transmission paths, manage wholesale customers and tracks and manages RTO transactions.

New Unit Construction: Organizes and manages the construction efforts to place new generating assets into service or to retro-fit existing facilities and also manages the removal of abandoned equipment.

Black Start: Maintains and periodically tests the system black-start capability.

Human Resources

Human Resources (HR) is responsible for the planning, development and implementation of all aspects of human capital.

Employee Relations: Provides generalists to work with operating groups as business partners to support operating needs.

Labor Relations: Works with the IBEW locals in labor strategy, negotiations, grievances, arbitration, job bidding and other union activities.

Staffing and Recruitment: Oversees the recruiting, interviewing, testing, placement and on-boarding processing. Also manages internship and diversity programs.

Compensation and Benefits: Develops and maintains the overall reward programs including base salary, incentives and benefits. Also oversees the Affirmative Action programs.

Safety and Medical: Manages worker's compensation, return-to-work, DOT and other health and safety programs.

Training and Development: Ensures an effective professional workforce through the development and delivery of training programs, leadership development, work force planning, surveys and performance management systems.

Human Resource Information System: Ensures secure and effective systems to report employee-related information, provide employee self-service and other HR systems.

HR Strategy and Planning: Establishes goals, metrics and plans to enhance HR services and implement workforce strategies.

Finance and Accounting Services

Finance and Accounting Services is responsible for all aspects of financial services to the Company.

Accounting Systems: Provides system support operations and maintenance of all financial systems including PeopleSoft financial and HR systems, CIS customer billings systems, and PowerPlant,

Accounts Payable: Provides accounts payable transaction processing and reporting.

Audit Services: Examines and evaluates the adequacy and effectiveness of the company's governance and risk management processes and internal control structure. This includes the review of reliability and integrity of financial and operation information, compliance with Sarbanes-Oxley Act of 2002 and other laws and regulations and safeguarding of assets.

Corporate Accounting: Maintains the accounting books and records of all GPE companies and provides internal and external reporting and other financial support as required.

Corporate Finance: Directs the Company's corporate finance function including development, analysis and implementation of financial plans and capital structure. Corporate finance is also responsible for the management of relationships with rating agencies and the financial community.

Corporate Planning and Budgeting: Developes budgets and financial forecasts including total company and department operating and capital budgets.

Corporate Treasury: Responsible for all cash management activities including short-term financing facilities, cash monitoring and controls and customer remittance activities.

Income and Transaction Taxes: Responsible for all aspects of maintaining the tax books and records including the preparation and filing of consolidated and separate federal, state and local income, franchise, sales, use, gross receipts, fuel excise, property and other miscellaneous tax returns and payments

Insurance: Provides insurance services including management of insurance policies and filing of claims.

Property Accounting: Maintains all fixed assets and intangible property records.

Risk Management: Provides credit risk management services related to wholesale counterparties, reviews contracts, monitors credit markets and develops policies to mitigate market risk.

Strategic Planning and Development: Provides long-term strategic development and coordination for major asset decisions, renewable energy, climate change, nuclear power, energy efficiency and other energy related issues.

Legal and Environmental Services

Legal and Environmental Services is responsible for providing legal advice and representation and environmental services.

Legal Advice and Representation: Services include advising and representing the company on litigation matters, contract negotiations, regulatory compliance, security filings and general corporate matters.

Environmental Services: Responsible for compliance with applicable environmental laws and regulations and obtainment of environmental permits.

Regulatory Affairs

Regulatory Affairs is responsible for supporting and representing the Company in all regulatory processes and procedures including developing regulatory strategies and policies, filing for changes in rate levels, responding to Commission investigations and the administration of tariff filings and rate designs.

Corporate Secretary and Governance

The Corporate Secretary and Governance area is responsible for compliance with applicable corporate laws and regulations, development and maintenance of corporate documents, compliance with corporate policies and procedures, and acts as a liaison between management and the Board of Directors.

Evergy, Inc.
Allocation Factors
July 2018

Allocation Factor	Description
General Allocator	Ratio of entities direct and indirect expenses to total company direct and indirect expenses.
Customers/Transmission Miles	Company/business unit average of jurisdictional retail customers and transmission pole miles as a percent of total.
Number of Customers	Jurisdictional retail customers as a percent of total retail customers.
Plant Capacity Factor	Jurisdictional plant capacity as a percent of total plant capacity.
Transmission Miles	Jurisdictional transmission pole miles as a percent of total pole miles.
Utility Massachusetts Formula	Utility companies (KCP&L, GMO & Westar) average of 1) Operating revenues 2) Labor charged to O&M and 3) Net plant.

(1) Factors are updated annually or as necessary if allocation basis changes significantly.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Transource Missouri	)	
Missouri, LLC for a Certificate of Convenience	)	
and Necessity Authorizing It to Construct,	)	File No. EA-2013-0098
Finance, Own, Operate, and Maintain the	)	
Iatan-Nashua and Sibley-Nebraska City	)	
Electric Transmission Projects	)	

REPORT AND ORDER

Issue Date: August 7, 2013

Effective Date: September 6, 2013

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 7th day of August, 2013.

In the Matter of the Application of Transource Missouri Missouri, LLC for a Certificate of Convenience and Necessity Authorizing It to Construct, Finance, Own, Operate, and Maintain the Iatan-Nashua and Sibley-Nebraska City Electric Transmission Projects	))))))	File No. EA-2013-0098

REPORT AND ORDER

Issue Date: August 7, 2013 Effective Date: September 6, 2013

The Missouri Public Service Commission is approving disposition by settlement, granting the applications,[1] and incorporating the proposed conditions and terms. The applications relate to two transmission projects: the Iatan-Nashua line and the Sibley-Nebraska City line ("the projects"):

For authorization to	Applicant	Title
Transfer plant and operating rights for the projects	Kansas City Power & Light Company ("KCPL"), and KCP&L Greater Missouri Operations Company ("GMO")	*Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company*[2] ("transfer application")
Construct and operate the projects	Transource Missouri, LLC ("Transource Missouri")	*Application of Transource Missouri, LLC for a Certificate of Convenience and Necessity and Request for Waiver*[3] ("CCN application")

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[1] Consolidated under this file number is the action in File No. EO-2012-0367, *In the Matter of the Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company Regarding Arrangements for Approval to Transfer Certain Transmission Property to Transource Missouri, L.L.C. and for Other Related Determinations*.

[2] File No. EO-2012-0367, Electronic Filing and Information System ("EFIS)" No. 4. All other EFIS citations refer to File No. EA-2013-0098. EFIS is accessible at http://psc.mo.gov/default.aspx.

[3] EFIS No. 1.

Contents

I. Jurisdiction

The Commission has jurisdiction over the subject matter because the Commission's jurisdiction generally includes electrical corporations.[4] That includes KCPL and GMO, because KCPL and GMO own electric plant, and will include Transource Missouri when it owns and operates transmission facilities.[5] The Commission also has jurisdiction over the disposition of certain utility property,[6] including operating rights,[7] and the construction and operation of the utility projects[8] proposed by Transource Missouri. The signatories cite other statutes supporting the Commission's jurisdiction over the applications as set forth in Appendix 2 of this report and order. Therefore, the Commission concludes that it has jurisdiction to rule on the applications.

II. Docket

KCPL, GMO, and Transource Missouri ("applicants") filed the transfer application and the CCN application ("applications").[9] The Commission gave notice,[10] and additional notice,[11] of the applications and set a deadline for filing applications to intervene. The

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[4] Sections 386.250(1) and 393.140(1), RSMo 2000; and 386.020(43), RSMo Supp. 2012.

[5] Sections 393.110 and 386.020(15) and (14), RSMo Supp. 2012.

[6] Sections 393.190.1 and 386.250(1), RSMo 2000.

[7] Section 386.250(1), RSMo 2000, and 4 CSR 240-3.110(1)(A).

[8] Section 393.170.1, RSMo 2000.

[9] On August 31, 2012.

[10] EFIS No. 7, *Order Directing Notice, Setting Intervention Deadline, Directing Filing and Scheduling a Conference*.

[11] EFIS No. 9, *Order Directing Additional Notice*; EFIS No. 60, *Order Directing Notice to County Clerks*.

Commission granted an application to intervene from Missouri Industrial Energy Consumers ("MIEC").[12] The Commission issued notice of a contested case. [13]

Applicants, Staff, and the Office of the Public Counsel ("signatories") filed a stipulation and agreement.[14] The signatories also filed an amendment to the stipulation and agreement.[15] No party filed any objection to the stipulation and agreement or amendment ("together, "settlement") within the time provided by regulation. [16] The Commission convened an evidentiary hearing.[17] The signatories filed a proposed report and order,[18] and a supporting memorandum. [19]

The Commission convened a settlement conference. [20] The signatories filed a proposed report and order and consent order[21] with supporting suggestions. [22] The

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[12] EFIS No. 12, *Order Granting Requests to Intervene.*

[13] EFIS No. 40, *Notice of Contested Case.*

[14] EFIS No. 54, *Non-Unanimous Stipulation and Agreement.*

[15] EFIS No. 92, *First Amendment to Non-Unanimous Stipulation and Agreement.*

[16] 4 CSR 240-2.115(2)(C).

[17] EFIS No. 61, Transcript volume 2.

[18] EFIS No. 100, *Joint Proposed Order Approving Unanimous Stipulation and Agreement.*

[19] EFIS No. 99, *Joint Memorandum in Support of the Stipulation.*

[20] EFIS No. 106, *Order Setting Conference.*

[21] EFIS No. 110, *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement.*

[22] EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement.*

Commission ordered the record supplemented[23] with materials that Transource Missouri filed setting forth the final route for the Sibley-Nebraska City line. [24]

III. Findings, Conclusions, and Orders

The Commission's decision must stand on the law.[25] The Commission must always state its conclusions of law.[26] The Commission makes each ruling on consideration of each party's allegations and arguments.

A.Procedure

In any Commission proceeding, formalities do not invalidate any order.[27] Specifically in a contested case, parties may waive any procedural formality up to the final decision.[28] Parties to a contested case may submit a proposed resolution of this action under the Commission's regulations: The parties may at any time file a stipulation and agreement as a proposed resolution of all or any part of a contested case. A stipulation and agreement shall be filed as a pleading. [29] A pleading includes the following.

> Each pleading shall include a clear and concise statement of the **relief** requested, a specific reference to the statutory provision or other **authority** under which relief is requested, and a concise statement of the **facts** entitling the party to relief. [[30]]

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[23] EFIS No. 109, *First Order Supplementing Record*.

[24] EFIS No. 104, *Applicants' Supplemental Filing*.

[25] Mo. Const., Art. V, Section 18.

[26] Section 386.420.2, RSMo 2000.

[27] Section 386.410, RSMo 2000.

[28] Sections 536.060(3), RSMo 2000.

[29] 4 CSR 240-2.110(1)(A).

[30] 4 CSR 240-2.080(4) (emphasis added).

That regulation also allows the Commission to treat the settlement as unanimous when no party files an objection. [31] The Commission is doing so, and for that reason the signatories refer to the settlement's components as "Unanimous."[32] A stipulation of fact eliminates the need for evidence on the matter stipulated. [33] But that does not end the Commission's duty for the following reasons.

