

BRIGHT / OUR ENERGY FUTURE

SELECTED FINANCIAL DATA

Year Ended December 31	2016	2015	2014 ^(a)	2013 ^(a)	2012 ^(a)
<i>(Dollars in millions except per share amounts)</i>					
GREAT PLAINS ENERGY					
Operating revenues	\$ 2,676	\$ 2,502	\$ 2,568	\$ 2,446	\$ 2,310
Net income	\$ 290	\$ 213	\$ 243	\$ 250	\$ 200
Basic earnings per common share	\$ 1.61	\$ 1.37	\$ 1.57	\$ 1.62	\$ 1.36
Diluted earnings per common share	\$ 1.61	\$ 1.37	\$ 1.57	\$ 1.62	\$ 1.35
Total assets at year end ^(a)	\$ 13,570	\$ 10,739	\$ 10,453	\$ 9,770	\$ 9,626
Total redeemable preferred stock, mandatorily redeemable preferred securities and long-term debt (including current maturities) ^(a)	\$ 3,747	\$ 3,746	\$ 3,481	\$ 3,492	\$ 2,999
Cash dividends per common share	\$ 1.0625	\$ 0.9975	\$ 0.935	\$ 0.8825	\$ 0.855
SEC ratio of earnings to combined fixed charges and preferred dividend requirements	2.54	2.58	2.72	2.75	2.31
KCP&L					
Operating revenues	\$ 1,875	\$ 1,714	\$ 1,731	\$ 1,671	\$ 1,580
Net income	\$ 225	\$ 153	\$ 162	\$ 169	\$ 142
Total assets at year end ^(a)	\$ 8,058	\$ 7,815	\$ 7,495	\$ 6,821	\$ 6,689
Total redeemable preferred stock, mandatorily redeemable preferred securities and long-term debt (including current maturities) ^(a)	\$ 2,565	\$ 2,563	\$ 2,297	\$ 2,294	\$ 1,887
SEC ratio of earnings to fixed charges	3.30	2.57	2.69	2.76	2.58

^(a) Adjusted for adoption of Accounting Standard Update (ASU) No. 2015-03, Simplifying the Presentation of Debt Issuance Costs.

GREAT PLAINS ENERGY OPERATING REVENUES

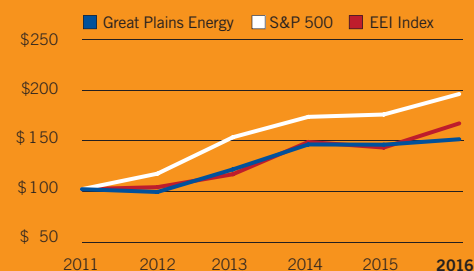
(Dollars in millions)

2016	\$2,676
2015	\$2,502
2014	\$2,568
2013	\$2,446
2012	\$2,310

STOCK PERFORMANCE GRAPH

(Dollars)

Comparison of Cumulative Total Returns* of Great Plains Energy, S&P 500 Index and EEI Index



*Total Return assumes reinvestment of dividends. Assumes \$100, invested on December 31, 2011, in Great Plains Energy common stock, S&P 500 Index and EEI Index.

BY EXECUTING UPON OUR PROVEN STRATEGY OF BEST-IN-CLASS OPERATIONS, ENHANCED CUSTOMER ENGAGEMENT AND GROWTH THROUGH TARGETED INVESTMENTS, GREAT PLAINS ENERGY IS PREPARING FOR THE REGION'S BRIGHT ENERGY FUTURE.

An important part of our culture at Great Plains Energy is our commitment to our communities and the environment.

TO OUR SHAREHOLDERS

BRIGHT. THE FUTURE OF OUR COMPANY AND OUR INDUSTRY

2016 was an exciting and busy year for Great Plains Energy, our region and our industry. After completing the last of the rate cases representing a ten-year cycle of generation and environmental construction, our performance in 2016 was confirmation of the strong foundation we worked so hard to establish with customers and shareholders. Although actual demand growth was lower than expected, management of our operating and maintenance expenses, returns on our Missouri Energy Efficiency Investment Act investments and favorable weather all contributed to strong financial performance. Much of this is the result of a strategy to invest in larger, more efficient generating plants and add new renewable and energy efficient opportunities. Going forward, we will continue to work in both Kansas and Missouri to establish mechanisms for timely recovery of investments and expenses.

With this same long-term strategy in mind, we announced on May 29, 2016, the acquisition of Westar, our neighboring utility in Kansas and

partner in not only the Wolf Creek nuclear power plant, but also the La Cygne and Jeffery Energy Center generating stations. While we were not convinced that a transaction to increase in size was necessary to be successful, the opportunity to combine with Westar was compelling. Although confident in our stand-alone plan, a combination with Westar presented a very unique opportunity. Like us, Westar is a strong utility having finished a construction cycle similar to ours. After a strategic evaluation, Westar chose Great Plains Energy as presenting the best merger opportunity for their shareholders, customers and employees. Since the announcement, we have spent much time with shareholders, regulators, legislators, our communities and customers discussing the significant opportunities for savings and growth ahead for the most exciting utility combination in our region. The ability to save billions of dollars in costs and maintain a local focus on customers and communities will be unmatched by any other utility. As we work to finalize regulatory approvals we anticipate closing the transaction in the second quarter of 2017.

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OUR INDUSTRY CONTINUES TO SEE A TRANSITION IN BOTH CUSTOMER EXPECTATIONS AND THEIR NEEDS. AS OUR CUSTOMERS HAVE BECOME MORE DEPENDENT ON ELECTRICITY, THEY HAVE ALSO BECOME MORE EFFICIENT IN THEIR USAGE.

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RESPONSIVE

We believe in connecting with customers to help them better utilize our products. We are developing innovative solutions to allow us to better interact with our customers and communities. Through our energy efficiency initiatives we are delivering solutions that are beneficial to customers.

INNOVATE - SHAPING OUR INDUSTRY AND OUR REGION

Our industry continues to see a transition in both customer expectations and their needs. As our customers have become more dependent on electricity, they have also become more efficient in their usage. Due to this increased efficiency, demand growth in our industry has flattened dramatically across the country. We see this as an opportunity to distinguish ourselves rather than a negative. During the past several years, we have worked to pass energy efficiency legislation in Missouri and helped create the rules at the Missouri Public Service Commission that allows us to offer energy efficiency products to our customers. In 2015, we worked to pass a similar law in Kansas and expect to expand energy-saving

programs to customers through the Kansas Energy Efficiency Investment Act. During the meetings with customers and communities to review the merger process, the desire for economic development and energy efficiency programs was a common theme. We also continued to build out our electric vehicle charging network in both Missouri and Kansas. Our legislative focus, offering of energy efficient products and services and the building of our charging network have been done with an eye toward meeting changing customer needs while providing consistent shareholder returns.

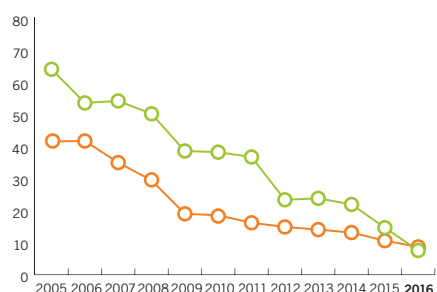
In addition to our state-regulated utility returns, we continue to make advances in the competitive transmission market through Transource Energy, LLC

(“Transource”), our partnership with American Electric Power. Transource recently completed the second and larger of its Missouri transmission projects. The new transmission line is expected to deliver power more efficiently to customers and has enabled the addition of 500 megawatts of new wind generation resources. Transource has also participated in numerous competitive transmission planning opportunities and recently won a substantial project in the PJM region. Transource's portfolio of transmission projects now totals more than \$600 million and it is well positioned to grow its presence in the growing competitive transmission market.

ENVIRONMENTAL AND SOCIAL RESPONSIVENESS

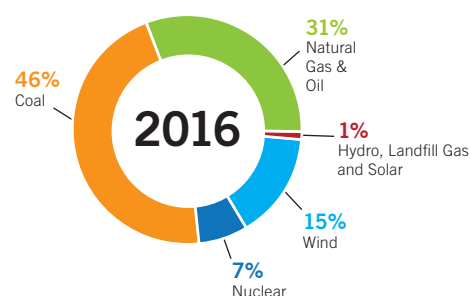
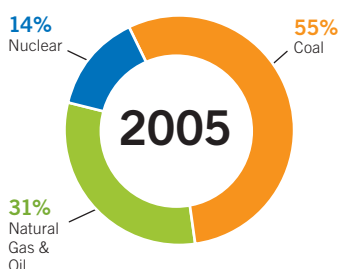
REDUCED AIR EMISSIONS

○ SO₂ ○ NO_x



GENERATION CAPACITY

2005-2016





DEDICATED

Providing safe and top tier customer service and reliability begins with our employees. Our people first culture allows us to draw upon the expertise, practices and experience of our employees to create a more diverse workforce better positioned to adapt to the future needs of our business.

Finally, we continue our strategy of investing outside of our regulated utilities in energy solutions that are complementary to our business. Through GXP Investments, our wholly owned subsidiary, we have sought out and invested in entrepreneurial and emerging growth companies that are working to develop technologies and build businesses vital to our country's energy future. We plan to allocate \$20 million annually for five years to this initiative, and already see new opportunities that drive innovation in our business and those of our customers. Although we're still early in the investment cycle, we expect this initiative will provide us strategic value, enhanced energy products and services offerings for our customers, and generate solid financial returns for our shareholders.

ENVIRONMENTAL SUSTAINABILITY AND COMMUNITY SUPPORT

An important part of our culture at Great Plains Energy is our commitment to our communities and the environment. Our customers depend on us to be good stewards of our environment and we see this as an opportunity to be part of a solution to environmental issues, both local and global.

Part of this ongoing commitment includes a transition from primarily fossil fuel-based generation to more sustainable renewable and carbon-free generation. Ten years ago, we had our 47 percent ownership in Wolf Creek, a non-carbon emitting generation source, but no renewable investments.

Today, Great Plains Energy has nearly 1,150 megawatts of wind, hydroelectric, and solar capacity and a selection of energy efficiency programs for our customers allowing us to reduce our carbon footprint. Following the merger with Westar, we will have one of the largest wind portfolios in the U.S. and we expect to meet nearly 50 percent of our retail customers' energy needs through non-carbon emitting resources and a balanced, greener, cleaner generation portfolio.

Finally, as we have for decades, Great Plains Energy continues to be one of the cornerstones of the communities we serve. Not only do we provide an essential service, but we strive to be an essential part of the fabric of our communities through

2012-2015

In Missouri, we expanded

ENERGY EFFICIENCY PROGRAMS



Began offering
SOLAR REBATES

Supporting the Clean Air Act,
WE COMPLETED MAJOR PLANT UPGRADES

#9

By end of 2015, we ranked #9 for U.S. Investor-owned utilities with wind capacity (AWEA U.S. Wind Industry Annual Market Report)

2016



Ceased burning coal in two older units, reducing carbon dioxide emissions by 18%

Finished deploying more than
1,000 ELECTRIC VEHICLE CHARGING STATIONS

500^{MW}

Announced 20-year agreement totaling 500 MW of wind capacity in Missouri

2017 AND BEYOND

Reduce annual carbon dioxide output by
MILLIONS OF TONS

ENERGY-SAVING PROGRAMS

will be expanded to Kansas (pending approval)

KS



With recent wind contracts, we will have about
1,450 MW OF RENEWABLE GENERATION CAPACITY



DIVERSIFIED

We are working to build a more diverse, sustainable fleet by adopting clean power and energy efficiency practices. From electric vehicles to solar and wind energy, we are committed to clean, affordable and reliable energy. In 2016, we completed our first owned solar array. The Greenwood Energy Center's solar panels can produce about 4,700 megawatt-hours annually, enough to serve 440 homes.

DIVIDEND GROWTH CHART

2011 – 2016 based on fourth quarter declared dividend



targeted donations and investments, as well as employee volunteerism and leadership to organizations across our footprint each year.

We also consider ourselves a catalyst for economic development within our communities by providing competitively priced power, programs, and initiatives that are essential to businesses relocating to or expanding within the region. A healthy business environment is essential for job retention and creation, so we team with local and regional partners to offer tools that help strengthen and expand our communities.

BRIGHT - OUR ENERGY FUTURE

By executing upon our proven strategy of best-in-class operations, enhanced customer engagement and growth through targeted investments,

Great Plains Energy is preparing for the region's bright energy future. With strategic investments, we expect to enhance our earnings power and provide further efficiencies and cost savings for customers. Through innovative thought leadership, we are focused on the opportunities before us. Working together as a team, we expect to enhance our total performance and deliver consistent long-term shareholder returns.

TERRY BASSHAM

Chairman of the Board, President and Chief Executive Officer

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TODAY, GREAT PLAINS ENERGY HAS NEARLY 1,150 MEGAWATTS OF WIND, HYDROELECTRIC, AND SOLAR CAPACITY AND A SELECTION OF ENERGY EFFICIENCY PROGRAMS FOR OUR CUSTOMERS ALLOWING US TO REDUCE OUR CARBON FOOTPRINT.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2016**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number	Exact name of registrant as specified in its charter, state of incorporation, address of principal executive offices and telephone number	I.R.S. Employer Identification Number
001-32206	GREAT PLAINS ENERGY INCORPORATED (A Missouri Corporation) 1200 Main Street Kansas City, Missouri 64105 (816) 556-2200	43-1916803
000-51873	KANSAS CITY POWER & LIGHT COMPANY (A Missouri Corporation) 1200 Main Street Kansas City, Missouri 64105 (816) 556-2200	44-0308720

Each of the following classes or series of securities registered pursuant to Section 12(b) of the Act is registered on the New York Stock Exchange:

<u>Registrant</u>	<u>Title of each class</u>
Great Plains Energy Incorporated	Common Stock, without par value Depository Shares Each Representing a 1/20th Interest in a Share of 7.00% Series B Mandatory Convertible Preferred Stock

Securities registered pursuant to Section 12(g) of the Act: Kansas City Power & Light Company Common Stock without par value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Great Plains Energy Incorporated Yes ☒ No ☐ Kansas City Power & Light Company Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Great Plains Energy Incorporated Yes ☐ No ☒ Kansas City Power & Light Company Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Great Plains Energy Incorporated Yes ☒ No ☐ Kansas City Power & Light Company Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Great Plains Energy Incorporated Yes ☒ No ☐ Kansas City Power & Light Company Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K.

Great Plains Energy Incorporated ☒ Kansas City Power & Light Company ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Great Plains Energy Incorporated	Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
	Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Kansas City Power & Light Company	Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
	Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Great Plains Energy Incorporated Yes ☐ No ☒ Kansas City Power & Light Company Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of Great Plains Energy Incorporated (based on the closing price of its common stock on the New York Stock Exchange on June 30, 2016) was approximately \$4,700,571,576. All of the common equity of Kansas City Power & Light Company is held by Great Plains Energy Incorporated, an affiliate of Kansas City Power & Light Company.

On February 21, 2017, Great Plains Energy Incorporated had 215,384,601 shares of common stock outstanding.

On February 21, 2017, Kansas City Power & Light Company had one share of common stock outstanding and held by Great Plains Energy Incorporated.

Kansas City Power & Light Company meets the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K and is therefore filing this Form 10-K with the reduced disclosure format.

Documents Incorporated by Reference

Portions of the 2017 annual meeting proxy statement of Great Plains Energy Incorporated to be filed with the Securities and Exchange Commission are incorporated by reference in Part III of this report.

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This combined annual report on Form 10-K is being filed by Great Plains Energy Incorporated (Great Plains Energy) and Kansas City Power & Light Company (KCP&L). KCP&L is a wholly owned subsidiary of Great Plains Energy and represents a significant portion of its assets, liabilities, revenues, expenses and operations. Thus, all information contained in this report relates to, and where required is filed by, Great Plains Energy. Information that is specifically identified in this report as relating solely to Great Plains Energy, such as its financial statements and all information relating to Great Plains Energy's other operations, businesses and subsidiaries, including KCP&L Greater Missouri Operations Company (GMO), does not relate to, and is not filed by, KCP&L. KCP&L makes no representation as to that information. Neither Great Plains Energy nor its other subsidiaries have any obligation in respect of KCP&L's debt securities and holders of such securities should not consider Great Plains Energy's or its other subsidiaries' financial resources or results of operations in making a decision with respect to KCP&L's debt securities. Similarly, KCP&L has no obligation in respect of securities of Great Plains Energy or its other subsidiaries.

CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

Statements made in this report that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to Great Plains Energy's proposed acquisition of Westar Energy, Inc. (Westar), the outcome of regulatory proceedings, cost estimates of capital projects and other matters affecting future operations. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Great Plains Energy and KCP&L are providing a number of important factors that could cause actual results to differ materially from the provided forward-looking information. These important factors include: future economic conditions in regional, national and international markets and their effects on sales, prices and costs; prices and availability of electricity in regional and national wholesale markets; market perception of the energy industry, Great Plains Energy and KCP&L; changes in business strategy, operations or development plans; the outcome of contract negotiations for goods and services; effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates the Companies can charge for electricity; adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air and water quality; financial market conditions and performance including, but not limited to, changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including, but not limited to, cyber terrorism; ability to carry out marketing and sales plans; weather conditions including, but not limited to, weather-related damage and their effects on sales, prices and costs; cost, availability, quality and deliverability of fuel; the inherent uncertainties in estimating the effects of weather, economic conditions and other factors on customer consumption and financial results; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays in the anticipated in-service dates and cost increases of generation, transmission, distribution or other projects; Great Plains Energy's ability to successfully manage its transmission joint ventures or to integrate or restructure the transmission joint ventures of Westar; the inherent risks associated with the ownership and operation of a nuclear facility including, but not limited to, environmental, health, safety, regulatory and financial risks; workforce risks, including, but not limited to, increased costs of retirement, health care and other benefits; the ability of Great Plains Energy to obtain the regulatory approvals necessary to complete the anticipated acquisition of Westar and the terms of those approvals; the risk that a condition to the closing of the anticipated acquisition of Westar or the committed debt or equity financing may not be satisfied or that the anticipated acquisition may fail to close; the failure to obtain, or to obtain on favorable terms, any financings necessary to complete or permanently finance the anticipated acquisition of Westar and the costs of such financing; the outcome of any legal proceedings, regulatory proceedings or enforcement matters that may be instituted relating to the anticipated acquisition of Westar; the costs incurred to consummate the anticipated acquisition of Westar; the possibility that the expected value creation from the anticipated acquisition of Westar will not be realized, or will not be realized within the expected time period; the credit ratings of Great Plains Energy following the anticipated acquisition of Westar; disruption from the anticipated acquisition of Westar making it

more difficult to maintain relationships with customers, employees, regulators or suppliers and the diversion of management time and attention on the proposed transactions; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. Part I Item 1A Risk Factors included in this report should be carefully read for further understanding of potential risks for each of Great Plains Energy and KCP&L. Other sections of this report and other periodic reports filed by each of Great Plains Energy and KCP&L with the Securities and Exchange Commission (SEC) should also be read for more information regarding risk factors. Each forward-looking statement speaks only as of the date of the particular statement. Great Plains Energy and KCP&L undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations or acronyms that are found throughout this report.

<u>Abbreviation or Acronym</u>	<u>Definition</u>
AEPTHC	AEP Transmission Holding Company, LLC, a wholly owned subsidiary of American Electric Power Company, Inc.
AFUDC	Allowance for Funds Used During Construction
ARO	Asset Retirement Obligation
ASU	Accounting Standards Update
CCRs	Coal combustion residuals
Clean Air Act	Clean Air Act Amendments of 1990
CO₂	Carbon dioxide
Company	Great Plains Energy Incorporated and its consolidated subsidiaries
Companies	Great Plains Energy Incorporated and its consolidated subsidiaries and KCP&L and its consolidated subsidiaries
DOE	Department of Energy
EBITDA	Earnings before interest, income taxes, depreciation and amortization
ECA	Energy Cost Adjustment
EIRR	Environmental Improvement Revenue Refunding
EPA	Environmental Protection Agency
EPS	Earnings per common share
ERISA	Employee Retirement Income Security Act of 1974, as amended
FASB	Financial Accounting Standards Board
FERC	The Federal Energy Regulatory Commission
FCC	The Federal Communications Commission
FTC	Federal Trade Commission
GAAP	Generally Accepted Accounting Principles
GMO	KCP&L Greater Missouri Operations Company, a wholly owned subsidiary of Great Plains Energy
GPETHC	GPE Transmission Holding Company LLC, a wholly owned subsidiary of Great Plains Energy
Great Plains Energy	Great Plains Energy Incorporated and its consolidated subsidiaries
Great Plains Energy Board	Great Plains Energy Board of Directors
HSR	Hart-Scott-Rodino
KCC	The State Corporation Commission of the State of Kansas
KCP&L	Kansas City Power & Light Company, a wholly owned subsidiary of Great Plains Energy, and its consolidated subsidiaries
KCP&L Receivables Company	Kansas City Power & Light Receivables Company, a wholly owned subsidiary of KCP&L
kWh	Kilowatt hour
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MDNR	Missouri Department of Natural Resources
MECG	Midwest Energy Consumers Group
MEEIA	Missouri Energy Efficiency Investment Act

Abbreviation or Acronym**Definition**

Merger Agreement	Agreement and Plan of Merger dated as of May 29, 2016, by and among Great Plains Energy, Westar and Merger Sub
Merger Sub	GP Star, Inc., a Kansas corporation that will be merged with and into Westar, pursuant to the Merger Agreement
MGP	Manufactured gas plant
MPS Merchant	MPS Merchant Services, Inc., a wholly owned subsidiary of GMO
MPSC	Public Service Commission of the State of Missouri
MW	Megawatt
MWh	Megawatt hour
NAV	Net Asset Value
NERC	North American Electric Reliability Corporation
NEIL	Nuclear Electric Insurance Limited
NOL	Net operating loss
NO_x	Nitrogen oxide
NPNS	Normal purchases and normal sales
NRC	Nuclear Regulatory Commission
OCI	Other Comprehensive Income
OMERS	OCM Credit Portfolio LP
PRB	Powder River Basin
QCA	Quarterly Cost Adjustment
RCRA	Resource Conservation and Recovery Act
RESRAM	Renewable Energy Standard Rate Adjustment Mechanism
RTO	Regional Transmission Organization
SEC	Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SO₂	Sulfur dioxide
SPP	Southwest Power Pool, Inc.
TCR	Transmission Congestion Right
TDC	Transmission Delivery Charge
Transource	Transource Energy, LLC and its subsidiaries, 13.5% owned by GPETHC
WCNOC	Wolf Creek Nuclear Operating Corporation
Westar	Westar Energy, Inc.
Westar Board	Westar Board of Directors
Wolf Creek	Wolf Creek Generating Station

PART I

ITEM 1. BUSINESS

General

Great Plains Energy Incorporated and Kansas City Power & Light Company are separate registrants filing this combined annual report on Form 10-K. The terms "Great Plains Energy," "Company," "KCP&L" and "Companies" are used throughout this report. "Great Plains Energy" and the "Company" refer to Great Plains Energy Incorporated and its consolidated subsidiaries, unless otherwise indicated. "KCP&L" refers to Kansas City Power & Light Company and its consolidated subsidiaries. "Companies" refers to Great Plains Energy Incorporated and its consolidated subsidiaries and KCP&L and its consolidated subsidiaries.

Information in other Items of this report as to which reference is made in this Item 1 is hereby incorporated by reference in this Item 1. The use of terms such as "see" or "refer to" shall be deemed to incorporate into this Item 1 the information to which such reference is made.

GREAT PLAINS ENERGY INCORPORATED

Great Plains Energy, a Missouri corporation incorporated in 2001 and headquartered in Kansas City, Missouri, is a public utility holding company and does not own or operate any significant assets other than the stock of its subsidiaries and cash and cash equivalents and a time deposit to be used to fund a portion of the cash consideration for the anticipated acquisition of Westar Energy, Inc. (Westar). Great Plains Energy's wholly owned direct subsidiaries with significant operations are as follows:

- KCP&L is an integrated, regulated electric utility that provides electricity to customers primarily in the states of Missouri and Kansas. KCP&L has one active wholly owned subsidiary, Kansas City Power & Light Receivables Company (KCP&L Receivables Company).
- GMO is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri. GMO also provides regulated steam service to certain customers in the St. Joseph, Missouri area. GMO has two active wholly owned subsidiaries, GMO Receivables Company and MPS Merchant Services, Inc. (MPS Merchant). MPS Merchant has certain long-term natural gas contracts remaining from its former non-regulated trading operations.

Great Plains Energy also wholly owns GPE Transmission Holding Company, LLC (GPETHC). GPETHC owns 13.5% of Transource Energy, LLC (Transource) with the remaining 86.5% owned by AEP Transmission Holding Company, LLC (AEPTHC), a subsidiary of American Electric Power Company, Inc. GPETHC accounts for its investment in Transource under the equity method. Transource is focused on the development of competitive electric transmission projects.

On May 29, 2016, Great Plains Energy entered into an Agreement and Plan of Merger (Merger Agreement) by and among Great Plains Energy, Westar, and, from and after its accession to the Merger Agreement, GP Star, Inc., a wholly owned subsidiary of Great Plains Energy in the State of Kansas (Merger Sub). Pursuant to the Merger Agreement, subject to the satisfaction or waiver of certain conditions, Merger Sub will merge with and into Westar, with Westar continuing as the surviving corporation. Upon closing, pursuant to the Merger Agreement, Great Plains Energy will acquire Westar for (i) \$51.00 in cash and (ii) a number, rounded to the nearest 1/10,000 of a share, of shares of Great Plains Energy common stock, equal to an exchange ratio that may vary between 0.2709 and 0.3148, based upon the volume-weighted average price per share of Great Plains Energy common stock during a 20 consecutive full trading day period ending on (and including) the third trading day immediately prior to the closing date of the merger, for each share of Westar common stock issued and outstanding immediately prior to the effective time of the merger, with Westar becoming a wholly owned subsidiary of Great Plains Energy. See Note 2 to the consolidated financial statements for additional information concerning the anticipated acquisition of Westar.

Great Plains Energy's sole reportable business segment is electric utility. For information regarding the revenues, income and assets attributable to the electric utility business segment, see Note 23 to the consolidated financial

statements. Comparative financial information and discussion regarding the electric utility business segment can be found in Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A).

The electric utility segment consists of KCP&L, a regulated utility, GMO's regulated utility operations and GMO Receivables Company. Electric utility serves approximately 855,700 customers located in western Missouri and eastern Kansas. Customers include approximately 753,500 residences, 99,700 commercial firms and 2,500 industrials, municipalities and other electric utilities. Electric utility's retail revenues averaged approximately 91% of its total operating revenues over the last three years. Wholesale firm power, bulk power sales and miscellaneous electric revenues accounted for the remainder of electric utility's revenues. Electric utility is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter. Electric utility's total electric revenues were 100% of Great Plains Energy's revenues over the last three years. Electric utility's net income accounted for approximately 101%, 105% and 100% of Great Plains Energy's net income in 2016, 2015 and 2014, respectively.

Regulation

KCP&L and GMO are regulated by the Public Service Commission of the State of Missouri (MPSC) and KCP&L is also regulated by The State Corporation Commission of the State of Kansas (KCC) with respect to retail rates, certain accounting matters, standards of service and, in certain cases, the issuance of securities, certification of facilities and service territories. KCP&L and GMO are also subject to regulation by The Federal Energy Regulatory Commission (FERC) with respect to transmission, wholesale sales and rates, and other matters. KCP&L has a 47% ownership interest in Wolf Creek Generating Station (Wolf Creek), which is subject to regulation by the Nuclear Regulatory Commission (NRC) with respect to licensing, operations and safety-related requirements.

The table below summarizes the rate orders in effect for KCP&L's and GMO's retail rate jurisdictions.

	Regulator	Allowed Return on Equity	Rate-Making Equity Ratio	Rate Base (in billions)	Effective Date
KCP&L Missouri	MPSC	9.5%	50.09%	\$2.6	September 2015
KCP&L Kansas	KCC	9.3%	50.48%	\$2.1	October 2015
GMO	MPSC	9.5% - 9.75% ^(a)	(a)	(a)	February 2017

^(a) GMO's current rate order reflects a global settlement with an implied return on equity range of 9.5% - 9.75% and does not contain an agreed upon rate-making equity ratio or rate base.

Missouri and Kansas jurisdictional retail revenues averaged approximately 70% and 30%, respectively, of electric utility's total retail revenues over the last three years.

See Item 7 MD&A, Critical Accounting Policies section, and Note 6 to the consolidated financial statements for additional information concerning regulatory matters.

Competition

Missouri and Kansas continue on the fully integrated retail utility model. As a result, electric utility does not compete with others to supply and deliver electricity in its franchised service territory, although other sources of energy can provide alternatives to retail electric utility customers. If Missouri or Kansas were to pass and implement legislation authorizing or mandating retail choice, electric utility may no longer be able to apply regulated utility accounting principles to deregulated portions of its operations and may be required to write off certain regulatory assets and liabilities.

Electric utility competes in the wholesale market to sell power in circumstances when the power it generates is not required for customers in its service territory. This competition primarily occurs within the SPP Integrated Marketplace, in which KCP&L and GMO are participants. Similar to other Regional Transmission Organization (RTO) or Independent System Operator (ISO) markets currently operating, this marketplace determines which generating units among market participants should run, within the operating constraints of a unit, at any given time for maximum cost-effectiveness.

In this regard, electric utility competes with owners of other generating stations and other power suppliers, principally other utilities within the Southwest Power Pool, Inc. (SPP) Integrated Marketplace, on the basis of availability and price. Electric utility's wholesale revenues averaged approximately 7% of its total revenues over the last three years.

Power Supply

Electric utility has approximately 6,500 MWs of owned generating capacity and also purchases power to meet its customers' needs, to satisfy firm power commitments or to meet renewable energy standards. Electric utility's purchased power from others, as a percentage of MWh requirements, averaged approximately 24% over the last three years. Management believes electric utility will be able to obtain enough power to meet its future demands due to the coordination of planning and operations in the SPP region and existing power purchase agreements; however, price and availability of power purchases may be impacted during periods of high demand.

Electric utility's total capacity by fuel type, including both owned generating capacity and power purchase agreements, is detailed in the table below.

Fuel Type	Estimated 2017 MW Capacity	Percent of Total Capacity
Coal	3,474	46 %
Nuclear	549	7
Natural gas and oil	2,352	31
Wind ^(a)	1,089	15
Solar and hydroelectric ^(b)	65	1
Total capacity	7,529	100 %

^(a) MWs are based on nameplate capacity of the wind facility. Includes owned generating capacity of 149 MWs and long-term power purchase agreements of approximately 940 MWs of wind generation which expire in 2032 through 2037. Power purchase agreements for approximately 300 MWs of wind generation to begin in late 2017 and expire in 2037 are not included in the table above.

^(b) Includes a long-term power purchase agreement for approximately 60 MWs of hydroelectric generation which expires in 2023.

Electric utility's projected peak summer demand for 2017 is approximately 5,800 MWs. Electric utility expects to meet its projected capacity requirements for the foreseeable future with its generation assets and power and capacity purchases.

KCP&L and GMO are members of the SPP. The SPP is an RTO mandated by FERC to ensure reliable supply of power, adequate transmission infrastructure and competitive wholesale prices of electricity. As members of the SPP, KCP&L and GMO are required to maintain a capacity margin of at least 12%. This net positive supply of capacity and energy is maintained through their generation assets, capacity agreements, power purchase agreements and peak demand reduction programs. The capacity margin is designed to ensure the reliability of electric energy in the SPP region in the event of operational failure of power generating units utilized by the members of the SPP.

Fuel

The principal fuel sources for electric utility's owned generation are coal and nuclear fuel. It is expected, with normal weather, that approximately 97% of 2017 owned generation will come from these sources with the remainder provided by wind, natural gas and oil. The actual 2016 and estimated 2017 fuel mix and delivered cost in cents per net kilowatt hour (kWh) generated are outlined in the following table.

Fuel	Fuel Mix ^(a)		Fuel cost in cents per net kWh generated	
	Estimated	Actual	Estimated	Actual
	2017	2016	2017	2016
Coal	76 %	79 %	1.79	1.84
Nuclear	21	17	0.64	0.69
Natural gas and oil	<1	2	7.30	13.65
Wind	3	2	—	—
Total owned generation	100 %	100 %	1.45	1.46

^(a) Fuel mix based on percent of net MWhs generated.

Coal

During 2017, electric utility's generating units, including jointly owned units, are projected to burn approximately 12 million tons of coal. KCP&L and GMO have entered into coal-purchase contracts with various suppliers in Wyoming's Powder River Basin (PRB), the nation's principal supply region of low-sulfur coal, and with local suppliers. The coal to be provided under these contracts is expected to satisfy approximately 100% of the projected coal requirements for 2017 and approximately 48% for 2018. The remainder of the coal requirements is expected to be fulfilled through additional contracts or spot market purchases. KCP&L and GMO have entered into coal contracts over time at higher average prices affecting coal costs for 2017 and beyond.

KCP&L and GMO have also entered into rail transportation contracts with various railroads to transport coal from the PRB to their generating units. The transportation services to be provided under these contracts are expected to satisfy almost all of the projected transportation requirements for 2017 and approximately 39% for 2018. The contract rates adjust for changes in railroad costs.

Nuclear Fuel

KCP&L owns 47% of Wolf Creek Nuclear Operating Corporation (WCNOC), the operating company for Wolf Creek, which is electric utility's only nuclear generating unit. Wolf Creek purchases uranium and has it processed for use as fuel in its reactor. This process involves conversion of uranium concentrates to uranium hexafluoride, enrichment of uranium hexafluoride and fabrication of nuclear fuel assemblies. The owners of Wolf Creek have on hand or under contract all of the uranium and conversion services needed to operate Wolf Creek through March 2027. The owners also have under contract 97% of the uranium enrichment and all of the fabrication required to operate Wolf Creek through March 2027 and September 2025, respectively.

See Note 5 to the consolidated financial statements for additional information regarding nuclear plant.

Environmental Matters

See Note 15 to the consolidated financial statements for information regarding environmental matters.

KANSAS CITY POWER & LIGHT COMPANY

KCP&L, 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. KCP&L serves approximately 534,400 customers located in western Missouri and eastern Kansas. Customers include

approximately 471,900 residences, 60,500 commercial firms, and 2,000 industrials, municipalities and other electric utilities. KCP&L's retail revenues averaged approximately 90% of its total operating revenues over the last three years. Wholesale firm power, bulk power sales and miscellaneous electric revenues accounted for the remainder of KCP&L's revenues. KCP&L is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter. Missouri and Kansas jurisdictional retail revenues averaged approximately 56% and 44%, respectively, of total retail revenues over the last three years.

Great Plains Energy and KCP&L Employees

At December 31, 2016, Great Plains Energy and KCP&L had 2,865 employees, including 1,750 represented by three local unions of the International Brotherhood of Electrical Workers (IBEW). KCP&L has labor agreements with Local 1613, representing clerical employees (expires March 31, 2018), with Local 1464, representing transmission and distribution workers (expires January 31, 2018), and with Local 412, representing power plant workers (expires February 28, 2018).

Executive Officers

All of the individuals in the following table have been officers or employees in the responsible positions with the Company noted below for the past five years unless otherwise indicated in the footnotes. The executive officers were reappointed to the indicated positions by the respective boards of directors, effective January 1, 2017, to hold such positions until their resignation, removal or the appointment of their successors. There are no family relationships between any of the executive officers, nor any arrangement or understanding between any executive officer and any other person involved in officer selection. Each executive officer holds the same position with GMO as he or she does with KCP&L.

Name	Age	Current Position(s)	Year First Assumed an Officer Position
Terry Bassham ^(a)	56	Chairman of the Board, President and Chief Executive Officer - Great Plains Energy and KCP&L	2005
Scott H. Heidtbrink ^(b)	55	Executive Vice President and Chief Operating Officer - KCP&L	2008
Kevin E. Bryant ^(c)	41	Senior Vice President - Finance and Strategy and Chief Financial Officer - Great Plains Energy and KCP&L	2006
Steven P. Busser ^(d)	48	Vice President - Risk Management and Controller - Great Plains Energy and KCP&L	2014
Charles A. Caisley ^(e)	44	Vice President - Marketing and Public Affairs - Great Plains Energy and KCP&L	2011
Ellen E. Fairchild ^(f)	55	Vice President, Chief Compliance Officer and Corporate Secretary - Great Plains Energy and KCP&L	2010
Heather A. Humphrey ^(g)	46	Senior Vice President - Corporate Services and General Counsel - Great Plains Energy and KCP&L	2010
Darrin R. Ives ^(h)	47	Vice President - Regulatory Affairs - KCP&L	2013
Lori A. Wright ⁽ⁱ⁾	54	Vice President - Corporate Planning, Investor Relations and Treasurer - Great Plains Energy and KCP&L	2002

^(a) Mr. Bassham was appointed Chairman of the Board in May 2013 and has served as Chief Executive Officer of Great Plains Energy, KCP&L and GMO since 2012. He has served as President of each company since 2011. He previously served as President and Chief Operating Officer of Great Plains Energy, KCP&L and GMO (2011-2012) and as Executive Vice President - Utility Operations of KCP&L and GMO (2010-2011). He was Executive Vice President - Finance and Strategic Development and Chief Financial Officer of Great Plains Energy (2005-2010) and of KCP&L and GMO (2009-2010).

^(b) Mr. Heidtbrink was appointed Executive Vice President and Chief Operating Officer of KCP&L and GMO in 2012. He previously served as Senior Vice President - Supply of KCP&L and GMO (2009-2012). He was Senior Vice President - Corporate Services of KCP&L and GMO (2008), and Vice President - Power Generation & Energy Resources (2006-2008) of GMO.

- (c) Mr. Bryant was appointed Vice President - Finance and Strategy and Chief Financial Officer of Great Plains Energy, KCP&L and GMO in 2015. He previously served as Vice President - Strategic Planning of Great Plains Energy, KCP&L and GMO (2014). He served as Vice President - Investor Relations and Strategic Planning and Treasurer of Great Plains Energy, KCP&L and GMO (2013). He served as Vice President - Investor Relations and Treasurer of Great Plains Energy, KCP&L and GMO (2011-2013). He was Vice President - Strategy and Risk Management of KCP&L and GMO (2011) and Vice President - Energy Solutions (2006-2011) of KCP&L and GMO.
- (d) Mr. Busser was appointed Vice President - Risk Management and Controller of Great Plains Energy, KCP&L and GMO in 2016. He previously served as Vice President - Business Planning and Controller of Great Plains Energy, KCP&L and GMO (2014-2016). He served as Vice President - Treasurer of El Paso Electric Company (2011-2014). Prior to that, he served as Vice President - Treasurer and Chief Risk Officer (2006-2011) and Vice President - Regulatory Affairs and Treasurer (2004-2006) of El Paso Electric Company.
- (e) Mr. Caisley was appointed Vice President - Marketing and Public Affairs of Great Plains Energy, KCP&L and GMO in 2011. He was Senior Director of Public Affairs (2008-2011) and Director of Governmental Affairs of KCP&L (2007-2008).
- (f) Ms. Fairchild was appointed Vice President, Chief Compliance Officer and Corporate Secretary of Great Plains Energy, KCP&L and GMO in 2010. She was Senior Director of Investor Relations and Assistant Secretary (2010) and Director of Investor Relations (2008-2010) of Great Plains Energy, KCP&L and GMO.
- (g) Ms. Humphrey was appointed Senior Vice President - Corporate Services and General Counsel of Great Plains Energy, KCP&L and GMO in 2016. She previously served as General Counsel (2010-2016) and Senior Vice President - Human Resources of Great Plains Energy, KCP&L and GMO (2012-2016). She served as Vice President - Human Resources of Great Plains Energy, KCP&L and GMO (2010-2012). She was Senior Director of Human Resources and Interim General Counsel of Great Plains Energy, KCP&L and GMO (2010) and Managing Attorney of KCP&L (2007-2010).
- (h) Mr. Ives was appointed Vice President - Regulatory Affairs of KCP&L and GMO in 2013. He previously served as Senior Director - Regulatory Affairs of KCP&L and GMO (2011-2013). He was Assistant Controller of Great Plains Energy, KCP&L and GMO (2008 - 2011).
- (i) Ms. Wright was appointed Vice President - Corporate Planning, Investor Relations and Treasurer of Great Plains Energy, KCP&L and GMO in 2016. She previously served as Vice President - Investor Relations and Treasurer of Great Plains Energy, KCP&L and GMO (2014-2016). She served as Vice President - Business Planning and Controller of Great Plains Energy, KCP&L and GMO (2009-2014). She was Controller of Great Plains Energy and KCP&L (2002-2008) and GMO (2008).

Available Information

Great Plains Energy's website is www.greatplainsenergy.com and KCP&L's website is www.kcpl.com. Information contained on these websites is not incorporated herein. The Companies make available, free of charge, on or through their websites, their annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after the companies electronically file such material with, or furnish it to, the SEC. In addition, the Companies make available on or through their websites all other reports, notifications and certifications filed electronically with the SEC.

The public may read and copy any materials that the Companies file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. For information on the operation of the Public Reference Room, please call the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site at <http://www.sec.gov> that contains reports, proxy statements and other information regarding the Companies.

Investors should note that the Companies announce material financial information in SEC filings, press releases and public conference calls. Based on guidance from the SEC, the Companies may use the Investor Relations section of Great Plains Energy's website (www.greatplainsenergy.com) to communicate with investors about Great Plains Energy and KCP&L. It is possible that the financial and other information posted there could be deemed to be material information. The information on Great Plains Energy's website is not part of this document.

ITEM 1A. RISK FACTORS

Actual results in future periods for Great Plains Energy and KCP&L could differ materially from historical results and the forward-looking statements contained in this report. The Companies' business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond their control. Additional risks and uncertainties not presently known or that the Companies' management currently believes to be immaterial may also adversely affect the Companies. This information, as well as the other information included in this report and in the other documents filed with the SEC, should be carefully considered before making an investment in the securities of Great Plains Energy or KCP&L. Risk factors of KCP&L are also risk factors of Great Plains Energy.

Risks Relating to the Anticipated Acquisition of Westar:

The ability of Great Plains Energy and Westar to complete the merger is subject to various closing conditions, including the receipt of consents and approvals from governmental authorities, which may impose conditions that could adversely affect Great Plains Energy or cause the merger to be abandoned.

To complete the merger, each of Great Plains Energy and Westar must make certain filings with and obtain certain consents and approvals from various governmental and regulatory authorities.

Great Plains Energy and Westar have not yet obtained all of the regulatory consents and approvals required to complete the merger. Governmental or regulatory agencies could seek to block or challenge the merger or could impose restrictions they deem necessary or desirable in the public interest as a condition to approving the merger. Great Plains Energy and Westar will be unable to complete the merger until the necessary consents and approvals are received from FERC, the NRC, KCC, and the MPSC (collectively referred to as the required governmental approvals). The Merger Agreement may require Great Plains Energy and/or Westar to accept conditions from these regulators that could adversely impact the combined company. If the required governmental approvals are not received, or they are not received on terms that satisfy the conditions set forth in the Merger Agreement, then neither Great Plains Energy nor Westar will be obligated to complete the merger.

In addition, governmental authorities could seek to block or challenge the merger, including after closing, as they deem necessary or desirable in the public interest. In some jurisdictions, a private party could initiate an action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Great Plains Energy or Westar may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

FERC Commissioner Norman Bay's resignation, effective February 3, 2017, left FERC with two sitting commissioners and the inability to convene a quorum. Without a quorum, FERC cannot issue certain orders on contested cases, including Great Plains Energy's and Westar's merger application. If a replacement commissioner is not appointed and confirmed in a timely fashion, the closing of the merger could be delayed until such time that a replacement commissioner is approved by the Senate.

The September 2016 special meetings at which the Great Plains Energy shareholders and the Westar shareholders approved the transactions contemplated by the Merger Agreement have taken place before all required approvals have been obtained and, in certain cases, before the terms of any conditions to obtain such required approvals are known. As a result, Great Plains Energy and Westar may make decisions after the special meetings to waive a condition or approve certain actions required to obtain necessary approvals without seeking further shareholder approval. Such actions could have an adverse effect on the combined company.

In addition, the Merger Agreement contains other customary conditions to the closing of the merger, each of which must be satisfied or waived in order to complete the merger.

If Great Plains Energy and Westar are unable to complete the merger, Great Plains Energy would be subject to a number of risks, including the following:

- Great Plains Energy would not realize the anticipated benefits of the merger, including, among other things, increased operating efficiencies and future cost savings;
- the attention of management of Great Plains Energy may have been diverted to the merger rather than to its own operations and the pursuit of other opportunities that could have been beneficial to the Company;
- the potential loss of key personnel during the pendency of the merger as employees may experience uncertainty about their future roles with the combined company; and
- the trading price of Great Plains Energy common stock may decline to the extent that the current market prices reflect a market assumption that the merger will be completed.

Great Plains Energy will be required to pay Westar a termination fee of \$380 million if the Merger Agreement is terminated due to a failure to receive the required governmental approvals or a failure to receive them on terms and conditions that would not result in a material adverse effect on Great Plains Energy and its subsidiaries, after giving effect to the merger.

We can provide no assurance that the various closing conditions will be satisfied and that the required governmental approvals will be obtained, or that any required conditions will not materially adversely affect the combined company following the merger. In addition, we can provide no assurance that these conditions will not result in the abandonment or delay of the merger. The occurrence of any of these events individually or in combination could have a material adverse effect on Great Plains Energy's results of operations and the trading price of Great Plains Energy common stock.

The Merger Agreement contains provisions that limit Great Plains Energy's or Westar's ability to pursue alternatives to the merger, could discourage a potential competing acquirer of either Great Plains Energy or Westar from making a favorable alternative transaction proposal and, in certain circumstances, could require Westar or Great Plains Energy to pay a termination fee to the other party.

Under the Merger Agreement, Westar and Great Plains Energy each are restricted from entering into alternative merger or acquisition transactions. Unless and until the Merger Agreement is terminated, subject to specified exceptions, each party is restricted from soliciting, initiating or knowingly encouraging, inducing or facilitating, or participating in any discussions or negotiations with any person regarding, or cooperating in any way with any person with respect to, any alternative proposal or any inquiry or proposal that would reasonably be expected to lead to an alternative proposal. Under certain circumstances either Westar or Great Plains Energy may be required to pay a termination fee to the other if they were to enter into an alternative transaction within twelve months of a termination of the Merger Agreement. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Westar or Great Plains Energy from considering or proposing that acquisition, including under circumstances in which the Merger Agreement would be terminated on a separate basis, even if such third party were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the merger. As a result of these restrictions, neither Westar nor Great Plains Energy may be able to enter into an agreement with respect to a more favorable alternative transaction without incurring potentially significant liability to the other.

Great Plains Energy and Westar will be subject to various uncertainties while the merger is pending that may cause disruption and may make it more difficult to maintain relationships with employees, suppliers, or customers.

Uncertainty about the effect of the merger on employees, suppliers and customers may have an adverse effect on Great Plains Energy and Westar. Although Great Plains Energy and Westar intend to take steps designed to reduce any adverse effects, these uncertainties may impair the ability of Great Plains Energy or Westar to attract, retain and motivate key personnel until the merger is completed and for a period of time thereafter, and could cause customers, suppliers and others that deal with Great Plains Energy or Westar to seek to change or terminate existing business relationships with Great Plains Energy or Westar or not enter into new relationships or transactions.

Employee retention and recruitment may be particularly challenging prior to the completion of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company. If, despite Great Plains Energy's and Westar's retention and recruiting efforts, key employees depart or fail to continue employment with either company because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company, Great Plains Energy's and/or Westar's financial results could be adversely affected. Furthermore, the combined company's operational and financial performance following the merger could be adversely affected if it is unable to retain key employees and skilled workers of Great Plains Energy and Westar. The loss of the services of key employees and skilled workers and their experience and knowledge regarding Great Plains Energy's and Westar's businesses could adversely affect the combined company's future operating results and the successful ongoing operation of its businesses.

Failure to successfully combine the businesses of Great Plains Energy and Westar in the expected time frame may adversely affect the future results of the combined company, and, consequently, the value of Great Plains Energy common stock.

The success of the merger will depend, in part, on the ability of Great Plains Energy to realize the anticipated benefits and efficiencies from combining the businesses of Great Plains Energy and Westar. To realize these anticipated benefits, the businesses must be successfully combined. If the combined company is not able to achieve these objectives, or is not able to achieve these objectives on a timely basis, the anticipated benefits of the transactions may not be realized fully or at all. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the merger. These integration difficulties could result in a decline in the market value of Great Plains Energy common stock.

