

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

FORM 10-Q

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

For the quarterly period ended **June 30, 2013**

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

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 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

On August 5, 2013, Great Plains Energy Incorporated had 153,782,529 shares of common stock outstanding. On August 5, 2013, 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 (H)(1)(a) and (b) of Form 10-Q and is therefore filing this Form 10-Q with the reduced disclosure format.

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This combined Quarterly Report on Form 10-Q 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 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.

This report should be read in its entirety. No one section of the report deals with all aspects of the subject matter. It should be read in conjunction with the consolidated financial statements and related notes and with the management's discussion and analysis included in the 2012 Form 10-K for each of Great Plains Energy and KCP&L.

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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, 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 including transportation and labor agreements; 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 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; 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; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. Part II Item 1A Risk Factors included in this report, together with the risk factors included in the 2012 Form 10-K for each of Great Plains Energy and KCP&L under Part I Item 1A, 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
AFUDC	Allowance for Funds Used During Construction
ARO	Asset Retirement Obligation
BART	Best available retrofit technology
Board	Great Plains Energy Board of Directors
CAIR	Clean Air Interstate Rule
CAMR	Clean Air Mercury Rule
Clean Air Act	Clean Air Act Amendments of 1990
CO₂	Carbon dioxide
Company	Great Plains Energy Incorporated and its subsidiaries
Companies	Great Plains Energy Incorporated and its consolidated subsidiaries and KCP&L and its consolidated subsidiaries
CSAPR	Cross-State Air Pollution Rule
DOE	Department of Energy
EBITDA	Earnings before interest, income taxes, depreciation and amortization
ECA	Energy Cost Adjustment
EGU	Electric steam generating unit
EIRR	Environmental Improvement Revenue Refunding
EPA	Environmental Protection Agency
EPS	Earnings per common share
ERISA	Employee Retirement Income Security Act of 1974, as amended
FAC	Fuel Adjustment Clause
FERC	The Federal Energy Regulatory 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 subsidiaries
IRS	Internal Revenue Service
ISO	Independent System Operator
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
KCP&L Receivables Company	Kansas City Power & Light Receivables Company, a wholly owned subsidiary of KCP&L
KDHE	Kansas Department of Health and Environment
kV	Kilovolt
kW	Kilowatt
kWh	Kilowatt hour
L&P	St. Joseph Light & Power, a division of GMO
MACT	Maximum achievable control technology
MATS	Mercury and Air Toxics Standards
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations

<u>Abbreviation or Acronym</u>	<u>Definition</u>
MDNR	Missouri Department of Natural Resources
MEEIA	Missouri Energy Efficiency Investment Act
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
NAAQS	National Ambient Air Quality Standard
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
PCB	Polychlorinated biphenyls
ppm	Parts per million
PRB	Powder River Basin
QCA	Quarterly Cost Adjustment
RTO	Regional Transmission Organization
SCR	Selective catalytic reduction
SEC	Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SO₂	Sulfur dioxide
SPP	Southwest Power Pool, Inc.
Syncora	Syncora Guarantee, Inc.
Transource	Transource Energy, LLC and its subsidiaries, 13.5% owned by GPETHC
Transource Missouri	Transource Missouri, LLC, a wholly owned subsidiary of Transource
WCNOC	Wolf Creek Nuclear Operating Corporation, 47% owned by KCP&L
Westar	Westar Energy, Inc., a Kansas utility company
Wolf Creek	Wolf Creek Generating Station, 47% owned by KCP&L

PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

GREAT PLAINS ENERGY INCORPORATED
Consolidated Balance Sheets
(Unaudited)

	June 30 2013	December 31 2012
(millions, except share amounts)		
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 7.9	\$ 9.3
Funds on deposit	1.9	1.0
Receivables, net	180.8	154.5
Accounts receivable pledged as collateral	175.0	174.0
Fuel inventories, at average cost	102.3	95.1
Materials and supplies, at average cost	153.4	151.3
Deferred refueling outage costs	38.3	11.9
Refundable income taxes	9.2	9.5
Deferred income taxes	22.5	88.5
Derivative instruments	1.5	1.0
Prepaid expenses and other assets	31.6	27.6
Total	724.4	723.7
Utility Plant, at Original Cost		
Electric	11,387.8	11,160.5
Less - accumulated depreciation	4,528.3	4,424.2
Net utility plant in service	6,859.5	6,736.3
Construction work in progress	645.9	584.5
Nuclear fuel, net of amortization of \$147.3 and \$157.4	75.8	81.3
Total	7,581.2	7,402.1
Investments and Other Assets		
Nuclear decommissioning trust fund	164.7	154.7
Regulatory assets	1,046.2	1,120.9
Goodwill	169.0	169.0
Derivative instruments	5.0	5.5
Other	73.5	71.4
Total	1,458.4	1,521.5
Total	\$ 9,764.0	\$ 9,647.3