First, while a stipulation of fact conclusively establishes the matter stipulated,[34] no stipulation can control procedure, bind the Commission to a conclusion of law,[35] or contravene a statute.[36] A remedy statutorily committed to the commission's discretion is therefore not subject to stipulation. [37] The Commission must therefore independently make its conclusions of law and determine the relief that is due.

Second, the Commission is charged by statute with protecting the public interest. Also, unlike a private party or State agency, Staff has no authority of its own to settle an action. Therefore, Commission approval is necessary for Staff's participation in the settlement.

Third, the signatories premise their proposed resolution on a Commission determination that the settlement includes no term that is contrary to the public interest. The General Assembly has further specified what the public interest means for certain

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[31] 4 CSR 240-2.115(2) (emphasis added).

[32] Which is why they carry that designation in Appendix 3 and Appendix 4.

[33] *Howard v. Missouri State Bd. of Educ.*, 847 S.W.2d 187, 191 (Mo. App., S.D. 1993).

[34] *Howard v. Missouri State Bd. of Educ.*, 847 S.W.2d 187, 191 (Mo. App., S.D. 1993).

[35] *Bull v. Excel Corp.*, 985 S.W.2d 411, 417 (Mo. App., W.D. 1999).

[36] *Tidwell v. Walker Const.*, 151 S.W.3d 127, 133 (Mo. App. S.D. 2004).

[37] *Tidwell v. Walker Const.*, 151 S.W.3d 127, 133 (Mo. App. S.D. 2004).

actions[38] in the statutes cited in the signatories' *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement,*[39] as set forth in Appendix 2. The signatories call the determination, that the settlement does not offend those standards, "approval."[40]

Neither the Commission's procedural regulations in 4 CSR 240-2, nor any statute cited in the applications, define "approval" of a stipulation and agreement.[41] As the signatories use that term, they explain, it means reviewing a document to determine whether it is contrary to the public interest. The signatories are correct that the public interest is a consideration in every action before the Commission. Therefore, the Commission rules on the applications accordingly.

B.Merits

The settlement seeks an order granting the applications subject to the provisions of the settlement.

i. Law

The applications are subject to statutory standards that describe the Commission's authority to grant the permissions sought.

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[38] The courts have held that such a standard for Commission decisions is an expression of the public interest. Public Serv. Comm'n of State v. Missouri Gas Energy, 388 S.W.3d 221, 228 (Mo. App., W.D. 2012).

[39] EFIS No. 111.

[40] This does not tell the Commission what any other set of parties in any other action want when they ask the Commission to "approve" a stipulation and agreement.

[41] The Commission expressly may approve a stipulation related to the Missouri Energy Efficiency Initiative Act under Section 393.1075(11), RSMo Supp. 2012. That statute provides a specific standard for approval. But those provisions do not apply to the applications in this case.

For the CCN application, the standard is public convenience and necessity, [[42]]" which means that an additional service would be an improvement that justifies the cost,[43] and includes such conditions as the Commission "may deem reasonable and necessary."[44]

For the transfer application, the standard implicit in the applicable statute[45] is the absence of public detriment.[46] Like the standard, the authority to condition the transfer is not express. But guarding against public detriment implicitly includes conditions to that end, which is more efficient than denial of an imperfect application.

Among the proposed terms conditions are waivers of specified Commission regulations. For those regulations, the standard for waiver is good cause.[47] Good cause means a good faith request for reasonable relief. [48]

The signatories also ask that no term or condition that is contrary to the public interest, on its face or as explained in the record, and as gauged by the standards in Appendix 2, find its way into the Commission's order.

ii. Fact

Meeting those standards requires evidence, or a substitute for evidence like stipulated facts, on the record. [49] Applicants have the burden of proof.[50] The quantum of

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[42] Section 393.170.3, RSMo 2000.

[43] State ex rel. Intercon Gas, Inc., v. Public Serv.Comm'n, 848 S.W.2d 593, 597 (Mo. App., W.D. 1993).

[44] Section 393.170.3, RSMo 2000

[45] Section 393.190.1, RSMo 2000.

[46] State ex rel. City of St. Louis v. Public Service Comm'n of Missouri, 73 S.W.2d 393, 395 (Mo. 1934).

[47] 4 CSR 240-2.060(4)(B).

[48] American Family Ins. Co. v. Hilden, 936 S.W.2d 207, 210 (Mo. App., W.D. 1996).

[49] Mo. Const., Art. V, Section 18.

proof necessary to carry that burden is the preponderance of the evidence[51]or reasonable inferences from the evidence. [52] Generally in any proceeding, technical rules of evidence do not bind the Commission. [53]

This record includes evidence relevant to the standards. All findings needed to support this decision stand on the facts stipulated in the settlement and in the *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement*, the testimony provided at the evidentiary hearing,[54] and the prepared testimony of the parties received into the record. That testimony is in the record pursuant to the signatories' waiver of procedural formalities.[55]

The Commission has considered the substantial and competent evidence on the whole record. Where the evidence conflicts, the Commission determines which evidence is the most credible, and this report and order reflects the Commission's determinations of credibility implicitly.[56] No law requires the Commission to make any statement as to what portions of the record the Commission accepted or rejected.[57] The Commission need not separately state any finding of fact when a stipulation, agreed settlement, or a consent

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[50] Central Cnty. Emergency 911 v. International Ass'n of Firefighters Local 2665, 967 S.W.2d 696, 699 (Mo. App., W.D. 1998).

[51] State Board of Nursing v. Berry, 32 S.W.3d 638, 641 (Mo. App., W.D. 2000).

[52] Farnham v. Boone, 431 S.W.2d 154 (Mo. 1968).

[53] Section 386.410, RSMo 2000.

[54] EFIS No. 61, Transcript volume 2.

[55] EFIS No. 54, *Non-Unanimous Stipulation and Agreement* page 16.

[56] *Stone v. Missouri Dept. of Health & Senior Servs.*, 350 S.W.3d 14, 26 (Mo. banc 2011).

[57] Stith v. Lakin, 129 S.W.3d 912, 919 (Mo. App., S.D. 2004).

order disposes of the case.[58] Nevertheless, a brief description of the projects illustrates the factual basis for this report and order.

Transource Missouri is a Delaware limited liability corporation qualified to conduct business in Missouri, with its principal place of business in Columbus, Ohio. Transource Missouri is a wholly-owned subsidiary of Transource Energy, LLC ("Transource"). Transource was established by Great Plains Energy Incorporated ("GPE"), the Companies' parent corporation, and American Electric Power Company, Inc. ("AEP") to build wholesale regional transmission projects within SPP, as well as other regional transmission organizations.

The two projects are regional, high-voltage, wholesale transmission projects approved by Southwest Power Pool, Inc. ("SPP") known as the Iatan-Nashua 345kV transmission project ("Iatan-Nashua Project") and the Sibley-Nebraska City 345kV transmission project ("Sibley-Nebraska City Project") (collectively, the "Projects").

The plant that the Companies requested be transferred to Transource Missouri is property of GMO. KCP&L and GMO previously requested and received authorization from the Commission to transfer at cost from KCP&L to GMO certain transmission property owned and operated by KCP&L between GMO's Alabama Substation and KCP&L's Nashua Substation ("Alabama-Nashua Line"). The southern portion of the Alabama-Nashua Line will be retired and removed, and the corridor will be used to construct the East Segment of the Iatan-Nashua Project. The remaining portion of this existing 161kV line, which runs to GMO's Alabama Substation near St. Joseph, Missouri, will remain the

[58] Section 536.090, RSMo 2000.

property of GMO and is not to be transferred. This line will continue intact and energized at 161kV as a radial line and will not be a part of the new 345kV facilities.

There is a need for the service to be rendered by the Projects based upon studies performed by SPP in 2009 and 2010. These studies demonstrated that the Projects will improve electric grid reliability, minimize transmission congestion effects, bring economic benefits to SPP members, and help support public policy goals regarding renewable energy. The studies also demonstrated that the Projects will provide estimated benefits and savings that exceed the Projects' estimated costs.

Transource Missouri is qualified to construct, finance, own, operate, and maintain the Projects given the support by the transmission and related expertise of KCP&L and of American Electric Power Company, Inc. ("AEP"). Transource Missouri will have the financial ability to construct, own, operate and maintain the Projects given the equity funding that the subsidiaries of Great Plains Energy Incorporated ("GPE"), the parent corporation of KCP&L and GMO, and AEP will provide to Transource Missouri, and Transource Missouri's plan to issue debt. Furthermore, Transource Missouri will fully recover the cost of the Projects once completed, as the Projects' costs are regionally allocated under the FERC-approved SPP Tariff Schedule 11. Transource Missouri's construction of the Projects is economically feasible by virtue of the cost/benefit analysis conducted by SPP, as well as its FERC-approved cost allocation methodology under its Tariff Schedule 11.

The Projects as proposed to be built by Transource Missouri are in the public interest, given all the above, as well as the agreement of KCP&L, GMO, and Transource

Missouri to follow the provisions of Paragraphs 27, 28, and 29 of the stipulation and agreement regarding the final route of the Sibley-Nebraska City Project.

iii. Ruling

The record weighs in favor of granting the applications with the provisions proposed, including the proposed waivers. The Commission finds no term or condition of the settlement contrary to the public interest. Therefore, the Commission will grant the applications subject to the settlement's provisions as set forth in Appendix 3 and Appendix 4.

C.Consent Order

Appendix 4 sets forth the settlement's provisions that are outside the Commission's authority to mandate. The signatories have clarified that they seek no resolution on the merits for those terms,[59] and the law encourages freedom of contract and settlements in lieu of litigation.[60] In that spirit, the statutes provide that any contested case is subject to disposition by consent order as follows.

i. Authority

The signatories argue that a consent order is not authorized for any matter except as described in one statute that does not apply to the Commission. In support, the signatories rely on a reading of Section 536.060, RSMo 2000. That statute's history refutes the signatories' reading.

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[59] EFIS No. 110, *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement*, page 2 third paragraph. EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement* page 3 paragraph 6.

[60] *Walley v. La Plata Volunteer Fire Dep't*, 368 S.W.3d 224, 231 (Mo. App., W.D. 2012).

Section 536.060's current language is the result of a 1995 amendment. The amendment deleted language (in brackets and italics below) and added language (underscored below) as follows.

> *[Nothing contained in sections 536.060 to 536.095 shall preclude the informal disposition of]* Contested cases <u>and other matters involving licensees and licensing agencies described in section 621.045, RSMo, may be informally resolved by consent agreement or agreed settlement or may be resolved</u> by stipulation, consent order, or default, or by agreed settlement where such settlement is permitted by law. Nothing contained in sections 536.060 to 536.095 shall be construed (1) to impair the power of any agency to take lawful summary action in those matters where a contested case is not required by law, or (2) to prevent any agency authorized to do so from assisting claimants or other parties in any proper manner, or (3) to prevent the waiver by the parties (including, in a proper case, the agency) of procedural requirements which would otherwise be necessary before final decision, or (4) to prevent stipulations or agreements among the parties (including, in a proper case, the agency). [[61]]

Informal disposition of all agencies' contested cases was the original subject of that statute as the bracketed and italicized language shows.[62] The amendment simply added the specified "noncontested cases and other matters [.]"[63]

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[61] 1995 Mo. Laws 1032, 1246 (88th Gen. Assem., 1st Reg. Sess., S.B. 3, Section 536.060).

[62] The original language provided that the opportunity for hearing:

> . . . shall not preclude the informal disposition of such case by stipulation, consent order or default, or by agreed settlement where such settlement is permitted by law.

