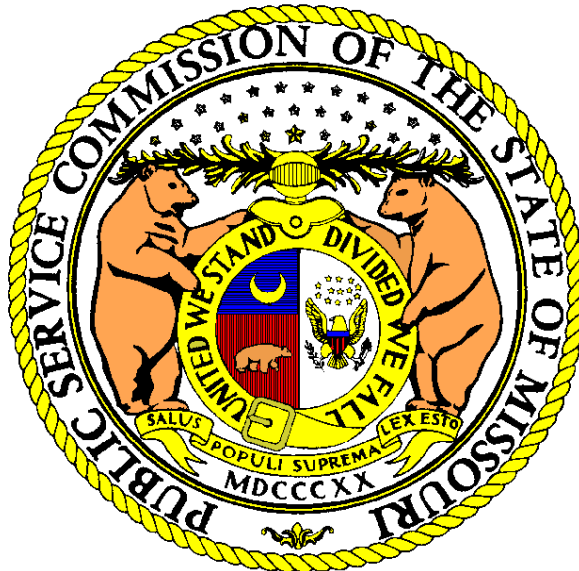


MANAGEMENT AUDIT REPORT

SCHEDULES

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. EO-2016-0124



PREPARED BY

THE MISSOURI PUBLIC SERVICE COMMISSION

CONSUMER AND MANAGEMENT ANALYSIS UNIT

January 17, 2017

or both offered any. Unfortunately, these plans did not stay on track as indicated in the accompanying Staff Proposed Audit Scope. The Staff deems it more important to proceed forward and make the February 1 audit scope filing that it has set for itself. Nonetheless, the Staff welcomes any comments KCPL and/or Public Counsel may offer regarding the Staff's Proposed Audit Scope and would suggest that any such comments be filed in File No. EO-2016-0124.

WHEREFORE, the Staff files Staff's Proposed Audit Scope and requests Commission approval of said proposal.

Respectfully submitted,

/s/ Steven Dottheim

Steven Dottheim
Chief Deputy Staff Counsel
Missouri Bar No. 29149
Attorney for the Staff of the
Missouri Public Service Commission
P.O Box 360
Jefferson City, Missouri 65102
Phone: (573) 751-7489
Fax: (573) 751-9285
E-mail: steve.dottheim@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of February, 2016.

/s/ Steven Dottheim

Management Audit of Kansas City Power & Light Company
Staff's Proposed Audit Scope
Case No. EO-2016-0124

Audit Objective

On December 2, 2015, the Missouri Public Service Commission (“Commission”) ordered Staff to conduct a management audit of Kansas City Power & Light Company’s (“KCPL”) administrative and general costs, including potential cost savings related to a merger between KCPL and KCP&L Greater Missouri Operations Company (“GMO”). Staff’s objective is to complete an audit that satisfies the final Staff scope and file a report on or before December 31, 2016.

Audit Scope

The catalyst for this audit is an issue raised in KCPL’s most recent general rate increase case, In the Matter of Kansas City Power & Light Company’s Request for Authority to Implement a General Rate Increase for Electric Service, Report and Order, File No. ER-2014-0370 et al., September 2, 2015. One of the disputed issues in that case was whether KCPL should be required to undergo a management audit to identify possible cost savings and efficiencies. The evidence in that case showed that KCPL has higher Administrative and General (“A&G”) costs than other utilities in this region and that a management audit of those costs would benefit both customers and shareholders.¹ The Commission concluded that the Staff should conduct an audit of KCPL’s A&G costs in a separate proceeding, which should include identifying any potential cost savings related to a merger between KCPL and GMO.

The scope of this audit is to determine whether KCPL’s management processes are sufficient to demonstrate reasonable assurance that KCPL effectively manages its A&G costs and in a manner that identifies, examines, and implements measures toward operational efficiency which may result in cost savings. In addition, this audit will determine whether there are any potential cost savings related to a merger of KCPL and GMO.

Audit Plan

On December 18, 2015, the Staff submitted three (3) data requests to acquire information to facilitate a management audit regarding KCPL’s A&G costs and potential cost savings from a merger between KCPL and GMO. These data requests were as follows:

¹ *Order Requiring A Management Audit Of Kansas City Power & Light Company*, File No. EO-2016-0124, December 2, 2015, page 1.

Data Request No. 1. Please provide all studies and related documentation regarding any consideration of merger between KCPL and GMO.

Data Request No. 2. Please provide all studies and documentation related to the management of KCPL's Administrative & General (A&G) costs for the period January 1, 2008 through December 31, 2017. This request is expected to include current budget information related to the future portion of the time period.

Data Request No. 3. Please provide all KCPL studies and documentation showing the reasonableness of its current levels of Administrative and General (A&G) costs, total costs to provide electrical service, and customer electrical rates to evaluate whether costs issues exist at KCPL and the amount of these costs issues if any are identified.

Counsel for KCPL responded on December 18, 2015, that he had "received the first three data requests this afternoon. The Company requests an extension until January 22, 2016 to answer these data requests due to the upcoming holidays and absence from the office of those responsible for answering the data requests."

Staff counsel responded on December 18, 2015, that "if KCPL takes until 1/22/16 that may cause issues with Staff providing an audit scope to the Commission by 2/1/16 as it stated in its filing it anticipates doing."

Staff did not receive any KCPL responses on or before January 22, 2016. KCPL did submit responses to Staff's data requests on Monday, January 25, 2016 and Staff is currently reviewing the material submitted in KCPL's responses. Staff had initially anticipated using the information requested in its first three (3) data requests to KCPL in developing its audit plan, but that has not proved practical. Staff did not want to delay its February 1, 2016, filing, a date Staff set for itself. Staff believes the better approach is to proceed forward and if Staff believes at any time that it is advisable to substantially change the audit parameters it would first inform the Commission and seek authorization to do so by making a filing in File No. EO-2016-0124.

Staff's audit will include an analysis of KCPL's and GMO's A&G costs as defined by the Uniform System of Accounts (USOA) using 2007 as a base period. This period was selected because it was the last year KCPL and GMO operated as separate entities. The year 2008 is a hybrid year as KCPL and GMO were jointly operated as separate entities and one entity respectively for portions of 2008. The year 2009 is the first calendar year that KCPL and GMO operated as one entity with KCPL employees operating both utilities.

Staff understands that pension expense was raised as an area causing unfavorable KCPL A&G costs comparisons in KCPL's most recent general rate increase case, ER-2014-0370. The audit will examine this area of costs. The following specific matters are currently planned for Staff's audit of A&G costs and the potential cost benefits of a KCPL and GMO merger, but they may be supplemented as the Staff audit progresses:

Administrative and General Expenses:

1. Review and determination of current and historical KCPL Administrative and General (A&G) Expenses including components that encompass those costs such as Pension Expense.
2. Review and determination of pertinent cost drivers resulting in higher or lower KCPL A&G Expense.
3. Review and determination of KCPL's internal and external control processes it uses to manage its A&G Expenses.
4. Review and determination of KCPL's A&G Expenses in comparison to other Missouri-regulated utilities including identification of such factors that should be considered in making such industry comparisons.
5. Review and determination of KCPL's current and historical customer rates including adjustments made in A&G Expenses.
6. Review and determination of KCPL's current and historical total costs.

Potential Savings Resulting From Merger of KCPL and GMO:

1. Review and determination of KCPL's and GMO's current and historical total costs.
2. Review and determination of prior costs savings resulting from acquisition of GMO property.
3. Review and determination of KCPL management actions to identify cost savings including both realized and unrealized savings to date.

Audit Report

The final stage of the audit will include providing a draft audit report, which will include Staff's findings, conclusions and recommendations to KCPL for its comments, with enough time for Staff to consider those comments, finalize its report to the Commission with KCPL's comments attached and file with the Commission its report on or before December 31, 2016.

KCPL and KCPL GMO
Case Name: 2016 Management Audit
Case Number: EO-2016-0124

Response to Majors Keith Interrogatories - MPSC_20161004
Date of Response: 10/27/2016

Question:0045

With respect to the September 29, 2016 meeting with Darrin Ives and Brian Weiss: 1) Please identify when Kansas City Power & Light Company (KCPL) and KCP&L Greater Missouri Operations Company (GMO) completed the merger savings/ synergies process relating to the July 2008 Aquila acquisition by Great Plains Energy, Inc. (e.g., the merger savings were completed within three or four years of the close of the acquisition by Great Plains, or in the 2011 or 2012 time frame). 2) Identify all merger savings/ synergies that would occur if KCPL and GMO were combined as one entity with a) one rate structure (combined KCPL and GMO rates) and b) two rate structures (separate KCPL and GMO rates). 3) Please identify concerns, obstacles, difficulties, etc. in consolidating the corporate organizational structures of KCPL and GMO such as, but not limited to: the fact that KCPL operates in two state jurisdictions, common ownership of power plants under the state jurisdictions of Kansas and Missouri, power plants having non-KCPL and non-GMO joint owners, Great Plains has entered into a merger purchase agreement to acquire Westar Energy, etc. DR requested by Keith Majors (Keith.Majors@psc.mo.gov).

Response:

- 1) Virtually all of the synergy savings related to the Aquila acquisition were identified by the end of 2011. However, savings related to these identified synergies continue to accrue, even if they are not currently being tracked. For instance, reduced headcount, facilities savings and procurement savings continue to provide on-going benefits to the companies.
- 2 & 3) Most of the significant merger savings / synergies that would occur if KCPL and GMO were combined as one entity (including one rate structure or two rate structures) have already been realized and continue to be realized through process and operational improvement initiatives that have occurred since the Aquila acquisition by Great Plains Energy, Inc. To a lesser degree, there are still some administrative efficiencies including internal reporting, journal entries, compliance reporting and other administrative process improvement initiatives that could be realized and be a benefit with the combination into one entity.

Along with the concerns and obstacles presented by operating one of our utilities (KCP&L) on an integrated basis in two state jurisdictions, joint ownership generating plant issues and the recently proposed acquisition of Westar impacting the Company, there are property tax issues to consider. These issues include the actual property taxes incurred as a combined entity and the

potential significant reallocation of property taxes between counties and between rate jurisdiction territories included in KCP&L and GMO's territories.

