

**(b) Electric plant to be recorded at cost.**

**(1)** All amounts included in the accounts for electric plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other electric plant shall be included in the accounts at the cost incurred by the utility except for property acquired by lease which qualifies as capital lease property under § 1767.15 (s), Criteria for Classifying Leases, and is recorded in Account 101.1, Property Under Capital Lease, or Account 120.6, Nuclear Fuel Under Capital Leases. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph (b).

**(2)** When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis (see, however, the definition of cost in § 1767.10). In the entry recording such transition, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish RUS the particulars of its determination of the cash value of the consideration if other than cash.

**(3)** When property is purchased under a plan involving deferred payments, no charge shall be made to the electric plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

**(4)** The electric plant accounts shall not include the cost or other value of electric plant contributed to the company. Contributions in the form of money or its equivalent toward the construction of electric plants shall be credited to accounts charged with the cost of such construction. Plant constructed from contributions of cash or its equivalent shall be shown as a reduction to gross plant constructed when assembling cost data in work orders for posting to plant ledgers of accounts. The accumulated gross cost of plant accumulated in the work order shall be recorded as a debit in the plant ledger of accounts along with the related amount of contributions concurrently be recorded as a credit.

**(c) Components of construction cost.** The cost of construction properly includible in the electric plant accounts shall include, where applicable, the direct and overhead costs as listed and defined hereunder:

**(1) Contract work** includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work.

**(2) Labor** includes the pay and expenses of employees of the utility engaged on construction work, and related workmen's compensation insurance, payroll taxes, and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

**(3) Materials and supplies** includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

**NOTE:**

The cost of individual items of equipment of small value (for example, \$500 or less) or of short life, including small portable tools and implements, shall not be charged to utility plant accounts unless the correctness of the accounting therefor is verified by current inventories. The cost shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction.

**(4) Transportation** includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment. (See Item in paragraph (c)(5) of this section.)

**(5) Special machine service** includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental, maintenance and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See Item in paragraph (c)(3) of this section.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage



value at time of release from the job, shall be include in the cost of construction.

**(6)Shop service** includes the proportion of the expense of the utility's shop department assignable to construction work except that the cost of fabricated materials from the utility's shop shall be included in "materials and supplies."

**(7)Protection** includes the cost of protecting the utility's property from fire or other casualties and the cost of preventing damages to others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.

**(8)Injuries and damages** includes expenditures or losses in connection with construction work on account of injuries to persons and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries to persons incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on account of property damages incident to construction shall be credited to the account or accounts charged with the cost of the damages.

**(9)Privileges and permits** includes payments for and expenses incurred in securing temporary privileges, permits or rights in connection with construction work, such as for the use of private or public property, streets, or highways, but it does not include rents, or amounts chargeable as franchises and consents for which see Account 302, Franchises and Consents.

**(10)Rents** includes amounts paid for the use of construction quarters and office space occupied by construction forces and amounts properly includible in construction costs for such facilities jointly used.

**(11)Engineers and supervision** includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work.

**(12)General administration capitalized** includes the portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.

**(13)Engineering services** includes amounts paid to other companies, firms, or individuals engaged by the utility to plan, design, prepare

estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

**(14) Insurance** includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty, injuries or deaths of persons other than employees, damages to property of others, defalcation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as "labor" in Item in paragraph (c)(2) of this section.

**(15) Law expenditures** includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in "Protection," Item in paragraph (c)(7) of this section, and in Injuries and damages, Item in paragraph (c)(8) of this section.

**(16) Taxes** includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

**(17) Allowance for funds used during construction** includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used, not to exceed, without prior approval of RUS, allowances computed in accordance with the formula prescribed in Item in paragraph (c)(17)(i) of this section. No allowance for funds used during construction charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

**(i)** The formula and elements for the computation of the allowance for funds used during construction shall be:

$$A_i = s \left( \frac{S}{W} \right) + d \left( \frac{D}{D+P+C} \right) \left[ 1 - \frac{S}{W} \right]$$

$$A_c = \left[ 1 - \frac{S}{W} \right] \left[ P \left( \frac{P}{D+P+C} \right) + c \left( \frac{C}{D+P+C} \right) \right]$$

Where:

$A_i$  = Gross allowance for borrowed funds used during construction rate.

$A_c$  = Allowance for other funds used during construction rate.



S = Average short-term debt.  
s = Short-term debt interest rate.  
D = Long-term debt.  
d = Long-term debt interest rate.  
P = Preferred stock.  
p = Preferred stock cost rate.  
C = Patronage capital assigned.  
c = Entity's incremental borrowing rate.  
W = Average balance in construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment, and fabrication, less asset retirement costs related to plant under construction.

(ii) The rate shall be determined annually.

(A) The balance for long-term debt, preferred stock, and patronage capital assigned shall be the actual book balances as of the end of the prior year.

(B) The cost rate for long-term debt and preferred stock shall be the weighted average cost.

(C) The cost rate for patronage capital assigned shall be the entity's incremental borrowing rate.

(D) The short-term debt balances and related cost and the average balance for construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment, and fabrication shall be estimated for the current year with appropriate adjustments as actual data becomes available.

**NOTE:**

When only a portion of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation or ready for service shall be treated as "Electric Plant in Service," and an allowance for funds used during construction thereon as a charge to construction shall cease. Allowance for funds used during construction on that part of the cost of the plant which is incomplete may continue to be charged to construction until such time as it is placed in operation or is ready for service, except as limited in Item in paragraph (c)(17) of this section.

**(18) Earnings and expenses during construction.** The earnings and expenses during construction shall constitute a component of construction costs.

(i) The earnings shall include revenues received or earned for power produced by generating plants during the construction period and sold or used by the utility.

**(A)** Where such power is sold to an independent purchaser before intermingling with power generated by other plants, the credit shall consist of the selling price of the energy.

**(B)** Where the power generated by a plant under construction is delivered to the utility's electric system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the energy so delivered.

**(C)** Revenue shall also include rentals for lands, buildings, and other property, and miscellaneous receipts not properly includible in other accounts.

**(ii)** Expenses shall consist of the cost of operating the power plant, and other costs incident to the production and delivery of the power for which construction is credited under paragraph (c)(18)(i) of this section, including the cost of repairs and other expenses of operating and maintaining lands, buildings, and other property, and other miscellaneous and like expenses not properly includible in other accounts.

**(19) Training costs.**

**(i)** When it is necessary that employees be trained to operate or maintain plant facilities that are being constructed and such facilities are not conventional in nature, or are new to the company's operations, these costs may be capitalized as a component of construction cost.

**(ii)** Once plant is placed in service, the capitalization of training costs shall cease and subsequent training costs shall be expensed. (See § 1767.17 (d).)

**(20) Studies.**

**(i)** Studies include the costs of studies such as nuclear operational, safety, or seismic studies, or environmental studies mandated by regulatory bodies relative to plant under construction.