1945 Mo. Laws 1504, 1505 (63rd Gen. Assem., S.B.196, Section 6). Similar language appears in the 1961 Model State Administrative Procedure Act adopted by many states:

> Unless precluded by law, informal disposition may be made of any contested case by stipulation, agreed settlement, consent order, or default.

15 U.L.A. 1961 *Model State Administrative Procedure Act,* Section 9(d).

[63] In response to the amended judgment in <u>*Bodenhausen v. State Bd. of Regis'n for the Healing Arts*</u>, Case No. CV192-1105CC (Jan. 6, 1994, Cir. Ct. Cole Cnty), McHenry, J.; and the affirming opinion in <u>*Bodenhausen v. State Bd. of Regis'n for the Healing Arts*</u>, WD 48914, 1994 WL 532696 (Mo. App., W.D. Oct. 4, 1994). As to the latter action, the Missouri Supreme Court ordered transfer on January 30, 1995. In each action, the court

Section 536.060, original and current, is expansive. It offers remedies in conformance with the public policy favoring settlement by contractual arrangement. If there were any ambiguity on this issue, the law would require the Commission to read the statute generously in the direction of the intended remedy. The signatories' reading bars resolution by "consent order, or default, or by agreed settlement" in all contested cases, except the specified matters, which furthers no conceivable beneficial end. Therefore, the Commission concludes that a contested case before the Commission is subject to disposition by consent order—just as it is subject to disposition by stipulation, default, or agreed settlement—under Section 536.060.

ii. Characteristics

The signatories describe the properties of a consent order by comparison to a consent judgment. The analogy is correct. The analogous properties, as described by the signatories, include the following.

> Missouri courts have held that a judgment by consent "is based on an agreement between the parties as to the terms, amount or conditions of the judgment to be rendered." In this context it is important to recognize: "Consent decrees do not arise from a judicial determination of the rights of the parties or the merits of the case [.]" It is also important to note: "A consent judgment needs no cause or consideration other than an adjustment of differences and a desire to set at rest all possibility of litigation. In exchange for the saving of cost and elimination of risk, the parties each give up something that they might have won had they proceeded with litigation." [[64]]

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barred informal resolution of contested cases and other matters involving licensees and licensing agencies under section 621.045, RSMo. The Missouri Supreme Court issued its decision on May 30, 1995, also affirming the judgment. Bodenhausen v. Missouri Bd. of Regis'n for the Healing Arts, 900 S.W.2d 621 (Mo. banc 1995).

[64] EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement* page 6 paragraph 13.

Also, a judgment issued pursuant to the parties' agreement does not aggrieve any such party so, if aggreivement is necessary for standing to appeal, no appeal is available to any such party.[65] In Missouri, a consent judgment has the same force and effect as any other judgment.[66]

In Missouri, whenever the issue has arisen, the courts have applied the analogy between a consent judgment and a consent order. For example, the courts hold that a consent order does not constitute the agency's decision on the merits but, at most, a review as to whether a parties' agreement comports with the public policy entrusted to the respective agencies.[67] Further, where the General Assembly has comprehensively delegated the regulation of a subject matter to an agency, that agency is the first resort for enforcing settlement of an action before that agency.[68]

iii. Ruling

As the signatories note, chapter 536, RSMo, applies when chapters 386 and 393 provide nothing to the contrary.[69] The signatories also note that "approval of the [settlement] here would not be inconsistent with the concept of a consent order [.]" [70] Therefore, the Commission will order memorialize the proposed provisions that are beyond the Commission's authority as a consent order, as set forth in Appendix 3. As explained in

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[65] Strawhun v. Strawhun, 164 S.W.3d 536 (Mo. App., S.D. 2005).

[66] Household Fin. Corp. v. Jenkins, 213 S.W.3d 194, 196 (Mo. App., E.D. 2007).

[67] Seifner v. Treasurer of State-Custodian of Second Injury Fund, 362 S.W.3d 59, 65 (Mo. App., W.D. 2012).

[68] State ex rel. St. Joseph School Dist. v. Missouri Dept. of Elem. And Sec. Educ., 307 S.W.3d 209, 213-17 (Mo. App., W.D. 2010). filing

[69] State ex rel. Praxair, Inc. v. Missouri Pub. Serv. Comm'n, 344 S.W.3d 178, 184 (Mo. 2011).

[70] EFIS No. 111, *Joint Suggestions of the Signatories in Support of an Order by the Commission Approving the Unanimous Stipulation and Agreement* page 6 paragraph 13.

part III.A of this report and order, the approval procedure that the Commission applies in this action is based on the approval that the parties asked for, the authorities that they cited, and the documents that they filed. That procedure does not necessarily apply under any other relief, law, or facts.

THE COMMISSION ORDERS THAT:

1. Disposition of the applications by settlement is approved.

2. Transfer Application. The *Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company* ("transfer application") is granted. The transfer of the items as described in the transfer application is authorized. This paragraph includes the notices to construct as described in the transfer application.

3. The *Application of Transource Missouri, LLC for a Certificate of Convenience and Necessity and Request for Waiver* ("CCN application") is granted. A certificate of convenience and necessity for the projects, as described in the CCN application, shall issue to Transource Missouri, LLC.

4. The following are incorporated into this report and order as if fully set:

    a. *Non-Unanimous Stipulation and Agreement*;

    b. *First Amendment to Non-Unanimous Stipulation and Agreement*; and

    c. *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement*.

5. Ordered paragraphs 1, 2, 3, and 4, are subject to the provisions of Appendix 3 and Appendix 4.

6. This order shall become effective on September 6, 2013.

BY THE COMMISSION

Morris L Woodruff

Morris L.
Woodruff
Secretary

R. Kenney, Chm., Jarrett, Stoll, and
W. Kenney, CC., concur;
and certify compliance with the
provisions of Section 536.080, RSMo.

Dated at Jefferson City, Missouri,
on this 7th day of August, 2013.

Appendix 1: Appearances

Party	*Counsel*	*Counsel's Address*
A. Applicants		
Kansas City Power & Light Company KCP&L Greater Missouri Operations Company	Roger W. Steiner	1200 Main, PO Box 418679, Kansas City, MO 64141-9679
Transource Missouri, LLC	Karl Zobrist Lisa A. Gilbreath	4520 Main, Suite 1100, Kansas City, MO 64111
	Larry W. Brewer	400 West 15th Street, Suite 1500, Austin, TX 78701
B. Parties under 4 CSR 240-2.010(10)		
Staff of the Commission	Steven Dottheim Nathan Williams	200 Madison Street, Suite 800, Jefferson City, MO 65102
Office of the Public Counsel	Lewis Mills	P.O. Box 2230, 200 Madison Street, Suite 650, Jefferson City, MO 65102
C. Intervenors		
AG Processing, Inc. a Cooperative and Midwest Energy Users' Group	Stuart Conrad	3100 Broadway, Suite 1209, Kansas City, MO 64111
Midwest Energy Consumers Group	David Woodsmall	807 Winston Court, Jefferson City, MO 65101
Missouri Department of Natural Resources	Jessica L. Blome	221 W. High Street P.O. Box 899 Jefferson City, MO 65102
Missouri Industrial Energy Consumers	Diana M. Vuylsteke	211 N. Broadway, Suite 3600 St. Louis, MO 63102

Appendix 2: Statutes cited by the Signatories

386.250. The jurisdiction, supervision, powers and duties of the public service commission herein created and established shall extend under this chapter:

(1) [To] electric plants, and to [entities] owning, leasing, operating or controlling the same;

* * *

(7) To such other and further extent, and to all such other and additional matters and things, and in such further respects as may herein appear, either expressly or impliedly.

386.310. 1. The commission shall have power, after a hearing . . . to require every . . . public utility to maintain and operate its . . . plant . . . in such manner as to promote and safeguard the health and safety of its employees, customers, and the public, and to this end to prescribe . . . appropriate safety and other devices or appliances, to establish uniform or other standards of equipment, and to require the performance of any other act which the health or safety of its employees, customers or the public may demand [.]

386.610. . . . The provisions of this chapter shall be liberally construed with a view to the public welfare, efficient facilities and substantial justice between patrons and public utilities.

393.130. 1. [E]very electrical corporation . . . shall furnish and provide such service instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such . . . electrical corporation . . . for . . . electricity . . . rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable charge made or demanded for . . . electricity . . . or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited.

2. No . . . electrical corporation . . . shall directly or indirectly by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for . . . electricity . . . or for any service rendered or to be rendered or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like and contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions.

3. No . . . electrical corporation . . . shall make or grant any undue or unreasonable preference or advantage to any person, corporation or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever [.]

393.140. The commission shall:

(1) Have general supervision of all . . . electrical corporations . . . having authority under any special or general law or under any charter or franchise to lay down, erect or maintain wires, pipes, conduits, ducts or other fixtures in, over or under the streets, highways and public places of any municipality, for the purpose of . . . transmitting electricity for light, heat or power, or maintaining underground conduits or ducts for

electrical conductors, . . . , and all . . . electric plants . . . owned, leased or operated by any . . . electrical corporation [.]

(2) [E]xamine or investigate the methods employed by such persons and corporations in manufacturing, distributing and supplying . . . electricity for light, heat or power and in transmitting the same, . . , and have power to order such reasonable improvements as will best promote the public interest, preserve the public health and protect those using such . . . electricity, . . . and those employed in the manufacture and distribution thereof, and have power to order reasonable improvements and extensions of the works, wires, poles, pipes, lines, conduits, ducts and other reasonable devices, apparatus and property of . . . electrical corporations [.]

(3) Have power . . . to prescribe from time to time the efficiency of the electric supply system, of the current supplied and of the lamps furnished by the persons or corporations generating and selling electric current [.]

(4) Have power, in its discretion, to prescribe uniform methods of keeping accounts, records and books, to be observed by . . . electrical corporations . . . engaged in the manufacture, sale or distribution of . . . electricity for light, heat or power [.]

(5) [To determine whether] rates or charges or the acts or regulations of any such persons or corporations are unjust, unreasonable, unjustly discriminatory or unduly preferential or in any wise in violation of any provision of law, [and] determine and prescribe the just and reasonable rates and charges thereafter to be in force for the service to be furnished, notwithstanding that a higher rate or charge has heretofore been authorized by statute, and the just and reasonable acts and regulations to be done and observed; and whenever the commission shall be of the opinion, after a hearing had upon its own motion

or upon complaints, that the property, equipment or appliances of any such person or corporation are unsafe, insufficient or inadequate, the commission shall determine and prescribe the safe, efficient and adequate property, equipment and appliances thereafter to be used, maintained and operated for the security and accommodation of the public and in compliance with the provisions of law and of their franchises and charters.

* * *

(8) Have power . . . after hearing, to prescribe by order the accounts in which particular outlays and receipts shall be entered, charged or credited.

* * *

(11) Have power to require every . . . electrical corporation . . . to file with the commission and to print and keep open to public inspection schedules showing all rates and charges made, established or enforced or to be charged or enforced, all forms of contract or agreement and all rules and regulations relating to rates, charges or service used or to be used, and all general privileges and facilities granted or allowed by such . . . electrical corporation [.] The commission shall have power to prescribe the form of every such schedule, and from time to time prescribe by order such changes in the form thereof as may be deemed wise [.]