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

GREAT PLAINS ENERGY INCORPORATED

Consolidated Balance Sheets

(Unaudited)

	June 30	December 31
	2013	2012
LIABILITIES AND CAPITALIZATION		
(millions, except share amounts)		
Current Liabilities		
Notes payable	\$ 6.0	\$ 12.0
Collateralized note payable	175.0	174.0
Commercial paper	385.0	530.1
Current maturities of long-term debt	257.1	263.1
Accounts payable	182.0	330.2
Accrued taxes	70.0	27.1
Accrued interest	41.3	41.5
Accrued compensation and benefits	36.5	44.8
Pension and post-retirement liability	2.8	2.8
Other	22.0	23.9
Total	1,177.7	1,449.5
Deferred Credits and Other Liabilities		
Deferred income taxes	815.6	832.4
Deferred tax credits	127.9	128.8
Asset retirement obligations	154.0	149.3
Pension and post-retirement liability	549.9	557.5
Regulatory liabilities	246.0	283.8
Other	114.8	110.2
Total	2,008.2	2,062.0
Capitalization		
Great Plains Energy common shareholders' equity		
Common stock - 250,000,000 shares authorized without par value		
153,894,724 and 153,779,806 shares issued, stated value	2,627.3	2,624.7
Retained earnings	780.6	758.8
Treasury stock - 121,246 and 250,236 shares, at cost	(2.6)	(5.1)
Accumulated other comprehensive loss	(32.1)	(38.4)
Total	3,373.2	3,340.0
Cumulative preferred stock \$100 par value		
3.80% - 100,000 shares issued	10.0	10.0
4.50% - 100,000 shares issued	10.0	10.0
4.20% - 70,000 shares issued	7.0	7.0
4.35% - 120,000 shares issued	12.0	12.0
Total	39.0	39.0
Long-term debt (Note 8)	3,165.9	2,756.8
Total	6,578.1	6,135.8
Commitments and Contingencies (Note 9)		
Total	\$ 9,764.0	\$ 9,647.3

