Exhibit No.:	
Issue:	Capital Structure; Cost of Debt
Witness:	Kevin E. Bryant
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	KCP&L Greater Missouri Operations Company
Case No.:	ER-2016-0156
Date Testimony Prepared:	September 2, 2016

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2016-0156

SURREBUTTAL TESTIMONY

OF

KEVIN E. BRYANT

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

Kansas City, Missouri
September 2016

SURREBUTTAL TESTIMONY

OF

KEVIN E. BRYANT

Case No. ER-2016-0156

Q: Are you the same Kevin E. Bryant who pre-filed direct and rebuttal testimony in this matter on behalf of KCP&L Greater Missouri Operations Company ("GMO" or the "Company")?

A: Yes.

Q: What is the purpose of your surrebuttal testimony?

A: I will respond to the rebuttal testimony of Mr. David Murray submitted in this proceeding on behalf the Staff of the Missouri Public Service Commission ("Staff") and Mr. Charles Hyneman submitted on behalf of the Office of the Public Counsel ("OPC") as they relate to capital structure and cost of debt issues. I will also respond to those portions of the testimony of Mr. Michael Gorman submitted in this proceeding on behalf of OPC with his direct testimony which the Commission re-designated as rebuttal testimony.

<u>CAPITAL STRUCTURE AND COST OF DEBT</u>

Q: On p. 5, l. 10 of his rebuttal testimony, Mr. Murray implies by agreement that you stated GMO's credit profile was supported by Great Plains Energy Incorporated ("GPE"). Is this correct?

A: No, I do not agree with this implication as I did not say that GMO's credit profile was "supported" by GPE in my direct testimony. What I did say, however, is that GMO's credit profile and ratings have improved since GMO was acquired by GPE in 2008. While GMO had the financial strength to support its own debt obligations after the acquisition, it wasn't until after 2012 that GMO could issue its own debt as it previously lacked the audited historical financial information and credit history needed to access the capital markets directly.

Q: On p. 8, ll. 7-8 of his rebuttal testimony, Mr. Murray states that GPE has guaranteed and continues to guarantee GMO's debt, credit facilities and commercial paper program. Is this true?

A: This statement is only partially true. GPE does not guarantee GMO's credit facility. When GMO was acquired in 2008, GPE did guarantee the legacy Aquila debt which guarantee cannot simply be removed now. Of the $1.1 billion of total GMO long-term debt currently outstanding, less than $100 million of legacy Aquila debt remains outstanding with the guarantees GPE put in place in 2008.

Q: Does GPE guarantee the $350 million of long-term debt GMO issued in 2013?

A: No it does not. This debt was issued by GMO directly to investors using the three years of audited financial statements for 2010-2012, and indicates that GMO no longer requires guarantees from GPE. It also shows that the GPE guarantees of GMO debt put in place in 2008 are not necessary today.

Q: Mr. Murray states, on p. 8, ll. 5-6 of his rebuttal testimony, that as of December 21, 2015, slightly less than 60% of GMO's long-term debt was issued by GPE and loaned to GMO. Is this correct?

A: Yes. Prior to GMO having the ability to issue debt directly to investors in 2013 as described above, GPE issued long-term debt and loaned the proceeds to GMO. However, Moody's Investors Service ("Moody's") views this debt as GMO debt and not holding company debt in its credit rating analysis (Schedule KEB-1). The 2013 GMO debt issuance demonstrates that this method of financing GMO (i.e., loans to GMO of debt issued by GPE) is no longer necessary.

Q: On p. 5, ll. 17-21 of his rebuttal testimony, Mr. Murray indicates that GPE's issuance of 3-year debt in 2010 was "inherently unfair to KCPL ratepayers". How do you respond?

A: I disagree with Mr. Murray. GPE issued 3-year debt in 2010 for GMO to maintain flexibility, so that this debt could be refinanced by GMO in 2013 (three years later) based on GMO's credit profile and financial history. This is exactly what GMO did. This refinancing supported GMO's transition to being capable of issuing its own debt. The Commission ruled against Staff on this issue in its orders in the 2010 GMO and Kansas City Power & Light Company ("KCP&L") rate cases (ER-2010-0356 ER-2010-0355, respectively), and in the 2012 GMO and KCP&L rate cases (ER-2012-0175 and ER-2012-0174, respectively). This Commission found that this debt issuance was not unfair to KCP&L ratepayers and was issued solely for the benefit of GMO.[1] KCP&L also benefited from this lower cost debt after the 2012 rate cases because a consolidated cost of debt that incorporated this lower cost debt was used in setting KCP&L rates. Since the 2010 debt issuance matured in 2013, its cost is no longer relevant today.

[1] Commission File No. ER-2010-0355, Report and Order at II.B, pp. 125-126, issued April 12, 2011; Commission File No. ER-2010-0356, Report and Order at II.B, pp. 151-153, issued May 4, 2011; and Commission File No. ER-2012-0174 / 0175, Report and Order at IV.A(iii), pp. 26-28, issued January 9, 2013.

Q: Mr. Murray recommends using GPE's consolidated capital structure and consolidated cost of debt because he says, on p. 6, ll. 3-6 of his rebuttal testimony, it is "obvious" that GPE was financially managing the two subsidiaries to achieve the lowest overall capital cost for GPE as a consolidated entity. How do you respond to this statement?

A: I strongly disagree with Mr. Murray. In addition to the fact that Mr. Murray has provided no evidence for this assertion, his logic is flawed. When each subsidiary financially manages itself to achieve the lowest capital cost for that subsidiary, this also achieves the lowest overall capital cost for GPE as a consolidated entity. I do not view it as "obvious" that either subsidiary has not acted in its own best interest on financing matters. The table below shows the cost of debt for GMO, KCP&L and consolidated GPE, as well as the cost of debt authorized by the Commission in GMO and KCP&L rate cases since 2010.