Appendix 3: Conditions Determined on the Merits

The Commission grants the CCN application and the transfer application subject to the following provisions, as drawn verbatim from the *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement,*[71] which are subject to the report and order. The parties refer to the settlement, defined in the body of this report and order, as the "Unanimous Stipulation and Agreement" the "Unanimous First Amendment [.]"

1. The Unanimous Stipulation and Agreement, attached hereto as Attachment 1, and the Unanimous First Amendment to that Stipulation, attached hereto as Attachment 2, are approved and adopted, and the signatory parties are ordered to comply with their terms. The Commission is not a party to the Stipulation and only approves the agreements that have been entered into by the Signatories.

2. KCP&L and GMO's Transfer Application is granted conditioned upon the terms of the Unanimous Stipulation and Agreement and the Unanimous First Amendment, including the Commission making specific findings after the final selection of the Sibley-Nebraska City route.

3. KCP&L and/or GMO shall file a copy of the final purchase agreement, detail of the costs included in CWIP, and detail of the property to be transferred at the time of transfer of the Projects' facilities.

4. To the extent that the SPP NTCs regarding the Projects are assets, the Commission approves KCP&L and GMO's plans to novate those NTCs.

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[71] EFIS No. 110, page 14 through 16, part I.D., paragraphs 1 through 11.

5. The Commission's Affiliate Transactions Rule sections 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 are waived with respect to:

a. The transfer, license, or assignment of transmission assets, easements, or right of ways (or use thereof) owned by GMO or KCP&L associated with the Projects;

b. Materials and services provided by KCP&L or GMO to Transource, Transource Missouri, or a subsidiary for the Projects prior to novation or transfer of the cost of the Projects to Transource Missouri; and

c. Information, assets, goods, and services provided by KCP&L or GMO to Transource, Transource Missouri, or a subsidiary until the Projects are in service.

6. The Commission's Affiliate Transactions Rule sections 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 are waived to the extent necessary to allow KCP&L and GMO to use a 20% markup to their fully distributed cost methodology in lieu of using the fair market value under the Rule with respect to:

a. Non-Project goods and services (if the Signatories cannot agree regarding the reasonableness of these charges, this matter shall be taken to the Commission for resolution);[72] and

[72] Although the Signatories have not expressly requested a waiver of the Rule in Paragraph 6 of the Stipulation, the Commission finds that the provisions of Paragraph 6 propose treating non-Project goods and services in a manner different from the requirements of the Rule and, therefore, the Commission will treat Paragraph 6 as requesting a waiver of the Rule to the extent of its provisions.

b. Information, assets, goods, and services provided by KCP&L or GMO to Transource, Transource Missouri, or a subsidiary for the Projects after they are in service.

7. KCP&L and GMO shall file for Commission approval of their cost allocation manuals ("CAMs") before providing any information, assets, goods, and services to Transource or Transource Missouri after either the novation or transfer of the cost of the Projects, whichever occurs first, but KCP&L and GMO may provide to Transource or Transource Missouri information, assets, goods, and services in a manner consistent with the provisions of the Stipulation prior to Commission approval of their CAMs. [73].

8. Transource Missouri's CCN Application is granted conditioned upon the terms of the Unanimous Stipulation and Agreement and the Unanimous First Amendment, including the Commission making specific findings after the final selection of the Sibley-Nebraska City route.

9. Transource Missouri shall provide the Commission with the 4 CSR 240-3.105 information for the Sibley-Nebraska City route as soon as that information is available.

10. The reporting requirements of 4 CSR 240-3.175, Submission Requirements For Electric Utility Depreciation Studies, are waived subject to the Stipulation's provision regarding Staff's and OPC's access to documents.

11. Subsections 4 CSR 240-3.190 (1), (2), and (3)(A)-(D), Reporting Requirements For Electric Utilities And Rural Electric Cooperatives, are waived for Transource Missouri.

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[73] Transcript, Vol. 2 at 108-10; 4 CSR 240-20.015(3)(D), 4 CSR 240-20.015(10)(A)2.B.

Appendix 4: Consent Order

The Signatories agree to a grant of the CCN application and the transfer application subject to the following provisions, drawn verbatim from the *Second Joint Proposed Order and Joint Proposed Consent Order Approving Unanimous Stipulation and Agreement*,[74] and the settlement, which are subject to the provisions of the report and order.

1. The Stipulation contains a series of agreements among the Signatories that, among other things, require them (particularly the Applicants) to fulfill certain obligations. The Stipulation also specifies the establishment of certain regulatory liabilities and the manner of their future treatments. The Stipulation provides a process for administering affiliate transactions between the Signatories and related parties.

2. In particular, Section II(A) of the Stipulation provides for certain rate treatment respecting costs allocated to KCP&L or GMO by SPP involving FERC items such as authorized return on equity ("ROE"), capital structure, construction work in progress ("CWIP"), or other FERC transmission rate incentives for the Iatan-Nashua Project and the Sibley-Nebraska City Project facilities located in KCP&L's and GMO's respective service territories that are constructed by Transource Missouri. KCP&L and GMO have agreed to make these adjustments in all rate cases so long as the transmission facilities are in service.

<u>A.Rate Treatment – Affiliate Owned Transmission</u>

> 1. With respect to transmission facilities located in KCP&L certificated territory that are constructed by Transource Missouri that are part of the Iatan-Nashua and Sibley-Nebraska City Projects, KCP&L agrees that for ratemaking purposes in Missouri the costs allocated to KCP&L by SPP will be adjusted by an amount equal to the difference between: (a) the SPP

[74] EFIS No. 110, page 16 through 18, section II, paragraphs 1 through 8.

load ratio share of the annual revenue requirement for such facilities that would have resulted if KCP&L's authorized ROE and capital structure had been applied and there had been no Construction Work in Progress ("CWIP") (if applicable) or other FERC Transmission Rate Incentives, including but not limited to Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities; and (b) the SPP load ratio share of the annual FERC-authorized revenue requirement for such facilities. KCP&L will make this adjustment in all rate cases so long as these transmission facilities are in service.

2. With respect to transmission facilities located in GMO certificated territory that are constructed by Transource Missouri that are part of the Iatan-Nashua and Sibley-Nebraska City Projects, GMO agrees that for ratemaking purposes in Missouri the costs allocated to GMO by SPP will be adjusted by an amount equal to the difference between: (a) the SPP load ratio share of the annual revenue requirement for such facilities that would have resulted if GMO's authorized ROE and capital structure had been applied and there had been no CWIP (if applicable) or other FERC Transmission Rate Incentives, including but not limited to Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities; and (b) the SPP load ratio share of the annual FERC-authorized revenue requirement for such facilities. GMO will make this adjustment in all rate cases so long as these transmission facilities are in service.

3. Sections II(B) and II(D) address issues under the Commission's Affiliate Transactions Rule, 4 CSR 240-20.015 ("Rule"). The Signatories agreed that provisions of the Affiliate Transactions Rule, 4 CSR 240-20.015, should apply to transactions between KCP&L and GMO on the one hand, and GPE, Transource, and Transource's utility subsidiaries on the other hand, except for the waivers as provided for in Paragraphs 4 through 6, and 11 through 13 of the Stipulation. All Signatories reserved the right to seek or oppose additional waivers for other projects (i.e., projects other than the Iatan-Nashua

Project and the Sibley-Nebraska City Project) from the Affiliate Transactions Rule in the future.[75]

B.Affiliate Transactions Rule

3. The provisions of the Affiliate Transactions Rule, 4 CSR 240-20.015, shall apply to transactions between KCP&L and GMO on the one hand, and GPE, Transource Missouri, and Transource Missouri's utility subsidiaries on the other hand, except for the waivers as provided for in paragraphs 4 through 6, and 11 through 13. All Signatories reserve the right to seek or oppose additional waivers for other projects (i.e., projects other than the Projects) from the Affiliate Transactions Rule in the future.

4. The Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to transfer, license, or assignment of easements or right of ways (or use thereof, including joint usage where KCP&L/GMO are using the easement or right of way and permit Transource Missouri to use the same easement or right of way) owned by GMO or KCP&L associated with the Projects. The affiliate transactions referenced in this paragraph are subject to the provisions of paragraph 7.

5. The Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to materials and services (including, but not limited to, usage of KCP&L/GMO employees, contracted labor/services, vehicles, equipment, and facilities) provided by KCP&L or GMO to Transource Missouri, Transource Missouri, or a subsidiary for the Projects prior to novation or transfer of the cost of the Projects to Transource Missouri. The providing entity shall be compensated for these materials and services including Allowance for Funds Used During Construction ("AFUDC") and capitalized property taxes at its fully distributed cost at the time of transfer of the cost of the Projects.

6. The Signatories agree that non-Project goods and services (defined as goods and services that are not directly related to the Projects) were to be provided and are to be

[75] Transcript, Vol. 2 (Apr. 16, 2013) at 103-09; 4 CSR 240-20.015(10); 4 CSR 240-2.060(4).

provided at the higher of fair market value or fully distributed cost by KCP&L to Transource Missouri, Transource Missouri, and GPE prior to the novation or transfer of the cost of the Projects. KCP&L and GMO will, by June 1, 2013, ensure that charges to Transource Missouri, Transource Missouri, and GPE regarding the development and formation of Transource Missouri and Transource Missouri reflect the higher of fair market value or the fully distributed cost. The Signatories agree that KCP&L and GMO can use a 20% markup to their fully distributed cost methodology for such goods and services in lieu of using the fair market value. If the Signatories cannot agree regarding the reasonableness of these charges, this matter will be taken to the Commission for resolution. In support of the resolution of the treatment for non-Project goods and services provided prior to the novation or transfer of the cost of the Projects, KCP&L and GMO will contribute a total of $50,000 to the State School Fund or a mutually agreeable organization. This contribution will not be recovered from KCP&L and GMO customers. The Signatories agree that all outstanding issues related to the provision of non-Project goods and services to Transource Missouri, Transource Missouri, and GPE prior to the novation or transfer of the cost of the Projects are resolved, except as provided in this paragraph.

7. Transource Missouri will pay GMO the higher of $5.9 million or net book value for transferred transmission assets, easements, and right-of-ways that have been previously included in the rate base and reflected in the retail rates of KCP&L and GMO customers. KCP&L and GMO agree to book a regulatory liability reflecting the value of this payment to the extent it exceeds net book value. This regulatory liability shall be amortized over three years beginning with the effective date of new rates in KCP&L's and GMO's next retail rate cases.

D. KCP&L Operations Specific to the Projects

11. If KCP&L assists Transource Missouri for the Projects in communicating with local landowners in the KCP&L and GMO certificated service territories, with local governmental authorities, and with other members of the public, or if KCP&L continues to provide ongoing construction management, cost control management, engineering services, construction services, procurement of materials, and related services for the Projects, the Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-

20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to information, assets, goods, and services (including, but not limited to, usage of KCP&L or GMO employees, contracted labor/services, vehicles, equipment, and facilities) provided by KCP&L or GMO to Transource Missouri, Transource Missouri, or a subsidiary until the Projects are in service. These materials and services will be provided at fully distributed cost until the Projects are in service. For the purposes of this paragraph and paragraph 12, "in service" is defined as the commercial operation date for each of the Projects.