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

GREAT PLAINS ENERGY INCORPORATED
Consolidated Statements of Income and Comprehensive Income
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Operating Revenues	(millions, except per share amounts)			
Electric revenues	\$ 600.3	\$ 603.6	\$ 1,142.5	\$ 1,083.3
Operating Expenses				
Fuel	121.2	138.1	253.4	257.4
Purchased power	34.9	26.9	73.7	51.6
Transmission of electricity by others	12.9	8.8	24.3	16.1
Utility operating and maintenance expenses	166.4	164.1	321.6	327.2
Depreciation and amortization	72.6	67.9	142.8	135.3
General taxes	48.1	45.0	95.9	89.5
Other	0.6	2.8	1.1	7.2
Total	456.7	453.6	912.8	884.3
Operating income	143.6	150.0	229.7	199.0
Non-operating income	4.4	1.6	6.9	2.5
Non-operating expenses	(2.2)	(5.8)	(3.5)	(7.6)
Interest charges	(49.4)	(55.8)	(99.1)	(122.7)
Income before income tax expense and loss from equity investments	96.4	90.0	134.0	71.2
Income tax expense	(32.7)	(31.8)	(44.2)	(22.3)
Loss from equity investments, net of income taxes	(0.1)	(0.1)	(0.2)	(0.1)
Net income	63.6	58.1	89.6	48.8
Less: Net loss attributable to noncontrolling interest	—	—	—	0.2
Net income attributable to Great Plains Energy	63.6	58.1	89.6	49.0
Preferred stock dividend requirements	0.4	0.4	0.8	0.8
Earnings available for common shareholders	\$ 63.2	\$ 57.7	\$ 88.8	\$ 48.2
Average number of basic common shares outstanding	153.5	139.6	153.4	137.7
Average number of diluted common shares outstanding	153.8	142.0	153.7	140.6
Basic earnings per common share	\$ 0.41	\$ 0.41	\$ 0.58	\$ 0.35
Diluted earnings per common share	\$ 0.41	\$ 0.41	\$ 0.58	\$ 0.34
Cash dividends per common share	\$ 0.2175	\$ 0.2125	\$ 0.435	\$ 0.425
Comprehensive Income				
Net income	\$ 63.6	\$ 58.1	\$ 89.6	\$ 48.8
Other comprehensive income				
Derivative hedging activity				
Gain (loss) on derivative hedging instruments	—	0.1	—	(0.2)
Income tax benefit	—	—	—	0.1
Net gain (loss) on derivative hedging instruments	—	0.1	—	(0.1)
Reclassification to expenses, net of tax	2.9	3.1	6.1	6.2
Derivative hedging activity, net of tax	2.9	3.2	6.1	6.1
Defined benefit pension plans				
Amortization of net losses included in net periodic benefit costs	0.3	0.1	0.3	0.2
Income tax benefit	(0.1)	(0.1)	(0.1)	(0.1)
Change in unrecognized pension expense, net of tax	0.2	—	0.2	0.1
Total other comprehensive income	3.1	3.2	6.3	6.2
Comprehensive income	66.7	61.3	95.9	55.0
Less: comprehensive loss attributable to noncontrolling interest	—	—	—	0.2
Comprehensive income attributable to Great Plains Energy	\$ 66.7	\$ 61.3	\$ 95.9	\$ 55.2

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

GREAT PLAINS ENERGY INCORPORATED
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date June 30	2013	2012
Cash Flows from Operating Activities	(millions)	
Net income	\$ 89.6	\$ 48.8
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	142.8	135.3
Amortization of:		
Nuclear fuel	8.7	9.1
Other	28.9	9.2
Deferred income taxes, net	45.5	26.8
Investment tax credit amortization	(0.9)	(1.2)
Loss from equity investments, net of income taxes	0.2	0.1
Other operating activities (Note 2)	(139.4)	(62.8)
Net cash from operating activities	175.4	165.3
Cash Flows from Investing Activities		
Utility capital expenditures	(339.8)	(263.4)
Allowance for borrowed funds used during construction	(4.6)	(2.7)
Purchases of nuclear decommissioning trust investments	(54.8)	(11.7)
Proceeds from nuclear decommissioning trust investments	53.1	10.0
Other investing activities	(13.1)	(7.5)
Net cash from investing activities	(359.2)	(275.3)
Cash Flows from Financing Activities		
Issuance of common stock	2.6	290.3
Issuance of long-term debt	412.5	—
Issuance fees	(4.3)	(2.6)
Repayment of long-term debt	(9.3)	(13.4)
Net change in short-term borrowings	(151.1)	(167.0)
Net change in collateralized short-term borrowings	1.0	67.0
Dividends paid	(67.6)	(58.7)
Other financing activities	(1.4)	(4.9)
Net cash from financing activities	182.4	110.7
Net Change in Cash and Cash Equivalents	(1.4)	0.7
Cash and Cash Equivalents at Beginning of Year	9.3	6.2
Cash and Cash Equivalents at End of Period	\$ 7.9	\$ 6.9

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

GREAT PLAINS ENERGY INCORPORATED
Consolidated Statements of Common Shareholders' Equity and Noncontrolling Interest
(Unaudited)