**(ii)** Studies relative to facilities in service shall be charged to Account 183, Preliminary Survey and Investigation Charges.

**(21)** Asset retirement. The costs recognized as a result of asset retirement obligations incurred during the construction and testing of utility plant shall constitute a component of construction costs.

**(d) Overhead construction costs.**



**(1)** All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision performed by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts as the time the property is retired.

**(2)** As far as practicable, the determination of payroll charges includible in construction overheads shall be based on time card distributions thereof.

**(i)** Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized.

**(ii)** The addition to direct construction cost of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

**(3)** The records supporting the entries for overhead constructions costs shall be so kept as to show:

**(i)** The total amount of each overhead for each year;

**(ii)** The nature and amount of each overhead expenditure charged to each construction work order and to each electric plant account; and

**(iii)** The bases of distribution of such costs.

<https://www.law.cornell.edu/cfr/text/7/1767.16>

The total fair value of shares of Director Deferred Share Units issued was insignificant for 2017 and 2016. Director Deferred Share Units activity is summarized in the following table.

	Share Units	Grant Date Fair Value*
Beginning balance January 1, 2017	138,587	\$ 23.96
Issued	23,435	30.09
Converted	(22,871)	21.81
Ending balance December 31, 2017	139,151	25.35

\* weighted-average

## 11. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

### Great Plains Energy's \$200 Million Revolving Credit Facility

Great Plains Energy's \$200 million revolving credit facility with a group of banks expires in October 2019. The facility's terms permit transfers of unused commitments between this facility and the KCP&L and GMO facilities discussed below, with the total amount of the facility not exceeding \$400 million at any one time. A default by Great Plains Energy or any of its significant subsidiaries on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At December 31, 2017, Great Plains Energy was in compliance with this covenant. At December 31, 2017, Great Plains Energy had \$11.0 million of outstanding cash borrowings at a weighted-average interest rate of 2.94% and had issued \$1.0 million in letters of credit under the credit facility. At December 31, 2016, Great Plains Energy had no outstanding cash borrowings and had issued \$1.0 million in letters of credit under the credit facility.

### KCP&L's \$600 Million Revolving Credit Facility and Commercial Paper

KCP&L's \$600 million revolving credit facility with a group of banks provides support for its issuance of commercial paper and other general corporate purposes and expires in October 2019. Great Plains Energy and KCP&L may transfer up to \$200 million of unused commitments between Great Plains Energy's and KCP&L's facilities. A default by KCP&L on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At December 31, 2017, KCP&L was in compliance with this covenant. At December 31, 2017, KCP&L had \$167.5 million of commercial paper outstanding at a weighted-average interest rate of 1.95%, had issued letters of credit totaling \$2.7 million and had no outstanding cash borrowings under the credit facility. At December 31, 2016, KCP&L had \$132.9 million of commercial paper outstanding at a weighted-average interest rate of 0.98%, had issued letters of credit totaling \$2.8 million and had no outstanding cash borrowings under the credit facility.

### GMO's \$450 Million Revolving Credit Facility and Commercial Paper

GMO's \$450 million revolving credit facility with a group of banks provides support for its issuance of commercial paper and other general corporate purposes and expires in October 2019. Great Plains Energy and GMO may transfer up to \$200 million of unused commitments between Great Plains Energy's and GMO's facilities. A default by GMO or any of its significant subsidiaries on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, GMO is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At December 31, 2017, GMO was in compliance with this covenant. At December 31, 2017, GMO had \$209.3 million of commercial paper outstanding at a weighted-average interest rate of 1.85%, had issued letters of credit totaling \$2.1 million and had no outstanding cash borrowings under the credit facility. At December 31, 2016, GMO had \$201.9 million of commercial paper outstanding at a weighted-average interest rate of 1.02%, had issued letters of credit totaling \$1.9 million and had no outstanding cash borrowings under the credit facility.



10 Q 1st QTR 2018

PART II

ITEM 1. FINANCIAL STATEMENTS

GREAT PLAINS ENERGY INCORPORATED  
Consolidated Balance Sheets  
(Unaudited)

	March 31 2018	December 31 2017
(millions, except share amounts)		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,142.1	\$ 1,125.4
Receivables, net	108.2	151.7
Accounts receivable pledged as collateral	180.0	180.0
Fuel inventories, at average cost	105.0	103.2
Materials and supplies, at average cost	172.3	171.2
Deferred refueling outage costs	5.9	6.8
Interest rate derivative instruments	98.4	91.4
Prepaid expenses and other assets	37.7	33.4
<b>Total</b>	<b>1,849.6</b>	<b>1,863.1</b>
<b>Utility Plant, at Original Cost</b>		
Electric	13,733.1	13,674.1
Less - accumulated depreciation	5,305.1	5,224.0
Net utility plant in service	8,428.0	8,450.1
Construction work in progress	494.4	458.6
Plant to be retired, net	142.0	143.6
Nuclear fuel, net of amortization of \$211.9 and \$204.2	65.7	72.4
<b>Total</b>	<b>9,130.1</b>	<b>9,124.7</b>
<b>Investments and Other Assets</b>		
Nuclear decommissioning trust fund	255.3	258.4
Regulatory assets	901.7	913.9
Goodwill	169.0	169.0
Other	142.7	128.8
<b>Total</b>	<b>1,468.7</b>	<b>1,470.1</b>
<b>Total</b>	<b>\$ 12,448.4</b>	<b>\$ 12,457.9</b>

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

GPE CWIP	<u>3/31/18</u> \$ 494.4	<u>12/31/17</u> \$ 458.6	Above
KCPK CWIP	384.7	350.3	
GMO CWIP	\$ 169.7	\$ 108.3	pg. 12 of 10 Q
GMO S.T. Debt	\$ 235.5	\$ 209.3	pg. 29 of 10 Q
Excess S.T. Debt (S.T. Debt - GMO CWIP)	\$ 125.3	\$ 101.0	
Interest Rate	<u>2.38%</u>	<u>1.85%</u>	pg. 29 of 10 Q

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**GREAT PLAINS ENERGY INCORPORATED**  
**Consolidated Balance Sheets**  
(Unaudited)

	March 31 2018	December 31 2017
<b>LIABILITIES AND CAPITALIZATION</b>		
(millions, except share amounts)		
<b>Current Liabilities</b>		
Notes payable	\$ 23.0	\$ 11.0
Collateralized note payable	180.0	180.0
Commercial paper	523.8	376.8
Current maturities of long-term debt	1.1	351.1
Accounts payable	186.0	340.0
Accrued taxes	72.7	35.1
Accrued interest	57.4	42.8
Accrued compensation and benefits	40.4	50.1
Pension and post-retirement liability	2.7	2.7
Other	62.9	59.2
<b>Total</b>	<b>1,150.0</b>	<b>1,448.8</b>
<b>Deferred Credits and Other Liabilities</b>		
Deferred income taxes	639.5	621.7
Deferred tax credits	124.5	124.8
Asset retirement obligations	257.5	262.5
Pension and post-retirement liability	532.4	535.0
Regulatory liabilities	1,112.4	1,106.3
Other	81.8	81.4
<b>Total</b>	<b>2,748.1</b>	<b>2,731.7</b>
<b>Capitalization</b>		
Great Plains Energy shareholders' equity		
Common stock - 600,000,000 shares authorized without par value 215,886,844 and 215,801,723 shares issued, stated value	4,232.1	4,233.1
Retained earnings	713.6	737.9
Treasury stock - 90,960 and 137,589 shares, at cost	(2.7)	(4.0)
Accumulated other comprehensive loss	(1.2)	(2.2)
<b>Total shareholders' equity</b>	<b>4,941.8</b>	<b>4,964.8</b>
Long-term debt (Note 11)	3,608.5	3,312.6
<b>Total</b>	<b>8,550.3</b>	<b>8,277.4</b>
<b>Commitments and Contingencies (Note 12)</b>		
<b>Total</b>	<b>\$ 12,448.4</b>	<b>\$ 12,457.9</b>

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.