12. If KCP&L provides operations and maintenance services and related capital for the Projects after they are in service, it will do so in a manner consistent with the application of the Commission's Affiliate Transactions Rule, except that the Signatories request that the Commission waive 4 CSR 240-20.015(2)(A)2, 4 CSR 240-20.015(2)(B), and 4 CSR 240-20.015(3)(C)4 with respect to information, assets, goods, and services (including, but not limited to, usage of KCP&L or GMO employees, contracted labor/services, vehicles, equipment, and facilities) provided by KCP&L or GMO to Transource Missouri, Transource Missouri, or a subsidiary to the extent necessary to allow KCP&L and GMO to use a 20% markup to their fully distributed cost methodology in lieu of using the fair market value.

13. KCP&L and GMO shall file for Commission approval of their Cost Allocation Manuals ("CAM") before providing any information, assets, goods, and services to Transource Missouri or Transource Missouri after either the novation or transfer of the cost of the Projects, whichever occurs first. The Signatories agree that KCP&L and GMO can provide information, assets, goods, and services to Transource Missouri or Transource Missouri in a manner consistent with the provisions of this Stipulation prior to Commission approval of the CAM.

4. The Signatories have agreed to certain payments to be made by Transource Missouri, KCP&L and GMO, including their regulatory treatment.[76] The Signatories have

[76] Stipulation, Paragraph II(B)(7) at p. 7: "Transource Missouri will pay GMO the higher of $5.9 million or net book value for transferred transmission assets, easements, and right-of-ways that have been previously included in the rate base and reflected in the retail rates of KCP&L and GMO customers. KCP&L and GMO agree to book a regulatory liability reflecting the value of this payment to the extent it exceeds net book value. This regulatory liability shall be amortized over three years beginning with the effective date of new rates in

also agreed to other procedures that KCP&L, GMO, Transource Missouri, and their affiliates will follow with regard to the Projects.

5. The Stipulation contains provisions regarding the future operations of the Applicants in Section II(C), reporting requirements in Section II(E), and access by Staff and OPC to the books and records of Transource Missouri and Transource Energy in Section II(F). There are additional conditions in Section II(G) regarding the final selection of the route of the Sibley-Nebraska City Project, as well as public outreach efforts related to the siting, routing, easement acquisition and right-of-way acquisition for the Projects.

C. Transource Missouri Operations/Future Transfer

> 8. Transource Missouri will not pursue future transmission projects that are subject to a right of first refusal ("ROFR") in the KCP&L and GMO respective certificated service territories.
>
> 9. KCP&L and GMO will pursue future transmission projects subject to ROFR in their respective certificated service territories. KCP&L or GMO may seek a waiver from the provisions of this paragraph from the Commission for good cause.
>
> 10. Transource Missouri agrees to seek approval from the Commission for any subsequent transfer of the Projects' facilities.

E. Additional Reporting and Provision of Information Regarding the Projects

> 14. KCP&L will file a copy of the final purchase agreement, detail of the costs included in CWIP, and detail of the property to be transferred at the time of transfer of the Projects' facilities.
>
> 15. KCP&L, GMO, and/or Transource Missouri will continue coordinated efforts with Omaha Public Power District

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KCP&L's and GMO's next retail rate cases." Stipulation, Paragraph II(B)(6) at p. 6: "... KCP&L and GMO will contribute a total of $50,000 to the State School Fund or a mutually agreeable organization. This contribution will not be recovered from KCP&L and GMO customers."

until the details of the routing and interception point for the Sibley-Nebraska City line are finalized.

16. KCP&L, GMO, and/or Transource Missouri will provide to Staff and OPC the Sibley-Nebraska City Project cost control budget estimate in the fourth Quarter of 2013.

17. KCP&L, GMO, and/or Transource Missouri will continue to file quarterly status reports on the Iatan-Nashua Project to the Commission, as KCP&L and GMO are doing in File No. EO-2012-0271.

18. KCP&L, GMO, and/or Transource Missouri will file in File No. EA-2013-0098, or other case as designated by the Commission, quarterly status reports on the Sibley-Nebraska City Project to the Commission consistent with those provided by KCP&L and GMO in File No. EO-2012-0271.

19. Updates to SPP regarding the Projects are now being entered on a quarterly basis directly into SPP's Transmission and Generation Interconnection Tracking ("TAGIT") project tracking database through a secure interface. SPP reviews the updates and includes them in its quarterly Project Tracking Reports, which are publicly available on SPP's website. Transource Missouri will provide to Staff and OPC any other periodic updates required by SPP regarding the Projects that are not included in the publicly available quarterly Project Tracking Reports.

F. Access to Books and Records Necessary for the Commission to Perform Its Statutory Duties

20. Transource Missouri will produce in Missouri, upon reasonable notice, duplicate copies of Transource Missouri's and Transource Missouri's books and records.

21. Transource Missouri will provide Staff and OPC access to the following documents, including but not limited to: (a) Meeting Minutes of, and Materials distributed at, the Transource Missouri Board of Managers and Members (including Committee Minutes and Materials); (b) Meeting Minutes of, and Materials distributed at, the Transource Missouri Board of Managers and Members (including Committee Minutes and Materials); (c) Workpapers of the external auditors of Transource Missouri; (d) Workpapers of the external auditors of Transource Missouri; (e) General

Ledger (provided electronically) of Transource Missouri; (f) General Ledger (provided electronically) of Transource Missouri; (g) Chart of Accounts and Written Accounting Policies of Transource Missouri; (h) Chart of Accounts and Written Accounting Policies of Transource Missouri; (i) Organizational Charts of Transource Missouri; (j) Organizational Charts of Transource Missouri; (k) Total Company and Missouri Jurisdictional Financial Statements (Income Statement, Balance Sheet, Statement of Cash Flows) on a Quarterly Basis of Transource Missouri; (l) Total Company and Missouri Jurisdictional Financial Statements (Income Statement, Balance Sheet, Statement of Cash Flows) on a Quarterly Basis of Transource Missouri; (m) Monthly Operating/Financial Reports of Transource Missouri (used for internal reporting of the utility ongoing operations and earnings results); (n) Monthly Operating/Financial Reports of Transource Missouri (used for internal reporting of the utility ongoing operations and earnings results); (o) Construction and Operating Budgets for the Current and Succeeding Three Years of Transource Missouri; (p) Construction and Operating Budgets for the Current and Succeeding Three Years of Transource Missouri; (q) Federal and Missouri Income Tax Returns of Transource Missouri; and (r) Federal and Missouri Income Tax Returns of Transource Missouri.

22. Transource Missouri will work with Staff to provide office space in Columbus, Ohio if it is more efficient for the Staff to perform its duties in Columbus, rather than by reviewing copies of books and records provided in Missouri.

23. New or updated agreements between the Applicants that are executed after the approval of the settlement agreement in this case will be provided to the Signatories as they become available.

G. Additional Conditions Agreed to for Approval of Applications

24. GMO agrees to establish a regulatory liability reflecting the amount collected in retail customer rates for the transferred property from the date of the novation or transfer of the costs of the Projects until new GMO rates are established. The treatment of the regulatory liability will be determined in GMO's next retail rate case.

25. Transource Missouri requested that the Commission grant approval of the CCN Application conditioned upon: (a) PSC approval of the transfer requests in File No. EO-2012-0367; (b) SPP's approval of Transource Missouri as a transmission owning member; (c) novation of the NTCs to Transource Missouri; and (d) FERC's acceptance of the novation agreements.

26. KCP&L and GMO requested that the Commission grant approval of the Transfer Application conditioned upon: (a) Transource Missouri obtaining the necessary approvals to construct the Projects; (b) Transource Missouri executing the SPP Membership Agreement as a Transmission Owner; (c) SPP's approval of the novation of the NTCs to Transource Missouri; and (d) FERC's acceptance of the novation agreements.

27. The Signatories agree that it would be reasonable for the Commission to grant conditional approval of KCP&L and GMO's Transfer Application and Transource Missouri's CCN Application prior to the final selection of route for the Sibley-Nebraska City Project. The Signatories request that the Commission grant approval conditioned upon the Commission making specific findings, through means determined at the Commission's discretion, after the final selection of the Sibley-Nebraska City route has been made, that the Transfer Application is not detrimental to the public interest and that the CCN Application is necessary and convenient for the public service. Transource Missouri shall provide the Commission with the 4 CSR 240-3.105 information for the Sibley-Nebraska City route as soon as that information is available.

28. Nothing in this Stipulation restricts any Signatory's right to request reasonable additional notice, local public hearings, or additional processes in these cases. No Signatory is restricted from opposing such request to the Commission.

29. KCP&L and GMO will provide the Commission with a report and information in File No. EA-2013-0098 within 90 days of the effective date of a Commission order approving this Stipulation outlining its public outreach efforts for siting, routing, easement acquisition and right-of-way acquisition for the Projects. KCP&L and GMO will update the report at least quarterly thereafter.

JOINT OPERATING AGREEMENT

This Joint Operating Agreement (the "Agreement") is made and entered into this 10th day of October, 2008 by and between Kansas City Power & Light Company ("KCP&L") and Aquila, Inc., doing business as KCP&L Greater Missouri Operations Company ("KCP&L GMO").

WITNESSETH

WHEREAS, KCP&L is a wholly-owned subsidiary of Great Plains Energy Incorporated ("Great Plains Energy"); and

WHEREAS, Great Plains Energy acquired KCP&L GMO as of July 14, 2008, and

WHEREAS, to facilitate utility operations integration and to realize synergies, employees of KCP&L GMO were transferred to KCP&L, and employees of KCP&L will operate and manage the business and properties of both KCP&L and KCP&L GMO, and

WHEREAS, in Case No. EM-2007-0374 before the Missouri Public Service Commission (the "MPSC"), KCP&L and KCP&L GMO requested a waiver from the MPSC affiliate transaction rules to permit KCP&L to provide services and non-power goods to KCP&L GMO at fully distributed cost, and offered to execute and file a joint operating agreement to document the provision of such services and non-power goods, and

WHEREAS, the MPSC granted such waiver, authorized Great Plains Energy to acquire KCP&L GMO, and directed that such a joint operating agreement be filed with the MPSC, and

WHEREAS, KCP&L and KCP&L GMO have entered into this Agreement whereby each party agrees to provide and to accept and pay for various services and non-power goods.

NOW THEREFORE, in consideration of the promises and the mutual agreements herein contained, the parties to this Agreement covenant and agree as follows:

ARTICLE I – JOINT OPERATING SERVICES

Section 1.1 Purpose. This Agreement provides the contractual basis for the coordinated planning, construction, acquisition, disposition, operation and maintenance of KCP&L's and KCP&L GMO's business and properties to achieve synergies, consistent with reliable electric service and all legal and other requirements.

Section 1.2 KCP&L Designated Agent and Operator. KCP&L GMO hereby designates KCP&L as its agent and operator of its business and properties. KCP&L shall be responsible for and shall perform, through its employees, agents, and contractors, all such actions and functions (including, without limitation, the entry into contracts for the benefit of or as agent for KCP&L GMO) as may be required or appropriate for the proper design, planning, construction, acquisition, disposition, operation, engineering, maintenance and management of KCP&L GMO's business and properties in accordance with the terms of this Agreement (the "Services"). KCP&L GMO hereby delegates to KCP&L, and KCP&L hereby accepts responsibility and authority for the duties set forth in this Agreement.

Section 1.3 Description of the Services. The Services shall include all services required or appropriate for the design, planning, construction, acquisition, disposition, operation, engineering, maintenance and management of KCP&L GMO's business and properties. The Services exclude wholesale electricity and transmission service transactions between KCP&L and KCP&L GMO, which will be governed by applicable Federal Energy Regulatory Commission ("FERC") tariffs and rules. Such Services are more fully described in Appendix A hereto.