Failure to complete the merger, or significant delays in completing the merger, could negatively affect the trading prices of Great Plains Energy common stock and the future business and financial results of Great Plains Energy.

Completion of the merger is not assured and is subject to risks, including the risk that approval of the merger by governmental agencies is not obtained or that other closing conditions are not satisfied. If the merger is not completed, or if there are significant delays in completing the merger, it could negatively affect the trading price of Great Plains Energy common stock and the future business and financial results of Great Plains Energy. Great Plains Energy also will be subject to several risks, including the following:

- Great Plains Energy may be liable for damages to Westar under the terms and conditions of the Merger Agreement;
- negative reactions from the financial markets, including declines in the price of Great Plains Energy common stock due to the fact that current prices may reflect a market assumption that the merger will be completed;
- having to pay certain significant costs relating to the merger, including, in certain circumstances, a termination fee; and
- the attention of Great Plains Energy will have been diverted to the merger rather than Great Plains Energy's own operations and pursuit of other opportunities that could have been beneficial to Great Plains Energy.

Each of Great Plains Energy and Westar will incur significant transaction and merger-related costs in connection with the merger.

Great Plains Energy and Westar have incurred, and expect to continue to incur, costs associated with combining the operations of the two companies, as well as transaction fees and other costs related to the merger. Additional unanticipated costs may be incurred in the integration of the businesses of Great Plains Energy and Westar. Although Great Plains Energy and Westar expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction, merger-related and restructuring costs over time, any net benefit may not be achieved in the near term, or at all.

Great Plains Energy may be unable to obtain the anticipated combination of financing or the necessary amount of financing to pay the cash portion of the merger consideration.

Great Plains Energy intends to finance the cash portion of the merger consideration with a combination of cash on hand and the proceeds from the issuance of a combination of common stock, mandatory convertible preferred stock and debt securities. In October 2016, Great Plains Energy completed registered public offerings of 60.5 million shares of common stock for total net proceeds of \$1.55 billion and 17.3 million depositary shares each representing a 1/20th interest in a share of Great Plains Energy's 7.00% Series B Mandatory Convertible Preferred Stock (Series B Preferred Stock) for total net proceeds of \$836.2 million.

To the extent the proceeds from Great Plains Energy's remaining expected securities issuances are not available on or before the closing date of the merger, or are in insufficient amounts, Great Plains Energy may use borrowings under its bridge term loan facility to fund the remaining portion of the cash consideration for the merger. However, the availability of funds under the bridge term loan facility is subject to certain conditions including, among others, the absence of a material adverse effect with respect to Westar and its subsidiaries, taken as a whole, the accuracy of certain representations and warranties and the absence of certain defaults with respect to indebtedness of Great Plains Energy and its subsidiaries.

If Great Plains Energy is required to obtain more debt financing than anticipated, whether through the issuance of debt securities or borrowings under the bridge term loan facility, the required regulatory approvals to complete the merger may be more difficult to obtain and the combined company's credit ratings and ability to service its debt could be adversely affected.

Current Great Plains Energy shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management of the combined company.

Great Plains Energy has already issued approximately 60.5 million shares of common stock in order to raise proceeds to fund a portion of the cash consideration for the merger. Furthermore, Great Plains Energy issued in October 2016 and also expects to issue at the time of the merger, shares of mandatorily convertible preferred stock, which shall ultimately convert into common stock. In connection with the completion of the merger, Great Plains Energy will also issue up to approximately 45 million shares of Great Plains Energy common stock to Westar shareholders in connection with the transactions contemplated by the merger agreement.

Great Plains Energy shareholders currently have the right to vote for the Company's board of directors and on other matters affecting Great Plains Energy. When the merger occurs, each Westar shareholder that receives shares of Great Plains Energy common stock will become a shareholder of Great Plains Energy with a percentage ownership of the combined company that is significantly smaller than the shareholder's percentage ownership in Westar. Correspondingly, each Great Plains Energy shareholder will remain a shareholder of Great Plains Energy with a percentage ownership of the combined company that is smaller than the shareholder's percentage ownership of Great Plains Energy prior to the merger.

As a result of these securities issuances and reduced ownership percentages, current Great Plains Energy shareholders will have less influence on the management and policies of the combined company than they now have with respect to Great Plains Energy.

The market price of Great Plains Energy common stock after the merger may be affected by factors different from those affecting the shares of Great Plains Energy or Westar currently.

Upon completion of the merger, the businesses of the combined company will differ from those of Great Plains Energy and Westar prior to the merger in important respects and, accordingly, the results of operations of the combined company and the market price of Great Plains Energy's shares of common stock following the merger may be affected by factors different from those currently affecting the independent results of operations of Great Plains Energy and Westar.

There are risks associated with the mandatory convertible preferred stock Great Plains Energy expects to issue pursuant to its stock purchase agreement with OMERS to finance a portion of the merger consideration.

In connection with the Merger Agreement, Great Plains Energy entered into a stock purchase agreement with OCM Credit Portfolio LP (OMERS) pursuant to which Great Plains Energy will issue and sell to OMERS \$750 million of 7.25% Mandatory Convertible Preferred Stock, Series A (Series A Preferred Stock) upon the consummation of the merger. Upon entering into the stock purchase agreement, Great Plains Energy paid OMERS \$15 million, which is not refundable in the event the merger is not consummated. The terms of the Series A Preferred Stock will provide that if Great Plains Energy misses two quarterly dividend payments, Great Plains Energy would be required to appoint two representatives designated by OMERS to the Great Plains Energy Board. In addition, OMERS' non-U.S. based ownership could potentially complicate obtaining the required regulatory approvals for the merger.

The combined company's indebtedness following the merger will be greater than Great Plains Energy's existing indebtedness. As a result, it may be more difficult for the combined company to pay or refinance its debts or take other actions, and the combined company may need to divert its cash flow from operations to debt service payments.

In connection with the merger, Great Plains Energy will incur additional debt to pay the cash portion of the merger consideration and transaction expenses and the indebtedness of the combined company will include Westar's outstanding debt. The combined company's debt service obligations with respect to this increased indebtedness could have an adverse impact on its earnings and cash flows, which after the merger would include the earnings and cash flows of Westar, for as long as the indebtedness is outstanding.

The combined company's increased indebtedness could also have important consequences to holders of Great Plains Energy securities. For example, it could:

- make it more difficult for the combined company to pay or refinance its debts as they become due during adverse economic and industry conditions because any decrease in revenues could cause the combined company to not have sufficient cash flows from operations to make its scheduled debt payments;
- limit the combined company's flexibility to pursue other strategic opportunities or react to changes in its business and the industry in which it operates and, consequently, place the combined company at a competitive disadvantage to its competitors with less debt;
- require a substantial portion of the combined company's cash flows from operations to be used for debt service payments, thereby reducing the availability of its cash flow to fund working capital, capital expenditures, acquisitions, dividend payments and other general corporate purposes;
- result in a downgrade in the rating of the combined company's indebtedness, which could limit its ability to borrow additional funds or increase the interest rates applicable to its indebtedness (after the announcement of the merger, Moody's Investors Service placed its long-term ratings of Great Plains Energy on review for downgrade and Standard & Poor's Ratings Services revised the outlook of Great Plains Energy, KCP&L and GMO from stable to negative);
- result in higher interest expense in the event of increases in interest rates since some of Great Plains Energy's borrowings are, and will continue to be, at variable rates of interest; or
- require that additional terms, conditions or covenants be placed on Great Plains Energy.

Based upon current levels of operations, Great Plains Energy expects to be able to generate sufficient cash on a consolidated basis to make all of the principal and interest payments when such payments are due under Great Plains Energy's and its current subsidiaries' existing credit facilities, indentures and other instruments governing their outstanding indebtedness, and under the indebtedness of Westar and its subsidiaries that may remain outstanding after the merger; but there can be no assurance that the combined company will be able to repay or refinance such borrowings and obligations.

Great Plains Energy is committed to maintaining its credit ratings. In order to maintain these credit ratings, Great Plains Energy may consider it appropriate to reduce the amount of indebtedness outstanding following the merger. This may be accomplished in several ways, including issuing additional shares of common stock or securities convertible into shares of common stock, reducing discretionary uses of cash or a combination of these and other measures. Issuances of additional shares of common stock or securities convertible into shares of common stock would have the effect of diluting the ownership percentage that current Great Plains Energy shareholders and former Westar shareholders hold in the combined company and might reduce the reported earnings per share. Any potential issuances could be adversely impacted by movements in the overall equity markets or the utility sector of the market and ultimately impact any offering price. The specific measures that Great Plains Energy may ultimately decide to use to maintain or improve its credit ratings and their timing will depend upon a number of factors, including market conditions and forecasts at the time those decisions are made.

The combined company will record goodwill that could become impaired and adversely affect the combined company's operating results.

The merger will be accounted for as an acquisition by Great Plains Energy in accordance with Generally Accepted Accounting Principles (GAAP). Under the acquisition method of accounting, the assets and liabilities of Westar will be recorded, as of completion, at their respective fair values and added to those of Great Plains Energy. The reported financial condition and results of operations of Great Plains Energy issued after completion of the merger will reflect Westar balances and results after completion of the merger, but will not be restated retroactively to reflect the historical financial position or results of operations of Westar for periods prior to the merger.

Under the acquisition method of accounting, the total purchase price will be allocated to Westar's tangible assets and liabilities and identifiable intangible assets based on their fair values as of the date of completion of the merger. The fair value of Westar's tangible and intangible assets and liabilities subject to the rate setting practices of their regulators approximate their carrying values. The excess of the purchase price over those fair values will be recorded as goodwill. Great Plains Energy expects that the merger will result in the creation of goodwill based upon the application of the acquisition method of accounting. To the extent the value of goodwill or intangibles becomes impaired, the combined company may be required to incur material charges relating to such impairment. Such a potential impairment charge could have a material impact on the combined company's operating results.

The anticipated benefits of combining Great Plains Energy and Westar may not be realized.

Great Plains Energy and Westar entered into the Merger Agreement with the expectation that the merger would result in various benefits, including, among other things, increased operating efficiencies. Although Great Plains Energy and Westar expect to achieve the anticipated benefits of the merger, achieving them is subject to a number of uncertainties, including:

- whether United States federal and state public utility, antitrust and other regulatory authorities whose approval is required to complete the merger impose conditions on the merger, which may have an adverse effect on the combined company, including its ability to achieve the anticipated benefits of the merger;
- the ability of the two companies to combine certain of their operations or take advantage of expected growth opportunities;
- general market and economic conditions;
- general competitive factors in the marketplace; and
- higher than expected costs required to achieve the anticipated benefits of the merger.

No assurance can be given that these benefits will be achieved or, if achieved, the timing of their achievement. Failure to achieve these anticipated benefits could result in increased costs and decreases in the amount of expected revenues or net income of the combined company.

The merger may not be accretive to earnings and may cause dilution to Great Plains Energy's earnings per share, which may negatively affect the market price of Great Plains Energy common stock.

Great Plains Energy currently anticipates that the merger will be neutral to Great Plains Energy's forecasted earnings per share on a stand-alone basis in the first full calendar year after closing increasing to approximately a 10 percent accretion in the third full calendar year after closing. This expectation is based on preliminary estimates, which may materially change. Great Plains Energy may encounter additional transaction and integration-related costs, may fail to realize all of the benefits anticipated in the merger or be subject to other factors that affect preliminary estimates or its ability to realize operational efficiencies. Any of these factors could cause a decrease in Great Plains Energy's earnings per share or decrease or delay the expected accretive effect of the merger and contribute to a decrease in the price of Great Plains Energy's common stock.

The merger will combine two companies that are currently affected by developments in the electric utility industry, including changes in regulation and increased competition. A failure to adapt to the changing regulatory environment after the merger could adversely affect the stability of the combined company's earnings and could result in the erosion of its market positions, revenues and profits.

Because Great Plains Energy, Westar and their respective subsidiaries are regulated in the U.S. at the federal level and in several states, the two companies have been and will continue to be affected by legislative and regulatory developments. After the merger, the combined company and/or its subsidiaries will be subject in the U.S. to extensive federal regulation as well as to state regulation in Missouri and Kansas. Each of these jurisdictions has implemented, is in the process of implementing or possibly will implement changes to the regulatory and legislative framework applicable to the electric utility industry. These changes could have a material adverse effect on the combined company.

The costs and burdens associated with complying with these regulatory jurisdictions may have a material adverse effect on the combined company. Moreover, potential legislative changes, regulatory changes or otherwise may create greater risks to the stability of utility earnings generally. If the combined company is not responsive to these changes, it could suffer erosion in market position, revenues and profits as competitors gain access to the service territories of its utility subsidiaries.

The market value of Great Plains Energy common stock could decline if large amounts of its common stock are sold in anticipation of or following the merger.

Following the merger, shareholders of Great Plains Energy and former shareholders of Westar will own interests in a combined company operating an expanded business with more assets and a different mix of liabilities. Current shareholders of Great Plains Energy and Westar may not wish to continue to invest in the combined company, or may wish to reduce their investment in the combined company, in order to comply with institutional investing guidelines, to increase diversification or to track any rebalancing of stock indices in which Great Plains Energy or Westar common stock is or was included. If, before or following the merger, large amounts of Great Plains Energy common stock are sold, the price of its common stock could decline.

Utility Regulatory Risks:

Complex utility regulation could adversely affect the Companies' results of operations, financial position and cash flows.

The Companies are subject to, or affected by, extensive federal and state utility regulation, including regulation by the MPSC, KCC, FERC, NRC, North American Electric Reliability Corporation (NERC) and SPP. The Companies must address in their business planning and management of operations the effects of existing and proposed laws and regulations and potential changes in the regulatory framework, including initiatives by federal and state legislatures, RTOs, utility regulators and taxing authorities. Failure of the Companies to obtain adequate rates or regulatory approvals in a timely manner, new or changed laws, regulations, standards, interpretations or other legal requirements, deterioration of the Companies' relationship with regulators and increased compliance costs and potential non-compliance consequences may materially affect the Companies' results of operations, financial position and cash flows. Additionally, regulators may impose burdensome restrictions and conditions on the

Companies' transactions and ventures, rendering them less attractive from a financial or operational perspective. Certain of these risks are addressed in greater detail below.

The outcome of retail rate proceedings could have a material impact on the business and is largely outside the Companies' control.

The rates that KCP&L and GMO are allowed to charge their customers significantly influence the Companies' results of operations, financial position and cash flows. These rates are subject to the determination, in large part, of governmental entities outside of the Companies' control, including the MPSC, KCC and FERC.

The utility rate-setting principle generally applicable to KCP&L and GMO is that rates should provide a reasonable opportunity to recover expenses and investments prudently incurred to provide utility service plus a reasonable return on such investments. Various expenses incurred by KCP&L and GMO have been excluded from rates by the MPSC and KCC in past rate cases as not being prudently incurred or not providing utility customer benefit, and there is a risk that certain expenses incurred in the future may not be recovered in rates. Third-parties often intervene in the utilities' rate cases and argue that certain costs have not been prudently incurred or are otherwise not recoverable in rates. The MPSC and KCC also have in the past and may in the future exclude from rates all or a portion of investments in various facilities as not being prudently incurred or not being useful in providing utility service.

As discussed in the "Environmental Risks" and "Financial Risks" sections below, the Companies' capital expenditures are expected to be substantial over the next several years and there is a risk that a portion of the capital costs could be excluded from rates in future rate cases.

The Companies are also exposed to cost-recovery shortfalls due to the inherent "regulatory lag" in the rate-setting process, especially during periods of significant cost inflation or declining retail usage, as KCP&L's and GMO's utility rates are generally based on historical information and are not subject to adjustment between rate cases, other than principally for fuel, purchased power, transmission and property taxes for KCP&L in Kansas; fuel, purchased power, certain transmission costs and demand-side investments for KCP&L in Missouri; and fuel, purchased power, certain transmission costs, demand-side investments and renewable energy (solar rebates) for GMO. These and other factors may result in under-recovery of costs, failure to earn the authorized return on investment, or both.

Failure to timely recover the full investment costs of capital projects, the impact of renewable energy and energy efficiency programs, other utility costs and expenses due to regulatory disallowances, regulatory lag or other factors could lead to lowered credit ratings, reduced access to capital markets, increased financing costs, lower flexibility due to constrained financial resources and increased collateral security requirements, or reductions or delays in planned capital expenditures. In response to competitive, economic, political, legislative, public perception (including, but not limited to, the Companies' environmental reputation) and regulatory pressures, the Companies may be subject to rate moratoriums, rate refunds, limits on rate increases, lower allowed returns on investments or rate reductions, including phase-in plans designed to spread the impact of rate increases over an extended period of time for the benefit of customers.

Regulatory requirements regarding utility operations may increase costs and may expose the Companies to compliance penalties or adverse rate consequences.

The FERC, NERC and SPP have implemented and enforce an extensive set of transmission system reliability, cybersecurity and critical infrastructure protection standards that apply to public utilities, including KCP&L and GMO. The MPSC and KCC have the authority to implement utility operational standards and requirements, such as vegetation management standards, facilities inspection requirements and quality of service standards. In addition, the Companies are also subject to health, safety and other requirements enacted by the Occupational Safety and Health Administration, the Department of Transportation, the Department of Labor and other federal and state agencies. As discussed more fully under "Operational Risks," the NRC extensively regulates nuclear power plants, including Wolf Creek. The costs of existing, new or modified regulations, standards and other requirements could have an adverse

effect on the Companies' results of operations, financial position and cash flows as a result of increased operations or maintenance and capital expenditures for new facilities or to repair or improve existing facilities. In addition, failure to meet quality of service, reliability, cybersecurity, critical infrastructure protection, operational or other standards and requirements could expose the Companies to penalties, additional compliance costs, or adverse rate consequences.

Tax Reform Risk:

Changes in federal income tax policy could negatively impact the Companies.

The Companies are impacted by the U.S. federal income tax policy, including corporate income tax laws. Both the new federal administration and the Republicans in the House of Representatives have made public statements in support of comprehensive tax reform, including significant changes in the U.S. corporate income tax laws. These proposed changes include, among other things, a reduction in the corporate income tax rate, the immediate deductibility of 100% of capital expenditures, and the elimination of the interest expense deduction. The Companies are currently unable to predict whether these reform discussions will result in any significant changes to existing tax laws, or if any such changes would have a cumulative positive or negative impact on the Companies. However, it is possible that changes in the U.S. federal income tax laws could have a material adverse effect on the Companies' results of operations, financial position and cash flows.

Environmental Risks:

The Companies are subject to current and potential environmental requirements and the incurrence of environmental liabilities, any or all of which may adversely affect their business and financial results.

The Companies are subject to extensive federal, state and local environmental laws, regulations and permit requirements relating to air and water quality, waste management and disposal, natural resources and health and safety. In addition to imposing continuing compliance obligations and remediation costs for historical and pre-existing conditions, these laws, regulations and permits authorize the imposition of substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. There is also a risk that new environmental laws and regulations, new administrative or judicial interpretations of environmental laws and regulations, or the requirements in new or renewed environmental permits could adversely affect the Companies' operations. In addition, there is also a risk of lawsuits brought by third parties alleging violations of environmental commitments or requirements, claiming creation of a public nuisance or other matters, and seeking injunctions or monetary damages or other damages. Certain federal courts have held that state and local governments and private parties have standing to bring climate change tort suits seeking company-specific emission reductions and damages.

Environmental permits are subject to periodic renewal, which may result in more stringent permit conditions and limits. New facilities, or modifications of existing facilities, may require new environmental permits or amendments to existing permits. Delays in the environmental permitting process, public opposition and challenges, denials of permit applications, limits or conditions imposed in permits and the associated uncertainty may materially adversely affect the cost and timing of projects, and thus materially adversely affect the Companies' results of operations, financial position and cash flows.

KCP&L and GMO periodically seek recovery of capital costs and expenses for environmental compliance and remediation through rate increases; however, there can be no assurance that recovery of these costs would be granted. KCP&L and GMO may be subject to material adverse rate treatment in response to competitive, economic, political, legislative or regulatory pressures and/or public perception of the Companies' environmental reputation. The costs of compliance or noncompliance with environmental requirements, remediation costs, adverse outcomes of lawsuits, or failure to timely recover environmental costs could have a material adverse effect on the Companies' results of operations, financial position and cash flows. Certain of these matters are discussed in more detail below. See Note 15 to the consolidated financial statements for additional information regarding certain significant environmental matters and Great Plains Energy's and KCP&L's current estimates of capital expenditures to comply with environmental regulations.

Air and Climate Change

The Companies' current generation capacity is primarily coal-fired, and is estimated to produce about one ton of carbon dioxide (CO₂) per MWh, or approximately 19 million tons and 15 million tons of CO₂ per year for Great Plains Energy and KCP&L, respectively. Management believes it is possible that additional federal or relevant state or local laws or regulations could be enacted to address global climate change. At the international level, in December 2015 the Paris Agreement was adopted by nearly 200 countries and became effective in November 2016 as the threshold of at least 55 countries representing at least 55% of global greenhouse gas emissions have joined it through ratification. The Paris Agreement does not result in any new, legally binding obligations on the United States to meet a particular greenhouse gas emissions target, but establishes a framework for international cooperation on climate change. Other international agreements legally binding on the United States may be reached in the future. Such new laws, regulations or treaties could mandate new or increased requirements to control or reduce the emission of greenhouse gases, such as CO₂, which are created in the combustion of fossil fuels. These requirements could include, among other things, taxes or fees on fossil fuels or emissions, cap and trade programs, emission limits and clean or renewable energy standards.

The Environmental Protection Agency (EPA) has enacted various regulations regarding the reporting and permitting of greenhouse gases and has proposed other regulations under the existing Clean Air Act. The EPA has established thresholds for greenhouse gas emissions, defining when Clean Air Act permits under the New Source Performance Standards, New Source Review and Title V operating permits programs would be required for new or existing industrial facilities and when the installation of best available control technology would be required. In August 2015, the EPA finalized its Clean Power Plan which sets CO₂ emission performance rates for existing affected fossil fuel-fired electric generating units. Specifically, the EPA translated those performance rates into a state goal measured in mass and rate based on each state's generation mix. The states have the ability to develop their own plans for affected units to achieve either the performance rates directly or the state goals, with guidelines for the development, submittal and implementation of those plans. In February 2016, the U.S. Supreme Court granted a stay of the Clean Power Plan putting the rule on hold pending review in the United States Court of Appeals for the District of Columbia Circuit and any subsequent review by the U.S. Supreme Court if such review is sought. Compliance with the Clean Power Plan has the potential of having significant financial and operational impacts on Great Plains Energy and KCP&L; however, the ultimate financial and operational consequences to Great Plains Energy and KCP&L cannot be determined until the outcome of pending litigation is known and/or the state plans to implement the Clean Power Plan are known. Additional federal and/or state legislation or regulation respecting greenhouse gas emissions may be proposed or enacted in the future. Requirements to reduce greenhouse gas emissions may cause the Companies to incur significant costs relating to their ongoing operations (such as for additional environmental control equipment, retiring and replacing existing generation, re-powering existing plants to utilize alternative fuel or selecting more costly generation alternatives), to procure emission allowance credits, or due to the imposition of taxes, fees or other governmental charges as a result of such emissions.

Water

The Clean Water Act and associated regulations enacted by the EPA form a comprehensive program to restore and preserve water quality. All of the Companies' generating facilities, and certain of their other facilities, are subject to the Clean Water Act.

In May 2014, the EPA finalized regulations regarding protection of aquatic life from being killed or injured by cooling water intake structures. KCP&L's generation facilities with cooling water intake structures are subject to the best technology available standards based on studies completed to comply with such standards. The rule provides flexibility to work with the states to develop the best technology available to minimize aquatic species impacted by being pinned against intake screens or drawn into cooling water systems.

KCP&L holds a permit from the Missouri Department of Natural Resources (MDNR) covering water discharge from its Hawthorn Station. The permit authorizes KCP&L to, among other things, withdraw

water from the Missouri River for cooling purposes and return the heated water to the Missouri River. KCP&L has applied for a renewal of this permit and the EPA has submitted an interim objection letter regarding the allowable amount of heat that can be contained in the returned water. Until this matter is resolved, KCP&L continues to operate under its current permit. Future water permit renewals at KCP&L's Iatan Station and at GMO's Sibley and Lake Road Stations could also be impacted by the allowable amount of heat that can be contained in the returned water. Great Plains Energy and KCP&L cannot predict the outcome of these matters; however, while less significant outcomes are possible, these matters may require a reduction in generation, installation of cooling towers or other technology to cool the water, or both, any of which could have a significant impact on Great Plains Energy's and KCP&L's results of operations, financial position and cash flows.

In September 2015, the EPA finalized a revision of the technology-based effluent limitations guidelines and standards regulation to make the existing controls on discharges from steam electric power plants more stringent. The final rule sets the first federal limits on the levels of toxic metals in wastewater that can be discharged from power plants. The new requirements for existing power plants would be phased in between 2018 and 2023.

Further, the possible effects of climate change, including potentially increased temperatures and reduced precipitation, could make it more difficult and costly to comply with the current and final permit requirements.

Solid Waste

Solid and hazardous waste generation, storage, transportation, treatment and disposal are regulated at the federal and state levels under various laws and regulations. In April 2015, the EPA published final regulations to regulate coal combustion residuals (CCRs) under the Resource Conservation and Recovery Act (RCRA) Subtitle D to address the risks from the disposal of CCRs generated from the combustion of coal at electric generating facilities. The Companies principally use coal in generating electricity and dispose of CCRs in both on-site facilities and facilities owned by third parties. Current and future EPA regulations regarding the handling, disposal and remediation of CCRs could have a material adverse effect on the Companies' results of operations, financial position and cash flows.

Remediation

Under current law, the Companies are also generally responsible for any liabilities associated with the environmental condition of their properties and other properties at which the Companies arranged for the disposal or treatment of hazardous substances, including properties that they have previously owned or operated, such as manufactured gas plants (MGP), regardless of whether they were responsible for the contamination or whether the liabilities arose before, during or after the time they owned or operated the properties or arranged for the disposal or treatment of hazardous substances.

Due to all of the above, the Companies' projected capital and other expenditures for environmental compliance are subject to significant uncertainties, including the timing of implementation of any new or modified environmental requirements, the limits imposed by such requirements and the types and costs of the compliance alternatives selected by the Companies. As a result, costs to comply with environmental requirements cannot be estimated with certainty, and actual costs could be significantly higher than projections. New environmental laws and regulations affecting the operations of the Companies may be adopted, and new interpretations of existing laws and regulations could be adopted or become applicable to the Companies or their facilities, any of which may materially adversely affect the Companies' business, adversely affect the Companies' ability to continue operating its power plants as currently done and substantially increase environmental expenditures or liabilities in the future.

Financial Risks:

Financial market disruptions and declines in credit ratings may increase financing costs and/or limit access to the credit markets, which may adversely affect liquidity and results.

The Companies' capital requirements are expected to be substantial over the next several years. The Companies rely on access to short-term money markets, revolving credit facilities provided by financial institutions and long-term capital markets as significant sources of liquidity for capital requirements not satisfied by cash flows from operations. The Companies also rely on bank-provided credit facilities for credit support, such as letters of credit, to support operations. The amount of credit support required for operations varies and is impacted by a number of factors.

Great Plains Energy, KCP&L, GMO and certain of their securities are rated by Moody's Investors Service and Standard & Poor's. Following the announcement of the anticipated acquisition of Westar, Moody's Investors Service placed its long-term ratings on Great Plains Energy on review for downgrade and Standard & Poor's Ratings Services revised the outlook on Great Plains Energy, KCP&L and GMO from stable to negative. These ratings impact the Companies' cost of funds and Great Plains Energy's ability to provide credit support for its subsidiaries. The interest rates on borrowings under the Companies' revolving credit agreements and on a portion of Great Plains Energy's debt are subject to increase as their respective credit ratings decrease. The amount of collateral or other credit support required under power supply and certain other agreements is also dependent on credit ratings.

Conditions in the United States capital and credit markets may deteriorate in the future for a variety of reasons, including, among others: instability in global markets, political uncertainty in the United States or abroad, fluctuations in the price of oil, geopolitical instability or other unforeseen events both in the United States and around the world. Adverse market conditions or decreases in Great Plains Energy's, KCP&L's or GMO's credit ratings could have material adverse effects on the Companies. These effects could include, among others: reduced access to capital and increased cost of funds; dilution resulting from equity issuances at reduced prices; changes in the type and/or increases in the amount of collateral or other credit support obligations required to be posted with contractual counterparties; increased nuclear decommissioning trust and pension and other post-retirement benefit plan funding requirements; rate case disallowance of KCP&L's or GMO's costs of capital; reductions in or delays of capital expenditures; or reductions in Great Plains Energy's ability to provide credit support for its subsidiaries. Any of these results could adversely affect the Companies' results of operations, financial position and cash flows. In addition, market disruption and volatility could have an adverse impact on the Companies' lenders, suppliers and other counterparties or customers, causing them to fail to meet their obligations.

Great Plains Energy has guaranteed some of GMO's long-term and short-term debt and payments under these guarantees may adversely affect Great Plains Energy's liquidity.

Great Plains Energy has issued guarantees covering \$96.6 million of GMO's long-term debt. Great Plains Energy also guarantees GMO's commercial paper program. At December 31, 2016, GMO had \$201.9 million of commercial paper outstanding. The guarantees obligate Great Plains Energy to pay amounts owed by GMO directly to the holders of the guaranteed debt in the event GMO defaults on its payment obligations. Great Plains Energy may also guarantee debt that GMO may issue in the future. Any guarantee payments could adversely affect Great Plains Energy's liquidity.

The inability of Great Plains Energy's subsidiaries to provide sufficient dividends to Great Plains Energy, or the inability otherwise of Great Plains Energy to pay dividends to its shareholders and meet its financial obligations would have an adverse effect.

Great Plains Energy is a holding company with no significant operations of its own. The primary source of funds for payment of dividends to its shareholders and its other financial obligations is dividends paid to it by its subsidiaries, particularly KCP&L and GMO. The ability of Great Plains Energy's subsidiaries to pay dividends or make other distributions, and accordingly, Great Plains Energy's ability to pay dividends on its common stock and meet its financial obligations principally depends on the actual and projected earnings and cash flow, capital requirements and general financial position of its subsidiaries, as well as regulatory factors, financial covenants, general business conditions and other matters.

In addition, Great Plains Energy, KCP&L and GMO are subject to certain corporate and regulatory restrictions and financial covenants that could affect their ability to pay dividends. Great Plains Energy's articles of incorporation restrict the payment of common stock dividends in the event common equity is 25% or less of total capitalization. In addition, if preferred stock dividends are not declared and paid when scheduled, Great Plains Energy could not declare or pay common stock dividends or purchase any common shares. If the unpaid preferred stock dividends are in arrears for six or more quarters, whether or not consecutive, the preferred shareholders will be entitled to name two directors to the Great Plains Energy Board of Directors. Furthermore, pursuant to settlement agreements with certain intervenors in Missouri that are pending MPSC approval with respect to the merger, Great Plains Energy agreed that in the event that KCP&L's or GMO's credit ratings are downgraded below investment grade as a result of the merger, then KCP&L and GMO would be restricted from paying a dividend to Great Plains Energy unless approved by the MPSC or until their credit ratings are restored to investment grade. Certain conditions in the MPSC and KCC orders authorizing the holding company structure require Great Plains Energy and KCP&L to maintain consolidated common equity of at least 30% and 35%, respectively, of total capitalization (including only the amount of short-term debt in excess of the amount of construction work in progress). Under the Federal Power Act, KCP&L and GMO generally can pay dividends only out of retained earnings. The revolving credit agreements of Great Plains Energy, KCP&L and GMO and the note purchase agreement for GMO's Series A, B and C Senior Notes contain a covenant requiring each company to maintain a consolidated indebtedness to consolidated total capitalization ratio of not more than 0.65 to 1.00, except as the ratio relates to Great Plains Energy, which was amended in June 2016. See Note 11 to the consolidated financial statements for additional information. Great Plains Energy's Board of Directors regularly evaluates the common stock dividend policy and determines an appropriate dividend each quarter, after taking into account such factors as, among other things, earnings, financial condition and cash flows from KCP&L and GMO, as well as general economic conditions. While the corporate and regulatory restrictions and financial covenants discussed above are not expected to affect the Companies' ability to pay dividends at the current level in the foreseeable future, Great Plains Energy cannot assure common shareholders that the dividend will be paid in the future or that, if paid, dividends will be at the same amount or with the same frequency as in the past.

Market performance, increased retirements and retirement plan regulations could significantly impact retirement plan funding requirements and associated cash needs and expenses.

Substantially all of the Companies' and WCNO's employees participate in defined benefit retirement and other post-retirement plans. Former employees also have accrued benefits in defined benefit retirement and other post-retirement plans. The costs of these plans depend on a number of factors, including the rates of return on plan assets, the level and nature of the provided benefits, discount rates, the interest rates used to measure required minimum funding levels, changes in benefit design, changes in laws or regulations, and the Companies' required or voluntary contributions to the plans. The Companies currently have substantial unfunded liabilities under these plans. Also, if the rate of retirements exceeds planned levels, or if these plans experience adverse market returns on investments, or if interest rates materially fall, the Companies' contributions to the plans could rise substantially over historical levels. In addition, changes in accounting rules and assumptions related to future costs, returns on investments, interest rates and other actuarial assumptions, including projected retirements, could have a significant impact on the Companies' results of operations, financial position and cash flows.

The use of derivative contracts in the normal course of business could result in losses that could negatively impact the Companies' results of operations, financial position and cash flows.

The Companies use derivative instruments, such as swaps, options, futures and forwards, to manage commodity and financial risks. Losses could be recognized as a result of volatility in the market values of these contracts, if a counterparty fails to perform, or if the underlying transactions which the derivative instruments are intended to hedge fail to materialize. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these financial instruments can involve management's judgment or the use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts.

As a service provider to GMO, KCP&L may have exposure to GMO's financial performance and operations. GMO has no employees of its own. KCP&L employees operate and manage GMO's properties, and KCP&L charges GMO for the cost of these services. These arrangements may pose risks to KCP&L, including possible

claims arising from actions of KCP&L employees in operating GMO's properties and providing other services to GMO. KCP&L's claims for reimbursement for services provided to GMO are unsecured and rank equally with other unsecured obligations of GMO. KCP&L's ability to be reimbursed for the costs incurred for the benefit of GMO depends on the financial ability of GMO to make such payments.

Customer and Weather-Related Risks:

The results of operations, financial position and cash flows of the Companies can be materially affected by changes in customer electricity consumption.

Changes in customer electricity consumption due to sustained financial market disruptions, downturns or sluggishness in the economy, technological advances, energy efficiency or other factors may adversely affect the Companies' results of operations, financial position and cash flows.

Technological advances, energy efficiency, or other energy conservation measures could reduce customer electricity consumption. KCP&L and GMO generate electricity at central station power plants to achieve economies of scale and produce electricity at a competitive cost. There are distributed generation technologies that produce electricity, including microturbines, wind turbines, fuel cells and solar cells, that have recently become more cost competitive. If this trend continues, the Companies customer electricity consumption could be reduced. Changes in technology could also alter the channels through which the Companies' customers purchase or use electricity, which could reduce the Companies customer electricity consumption.

Weather is a major driver of the Companies' results of operations, financial position and cash flow.

Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. Great Plains Energy and KCP&L are significantly impacted by seasonality, with approximately one-third of their retail electric revenues recorded in the third quarter. Unusually mild winter or summer weather can adversely affect sales. In addition, severe weather, including but not limited to tornados, snow, rain, flooding and ice storms can be destructive causing outages and property damage that can potentially result in additional expenses, lower revenues and additional capital restoration costs. KCP&L's and GMO's rates may not always be adjusted timely and adequately to reflect these increased costs. Some of the Companies' generating stations utilize water from the Missouri River for cooling purposes. Low water and flow levels can increase maintenance costs at these stations and, if these levels were to get low enough, could require modifications to plant operations. The possible effects of climate change (such as increased temperatures, increased occurrence of severe weather or reduced precipitation, among other possible results) could potentially increase the volatility of demand and prices for energy commodities, increase the frequency and impact of severe weather, increase the frequency of flooding or decrease water and flow levels. To the extent the frequency of extreme weather events increases, this could increase the Companies' cost in providing service.

Operational Risks:

Operational risks may adversely affect the Companies' results of operations, financial position and cash flows.

The operation of the Companies' electric generation, transmission, distribution and information systems involves many risks, including breakdown or failure of equipment, aging infrastructure, processes and personnel performance; problems that delay or increase the cost of returning facilities to service after outages; limitations that may be imposed by equipment conditions or environmental, safety or other regulatory requirements; fuel supply or fuel transportation reductions or interruptions; labor disputes; difficulties with the implementation or continued operation of information systems; transmission scheduling constraints; and catastrophic events such as fires, floods, droughts, explosions, terrorism, cyber threats, severe weather or other similar occurrences. Furthermore, to the extent that a cyber attack was successful, customer and employee information may be stolen, equipment may be destroyed or damaged and operations may be disrupted. Any such equipment or system outage or constraint can, among other things:

- in the case of generation equipment, affect operating costs, increase capital requirements and costs, increase purchased power volumes and costs and reduce wholesale sales opportunities;

- in the case of transmission equipment, affect operating costs, increase capital requirements and costs, require changes in the source of generation and affect wholesale sales opportunities and the ability to meet regulatory reliability and security requirements;
- in the case of distribution systems, affect revenues and operating costs, increase capital requirements and costs, and affect the ability to meet regulatory service metrics and customer expectations; and
- in the case of information systems, affect the control and operations of generation, transmission, distribution, customer information and other business operations and processes, increase operating costs, increase capital requirements and costs, and affect the ability to meet regulatory reliability and security requirements and customer expectations.

With the exception of Hawthorn No. 5, which was substantially rebuilt in 2001, and Iatan No. 2, which was completed in 2010, all of KCP&L's and GMO's coal-fired generating units and its nuclear generating unit were constructed prior to 1986. The age of these generating units increases the risk of unplanned outages, reduced generation output and higher maintenance expense. Training, preventive maintenance and other programs have been implemented, but there is no assurance that these programs will prevent or minimize future breakdowns or failures of the Companies' generation facilities or increased maintenance expense. Furthermore, aging transmission and distribution facilities are more prone to failure than new facilities, which results in higher maintenance expense and the need to replace these facilities with new infrastructure. The higher maintenance costs and capital expenditures for new replacement infrastructure could cause additional rate volatility for the Companies' customers, resistance by the Companies' regulators to allow customer rate increases and/or regulatory lag.

The Companies currently have general liability and property insurance in place to cover their facilities in amounts that management considers appropriate. These policies, however, do not cover the Companies' transmission or distribution systems, and the cost of repairing damage to these systems may adversely affect the Companies' results of operations, financial position and cash flows. Such policies are subject to certain limits and deductibles and do not include business interruption coverage. Insurance coverage may not be available in the future at reasonable costs or on commercially reasonable terms, and the insurance proceeds received for any loss of, or any damage to, any of the Companies' facilities may not be sufficient to restore the loss or damage.

These and other operating events may reduce the Companies' revenues, increase their costs, or both, and may materially affect their results of operations, financial position and cash flows.

Cyber attacks and other disruptions to facilities could interfere with operations, expose the Companies, customers or employees to a risk of loss and could cause reputational and financial harm.

Electric utilities and other operators of critical energy infrastructure, like KCP&L and GMO, may face a heightened risk of cyber attack. The Companies' facilities could be direct targets or indirect casualties of any such cyber attacks. The Companies' business relies on information technology for the generation, transmission and distribution of electricity, their primary business, as well as in secondary operational functions, including supply chain, and invoicing and collecting payments from customers. In the ordinary course of business, the Companies collect, store and transmit sensitive data including operating information, proprietary business information belonging to the Companies and third parties and personal information belonging to customers and employees. To the extent that a cyber attack was successful, customer and employee information may be stolen, equipment may be destroyed or damaged and operations of the generation fleet and/or reliability of the transmission and distribution system may be disrupted. In such an event, the Companies may experience substantial loss of revenues, material response costs and other financial loss, including the increased cost of insurance coverage. The Companies could also be subject to litigation, increased regulation and reputational damage. Any of the foregoing could have a material adverse impact on the Companies' results of operations, financial position and cash flows.

The Companies are subject to information security risks and risks of unauthorized access to their systems.

In the course of their businesses, the Companies handle a range of system security and sensitive customer information. KCP&L and GMO are subject to laws and rules issued by different agencies concerning safeguarding and maintaining the confidentiality of this information. A security breach of the utilities' information systems such as theft or the inappropriate release of certain types of information, including confidential customer information or

system operating information, could have a material adverse impact on the results of operations, financial position and cash flows of the Companies.

KCP&L and GMO operate in a highly regulated industry that requires the continued operation of sophisticated information technology systems and network infrastructures. Despite implementation of security measures, the technology systems are vulnerable to disability, failures, employee error or malfeasance, or unauthorized access. Such failures or breaches of the systems could impact the reliability of generation, transmission and distribution systems, result in legal claims and proceedings, damage the Companies' reputation and also subject the Companies to financial harm. If the technology systems were to fail or be breached and not recovered in a timely way, critical business functions could be impaired and sensitive confidential data could be compromised, which could have a material adverse impact on the Companies' results of operations, financial position and cash flows.

The cost and schedule of capital projects may materially change and expected performance may not be achieved.

Great Plains Energy's and KCP&L's businesses are capital intensive. The Companies currently have significant capital projects pending and may also have significant capital projects in the future. The risks of any capital project include: that actual costs may exceed estimated costs due to inflation or other factors; risks associated with the incurrence of additional debt or the issuance of additional equity to fund such projects; delays that may occur in obtaining permits and materials; the failure of suppliers and contractors to perform as required under their contracts; inadequate availability or increased cost of equipment, materials or qualified craft labor; delays related to inclement weather; the scope, cost and timing of projects may change due to new or changed environmental requirements, health and safety laws or other factors; and other events beyond the Companies' control may occur that may materially affect the schedule, cost and performance of these projects.

These and other risks could materially increase the estimated costs of capital projects, delay the in-service dates of projects, adversely affect the performance of the projects, and/or require the Companies to purchase additional electricity to supply their respective retail customers until the projects are completed. Thus, these risks may significantly affect the Companies' results of operations, financial position and cash flows.

Failure of one or more generation plant co-owners to pay their share of construction or operations and maintenance costs could increase the Companies' costs and capital requirements.

KCP&L owns 47% of Wolf Creek, 50% of La Cygne Station, 70% of Iatan No. 1 and 55% of Iatan No. 2. GMO owns 18% of both Iatan units and 8% of Jeffrey Energy Center. The remaining portions of these facilities are owned by other utilities that are contractually obligated to pay their proportionate share of capital and other costs.

While the ownership agreements provide that a defaulting co-owner's share of the electricity generated can be sold by the non-defaulting co-owners, there is no assurance that the revenues received will recover the increased costs borne by the non-defaulting co-owners. Occurrence of these or other events could materially increase the Companies' costs and capital requirements.

KCP&L is exposed to risks associated with the ownership and operation of a nuclear generating unit, which could result in an adverse effect on the Companies' business and financial results.

KCP&L owns 47% of Wolf Creek. The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generation facilities, including Wolf Creek. In the event of non-compliance, the NRC has the authority to impose fines, shut down the facilities, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Additionally, the non-compliance of other nuclear facility operators with applicable regulations or the occurrence of a serious nuclear incident anywhere in the world could result in increased regulation of the nuclear industry as a whole. Any revised safety requirements promulgated by the NRC could result in substantial capital expenditures at Wolf Creek.

Wolf Creek has the lowest fuel cost per MWh of any of KCP&L's generating units. An extended outage of Wolf Creek, whether resulting from NRC action, an incident at the plant or otherwise, could have a material adverse effect on KCP&L's results of operations, financial position and cash flows in the event KCP&L incurs higher replacement power and other costs that are not recovered through rates or insurance. If a long-term outage

occurred, the state regulatory commissions could reduce rates by excluding the Wolf Creek investment from rate base. Wolf Creek was constructed prior to 1986 and the age of Wolf Creek increases the risk of unplanned outages and results in higher maintenance costs.

Ownership and operation of a nuclear generating unit exposes KCP&L to risks regarding decommissioning costs at the end of the unit's life. KCP&L contributes annually based on estimated decommissioning costs to a tax-qualified trust fund to be used to decommission Wolf Creek. The funding level assumes a projected level of return on trust assets. If the actual return on trust assets is below the projected level or actual decommissioning costs are higher than estimated, KCP&L could be responsible for the balance of funds required and may not be allowed to recover the balance through rates.

KCP&L is also exposed to other risks associated with the ownership and operation of a nuclear generating unit, including, but not limited to, (i) potential liability associated with the potential harmful effects on the environment and human health resulting from the operation of a nuclear generating unit, (ii) the storage, handling, disposal and potential release (by accident, through third-party actions or otherwise) of radioactive materials and (iii) uncertainties with respect to contingencies and assessments if insurance coverage is inadequate. Under the structure for insurance among owners of nuclear generating units, KCP&L is also liable for potential retrospective premium assessments (subject to a cap) per incident at any commercial reactor in the country and losses in excess of insurance coverage.

The structure of the regional power market in which the Companies operate could have an adverse effect on the Companies' results of operations, financial position and cash flows.

In March 2014, the SPP launched its Integrated Marketplace. Similar to other RTO or ISO markets, this marketplace determines which generating units among market participants should run, within the operating constraints of a unit, at any given time for maximum cost-effectiveness. In the event that KCP&L's and GMO's generating units are not among the lowest cost generating units operating within the market, KCP&L and GMO could experience decreased levels of wholesale electricity sales.

A market for Transmission Congestion Rights (TCR) is also included as part of the Integrated Marketplace. TCRs are financial instruments used to hedge transmission congestion charges. Both KCP&L and GMO acquire TCRs for the purpose of hedging against transmission congestion charges. There is a risk that KCP&L and GMO could incorrectly model the amount of TCRs needed, or that the TCRs acquired could be ineffective in hedging against transmission congestion charges which could lead to increased purchased power costs.

The rules governing the various regional power markets may change from time to time and such changes could impact the Companies' costs and revenues. Because the manner in which RTO's or ISO's will evolve is unclear, the Companies are unable to assess fully the impact of these changes.

Litigation Risks:

The outcome of legal proceedings cannot be predicted. An adverse finding could have a material adverse effect on the Companies' results of operations, financial position and cash flows.

The Companies are party to various material litigation and regulatory matters arising out of their business operations. The ultimate outcome of these matters cannot presently be determined, nor, in many cases, can the liability that could potentially result from a negative outcome in each case be reasonably estimated. The liability that the Companies may ultimately incur with respect to any of these cases in the event of a negative outcome may be in excess of amounts currently reserved and insured against with respect to such matters.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Electric Utility Generation Resources

	Unit	Location	Year Completed	Estimated 2017 MW Capacity	Primary Fuel
Base Load	Iatan No. 2	Missouri	2010	482 ^(a)	Coal
	Wolf Creek	Kansas	1985	549 ^(a)	Nuclear
	Iatan No. 1	Missouri	1980	490 ^(a)	Coal
	La Cygne Nos. 1 and 2	Kansas	1973, 1977	699 ^(a)	Coal
	Hawthorn No. 5 ^(b)	Missouri	1969	564	Coal
	Montrose Nos. 2 and 3	Missouri	1960, 1964	334	Coal
Peak Load	West Gardner Nos. 1, 2, 3 and 4	Kansas	2003	314	Natural Gas
	Osawatomie	Kansas	2003	76	Natural Gas
	Hawthorn Nos. 6 and 9	Missouri	2000	235	Natural Gas
	Hawthorn No. 8	Missouri	2000	79	Natural Gas
	Hawthorn No. 7	Missouri	2000	78	Natural Gas
	Northeast Black Start Unit	Missouri	1985	2	Oil
	Northeast Nos. 17 and 18	Missouri	1977	105	Oil
	Northeast Nos. 13 and 14	Missouri	1976	95	Oil
	Northeast Nos. 15 and 16	Missouri	1975	106	Oil
	Northeast Nos. 11 and 12	Missouri	1972	93	Oil
Wind	Spearville 2 Wind Energy Facility ^(c)	Kansas	2010	48	Wind
	Spearville 1 Wind Energy Facility ^(d)	Kansas	2006	101	Wind
Total KCP&L				4,450	
Base Load	Iatan No. 2	Missouri	2010	159 ^(a)	Coal
	Iatan No. 1	Missouri	1980	126 ^(a)	Coal
	Jeffrey Energy Center Nos. 1, 2 and 3	Kansas	1978, 1980, 1983	172 ^(a)	Coal
	Sibley Nos. 1, 2 and 3	Missouri	1960, 1962, 1969	448	Coal
Peak Load	Lake Road Nos. 2 and 4	Missouri	1957, 1967	115	Natural Gas
	South Harper Nos. 1, 2 and 3	Missouri	2005	303	Natural Gas
	Crossroads Energy Center	Mississippi	2002	292	Natural Gas
	Ralph Green No. 3	Missouri	1981	71	Natural Gas
	Greenwood Nos. 1, 2, 3 and 4	Missouri	1975-1979	242	Natural Gas/Oil
	Lake Road No. 5	Missouri	1974	62	Natural Gas/Oil
	Lake Road Nos. 1 and 3	Missouri	1951, 1962	24	Natural Gas/Oil
	Lake Road Nos. 6 and 7	Missouri	1989, 1990	42	Oil
	Nevada	Missouri	1974	18	Oil
Total GMO				2,074	
Total Great Plains Energy				6,524	

^(a) Share of a jointly owned unit.