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**KANSAS CITY POWER & LIGHT COMPANY**  
**Consolidated Balance Sheets**  
(Unaudited)

	March 31 2018	December 31 2017
(millions, except share amounts)		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 13.8	\$ 2.2
Receivables, net	74.3	106.3
Related party receivables	69.1	84.7
Accounts receivable pledged as collateral	130.0	130.0
Fuel inventories, at average cost	72.0	71.0
Materials and supplies, at average cost	127.8	126.0
Deferred refueling outage costs	5.9	6.8
Refundable income taxes	7.2	5.4
Prepaid expenses and other assets	31.3	27.6
Total	531.4	560.0
<b>Utility Plant, at Original Cost</b>		
Electric	10,251.8	10,213.2
Less - accumulated depreciation	4,130.0	4,070.3
Net utility plant in service	6,121.8	6,142.9
Construction work in progress	384.7	350.3
Nuclear fuel, net of amortization of \$211.9 and \$204.2	65.7	72.4
Total	6,572.2	6,565.6
<b>Investments and Other Assets</b>		
Nuclear decommissioning trust fund	255.3	258.4
Regulatory assets	681.9	691.9
Other	49.5	48.0
Total	986.7	998.3
Total	\$ 8,090.3	\$ 8,123.9



The disclosures regarding KCP&L included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

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**KANSAS CITY POWER & LIGHT COMPANY**  
**Consolidated Balance Sheets**  
(Unaudited)

	March 31 2018	December 31 2017
<b>LIABILITIES AND CAPITALIZATION</b>		
(millions, except share amounts)		
<b>Current Liabilities</b>		
Collateralized note payable	\$ 130.0	\$ 130.0
Commercial paper	288.3	167.5
Current maturities of long-term debt	—	350.0
Accounts payable	147.6	249.0
Accrued taxes	55.8	29.0
Accrued interest	40.7	32.4
Accrued compensation and benefits	40.4	50.1
Pension and post-retirement liability	1.4	1.4
Other	50.7	46.8
Total	754.9	1,056.2
<b>Deferred Credits and Other Liabilities</b>		
Deferred income taxes	628.3	616.1
Deferred tax credits	121.5	121.8
Asset retirement obligations	227.0	231.4
Pension and post-retirement liability	509.7	512.2
Regulatory liabilities	782.7	779.2
Other	62.6	61.6
Total	2,331.8	2,322.3
<b>Capitalization</b>		
Common shareholder's equity		
Common stock - 1,000 shares authorized without par value		
1 share issued, stated value	1,563.1	1,563.1
Retained earnings	909.9	949.7
Accumulated other comprehensive income	1.3	0.4
Total	2,474.3	2,513.2
Long-term debt (Note 11)	2,529.3	2,232.2
Total	5,003.6	4,745.4
<b>Commitments and Contingencies (Note 12)</b>		
Total	\$ 8,090.3	\$ 8,123.9

The disclosures regarding KCP&L included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.



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**KANSAS CITY POWER & LIGHT COMPANY**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

Three Months Ended March 31	2018	2017
<b>Cash Flows from Operating Activities</b>	(millions)	
Net income	\$ 20.2	\$ 14.2
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	66.9	65.3
Amortization of:		
Nuclear fuel	7.7	8.0
Other	6.6	8.1
Deferred income taxes, net	5.6	9.2
Investment tax credit amortization	(0.3)	(0.3)
Other operating activities (Note 4)	(1.7)	(21.1)
Net cash from operating activities	<u>105.0</u>	<u>83.4</u>
<b>Cash Flows from Investing Activities</b>		
Utility capital expenditures	(93.5)	(84.0)
Allowance for borrowed funds used during construction	(2.0)	(1.2)
Purchases of nuclear decommissioning trust investments	(12.1)	(5.9)
Proceeds from nuclear decommissioning trust investments	11.3	5.0
Other investing activities	(4.5)	(5.1)
Net cash from investing activities	<u>(100.8)</u>	<u>(91.2)</u>
<b>Cash Flows from Financing Activities</b>		
Issuance of long-term debt	299.7	—
Issuance fees	(3.1)	—
Repayment of long-term debt	(350.0)	—
Net change in short-term borrowings	120.8	62.4
Dividends paid to Great Plains Energy	(60.0)	(57.0)
Net cash from financing activities	<u>7.4</u>	<u>5.4</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>11.6</u>	<u>(2.4)</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>2.2</u>	<u>4.5</u>
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 13.8</u>	<u>\$ 2.1</u>

The disclosures regarding KCP&L included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

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### Performance Shares

Performance share activity for the three months ended March 31, 2018, is summarized in the following table.

	Performance Shares	Grant Date Fair Value*
Beginning balance January 1, 2018	545,087	\$ 29.12
Granted	209,937	29.35
Earned	(115,833)	24.01
Forfeited	(2,097)	30.65
Performance adjustment	(49,052)	24.01
Ending balance March 31, 2018	588,042	30.63

\* weighted-average

At March 31, 2018, the remaining weighted-average contractual term was 1.8 years. The weighted-average grant-date fair value of shares granted was \$29.35 and \$31.26 for the three months ended March 31, 2018, and 2017, respectively. At March 31, 2018, there was \$10.7 million of total unrecognized compensation expense, net of forfeiture rates, related to performance shares granted under the Long-Term Incentive Plan, which will be recognized over the remaining weighted-average contractual term. The total fair value of performance shares earned and paid was \$2.8 million and \$5.3 million for the three months ended March 31, 2018, and 2017, respectively.

The fair value of performance share awards is estimated using the market value of the Company's stock at the valuation date and a Monte Carlo simulation technique that incorporates assumptions for inputs of expected volatilities, dividend yield and risk-free rates. Expected volatility is based on daily stock price change during a historical period commensurate with the remaining term of the performance period of the grant. The risk-free rate is based upon the rate at the time of the evaluation for zero-coupon government bonds with a maturity consistent with the remaining performance period of the grant. The dividend yield is based on the most recent dividends paid and the actual closing stock price on the valuation date. For shares granted in 2018, inputs for expected volatility, dividend yield and risk-free rates were 17%, 3.72% and 2.34%, respectively.