		Cost of Debt			
Case (Company)	Date	Authorized	GMO	KCP&L	Consolidated
ER-2010-0355 (KCP&L)	12/31/2010	6.820%	6.409%	6.786%	6.660%
ER-2010-0356 (GMO)	12/31/2010	6.420%	6.409%	6.786%	6.660%
ER-2012-0174 (KCP&L)	8/21/2012	6.425%	5.975%	6.635%	6.425%
ER-2012-0175 (GMO)	8/21/2012	6.425%	5.975%	6.635%	6.425%
ER-2014-0370 (KCP&L)	5/31/2015	5.557%	5.093%	5.708%	5.557%
ER-2016-0156 (GMO)	7/31/2016		5.100%	5.514%	5.443%

It is clear that in the five decided cases, each subsidiary acted in its own best interest to reduce its cost of debt which, in turn, reduced the consolidated cost of debt. Furthermore, in this case (ER-2016-0156), it is clear that GMO's cost of debt recommendation—which is over 130 basis points lower than the cost of debt included in GMO's current rates, and more than 30 basis points lower than the GPE consolidated cost of debt—represents its own best interests, as well as that of its customers.

Q: On p. 10, ll. 15-17 of his rebuttal testimony, Mr. Murray states that GPE's decision to have GMO fund all of the dividend in 2015 illustrates how each subsidiary's capital is managed for the benefit of GPE. Is this true?

A: No, and Mr. Murray offers no evidence to support this assertion. As demonstrated above, GMO's capital structure has indeed been managed in the best interest of GMO's customers. As Mr. Murray shows in Schedule DM-r4, GMO's equity ratio was at 57.87% in 2012 and declined to 55.50% in 2015. GMO's equity ratio has declined further since then, to 54.85% as of July 31, 2016. As Mr. Gorman said on p. 25, ll. 7-10 of his direct testimony, "To the extent GMO finances its capital structure with an excessively high balance of common equity, then management will have to respond by modifying its actual capital structure to bring it down to a mix of debt and equity that the Commission finds to be reasonable." Mr. Gorman also said that GMO can adjust its common equity balance of total capital by paying dividends to reduce common equity.

The GMO dividend policy that Mr. Murray references has <u>reduced</u> GMO's equity ratio and has indeed been in GMO's best interest, providing a solid and principled foundation for the Commission to use GMO's specific capital structure to set GMO's rates in this case. GMO has not issued any long-term debt since 2013, however KCP&L issued new long-term debt in 2015 to help fund its LaCygne environmental construction project. In order for KCP&L to manage its capital structure in its best interest, KCP&L needed to increase equity along with the debt it issued. KCP&L did this by not paying a dividend in 2015 and retaining all of its earnings so it could maintain its own balanced capital structure. Thus, contrary to Mr. Murray's rebuttal testimony, GMO's funding all the dividend in 2015 does not at all show that each subsidiary's capital is managed for the benefit of GPE to the detriment of each subsidiary and its customers.

Q: Mr. Gorman states, on p. 25, ll. 11-14 of his rebuttal testimony, that "Company management needs to respond to the ratemaking signals provided by the Commission for managing its capital structure in order to provide the Company a reasonable opportunity to earn its authorized return on equity." Do you agree?

A: While I don't know what specific ratemaking signals Mr. Gorman is referring to as no specific reference was provided in his testimony, I agree that GMO should manage its capital structure in a manner that <u>both</u> provides a reasonable opportunity to earn its authorized return on equity <u>and</u> balances other constructive Commission objectives, such as maintenance of a healthy investment grade credit profile. Consistent with this management approach, GMO did not propose to set rates on the basis of its own capital structure when GMO's equity ratio was over 57%. However, GMO has taken reasonable steps to reduce its equity ratio to a level near the midpoint of other peer utilities across the country (as evidenced by the equity ratio range of 46.50% to 66.01% from Mr. Hevert's direct testimony p. 61, ll. 11-12), and will continue to take actions to manage GMO's own capital structure within a prudent and acceptable range. Although I do not agree that GMO's equity ratio of 54.8% as originally filed in this case is unreasonable, Mr. Gorman and I have both agreed that reasonable adjustments to GMO's actual capital structure can be made to support a ratemaking capital structure with an approximately 51.4% common equity ratio, which is even lower than the 52.3% equity ratio approved by the Commission in GMO's most recent rate case in 2012.

Q: If the Commission ordered GMO to use a consolidated capital structure and cost of debt, what signal would that send to the Company?

A: Such an order would signal that, although GMO has established its stand-alone financing capability, in the future GMO should manage its capital structure and debt cost based on what is best for the GPE consolidated group and not what is best specifically for GMO and its own customers.

Q: Mr. Murray states, on p. 9, ll. 17-19 of his rebuttal testimony, that because GMO does not have financial statements filed with the Securities and Exchange Commission ("SEC") similar to KCP&L and GPE, the Commission should "hesitate as to the legitimacy" of my position that GMO has stand-alone credit quality, and, therefore, a legitimate stand-alone capital structure. How do you respond?

A: I disagree and do not believe that there should be any hesitation in viewing GMO as having a legitimate stand-alone capital structure. First, GMO's financial statements are available to the public as reported to the Federal Energy Regulatory Commission ("FERC") on FERC Form 1, both annually and quarterly. Additionally, GMO stand-alone financial statements are also provided quarterly to S&P and Moody's, and to the investors in GMO's 2013 senior notes. The GMO stand-alone financial statements were also provided to potential investors in GMO's 2013 senior notes, so Mr. Murray's claim that GMO doesn't have a market-based capital structure is false. The fact that GMO is not an SEC registrant and is not required to file SEC financial statements, does not mean it does not have a legitimate stand-alone capital structure.

