



## Rating Action: **Moody's upgrades six issues of Kansas City P&L's senior notes to A2 secured from Baa1 unsecured**

15 Mar 2019

### Approximately \$1.9 billion of debt securities upgraded

New York, March 15, 2019 -- Moody's Investors Service ("Moody's") today upgraded six outstanding issues of senior notes of Kansas City Power & Light Company (KCP&L, Baa1 stable) to A2 (senior secured) from Baa1 (senior unsecured) based on general mortgage bonds being pledged as security for the notes, pursuant to KCP&L's sixteenth supplemental indenture to its General Mortgage Indenture and Deed of Trust. The six issues include: \$300 million due 2023, \$350 million due 2025, \$250 million due 2035, \$400 million due 2041, \$300 million due 2047, and \$300 million due 2048. KCP&L's other ratings and stable outlook are unchanged.

#### Upgrades:

..Issuer: Kansas City Power & Light Company

....Senior Secured Regular Bonds/Debentures (Changed from Senior Unsecured), Upgraded to A2 from Baa1

#### RATING RATIONALE

The upgrade of these senior notes to A2 reflects the change in security following the Sixteenth Supplemental to KCP&L's General Mortgage Indenture. Pursuant to the Supplemental, KCP&L created six series of Mortgage Bonds (collectively, the "Collateralizing Mortgage Bonds") to be issued under the Indenture with each such series corresponding to each series of the unsecured notes and serving as collateral for those notes. The two notch upgrade is consistent with our practice of rating senior secured debt two notches above the senior unsecured debt of US investment grade regulated utilities. The six series of notes, totaling \$1.9 billion, will continue to have the same CUSIPS. In addition, the senior secured notes will rank pari-passu with all other KCP&L secured debt.

KCP&L's credit profile reflects the fully regulated nature of its vertically integrated utility operations in Kansas and Missouri. Historically, the regulatory environments in these two states have been stable yet challenging at times. The stable outlook reflects our expectation that KCP&L's Missouri and Kansas regulatory environments will continue to lead to reasonable general rate case outcomes.

The principal methodology used in these ratings was Regulated Electric and Gas Utilities published in June 2017. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

Kansas City Power & Light Company (KCP&L, Baa1 stable, P-2), a Missouri corporation incorporated in 1922 and headquartered in Kansas City, Missouri, is an integrated, regulated electric utility that engages in the generation, transmission, distribution and sale of electricity. As of December 31, 2018, KCP&L served approximately 549,900 customers located in western Missouri and eastern Kansas.

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