Response provided by:

Bryan Weiss, Corporate Accounting

Ron Klote, Regulatory Affairs – Director

Attachment:

Q0045_Verification.pdf

**2013 Peer Utility
FERC Form 1 A&G Analysis**

**Administrative & General Expenses
per Average Customer**

Calendar 2013	Alliant	Avista	Black Hills	Cleco Power LLC	IdaCorp	Oklahoma Gas & Elec	Arizona PSC	PNM	Portland
A&G Expenses	174,249,506	64,056,359	60,590,412	54,127,217	151,020,498	111,759,138	213,793,482	135,149,447	157,718,766
Average Number of Customers	990,767	363,312	203,581	284,188	504,653	802,876	1,147,514	508,248	833,170
A&G Cost per Customer	\$ 175.87	\$ 176.31	\$ 297.62	\$ 190.46	\$ 299.26	\$ 139.20	\$ 186.31	\$ 265.91	\$ 189.30
Ranking (1, is lowest)	3	4	16	7	17	1	5	12	6
Total O&M Per Customer	\$ 1,911	\$ 1,884	\$ 2,073	\$ 2,137	\$ 1,543	\$ 1,884	\$ 1,783	\$ 1,541	\$ 1,479
Ranking (1, is lowest)	13	11	15	17	4	12	8	3	2

**Administrative & General Expenses
per Megawatt Hour Sold**

A&G Expenses	174,249,506	64,056,359	60,590,412	54,127,217	151,020,498	111,759,138	213,793,482	135,149,447	157,718,766
Megawatt Hours Sold	32,056,708	13,318,994	6,748,081	11,115,732	16,302,681	28,578,159	32,087,545	12,001,980	21,226,863
A&G Cost per Megawatt Hour Sold	\$ 5.44	\$ 4.81	\$ 8.98	\$ 4.87	\$ 9.26	\$ 3.91	\$ 6.66	\$ 11.26	\$ 7.43
Ranking (1, is lowest)	4	2	16	3	17	1	7	18	11
Total O&M Per MWH Sold	\$ 59.07	\$ 51.39	\$ 62.54	\$ 54.63	\$ 47.76	\$ 52.94	\$ 63.76	\$ 65.26	\$ 58.06
Ranking (1, is lowest)	12	6	14	9	4	7	16	17	11

**A&G Expenses
per Electric Operating Revenue**

A&G Expenses	174,249,506	64,056,359	60,590,412	54,127,217	151,020,498	111,759,138	213,793,482	135,149,447	157,718,766
Total Electric Operating Revenues	2,734,981,639	1,049,456,902	635,077,523	1,095,822,127	1,242,150,868	2,388,998,192	3,484,980,000	1,116,019,344	1,845,416,891
A&G Cost Per Electric Revenue Dollar	\$ 0.0637	\$ 0.0610	\$ 0.0954	\$ 0.0494	\$ 0.1216	\$ 0.0468	\$ 0.0613	\$ 0.1211	\$ 0.0855
Ranking (1, is lowest)	6	4	16	2	18	1	5	17	12
Total O&M Per Electric Operating Revenue	\$ 0.69	\$ 0.65	\$ 0.66	\$ 0.55	\$ 0.63	\$ 0.63	\$ 0.59	\$ 0.70	\$ 0.67
Ranking (1, is lowest)	16	12	13	2	10	11	7	17	14

A&G Expenses Compared to O&M

A&G Expenses	174,249,506	64,056,359	60,590,412	54,127,217	151,020,498	111,759,138	213,793,482	135,149,447	157,718,766
Total O&M	1,893,630,808	684,482,695	422,029,363	607,265,153	778,659,808	1,512,903,158	2,045,932,147	783,283,450	1,232,425,235
A&G as a % of Total O&M	9.20%	9.36%	14.36%	8.91%	19.39%	7.39%	10.45%	17.25%	12.80%
Ranking (1, is lowest)	4	5	12	3	18	1	6	17	9
Account 926 Pensions and Benefits	51,207,249	1,214,925	170,122	30,069,470	62,531,128	45,708,661	105,682,133	25,111,458	59,857,913
Account 926 as a % of A&G Expense	29.39%	1.90%	0.28%	55.55%	41.41%	40.90%	49.43%	18.58%	37.95%
Ranking (1, is lowest)	5	2	1	18	12	10	17	3	7
Account 926 as a % of Total O&M	2.70%	0.18%	0.04%	4.95%	8.03%	3.02%	5.17%	3.21%	4.86%
Ranking (1, is lowest)	3	2	1	10	18	4	12	6	9

Notes:

Alliant includes Interstate Power and Light Company and Wisconsin Power and Light Company

Avista does not include Alaska Electric Light and Power Company Acquired in 2014

Black Hills includes Black Hills Power, Cheyenne Light Fuel & Power Company, and Colorado Electric Utility Company

PNM Resources does not include Texas-New Mexico Power Company, a transmission and distribution utility, which does not file a FERC Form 1

**2013 Peer Utility
FERC Form 1 A&G Analysis**

**Administrative & General Expenses
per Average Customer**

Calendar 2013	Tampa Elec Co	UNS	Westar	Wisconsin Elec Power	Empire	Ameren Missouri	GMO	KCPL	Combined KCPL and GMO	Source
A&G Expenses	145,126,718	104,786,066	202,602,915	193,855,932	44,699,513	251,903,994	74,536,767	155,757,596	230,294,363	Page 323, line 197
Average Number of Customers	694,735	502,113	693,129	1,126,890	168,080	1,197,298	314,937	514,843	829,780	Page 301, line 14
A&G Cost per Customer	\$ 208.90	\$ 208.69	\$ 292.30	\$ 172.03	\$ 265.94	\$ 210.39	\$ 236.67	\$ 302.53	\$ 277.54	
Ranking (1, is lowest)	9	8	15	2	13	10	11	18	14	
Total O&M Per Customer	\$ 1,670	\$ 1,915	\$ 2,114	\$ 2,173	\$ 1,847	\$ 1,552	\$ 1,442	\$ 1,846	\$ 1,693	
Ranking (1, is lowest)	6	14	16	18	10	5	1	9	7	

**Administrative & General Expenses
per Megawatt Hour Sold**

A&G Expenses	145,126,718	104,786,066	202,602,915	193,855,932	44,699,513	251,903,994	74,536,767	155,757,596	230,294,363	Page 323, line 197
Megawatt Hours Sold	18,639,927	15,255,416	28,824,595	32,555,334	5,620,276	43,158,138	8,413,828	21,683,329	30,097,157	Page 301, line 14
A&G Cost per Megawatt Hour Sold	\$ 7.79	\$ 6.87	\$ 7.03	\$ 5.95	\$ 7.95	\$ 5.84	\$ 8.86	\$ 7.18	\$ 7.65	
Ranking (1, is lowest)	13	8	9	6	14	5	15	10	12	
Total O&M Per MWH Sold	\$ 62.25	\$ 63.04	\$ 50.83	\$ 75.23	\$ 55.22	\$ 43.04	\$ 53.97	\$ 43.83	\$ 46.67	
Ranking (1, is lowest)	13	15	5	18	10	1	8	2	3	

**A&G Expenses
per Electric Operating Revenue**

A&G Expenses	145,126,718	104,786,066	202,602,915	193,855,932	44,699,513	251,903,994	74,536,767	155,757,596	230,294,363	Page 323, line 197
Total Electric Operating Revenues	1,936,621,293	1,397,057,466	2,408,058,267	3,320,546,496	534,280,086	3,390,675,469	800,537,114	1,671,422,009	2,471,959,123	Page 300, line 27
A&G Cost Per Electric Revenue Dollar	\$ 0.0749	\$ 0.0750	\$ 0.0841	\$ 0.0584	\$ 0.0837	\$ 0.0743	\$ 0.0931	\$ 0.0932	\$ 0.0932	
Ranking (1, is lowest)	8	9	11	3	10	7	13	15	14	
Total O&M Per Electric Operating Revenue	\$ 0.60	\$ 0.69	\$ 0.61	\$ 0.74	\$ 0.58	\$ 0.55	\$ 0.57	\$ 0.57	\$ 0.57	
Ranking (1, is lowest)	8	15	9	18	6	1	3	5	4	

A&G Expenses Compared to O&M

A&G Expenses	145,126,718	104,786,066	202,602,915	193,855,932	44,699,513	251,903,994	74,536,767	155,757,596	230,294,363	Page 323, line 197
Total O&M	1,160,276,368	961,651,746	1,465,027,865	2,449,254,652	310,360,096	1,857,637,721	454,058,386	950,427,859	1,404,486,245	Page 323, line 198
A&G as a % of Total O&M	12.51%	10.90%	13.83%	7.91%	14.40%	13.56%	16.42%	16.39%	16.40%	
Ranking (1, is lowest)	8	7	11	2	13	10	16	14	15	
Account 926 Pensions and Benefits	59,539,748	29,299,905	80,623,289	88,401,567	21,715,477	87,931,080	29,593,080	69,852,014	99,445,094	
Account 926 as a % of A&G Expense	41.03%	27.96%	39.79%	45.60%	48.58%	34.91%	39.70%	44.85%	43.18%	
Ranking (1, is lowest)	11	4	9	15	16	6	8	14	13	
Account 926 as a % of Total O&M	5.13%	3.05%	5.50%	3.61%	7.00%	4.73%	6.52%	7.35%	7.08%	
Ranking (1, is lowest)	11	5	13	7	15	8	14	17	16	

**2014 Peer Utility
FERC Form 1 A&G Analysis**

**Administrative & General Expenses
per Average Customer**

Calendar 2014	Alliant	Avista	Black Hills	Cleco Power LLC	IdaCorp	Oklahoma Gas & Elec	Arizona PSC	PNM	Portland
A&G Expenses	\$ 179,798,812	67,942,567	59,259,971	57,395,376	155,933,199	118,327,028	192,117,559	131,296,360	161,772,278
Average Number of Customers	993,548	367,195	205,213	285,529	511,957	811,219	1,163,134	511,235	841,033
A&G Cost per Customer	\$ 180.97	\$ 185.03	\$ 288.77	\$ 201.01	\$ 304.58	\$ 145.86	\$ 165.17	\$ 256.82	\$ 192.35
Ranking (1, is lowest)	4	5	15	8	17	1	3	12	7
Total O&M Per Customer	\$ 1,904	\$ 1,730	\$ 2,145	\$ 2,743	\$ 1,657	\$ 2,058	\$ 1,811	\$ 1,591	\$ 1,453
Ranking (1, is lowest)	10	7	14	18	5	13	8	3	1