Year to Date June 30	2013		2012	
	Shares	Amount	Shares	Amount
Common Stock		(millions, except share amounts)		
Beginning balance	153,779,806	\$ 2,624.7	136,406,306	\$ 2,330.6
Issuance of common stock	114,918	2.6	17,248,954	290.3
Equity compensation expense, net of forfeitures		0.2		0.1
Unearned Compensation				
Issuance of restricted common stock		(1.7)		(3.2)
Forfeiture of restricted common stock		—		1.0
Compensation expense recognized		1.0		1.6
Other		0.5		0.5
Ending balance	153,894,724	2,627.3	153,655,260	2,620.9
Retained Earnings				
Beginning balance		758.8		684.7
Net income attributable to Great Plains Energy		89.6		49.0
Loss on reissuance of treasury stock		—		(0.3)
Dividends:				
Common stock (\$0.435 and \$0.425 per share)		(66.8)		(57.9)
Preferred stock - at required rates		(0.8)		(0.8)
Performance shares		(0.2)		—
Ending balance		780.6		674.7
Treasury Stock				
Beginning balance	(250,236)	(5.1)	(264,567)	(5.6)
Treasury shares acquired	(55,731)	(1.2)	(145,701)	(2.9)
Treasury shares reissued	184,721	3.7	169,800	3.5
Ending balance	(121,246)	(2.6)	(240,468)	(5.0)
Accumulated Other Comprehensive Income (Loss)				
Beginning balance		(38.4)		(49.8)
Derivative hedging activity, net of tax		6.1		6.1
Change in unrecognized pension expense, net of tax		0.2		0.1
Ending balance		(32.1)		(43.6)
Total Great Plains Energy Common Shareholders' Equity		\$ 3,373.2		\$ 3,247.0
Noncontrolling Interest				
Beginning balance		\$ —		\$ 1.0
Net loss attributable to noncontrolling interest		—		(0.2)
Distribution		—		(0.6)
Ending balance		\$ —		\$ 0.2

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets
(Unaudited)

	June 30 2013	December 31 2012
(millions, except share amounts)		
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3.7	\$ 5.2
Funds on deposit	1.0	0.1
Receivables, net	208.4	163.2
Accounts receivable pledged as collateral	110.0	110.0
Fuel inventories, at average cost	71.1	63.6
Materials and supplies, at average cost	111.8	110.1
Deferred refueling outage costs	38.3	11.9
Refundable income taxes	4.1	9.1
Deferred income taxes	—	4.6
Derivative instruments	0.3	—
Prepaid expenses and other assets	28.6	23.8
Total	577.3	501.6
Utility Plant, at Original Cost		
Electric	8,118.6	7,971.4
Less - accumulated depreciation	3,445.9	3,374.4
Net utility plant in service	4,672.7	4,597.0
Construction work in progress	561.1	486.5
Nuclear fuel, net of amortization of \$147.3 and \$157.4	75.8	81.3
Total	5,309.6	5,164.8
Investments and Other Assets		
Nuclear decommissioning trust fund	164.7	154.7
Regulatory assets	818.0	853.2
Other	33.2	29.5
Total	1,015.9	1,037.4
Total	\$ 6,902.8	\$ 6,703.8

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**

(Unaudited)

	June 30 2013	December 31 2012
LIABILITIES AND CAPITALIZATION		
(millions, except share amounts)		
Current Liabilities		
Collateralized note payable	\$ 110.0	\$ 110.0
Commercial paper	200.0	361.0
Current maturities of long-term debt	—	0.4
Accounts payable	142.7	254.0
Accrued taxes	46.6	21.9
Accrued interest	27.8	27.7
Accrued compensation and benefits	36.5	44.8
Pension and post-retirement liability	1.4	1.4
Deferred income taxes	3.9	—
Other	12.2	12.8
Total	581.1	834.0
Deferred Credits and Other Liabilities		
Deferred income taxes	852.9	836.4
Deferred tax credits	125.6	126.1
Asset retirement obligations	137.3	133.2
Pension and post-retirement liability	527.1	534.5
Regulatory liabilities	156.1	153.0
Other	96.7	88.2
Total	1,895.7	1,871.4
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	573.8	559.4
Accumulated other comprehensive loss	(23.0)	(25.8)
Total	2,113.9	2,096.7
Long-term debt (Note 8)	2,312.1	1,901.7
Total	4,426.0	3,998.4
Commitments and Contingencies (Note 9)		
Total	\$ 6,902.8	\$ 6,703.8

