

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

In the Matter of the Joint Application of Great Plains)
Energy Incorporated, Kansas City Power & Light)
Company and KCP&L Greater Missouri Operations)
Company for a variance from 4 CSR 240-20.015.) Case No. EE-2017-_____

STIPULATION AND AGREEMENT

COME NOW Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company and Great Plains Energy Incorporated (“KCP&L”, “GMO” and “GPE”, respectively, and collectively referred to herein as “Joint Applicants”) and the Staff of the Missouri Public Service Commission (“Staff”) (Joint Applicants and Staff are collectively referred to herein as the “Signatories” or, individually, as a “Signatory”), by and through their undersigned counsel and, pursuant to Missouri Public Service Commission (“Commission”) Rule 4 CSR 240-2.115, request that the Commission approve this Stipulation and Agreement (“Stipulation”) as a comprehensive settlement of all issues relevant to the Joint Application filed herein. In support thereof, the Signatories hereto agree as follows:

BACKGROUND

On October, 12 2016, Joint Applicants filed a Joint Application with the Commission under 4 CSR 240-20.015(10), requesting an order from the Commission granting a variance from 4 CSR 240-20.015 in connection with an Agreement and Plan of Merger dated May 29, 2016 (the “Agreement”), pursuant to which GPE and GP Star, Inc., will acquire all of the stock of Westar Energy, Inc. (“Westar”) (the “Transaction”).

The Signatories have met to discuss resolution of this matter on a number of occasions. As a result, the Signatories have now reached a Stipulation and Agreement

("Stipulation") set forth below which they recommend to the Commission, subject to the conditions and representations contained in this Stipulation.

The Signatories hereto recommend that the Commission approve the variance requested by GPE, KCP&L and GMO subject to the following conditions:

A. FINANCING CONDITIONS

The following Financing Conditions shall remain in effect until such time as the Commission may order otherwise in a general rate case or other proceeding brought for that purpose:

1. GPE, KCP&L and GMO shall maintain separate capital structures to finance the activities and operations of each entity unless otherwise authorized by the Commission. Unless the Commission authorizes otherwise, GPE, KCP&L and GMO shall maintain separate Corporate Credit Ratings, and separate debt¹ so that neither GPE, KCP&L nor GMO will be responsible for the debts of each other or their other affiliated companies. GPE, KCP&L and GMO shall also maintain separate revolving credit facilities and commercial paper, if any, unless the Commission authorizes otherwise. GPE, KCP&L and GMO shall also maintain separate preferred stock, if any. Neither KCP&L nor GMO shall guarantee the debt of the other, or of GPE, or of any of GPE's other affiliates, or otherwise enter into make-well or similar agreements, unless otherwise authorized by the Commission. Neither KCP&L nor GMO shall pledge their respective stock or assets as collateral for obligations of any other entity, unless otherwise authorized by the Commission.

¹ GMO's Promissory Notes to GPE dated May 19, 2011 and June 15, 2012 that mature June 1, 2021 and June 15, 2022, respectively, are considered separate GMO debt.

2. KCP&L and GMO have indicated to the Staff their intent to utilize their respective utility-specific capital structure in general rate case filings subsequent to the close of the Transaction. In such filings, KCP&L or GMO (as applicable) shall provide (a) evidence demonstrating that the Transaction has not resulted in a downgrade to that utility's Corporate Credit Rating that exists at the time the general rate case is filed compared to the Corporate Credit Rating of that utility that existed as of May 27, 2016, or (b) if such a Corporate Credit Rating downgrade resulting from the Transaction exists at the time the general rate case is filed, evidence demonstrating that Missouri customers are held harmless from any cost increases resulting from such a downgrade, and (c) evidence supporting the reasonableness of using the utility-specific capital structure of KCP&L or GMO in determining a fair and reasonable rate of return for the applicable utility. GPE, KCP&L and GMO acknowledge that this provision shall not limit the position or positions any party to a rate case may take, or that the Commission may order, regarding the appropriate capital structure to be used for setting rates for KCP&L or GMO.