Section 1.4 Standards for Services. KCP&L shall provide the Services in accordance with its practices, methods, standards, guides, policies and procedures in effect from time to time which, as applicable, will be consistent with those that are generally accepted in the electric utility industry. KCP&L will comply with all applicable Federal, State and local laws, regulations, ordinances and other requirements in the provision of Services to KCP&L GMO.

Section 1.5 Facilities Services. KCP&L will use its properties, systems, agreements and other assets in providing Services (the "KCP&L Facilities Services"). KCP&L GMO consents to the use of its properties, systems and agreements by KCP&L in providing Services and in operating and managing KCP&L's own business (the "KCP&L GMO Facilities Services"). The KCP&L Facilities Services and the KCP&L GMO Facilities Services are collectively referred to as the "Facilities Services". The provision of, and payment for, the Facilities Services will be done pursuant to the terms of this Agreement.

Section 1.6 Compliance with Policies and Agreements. In connection with its receipt of the Services, each party shall comply with (i) all applicable policies and procedures of the other party, and (ii) all applicable terms and conditions of any third party agreements pursuant to which KCP&L GMO receives Services and KCP&L receives Facilities Services, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

Section 1.7 Adequacy of Personnel. KCP&L shall use commercially reasonable efforts to maintain a staff trained and experienced in provision of the Services. Notwithstanding the foregoing, KCP&L may (i) arrange for the services of nonaffiliated experts, consultants, attorneys and other third parties in connection with the performance of any of the Services or (ii) subcontract performance of the Services to one or more third parties.

Section 1.8 Parity of Services and Internal KCP&L Operations. KCP&L will at all times use its commercially reasonable efforts to provide the Services in scope, quality and schedule equivalent to those it provides to its own internal operations. In providing the Services, KCP&L will seek to maximize the aggregate synergies to both companies, and shall not take any action that would unduly prefer either party over the other party.

ARTICLE II - COMPENSATION

Section 2.1 Payment for Services. As compensation for the Services, KCP&L GMO shall reimburse KCP&L for all costs that reasonably can be identified and related to the Services performed by or on behalf of KCP&L for KCP&L GMO including, but not limited to, KCP&L's cost of salaries and wages, office supplies and expenses, third party vendor costs, property insurance, injuries and damages, employee pensions and benefits, taxes, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital. Notwithstanding anything herein to the contrary, the price of the Services shall comply with all applicable rules and regulations of the FERC, the MPSC, all other applicable regulatory commissions, and the provisions of Great Plains Energy's Cost Allocation Manual, which includes KCP&L and KCP&L GMO cost allocation information, filed from time to time with the MPSC.

Section 2.2 Payment for Facilities Services. It is understood that KCP&L GMO Facilities Services may be used by KCP&L in providing Services to KCP&L GMO, as well as used by KCP&L for its own business. In order to avoid duplicate billing, the parties agree that KCP&L will be billed, and will reimburse KCP&L GMO, only for that portion of KCP&L GMO Facilities Services used by KCP&L for its own business. As compensation for Facilities Services, the receiving party shall reimburse the providing party for all costs that can reasonably be identified and related to the Facilities Services including, but not limited to, cost of salaries and wages, office supplies and expenses, third party vendor costs, property insurance, injuries and damages, employee pensions and benefits, taxes, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, compensation for use of capital, and a return on capital associated with the assets used to provide Facilities Services. Costs recovered through Services billings shall be excluded from the costs of Facilities Services. Notwithstanding anything herein to the contrary, the price of Facilities Services shall comply with all applicable rules and regulations of the FERC, the MPSC, all other applicable regulatory commissions, and the provisions of Great Plains Energy's Cost Allocation Manual, which includes KCP&L and KCP&L GMO cost allocation information, filed from time to time with the MPSC.

Section 2.3 Billing. KCP&L shall render a monthly statement to KCP&L GMO setting forth a description of the Services and KCP&L Facilities Services rendered to KCP&L GMO in the previous month and KCP&L's costs in connection therewith. The monthly statement to KCP&L GMO will also set forth a description of KCP&L GMO Facilities Services used by KCP&L for its own business and KCP&L GMO's associated costs. KCP&L shall maintain reasonable supporting documentation in connection with costs. Payment shall be made by remittance of the amounts billed within thirty (30) days of the date of the statement or by making appropriate accounting entries on KCP&L's and KCP&L GMO's books.

Section 2.4 Dispute Resolution. In the event that a dispute arises between KCP&L and KCP&L GMO regarding the costs charged by the providing party to the receiving party for Services or Facilities Services hereunder, representatives of KCP&L and KCP&L GMO will attempt to resolve the issues. Unresolved disputes regarding costs or any other claim or dispute related to this Agreement shall be resolved by binding arbitration by the American Arbitration Association under the rules then in effect. Any award of the arbitrator(s) may be entered as a judgment in any court of competent jurisdiction.

Section 2.5 Records Inspection. KCP&L GMO at its own expense may examine KCP&L's pertinent books, records, data and other documents once each year for the purpose of evaluating the accuracy of KCP&L's statements to KCP&L GMO. Such examination shall begin no fewer than thirty (30) days after KCP&L receives a written notice requesting an examination and shall be completed no later than thirty (30) days after the start of such examination. Such examination shall be conducted by an independent auditor reasonably acceptable to both KCP&L GMO and KCP&L. If an independent auditor is used, KCP&L GMO shall cause the independent auditor to execute a nondisclosure agreement reasonably acceptable to KCP&L. Each audit shall be conducted on the premises of KCP&L during normal business hours. KCP&L shall cooperate fully in any such audit, providing the auditor reasonable access to any and all appropriate KCP&L employees and books, records and other documents reasonably necessary to assess the accuracy of KCP&L's invoices. The results of the examination shall be provided to KCP&L.

If KCP&L and KCP&L GMO agree that the amount of any statement should be adjusted as a result of the examination, the amount of the adjustment shall be paid or reimbursed, as applicable, promptly with interest at a rate equal to the applicable compensation for use of capital if the adjustment is related to Services provided, or at a rate equal to the applicable return on capital used for Facilities Services billings (as such rates are described in the Great Plains Energy Cost Allocation Manual) from the due date of the applicable invoice. Any unresolved dispute shall be submitted to arbitration pursuant to Section 2.3, and any resulting award shall include interest calculated on Services or Facilities Services as previously described from the due date of the applicable invoice.

ARTICLE III – TERM AND TERMINATION

This Agreement shall become effective as of the date first written above and shall continue in force until terminated pursuant to this Article III (the "Term"). This Agreement may be terminated by either party upon at least one year's prior written notice to the other party. This Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Agreement may conflict with any applicable law, rule, regulation or order of any regulatory body adopted before or after the date of this Agreement. Further, this Agreement shall automatically terminate in the event of a direct or indirect change of control of either KCP&L or KCP&L GMO. Sections 2.4, 2.5, 4.1, 4.2, 5.3 and 5.4 shall survive expiration or termination of this Agreement for any reason.

ARTICLE IV –

DISCLAIMER OF WARRANTIES; LIMITATION OF LIABILITY

Section 4.1 EXCEPT AS SET FORTH IN SECTION 1.4, KCP&L MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SERVICES AND HEREBY DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES AS TO MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

Section 4.2 Limitation of Liability. Except with respect to its indemnification obligations set out in this Section 4.2, KCP&L's aggregate liability to KCP&L GMO pursuant to this Agreement for any acts or omissions in any 12-month period during the Term shall not exceed the aggregate charges payable to KCP&L by KCP&L GMO pursuant to Section 2.1 and 2.2 in such 12-month period. Except with respect to its indemnification obligations set out in this Section 4.2, KCP&L GMO's aggregate liability to KCP&L pursuant to this Agreement for any acts or omissions in any 12-month period during the Term shall not exceed the aggregate charges payable to KCP&L GMO by KCP&L pursuant to Section 2.2 in such 12-month period. Notwithstanding the foregoing sentences, each party hereto will defend, indemnify and save harmless the other party hereto from and against any and all liability, loss, costs, damages and expenses, including reasonable attorney's fees, caused by or arising out of the gross negligence, willful misconduct or breach of this Agreement by such indemnifying party. In no event shall any party be liable to the other party for any punitive, exemplary, indirect, special or consequential damages in connection with this Agreement.

ARTICLE V - MISCELLANEOUS

Section 5.1 Amendments. No amendment, change, or modification of this Agreement shall be valid, unless made in writing and signed by the parties hereto.

Section 5.2 No Assignment. Neither party may assign this agreement, in whole or in part, without the prior written consent of the other party.

Section 5.3 Choice of Laws. This Agreement will be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the laws of Missouri, without giving effect to rules concerning conflicts of laws.

Section 5.4 No Third Party Beneficiaries. This Agreement is not intended to, and does not, confer upon any party other than KCP&L and KCP&L GMO any rights or remedies hereunder.

Section 5.5 Regulatory Filings. KCP&L and KCP&L GMO shall make all necessary regulatory filings and seek all necessary regulatory approvals for this Agreement.

Section 5.6 No Effect on Other Agreements. This Agreement shall not modify the obligations of any party under any agreement with a third party, and shall not modify any agreement between the parties under any tariff or other agreement filed with the FERC, the

MPSC or other regulatory commission.

Section 5.7 Waivers. Any waiver at any time by a party of any of its rights with respect to a default by the other party under this Agreement shall not be deemed a waiver with respect to any subsequent default of similar or different nature, nor shall it prejudice its right to deny waiver of any other default by the other party.

Section 5.8 Independent Contractor. KCP&L and KCP&L GMO agree that for the purposes of this Agreement, each party is an independent contractor to the other party. KCP&L will be solely responsible for directing the work of its personnel. KCP&L is solely responsible for the compensation of its employees assigned to provide the Services hereunder, and payment of workers' compensation, disability and other similar benefits, unemployment and other similar insurance, and for withholding, income, social security and other taxes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

Kansas City Power & Light Company

William H Downey

William H. Downey
President and Chief Operating Officer

Aquila, Inc., doing business as KCP&L Greater Missouri Operations Company

William H Downey

William H. Downey
President and Chief Operating Officer

Approved by Counsel:

William G. Riggins
General Counsel and Chief Legal Officer
Kansas City Power & Light Company
Aquila, Inc.

APPENDIX A

Description of Services

General descriptions of the Services to be provided by KCP&L to KCP&L GMO are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The descriptions are not intended to be exhaustive, and KCP&L will provide such additional services, whether or not referenced below, that are necessary or appropriate to meet the service needs of KCP&L GMO.

Corporate Services

Corporate Services is responsible for providing Information Technology, Purchasing, Facilities and Resource Protection services for KCP&L GMO operations. These services also apply to any new facilities that may be added from time to time.

Information Technology ("IT"): Support existing applications, technologies and infrastructure to ensure business continuity and leverage capabilities. Examples include CIS, PeopleSoft, desktop, real-time systems, radio and telecommunications. In addition, IT will work with KCP&L GMO to develop and deploy new applications and technologies as appropriate.

Purchasing: Acquire goods and services on behalf of KCP&L GMO operations, as well as for all construction projects; exercise governance and oversight over all procurement functions and ensure compliance with established policies and procedures.