^(b) In 2001, a new boiler, air quality control equipment and an uprated turbine was placed in service at the Hawthorn Generating Station.

^(c) Accredited capacity is 14 MW pursuant to SPP reliability standards.

^(d) Accredited capacity is 29 MW pursuant to SPP reliability standards.

KCP&L owns 50% of La Cygne Nos. 1 and 2, 70% of Iatan No. 1, 55% of Iatan No. 2 and 47% of Wolf Creek. GMO owns 18% of each of Iatan Nos. 1 and 2 and 8% of Jeffrey Energy Center Nos. 1, 2 and 3.

Electric Utility Transmission and Distribution Resources

Electric utility's electric transmission system interconnects with systems of other utilities for reliability and to permit wholesale transactions with other electricity suppliers. Electric utility has approximately 3,600 circuit miles of transmission lines, 15,600 circuit miles of overhead distribution lines and 7,100 circuit miles of underground distribution lines in Missouri and Kansas. Electric utility has all material franchise rights necessary to sell electricity within its retail service territory. Electric utility's transmission and distribution systems are continuously monitored for adequacy to meet customer needs. Management believes the current systems are adequate to serve customers.

Electric Utility General

Electric utility's generating plants are located on property owned (or co-owned) by KCP&L or GMO, except the Spearville Wind Energy Facilities which are located on easements, and the Crossroads Energy Center and the South Harper Facility which are contractually controlled. Electric utility's service centers, electric substations and a portion of its transmission and distribution systems are located on property owned or leased by electric utility. Electric utility's transmission and distribution systems are for the most part located above or underneath highways, streets, other public places or property owned by others. Electric utility believes that it has satisfactory rights to use those places or properties in the form of permits, grants, easements, licenses or franchise rights; however, it has not necessarily undertaken efforts to examine the underlying title to the land upon which the rights rest. Great Plains Energy's and KCP&L's headquarters are located in leased office space.

Substantially all of the fixed property and franchises of KCP&L, which consist principally of electric generating stations, electric transmission and distribution lines and systems, and buildings (subject to exceptions, reservations and releases), are subject to a General Mortgage Indenture and Deed of Trust dated as of December 1, 1986, as supplemented. Mortgage bonds totaling \$510.5 million were outstanding at December 31, 2016.

A portion of the fixed property and franchises of GMO are subject to a General Mortgage Indenture and Deed of Trust dated as of April 1, 1946, as supplemented. Mortgage bonds totaling \$5.7 million were outstanding at December 31, 2016.

ITEM 3. LEGAL PROCEEDINGS

Other Proceedings

The Companies are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. For information regarding material lawsuits and proceedings, see Notes 2, 6, 15 and 16 to the consolidated financial statements. Such information is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

GREAT PLAINS ENERGY

Great Plains Energy's common stock is listed on the New York Stock Exchange under the symbol "GXP". At February 21, 2017, Great Plains Energy's common stock was held by 14,886 shareholders of record. Information relating to market prices and cash dividends on Great Plains Energy's common stock is set forth in the following table.

Quarter	Common Stock Price Range ^(a)				Common Stock Dividends Declared		
	2016		2015		2017	2016	2015
	High	Low	High	Low			
First	\$ 32.26	\$ 26.34	\$ 30.06	\$ 25.80	\$ 0.275 ^(b)	\$ 0.2625	\$ 0.245
Second	32.68	28.35	27.52	24.16		0.2625	0.245
Third	31.22	26.53	27.35	24.21		0.2625	0.245
Fourth	28.60	26.20	28.02	25.74		0.275	0.2625

^(a) Based on closing stock prices.

^(b) Declared February 14, 2017, and payable March 20, 2017, to shareholders of record as of February 27, 2017.

Dividend Restrictions

For information regarding dividend restrictions, see Note 13 to the consolidated financial statements.

Purchases of Equity Securities

Great Plains Energy had no purchases of its equity securities during the three months ended December 31, 2016.

KCP&L

KCP&L is a wholly owned subsidiary of Great Plains Energy, which holds the one share of issued and outstanding KCP&L common stock.

Dividend Restrictions

For information regarding dividend restrictions, see Note 13 to the consolidated financial statements.

ITEM 6. SELECTED FINANCIAL DATA

Year Ended December 31	2016	2015	2014 ^(a)	2013 ^(a)	2012 ^(a)
Great Plains Energy					
	(dollars in millions except per share amounts)				
Operating revenues	\$ 2,676	\$ 2,502	\$ 2,568	\$ 2,446	\$ 2,310
Net income	\$ 290	\$ 213	\$ 243	\$ 250	\$ 200
Basic earnings per common share	\$ 1.61	\$ 1.37	\$ 1.57	\$ 1.62	\$ 1.36
Diluted earnings per common share	\$ 1.61	\$ 1.37	\$ 1.57	\$ 1.62	\$ 1.35
Total assets at year end ^(a)	\$ 13,570	\$ 10,739	\$ 10,453	\$ 9,770	\$ 9,626
Total redeemable preferred stock, mandatorily redeemable preferred securities and long- term debt (including current maturities) ^(a)	\$ 3,747	\$ 3,746	\$ 3,481	\$ 3,492	\$ 2,999
Cash dividends per common share	\$ 1.0625	\$ 0.9975	\$ 0.935	\$ 0.8825	\$ 0.855
SEC ratio of earnings to combined fixed charges and preferred dividend requirements	2.54	2.58	2.72	2.75	2.31
KCP&L					
Operating revenues	\$ 1,875	\$ 1,714	\$ 1,731	\$ 1,671	\$ 1,580
Net income	\$ 225	\$ 153	\$ 162	\$ 169	\$ 142
Total assets at year end ^(a)	\$ 8,058	\$ 7,815	\$ 7,495	\$ 6,821	\$ 6,689
Total redeemable preferred stock, mandatorily redeemable preferred securities and long- term debt (including current maturities) ^(a)	\$ 2,565	\$ 2,563	\$ 2,297	\$ 2,294	\$ 1,887
SEC ratio of earnings to fixed charges	3.30	2.57	2.69	2.76	2.58

^(a) Adjusted for adoption of Accounting Standards Update (ASU) No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GREAT PLAINS ENERGY INCORPORATED

EXECUTIVE SUMMARY

Description of Business

Great Plains Energy is a public utility holding company and does not own or operate any significant assets other than the stock of its subsidiaries and cash and cash equivalents and a time deposit to be used to fund a portion of the cash consideration for the anticipated acquisition of Westar.

Great Plains Energy's sole reportable business segment is electric utility. Electric utility consists of KCP&L, a regulated utility, GMO's regulated utility operations and GMO Receivables Company. Electric utility has approximately 6,500 MWs of owned generating capacity and engages in the generation, transmission, distribution and sale of electricity to approximately 855,700 customers in the states of Missouri and Kansas. Electric utility's retail electricity rates are comparable to the national average of investor-owned utilities.

Great Plains Energy's corporate and other activities not included in the sole reportable business segment includes GMO activity other than its regulated utility operations, GPETHC and unallocated corporate charges including certain costs to achieve the anticipated acquisition of Westar.

Anticipated Acquisition of Westar Energy, Inc.

On May 29, 2016, Great Plains Energy entered into a Merger Agreement by and among Great Plains Energy, Westar, and, from and after its accession to the Merger Agreement, Merger Sub. Pursuant to the Merger

Agreement, subject to the satisfaction or waiver of certain conditions, Merger Sub will merge with and into Westar, with Westar continuing as the surviving corporation. Upon closing, pursuant to the Merger Agreement, Great Plains Energy will acquire Westar for (i) \$51.00 in cash and (ii) a number, rounded to the nearest 1/10,000 of a share, of Great Plains Energy common stock equal to an exchange ratio that may vary between 0.2709 and 0.3148, based upon the volume-weighted average price per share of Great Plains Energy common stock during a 20 consecutive full trading day period ending on (and including) the third trading day immediately prior to the closing date of the merger, for each share of Westar common stock issued and outstanding immediately prior to the effective time of the merger, with Westar becoming a wholly owned subsidiary of Great Plains Energy.

Great Plains Energy's anticipated acquisition of Westar was unanimously approved by the Great Plains Energy Board and the Westar Board, has received the required approvals of each of Great Plains Energy's and Westar's shareholders and The Federal Communications Commission (FCC), and has received early termination of the waiting period under the HSR Act with respect to antitrust review. The anticipated acquisition remains subject to regulatory approvals from KCC, the MPSC, NRC and FERC; as well as other customary conditions.

On October 3, 2016, Great Plains Energy completed registered public offerings of 60.5 million shares of common stock for total net proceeds of \$1.55 billion and 17.3 million depositary shares each representing a 1/20th interest in a share of Great Plains Energy's Series B Preferred Stock for total net proceeds of \$836.2 million. The proceeds from these offerings will be used to fund a portion of the cash consideration for the anticipated acquisition.

See Note 2 to the consolidated financial statements for more information regarding the acquisition.

Earnings Overview

Great Plains Energy's 2016 earnings available for common shareholders increased to \$273.5 million or \$1.61 per share from \$211.4 million or \$1.37 per share in 2015 driven primarily by new retail rates and cost recovery mechanisms; warmer weather; a performance incentive for energy efficiency programs under the Missouri Energy Efficiency Investment Act (MEEIA) and a decrease in interest charges; partially offset by a decrease in weather-normalized retail demand; costs to achieve the anticipated acquisition of Westar; an increase in utility operating and maintenance expense; depreciation and amortization expense and general taxes; higher income tax expense; and increased preferred stock dividend requirements.

In addition, a higher number of average shares outstanding due to Great Plains Energy's registered public offering of 60.5 million shares of common stock in October 2016 diluted 2016 earnings per share by \$0.15.

For additional information regarding the change in earnings, refer to the Great Plains Energy Results of Operations and the Electric Utility Results of Operations sections within this Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A).

Adjusted Earnings (Non-GAAP) and Adjusted Earnings Per Share (Non-GAAP)

Great Plains Energy's adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) for 2016 were \$286.0 million and \$1.85, respectively. For 2015 and 2014, adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) were the same as GAAP earnings and GAAP earnings per share at \$211.4 million and \$1.37 and \$241.2 million and \$1.57, respectively. In addition to earnings available for common shareholders and diluted earnings per common share, Great Plains Energy's management uses adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) to evaluate earnings and earnings per share without the impact of the anticipated acquisition of Westar. Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) excludes certain costs, expenses, gains, losses and the per share dilutive effect of equity issuances resulting from the anticipated acquisition. This information is intended to enhance an investor's overall understanding of results. Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) are used internally to measure performance against budget and in reports for management and the Great Plains Energy Board. Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) are financial measures that are not calculated in accordance with GAAP and may not be comparable to other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

The following table provides a reconciliation between earnings available for common shareholders and diluted earnings per common share as determined in accordance with GAAP and adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP):

	2016	
	Earnings per diluted share	
Reconciliation of GAAP to Non-GAAP	(millions, except per share amounts)	
Earnings available for common shareholders	\$ 273.5	\$ 1.61
Costs to achieve the anticipated acquisition of Westar:		
Operating expense, pre-tax ^(a)	34.2	0.22
Financing, pre-tax ^(b)	35.9	0.24
Mark-to-market impacts of interest rate swaps, pre-tax ^(c)	(79.3)	(0.51)
Interest income, pre-tax ^(d)	(3.2)	(0.02)
Income tax expense ^(e)	9.5	0.06
Preferred stock ^(f)	15.4	0.10
Dilutive impact of October 2016 share issuance ^(g)	N/A	0.15
Adjusted earnings (non-GAAP)	\$ 286.0	\$ 1.85
Average Shares Outstanding		
Shares used in calculating diluted earnings per common share	169.8	
Adjustment for October 2016 share issuance ^(g)	(14.9)	
Shares used in calculating adjusted earnings per share (non-GAAP)	154.9	

^(a) Reflects legal, advisory and consulting fees and certain severance expenses and are included in Costs to achieve the anticipated acquisition of Westar on the consolidated statements of comprehensive income.

^(b) Reflects fees incurred to finance the anticipated acquisition of Westar, including fees for a bridge term loan facility, and are included in Interest charges on the consolidated statements of comprehensive income.

^(c) Reflects the mark-to-market gain on interest rate swaps entered into in connection with financing the anticipated acquisition of Westar and is included in Interest charges on the consolidated statements of comprehensive income.

^(d) Reflects interest income earned on the proceeds from Great Plains Energy's October 2016 equity offerings and is included in Non-operating income on the consolidated statements of comprehensive income.

^(e) Reflects an income tax effect calculated at a 38.9% statutory rate, with the exception of certain non-deductible legal and financing fees.

^(f) Reflects reductions to earnings available for common shareholders related to preferred stock dividend requirements for Great Plains Energy's Series B Preferred Stock issued in October 2016 and the redemption of cumulative preferred stock in August 2016, including the redemption premium, and are included in Preferred stock dividend requirements and redemption premium on the consolidated statements of comprehensive income.

^(g) Reflects the average share impact of Great Plains Energy's issuance of 60.5 million shares of common stock in October 2016.

Regulatory Proceedings

See Note 6 to the consolidated financial statements for information regarding regulatory proceedings.

Impact of Recently Issued Accounting Standards

See Note 1 to the consolidated financial statements for information regarding the impact of recently issued accounting standards.

Wolf Creek Refueling Outage

Wolf Creek's latest refueling outage began on September 10, 2016 and ended on November 21, 2016. Wolf Creek's next refueling outage is planned to begin in the first quarter of 2018.

ENVIRONMENTAL MATTERS

See Note 15 to the consolidated financial statements for information regarding environmental matters.

RELATED PARTY TRANSACTIONS

See Note 18 to the consolidated financial statements for information regarding related party transactions.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Management considers an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate or different estimates that could have been used could have a material impact on Great Plains Energy's results of operations and financial position. Management has identified the following accounting policies as critical to the understanding of Great Plains Energy's results of operations and financial position. Management has discussed the development and selection of these critical accounting policies with the Audit Committee of the Great Plains Energy Board of Directors.

Pensions

Great Plains Energy incurs significant costs in providing non-contributory defined pension benefits. The costs are measured using actuarial valuations that are dependent upon numerous factors derived from actual plan experience and assumptions of future plan experience.

Pension costs are impacted by actual employee demographics (including age, life expectancies, compensation levels and employment periods), earnings on plan assets, the level of contributions made to the plan, and plan amendments. In addition, pension costs are also affected by changes in key actuarial assumptions, including anticipated rates of return on plan assets and the discount rates used in determining the projected benefit obligation and pension costs.

The assumed rate of return on plan assets was developed based on the weighted-average of long-term returns forecast for the expected portfolio mix of investments held by the plan. The assumed discount rate was selected based on the prevailing market rate of fixed income debt instruments with maturities matching the expected timing of the benefit obligation. These assumptions, updated annually at the measurement date, are based on management's best estimates and judgment; however, material changes may occur if these assumptions differ from actual events. See Note 9 to the consolidated financial statements for information regarding the assumptions used to determine benefit obligations and net costs.

The following table reflects the sensitivities associated with a 0.5% increase or a 0.5% decrease in key actuarial assumptions. Each sensitivity reflects the impact of the change based on a change in that assumption only.

Actuarial assumption	Change in Assumption	Impact on Projected Benefit Obligation	Impact on 2016 Pension Expense
		(millions)	
Discount rate	0.5% increase	\$ (86.1)	\$ (5.9)
Rate of return on plan assets	0.5% increase	—	(3.4)
Discount rate	0.5% decrease	96.9	6.1
Rate of return on plan assets	0.5% decrease	—	3.4

Pension expense for KCP&L and GMO is recorded in accordance with rate orders from the MPSC and KCC. The orders allow the difference between pension costs under GAAP and pension costs for ratemaking to be recorded as a regulatory asset or liability with future ratemaking recovery or refunds, as appropriate.

In 2016, Great Plains Energy's pension expense was \$98.2 million under GAAP and \$93.3 million for ratemaking. The impact on 2016 pension expense in the table above reflects the impact on GAAP pension costs. Under the

Companies' rate agreements, any increase or decrease in GAAP pension expense would be deferred in a regulatory asset or liability for future ratemaking treatment. See Note 9 to the consolidated financial statements for additional information regarding the accounting for pensions.

Market conditions and interest rates significantly affect the future assets and liabilities of the plan. It is difficult to predict future pension costs, changes in pension liability and cash funding requirements due to the inherent uncertainty of market conditions.

Regulatory Assets and Liabilities

The Company has recorded assets and liabilities on its consolidated balance sheets resulting from the effects of the ratemaking process, which would not otherwise be recorded under GAAP. Regulatory assets represent incurred costs that are probable of recovery from future revenues. Regulatory liabilities represent future reductions in revenues or refunds to customers.

Management regularly assesses whether regulatory assets and liabilities are probable of future recovery or refund by considering factors such as decisions by the MPSC, KCC or FERC in electric utility's rate case filings; decisions in other regulatory proceedings, including decisions related to other companies that establish precedent on matters applicable to electric utility; and changes in laws and regulations. If recovery or refund of regulatory assets or liabilities is not approved by regulators or is no longer deemed probable, these regulatory assets or liabilities are recognized in the current period results of operations. Electric utility's continued ability to meet the criteria for recording regulatory assets and liabilities may be affected in the future by restructuring and deregulation in the electric industry or changes in accounting rules. In the event that the criteria no longer applied to all or a portion of electric utility's operations, the related regulatory assets and liabilities would be written off unless an appropriate regulatory recovery mechanism were provided. Additionally, these factors could result in an impairment on utility plant assets. See Note 6 to the consolidated financial statements for additional information.

Impairments of Assets, Intangible Assets and Goodwill

Long-lived assets and intangible assets subject to amortization are required to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as prescribed under GAAP.

Accounting rules require goodwill to be tested for impairment annually and when an event occurs indicating the possibility that an impairment exists. The goodwill impairment test is a two step process. See Note 1 to the consolidated financial statements for additional information regarding the Company's plans to adopt Accounting Standards Update (ASU) No. 2017-04 for its 2017 goodwill impairment test. The first step compares the fair value of a reporting unit to its carrying amount, including goodwill, to identify potential impairment. If the carrying amount exceeds the fair value of the reporting unit, the second step of the test is performed, consisting of assignment of the reporting unit's fair value to its assets and liabilities to determine an implied fair value of goodwill, which is compared to the carrying amount of goodwill to determine the impairment loss, if any, to be recognized in the financial statements. Great Plains Energy's regulated electric utility operations are considered one reporting unit for assessment of impairment, as they are included within the same operating segment and have similar economic characteristics.

The annual impairment test for the \$169.0 million of GMO acquisition goodwill was conducted on September 1, 2016. Fair value of the reporting unit substantially exceeded the carrying amount, including goodwill; therefore, there was no impairment of goodwill.

The determination of fair value of the reporting unit consisted of two valuation techniques: an income approach consisting of a discounted cash flow analysis and a market approach consisting of a determination of reporting unit invested capital using market multiples derived from the historical revenue, earnings before interest, income taxes, depreciation and amortization (EBITDA), net utility asset values and market prices of stock of peer companies. The results of the two techniques were evaluated and weighted to determine a point within the range that management considered representative of fair value for the reporting unit, which involves a significant amount of management judgment.

The discounted cash flow analysis is most significantly impacted by two assumptions: estimated future cash flows and the discount rate applied to those cash flows. Management determined the appropriate discount rate to be based on the reporting unit's weighted average cost of capital (WACC). The WACC takes into account both the return on equity authorized by the MPSC and KCC and after-tax cost of debt. Estimated future cash flows are based on Great Plains Energy's internal business plan, which assumes the occurrence of certain events in the future, such as the outcome of future rate filings, future approved rates of return on equity, anticipated earnings/returns related to future capital investments, continued recovery of cost of service and the renewal of certain contracts. Management also makes assumptions regarding the run rate of operations, maintenance and general and administrative costs based on the expected outcome of the aforementioned events. Should the actual outcome of some or all of these assumptions differ significantly from the current assumptions, revisions to current cash flow assumptions could cause the fair value of Great Plains Energy's reporting unit under the income approach to be significantly different in future periods and could result in a future impairment charge to goodwill.

The market approach analysis is most significantly impacted by management's selection of relevant peer companies as well as the determination of an appropriate control premium to be added to the calculated invested capital of the reporting unit, as control premiums associated with a controlling interest are not reflected in the quoted market price of a single share of stock. Management determined an appropriate control premium by using an average of control premiums for recent acquisitions in the industry. Changes in results of peer companies, selection of different peer companies and future acquisitions with significantly different control premiums could result in a significantly different fair value of Great Plains Energy's reporting unit.

Income Taxes

Income taxes are accounted for using the asset/liability approach. Deferred tax assets and liabilities are determined based on the temporary differences between the financial reporting and tax bases of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. Deferred investment tax credits are amortized ratably over the life of the related property. Deferred tax assets are also recorded for net operating losses, capital losses and tax credit carryforwards. The Company is required to estimate the amount of taxes payable or refundable for the current year and the deferred tax liabilities and assets for future tax consequences of events reflected in the Company's consolidated financial statements or tax returns. Actual results could differ from these estimates for a variety of reasons including changes in income tax laws, enacted tax rates and results of audits by taxing authorities. This process also requires management to make assessments regarding the timing and probability of the ultimate tax impact from which actual results may differ. The Company records valuation allowances on deferred tax assets if it is determined that it is more likely than not that the asset will not be realized. See Note 22 to the consolidated financial statements for additional information.

GREAT PLAINS ENERGY RESULTS OF OPERATIONS

The following table summarizes Great Plains Energy's comparative results of operations.

	2016	2015	2014
	(millions)		
Operating revenues	\$ 2,676.0	\$ 2,502.2	\$ 2,568.2
Fuel and purchased power	(590.1)	(608.7)	(742.5)
Transmission	(84.8)	(89.1)	(74.7)
Other operating expenses	(1,003.2)	(943.9)	(910.5)
Costs to achieve the anticipated acquisition of Westar	(34.2)	—	—
Depreciation and amortization	(344.8)	(330.4)	(306.0)
Operating income	618.9	530.1	534.5
Non-operating income and expenses	2.8	3.7	12.5
Interest charges	(161.5)	(199.3)	(188.5)
Income tax expense	(172.2)	(122.7)	(115.7)
Income from equity investments	2.0	1.2	—
Net income	290.0	213.0	242.8
Preferred dividends and redemption premium	(16.5)	(1.6)	(1.6)
Earnings available for common shareholders	\$ 273.5	\$ 211.4	\$ 241.2
Reconciliation of gross margin to operating revenue:			
Operating revenues	\$ 2,676.0	\$ 2,502.2	\$ 2,568.2
Fuel and purchased power	(590.1)	(608.7)	(742.5)
Transmission	(84.8)	(89.1)	(74.7)
Gross margin ^(a)	\$ 2,001.1	\$ 1,804.4	\$ 1,751.0

^(a) Gross margin is a non-GAAP financial measure. See explanation of gross margin below.

2016 Compared to 2015

Electric Utility Segment

Electric utility's net income increased \$68.3 million in 2016 compared to 2015 primarily due to:

- a \$196.7 million increase in gross margin driven by new retail rates and cost recovery mechanisms, warmer weather and an increase in the recovery of program costs and throughput disincentive as well as a performance incentive for energy efficiency programs under MEEIA, partially offset by a decrease in weather-normalized retail demand;
- a \$50.0 million increase in other operating expenses driven by an increase in pension expense, an increase in program costs for energy efficiency programs under MEEIA, an increase in plant operating and maintenance expenses, an increase in injuries and damages expense and an increase in general taxes driven by higher property taxes and higher gross receipts taxes due to an increase in retail revenues;
- \$15.9 million of operating expenses for costs to achieve the anticipated acquisition of Westar;
- a \$14.4 million increase in depreciation and amortization expense driven by capital additions;
- a \$5.2 million increase in interest charges primarily due to an increase in interest expense in 2016 related to KCP&L's issuance of \$350 million of 3.65% Senior Notes in August 2015; partially offset by a decrease in interest expense due to KCP&L's purchase in lieu of redemption of its \$50.0 million and \$21.9 million Environmental Improvement Revenue Refunding (EIRR) Series 2005 bonds in September 2015; and
- a \$43.5 million increase in income tax expense driven by an increase in pre-tax income.

Corporate and Other Activities

Great Plains Energy's corporate and other activities loss increased \$6.2 million in 2016 compared to 2015 primarily due to:

- \$7.5 million of other operating expenses for the settlement of litigation at MPS Merchant in 2016;
- \$18.3 million of operating expenses for costs to achieve the anticipated acquisition of Westar;
- \$35.9 million of interest charges for fees incurred for a bridge term loan facility entered into in connection with the anticipated acquisition of Westar;
- a \$79.3 million mark-to-market gain on interest rate swaps entered into in June 2016 to hedge against interest rate fluctuations on future issuances of long-term debt expected to be issued to finance a portion of the cash consideration for the anticipated acquisition of Westar;
- \$3.2 million of interest income earned on the proceeds from Great Plains Energy's October 2016 common stock and depositary share offerings;
- \$12.7 million of income tax expense related to these items; and
- \$15.4 million of reductions to earnings available for common shareholders consisting of \$14.8 million of dividends on Great Plains Energy's Series B Preferred Stock issued in October 2016 and \$0.6 million related to the redemption of Great Plains Energy's cumulative preferred stock in August 2016.

2015 Compared to 2014

Electric Utility Segment

Electric utility's net income decreased \$19.7 million in 2015 compared to 2014 primarily due to:

- a \$53.4 million increase in gross margin driven by new retail rates, an increase in recovery of program costs for energy efficiency programs under MEEIA, an increase in recovery of renewable energy costs under the Renewable Energy Standard Rate Adjustment Mechanism (RESRAM), an increase in weather-normalized retail demand and an increase in other margin items, partially offset by lower wholesale margins, higher transmission expense and weather;
- a \$33.8 million increase in other operating expenses primarily driven by an increase in program costs for energy efficiency programs under MEEIA, an increase in amortization of deferred renewable energy costs under RESRAM and an increase in general taxes driven by higher property taxes, partially offset by a decrease in Wolf Creek operating and maintenance expenses;
- a \$24.4 million increase in depreciation and amortization expense due to capital additions;
- an \$11.8 million decrease in non-operating income and expenses driven by a \$13.2 million decrease in the equity component of Allowance for Funds Used During Construction (AFUDC) primarily due to a lower average construction work in progress in 2015 due to environmental upgrades at KCP&L's La Cygne Station being placed into service;
- a \$7.9 million increase in interest charges primarily due to a \$7.2 million decrease in the debt component of AFUDC; and
- a \$4.8 million decrease in income tax expense primarily driven by decreased pre-tax income.

Corporate and Other Activities

Great Plains Energy's corporate and other activities loss increased \$10.1 million in 2015 compared to 2014 primarily due to the release of uncertain tax positions related to former GMO non-regulated operations in the third quarter of 2014 which resulted in:

- \$2.1 million lower after-tax interest expense in 2014; and
- \$6.1 million of income tax benefits in 2014.

Gross Margin

Gross margin is a financial measure that is not calculated in accordance with GAAP. Gross margin, as used by Great Plains Energy and KCP&L, is defined as operating revenues less fuel and purchased power and transmission. Expenses for fuel and purchased power and certain transmission costs, offset by wholesale sales margin, are subject to recovery through cost adjustment mechanisms, except for KCP&L's Missouri retail operations prior to September 29, 2015, when a cost adjustment mechanism was approved. As a result, operating revenues increase or decrease in relation to a significant portion of these expenses. Management believes that gross margin provides a meaningful basis for evaluating electric utility's operations across periods because gross margin excludes the revenue effect of fluctuations in these expenses. Gross margin is used internally to measure performance against budget and in reports for management and the Great Plains Energy Board. The Companies' definition of gross margin may differ from similar terms used by other companies.

ELECTRIC UTILITY RESULTS OF OPERATIONS

The following table summarizes the electric utility segment results of operations.

	2016	2015	2014
	(millions)		
Operating revenues	\$ 2,676.0	\$ 2,502.2	\$ 2,568.2
Fuel and purchased power	(590.1)	(608.7)	(742.5)
Transmission	(84.8)	(89.1)	(74.7)
Other operating expenses	(990.2)	(940.2)	(906.4)
Costs to achieve the anticipated acquisition of Westar	(15.9)	—	—
Depreciation and amortization	(344.8)	(330.4)	(306.0)
Operating income	650.2	533.8	538.6
Non-operating income and expenses	2.3	1.7	13.5
Interest charges	(196.1)	(190.9)	(183.0)
Income tax expense	(164.3)	(120.8)	(125.6)
Net income	\$ 292.1	\$ 223.8	\$ 243.5
Reconciliation of gross margin to operating revenue:			
Operating revenues	\$ 2,676.0	\$ 2,502.2	\$ 2,568.2
Fuel and purchased power	(590.1)	(608.7)	(742.5)
Transmission	(84.8)	(89.1)	(74.7)
Gross margin ^(a)	\$ 2,001.1	\$ 1,804.4	\$ 1,751.0

^(a) Gross margin is a non-GAAP financial measure. See explanation of gross margin under Great Plains Energy's Results of Operations.

Electric Utility Gross Margin and MWh Sales

The following tables summarize electric utility's gross margin and MWhs sold.

Gross Margin ^(a)	2016	% Change ^(c)	2015	% Change ^(c)	2014
Retail revenues			(millions)		
Residential	\$ 1,092.5	9	\$ 1,006.2	(2)	\$ 1,025.5
Commercial	1,066.0	6	1,001.0	1	995.2
Industrial	229.6	3	222.3	(1)	225.3
Other retail revenues	20.9	3	20.4	—	20.3
Provision for rate refund	(9.6)	N/M	—	—	—
Energy efficiency (MEEIA) ^(b)	80.0	55	51.5	81	28.5
Total retail	2,479.4	8	2,301.4	—	2,294.8
Wholesale revenues	142.0	(3)	147.1	(34)	222.6
Other revenues	54.6	2	53.7	6	50.8
Operating revenues	2,676.0	7	2,502.2	(3)	2,568.2
Fuel and purchased power	(590.1)	(3)	(608.7)	(18)	(742.5)
Transmission	(84.8)	(5)	(89.1)	19	(74.7)
Gross margin	\$ 2,001.1	11	\$ 1,804.4	3	\$ 1,751.0

^(a) Gross margin is a non-GAAP financial measure. See explanation of gross margin under Great Plains Energy's Results of Operations.

^(b) Consists of recovery of program costs of \$49.3 million, \$42.9 million and \$20.7 million for 2016, 2015 and 2014, respectively, that have a direct offset in utility operating and maintenance expenses, recovery of throughput disincentive of \$15.1 million, \$8.6 million and \$7.8 million for 2016, 2015 and 2014, respectively, and a performance incentive of \$15.6 million for 2016.

^(c) N/M - not meaningful

MWh Sales	2016	% Change	2015	% Change	2014
Retail MWh sales			(thousands)		
Residential	8,774	2	8,585	(4)	8,971
Commercial	10,796	—	10,777	(1)	10,827
Industrial	3,149	(1)	3,191	—	3,200
Other retail MWh sales	115	(1)	116	(1)	117
Total retail	22,834	1	22,669	(2)	23,115
Wholesale MWh sales	7,063	9	6,512	(14)	7,587
Total MWh sales	29,897	3	29,181	(5)	30,702

Electric utility's residential customers' usage is significantly affected by weather. Bulk power sales, the major component of wholesale sales, vary with system requirements, generating unit availability, transmission availability, fuel costs, and requirements of other electric systems. Electric utility's revenues contain certain recovery mechanisms as follows:

- KCP&L's Kansas retail rates contain an Energy Cost Adjustment (ECA) tariff. The ECA tariff reflects the projected annual amounts of fuel, purchased power, emission allowances and asset-based off-system sales margin. These projected amounts are subject to quarterly re-forecasts. Any difference between the ECA revenue collected and the actual ECA amounts for a given year (which may be positive or negative) is recorded either as a reduction of fuel and purchased power expense (for under-recoveries) or a reduction of retail revenues (for over-recoveries) and deferred as a regulatory asset or liability to be recovered from or refunded to Kansas retail customers over twelve months beginning April 1 of the succeeding year.
- KCP&L's Kansas retail rates contain a Transmission Delivery Charge (TDC) rider. The TDC tariff reflects a mixture of historical and projected costs related to transmission service, certain RTO fees, transmission rate base, and transmission operating and maintenance expense. These costs are subject to an annual true-up with a twelve month recovery period. The TDC true-up is recorded either as a reduction of transmission expense (for under-recoveries) or a reduction of retail revenues (for over-recoveries) and deferred as a

regulatory asset or liability to be recovered from or refunded to KCP&L's Kansas electric retail customers. The TDC became effective in conjunction with new retail rates on October 1, 2015.

- KCP&L's Missouri retail rates contain a Fuel Adjustment Clause (FAC) tariff under which 95% of the difference between actual fuel cost, purchased power costs, certain transmission costs and off-system sales margin and the amount provided in base rates for these costs is passed along to KCP&L's customers. The FAC cycle consists of an accumulation period of six months beginning in January and July with FAC rate approval requested every six months for a twelve month recovery period. The FAC is recorded either as a reduction of fuel and purchased power expense (for under-recoveries) or a reduction of retail revenues (for over-recoveries) and deferred as a regulatory asset or liability to be recovered from or refunded to KCP&L's electric retail customers. The FAC became effective in conjunction with new retail rates on September 29, 2015.
- GMO's electric retail rates contain a FAC tariff under which 95% of the difference between actual fuel cost, purchased power costs, certain transmission costs and off-system sales margin and the amount provided in base rates for these costs is passed along to GMO's customers. The FAC cycle consists of an accumulation period of six months beginning in June and December with FAC rate approval requested every six months for a twelve month recovery period. The FAC is recorded either as a reduction of fuel and purchased power expense (for under-recoveries) or a reduction of retail revenues (for over-recoveries) and deferred as a regulatory asset or liability to be recovered from or refunded to GMO's electric retail customers.
- GMO's steam rates contain a Quarterly Cost Adjustment (QCA) under which 85% of the difference between actual fuel costs and base fuel costs is passed along to GMO's steam customers. The QCA is recorded either as a reduction of fuel and purchased power expense (for under-recoveries) or a reduction of retail revenues (for over-recoveries) and deferred as a regulatory asset or liability to be recovered from or refunded to GMO's steam customers.

Both KCP&L and GMO offer energy efficiency and demand side management programs to their Missouri retail customers under MEEIA and recover program costs, throughput disincentive and as applicable, certain performance incentives in retail rates. KCP&L and GMO recover these items through a rider mechanism. For program costs, the difference between the amount collected and actual program costs is recorded either as a reduction to utility operating and maintenance expense (for under-recoveries) or a reduction to retail revenues (for over-recoveries) and is deferred as a regulatory asset or liability to be recovered from or refunded to customers. For throughput disincentive, the difference between the amount collected and the actual throughput disincentive is recorded as an increase to or reduction of retail revenues and is deferred as a regulatory asset or liability to be recovered from or refunded to customers. The performance incentive is recorded as an increase to retail revenues and a receivable to be recovered from customers.

Electric utility's gross margin increased \$196.7 million in 2016 compared to 2015 primarily driven by:

- an estimated \$111 million increase due to new retail rates and an estimated \$37 million increase due to new cost recovery mechanisms for KCP&L in Missouri effective September 29, 2015, and in Kansas effective October 1, 2015;
- an estimated \$38 million increase due to warmer weather with a 16% increase in cooling degree days in 2016;
- a \$6.4 million increase for recovery of program costs for energy efficiency programs under MEEIA, which have a direct offset in utility operating and maintenance expense;
- a \$6.5 million increase in MEEIA throughput disincentive;
- a \$15.6 million MEEIA performance incentive recognized in 2016 related to the achievement of certain energy savings levels in the first cycle of KCP&L's and GMO's MEEIA programs; and
- an estimated \$9 million decrease due to a decrease in weather-normalized retail demand.

Electric utility's gross margin increased \$53.4 million in 2015 compared to 2014 primarily driven by:

- an estimated \$36 million increase due to new retail rates for KCP&L in Missouri effective September 29, 2015, and in Kansas effective July 25, 2014 and October 1, 2015;
- a \$22.2 million increase for recovery of program costs for energy efficiency programs under MEEIA, which have a direct offset in utility operating and maintenance expense, primarily due to the implementation of KCP&L's MEEIA programs in August 2014;
- a \$7.2 million increase for recovery of renewable energy costs under RESRAM, which have a direct offset in utility operating and maintenance expense;
- an estimated \$6 million increase from weather-normalized retail demand;
- an estimated \$20 million increase in other margin items including a change in customer mix, lower fuel and purchased power expenses that are not included in fuel recovery mechanisms and an increase in transmission costs recovered through the transmission delivery charge rider that began in the fourth quarter of 2015;
- an estimated \$19 million decrease due to lower wholesale margins partially offset by an estimated \$14 million due to lower fuel and purchased power expense at KCP&L in Missouri, where there was no fuel recovery mechanism prior to September 29, 2015;
- an estimated \$9 million decrease due to higher transmission expense; and
- an estimated \$24 million decrease due to weather driven by a 19% decrease in heating degree days in 2015 and a 15% decrease in cooling degree days in the second quarter of 2015 partially offset by an 18% increase in cooling degree days in the third quarter of 2015.

The following table provides cooling degree days (CDD) and heating degree days (HDD) for the last three years at the Kansas City International Airport. CDD and HDD are used to reflect the demand for energy to cool or heat homes and buildings.

	2016	% Change	2015	% Change	2014
CDD	1,585	16	1,370	8	1,266
HDD	4,296	(6)	4,578	(19)	5,666

Electric Utility Other Operating Expenses (including utility operating and maintenance expenses, general taxes and other)

Electric utility's other operating expenses increased \$50.0 million in 2016 compared to 2015 primarily driven by:

- a \$4.8 million increase in pension expense corresponding to the resetting of pension expense trackers with the effective date of new retail rates;
- a \$6.4 million increase in program costs for energy efficiency programs under MEEIA, which have a direct offset in revenue;
- a \$4.9 million increase in plant operating and maintenance expense;
- a \$7.9 million increase in injuries and damages expense primarily due to an increase in estimated losses from an unfavorable judgment in ongoing litigation; and
- a \$13.7 million increase in general taxes driven by higher property taxes and higher gross receipts taxes due to an increase in retail revenues.

Electric utility's other operating expenses increased \$33.8 million in 2015 compared to 2014 primarily driven by:

- a \$22.2 million increase in program costs for energy efficiency programs under MEEIA, which have a direct offset in revenue, primarily due to the implementation of KCP&L's MEEIA programs in August 2014;
- a \$7.2 million increase in amortization of deferred renewable energy costs under RESRAM, which have a direct offset in revenue;
- an \$8.7 million increase in general taxes driven by higher property taxes; and
- a \$10.0 million decrease in Wolf Creek operating and maintenance expenses primarily due to decreased refueling outage amortization of \$3.6 million and \$8.7 million from a planned mid-cycle maintenance outage in 2014.

Electric Utility Costs to Achieve the Anticipated Acquisition of Westar

Electric utility's costs to achieve the anticipated acquisition of Westar of \$15.9 million in 2016 reflects consulting fees, certain severance expenses and other transition costs related to the anticipated acquisition of Westar.

Electric Utility Depreciation and Amortization

Electric utility's depreciation and amortization expense increased \$14.4 million and \$24.4 million in 2016 compared to 2015 and 2015 compared to 2014, respectively, due to capital additions.

Electric Utility Non-Operating Income and Expenses

Electric utility's non-operating income and expenses decreased \$11.8 million in 2015 compared to 2014 primarily due to a \$13.2 million decrease in the equity component of AFUDC primarily due to a lower average construction work in progress in 2015 due to environmental upgrades at KCP&L's La Cygne Station being placed into service.

Electric Utility Interest Charges

Electric utility's interest charges increased \$5.2 million in 2016 compared to 2015 primarily due to a \$7.9 million increase in interest expense related to KCP&L's issuance of \$350 million of 3.65% Senior Notes in August 2015; partially offset by a \$2.2 million decrease in interest expense due to KCP&L's purchase in lieu of redemption of its \$50.0 million and \$21.9 million EIRR Series 2005 bonds in September 2015.

Electric utility's interest charges increased \$7.9 million in 2015 compared to 2014 primarily due to a \$7.2 million decrease in in the equity component of AFUDC primarily due to a lower average construction work in progress in 2015 due to environmental upgrades at KCP&L's La Cygne Station being placed into service.

Electric Utility Income Tax Expense

Electric utility's income tax expense increased \$43.5 million in 2016 compared to 2015 due to increased pre-tax income. Electric utility's income tax expense decreased \$4.8 million in 2015 compared to 2014 primarily due to decreased pre-tax income.

GREAT PLAINS ENERGY SIGNIFICANT BALANCE SHEET CHANGES **(December 31, 2016 compared to December 31, 2015)**

- Great Plains Energy's cash and cash equivalents increased \$1,281.8 million due to a portion of the proceeds from Great Plains Energy's October 2016 common stock and depositary share offerings.
- Great Plains Energy's time deposit increased \$1,000.0 million due to an investment made with a portion of the proceeds from Great Plains Energy's October 2016 common stock and depositary share offerings.
- Great Plains Energy's derivative instruments - current assets increased \$80.7 million due to a \$79.3 million mark-to-market gain on interest rate swaps entered into in June 2016 to hedge against interest rate fluctuations on future issuances of long-term debt expected to be issued to finance a portion of the cash consideration for the anticipated acquisition of Westar.

- Great Plains Energy's commercial paper increased \$110.8 million due to an increase in commercial paper of \$158.2 million at GMO due to borrowings for capital expenditures and general corporate purposes partially offset by the repayment of \$47.4 million of commercial paper at KCP&L with funds from operations.
- Great Plains Energy's current maturities of long-term debt increased \$381.0 million and long-term debt decreased \$379.9 million due to the reclassification of KCP&L's \$250.0 million of 5.85% Senior Notes and \$31.0 million of 1.25% EIRR Series 1992 bonds and Great Plains Energy's \$100.0 million of 6.875% Senior Notes from long-term to current.
- Great Plains Energy's deferred income taxes increased \$170.9 million primarily due to an increase in temporary differences and changes in the projected utilization of net operating loss carryforwards, primarily driven by bonus depreciation.
- Great Plains Energy's asset retirement obligations increased \$40.1 million primarily due to an increase in cost estimates for the closure of ponds and landfills containing coal combustion residuals (CCRs) at KCP&L electric generating facilities.
- Great Plains Energy's common stock increased \$1,570.3 million primarily due to \$1.55 billion in net proceeds from Great Plains Energy's public offering of 60.5 million shares of common stock in October 2016.
- Great Plains Energy's cumulative preferred stock \$100 par value decreased \$39.0 million due to the redemption of its 390,000 shares of outstanding cumulative preferred stock in August 2016.
- Great Plains Energy's preference stock without par value increased \$836.2 million due to the issuance of Series B Preferred Stock in conjunction with Great Plains Energy's October 2016 depositary share offering. See Note 14 to the consolidated financial statements for additional information.

CAPITAL REQUIREMENTS AND LIQUIDITY

Great Plains Energy operates through its subsidiaries and has no material assets other than the stock of its subsidiaries and cash and cash equivalents and a time deposit to be used to fund a portion of the cash consideration for the anticipated acquisition of Westar. Great Plains Energy's ability to make payments on its debt securities and its ability to pay dividends is dependent on its receipt of dividends or other distributions from its subsidiaries, proceeds from the issuance of its securities and borrowing under its revolving credit facility.

Great Plains Energy's capital requirements are principally comprised of debt maturities and electric utility's construction and other capital expenditures. These items as well as additional cash and capital requirements, including the anticipated acquisition of Westar, are discussed below.

Great Plains Energy's liquid resources at December 31, 2016, consisted of \$1.3 billion of cash and cash equivalents on hand, a \$1.0 billion time deposit that matures in the first quarter of 2017 and \$912.1 million of available borrowing capacity from unused bank lines of credit and receivable sale agreements. The available borrowing capacity consisted of \$199.0 million from Great Plains Energy's revolving credit facility, \$464.3 million from KCP&L's credit facilities and \$248.8 million from GMO's credit facilities. See Notes 4 and 11 to the consolidated financial statements for more information regarding the receivable sale agreements and revolving credit facilities, respectively. Generally, Great Plains Energy uses these liquid resources to meet its day-to-day cash flow requirements, and from time to time issues equity and/or long-term debt to repay short-term debt or increase cash balances. However, the \$1.3 billion of cash and cash equivalents on hand and the \$1.0 billion time deposit at December 31, 2016, are primarily the result of Great Plains Energy's equity issuances in October 2016, the proceeds of which are to be used to fund a portion of the cash consideration for the anticipated acquisition of Westar.

Great Plains Energy intends to meet day-to-day cash flow requirements including interest payments, retirement of maturing debt, construction requirements, dividends and pension benefit plan funding requirements with a combination of internally generated funds and proceeds from short-term debt. From time to time, Great Plains Energy issues equity and/or long-term debt to repay short-term debt or increase cash balances. Great Plains

Energy's intention to meet a portion of these requirements with internally generated funds may be impacted by the effect of inflation on operating expenses, the level of MWh sales, regulatory actions, compliance with environmental regulations and the availability of generating units. In addition, Great Plains Energy may issue equity, equity-linked securities and/or debt to finance growth.

For a description of Great Plains Energy's financing activities and the remaining portion of its proposed financing plan with respect to the anticipated acquisition of Westar, see Note 2 to the consolidated financial statements.

Great Plains Energy also has a 364-day \$5.1 billion senior unsecured bridge term loan facility to support the anticipated acquisition of Westar and provide flexibility for timing of long-term financing. See Note 11 to the consolidated financial statements for additional information.

Cash Flows from Operating Activities

Great Plains Energy generated positive cash flows from operating activities for the periods presented. The \$30.9 million increase in cash flows from operating activities for Great Plains Energy in 2016 compared to 2015 was primarily driven by new retail rates for KCP&L and warmer weather. Other changes in working capital are detailed in Note 3 to the consolidated financial statements. The individual components of working capital vary with normal business cycles and operations.

The \$54.9 million increase in cash flows from operating activities for Great Plains Energy in 2015 compared to 2014 was primarily due to a \$34.2 million increase driven by a decrease in solar rebates paid to customers and an increase in the recovery of costs subject to fuel recovery mechanisms of \$76.0 million, partially offset by a decrease in net income of \$29.8 million and a decrease driven by deferred refueling outage costs of \$23.7 million.

Cash Flows from Investing Activities

Great Plains Energy's cash used for investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility property. Investing activities are offset by proceeds from the sale of properties and insurance recoveries.

In 2016, Great Plains Energy purchased a time deposit of \$1.0 billion with a portion of the proceeds from Great Plains Energy's October 2016 common stock and depositary share offerings.

Great Plains Energy's utility capital expenditures decreased \$67.7 million in 2016 compared to 2015 primarily due to a decrease in cash utility capital expenditures related to infrastructure and system improvements.

Great Plains Energy's utility capital expenditures decreased \$96.6 million in 2015 compared to 2014 primarily due to a decrease in cash utility capital expenditures related to environmental upgrades at KCP&L's La Cygne Station.

In January 2014, KCP&L and GMO completed the sale of two SPP-approved regional transmission projects, at cost, to Transource Missouri, LLC for cash proceeds of \$37.7 million.