3. In the event KCP&L or GMO should have its respective Standard & Poor's ("S&P") Corporate Credit Rating downgraded to below BBB- as a result of the Transaction, KCP&L and/or GMO (the "Impacted Utility") commits to file:

- a. Notice with the Commission within five (5) business days of such downgrade;
- b. A pleading with the Commission within 60 days which shall include the following:

- i. Actions the Impacted Utility may take to raise its S&P Corporate Credit Rating to BBB-, including the costs and benefits of such actions and any plan the Impacted Utility may have to undertake such actions;
- ii. The change, if any, on the capital costs of the Impacted Utility due to its S&P Corporate Credit Rating being below BBB-;
- iii. Documentation detailing how the Impacted Utility will not request from its Missouri customers, directly or indirectly, any higher capital costs incurred due to a downgrade of its S&P Corporate Credit Rating below BBB;

c. File with the Commission, every 45 days thereafter until the Impacted Utility has regained its S&P Corporate Credit Rating of BBB- or above, an updated status report with respect to the items required in ¶A.3.b. above.

4. If the Commission determines that the decline of the Impacted Utility's S&P Corporate Credit Rating to a level below BBB- has caused its service to decline, then the Impacted Utility shall be required to file a plan with the Commission detailing the steps that will be taken to restore service levels that existed prior to the ratings decline.

5. In the event KCP&L or GMO's affiliation with GPE or any of its affiliates is the reason for KCP&L or GMO's respective S&P Corporate Credit Rating to be downgraded to below BBB-, KCP&L and/or GMO shall pursue additional legal and structural separation, if necessary, from the affiliate(s) causing the downgrade, and

the Impacted Utility shall not pay a common dividend without Commission approval or until the Impacted Utility's S&P Corporate Credit Rating has been restored to BBB- or above.

6. If KCP&L or GMO's respective S&P Corporate Credit Rating declines below BBB- as a result of the Transaction, the Impacted Utility shall file with the Commission a comprehensive risk management plan that assures the Impacted Utility's access to and cost of capital will not be further impaired. The plan shall include a non-consolidation opinion if required by S&P.

7. Neither KCP&L nor GMO shall seek an increase to the cost of capital as a result of the Transaction or KCP&L and GMO's ongoing affiliation with GPE and its affiliates other than KCP&L and GMO after the Transaction. Any net increase in the cost of capital that KCP&L and GMO seek shall be supported by documentation that: (a) the increases are a result of factors not associated with the Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-GMO affiliates; (b) the increases are not a result of changes in business, market, economic or other conditions caused by the Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-GMO affiliates; and (c) the increases are not a result of changes in the risk profile of KCP&L or GMO caused by the Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-GMO affiliates. The provisions of this section are intended to recognize the Commission's authority to consider, in appropriate proceedings, whether this Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-GMO affiliates have resulted in capital cost increases for KCP&L

or GMO. Nothing in this Stipulation shall restrict the Commission from disallowing such capital cost increases from recovery in KCP&L or GMO's rates.

8. The goodwill arising from the Transaction will be maintained on the books of GPE and is therefore not expected to negatively affect KCP&L or GMO's cost of capital; however, if such goodwill becomes impaired other than as a result of a Commission order and such impairment negatively affects KCP&L or GMO's cost of capital, all net costs associated with the decline in the Impacted Utility's credit quality specifically attributed to the goodwill impairment, considering all other capital cost effects of the Transaction and the impairment, shall be excluded from the determination of the Impacted Utility's rates.

9. For the first five years after closing of the Transaction, GPE shall provide Staff and OPC its annual goodwill impairment analysis in a format that includes spreadsheets in their original format with formulas and links to other spreadsheets intact and any printed materials within 30 days after the filing of GPE's Form 10-Q for the period in which the analysis is performed, as well as all supporting documentation. Thereafter, this analysis will be made available to Staff and OPC upon request.

10. Staff will retain a copy of GPE's financial/valuation model that was provided by GPE on a highly confidential basis in response to a Staff data request in Case No. EM-2016-0324. Staff will continue to protect the confidentiality of the information contained within that model.