**Administrative & General Expenses
per Megawatt Hour Sold**

A&G Expenses	179,798,812	67,942,567	59,259,971	57,395,376	155,933,199	118,327,028	192,117,559	131,296,360	161,772,278
Megawatt Hours Sold	31,474,893	12,839,533	6,502,473	12,201,940	16,312,786	30,234,927	32,951,388	11,836,387	21,080,082
A&G Cost per Megawatt Hour Sold	\$ 5.71	\$ 5.29	\$ 9.11	\$ 4.70	\$ 9.56	\$ 3.91	\$ 5.83	\$ 11.09	\$ 7.67
Ranking (1, is lowest)	5	4	16	2	17	1	6	18	13
Total O&M Per MWH Sold	\$ 60.10	\$ 49.49	\$ 67.71	\$ 64.18	\$ 52.02	\$ 55.22	\$ 63.94	\$ 68.71	\$ 57.98
Ranking (1, is lowest)	9	4	15	12	5	7	11	16	8

**A&G Expenses
per Electric Operating Revenue**

A&G Expenses	179,798,812	67,942,567	59,259,971	57,395,376	155,933,199	118,327,028	192,117,559	131,296,360	161,772,278
Total Electric Operating Revenues	2,752,809,712	1,015,103,873	660,758,369	1,268,230,022	1,277,640,977	2,577,622,977	3,522,222,472	1,141,918,217	1,926,578,668
A&G Cost Per Electric Revenue Dollar	\$ 0.0653	\$ 0.0669	\$ 0.0897	\$ 0.0453	\$ 0.1220	\$ 0.0459	\$ 0.0545	\$ 0.1150	\$ 0.0840
Ranking (1, is lowest)	6	7	14	1	18	2	4	17	12
Total O&M Per Electric Operating Revenue	\$ 0.69	\$ 0.63	\$ 0.67	\$ 0.62	\$ 0.66	\$ 0.65	\$ 0.60	\$ 0.71	\$ 0.63
Ranking (1, is lowest)	16	10	14	9	13	12	5	17	11

A&G Expenses Compared to O&M

A&G Expenses	179,798,812	67,942,567	59,259,971	57,395,376	155,933,199	118,327,028	192,117,559	131,296,360	161,772,278
Total O&M	1,891,581,634	635,399,996	440,255,257	783,064,569	848,564,840	1,669,635,874	2,106,881,390	813,238,363	1,222,248,702
A&G as a % of Total O&M	9.51%	10.69%	13.46%	7.33%	18.38%	7.09%	9.12%	16.14%	13.24%
Ranking (1, is lowest)	5	6	12	3	18	2	4	16	11
Account 926 Pensions and Benefits	39,549,713	2,096,877	247,496	24,605,868	61,971,169	45,813,923	75,334,711	23,172,105	59,935,856
Account 926 as a % of A&G Expense	22.00%	3.09%	0.42%	42.87%	39.74%	38.72%	39.21%	17.65%	37.05%
Ranking (1, is lowest)	4	2	1	15	12	10	11	3	9
Account 926 as a % of Total O&M	2.09%	0.33%	0.06%	3.14%	7.30%	2.74%	3.58%	2.85%	4.90%
Ranking (1, is lowest)	3	2	1	8	17	6	9	7	13

Notes:

Alliant includes Interstate Power and Light Company and Wisconsin Power and Light Company

Avista does not include Alaska Electric Light and Power Company Acquired in 2014

Black Hills includes Black Hills Power, Cheyenne Light Fuel & Power Company, and Colorado Electric Utility Company

PNM Resources does not include Texas-New Mexico Power Company, a transmission and distribution utility, which does not file a FERC Form 1

**2014 Peer Utility
FERC Form 1 A&G Analysis**

**Administrative & General Expenses
per Average Customer**

Calendar 2014	Tampa Elec Co	UNS	Westar	Wisconsin Elec Power	Empire	Ameren Missouri	GMO	KCPL	Combined KCPL and GMO	Source
A&G Expenses	132,050,638	112,058,917	207,915,270	165,747,560	45,640,013	278,701,237	74,615,056	161,898,178	236,513,234	Page 323, line 197
Average Number of Customers	706,160	508,159	696,020	1,130,647	168,553	1,200,017	316,593	518,988	835,581	Page 301, line 14
A&G Cost per Customer	\$ 187.00	\$ 220.52	\$ 298.72	\$ 146.60	\$ 270.78	\$ 232.25	\$ 235.68	\$ 311.95	\$ 283.05	
Ranking (1, is lowest)	6	9	16	2	13	10	11	18	14	
Total O&M Per Customer	\$ 1,712	\$ 1,955	\$ 2,282	\$ 2,189	\$ 2,155	\$ 1,550	\$ 1,643	\$ 1,929	\$ 1,821	
Ranking (1, is lowest)	6	12	17	16	15	2	4	11	9	

**Administrative & General Expenses
per Megawatt Hour Sold**

A&G Expenses	132,050,638	112,058,917	207,915,270	165,747,560	45,640,013	278,701,237	74,615,056	161,898,178	236,513,234	Page 323, line 197
Megawatt Hours Sold	18,784,911	15,293,725	29,940,532	32,942,828	5,131,750	43,192,724	8,511,766	22,472,307	30,984,073	Page 301, line 14
A&G Cost per Megawatt Hour Sold	\$ 7.03	\$ 7.33	\$ 6.94	\$ 5.03	\$ 8.89	\$ 6.45	\$ 8.77	\$ 7.20	\$ 7.63	
Ranking (1, is lowest)	9	11	8	3	15	7	14	10	12	
Total O&M Per MWH Sold	\$ 64.34	\$ 64.95	\$ 53.05	\$ 75.13	\$ 70.79	\$ 43.05	\$ 61.12	\$ 44.56	\$ 49.11	
Ranking (1, is lowest)	13	14	6	18	17	1	10	2	3	

**A&G Expenses
per Electric Operating Revenue**

A&G Expenses	132,050,638	112,058,917	207,915,270	165,747,560	45,640,013	278,701,237	74,615,056	161,898,178	236,513,234	Page 323, line 197
Total Electric Operating Revenues	2,029,544,398	1,476,686,143	2,624,632,606	3,412,203,547	590,428,386	3,393,525,753	850,066,625	1,730,764,278	2,580,830,903	Page 300, line 27
A&G Cost Per Electric Revenue Dollar	\$ 0.0651	\$ 0.0759	\$ 0.0792	\$ 0.0486	\$ 0.0773	\$ 0.0821	\$ 0.0878	\$ 0.0935	\$ 0.0916	
Ranking (1, is lowest)	5	8	10	3	9	11	13	16	15	
Total O&M Per Electric Operating Revenue	\$ 0.60	\$ 0.67	\$ 0.61	\$ 0.73	\$ 0.62	\$ 0.55	\$ 0.61	\$ 0.58	\$ 0.59	
Ranking (1, is lowest)	4	15	6	18	8	1	7	2	3	

A&G Expenses Compared to O&M

A&G Expenses	132,050,638	112,058,917	207,915,270	165,747,560	45,640,013	278,701,237	74,615,056	161,898,178	236,513,234	Page 323, line 197
Total O&M	1,208,660,046	993,274,426	1,588,381,400	2,475,149,690	363,252,937	1,859,500,297	520,213,138	1,001,292,788	1,521,505,926	Page 323, line 198
A&G as a % of Total O&M	10.93%	11.28%	13.09%	6.70%	12.56%	14.99%	14.34%	16.17%	15.54%	
Ranking (1, is lowest)	7	8	10	1	9	14	13	17	15	
Account 926 Pensions and Benefits	47,014,105	26,484,496	63,295,223	66,071,996	20,670,955	88,197,403	29,989,590	76,625,030	106,614,620	
Account 926 as a % of A&G Expense	35.60%	23.63%	30.44%	39.86%	45.29%	31.65%	40.19%	47.33%	45.08%	
Ranking (1, is lowest)	8	5	6	13	17	7	14	18	16	
Account 926 as a % of Total O&M	3.89%	2.67%	3.98%	2.67%	5.69%	4.74%	5.76%	7.65%	7.01%	
Ranking (1, is lowest)	10	4	11	5	14	12	15	18	16	

**2015 Peer Utility
FERC Form 1 A&G Analysis**

**Administrative & General Expenses
per Average Customer**

Calendar 2015	Alliant	Avista	Black Hills	Cleco Power LLC	IdaCorp	Oklahoma Gas & Elec	Arizona PSC	PNM	Portland
A&G Expenses	\$ 189,206,306	73,623,081	56,963,020	60,469,422	140,370,401	133,349,151	167,748,519	140,391,735	171,798,280
Average Number of Customers	979,057	373,614	206,582	286,615	520,546	820,073	1,177,541	514,899	848,564
A&G Cost per Customer	\$ 193.25	\$ 197.06	\$ 275.74	\$ 210.98	\$ 269.66	\$ 162.61	\$ 142.46	\$ 272.66	\$ 202.46
Ranking (1, is lowest)	5	6	15	8	12	3	2	13	7
Total O&M Per Customer	\$ 1,889	\$ 1,652	\$ 2,010	\$ 2,510	\$ 1,538	\$ 1,749	\$ 1,698	\$ 1,557	\$ 1,393
Ranking (1, is lowest)	12	7	15	18	3	10	9	4	1

**Administrative & General Expenses
per Megawatt Hour Sold**

A&G Expenses	189,206,306	73,623,081	56,963,020	60,469,422	140,370,401	133,349,151	167,748,519	140,391,735	171,798,280
Megawatt Hours Sold	31,902,185	11,942,035	6,058,819	12,105,640	15,518,629	28,867,056	33,628,854	11,541,512	20,859,230
A&G Cost per Megawatt Hour Sold	\$ 5.93	\$ 6.17	\$ 9.40	\$ 5.00	\$ 9.05	\$ 4.62	\$ 4.99	\$ 12.16	\$ 8.24
Ranking (1, is lowest)	5	7	16	4	14	2	3	18	12
Total O&M Per MWH Sold	\$ 57.97	\$ 51.70	\$ 68.53	\$ 59.42	\$ 51.58	\$ 49.68	\$ 59.47	\$ 69.48	\$ 56.68
Ranking (1, is lowest)	10	7	17	11	6	5	12	18	9