### Restricted Stock

Restricted stock activity for the three months ended March 31, 2018, is summarized in the following table.

	Nonvested Restricted Stock	Grant Date Fair Value*
Beginning balance January 1, 2018	192,402	\$ 27.87
Granted and issued	70,001	29.08
Vested	(56,878)	26.12
Forfeited	(700)	28.87
Ending balance March 31, 2018	204,825	28.77

\* weighted-average

At March 31, 2018, the remaining weighted-average contractual term was 1.9 years. The weighted-average grant-date fair value of shares granted was \$29.08 and \$28.60 for the three months ended March 31, 2018, and 2017, respectively. At March 31, 2018, there was \$3.5 million of total unrecognized compensation expense, net of forfeiture rates, related to nonvested restricted stock granted under the Long-Term Incentive Plan, which will be recognized over the remaining weighted-average contractual term. Total fair value of shares vested was \$1.5 million and \$2.3 million for the three months ended March 31, 2018, and 2017, respectively.

## 10. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

### Great Plains Energy's \$200 Million Revolving Credit Facility

Great Plains Energy's \$200 million revolving credit facility with a group of banks expires in October 2019. The facility's terms permit transfers of unused commitments between this facility and the KCP&L and GMO facilities



discussed below, with the total amount of the facility not exceeding \$400 million at any one time. A default by Great Plains Energy or any of its significant subsidiaries on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At March 31, 2018, Great Plains Energy was in compliance with this covenant. At March 31, 2018, Great Plains Energy had \$23.0 million of outstanding cash borrowings at a weighted-average interest rate of 3.23% and had issued \$1.0 million in letters of credit under the credit facility. At December 31, 2017, Great Plains Energy had \$11.0 million of outstanding cash borrowings at a weighted-average interest rate of 2.94% and had issued \$1.0 million in letters of credit under the credit facility.

**KCP&L's \$600 Million Revolving Credit Facility and Commercial Paper**

KCP&L's \$600 million revolving credit facility with a group of banks provides support for its issuance of commercial paper and other general corporate purposes and expires in October 2019. Great Plains Energy and KCP&L may transfer up to \$200 million of unused commitments between Great Plains Energy's and KCP&L's facilities. A default by KCP&L on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At March 31, 2018, KCP&L was in compliance with this covenant. At March 31, 2018, KCP&L had \$288.3 million of commercial paper outstanding at a weighted-average interest rate of 2.39%, had issued letters of credit totaling \$2.7 million and had no outstanding cash borrowings under the credit facility. At December 31, 2017, KCP&L had \$167.5 million of commercial paper outstanding at a weighted-average interest rate of 1.95%, had issued letters of credit totaling \$2.7 million and had no outstanding cash borrowings under the credit facility.

**GMO's \$450 Million Revolving Credit Facility and Commercial Paper**

GMO's \$450 million revolving credit facility with a group of banks provides support for its issuance of commercial paper and other general corporate purposes and expires in October 2019. Great Plains Energy and GMO may transfer up to \$200 million of unused commitments between Great Plains Energy's and GMO's facilities. A default by GMO or any of its significant subsidiaries on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, GMO is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At March 31, 2018, GMO was in compliance with this covenant. At March 31, 2018, GMO had \$235.5 million of commercial paper outstanding at a weighted-average interest rate of 2.38%, had issued letters of credit totaling \$2.1 million and had no outstanding cash borrowings under the credit facility. At December 31, 2017, GMO had \$209.3 million of commercial paper outstanding at a weighted-average interest rate of 1.85%, had issued letters of credit totaling \$2.1 million and had no outstanding cash borrowings under the credit facility.

requirements, for CCR units. The rule took effect in October 2015 with various obligations effective at specified times within the rule. Estimated capital costs to comply with the CCR rule are included in the estimated capital expenditures table above. Certain requirements of the rule would require Great Plains Energy or KCP&L to expedite or incur additional capital expenditures in the future.

Great Plains Energy and KCP&L have AROs on their balance sheets for closure and post-closure of ponds and landfills containing CCRs. Certain requirements of the rule could in the future require further evaluation of the expected method of compliance and refinement of assumptions underlying the cost estimates for closure and post-closure. Great Plains Energy's and KCP&L's AROs could increase from the amounts presently recorded.

#### ***Remediation***

Certain federal and state laws, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), hold current and previous owners or operators of contaminated facilities and persons who arranged for the disposal or treatment of hazardous substances liable for the cost of investigation and cleanup. CERCLA and other laws also authorize the EPA and other agencies to issue orders compelling potentially responsible parties to clean up sites that are determined to present an actual or potential threat to human health or the environment. GMO retains some environmental liability for several operations and investments it no longer owns. In addition, GMO also owns, or has acquired liabilities from companies that once owned or operated, former manufactured gas plant (MGP) sites, which are subject to the supervision of the EPA and various state environmental agencies.

At March 31, 2018 and December 31, 2017, KCP&L had \$0.3 million accrued for environmental remediation expenses, which covers ground water monitoring at a former MGP site. The amount accrued was established on an undiscounted basis and KCP&L does not currently have an estimated time frame over which the accrued amount may be paid.

In addition to the \$0.3 million accrual above, at March 31, 2018 and December 31, 2017, Great Plains Energy had \$1.5 million accrued for the future investigation and remediation of certain additional GMO identified MGP sites and retained liabilities. This estimate was based upon review of the potential costs associated with conducting investigative and remedial actions at identified sites, as well as the likelihood of whether such actions will be necessary. This estimate could change materially after further investigation, and could also be affected by the actions of environmental agencies and the financial viability of other potentially responsible parties; however, given the uncertainty of these items the possible loss or range of loss in excess of the amount accrued is not estimable.

GMO has pursued recovery of remediation costs from insurance carriers and other potentially responsible parties. As a result of a settlement with an insurance carrier, approximately \$1.6 million in insurance proceeds less an annual deductible is available to GMO to recover qualified MGP remediation expenses. GMO would seek recovery of additional remediation costs and expenses through rate increases; however, there can be no assurance that such rate increases would be granted.

### **13. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS**

KCP&L employees manage GMO's business and operate its facilities at cost, including GMO's 18% ownership interest in KCP&L's Iatan Nos. 1 and 2. The operating expenses and capital costs billed from KCP&L to GMO were \$46.4 million and \$47.9 million, respectively, for the three months ended March 31, 2018 and 2017.



## Table of Contents

KCP&L and GMO are also authorized to participate in the Great Plains Energy money pool, an internal financing arrangement in which funds may be lent on a short-term basis to KCP&L and GMO from Great Plains Energy and between KCP&L and GMO. At March 31, 2018 and December 31, 2017, KCP&L had no outstanding receivables or payables under the money pool.

The following table summarizes KCP&L's related party net receivables.

