BEFORE THE PUBLIC SERVICE
COMMISSION OF THE STATE OF MISSOURI

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

STIPULATION AND AGREEMENT

Great Plains Energy Incorporated ("GPE"), Kansas City Power & Light Company ("KCP&L"), KCP&L Greater Missouri Operations Company ("GMO"), and Westar Energy, Inc. ("Westar") (collectively, the "Applicants"), the Staff of the Missouri Public Service Commission ("Staff"), Brightergy, LLC ("Brightergy"), and Missouri Joint Municipal Electric Utility Commission ("MJMEUC") (Applicants, Staff, Brightergy, and MJMEUC are collectively referred to herein as the "Signatories" or individually as a "Signatory"), pursuant to Missouri Public Service Commission ("Commission") Rules 4 CSR 240-2.115, 4 CSR 240-20.015(10), and 4 CSR 240-80.015(10),[1] request that the Commission approve this Stipulation and Agreement ("Stipulation") as a settlement of all issues related to the Application for Approval of Merger filed in this proceeding except for the assignment of bill credit amounts to each retail electric customers of KCP&L and GMO which is to be based upon a methodology approved by the Commission.[2]

In support thereof, the Signatories agree as follows:

I. Factual Background

1. On October 12, 2016, GPE, KCP&L, and GMO filed an application, supported by the direct testimony of seven witnesses, requesting a variance from the Commission's Affiliate Transactions Rule, 4 CSR 240-20.015. See In re Joint Application of Great Plains Energy Inc., Kansas City Power & Light Co. and KCP&L Greater Mo. Operations Co. for a Variance from 4 CSR 240-20.015, No. EE-2017-0113 ("2016 Variance Application"). The request was submitted

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[1] GMO is also a steam heating utility subject to the Affiliate Transactions Rule at 4 CSR 240-80.015.
[2] See Commitment No. 18, Exhibit A.

in connection with the May 29, 2016 Agreement and Plan of Merger, pursuant to which GPE and GP Star, Inc. would acquire all of the stock of Westar ("2016 Merger Plan").

2. Concurrent with that request, as a result of prior meetings and negotiations conducted by GPE, KCP&L, and GMO with Staff, these four parties filed a Stipulation and Agreement ("2016 Staff S&A"), recommending that the Commission approve the requested variance subject to certain conditions. See Stipulation and Agreement, 2016 Variance Application (Oct. 12, 2016). Shortly thereafter, a second Stipulation and Agreement among GPE, KCP&L, GMO, and the Office of the Public Counsel ("OPC") was submitted in that case. See Stipulation and Agreement, 2016 Variance Application (Oct. 26, 2016) ("2016 OPC S&A").

3. After the Commission directed GPE to file an application for the Commission's approval of the 2016 Merger Plan,[3] the 2016 Variance Application case was consolidated with the case that GPE subsequently filed to seek such approval. See Order Granting Motion to Consolidate, In re Application of Great Plains Energy Inc. for Approval of its Acquisition of Westar Energy, Inc., No. EM-2017-0226 (Mar. 1, 2017).

4. However, as a result of proceedings in the State of Kansas, no action was taken by the Commission with regard to either the 2016 Staff S&A or the 2016 OPC S&A. In April 2017 the Kansas Corporation Commission ("KCC") denied GPE's application to acquire Westar. See Order at 43, In re Joint Application of Great Plains Energy Inc., Kansas City Power & Light Co. and Westar Energy, Inc. for Approval of the Acquisition of Westar Energy, Inc. by Great Plains Energy Inc., No. 16-KCPE-593-ACQ (Kan. Corp. Comm'n, Apr. 19, 2017).[4]

[3] This directive was contained in a decision issued by the Commission in a related case. See Report and Order at 22, Midwest Energy Consumers Group v. Great Plains Energy Inc., No. EC-2017-0107 (Feb. 22, 2017).

[4] The applicants' request for reconsideration was also denied. See Order Denying Joint Applicants' Petition for Reconsideration, In re Joint Application of Great Plains Energy Inc., Kansas City Power & Light Co. and Westar Energy, Inc. for Approval of the Acquisition of Westar Energy, Inc. by Great Plains Energy Inc., No. 16-KCPE-593-ACQ (Kan. Corp. Comm'n, May 23, 2017).

5. As a result, GPE and Westar initiated efforts to develop a new merger agreement which concluded successfully with the July 9, 2017 Amended and Restated Agreement and Plan of Merger ("Amended Merger Agreement"). Because a new application would be filed with this Commission (as well as with the KCC) seeking approval of the Amended Merger Agreement, GPE requested that the Commission dismiss both its Application to acquire Westar (No. EM-2017-0226), as well as its Joint Application with KCP&L and GMO for a variance from the Affiliate Transactions Rule (No. EE-2017-0113). The Commission granted those requests. See Order Granting Motion to Dismiss, In re Application of Great Plains Energy Inc. for Approval of its Acquisition of Westar Energy, Inc., No. EM-2017-0226 (July 26, 2017).

6. On August 31, 2017, the Applicants filed their Application in this proceeding seeking approval of GPE's merger with Westar, pursuant to the terms of the Amended Merger Agreement ("Merger").[5]

II. Provisions of the Stipulation

7. This Stipulation has three elements. The first is Section II(A), below. It consists of 43 of the 48 Commitments and Conditions proposed by the Applicants in the Direct Testimony of Darrin R. Ives, Vice President of Regulatory Affairs for KCP&L and GMO. Conditions 10, 11, 12, 14 and 15 have been deleted; Section III has been re-titled "Financing Conditions" (deleting the words "and Ring-Fencing"); a number of revisions have been made to Condition 31; a typographical error has been corrected in the third paragraph of Condition 34; "Staff Customer Experience Personnel" has been inserted in lieu of "Staff Consumer and Management Analysis Personnel" in Condition 35; and Conditions 9, 16.iii. and 18 have been revised slightly to ensure

[5] A similar application seeking the approval of the KCC was filed the previous week. See Application, In re Application of Great Plains Energy Inc., Kansas City Power & Light Co., and Westar Energy, Inc. for Approval of the Merger of Westar Energy, Inc. and Great Plains Energy Inc., No. 18-KCPE-095-MER (Kan. Corp. Comm'n, Aug. 25, 2017).

consistency with the same conditions proposed in Kansas. This 16-page schedule of the 43 Commitments and Conditions is attached as Exhibit A and incorporated by reference. As information, the Signatories have attached Exhibit B which shows the changes to the 48 Commitments and Conditions originally filed by Applicants.

8. The second element is in Section II(B). It contains two conditions that were previously agreed to by GPE, KCP&L, GMO, and Staff in the 2016 Variance Application case, but were inadvertently omitted from the 48 Commitments and Conditions originally filed by Applicants as well as two new conditions.

9. The third element of the Stipulation is found in Section II(C), and relates to the Joint Applicants' request in Paragraphs 26-29 of the Application that the Commission grant a variance from the Affiliate Transactions Rule, pursuant to 4 CSR 240-20.015(10). Approval of the Stipulation would be consistent with the Commission's prior determination under similar circumstances that transactions among fully regulated affiliates should occur at cost and that a variance of the Affiliate Transactions Rules is supported by good cause.[6]

10. As provided below, if approved by the Commission, this Stipulation will only take effect if the Amended Merger Agreement is approved by the Commission and the Merger closes.[7] Accordingly, the Signatories recommend the Commission approve the Stipulation, pursuant to the terms and conditions set forth below.

[6] Report and Order at 183-88, 262-65, In re Joint Application of Great Plains Energy Inc., Kansas City Power & Light Co., and Aquila, Inc. for Approval of the Merger of Aquila, Inc. with a Subsidiary of Great Plains Energy Inc., No. EM-2007-0374 (July 1, 2008).

[7] KCP&L and GMO will continue to operate under the variance of the Affiliate Transactions Rule granted by the Commission in 2008 when GPE acquired Aquila. See Report and Order at 264-65 & ¶ 10 at 284, In re Joint Application of Great Plains Energy Inc., Kansas City Power & Light Co., and Aquila, Inc. for Approval of the Merger of Aquila, Inc. with a Subsidiary of Great Plains Energy Inc., No. EM-2007-0374 (July 1, 2008).