**A&G Expenses
per Electric Operating Revenue**

A&G Expenses	189,206,306	73,623,081	56,963,020	60,469,422	140,370,401	133,349,151	167,748,519	140,391,735	171,798,280
Total Electric Operating Revenues	2,802,299,718	1,006,140,061	677,644,862	1,208,384,110	1,266,201,447	2,325,536,623	3,519,645,174	1,136,464,754	1,914,921,070
A&G Cost Per Electric Revenue Dollar	\$ 0.0675	\$ 0.0732	\$ 0.0841	\$ 0.0500	\$ 0.1109	\$ 0.0573	\$ 0.0477	\$ 0.1235	\$ 0.0897
Ranking (1, is lowest)	6	7	11	3	17	4	2	18	13
Total O&M Per Electric Operating Revenue	\$ 0.66	\$ 0.61	\$ 0.61	\$ 0.60	\$ 0.63	\$ 0.62	\$ 0.57	\$ 0.71	\$ 0.62
Ranking (1, is lowest)	15	11	10	8	14	12	5	17	13

A&G Expenses Compared to O&M

A&G Expenses	189,206,306	73,623,081	56,963,020	60,469,422	140,370,401	133,349,151	167,748,519	140,391,735	171,798,280
Total O&M	1,849,300,413	617,386,545	415,199,103	719,287,088	800,524,503	1,434,106,507	1,999,805,281	801,906,616	1,182,244,446
A&G as a % of Total O&M	10.23%	11.92%	13.72%	8.41%	17.53%	9.30%	8.39%	17.51%	14.53%
Ranking (1, is lowest)	5	8	10	3	18	4	2	17	12
Account 926 Pensions and Benefits	50,686,361	1,594,960	1,904,495	37,523,993	45,004,540	53,513,158	52,261,312	23,533,266	61,127,470
Account 926 as a % of A&G Expense	26.79%	2.17%	3.34%	62.05%	32.06%	40.13%	31.15%	16.76%	35.58%
Ranking (1, is lowest)	5	1	2	18	9	14	8	3	10
Account 926 as a % of Total O&M	2.74%	0.26%	0.46%	5.22%	5.62%	3.73%	2.61%	2.93%	5.17%
Ranking (1, is lowest)	5	1	2	12	13	9	4	6	11

Notes:

Alliant includes Interstate Power and Light Company and Wisconsin Power and Light Company

Avista does not include Alaska Electric Light and Power Company Acquired in 2014

Black Hills includes Black Hills Power, Cheyenne Light Fuel & Power Company, and Colorado Electric Utility Company

PNM Resources does not include Texas-New Mexico Power Company, a transmission and distribution utility, which does not file a FERC Form 1

**2015 Peer Utility
FERC Form 1 A&G Analysis**

**Administrative & General Expenses
per Average Customer**

Calendar 2015	Tampa Elec Co	UNS	Westar	Wisconsin Elec Power	Empire	Ameren Missouri	GMO	KCPL	Combined KCPL and GMO	Source
A&G Expenses	123,600,997	115,900,773	221,743,888	144,780,126	46,209,166	264,622,950	79,678,619	160,805,408	240,484,027	Page 323, line 197
Average Number of Customers	718,712	511,392	699,427	1,136,461	169,346	1,203,552	318,158	524,999	843,157	Page 301, line 14
A&G Cost per Customer	\$ 171.98	\$ 226.64	\$ 317.04	\$ 127.40	\$ 272.87	\$ 219.87	\$ 250.44	\$ 306.30	\$ 285.22	
Ranking (1, is lowest)	4	10	18	1	14	9	11	17	16	
Total O&M Per Customer	\$ 1,594	\$ 1,947	\$ 2,029	\$ 2,142	\$ 1,906	\$ 1,619	\$ 1,480	\$ 1,794	\$ 1,676	
Ranking (1, is lowest)	5	14	16	17	13	6	2	11	8	

**Administrative & General Expenses
per Megawatt Hour Sold**

A&G Expenses	123,600,997	115,900,773	221,743,888	144,780,126	46,209,166	264,622,950	79,678,619	160,805,408	240,484,027	Page 323, line 197
Megawatt Hours Sold	19,121,762	16,025,685	28,632,653	35,818,700	4,940,028	43,255,846	8,385,574	20,796,733	29,182,307	Page 301, line 14
A&G Cost per Megawatt Hour Sold	\$ 6.46	\$ 7.23	\$ 7.74	\$ 4.04	\$ 9.35	\$ 6.12	\$ 9.50	\$ 7.73	\$ 8.24	
Ranking (1, is lowest)	8	9	11	1	15	6	17	10	13	
Total O&M Per MWH Sold	\$ 59.90	\$ 62.12	\$ 49.57	\$ 67.97	\$ 65.33	\$ 45.05	\$ 56.16	\$ 45.29	\$ 48.42	
Ranking (1, is lowest)	13	14	4	16	15	1	8	2	3	

**A&G Expenses
per Electric Operating Revenue**

A&G Expenses	123,600,997	115,900,773	221,743,888	144,780,126	46,209,166	264,622,950	79,678,619	160,805,408	240,484,027	Page 323, line 197
Total Electric Operating Revenues	2,053,048,852	1,507,985,947	2,476,186,351	3,418,125,327	553,029,845	3,473,482,535	788,551,899	1,713,813,202	2,502,365,101	Page 300, line 27
A&G Cost Per Electric Revenue Dollar	\$ 0.0602	\$ 0.0769	\$ 0.0896	\$ 0.0424	\$ 0.0836	\$ 0.0762	\$ 0.1010	\$ 0.0938	\$ 0.0961	
Ranking (1, is lowest)	5	9	12	1	10	8	16	14	15	
Total O&M Per Electric Operating Revenue	\$ 0.56	\$ 0.66	\$ 0.57	\$ 0.71	\$ 0.58	\$ 0.56	\$ 0.60	\$ 0.55	\$ 0.56	
Ranking (1, is lowest)	2	16	6	18	7	3	9	1	4	

A&G Expenses Compared to O&M

A&G Expenses	123,600,997	115,900,773	221,743,888	144,780,126	46,209,166	264,622,950	79,678,619	160,805,408	240,484,027	Page 323, line 197
Total O&M	1,145,396,676	995,460,224	1,419,234,532	2,434,590,118	322,740,896	1,948,554,415	470,925,967	941,979,590	1,412,905,557	Page 323, line 198
A&G as a % of Total O&M	10.79%	11.64%	15.62%	5.95%	14.32%	13.58%	16.92%	17.07%	17.02%	
Ranking (1, is lowest)	6	7	13	1	11	9	14	16	15	
Account 926 Pensions and Benefits	36,459,802	29,900,752	80,598,116	52,305,043	22,118,103	75,782,439	28,787,691	81,157,597	109,945,288	
Account 926 as a % of A&G Expense	29.50%	25.80%	36.35%	36.13%	47.87%	28.64%	36.13%	50.47%	45.72%	
Ranking (1, is lowest)	7	4	13	11	16	6	12	17	15	
Account 926 as a % of Total O&M	3.18%	3.00%	5.68%	2.15%	6.85%	3.89%	6.11%	8.62%	7.78%	
Ranking (1, is lowest)	8	7	14	3	16	10	15	18	17	

Kremer, Lisa

From: Featherstone, Cary
Sent: Thursday, March 24, 2016 5:46 PM
To: Schallenberg, Bob; Kremer, Lisa; Dottheim, Steve
Cc: Lyons, Karen; Majors, Keith; Young, Matthew
Subject: FW: Expense Account Implementation Actions
Attachments: Expense Report Issues Implementation Plan.docx

From: Klotz Ronald [<mailto:Ronald.Klotz@kcpl.com>]
Sent: Thursday, March 24, 2016 5:42 PM
To: Williams, Nathan; 'David.woodsmall@woodsmalllaw.com'; 'Charles.hyneman@ded.mo.gov'; Featherstone, Cary
Cc: Steiner Roger
Subject: Expense Account Implementation Actions

Gentlemen,

Please see the attached document regarding the Expense Account Implementation Actions that have occurred since the conclusion of Case No. ER-2014-0370.

Thanks. Ron

Pursuant to paragraph G of the July 1, 2015 *Partial Non-Unanimous Stipulation and Agreement as to Certain Issues* in Case No. ER-2014-0370, Kansas City Power & Light Company (“KCP&L” or “Company”) hereby submits the actions it has implemented to address expense account issues.

- **Officer Expenses**

- The general ledger default account for all officers has been set to below-the-line non-utility accounts. In order for an officer expense to be recorded to an operating utility account, the officer or administrative assistant must positively enter an operating utility account code to override this default coding.

- **Additional Review of Transactions**

- The Wells Fargo company credit card program administrator is reviewing various samples of company credit card business transactions each month to ensure company credit card policy compliance as well as accurate accounting code block coding is followed.
- When company credit card accounting code block coding is questioned, follow up is done with the employee to get more information on the transaction and educate the employee on proper use of accounting code block values.
- Company credit card business transactions are looked at every month for proper information regarding meal attendees, business purpose and to/from information on mileage. Employees who might be missing this information are contacted directly.

- **Job Aids**

- Job aids used by all the executive administrative assistants were reviewed for completeness and accuracy regarding company accounting code block policies

- associated with the implementation of the new company credit card transaction process.
- Training sessions were held with the executive administrative assistants to educate them on the coding of expense reports.
 - **Restriction of Chartfield Values**
 - Wells Fargo, the company credit card provider, has been provided a shortened list of available accounting code block chartfield values. With this reduced list, employees can only choose from those values that should be used for company credit card purchases.
 - All combinations of accounting code block chartfield values are sent thru all possible accounting code block edits to ensure no coding rules are broken in the combinations that are entered.
 - **Default Accounting Code Block Chartfield Values Review**
 - Default accounting code block chartfield values were reviewed in the third and fourth quarters of 2015. This review enabled the Company to continue to educate employees on the proper use of operating unit and accounting code block.
 - All default accounting code block chartfield values are now re-reviewed on a quarterly basis.
 - **General Allocator**
 - The 2015 General Allocator was based on a calculation of total expenses including all direct and indirect charges including the General Allocator. In 2016, the General Allocator calculation was changed to include only direct and indirect charges allocated using causal factors. Any costs allocated based on the General Allocator

were excluded from the 2016 General Allocator calculation. For the 2016 General Allocator calculation, income tax expense was excluded from the drivers if a negative value existed.