B. RATEMAKING/ACCOUNTING CONDITIONS

1. Goodwill associated with the premium over book value of the assets paid for the shares of Westar stock (referred to for purposes of this Stipulation as "Acquisition

Premium”) will be maintained on the books of GPE. The amount of any acquisition premium paid for Westar shall not be recovered in retail rates, unless otherwise ordered by the Commission. Nothing herein shall preclude any party to this Stipulation from taking a position in any future ratemaking proceedings involving either KCP&L or GMO regarding the ratemaking measures and adjustments necessary to ensure no impact from the acquisition premium on rates. Neither KCP&L nor GMO will seek direct or indirect recovery or recognition in retail rates of any acquisition premium through any purported acquisition savings “sharing” adjustment (or similar adjustment) in current or future rate cases; provided, however, that if any party to any KCP&L or GMO general rate case proposes to impute the cost or proportion of the debt GPE is using to finance the Transaction to either KCP&L or GMO for purposes of determining a fair and reasonable return for either utility, then KCP&L and GMO reserve the right to seek, in any such rate case, recovery and recognition in retail rates of the acquisition premium.

2. Transaction costs include, but are not limited to, those costs relating to obtaining regulatory approvals, development of transaction documents, investment banking costs, costs related to raising equity incurred prior to the close of the Transaction, payments required by the Agreement to be paid to employees who invoke severance payment agreements, and communication costs regarding the ownership change with customers and employees. Neither KCP&L nor GMO will seek either direct or indirect recovery or recognition in retail rates of any transaction costs through any purported acquisition savings “sharing” adjustment (or similar adjustment) in any future rate cases; provided, however, that if any party to any KCP&L or GMO general rate case proposes to impute the cost or proportion of the debt GPE is using to finance the

Transaction to either KCP&L or GMO for purposes of determining a fair and reasonable return for either utility, then KCP&L and GMO reserve the right to seek, in any such rate case, recovery and recognition in retail rates of transaction costs.

3. Transition costs are those costs incurred to integrate Westar under the ownership of GPE and include integration planning and execution, and “costs to achieve.” Transition costs include capital and non-capital costs. Non-capital transition costs can be ongoing costs or one-time costs. With the specific prior permission of the Commission, which request for permission can be made in the same general rate case in which cost recovery is sought, non-capital transition costs can be deferred on the books of either KCP&L or GMO to be considered for recovery in KCP&L and GMO rate cases. If subsequent rate recovery is sought, KCP&L and GMO will have the burden of proving that the recoveries of any transition costs are just and reasonable and that the costs provide benefits to Missouri customers.

4. GPE commits that retail rates for Missouri KCP&L and GMO customers shall not increase as a result of the Transaction.

C. AFFILIATE TRANSACTIONS AND COST ALLOCATION MANUAL (CAM) CONDITIONS

1. KCP&L and GMO will be operated after the Transaction in compliance with the Commission’s affiliate transaction rule, or will obtain any necessary variances from the Commission’s affiliate transaction rule as defined in 4 CSR 240-20.015(10) and 4 CSR 240-80.015(10).

2. GPE and its subsidiaries commit that all information related to an affiliate transaction consistent with 4 CSR 240-20.015(5)(A)(1)-(2) and 4 CSR 240-

80.015(5)(A)(1)-(2) charged to KCP&L and/or GMO will be treated in the same manner as if that information is under the control of either KCP&L or GMO.

3. Except as permitted by the variance granted pursuant to ¶C.4. below or any other variance that may be granted by the Commission as provided in ¶C.1 above, neither KCP&L nor GMO will provide preferential service, information, or treatment to an affiliated entity over another party at any other time, consistent with 4 CSR 240-20.015(2) and 4 CSR 240-80.015(2).

4. By the Commission's approval of this Stipulation, the Signatories intend that the Commission shall grant KCP&L and GMO a variance from the provisions of 4 CSR 240-20.015 allowing all transactions between KCP&L, GMO and Westar to occur at cost except for wholesale power transactions, which will be based on rates approved by the Federal Energy Regulatory Commission ("FERC"). As good cause for this variance, the Signatories agree that: the variance is limited to transactions between GPE's regulated utilities in Missouri and Kansas; the variance is necessary to enable the attainment of post-Transaction savings that will ultimately benefit customers of GPE's utility subsidiaries in Missouri and Kansas; and, given all of the conditions set forth in this Stipulation, the Transaction will not be detrimental to the public interest in Missouri.