Second, Mr. Murray's claim that "GMO's S&P credit rating is assigned based on GPE's consolidated credit quality, not that of GMO", is not entirely true. S&P first evaluates GMO's stand-alone credit profile based on its assessment of GMO's business risk and financial risk based on its historical and projected financial statements before making any modifications to GMO's rating based on GPE's group credit profile. S&P's June 2016 assessment of GMO's stand-alone credit profile (Schedule KEB-2) is rated lower than KCP&L's stand-alone credit profile (Schedule KEB-3). This is consistent with Moody's long-term rating for GMO which is one notch lower than Moody's long-term rating for KCP&L. Although S&P does modify both GMO's and KCP&L's stand-alone credit profiles, resulting in the same credit rating, Moody's does not make such modifications, and investors consider the credit ratings from both S&P and Moody's when evaluating the creditworthiness of GMO.

Q: Are GMO's financial statements reviewed by an independent auditor?

A: Yes. Deloitte & Touche LLP provides independent auditor reports on the annual GMO FERC Form 1 financial statements and the annual GMO stand-alone financial statements.

Q: On p. 10, ll. 20-22 of his rebuttal testimony, Mr. Murrays states that it is his understanding that GMO's lower credit quality is due to lingering effects of the financial burdens imposed on GMO's system by the failed Aquila business model. Do you agree?

A: No. Mr. Murray has provided no support for this assertion. The fact that GMO's current credit quality is lower than KCP&L's has nothing to do with the "failed Aquila business model." The more relevant fact is that both S&P and Moody's review the credit profiles for GPE, KCP&L and GMO at least annually. It is clear evidence that the financial community does not concern itself with Aquila, whose remaining, mainly Missouri-based assets were acquired by GPE. During that time GPE has contributed equity to both

KCP&L and GMO, and over 90% of GMO's long-term debt has been refinanced at lower interest rates. In its most recent research reports (Schedules KEB-2 and KEB-3), S&P's assessment of GMO's and KCP&L's financial risk is the same, but S&P assigns GMO a less favorable business risk based on its competitive position which is tied directly to its regulatory environment, where GMO is completely regulated in Missouri and KCP&L has approximately 45% of its operations in Kansas, a regulatory jurisdiction that is viewed more favorably by S&P. S&P's assessment of GMO's business risk and regulatory environment has absolutely nothing to do with what Mr. Murray described as "Aquila's failed business model" of nearly a decade ago.

Q: On p. 19, l. 29 – p. 30, l. 2 of his rebuttal testimony, OPC witness Mr. Hyneman states that OPC's capital structure position in this case is described in the direct testimony of OPC witness Michael Gorman and that Mr. Gorman is proposing a capital structure for GMO with 51.4% equity. Do you agree with using a GMO capital structure with a 51.4% equity ratio?

A: Yes. As stated in my rebuttal testimony, although my rationale is different than Mr. Gorman's, I agree with an adjustment to GMO's actual capital structure to deduct approximately $169 million of goodwill resulting in an equity ratio of approximately 51.4%.

Q: What is the weighted average cost of capital for GMO as of July 31, 2016 that you are requesting including the adjustment to the equity ratio?

A: The weighted average cost of capital would be as follows:

	Ratio	Cost	Weighted Cost
GMO Adjusted Equity	51.4%	9.90%	5.09%
GMO Long-term Debt	48.6%	5.10%	2.48%
Weighted Cost of Capital			7.57%

Q: What is the weighted average cost of capital for GPE as of July 31, 2016 using the consolidated capital ratios and consolidated cost of debt?

A: The consolidated weighted average cost of capital would be as follows:

	Ratio	Cost	Weighted Cost
Common Equity	49.5%	9.90%	4.90%
Preferred Stock	0.5%	4.29%	0.02%
Long-term Debt	50.0%	5.44%	2.72%
Weighted Cost of Capital			7.64%

Q: On pp. 20-23 of his rebuttal testimony, Mr. Hyneman makes several references to a consolidated capital structure. Has either OPC or GMO recommended using a consolidated capital structure in this case?

A: No. The position of both OPC and GMO is based on using GMO's actual capital structure with OPC making a known and measurable adjustment to equity to which GMO has agreed. Since Mr. Hyneman has confirmed that OPC's capital structure position in this case is described in the direct testimony of OPC witness Michael Gorman, I will not address Mr. Hyneman's references to a consolidated capital structure.

Q: On p. 26, ll. 14 – 25 of his rebuttal testimony, Mr. Hyneman suggests that the reference to GMO's previous credit challenges in your direct testimony related to Aquila's non-regulated merchant operations. Is this correct?

A: It is not. The GMO credit challenges I referred to in my direct testimony related to GMO establishing itself as a stand-alone company with its own credit profile and financial history. Mr. Hyneman's references to a 2005 Moody's report on Aquila, 2007 testimony of a former Aquila officer never employed by GMO, and a Commission Staff report on Aquila from 2002 have no relevance now. GPE acquired GMO in 2008 and there are no active merchant operations other than fulfilling the long-term natural gas contracts that were entered into prior to the acquisition. In Mr. Hyneman's quote from page 95 of GPE's 2015 SEC Form 10-K that describes MPS Merchant's operations, he conveniently ends with an ellipsis (". . .") rather than continuing the quote with "manages the daily delivery of its remaining contractual commitments with economic hedges (non-hedging derivatives) to reduce its exposure to changes in market prices." With these hedges in place, Moody's has never been concerned about these remaining long-term contracts. Otherwise, they would have been mentioned in one of the Moody's reports published since GPE's acquisition of GMO in 2008.

Q: Please summarize the main points of your surrebuttal testimony.

A: The history of Aquila is not relevant to setting rates in this case. GMO has worked diligently to manage its capital structure and cost of debt since the Commission approved its acquisition by GPE in 2008. GMO has a significantly lower equity ratio today than it did when rates were last established in 2012. The adjusted GMO equity ratio of 51.4% is even lower than the consolidated equity ratio approved in GMO's most recent rate case, ER-2012-0175. GMO now has audited financial statements that were first prepared in 2013 and has the ability to issue debt directly to investors. This was demonstrated when GMO issued its 2013 senior notes.