A. Commitments in Exhibit A (Schedule DRI-1 to Direct Testimony of Darrin R. Ives

11. The Commitments are summarized in the Direct Testimony of Mr. Ives at pages 24 through 36, and listed in Schedule DRI-1 to his testimony. They are set forth here as Exhibit A to the Stipulation, and cover a variety of subjects which are grouped in the following eight categories:

I. General Conditions.

II. Employee Commitments

III. Financing Conditions.

IV. Ratemaking, Accounting and Related Conditions.

V. Affiliate Transactions and Cost Allocations Manual Conditions

VI. Quality of Service Conditions

VII. Reporting and Access to Records Conditions

VIII. Other Parent Company Conditions

B. Four Additional Commitments

12. The first additional commitment is: 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 the case of In re Great Plains Energy Inc.'s Acquisition of Westar Energy, Inc., No. EM-2016-0324. Staff will continue to protect the confidentiality of the information contained within that model.[8]

13. The second additional commitment is: GPE commits to maintain or improve current load sampling and research practices of KCP&L and GMO after the Merger,[9] and that KCP&L

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[8] See ¶ A(10), 2016 Staff S&A, 2016 Variance Application.

[9] See ¶ E(3), 2016 Staff S&A, 2016 Variance Application. The Signatories have replaced the word "Transaction" with "Merger" which reflects the terms of the August 31, 2017 Amended Merger Agreement that is the subject of the Application in this case. "Transaction" was used in the 2016 Staff S&A to refer to the 2016 merger plan which is no longer being proposed.

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

14. The third additional commitment is: "Neither KCP&L nor GMO shall propose any adjustment to increase cost of service in current or future rate cases in order to "share" the benefits of Westar transaction synergies between ratepayers and shareholders in setting rates."

15. The fourth additional commitment is: "References herein to specific Commission rules are expressly intended by the Signatories to include successor rules with substantially the same content and language, however renumbered or reorganized."

C. Variance from the Affiliate Transactions Rules

16. The third and final element of this Stipulation relates to the Affiliate Transactions Rules found at 4 CSR 240-20.015 and 4 CSR 240-80.015.

17. 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 the Affiliate Transactions Rules 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. As good cause for this variance, the Signatories agree that: (a) the variance is limited to transactions between the regulated utilities in Missouri and Kansas of Monarch Energy Holdings, Inc. ("Holdco"), to which this Stipulation applies as GPE will be merged into Holdco pursuant to the Amended Merger Agreement[10]; (b) the variance is necessary to enable the attainment of post-Merger savings that will ultimately benefit customers of Holdco's utility subsidiaries in Missouri and Kansas; and (c) given all of the conditions set forth in this

[10] See § 1.01(a), Amended Merger Agreement, attached as Appendix C to the Application for Approval of Merger in this case. After the merger closes, Monarch Energy Holdings, Inc. will be renamed with a name yet to be determined, as noted in Paragraph 11 of the Application.

Stipulation, the requested variance will not be detrimental to the public interest in Missouri with regard to transactions between KCP&L, GMO, and Westar. The Signatories agree that if the Commission approves the Stipulation, KCP&L and GMO will be entitled to rely upon the variance only if the Amended Merger Agreement is approved by the Commission and the Merger closes.

III. <u>General Provisions</u>

18. 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 to this Stipulation shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.

19. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any signatory has to request a decision in accordance with Section 536.080, RSMo 2016, or Article V, Section 18, of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as

part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

20. This Stipulation is being entered into for the purpose of disposing of all issues in this case, except for the assignment of bill credit amounts to each retail electric customer of KCP&L and GMO which is to be based upon a methodology approved by the Commission.[11] 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 purported to underlie any of the issues provided for herein.

21. 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 Stipulation in the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory. The Signatories reserve the right to contest any such Commission order modifying the Stipulation in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the contents of this Stipulation have no precedential value in any future proceeding not related to enforcement of this Stipulation.

[11] See Commitment No. 18, Exhibit A.

22. Staff, Brightergy, and MJMEUC have entered into this Stipulation in reliance upon information provided to them by the Applicants. This Stipulation is explicitly predicated upon the truth of representations made by the Applicants.

23. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive the following rights with respect to the issues resolved herein: (a) any respective rights they may have pursuant to Section 536.070(2)[12] to call, examine and cross-examine witnesses; (b) any respective rights they may have to present oral argument or written briefs pursuant to Section 536.080.1; (c) any respective rights they may have to the reading of the transcript by the Commission pursuant to Section 536.080.2; (d) any respective rights they may have to seek rehearing pursuant to Section 386.500; and (e) any respective rights they may have to judicial review pursuant to Section 386.510. 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 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.

24. Subject to the rules governing practice before the Commission and without waiving the confidentiality of the facts and positions disclosed in the course of settlement, Staff will be available to answer Commission questions regarding this Stipulation. Staff shall, to the extent reasonably practicable, promptly provide other Signatories with advance notice of when Staff shall respond to Commission questions. 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.

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[12] All statutory citations are to the Missouri Revised Statues (2016).

25. 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 the operations of KCP&L or GMO in a future rate proceeding.

26. 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.

27. The variance of the Commission's Affiliate Transactions Rules at 4 CSR 240-20.015(5)(A)(1)-(2) and 4 CSR 240-80.015(A)(1)-(2) applies to the Signatories' rights and obligations under those rules as they existed on the date upon which this Stipulation was signed, copies of which are appended hereto and incorporated by reference.

WHEREFORE, the Signatories recommend that the Commission find that the merger of Great Plains Energy Incorporated and Westar Energy, Inc., as contemplated by the July 9, 2017 Amended and Restated Agreement and Plan of Merger, is reasonable and not detrimental to the public interest. The Signatories further recommend that the Commission approve this Stipulation and Agreement subject to the conditions contained herein, and grant the variance requested in Paragraph 15 regarding 4 CSR 240-20.015 and 4 CSR 240-80.015 as soon as reasonably practicable but in any event with an effective date no later than June 5, 2018.

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 was served upon all parties of record by U.S. Mail, postage prepaid, electronic filing system, or electronically, this 12th day of January, 2018.

/s/ Robert J. Hack

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

No.	Merger Commitments and Conditions
	I. General Conditions
1	***Headquarters*:** Holdco will maintain its corporate headquarters in Kansas City, Missouri and shall honor all terms and conditions of the existing lease for its headquarters office located at 1200 Main in Kansas City, Missouri, which expires in October 2032. Holdco will also maintain the current Westar Topeka downtown headquarters building at 800-818 South Kansas Avenue in Topeka, Kansas for its Kansas headquarters. Holdco shall honor all terms and conditions of the existing lease for the Westar headquarters building, which expires in April 2023.
2	***Executives*:** Upon the closing of the Merger, Mark Ruelle will become the non-executive chairman of Holdco for a period of three (3) years. Terry Bassham will serve as president and chief executive officer.
3	***Charitable Giving and Community Involvement*:** Holdco will continue charitable giving and community involvement in the Missouri service territory of KCP&L and GMO at levels equal to or greater than KCP&L's and GMO's respective 2015 levels for a minimum of five (5) years following the closing of the Merger.
4	***Low-Income Assistance Programs*:** Holdco will maintain and promote all low-income assistance programs consistent with those in place at all operating utility companies prior to the Merger for at least five (5) years after closing.
5	***Corporate Social Responsibility*:** No later than thirty (30) days after the closing of the Merger, and on or before that calendar day in each of the succeeding nine (9) years, Holdco will provide $50,000 to each of the following Community Action Agencies: • United Services Community Action Agency; • Community Action Partnership of Greater St. Joseph ("CAP St. Joe")[1]; • Community Services, Inc. ("CSI");

[1] Applicants understand that CAP St. Joe no longer administers weatherization services and that CSI now administers weatherization services for the area formerly served by CAP St. Joe. Consequently, Applicants would recommend that CSI receive $100,000 no later than thirty (30) days after the closing of the Merger and on or before that calendar day in each of the succeeding nine (9) years.

No.	Merger Commitments and Conditions
	• West Central Missouri Community Action Agency; • Missouri Valley Community Action Agency; and • Community Action Partnership of North Central Missouri. In the event any of these Community Action Agencies cease to exist during this period, Holdco, KCP&L and GMO shall work with OPC and Staff to identify a replacement agency or agencies to recommend for the Commission's approval. It is expressly acknowledged that said funds are not operating costs of KCP&L or GMO but shall be recorded below the line (and not recovered in rates). The funds are meant to be prioritized by the Community Action Agencies for the creation of an additional position(s) within the Community Action Agency structure to better enable the utilization of weatherization dollars or such other appropriate use as deemed effective by the agencies. These funds are provided to each agency with the express purpose of the creation of an additional position(s) to enable further low-income weatherization deployment at a recommended spend level of $50,000 per year over a ten-year period. Any excess funds can be allocated in the following categories at the agencies' discretion: • Weatherization training and certification of agency personnel; • Discretionary funds for health and hazard for on-site units (that may or may not be otherwise passed over); • Outreach efforts; • Utility weatherization account; • Hardship fund for on-bill payments. Each agency is required to provide documentation to KCP&L and GMO to verify how expenditures were incurred. Community Action Agencies are required to file annual reports with KCP&L and GMO on how funds were expended. KCP&L and GMO shall file a condensed report of the agencies individual annual reports with the Commission, Staff and OPC. Any additional information is left to the agencies' discretion (e.g., estimated additional homes weatherized as a result of the expenditures).