Cash Flows from Financing Activities

Great Plains Energy's cash flows from financing activities in 2016 reflect gross proceeds of \$1.6 billion from the issuance of 60.5 million shares of common stock at a public offering price of \$26.45 per share and gross proceeds of \$862.5 million from the issuance of 17.3 million depositary shares each representing a 1/20th interest in a share of Great Plains Energy's Series B Preferred Stock at \$50 per depositary share. Great Plains Energy paid \$40.1 million for the redemption of its 390,000 shares of cumulative preferred stock and \$143.6 million in issuance fees related to common stock and depositary share issuances, establishing Great Plains Energy's bridge term loan facility and a payment to OMERS pursuant to a stock purchase agreement.

Great Plains Energy's cash flows from financing activities in 2015 reflect KCP&L's issuance, at a discount, of \$350.0 million of 3.65% Senior Notes that mature in 2025, with the proceeds used to purchase in lieu of redemption \$71.9 million of EIRR bonds and repay short-term borrowings.

Great Plains Energy's cash flows from financing activities in 2014 reflect increased short-term borrowings at KCP&L primarily driven by capital expenditures and pension funding contributions.

Impact of Credit Ratings on Liquidity

The ratings of Great Plains Energy's, KCP&L's and GMO's securities by the credit rating agencies impact their liquidity, including the cost of borrowings under their revolving credit agreements and in the capital markets. After the announcement of the anticipated acquisition of Westar, Moody's Investors Service placed its long-term ratings of Great Plains Energy on review for downgrade and Standard & Poors' Ratings Services revised its outlook of Great Plains Energy, KCP&L and GMO from stable to negative. The Companies view maintenance of strong credit ratings as extremely important to their access to and cost of debt financing and to that end maintain an active and ongoing dialogue with the agencies with respect to results of operations, financial position and future prospects. While a decrease in these credit ratings would not cause any acceleration of Great Plains Energy's, KCP&L's or GMO's debt, it could increase interest charges under Great Plains Energy's 6.875% Senior Notes due 2017 or Great Plains Energy's, KCP&L's and GMO's revolving credit agreements. A decrease in credit ratings could also have, among other things, an adverse impact, which could be material, on Great Plains Energy's, KCP&L's and GMO's access to capital, the cost of funds, the ability to recover actual interest costs in state regulatory proceedings, the type and amounts of collateral required under supply agreements and Great Plains Energy's ability to provide credit support for its subsidiaries.

As of February 23, 2017, the major credit rating agencies rated Great Plains Energy's, KCP&L's and GMO's securities as detailed in the following table.

	Moody's Investors Service	Standard & Poor's
Great Plains Energy		
Outlook	Review for downgrade	Negative
Corporate Credit Rating	-	BBB+
Preferred Stock	Ba1	BBB-
Senior Unsecured Debt	Baa2	BBB
KCP&L		
Outlook	Stable	Negative
Senior Secured Debt	A2	A
Senior Unsecured Debt	Baa1	BBB+
Commercial Paper	P-2	A-2
GMO		
Outlook	Stable	Negative
Senior Unsecured Debt	Baa2	BBB+
Commercial Paper	P-2	A-2

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

Financing Authorization

Under stipulations with MPSC and KCC, Great Plains Energy and KCP&L maintain common equity at not less than 30% and 35%, respectively, of total capitalization (including only the amount of short-term debt in excess of the amount of construction work in progress). KCP&L's long-term financing activities are subject to the authorization of the MPSC. On June 30, 2016, KCP&L's MPSC authorization to issue long-term debt expired. KCP&L will seek new authorization if and when it is deemed necessary.

KCP&L's and GMO's short-term financing activities are subject to the authorization of FERC. In November 2016, FERC authorized KCP&L to have outstanding at any one time up to a total of \$1.0 billion in short-term debt instruments through December 2018. At December 31, 2016, there was \$867.1 million available under this authorization. In February 2016, FERC authorized GMO to have outstanding at any one time up to a total of \$750.0 million in short-term debt instruments through March 2018. At December 31, 2016, there was \$548.1 million available under this authorization.

KCP&L and GMO are also authorized by FERC to participate in the Great Plains Energy money pool, an internal financing arrangement in which funds may be lent on a short-term basis to KCP&L and GMO. At December 31, 2016, there were no outstanding payables under the money pool.

Significant Financing Activities

Great Plains Energy

Great Plains Energy has an effective shelf registration statement for the sale of unlimited amounts of securities with the SEC that became effective in March 2015 and expires in March 2018. In September 2016, Great Plains Energy filed a post-effective amendment to its shelf registration statement to register depositary shares and preference stock among the types of securities that Great Plains Energy may offer and sell.

In October 2016, Great Plains Energy completed a registered public offering of 60.5 million shares of common stock, without par value, at a public offering price of \$26.45 per share, for total gross proceeds of approximately \$1.6 billion (net proceeds of approximately \$1.55 billion after issuance costs). Great Plains Energy plans to use proceeds from the offering to fund a portion of the cash consideration for the anticipated acquisition of Westar.

In October 2016, Great Plains Energy also completed a registered public offering of 17.3 million depositary shares, each representing a 1/20th interest in a share of Great Plains Energy's Series B Preferred Stock, without par value, at a public offering price of \$50 per depositary share for total gross proceeds of \$862.5 million (net proceeds of approximately \$836.2 million after issuance costs). Great Plains Energy plans to use proceeds from the offering to fund a portion of the cash consideration for the anticipated acquisition of Westar.

KCP&L

KCP&L has an effective shelf registration statement providing for the sale of unlimited amounts of notes and general mortgage bonds with the SEC that was filed and became effective in March 2015 and expires in March 2018.

In August 2015, KCP&L issued, at a discount, \$350.0 million of 3.65% unsecured Senior Notes, maturing in 2025.

Debt Agreements

See Note 11 to the consolidated financial statements for information regarding revolving credit facilities and term loan facility related to the anticipated acquisition of Westar.

Projected Utility Capital Expenditures

Great Plains Energy's cash utility capital expenditures, excluding AFUDC to finance construction, were \$609.4 million, \$677.1 million and \$773.7 million in 2016, 2015 and 2014, respectively. Utility capital expenditures represent a significant portion of Great Plains Energy's capital requirements. Utility capital expenditures projected for the next four years include improvements to generating, distribution and transmission facilities, software upgrades and expenditures for environmental projects at coal-fired power plants. Great Plains Energy intends to meet these capital requirements with a combination of internally generated funds and proceeds from short-term and long-term debt.

Utility capital expenditures projected for the next four years, excluding AFUDC, are detailed in the following table. This utility capital expenditure plan is subject to continual review and change.

	2017	2018	2019	2020
	(millions)			
Generating facilities	\$ 180.5	\$ 204.3	\$ 178.0	\$ 192.7
Distribution and transmission facilities	216.5	192.3	216.7	203.5
General facilities	106.2	98.5	56.7	69.4
Nuclear fuel	44.5	25.2	22.9	50.0
Environmental	43.4	36.6	11.5	14.0
Total utility capital expenditures	\$ 591.1	\$ 556.9	\$ 485.8	\$ 529.6

Pensions

The Company incurs significant costs in providing defined benefit plans for substantially all active and inactive employees of KCP&L and GMO and its 47% ownership share of WCNO's defined benefit plans. Funding of the plans follows legal and regulatory requirements with funding equaling or exceeding the minimum requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

In 2016 and 2015, the Company contributed \$69.8 million and \$76.9 million to the pension plans, respectively, and expects to contribute \$79.6 million in 2017 to satisfy ERISA funding requirements and the MPSC and KCC rate orders, the majority of which is expected to be paid by KCP&L. Additional contributions to the plans are expected beyond 2017 in amounts at least sufficient to meet the greater of ERISA or regulatory funding requirements; however, these amounts have not yet been determined.

Additionally, the Company provides post-retirement health and life insurance benefits for certain retired employees and expects to make benefit contributions of \$4.6 million under the provisions of these plans in 2017, the majority of which is expected to be paid by KCP&L.

Management believes the Company has adequate access to capital resources through cash flows from operations or through existing lines of credit to support these funding requirements.

Supplemental Capital Requirements and Liquidity Information

The information in the following table is provided to summarize Great Plains Energy's cash obligations and commercial commitments.

Payment due by period	2017	2018	2019	2020	2021	After 2021	Total
Long-term debt	(millions)						
Principal	\$ 382.1	\$ 351.1	\$ 401.1	\$ 1.1	\$ 432.0	\$ 2,197.1	\$ 3,764.5
Interest	182.5	156.8	131.3	116.9	108.3	945.9	1,641.7
Lease commitments							
Operating leases	12.9	11.0	9.3	9.7	9.7	110.5	163.1
Capital leases	0.4	0.4	0.4	0.4	0.4	3.1	5.1
Pension and other post-retirement plans	84.2	84.2	84.2	84.2	84.2	(a)	421.0
Purchase commitments							
Fuel	259.0	145.8	62.2	53.8	11.2	100.8	632.8
Power	47.3	47.3	47.3	47.3	47.4	462.2	698.8
Other	50.1	32.0	33.3	5.9	6.5	38.7	166.5
Total contractual commitments ^(a)	\$ 1,018.5	\$ 828.6	\$ 769.1	\$ 319.3	\$ 699.7	\$ 3,858.3	\$ 7,493.5

^(a) The Company expects to make contributions to the pension and other post-retirement plans beyond 2021 but the amounts are not yet determined. Amounts for years after 2017 are estimates based on information available in determining the amount for 2017. Actual amounts for years after 2017 could be significantly different than the estimated amounts in the table above.

Long-term debt includes current maturities. Long-term debt principal excludes \$17.2 million of net discounts on senior notes and debt issuance costs. Variable rate interest obligations are based on rates as of December 31, 2016.

Lease commitments end in 2048. Operating lease commitments include railcars to serve jointly-owned generating units where KCP&L is the managing partner. Of the amounts included in the table above, KCP&L will be reimbursed by the other owners for approximately \$1.5 million in 2017, \$1.2 million in 2018 and approximately \$0.4 million per year from 2019 to 2025, for a total of \$5.5 million.

The Company expects to contribute \$84.2 million to the pension and other post-retirement plans in 2017, of which the majority is expected to be paid by KCP&L. Additional contributions to the plans are expected beyond 2021 in amounts at least sufficient to meet the greater of ERISA or regulatory funding requirements; however, these amounts have not yet been determined. Amounts for years after 2017 are estimates based on information available in determining the amount for 2017. Actual amounts for years after 2017 could be significantly different than the estimated amounts in the table above.

Fuel commitments consist of commitments for nuclear fuel, coal and coal transportation costs. Power commitments consist of commitments for renewable energy under power purchase agreements. Other represents individual commitments entered into in the ordinary course of business.

Great Plains Energy has other insignificant long-term liabilities recorded on its consolidated balance sheet at December 31, 2016, which do not have a definitive cash payout date and are not included in the table above.

Off-Balance Sheet Arrangements

In the ordinary course of business, Great Plains Energy and certain of its subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees and letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiary's intended business purposes. The majority of these agreements guarantee the Company's own future performance, so a liability for the fair value of the obligation is not recorded.

At December 31, 2016, Great Plains Energy has provided \$135.3 million of credit support for GMO as follows:

- Great Plains Energy direct guarantees to GMO counterparties totaling \$38.7 million, which expire in 2017 and 2018 and
- Great Plains Energy guarantees of GMO long-term debt totaling \$96.6 million, which includes debt with maturity dates ranging from 2017 to 2023.

Great Plains Energy has also guaranteed GMO's commercial paper program. At December 31, 2016, GMO had \$201.9 million commercial paper outstanding. None of the guaranteed obligations are subject to default or prepayment if GMO's credit ratings were downgraded.

At December 31, 2016, KCP&L had issued letters of credit totaling \$8.8 million as credit support to certain counterparties that expire in 2017. KCP&L has issued \$148.1 million of letters of credit as credit support for its variable rate EIRR Bond Series 2007A and B that expire in 2018.

At December 31, 2016, GMO had issued letters of credit totaling \$1.9 million as credit support to certain counterparties that expire in 2017.

KANSAS CITY POWER & LIGHT COMPANY

MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS

The following table summarizes KCP&L's consolidated comparative results of operations.

	2016	2015
	(millions)	
Operating revenues	\$ 1,875.4	\$ 1,713.8
Fuel and purchased power	(372.7)	(397.1)
Transmission	(56.4)	(58.4)
Other operating expenses	(705.8)	(658.6)
Costs to achieve the anticipated acquisition of Westar	(10.9)	—
Depreciation and amortization	(247.5)	(235.7)
Operating income	482.1	364.0
Non-operating income and expenses	4.2	1.2
Interest charges	(139.4)	(135.6)
Income tax expense	(121.9)	(76.8)
Net income	\$ 225.0	\$ 152.8
Reconciliation of gross margin to operating revenue:		
Operating revenues	\$ 1,875.4	\$ 1,713.8
Fuel and purchased power	(372.7)	(397.1)
Transmission	(56.4)	(58.4)
Gross margin ^(a)	\$ 1,446.3	\$ 1,258.3

^(a) Gross margin is a non-GAAP financial measure. See explanation of gross margin under Great Plains Energy's Results of Operations.

KCP&L Gross Margin and MWh Sales

The following table summarizes KCP&L's gross margin and MWhs sold.

	Revenues and Costs		%	MWhs Sold		%
	2016	2015	Change ^(c)	2016	2015	Change
Retail revenues	(millions)			(thousands)		
Residential	\$ 713.0	\$ 639.9	11	5,330	5,213	2
Commercial	798.5	738.7	8	7,553	7,569	—
Industrial	147.4	137.8	7	1,839	1,833	—
Other retail revenues	13.1	12.5	6	83	83	—
Provision for rate refund	0.8	—	N/M	N/A	N/A	N/A
Energy efficiency (MEEIA) ^(a)	50.9	27.5	85	N/A	N/A	N/A
Total retail	1,723.7	1,556.4	11	14,805	14,698	1
Wholesale revenues	128.9	134.1	(4)	6,629	6,099	9
Other revenues	22.8	23.3	(2)	N/A	N/A	N/A
Operating revenues	1,875.4	1,713.8	9	21,434	20,797	3
Fuel and purchased power	(372.7)	(397.1)	(6)			
Transmission	(56.4)	(58.4)	(3)			
Gross margin ^(b)	\$ 1,446.3	\$ 1,258.3	15			

^(a) Consists of recovery of program costs of \$31.0 million and \$20.5 million for 2016 and 2015, respectively, that have a direct offset in operating and maintenance expenses, recovery of throughput disincentive of \$9.5 million and \$7.0 million for 2016 and 2015, respectively, and a performance incentive of \$10.4 million for 2016.

^(b) Gross margin is a non-GAAP financial measure. See explanation of gross margin under Great Plains Energy's Results of Operations.

^(c) N/M - not meaningful

KCP&L's gross margin increased \$188.0 million in 2016 compared to 2015 primarily driven by:

- an estimated \$111 million increase due to new retail rates and an estimated \$37 million increase due to new cost recovery mechanisms for KCP&L in Missouri effective September 29, 2015, and in Kansas effective October 1, 2015;
- an estimated \$25 million increase due to warmer weather with a 16% increase in cooling degree days in 2016;
- a \$10.5 million increase for recovery of program costs for energy efficiency programs under MEEIA, which have a direct offset in operating and maintenance expense;
- a \$2.5 million increase in MEEIA throughput disincentive;
- a \$10.4 million MEEIA performance incentive recognized in 2016 related to the achievement of certain energy savings levels in the first cycle of KCP&L's MEEIA programs; and
- an estimated \$6 million decrease due to a decrease in weather-normalized retail demand.

KCP&L Other Operating Expenses *(including operating and maintenance expenses, general taxes and other)*

KCP&L's other operating expenses increased \$47.2 million in 2016 compared to 2015 primarily driven by:

- a \$5.6 million increase in pension expense corresponding to the resetting of pension expense trackers with the effective date of new retail rates;
- a \$10.5 million increase in program costs for energy efficiency programs under MEEIA, which have a direct offset in revenue;
- a \$2.3 million increase in plant operating and maintenance expense;
- a \$7.4 million increase in injuries and damages expense primarily due to an increase in estimated losses from an unfavorable judgment in ongoing litigation; and

- a \$14.0 million increase in general taxes driven by higher property taxes and higher gross receipts taxes due to an increase in retail revenues.

KCP&L Costs to Achieve the Anticipated Acquisition of Westar

KCP&L's costs to achieve the anticipated acquisition of Westar of \$10.9 million in 2016 reflects consulting fees, certain severance expenses and other transition costs related to the anticipated acquisition of Westar.

KCP&L Depreciation and Amortization

KCP&L's depreciation and amortization expense increased \$11.8 million in 2016 compared to 2015 due to capital additions.

KCP&L Interest Charges

KCP&L's interest charges increased \$3.8 million in 2016 compared to 2015 primarily due to a \$7.9 million increase in interest expense related to KCP&L's issuance of \$350 million of 3.65% Senior Notes in August 2015; partially offset by a \$2.2 million decrease in interest expense due to KCP&L's purchase in lieu of redemption of its \$50.0 million and \$21.9 million EIRR Series 2005 bonds in September 2015.

KCP&L Income Tax Expense

KCP&L's income tax expense increased \$45.1 million in 2016 compared to 2015 due to increased pre-tax income.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of business, Great Plains Energy and KCP&L face risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, operational and credit risks and are not represented in the following analysis. See Item 1A Risk Factors and Item 7 MD&A for further discussion of risk factors.

Great Plains Energy and KCP&L are exposed to market risks associated with commodity price and supply, interest rates and equity prices. Management has established risk management policies and strategies to reduce the potentially adverse effects that the volatility of the markets may have on its operating results. During the ordinary course of business, under the direction and control of an internal commodity risk committee, Great Plains Energy's and KCP&L's hedging strategies are reviewed to determine the hedging approach deemed appropriate based upon the circumstances of each situation. Though management believes its risk management practices are effective, it is not possible to identify and eliminate all risk. Great Plains Energy and KCP&L could experience losses, which could have a material adverse effect on their results of operations or financial position, due to many factors, including unexpectedly large or rapid movements or disruptions in the energy markets, from regulatory-driven market rule changes and/or bankruptcy or non-performance of customers or counterparties, and/or failure of underlying transactions that have been hedged to materialize.

Hedging Strategies

Derivative instruments are utilized to execute risk management and hedging strategies. Derivative instruments, such as futures, forward contracts, swaps or options, derive their value from underlying assets, indices, reference rates or a combination of these factors. These derivative instruments include negotiated contracts, which are referred to as over-the-counter derivatives, and instruments listed and traded on an exchange.

Interest Rate Risk

Great Plains Energy and KCP&L manage interest expense and short- and long-term liquidity through a combination of fixed and variable rate debt. Generally, the amount of each type of debt is managed through market issuance, but interest rate swap and cap agreements with highly rated financial institutions may also be used to achieve the desired combination. At December 31, 2016, 4% and 6%, respectively, of Great Plains Energy's and KCP&L's long-term debt was variable rate debt. Interest rates impact the fair value of long-term debt. A change in interest rates would impact Great Plains Energy and KCP&L to the extent they redeemed any of their outstanding long-term debt. Great Plains Energy's and KCP&L's book values of long-term debt were below fair value by 5% at December 31, 2016.

Great Plains Energy and KCP&L had \$334.8 million and \$132.9 million, respectively, of commercial paper outstanding at December 31, 2016. The principal amount of the commercial paper, which will vary during the year, drives Great Plains Energy's and KCP&L's commercial paper interest expense. Assuming \$334.8 million and \$132.9 million of commercial paper was outstanding for all of 2017 for Great Plains Energy and KCP&L, respectively, a hypothetical 10% increase in commercial paper rates would result in an increase in interest expense of \$0.3 million for Great Plains Energy and \$0.1 million for KCP&L in 2017. Assuming \$334.8 million and \$132.9 million of commercial paper was outstanding for all of 2017 for Great Plains Energy and KCP&L, respectively, a hypothetical 100 basis point increase in commercial paper rates would result in an increase in interest expense of \$3.3 million for Great Plains Energy and \$1.3 million for KCP&L in 2017.

At December 31, 2016, Great Plains Energy had \$4.4 billion of notional amounts of fixed-to-floating interest rate swaps to hedge against interest rate fluctuations on future issuances of long-term debt expected to be issued to finance a portion of the cash consideration for the anticipated acquisition of Westar. Settlement of these swaps is contingent on the consummation of the anticipated acquisition of Westar. Assuming settlement of the swaps, a hypothetical 10% decrease in the interest rates underlying the swaps would have resulted in an approximately \$51 million increase in interest expense associated with settlement of the swaps as of December 31, 2016.

Commodity Risk

Great Plains Energy and KCP&L engage in the wholesale and retail marketing of electricity and are exposed to risk associated with the price of electricity. Exposure to these risks is affected by a number of factors including the quantity and availability of fuel used for generation and the quantity of electricity customers consume. Customers' electricity usage could also vary from year to year based on the weather or other factors. Quantities of fossil fuel used for generation vary from year to year based on the availability, price and deliverability of a given fuel type as well as planned and unplanned outages at facilities that use fossil fuels.

KCP&L's wholesale operations include the physical delivery and marketing of power obtained through its generation capacity. KCP&L is required to maintain a capacity margin of at least 12%. This net positive supply of capacity and energy is maintained through KCP&L's generation assets and capacity and power purchase agreements to protect KCP&L from the potential operational failure of one of its power generating units. KCP&L continually evaluates the need for additional risk mitigation measures in order to minimize its financial exposure to, among other things, spikes in wholesale power prices during periods of high demand.

KCP&L's sales include the sale of electricity to its retail customers and bulk power sales of electricity in the wholesale market. KCP&L is a member of SPP Consolidated Balancing Authority (CBA) and Integrated Marketplace (IM), which are largely responsible for the dispatch of member generating facilities and the resulting supply of energy to fulfill member load obligations. KCP&L's Kansas ECA allows for the recovery of increased fuel and purchased power costs from Kansas retail customers. KCP&L's Missouri FAC allows for KCP&L Missouri retail electric rates to be adjusted based on 95% of the difference between actual fuel and purchased power costs and the amount of fuel and purchased power costs provided in base rates. Most of the change in market prices for fuel and purchased power is recovered through the ECA or FAC, which mitigates KCP&L's commodity price exposure.

GMO is also a member of SPP's CBA and IM. GMO has an FAC that allows GMO to adjust retail electric rates based on 95% of the difference between actual fuel and purchased power costs and the amount of fuel and purchased power costs provided in base rates. Most of the change in market prices for fuel and purchased power is recovered through the FAC, which mitigates GMO's commodity price exposure.

Credit Risk - MPS Merchant

MPS Merchant is exposed to credit risk. Credit risk is measured by the loss that would be recorded if counterparties failed to perform pursuant to the terms of the contractual obligations less the value of any collateral held. MPS Merchant's counterparties are not externally rated. Credit exposure to counterparties at December 31, 2016, was \$8.7 million.

Investment Risk

KCP&L maintains trust funds, as required by the NRC, to fund its share of decommissioning the Wolf Creek nuclear power plant. As of December 31, 2016, these funds were invested primarily in domestic equity securities and fixed income securities and are reflected at fair value on KCP&L's balance sheets. The mix of securities is designed to provide returns to be used to fund decommissioning and to compensate for inflationary increases in decommissioning costs; however, the equity securities in the trusts are exposed to price fluctuations in equity markets and the value of fixed rate fixed income securities are exposed to changes in interest rates. A hypothetical increase in interest rates resulting in a hypothetical 10% decrease in the value of the fixed income securities would have resulted in a \$6.5 million reduction in the value of the decommissioning trust funds at December 31, 2016. A hypothetical 10% decrease in equity prices would have resulted in a \$15.2 million reduction in the fair value of the equity securities at December 31, 2016. KCP&L's exposure to investment risk associated with the decommissioning trust funds is in large part mitigated due to the fact that KCP&L is currently allowed to recover its decommissioning costs in its rates. If the actual return on trust assets is below the anticipated level, KCP&L could be responsible for the balance of funds required to decommission Wolf Creek; however, while there can be no assurances, management believes a rate increase would be allowed to recover decommissioning costs over the remaining life of the unit.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Great Plains Energy Incorporated
Kansas City, Missouri

We have audited the accompanying consolidated balance sheets of Great Plains Energy Incorporated and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Great Plains Energy Incorporated and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2017, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 23, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
Kansas City Power & Light Company
Kansas City, Missouri

We have audited the accompanying consolidated balance sheets of Kansas City Power & Light Company and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, common shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Kansas City Power & Light Company and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2017, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 23, 2017

GREAT PLAINS ENERGY INCORPORATED
Consolidated Statements of Comprehensive Income

Year Ended December 31	2016	2015	2014
Operating Revenues	(millions, except per share amounts)		
Electric revenues	\$ 2,676.0	\$ 2,502.2	\$ 2,568.2
Operating Expenses			
Fuel and purchased power	590.1	608.7	742.5
Transmission	84.8	89.1	74.7
Utility operating and maintenance expenses	759.5	724.8	701.9
Costs to achieve the anticipated acquisition of Westar Energy, Inc.	34.2	—	—
Depreciation and amortization	344.8	330.4	306.0
General taxes	226.7	213.2	204.6
Other	17.0	5.9	4.0
Total	2,057.1	1,972.1	2,033.7
Operating income	618.9	530.1	534.5
Non-operating income	17.1	11.7	25.0
Non-operating expenses	(14.3)	(8.0)	(12.5)
Interest charges	(161.5)	(199.3)	(188.5)
Income before income tax expense and income from equity investments	460.2	334.5	358.5
Income tax expense	(172.2)	(122.7)	(115.7)
Income from equity investments, net of income taxes	2.0	1.2	—
Net income	290.0	213.0	242.8
Preferred stock dividend requirements and redemption premium	16.5	1.6	1.6
Earnings available for common shareholders	\$ 273.5	\$ 211.4	\$ 241.2
Average number of basic common shares outstanding	169.4	154.2	153.9
Average number of diluted common shares outstanding	169.8	154.8	154.1
Basic and diluted earnings per common share	\$ 1.61	\$ 1.37	\$ 1.57
Comprehensive Income			
Net income	\$ 290.0	\$ 213.0	\$ 242.8
Other comprehensive income			
Derivative hedging activity			
Reclassification to expenses, net of tax	5.6	5.7	8.0
Derivative hedging activity, net of tax	5.6	5.7	8.0
Defined benefit pension plans			
Net gain (loss) arising during period	(1.1)	1.0	(3.0)
Income tax (expense) benefit	0.4	(0.4)	1.2
Net gain (loss) arising during period, net of tax	(0.7)	0.6	(1.8)
Amortization of net losses included in net periodic benefit costs, net of tax	0.5	0.4	0.4
Change in unrecognized pension expense, net of tax	(0.2)	1.0	(1.4)
Total other comprehensive income	5.4	6.7	6.6
Comprehensive income	\$ 295.4	\$ 219.7	\$ 249.4

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
Consolidated Balance Sheets

	December 31	
	2016	2015
ASSETS	(millions, except share amounts)	
Current Assets		
Cash and cash equivalents	\$ 1,293.1	\$ 11.3
Time deposit	1,000.0	—
Receivables, net	166.0	147.7
Accounts receivable pledged as collateral	172.4	175.0
Fuel inventories, at average cost	108.8	118.4
Materials and supplies, at average cost	162.2	155.7
Deferred refueling outage costs	22.3	19.2
Refundable income taxes	—	3.8
Derivative instruments	81.5	0.8
Prepaid expenses and other assets	53.2	32.3
Total	3,059.5	664.2
Utility Plant, at Original Cost		
Electric	13,597.7	13,189.9
Less - accumulated depreciation	5,106.9	4,943.7
Net utility plant in service	8,490.8	8,246.2
Construction work in progress	403.9	347.9
Nuclear fuel, net of amortization of \$172.1 and \$192.5	62.0	68.3
Total	8,956.7	8,662.4
Investments and Other Assets		
Nuclear decommissioning trust fund	222.9	200.7
Regulatory assets	1,048.0	979.1
Goodwill	169.0	169.0
Other	113.9	63.2
Total	1,553.8	1,412.0
Total	\$ 13,570.0	\$ 10,738.6

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
Consolidated Balance Sheets

	December 31	
	2016	2015
LIABILITIES AND CAPITALIZATION	(millions, except share amounts)	
Current Liabilities		
Notes payable	\$ —	\$ 10.0
Collateralized note payable	172.4	175.0
Commercial paper	334.8	224.0
Current maturities of long-term debt	382.1	1.1
Accounts payable	323.7	352.9
Accrued taxes	33.3	31.6
Accrued interest	50.8	44.7
Accrued compensation and benefits	52.1	41.4
Pension and post-retirement liability	3.0	3.4
Other	32.6	31.6
Total	1,384.8	915.7
Deferred Credits and Other Liabilities		
Deferred income taxes	1,329.7	1,158.8
Deferred tax credits	126.2	125.1
Asset retirement obligations	316.0	275.9
Pension and post-retirement liability	488.3	455.2
Regulatory liabilities	309.9	284.4
Other	87.9	82.9
Total	2,658.0	2,382.3
Capitalization		
Great Plains Energy shareholders' equity		
Common stock - 600,000,000 and 250,000,000 shares authorized without par value 215,479,105 and 154,504,900 shares issued, stated value	4,217.0	2,646.7
Cumulative preferred stock - 390,000 shares authorized, \$100 par value 0 and 390,000 shares issued and outstanding	—	39.0
Preference stock - 11,000,000 shares authorized without par value 7.00% Series B Mandatory Convertible Preferred Stock \$1,000 per share liquidation preference, 862,500 and 0 shares issued and outstanding	836.2	—
Retained earnings	1,119.2	1,024.4
Treasury stock - 128,087 and 101,229 shares, at cost	(3.8)	(2.6)
Accumulated other comprehensive loss	(6.6)	(12.0)
Total shareholders' equity	6,162.0	3,695.5
Long-term debt (Note 12)	3,365.2	3,745.1
Total	9,527.2	7,440.6
Commitments and Contingencies (Note 15)		
Total	\$ 13,570.0	\$ 10,738.6

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
Consolidated Statements of Cash Flows

Year Ended December 31	2016	2015	2014
Cash Flows from Operating Activities		(millions)	
Net income	\$ 290.0	\$ 213.0	\$ 242.8
Adjustments to reconcile income to net cash from operating activities:			
Depreciation and amortization	344.8	330.4	306.0
Amortization of:			
Nuclear fuel	26.6	26.8	26.1
Other	77.5	47.7	46.1
Deferred income taxes, net	170.1	124.9	125.8
Investment tax credit amortization	(1.4)	(1.4)	(1.4)
Income from equity investments, net of income taxes	(2.0)	(1.2)	—
Fair value impacts of interest rate swaps	(79.3)	—	—
Other operating activities (Note 3)	(42.3)	12.9	(47.2)
Net cash from operating activities	784.0	753.1	698.2
Cash Flows from Investing Activities			
Utility capital expenditures	(609.4)	(677.1)	(773.7)
Allowance for borrowed funds used during construction	(6.8)	(5.8)	(13.0)
Purchases of nuclear decommissioning trust investments	(31.9)	(50.9)	(27.5)
Proceeds from nuclear decommissioning trust investments	28.6	47.6	24.2
Purchase of time deposit	(1,000.0)	—	—
Proceeds from sale of transmission assets	—	—	37.7
Other investing activities	(64.0)	(48.2)	(27.5)
Net cash from investing activities	(1,683.5)	(734.4)	(779.8)
Cash Flows from Financing Activities			
Issuance of common stock	1,603.7	3.0	4.8
Issuance of preference stock	862.5	—	—
Issuance of long-term debt	—	348.8	—
Issuance of long-term debt from remarketing	—	146.5	—
Repayment of long-term debt from remarketing	—	(146.5)	—
Issuance fees	(143.6)	(3.0)	(0.9)
Repayment of long-term debt	(1.1)	(87.0)	(13.4)
Net change in short-term borrowings	100.8	(128.3)	245.1
Net change in collateralized short-term borrowings	(2.6)	4.0	(4.0)
Dividends paid	(194.0)	(155.5)	(145.6)
Redemption of cumulative preferred stock	(40.1)	—	—
Purchase of treasury stock	(5.0)	(1.6)	(2.5)
Other financing activities	0.7	(0.8)	0.5
Net cash from financing activities	2,181.3	(20.4)	84.0
Net Change in Cash and Cash Equivalents	1,281.8	(1.7)	2.4
Cash and Cash Equivalents at Beginning of Year	11.3	13.0	10.6
Cash and Cash Equivalents at End of Year	\$ 1,293.1	\$ 11.3	\$ 13.0

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
Consolidated Statements of Shareholders' Equity

Year Ended December 31	2016		2015		2014	
	Shares	Amount	Shares	Amount	Shares	Amount
Common Stock			(millions, except share amounts)			
Beginning balance	154,504,900	\$ 2,646.7	154,254,037	\$ 2,639.3	153,995,621	\$ 2,631.1
Issuance of common stock	60,974,205	1,565.3	250,863	6.6	258,416	6.7
Equity compensation expense, net of forfeitures		4.3		1.9		0.5
Unearned Compensation						
Issuance of restricted common stock		(2.8)		(2.4)		(2.1)
Forfeiture of restricted common stock		—		0.5		—
Compensation expense recognized		2.7		1.8		2.0
Other		0.8		(1.0)		1.1
Ending balance	215,479,105	4,217.0	154,504,900	2,646.7	154,254,037	2,639.3
Cumulative Preferred Stock						
Beginning balance	390,000	39.0	390,000	39.0	390,000	39.0
Redemption of cumulative preferred stock	(390,000)	(39.0)	—	—	—	—
Ending balance	—	—	390,000	39.0	390,000	39.0
Preference Stock						
Beginning balance	—	—	—	—	—	—
Issuance of Series B Mandatory Convertible Preferred Stock	862,500	836.2	—	—	—	—
Ending balance	862,500	836.2	—	—	—	—
Retained Earnings						
Beginning balance		1,024.4		967.8		871.4
Net income		290.0		213.0		242.8
Redemption premium on cumulative preferred stock		(0.6)		—		—
Dividends:						
Common stock (\$1.0625, \$0.9975 and \$0.935 per share)		(181.0)		(153.9)		(144.0)
Preferred stock - at required rates		(13.0)		(1.6)		(1.6)
Performance shares		(0.6)		(0.9)		(0.8)
Ending balance		1,119.2		1,024.4		967.8
Treasury Stock						
Beginning balance	(101,229)	(2.6)	(91,281)	(2.3)	(129,290)	(2.8)
Treasury shares acquired	(138,021)	(4.1)	(76,468)	(2.0)	(85,744)	(2.2)
Treasury shares reissued	111,163	2.9	66,520	1.7	123,753	2.7
Ending balance	(128,087)	(3.8)	(101,229)	(2.6)	(91,281)	(2.3)
Accumulated Other Comprehensive Income (Loss)						
Beginning balance		(12.0)		(18.7)		(25.3)
Derivative hedging activity, net of tax		5.6		5.7		8.0
Change in unrecognized pension expense, net of tax		(0.2)		1.0		(1.4)
Ending balance		(6.6)		(12.0)		(18.7)
Total Great Plains Energy Shareholders' Equity		\$ 6,162.0		\$ 3,695.5		\$ 3,625.1

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Comprehensive Income

Year Ended December 31	2016	2015	2014
Operating Revenues	(millions)		
Electric revenues	\$ 1,875.4	\$ 1,713.8	\$ 1,730.8
Operating Expenses			
Fuel and purchased power	372.7	397.1	472.7
Transmission	56.4	58.4	47.2
Operating and maintenance expenses	525.8	494.2	489.1
Costs to achieve the anticipated acquisition of Westar Energy, Inc.	10.9	—	—
Depreciation and amortization	247.5	235.7	213.9
General taxes	177.5	163.5	159.1
Other	2.5	0.9	(1.3)
Total	1,393.3	1,349.8	1,380.7
Operating income	482.1	364.0	350.1
Non-operating income	11.8	8.4	20.4
Non-operating expenses	(7.6)	(7.2)	(8.3)
Interest charges	(139.4)	(135.6)	(124.1)
Income before income tax expense	346.9	229.6	238.1
Income tax expense	(121.9)	(76.8)	(75.7)
Net income	\$ 225.0	\$ 152.8	\$ 162.4
Comprehensive Income			
Net income	\$ 225.0	\$ 152.8	\$ 162.4
Other comprehensive income			
Derivative hedging activity			
Reclassification to expenses, net of tax	5.4	5.3	5.3
Derivative hedging activity, net of tax	5.4	5.3	5.3
Total other comprehensive income	5.4	5.3	5.3
Comprehensive income	\$ 230.4	\$ 158.1	\$ 167.7

The disclosures regarding KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

	December 31	
	2016	2015
ASSETS	(millions, except share amounts)	
Current Assets		
Cash and cash equivalents	\$ 4.5	\$ 2.3
Receivables, net	139.1	129.2
Related party receivables	67.2	65.8
Accounts receivable pledged as collateral	110.0	110.0
Fuel inventories, at average cost	72.9	83.5
Materials and supplies, at average cost	118.9	114.6
Deferred refueling outage costs	22.3	19.2
Refundable income taxes	12.7	79.0
Prepaid expenses and other assets	27.9	27.6
Total	575.5	631.2
Utility Plant, at Original Cost		
Electric	9,925.1	9,640.4
Less - accumulated depreciation	3,858.4	3,722.6
Net utility plant in service	6,066.7	5,917.8
Construction work in progress	300.4	246.6
Nuclear fuel, net of amortization of \$172.1 and \$192.5	62.0	68.3
Total	6,429.1	6,232.7
Investments and Other Assets		
Nuclear decommissioning trust fund	222.9	200.7
Regulatory assets	801.8	732.4
Other	29.1	17.6
Total	1,053.8	950.7
Total	\$ 8,058.4	\$ 7,814.6

The disclosures regarding KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

	December 31	
	2016	2015
LIABILITIES AND CAPITALIZATION	(millions, except share amounts)	
Current Liabilities		
Collateralized note payable	\$ 110.0	\$ 110.0
Commercial paper	132.9	180.3
Current maturities of long-term debt	281.0	—
Accounts payable	231.6	258.8
Accrued taxes	27.0	25.6
Accrued interest	32.4	32.4
Accrued compensation and benefits	52.1	41.4
Pension and post-retirement liability	1.6	2.0
Other	11.4	12.6
Total	880.0	663.1
Deferred Credits and Other Liabilities		
Deferred income taxes	1,228.3	1,132.6
Deferred tax credits	122.8	123.8
Asset retirement obligations	278.0	239.3
Pension and post-retirement liability	465.8	433.4
Regulatory liabilities	187.4	164.6
Other	70.6	61.6
Total	2,352.9	2,155.3
Capitalization		
Common shareholder's equity		
Common stock - 1,000 shares authorized without par value		
1 share issued, stated value	1,563.1	1,563.1
Retained earnings	982.6	879.6
Accumulated other comprehensive loss	(4.2)	(9.6)
Total	2,541.5	2,433.1
Long-term debt (Note 12)	2,284.0	2,563.1
Total	4,825.5	4,996.2
Commitments and Contingencies (Note 15)		
Total	\$ 8,058.4	\$ 7,814.6

The disclosures regarding KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2016	2015	2014
Cash Flows from Operating Activities		(millions)	
Net income	\$ 225.0	\$ 152.8	\$ 162.4
Adjustments to reconcile income to net cash from operating activities:			
Depreciation and amortization	247.5	235.7	213.9
Amortization of:			
Nuclear fuel	26.6	26.8	26.1
Other	33.9	29.1	29.3
Deferred income taxes, net	93.4	99.4	88.4
Investment tax credit amortization	(1.0)	(1.0)	(1.0)
Other operating activities (Note 3)	(2.1)	(61.5)	(64.7)
Net cash from operating activities	<u>623.3</u>	<u>481.3</u>	<u>454.4</u>
Cash Flows from Investing Activities			
Utility capital expenditures	(418.8)	(518.3)	(635.9)
Allowance for borrowed funds used during construction	(5.6)	(3.9)	(11.1)
Purchases of nuclear decommissioning trust investments	(31.9)	(50.9)	(27.5)
Proceeds from nuclear decommissioning trust investments	28.6	47.6	24.2
Net money pool lending	—	—	4.7
Other investing activities	(23.8)	(25.5)	(15.2)
Net cash from investing activities	<u>(451.5)</u>	<u>(551.0)</u>	<u>(660.8)</u>
Cash Flows from Financing Activities			
Issuance of long-term debt	—	348.8	—
Issuance fees	(0.2)	(3.0)	(0.4)
Issuance of long-term debt from remarketing	—	146.5	—
Repayment of long-term debt from remarketing	—	(146.5)	—
Repayment of long-term debt	—	(85.9)	—
Net change in short-term borrowings	(47.4)	(178.0)	265.1
Net money pool borrowings	—	(12.6)	12.4
Dividends paid to Great Plains Energy	(122.0)	—	(72.0)
Net cash from financing activities	<u>(169.6)</u>	<u>69.3</u>	<u>205.1</u>
Net Change in Cash and Cash Equivalents	2.2	(0.4)	(1.3)
Cash and Cash Equivalents at Beginning of Year	2.3	2.7	4.0
Cash and Cash Equivalents at End of Year	\$ 4.5	\$ 2.3	\$ 2.7

The disclosures regarding KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Common Shareholder's Equity

Year Ended December 31	2016		2015		2014	
	Shares	Amount	Shares	Amount	Shares	Amount
	(millions, except share amounts)					
Common Stock	1	\$ 1,563.1	1	\$ 1,563.1	1	\$ 1,563.1
Retained Earnings						
Beginning balance		879.6		726.8		636.4
Net income		225.0		152.8		162.4
Dividends:						
Common stock held by Great Plains Energy		(122.0)		—		(72.0)
Ending balance		982.6		879.6		726.8
Accumulated Other Comprehensive Income (Loss)						
Beginning balance		(9.6)		(14.9)		(20.2)
Derivative hedging activity, net of tax		5.4		5.3		5.3
Ending balance		(4.2)		(9.6)		(14.9)
Total Common Shareholder's Equity		\$ 2,541.5		\$ 2,433.1		\$ 2,275.0

The disclosures regarding KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED

KANSAS CITY POWER & LIGHT COMPANY

Notes to Consolidated Financial Statements

The notes to consolidated financial statements that follow are a combined presentation for Great Plains Energy Incorporated and Kansas City Power & Light Company, both registrants under this filing. The terms "Great Plains Energy," "Company," "KCP&L" and "Companies" are used throughout this report. "Great Plains Energy" and the "Company" refer to Great Plains Energy Incorporated and its consolidated subsidiaries, unless otherwise indicated. "KCP&L" refers to Kansas City Power & Light Company and its consolidated subsidiaries. "Companies" refers to Great Plains Energy Incorporated and its consolidated subsidiaries and KCP&L and its consolidated subsidiaries.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Great Plains Energy, a Missouri corporation incorporated in 2001, is a public utility holding company and does not own or operate any significant assets other than the stock of its subsidiaries and cash and cash equivalents and a time deposit to be used to fund a portion of the cash consideration for the anticipated acquisition of Westar Energy, Inc. (Westar). Great Plains Energy's wholly owned direct subsidiaries with significant operations are as follows:

- KCP&L is an integrated, regulated electric utility that provides electricity to customers primarily in the states of Missouri and Kansas. KCP&L has one active wholly owned subsidiary, Kansas City Power & Light Receivables Company (KCP&L Receivables Company).
- KCP&L Greater Missouri Operations Company (GMO) is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri. GMO also provides regulated steam service to certain customers in the St. Joseph, Missouri area. GMO has two active wholly owned subsidiaries, GMO Receivables Company and MPS Merchant Services, Inc. (MPS Merchant). MPS Merchant has certain long-term natural gas contracts remaining from its former non-regulated trading operations.

Great Plains Energy also wholly owns GPE Transmission Holding Company, LLC (GPETHC). GPETHC owns 13.5% of Transource Energy, LLC (Transource) with the remaining 86.5% owned by AEP Transmission Holding Company, LLC (AEPETHC), a subsidiary of American Electric Power Company, Inc. GPETHC accounts for its investment in Transource under the equity method. Transource is focused on the development of competitive electric transmission projects.

Each of Great Plains Energy's and KCP&L's consolidated financial statements includes the accounts of their subsidiaries. Intercompany transactions have been eliminated.

Great Plains Energy's sole reportable business segment is electric utility. See Note 23 for additional information.

Use of Estimates

The process of preparing financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the use of estimates and assumptions that affect the reported amounts of certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less at acquisition.

Time Deposit

Consists of a non-negotiable fixed rate investment in a time deposit with an original maturity of greater than three months and is recorded on the balance sheet at cost. The time deposit matures in the first quarter of 2017 and the proceeds from this investment are expected to be used to fund a portion of the cash consideration for the anticipated acquisition of Westar. The Company estimates the fair value of the time deposit, which approximates its carrying

value, using Level 2 inputs based on current interest rates for similar investments with comparable credit risk and time to maturity.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Nuclear decommissioning trust fund - KCP&L's nuclear decommissioning trust fund assets are recorded at fair value based on quoted market prices of the investments held by the fund and/or valuation models.

Derivative instruments - The fair value of commodity derivative instruments is estimated using market quotes, over-the-counter forward price and volatility curves and correlation among fuel prices, net of estimated credit risk. The fair value of interest rate derivative instruments is determined by calculating the net present value of expected payments and receipts under interest rate swaps using observable market inputs including interest rates and LIBOR swap rates. Management also discounts the value by a contingency factor that it believes is representative of what a market participant would use in valuing these instruments in order to account for the contingent nature of the settlement of these instruments.

Pension plans - For financial reporting purposes, the market value of plan assets is the fair value. For regulatory reporting purposes, a five-year smoothing of assets is used to determine fair value.

Derivative Instruments

The Company records derivative instruments on the balance sheet at fair value in accordance with GAAP. Great Plains Energy and KCP&L enter into derivative contracts to manage exposure to commodity price and interest rate fluctuations. Derivative instruments are used solely for hedging purposes and are not issued or held for speculative reasons.

The Company considers various qualitative factors, such as contract and market place attributes, in designating derivative instruments at inception. Great Plains Energy and KCP&L may elect the normal purchases and normal sales (NPNS) exception, which requires the effects of the derivative to be recorded when the underlying contract settles. Great Plains Energy and KCP&L account for derivative instruments that are not designated as NPNS as non-hedging derivatives, which are recorded as assets or liabilities on the consolidated balance sheets at fair value. See Note 19 for additional information regarding derivative financial instruments and hedging activities.

Great Plains Energy and KCP&L offset fair value amounts recognized for derivative instruments under master netting arrangements, which include rights to reclaim cash collateral (a receivable), or the obligation to return cash collateral (a payable).

Utility Plant

Great Plains Energy's and KCP&L's utility plant is stated at historical cost. These costs include taxes, an allowance for the cost of borrowed and equity funds used to finance construction and payroll-related costs, including pensions and other fringe benefits. Replacements, improvements and additions to units of property are capitalized. Repairs of property and replacements of items not considered to be units of property are expensed as incurred (except as discussed under Deferred Refueling Outage Costs). When property units are retired or otherwise disposed, the original cost, net of salvage, is charged to accumulated depreciation. Substantially all of KCP&L's utility plant is pledged as collateral for KCP&L's mortgage bonds under the General Mortgage Indenture and Deed of Trust dated December 1, 1986, as supplemented. A portion of GMO's utility plant is pledged as collateral for GMO's mortgage bonds under the General Mortgage Indenture and Deed of Trust dated April 1, 1946, as supplemented.

As prescribed by The Federal Energy Regulatory Commission (FERC), Allowance for Funds Used During Construction (AFUDC) is charged to the cost of the plant during construction. AFUDC equity funds are included as a non-cash item in non-operating income and AFUDC borrowed funds are a reduction of interest charges. The rates used to compute gross AFUDC are compounded semi-annually. The rates used to compute gross AFUDC for

KCP&L averaged 5.7% in 2016, 3.0% in 2015 and 5.7% in 2014. The rates used to compute gross AFUDC for GMO averaged 1.6% in 2016, 4.2% in 2015 and 6.1% in 2014.

Great Plains Energy's and KCP&L's balances of utility plant, at original cost, with a range of estimated useful lives are listed in the following tables.

Great Plains Energy

December 31	2016	2015
Utility plant, at original cost	(millions)	
Generation (20 - 60 years)	\$ 8,106.4	\$ 7,923.8
Transmission (15 - 70 years)	886.3	848.8
Distribution (8 - 66 years)	3,629.1	3,498.6
General (5 - 50 years)	975.9	918.7
Total ^(a)	\$ 13,597.7	\$ 13,189.9

^(a) Includes \$261.2 million and \$214.0 million at December 31, 2016 and 2015, respectively, of land and other assets that are not depreciated.