5. As required by Commission rule (4 CSR 240-20.015(2)(C)) and clarified by the Commission's decision in Case No. EC-2015-0309, KCP&L and GMO agree to not make available, sell or transfer specific Missouri customer information including, but not limited to: customer names, addresses, telephone numbers, credit or debit card information, social security numbers, income and/or other customer information, to

affiliated or unaffiliated entities without prior informed consent of the Missouri customer, authorization of the Commission or as otherwise provided by law, other than as necessary to provide services to and in support of their regulated operations.

6. KCP&L and GMO agree to meet with Staff no later than 60 days after the closing of the Transaction to provide a description of its expected impact on the allocation of costs among GPE's utility and non-utility subsidiaries as well as a description of its expected impact on the cost allocation manuals ("CAMs") of KCP&L and GMO. No later than six months after the closing of the Transaction but no less than two months before the filing of a general rate case for either KCP&L or GMO, whichever occurs first, KCP&L and GMO agree to file updates to their existing CAMs reflecting process and recordkeeping changes necessitated by the Transaction.

D. CUSTOMER SERVICE CONDITIONS

1. KCP&L and GMO will meet or exceed the customer service and operational levels currently provided to their Missouri retail customers.

2. KCP&L and GMO will continue to meet with Staff Consumer and Management Analysis personnel on a periodic basis, such as quarterly or as Staff deems necessary, after the close of the Transaction, to review contact center and other service quality performance. Staff may request additional periodic meetings with KCP&L and GMO personnel to address customer service operating procedures and the level of service being provided to Missouri retail customers.

3. Within thirty (30) days after closing the Transaction, KCP&L and GMO shall provide to Staff a current organizational chart, illustrating the positions and names of management employees that have customer service responsibilities, and this

information shall be provided on a monthly basis thereafter in conjunction with the material provided on a monthly basis pursuant to ¶E.2.c.

4. Nothing in this Stipulation precludes any party from recommending, in a future case, additional conditions pertinent to customer service quality and reliability of service related to the process of integrating KCP&L, GMO and Westar.

5. Additional conditions pertinent to customer service quality and reliability of service during the process of integrating KCP&L, GMO and Westar are addressed in section E. of this Stipulation, below.

E. INTEGRATION: PRINCIPLES, STATUS UPDATES AND INFORMATION REGARDING OPERATIONS

1. As GPE undertakes the process of integrating Westar, KCP&L and GMO, fundamental principles have been adopted to ensure the availability of adequate resources, including but not limited to personnel, equipment and systems, that will enable a smooth transition to ownership and operation of Westar by GPE. These fundamental principles established to guide the integration project are:

- Maintain both employee and public safety across the combined organization;
- Ensure the combined company is strategically positioned to achieve GPE's long term goals;
- Manage people integration consistent with GPE's Guiding Principles,²
 - Cost savings from integration, and staffing for the combined companies, will come from across the combined platform; and

² See Exhibit 1 attached hereto.

- Natural attrition, job assignments outside of current responsibilities, voluntary termination packages and severance will be used to reduce headcount;
- Deliver on GPE's financial requirements,
 - Credit metrics; and
 - Efficiencies;
- Maintain and improve customer service and reliability across both states;
- Keep rates lower than they would have been absent GPE's acquisition of Westar by capturing efficiencies and building them into ratemaking in the normal course;
- Generation, transmission and distribution and fleet integration decisions will be premised, designed and implemented to position operations to deliver value over the long-term;
- Standardize key processes using best practices from both organizations; and
- Continue to promote energy efficiency and environmental stewardship.