- The 2016 General Allocator allocates a portion of common costs to non-regulated below-the-line activity. The non-regulated below-the-line allocations were based on below-the-line charges to nonregulated projects.

KCPL and KCPL GMO
Case Name: 2016 Management Audit
Case Number: EO-2016-0124

Response to Kremer Lisa Interrogatories - MPSC_20160412
Date of Response: 05/02/2016

Question:0036

Please provide a copy of all officer/executive expense accounts/reports on the form in which they were submitted to the Company for reimbursement for the period of 2014, 2015 and 2016 through the present for those Company officers/executives presented in Exhibit 5B of the Company's Cost Allocation Manual (CAM) recently submitted to the Missouri Public Service Commission in EFIS as BAFT-2016-0806. Please identify how the expense accounts may have changed due to revisions made to the Company's expense account process identified in the Company's response to Staff Data Request No. 8 in File No. EO-2016-0124. * DR requested by Lisa Kremer (lisa.kremer@psc.mo.gov).

Response:

In the PeopleSoft expense reporting process, employees entered expenses, printed a cover sheet and then faxed that cover sheet along with receipts for verification and approval. These cover sheets along with receipts for the requested time periods are provided on the attached DVD-R. A file, "Q0036_Office Expense Report Detail Jan-Jun14" has been provided to show all expense report details and related accounting distribution for expense reports that were processed in PeopleSoft Expenses between January and June 2014. All other PeopleSoft detail was provided in the Company's response to Data Request No. 8. The process has changed since the Wells Fargo system was implemented. Each employee now has a credit card which is required to be used for corporate purchases. When a purchase is made, default accounting codes are applied based on information provided by the company to Wells Fargo for each individual user and the type of purchase (determined by the merchant category code). The employee is then required to upload receipts electronically and to verify that the correct accounting codes have been applied. After the employee has reviewed and approved, a manager will review and give final approval. Out-of-pocket expenses, such as mileage, follow a similar process. In all cases, everything related to the expense accounts is completed online in the Wells Fargo system, so a cover sheet is not required to be utilized as was the case in the PeopleSoft system. The attached DVD-R contains pdf images of the receipts by officer and month from the Wells Fargo system for the requested time periods. An Excel file with the detail of these expenses was attached to the Company's response to Data Request No. 8.

Prepared by: Ted Coulson, Accounting Systems

Attachments:

Q0036_Office Expense Report Detail Jan-Jun14.xls
Q0036_Verification.pdf

Please Note: Expense report attachments are provided on DVD

SCHEDULE 6

HAS BEEN DEEMED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

KCPL and KCPL GMO
Case Name: 2016 Management Audit
Case Number: EO-2016-0124

Response to Richter Brooke Interrogatories - MPSC_20160321
Date of Response: 04/07/2016

Question:0008

Please provide Great Plains Energy (“GPE”), Kansas City Power & Light Company (KCPL”) and KCP&L Greater Missouri Operations Company’s (“GMO”) policy(ies) on employee travel expense reimbursement. Please provide copies of all KCPL employee expense accounts for Calendar Years 2014, 2015, and Year-to-Date 2016. Provide any updates to these policies throughout 2016, as they become available. * DR requested by Brooke Richter (brooke.richter@psc.mo.gov)

Response:

KCPL began using a new expense reporting system during 2015. A file, “Q0008_PeopleSoft Expense Detail 2014-2015.xls” has been provided to show all expense report details and related accounting distribution for expense reports that were processed in PeopleSoft Expenses between 2014 and 2015. A separate file has been provided for expense reports processed through Wells Fargo 2015-2016. Also attached is the corporate policy effective as of January 1, 2016 for Reimbursement of Employee-Incurred Business Expenses.

Response provided by:
Teana Nations, Payroll
Ted Coulson, Accounting Systems

Attachments:
Q0008_PeopleSoft Expense Detail 2014-2015.xls
Q0008_Wells Fargo Expense Detail 2015-2016.xls
Q0008 Employee Expense policy as of 1-1-16.pdf
Q0008_Verification.pdf

KCP&L-E201		
Reimbursement of Employee-Incurred Business Expenses		
Approved Revision Date: January 1, 2016		
Latest Annual Review Date: December 1, 2015		
Overview		Employees will be reimbursed for all reasonable, legitimate and properly documented business expenses made in accordance with <u>KCP&L-E100</u> (Supply Chain Management – Procurement) and any other applicable policy. An individual who approves and/or validates credit card transactions or a reimbursement request accepts responsibility for the propriety of all costs included therein and for adherence to this procedure. This policy also applies to business expenses incurred by members of the Board of Directors as described in the section “Director Reimbursement of Expenses”.
Purpose		The purpose of this policy is to establish the procedures for reporting business expenses incurred by employees or members of the Board of Directors for reimbursement. The policy also defines what is reimbursable and not reimbursable and defines the appropriate form to use for said reimbursement.
Scope		This policy applies to all employees. In addition, the policy also applies to business expenses incurred by members of the Board of Directors as described in the section “Director Reimbursement of Expenses”.
Main Policy Body/Specific Guidance	General Level of Expenditure	Only reasonable business expenditures will be reimbursed. Reasonableness is based on the geographic location, the level/type of business activity, and type of expenditure. Prudent judgment must be exercised.
	Reimbursable Items	See “Employee Incurred Expenditures” below for a listing of reimbursable and non-reimbursable expenditures by type when use of a corporate credit card is not available.
	Reporting of Expenses	<p>Expenditures must be reported through the on-line Wells Fargo Expense Reporting System; or depending on the type of reimbursement, it may be submitted on documents described under “Required Reimbursement Forms/Systems” below.</p> <p>Receipts are required for all transactions except mileage. All expenses will require supporting documentation such as paid bills or receipts. Any out-of-pocket expenditures also require supporting documentation.</p> <p>In most instances, when multiple levels of management are in attendance at the same business function that requires reimbursement of expenses, the most senior management employee should make the payment for the expenses and complete the process for reimbursement.</p> <p>All expenses incurred using a Corporate credit card must be</p>

		<p>validated and approved. Credit card transactions must be validated within 15 days of statement close date. If not validated within 15 days, it will be considered a performance issue. (See <u>KCP&L-E201</u>, Reimbursement of Employee-Incurred Business Expenses.)</p> <p>Failure to validate or approve expenses in accordance with the monthly schedule will be considered a performance issue.</p>
	Approval	<p>Authorizations to approve reimbursements are established in <u>KCP&L-E200</u>. (Approval Authority for Business Transactions). Reimbursement requests, other than out-of-town travel and other costs identified in <u>KCP&L-E200</u> (Approval Authority for Business Transactions) can be approved by a non-union employee within reimbursee's division with a higher level of approval authority than the person who will receive the reimbursement. Two exceptions are that 1) expenses for the CEO must be approved by an officer, and 2) when the CEO is not available to approve an expense reimbursement for an officer, then the President or CEO designee may approve the reimbursement.</p>
	Responsibility of Approvers	<p>The approver has the primary responsibility for the review of expense reports. The review should include the following verifications: 1) compliance with Company P&P including eligibility for reimbursement; 2) reasonableness of amount; 3) required evidence of payment; 4) completeness of information e.g., including attendees for Meals and Entertainment; 5) clerical accuracy; and 6) correct account coding information. When uncertain about the propriety of any reported expense, the approver should consult the next higher level of supervision.</p>
	Cash Advance – Travel	<p>Cash advances are no longer available except for out of town travel related to storm activity duty with supervisor approval – (See <u>KCP&L-E102</u>, Business Travel Arrangements.) Prior arrangements with the card administrator must be made to temporarily activate the cash advance option for the Corporate card. Cash advances should not be withdrawn when a substantial portion of the travel costs can be charged to the Corporate card, and any amount withdrawn should not exceed \$200. Exception to the cash advance policy must be approved by an officer.</p> <p>A transaction fee may be assessed on cash advances. The transaction fee will be listed as a charge on the statement and must be validated and approved like all other transactions.</p>
	Director Reimbursement of Expenses	<p>The provisions of this policy apply to the reimbursement of business expenses incurred by directors, with the following modifications. Directors may submit expenses for reimbursement (with the supporting documentation required by this policy) to the Corporate Secretary. Reimbursement of such expenses shall be approved by either the Chairman of the Board, the Chief Executive Officer, the Corporate Secretary, or the Assistant Secretary who will then submit a check request for reimbursement of the approved amounts.</p>
Failure to Comply		<p>Failure to comply with Company Policies and Procedures, including failure to report the noncompliance of others where required, may</p>

		subject an individual employee to disciplinary action, including termination.
Definitions		N/A
Further Information		If further information is desired on this policy, contact Procurement or Accounting.

VALID BUSINESS EXPENSES	
REIMBURSABLE	NOT REIMBURSABLE
	(unless approved by an officer of the company)
Conferences and Seminars	
Registration for conferences and seminars. Participation in out-of-town seminars must be approved in advance. See "Travel - Out of Town" for related reimbursable costs.	In town meals while attending conferences/seminars except those meeting the more stringent requirements, including documentation, pertaining to "Local Business Meals which are meals within the Company's service territory." (See section on meals below for definition.)
Educational expenses	
The Manager-HRSC administers rules and procedures governing reimbursement.	
Entertainment	
Food, beverages and entertainment for employees and non-employee business guests where the business purposes of the Company can be advanced immediately before, during or after the occasion. Food and beverages for employee spouses who were previously authorized by the employee's supervisor to participate.	Employees may not make expenditures prohibited by statute or regulations for food, beverages or entertainment to personnel of state or federal revenue agencies or regulatory bodies having jurisdiction over Company services and rates. Alcoholic beverages consumed in violation of the Code of Ethical Business Conduct.
Miscellaneous and minor items	
Reimbursement of other business-related expenditures not detailed here or elsewhere in the policies and procedures are at the discretion of the approving supervisor.	Service awards and retirement gifts are provided by the company through the Recognition program. Additional gifts for these occasions, employee awards and gift cards are not reimbursable expenses. Cash awards are to be processed through the Recognition website or PeopleSoft.
Moving expenses	
Expenses for new or reassigned employees when preauthorized per KCP&L-E200 (Approval Authority for Business Transactions). Contact the Human Resources Division for rules and procedures governing eligibility and reimbursement methodology.	