	March 31 2018	December 31 2017
		(millions)
Net receivable from GMO	\$ 50.5	\$ 65.8
Net receivable from Great Plains Energy	18.6	18.9

## 14. FAIR VALUE MEASUREMENTS

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad categories, giving the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. A definition of the various levels, as well as discussion of the various measurements within the levels, is as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that Great Plains Energy and KCP&L have access to at the measurement date.

Level 2 – Market-based inputs for assets or liabilities that are observable (either directly or indirectly) or inputs that are not observable but are corroborated by market data.

Level 3 – Unobservable inputs, reflecting Great Plains Energy's and KCP&L's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Great Plains Energy and KCP&L record cash and cash equivalents and short-term borrowings on the balance sheet at cost, which approximates fair value due to the short-term nature of these instruments.

### Interest Rate Derivatives

In June 2016, Great Plains Energy entered into four interest rate swaps, with a total notional amount of \$4.4 billion, to hedge against interest rate fluctuations on future issuances of long-term debt expected to be issued to finance a portion of the cash consideration for the acquisition of Westar under the Original Merger Agreement. The interest rate swaps were designated as economic hedges (non-hedging derivatives). Settlement of the interest rate swaps was contingent on the consummation of the acquisition of Westar. In March 2017, in connection with Great Plains Energy's \$4.3 billion senior note issuance, the settlement value of the interest rate swaps to Great Plains Energy of \$140.6 million was fixed.

In July 2017, the interest rate swap agreements were amended to make their cash settlement contingent on the consummation of the anticipated merger with Westar under the Amended Merger Agreement by November 30, 2018. Also in July 2017, Great Plains Energy redeemed its \$4.3 billion senior notes that the interest rate swaps were entered into to hedge.

The fair value of the interest rate swaps recorded on Great Plains Energy's balance sheets reflects a contingency factor that management believes is representative of what a market participant would use in valuing these instruments in order to account for the contingent nature of the cash settlement of the interest rate swaps. The contingency factor was 0.3 and 0.35 at March 31, 2018 and December 31, 2017, respectively. At March 31, 2018 and December 31, 2017, the fair value of the interest rate swaps was \$98.4 million and \$91.4 million, respectively, and was recorded on Great Plains Energy's consolidated balance sheets in interest rate derivative instruments.

THIS FILING IS

Item 1:  An Initial (Original) Submission OR  Resubmission No. \_\_\_\_\_

Form 60 Approved  
OMB No. 1902-0215  
Expires 05/31/2019



# FERC FINANCIAL REPORT

## FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

**Exact Legal Name of Respondent (Company)**

Great Plains Energy Services Incorporated

**Year of Report**

Dec 31, 2017  
Schedule RES-R-1



## GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

### I. Purpose

Form No. 60 is an annual regulatory support requirement under 18 CFR 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

### II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to §§ 18 CFR 366.3 and 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

### III. How to Submit

Submit FERC Form No. 60 electronically through the Form No. 60 Submission Software. Retain one copy of each report for your files. For any resubmissions, submit the filing using the Form No. 60 Submission Software including a justification. Respondents must submit the Corporate Officer Certification electronically.

### IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained § 18 CFR 369.1 of the Commission's regulations.

### V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USof A). Interpret all accounting words and phrases in accordance with the USof A.

### VI. Time Period

This report covers the entire calendar year.

### VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

### VIII. Accurateness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

### IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

**X. Date Format**

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

**XI. Number Format**

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

**XII. Required Entries**

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

**XIII. Prior Year References**

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

**XIV. Where to Send Comments on Public Reporting Burden**

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- the time for reviewing instructions, searching existing data sources,
- gathering and maintaining the data-needed, and
- completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO),  
888 First Street NE,  
Washington, DC 20426  
or by email to [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov)

And to:

Office of Information and Regulatory Affairs,  
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal Energy Regulatory Commission).  
Comments to OMB should be submitted by email to: [oira\\_submission@omb.eop.gov](mailto:oira_submission@omb.eop.gov)

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

DEFINITIONS
I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

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**FERC FORM NO. 60  
ANNUAL REPORT FOR SERVICE COMPANIES**

**IDENTIFICATION**

01 Exact Legal Name of Respondent Great Plains Energy Services Incorporated		02 Year of Report Dec 31, <u>2017</u>
03 Previous Name (If name changed during the year)		04 Date of Name Change  //
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1200 Main, Kansas City, MO 64105		06 Name of Contact Person Joyce Swope
07 Title of Contact Person Regulatory Analyst		08 Address of Contact Person
09 Telephone Number of Contact Person (816) 556-2984		10 E-mail Address of Contact Person joyce.swope@kcpl.com
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year)  //
13 Date of Incorporation 04/01/2003	14 If Not Incorporated, Date of Organization  //	
15 State or Sovereign Power Under Which Incorporated or Organized MISSOURI		
16 Name of Principal Holding Company Under Which Reporting Company is Organized: Great Plains Energy		

**CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

17 Name of Signing Officer Steven P. Busser	19 Signature of Signing Officer  Steven P. Busser	20 Date Signed (Month, Day, Year)  04/27/2018
18 Title of Signing Officer VP-Risk Management & Controller		

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Name of Respondent Great Plains Energy Services Incorporated	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2017
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**Schedule I - Comparative Balance Sheet**

1. Give balance sheet of the Company as of December 31 of the current and prior year.

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		<b>Service Company Property</b>			
2	101	Service Company Property	103	711,446	711,446
3	101.1	Property Under Capital Leases	103		
4	106	Completed Construction Not Classified			
5	107	Construction Work In Progress	103		
6		Total Property (Total Of Lines 2-5)		711,446	711,446
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104		
8	111	Less: Accumulated Provision for Amortization of Service Company Property			
9		Net Service Company Property (Total of Lines 6-8)		711,446	711,446
10		<b>Investments</b>			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105		
13	128	Other Special Funds	105		
14		Total Investments (Total of Lines 11-13)			
15		<b>Current And Accrued Assets</b>			
16	131	Cash		287,209	297,992
17	134	Other Special Deposits			
18	135	Working Funds			
19	136	Temporary Cash Investments			
20	141	Notes Receivable			
21	142	Customer Accounts Receivable			
22	143	Accounts Receivable			
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106		
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies			
27	163	Stores Expense Undistributed	108		
28	165	Prepayments		16,484	
29	171	Interest And Dividends Receivable			
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets			
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets – Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		303,693	297,992
36		<b>Deferred Debits</b>			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets			
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts			
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		15,079	15,079
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		3,722	51
46		Total Deferred Debits (Total of Lines 37-45)		18,801	15,130
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		1,033,940	1,024,568
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**Schedule I - Comparative Balance Sheet (continued)**