No.	Merger Commitments and Conditions
	KCP&L and GMO commit to an annual in-person meeting with each of the local Community Acton Agencies for the next five years at Holdco's headquarters in Kansas City, Missouri, with extended invitations to (at least) the Commission Staff and OPC to discuss progress to date including Strengths, Weaknesses, Opportunities and Threats to KCP&L's and GMO's low-income population.
	II. Employee Commitments
6	***Collective Bargaining Agreements*:** Holdco will honor all existing collective bargaining agreements.
7	***Employee Compensation and Benefits*:** Holdco will maintain substantially comparable compensation levels and benefits for all employees for two years after the closing of the Merger.
8	***Employee Headcount*:** While Merger-related efficiencies will result in a lower employee headcount over time for the combined organization post-closing compared to the two stand-alone organizations prior to closing, there will be no involuntary severance as a result of the Merger. There will also be no involuntary severance as a result of closing the following generating facilities: Sibley (units 1, 2 and 3), Montrose (units 1, 2 and 3), Lake Road (unit 4/6), Tecumseh (unit 7), Gordon Evans (units 3 and 4) and Murray Gill (units 1 and 2). Holdco will achieve headcount-related efficiencies through normal attrition and other voluntary means over time in a generally balanced way across both states.
	III. Financing and Ring-Fencing Conditions
9	***Board of Directors:*** Upon the closing of the Merger, the size of Holdco board of directors will be mutually determined by GPE and Westar. In addition, as of the closing of the transaction, Holdco's board shall initially be composed of an equal number of directors designated by each of GPE and Westar, who shall be predominantly from the Kansas and Missouri region and the majority of whom shall be independent as defined by the New York Stock Exchange. Terry Bassham shall be a member of the board as a GPE nominee and Mark Ruelle shall be the non-executive Chairman of the board as a Westar nominee, with Mr. Ruelle serving as such for a term of three years. The initial lead independent director of Holdco will also be designated by Westar, with reasonable consultation with GPE.

No.	Merger Commitments and Conditions
	In addition, to the above, as of the closing, the board of directors will initially have five (5) standing board committees. Those committees will be composed of an equal number of directors designated by each of GPE and Westar. The initial chairpersons for three (3) of the five (5) standing committees shall be designated by GPE and the chairpersons for two (2) of the five (5) standing committees shall be designated by Westar.
10	Intentionally left blank.
11	Intentionally left blank.
12	Intentionally left blank.
13	***<u>Separation of Assets</u>***: Holdco commits that KCP&L and GMO will not commingle their assets with the assets of any other person or entity, except as allowed under the Commission's Affiliate Transaction Rule or other Commission order. Holdco commits that KCP&L, GMO and Westar will conduct business as separate legal entities and shall hold all of their assets in their own legal entity name unless otherwise authorized by Commission order. Holdco, KCP&L, GMO and Westar affirm that the present legal entity structure that separates their regulated business operations from their unregulated business operations shall be maintained unless express Commission approval is sought to alter any such structure.

No.	Merger Commitments and Conditions
	Holdco, KCP&L, GMO and Westar further commit that proper accounting procedures will be employed to protect against cross-subsidization of Holdco's, KCP&L's, GMO's and Westar's non-regulated businesses, or Holdco's other regulated businesses.
14	Intentionally left blank.
15	Intentionally left blank.
16	***<u>Credit Rating Downgrade</u>***: If S&P or Moody's downgrade the Corporate Credit Rating or senior secured or unsecured debt issue rating of KCP&L or GMO (the "Impacted Utility") to below investment grade (i.e., below BBB- or Baa3), the "Impacted Utility" commits to file: i. Notice with the Commission within five (5) business days of such downgrade that includes specification of the affected credit rating(s), the pre- and post-downgrade credit ratings of each affected credit rating, and a full explanation of why the credit rating agency or agencies downgraded each of the affected credit ratings; ii. A filing with the Commission within sixty (60) days which shall include the following: • Actions the Impacted Utility may take to raise its S&P or Moody's credit rating to BBB- or Baa3, respectively, including the costs and benefits of such actions and any plan the Impacted Utility may have to undertake such actions. If the costs of returning GMO and/or KCP&L to investment grade are above the benefits of such actions, GMO and/or KCP&L shall be required to show and explain why it is not necessary, or cost-effective, to take such actions and how the utility(s) can continue to provide efficient and sufficient service in Missouri under such circumstances; • The change on the capital costs of the Impacted Utility due to its S&P or Moody's credit rating being below BBB- or Baa3, respectively; and • 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 or Moody's credit rating below BBB- or Baa3, respectively;

No.	Merger Commitments and Conditions
	iii. File with the Commission, every forty-five (45) days thereafter until the Impacted Utility has regained its S&P or Moody's credit rating of BBB- or Baa3, respectively or above, an updated status report with respect to the items required in subparagraph ii above. iv. If the Commission determines that the decline of the Impacted Utility's S&P or Moody's credit rating to a level below BBB- or Baa3, respectively, has caused its quality of 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 quality levels that existed prior to the ratings decline. v. In the event KCP&L's or GMO's affiliation (ownership or otherwise) with Holdco or any of Holdco's affiliates is a primary factor for KCP&L's or GMO's S&P or Moody's Corporate credit rating to be downgraded to below BBB- or Baa3, respectively, KCP&L and/or GMO shall promptly undertake additional legal and structural separation from the affiliate(s) causing the downgrade. Notwithstanding Commitment No. 11's limitation on payment of dividends, the Impacted Utility shall not pay a common dividend without Commission approval or until the Impacted Utility's S&P or Moody's credit rating has been restored to BBB- or Baa3, respectively. vi. If KCP&L's or GMO's respective S&P or Moody's credit rating declines below BBB- or Baa3, respectively, the Impacted Utility shall file with the Commission within 15 days a comprehensive risk management plan setting forth committed actions assuring 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 or Moody's.
17	***<u>Cost of Capital</u>*****:** Holdco commits that future cost of service and rates of KCP&L and GMO shall not be adversely impacted on an overall basis as a result of the Merger and that future cost of service and rates will be set commensurate with financial and business risks attendant to their individual regulated utility operations. Neither KCP&L nor GMO shall seek an increase to their cost of capital as a result of (i.e., arising from or related to) the Merger or KCP&L's and GMO's ongoing affiliation with Holdco and its affiliates after the Merger. The return on equity capital ("ROE") as reflected in GMO's and KCP&L's rates will not be adversely affected as a result of the Merger. Holdco agrees the ROE shall be determined in future rate cases, consistent with applicable law, regulations and practices of the Commission.

No.	Merger Commitments and Conditions
	The burden of proof that any increase to the cost of capital is not a result of the Merger shall be borne by KCP&L or GMO. Any net increase in the cost of capital that KCP&L or GMO seeks shall be supported by documentation that: (a) the increases are a result of factors not associated with the Merger or the post-Merger operations of Holdco 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 Merger or the post-Merger operations of Holdco 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 Merger or the post-Merger operations of Holdco 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 Merger or the post-Merger operations of Holdco or its non-KCP&L and non-GMO affiliates have resulted in capital cost increases for KCP&L or GMO. Nothing in this condition shall restrict the Commission from disallowing such capital cost increases from recovery in KCP&L or GMO's rates.
	IV. Ratemaking, Accounting, and Related Conditions
18	***Upfront Bill Credits*: ** Holdco agrees that its electric utility subsidiaries will provide all retail electric customers with one-time bill credits totaling $50 million within 120 days of the closing of the Merger. This amount shall be allocated among Applicants' electric rate jurisdictions in both Kansas and Missouri on the basis of the total MWH of all retail Sales of Electricity reported to FERC under Form 1 (or Form 3 Q) for the most recent full twelve calendar month period prior to the closing of the Merger for which such report is available. The amount so allocated shall be assigned to each retail electric customer within the applicable Missouri electric rate jurisdiction based upon methodology approved by the Commission.
19	***Transition Costs*: ** Neither GMO nor KCP&L will ever include in cost of service, and shall never seek to recover in rates, any transition costs related to this Merger that are in excess of the benefits that these transition costs are intended to attain. Transition costs are those costs incurred to integrate Westar and GPE, and include integration planning, execution, and "costs to achieve." Non-capital transition costs can be ongoing costs or one-time costs. KCP&L's and GMO's non-capital transition costs, which shall include but not be limited to severance payments made to employees other than those required to be made under change of control agreements, can be deferred on the books of either KCP&L or GMO to be considered for recovery in KCP&L and GMO future rate cases. If subsequent rate recovery is sought, KCP&L and GMO will have the burden of proof to clearly identify where all transition costs are recorded and of proving that the