2. The planning process for the integration of KCP&L, GMO and Westar began with the formation of integration teams in July 2016 and is currently under way. As such, detailed plans regarding post-closing operations and organizational structure are under development and not currently available. Therefore, to keep Staff apprised of the status of integration planning before closing, and to keep Staff and the Commission

apprised of the status of integration implementation after closing, KCP&L and GMO shall:

a. Prior to closing of the Transaction – KCP&L and GMO shall meet with Staff no later than 60 days after approval of this Stipulation and Agreement, and on a monthly basis thereafter until closing, to provide an update on the status of integration planning;

b. After closing of the Transaction – KCP&L and GMO shall meet with Staff no later than 60 days after closing, and on a quarterly basis thereafter for a period of one year after closing, to provide an update on the status of integration implementation, including discussion of progress on organizational changes and consolidation of processes affecting the customer experience, including but not limited to: contact center operations, customer information and billing, remittance processing, credit and collections, and service order processes. The frequency of such update meetings shall be reduced to every six months during the second year after closing of the Transaction and shall cease thereafter, unless otherwise ordered by the Commission. Regardless of the frequency of such meetings, KCP&L and GMO agree to continue their practice of promptly advising Staff in the event of material operational irregularities – whether arising from systems, training, process change or any other cause – that may affect the customer experience. Additionally, for a period of no less than two years, unless otherwise ordered by the Commission, KCP&L and GMO shall, on a twice-yearly basis unless otherwise ordered by the Commission, appear and provide an on-the-record update of the status of integration implementation, providing the Commissioners an opportunity to ask questions about the status of integration implementation;

c. After closing of the Transaction – KCP&L and GMO shall continue providing Staff, on a monthly basis, data on contact center service quality, including abandoned call rate, average speed of answer, service level (percentage of calls answered within 20 seconds), the number of calls offered utilization of call deferral technology (such as “Virtual Hold). KCP&L and GMO currently provide such data on a monthly basis and will continue this practice after closing. The contact center service quality information that KCP&L and GMO will provide after closing shall be consistent with the information that has been provided pursuant to agreements in Case Nos. EM-2007-0374, EO-2005-0329 and ER-2004-0034. To the extent that handling of calls by KCP&L or GMO customers is either outsourced (meaning that calls of KCP&L or GMO customers are being handled by personnel who are not under the direct supervision and management of KCP&L or GMO employees) or performed by contingent labor (meaning personnel who are not directly employed by GPE, KCP&L or GMO but who are subject to the direct supervision and management of KCP&L or GMO employees) to a greater degree than occurred prior to closing of the Transaction, KCP&L and GMO shall advise Staff of such arrangements in advance of implementation, provide the same contact center service quality information to Staff and, in addition, shall include data on the turnover rate (i.e., information related to on-the-job tenure) of such contingent labor contact center personnel in the monthly contact center service quality reports.

d. After closing of the Transaction – KCP&L and GMO shall continue providing Staff, on a monthly basis, with data on service reliability, including system average interruption frequency index (“SAIFI”), system average interruption duration index (“SAIDI”), circuit average interruption frequency index (“CAIFI”) and circuit

average interruption duration index (“CAIDI”). The service reliability information KCP&L and GMO will provide after closing shall be consistent with the information that has been provided pursuant to agreements in Case Nos. EM-2007-0374, EO-2005-0329 and ER-2004-0034.

e. Before closing of the Transaction – KCP&L and GMO shall, for the last full pay period prior to closing, provide Staff, no later than 45 days after closing, a complete listing of employee headcounts (full- and part-time) for GPE, KCP&L, GMO and Westar.

f. After closing of the Transaction – KCP&L and GMO shall, on a quarterly basis continuing for two years after closing, provide Staff, no later than 45 days after the conclusion of the relevant quarter, with data on employee headcounts (full- and part-time, including contingent labor retained through employment agencies) for GPE, KCP&L, GMO and Westar as well as a complete listing of functions and/or positions that have been either outsourced (meaning that work is being performed on behalf of GPE, KCP&L, GMO and/or Westar that is not under the direct management and supervision of GPE, KCP&L, GMO or Westar employees) or converted to contingent labor as a result of the integration of GPE, KCP&L, GMO and Westar. To the extent that job positions at GPE, KCP&L, GMO or Westar have been eliminated, re-classified or transferred between GPE, KCP&L, GMO or Westar, such eliminations, re-classifications or transfers shall be identified.