Furthermore, GMO now has its own issuer rating from Moody's that was first assigned in 2013 (Schedule KEB-4). S&P now has a stand-alone credit profile for GMO based on a new methodology established in 2014 (Schedule KEB-2). GMO's customers should not be paying interest based on debt issued by KCP&L nor be impacted by the amount of KCP&L's debt balance (all which would be reflected in GPE's consolidated capital structure). Now is the time to establish GMO's rates based on its own specific capital structure and cost of debt.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement A General Rate Increase for Electric Service	)))	Case No. ER-2016-0156

AFFIDAVIT OF KEVIN E. BRYANT

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Kevin E. Bryant, being first duly sworn on his oath, states:

1. My name is Kevin E. Bryant. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Senior Vice President of Finance & Strategy and Chief Financial Officer.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of KCP&L Greater Missouri Operations Company consisting of twelve (12) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Kevin E. Bryant

Subscribed and sworn before me this 2nd day of ~~August~~ September, 2016.

Nicole A Wehry
Notary Public

My commission expires: Feb. 4 2019

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2019
Commission Number: 14391200

MOODY'S INVESTORS SERVICE

Credit Opinion: Great Plains Energy Incorporated

Global Credit Research - 29 Mar 2012

Kansas City, Missouri, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Senior Unsecured	Baa3
Subordinate	Ba1
Pref. Stock	Ba2
Kansas City Power & Light Company	
Outlook	Stable
Issuer Rating	Baa2
First Mortgage Bonds	A3
Senior Secured Shelf	(P)A3
Senior Unsecured	Baa2
Commercial Paper	P-2
Kansas City Power & Light Greater MO Oper	
Outlook	Stable
Senior Unsecured	Baa3
Commercial Paper	P-3

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Key Indicators

[1]**Great Plains Energy Incorporated**

	2011	2010	2009	2008
(CFO Pre-W/C + Interest) / Interest Expense	3.6x	4.1x	2.9x	2.8x
(CFO Pre-W/C) / Debt	14%	16%	11%	8%
(CFO Pre-W/C - Dividends) / Debt	11%	13%	8%	3%
Debt / Book Capitalization	53%	54%	55%	56%

[1] All ratios calculated in accordance with the Regulated Electric and Gas Utilities Rating Methodology using Moody's standard adjustments

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers

Mid-size electric utility holding company with regulated electric utility operations

Improving trend in key financial metrics

Capex risk has transitioned from generation construction to environmental remediation

Corporate Profile

Headquartered in Kansas City, Missouri, Great Plains, a utility holding company, operates through KCPL and KCPL-Great Missouri Operations or "GMO", both of which are vertically integrated electric utilities. They collectively serve approximately 823,000 customers in Missouri and eastern Kansas and are regulated by the Missouri Public Service Commission (MPSC), the Kansas Corporation Commission (KCC) and the Federal Energy Regulatory Commission (FERC).

KCPL is the primary provider of earnings and cash flow for Great Plains, as it generated close to 80% of consolidated income and cash flow in 2011. KCPL is a 47% owner in the approximate 1,200 MW Wolf Creek nuclear generating facility, and thus exposes Great Plains to the regulatory oversight of the Nuclear Regulatory Commission (NRC).

GMO is regulated by the MPSC as a separate service for rate-making purposes and does not file stand-alone financial statements. Rather, its results are reported within the consolidated financial and operating results of Great Plains. Importantly, the surviving debt associated with GMO now benefits from a guarantee of Great Plains. At December 31, 2011, approximately 54% of the company's $3.5 billion of consolidated reported debt was attributable to KCPL. Approximately 28% is listed as holding company debt (which includes around $288 million of unsecured notes that are listed in the 10K as Equity Units; see liquidity selection below) attributable to Great Plains, with the balance of around 18% attributable to GMO operations.

Great Plains has issued two sets of senior notes, $250 million at 2.75% in 2010 and $350 million at 4.85% in 2011, the proceeds of which were sent to GMO as an intercompany loans payable in 2013 and 2021, respectively. It is Moody's understanding that the MPSC has allowed debt service of such intercompany loans to be included in GMO's approved rate structure; thus, these obligations are not considered to be holding company debt in Moody's analysis. GMO's undertaking of these obligations would lower the holding company debt to be around 11% of consolidated debt. If this were not the case, and the 17% of intercompany loans were not being serviced via utility rates, then wider notching could be considered between the holding company and the opcos.

Rating Rationale

Great Plains' Baa3 senior unsecured rating reflects the regulated nature of the company's cash flow and earnings, which are derived from vertically integrated utility operations. The rating also incorporates our expectation that Great Plains' overall regulatory environment will continue to provide adequate and timely cost recovery, in order to maintain its current financial profile, despite heavy environmental capex during prolonged economic challenges.

DETAILED RATING CONSIDERATIONS

RATE REGULATED OPERATIONS UNDERPIN CREDIT QUALITY

Great Plains benefits from the rate regulated nature of its utility holdings, which provide an essential public service and enjoy assured recovery of, and reasonable return on, prudently incurred costs. This relationship, between Great Plains and its respective state regulatory authorities, provides the fundamental basis for Great Plains' investment grade credit profile.

The benefits of regulation and cost recovery is evident in times similar to what Great Plains experienced in 2011, where several of KCPL's coal-fired power plants were impacted by flooding along the Missouri River and Wolf Creek experienced an extended refueling outage. As a result, the capacity factors for Great Plains' coal facilities dropped to about 64% in 2011 from the approximately 70% achieved in 2010, as Wolf Creek's capacity factor fell to just above 70% in 2011 from around the 92% registered in 2010. The impacts of unplanned or extended outages at generation facilities typically have negative impacts on a company's financials.

For example, KCPL lost an estimated $16 million of gross margin due to coal conservation activities, increased other operating expenses of around $3 million due to the flooding, experienced $7.5 million of increased coal transportation costs and $11 million from the impact of an extended Wolf Creek outage. Cash outflows related to the unforeseen need for replacement power (which can be very expensive on a spot basis) can be recovered in a relatively timely manner for regulated utilities; whereas if the company is unregulated, it has to absorb those costs and plant outages with no remuneration.