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	recoveries of any transition costs are just and reasonable as their incurrence facilitated the ability to provide benefits in excess of those costs to its Missouri customers. Such benefits may be the result of avoiding or shifting costs and activities. KCP&L and GMO shall be required to attest in all future rate proceedings before the Commission that no transition costs in excess of their corresponding benefits are included in cost of service and rates, and to provide a complete explanation of the procedures used to ensure that transition costs, in excess of their corresponding benefits, are not included in cost of service or rates. This commitment shall be required until all transition costs are fully amortized. KCP&L and/or GMO, as applicable, shall bear the burden of proving and fully documenting that any transition costs for which rate recovery is sought have produced net benefits. Such benefits may be the result of avoiding or shifting costs and activities.
20	***Goodwill*:** Goodwill associated with the Merger is the difference between the fair market value of GPE's assets and the exchange value of GPE's stock upon the closing of the Merger (referred to herein as "Merger Goodwill") and will be maintained on the books of Holdco. The amount of any such Merger Goodwill shall not be included in the revenue requirement of KCP&L or GMO in future Missouri rate cases. Neither KCP&L nor GMO will seek recovery through recognition in retail rates and revenue requirement in future rate cases of any such Merger Goodwill.
21	***Goodwill Impairment*:** Customers shall be held harmless from the risk or realization of any Merger Goodwill impairment. Holdco does not expect, and shall take prudent actions to avoid, Merger Goodwill from negatively affecting KCP&L's or GMO's cost of capital. If such Merger Goodwill becomes impaired and such impairment negatively affects KCP&L's or GMO's cost of capital or credit ratings, all costs associated with the decline in the Impacted Utility's credit quality specifically attributed to the Merger Goodwill impairment, considering all other capital cost effects of the Merger and the impairment, shall be excluded from the determination of the Impacted Utility's rates.
22	***Transaction Costs*:** 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 Merger, severance payments required to be made by change of control agreements, internal labor and third party consultant costs incurred in performing any types of analysis or preparation (financial, tax, investment, accounting, legal, market, regulatory, etc.) to evaluate the potential sale or transfer of ownership, prepare for bid

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	solicitation, analyze bids, conduct due diligence, compliance with existing contracts including change in control provisions, and compliance with any regulatory conditions, closing, and communication costs regarding the ownership change with customers and employees. GMO and KCP&L commit that they will not seek recovery through recognition in retail rates of transaction costs, that they shall have the burden of proof to clearly identify where all transaction costs related to this Merger are recorded and shall be required to attest in all future rate proceedings before the Commission that none of these costs are included in cost of service and rates, and to provide a complete explanation of the procedures used to ensure that these transaction costs are not included in cost of service or rates. This commitment shall be required until transaction costs of this Merger are no longer on Holdco's books in a test year for KCP&L and/or Westar, as applicable Transaction costs shall be recorded on Holdco's books.
23	***Fuel and Purchased Power Costs*:** KCP&L's and GMO's fuel and purchased power costs shall not be adversely impacted as a result of the Merger.
24	***Retail Rates*:** Holdco commits that retail rates for KCP&L and GMO customers shall not increase as a result of the Merger.
25	***Future Rate Cases*:** Holdco commits that in future rate case proceedings, KCP&L and GMO will support their assurances provided in this document with appropriate analysis, testimony, and necessary journal entries fully clarifying and explaining how any such determinations were made.
	V. Affiliate Transactions and Cost Allocations Manual (CAM) Conditions
26	***Affiliate Transaction Rule*:** KCP&L and GMO will be operated after the Merger in compliance with the Commission's Affiliate Transaction Rule, as defined in 4 CSR 240-20.015(10) and 4 CSR 240-80.015(10).

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27	***Information on Affiliate Transactions*****:** Holdco 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.
28	***No Preferential Treatment of Affiliates*****:** Except as permitted by any variance granted by the Commission, 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 240-015(2) and 4 CSR 240-80.015(2).
29	***Intercompany Charges*****:** Holdco and its subsidiaries may seek recovery of intercompany charges to regulated utility affiliates in their first general rate proceedings following the closing of the Merger at levels equal to the lesser of actual costs or the costs allowed related to such functions in the cost of service of their most recent rate case prior to the closing of the Merger, as adjusted for inflation measured by the Gross Domestic Product Price Index. Billings for common-use assets shall be permitted consistent with GPE's current practices. Holdco and its subsidiaries shall have the burden of proof to demonstrate billings are prudent, in the usual course of business, and consistent with past practice.
30	***Separate Books and Records Available to Staff and Commission*****:** Holdco shall maintain separate books and records, systems of accounts, financial statements and bank accounts for GMO and KCP&L. The records and books of GMO and KCP&L will be maintained under the FERC Uniform System of Accounts ("USOA") applicable to investor-owned jurisdictional electric utilities, as adopted by the Commission. The financial books and records of Holdco's regulated utility affiliates will be made available to the Commission and its Staff. The records and books of any affiliate for which any direct or indirect charge is made to GMO and KCP&L, and included in said utilities' cost of service and rates on either a direct or indirect basis, will be made available, upon request, to the Commission and its Staff. Holdco, KCP&L and GMO shall facilitate access of the Commission Staff to its external auditors and endeavor to provide the Commission and its Staff with timely access to any relevant external audit workpapers and/or reports.

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	Holdco, KCP&L and GMO will maintain adequate records to support, demonstrate the reasonableness of, and enable the audit and examination of all centralized corporate costs that are allocated to or directly charged to KCP&L or GMO. Nothing in this condition shall be deemed a waiver of any rights of Holdco, KCP&L or GMO 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.
31	***Independent Third Party Management Audit of Affiliate Transactions and Corporate Cost Allocations Report*:** Holdco, KCP&L and GMO shall agree to an independent third party management audit report of new holding company, KCP&L and GMO corporate cost allocations and affiliate transaction protocols. A committee, which shall be comprised of an equal number of Staff, OPC and Applicant representatives, shall develop a Request for Proposal ("RFP") with input from all committee members on the scope of work, and this RFP shall be submitted to the Commission for approval within six months after the closing of the Merger. The selection of a successful bidder shall be conducted by the same committee and shall me made by unanimous vote. If the vote is not unanimous, the Commission will determine the successful bidder and scope of work. The independent third party management auditor's contract shall preserve the auditor's independence by precluding Staff, OPC, Holdco, KCP&L, and GMO representatives from directing or influencing the report's conclusions. Upon completion, the report of the audit shall be filed with the Commission. a. The audit will examine Holdco, KCP&L, and GMO's corporate cost allocations, affiliate transaction protocols, and ensure that the existing CAM fully documents newly formed operations, or to make recommendations to revise the CAM to address newly formed operations. The audit shall be designed to assess compliance with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015) as well as the appropriateness of the allocation of corporate costs among Holdco, KCP&L, GMO, and all affiliates. Holdco, KCP&L, GMO, and all (regulated and non-regulated) affiliates shall cooperate fully with the auditor by timely providing all information requested to complete the audit including, but not limited to, informal and interactive interviews followed up with formal discovery. b. The audit report shall express an independent opinion on the degree and extent of KCP&L and GMO's compliance with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015) and shall provide recommendations, if appropriate, regarding procedures and methodologies used by Holdco, KCP&L and GMO in allocating corporate costs and complying with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015).

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	c. It is expressly acknowledged that Holdco, KCP&L and GMO shall collectively provide $500,000, funded below the line (and not recovered in rates), for purposes of funding the independent third party management audit. Any additional expense beyond $500,000, required by the Commission, will be split 50/50 between ratepayers and shareholders. d. Any cost in excess of $500,000 shall be deferred to account 182.3 (other regulatory assets) and recovered through amortization, subject to the 50/50 split provided immediately above, in retail rates and cost of service in the first KCP&L and GMO general rate cases subsequent to the completion of the audit.
32	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.
33	***Cost Allocation Manual*:** KCP&L and GMO agree to meet with Staff and OPC no later than sixty (60) days after the closing of the Merger to provide a description of its expected impact on the allocation of costs among Holdco'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 (6) months after the closing of the Merger but no less than two (2) 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 Merger.
	VI. Quality of Service Conditions
34	***Customer Service and Operational Levels*:** KCP&L and GMO will meet or exceed the customer service and operational levels currently provided to their Missouri retail customers. After the closing of the Merger, 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.