VALID BUSINESS EXPENSES	
REIMBURSABLE	NOT REIMBURSABLE
	(unless approved by an officer of the company)
Travel - in town	
Mileage reimbursement, parking and tolls per <u>KCP&L-A300</u> (Company- and Employee-Provided Vehicles).	Traffic violations/fines and other costs excludable per <u>KCP&L-A300</u> (Company- and Employee-Provided Vehicles).
Mileage reimbursement for in town travel, excluding daily commute miles (unless otherwise provided for per union contract).	
Travel - out of town	
<u>Transportation</u> <ul style="list-style-type: none"> Commercial – “Coach” rate (except as allowed in <u>KCP&L-E102</u>, Business Travel Arrangements for first class). Employee owned automobile mileage reimbursement not to exceed commercial coach fare. See <u>KCP&L-A300</u> (Company- and Employee-Provided Vehicles) and <u>KCP&L-E102</u> (Business Travel Arrangements). Taxi, shuttle and bus fares as appropriate for local needs. Parking Tolls Gas, oil and repairs if travel is by Company-leased vehicle. Rental cars where cost justified and reasonable for the business needs. 	<ul style="list-style-type: none"> Commercial - Cost in excess of “Coach” (except as allowed in <u>KCP&L-E102</u>, Business Travel Arrangements for first class). Mileage reimbursement in excess of commercial coach fare. Limousine or car service costing more than the average taxi, shuttle, or bus fare. Gas, oil and repairs of personal vehicle. Car insurance through the rental agency unless required by the rental agreement.
<u>Lodging</u> <ul style="list-style-type: none"> Single room accommodations appropriate for business activity. See <u>KCP&L-E102</u> (Business Travel Arrangements), Scheduling Considerations, for extended stay provision. 	<ul style="list-style-type: none"> Excess of double room rate over single room rate where second individual is not authorized for reimbursement.
<u>Miscellaneous</u> <ul style="list-style-type: none"> Personal telephone calls home of reasonable length; transaction fee on necessary supervisor pre-approved cash advance for out of town travel related to storm activity or training; annual fee on Company-issued travel and entertainment card and any other reasonable item as determined by the approving supervisor. 	<ul style="list-style-type: none"> Leisure activities, alcoholic beverages (except as otherwise reimbursable under “Entertainment” or “Meals”), in-room movies, excessive health club charges, laundry/dry cleaning (unless warranted by circumstances), and other unreasonable or non-business costs.

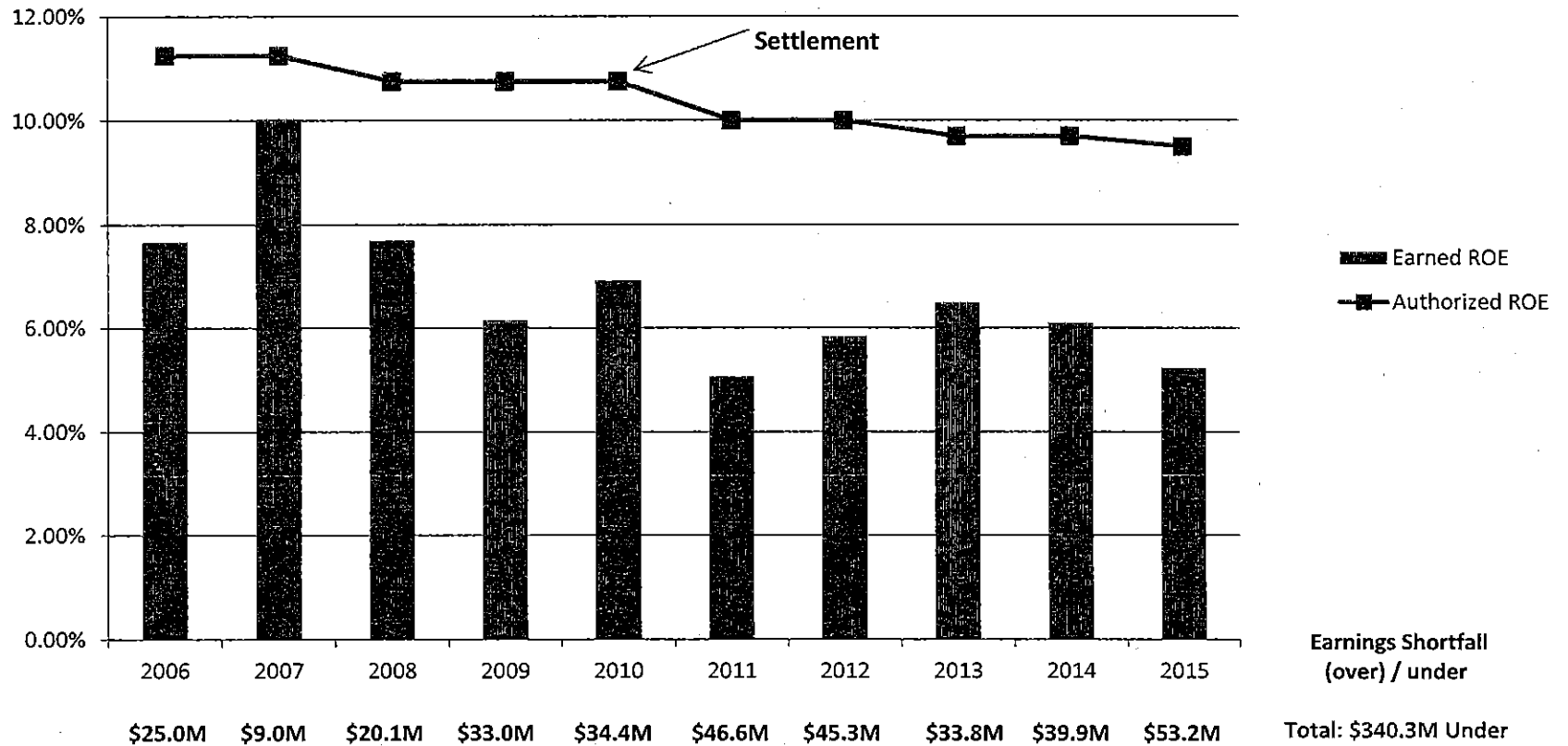
VALID BUSINESS EXPENSES	
REIMBURSABLE	NOT REIMBURSABLE
	(unless approved by an officer of the company)
Meals	
<ul style="list-style-type: none"> Meals for employee and non-employee business guests where the business purposes of the Company can be advanced immediately before, during or after the meals. Actual cost of meals provided for employees to avoid work interruption or significantly extend the work day when working under restrictive time constraints. Reimbursement for overtime meals for bargaining unit employees is provided by a taxable meal allowance claimed through time ticket reporting. Meals for employees while on out-of-town business trips requiring an overnight stay. A "meal" is food and beverages. 	<ul style="list-style-type: none"> Excess over reasonable cost Employees may not make expenditures prohibited by statute or regulations for food, beverages or entertainment to personnel of state or federal revenue agencies or regulatory bodies having jurisdiction over Company services and rates. Alcoholic beverages consumed in violation of the Code of Ethical Business Conduct.
Professional and business organizations	
Dues, registrations, assessments and local chapter meetings where membership has been authorized by the employee's supervisor as a means to improve the employee's professional development and ability to satisfy job responsibilities.	

REQUIRED REIMBURSEMENT FORMS/SYSTEMS		
NAME OF FORM/SYSTEM	SUBMIT TO	USE WHEN REIMBURSEMENT IS FOR
Educational Assistance Program - Reimbursement Application (On-line Form 907-009)	HRSC (Human Resources)	Tuition (file before beginning course)
Education Assistance-Record of Outside Course (Paper Form 802H029)	HRSC (Human Resources)	Tuition (file upon course completion)
Wells Fargo Expense Reporting System (CCER)	(Supervisor/Manager)	Out-of-town trips Mileage, parking and tolls Entertainment expenses (in or out of town) Business meals (in or out of town) Other reimbursable business expenses
Daily Time System	Payroll	Overtime meal allowances and Local 412 per diem travel allowances

Table of Contents

KCP&L Missouri

Earned ROE vs. Authorized ROE





Royals Authentics
Kauffman Stadium
One Royal Way
Kansas City, MO 64129
(816) 504-4041

Sales Receipt

Transaction #: 15328
Date: 1/21/2016 Time: 4:36:10 PM
Cashier: Justin Register #: 1

Item	Description	Amount
JB 069649	GU Base ALDS G5	\$800.00
	Discount	(\$500.00)
JB 260-46	GU Base ALDS G1	\$500.00
	Discount	(\$200.00)
JB 046396	GU Base ALCS G2	\$800.00
	Discount	(\$400.00)
JB 045373	GU Base ALCS G2	\$800.00
	Discount	(\$400.00)
106495	Base Display Case	\$240.00
	2 @ \$120.00	

Sub Total \$1,640.00
Missouri Sales Tax \$136.94
Total \$1,776.94

CC-Non Game Day Tendered \$888.47

Card: XXXXXXXXXXXX9714

Auth: 053630

CC-Non Game Day Tendered \$888.47

Card: XXXXXXXXXXXX7368

Auth: 053428

Change Due \$0.00

You saved \$1,500.00!



15328

Royals Authentics
Shop online at
www.royals.com/authentics
Our auction site is
www.royals.com/auctions

Kolenda Angela

From: Caisley Chuck
Sent: Thursday, March 24, 2016 10:41 AM
To: Anstaett Duane; Bassham Terry; Bryant Kevin; Busser Steve; Deggendorf Michael; Fairchild Ellen; Heidtbrink Scott; Humphrey Heather; Ives Darrin; Jenks Maria; King Charles; Noblet Kevin; Wright Lori; Caisley Chuck
Cc: West Betsey; Bundren Gail; Lane Lori; Kolenda Angela; Harkins Janice; Jennings Lana
Subject: Royals Schedule for 2016
Attachments: 2016 Royals Home Schedule vFINAL.xlsx

Officer Team:

Attached is the FINAL schedule / assignments for the Royals this year. **Some switches were made from the original schedule, so be sure to check one last time your game assignments.**

Angie Kolenda has graciously agreed to coordinate the suite this year. So, if you have questions or requests, she or I are your contacts.