Furthermore, it is typical for regulated utilities to have automatic fuel and purchase power cost pass-through mechanisms, where all of the costs for those items are recovered - typically within a year or less and on a dollar-for-dollar basis, without the need to file a general rate case. However, in KCPL's Missouri jurisdiction, there is no automatic fuel and purchase power pass-through mechanism, thus the company is forced to support the increased costs with its liquidity resources, until it can recover the costs over time following a general rate case decision. Waiting for a general rate case decision could mean upwards of two years or more before complete recovery is attained. Consequently, Moody's views KCPL's exposure to the Missouri jurisdiction to carry more risk, as KCPL's Kansas jurisdiction and GMO both possess fuel recovery mechanisms. Nevertheless, the regulated nature of the vast majority of Great Plains' operations is a significant credit benefit to the company.

GENERAL RATE CASE OUTCOMES WILL DRIVE RATINGS GOING FORWARD

Great Plains has recently completed two major construction projects, the retrofit of the 650 MW Iatan I coal-fired generation facility (80% owned) and construction of the 850 MW Iatan 2 coal-fired generation facility (approximately 73% ownership interest). With Iatan 2 now completed and operating a great deal of construction risk is behind the company.

Going forward, the primary risk for Great Plains involves cost recovery via general rate case filings. The company currently has $189 million in rate requests in front of the MPSC, which is seeking to gain cost recovery on items that include: Iatan 2, non-fuel O&M expenses, efficiency and demand side management programs, and $43 million for the portion of the Crossroads Energy Center that was disallowed in GMO's previous rate case, due to valuation disputes. Each of the jurisdictions have also received Great Plains requests for the use of various interim cost trackers for matters such as: property taxes, transmission investments, and costs to comply with renewable portfolio standards. Each of the filings are seeking a 10.4% allowed ROE on a 52.5% equity layer, with new rates effective in late January 2013.

KCPL's rate case, before the MPSC, is also looking to reduce the wholesale margin threshold to around $23 million from the nearly $46 million currently in rates. KCPL's request for the reduced wholesale margin threshold is based upon today's depressed market fundamentals, like demand and commodity prices. We anticipate a credit-neutral to supportive outcome for the case and would view a reduction to the wholesale margin threshold, or adoption of additional trackers (e.g. fuel, property tax, transmission, renewable, etc.) to be a positive development.

Great Plains anticipates filing a rate case for KCPL, with the KCC, in the second quarter of 2012. The KCC filing will be primarily focused on increased operating expenses at Wolf Creek and getting Construction Work In Progress (CWIP) recovery of the installation of environmental equipment at its La Cygne coal facility (units 1 and 2).

The primary ratings driver for Great Plains is its ability to secure adequate and timely rate recovery through its general rate case proceedings, given the relative lack of interim cost recovery mechanisms that the company is able to employ. We incorporate a view that the MPSC and KCC will continue to provide rate case decisions that support Great Plains' current financial profile, wherein metrics have steadily improved since 2008.

CREDIT METRICS HAVE IMPROVED

We view the current level of credit metrics attained by Great Plains as appropriate for its rating level, and the company should, on average, maintain CFO pre-WC to debt nearing 15% and CFO pre-WC interest coverage over 3.0x beyond 2012. Our estimates of cash flow coverage of debt and interest reflect favorable rate outcomes in filings made with the MPSC and the 2Q12 filing expected to be made with the KCC, as well as prudent financing of the approximately $2 billion in capex over the next three years (i.e. about $630 in 2012, $780 in 2013 and $675 in 2014) .

Our expectation for cash flow sustainability also includes the company's tax strategy, which involves the ongoing use of Net Operating Loss carryforwards (NOLs) to reduce tax payments and benefit cash flow. Great Plains has also used accelerated bonus depreciation as a means to manage tax payments and improve cash flow over the past few years. We do not consider bonus depreciation as part of the core, ongoing cash flow generation capability of the company and remove its effects when making ratings determinations. While the financial metrics of Great Plains would be lower, when considering the exclusion of the cash derived from the use of bonus depreciation, we acknowledge the significant amount of NOLs available for use (as of year-end 2011, Great Plains had about $544 million of NOL tax benefits available to use for future tax savings) and that 2010 and 2011 metrics' improvements were primarily derived from the rate increases provided by the MPSC and KCC.

Liquidity

As a utility holding company, Great Plains relies solely on the up-streamed cash from its operating companies to meet its debt service requirements and pay its common stock dividend. Given the company's capex plans over the intermediate-term, we expect Great Plains to be in a negative free cash flow position for several years, even with the lowered dividend payout since 2009. This places Great Plains in the position of requiring external funding over this time frame, especially when considering the $500 million in GMO debt maturing on July 1, 2012.

Great Plains' primary source of alternate liquidity is a newly amended and committed $200 million revolving credit facility expiring in December 2016. At December 31, 2011, the company was in compliance with its sole maximum debt to capitalization covenant of 65%. At year-end, the company reported $22 million drawn plus $11.6 million of capacity utilized for LC's.

Great Plains' subsidiaries also have their own syndicated credit facilities. GMO has a $450 million revolving facility and KCPL has a $600 million revolver - both expiring in December 2016. Both facilities are used to backstop commercial paper issuances (KCPL, P-2; GMO, P-3 based off of a parental guarantee) and have the same financial covenant as Great Plains; both companies were in compliance as of December 31, 2011.

At December 31, 2011, KCPL reported $227 million of CP outstanding, nearly $22 million of LCs issued, and no borrowings under the facility. It has been KCPL's strategy to borrow short-term to meet capital spending needs and refinance with periodic common equity infusions from Great Plains and the issuance of long-term debt. GMO had $40 million of CP outstanding and approximately $13 million LC's issued, with no cash borrowings outstanding at December 31, 2011.

Great Plains and KCPL may transfer up to $200 million of unused commitments between the Great Plains and KCPL facilities. It should be noted that a default by Great Plains or any of its significant subsidiaries on other indebtedness totaling more than $50 million would be a default under the company's credit facility.