g. After closing of the Transaction – KCP&L and GMO shall, for a period of two years after closing, provide Staff any reports or presentations made to the GPE board of directors regarding efficiencies attained as a result of the Transaction. Such reports or presentations shall be provided to Staff within 30 days after being provided to

the GPE board of directors. In addition, for a period of two years after closing of the transaction, on a twice-yearly basis, KCP&L and GMO shall provide, no later than 45 days after the conclusion of the relevant six-month period, to Staff a report of the dollar value of efficiencies attained by the combined organization as a result of the Transaction during that six-month period.

h. After closing of the Transaction – KCP&L and GMO shall, for a period of two years after closing, provide Staff, on twice-yearly basis, responses to all customer survey questions dealing with customer satisfaction and experience conducted on KCP&L or GMO's behalf as well as the contracts pursuant to which such surveys are performed by entities such as, but not limited to, JD Power and Associates, Wilson Perkins Allen, Hyper-Quality, Profile Marketing Research. Such information shall be provided no later than 45 days after the conclusion of the relevant six-month period and the first six-month period shall commence the day the Transaction closes. During the two-year period after closing, KCP&L and GMO will provide such survey results and information pertinent to the conduct of the surveys at the request of Staff. Upon the conclusion of the two-year period after closing of the Transaction, any such survey information would be available for Staff review through the rate case discovery process.

i. The reporting and data provision agreed to herein by GPE, KCP&L and GMO does not change any reporting obligations of GPE, KCP&L or GMO that existed prior to the approval of this Stipulation.

3. GPE commits to maintain or improve current load sampling and research practices of KCP&L and GMO after the Transaction, and that KCP&L and GMO will

discuss with Staff any modifications planned to integrate Westar into KCP&L and GMO load sampling and research practices.

4. GPE's corporate headquarters will remain at 1200 Main Street in Kansas City, Missouri after the Transaction closes and GPE has also committed in the Agreement to maintain the current Westar headquarters at 818 Kansas Avenue in Topeka, Kansas for GPE's Kansas headquarters after closing. While Transaction-related efficiencies will result in lower employee headcount for the combined organization in both Missouri and Kansas post-closing compared to the two stand-alone organizations prior to closing, GPE expects to achieve such Transaction-related efficiencies in a generally balanced way across both states. This is consistent with one of the five fundamental principles that guided GPE's participation in the competitive process that resulted in the Agreement, namely, that the states of Kansas and Missouri as well as the communities Westar and GPE's utility subsidiaries serve must benefit.

5. The Transaction is the subject of an application currently before the Kansas Corporation Commission ("KCC") and an order is expected from the KCC no later than April 24, 2017. GPE, KCP&L and GMO are confident that the KCC order in that proceeding will not have a detrimental impact on the public interest in Missouri, GMO or KCP&L's Missouri operations. Within 30 days of the issuance of a final KCC order in that proceeding (Docket No. 16-KCPE-593-ACQ), KCP&L and GMO will cause to be filed in this case supplemental testimony of Mr. Terry Bassham, GPE's Chairman, President and Chief Executive Officer, demonstrating that the Transaction will not have a detrimental impact on the Missouri public interest or GMO or KCP&L's Missouri operations.

F. ACCESS TO RECORDS CONDITIONS

1. KCP&L and GMO shall provide Staff and the Office of the Public Counsel (“OPC”) with access, upon reasonable written notice during working hours and subject to appropriate confidentiality and discovery procedures, to all written information provided to common stock, bond or bond rating analysts which directly or indirectly pertains to KCP&L or GMO or any affiliate that exercises influence or control over KCP&L, GMO or GPE. Such information includes, but is not limited to, common stock analyst and bond rating analyst reports. For purposes of this condition, “written” information includes, but is not limited to, any written and printed material, audio and video tapes, computer disks, and electronically stored information. Nothing in this condition shall be deemed a waiver of any entity’s right to seek protection of the information or to object, for purposes of submitting such information as evidence in any evidentiary proceeding, to the relevancy or use of such information by any party.