Facilities: Responsible for the planning and management of existing company buildings and grounds, whether owned or leased, as well as for any new building construction or remodeling; and provide print, courier and mailroom services and records management.

Resource Protection: Responsible for the protection of the physical, human and information assets of KCP&L GMO, and for business continuity planning and adherence to applicable standards such as required by Homeland Security, etc.

Delivery

Delivery is responsible for providing customer, transmission and distribution services. This includes business performance services, claims services, customer services, major outage/catastrophic event management services, energy efficiency and demand response services, metering and infrastructure technology services, resource management, safety training and incident response services, transmission and distribution construction and maintenance management, transmission and distribution operations and maintenance, transmission, distribution and substation engineering and asset management, transmission policy, planning and compliance services to KCP&L GMO. These services also apply to any new facilities that may be added from time to time.

Business Performance Services: Develop, gather data, manage, create and maintain financial and reliability reports; provide financial analysis, training on financial systems and business support; oversee financial and accounting processes; direct the preparation of budgets and forecasts; draft certain regulatory reports and testimony; develop policies, monitor key developments in the electrical delivery arena and KCP&L GMO territories; prepare and file compliance related reporting; manage process and performance improvement; create and conduct process and performance training; and collect and analyze benchmarking and scorecard data.

Claims Services: Administer claims received relating to property damage and/or service issues in KCP&L GMO service territories; prosecute claims to recover damages for property damage against KCP&L GMO assets.

Community Liaison and Communication Services: Act as liaison with government agencies; federal, state and locally elected officials, civic organizations, and other community stakeholders affecting the KCP&L GMO service area; respond to media and governmental stakeholder requests for information; and create and present information to the public through press releases, advertising, public speaking and other available communication channels.

Community Relations Services: Identify and administer investment and membership support in KCP&L GMO's community organizations; administer contributions to nonprofit agencies identified in KCP&L GMO's service and operating territories that support at-risk youth, the environment and economic/workforce development; administer memberships with chambers, economic development corporations and other organizations in KCP&L GMO's service and operating territories; coordinate presentations and public speaking requests; identify and administer community sponsorships in coordination with partners; manage and provide support for KCP&L GMO's events, including town hall meetings and executive visits; identify and manage employees in KCP&L GMO community support roles, such as serving on boards and providing direct service to underserved people and communities.

Customer Services: Receive and process customer requests through all customer contact channels; answer customer questions, create and enter service orders, and educate customers about KCP&L GMO services; obtain and record meter data; process customer service orders; manage the field collection process at the customer premise, investigate potential revenue loss, and report irregular customer activities pertaining to their electric service; prepare and deliver accurate and timely statements and invoices to customers; manage the payment application process, reconcile payments received from customers, remit payments received, and conduct research on non-routine payments; collect amounts owed on delinquent accounts, bad debt recoveries, and bankruptcy; process and remit amounts recovered; manage and apply energy assistance payments; conduct fraud investigations, diversion investigations, and analyze customer usage and pricing for accuracy and timeliness of sending customer bills; investigate and manage commission complaints to resolution; design programs to increase funding to assist low income customers; manage programs targeted for the elderly and vulnerable (i.e., medical emergency) customers; create partnerships with energy assistance agencies; administer cold and hot weather rules; develop and present outreach programs designed to educate customers about energy usage and efficiency; design and use measurement and assessment tools to gauge effectiveness and efficiency of customer contact work processes; and collect, verify and report statistics and data as requested by internal customers.

Economic Development Services: Manage and administer business development initiatives, strategies and programs associated with retention, expansion and recruitment of major customers in KCP&L GMO's service territory; manage and develop relationships with strategic state, regional and local development groups while being familiar with state and local incentives, and financing options; assist KCP&L GMO's communities in strategic planning, setting goals and priorities, and facilitate implementation of community and economic development programs; and represent KCP&L GMO on relevant community and state boards.

Energy Efficiency and Demand Response Services ("EE/DSM"): Identify and develop products for EE/DSM including market analysis, technology review, feasibility analysis, load research and tariff development/approval; provide marketing of EE/DSM to customers; act as liaison and support EE/DSM programs with large industrial and commercial users; create and present public education and training demonstrations on EE/DSM programs; provide eServices management; and develop and provide marketing, sales and product support for unregulated, revenue generating services.

Major Outage/Catastrophic Event Management Services: Provide "command and control" management including allocation of resources, communication with MPSC, internal and external stakeholders, coordination with the Mutual Assistance Group, and analysis of operational and performance data from KCP&L GMO systems; act as liaison with government agencies, municipalities and emergency response organizations; and create and conduct training with stakeholders .

Metering and Infrastructure Technology Services: Plan, design and implement integrated technologies to better supply, manage, and enable more efficient use of energy both by the utility and the customer; identify and evaluate existing and emerging technologies in the areas of advanced metering, distribution automation, grid communication networks, advanced control centers, demand response, energy efficiency, as well as the integration of renewable and distributed supply resources; and plan, design and implement metering and meter reading infrastructure.

Resource Management: Provide supervision of resource procurement, including strategic sourcing, vendor alliance development, order management, supplier management, consignment systems and contract governance; manage vegetation management services and infrastructure monitoring and improvements consistent with approved KCP&L GMO vegetation and infrastructure plans; provide supply chain management to drive optimum service, quality and innovation for material, services and fleet management in order to achieve operational excellence and lower operational and maintenance costs; develop policies and implement contract compliance practices to ensure value is captured; provide work management asset tracking services; provide meter procurement and maintenance services; and provide shop services that include equipment testing and reconditioning, welding, mechanical services, pipefitting, plumbing and carpentry.

Safety Training and Incident Response Services: Create and present public safety education and training demonstrations; respond to incidents of personal injury and/or property damage involving employees and/or KCP&L GMO assets; and develop operating and compliance guidelines.

Transmission and Distribution Construction and Maintenance Management: Analyze, coordinate and support work for system expansion, construction, system improvements, and corrective and preventive maintenance; provide patrolling services of infrastructure and equipment; and act as company liaison to customers, municipalities, community organizations and local stakeholders.

Transmission and Distribution Operations and Maintenance: Provide "first response" to outage and irregular system operation reports and analyze, coordinate and support work to restore service and return system to regular operating status.

Transmission, Distribution and Substation Engineering and Asset Management: Analyze, coordinate and support work for delivery and substation system expansion, improvements, and corrective and preventive maintenance; provide engineering, planning, design, trouble-shooting and mapping services; support field personnel in handling right-of-way purchases, right-of-way inquiries, zoning permits and crossing permits; and establish and monitor system-wide electrical standards.

Transmission Policy, Planning and Compliance Services: Develop policies, monitor key developments in the transmission arena, and participate in industry groups and forums relevant to transmission system reliability, operations and policy issues; act as liaison with FERC, NERC, Southwest Power Pool ("SPP"), Midwest Independent Transmission System Operator ("MISO"), Edison Electric Institute ("EEI"), Kansas Electric Transmission Authority ("KETA"), the Transmission Owners and Operators Forum and other organizations and stakeholders; perform analysis and planning of transmission system; negotiate agreements with transmission stakeholders; provide support for real-time transmission system analysis, monitor system reliability and security; respond to threats against system reliability and security; provide compliance review of relevant NERC and FERC standards and policies; administer transmission tariffs; and provide accounting of energy flowing across transmission system and monitor transmission revenues received.

Supply

Supply is responsible for all aspects of providing the electric energy necessary to reliably, and in compliance with applicable laws, fulfill the electric demands of KCP&L GMO customers. In order to effectively meet this obligation, Supply shall provide the following general services to KCP&L GMO: resource planning; plant operations and maintenance; fuel procurement and logistics; generation dispatch; power purchases and sales; new unit construction; and system black-start. These services shall apply to all present and future KCP&L GMO generating facilities. These services also include the optimization of all KCP&L GMO jointly owned units and all capacity and energy contracts that exist or may be entered into from time to time.

KCP&L and KCP&L GMO will be operated and planned for as separate control areas with wholesale transactions governed by applicable FERC tariffs and rules, until and unless otherwise determined by the parties and approved by all applicable regulatory bodies.

Resource Planning: Develop periodic integrated resource plans, capacity testing, reliability reporting, and interconnection applications; coordinate new source review as needed; and maintain fleet generation statistics.

Plant Operations and Maintenance: Conduct safety training, safety incident investigation, training of the operating and maintenance staff; develop/maintain operating procedures; manage operating staff; maintain planning (near term and long term); maintain facilities and equipment; outage planning; maintenance management; contractor management; inventory management; and environmental compliance and reporting.

Fuel Procurement and Logistics: Develop fuel procurement plan, fuel procurement for power production (coal, oil and natural gas); arrange for fuel delivery, nomination of required natural gas deliveries, procurement, delivery of all plant combustion reagents (lime, limestone, ammonia, urea, etc.); fuel handling and storage at the plants; and fuel inventory management, sale or off-site disposal of coal combustion products (including fly ash, bottom ash, and scrubber by-products).

Generation Dispatch: Unit scheduling; maintenance of reserve requirements; coordination with the RTO; and coordination with generating stations and load balancing.

Power Purchases and Sales: Manage day ahead and real time sales and/or purchases to effectively meet customer demand; secure transmission paths; cultivate wholesale customers on both the buy and sell side; track and manage RTO transactions and costs; and manage participation in RTO markets as they become available (energy imbalance market, ancillary services, etc.).

New Unit Construction: Organize and manage the construction efforts necessary to place new generating assets into service or to retro-fit existing facilities with new process equipment necessary to allow the unit to continue to operate, including the removal of abandoned equipment, as may be necessary.

Black Start: Maintain and periodically test the system black-start capability.

Human Resources

Services are provided to KCP&L GMO by employees of KCP&L. Human Resources ("HR") is responsible for the planning, development, and implementation of all aspects of human capital strategy which complements and reinforces the strategies of KCP&L GMO and its affiliates. HR will meet KCP&L GMO's needs through the general services categories described below.

Employee Relations – HR uses a Generalist model in working with operating groups as business partners to ensure close alignment with, and proactive support of, operating needs.

Labor Relations – Provide centralized leadership in working collaboratively with the IBEW locals, including labor strategy, negotiations, grievances, arbitrations, job bidding, and other activities.

Staffing and Recruitment – Ensure a robust pipeline of talent into the organization by creatively sourcing candidates and overseeing/coordinating the recruiting, interviewing, testing, placement, and on-boarding processes; and manage a variety to specialized sourcing programs ranging from college recruiting, internship programs, high programs, diversity programs, and other practices.

Compensation and Benefits – Recommend and develop the overall reward program to ensure the acquisition and retention of talent and effective cost management, including base salary, incentive, and all other benefit and recognition programs; and oversee Affirmative Action Programs.

Safety and Medical – Oversee worker's compensation and return-to-work programs, DOT, and other health and safety programs.

Winning Culture – Work to ensure a workforce that is engaged, innovative, accountable, and high-performing.

Training and Development – Ensure an effective professional workforce through the development/delivery of programs through the GPE University; identify suitable external programs and leadership development opportunities; and identify, coaching, and development of high potential employees; and oversee an assessment center, workforce planning, periodic employee surveys, and effective performance management processes.

Human Resource Information System – Ensure secure and effective systems that allow accurate reporting of employee-related information; develop and implement systems and processes that enable increased employee and manager self-service; and promote and implement process improvements for HR.