KCP&L

December 31	2016	2015
Utility plant, at original cost	(millions)	
Generation (20 - 60 years)	\$ 6,350.7	\$ 6,222.5
Transmission (15 - 70 years)	484.1	465.3
Distribution (8 - 55 years)	2,298.4	2,215.2
General (5 - 50 years)	791.9	737.4
Total ^(a)	\$ 9,925.1	\$ 9,640.4

^(a) Includes \$178.0 million and \$136.5 million at December 31, 2016 and 2015, respectively, of land and other assets that are not depreciated.

Depreciation and Amortization

Depreciation and amortization of utility plant other than nuclear fuel is computed using the straight-line method over the estimated lives of depreciable property based on rates approved by state regulatory authorities. Annual depreciation rates average approximately 3%. Nuclear fuel is amortized to fuel expense based on the quantity of heat produced during the generation of electricity.

Great Plains Energy's depreciation expense was \$308.8 million, \$299.4 million and \$277.9 million for 2016, 2015 and 2014, respectively. KCP&L's depreciation expense was \$215.4 million, \$208.5 million and \$189.7 million for 2016, 2015 and 2014, respectively.

Nuclear Plant Decommissioning Costs

Nuclear plant decommissioning cost estimates are based on the immediate dismantlement method and include the costs of decontamination, dismantlement and site restoration. Based on these cost estimates, KCP&L contributes to a tax-qualified trust fund to be used to decommission Wolf Creek Generating Station (Wolf Creek). Related liabilities for decommissioning are included on Great Plains Energy's and KCP&L's balance sheets in Asset Retirement Obligations (AROs).

As a result of the authorized regulatory treatment and related regulatory accounting, differences between the decommissioning trust fund asset and the related ARO are recorded as a regulatory asset or liability. See Note 8 for discussion of AROs including those associated with nuclear plant decommissioning costs.

Deferred Refueling Outage Costs

KCP&L uses the deferral method to account for operations and maintenance expenses incurred in support of Wolf Creek's scheduled refueling outages and amortizes them evenly (monthly) over the unit's operating cycle, which is

approximately 18 months, until the next scheduled outage. Replacement power costs during an outage are expensed as incurred.

Regulatory Matters

KCP&L and GMO defer items on the balance sheet resulting from the effects of the ratemaking process, which would not be recorded if KCP&L and GMO were not regulated. See Note 6 for additional information concerning regulatory matters.

Revenue Recognition

Great Plains Energy and KCP&L recognize revenues on sales of electricity when the service is provided. Revenues recorded include electric services provided but not yet billed by KCP&L and GMO. Unbilled revenues are recorded for kWh usage in the period following the customers' billing cycle to the end of the month. KCP&L's and GMO's estimate is based on net system kWh usage less actual billed kWhs. KCP&L's and GMO's estimated unbilled kWhs are allocated and priced by regulatory jurisdiction across the rate classes based on actual billing rates.

KCP&L and GMO collect from customers gross receipts taxes levied by state and local governments. These taxes from KCP&L's Missouri customers are recorded gross in operating revenues and general taxes on Great Plains Energy's and KCP&L's statements of comprehensive income. KCP&L's gross receipts taxes collected from Missouri customers were \$70.3 million, \$62.0 million and \$60.4 million in 2016, 2015 and 2014, respectively. These taxes from KCP&L's Kansas customers and GMO's customers are recorded net in operating revenues on Great Plains Energy's and KCP&L's statements of comprehensive income.

Great Plains Energy and KCP&L collect sales taxes from customers and remit to state and local governments. These taxes are presented on a net basis on Great Plains Energy's and KCP&L's statements of comprehensive income.

Great Plains Energy and KCP&L record sale and purchase activity on a net basis in wholesale revenue or purchased power when transacting with Regional Transmission Organization (RTO)/Independent System Operator (ISO) markets.

Allowance for Doubtful Accounts

This reserve represents estimated uncollectible accounts receivable and is based on management's judgment considering historical loss experience and the characteristics of existing accounts. Provisions for losses on receivables are expensed to maintain the allowance at a level considered adequate to cover expected losses. Receivables are charged off against the reserve when they are deemed uncollectible.

Property Gains and Losses

Net gains and losses from the sale of assets and businesses and from asset impairments are recorded in operating expenses.

Asset Impairments

Long-lived assets and finite-lived intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the undiscounted expected future cash flows from an asset to be held and used is less than the carrying value of the asset, an asset impairment must be recognized in the financial statements. The amount of impairment recognized is the excess of the carrying value of the asset over its fair value.

Goodwill and indefinite lived intangible assets are tested for impairment annually and when an event occurs indicating the possibility that an impairment exists. The annual test must be performed at the same time each year. If the fair value of a reporting unit is less than its carrying value including goodwill, an impairment charge for goodwill must be recognized in the financial statements. To measure the amount of the impairment loss to recognize, the implied fair value of the reporting unit goodwill is compared with its carrying value.

Income Taxes

Income taxes are accounted for using the asset/liability approach. Deferred tax assets and liabilities are determined based on the temporary differences between the financial reporting and tax bases of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized.

Great Plains Energy and KCP&L recognize tax benefits based on a “more-likely-than-not” recognition threshold. In addition, Great Plains Energy and KCP&L recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in non-operating expenses.

Great Plains Energy files a consolidated federal income tax return as well as unitary and combined income tax returns in several state jurisdictions with Kansas and Missouri being the most significant. Income taxes for consolidated or combined subsidiaries are allocated to the subsidiaries based on separate company computations of income or loss. KCP&L's income tax provision includes taxes allocated based on its separate company income or loss.

Great Plains Energy and KCP&L have established a net regulatory asset for the additional future revenues to be collected from customers for deferred income taxes. Tax credits are recognized in the year generated except for certain KCP&L and GMO investment tax credits that have been deferred and amortized over the remaining service lives of the related properties.

Environmental Matters

Environmental costs are accrued when it is probable a liability has been incurred and the amount of the liability can be reasonably estimated.

Basic and Diluted Earnings per Common Share Calculation

To determine basic earnings per common share (EPS), preferred stock dividend requirements and redemption premium are deducted from net income before dividing by the average number of common shares outstanding. To determine diluted EPS, preferred stock dividend requirements are added to earnings available for common shareholders for the periods in which the assumed conversion of Great Plains Energy's 7.00% Series B Mandatory Convertible Preferred Stock (Series B Preferred Stock) has a dilutive effect before dividing by the diluted average number of common shares outstanding. The effect of dilutive securities assumes the issuance of common shares applicable to performance shares and restricted stock calculated using the treasury stock method and the number of common shares that would be issued under an assumed conversion of Series B Preferred Stock using the if-converted method.

The following table reconciles Great Plains Energy's basic and diluted EPS.

	2016	2015	2014
	(millions, except per share amounts)		
Income			
Net income	\$ 290.0	\$ 213.0	\$ 242.8
Less: preferred stock dividend requirements and redemption premium	16.5	1.6	1.6
Earnings available for common shareholders	\$ 273.5	\$ 211.4	\$ 241.2
Common Shares Outstanding			
Average number of common shares outstanding	169.4	154.2	153.9
Add: effect of dilutive securities	0.4	0.6	0.2
Diluted average number of common shares outstanding	169.8	154.8	154.1
Basic and Diluted EPS	\$ 1.61	\$ 1.37	\$ 1.57

Anti-dilutive shares excluded from the computation of diluted EPS are detailed in the following table.

	2016	2015	2014
Assumed conversion of Series B Preferred Stock	7,805,460	—	—
Performance shares	—	—	482,987
Restricted stock shares	—	900	3,287

Dividends Declared

In February 2017, Great Plains Energy's Board of Directors (Board) declared a quarterly dividend of \$0.275 per share on Great Plains Energy's common stock. The common dividend is payable March 20, 2017, to shareholders of record as of February 27, 2017.

The Board also declared a regular quarterly dividend on Great Plains Energy's Series B Preferred Stock. The dividend will be payable March 15, 2017, to shareholders of record as of March 1, 2017.

In February 2017, KCP&L's Board of Directors declared a cash dividend payable to Great Plains Energy of \$57 million payable on March 17, 2017.

New Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. In August 2015, the FASB issued ASU No. 2015-14, deferring the effective date of ASU No. 2014-09 one year, from January 1, 2017, to January 1, 2018. The Companies plan to adopt ASU No. 2014-09 on January 1, 2018. The standard permits the use of either the retrospective or cumulative effect transition method. The Companies have completed a review of the majority of their revenue arrangements and do not expect the standard to have a material impact on their consolidated financial statements. However, the Companies are still evaluating the impacts on revenue recognition of their remaining revenue arrangements and contracts where collectability is uncertain, as well as the accounting for contributions in aid of construction. The Companies are in the process of determining their method of adoption, which depends in part on completing the evaluation of the remaining items noted above.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires an entity that is a lessee to record a right-of-use asset and a lease liability for lease payments on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new guidance is effective for interim and annual periods beginning after December 15, 2018, and is required to be applied using a modified retrospective approach. The Companies are evaluating the effect that ASU No. 2016-02 will have on their consolidated financial statements and related disclosures and have not yet determined the effect of the standard on their ongoing financial reporting.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation-Stock Compensation*, which is intended to simplify several areas of accounting for share-based compensation arrangements, including the income tax impact, classification on the statement of cash flows and forfeitures. The new guidance is effective for interim and annual periods beginning after December 15, 2016, and early adoption is permitted. This guidance will be applied either prospectively, retrospectively or using a modified retrospective transition method, depending on the area covered in this update. The Companies adopted ASU No. 2016-09 effective January 1, 2017 and it will not have a significant impact on their ongoing financial reporting.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment*, which eliminates Step 2 of the goodwill impairment test. Step 2 measures a goodwill impairment loss by computing the implied fair value of a reporting unit's goodwill and comparing it with the carrying amount of that goodwill in the event that the reporting unit does not pass Step 1 of the goodwill impairment test. Under the amendments in this ASU, a goodwill impairment loss would be measured by the amount the carrying value of the reporting unit exceeds

its fair value as calculated in Step 1 of the goodwill impairment test. The new guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019, with early adoption permitted for tests performed after January 1, 2017. Great Plains Energy anticipates early adopting ASU No. 2017-04 for its 2017 goodwill impairment test and does not anticipate that it will have a significant impact on its ongoing financial reporting.

2. ANTICIPATED ACQUISITION OF WESTAR ENERGY, INC.

On May 29, 2016, Great Plains Energy entered into an Agreement and Plan of Merger (Merger Agreement) by and among Great Plains Energy, Westar, and, from and after its accession to the Merger Agreement, GP Star, Inc., a wholly owned subsidiary of Great Plains Energy in the State of Kansas (Merger Sub). Pursuant to the Merger Agreement, subject to the satisfaction or waiver of certain conditions, Merger Sub will merge with and into Westar, with Westar continuing as the surviving corporation. Upon closing, pursuant to the Merger Agreement, Great Plains Energy will acquire Westar for (i) \$51.00 in cash and (ii) a number, rounded to the nearest 1/10,000 of a share, of shares of Great Plains Energy common stock, equal to the Exchange Ratio (as described below) for each share of Westar common stock issued and outstanding immediately prior to the effective time of the merger, with Westar becoming a wholly owned subsidiary of Great Plains Energy.

The Exchange Ratio is calculated as follows:

If the volume-weighted average share price of Great Plains Energy common stock on the New York Stock Exchange for the twenty consecutive full trading days ending on (and including) the third trading day immediately prior to the closing date of the merger (the Great Plains Energy Average Stock Price) is:

- (a) greater than \$33.2283, the Exchange Ratio will be 0.2709;
- (b) greater than or equal to \$28.5918 but less than or equal to \$33.2283, the Exchange Ratio will be an amount equal to the quotient obtained by dividing (x) \$9.00 by (y) the Great Plains Energy Average Stock Price; or
- (c) less than \$28.5918, the Exchange Ratio will be 0.3148.

Financing

Great Plains Energy plans to finance the cash portion of the merger consideration with equity and debt financing, including (i) \$750 million of mandatory convertible preferred equity pursuant to a stock purchase agreement with OCM Credit Portfolio LP (OMERS), (ii) approximately \$2.35 billion of equity comprised of a combination of Great Plains Energy common stock and additional mandatory convertible preferred stock, which, as discussed below, was completed in October 2016, and (iii) approximately \$4.4 billion in debt.

On May 29, 2016, in connection with the Merger Agreement, Great Plains Energy entered into a commitment letter for a 364-day senior unsecured bridge term loan facility in an aggregate principal amount of \$8.017 billion (which has subsequently been reduced to \$5.1 billion) to support the anticipated transaction and provide flexibility for the timing of long-term financing. See Note 11 for additional information.

On May 29, 2016, Great Plains Energy entered into a stock purchase agreement with OMERS, pursuant to which Great Plains Energy will issue and sell to OMERS 750,000 shares of preferred stock of Great Plains Energy designated as 7.25% Mandatory Convertible Preferred Stock, Series A (Series A Preferred Stock), without par value, for an aggregate purchase price equal to \$750 million at the closing of the merger. See Note 14 for additional information.

On October 3, 2016, Great Plains Energy completed a registered public offering of 60.5 million shares of common stock, without par value, at a public offering price of \$26.45 per share, for total gross proceeds of approximately \$1.6 billion (net proceeds of approximately \$1.55 billion after issuance costs). Concurrent with this offering, Great Plains Energy also completed a registered public offering of 17.3 million depositary shares, each representing a 1/20th interest in a share of Great Plains Energy's Series B Preferred Stock, without par value, at a public offering

price of \$50 per depositary share for total gross proceeds of \$862.5 million (net proceeds of approximately \$836.2 million after issuance costs). See Note 14 for additional information on the Series B Preferred Stock.

Regulatory and Shareholder Approvals

Great Plains Energy's anticipated acquisition of Westar was unanimously approved by the Great Plains Energy Board and Westar's Board of Directors (Westar Board). In September 2016, shareholders of Great Plains Energy and Westar approved all proposals necessary for Great Plains Energy's acquisition of Westar at each company's respective shareholder meeting. The anticipated acquisition remains subject to regulatory approvals from The State Corporation Commission of the State of Kansas (KCC), the Public Service Commission of the State of Missouri (MPSC), the Nuclear Regulatory Commission (NRC) and FERC; as well as other customary conditions.

KCC Approval

In June 2016, Great Plains Energy, KCP&L and Westar filed a joint application with KCC for approval of the anticipated acquisition of Westar by Great Plains Energy. Under applicable Kansas regulations, KCC has 300 days following the filing to rule on the transaction. In December 2016, KCC staff filed its testimony and recommended that the KCC not approve the anticipated acquisition, citing concerns with the size of the acquisition premium, the amount of anticipated cost synergies and potential impacts to the quality of service provided to Kansas customers. In January 2017, Great Plains Energy, KCP&L and Westar filed rebuttal testimony responding to KCC staff's concerns. An evidentiary hearing was held in the case from January 30, 2017 through February 7, 2017 and a final order on the joint application is expected by April 24, 2017.

MPSC Approval

On February 22, 2017, the MPSC issued an order directing Great Plains Energy to file an application with the MPSC for approval of the anticipated acquisition of Westar. The order requires Great Plains Energy to file the application within ten days from the date of the order. An evidentiary hearing in the case is expected to occur in early April 2017. While there is not a statutory deadline for an MPSC ruling on the merger application, the MPSC has indicated that they intend to work towards a ruling on a timeline that is consistent with the joint application filed by Great Plains Energy, KCP&L and Westar with KCC, where a final order is expected by April 24, 2017.

Prior to receiving the MPSC order to file an application for approval of the anticipated acquisition of Westar, Great Plains Energy had reached separate stipulations and agreements with the MPSC staff and the Office of the Public Counsel (OPC) in which the MPSC staff and OPC agreed that they would not file complaints alleging that MPSC approval was necessary in order for Great Plains Energy to acquire Westar. The stipulations and agreements impose certain conditions on Great Plains Energy, KCP&L and GMO in the areas of financing, ratemaking, customer service, corporate social responsibility and also include other general provisions. The stipulation and agreement with the MPSC staff, among other things, provides that retail rates for KCP&L Missouri and GMO customers will not increase as a result of the acquisition and that in the event KCP&L's or GMO's credit ratings are downgraded below investment grade as a result of the acquisition, KCP&L and GMO will be restricted from paying a dividend to Great Plains Energy unless approved by the MPSC or until their credit ratings are restored to investment grade. The stipulations and agreements must still be approved by the MPSC and it is expected that they will be considered as part of Great Plains Energy's application for approval of the anticipated acquisition of Westar.

Other Approvals

In July 2016, Great Plains Energy and Westar filed applications with FERC and NRC for approval of the merger. In August 2016, the Securities and Exchange Commission (SEC) declared effective a registration statement including a joint proxy statement with Westar (the Proxy Statement Prospectus) used in connection with the Great Plains Energy and Westar special shareholder meetings that occurred in September 2016. In September 2016, shareholders of Great Plains Energy and Westar approved all proposals necessary for Great Plains Energy's acquisition of Westar at each company's respective shareholder meeting. In September 2016, Great Plains Energy and Westar filed their respective Pre-Merger Notification and Report forms with the Federal Trade Commission (FTC) and the Department of Justice (DOJ) under the Hart-Scott-Rodino (HSR) Act. In October 2016, the FTC granted Great Plains Energy's request for early termination of the waiting period under the HSR Act with respect to the anticipated acquisition, and the DOJ also notified Great Plains Energy that it has closed its investigation of the

antitrust aspects of the anticipated acquisition. In January 2017, The Federal Communications Commission (FCC) consented to the Transfer of Control application filed by Great Plains Energy and Westar relating to the anticipated acquisition.

Termination Fees

The Merger Agreement provides that in connection with the termination of the Merger Agreement under specified circumstances relating to a failure to obtain required regulatory approvals prior to May 31, 2017 (which date may be extended to November 30, 2017 under certain circumstances (the End Date)), a final and nonappealable order enjoining the consummation of the merger in connection with regulatory approvals or failure by Great Plains Energy to consummate the merger once all of the conditions have been satisfied, Great Plains Energy will be required to pay Westar a termination fee of \$380 million. In addition, in the event that the Merger Agreement is terminated by (a) either party because the closing has not occurred by the End Date or (b) Westar, as a result of Great Plains Energy's uncured breach of the Merger Agreement, and prior to such termination, an acquisition proposal for Great Plains Energy is publicly disclosed or made to Great Plains Energy, if Great Plains Energy enters into an agreement or consummates a transaction with respect to an acquisition proposal within twelve months following such termination, then Great Plains Energy may be required to pay Westar a termination fee of \$180 million. Similarly, in the event that the Merger Agreement is terminated by (x) either party because the closing has not occurred by the End Date or (y) Great Plains Energy, as a result of Westar's uncured breach of the Merger Agreement, and prior to such termination, an acquisition proposal for Westar is publicly disclosed or made to Westar, if Westar enters into an agreement or consummates a transaction with respect to an acquisition proposal within twelve months following such termination, then Westar may be required to pay Great Plains Energy a termination fee of \$280 million.

3. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

Year Ended December 31	2016	2015	2014
Cash flows affected by changes in:		(millions)	
Receivables	\$ (18.3)	\$ 12.5	\$ 3.0
Accounts receivable pledged as collateral	2.6	(4.0)	4.0
Fuel inventories	9.6	(28.3)	(13.7)
Materials and supplies	(6.5)	(3.0)	(0.4)
Accounts payable	(25.4)	(11.4)	15.2
Accrued taxes	8.1	1.1	8.3
Accrued interest	6.1	3.4	(4.1)
Deferred refueling outage costs	(3.1)	(6.7)	17.0
Pension and post-retirement benefit obligations	27.4	18.5	25.5
Allowance for equity funds used during construction	(6.6)	(4.8)	(18.0)
Fuel recovery mechanisms	(46.9)	47.5	(28.5)
Solar rebates paid	(4.5)	(9.0)	(43.2)
Other	15.2	(2.9)	(12.3)
Total other operating activities	\$ (42.3)	\$ 12.9	\$ (47.2)
Cash paid during the period:			
Interest	\$ 191.2	\$ 182.2	\$ 174.8
Income taxes	\$ 0.1	\$ 0.1	\$ —
Non-cash investing activities:			
Liabilities accrued for capital expenditures	\$ 32.4	\$ 35.7	\$ 57.4

KCP&L Other Operating Activities

Year Ended December 31	2016	2015	2014
Cash flows affected by changes in:		(millions)	
Receivables	\$ (12.4)	\$ 2.6	\$ (18.1)
Fuel inventories	10.6	(24.7)	(8.5)
Materials and supplies	(4.3)	(4.5)	(1.1)
Accounts payable	(30.5)	(18.0)	20.4
Accrued taxes	67.9	(19.0)	(42.5)
Accrued interest	—	3.4	(0.1)
Deferred refueling outage costs	(3.1)	(6.7)	17.0
Pension and post-retirement benefit obligations	28.6	18.4	26.9
Allowance for equity funds used during construction	(6.6)	(3.8)	(16.0)
Fuel recovery mechanisms	(53.7)	3.5	(2.2)
Solar rebates paid	(3.1)	(7.2)	(17.3)
Other	4.5	(5.5)	(23.2)
Total other operating activities	\$ (2.1)	\$ (61.5)	\$ (64.7)
Cash paid during the period:			
Interest	\$ 127.0	\$ 120.2	\$ 112.1
Income taxes	\$ —	\$ —	\$ 30.2
Non-cash investing activities:			
Liabilities accrued for capital expenditures	\$ 27.2	\$ 23.9	\$ 48.8

4. RECEIVABLES

Great Plains Energy's and KCP&L's receivables are detailed in the following table.

	December 31	
	2016	2015
Great Plains Energy		(millions)
Customer accounts receivable - billed	\$ 26.2	\$ 3.4
Customer accounts receivable - unbilled	79.1	71.6
Allowance for doubtful accounts - customer accounts receivable	(4.0)	(3.8)
Other receivables	64.7	76.5
Total	\$ 166.0	\$ 147.7
KCP&L		
Customer accounts receivable - billed	\$ 25.5	\$ 2.8
Customer accounts receivable - unbilled	63.7	58.8
Allowance for doubtful accounts - customer accounts receivable	(1.8)	(1.8)
Other receivables	51.7	69.4
Total	\$ 139.1	\$ 129.2

Great Plains Energy's and KCP&L's other receivables at December 31, 2016 and 2015, consisted primarily of receivables from partners in jointly owned electric utility plants and wholesale sales receivables.

Sale of Accounts Receivable – KCP&L and GMO

KCP&L and GMO sell all of their retail electric accounts receivable to their wholly owned subsidiaries, KCP&L Receivables Company and GMO Receivables Company, respectively, which in turn sell an undivided percentage ownership interest in the accounts receivable to Victory Receivables Corporation, an independent outside investor. Each of KCP&L Receivables Company's and GMO Receivables Company's sale of the undivided percentage ownership interest in accounts receivable to Victory Receivables Corporation is accounted for as a secured borrowing with accounts receivable pledged as collateral and a corresponding short-term collateralized note payable recognized on the balance sheets. At December 31, 2016 and 2015, Great Plains Energy's accounts receivable

pledged as collateral and the corresponding short-term collateralized note payable were \$172.4 million and \$175.0 million, respectively. At December 31, 2016 and 2015, KCP&L's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were \$110.0 million. KCP&L's agreement expires in September 2017 and allows for \$110 million in aggregate outstanding principal amount of borrowings at any time. GMO's agreement expires in September 2017 and allows for \$65 million in aggregate outstanding principal of borrowings from mid-November through mid-June and then increases to \$80 million from mid-June through mid-November.

5. NUCLEAR PLANT

KCP&L owns 47% of Wolf Creek Generating Station (Wolf Creek), its only nuclear generating unit. Wolf Creek is located in Coffey County, Kansas, just northeast of Burlington, Kansas. Wolf Creek's operating license expires in 2045. Wolf Creek is regulated by the NRC with respect to licensing, operations and safety-related requirements.

Spent Nuclear Fuel and High-Level Radioactive Waste

Under the Nuclear Waste Policy Act of 1982, the Department of Energy (DOE) is responsible for the permanent disposal of spent nuclear fuel. Wolf Creek historically paid the DOE a quarterly fee of one-tenth of a cent for each kWh of net nuclear generation delivered and sold for the future disposal of spent nuclear fuel. In May 2014, this fee was set to zero.

In 2010, the DOE filed a motion with the NRC to withdraw its then pending application to the NRC to construct a national repository for the disposal of spent nuclear fuel and high-level radioactive waste at Yucca Mountain, Nevada. An NRC board denied the DOE's motion to withdraw its application. In 2011, the NRC announced that it was evenly divided on whether to take affirmative action to overturn or uphold the board's decision and ordered the licensing board, consistent with budgetary limitations, to close out its work on the DOE's application. In August 2013, a federal court of appeals ruled that the NRC must resume its review of the DOE's application to the extent of appropriated funds. With the available funds, the NRC was able to complete its technical review of the Yucca Mountain application but was not able to resume the licensing hearing.

Wolf Creek is currently evaluating alternatives for expanding its existing on-site spent nuclear fuel storage to provide additional capacity prior to 2025. Management cannot predict when, or if, an off-site storage site or alternative disposal site will be available to receive Wolf Creek's spent nuclear fuel and will continue to monitor this activity.

Low-Level Radioactive Waste

Wolf Creek disposes of most of its low-level radioactive waste (Class A waste) at an existing third-party repository in Utah. Management expects that the site located in Utah will remain available to Wolf Creek for disposal of its Class A waste. Wolf Creek has contracted with a waste processor that will process, take title and dispose in another state most of the remainder of Wolf Creek's low-level radioactive waste (Classes B and C waste, which is higher in radioactivity but much lower in volume). Should on-site waste storage be needed in the future, Wolf Creek has current storage capacity on site for about four years' generation of Classes B and C waste and believes it will be able to expand that storage capacity as needed if it becomes necessary to do so.

Nuclear Plant Decommissioning Costs

The MPSC and KCC require KCP&L and the other owners of Wolf Creek to submit an updated decommissioning cost study every three years and to propose funding levels. The most recent study was submitted to the MPSC and KCC in August 2014 and is the basis for the current cost of decommissioning estimates in the following table. Funding levels included in KCP&L retail rates have not changed.

	KCC	MPSC
	(millions)	
Current cost of decommissioning (in 2014 dollars)		
Total Station	\$ 765.1	\$ 765.1
KCP&L's 47% Share	359.6	359.6
Future cost of decommissioning (in 2045-2053 dollars) ^(a)		
Total Station	\$ 2,201.5	\$ 2,253.1
KCP&L's 47% Share	1,034.7	1,059.0
Annual escalation factor	3.15%	3.22%
Annual return on trust assets ^(b)	6.29%	5.81%

^(a) Total future cost over an eight year decommissioning period

^(b) The 6.29% and 5.81% rate of return for KCC and MPSC, respectively, is through 2025. The rates then systematically decrease through 2053 to 0.72% and 2.22% for KCC and MPSC, respectively, based on the assumption that the fund's investment mix will become increasingly conservative as the decommissioning period approaches.

Nuclear Decommissioning Trust Fund

In 2016 and 2015, KCP&L contributed approximately \$3.3 million to a tax-qualified trust fund to be used to decommission Wolf Creek. Amounts funded are charged to other operating expense and recovered in customers' rates. The funding level assumes a projected level of return on trust assets. If the actual return on trust assets is below the projected level or actual decommissioning costs are higher than estimated, KCP&L could be responsible for the balance of funds required; however, while there can be no assurances, management believes a rate increase would be allowed to recover decommissioning costs over the remaining life of the unit.

The following table summarizes the change in Great Plains Energy's and KCP&L's nuclear decommissioning trust fund.

	2016	2015
	(millions)	
Decommissioning Trust		
Beginning balance January 1	\$ 200.7	\$ 199.0
Contributions	3.3	3.3
Earned income, net of fees	4.1	3.4
Net realized gains	0.3	0.7
Net unrealized gains (losses)	14.5	(5.7)
Ending balance December 31	\$ 222.9	\$ 200.7

The nuclear decommissioning trust is reported at fair value on the balance sheets and is invested in assets as detailed in the following table.

December 31									
2016					2015				
	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value	
(millions)									
Equity securities	\$ 93.3	\$ 62.1	\$ (1.5)	\$ 153.9	\$ 89.6	\$ 47.9	\$ (2.1)	\$ 135.4	
Debt securities	63.4	2.3	(0.5)	65.2	59.6	2.6	(0.5)	61.7	
Other	3.8	—	—	3.8	3.6	—	—	3.6	
Total	\$ 160.5	\$ 64.4	\$ (2.0)	\$ 222.9	\$ 152.8	\$ 50.5	\$ (2.6)	\$ 200.7	

The weighted average maturity of debt securities held by the trust at December 31, 2016, was approximately 8 years. The costs of securities sold are determined on the basis of specific identification. The following table summarizes the realized gains and losses from the sale of securities in the nuclear decommissioning trust fund.

	2016	2015	2014
(millions)			
Realized gains	\$ 1.6	\$ 5.3	\$ 1.4
Realized losses	(1.3)	(4.6)	(1.0)

Nuclear Insurance

The owners of Wolf Creek (Owners) maintain nuclear insurance for Wolf Creek for nuclear liability, nuclear property and accidental outage. These policies contain certain industry standard exclusions, including, but not limited to, ordinary wear and tear, and war. The nuclear property insurance programs subscribed to by members of the nuclear power generating industry include industry aggregate limits for acts of terrorism and related losses, including replacement power costs. There is no industry aggregate limit for liability claims related to terrorism, regardless of the number of acts of terrorism affecting Wolf Creek or any other nuclear energy liability policy or the number of policies in place. An industry aggregate limit of \$3.2 billion plus any reinsurance recoverable by Nuclear Electric Insurance Limited (NEIL), the Owners' insurance provider, exists for property claims related to nuclear acts of terrorism, including accidental outage power costs for nuclear acts of terrorism affecting Wolf Creek or any other nuclear energy facility property policy within twelve months from the date of the first act. An industry aggregate limit of \$1.8 billion exists for property claims related to non-nuclear acts of terrorism. These limits plus any recoverable reinsurance are the maximum amount to be paid to members who sustain losses or damages from these types of terrorist acts. In addition, industry-wide retrospective assessment programs (discussed below) can apply once these insurance programs have been exhausted.

In the event of a catastrophic loss at Wolf Creek, the insurance coverage may not be adequate to cover property damage and extra expenses incurred. Uninsured losses, to the extent not recovered through rates, would be assumed by KCP&L and the other owners and could have a material effect on Great Plains Energy's and KCP&L's results of operations, financial position and cash flows.

Nuclear Liability Insurance

Pursuant to the Price-Anderson Act, which was reauthorized through December 31, 2025, by the Energy Policy Act of 2005, the Owners are required to insure against public liability claims resulting from nuclear incidents to the full limit of public liability, which is currently \$13.4 billion. This limit of liability consists of the maximum available commercial insurance of \$0.4 billion and the remaining \$13.0 billion is provided through an industry-wide retrospective assessment program mandated by law, known as the Secondary Financial Protection (SFP) program. Under the SFP program, the Owners can be assessed up to \$127.3 million (\$59.8 million, KCP&L's 47% share) per incident at any commercial reactor in the country, payable at no more than \$19.0 million (\$8.9 million, KCP&L's 47% share) per incident per year. This assessment is subject to an inflation adjustment based on the Consumer

Price Index and applicable premium taxes. In addition, the U.S. Congress could impose additional revenue-raising measures to pay claims.

Nuclear Property Insurance

The Owners carry decontamination liability, premature decommissioning liability and property damage insurance from NEIL for Wolf Creek totaling approximately \$2.8 billion (\$1.3 billion, KCP&L's 47% share). In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination in accordance with a plan mandated by the NRC. KCP&L's share of any remaining proceeds can be used for further decontamination, property damage restoration and premature decommissioning costs. Premature decommissioning coverage applies only if an accident at Wolf Creek exceeds \$500 million in property damage and decontamination expenses, and only after trust funds have been exhausted.

Accidental Nuclear Outage Insurance

The Owners also carry additional insurance from NEIL to cover costs of replacement power and other extra expenses incurred in the event of a prolonged outage resulting from accidental property damage at Wolf Creek.

Under all NEIL policies, the Owners are subject to retrospective assessments if NEIL losses, for each policy year, exceed the accumulated funds available to the insurer under that policy. The estimated maximum amount of retrospective assessments under the current policies could total approximately \$37.5 million (\$17.6 million, KCP&L's 47% share) per policy year.

6. REGULATORY MATTERS

KCP&L Kansas 2016 Abbreviated Rate Case Proceedings

In November 2016, KCP&L filed an abbreviated application with the KCC to request a decrease to its retail revenues of \$2.8 million, reflecting the true-up to actuals of construction and environmental upgrade costs at the La Cygne station and Wolf Creek capital addition costs and the removal of certain regulatory asset and liability amortizations. The previously approved return on equity and rate-making ratio for KCP&L will not be addressed in this case. Testimony from KCC staff and other parties regarding the case is expected in April 2017, with an evidentiary hearing to occur in May 2017. The decrease to retail revenues is anticipated to be effective in July 2017.

KCP&L Missouri 2016 Rate Case Proceedings

In July 2016, KCP&L filed an application with the MPSC to request an increase to its retail revenues of \$62.9 million, with a return on equity of 9.9% and a rate-making equity ratio of 49.88%. The request reflects increases in infrastructure investment costs, costs for regional transmission lines, property tax costs and costs to comply with environmental and cybersecurity mandates. KCP&L also requested an additional \$27.2 million increase associated with rebasing fuel and purchased power expense. In November 2016, MPSC staff filed testimony regarding the case stating that they did not have sufficient information to support a change in rates but in the event that new rates were approved, recommended a return on equity of 8.65%, which is on the upper end of their range of 7.9% to 8.75%.

In February 2017, KCP&L, MPSC staff and other parties to the case filed a non-unanimous stipulation and agreement resolving certain issues in the case. The stipulation and agreement is pending MPSC approval. An evidentiary hearing also occurred in February 2017. An order on the remaining issues in the case is anticipated to be received to accommodate new rates to be effective in May 2017.

GMO Missouri 2016 Rate Case Proceedings

In February 2016, GMO filed an application with the MPSC to request an increase to its retail revenues of \$59.3 million, with a return on equity of 9.9% and a rate-making equity ratio of 54.83%. The request included recovery of increased transmission and property tax expenses as well as costs for infrastructure and system improvements to continue to provide reliable electric service.

In September 2016, GMO, the MPSC staff and certain intervenors reached several non-unanimous stipulations and agreements resolving all issues in the case. In September 2016, the MPSC issued an order for GMO approving the non-unanimous stipulations and agreements and authorizing an increase in annual revenues of \$3.0 million and a return on equity of 9.5% to 9.75%. The rates established by the order took effect on February 22, 2017.

Regulatory Assets and Liabilities

Great Plains Energy and KCP&L have recorded assets and liabilities on their consolidated balance sheets resulting from the effects of the ratemaking process, which would not otherwise be recorded if the Companies were not regulated. Regulatory assets represent incurred costs that are probable of recovery from future revenues. Regulatory liabilities represent future reductions in revenues or refunds to customers.

Management regularly assesses whether regulatory assets and liabilities are probable of future recovery or refund by considering factors such as decisions by the MPSC, KCC or FERC in KCP&L's and GMO's rate case filings; decisions in other regulatory proceedings, including decisions related to other companies that establish precedent on matters applicable to the Companies; and changes in laws and regulations. If recovery or refund of regulatory assets or liabilities is not approved by regulators or is no longer deemed probable, these regulatory assets or liabilities are recognized in the current period results of operations. The Companies' continued ability to meet the criteria for recording regulatory assets and liabilities may be affected in the future by restructuring and deregulation in the electric industry or changes in accounting rules. In the event that the criteria no longer applied to any or all of the Companies' operations, the related regulatory assets and liabilities would be written off unless an appropriate regulatory recovery mechanism were provided. Additionally, these factors could result in an impairment on utility plant assets.

Great Plains Energy's and KCP&L's regulatory assets and liabilities are detailed in the following table.

	December 31					
	2016			2015		
	KCP&L	GMO	Great Plains Energy	KCP&L	GMO	Great Plains Energy
Regulatory Assets	(millions)					
Taxes recoverable through future rates	\$ 123.9	\$ 24.8	\$ 148.7	\$ 125.0	\$ 26.4	\$ 151.4
Loss on reacquired debt	10.0 ^(a)	1.7 ^(a)	11.7	11.3	2.2	13.5
Cost of removal	28.6	—	28.6	12.9	—	12.9
Asset retirement obligations	69.6	24.9	94.5	57.9	19.5	77.4
Pension and post-retirement costs	367.9 ^(b)	104.7 ^(b)	472.6	358.5	98.9	457.4
Deferred customer programs	45.9 ^(c)	27.4 ^(d)	73.3	50.3	20.8	71.1
Fuel recovery mechanism	69.9 ^(e)	—	69.9	16.3	0.1	16.4
Derivative instruments	—	—	—	0.5	6.3	6.8
Iatan No. 1 and common facilities depreciation and carrying costs	13.6 ^(f)	5.0 ^(f)	18.6	14.1	5.2	19.3
Iatan No. 2 construction accounting costs	26.9 ^(g)	16.1 ^(g)	43.0	28.7	16.0	44.7
Kansas property tax surcharge	3.6 ^(e)	—	3.6	6.8	—	6.8
Solar rebates	29.2 ^(e)	41.6 ^(e)	70.8	33.6	49.0	82.6
Transmission delivery charge	3.1 ^(e)	—	3.1	1.7	—	1.7
La Cygne deferred depreciation	2.8 ^(h)	—	2.8	2.9	—	2.9
Other	6.8 ^(e)	—	6.8	11.9	2.3	14.2
Total	\$ 801.8	\$ 246.2	\$ 1,048.0	\$ 732.4	\$ 246.7	\$ 979.1
Regulatory Liabilities						
Emission allowances	\$ 62.1	\$ —	\$ 62.1	\$ 66.1	\$ —	\$ 66.1
Asset retirement obligations	99.7	—	99.7	86.5	—	86.5
Cost of removal	—	65.1 ⁽ⁱ⁾	65.1	—	68.2	68.2
Fuel recovery mechanism	—	11.6	11.6	—	5.0	5.0
Pension and post-retirement costs	15.3	7.4	22.7	4.8	3.7	8.5
Other	10.3	38.4	48.7	7.2	42.9	50.1
Total	\$ 187.4	\$ 122.5	\$ 309.9	\$ 164.6	\$ 119.8	\$ 284.4

^(a) Amortized over the life of the related new debt issuances or the remaining lives of the old debt issuances if no new debt was issued.

^(b) Represents unrecognized gains and losses, prior service and transition costs that will be recognized in future net periodic pension and post-retirement costs, pension settlements amortized over various periods and financial and regulatory accounting method differences that will be eliminated over the life of the pension plans. Of these amounts, \$360.7 million and \$65.1 million for KCP&L and GMO, respectively, are not included in rate base and are amortized over various periods.

^(c) \$13.2 million not included in rate base and amortized over various periods.

^(d) \$15.4 million not included in rate base and amortized over various periods.

^(e) Not included in rate base and amortized over various periods.

^(f) Included in rate base and amortized through 2038.

^(g) Included in rate base and amortized through 2058.

^(h) Included in rate base and amortized through 2040.

⁽ⁱ⁾ Estimated cumulative net provision for future removal costs.

7. GOODWILL AND INTANGIBLE ASSETS

Accounting rules require goodwill to be tested for impairment annually and when an event occurs indicating the possibility that an impairment exists. The annual impairment test for the \$169.0 million of GMO acquisition goodwill was conducted on September 1, 2016. The goodwill impairment test is a two step process. See Note 1 for additional information regarding the Company's plans to adopt ASU No. 2017-04 for its 2017 goodwill impairment test. The first step compares the fair value of a reporting unit to its carrying amount, including goodwill, to identify potential impairment. If the carrying amount exceeds the fair value of the reporting unit, the second step of the test is performed, consisting of assignment of the reporting unit's fair value to its assets and liabilities to determine an implied fair value of goodwill, which is compared to the carrying amount of goodwill to determine the impairment loss, if any, to be recognized in the financial statements. Great Plains Energy's regulated electric utility operations are considered one reporting unit for assessment of impairment, as they are included within the same operating segment and have similar economic characteristics. The determination of fair value of the reporting unit consisted of two valuation techniques: an income approach consisting of a discounted cash flow analysis and a market approach consisting of a determination of reporting unit invested capital using market multiples derived from the historical revenue, earnings before interest, income taxes, depreciation and amortization (EBITDA), net utility asset values and market prices of stock of peer companies. The results of the two techniques were evaluated and weighted to determine a point within the range that management considered representative of fair value for the reporting unit. Fair value of the reporting unit exceeded the carrying amount, including goodwill; therefore, there was no impairment of goodwill.

Great Plains Energy's and KCP&L's intangible assets are included in electric utility plant on the consolidated balance sheets and are detailed in the following table.

	December 31, 2016		December 31, 2015	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Great Plains Energy	(millions)			
Computer software	\$ 355.2	\$ (219.1)	\$ 333.0	\$ (191.8)
Asset improvements	28.8	(6.7)	28.3	(6.1)
KCP&L				
Computer software	\$ 338.3	\$ (203.1)	\$ 315.5	\$ (177.7)
Asset improvements	13.6	(1.8)	13.1	(1.5)

Great Plains Energy's and KCP&L's amortization expense related to intangible assets is detailed in the following table.

	2016	2015
	(millions)	
Great Plains Energy	\$ 29.1	\$ 28.6
KCP&L	25.7	24.7

The following table provides the estimated amortization expense related to Great Plains Energy's and KCP&L's intangible assets for 2017 through 2021 for the intangible assets included in the consolidated balance sheets at December 31, 2016.

	2017	2018	2019	2020	2021
	(millions)				
Great Plains Energy	\$ 26.1	\$ 23.7	\$ 21.5	\$ 18.0	\$ 14.3
KCP&L	24.9	23.2	21.0	17.6	13.9

8. ASSET RETIREMENT OBLIGATIONS

AROs associated with tangible long-lived assets are legal obligations that exist under enacted laws, statutes and written or oral contracts, including obligations arising under the doctrine of promissory estoppel. These liabilities are recognized at estimated fair value as incurred with a corresponding amount capitalized as part of the cost of the related long-lived assets and depreciated over their useful lives. Accretion of the liabilities due to the passage of time is recorded to a regulatory asset and/or liability. Changes in the estimated fair values of the liabilities are recognized when known.

KCP&L has AROs related to decommissioning Wolf Creek, site remediation of its Spearville Wind Energy Facilities, asbestos abatement, removal of storage tanks and closure and post-closure of ponds and landfills containing coal combustion residuals (CCRs). GMO has AROs related to asbestos abatement, removal of storage tanks and closure and post-closure of ponds and landfills containing CCRs.

Additionally, certain wiring used in Great Plains Energy's and KCP&L's generating stations include asbestos insulation, which would require special handling if disturbed. Due to the inability to reasonably estimate the quantities or the amount of disturbance that will be necessary during dismantlement at the end of the life of a plant, the fair value of this ARO cannot be reasonably estimated at this time. Management will continue to monitor the obligation and will recognize a liability in the period in which sufficient information becomes available to reasonably estimate its fair value.

On April 17, 2015, the Environmental Protection Agency (EPA) published new regulations to regulate the disposal of CCRs at electric generation facilities. The CCR rule represents legal obligations of Great Plains Energy and KCP&L as to the closure and post-closure of its ponds and landfills containing CCRs. In 2016, Great Plains Energy and KCP&L revised their AROs by \$42.1 million and \$40.1 million, respectively, due to an increase in cost estimates for the closure of ponds and landfills containing CCRs at KCP&L's electric generating facilities. As a result of the CCR rule being published, Great Plains Energy and KCP&L increased their AROs \$69.5 million and \$51.3 million, respectively, in the second quarter of 2015.

The following table summarizes the change in Great Plains Energy's and KCP&L's AROs.

	Great Plains Energy		KCP&L	
	2016	2015	2016	2015
	(millions)			
Beginning balance	\$ 275.9	\$ 195.9	\$ 239.3	\$ 177.7
Additions	1.6	54.5	1.3	34.6
Revision in timing and/or estimates	42.1	20.5	40.1	22.2
Settlements	(17.4)	(7.8)	(15.0)	(6.7)
Accretion	13.8	12.8	12.3	11.5
Ending balance	\$ 316.0	\$ 275.9	\$ 278.0	\$ 239.3

ARO settlement activity in 2016 and 2015 primarily consists of the remediation of AROs for the closure of ponds and landfills containing CCRs at KCP&L and GMO.

9. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Great Plains Energy maintains defined benefit pension plans for the majority of KCP&L's and GMO's active and inactive employees, including officers, and its 47% ownership share of Wolf Creek Nuclear Operating Corporation (WCNOC) defined benefit plans. For the majority of employees, pension benefits under these plans reflect the employees' compensation, years of service and age at retirement. Effective in 2014, Great Plains Energy's non-union plan was closed to future employees. Great Plains Energy also provides certain post-retirement health care and life insurance benefits for substantially all retired employees of KCP&L, GMO and its 47% ownership share of WCNOC.

KCP&L and GMO record pension and post-retirement expense in accordance with rate orders from the MPSC and KCC that allow the difference between pension and post-retirement costs under GAAP and costs for ratemaking to be recognized as a regulatory asset or liability. This difference between financial and regulatory accounting methods is due to timing and will be eliminated over the life of the plans.

In 2014, Great Plains Energy incurred pension settlement charges of \$8.5 million as a result of accelerated pension distributions.

The following pension benefits tables provide information relating to the funded status of all defined benefit pension plans on an aggregate basis as well as the components of net periodic benefit costs. For financial reporting purposes, the market value of plan assets is the fair value. For regulatory reporting purposes, a five-year smoothing of assets is used to determine fair value. Net periodic benefit costs reflect total plan benefit costs prior to the effects of capitalization and sharing with joint owners of power plants.

	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Change in projected benefit obligation (PBO)	(millions)			
PBO at January 1	\$ 1,154.8	\$ 1,186.8	\$ 137.5	\$ 165.2
Service cost	42.0	45.3	2.6	3.3
Interest cost	52.9	50.3	6.1	6.8
Contribution by participants	—	—	5.3	6.9
Amendments	—	—	(10.1)	(7.1)
Actuarial (gain) loss	65.5	(59.4)	0.6	(23.6)
Benefits paid	(70.6)	(68.2)	(11.9)	(14.0)
PBO at December 31	\$ 1,244.6	\$ 1,154.8	\$ 130.1	\$ 137.5
Change in plan assets				
Fair value of plan assets at January 1	\$ 723.9	\$ 730.0	\$ 114.3	\$ 110.6
Actual return on plan assets	51.1	(16.3)	2.6	(0.1)
Contributions by employer and participants	69.8	76.9	10.2	17.6
Benefits paid	(68.0)	(66.7)	(11.5)	(13.8)
Fair value of plan assets at December 31	\$ 776.8	\$ 723.9	\$ 115.6	\$ 114.3
Funded status at December 31	\$ (467.8)	\$ (430.9)	\$ (14.5)	\$ (23.2)
Amounts recognized in the consolidated balance sheets				
Non-current asset	\$ —	\$ —	\$ 9.0	\$ 4.5
Current pension and other post-retirement liability	(2.2)	(2.6)	(0.8)	(0.8)
Noncurrent pension liability and other post-retirement liability	(465.6)	(428.3)	(22.7)	(26.9)
Net amount recognized before regulatory treatment	(467.8)	(430.9)	(14.5)	(23.2)
Accumulated OCI or regulatory asset/liability	476.9	461.2	(23.6)	(9.4)
Net amount recognized at December 31	\$ 9.1	\$ 30.3	\$ (38.1)	\$ (32.6)
Amounts in accumulated OCI or regulatory asset/liability not yet recognized as a component of net periodic benefit cost:				
Actuarial (gain) loss	\$ 242.5	\$ 230.7	\$ (0.7)	\$ (3.3)
Prior service cost	3.2	3.9	(8.0)	3.4
Other	231.2	226.6	(14.9)	(9.5)
Net amount recognized at December 31	\$ 476.9	\$ 461.2	\$ (23.6)	\$ (9.4)

	Pension Benefits			Other Benefits		
	2016	2015	2014	2016	2015	2014
Components of net periodic benefit costs	(millions)					
Service cost	\$ 42.0	\$ 45.3	\$ 36.7	\$ 2.6	\$ 3.3	\$ 3.7
Interest cost	52.9	50.3	50.1	6.1	6.8	7.9
Expected return on plan assets	(49.2)	(51.7)	(50.2)	(3.1)	(2.9)	(2.6)
Prior service cost	0.7	0.8	0.9	1.2	3.1	3.1
Recognized net actuarial (gain) loss	51.8	51.4	50.0	(1.5)	0.2	(0.1)
Transition obligation	—	—	—	—	0.2	0.2
Settlement charges	—	—	8.5	—	—	—
Net periodic benefit costs before regulatory adjustment	98.2	96.1	96.0	5.3	10.7	12.2
Regulatory adjustment	(4.9)	(9.8)	(11.3)	6.0	4.4	4.3
Net periodic benefit costs	93.3	86.3	84.7	11.3	15.1	16.5
Other changes in plan assets and benefit obligations recognized in OCI or regulatory assets/liabilities						
Current year net (gain) loss	63.6	8.6	175.8	1.1	(20.6)	(1.8)
Amortization of gain (loss)	(51.8)	(51.4)	(50.0)	1.5	(0.2)	0.1
Prior service cost	—	—	—	(10.2)	(7.0)	—
Amortization of prior service cost	(0.7)	(0.8)	(0.9)	(1.2)	(3.1)	(3.1)
Amortization of transition obligation	—	—	—	—	(0.2)	(0.2)
Other regulatory activity	4.6	4.3	7.3	(5.4)	(4.4)	(4.2)
Total recognized in OCI or regulatory asset/liability	15.7	(39.3)	132.2	(14.2)	(35.5)	(9.2)
Total recognized in net periodic benefit costs and OCI or regulatory asset/liability	\$ 109.0	\$ 47.0	\$ 216.9	\$ (2.9)	\$ (20.4)	\$ 7.3

For financial reporting purposes, the estimated prior service cost and net loss for the defined benefit plans that will be amortized from accumulated other comprehensive income (OCI) or a regulatory asset into net periodic benefit cost in 2017 are \$0.7 million and \$49.7 million, respectively. For financial reporting purposes, net actuarial gains and losses are recognized on a rolling five-year average basis. For regulatory reporting purposes, net actuarial gains and losses are amortized over ten years. The estimated net gain for the other post-retirement benefit plans that will be amortized from accumulated OCI or a regulatory asset into net periodic benefit cost in 2017 is \$0.5 million.