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	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 Holdco, 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 the closing of the Merger, 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. After the closing of the Merger, 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"), customer average interruption frequency index ("CAIFI") and customer 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. After the closing of the Merger, KCP&L and GMO shall, for a period of two years after closing, provide Staff, on a twice-yearly basis, responses to all customer survey questions dealing with customer satisfaction and experience conducted on KCP&L and 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 shall commence the day the Merger closes. During the wo-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 Merger, any such survey information would be available for Staff review through the rate case discovery process.
35	***Continued Meetings with Staff Regarding Customer Service*:** KCP&L and GMO will continue to meet with Staff Customer Experience personnel on a periodic basis, such as quarterly or as Staff deems necessary, after the close of the Merger, 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.

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36	***Customer Service Management Organizational Charts*:** Within thirty (30) days after the closing of the Merger, 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.
	VII. Reporting and Access to Records
37	***Merger Integration*:** To keep Staff and the Commission apprised of the status of integration implementation after closing: a. 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 Merger 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 update of the status of integration implementation, providing the Commissioners an opportunity to ask questions about the status of integration implementation. b. 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 Holdco, 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 Holdco, KCP&L, GMO and/or Westar that is not under the direct management and supervision of Holdco, KCP&L, GMO or Westar employees) or converted to contingent labor as a result of the integration of Holdco, KCP&L, GMO and Westar. To the extent that job positions at Holdco, KCP&L, GMO or Westar have been eliminated, re-classified or transferred between Holdco, KCP&L, GMO or Westar, such eliminations, re-classifications or transfers shall be identified. c. KCP&L and GMO shall, for a period of two years after closing, provide Staff any reports or presentations made to Holdco's board of directors regarding efficiencies attained as a result of the Merger. Such reports or presentations shall be provided to Staff within 30 days after being provided to Holdco's board of directors.

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	d. The reporting and data provision agreed to herein by Holdco, KCP&L and GMO does not change any reporting obligations of GPE (which shall apply to Holdco post-merger), KCP&L or GMO that existed prior to the approval of this Merger.
38	***Goodwill Impairment Analysis*: ** For the first five (5) full calendar years after the closing of the Merger, Holdco 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 thirty (30) days after the filing of Holdco'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.
39	***Accounting Changes*: ** Holdco, KCP&L and Westar commit that any material Merger-related financial and accounting changes must be reported to the Commission.
40	***Access to Materials Provided to Ratings Analysts*: ** KCP&L and GMO shall provide Staff and 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 Holdco. 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.
41	***Access to Materials Regarding CAM Compliance*: ** Holdco, KCP&L and GMO shall 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's and GMO's CAM and any conditions ordered by this Commission. Holdco, 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 Merger.

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42	***<u>Access to Board of Director Materials</u>*****:** KCP&L and GMO shall provide Staff and OPC access, upon reasonable request, the complete Holdco 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.
43	***<u>Retention Period for Affiliate Transaction Records</u>*****:** KCP&L and GMO will maintain records supporting their affiliated transactions for at least six (6) years.
44	***<u>Journal Entries</u>*****:** Within six months of the close of the Merger, Holdco, KCP&L and GMO will provide to the Commission Staff detailed journal entries recorded to reflect the Merger. Holdco, KCP&L and GMO shall also provide the final detailed journal entries to be filed with the Commission no later than 13 months after the date of the closing. These entries must show, and shall include but not be limited to, the entries made to record or remove from all utility accounts any acquisition premium costs or transaction costs.
45	***<u>Employment in the State of Missouri</u>*****:** In their first general rate cases filed after the closing of the Merger, KCP&L and GMO (as applicable) shall provide direct testimony explaining the employment metrics related to the number of full time employees and the average turnover rate along with any material changes to those metrics since the closing of the Merger. This direct testimony shall include a complete description, supported by schedules or work papers as appropriate, of the Merger-related labor and all labor-related efficiency savings that KCP&L and GMO (as applicable) propose to flow through to the benefit of customers in the form of rates that are lower than they would be in the absence of the Merger.
46	***<u>Staff or OPC Travel Outside Missouri</u>*****:** 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 Staff or OPC, 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 or 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.

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	VIII. Other Parent Company Conditions
47	***Prior Commitments of, and Orders Applicable to, GPE, KCP&L and GMO*****:** Holdco, KCP&L and GMO commit to reaffirm and honor any prior commitments made by GPE, KCP&L or GMO to the Commission to comply with any previously issued Commission orders applicable to KCP&L or GMO or their previous owners except as otherwise provided for herein.
48	***Future Access to Capital*****:** Holdco acknowledges that its utility subsidiaries need significant amounts of capital to invest in energy supply and delivery infrastructure (including, but not limited to, renewable energy resources and other environmental sustainability initiatives such as energy efficiency and demand response programs), that meeting these capital requirements of its utility subsidiaries will be considered a high priority by Holdco's board of directors and executive management, and that Holdco's access to capital post-transaction will permit it and its utility subsidiaries to meet their statutory obligation to provide safe and adequate service.

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	I. General Conditions
1	***<u>Headquarters</u>*****:** Holdco will maintain its corporate headquarters in Kansas City, Missouri and shall honor all terms and conditions of the existing lease for its headquarters office located at 1200 Main in Kansas City, Missouri, which expires in October 2032. Holdco will also maintain the current Westar Topeka downtown headquarters building at 800-818 South Kansas Avenue in Topeka, Kansas for its Kansas headquarters. Holdco shall honor all terms and conditions of the existing lease for the Westar headquarters building, which expires in April 2023.
2	***<u>Executives</u>*****:** Upon the closing of the Merger, Mark Ruelle will become the non-executive chairman of Holdco for a period of three (3) years. Terry Bassham will serve as president and chief executive officer.
3	***<u>Charitable Giving and Community Involvement</u>*****:** Holdco will continue charitable giving and community involvement in the Missouri service territory of KCP&L and GMO at levels equal to or greater than KCP&L's and GMO's respective 2015 levels for a minimum of five (5) years following the closing of the Merger.
4	***<u>Low-Income Assistance Programs</u>*****:** Holdco will maintain and promote all low-income assistance programs consistent with those in place at all operating utility companies prior to the Merger for at least five (5) years after closing.
5	***<u>Corporate Social Responsibility</u>*****:** No later than thirty (30) days after the closing of the Merger, and on or before that calendar day in each of the succeeding nine (9) years, Holdco will provide $50,000 to each of the following Community Action Agencies: • United Services Community Action Agency; • Community Action Partnership of Greater St. Joseph ("CAP St. Joe")[1]; • Community Services, Inc. ("CSI");

[1] Applicants understand that CAP St. Joe no longer administers weatherization services and that CSI now administers weatherization services for the area formerly served by CAP St. Joe. Consequently, Applicants would recommend that CSI receive $100,000 no later than thirty (30) days after the closing of the Merger and on or before that calendar day in each of the succeeding nine (9) years.

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	• West Central Missouri Community Action Agency; • Missouri Valley Community Action Agency; and • Community Action Partnership of North Central Missouri. In the event any of these Community Action Agencies cease to exist during this period, Holdco, KCP&L and GMO shall work with OPC and Staff to identify a replacement agency or agencies to recommend for the Commission's approval. It is expressly acknowledged that said funds are not operating costs of KCP&L or GMO but shall be recorded below the line (and not recovered in rates). The funds are meant to be prioritized by the Community Action Agencies for the creation of an additional position(s) within the Community Action Agency structure to better enable the utilization of weatherization dollars or such other appropriate use as deemed effective by the agencies. These funds are provided to each agency with the express purpose of the creation of an additional position(s) to enable further low-income weatherization deployment at a recommended spend level of $50,000 per year over a ten-year period. Any excess funds can be allocated in the following categories at the agencies' discretion: • Weatherization training and certification of agency personnel; • Discretionary funds for health and hazard for on-site units (that may or may not be otherwise passed over); • Outreach efforts; • Utility weatherization account; • Hardship fund for on-bill payments. Each agency is required to provide documentation to KCP&L and GMO to verify how expenditures were incurred. Community Action Agencies are required to file annual reports with KCP&L and GMO on how funds were expended. KCP&L and GMO shall file a condensed report of the agencies individual annual reports with the Commission, Staff and OPC. Any additional information is left to the agencies' discretion (e.g., estimated additional homes weatherized as a result of the expenditures).