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
48		<b>Proprietary Capital</b>			
49	201	Common Stock Issued	201	10,000	10,000
50	204	Preferred Stock Issued	201		
51	211	Miscellaneous Paid-In-Capital	201		
52	215	Appropriated Retained Earnings	201		
53	216	Unappropriated Retained Earnings	201		
54	219	Accumulated Other Comprehensive Income	201		
55		Total Proprietary Capital (Total of Lines 49-54)		10,000	10,000
56		<b>Long-Term Debt</b>			
57	223	Advances From Associate Companies	202		
58	224	Other Long-Term Debt	202		
59	225	Unamortized Premium on Long-Term Debt			
60	226	Less: Unamortized Discount on Long-Term Debt-Debit			
61		Total Long-Term Debt (Total of Lines 57-60)			
62		<b>Other Non-current Liabilities</b>			
63	227	Obligations Under Capital Leases-Non-current			
64	228.2	Accumulated Provision for Injuries and Damages			
65	228.3	Accumulated Provision For Pensions and Benefits			
66	230	Asset Retirement Obligations			
67		Total Other Non-current Liabilities (Total of Lines 63-66)			
68		<b>Current and Accrued Liabilities</b>			
69	231	Notes Payable			
70	232	Accounts Payable		15,441	
71	233	Notes Payable to Associate Companies	203		
72	234	Accounts Payable to Associate Companies	203	1,004,632	1,014,577
73	236	Taxes Accrued		( 14)	( 5,875)
74	237	Interest Accrued			
75	241	Tax Collections Payable			
76	242	Miscellaneous Current and Accrued Liabilities	203		
77	243	Obligations Under Capital Leases - Current			
78	244	Derivative Instrument Liabilities			
79	245	Derivative Instrument Liabilities - Hedges			
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		1,020,059	1,008,702
81		<b>Deferred Credits</b>			
82	253	Other Deferred Credits			
83	254	Other Regulatory Liabilities			
84	255	Accumulated Deferred Investment Tax Credits			
85	257	Unamortized Gain on Reacquired Debt			
86	282	Accumulated deferred income taxes-Other property			
87	283	Accumulated deferred income taxes-Other		3,881	5,866
88		Total Deferred Credits (Total of Lines 82-87)		3,881	5,866
89		<b>TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)</b>		<b>1,033,940</b>	<b>1,024,568</b>

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**Schedule II - Service Company Property**

1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote.
2. Describe each construction work in progress on lines 18 through 30 in Column (b).

Line No.	Acct # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant					
3	306	Leasehold Improvements					
4	389	Land and Land Rights	711,446				711,446
5	390	Structures and Improvements					
6	391	Office Furniture and Equipment					
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment					
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment					
13	398	Miscellaneous Equipment					
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		<b>Total Service Company Property (Total of Lines 1-15)</b>	711,446				711,446
17	107	<b>Construction Work In Progress:</b>					
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31		<b>Total Account 107 (Total of Lines 18-30)</b>					
32		<b>Total (Lines 16 and Line 31)</b>					711,446

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Name of Respondent Great Plains Energy Services Incorporated	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2017
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**Schedule XI - Proprietary Capital**

1. For miscellaneous paid-in capital (Account 211) and appropriate retained earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.

2. For the unappropriated retained earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.

Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)
1	201	Common Stock Issued	Number of Shares Authorized	100
2			Par or Stated Value per Share	
3			Outstanding Number of Shares	1
4			Close of Period Amount	10,000
5		Preferred Stock Issued	Number of Shares Authorized	
6			Par or Stated Value per Share	
7			Outstanding Number of Shares	
8			Close of Period Amount	
9	211	Miscellaneous Paid-In Capital		
10	215	Appropriated Retained Earnings		
11	219	Accumulated Other Comprehensive Income		
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	
13			Net Income or (Loss)	
14			Dividend Paid	
15			Balance at Close of Year	

Schedule RES-R-1

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Name of Respondent	This Report is:	Resubmission Date	Year of Report
Great Plains Energy Services Incorporated	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2017
FOOTNOTE DATA			

**Schedule Page: 201 Line No.: 4 Column: d**  
 Great Plains Energy Services has one share of no par common stock outstanding.



**Schedule XIII – Current and Accrued Liabilities**

1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234).
2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associates Companies		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24	234	Accounts Payable to Associate Companies		
25		KCP&L Greater Missouri Operations	835,619	835,361
26		Kansas City Power & Light Company	179,161	163,680
27		Great Plains Energy Incorporated	( 356)	5,438
28		GXP Investments, Inc.	153	153
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	242	Miscellaneous Current and Accrued Liabilities		
42				
43				
44				
45				
46				
47				
48				
49				
50		(Total)	1,014,577	1,004,632

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Name of Respondent	This Report is:	Resubmission Date	Year of Report
Great Plains Energy Services Incorporated	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2017
Schedule XIV- Notes to Financial Statements			

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

**Note 1-Summary of Significant Accounting Policies**

**Organization**

Great Plains Energy Services, Incorporated (GPES) is a wholly-owned subsidiary of Great Plains Energy Incorporated (GPE), a public utility holding company subject to the regulations of the Public Utility Holding Company Act of 2005. GPES did not provide services to GPE or its subsidiaries during 2017.

**Basis of Presentation**

GPES follows the Uniform System of Accounts for Centralized Service Companies as prescribed by the Federal Energy Regulatory Commission.

**Note 2-Common Stock**

GPES is authorized to issue 100 shares of no par common stock. At December 31, 2017, GPES had one share of stock issued and outstanding that was held by GPE.



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report
Great Plains Energy Services Incorporated			2017
<b>Schedule XX - Organization Chart</b>			

1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.

**Great Plains Energy Services Incorporated\***

President-Terry Bassham  
Vice President-Maria Jenks  
Secretary-Ellen Fairchild  
Treasurer-Lori Wright

**General Allocator  
For 2017**

		Expenses Directly Assigned (1)	Expenses Allocated using causal factors (2)	Total Direct and Causal Allocated	General Allocator Ratio
HLDCO	Great Plains Energy Inc.	14,268,056		14,268,056	0.59%
GPES	Great Plains Energy Services	-		-	0.00%
GPTHC	Great Plains Transmission HLDG	1,119,493	42,333	1,161,826	0.05%
PARNT	GMO Parent Division	1,614,001		1,614,001	
SJINV	SJLP Investments	-		-	
TRNSU	Trans MPS Inc	658		658	
MPSFC	MPS Finance Corp	517		517	
MPSCCH	MPS Canada Holdings	447		447	
MPSNC	MPS Networks Canada	4,719		4,719	
MPSCC	MPS Canada Corp	490		490	
MPSMS	MPS Merchant Services	1,430,703		1,430,703	
MPSGP	MPS Gas Pipeline	2,216		2,216	
MPSPC	MPS Piatt County Power LLC	443		443	
MGI	MOPUB Group Inc.	1,118		1,118	
GBH	Golden Bear Hydro Inc.	773		773	
ENI	Energia Inc.	943		943	
	Total PARNT	3,057,028	-	3,057,028	0.13%
KLT	KLT Inc.	746,423		746,423	
KLTG	KLT Gas Inc.	97		97	
KLTIV	KLT Investments Inc.	(735,253)		(735,253)	
HSS	Home Service Solutions	-		-	
FGAS	FAR Gas Acquisitions Corp	743		743	
	Total KLT	12,010	-	12,010	0.00%
SOLAR	KCPL Solar Inc.	200,871		200,871	0.01%
KCREC	KCPL Receivables Company	12,034,960		12,034,960	0.50%
GREC	GMO Receivables Company	5,786,464		5,786,464	0.24%
KCSUB	KCPL owned Subsidiaries	-		-	0.00%
NREG	KCP&L Non Regulated Activity	1,036,587		1,036,587	0.04%
XPLOD	Combo Exploide BU	-		-	0.00%
ELELM	Electric Utilities Elimination	-		-	0.00%
ECORP	GMO Utilities	-		-	0.00%
MOPUB	Missouri Public Service Utility	523,150,331	25,672,136	548,822,467	22.74%
SJLP	Saint Joseph Power & Light Utility	187,961,989	8,074,149	196,036,138	8.12%
KCPL	Kansas City Power & Light Utility	1,563,849,668	67,470,502	1,631,320,170	67.58%
		2,312,477,457	101,259,120	2,413,736,577	100.00%