The accumulated benefit obligation (ABO) for all defined benefit pension plans was \$1,090.2 million and \$1,017.6 million at December 31, 2016, and 2015, respectively. Pension and other post-retirement benefit plans with the PBO, ABO or accumulated other post-retirement benefit obligation (APBO) in excess of the fair value of plan assets at year-end are detailed in the following table.

	2016	2015
Pension plans with the PBO in excess of plan assets	(millions)	
Projected benefit obligation	\$ 1,244.6	\$ 1,154.8
Fair value of plan assets	776.8	723.9
Pension plans with the ABO in excess of plan assets		
Accumulated benefit obligation	\$ 1,090.2	\$ 1,017.6
Fair value of plan assets	776.8	723.9
Other post-retirement benefit plans with the APBO in excess of plan assets		
Accumulated other post-retirement benefit obligation	\$ 61.7	\$ 108.5
Fair value of plan assets	38.3	80.8

The GMO Supplemental Executive Retirement Plan (SERP) is reflected as an unfunded ABO of \$23.6 million. Great Plains Energy has approximately \$15.8 million of assets in a non-qualified trust for this plan as of December 31, 2016, and expects to fund future benefit payments from these assets.

The expected long-term rate of return on plan assets represents Great Plains Energy's estimate of the long-term return on plan assets and is based on historical and projected rates of return for current and planned asset classes in the plans' investment portfolios. Assumed projected rates of return for each asset class were selected after analyzing historical experience and future expectations of the returns of various asset classes. Based on the target asset allocation for each asset class, the overall expected rate of return for the portfolios was developed and adjusted for the effect of projected benefits paid from plan assets and future plan contributions. The following tables provide the weighted-average assumptions used to determine benefit obligations and net costs.

Weighted-average assumptions used to determine the benefit obligation at December 31	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Discount rate	4.31%	4.54%	4.20%	4.47%
Rate of compensation increase	3.62%	3.62%	3.50%	3.50%

Weighted-average assumptions used to determine net costs for years ended December 31	Pension Benefits		Other Benefits	
	2016	2015	2016	2015
Discount rate	4.54%	4.22%	4.47%	4.14%
Expected long-term return on plan assets	7.14%	7.14%	2.54% *	2.81% *
Rate of compensation increase	3.62%	3.62%	3.50%	3.50%

*after tax

Great Plains Energy expects to contribute \$79.6 million to the pension plans in 2017 to meet ERISA funding requirements and regulatory orders, the majority of which is expected to be paid by KCP&L. Great Plains Energy's funding policy is to contribute amounts sufficient to meet the ERISA funding requirements and MPSC and KCC rate orders plus additional amounts as considered appropriate; therefore, actual contributions may differ from expected contributions. Great Plains Energy also expects to contribute \$4.6 million to other post-retirement benefit plans in 2017, the majority of which is expected to be paid by KCP&L.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid through 2026.

	Pension Benefits	Other Benefits
	(millions)	
2017	\$ 84.9	\$ 8.9
2018	81.0	9.4
2019	84.1	10.0
2020	85.9	10.3
2021	87.7	10.7
2022-2026	448.5	58.7

Pension plan assets are managed in accordance with prudent investor guidelines contained in the ERISA requirements. The investment strategy supports the objective of the fund, which is to earn the highest possible return on plan assets within a reasonable and prudent level of risk. The portfolios are invested, and periodically rebalanced, to achieve targeted allocations of approximately 34% U.S. large cap and small cap equity securities, 21% international equity securities, 36% fixed income securities, 6% real estate, 1% commodities and 2% hedge funds. Fixed income securities include domestic and foreign corporate bonds, collateralized mortgage obligations and asset-backed securities, U.S. government agency, state and local obligations, U.S. Treasury notes and money market funds.

The fair values of Great Plains Energy's pension plan assets at December 31, 2016 and 2015, by asset category are in the following tables.

Description	December 31 2016	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets measured at NAV
		(millions)			
Pension Plans					
Equity securities					
U.S. ^(a)	\$ 247.6	\$ 213.0	\$ —	\$ —	\$ 34.6
International ^(b)	163.7	120.4	—	—	43.3
Real estate ^(c)	42.7	12.4	—	—	30.3
Commodities ^(d)	14.1	—	—	—	14.1
Fixed income securities					
Fixed income funds ^(e)	65.1	20.9	—	—	44.2
U.S. Treasury	52.2	52.2	—	—	—
U.S. Agency, state and local obligations	17.9	—	17.9	—	—
U.S. corporate bonds ^(f)	120.2	—	120.2	—	—
Foreign corporate bonds	9.3	—	9.3	—	—
Hedge funds ^(g)	15.6	—	—	—	15.6
Cash equivalents	31.7	31.7	—	—	—
Other	(3.3)	—	(3.3)	—	—
Total	\$ 776.8	\$ 450.6	\$ 144.1	\$ —	\$ 182.1

Description	December 31 2015	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets measured at NAV
Pension Plans			(millions)		
Equity securities					
U.S. ^(a)	\$ 226.0	\$ 195.5	\$ —	\$ —	\$ 30.5
International ^(b)	147.4	109.7	—	—	37.7
Real estate ^(c)	45.9	12.2	—	—	33.7
Commodities ^(d)	5.8	—	—	—	5.8
Fixed income securities					
Fixed income funds ^(e)	60.4	20.0	—	—	40.4
U.S. Treasury	48.8	48.8	—	—	—
U.S. Agency, state and local obligations	19.0	—	19.0	—	—
U.S. corporate bonds ^(f)	108.8	—	108.8	—	—
Foreign corporate bonds	10.2	—	10.2	—	—
Hedge funds ^(g)	23.7	—	—	—	23.7
Cash equivalents	26.0	26.0	—	—	—
Other	1.9	—	1.9	—	—
Total	\$ 723.9	\$ 412.2	\$ 139.9	\$ —	\$ 171.8

^(a) At December 31, 2016 and 2015, this category is comprised of \$128.8 million and \$121.6 million, respectively, of traded mutual funds valued at daily listed prices and \$84.2 million and \$73.9 million, respectively, of traded common stocks and exchange traded funds. At December 31, 2016 and 2015, this category also includes \$34.6 million and \$30.5 million, respectively, of institutional common/collective trust funds valued at net asset value (NAV) per share (or its equivalent) and is not categorized in the fair value hierarchy.

^(b) At December 31, 2016 and 2015, this category is comprised of \$92.8 million and \$34.2 million, respectively, of traded mutual funds valued at daily listed prices and \$27.6 million and \$75.5 million, respectively, of traded American depository receipts, global depository receipts and ordinary shares. At December 31, 2016 and 2015, this category also includes \$43.3 million and \$37.7 million, respectively, of institutional common/collective trust funds valued at NAV per share (or its equivalent) and is not categorized in the fair value hierarchy.

^(c) At December 31, 2016 and 2015, this category is comprised of \$12.4 million and \$12.2 million, respectively, of traded real estate investment trusts. At December 31, 2016 and 2015, this category also includes \$30.3 million and \$33.7 million, respectively, of institutional common/collective trust funds and a limited partnership valued at NAV per share (or its equivalent) and is not categorized in the fair value hierarchy.

^(d) Consists of institutional common/collective trust funds valued at NAV per share (or its equivalent) and is not categorized in the fair value hierarchy.

^(e) At December 31, 2016 and 2015, this category is comprised of \$20.9 million and \$20.0 million, respectively, of traded mutual funds valued at daily listed prices. At December 31, 2016 and 2015, this category also includes \$44.2 million and \$40.4 million, respectively, of institutional common/collective trust funds valued at NAV per share (or its equivalent) and is not categorized in the fair value hierarchy.

^(f) At December 31, 2016 and 2015, this category is comprised of \$115.7 million and \$103.0 million, respectively, of corporate bonds, \$2.3 million and \$2.9 million, respectively, of collateralized mortgage obligations and \$2.2 million and \$2.9 million, respectively, of other asset-backed securities.

^(g) Consists of closely-held limited partnerships valued at NAV per share (or its equivalent) and is not categorized in the fair value hierarchy.

Other post-retirement plan assets are also managed in accordance with prudent investor guidelines contained in the ERISA requirements. The investment strategy supports the objective of the funds, which is to preserve capital, maintain sufficient liquidity and earn a consistent rate of return. Other post-retirement plan assets are invested primarily in fixed income securities, which may include domestic and foreign corporate bonds, collateralized mortgage obligations and asset-backed securities, U.S. government agency, state and local obligations, U.S. Treasury notes and money market funds, as well as domestic and international equity funds.

The fair values of Great Plains Energy's other post-retirement plan assets at December 31, 2016 and 2015, by asset category are in the following tables.

Description	December 31 2016	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets measured at NAV
Other Post-Retirement Benefit Plans			(millions)		
Equity securities	\$ 4.1	\$ 4.1	\$ —	\$ —	\$ —
Fixed income securities					
Fixed income fund ^(a)	62.7	—	—	—	62.7
U.S. Treasury	3.9	3.9	—	—	—
U.S. Agency, state and local obligations	4.3	—	4.3	—	—
U.S. corporate bonds ^(b)	17.8	—	17.8	—	—
Foreign corporate bonds	1.6	—	1.6	—	—
Cash equivalents	19.5	19.5	—	—	—
Other	1.7	0.2	1.5	—	—
Total	\$ 115.6	\$ 27.7	\$ 25.2	\$ —	\$ 62.7

Description	December 31 2015	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets measured at NAV
Other Post-Retirement Benefit Plans			(millions)		
Equity securities	\$ 3.2	\$ 3.2	\$ —	\$ —	\$ —
Fixed income securities					
Fixed income fund ^(a)	68.9	0.1	—	—	68.8
U.S. Treasury	3.9	3.9	—	—	—
U.S. Agency, state and local obligations	5.4	—	5.4	—	—
U.S. corporate bonds ^(b)	15.6	—	15.6	—	—
Foreign corporate bonds	1.6	—	1.6	—	—
Cash equivalents	14.0	14.0	—	—	—
Other	1.7	—	1.7	—	—
Total	\$ 114.3	\$ 21.2	\$ 24.3	\$ —	\$ 68.8

^(a) At December 31, 2015, this category is comprised of \$0.1 million of traded mutual funds valued at daily listed prices. At December 31, 2016 and 2015, this category also includes \$62.7 million and \$68.8 million, respectively, of an institutional common/collective trust fund valued at NAV per share (or its equivalent) and is not categorized in the fair value hierarchy.

^(b) At December 31, 2016 and 2015, this category is comprised of \$14.0 million and \$12.6 million, respectively, of corporate bonds, \$0.5 million and \$0.6 million, respectively, of collateralized mortgage obligations and \$3.3 million and \$2.4 million, respectively, of other asset-backed securities.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The cost trend assumed for 2016 and 2017 was 6.8% and 6.5%, respectively, with the rate declining through 2025 to the ultimate cost trend rate of 4.5%.

The effects of a one-percentage point change in the assumed health care cost trend rates, holding all other assumptions constant, at December 31, 2016, are detailed in the following table.

	Increase	Decrease
	(millions)	
Effect on total service and interest component	\$ 0.8	\$ (0.7)
Effect on post-retirement benefit obligation	1.0	(0.8)

Employee Savings Plans

Great Plains Energy has defined contribution savings plans (401(k)) that cover substantially all employees. Great Plains Energy matches employee contributions, subject to limits. The annual cost of the plans was approximately \$11.5 million in 2016, \$10.6 million in 2015 and \$9.7 million in 2014. KCP&L's annual cost of the plans was approximately \$8.0 million in 2016, \$7.9 million in 2015 and \$7.1 million in 2014.

10. EQUITY COMPENSATION

Great Plains Energy's Long-Term Incentive Plan is an equity compensation plan approved by Great Plains Energy's shareholders. The Long-Term Incentive Plan permits the grant of restricted stock, restricted stock units, bonus shares, stock options, stock appreciation rights, limited stock appreciation rights, director shares, director deferred share units and performance shares to directors, officers and other employees of Great Plains Energy and KCP&L. The maximum number of shares of Great Plains Energy common stock that can be issued under the plan is 8.0 million. Common stock shares delivered by Great Plains Energy under the Long-Term Incentive Plan may be authorized but unissued, held in the treasury or purchased on the open market (including private purchases) in accordance with applicable securities laws. Great Plains Energy has a policy of delivering newly issued shares, or shares surrendered by Long-Term Incentive Plan participants for the withholding of taxes and held in treasury, or both, and does not expect to repurchase common shares during 2017 to satisfy performance share payments and director deferred share unit conversion. Forfeiture rates are based on historical forfeitures and future expectations and are reevaluated annually.

The following table summarizes Great Plains Energy's and KCP&L's equity compensation expense and the associated income tax benefit.

	2016	2015	2014
	(millions)		
Great Plains Energy			
Equity compensation expense	\$ 5.0	\$ 4.0	\$ 9.9
Income tax benefit	1.6	1.4	3.6
KCP&L			
Equity compensation expense	\$ 3.2	\$ 2.6	\$ 6.9
Income tax benefit	1.0	0.9	2.4

Performance Shares

The payment of performance shares is contingent upon achievement of specific performance goals over a stated period of time as approved by the Compensation and Development Committee of the Board. The number of performance shares ultimately paid can vary from the number of shares initially granted depending on Great Plains Energy's performance over stated performance periods. Compensation expense for performance shares is calculated by recognizing the portion of the fair value for each reporting period for which the requisite service has been rendered. Dividends are accrued over the vesting period and paid in cash based on the number of performance shares ultimately paid.

The fair value of performance share awards is estimated using the market value of the Company's stock at the valuation date and a Monte Carlo simulation technique that incorporates assumptions for inputs of expected volatilities, dividend yield and risk-free rates. Expected volatility is based on daily stock price change during a historical period commensurate with the remaining term of the performance period of the grant. The risk-free rate is

based upon the rate at the time of the evaluation for zero-coupon government bonds with a maturity consistent with the remaining performance period of the grant. The dividend yield is based on the most recent dividends paid and the actual closing stock price on the valuation date. For shares granted in 2016, inputs for expected volatility, dividend yield and risk-free rates were 18%, 3.61% and 0.94%, respectively.

Performance share activity is summarized in the following table. Performance adjustment represents the number of shares of common stock related to performance shares ultimately issued that can vary from the number of performance shares initially granted depending on Great Plains Energy's performance over a stated period of time.

	Performance Shares	Grant Date Fair Value*
Beginning balance January 1, 2016	609,010	\$ 25.60
Granted	225,204	31.41
Earned	(306,953)	24.22
Forfeited	(1,714)	27.61
Performance adjustment	99,553	24.16
Ending balance December 31, 2016	625,100	28.13

* weighted-average

At December 31, 2016, the remaining weighted-average contractual term was 1.1 years. The weighted-average grant-date fair value of shares granted was \$31.41, \$24.03 and \$28.78 in 2016, 2015 and 2014, respectively. At December 31, 2016, there was \$6.4 million of total unrecognized compensation expense, net of forfeiture rates, related to performance shares granted under the Long-Term Incentive Plan, which will be recognized over the remaining weighted-average contractual term. The total fair value of performance shares earned and paid was \$7.4 million, \$0.5 million and \$2.8 million in 2016, 2015 and 2014, respectively.

Restricted Stock

Restricted stock cannot be sold or otherwise transferred by the recipient prior to vesting and has a value equal to the fair market value of the shares on the issue date. Restricted stock shares vest over a stated period of time with accruing reinvested dividends subject to the same restrictions. Compensation expense, calculated by multiplying shares by the grant-date fair value related to restricted stock, is recognized over the stated vesting period. Restricted stock activity is summarized in the following table.

	Nonvested Restricted Stock	Grant Date Fair Value*
Beginning balance January 1, 2016	231,508	\$ 24.78
Granted and issued	96,053	29.41
Vested	(77,317)	22.69
Forfeited	(572)	27.51
Ending balance December 31, 2016	249,672	27.20

* weighted-average

At December 31, 2016, the remaining weighted-average contractual term was 1.2 years. The weighted-average grant-date fair value of shares granted was \$29.41, \$25.89 and \$25.70 in 2016, 2015 and 2014, respectively. At December 31, 2016, there was \$2.6 million of total unrecognized compensation expense, net of forfeiture rates, related to nonvested restricted stock granted under the Long-Term Incentive Plan, which will be recognized over the remaining weighted-average contractual term. Total fair value of shares vested was \$1.8 million, \$2.2 million and \$1.9 million in 2016, 2015 and 2014, respectively.

Director Deferred Share Units

Non-employee directors receive shares of Great Plains Energy's common stock as part of their annual retainer. Each director may elect to defer receipt of their shares by receiving Director Deferred Share Units that convert to shares of Great Plains Energy's common stock at the end of January in the year after departure from the Board or such

other time as elected by each director. Director Deferred Share Units have a value equal to the market value of Great Plains Energy's common stock on the grant date with accruing dividends. Compensation expense, calculated by multiplying the director deferred share units by the related grant-date fair value, is recognized at the grant date. The total fair value of shares of Director Deferred Share Units issued was insignificant for 2016 and 2015. Director Deferred Share Units activity is summarized in the following table.

	Share Units	Grant Date Fair Value*
Beginning balance January 1, 2016	115,415	\$ 22.95
Issued	23,172	28.99
Ending balance December 31, 2016	138,587	23.96

* weighted-average

11. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

Great Plains Energy's \$200 Million Revolving Credit Facility

Great Plains Energy's \$200 million revolving credit facility with a group of banks expires in October 2019. The facility's terms permit transfers of unused commitments between this facility and the KCP&L and GMO facilities discussed below, with the total amount of the facility not exceeding \$400 million at any one time. A default by Great Plains Energy or any of its significant subsidiaries on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At December 31, 2016, Great Plains Energy was in compliance with this covenant. In June 2016, the facility was amended, among other things, to increase the maximum consolidated indebtedness to consolidated capitalization ratio of 0.65 to 1.00 to a level such that, if Great Plains Energy would not be in compliance with the covenant as of the date of the closing of the anticipated acquisition of Westar, the ratio would increase up to a maximum of 0.75 to 1.00 for one year. At December 31, 2016, Great Plains Energy had no outstanding cash borrowings and had issued \$1.0 million in letters of credit under the credit facility. At December 31, 2015, Great Plains Energy had \$10.0 million of outstanding cash borrowings at a weighted-average interest rate of 1.94% and had issued \$0.2 million letters of credit under the credit facility.

KCP&L's \$600 Million Revolving Credit Facility and Commercial Paper

KCP&L's \$600 million revolving credit facility with a group of banks provides support for its issuance of commercial paper and other general corporate purposes and expires in October 2019. Great Plains Energy and KCP&L may transfer up to \$200 million of unused commitments between Great Plains Energy's and KCP&L's facilities. A default by KCP&L on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At December 31, 2016, KCP&L was in compliance with this covenant. At December 31, 2016, KCP&L had \$132.9 million of commercial paper outstanding at a weighted-average interest rate of 0.98%, had issued letters of credit totaling \$2.8 million and had no outstanding cash borrowings under the credit facility. At December 31, 2015, KCP&L had \$180.3 million of commercial paper outstanding at a weighted-average interest rate of 0.70%, had issued letters of credit totaling \$2.7 million and had no outstanding cash borrowings under the credit facility.

GMO's \$450 Million Revolving Credit Facility and Commercial Paper

GMO's \$450 million revolving credit facility with a group of banks provides support for its issuance of commercial paper and other general corporate purposes and expires in October 2019. Great Plains Energy and GMO may transfer up to \$200 million of unused commitments between Great Plains Energy's and GMO's facilities. A default by GMO or any of its significant subsidiaries on other indebtedness totaling more than \$50.0 million is a default under the facility. Under the terms of this facility, GMO is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the facility, not greater than 0.65 to 1.00 at all times. At December 31, 2016, GMO was in compliance with this covenant. At December 31, 2016, GMO had \$201.9 million of commercial paper outstanding at a weighted-average interest rate of 1.02%, had issued letters of credit totaling

\$1.9 million and had no outstanding cash borrowings under the credit facility. At December 31, 2015, GMO had \$43.7 million of commercial paper outstanding at a weighted-average interest rate of 0.65%, had issued letters of credit totaling \$2.5 million and had no outstanding cash borrowings under the credit facility.

Great Plains Energy's \$5.1 Billion Term Loan Facility

In connection with the Merger Agreement, Great Plains Energy entered into a commitment letter for a 364-day senior unsecured bridge term loan facility, originally for an aggregate principal amount of \$8.017 billion to support the anticipated transaction and provide flexibility for the timing of long-term financing. The aggregate principal amount of the facility has been reduced most recently in connection with the October 2016 Great Plains Energy common stock and depositary share offerings. As of December 31, 2016, the available aggregate principal amount of the facility was \$5.1 billion.

12. LONG-TERM DEBT

Great Plains Energy's and KCP&L's long-term debt is detailed in the following table.

		December 31	
	Year Due	2016	2015
KCP&L		(millions)	
General Mortgage Bonds			
2.47% EIRR bonds ^(a)	2017-2035	\$ 110.5	\$ 110.5
7.15% Series 2009A (8.59% rate) ^(b)	2019	400.0	400.0
Senior Notes			
5.85% Series (5.72% rate) ^(b)	2017	250.0	250.0
6.375% Series (7.49% rate) ^(b)	2018	350.0	350.0
3.15% Series	2023	300.0	300.0
3.65% Series	2025	350.0	350.0
6.05% Series (5.78% rate) ^(b)	2035	250.0	250.0
5.30% Series	2041	400.0	400.0
EIRR Bonds			
0.694% Series 2007A and 2007B ^(c)	2035	146.5	146.5
2.875% Series 2008	2038	23.4	23.4
Current maturities		(281.0)	—
Unamortized discount and debt issuance costs		(15.4)	(17.3)
Total KCP&L excluding current maturities ^(d)		2,284.0	2,563.1
Other Great Plains Energy			
GMO First Mortgage Bonds 9.44% Series	2017-2021	5.7	6.8
GMO Senior Notes			
8.27% Series	2021	80.9	80.9
3.49% Series A	2025	125.0	125.0
4.06% Series B	2033	75.0	75.0
4.74% Series C	2043	150.0	150.0
GMO Medium Term Notes			
7.33% Series	2023	3.0	3.0
7.17% Series	2023	7.0	7.0
Great Plains Energy Senior Notes			
6.875% Series (7.33% rate) ^(b)	2017	100.0	100.0
4.85% Series	2021	350.0	350.0
5.292% Series	2022	287.5	287.5
Current maturities		(101.1)	(1.1)
Unamortized discount and premium, net and debt issuance costs		(1.8)	(2.1)
Total Great Plains Energy excluding current maturities ^(d)		\$ 3,365.2	\$ 3,745.1

^(a) Weighted-average interest rates at December 31, 2016

^(b) Rate after amortizing gains/losses recognized in other comprehensive income (OCI) on settlements of interest rate hedging instruments

^(c) Variable rate

^(d) At December 31, 2016 and 2015, does not include \$50.0 million and \$21.9 million of secured Series 2005 Environmental Improvement Revenue Refunding (EIRR) bonds because the bonds were repurchased in September 2015 and are held by KCP&L

Amortization of Debt Expense

Great Plains Energy's and KCP&L's amortization of debt expense is detailed in the following table.

	2016	2015	2014
	(millions)		
KCP&L	\$ 3.2	\$ 3.0	\$ 3.0
Other Great Plains Energy	30.6	1.1	1.8
Total Great Plains Energy	\$ 33.8	\$ 4.1	\$ 4.8

In 2016, Other Great Plains Energy includes \$29.6 million of amortization of debt expense related to Great Plains Energy's \$5.1 billion bridge term loan facility. Fees related to this facility are being amortized over the 364 day term of the facility.

KCP&L General Mortgage Bonds

KCP&L has issued mortgage bonds under the General Mortgage Indenture and Deed of Trust dated December 1, 1986, as supplemented (Indenture). The Indenture creates a mortgage lien on substantially all of KCP&L's utility plant. Mortgage bonds totaling \$510.5 million were outstanding at December 31, 2016 and 2015, respectively.

KCP&L Municipal Bond Insurance Policies

KCP&L's secured Series 2005 EIRR bonds totaling \$50.0 million and \$21.9 million, respectively, are covered by a municipal bond insurance policy between KCP&L and Syncora Guarantee, Inc. (Syncora). The insurance agreements between KCP&L and Syncora provide for reimbursement by KCP&L for any amounts that Syncora pays under the municipal bond insurance policies. The insurance agreements contain a covenant that the indebtedness to total capitalization ratio of KCP&L and its consolidated subsidiaries will not be greater than 0.68 to 1.00. At December 31, 2016, KCP&L was in compliance with this covenant. KCP&L is also restricted from issuing additional bonds under its General Mortgage Indenture if, after giving effect to such additional bonds, the proportion of secured debt to total indebtedness would be more than 75%, or more than 50% if the long term rating for such bonds by Standard & Poor's or Moody's Investors Service would be at or below A- or A3, respectively. The insurance agreement covering the unsecured Series 2005 EIRR bonds also required KCP&L to provide collateral to Syncora in the form of \$50.0 million of Mortgage Bonds Series 2005 EIRR Insurer due 2035 for KCP&L's obligations under the insurance agreement as a result of KCP&L issuing general mortgage bonds in 2009 (other than refunding of outstanding general mortgage bonds) that resulted in the aggregate amount of outstanding general mortgage bonds exceeding 10% of total capitalization. The bonds are not incremental debt for KCP&L but collateralize Syncora's claim on KCP&L if Syncora was required to meet its obligation under the insurance agreement. In the event of a default under the insurance agreements, Syncora may take any available legal or equitable action against KCP&L, including seeking specific performance of the covenants.

GMO First Mortgage Bonds

GMO has issued mortgage bonds under the General Mortgage Indenture and Deed of Trust dated April 1, 1946, as supplemented. The Indenture creates a mortgage lien on a portion of GMO's utility plant. Mortgage bonds totaling \$5.7 million and \$6.8 million, respectively, were outstanding at December 31, 2016 and 2015.

GMO Senior Notes

Under the terms of the note purchase agreement for GMO's Series A, B and C Senior Notes, GMO is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. In addition, GMO's priority debt, as defined in the agreement, cannot exceed 15% of consolidated tangible net worth, as defined in the agreement. At December 31, 2016, GMO was in compliance with these covenants.

Scheduled Maturities

Great Plains Energy's and KCP&L's long-term debt maturities for the next five years are detailed in the following table.

	2017	2018	2019	2020	2021
	(millions)				
Great Plains Energy	\$ 382.1	\$ 351.1	\$ 401.1	\$ 1.1	\$ 432.0
KCP&L	281.0	350.0	400.0	—	—

13. COMMON STOCK

Great Plains Energy has an effective shelf registration statement for the sale of unlimited amounts of securities with the SEC that became effective in March 2015 and expires in March 2018. In September 2016, Great Plains Energy filed a post-effective amendment to its shelf registration statement to register depositary shares and preference stock among the types of securities that Great Plains Energy may offer and sell.

In September 2016, Great Plains Energy shareholders approved an amendment to Great Plains Energy's articles of incorporation, increasing the authorized number of shares of common stock, without par value, to 600 million shares from 250 million shares.

In October 2016, Great Plains Energy completed a registered public offering of 60.5 million shares of common stock, without par value, at a public offering price of \$26.45 per share, for total gross proceeds of approximately \$1.6 billion (net proceeds of approximately \$1.55 billion after issuance costs). Great Plains Energy plans to use proceeds from the offering to finance a portion of the cash consideration for the anticipated acquisition of Westar.

Great Plains Energy has shares of common stock registered with the SEC for its Dividend Reinvestment and Direct Stock Purchase Plan. The plan allows for the purchase of common shares by reinvesting dividends or making optional cash payments. Great Plains Energy can issue new shares or purchase shares on the open market for the plan. At December 31, 2016, 1.0 million shares remained available for future issuances.

Great Plains Energy has shares of common stock registered with the SEC for a defined contribution savings plan (401(k)). Shares issued under the plan may be either newly issued shares or shares purchased in the open market. At December 31, 2016, 0.7 million shares remained available for future issuances.

Treasury shares are held for future distribution upon issuance of shares in conjunction with the Company's Long-Term Incentive Plan.

Great Plains Energy's articles of incorporation restrict the payment of common stock dividends in the event common equity is 25% or less of total capitalization. In addition, if preferred stock dividends are not declared and paid when scheduled, Great Plains Energy could not declare or pay common stock dividends or purchase any common shares. If the unpaid preferred stock dividends are in arrears for six or more quarters, whether or not consecutive, the preferred shareholders will be entitled to name two directors to the Great Plains Energy Board. Certain conditions in the MPSC and KCC orders authorizing the holding company structure require Great Plains Energy and KCP&L to maintain consolidated common equity of at least 30% and 35%, respectively, of total capitalization (including only the amount of short-term debt in excess of the amount of construction work in progress). Under the Federal Power Act, KCP&L and GMO generally can pay dividends only out of retained earnings. The revolving credit agreements of Great Plains Energy, KCP&L and GMO and the note purchase agreement for GMO's Series A, B and C Senior Notes contain a covenant requiring the respective company to maintain a consolidated indebtedness to consolidated total capitalization ratio of not more than 0.65 to 1.00 at all times, except as the ratio pertains to Great Plains Energy, which was amended in June 2016, as further described in Note 11.

As of December 31, 2016, all of Great Plains Energy's and KCP&L's retained earnings and net income were free of restrictions. As a result of the above restrictions, Great Plains Energy's subsidiaries had restricted net assets of

approximately \$2.8 billion as of December 31, 2016. The restrictions are not expected to affect the Companies' ability to pay dividends at the current level in the foreseeable future.

14. PREFERRED STOCK

At December 31, 2016, 1.6 million shares of Cumulative No Par Preferred Stock, 390,000 shares of Cumulative Preferred Stock, \$100 par value and 11.0 million shares of Preference Stock without par value were authorized under Great Plains Energy's articles of incorporation.

At December 31, 2016, Great Plains Energy had 862,500 shares of Series B Preferred Stock issued and outstanding and had entered into a stock purchase agreement to issue 750,000 shares of Series A Preferred Stock at the closing of the anticipated acquisition with Westar. In August 2016, Great Plains Energy redeemed its 390,000 shares of outstanding Cumulative Preferred Stock, \$100 par value. See the discussion below for further information on these transactions and the pertinent rights and privileges of the Series A and Series B Preferred Stock.

Series A Mandatory Convertible Preferred Stock

On May 29, 2016, Great Plains Energy entered into a stock purchase agreement with OMERS, pursuant to which Great Plains Energy will issue and sell to OMERS 750,000 shares of Series A Preferred Stock, for an aggregate purchase price equal to \$750 million at the closing of the merger. The stock purchase agreement is subject to various closing conditions.

Each share of Series A Preferred Stock shall automatically convert three years after issuance into a number of shares of Great Plains Energy common stock equal to the Conversion Rate.

The Conversion Rate is calculated as follows:

If the average volume-weighted average price per share of Great Plains Energy common stock over 20 consecutive trading days commencing on the 22nd trading day prior to the date of conversion (Applicable Market Value) is:

- (a) Equal to or greater than \$34.38, the Conversion Rate shall be 29.0855;
- (b) Less than \$34.38 but greater than \$28.65, the Conversion Rate shall be \$1,000 divided by the Applicable Market Value; or
- (c) Less than or equal to \$28.65, the Conversion Rate shall be 34.9026.

OMERS can voluntarily convert its Series A Preferred Stock into Great Plains Energy common stock at any time at the 29.0855 Conversion Rate, subject to obtaining all necessary governmental approvals.

The Series A Preferred Stock is entitled to a 7.25% annual dividend, payable in cash, Great Plains Energy common stock or a combination thereof. The Series A Preferred Stock has a liquidation preference of \$1,000 per share.

OMERS will be entitled to name two directors to the Great Plains Energy Board if dividends payable with respect to the Series A Preferred Stock are in arrears for two quarters and one observer on the Great Plains Energy Board if Great Plains Energy's credit rating is downgraded to below investment grade, so long as OMERS holds 50 percent of its original investment and subject to all necessary governmental approvals being obtained.

Series B Mandatory Convertible Preferred Stock

In October 2016, Great Plains Energy completed a registered public offering of 17.3 million depositary shares, each representing a 1/20th interest in a share of Great Plains Energy's Series B Preferred Stock, without par value, at a public offering price of \$50 per depositary share for total gross proceeds of \$862.5 million (net proceeds of approximately \$836.2 million after issuance costs). Great Plains Energy plans to use proceeds from the offering to fund a portion of the cash consideration for the anticipated acquisition of Westar.

Each depositary share entitles the holder of such depositary share, through the bank depositary, to a 1/20th interest in the rights and preferences of the Series B Preferred Stock, including conversion, dividend, liquidation and voting rights, subject to the terms of the deposit agreement.

Unless previously converted or redeemed, on or around September 15, 2019, each outstanding share of Series B Preferred Stock will automatically convert into a number of shares of Great Plains Energy common stock equal to the Conversion Rate.

The Conversion Rate is calculated as follows:

If the volume-weighted average price per share, subject to certain anti-dilution adjustments, of Great Plains Energy common stock over 20 consecutive trading days commencing on the 22nd trading day prior to the date of conversion (Applicable Market Value) is:

- (a) Equal to or greater than \$31.74, the Conversion Rate shall be 31.5060;
- (b) Less than \$31.74 but greater than \$26.45, the Conversion Rate shall be \$1,000 divided by the Applicable Market Value; or
- (c) Less than or equal to \$26.45, the Conversion Rate shall be 37.8080.

At any time prior to September 15, 2019, a holder may elect to convert shares of the Series B Preferred Stock in whole or in part (but not less than one share of Series B Preferred Stock) into shares of Great Plains Energy common stock at the 31.5060 Conversion Rate.

Dividends on the Series B Preferred Stock will be payable on a cumulative basis when, as and if declared by Great Plains Energy's Board of Directors, and subject to Missouri law, at an annual rate of 7.00% on the liquidation preference of \$1,000 per share of Series B Preferred Stock (or \$50 per depositary share), payable in cash, Great Plains Energy common stock or a combination thereof.

Holders of the Series B Preferred Stock will be entitled to name two directors to the Great Plains Energy Board if dividends payable with respect to the Series B Preferred Stock are in arrears for six or more quarters, whether or not consecutive.

Cumulative Preferred Stock

In August 2016, Great Plains Energy redeemed its 390,000 shares of outstanding Cumulative Preferred Stock, par value \$100 per share, for a total redemption price of \$40.1 million. Great Plains Energy redeemed all outstanding shares of its (i) 3.80% Preferred for \$103.70 per share, plus accrued and unpaid dividends of \$0.75 per share, for a total redemption price of \$104.45 per share, (ii) 4.50% Preferred for \$101.00 per share, plus accrued and unpaid dividends of \$0.89 per share, for a total redemption price of \$101.89 per share, (iii) 4.20% Preferred for \$102.00 per share, plus accrued and unpaid dividends of \$0.83 per share, for a total redemption price of \$102.83 per share and (iv) 4.35% Preferred for \$101.00 per share, plus accrued and unpaid dividends of \$0.86 per share, for a total redemption price of \$101.86 per share.

15. COMMITMENTS AND CONTINGENCIES

Environmental Matters

Great Plains Energy and KCP&L are subject to extensive federal, state and local environmental laws, regulations and permit requirements relating to air and water quality, waste management and disposal, natural resources and health and safety. In addition to imposing continuing compliance obligations and remediation costs, these laws, regulations and permits authorize the imposition of substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. The cost of complying with current and future environmental requirements is expected to be material to Great Plains Energy and KCP&L. Failure to comply with environmental requirements or to timely recover environmental costs through rates could have a material effect on Great Plains Energy's and KCP&L's results of operations, financial position and cash flows.

Great Plains Energy's and KCP&L's current estimates of capital expenditures (exclusive of AFUDC and property taxes) over the next four years to comply with environmental regulations are in the following table. The total cost of compliance with any existing, proposed or future laws and regulations may be significantly different from these cost estimates provided.

	2017	2018	2019	2020
	(millions)			
Great Plains Energy	\$ 43.4	\$ 36.6	\$ 11.5	\$ 14.0
KCP&L	34.9	16.5	7.6	13.0

The Companies expect to seek recovery of the costs associated with environmental requirements through rate increases; however, there can be no assurance that such rate increases would be granted. The Companies may be subject to materially adverse rate treatment in response to competitive, economic, political, legislative or regulatory factors and/or public perception of the Companies' environmental reputation.

The following discussion groups environmental and certain associated matters into the broad categories of air and climate change, water, solid waste and remediation.

Clean Air Act and Climate Change Overview

The Clean Air Act Amendments of 1990 (Clean Air Act) and associated regulations enacted by the Environmental Protection Agency (EPA) form a comprehensive program to preserve and enhance air quality. States are required to establish regulations and programs to address all requirements of the Clean Air Act and have the flexibility to enact more stringent requirements. All of Great Plains Energy's and KCP&L's generating facilities, and certain of their other facilities, are subject to the Clean Air Act.

Climate Change

The Companies' current generation capacity is primarily coal-fired and is estimated to produce about one ton of carbon dioxide (CO₂) per MWh, or approximately 19 million tons and 15 million tons per year for Great Plains Energy and KCP&L, respectively. The Companies are subject to existing greenhouse gas reporting regulations and certain greenhouse gas requirements. Federal or state legislation concerning the reduction of emissions of greenhouse gases, including CO₂, could be enacted in the future. At the international level, in December 2015 the Paris Agreement was adopted by nearly 200 countries and became effective in November 2016 as the threshold of at least 55 countries representing at least 55% of global greenhouse gas emissions have joined it through ratification. The Paris Agreement does not result in any new, legally binding obligations on the United States to meet a particular greenhouse gas emissions target, but establishes a framework for international cooperation on climate change. Other international agreements legally binding on the United States may be reached in the future. Greenhouse gas legislation has the potential of having significant financial and operational impacts on Great Plains Energy and KCP&L; however, the ultimate financial and operational consequences to Great Plains Energy and KCP&L cannot be determined until such legislation is passed. In the absence of new Congressional mandates, the EPA is proceeding with the regulation of greenhouse gases under the existing Clean Air Act.

In August 2015, the EPA finalized CO₂ emission standards for new, modified and reconstructed affected fossil-fuel-fired electric utility generating units. The standards would not apply to Great Plains Energy's and KCP&L's existing units unless the units were modified or reconstructed in the future.

In August 2015, the EPA finalized its Clean Power Plan which sets CO₂ emission performance rates for existing affected fossil fuel-fired electric generating units. Specifically, the EPA translated those performance rates into a state goal measured in mass and rate based on each state's generation mix. The states have the ability to develop their own plans for affected units to achieve either the performance rates directly or the state goals, with guidelines for the development, submittal and implementation of those

plans. Nationwide, by 2030, the EPA projects the Clean Power Plan would achieve CO₂ emission reductions from the power sector of approximately 32% from CO₂ emission levels in 2005.

The EPA has finalized an interim CO₂ goal rate reduction in Kansas and Missouri (average of 2022-2029) of 34% and 26%, respectively, and 2030 targets in Kansas and Missouri of 44% and 37%, respectively. The baseline for these reductions is 2012 CO₂ emissions adjusted by the EPA. The EPA has also finalized mass based CO₂ reduction goals.

States are required to submit plans to implement the Clean Power Plan. An EPA plan with either a rate-based or mass-based trading program has yet to be finalized and can be enforced in states that fail to submit approved plans.

In February 2016, the U.S. Supreme Court granted a stay of the Clean Power Plan putting the rule on hold pending review in the United States Court of Appeals for the District of Columbia Circuit and any subsequent review by the U.S. Supreme Court if such review is sought. Compliance with the Clean Power Plan has the potential of having significant financial and operational impacts on Great Plains Energy and KCP&L; however, the ultimate financial and operational consequences to Great Plains Energy and KCP&L cannot be determined until the outcome of pending litigation is known and/or the state plans to implement the Clean Power Plan are known.

Clean Water Act

The Clean Water Act and associated regulations enacted by the EPA form a comprehensive program to restore and preserve water quality. Like the Clean Air Act, states are required to establish regulations and programs to address all requirements of the Clean Water Act, and have the flexibility to enact more stringent requirements. All of Great Plains Energy's and KCP&L's generating facilities, and certain of their other facilities, are subject to the Clean Water Act.

In May 2014, the EPA finalized regulations pursuant to Section 316(b) of the Clean Water Act regarding cooling water intake structures pursuant to a court approved settlement. KCP&L generation facilities with cooling water intake structures are subject to the best technology available standards based on studies completed to comply with such standards. The rule provides flexibility to work with the states to develop the best technology available to minimize aquatic species impacted by being pinned against intake screens (impingement) or drawn into cooling water systems (entrainment). Estimated costs to comply with Section 316(b) of the Clean Water Act are included in the estimated capital expenditures table above.

KCP&L holds a permit from the Missouri Department of Natural Resources (MDNR) covering water discharge from its Hawthorn Station. The permit authorizes KCP&L to, among other things, withdraw water from the Missouri River for cooling purposes and return the heated water to the Missouri River. KCP&L has applied for a renewal of this permit and the EPA has submitted an interim objection letter regarding the allowable amount of heat that can be contained in the returned water. Until this matter is resolved, KCP&L continues to operate under its current permit. Future water permit renewals at KCP&L's Iatan Station and at GMO's Sibley and Lake Road Stations could also be impacted by the allowable amount of heat that can be contained in the returned water. Great Plains Energy and KCP&L cannot predict the outcome of these matters; however, while less significant outcomes are possible, these matters may require a reduction in generation, installation of cooling towers or other technology to cool the water, or both, any of which could have a significant impact on Great Plains Energy's and KCP&L's results of operations, financial position and cash flows.

In September 2015, the EPA finalized a revision of the technology-based effluent limitations guidelines and standards regulation to make the existing controls on discharges from steam electric power plants more stringent. The final rule sets the first federal limits on the levels of toxic metals in wastewater that can be discharged from power plants. The new requirements for existing power plants would be phased in between 2018 and 2023. The final rule establishes new or additional requirements for wastewaters associated with the following processes and byproducts at certain KCP&L and GMO stations: flue gas desulfurization, fly ash, bottom ash, flue gas mercury

control, and combustion residual leachate from landfills and surface impoundments. Estimated capital costs to comply with the final rule are included in the estimated capital expenditures table above.

Solid Waste

Solid and hazardous waste generation, storage, transportation, treatment and disposal are regulated at the federal and state levels under various laws and regulations. In December 2014, the EPA finalized regulations to regulate CCRs under the Resource Conservation and Recovery Act (RCRA) subtitle D to address the risks from the disposal of CCRs generated from the combustion of coal at electric generating facilities. The Companies use coal in generating electricity and dispose of the CCRs in both on-site facilities and facilities owned by third parties. KCP&L's Iatan, La Cygne, and Montrose Stations and GMO's Sibley Station have on-site facilities affected by the rule. The rule requires periodic assessments; groundwater monitoring; location restrictions; design and operating requirements; recordkeeping and notifications; and closure, among other requirements, for CCR units. The rule was promulgated in the Federal Register on April 17, 2015, and became effective six months after promulgation with various obligations effective at specified times within the rule. Estimated capital costs to comply with the CCR rule are included in the estimated capital expenditures table above. Certain requirements of the rule would require Great Plains Energy or KCP&L to expedite or incur additional capital expenditures in the future.

Great Plains Energy and KCP&L have AROs on their balance sheets for closure and post-closure of ponds and landfills containing CCRs. Certain requirements of the rule could in the future require further evaluation of the expected method of compliance and refinement of assumptions underlying the cost estimates for closure and post-closure. Great Plains Energy's and KCP&L's AROs could increase from the amounts presently recorded.

Remediation

Certain federal and state laws, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), hold current and previous owners or operators of contaminated facilities and persons who arranged for the disposal or treatment of hazardous substances liable for the cost of investigation and cleanup. CERCLA and other laws also authorize the EPA and other agencies to issue orders compelling potentially responsible parties to clean up sites that are determined to present an actual or potential threat to human health or the environment. GMO retains some environmental liability for several operations and investments it no longer owns. In addition, GMO also owns, or has acquired liabilities from companies that once owned or operated, former manufactured gas plant (MGP) sites, which are subject to the supervision of the EPA and various state environmental agencies.

At December 31, 2016 and 2015, KCP&L had \$0.3 million accrued for environmental remediation expenses, which covers ground water monitoring at a former MGP site. The amount accrued was established on an undiscounted basis and KCP&L does not currently have an estimated time frame over which the accrued amount may be paid.

In addition to the \$0.3 million accrual above, at December 31, 2016 and 2015, Great Plains Energy had \$1.4 million accrued for the future investigation and remediation of certain additional GMO identified MGP sites and retained liabilities. This estimate was based upon review of the potential costs associated with conducting investigative and remedial actions at identified sites, as well as the likelihood of whether such actions will be necessary. This estimate could change materially after further investigation, and could also be affected by the actions of environmental agencies and the financial viability of other potentially responsible parties; however, given the uncertainty of these items the possible loss or range of loss in excess of the amount accrued is not estimable.

GMO has pursued recovery of remediation costs from insurance carriers and other potentially responsible parties. As a result of a settlement with an insurance carrier, approximately \$1.5 million in insurance proceeds less an annual deductible is available to GMO to recover qualified MGP remediation expenses. GMO would seek recovery of additional remediation costs and expenses through rate increases; however, there can be no assurance that such rate increases would be granted.

Contractual Commitments

Great Plains Energy's and KCP&L's expenses related to lease commitments are detailed in the following table.

	2016	2015	2014
	(millions)		
Great Plains Energy	\$ 15.0	\$ 16.8	\$ 16.0
KCP&L	13.7	15.0	14.0

Great Plains Energy's and KCP&L's contractual commitments at December 31, 2016, excluding pensions and long-term debt, are detailed in the following tables.