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	KCP&L and GMO commit to an annual in-person meeting with each of the local Community Acton Agencies for the next five years at Holdco's headquarters in Kansas City, Missouri, with extended invitations to (at least) the Commission Staff and OPC to discuss progress to date including Strengths, Weaknesses, Opportunities and Threats to KCP&L's and GMO's low-income population.
	II. Employee Commitments
6	***Collective Bargaining Agreements*****:** Holdco will honor all existing collective bargaining agreements.
7	***Employee Compensation and Benefits*****:** Holdco will maintain substantially comparable compensation levels and benefits for all employees for two years after the closing of the Merger.
8	***Employee Headcount*****:** While Merger-related efficiencies will result in a lower employee headcount over time for the combined organization post-closing compared to the two stand-alone organizations prior to closing, there will be no involuntary severance as a result of the Merger. There will also be no involuntary severance as a result of closing the following generating facilities: Sibley (units 1, 2 and 3), Montrose (units 1, 2 and 3), Lake Road (unit 4/6), Tecumseh (unit 7), Gordon Evans (units 3 and 4) and Murray Gill (units 1 and 2). Holdco will achieve headcount-related efficiencies through normal attrition and other voluntary means over time in a generally balanced way across both states.
	III. Financing ~~and Ring-Fencing~~ Conditions
9	***Board of Directors:*** Upon the closing of the Merger, the size of Holdco board of directors will be mutually determined by GPE and Westar. In addition, as of the closing of the transaction, Holdco's board shall initially be composed of an equal number of directors designated by each of GPE and Westar~~. The initial board,~~ who shall ~~have substantial and longstanding business and personal connections to~~be predominantly from the Kansas and Missouri region and ~~be composed of a~~ the majority of whom shall be independent ~~directors~~ as defined by the New York Stock Exchange. Terry Bassham shall be a member of the board as a GPE nominee and Mark Ruelle shall be the non-executive Chairman of the board as a Westar nominee, with Mr. Ruelle serving as such for a term of three years. The initial lead independent director of Holdco will also be designated by Westar, with reasonable consultation with GPE.

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	In addition, to the above, as of the closing, the board of directors will initially have five (5) standing board committees. Those committees will be composed of an equal number of directors designated by each of GPE and Westar. The initial chairpersons for three (3) of the five (5) standing committees shall be designated by GPE and the chairpersons for two (2) of the five (5) standing committees shall be designated by Westar.
10	~~***Financial Integrity*: Holdco will exercise management prudence to maintain the financial integrity of GMO and KCP&L in all respects, including matters relating to dividends, capital investments and other financial actions in an effort to maintain investment grade credit ratings.**~~ Intentionally left blank.
11	~~***Capital structures*: Holdco, KCP&L, GMO and Westar shall maintain separate capital structures to finance the respective activities and operations of each entity.**~~ ~~Holdco, KCP&L, GMO and Westar shall maintain separate debt. Holdco, KCP&L, GMO and Westar shall also maintain separate preferred stock, if any.~~ ~~KCP&L and GMO shall use reasonable and prudent investment grade capital structures. KCP&L and GMO will be provided with appropriate amounts of equity from Holdco to maintain such capital structures.~~ ~~Holdco shall maintain consolidated debt of no more than 65 percent of total consolidated capitalization, and KCP&L's and GMO's debt shall be maintained at no more than 65 percent.~~ ~~Holdco commits that GMO and KCP&L will not make any dividend payments to the parent company to the extent that the payment would result in an increase in either utility's debt level above 65 percent of its total capitalization, unless the Commission authorizes otherwise.~~ Intentionally left blank.
12	~~***Separate Debt*: Holdco, KCP&L, GMO and Westar shall maintain separate debt so that Westar will not be liable (directly or through guarantees, cross-defaults or other provisions) for the debts of Holdco, KCP&L, or GMO or other subsidiaries of Holdco (excluding Westar and subsidiaries of Westar), and KCP&L, GMO and other subsidiaries of Holdco (excluding Westar and subsidiaries of Westar) will not be liable (directly or through guarantees, cross-defaults or other provisions) for the debts of Westar.**~~ ~~Holdco, KCP&L and GMO shall also maintain adequate capacity under revolving credit facilities and commercial paper, if any, which capacity may be administered on a combined basis provided that capacity maintained for KCP&L and GMO shall be exclusively dedicated to the benefit of KCP&L and GMO, pricing is separated by entity, and that (i) Westar neither guarantees the debt of Holdco, KCP&L, GMO or other subsidiaries of GPE (excluding Westar and subsidiaries of Westar) nor is subject to a cross-default for such debt and (ii) Holdco, KCP&L, GMO and other subsidiaries of GPE (excluding Westar and subsidiaries of Westar) neither guarantee the debt of Westar nor are subject to a cross-default for such debt.~~

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	Intentionally left blank.
13	***Separation of Assets***: Holdco commits that KCP&L and GMO will not commingle their assets with the assets of any other person or entity, except as allowed under the Commission's Affiliate Transaction Rule or other Commission order. Holdco commits that KCP&L, GMO and Westar will conduct business as separate legal entities and shall hold all of their assets in their own legal entity name unless otherwise authorized by Commission order. Holdco, KCP&L, GMO and Westar affirm that the present legal entity structure that separates their regulated business operations from their unregulated business operations shall be maintained unless express Commission approval is sought to alter any such structure. Holdco, KCP&L, GMO and Westar further commit that proper accounting procedures will be employed to protect against cross-subsidization of Holdco's, KCP&L's, GMO's and Westar's non-regulated businesses, or Holdco's other regulated businesses.
14	~~***Other Separation:*** Holdco, KCP&L and GMO shall not grant or permit to exist any encumbrance, claim, security interest, pledge or other right in their respective stock in favor of any entity or person unless otherwise authorized by the Commission.~~ Intentionally left blank.
15	~~***Credit Rating:*** Moody's upgraded GPE's credit rating to Baa2 with a stable outlook on July 19, 2017. Standard & Poor's ("S&P") has opined that the Merger is credit-positive and on July 11, 2017 affirmed the ratings and revised the outlook to positive for Westar and GPE and their utility subsidiaries. GPE, KCP&L and GMO shall maintain separate issuer (i.e., Corporate Credit Ratings) and separate issue ratings for debt that is publicly placed.~~ Intentionally left blank.
16	***Credit Rating Downgrade***: If S&P or Moody's downgrade the Corporate Credit Rating or senior secured or unsecured debt issue rating of KCP&L or GMO (the "Impacted Utility") to below investment grade (i.e., below BBB- or Baa3), the "Impacted Utility" commits to file: i. Notice with the Commission within five (5) business days of such downgrade that includes specification of the affected credit rating(s), the pre- and post-downgrade credit ratings of each affected credit rating, and a full explanation of why the credit rating agency or agencies downgraded each of the affected credit ratings;

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	ii. A filing with the Commission within sixty (60) days which shall include the following: • Actions the Impacted Utility may take to raise its S&P or Moody's credit rating to BBB- or Baa3, respectively, including the costs and benefits of such actions and any plan the Impacted Utility may have to undertake such actions. If the costs of returning GMO and/or KCP&L to investment grade are above the benefits of such actions, GMO and/or KCP&L shall be required to show and explain why it is not necessary, or cost-effective, to take such actions and how the utility(s) can continue to provide efficient and sufficient service in Missouri under such circumstances; • The change on the capital costs of the Impacted Utility due to its S&P or Moody's credit rating being below BBB- or Baa3, respectively; and • 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 or Moody's credit rating below BBB- or Baa3, respectively; iii. File with the Commission, every forty-five (45) days thereafter until the Impacted Utility has regained its S&P or Moody's credit rating of BBB- or Baa3, respectively or above, an updated status report with respect to the items required in subparagraph ii ~~immediately~~ above. iv. If the Commission determines that the decline of the Impacted Utility's S&P or Moody's credit rating to a level below BBB- or Baa3, respectively, has caused its quality of 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 quality levels that existed prior to the ratings decline. v. In the event KCP&L's or GMO's affiliation (ownership or otherwise) with Holdco or any of Holdco's affiliates is a primary factor for KCP&L's or GMO's S&P or Moody's Corporate credit rating to be downgraded to below BBB- or Baa3, respectively, KCP&L and/or GMO shall promptly undertake additional legal and structural separation from the affiliate(s) causing the downgrade. Notwithstanding Commitment No. 11's limitation on payment of dividends, the Impacted Utility shall not pay a common dividend without Commission approval or until the Impacted Utility's S&P or Moody's credit rating has been restored to BBB- or Baa3, respectively.