} 30,86

(1) Directly assigned based on 2016 charges and include O&M, interest & taxes that were not negative.

The taxes on any business unit with negative total taxes were changed to zero.

(2) Includes the following indirect allocations:

- Utility Mass
- Number of Customers
- Transmission Miles
- Customers/Trans Miles
- Plant Capacity
- Charging Stations



Name of Respondent Kansas City Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2018	Year/Period of Report End of 2017/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	97,132	89,973
168	(908) Customer Assistance Expenses	33,629,310	40,114,474
169	(909) Informational and Instructional Expenses	110,940	150,641
170	(910) Miscellaneous Customer Service and Informational Expenses	9,170,252	8,749,192
171	<b>TOTAL Customer Service and Information Expenses (Total 167 thru 170)</b>	<b>43,007,634</b>	<b>49,104,280</b>
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	573,744	487,158
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	<b>TOTAL Sales Expenses (Enter Total of lines 174 thru 177)</b>	<b>573,744</b>	<b>487,158</b>
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	40,440,422	40,102,091
182	(921) Office Supplies and Expenses	-401,693	-834,128
183	(Less) (922) Administrative Expenses Transferred-Credit	15,570,960	14,396,197
184	(923) Outside Services Employed	14,095,357	13,436,217
185	(924) Property Insurance	3,802,353	4,194,668
186	(925) Injuries and Damages	6,469,023	17,067,418
187	(926) Employee Pensions and Benefits	81,463,294	83,444,475
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	7,207,504	7,596,069
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	35,742	
192	(930.2) Miscellaneous General Expenses	6,555,299	6,024,015
193	(931) Rents	3,499,384	3,391,511
194	<b>TOTAL Operation (Enter Total of lines 181 thru 193)</b>	<b>147,595,725</b>	<b>160,026,139</b>
195	Maintenance		
196	(935) Maintenance of General Plant	9,084,438	8,070,993
197	<b>TOTAL Administrative &amp; General Expenses (Total of lines 194 and 196)</b>	<b>156,680,163</b>	<b>168,097,132</b>
198	<b>TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)</b>	<b>974,978,749</b>	<b>944,622,571</b>

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Schedule RES-R-1

Name of Respondent Kansas City Power & Light Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2018	Year/Period of Report End of 2017/Q4
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	1,448,506
2	Nuclear Power Research Expenses	1,495,734
3	Other Experimental and General Research Expenses	1,743,493
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	1,664,086
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Winning Culture	227
7	Support Services	20,487
8	Safety	12
9	Reporting	165,689
10	Other	72
11	Labor	14,083
12	Manage Environmental Programs	2,910
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46	TOTAL	6,555,299

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Name of Respondent KCP&L Greater Missouri Operations Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2018	Year/Period of Report End of 2017/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	68,619	63,296
168	(908) Customer Assistance Expenses	35,028,975	21,816,883
169	(909) Informational and Instructional Expenses	41,198	59,766
170	(910) Miscellaneous Customer Service and Informational Expenses	6,696,400	9,486,586
171	<b>TOTAL Customer Service and Information Expenses (Total 167 thru 170)</b>	<b>41,835,192</b>	<b>31,426,531</b>
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	308,693	274,041
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	<b>TOTAL Sales Expenses (Enter Total of lines 174 thru 177)</b>	<b>308,693</b>	<b>274,041</b>
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	15,115,484	16,458,161
182	(921) Office Supplies and Expenses	4,592,097	3,698,851
183	(Less) (922) Administrative Expenses Transferred-Credit	-13,709,697	-12,242,823
184	(923) Outside Services Employed	4,260,770	5,943,631
185	(924) Property Insurance	1,684,470	1,763,639
186	(925) Injuries and Damages	2,677,322	2,487,265
187	(926) Employee Pensions and Benefits	32,676,072	27,474,638
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	3,082,495	4,537,044
190	(929) (Less) Duplicate Charges-Cr.	583,780	577,016
191	(930.1) General Advertising Expenses	14,340	
192	(930.2) Miscellaneous General Expenses	2,432,704	2,253,810
193	(931) Rents	1,713,110	1,728,879
194	<b>TOTAL Operation (Enter Total of lines 181 thru 193)</b>	<b>81,374,781</b>	<b>78,011,725</b>
195	Maintenance		
196	(935) Maintenance of General Plant	3,652,833	3,434,155
197	<b>TOTAL Administrative &amp; General Expenses (Total of lines 194 and 196)</b>	<b>85,027,614</b>	<b>81,445,880</b>
198	<b>TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)</b>	<b>479,025,404</b>	<b>477,575,219</b>

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Schedule RES-R-1

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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	585,099
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	783,309
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	969,111
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Winning Culture	100
7	Support Services	8,178
8	Safety/Medical	5
9	Reporting	79,283
10	Other	34
11	Labor	4,203
12	Manage Environmental Programs	3,382
13		
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46	TOTAL	2,432,704



## PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

## GREAT PLAINS ENERGY

Great Plains Energy's common stock is listed on the New York Stock Exchange under the symbol "GXP". At February 16, 2018, Great Plains Energy's common stock was held by 13,952 shareholders of record. Information relating to market prices and cash dividends on Great Plains Energy's common stock is set forth in the following table.

Quarter	Common Stock Price Range <sup>(a)</sup>				Common Stock Dividends Declared		
	2017		2016		2018	2017	2016
	High	Low	High	Low			
First	\$ 29.24	\$ 26.87	\$ 32.26	\$ 26.34	\$ 0.275 <sup>(b)</sup>	\$ 0.275	\$ 0.2625
Second	29.92	27.86	32.68	28.35		0.275	0.2625
Third	31.58	29.14	31.22	26.53		0.275	0.2625
Fourth	34.70	30.55	28.60	26.20		0.275	0.275

<sup>(a)</sup> Based on closing stock prices.