Great Plains Energy

	2017	2018	2019	2020	2021	After 2021	Total
Lease commitments	(millions)						
Operating lease	\$ 12.9	\$ 11.0	\$ 9.3	\$ 9.7	\$ 9.7	\$ 110.5	\$ 163.1
Capital lease	0.4	0.4	0.4	0.4	0.4	3.1	5.1
Purchase commitments							
Fuel	259.0	145.8	62.2	53.8	11.2	100.8	632.8
Power	47.3	47.3	47.3	47.3	47.4	462.2	698.8
Other	50.1	32.0	33.3	5.9	6.5	38.7	166.5
Total contractual commitments	\$ 369.7	\$ 236.5	\$ 152.5	\$ 117.1	\$ 75.2	\$ 715.3	\$ 1,666.3

KCP&L

	2017	2018	2019	2020	2021	After 2021	Total
Lease commitments	(millions)						
Operating lease	\$ 12.0	\$ 11.0	\$ 9.3	\$ 9.7	\$ 9.7	\$ 110.5	\$ 162.2
Capital lease	0.2	0.2	0.2	0.2	0.2	1.6	2.6
Purchase commitments							
Fuel	221.5	119.4	43.6	35.1	1.8	100.8	522.2
Power	34.8	34.8	34.8	34.8	34.9	324.9	499.0
Other	49.3	31.1	30.6	5.0	5.6	33.0	154.6
Total contractual commitments	\$ 317.8	\$ 196.5	\$ 118.5	\$ 84.8	\$ 52.2	\$ 570.8	\$ 1,340.6

Great Plains Energy's and KCP&L's lease commitments end in 2048. Operating lease commitments include rail cars to serve jointly-owned generating units where KCP&L is the managing partner. Of the amounts included in the table above, KCP&L will be reimbursed by the other owners for approximately \$1.5 million in 2017, \$1.2 million in 2018 and approximately \$0.4 million per year from 2019 to 2025, for a total of \$5.5 million.

Fuel commitments consist of commitments for nuclear fuel, coal and coal transportation. Power commitments consist of commitments for renewable energy under power purchase agreements. Other represents individual commitments entered into in the ordinary course of business.

16. LEGAL PROCEEDINGS

GMO Western Energy Crisis

In response to complaints of excessive prices in the California energy markets, FERC issued an order in July 2001 requiring net sellers of power in the California markets from October 2, 2000, through June 20, 2001, at prices above a FERC-determined competitive market clearing price, to make refunds to net purchasers of power in the California market during that time period. Because MPS Merchant was a net purchaser of power during the refund period, it has received approximately \$8 million in refunds through settlements with certain sellers of power. MPS Merchant estimates that it is entitled to approximately \$12 million in additional refunds under the standards FERC

has used in this case once a comprehensive resettlement of those markets occurs, as required by FERC. FERC has stated that interest will be applied to the refunds but the amount of interest has not yet been determined.

In November 2014, FERC issued an order finding that MPS Merchant engaged in tariff violations during the periods prior to October 2, 2000 (the Summer Period) and ordered refunds in the form of disgorgement of certain revenues. MPS Merchant (and other parties) filed a request for rehearing challenging FERC's findings of tariff violations and the remedy imposed in the November 2014 order. Additionally, several parties representing California utilities and governmental agencies filed a request for clarification or rehearing focusing on the remedy.

In November 2015, FERC issued an order denying MPS Merchant's request for rehearing and expanded the remedy to include additional MPS Merchant sales in the California markets. MPS Merchant filed another request for rehearing, challenging the expanded remedy.

In February 2016, FERC issued an order expanding the amount of revenues that MPS Merchant would be required to disgorge to include all revenues in excess of the FERC-determined competitive market clearing price for all sales in the California markets during the Summer Period that occurred in any hour in which any remaining respondent in the proceeding was found to have committed a tariff violation.

In October 2016, MPS Merchant reached a settlement agreement with certain California utilities and governmental agencies that would settle all issues in the case in exchange for \$7.5 million of cash consideration as well as MPS Merchant's interest in additional funds it was entitled to during the refund period discussed above. The settlement agreement was filed with FERC in December 2016. In accordance with the terms of the settlement agreement, the \$7.5 million of cash consideration will begin accruing interest at the FERC interest rate beginning on January 1, 2017, until the date paid.

In January 2017, FERC issued an order denying a motion filed in conjunction with and as a condition of the settlement agreement and ordered MPS Merchant and the California utilities and governmental agencies to notify FERC by February 27, 2017 whether they intended to revise the settlement agreement or withdraw it. In February 2017, MPS Merchant and the California utilities and governmental agencies filed a notice with FERC revising the settlement agreement to waive the condition of the settlement agreement that was contingent upon the motion denied by FERC. The revised settlement agreement is subject to approval by the Public Utilities Commission of the State of California and FERC.

As a result of the developments noted above, Great Plains Energy recorded a \$7.5 million loss in other operating expenses in 2016.

17. GUARANTEES

In the ordinary course of business, Great Plains Energy and certain of its subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees and letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiary's intended business purposes. The majority of these agreements guarantee the Company's own future performance, so a liability for the fair value of the obligation is not recorded.

At December 31, 2016, Great Plains Energy has provided \$135.3 million of credit support for GMO as follows:

- Great Plains Energy direct guarantees to GMO counterparties totaling \$38.7 million, which expire in 2017 and 2018 and
- Great Plains Energy guarantee of GMO long-term debt totaling \$96.6 million, which includes debt with maturity dates ranging from 2017 to 2023.

Great Plains Energy has also guaranteed GMO's commercial paper program. At December 31, 2016, GMO had \$201.9 million commercial paper outstanding.

18. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

KCP&L employees manage GMO's business and operate its facilities at cost, including GMO's 18% ownership interest in KCP&L's Iatan Nos. 1 and 2. The operating expenses and capital costs billed from KCP&L to GMO were \$194.4 million for 2016, \$183.6 million for 2015 and \$173.9 million for 2014. Additionally, KCP&L and GMO engage in wholesale electricity transactions with each other. KCP&L's net wholesale sales to GMO were \$0.8 million, \$0.2 million and \$12.7 million in 2016, 2015 and 2014, respectively.

KCP&L and GMO are also authorized to participate in the Great Plains Energy money pool, an internal financing arrangement in which funds may be lent on a short-term basis to KCP&L and GMO from Great Plains Energy and between KCP&L and GMO. At December 31, 2016 and 2015, KCP&L had no outstanding receivables or payables under the money pool.

The following table summarizes KCP&L's related party net receivables.

	December 31	
	2016	2015
	(millions)	
Net receivable from GMO	\$ 64.6	\$ 50.0
Net receivable from Great Plains Energy	2.6	15.8

19. DERIVATIVE INSTRUMENTS

Great Plains Energy and KCP&L are exposed to a variety of market risks including interest rates and commodity prices. Management has established risk management policies and strategies to reduce the potentially adverse effects that the volatility of the markets may have on Great Plains Energy's and KCP&L's operating results. Great Plains Energy's and KCP&L's interest rate risk management activities have included using derivative instruments to hedge against future interest rate fluctuations on anticipated debt issuances. Commodity risk management activities, including the use of certain derivative instruments, are subject to the management, direction and control of an internal commodity risk committee. Management maintains commodity price risk management strategies that use derivative instruments to reduce the effects of fluctuations in wholesale sales and fuel and purchased power expense caused by commodity price volatility.

Counterparties to commodity derivatives expose Great Plains Energy and KCP&L to credit loss in the event of nonperformance. This credit loss is limited to the cost of replacing these contracts at current market rates. Derivative instruments, excluding those instruments that qualify for the NPNS election, which are accounted for by accrual accounting, are recorded on the balance sheet at fair value as an asset or liability. Changes in the fair value of derivative instruments are recognized in net income, except hedges for KCP&L's and GMO's utility operations that are recorded to a regulatory asset or liability consistent with KCC and MPSC regulatory orders. For derivative contracts with counterparties under master netting arrangements, Great Plains Energy and KCP&L can net receivables and payables with each respective counterparty.

Interest Rate Risk Management

In June 2016, Great Plains Energy entered into four interest rate swaps, with a total notional amount of \$4.4 billion, to hedge against interest rate fluctuations on future issuances of long-term debt expected to be issued to finance a portion of the cash consideration for the anticipated acquisition of Westar. Settlement of the interest rate swaps is contingent on the consummation of the anticipated acquisition of Westar. The interest rate swaps have been designated as economic hedges (non-hedging derivatives). The fair values of these instruments are recorded as derivative assets or liabilities with an offsetting entry recorded to interest charges.

Commodity Risk Management

KCP&L and GMO have Transmission Congestion Rights (TCRs) that they utilize to hedge against congestion costs and protect load prices in the Southwest Power Pool, Inc. (SPP) Integrated Marketplace. These financial contracts have been designated as economic hedges (non-hedging derivatives). The fair values of these instruments are

recorded as derivative assets or liabilities with an offsetting entry recorded to a regulatory asset or liability. The settlement costs are included in a recovery mechanism. A regulatory asset or liability is recorded to reflect the change in the timing of recognition authorized by KCC and MPSC. Recovery of actual costs will not impact earnings, but will impact cash flows due to the timing of the recovery mechanism.

MPS Merchant, which has certain long-term natural gas contracts remaining from its former non-regulated trading operations, manages the daily delivery of its remaining contractual commitments with economic hedges (non-hedging derivatives) to reduce its exposure to changes in market prices. Within the trading portfolio, MPS Merchant takes certain positions to hedge physical sale or purchase contracts. MPS Merchant records the fair value of physical trading energy contracts as derivative assets or liabilities with an offsetting entry to the consolidated statements of comprehensive income.

The gross notional contract amount and recorded fair values of open positions for derivative instruments are summarized in the following table. The fair values of these derivatives are recorded on the consolidated balance sheets. The fair values below are gross values before netting agreements and netting of cash collateral.

	December 31			
	2016		2015	
	Notional Contract Amount	Fair Value	Notional Contract Amount	Fair Value
Great Plains Energy	(millions)			
Non-hedging derivatives				
Futures contracts	\$ —	\$ —	\$ 26.6	\$ (5.7)
Forward contracts	9.8	2.4	15.6	3.1
Transmission congestion rights	3.7	1.3	5.6	(0.5)
Interest rate swaps	4,415.0	79.3	—	—
KCP&L				
Non-hedging derivatives				
Futures contracts	\$ —	\$ —	\$ 0.9	\$ (0.1)
Transmission congestion rights	2.7	0.9	4.1	(0.4)

The fair values of Great Plains Energy's and KCP&L's open derivative positions and balance sheet classification are summarized in the following tables. The fair values below are gross values before netting agreements and netting of cash collateral.

Great Plains Energy

December 31, 2016	Balance Sheet Classification	Asset Derivatives Fair Value	Liability Derivatives Fair Value
Derivatives Not Designated as Hedging Instruments			
		(millions)	
Commodity contracts	Derivative instruments/Other	\$ 4.3	\$ 0.6
Interest rate contracts	Derivative instruments	79.3	—
December 31, 2015			
Derivatives Not Designated as Hedging Instruments			
Commodity contracts	Other/Derivative instruments	\$ 3.3	\$ 6.4

KCP&L

	Balance Sheet Classification	Asset Derivatives Fair Value	Liability Derivatives Fair Value
December 31, 2016			
Derivatives Not Designated as Hedging Instruments		(millions)	
Commodity contracts	Other	\$ 1.3	\$ 0.4
December 31, 2015			
Derivatives Not Designated as Hedging Instruments			
Commodity contracts	Other	\$ 0.2	\$ 0.7

The following tables provide information regarding Great Plains Energy's and KCP&L's offsetting of derivative assets and liabilities.

Great Plains Energy

Description	Gross Amounts Recognized	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position		
				Financial Instruments	Cash Collateral	Net Amount
December 31, 2016			(millions)			
Derivative assets	\$ 83.6	\$ (0.5)	\$ 83.1	\$ —	\$ —	\$ 83.1
Derivative liabilities	0.6	(0.5)	0.1	—	—	0.1
December 31, 2015						
Derivative assets	\$ 3.3	\$ (0.2)	\$ 3.1	\$ —	\$ —	\$ 3.1
Derivative liabilities	6.4	(5.9)	0.5	—	—	0.5

KCP&L

Description	Gross Amounts Recognized	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position		
				Financial Instruments	Cash Collateral	Net Amount
December 31, 2016			(millions)			
Derivative assets	\$ 1.3	\$ (0.4)	\$ 0.9	\$ —	\$ —	\$ 0.9
Derivative liabilities	0.4	(0.4)	—	—	—	—
December 31, 2015						
Derivative assets	\$ 0.2	\$ (0.2)	\$ —	\$ —	\$ —	\$ —
Derivative liabilities	0.7	(0.3)	0.4	—	—	0.4

At December 31, 2015, Great Plains Energy had offset \$5.7 million of cash collateral posted with counterparties against net derivative positions.

See Note 21 for information regarding amounts reclassified out of accumulated other comprehensive loss for Great Plains Energy and KCP&L.

Great Plains Energy's accumulated OCI at December 31, 2016, includes \$7.8 million that is expected to be reclassified to expenses over the next twelve months. KCP&L's accumulated OCI at December 31, 2016, includes \$7.5 million that is expected to be reclassified to expenses over the next twelve months.

The following tables summarize the amounts of gain (loss) recognized for the change in fair value of derivatives not designated as hedging instruments for Great Plains Energy and KCP&L.

Great Plains Energy

Derivatives Not Designated as Hedging Instruments	2016	2015	2014
Location of Gain (Loss)	(millions)		
Electric revenues	\$ 3.5	\$ (8.2)	\$ (14.2)
Fuel and purchased power	(2.7)	(4.0)	(3.4)
Interest charges	79.3	—	—
Regulatory asset	—	(6.8)	(2.7)
Regulatory liability	1.3	—	—
Total	\$ 81.4	\$ (19.0)	\$ (20.3)

KCP&L

Derivatives Not Designated as Hedging Instruments	2016	2015	2014
Location of Gain (Loss)	(millions)		
Electric revenues	\$ 3.5	\$ (8.2)	\$ (14.2)
Fuel and purchased power	0.1	1.5	1.1
Regulatory asset	—	(0.5)	(0.2)
Regulatory liability	1.0	—	—
Total	\$ 4.6	\$ (7.2)	\$ (13.3)

20. FAIR VALUE MEASUREMENTS

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad categories, giving the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. A definition of the various levels, as well as discussion of the various measurements within the levels, is as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that Great Plains Energy and KCP&L have access to at the measurement date.

Level 2 – Market-based inputs for assets or liabilities that are observable (either directly or indirectly) or inputs that are not observable but are corroborated by market data.

Level 3 – Unobservable inputs, reflecting Great Plains Energy's and KCP&L's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Great Plains Energy and KCP&L record cash and cash equivalents and short-term borrowings on the balance sheet at cost, which approximates fair value due to the short-term nature of these instruments.

Great Plains Energy and KCP&L record long-term debt on the balance sheet at amortized cost. The fair value of long-term debt is measured as a Level 2 liability and is based on quoted market prices, with the incremental borrowing rate for similar debt used to determine fair value if quoted market prices are not available. At

December 31, 2016, the book value and fair value of Great Plains Energy's long-term debt, including current maturities, were \$3.8 billion and \$4.0 billion, respectively. At December 31, 2015, the book value and fair value of Great Plains Energy's long-term debt, including current maturities, were \$3.7 billion and \$4.0 billion, respectively. At December 31, 2016, the book value and fair value of KCP&L's long-term debt, including current maturities, were \$2.6 billion and \$2.7 billion, respectively. At December 31, 2015, the book value and fair value of KCP&L's long-term debt, including current maturities, were \$2.6 billion and \$2.8 billion, respectively.

The following tables include Great Plains Energy's and KCP&L's balances of financial assets and liabilities measured at fair value on a recurring basis. The fair values below are gross values before netting arrangements and netting of cash collateral.

Description	December 31 2016	Level 1	Level 2	Level 3
KCP&L	(millions)			
Assets				
Nuclear decommissioning trust ^(a)				
Equity securities	\$ 153.9	\$ 153.9	\$ —	\$ —
Debt securities				
U.S. Treasury	27.8	27.8	—	—
U.S. Agency	1.7	—	1.7	—
State and local obligations	3.2	—	3.2	—
Corporate bonds	32.4	—	32.4	—
Foreign governments	0.1	—	0.1	—
Cash equivalents	3.8	3.8	—	—
Total nuclear decommissioning trust	222.9	185.5	37.4	—
Self-insured health plan trust ^(b)				
Equity securities	0.9	0.9	—	—
Debt securities	4.8	0.1	4.7	—
Cash and cash equivalents	5.6	5.6	—	—
Total self-insured health plan trust	11.3	6.6	4.7	—
Derivative instruments - commodity ^(c)	1.3	—	—	1.3
Total	\$ 235.5	\$ 192.1	\$ 42.1	\$ 1.3
Liabilities				
Derivative instruments - commodity ^(c)	0.4	—	—	0.4
Total	\$ 0.4	\$ —	\$ —	\$ 0.4
Other Great Plains Energy				
Assets				
Derivative instruments				
Commodity ^(c)	\$ 3.0	\$ —	\$ 2.2	\$ 0.8
Interest rate ^(d)	79.3	—	—	79.3
Total	\$ 82.3	\$ —	\$ 2.2	\$ 80.1
Liabilities				
Derivative instruments - commodity ^(c)	0.2	—	0.1	0.1
Total	\$ 0.2	\$ —	\$ 0.1	\$ 0.1
Great Plains Energy				
Assets				
Nuclear decommissioning trust ^(a)	\$ 222.9	\$ 185.5	\$ 37.4	\$ —
Self-insured health plan trust ^(b)	11.3	6.6	4.7	—
Derivative instruments ^{(c)(d)}	83.6	—	2.2	81.4
Total	\$ 317.8	\$ 192.1	\$ 44.3	\$ 81.4
Liabilities				
Derivative instruments ^(c)	0.6	—	0.1	0.5
Total	\$ 0.6	\$ —	\$ 0.1	\$ 0.5

Description	December 31 2015	Level 1	Level 2	Level 3
KCP&L			(millions)	
Assets				
Nuclear decommissioning trust ^(a)				
Equity securities	\$ 135.4	\$ 135.4	\$ —	\$ —
Debt securities				
U.S. Treasury	26.4	26.4	—	—
U.S. Agency	1.8	—	1.8	—
State and local obligations	4.0	—	4.0	—
Corporate bonds	29.2	—	29.2	—
Foreign governments	0.3	—	0.3	—
Cash equivalents	3.6	3.6	—	—
Total nuclear decommissioning trust	200.7	165.4	35.3	—
Self-insured health plan trust ^(b)				
Equity securities	1.1	1.1	—	—
Debt securities	7.3	—	7.3	—
Cash and cash equivalents	5.2	5.2	—	—
Total self-insured health plan trust	13.6	6.3	7.3	—
Derivative instruments - commodity ^(c)	0.2	—	—	0.2
Total	\$ 214.5	\$ 171.7	\$ 42.6	\$ 0.2
Liabilities				
Derivative instruments - commodity ^(c)	0.7	0.1	—	0.6
Total	\$ 0.7	\$ 0.1	\$ —	\$ 0.6
Other Great Plains Energy				
Assets				
Derivative instruments - commodity ^(c)	\$ 3.1	\$ —	\$ 2.7	\$ 0.4
SERP rabbi trusts ^(e)				
Equity securities	0.1	0.1	—	—
Total	\$ 3.2	\$ 0.1	\$ 2.7	\$ 0.4
Liabilities				
Derivative instruments - commodity ^(c)	5.7	5.6	—	0.1
Total	\$ 5.7	\$ 5.6	\$ —	\$ 0.1
Great Plains Energy				
Assets				
Nuclear decommissioning trust ^(a)	\$ 200.7	\$ 165.4	\$ 35.3	\$ —
Self-insured health plan trust ^(b)	13.6	6.3	7.3	—
Derivative instruments ^(c)	3.3	—	2.7	0.6
SERP rabbi trusts ^(e)	0.1	0.1	—	—
Total	\$ 217.7	\$ 171.8	\$ 45.3	\$ 0.6
Liabilities				
Derivative instruments ^(c)	6.4	5.7	—	0.7
Total	\$ 6.4	\$ 5.7	\$ —	\$ 0.7

^(a) Fair value is based on quoted market prices of the investments held by the fund and/or valuation models.

^(b) Fair value is based on quoted market prices of the investments held by the trust. Debt securities classified as Level 1 are comprised of U.S. Treasury securities. Debt securities classified as Level 2 are comprised of corporate bonds, U.S. Agency, state and local obligations, and other asset-backed securities.

^(c) The fair value of commodity derivative instruments is estimated using market quotes, over-the-counter forward price and volatility curves and correlations among fuel prices, net of estimated credit risk. Derivative instruments classified as Level 1 represent exchange traded derivative instruments. Derivative instruments classified as Level 2 represent non-exchange traded derivative instruments valued using pricing models for which observable market data is available to corroborate the valuation inputs. Derivative instruments classified as Level 3 represent non-exchange traded derivative instruments valued using pricing models for which observable market data is not available to corroborate the valuation inputs and TCRs valued at the most recent auction price in the SPP Integrated Marketplace.

^(d) The fair value of interest rate derivative instruments is determined by calculating the net present value of expected payments and receipts under the interest rate swaps using observable market inputs including interest rates and LIBOR swap rates. As of December 31, 2016, the calculated net present value was discounted by a contingency factor of 0.35 that management believes is representative of what a market participant would use in valuing these instruments in order to account for the contingent nature of the settlement of these instruments. See Note 19 for more details on the interest rate swaps.

A decrease in the contingency factor would result in a higher fair value measurement. Management expects that the contingency factor will decrease as the Company obtains certain regulatory approvals connected with the anticipated acquisition of Westar and due to the passage of time. Because of the unobservable nature of the contingency factor, the interest rate derivatives have been classified as Level 3.

- (e) At December 31, 2016 and 2015, the Supplemental Executive Retirement Plan (SERP) rabbi trusts also included \$16.0 million and \$16.6 million, respectively, of fixed income funds valued at NAV per share (or its equivalent) that are not categorized in the fair value hierarchy. The fixed income fund invests primarily in intermediate and long-term debt securities, can be redeemed immediately and is not subject to any restrictions on redemptions.

The following tables reconcile the beginning and ending balances for all Level 3 assets and liabilities measured at fair value on a recurring basis.

Great Plains Energy

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Derivative Instruments	
	2016	2015
	(millions)	
Net asset (liability) at January 1	\$ (0.1)	\$ 3.5
Total realized/unrealized gains (losses):		
included in electric revenue	3.5	(8.2)
included in fuel and purchased power expense	0.8	(1.5)
included in non-operating income	11.3	8.6
included in interest charges	79.3	—
included in regulatory (asset) liability	1.3	(0.5)
Purchases	0.3	—
Settlements	(15.5)	(2.0)
Net asset (liability) at December 31	\$ 80.9	\$ (0.1)
Total unrealized gains (losses) relating to assets and liabilities still on the consolidated balance sheet at December 31:		
included in non-operating income	\$ 0.1	\$ (0.2)
included in interest charges	79.3	—
included in regulatory (asset) liability	1.3	(0.5)

KCP&L

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Derivative Instruments	
	2016	2015
	(millions)	
Net asset (liability) at January 1	\$ (0.4)	\$ 3.1
Total realized/unrealized gains (losses):		
included in electric revenue	3.5	(8.2)
included in regulatory (asset) liability	1.0	(0.4)
Purchases	(0.3)	(0.8)
Settlements	(2.9)	5.9
Net asset (liability) at December 31	\$ 0.9	\$ (0.4)
Total unrealized gains (losses) relating to assets and liabilities still on the consolidated balance sheet at December 31:		
included in regulatory (asset) liability	\$ 1.0	\$ (0.4)

21. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables reflect the change in the balances of each component of accumulated other comprehensive loss for Great Plains Energy and KCP&L.

Great Plains Energy

	Gains and Losses on Cash Flow Hedges ^(a)	Defined Benefit Pension Items ^(a)	Total ^(a)
	(millions)		
2016			
Beginning balance January 1	\$ (10.1)	\$ (1.9)	\$ (12.0)
Other comprehensive income (loss) before reclassifications	—	(0.7)	(0.7)
Amounts reclassified from accumulated other comprehensive loss	5.6	0.5	6.1
Net current period other comprehensive income	5.6	(0.2)	5.4
Ending balance December 31	\$ (4.5)	\$ (2.1)	\$ (6.6)
2015			
Beginning balance January 1	\$ (15.8)	\$ (2.9)	\$ (18.7)
Other comprehensive income before reclassifications	—	0.6	0.6
Amounts reclassified from accumulated other comprehensive loss	5.7	0.4	6.1
Net current period other comprehensive income	5.7	1.0	6.7
Ending balance December 31	\$ (10.1)	\$ (1.9)	\$ (12.0)

^(a) Net of tax

KCP&L

	Gains and Losses on Cash Flow Hedges ^(a)
	(millions)
2016	
Beginning balance January 1	\$ (9.6)
Amounts reclassified from accumulated other comprehensive loss	5.4
Net current period other comprehensive income	5.4
Ending balance December 31	\$ (4.2)
2015	
Beginning balance January 1	\$ (14.9)
Amounts reclassified from accumulated other comprehensive loss	5.3
Net current period other comprehensive income	5.3
Ending balance December 31	\$ (9.6)

^(a) Net of tax

The following tables reflect the effect on certain line items of net income from amounts reclassified out of each component of accumulated other comprehensive loss for Great Plains Energy and KCP&L.

Great Plains Energy

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item in the Income Statement
	2016	2015	
	(millions)		
Gains and (losses) on cash flow hedges (effective portion)			
Interest rate contracts	\$ (9.2)	\$ (9.2)	Interest charges
	(9.2)	(9.2)	Income before income tax expense and income from equity investments
	3.6	3.5	Income tax benefit
	\$ (5.6)	\$ (5.7)	Net income
Amortization of defined benefit pension items			
Net losses included in net periodic benefit costs	\$ (0.8)	\$ (0.7)	Utility operating and maintenance expenses
	(0.8)	(0.7)	Income before income tax expense and income from equity investments
	0.3	0.3	Income tax benefit
	\$ (0.5)	\$ (0.4)	Net income
Total reclassifications, net of tax	\$ (6.1)	\$ (6.1)	Net income

KCP&L

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item in the Income Statement
	2016	2015	
	(millions)		
Gains and (losses) on cash flow hedges (effective portion)			
Interest rate contracts	\$ (8.8)	\$ (8.7)	Interest charges
	(8.8)	(8.7)	Income before income tax expense
	3.4	3.4	Income tax benefit
Total reclassifications, net of tax	\$ (5.4)	\$ (5.3)	Net income

22. TAXES

Components of income tax expense are detailed in the following tables.

Great Plains Energy	2016	2015	2014
Current income taxes	(millions)		
Federal	\$ 0.3	\$ (0.2)	\$ 0.4
State	0.7	(1.1)	(0.1)
Total	1.0	(1.3)	0.3
Deferred income taxes			
Federal	140.6	96.9	104.2
State	29.5	28.0	21.6
Total	170.1	124.9	125.8
Noncurrent income taxes			
Federal	—	—	(2.4)
State	—	—	(0.5)
Foreign	—	—	(6.1)
Total	—	—	(9.0)
Investment tax credit			
Deferral	2.5	0.5	—
Amortization	(1.4)	(1.4)	(1.4)
Total	1.1	(0.9)	(1.4)
Income tax expense	\$ 172.2	\$ 122.7	\$ 115.7

KCP&L	2016	2015	2014
Current income taxes	(millions)		
Federal	\$ 24.8	\$ (18.7)	\$ (9.4)
State	4.7	(3.4)	(2.3)
Total	29.5	(22.1)	(11.7)
Deferred income taxes			
Federal	76.4	81.9	72.6
State	17.0	17.5	15.8
Total	93.4	99.4	88.4
Investment tax credit			
Deferral	—	0.5	—
Amortization	(1.0)	(1.0)	(1.0)
Total	(1.0)	(0.5)	(1.0)
Income tax expense	\$ 121.9	\$ 76.8	\$ 75.7

Effective Income Tax Rates

Effective income tax rates reflected in the financial statements and the reasons for their differences from the statutory federal rates are detailed in the following tables.

Great Plains Energy	2016	2015	2014
Federal statutory income tax rate	35.0%	35.0%	35.0%
Differences between book and tax depreciation not normalized	(0.1)	—	(0.7)
Amortization of investment tax credits	(0.3)	(0.4)	(0.4)
Federal income tax credits	(2.6)	(4.1)	(3.8)
State income taxes	4.2	4.0	3.8
Changes in uncertain tax positions, net	—	—	(1.7)
Transaction costs	0.9	—	—
Valuation allowance	—	1.5	—
Other	0.2	0.5	0.1
Effective income tax rate	37.3%	36.5%	32.3%

KCP&L	2016	2015	2014
Federal statutory income tax rate	35.0%	35.0%	35.0%
Differences between book and tax depreciation not normalized	(0.3)	—	(0.9)
Amortization of investment tax credits	(0.3)	(0.5)	(0.4)
Federal income tax credits	(3.1)	(5.6)	(5.6)
State income taxes	4.1	4.0	3.7
Valuation allowance	—	0.3	—
Other	(0.2)	0.3	—
Effective income tax rate	35.2%	33.5%	31.8%

Deferred Income Taxes

The tax effects of major temporary differences resulting in deferred income tax assets (liabilities) in the consolidated balance sheets are in the following tables.

December 31	Great Plains Energy		KCP&L	
	2016	2015	2016	2015
Noncurrent deferred income taxes				
Plant related	(2,107.6)	(1,967.0)	(1,492.2)	(1,398.9)
Income taxes on future regulatory recoveries	(148.7)	(151.3)	(123.9)	(125.0)
Derivative instruments	(17.0)	20.5	8.5	14.0
Pension and post-retirement benefits	10.5	(0.1)	38.6	27.4
SO ₂ emission allowance sales	24.1	25.7	24.1	25.7
Fuel recovery mechanisms	(22.3)	(4.5)	(27.2)	(6.3)
Tax credit carryforwards	271.1	256.8	177.4	166.6
Customer demand programs	(34.3)	(22.7)	(21.8)	(16.9)
Solar rebates	(27.3)	(31.9)	(11.4)	(13.1)
Net operating loss carryforward	718.0	734.9	198.3	204.2
Other	20.2	0.7	1.3	(9.6)
Net noncurrent deferred income tax liability before valuation allowance	(1,313.3)	(1,138.9)	(1,228.3)	(1,131.9)
Valuation allowance	(16.4)	(19.9)	—	(0.7)
Net noncurrent deferred income tax liability	(1,329.7)	(1,158.8)	(1,228.3)	(1,132.6)

December 31	Great Plains Energy		KCP&L	
	2016	2015	2016	2015
	(millions)			
Gross deferred income tax assets	\$ 1,360.9	\$ 1,368.5	\$ 747.7	\$ 740.9
Gross deferred income tax liabilities	(2,690.6)	(2,527.3)	(1,976.0)	(1,873.5)
Net deferred income tax liability	\$(1,329.7)	\$(1,158.8)	\$(1,228.3)	\$(1,132.6)

Tax Credit Carryforwards

At December 31, 2016 and 2015, Great Plains Energy had \$183.5 million and \$169.2 million, respectively, of federal general business income tax credit carryforwards. At December 31, 2016 and 2015, KCP&L had \$177.4 million and \$166.6 million, respectively, of federal general business income tax credit carryforwards. The carryforwards for both Great Plains Energy and KCP&L relate primarily to Advanced Coal Investment Tax Credits and Wind Production tax credits and expire in the years 2028 to 2036. Approximately \$0.5 million of Great Plains Energy's credits are related to Low Income Housing credits that were acquired in the GMO acquisition. Due to federal limitations on the utilization of income tax attributes acquired in the GMO acquisition, management expects a portion of these credits to expire unutilized and has provided a valuation allowance against \$0.4 million of the federal income tax benefit.

At December 31, 2016 and 2015, Great Plains Energy had \$87.6 million of federal alternative minimum tax credit carryforwards, all of which was acquired in the GMO acquisition. These credits do not expire and can be used to reduce taxes paid in the future.

Net Operating Loss Carryforwards

At December 31, 2016 and 2015, Great Plains Energy had \$643.8 million and \$656.1 million, respectively, of tax benefits related to federal net operating loss (NOL) carryforwards. Approximately \$306.2 million at December 31, 2016 and \$313.2 million at December 31, 2015, respectively, are tax benefits related to NOLs that were acquired in the GMO acquisition. The tax benefits for NOLs originating in 2003 are \$23.0 million, \$152.4 million originating in 2004, \$74.1 million originating in 2005, \$53.3 million originating in 2006, \$1.3 million originating in 2007, \$2.4 million originating in 2008, \$36.5 million originating in 2009, \$4.1 million originating in 2010, \$108.8 million

originating in 2011, \$2.1 million originating in 2012, \$1.4 million originating in 2013, \$86.3 million originating in 2014 and \$98.1 million originating in 2015. The federal NOL carryforwards expire in years 2023 to 2036.

In addition, Great Plains Energy also had deferred tax benefits of \$74.2 million and \$78.8 million related to state NOLs as of December 31, 2016 and 2015, respectively. Of these amounts, approximately \$36.1 million and \$39.2 million at December 31, 2016 and 2015, respectively, were acquired in the GMO acquisition. Management does not expect to utilize \$16.0 million of NOLs in state tax jurisdictions where the Company does not expect to operate in the future. Therefore, a valuation allowance has been provided against \$16.0 million of state tax benefits.

Valuation Allowances

Great Plains Energy is required to assess the ultimate realization of deferred tax assets using a “more likely than not” assessment threshold. This assessment takes into consideration tax planning strategies within Great Plains Energy's control. As a result of this assessment, Great Plains Energy has established a partial valuation allowance for federal and state tax NOL carryforwards and tax credit carryforwards. During 2016, \$3.5 million of tax expense was recorded in continuing operations primarily related to state NOL carryforwards that expired at December 31, 2016.

23. SEGMENTS AND RELATED INFORMATION

Great Plains Energy has one reportable segment based on its method of internal reporting, which segregates reportable segments based on products and services, management responsibility and regulation. The one reportable business segment is electric utility, consisting of KCP&L, GMO's regulated utility operations and GMO Receivables Company. Other includes GMO activity other than its regulated utility operations, GPETHC and unallocated corporate charges, including certain costs to achieve the anticipated acquisition of Westar. The summary of significant accounting policies applies to the reportable segment. Segment performance is evaluated based on net income.

The following tables reflect summarized financial information concerning Great Plains Energy's reportable segment.

2016	Electric Utility	Other	Eliminations	Great Plains Energy
			(millions)	
Operating revenues	\$ 2,676.0	\$ —	\$ —	\$ 2,676.0
Depreciation and amortization	(344.8)	—	—	(344.8)
Interest charges	(196.1)	2.5	32.1	(161.5)
Income tax expense	(164.3)	(7.9)	—	(172.2)
Net income (loss)	292.1	(2.1)	—	290.0

2015	Electric Utility	Other	Eliminations	Great Plains Energy
			(millions)	
Operating revenues	\$ 2,502.2	\$ —	\$ —	\$ 2,502.2
Depreciation and amortization	(330.4)	—	—	(330.4)
Interest charges	(190.9)	(40.5)	32.1	(199.3)
Income tax expense	(120.8)	(1.9)	—	(122.7)
Net income (loss)	223.8	(10.8)	—	213.0

2014	Electric Utility	Other	Eliminations	Great Plains Energy
			(millions)	
Operating revenues	\$ 2,568.2	\$ —	\$ —	\$ 2,568.2
Depreciation and amortization	(306.0)	—	—	(306.0)
Interest charges	(183.0)	(41.2)	35.7	(188.5)
Income tax (expense) benefit	(125.6)	9.9	—	(115.7)
Net income (loss)	243.5	(0.7)	—	242.8

	Electric Utility	Other	Eliminations	Great Plains Energy
			(millions)	
2016				
Assets	\$11,444.2	\$ 2,461.3	\$ (335.5)	\$13,570.0
Capital expenditures	609.4	—	—	609.4
2015				
Assets	\$11,045.5	\$ (51.1)	\$ (255.8)	\$10,738.6
Capital expenditures	677.1	—	—	677.1
2014				
Assets	\$10,727.7	\$ 29.2	\$ (303.5)	\$10,453.4
Capital expenditures	773.7	—	—	773.7

24. JOINTLY-OWNED ELECTRIC UTILITY PLANTS

Great Plains Energy's and KCP&L's share of jointly-owned electric utility plants at December 31, 2016, are detailed in the following tables.

Great Plains Energy

	Wolf Creek Unit	La Cygne Units	Iatan No. 1 Unit	Iatan No. 2 Unit	Iatan Common	Jeffrey Energy Center
			(millions, except MW amounts)			
Great Plains Energy's share	47%	50%	88%	73%	79%	8%
Utility plant in service	\$ 1,853.1	\$ 1,099.5	\$ 670.2	\$ 1,334.9	\$ 490.6	\$ 196.1
Accumulated depreciation	889.6	275.6	261.6	387.3	126.3	80.1
Nuclear fuel, net	62.0	—	—	—	—	—
Construction work in progress	83.5	30.6	19.9	41.7	22.1	3.7
2017 accredited capacity-MWs	549	699	616	641	NA	172

KCP&L

	Wolf Creek Unit	La Cygne Units	Iatan No. 1 Unit	Iatan No. 2 Unit	Iatan Common
			(millions, except MW amounts)		
KCP&L's share	47%	50%	70%	55%	61%
Utility plant in service	\$ 1,853.1	\$ 1,099.5	\$ 532.8	\$ 1,022.4	\$ 403.1
Accumulated depreciation	889.6	275.6	210.8	346.6	113.0
Nuclear fuel, net	62.0	—	—	—	—
Construction work in progress	83.5	30.6	8.4	23.1	5.0
2017 accredited capacity-MWs	549	699	490	482	NA

Each owner must fund its own portion of the plant's operating expenses and capital expenditures. KCP&L's and GMO's share of direct expenses are included in the appropriate operating expense classifications in Great Plains Energy's and KCP&L's financial statements.

25. QUARTERLY OPERATING RESULTS (UNAUDITED)

<i>Great Plains Energy</i>	Quarter			
	1st	2nd	3rd	4th
2016	(millions, except per share amounts)			
Operating revenue	\$ 572.1	\$ 670.8	\$ 856.8	\$ 576.3
Operating income	89.9	182.3	281.9	64.8
Net income	26.4	32.0	133.6	98.0
Basic and diluted earnings per common share	0.17	0.20	0.86	0.39
2015				
Operating revenue	\$ 549.1	\$ 609.0	\$ 781.4	\$ 562.7
Operating income	70.1	119.9	256.7	83.4
Net income	18.9	44.4	126.8	22.9
Basic and diluted earnings per common share	0.12	0.28	0.82	0.15

<i>KCP&L</i>	Quarter			
	1st	2nd	3rd	4th
2016	(millions)			
Operating revenue	\$ 400.9	\$ 475.6	\$ 597.6	\$ 401.3
Operating income	70.6	137.9	219.2	54.4
Net income	24.6	65.9	117.7	16.8
2015				
Operating revenue	\$ 370.4	\$ 417.4	\$ 526.3	\$ 399.7
Operating income	45.3	79.3	170.8	68.6
Net income	13.2	29.4	84.3	25.9

Quarterly data is subject to seasonal fluctuations with peak periods occurring in the summer months.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

GREAT PLAINS ENERGY

Disclosure Controls and Procedures

Great Plains Energy carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)). This evaluation was conducted under the supervision, and with the participation, of Great Plains Energy's management, including the chief executive officer and chief financial officer, and Great Plains Energy's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of Great Plains Energy have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Great Plains Energy were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There has been no change in Great Plains Energy's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended December 31, 2016, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) for Great Plains Energy. Under the supervision and with the participation of Great Plains Energy's chief executive officer and chief financial officer, management evaluated the effectiveness of Great Plains Energy's internal control over financial reporting as of December 31, 2016. Management used for this evaluation the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

Management has concluded that, as of December 31, 2016, Great Plains Energy's internal control over financial reporting is effective based on the criteria set forth in the COSO framework. Deloitte & Touche LLP, the independent registered public accounting firm that audited the financial statements included in this annual report on Form 10-K, has issued its attestation report on Great Plains Energy's internal control over financial reporting, which is included below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Great Plains Energy Incorporated
Kansas City, Missouri

We have audited the internal control over financial reporting of Great Plains Energy Incorporated and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2016, of the Company and our report dated February 23, 2017, expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 23, 2017

KCP&L

Disclosure Controls and Procedures

KCP&L carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). This evaluation was conducted under the supervision, and with the participation, of KCP&L's management, including the chief executive officer and chief financial officer, and KCP&L's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of KCP&L have concluded as of the end of the period covered by this report that the disclosure controls and procedures of KCP&L were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There has been no change in KCP&L's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended December 31, 2016, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) for KCP&L. Under the supervision and with the participation of KCP&L's chief executive officer and chief financial officer, management evaluated the effectiveness of KCP&L's internal control over financial reporting as of December 31, 2016. Management used for this evaluation the framework in *Internal Control - Integrated Framework (2013)* issued by the COSO of the Treadway Commission.

Management has concluded that, as of December 31, 2016, KCP&L's internal control over financial reporting is effective based on the criteria set forth in the COSO framework. Deloitte & Touche LLP, the independent registered public accounting firm that audited the financial statements included in this annual report on Form 10-K, has issued its attestation report on KCP&L's internal control over financial reporting, which is included below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
Kansas City Power & Light Company
Kansas City, Missouri

We have audited the internal control over financial reporting of Kansas City Power & Light Company and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2016, of the Company and our report dated February 23, 2017, expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
February 23, 2017

ITEM 9B. OTHER INFORMATION

On February 21, 2017, Scott H. Heidtbrink, Executive Vice President and Chief Operating Officer of KCP&L and GMO, informed the companies of his decision to retire from his position as Executive Vice President and Chief Operating Officer effective upon the closing of Great Plains Energy's anticipated acquisition of Westar.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Great Plains Energy Directors

The information required by this item is incorporated by reference from the Great Plains Energy 2017 Proxy Statement (Proxy Statement), which will be filed with the SEC no later than March 23, 2017:

- Information regarding the directors of Great Plains Energy required by this item is contained in the Proxy Statement section titled "Election of Directors."
- Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 required by this item is contained in the Proxy Statement section titled "Security Ownership of Certain Beneficial Owners, Directors and Officers - Section 16(a) Beneficial Ownership Reporting Compliance."
- Information regarding the Audit Committee of Great Plains Energy required by this item is contained in the Proxy Statement section titled "Corporate Governance - Committees of the Board."

Great Plains Energy and KCP&L Executive Officers

Information required by this item regarding the executive officers of Great Plains Energy and KCP&L is contained in this report in the Part I, Item 1 section titled "Executive Officers."

Great Plains Energy and KCP&L Code of Ethical Business Conduct

The Companies have adopted a Code of Ethical Business Conduct (Code), which applies to all directors, officers and employees of Great Plains Energy, KCP&L and their subsidiaries. The Code is posted on the corporate governance page of the Internet websites at www.greatplainsenergy.com and www.kcpl.com. A copy of the Code is available, without charge, upon written request to Corporate Secretary, Great Plains Energy Incorporated, 1200 Main St., Kansas City, Missouri 64105. Great Plains Energy and KCP&L intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or a waiver from, a provision of the Code that applies to the principal executive officer, principal financial officer, principal accounting officer or controller of those companies by posting such information on the corporate governance page of the Internet websites.

Other KCP&L Information

The other information required by this item regarding KCP&L has been omitted in reliance on General Instruction (I).

ITEM 11. EXECUTIVE COMPENSATION

Great Plains Energy

The information required by this item contained in the sections titled "Executive Compensation," "Director Compensation," "Compensation Discussion and Analysis", "Compensation Committee Report" and "Director Independence - Compensation Committee Interlocks and Insider Participation" of the Proxy Statement is incorporated by reference.

KCP&L

The other information required by this item regarding KCP&L has been omitted in reliance on General Instruction (I).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Great Plains Energy

The information required by this item regarding security ownership of the directors and executive officers of Great Plains Energy contained in the section titled “Security Ownership of Certain Beneficial Owners, Directors and Officers” of the Proxy Statement is incorporated by reference.

KCP&L

The information required by this item regarding KCP&L has been omitted in reliance on General Instruction (I).

Equity Compensation Plans

Great Plains Energy's Long-Term Incentive Plan is an equity compensation plan approved by its shareholders. The Long-Term Incentive Plan permits the grant of restricted stock, restricted stock units, bonus shares, stock options, stock appreciation rights, limited stock appreciation rights, director shares, director deferred share units and performance shares to directors, officers and other employees of Great Plains Energy and KCP&L.

KCP&L does not have an equity compensation plan; however, KCP&L officers and certain employees participate in Great Plains Energy's Long-Term Incentive Plan.

The following table provides information, as of December 31, 2016, regarding the number of common shares to be issued upon exercise of outstanding options, warrants and rights, their weighted average exercise price, and the number of shares of common stock remaining available for future issuance. The table excludes shares issued or issuable under Great Plains Energy's defined contribution savings plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders			
Great Plains Energy Long-Term Incentive Plan	763,687 ⁽¹⁾	\$ — ⁽²⁾	4,239,813
Equity compensation plans not approved by security holders	—	—	—
Total	763,687 ⁽¹⁾	\$ — ⁽²⁾	4,239,813

⁽¹⁾ Includes 625,100 performance shares at target performance levels and director deferred share units for 138,587 shares of Great Plains Energy common stock outstanding at December 31, 2016.

⁽²⁾ The performance shares and director deferred share units have no exercise price and therefore are not reflected in the weighted average exercise price.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Great Plains Energy

The information required by this item contained in the sections titled “Director Independence” and “Related Party Transactions” of the Proxy Statement is incorporated by reference.

KCP&L

The information required by this item regarding KCP&L has been omitted in reliance on General Instruction (I).

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Great Plains Energy

The information required by this item regarding the independent auditors of Great Plains Energy and its subsidiaries contained in the section titled “Ratification of Appointment of Independent Auditors” of the Proxy Statement is incorporated by reference.

KCP&L

The Audit Committee of the Great Plains Energy Board functions as the Audit Committee of KCP&L. The following table sets forth the aggregate fees billed by Deloitte & Touche LLP for audit services rendered in connection with the consolidated financial statements and reports for 2016 and 2015 and for other services rendered during 2016 and 2015 on behalf of KCP&L, as well as all out-of-pocket costs incurred in connection with these services:

Fee Category	2016	2015
Audit Fees	\$ 1,184,550	\$ 1,201,819
Audit-Related Fees	21,000	20,000
Tax Fees	24,822	5,751
All Other Fees	—	8,802
Total Fees	\$ 1,230,372	\$ 1,236,372

Audit Fees: Consists of fees billed for professional services rendered for the audits of the annual consolidated financial statements of KCP&L and reviews of the interim condensed consolidated financial statements included in quarterly reports. Audit fees also include: services provided by Deloitte & Touche LLP in connection with statutory and regulatory filings or engagements; audit reports on audits of the effectiveness of internal control over financial reporting and other attest services, except those not required by statute or regulation; services related to filings with the SEC, including comfort letters, consents and assistance with and review of documents filed with the SEC; and accounting research in support of the audit.

Audit-Related Fees: Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of consolidated financial statements of KCP&L and are not reported under “Audit Fees”. These services include consultation concerning financial accounting and reporting standards.

Tax Fees: Consists of fees billed for tax compliance and related support of tax returns and other tax services, including assistance with tax audits, and tax research and planning.