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	vi. If KCP&L's or GMO's respective S&P or Moody's credit rating declines below BBB- or Baa3, respectively, the Impacted Utility shall file with the Commission within 15 days a comprehensive risk management plan setting forth committed actions assuring 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 or Moody's.
17	***Cost of Capital*****:** Holdco commits that future cost of service and rates of KCP&L and GMO shall not be adversely impacted on an overall basis as a result of the Merger and that future cost of service and rates will be set commensurate with financial and business risks attendant to their individual regulated utility operations. Neither KCP&L nor GMO shall seek an increase to their cost of capital as a result of (i.e., arising from or related to) the Merger or KCP&L's and GMO's ongoing affiliation with Holdco and its affiliates after the Merger. The return on equity capital ("ROE") as reflected in GMO's and KCP&L's rates will not be adversely affected as a result of the Merger. Holdco agrees the ROE shall be determined in future rate cases, consistent with applicable law, regulations and practices of the Commission. The burden of proof that any increase to the cost of capital is not a result of the Merger shall be borne by KCP&L or GMO. Any net increase in the cost of capital that KCP&L or GMO seeks shall be supported by documentation that: (a) the increases are a result of factors not associated with the Merger or the post-Merger operations of Holdco 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 Merger or the post-Merger operations of Holdco 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 Merger or the post-Merger operations of Holdco 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 Merger or the post-Merger operations of Holdco or its non-KCP&L and non-GMO affiliates have resulted in capital cost increases for KCP&L or GMO. Nothing in this condition shall restrict the Commission from disallowing such capital cost increases from recovery in KCP&L or GMO's rates.
IV. Ratemaking, Accounting, and Related Conditions	
18	***Upfront Bill Credits*****:** Holdco agrees that its electric utility subsidiaries will provide all retail electric customers with one-time bill credits totaling $50 million within 120 days of the closing of the Merger. This amount shall be allocated among Applicants' electric rate jurisdictions in both Kansas and Missouri on the basis of the total MWH of all retail ~~energy sales~~Sales of Electricity reported to FERC under Form 1 (or Form 3 Q)

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	for the most recent full twelve calendar month period prior to the closing of the Merger~~.~~ for which such report is available. The amount so allocated shall be assigned to each retail electric customer within the applicable Missouri electric rate jurisdiction based upon methodology approved by the Commission.
19	***Transition Costs*****:** Neither GMO nor KCP&L will ever include in cost of service, and shall never seek to recover in rates, any transition costs related to this Merger that are in excess of the benefits that these transition costs are intended to attain. Transition costs are those costs incurred to integrate Westar and GPE, and include integration planning, execution, and "costs to achieve." Non-capital transition costs can be ongoing costs or one-time costs. KCP&L's and GMO's non-capital transition costs, which shall include but not be limited to severance payments made to employees other than those required to be made under change of control agreements, can be deferred on the books of either KCP&L or GMO to be considered for recovery in KCP&L and GMO future rate cases. If subsequent rate recovery is sought, KCP&L and GMO will have the burden of proof to clearly identify where all transition costs are recorded and of proving that the recoveries of any transition costs are just and reasonable as their incurrence facilitated the ability to provide benefits in excess of those costs to its Missouri customers. Such benefits may be the result of avoiding or shifting costs and activities. KCP&L and GMO shall be required to attest in all future rate proceedings before the Commission that no transition costs in excess of their corresponding benefits are included in cost of service and rates, and to provide a complete explanation of the procedures used to ensure that transition costs, in excess of their corresponding benefits, are not included in cost of service or rates. This commitment shall be required until all transition costs are fully amortized. KCP&L and/or GMO, as applicable, shall bear the burden of proving and fully documenting that any transition costs for which rate recovery is sought have produced net benefits. Such benefits may be the result of avoiding or shifting costs and activities.
20	***Goodwill*****:** Goodwill associated with the Merger is the difference between the fair market value of GPE's assets and the exchange value of GPE's stock upon the closing of the Merger (referred to herein as "Merger Goodwill") and will be maintained on the books of Holdco. The amount of any such Merger Goodwill shall not be included in the revenue requirement of KCP&L or GMO in future Missouri rate cases. Neither KCP&L nor GMO will seek recovery through recognition in retail rates and revenue requirement in future rate cases of any such Merger Goodwill.

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21	***Goodwill Impairment***: Customers shall be held harmless from the risk or realization of any Merger Goodwill impairment. Holdco does not expect, and shall take prudent actions to avoid, Merger Goodwill from negatively affecting KCP&L's or GMO's cost of capital. If such Merger Goodwill becomes impaired and such impairment negatively affects KCP&L's or GMO's cost of capital or credit ratings, all costs associated with the decline in the Impacted Utility's credit quality specifically attributed to the Merger Goodwill impairment, considering all other capital cost effects of the Merger and the impairment, shall be excluded from the determination of the Impacted Utility's rates.
22	***Transaction Costs*****:** 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 Merger, severance payments required to be made by change of control agreements, internal labor and third party consultant costs incurred in performing any types of analysis or preparation (financial, tax, investment, accounting, legal, market, regulatory, etc.) to evaluate the potential sale or transfer of ownership, prepare for bid solicitation, analyze bids, conduct due diligence, compliance with existing contracts including change in control provisions, and compliance with any regulatory conditions, closing, and communication costs regarding the ownership change with customers and employees. GMO and KCP&L commit that they will not seek recovery through recognition in retail rates of transaction costs, that they shall have the burden of proof to clearly identify where all transaction costs related to this Merger are recorded and shall be required to attest in all future rate proceedings before the Commission that none of these costs are included in cost of service and rates, and to provide a complete explanation of the procedures used to ensure that these transaction costs are not included in cost of service or rates. This commitment shall be required until transaction costs of this Merger are no longer on Holdco's books in a test year for KCP&L and/or Westar, as applicable Transaction costs shall be recorded on Holdco's books.
23	***Fuel and Purchased Power Costs*****:** KCP&L's and GMO's fuel and purchased power costs shall not be adversely impacted as a result of the Merger.
24	***Retail Rates*****:** Holdco commits that retail rates for KCP&L and GMO customers shall not increase as a result of the Merger.

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25	***Future Rate Cases*:** Holdco commits that in future rate case proceedings, KCP&L and GMO will support their assurances provided in this document with appropriate analysis, testimony, and necessary journal entries fully clarifying and explaining how any such determinations were made.
	V. Affiliate Transactions and Cost Allocations Manual (CAM) Conditions
26	***Affiliate Transaction Rule*:** KCP&L and GMO will be operated after the Merger in compliance with the Commission's Affiliate Transaction Rule, as defined in 4 CSR 240-20.015(10) and 4 CSR 240-80.015(10).
27	***Information on Affiliate Transactions*:** Holdco 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.
28	***No Preferential Treatment of Affiliates*:** Except as permitted by any variance granted by the Commission, 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 240-015(2) and 4 CSR 240-80.015(2).
29	***Intercompany Charges*:** Holdco and its subsidiaries may seek recovery of intercompany charges to regulated utility affiliates in their first general rate proceedings following the closing of the Merger at levels equal to the lesser of actual costs or the costs allowed related to such functions in the cost of service of their most recent rate case prior to the closing of the Merger, as adjusted for inflation measured by the Gross Domestic Product Price Index. Billings for common-use assets shall be permitted consistent with GPE's current practices. Holdco and its subsidiaries shall have the burden of proof to demonstrate billings are prudent, in the usual course of business, and consistent with past practice.
30	***Separate Books and Records Available to Staff and Commission*:** Holdco shall maintain separate books and records, systems of accounts, financial statements and bank accounts for GMO and KCP&L. The records and books of GMO and KCP&L will be maintained under the FERC Uniform System of Accounts ("USOA") applicable to investor-owned jurisdictional electric utilities, as adopted by the Commission.