In mid-March, Great Plains remarketed nearly $288 million of its 10.00% Subordinated Notes due 2042. The notes were originally issued as part of its Corporate Units and were given "hybrid" treatment by Moody's, such that our adjusted metrics gave 50% equity treatment to the notes. As part of the remarketing, Great Plains has reset the interest rate to 5.292% and the notes are now ranked pari passu with its unsecured obligations. Although Moody's will now place the full $288 million into our adjusted metrics as debt, we note that on a capitalization basis, the net effect is unchanged as payment received for the notes will boost equity.

Rating Outlook

The stable outlook reflects our expectation that Great Plains will maintain its improved financial profile, which we view as appropriate for a Baa3 rated utility holding company. We also incorporate into our outlook a reasonable rate case outcomes provided by the MPSC and KCC, which have reasonably provided for the adequate and timely recovery of costs.

What Could Change the Rating - Up

If there were a significant positive change to the regulatory profile of the MPSC or KCC, the ratings of KCPL, or if Great Plains were to demonstrate sustainable improving credit metrics, as evidenced by consolidated CFO pre-WC to debt in the high mid-teens range and interest coverage nearing 4.0x (absent the benefit of items such as bonus depreciation), then Moody's could consider a possible upgrade.

What Could Change the Rating - Down

Should Great Plains consolidated CFO pre-WC to debt ratio remain below the low-teens range and the CFO pre-WC interest coverage ratio remains below 3.0x over an extended period of time, negative pressure on the rating would be likely.

Rating Factors

Great Plains Energy Incorporated

Regulated Electric and Gas Utilities Industry [1][2]	**Current LTM 12/31//2011 (3 year Average)**			**Moody's 12-18 month Forward View* As of Date Published**	
Factor 1: Regulatory Framework (25%)	**Measure**	**Score**		**Measure**	**Score**
a) Regulatory Framework		Baa			Baa
Factor 2: Ability To Recover Costs And Earn Returns (25%)					
a) Ability To Recover Costs And Earn Returns		Ba			Ba
Factor 3: Diversification (10%)					
a) Market Position (5%)		Baa			Baa
b) Generation and Fuel Diversity (5%)		B			B
Factor 4: Financial Strength, Liquidity And Key Financial Metrics (40%)					
a) Liquidity (10%)		Baa			Baa
b) CFO pre-WC + Interest/ Interest (7.5%)	3.5x	Baa		3.0 - 3.8x	Baa
c) CFO pre-WC / Debt (7.5%)	14%	Baa		13 - 18%	Baa
d) CFO pre-WC - Dividends / Debt (7.5%)	11%	Baa		9 - 14%	Baa
e) Debt/Capitalization (7.5%)	54%	Baa		50 - 60%	Baa / Ba
Rating:					
a) Indicated Rating from Grid		Baa3			Baa3
b) Actual Rating Assigned		Baa3			Baa3

* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DIVESTITURES

[1] All ratios are calculated using Moody's Standard Adjustments. [2] As of 12/31/2011; Source: Moody's Financial Metrics

S&P Global
Ratings

Research

Summary:

KCP&L Greater Missouri Operations Co.

Primary Credit Analyst:
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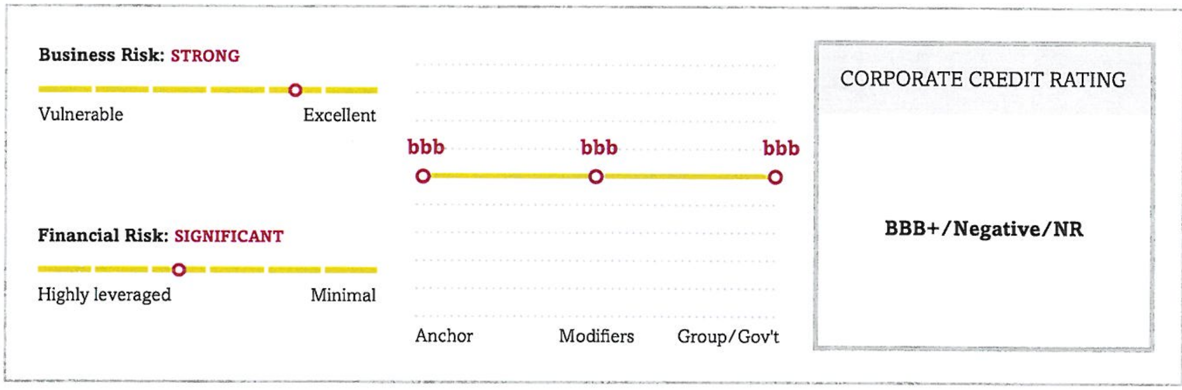
Summary:
KCP&L Greater Missouri Operations Co.



Rationale

Business Risk: Strong	Financial Risk: Significant
• Regulated electric utility KCP&L Greater Missouri Operations Co. (GMO) provides electricity to customers in western Missouri. • Relatively stable cash flows come from regulated electric operations. • Low-cost generation. • Generally supportive regulatory framework,	• Ongoing, but declining, capital spending over the forecast period. • Some variability in cash flow due to regulatory lag, but rate surcharges somewhat mitigate this. • Improved financial measures remain in line with our assessment of the financial risk profile. • Continuing commitment to credit quality and maintenance of a balanced capital structure.

Outlook: Negative

Our outlook on GMO reflects that on parent Great Plains Energy Inc. (GPE). The negative outlook on GPE and its subsidiaries reflects the potential for lower ratings if GPE's financial risk profile, which will deteriorate due to the financing used in the Westar Energy Inc. acquisition, does not improve after the transaction closes such that funds from operations (FFO) to total debt is well over 13% after 2018.

Downside scenario

We could lower ratings on GPE and its subsidiaries if GPE's financial risk profile remains weak after the merger such that FFO to total debt is consistently below 13%. This could occur if the company disproportionately funds the transaction with debt or if capital spending increases materially while investment recovery lags.

Upside scenario

We could affirm the ratings on GPE after the merger closes if the combined company demonstrates that it can achieve FFO to total debt of more than 13% after 2018.