<sup>(b)</sup> Declared February 13, 2018, and payable March 20, 2018, to shareholders of record as of February 27, 2018.

## Dividend Restrictions

For information regarding dividend restrictions, see Note 13 to the consolidated financial statements.

## Purchases of Equity Securities

The following table provides information regarding purchases by Great Plains Energy for the three months ended December 31, 2017.

Issuer Purchases of Equity Securities						
Month	Total Number of Shares (or Units) Purchased <sup>(a)</sup>	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs		
October 1 - 31	2,981	\$ 31.54	—	N/A		
November 1 - 30	2,421	33.63	—	N/A		
December 1 - 31	17,424	32.53	—	N/A		
Total	22,826	\$ 32.52	—	N/A		

<sup>(a)</sup> Represents open market purchases for the Company's Dividend Reinvestment and Direct Stock Purchase Plan and defined contribution savings plan (401(k)).

## KCP&amp;L

KCP&L is a wholly owned subsidiary of Great Plains Energy, which holds the one share of issued and outstanding KCP&L common stock.

## Dividend Restrictions

For information regarding dividend restrictions, see Note 13 to the consolidated financial statements.

**17. SEGMENTS AND RELATED INFORMATION**

Great Plains Energy has one reportable segment based on its method of internal reporting, which segregates reportable segments based on products and services, management responsibility and regulation. The one reportable business segment is Electric Utility, consisting of KCP&L, GMO's regulated utility operations and GMO Receivables Company. Other includes GMO activity other than its regulated utility operations, GPETHC and unallocated corporate charges including certain costs to achieve the anticipated merger with Westar. The summary of significant accounting policies applies to the reportable segment. Segment performance is evaluated based on net income (loss).

The following tables reflect summarized financial information concerning Great Plains Energy's reportable segment.

Three Months Ended March 31, 2018	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Operating revenues	\$ 583.9	\$ —	\$ —	\$ 583.9
Depreciation and amortization	(93.7)	—	—	(93.7)
Interest (charges) income	(47.8)	(8.3)	8.0	(48.1)
Income tax expense	(2.9)	(2.6)	—	(5.5)
Net income	28.0	7.0	—	35.0

Three Months Ended March 31, 2017	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Operating revenues	\$ 570.7	\$ —	\$ —	\$ 570.7
Depreciation and amortization	(90.3)	—	—	(90.3)
Interest (charges) income	(50.1)	(24.5)	8.0	(66.6)
Income tax (expense) benefit	(10.1)	15.9	—	5.8
Net income (loss)	16.1	(25.7)	—	(9.6)

March 31, 2018	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Assets	\$ 11,529.0	\$ 1,304.1	\$ (384.7)	\$ 12,448.4
Capital expenditures <sup>(a)</sup>	119.7	—	—	119.7
<b>December 31, 2017</b>				
Assets	\$ 11,508.1	\$ 1,285.7	\$ (335.9)	\$ 12,457.9
Capital expenditures <sup>(a)</sup>	573.5	—	—	573.5

<sup>(a)</sup> Capital expenditures reflect year to date amounts for the periods presented.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**GREAT PLAINS ENERGY INCORPORATED**

**EXECUTIVE SUMMARY**

**Description of Business**

Great Plains Energy is a public utility holding company and does not own or operate any significant assets other than the stock of its subsidiaries and cash and cash equivalents.

Great Plains Energy's sole reportable business segment is Electric Utility. Electric Utility consists of KCP&L, a regulated utility, GMO's regulated utility operations and GMO Receivables Company. Electric Utility has approximately 6,500 MWs of owned generating capacity and engages in the generation, transmission, distribution



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and sale of electricity to approximately 870,500 customers in the states of Missouri and Kansas. Electric Utility's retail electricity rates are comparable to the national average of investor-owned utilities.

Great Plains Energy's corporate and other activities not included in the sole reportable business segment includes GMO activity other than its regulated utility operations, GPETHC and unallocated corporate charges including certain costs to achieve the anticipated merger with Westar.

### **Anticipated Merger with Westar Energy, Inc.**

On July 9, 2017, Great Plains Energy entered into an Amended Merger Agreement by and among Great Plains Energy, Westar, Holdco, and Merger Sub. Pursuant to the Amended Merger Agreement, subject to the satisfaction or waiver of certain conditions, Great Plains Energy will merge with and into Holdco, with Holdco surviving such merger, and Merger Sub will merge with and into Westar, with Westar surviving such merger. Upon closing, pursuant to the Amended Merger Agreement, each outstanding share of Great Plains Energy's and Westar's common stock will be converted into the right to receive 0.5981 and 1.0, respectively, of validly issued, fully paid and nonassessable shares of common stock, no par value, of Holdco. Following the mergers, Holdco, with a new name that has yet to be publicly announced, will be the parent of Great Plains Energy's direct subsidiaries, including KCP&L, and Westar.

The anticipated merger has been structured as a merger of equals in a tax-free exchange of shares that involves no premium paid or received with respect to either Great Plains Energy or Westar. Following the completion of the anticipated merger, Westar shareholders will own approximately 52.5 percent and Great Plains Energy shareholders will own approximately 47.5 percent of the combined company.

Great Plains Energy's anticipated merger with Westar was unanimously approved by the Great Plains Energy Board and Westar Board of Directors, has received the approvals of each of Great Plains Energy's and Westar's shareholders, the NRC, FERC and FCC and has received early termination of the waiting period under the HSR Act with respect to antitrust review. The anticipated merger remains subject to regulatory approvals from KCC and the MPSC as well as other contractual conditions.

See Note 3 to the consolidated financial statements for more information regarding the anticipated merger.

### **Earnings Overview**

Great Plains Energy had earnings available for common shareholders of \$35.0 million or \$0.16 per share for the three months ended March 31, 2018, compared to a loss of \$24.7 million or \$0.11 per share for the same period in 2017. This increase in earnings was largely driven by colder weather; an increase in weather-normalized retail demand; a decrease in costs to achieve the anticipated merger with Westar; lower interest charges and preferred stock dividend requirements; partially offset by a provision for rate refund related to the Tax Cuts and Jobs Act and higher income tax expense.

For additional information regarding the change in earnings (loss), refer to the Great Plains Energy Results of Operations and the Electric Utility Results of Operations sections within this Management's Discussion and Analysis of Financial Condition and Results of Operations.

### **Adjusted Earnings (Non-GAAP) and Adjusted Earnings Per Share (Non-GAAP)**

Great Plains Energy's adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) for the three months ended March 31, 2018, were \$29.4 million or \$0.19 per share, respectively. Great Plains Energy's adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) for the three months ended March 31, 2017, were \$19.9 million and \$0.13, respectively. In addition to earnings (loss) available for common shareholders and diluted earnings (loss) per common share, Great Plains Energy's management uses adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) to evaluate earnings and earnings per share without the impact of the anticipated merger with Westar.

Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) excludes certain costs, expenses, gains, losses and the per share dilutive effect of equity issuances resulting from the anticipated merger and the