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	The financial books and records of Holdco's regulated utility affiliates will be made available to the Commission and its Staff. The records and books of any affiliate for which any direct or indirect charge is made to GMO and KCP&L, and included in said utilities' cost of service and rates on either a direct or indirect basis, will be made available, upon request, to the Commission and its Staff. Holdco, KCP&L and GMO shall facilitate access of the Commission Staff to its external auditors and endeavor to provide the Commission and its Staff with timely access to any relevant external audit workpapers and/or reports. Holdco, KCP&L and GMO will maintain adequate records to support, demonstrate the reasonableness of, and enable the audit and examination of all centralized corporate costs that are allocated to or directly charged to KCP&L or GMO. Nothing in this condition shall be deemed a waiver of any rights of Holdco, KCP&L or GMO 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.
31	***Independent Third Party Management Audit of Affiliate Transactions and Corporate Cost Allocations Report*:** Holdco, KCP&L and GMO shall agree to an independent third party management audit report of new holding company, KCP&L and GMO corporate cost allocations and affiliate transaction protocols. A committee, which shall be comprised of an equal number of Staff, OPC and Applicant representatives, shall develop a Request for Proposal ("RFP") with input from ~~the Applicants~~all committee members on the scope of work, and this RFP shall be submitted to the Commission for approval within six months after the closing of the Merger. The selection of a successful bidder shall be conducted by the same committee and shall me made by unanimous vote. If the vote is not unanimous, the Commission will determine the successful bidder and scope of work. The independent third party management auditor's contract shall preserve the auditor's independence by precluding Staff, OPC, Holdco, KCP&L, and GMO representatives from directing or influencing the report's conclusions. Upon completion, the report of the audit shall be filed with the Commission. a. The audit will examine ~~new holding company~~Holdco, KCP&L, and GMO's corporate cost allocations~~ and~~, affiliate transaction protocols, and ensure that the existing CAM fully documents newly formed operations, or to make recommendations to revise the CAM to address newly formed operations. The audit shall be designed to assess compliance with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015) as well as the appropriateness of the allocation of corporate costs among Holdco, KCP&L, GMO, and all affiliates. Holdco, KCP&L, GMO, and all (regulated and non-regulated) affiliates ~~GMO~~ shall cooperate fully with the auditor by timely providing all

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	information ~~required~~ requested to complete the audit including, but not limited to, informal and interactive interviews followed up with formal discovery. b. The audit report shall express an independent opinion on the degree and extent of KCP&L and GMO's compliance with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015) and ~~may~~ shall provide recommendations, if appropriate, regarding procedures and methodologies used by Holdco, KCP&L and GMO in allocating corporate costs and complying with the Commission's Affiliate Transactions Rule (4 CSR 240-20.015). c. It is expressly acknowledged that Holdco, KCP&L and GMO shall collectively provide $500,000, funded below the line (and not recovered in rates), for purposes of funding the independent third party management audit. Any additional expense beyond $500,000, required by the Commission, will be split 50/50 between ratepayers and shareholders. d. Any cost in excess of $500,000 shall be deferred to account 182.3 (other regulatory assets) and recovered through amortization, subject to the 50/50 split provided immediately above, in retail rates and cost of service in the first KCP&L and GMO general rate cases subsequent to the completion of the audit.
32	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.
33	***Cost Allocation Manual*:** KCP&L and GMO agree to meet with Staff and OPC no later than sixty (60) days after the closing of the Merger to provide a description of its expected impact on the allocation of costs among Holdco'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 (6) months after the closing of the Merger but no less than two (2) 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 Merger.
	VI. Quality of Service Conditions

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34	***Customer Service and Operational Levels*:** KCP&L and GMO will meet or exceed the customer service and operational levels currently provided to their Missouri retail customers. After the closing of the Merger, 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 Holdco, 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 the closing of the Merger, 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. After the closing of the Merger, KCP&L and GMO shall continue providing Staff, on a monthly basis, with ~~date~~ data on service reliability, including system average interruption frequency index ("SAIFI"), system average interruption duration index ("SAIDI"), customer average interruption frequency index ("CAIFI") and customer 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. After the closing of the Merger, KCP&L and GMO shall, for a period of two years after closing, provide Staff, on a twice-yearly basis, responses to all customer survey questions dealing with customer satisfaction and experience conducted on KCP&L and 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 shall commence the day the Merger closes. During the wo-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 Merger, any such survey information would be available for Staff review through the rate case discovery process.

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35	***Continued Meetings with Staff Regarding Customer Service*:** KCP&L and GMO will continue to meet with Staff Customer Experience personnel~~Staff Consumer and Management Analysis personnel~~ on a periodic basis, such as quarterly or as Staff deems necessary, after the close of the Merger, 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.
36	***Customer Service Management Organizational Charts*:** Within thirty (30) days after the closing of the Merger, 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.
	VII. Reporting and Access to Records
37	***Merger Integration*:** To keep Staff and the Commission apprised of the status of integration implementation after closing: a. 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 Merger 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 update of the status of integration implementation, providing the Commissioners an opportunity to ask questions about the status of integration implementation. b. 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 Holdco, 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 Holdco, KCP&L, GMO and/or Westar that is not under the direct management and supervision of Holdco, KCP&L, GMO or Westar employees) or converted to contingent labor as a result of the integration of Holdco,

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	KCP&L, GMO and Westar. To the extent that job positions at Holdco, KCP&L, GMO or Westar have been eliminated, re-classified or transferred between Holdco, KCP&L, GMO or Westar, such eliminations, re-classifications or transfers shall be identified. c. KCP&L and GMO shall, for a period of two years after closing, provide Staff any reports or presentations made to Holdco's board of directors regarding efficiencies attained as a result of the Merger. Such reports or presentations shall be provided to Staff within 30 days after being provided to Holdco's board of directors. d. The reporting and data provision agreed to herein by Holdco, KCP&L and GMO does not change any reporting obligations of GPE (which shall apply to Holdco post-merger), KCP&L or GMO that existed prior to the approval of this Merger.
38	***Goodwill Impairment Analysis*****:** For the first five (5) full calendar years after the closing of the Merger, Holdco 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 thirty (30) days after the filing of Holdco'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.
39	***Accounting Changes*****:** Holdco, KCP&L and Westar commit that any material Merger-related financial and accounting changes must be reported to the Commission.
40	***Access to Materials Provided to Ratings Analysts*****:** KCP&L and GMO shall provide Staff and 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 Holdco. 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.
41	***Access to Materials Regarding CAM Compliance*****:** Holdco, KCP&L and GMO shall 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

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	required to verify compliance with KCP&L's and GMO's CAM and any conditions ordered by this Commission. Holdco, 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 Merger.
42	***Access to Board of Director Materials*****:** KCP&L and GMO shall provide Staff and OPC access, upon reasonable request, the complete Holdco 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.
43	***Retention Period for Affiliate Transaction Records*****:** KCP&L and GMO will maintain records supporting their affiliated transactions for at least six (6) years.
44	***Journal Entries*****:** Within six months of the close of the Merger, Holdco, KCP&L and GMO will provide to the Commission Staff detailed journal entries recorded to reflect the Merger. Holdco, KCP&L and GMO shall also provide the final detailed journal entries to be filed with the Commission no later than 13 months after the date of the closing. These entries must show, and shall include but not be limited to, the entries made to record or remove from all utility accounts any acquisition premium costs or transaction costs.
45	***Employment in the State of Missouri*****:** In their first general rate cases filed after the closing of the Merger, KCP&L and GMO (as applicable) shall provide direct testimony explaining the employment metrics related to the number of full time employees and the average turnover rate along with any material changes to those metrics since the closing of the Merger. This direct testimony shall include a complete description, supported by schedules or work papers as appropriate, of the Merger-related labor and all labor-related efficiency savings that KCP&L and GMO (as applicable) propose to flow through to the benefit of customers in the form of rates that are lower than they would be in the absence of the Merger.

No.	Merger Commitments and Conditions
46	***Staff or OPC Travel Outside Missouri*****:** 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 Staff or OPC, 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 or 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.
	VIII. Other Parent Company Conditions
47	***Prior Commitments of, and Orders Applicable to, GPE, KCP&L and GMO*****:** Holdco, KCP&L and GMO commit to reaffirm and honor any prior commitments made by GPE, KCP&L or GMO to the Commission to comply with any previously issued Commission orders applicable to KCP&L or GMO or their previous owners except as otherwise provided for herein.
48	***Future Access to Capital*****:** Holdco acknowledges that its utility subsidiaries need significant amounts of capital to invest in energy supply and delivery infrastructure (including, but not limited to, renewable energy resources and other environmental sustainability initiatives such as energy efficiency and demand response programs), that meeting these capital requirements of its utility subsidiaries will be considered a high priority by Holdco's board of directors and executive management, and that Holdco's access to capital post-transaction will permit it and its utility subsidiaries to meet their statutory obligation to provide safe and adequate service.