Standard & Poor's Base-Case Scenario

Assumptions

- The economic conditions in the company's service territory continue to improve incrementally, resulting in improving cash flow measures.
- Low-single digit annual EBITDA growth over the forecast period.
- Adequate regulatory outcomes in Missouri and current rate surcharges are retained.

Key Metrics

In our base case, we expect GMO's key adjusted financial measures during the next few years to be stronger than the recent historical performance. For the 12 months ended Dec. 31, 2015, FFO to debt was about 15%, mapping to a significant financial profile under our medial volatility benchmarks. In our base case forecast, we expect FFO to debt of more than than 17%.

Business Risk: Strong

We base our assessment of GMO's business risk profile on the company's satisfactory competitive position, very low industry risk stemming from the regulated utility industry, and the very low country risk of the U.S., where the utility operates. GMO's competitive position reflects the company's fully regulated integrated electric utility operations and our expectation for continued solid operational performance and generally credit-supportive regulation. The utility serves roughly 300,000 customers in western Missouri and owns about 2,100 megawatts of generating capacity. The utility operates with generally supportive regulation, cash flow stability from its customer base, and no competition. GMO recently filed for a rate increase, requesting $59 million to recover capital spending for infrastructure improvements.

Financial Risk: Significant

Based on our medial volatility financial ratio benchmarks, our assessment of GMO's financial risk profile is significant, reflecting our view of the vertically integrated utility model and the recurring cash flow from selling electricity. As a utility, capital spending is ongoing for maintenance purposes and for new projects. Recovery of these costs through rates has generally been supportive. The company will require steady cost recovery through the regulatory process to maintain cash flow measures, including FFO to debt greater than 17%.

Liquidity: Adequate

GMO has adequate liquidity. We believe liquidity sources are likely to cover uses by more than 1.1x over the next 12 months and to meet cash outflows, even with a 10% decline in EBITDA.

Principal Liquidity Sources	Principal Liquidity Uses
• About $650 million consisting of cash on hand, FFO, and assumed credit facility availability over the next 12 months.	• About $250 million consisting of capital spending and dividends over the next 12 months.

Other Credit Considerations

Our assessments of modifiers result in no further changes to the anchor score.

Group Influence

Under our group rating methodology, we assess GMO to be a core subsidiary of GPE, reflecting our view that GMO is highly unlikely to be sold and has a strong long-term commitment from senior management. There are no meaningful insulation measures in place that protect GMO from its parent and, therefore, GMO's issuer credit rating is in line with the GPE group credit profile of 'bbb+'.

Ratings Score Snapshot

Corporate Credit Rating

BBB+/Negative/NR

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Very low

- **Competitive position:** Satisfactory

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: bbb

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : bbb

- **Group credit profile:** bbb+
- **Entity status within group:** Core (+1 notch from SACP)

Recovery Analysis/Issue Ratings

We rate GMO's senior unsecured debt the same as the company's issuer credit rating.

Related Criteria And Research

Related Criteria

- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Corporate Methodology, Nov. 19, 2013
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

S&P Global
Ratings

Research

Summary:
Kansas City Power & Light Co.

Primary Credit Analyst:
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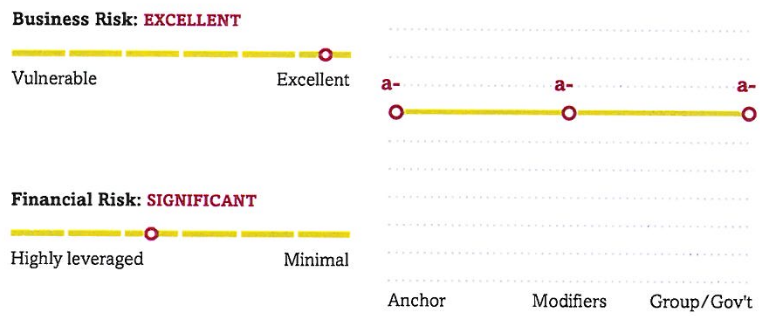
Summary:

Kansas City Power & Light Co.



CORPORATE CREDIT RATING

BBB+/Negative/A-2

Rationale

Business Risk: Excellent

- Regulated electric utility Kansas City Power & Light Co. (KCP&L) provides electricity in the greater Kansas City, Mo. metropolitan area.
- Relatively stable cash flows come from regulated electric operations.
- The regulatory framework in Kansas and Missouri is generally supportive.

Financial Risk: Significant

- Capital spending is declining.
- We expect financial measures to strengthen within the significant financial risk profile assessment.
- The company is committed to credit quality and maintaining a balanced capital structure.

Outlook: Negative

The outlook on KCP&L reflects the outlook on parent Great Plains Energy Inc. (GPE). The negative outlook on GPE and its subsidiaries reflects the potential for lower ratings if GPE's financial risk profile, which will deteriorate due to the financing used in the proposed acquisition of Westar Energy Inc., does not improve after the transaction closes such that funds from operations (FFO) to total debt is well over 13% after 2018.

Downside scenario

We could lower ratings on GPE and its subsidiaries if GPE's financial risk profile remains weak after the merger such that FFO to total debt is consistently below 13%. This could occur if the company funds the transaction disproportionately with debt or if capital spending increases materially while investment recovery lags.

Upside scenario

We could affirm the ratings on GPE after the merger closes if the combined company demonstrates that it can achieve FFO to total debt of more than 13% after 2018.

Standard & Poor's Base-Case Scenario

Assumptions

- Economic conditions in the company's service territory continue to improve incrementally, resulting in improving cash flow measures.
- Mid-single digit EBITDA growth rate over the forecast period.
- Adequate regulatory outcomes in Kansas and Missouri.
- Current rate surcharges are retained.

Key Metrics

	2015A	2016E	2017E
FFO/total debt (%)	17.4	17.0-18.8	17.5-19.0
Debt/EBITDA (x)	4.7	4.0-4.5	4.0-4.5
OCF/debt (%)	16.1	18.0-19.5	17.0-18.5

Note: Data represent S&P Global Ratings' adjusted figures. A--Actual. E--Estimate. FFO--Funds from operations. OCF--Operating cash flow.