As a reminder, the following guidelines should be followed:

- Each date comes with 20 tickets—16 in the suite and 4 in the first row behind the visiting team's dugout. The tickets behind the dugout can be used to go into the suite. There are also 10 parking passes.
- Each game we have a standard order of hotdogs, hamburgers, chicken wings and non-alcoholic drinks ordered. That will be billed back to the HCC you tell Angie to assign it to. Anything else that you want or need during the game with respect to food and non-alcoholic drinks will need to be put on the T&E card of either the officer attending or the designated host.
- As a reminder, for regulatory, SEC and tax purposes we track who attends these games. Please submit a list (Angie will provide a form for each packet of tickets you receive) back to Angie with the attendees for each game. Once you receive your tickets and parking passes from Angie, assigning and distributing tickets to your teams is up to you.
- The company does not pay for alcohol at employee events. We will not order alcohol to be in the suite when you arrive and we ask that employees not use T&E cards to purchase alcohol. That said, if people want to order their own alcoholic beverages and consume them in the suite, that is acceptable. From time to time there may be alcohol left in the refrigerator from a non-employee event. Anything left over can be consumed.
- At this point, if you want to switch games for any reason, let me or Angie know the date you want to change and the new date you would like to have and we will try to facilitate a switch. But there are no guarantees. We have to find a person who is willing to switch.

For opening night, I have the following officers attending:

1. Duane Anstaett
2. Terry Bassham
3. Kevin Bryant
4. Chuck Caisley
5. Ellen Fairchild
6. Scott Heidtbrink
7. Heather Humphrey
8. Darrin Ives
9. Maria Jenks
10. Charles King
11. Kevin Noblet



Customer Summary

Event Information : Royals vs. Mets 4/5/2016

Suite #: 05
 Game Day Suite Guest
 One Royal Way
 Kansas City, MO 64129

Account Name: Guest Game Day Suite

Account #: 88928

Order #: 85623

Payment Type: CC - Visa

Credit Card #: #### #### 2746 (CHARLES CAISLEY)

Qty	Item	Total
Event Day Sales		
1	Blue Moon	\$48.00
1	Blue Moon	\$48.00
1	Bud Light	\$39.00
1	Bud Light	\$39.00
1	Chardonnay, Sonoma-Cutrer	\$110.00
1	Chardonnay, Sonoma-Cutrer	\$110.00
1	Cheese Cake	\$10.00
1	Cookie - 4oz	\$3.00
1	Flash Crisp Yukon Gold Chips with Onion Dip	\$35.00
6	Helmet Sundae	\$54.00
1	Michelob Ultra	\$39.00
1	Michelob Ultra	\$39.00
4	Mousse Cup	\$36.00
9	Souvenir Cordial Shot	\$130.50
1	Stella Artois	\$53.00
1	Stella Artois	\$53.00
1	Tito's	\$105.00

Y Authorize Event Day Purchases

N Dessert Cart

Y Present Bill

Order SubTotal: \$951.50

Gratuity: \$0.00

Administrative Charge ***: \$171.27

Admin Charge Tax: \$14.30

Food & Beverage Tax: \$98.48

Discount: \$0.00

Order Total: \$1,235.55

**This Administrative Charge is not intended to be a tip, gratuity, or service charge for the benefit of service employees and no portion of this Administrative Charge is distributed to employees.



Thank you for your order. We look forward to serving you again in the future.

Kauffman Stadium

+ \$40 cash
 gratuity
 + 240 card
 gratuity

4/5/2016 6:36:16 PM

Page 1 of 2



Customer Summary

Event Information : Royals vs. Mets 4/3/2016

Suite #: 05
 Game Day Suite Guest
 One Royal Way
 Kansas City, MO 64129

Account Name: Guest Game Day Sales

Order #: 85385

Payment Type: CC - Visa

Credit Card #: ##### 2746 (CHARLES CAISLEY)

Qty	Item	Total
Event Day Sales		
2	Aquafina Water	\$38.00
3	Cordial Shot	\$28.50
1	Cranberry Juice	\$15.00
1	Dewars	\$110.00
11	Helmet Sundae	\$99.00
17	Souvenir Cordial Shot	\$246.50

Y Authorize Event Day Purchases

N Dessert Cart

Y Present Bill

Order SubTotal: \$537.00

Gratuity: \$140.00

Administrative Charge ***: \$96.66

Admin Charge Tax: \$8.07

Food & Beverage Tax: \$55.58

Discount: \$0.00

Order Total: \$837.31

**This Administrative Charge is not intended to be a tip, gratuity, or service charge for the benefit of service employees and no portion of this Administrative Charge is distributed to employees.

Total: \$837.31

Opening
 Day



Thank you for your order. We look forward to serving you again in the future.

8
Recreate Check
Page: 1

<DUPLICATE>

Levy Restaurants
at Arrowhead Stadium
1/3/2016 6:26

=====

Arrowhead Stadium
Check: 3211326 Table: ARBDC5
Server: AR House
Terminal: 324

=====

AR Pre Order

15 Gourmet Cookies	164.25
@ 10.95	
28 All-American	1314.60
@ 46.95	
1 Kendall Jackson	44.00
1 Bloody Mary Mix	12.00
1 Boulevard Wheat	33.50
1 Boulevard Pale A	33.50
1 Coca-Cola Classi	15.00
1 Sprite (6-pack)	15.00
1 Grey Goose (750m)	88.00
1 Bloody Mary Mix	12.00
1 Bud Light (6-pac)	28.50
1 Budweiser (6-pac)	28.50
1 Michelob Ultra (30.50
6 Hot Dogs (DOE)	53.70
@ 8.95	
1 Chateau St Miche	29.00

Subtotal	1902.05
Service Charge	361.39
Tax	231.43
Tip	250.00
Total	2744.87

Visa 2744.87
XXXXXXXXXXXX7358
CAISLEY/CHARLES

GRAND TOTAL 2744.87

=====

T324 C17003 1/3/2016 17:28

=====

1-Jan	v. Raiders					
			Exec Host	TBD		4
			HOLD	CAC/TBD		4
			Energy Efficiency	Winslow/Boone/CAC (Conest)		20
			Amy Keith-Dodd	Host (plus 3 guests)		4
						32

Keith-Dodd Amy:

Contractors: 6

- Brett Myers
- Beth Hufted
- Stephen Frank
- Nathan Frank
- Tom Alley
- Barbra Ryan

Clearesult: 10

- Carol & Al Lehre
- Barry Ledford & spouse
- Wyeth Atchison & girlfriend
- Ron Ramey
- Karen Reiboldt
- Curtis Robinson & spouse

KCP&L: 4

- Kevin Brannan & Guest
- Angela Boone & Kyle Boone



Customer Summary

Event Information : World Series Game #1 10/27/2015

Suite #: 05

Game Day Suite Guest

One Royal Way

Kansas City, MO 64129

Account Name: Guest, Game Day Suite

Account #: 66926

Order #: 788013

Payment Type: CC - Visa

Credit Card #: #### #### #### 7358 (CHARLES CAISLEY)

Qty	Item	Total
Event Day Sales		
1	Buffalo Chicken Wings	\$120.00
2	Cabernet Sauvignon, Franciscan	\$230.00
1	Champion Burger Bar	\$160.00
2	Chardonnay, Sonoma-Cutrer	\$220.00
1	DC Baileys	\$9.25
4	DC Brownie	\$16.00
2	DC Candy Bag - Chocolate	\$20.00
5	DC Cinnamon Toast Crunch	\$46.25
1	DC Cookie	\$2.50
13	DC Helmet Sundae	\$110.50
2	DC Mini Mousse Cup	\$13.00
1	Grilled Hot Dogs	\$65.00
1	LTOP	\$0.00
1	Sliced Cheese Tray	\$0.00
2	Stella Artois	\$104.00

Y Authorize Event Day Purchases

N Dessert Cart

Y Present Bill

Order SubTotal: \$1,116.50

Gratuity: \$0.00

Administrative Charge ***: \$200.98

Admin Charge Tax: \$16.78

Food & Beverage Tax: \$115.56

Discount: \$0.00

Order Total: \$1,449.82

**This Administrative Charge is not intended to be a tip, gratuity, or service charge for the benefit of service employees and no portion of this Administrative Charge is distributed to employees.

1799.82

Thank you for your order. We look forward to serving you again in the future.

Kauffman Stadium

10/27/2015 10:32:40 PM

Page 1 of 2



WEBSTER HOUSE
1644 WYANDOTTE
KANSAS CITY, MO 64108
816-221-4713

Returns Accepted for 30 Days with
Receipt

All Sales Final on Discounted
Merchandise

Ticket# 1060065

Station: 1

User: POS

12/1/2015 11:02 AM

Item #	Qty	Price	Total
G-742/WSMLBK	1	25.00	25.00
BLUE ROYALS WINE STOPPER			
G-742/WSMLBK	1	25.00	25.00
ROYALS WINE STOPPER			
G-742/WSMLBK	1	25.00	25.00
CROWN WINE STOPPER			
G-629/MUG	1	10.00	10.00
KC COFFEE MUG			
G-629/ROCKS	2	12.50	25.00
KC ON THE ROCKS GLASS			
G-906/050	1	22.50	22.50
BLACK CARDAMOM			
G-906/012	1	22.50	22.50
FIRESIDE SOY CANDLE			
G-817/50302	1	25.00	25.00
SM WHT CURRANT CANDLE			
G-817/50303	1	25.00	25.00
SM WHT GINGER CANDLE			
G-515/TWBT	2	25.00	50.00
TEAKWOOD 90Z			
G-515/LERC09	1	25.00	25.00
90Z ROUGE CROC CONTAINER			
G-418/6792M	1	9.00	9.00

MENS MONKEY SOCKS

G-418/6792M 1 9.00 9.00

MENS BAM SOCKS

G-335/007 5 5.50 27.50

MICE BOX (2)