All Other Fees: Consists of fees for all other services other than those described above.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services

The Audit Committee has adopted policies and procedures for the pre-approval of all audit services, audit-related services, tax services and other services to be provided by the independent registered public accounting firm for KCP&L. The Audit Committee's policy is to pre-approve all audit, audit-related, tax or other services to be provided by the independent registered public accounting firm. Under these policies and procedures, the Audit Committee may pre-approve certain types of services, up to the aggregate fee levels it sets. Any proposed service within a pre-approved type of service that would cause the applicable fee level to be exceeded cannot be provided unless the Audit Committee either amends the applicable fee level or specifically approves the proposed service. The Audit Committee, as well, may specifically approve audit, audit-related, tax or other services on a case-by-case basis. Pre-approval is generally provided for up to one year, unless the Audit Committee specifically provides for a different period. The Company provides quarterly updates to the Audit Committee regarding actual fees spent with respect to pre-approved services. The Chairman of the Audit Committee may pre-approve audit, audit-related, tax and other services provided by the independent registered public accounting firm as required between meetings and report such pre-approval at the next Audit Committee meeting.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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Financial Statement Schedules

Great Plains Energy

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c. Schedule II - Valuation and Qualifying Accounts and Reserves	148
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Exhibits

<u>Exhibit Number</u>	<u>Description of Document</u>	<u>Registrant</u>
2.1	* Agreement and Plan of Merger, dated as of May 29, 2016, by and among Westar Energy, Inc., Great Plains Energy Incorporated and, from and after its accession thereto, Merger Sub (as defined therein) (Exhibit 2.1 to Form 8-K filed on May 31, 2016).	Great Plains Energy
3.1	* Articles of Incorporation of Great Plains Energy Incorporated, as amended effective September 26, 2016 (Exhibit 3.1 to Form 10-Q for the quarter ended September 30, 2016).	Great Plains Energy
3.2	* Certificate of Designations of the 7.00% Series B Mandatory Convertible Preferred Stock of Great Plains Energy Incorporated, filed with the Secretary of State of the State of Missouri and effective September 30, 2016. (Exhibit 3.1 to Form 8-K filed on October 3, 2016).	Great Plains Energy
3.3	* Amended and Restated By-laws of Great Plains Energy Incorporated, as amended December 10, 2013 (Exhibit 3.1 to Form 8-K filed on December 16, 2013).	Great Plains Energy
3.4	* Amended and Restated Articles of Consolidation of Kansas City Power & Light Company, restated as of May 6, 2014 (Exhibit 3.2 to Form 10-Q for the quarter ended March 31, 2014).	KCP&L
3.5	* Amended and Restated By-laws of Kansas City Power & Light Company, as amended December 10, 2013 (Exhibit 3.3 to Form 8-K filed on December 16, 2013).	KCP&L
4.1	* Indenture, dated as of June 1, 2004, between Great Plains Energy Incorporated and BNY Midwest Trust Company, as trustee (Exhibit 4.4 to Form 8-A/A filed on June 14, 2004).	Great Plains Energy
4.2	* First Supplemental Indenture, dated as of June 14, 2004, between Great Plains Energy Incorporated and BNY Midwest Trust Company, as trustee (Exhibit 4.5 to Form 8-A/A filed on June 14, 2004).	Great Plains Energy
4.3	* Second Supplemental Indenture, dated as of September 25, 2007, between Great Plains Energy Incorporated and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on September 26, 2007).	Great Plains Energy
4.4	* Third Supplemental Indenture, dated as of August 13, 2010, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on August 13, 2010).	Great Plains Energy
4.5	* Fourth Supplemental Indenture, dated as of May 19, 2011, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on May 19, 2011).	Great Plains Energy
4.6	* Subordinated Indenture, dated as of May 18, 2009, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on May 19, 2009).	Great Plains Energy

4.7	* Supplemental Indenture No. 1, dated as of May 18, 2009, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.2 to Form 8-K filed on May 19, 2009).	Great Plains Energy
4.8	* Supplemental Indenture No. 2, dated as of March 22, 2012, between Great Plains Energy Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on March 23, 2012).	Great Plains Energy
4.9	* Indenture, dated as of August 24, 2001, between Aquila, Inc. and BankOne Trust Company, N.A., as trustee (Exhibit 4(d) to Registration Statement on Form S-3 (File No. 333-68400) filed by Aquila, Inc. on August 27, 2001).	Great Plains Energy
4.10	* Second Supplemental Indenture, dated as of July 3, 2002, between Aquila, Inc. and BankOne Trust Company, N.A., as trustee (Exhibit 4(c) to Form S-4 (File No. 333-100204) filed by Aquila, Inc. on September 30, 2002).	Great Plains Energy
4.11	* General Mortgage and Deed of Trust, dated as of December 1, 1986, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4-bb to Form 10-K for the year ended December 31, 1986).	Great Plains Energy KCP&L
4.12	* Fifth Supplemental Indenture, dated as of September 15, 1992, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4-a to Form 10-Q for the quarter ended September 30, 1992).	Great Plains Energy KCP&L
4.13	* Eighth Supplemental Indenture, dated as of December 1, 1993, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4-o to Registration Statement, Registration No. 33-51799).	Great Plains Energy KCP&L
4.14	* Eleventh Supplemental Indenture, dated as of August 15, 2005, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.2 to Form 10-Q for the quarter ended September 30, 2005).	Great Plains Energy KCP&L
4.15	* Twelfth Supplemental Indenture, dated as of March 1, 2009, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.2 to Form 8-K filed on March 24, 2009).	Great Plains Energy KCP&L
4.16	* Thirteenth Supplemental Indenture, dated as of March 1, 2009, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.3 to Form 8-K filed on March 24, 2009).	Great Plains Energy KCP&L
4.17	* Fourteenth Supplemental Indenture, dated as of March 1, 2009, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.4 to Form 8-K filed on March 24, 2009).	Great Plains Energy KCP&L

4.18	* Fifteenth Supplemental Indenture, dated as of June 30, 2011, between Kansas City Power & Light Company and UMB Bank, N.A. (formerly United Missouri Bank of Kansas City, N.A.), as trustee (Exhibit 4.1 to Form 10-Q for the quarter ended June 30, 2011).	Great Plains Energy KCP&L
4.19	* Indenture, dated as of December 1, 2000, between Kansas City Power & Light Company and The Bank of New York, as trustee (Exhibit 4(a) to Form 8-K filed on December 18, 2000).	Great Plains Energy KCP&L
4.20	* Indenture, dated as of March 1, 2002, between Kansas City Power & Light Company and The Bank of New York, as trustee (Exhibit 4.1.b. to Form 10-Q for the quarter ended March 31, 2002).	Great Plains Energy KCP&L
4.21	* Supplemental Indenture No. 1, dated as of November 15, 2005, between Kansas City Power & Light Company and The Bank of New York, as trustee (Exhibit 4.2.j to Form 10-K for the year ended December 31, 2005).	Great Plains Energy KCP&L
4.22	* Indenture, dated as of May 1, 2007, between Kansas City Power & Light Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on June 4, 2007).	Great Plains Energy KCP&L
4.23	* Supplemental Indenture No. 1, dated as of June 4, 2007, between Kansas City Power & Light Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.2 to Form 8-K filed on June 4, 2007).	Great Plains Energy KCP&L
4.24	* Supplemental Indenture No. 2, dated as of March 11, 2008, between Kansas City Power & Light Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.2 to Form 8-K filed on March 11, 2008).	Great Plains Energy KCP&L
4.25	* Supplemental Indenture No. 3, dated as of September 20, 2011, between Kansas City Power & Light Company and The Bank of New York Mellon Trust Company, N.A., Trustee (Exhibit 4.1 to Form 8-K filed on September 20, 2011).	Great Plains Energy KCP&L
4.26	* Supplemental Indenture No. 4, dated as of March 14, 2013, between Kansas City Power & Light Company and The Bank of New York Mellon Trust Company, N.A., Trustee (Exhibit 4.1 to Form 8-K filed on March 14, 2013).	Great Plains Energy KCP&L
4.27	* Supplemental Indenture No. 5, dated as of August 18, 2015, between Kansas City Power & Light Company and The Bank of New York Mellon Trust Company, N.A., Trustee (Exhibit 4.1 to Form 8-K filed on August 18, 2015).	Great Plains Energy KCP&L
4.28	* Note Purchase Agreement, dated August 16, 2013, among KCP&L Greater Missouri Operations Company and the purchasers party thereto (Exhibit 4.1 to Form 8-K filed on August 19, 2013).	Great Plains Energy
10.1	*+ Great Plains Energy Incorporated Amended Long-Term Incentive Plan, effective on May 7, 2002 (Exhibit 10.1.a to Form 10-K for the year ended December 31, 2002).	Great Plains Energy KCP&L

10.2	*+ Great Plains Energy Incorporated Amended Long-Term Incentive Plan, as amended effective on May 1, 2007 (Exhibit 10.1 to Form 8-K filed on May 4, 2007).	Great Plains Energy KCP&L
10.3	*+ Great Plains Energy Incorporated Amended Long-Term Incentive Plan, as amended effective on May 3, 2011 (Exhibit 10.1 to Form 8-K filed on May 6, 2011).	Great Plains Energy KCP&L
10.4	*+ Great Plains Energy Incorporated Amended Long-Term Incentive Plan, as amended effective on January 1, 2014 (Exhibit 10.1 to Form 10-Q for the quarter ended June 30, 2013).	Great Plains Energy KCP&L
10.5	*+ Great Plains Energy Incorporated Amended Long-Term Incentive Plan, as amended effective on May 3, 2016 (Exhibit 10.4 to Form 10-Q for the quarter ended June 30, 2016).	Great Plains Energy KCP&L
10.6	*+ Great Plains Energy Incorporated Long-Term Incentive Plan Awards Standards and Performance Criteria Effective as of January 1, 2013 (Exhibit 10.3 to Form 10-Q for the quarter ended March 31, 2013).	Great Plains Energy KCP&L
10.7	*+ Great Plains Energy Incorporated Long-Term Incentive Plan Awards Standards and Performance Criteria Effective as of January 1, 2014 (Exhibit 10.3 to Form 10-Q for the quarter ended March 31, 2014).	Great Plains Energy KCP&L
10.8	*+ Great Plains Energy Incorporated Long-Term Incentive Plan Awards Standards and Performance Criteria Effective as of January 1, 2015 (Exhibit 10.3 to Form 10-Q for the quarter ended March 31, 2015).	Great Plains Energy KCP&L
10.9	*+ Great Plains Energy Incorporated Long-Term Incentive Plan Awards Standards and Performance Criteria Effective as of January 1, 2016 (Exhibit 10.3 to Form 10-Q for the quarter ended March 31, 2016).	Great Plains Energy KCP&L
10.10	*+ Form of 2013 three-year Performance Share Agreement (Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2013).	Great Plains Energy KCP&L
10.11	*+ Form of 2013 Restricted Stock Agreement (Exhibit 10.2 to Form 10-Q for the quarter ended March 31, 2013).	Great Plains Energy KCP&L
10.12	*+ Form of 2014 three-year Performance Share Agreement (Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2014).	Great Plains Energy KCP&L
10.13	*+ Form of 2014 Restricted Stock Agreement (Exhibit 10.2 to Form 10-Q for the quarter ended March 31, 2014).	Great Plains Energy KCP&L
10.14	*+ Form of 2015 three-year Performance Share Agreement (Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2015).	Great Plains Energy KCP&L
10.15	*+ Form of 2015 Restricted Stock Agreement (Exhibit 10.2 to Form 10-Q for the quarter ended March 31, 2015).	Great Plains Energy KCP&L
10.16	*+ Form of 2016 three-year Performance Share Agreement (Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2016).	Great Plains Energy KCP&L

10.17	*+ Form of 2016 Restricted Stock Agreement (Exhibit 10.2 to Form 10-Q for the quarter ended March 31, 2016).	Great Plains Energy KCP&L
10.18	*+ Aquila, Inc. 2002 Omnibus Incentive Compensation Plan (Exhibit 10.3 to Form 10-Q for the quarter ended September 30, 2002, filed by Aquila, Inc.).	Great Plains Energy
10.19	*+ Great Plains Energy Incorporated, Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company Annual Incentive Plan amended effective as of January 1, 2016 (Exhibit 10.4 to Form 10-Q for the quarter ended March 31, 2016).	Great Plains Energy KCP&L
10.20	*+ Form of Indemnification Agreement with each officer and director (Exhibit 10-f to Form 10-K for year ended December 31, 1995).	Great Plains Energy KCP&L
10.21	*+ Form of Conforming Amendment to Indemnification Agreement with each officer and director (Exhibit 10.1.a to Form 10-Q for the quarter ended March 31, 2003).	Great Plains Energy KCP&L
10.22	*+ Form of Indemnification Agreement with each director and officer (Exhibit 10.1 to Form 8-K filed on December 8, 2008).	Great Plains Energy KCP&L
10.23	*+ Form of Indemnification Agreement with officers and directors (Exhibit 10.1.p to Form 10-K for the year ended December 31, 2005).	Great Plains Energy KCP&L
10.24	*+ Form of Indemnification Agreement with officers and directors (Exhibit 10.1 to Form 8-K filed on December 16, 2013).	Great Plains Energy KCP&L
10.25	*+ Form of Change in Control Severance Agreement with other executive officers of Great Plains Energy Incorporated and Kansas City Power & Light Company (Exhibit 10.1.e to Form 10-Q for the quarter ended September 30, 2006).	Great Plains Energy KCP&L
10.26	*+ Great Plains Energy Incorporated Supplemental Executive Retirement Plan (As Amended and Restated for I.R.C. §409A) (Exhibit 10.1.10 to Form 10-Q for the quarter ended September 30, 2007).	Great Plains Energy KCP&L
10.27	*+ Great Plains Energy Incorporated Supplemental Executive Retirement Plan (As Amended and Restated for I.R.C. §409A), as amended February 10, 2009 (Exhibit 10.1.29 to Form 10-K for the year ended December 31, 2008)	Great Plains Energy KCP&L
10.28	*+ Great Plains Energy Incorporated Supplemental Executive Retirement Plan (As Amended and Restated for I.R.C. §409A), as amended December 8, 2009 (Exhibit 10.1.27 to Form 10-K for the year ended December 31, 2009).	Great Plains Energy KCP&L
10.29	*+ Amendment dated October 28, 2014, to the Great Plains Energy Incorporated Supplemental Executive Retirement Plan as amended and restated on December 8, 2009 (Exhibit 10.1 to Form 10-Q for the quarter ended September 30, 2014).	Great Plains Energy KCP&L

10.30	*+ Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan (As Amended and Restated for I.R.C. §409A) (Exhibit 10.1.11 to Form 10-Q for the quarter ended September 30, 2007).	Great Plains Energy KCP&L
10.31	*+ Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan (As Amended and Restated for I.R.C. §409A), amended effective January 1, 2010 (Exhibit 10.1.5 to Form 10-Q for the quarter ended March 31, 2010).	Great Plains Energy KCP&L
10.32	* Joint Motion and Settlement Agreement, dated as of February 26, 2008, among Great Plains Energy Incorporated, Kansas City Power & Light Company, the Kansas Corporation Commission Staff, the Citizens' Utility Ratepayers Board, Aquila, Inc. d/b/a Aquila Networks, Black Hills Corporation, and Black Hills/ Kansas Gas Utility Company, LLC (Exhibit 10.1.7 to Form 10-Q for the quarter ended March 31, 2008).	Great Plains Energy KCP&L
10.33	* Credit Agreement, dated as of August 9, 2010, among Great Plains Energy Incorporated, Certain Lenders, Bank of America, N.A., as Administrative Agent, and Union Bank, N.A. and Wells Fargo Bank, National Association, as Syndication Agents, Barclays Bank PLC and U.S. Bank National Association, as Documentation Agents, Banc of America Securities LLC, Union Bank, N.A. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.1 to Form 10-Q for the quarter ended September 30, 2010).	Great Plains Energy
10.34	* First Amendment to Credit Agreement, dated as of December 9, 2011, among Great Plains Energy Incorporated, Certain Lenders, Union Bank, N.A. and Wells Fargo Bank, National Association, as Syndication Agents, Bank of America, N.A., as Administrative Agent, Barclays Bank PLC and U.S. Bank National Association, as Documentation Agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Union Bank, N.A. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.59 to Form 10-K for the year ended December 31, 2011).	Great Plains Energy
10.35	* Second Amendment to Credit Agreement, dated as of October 17, 2013, among Great Plains Energy Incorporated, Certain Lenders, Bank of America, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., as Syndication Agents and Wells Fargo Bank, National Association, as Administrative Agent, and Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and Union Bank, N.A., as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.1 to Form 10-Q for the quarter ended September 30, 2013).	Great Plains Energy
10.36	* First Extension Agreement and Waiver, dated as of December 17, 2014, among Great Plains Energy Incorporated, Certain Lenders, Bank of America, N.A., JPMorgan Chase Bank, N.A., and MUFG Union Bank, N.A., as Syndication Agents and Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and an Issuer, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and MUFG Union Bank, N.A., as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.37 to Form 10-K for the year ended December 31, 2014).	Great Plains Energy

10.37	* Third Amendment to the Credit Agreement, dated as of June 13, 2016, among Great Plains Energy Incorporated, Certain Lenders, Bank of America, N.A., JPMorgan Chase Bank, N.A., and Union Bank, N.A., as Syndication Agents and Wells Fargo Bank, National Association, as Administrative Agent, and Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and Union Bank, N.A., as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.1 to Form 10-Q for the quarter ended June 30, 2016).	Great Plains Energy
10.38	* Credit Agreement, dated as of August 9, 2010, among Kansas City Power & Light Company, Certain Lenders, Bank of America, N.A., as Administrative Agent, and Union Bank, N.A. and Wells Fargo Bank, National Association, as Syndication Agents, JPMorgan Chase Bank, N.A. and The Bank of Nova Scotia, as Documentation Agents, Banc of America Securities LLC, Union Bank, N.A. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.2 to Form 10-Q for the quarter ended September 30, 2010).	Great Plains Energy KCP&L
10.39	* First Amendment to Credit Agreement, dated as of December 9, 2011, among Kansas City Power & Light Company, Certain Lenders, Union Bank, N.A. and Wells Fargo Bank, National Association, as Syndication Agents, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A. and The Bank of Nova Scotia, as Documentation Agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Union Bank, N.A. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.61 to Form 10-K for the year ended December 31, 2011).	Great Plains Energy KCP&L
10.40	* Second Amendment to Credit Agreement, dated as of October 17, 2013, among Kansas City Power & Light Company, Certain Lenders, Bank of America, N.A., JPMorgan Chase Bank, N.A., and Union Bank, N.A., as Syndication Agents and Wells Fargo Bank, National Association, as Administrative Agent, and Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and Union Bank, N.A., as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.2 to Form 10-Q for the quarter ended September 30, 2013).	Great Plains Energy KCP&L
10.41	* First Extension Agreement and Waiver, dated as of December 17, 2014, among Kansas City Power & Light Company, Certain Lenders, Bank of America, N.A., JPMorgan Chase Bank, N.A., and MUFG Union Bank, N.A., as Syndication Agents and Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and an Issuer, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and MUFG Union Bank, N.A., as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.41 to Form 10-K for the year ended December 31, 2014).	Great Plains Energy KCP&L

10.42	* Credit Agreement, dated as of August 9, 2010, among KCP&L Greater Missouri Operations Company, Great Plains Energy Incorporated, as Guarantor, Certain Lenders, Bank of America, N.A., as Administrative Agent, and Union Bank, N.A. and Wells Fargo Bank, National Association, as Syndication Agents, The Royal Bank of Scotland PLC and BNP Paribas, as Documentation Agents, Banc of America Securities LLC, Union Bank, N.A. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.3 to Form 10-Q for the quarter ended September 30, 2010).	Great Plains Energy
10.43	* First Amendment to Credit Agreement, dated as of December 9, 2011, among KCP&L Greater Missouri Operations Company, Great Plains Energy Incorporated, as Guarantor, Certain Lenders, Union Bank, N.A. and Wells Fargo Bank, National Association, as Syndication Agents, Bank of America, N.A., as Administrative Agent, The Royal Bank of Scotland PLC and BNP Paribas, as Documentation Agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Union Bank, N.A. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.63 to Form 10-K for the year ended December 31, 2011).	Great Plains Energy
10.44	* Second Amendment to Credit Agreement, dated as of October 17, 2013, among KCP&L Greater Missouri Operations Company, Certain Lenders, Bank of America, N.A., JPMorgan Chase Bank, N.A., and Union Bank, N.A., as Syndication Agents and Wells Fargo Bank, National Association, as Administrative Agent, and Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and Union Bank, N.A., as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.3 to Form 10-Q for the quarter ended September 30, 2013).	Great Plains Energy
10.45	* First Extension Agreement and Waiver, dated as of December 17, 2014, among KCP&L Greater Missouri Operations Company, Certain Lenders, Bank of America, N.A., JPMorgan Chase Bank, N.A., and MUFG Union Bank, N.A., as Syndication Agents and Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and an Issuer, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and MUFG Union Bank, N.A., as Joint Lead Arrangers and Joint Book Managers (Exhibit 10.45 to Form 10-K for the year ended December 31, 2014).	Great Plains Energy
10.46	* Guaranty, dated as of July 15, 2008, issued by Great Plains Energy Incorporated in favor of Union Bank of California, N.A., as successor trustee, and the holders of the Aquila, Inc., 8.27% Senior Notes due November 15, 2021 (Exhibit 10.6 to Form 8-K filed on July 18, 2008).	Great Plains Energy
10.47	* Insurance Agreement, dated as of September 1, 2005, between Kansas City Power & Light Company and XL Capital Assurance Inc. (Exhibit 10.2.e to Form 10-K for the year ended December 31, 2005).	Great Plains Energy KCP&L
10.48	* Insurance Agreement, dated as of September 1, 2005, between Kansas City Power & Light Company and XL Capital Assurance Inc. (Exhibit 10.2.f to Form 10-K for the year ended December 31, 2005).	Great Plains Energy KCP&L

10.49	* Purchase and Sale Agreement, dated as of July 1, 2005, between Kansas City Power & Light Company, as Originator, and Kansas City Power & Light Receivables Company, as Buyer (Exhibit 10.2.b to Form 10-Q for the quarter ended June 30, 2005).	Great Plains Energy KCP&L
10.50	* Receivables Sale Agreement, dated as of July 1, 2005, among Kansas City Power & Light Receivables Company, as the Seller, Kansas City Power & Light Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent, and Victory Receivables Corporation (Exhibit 10.2.c to Form 10-Q for the quarter ended June 30, 2005).	Great Plains Energy KCP&L
10.51	* Amendment No. 1, dated as of April 2, 2007, among Kansas City Power & Light Receivables Company, Kansas City Power & Light Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Victory Receivables Corporation to the Receivables Sale Agreement dated as of July 1, 2005 (Exhibit 10.2.2 to Form 10-Q for the quarter ended March 31, 2007).	Great Plains Energy KCP&L
10.52	* Amendment No. 2, dated as of July 11, 2008, among Kansas City Power & Light Receivables Company, Kansas City Power & Light Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Victory Receivables Corporation to the Receivables Sale Agreement dated as of July 1, 2005 (Exhibit 10.2.2 to Form 10-Q for the quarter ended June 30, 2008).	Great Plains Energy KCP&L
10.53	* Amendment, dated as of July 9, 2009, to Receivables Sale Agreement dated as of July 1, 2005 among Kansas City Power & Light Receivables Company, Kansas City Power & Light Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Victory Receivables Corporation (Exhibit 10.4 to Form 8-K filed on July 13, 2009).	Great Plains Energy KCP&L
10.54	* Amendment and Waiver, dated as of September 25, 2009, to the Receivables Sale Agreement dated as of July 1, 2005 among Kansas City Power & Light Receivables Company, Kansas City Power & Light Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Victory Receivables Corporation (Exhibit 10.2.2 to Form 10-Q for the quarter ended September 30, 2009).	Great Plains Energy KCP&L
10.55	* Amendment, dated as of May 5, 2010, to Receivables Sale Agreement dated as of July 1, 2005 among Kansas City Power & Light Receivables Company, Kansas City Power & Light Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Victory Receivables Corporation (Exhibit 10.2.2 to Form 10-Q for the quarter ended March 31, 2010).	Great Plains Energy KCP&L
10.56	* Amendment, dated as of February 23, 2011, to Receivables Sale Agreement dated as of July 1, 2005 among Kansas City Power & Light Receivables Company, Kansas City Power & Light Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Victory Receivables Corporation. (Exhibit 10.5 to Form 10-Q for the quarter ended March 31, 2011).	Great Plains Energy KCP&L

10.57	* Amendment, dated as of September 9, 2011, to Receivables Sale Agreement dated as of July 1, 2005, among Kansas City Power & Light Receivables Company, Kansas City Power & Light Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and Victory Receivables Corporation (Exhibit 10.1 to Form 8-K filed on September 13, 2011).	Great Plains Energy KCP&L
10.58	* Amendment dated as of September 9, 2014, to the Receivables Sales Agreement dated as of July 1, 2005, among Kansas City Power & Light Receivables Company, as the Seller, Kansas City Power & Light Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent and Victory Receivables Corporation, as the Purchaser (Exhibit 10.1 to Form 8-K filed on September 15, 2014).	Great Plains Energy KCP&L
10.59	* Amendment dated as of September 9, 2015, to the Receivables Sales Agreement dated as of July 1, 2005, among Kansas City Power & Light Receivables Company, as the Seller, Kansas City Power & Light Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent and Victory Receivables Corporation, as the Purchaser (Exhibit 10.1 to Form 8-K filed on September 11, 2015).	Great Plains Energy KCP&L
10.60	* Amendment dated as of September 9, 2016, to the Receivables Sales Agreement dated as of July 1, 2005, among Kansas City Power & Light Receivables Company, as the Seller, Kansas City Power & Light Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as the Agent and Victory Receivables Corporation, as the Purchaser (Exhibit 10.1 to Form 8-K filed on September 13, 2016).	Great Plains Energy KCP&L
10.61	* Purchase and Sale Agreement, dated as of May 31, 2012, between KCP&L Greater Missouri Operations Company, as Originator, and GMO Receivables Company, as Buyer (Exhibit 10.2. to Form 10-Q for the quarter ended June 30, 2012).	Great Plains Energy
10.62	* Receivables Sale Agreement, dated as of May 31, 2012, among GMO Receivables Company, as the Seller, KCP&L Greater Missouri Operations Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent, and Victory Receivables Corporation (Exhibit 10.3 to Form 10-Q for the quarter ended June 30, 2012).	Great Plains Energy
10.63	* First Amendment dated as of September 9, 2014, to the Receivables Sales Agreement dated as of May 31, 2012, among GMO Receivables Company, as the Seller, KCP&L Greater Missouri Operations Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent and Victory Receivables Corporation, as the Purchaser. (Exhibit 10.2 to Form 8-K filed on September 15, 2014).	Great Plains Energy
10.64	* Second Amendment dated as of September 9, 2015, to the Receivables Sales Agreement dated as of May 31, 2012, among GMO Receivables Company, as the Seller, KCP&L Greater Missouri Operations Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent and Victory Receivables Corporation, as the Purchaser. (Exhibit 10.2 to Form 8-K filed on September 11, 2015).	Great Plains Energy

10.65	* Third Amendment dated as of September 9, 2016, to the Receivables Sales Agreement dated as of May 31, 2012, among GMO Receivables Company, as the Seller, KCP&L Greater Missouri Operations Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as the Agent and Victory Receivables Corporation, as the Purchaser (Exhibit 10.2 to Form 8-K filed September 13, 2016).	Great Plains Energy
10.66	* Iatan Unit 2 and Common Facilities Ownership Agreement, dated as of May 19, 2006, among Kansas City Power & Light Company, Aquila, Inc., The Empire District Electric Company, Kansas Electric Power Cooperative, Inc., and Missouri Joint Municipal Electric Utility Commission (Exhibit 10.2.a to Form 10-Q for the quarter ended June 30, 2006).	Great Plains Energy KCP&L
10.67	* Joint Motion and Settlement Agreement dated as of February 26, 2008, among Great Plains Energy Incorporated, Kansas City Power & Light Company, the Kansas Corporation Commission Staff, the Citizens' Utility Ratepayers Board, Aquila, Inc. d/b/a Aquila Networks, Black Hills Corporation, and Black Hills/Kansas Gas Utility Company, LLC (Exhibit 10.1.7 to Form 10-Q for the quarter ended March 31, 2008).	Great Plains Energy KCP&L
10.68	* Stipulation and Agreement dated April 24, 2009, among Kansas City Power & Light Company, Staff of the Missouri Public Service Commission, Office of Public Counsel, Praxair, Inc., Midwest Energy Users Association, U.S. Department of Energy and the U.S. Nuclear Security Administration, Ford Motor Company, Missouri Industrial Energy Consumers and Missouri Department of Natural Resources (Exhibit 10.1 to Form 8-K filed April 30, 2009).	Great Plains Energy KCP&L
10.69	* Non-Unanimous Stipulation and Agreement dated May 22, 2009 among KCP&L Greater Missouri Operations Company, the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, Missouri Department of Natural Resources and Dogwood Energy, LLC (Exhibit 10.1 to Form 8-K filed on May 27, 2009).	Great Plains Energy
10.70	* Collaboration Agreement dated as of March 19, 2007, among Kansas City Power & Light Company, Sierra Club and Concerned Citizens of Platte County, Inc. (Exhibit 10.1 to Form 8-K filed on March 20, 2007).	Great Plains Energy KCP&L
10.71	* Amendment to the Collaboration Agreement effective as of September 5, 2008 among Kansas City Power & Light Company, Sierra Club and Concerned Citizens of Platte County, Inc. (Exhibit 10.2.20 to Form 10-K for the year ended December 31, 2009).	Great Plains Energy KCP&L
10.72	* Joint Operating Agreement between Kansas City Power & Light Company and Aquila, Inc., dated as of October 10, 2008 (Exhibit 10.2.2 to Form 10-Q for the quarter ended September 30, 2008).	Great Plains Energy KCP&L
10.73	* Commitment letter, dated as of May 29, 2016, by Goldman Sachs Bank USA and Goldman Sachs Lending Partners LLC to Great Plains Energy Incorporated (Exhibit 10.1 to Form 8-K filed on May 31, 2016).	Great Plains Energy

10.74	* Stock Purchase Agreement, dated as of May 29, 2016, by and between OCM Credit Portfolio LP and Great Plains Energy Incorporated (Exhibit 10.2 to Form 8-K filed on May 31, 2016).	Great Plains Energy
12.1	Computation of Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Dividend Requirements.	Great Plains Energy
12.2	Computation of Ratio of Earnings to Fixed Charges.	KCP&L
21.1	List of Subsidiaries of Great Plains Energy Incorporated.	Great Plains Energy
23.1	Consent of Independent Registered Public Accounting Firm.	Great Plains Energy
23.2	Consent of Independent Registered Public Accounting Firm.	KCP&L
24.1	Powers of Attorney.	Great Plains Energy
24.2	Powers of Attorney.	KCP&L
31.1	Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	Great Plains Energy
31.2	Rule 13a-14(a)/15d-14(a) Certification of Kevin E. Bryant.	Great Plains Energy
31.3	Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	KCP&L
31.4	Rule 13a-14(a)/15d-14(a) Certification of Kevin E. Bryant.	KCP&L
32.1	** Section 1350 Certifications.	Great Plains Energy
32.2	** Section 1350 Certifications.	KCP&L
101.INS	XBRL Instance Document.	Great Plains Energy KCP&L
101.SCH	XBRL Taxonomy Extension Schema Document.	Great Plains Energy KCP&L
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Great Plains Energy KCP&L
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Great Plains Energy KCP&L
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.	Great Plains Energy KCP&L
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Great Plains Energy KCP&L

* Filed with the SEC as exhibits to prior SEC filings and are incorporated herein by reference and made a part hereof. The SEC filings and the exhibit number of the documents so filed, and incorporated herein by reference, are stated in parenthesis in the description of such exhibit.

** Furnished and shall not be deemed filed for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act). Such document shall not be incorporated by reference into any registration statement or other document pursuant to the Exchange Act or the Securities Act of 1933, as amended, unless otherwise indicated in such registration statement or other document.

+ Indicates management contract or compensatory plan or arrangement.

Copies of any of the exhibits filed with the SEC in connection with this document may be obtained from KCP&L upon written request.

The registrants agree to furnish to the SEC upon request any instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of total assets of such registrant and its subsidiaries on a consolidated basis.

Schedule I - Parent Company Financial Statements

GREAT PLAINS ENERGY INCORPORATED Statements of Comprehensive Income of Parent Company

Year Ended December 31	2016	2015	2014
Operating Expenses	(millions, except per share amounts)		
General and administrative	\$ 2.7	\$ 0.9	\$ 1.1
Costs to achieve the acquisition of Westar Energy, Inc.	18.3	—	—
General taxes	0.1	0.2	0.4
Total	21.1	1.1	1.5
Operating loss	(21.1)	(1.1)	(1.5)
Equity in earnings from subsidiaries	287.5	220.9	251.1
Non-operating income	31.3	29.7	33.1
Interest (charges) income	2.6	(40.3)	(44.3)
Income before income taxes	300.3	209.2	238.4
Income tax (expense) benefit	(10.3)	3.8	4.4
Net income	290.0	213.0	242.8
Preferred stock dividend requirements and redemption premium	16.5	1.6	1.6
Earnings available for common shareholders	\$ 273.5	\$ 211.4	\$ 241.2
Average number of basic common shares outstanding	169.4	154.2	153.9
Average number of diluted common shares outstanding	169.8	154.8	154.1
Basic and diluted earnings per common share	\$ 1.61	\$ 1.37	\$ 1.57
Comprehensive Income			
Net income	\$ 290.0	\$ 213.0	\$ 242.8
Other comprehensive income			
Derivative hedging activity			
Reclassification to expenses	0.4	0.5	4.4
Income tax expense	(0.2)	(0.1)	(1.7)
Net reclassification to expenses	0.2	0.4	2.7
Derivative hedging activity, net of tax	0.2	0.4	2.7
Other comprehensive income from subsidiaries, net of tax	5.2	6.3	3.9
Total other comprehensive income	5.4	6.7	6.6
Comprehensive income	\$ 295.4	\$ 219.7	\$ 249.4

The accompanying Notes to Financial Statements of Parent Company are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED

Balance Sheets of Parent Company

December 31

2016 2015

ASSETS	(millions, except share amounts)	
Current Assets		
Cash and cash equivalents	\$ 1,283.9	\$ —
Time deposit	1,000.0	—
Accounts receivable from subsidiaries	10.6	4.1
Notes receivable from subsidiaries	2.0	2.0
Money pool receivable	—	3.7
Derivative instruments	79.3	—
Other	26.1	0.4
Total	<u>2,401.9</u>	<u>10.2</u>
Investments and Other Assets		
Investment in KCP&L	2,541.5	2,433.1
Investment in other subsidiaries	1,341.6	1,385.9
Note receivable from subsidiaries	634.9	634.9
Deferred income taxes	12.8	34.8
Other	16.3	1.6
Total	<u>4,547.1</u>	<u>4,490.3</u>
Total	\$ 6,949.0	\$ 4,500.5
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	\$ —	\$ 10.0
Current maturities of long-term debt	100.0	—
Accounts payable to subsidiaries	10.8	31.7
Accrued taxes	12.9	4.5
Accrued interest	10.1	4.1
Other	12.8	9.5
Total	<u>146.6</u>	<u>59.8</u>
Deferred Credits and Other Liabilities	<u>2.2</u>	<u>7.1</u>
Capitalization		
Great Plains Energy shareholders' equity		
Common stock - 600,000,000 and 250,000,000 shares authorized without par value		
215,479,105 and 154,504,900 shares issued, stated value	4,217.0	2,646.7
Cumulative preferred stock - 390,000 shares authorized, \$100 par value		
0 and 390,000 shares issued and outstanding	—	39.0
Preference stock - 11,000,000 shares authorized without par value		
7.00% Series B Mandatory Convertible Preferred Stock		
\$1,000 per share liquidation preference, 862,500 and 0 shares issued and outstanding	836.2	—
Retained earnings	1,119.2	1,024.4
Treasury stock - 128,087 and 101,229 shares, at cost	(3.8)	(2.6)
Accumulated other comprehensive loss	(6.6)	(12.0)
Total shareholders' equity	<u>6,162.0</u>	<u>3,695.5</u>
Long-term debt	638.2	738.1
Total	<u>6,800.2</u>	<u>4,433.6</u>
Commitments and Contingencies		
Total	\$ 6,949.0	\$ 4,500.5

The accompanying Notes to Financial Statements of Parent Company are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
Statements of Cash Flows of Parent Company

Year Ended December 31	2016	2015	2014
Cash Flows from Operating Activities		(millions)	
Net income	\$ 290.0	\$ 213.0	\$ 242.8
Adjustments to reconcile income to net cash from operating activities:			
Amortization	30.4	0.8	4.8
Deferred income taxes, net	21.8	(1.7)	(1.4)
Fair value impact of interest rate swaps	(79.3)	—	—
Equity in earnings from subsidiaries	(287.5)	(220.9)	(251.1)
Cash flows affected by changes in:			
Accounts receivable from subsidiaries	(9.8)	(0.1)	(3.8)
Taxes receivable	—	—	0.2
Accounts payable to subsidiaries	(20.9)	1.3	(3.2)
Other accounts payable	7.0	—	—
Accrued taxes	8.4	0.3	4.3
Accrued interest	6.0	—	(0.1)
Cash dividends from subsidiaries	239.0	157.0	144.0
Uncertain tax positions	(0.4)	—	(2.9)
Other	8.4	8.7	11.8
Net cash from operating activities	<u>213.1</u>	<u>158.4</u>	<u>145.4</u>
Cash Flows from Investing Activities			
Purchase of time deposit	(1,000.0)	—	—
Intercompany lending	—	(1.4)	—
Net money pool lending	3.7	(0.4)	6.1
Investment in subsidiary	(7.3)	(7.8)	(3.6)
Net cash from investing activities	<u>(1,003.6)</u>	<u>(9.6)</u>	<u>2.5</u>
Cash Flows from Financing Activities			
Issuance of common stock	1,603.7	3.0	4.8
Issuance of preference stock	862.5	—	—
Issuance fees	(143.4)	—	(0.1)
Net change in short-term borrowings	(10.0)	6.0	(5.0)
Dividends paid	(194.0)	(155.5)	(145.6)
Redemption of cumulative preferred stock	(40.1)	—	—
Purchase of treasury stock	(5.0)	(1.6)	(2.5)
Other financing activities	0.7	(0.7)	0.5
Net cash from financing activities	<u>2,074.4</u>	<u>(148.8)</u>	<u>(147.9)</u>
Net Change in Cash and Cash Equivalents	<u>1,283.9</u>	<u>—</u>	<u>—</u>
Cash and Cash Equivalents at Beginning of Year	<u>—</u>	<u>—</u>	<u>—</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,283.9</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying Notes to Financial Statements of Parent Company are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
NOTES TO FINANCIAL STATEMENTS OF PARENT COMPANY

The Great Plains Energy Incorporated Notes to Consolidated Financial Statements in Part II, Item 8 should be read in conjunction with the Great Plains Energy Incorporated Parent Company Financial Statements.

The Great Plains Energy Incorporated Parent Company Financial Statements have been prepared to present the financial position, results of operations and cash flows of Great Plains Energy on a stand-alone basis as a holding company. Investments in subsidiaries are accounted for using the equity method.

Schedule II - Valuation and Qualifying Accounts and Reserves

Great Plains Energy Incorporated Valuation and Qualifying Accounts Years Ended December 31, 2016, 2015 and 2014

Description	Balance At Beginning Of Period	Additions		Deductions	Balance At End Of Period
		Charged To Costs And Expenses	Charged To Other Accounts		
Year Ended December 31, 2016			(millions)		
Allowance for uncollectible accounts	\$ 3.8	\$ 9.0	\$ 8.1 ^(a)	\$ 16.9 ^(b)	\$ 4.0
Legal reserves	5.9	10.4	—	0.2 ^(c)	16.1
Environmental reserves	1.7	—	—	—	1.7
Tax valuation allowance	19.9	0.1	—	3.6 ^(d)	16.4
Year Ended December 31, 2015					
Allowance for uncollectible accounts	\$ 2.8	\$ 10.5	\$ 8.7 ^(a)	\$ 18.2 ^(b)	\$ 3.8
Legal reserves	4.7	2.6	—	1.4 ^(c)	5.9
Environmental reserves	1.7	—	—	—	1.7
Tax valuation allowance	16.6	4.9	—	1.6 ^(d)	19.9
Year Ended December 31, 2014					
Allowance for uncollectible accounts	\$ 2.5	\$ 11.4	\$ 8.5 ^(a)	\$ 19.6 ^(b)	\$ 2.8
Legal reserves	4.6	2.7	—	2.6 ^(c)	4.7
Environmental reserves	1.7	—	—	—	1.7
Tax valuation allowance	20.7	0.5	—	4.6 ^(d)	16.6

(a) Recoveries.

(b) Uncollectible accounts charged off.

(c) Payment of claims.

(d) Reversal of tax valuation allowance.

Kansas City Power & Light Company
Valuation and Qualifying Accounts
Years Ended December 31, 2016, 2015 and 2014

Description	Balance At Beginning Of Period	Additions		Deductions	Balance At End Of Period
		Charged To Costs And Expenses	Charged To Other Accounts		
Year Ended December 31, 2016					
			(millions)		
Allowance for uncollectible accounts	\$ 1.8	\$ 6.4	\$ 5.5 ^(a)	\$ 11.9 ^(b)	\$ 1.8
Legal reserves	5.3	9.8	—	— ^(c)	15.1
Environmental reserves	0.3	—	—	—	0.3
Tax valuation allowance	0.7	—	—	0.7 ^(d)	—
Year Ended December 31, 2015					
Allowance for uncollectible accounts	\$ 1.2	\$ 7.1	\$ 5.8 ^(a)	\$ 12.3 ^(b)	\$ 1.8
Legal reserves	2.9	2.6	—	0.2 ^(c)	5.3
Environmental reserves	0.3	—	—	—	0.3
Tax valuation allowance	—	0.7	—	—	0.7
Year Ended December 31, 2014					
Allowance for uncollectible accounts	\$ 1.1	\$ 7.6	\$ 5.5 ^(a)	\$ 13.0 ^(b)	\$ 1.2
Legal reserves	2.9	2.3	—	2.3 ^(c)	2.9
Environmental reserves	0.3	—	—	—	0.3

(a) Recoveries.

(b) Uncollectible accounts charged off.

(c) Payment of claims.

(d) Reversal of tax valuation allowance.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GREAT PLAINS ENERGY INCORPORATED

Date: February 23, 2017

By: /s/ Terry Bassham
Terry Bassham
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Terry Bassham</u>	Chairman, President and Chief Executive Officer)
Terry Bassham	(Principal Executive Officer))
)
<u>/s/ Kevin E. Bryant</u>	Senior Vice President - Finance and Strategy and Chief Financial Officer)
Kevin E. Bryant	(Principal Financial Officer))
)
<u>/s/ Steven P. Busser</u>	Vice President - Risk Management and Controller)
Steven P. Busser	(Principal Accounting Officer))
)
David L. Bodde*	Director)
)
Randall C. Ferguson, Jr.*	Director)
)
Gary D. Forsee*	Director)
)
Scott D. Grimes*	Director)
)
Thomas D. Hyde*	Director)
)
James A. Mitchell*	Director)
)
Ann D. Murtlow*	Director)
)
Sandra J. Price*	Director)
)
John J. Sherman*	Director)

February 23, 2017

*By /s/ Terry Bassham
Terry Bassham
Attorney-in-Fact*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KANSAS CITY POWER & LIGHT COMPANY

Date: February 23, 2017

By: /s/ Terry Bassham
Terry Bassham
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Terry Bassham</u>	Chairman, President and Chief Executive Officer)
Terry Bassham	(Principal Executive Officer))
)
<u>/s/ Kevin E. Bryant</u>	Senior Vice President - Finance and Strategy and Chief Financial Officer)
Kevin E. Bryant	(Principal Financial Officer))
)
<u>/s/ Steven P. Busser</u>	Vice President - Risk Management and Controller)
Steven P. Busser	(Principal Accounting Officer))
)
David L. Bodde*	Director)
)
Randall C. Ferguson, Jr.*	Director)
)
Gary D. Forsee*	Director)
)
Scott D. Grimes*	Director)
)
Thomas D. Hyde*	Director)
)
James A. Mitchell*	Director)
)
Ann D. Murtlow*	Director)
)
Sandra J. Price*	Director)
)
John J. Sherman*	Director)
)

February 23, 2017

*By /s/ Terry Bassham
Terry Bassham
Attorney-in-Fact*

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DIRECTORS AND OFFICERS

BOARD OF DIRECTORS Great Plains Energy

TERRY BASSHAM

Chairman of the Board, President and Chief Executive Officer

DR. DAVID L. BODDE

Professor Emeritus,
Clemson University

RANDALL C. FERGUSON, JR.

Former Senior Partner for Business Development, Tshibanda & Associates, LLC, a consulting and project management services firm

GARY D. FORSEE

Former President, University of Missouri System

SCOTT D. GRIMES

Chief Executive Officer and Founder, Cardlytics, Inc., an international technology company

THOMAS D. HYDE

Former Executive Vice President, Legal, Compliance, Ethics and Corporate Secretary, Wal-Mart Stores, Inc.

JAMES A. MITCHELL

Executive Fellow – Leadership, Center for Ethical Business Cultures, a non-profit organization assisting business leaders in creating ethical and profitable cultures

ANN D. MURFLOW

President and Chief Executive Officer, United Way of Central Indiana

SANDRA J. PRICE

Former Senior Vice President Human Resources, Sprint Corporation

JOHN J. SHERMAN

Vice Chairman, Cleveland Indians Baseball Club and Director of Crestwood Equity GP LLC

OFFICERS Great Plains Energy

TERRY BASSHAM

Chairman of the Board, President and Chief Executive Officer

KEVIN E. BRYANT

Senior Vice President – Finance and Strategy and Chief Financial Officer

STEVEN P. BUSSER

Vice President – Risk Management and Controller

CHARLES A. CAISLEY

Vice President – Marketing and Public Affairs

ELLEN E. FAIRCHILD

Vice President, Chief Compliance Officer and Corporate Secretary

HEATHER A. HUMPHREY

Senior Vice President – Corporate Services and General Counsel

LORI A. WRIGHT

Vice President – Corporate Planning, Investor Relations and Treasurer

OFFICERS KCP&L

TERRY BASSHAM

Chairman of the Board, President and Chief Executive Officer

DUANE D. ANSTAETT

Vice President – Generation

KEVIN E. BRYANT

Senior Vice President – Finance and Strategy and Chief Financial Officer

STEVEN P. BUSSER

Vice President – Risk Management and Controller

CHARLES A. CAISLEY

Vice President – Marketing and Public Affairs

ELLEN E. FAIRCHILD

Vice President, Chief Compliance Officer and Corporate Secretary

SCOTT H. HEIDTBRINK

Executive Vice President and Chief Operating Officer

HEATHER A. HUMPHREY

Senior Vice President – Corporate Services and General Counsel

DARRIN R. IVES

Vice President – Regulatory Affairs

MARIA R. JENKS

Vice President – Supply Chain

CHARLES L. KING

Vice President and Chief Information Officer

KEVIN T. NOBLET

Vice President – Delivery

LORI A. WRIGHT

Vice President – Corporate Planning, Investor Relations and Treasurer

SHAREHOLDER INFORMATION

GREAT PLAINS ENERGY FORM 10-K

Great Plains Energy's 2016 annual report on Form 10-K filed with the Securities and Exchange Commission can be found at www.greatplainsenergy.com. The 10-K is available at no charge upon written request to:

Corporate Secretary
Great Plains Energy Incorporated
P.O. Box 418679
Kansas City, MO 64141-9679

MARKET INFORMATION

Great Plains Energy common stock is traded on the New York Stock Exchange under the ticker symbol "GXP." We had 14,886 shareholders of record as of February 21, 2017.

INTERNET SITE

We have a website at www.greatplainsenergy.com. Information available includes our SEC filings, news releases, stock quotes, customer account information, community and environmental efforts and information of general interest to investors and customers.

Also located on the website are our Code of Ethical Business Conduct, Corporate Governance Guidelines and the charters of the Audit Committee, Governance Committee and Compensation and Development Committee of the Board of Directors, which are available at no charge upon written request to the Corporate Secretary.

COMMON STOCK DIVIDEND

QUARTER	2016	2015
First	\$0.2625	\$0.245
Second	0.2625	0.245
Third	0.2625	0.245
Fourth	0.2750	0.2625

TWO-YEAR COMMON STOCK HISTORY

QUARTER	2016		2015	
	HIGH	LOW	HIGH	LOW
First	\$32.26	\$26.34	\$30.06	\$25.80
Second	32.68	28.35	27.52	24.16
Third	31.22	26.53	27.35	24.21
Fourth	28.60	26.20	28.02	25.74

ANNUAL MEETING OF SHAREHOLDERS

Great Plains Energy's annual meeting of shareholders will be held at 10:00 a.m., May 2, 2017, at Great Plains Energy, One Kansas City Place, 1200 Main Street, Kansas City, MO 64105.

REGISTERED SHAREHOLDER INQUIRIES

For account information or assistance, including change of address, stock transfers, dividend payments, duplicate accounts or to report a lost certificate, please contact Investor Relations at 800-245-5275.

FINANCIAL COMMUNITY INQUIRIES

Securities analysts and investment professionals seeking information about Great Plains Energy may contact Investor Relations at 816-556-2312.

TRANSFER AGENT AND STOCK REGISTRANT

Computershare Trust Company, N.A. Investor Services
P. O. Box 30170
College Station, TX 77842-3170
Tel: 866-239-8177

ABOUT THE COMPANIES

Headquartered in Kansas City, Mo., Great Plains Energy Incorporated (NYSE: GXP) is the holding company of Kansas City Power & Light Company (KCP&L) and KCP&L Greater Missouri Operations Company (GMO), two of the leading regulated providers of electricity in the Midwest. KCP&L and GMO use KCP&L as a brand name. More information about the companies is available on the internet at: www.greatplainsenergy.com or www.kcpl.com.

NYSE: GXP