Business Risk: Excellent

We base our assessment of KCP&L's business risk profile on what we view as the company's strong competitive position, very low industry risk stemming from the regulated utility industry, and the very low country risk stemming from the utility's U.S.-based operations. KCP&L's competitive position reflects the company's fully regulated integrated electric utility operations and our expectation for continued solid operational performance and generally credit-supportive regulation. The utility serves about 527,000 retail customers mainly in the greater Kansas City metropolitan area. The competitive position is also supported by an economically healthy service territory centered on a single metropolitan area with little industrial concentration, solid nuclear power operations, very low fuel costs, and lower electric rates. These attributes are partially offset by nuclear risks associated with the 47%-owned Wolf Creek station. The utility now operates with generally supportive regulation, cash flow stability from its customer base, and no competition.

Financial Risk: Significant

Based on our medial volatility financial ratio benchmarks, our assessment of KCP&L's financial risk profile is significant, reflecting the vertically integrated utility model and the recurring cash flow from selling electricity. As a utility, capital spending is ongoing for maintenance and for new projects. Recovery of these costs through rates has generally been supportive. We expect discretionary cash flow to turn positive over the next two years due to declining capital spending. Under our base case forecast, we expect FFO to total debt of about 18% to 19% and operating cash flow to debt to average about 18%, within the significant category.

Liquidity: Adequate

KCP&L has adequate liquidity. We believe the company's liquidity sources are likely to cover uses by more than 1.1x over the next 12 months and to meet cash outflows, even with a 10% decline in EBITDA.

There are modest debt maturities over the next three years, with the next material maturity of $281 million in 2017. We expect the company to refinance these given its satisfactory standing in the credit markets.

Principal Liquidity Sources	Principal Liquidity Uses
• We estimate FFO of about $570 million. • Revolving credit facility availability at an estimated $600 million.	• Capital spending of roughly $500 million. • Dividends of about $80 million. • Short-term borrowings of about $195 million. • $170 million of outstanding letters of credit that back up variable-rate bonds due in 2018.

Other Credit Considerations

Our assessments of modifiers result in no further changes to the anchor score.

Group Influence

Under our group rating methodology, we assess KCP&L to be a core subsidiary of GPE, reflecting our view that KCP&L is highly unlikely to be sold and has a strong long-term commitment from senior management. There are no meaningful insulation measures in place that protect KCP&L from its parent and, therefore, KCP&L's issuer credit rating is in line with GPE's group credit profile of 'bbb+'.

Ratings Score Snapshot

Corporate Credit Rating

BBB+/Negative/A-2

Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Strong

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: a-

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : a-

- **Group credit profile:** bbb+
- **Entity status within group:** Core (-1 notch from SACP)

Recovery Analysis/Issue Ratings

- KCP&L's first mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of more than 1.5x supports a recovery rating of '1+' and an issue rating two notches above the issuer credit rating.
- We rate KCP&L's senior unsecured debt the same as the issuer credit rating.
- The short-term rating on KCP&L is 'A-2' based on the company's issuer credit rating and our assessment of its liquidity as at least adequate.

Related Criteria And Research

Related Criteria

- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013

- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
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- Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- Notching Of U.S. Investment-Grade Investor-Owned Utility Unsecured Debt Now Better Reflects Anticipated Absolute Recovery, Nov. 10, 2008
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	**a-**	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's affirms the ratings of Great Plains and subsidiaries; assigns Baa3 Issuer Rating to KCP&L GMO

Global Credit Research - 28 Aug 2013

Approximately $3.7 billion of debt affected

New York, August 28, 2013 -- Moody's Investors Service today affirmed the ratings of Great Plains Energy (Great Plains; Baa3 senior unsecured), Kansas City Power & Light (KCPL; Baa2 senior unsecured) and Kansas City Power & Light Greater Missouri Operations (GMO; Baa3 senior unsecured). Moody's also assigned a long-term issuer rating of Baa3 to GMO. The rating outlooks for Great Plains, KCPL and GMO are stable.

RATINGS RATIONALE

"The affirmation of the ratings across the Great Plains corporate family reflects the company's transition from a period of high environmental capex into an execution strategy where declining capex will help to stabilize cash flow to debt metrics over the next few years." said Ryan Wobbrock, Assistant Vice President. "The assignment of a Baa3 issuer rating for GMO is indicative of the company's standalone credit profile, which reflects our expectation for ongoing cash flow to debt metrics in the low teens, below average interim cost recovery provisions, low demand growth in Missouri, and an adequate liquidity profile" Wobbrock added.

The 2013 implementation of rate increases for KCPL and GMO, combined with peaking capital expenditures for emission control equipment should lead to a more stable financial profile for Great Plains over the next three years. Although Missouri, Great Plains' primary regulatory jurisdiction, offers limited recovery of capital outlays and other expenses between rate cases, the recent round of general rate increases have improved the ability for both KCPL and GMO to maintain a ratio of cash flow before working capital adjustments (CFO pre-WC) to debt in the mid-to low-teens range, until the next general rate case filing, expected in 2015. Even if the cash flow benefits of bonus depreciation expire in 2013, the company has ample net operating loss carryforwards to help support current cash flow levels in a stagnant load growth environment.

What Could Change the Rating -- Up

Upgrades for Great Plains could be warranted if there were significant improvements in the interim cost recovery provisions offered in Missouri, or if cash flow to debt metrics were to improve significantly, absent the benefits of temporary tax savings strategies.

What Could Change the Rating - Down

Great Plains would experience negative ratings pressure if cash flow to debt metrics declined below 12% for Great Plains, 15% for KCPL and 12% for GMO, or if there were adverse regulatory decisions levied by the Missouri Public Service Commission or Kansas Corporation Commission.

The principal methodology used in this rating was Regulated Electric and Gas Utilities published in August 2009. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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