G-559/95810 1 25.00 25.00

MEXICO COME FLY WITH ME TRAY

G-039/5088 1 9.95 9.95

LIVE INSPIRED JOURNAL

G-407/7001 1 20.00 20.00

WHISKEY WEDGE W/GLASS

G-256/80228 1 20.00 20.00

LTHR FLASK QUOTATIONS 3/A

G-407/5064 1 30.00 30.00

CORKCICLE AIR

G-256/50714 1 13.50 13.50

COASTER WINE BOTTLE W/SAYINGS

G-910/052153 1 28.00 28.00

PINE NEEDLE GLS CANDLE FRAISER

*** Compare at \$35.00 You saved \$7.00
EACH

G-052/602611 1 15.00 15.00

CONCERTS MUG

Subtotal 486.95

Tax 45.53

Total 532.48

Tender:

Cred Card 532.48

****8993

Items purchased: 28



Terry Bassham
officer Christmas
Gifts - 2015



Customer Summary

Event Information : Royals vs. Tigers 9/3/2016

Suite #: 05
 Game Day Suite Guest
 One Royal Way
 Kansas City, MO 64129

Account Name: Charles Game Day Sales

Account #: 155926

Order #: 922201

Payment Type: CC - Visa

Credit Card #: #### #### #### 2746 (CHARLES CAISLEY)

Qty	Item	Total
Event Day Sales		
2	Aquafina Water	\$38.00
		\$96.00
		\$78.00
		\$220.00
2	Cheese Cake	\$20.00
		\$19.00
1	Cupcake	\$8.00
4	Dipped Strawberry	\$14.00
8	Helmut Sandwich	\$72.00
		\$65.00
1	Queso Blanco	\$65.00
Y Authorize Event Day Purchases		Order SubTotal: \$708.00
N Dessert Cart		Gratuity: \$0.00
Y Present Bill		Administrative Charge ***: \$127.44
		Admin Charge Tax: \$10.64
		Food & Beverage Tax: \$73.28
		Discount: \$0.00
		Order Total: \$919.36

**This Administrative Charge is not intended to be a tip, gratuity, or service charge for the benefit of service employees and no portion of this Administrative Charge is distributed to employees.

Signature

Date

Order Total: \$919.36

Gratuity: 180.00

Total: 1099.36

Print Name

Thank you for your order. We look forward to serving you again in the future.

Kauffman Stadium

9/3/2016 9:12:40 PM

Page 1 of 1

921000



Customer Summary

Event Information : Royals vs. Tigers 9/3/2016

Suite #: 05

Game Day Suite Guest

One Royal Way

Kansas City, MO 64129

Account Name: Guest Game Day Suite

Account #: 55926

Order #: 932226

Payment Type: CC - Visa

Credit Card #: #### #### 2746 (CHARLES CAISLEY)

Qty	Item	Total
Event Day Sales		
2	Aquafina Water	\$36.00
		\$96.00
		\$78.00
		\$220.00
2	Cheese Cake	\$20.00
		\$19.00
1	Cupcake	\$8.00
4	Dipped Strawberry	\$14.00
0	Helmet Sundae	\$72.00
1	Queso Blanco	\$65.00
Y Authorize Event Day Purchases		Order SubTotal: \$708.00
N Dessert Cart		Gratuity: \$0.00
Y Present Bill		Administrative Charge ***: \$127.44
		Admin Charge Tax: \$10.64
		Food & Beverage Tax: \$73.28
		Discount: \$0.00
		Order Total: \$919.36

**This Administrative Charge is not intended to be a tip, gratuity, or service charge for the benefit of service employees and no portion of this Administrative Charge is distributed to employees.

Signature

Date

Order Total: \$919.36

Print Name

Gratuity: 180.00

Total: 1099.36

Thank you for your order. We look forward to serving you again in the future.

Kauffman Stadium

9/3/2016 9:12:40 PM

Page 1 of 1

Host: Chuck Caisley

[illegible]

SCHEDULE 10

HAS BEEN DEEMED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

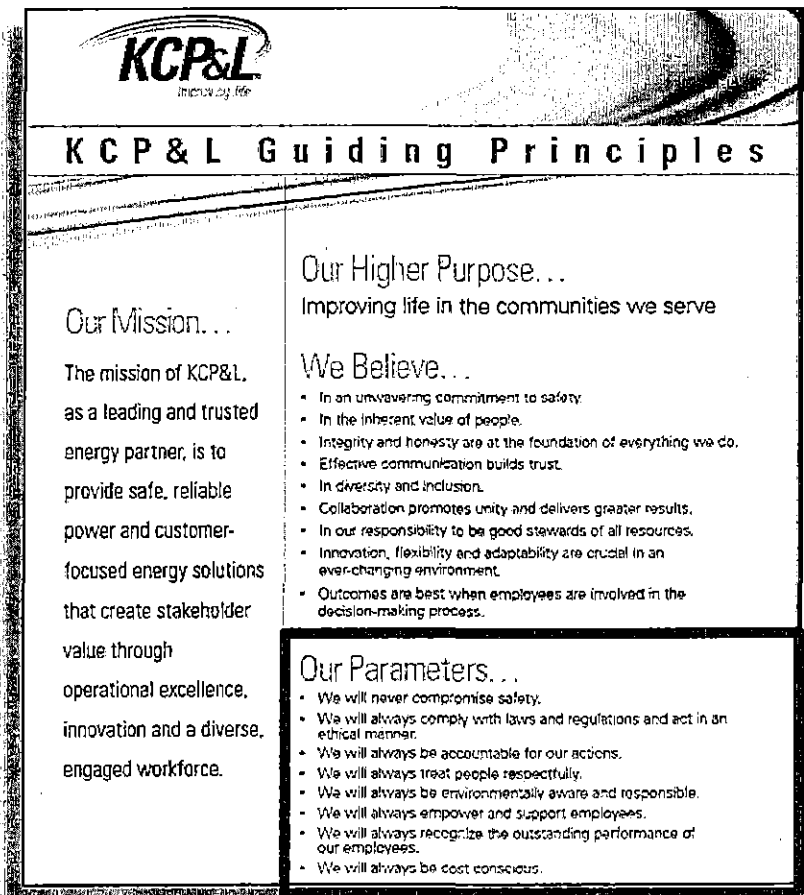
Guides for our Ethics and Behavior:

KCP&L's Commitment to Ethics and Compliance

How do we make this happen?

We sustain our culture with a strong commitment to ethics, business ethics, and compliance. This includes following our **Code of Ethical Business Conduct** and the parameters of our **Guiding Principles** of:

- Never compromising safety,
- Complying with laws and regulations and acting in an ethical manner, being accountable for our actions,
- Treating people with respect,
- Being environmentally aware and responsible,
- Empowering and supporting employees,
- Recognizing outstanding performance of our employees,
- Always being cost conscious.



The graphic is a rectangular box with a dark background and white text. At the top left is the KCP&L logo with the tagline "energizing life". Below the logo, the title "KCP&L Guiding Principles" is centered. The content is organized into three columns. The first column, titled "Our Mission...", describes the company's role as a leading energy partner. The second column, titled "Our Higher Purpose...", states the goal of improving life in communities. The third column, titled "We Believe...", lists eight core values. Below these, a section titled "Our Parameters..." lists eight specific commitments.

KCP&L
energizing life

KCP&L Guiding Principles

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

Our Higher Purpose...
Improving life in the communities we serve

We Believe...

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

Our Parameters...

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

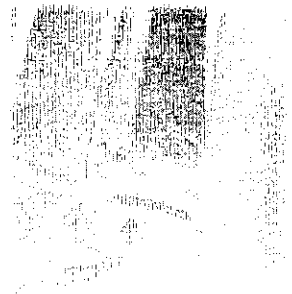
Doing the Right Thing: ethics sniff test



If you're unsure about whether or not to proceed with a particular action, try taking the ethics "sniff test."

Ask yourself the following questions:

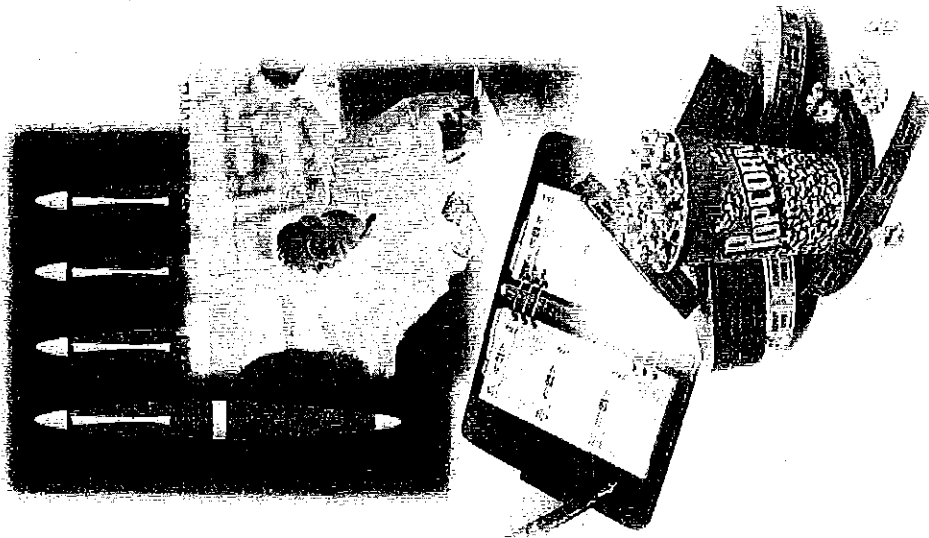
- Is it legal?
- Does it agree with KCP&L's Guiding Principles?
- Is it in agreement with the Company's policies and procedures?
- Would it protect life, property and the environment?
- Would it look good to others if it were published in the newspaper?



Seek help from a trusted source. Consider talking to your supervisor, HR generalist, Corporate Compliance, Legal or the Chief Compliance Officer.



Conflicts of Interest *Gifts and Gratuities*



We may only participate in the accepted practice of giving and receiving occasional and modest gifts, meals, services or entertainment as a way to promote goodwill and help build positive business relationships.

An example of a modest gift would be a promotional item, such as a pen or calendar with the company's name on it. These relatively inexpensive gifts should be given or received infrequently and must be customary, legal and of modest value.