2. KCP&L and GMO agree to make available to Staff and OPC, upon written notice during normal working hours and subject to appropriate confidentiality and discovery procedures, all books, records and employees as may be reasonably required to verify compliance with KCP&L and GMO’s CAM and any conditions ordered by this Commission. KCP&L and GMO shall also provide Staff and OPC any other such information (including access to employees) relevant to the Commission’s ratemaking, financing, safety, quality of service and other regulatory authority over KCP&L or GMO; provided that any entity producing records or personnel shall have the right to object on any basis under applicable law and Commission rules, excluding any objection that such records and personnel of affiliates; (a) are not within the possession or control of

either KCP&L or GMO or (b) are either not relevant or are not subject to, the Commission's jurisdiction and statutory authority by virtue of, or as a result of, the implementation of the proposed Transaction.

3. KCP&L and GMO shall provide Staff and OPC access to the complete GPE Board of Directors' meeting minutes, including all agendas and related information distributed in advance of the meeting, presentations and handouts, provided that privileged information shall continue to be subject to protection from disclosure and KCP&L and GMO shall continue to have the right to object to the provision of such information on relevancy grounds.

4. KCP&L and GMO will maintain records supporting its affiliated transactions for at least five years.

5. Should it be deemed necessary for Staff or OPC employees to travel to locations outside of the State of Missouri to examine any records deemed relevant to the subject matter at hand KCP&L or GMO shall bear all reasonable expense incurred by the employees, provided, however, that before any such expense shall be incurred by Staff or OPC, KCP&L or GMO shall be given reasonable notice to produce the records requested for inspection and examination at the office of the Commission at Jefferson City, Missouri or at KCP&L and GMO's offices in Kansas City, Missouri, or at such other point in Missouri, as may be mutually agreed, in which case KCP&L or GMO shall make available at that place, at that time, a person(s) who is acquainted with the records.

G. PARENT COMPANY CONDITION

1. GPE, on behalf of itself, its successors, assignees, and its subsidiaries, and in consideration of the Staff's support of this Stipulation, and in further consideration of Staff's agreement to not file any complaint nor support or otherwise assist in any way the prosecution of any complaint that may be filed by others alleging that GPE is, or may be, in violation of any requirement that prior Commission approval of the Transaction was required, agrees that it will uphold the conditions agreed to by KCP&L and GMO in this Stipulation.

H. GENERAL PROVISIONS

1. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories agree that any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.

2. This Stipulation is being entered into for the purpose of disposing of all issues in this case. The Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have

approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

3. The Signatories further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Stipulation. The Signatories further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the details of this Stipulation have no precedential value in any future proceeding not related to enforcement of this agreement. The Signatories state that this Stipulation and the Commission's approval of this Stipulation is expressly intended not to serve as precedent in any way regarding the issues attendant to the jurisdiction and authority of the Commission to approve or disapprove the Transaction that were presented to the Commission in Case No. EM-2016-0324.

4. The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.

5. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein:

any respective rights they may have pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; any respective rights they may have to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; any respective rights they may have to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; any respective rights they may have to seek rehearing pursuant to Section 386.500, RSMo 2000; and any respective rights they may have to judicial review pursuant to Section 386.510, RSMo 2000. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the pre-filed testimony of all witnesses who have pre-filed testimony in this case shall be included in the record of this proceeding without the necessity of such witnesses taking the stand. The provisions of this Stipulation shall be interpreted in accord with and governed by Missouri law.

6. Staff shall have the right to provide, at any agenda meeting at which this Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that Staff shall, to the extent reasonably practicable, promptly provide other Signatories with advance notice of when Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or previously designated confidential by any Signatory.

7. Except as otherwise addressed in this Stipulation, Commission approval of this Stipulation does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering,

the disallowance and/or imputation of account balances, expenses, revenues and/or other ratemaking findings, regarding KCP&L or GMO's operations in a future rate proceeding.

8. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories hereto recommend that the Commission approve this Stipulation and Agreement subject to the conditions contained herein as soon as reasonably practicable but in any event with an effective date no later than November 30, 2016.

Respectfully submitted,

/s/ Robert J. Hack

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent via U.S. Mail, postage prepaid, hand-delivery, electronic filing system, or electronically, this 12th day of October, 2016, to the following:

Staff of the Missouri Public Service Commission
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/s/ Robert J. Hack

Attorney for Great Plains Energy Incorporated,
Kansas City Power & Light Company, and
KCP&L Greater Missouri Operations Company



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.