HR Service Center - The HR Service Center provides a "one-stop shop" for efficient response to employees' and retirees' HR questions.

HR Strategy and Planning – Ensure awareness of best practices and adopts as appropriate; ensures goals, metrics, and plans are established to enhance service and efficiency; and craft and implement company-wide strategies to address chronic workforce challenges.

Finance and Accounting Services

Finance and Accounting Services ("F&A") is responsible for all aspects of providing services across the organization necessary to support the operations of KCP&L GMO and all other corporate entities. These services are provided by KCP&L to the other entities. F&A will meet KCP&L GMO's need for F&A services through the general services categories described below.

Accounting Systems: Provide system support of financial systems for all entities, including KCP&L GMO. Major financial systems include the PeopleSoft financial and HR systems, CIS+ customer billing system, and the property management system, PowerPlant. System support is categorized into operations and project management functions. The operations function includes; run the month-end financial close process; maintain PeopleSoft and PowerPlant security for the organization; update PeopleSoft chart fields; maintain the PeopleSoft allocation processes; maintain PeopleSoft trees for reporting, and nVision and query development for the organization; including support provided in gathering financial information to respond to regulatory, customer, or audit requests. The project management function includes upgrades and system enhancements and consists of gathering requirements, developing timelines, developing and maintaining test scripts for testing phases, and signoff during implementations.

Accounts Payable: Provide accounts payable transaction processing and reporting for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: Create/maintain vendor profiles; receive/process paper/electronic invoices and payments; prepare vendor 1099s; review/update invoice approval workflow; review/update voucher account coding; reconcile payment records and vendor balances; research/resolve purchase order payment exceptions; provide monthly reporting metrics; and receive/research/provide vendor and/or payment inquiries.

Audit Services: Examine and evaluate the adequacy and effectiveness of the organization's governance, risk management process, internal control system structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. Primary services provided include: review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information; review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations, including relevant provisions of the Sarbanes-Oxley Act of 2002, which could have a significant impact on operations and reports, and assessing whether the organization is in compliance; review the means of safeguarding assets and, as appropriate, verifying the existence of such assets; review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned; review specific matters at the request of the audit committee or management, as appropriate; monitor and evaluate the effectiveness of the organization's risk management system; and review, where contractually authorized, accounting and other relevant records of joint ventures, contractors, suppliers, and other third party business associates.

Corporate Accounting: Maintain the accounting books and records of all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: establish and maintain accounting policies and procedures; establish and monitor internal controls; record revenues, operation and maintenance expenses, other income/expense and assets and liabilities, and analyze activity in accounts; and perform account monitoring and reconciliations, management reports, certain regulatory reports and provide financial support to operations, regulatory affairs and other internal customers, as requested.

Corporate Finance: Direct the Company's corporate finance function, which includes the development, analysis, and implementation of financial plans and capital structure so as to maintain continuous access to capital at the lowest overall cost. Primary services provided include: prepare documentation and satisfy the filing requirements associated with the Company's financing and lead negotiations of specific costs and terms of security issues and/or leases by working directly with the underwriters; minimize the cost of debt by managing the variable rate debt portfolio utilizing interest rate management products; support the Company's regulatory efforts, including cost of capital analysis / testimony preparation assistance; primary day-to-day management of relationships with rating agencies, members of the Company's bank group and any other investment banks; and preparation of financial materials for internal and external stakeholders as requested and required.

Corporate Planning & Budgeting: Develop budgets and financial forecasts for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: collection of departmental operating and capital budgets; allocation of budgeted pension and benefit costs, jointly owned facilities, and other allocable costs between business units; and development of forecasted financial statements as needed.

Corporate Treasury: Responsible for all cash management activities, including short-term financing facilities, for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: maintain an appropriate level of liquidity through supervision of cash management activities, maintenance of banking relationships and accessing of capital markets for longer-term funding; issue commercial paper or draw on credit facilities as needed, keeping an appropriate maturity ladder; conduct intra-company lending/borrowing to share liquidity within the corporation and minimize idle balances; oversee issuance of letters of credit and guarantees; assist Enterprise Risk in monitoring and maintaining credit support; maintain banking and brokerage relationships, negotiate lines of credit and determine banking/treasury management services to use; monitor and manage investment portfolios in compliance with the corporate investment policy; supervise remittance processing activities in coordination with the Customer Service division; establish and monitor external remittance processing agents (lockbox, direct debit, pay-stations, credit/debit cards, etc.) so to offer customers, reliable, lost cost service; assist in the issuance of capital market securities; provide input in the determination of desired capital structure through detailed cash forecasting; assure compliance with Sarbanes-Oxley requirements and maintenance of proper documentation and controls; provide information for rate cases, regulatory filings, financings and other applications; develop and maintain department policies; create and maintain a corporate wide investment policy; and oversee required accounting and record keeping to maintain the general ledger and reconcile cash accounts.

Income and Transaction Taxes: Responsible for all aspects of maintaining the tax books and records of all Great Plains Energy entities, including KCP&L GMO. Tax services can be categorized in five major functions providing the primary services as follows: prepare, review and file all consolidated and separate federal, state and local income, franchise, sales, use, gross receipts, fuel excise, property and other miscellaneous tax returns and payments; research tax issues and questions, including interpretation of rules and proceedings, develop short and long range planning for all types of taxes and monitor and review new or proposed tax laws, regulations, court decisions and industry positions; provide tax data for budget estimates and rate cases, provide reports of tax activity and projected cash requirements and prepare, review and record tax data for financial reports; supervise and review tax audit activities; respond to vendor-related tax matters associated with tax compliance or tax saving opportunities and process customer tax refunds and adjustments to customer accounts.

Insurance: Provide the following insurance services: place and administer Property and Casualty insurance policies, including Property, Liability, Workers Compensation and Management Liability; file and manage Property insurance claims; review contracts and agreements as needed for adequacy of insurance provisions; issue Certificates of Insurance and other evidence of coverage; and place and administer bonds.

Property Accounting: Maintain all fixed asset and intangible property records for all Great Plains Energy entities, including KCP&L GMO. Primary services provided include: set up, maintain and close capital projects; provide analysis of capital projects; calculate, record and report AFUDC; maintain fixed assets and accumulated depreciation; perform month end close processes; support billing of joint owner projects; support construction projects, including those associated with the Comprehensive Energy Plan; and perform processes to support day-to-day property accounting activity and prepare necessary internal and external reports, and support regulatory filings and depreciation studies.

Regulatory Accounting: Serve as the primary liaison between the Regulatory Affairs and Accounting Services teams and provide Accounting Services support for all jurisdictional filings and regulatory reporting for the Company, including KCP&L GMO. Primary services provided include: primary accounting support of rate case process including accounting adjustment planning and preparation; primary accounting support and data request response preparation and review; support of rate case process for accounting focused issue areas; regulatory reporting preparation and filing for all jurisdictional areas including the preparation of the annual FERC Form 1 and quarterly FERC Form 3-Q and certain other monthly, quarterly and annual statistical reports and jurisdictional surveillance reporting; development, tracking and reporting of all merger synergies and transition costs created/incurred across the organization, as relates to the acquisition of KCP&L GMO; and maintenance, review and analysis of critical revenue requirement input components, including regulatory asset and liability tracking and maintenance, debt assignment process maintenance and tracking and FERC account activity analysis for rate case adjustment impacts.

Risk Management: Provide the following risk management services on behalf of KCP&L GMO: credit risk management to include complete credit reviews for wholesale counterparties; develop, gather data, manage, create and maintain financial, reliability and accounting reports; develop credit limits for wholesale counterparties and monitor credit exposure on an ongoing basis; manage collateral requirements with wholesale counterparties and manage daily margining requirements; review contracts and agreements for adequacy of credit risk provisions; monitor the external credit markets and develop policies and procedures to help mitigate potential credit risks; prepare and file compliance related reporting; market risk management which includes monitor wholesale commodity transactions and verify that transaction types are covered by risk control policies, monitor wholesale commodity transactions and monitor compliance with risk control limits; develop market volatility curves for new transaction locations and commodities within the deal capture system; monitor the wholesale power and gas markets and develop policies and procedures to help mitigate market risks; and prepare and file compliance related reporting.

Strategic Planning and Development: Provide strategy development and coordination in the following areas: manage the development and approval process for the Company's long term strategic plans; coordinate strategic planning for major asset decisions; coordinate internal and public policy positions on renewable energy, climate change, nuclear power, energy efficiency and other energy related issues; and develop and manage renewable energy resource strategy and development of the renewable resource portfolio.

Legal and Environmental Services

Legal and Environmental Services is responsible for providing legal advice and representation and environmental services to KCP&L GMO. The following is a representative list of the types of services provided.

Legal Advice and Representation: Advise and represent KCP&L GMO concerning anticipated and pending litigation matters, contract negotiation and administration, general corporate matters and regulatory compliance, including the representation of KCP&L GMO before the MPSC, the FERC, and other regulatory bodies; provide legal advice and support for securities filings, financings and their administration; and provide legal advice and support for other transactions and matters as requested.

Environmental Services: Advise KCP&L GMO concerning compliance with all applicable environmental laws and regulations, including the obtainment of any requisite environmental permits related to KCP&L GMO's operations.

Regulatory Affairs

Regulatory Affairs is responsible for all aspects of providing services across the organization necessary to support the regulatory strategies that achieve corporate goals and which satisfy the requirements of regulatory policies, rules and procedures for KCP&L GMO The following is a representative list of the types of services provided.

Maintain a working knowledge state and federal regulatory practices, rules and regulations, KCP&L GMO tariffs, regulatory affairs activities of other utilities, and regulatory trends; contribute to the achievement of corporate goals by developing regulatory strategies to enhance earnings, mitigate risk, and guide regulatory and legislative industry restructuring; provide justification for KCP&L GMO's need for changes in rate levels by directing the preparation of filing requirements and responses to Commission complaint investigations, and by submitting testimony; build relationships with state and federal regulators, and consumer counsels; represent KCP&L GMO by serving as a regulatory expert before regulatory commissions, legislatures, and other public forums; work with the Commission and staff of the Missouri Public Service Commission, FERC and legislative committees to establish regulatory policy; oversee economic, engineering, and financial analysis in relation to revenues and costs, day-to day administration of rates, rules, regulations, and tariff filings, review and strategy of revenue requirements, determination of rate designs, and revenue verification; contribute to the development of revenue and resource planning by providing review of cost studies and by participating in the development and review of KCP&L GMO objectives and strategies; and provide information and training to other divisions (departments) on regulatory requirements, rates, rules, and regulations and provide assistance to operational departments in fulfilling regulatory requirements.

Corporate Secretary and Governance

These functions are primarily responsible for ensuring compliance with applicable corporation laws and regulations, the requirements of organizational documents, and appropriate corporate governance principles. These functions are also responsible for the design, maintenance and administration of director and officer compensation programs. The following is a representative list of the types of services provided: prepare and maintain Board and Committee communications, minutes, materials and other corporate documents; provide advice and analysis to directors and officers on current and emerging corporate governance matters, and recommend appropriate actions in light of those matters; prepare and file all documents necessary to maintain the corporate existence of KCP&L GMO and its subsidiaries; ensure that KCP&L GMO conducts its business in compliance with applicable corporate legal and organizational requirements; act as a liaison between management and the Board of Directors; design, maintain and administer director and officer compensation programs; and provide corporate compliance program management, support and training.