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 Income and Comprehensive Income
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Operating Revenues	(millions)			
Electric revenues	\$ 410.8	\$ 409.1	\$ 777.5	\$ 736.1
Operating Expenses				
Fuel	86.0	98.7	180.5	183.3
Purchased power	18.6	6.6	37.7	13.6
Transmission of electricity by others	8.8	6.1	16.8	11.1
Operating and maintenance expenses	116.7	115.9	224.9	233.8
Depreciation and amortization	49.6	46.0	97.2	91.7
General taxes	37.7	35.9	74.7	71.1
Total	317.4	309.2	631.8	604.6
Operating income	93.4	99.9	145.7	131.5
Non-operating income	3.8	0.8	5.5	1.3
Non-operating expenses	(1.2)	(2.7)	(1.6)	(3.4)
Interest charges	(31.5)	(31.3)	(63.5)	(63.7)
Income before income tax expense	64.5	66.7	86.1	65.7
Income tax expense	(20.3)	(23.0)	(25.7)	(19.7)
Net income	\$ 44.2	\$ 43.7	\$ 60.4	\$ 46.0
Comprehensive Income				
Net income	\$ 44.2	\$ 43.7	\$ 60.4	\$ 46.0
Other comprehensive income				
Derivative hedging activity				
Gain (loss) on derivative hedging instruments	—	0.1	—	(0.2)
Income tax benefit	—	—	—	0.1
Net gain (loss) on derivative hedging instruments	—	0.1	—	(0.1)
Reclassification to expenses, net of tax	1.3	1.3	2.8	2.7
Derivative hedging activity, net of tax	1.3	1.4	2.8	2.6
Total other comprehensive income	1.3	1.4	2.8	2.6
Comprehensive income	\$ 45.5	\$ 45.1	\$ 63.2	\$ 48.6

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
(Unaudited)

Year to Date June 30	2013	2012
Cash Flows from Operating Activities	(millions)	
Net income	\$ 60.4	\$ 46.0
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	97.2	91.7
Amortization of:		
Nuclear fuel	8.7	9.1
Other	17.1	14.9
Deferred income taxes, net	25.6	20.2
Investment tax credit amortization	(0.5)	(0.9)
Other operating activities (Note 2)	(93.2)	(26.1)
Net cash from operating activities	<u>115.3</u>	<u>154.9</u>
Cash Flows from Investing Activities		
Utility capital expenditures	(261.2)	(208.6)
Allowance for borrowed funds used during construction	(4.1)	(1.4)
Purchases of nuclear decommissioning trust investments	(54.8)	(11.7)
Proceeds from nuclear decommissioning trust investments	53.1	10.0
Net money pool lending	(36.3)	—
Other investing activities	(8.3)	(6.3)
Net cash from investing activities	<u>(311.6)</u>	<u>(218.0)</u>
Cash Flows from Financing Activities		
Issuance of long-term debt	412.5	—
Issuance fees	(4.3)	—
Repayment of long-term debt	(2.6)	(12.3)
Net change in short-term borrowings	(161.0)	(136.0)
Net change in collateralized short-term borrowings	—	11.0
Net money pool borrowings	(3.8)	250.9
Dividends paid to Great Plains Energy	(46.0)	(50.0)
Net cash from financing activities	<u>194.8</u>	<u>63.6</u>
Net Change in Cash and Cash Equivalents	<u>(1.5)</u>	<u>0.5</u>
Cash and Cash Equivalents at Beginning of Year	<u>5.2</u>	<u>1.9</u>
Cash and Cash Equivalents at End of Period	<u>\$ 3.7</u>	<u>\$ 2.4</u>

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
(Unaudited)

Year to Date June 30	2013		2012	
	Shares	Amount	Shares	Amount
		(millions, except share amounts)		
Common Stock	1	\$ 1,563.1	1	\$ 1,563.1
Retained Earnings				
Beginning balance		559.4		513.8
Net income		60.4		46.0
Dividends:				
Common stock held by Great Plains Energy		(46.0)		(50.0)
Ending balance		573.8		509.8
Accumulated Other Comprehensive Income (Loss)				
Beginning balance		(25.8)		(31.4)
Derivative hedging activity, net of tax		2.8		2.6
Ending balance		(23.0)		(28.8)
Total Common Shareholder's Equity		\$ 2,113.9		\$ 2,044.1

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 Unaudited Consolidated Financial Statements

The notes to unaudited 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. The Companies' interim financial statements reflect all adjustments (which include normal, recurring adjustments) that are necessary, in the opinion of management, for a fair presentation of the results for the interim periods presented.

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. Great Plains Energy's wholly owned direct subsidiaries with operations or active subsidiaries 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 primarily 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.

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 16 for additional information.

Basic and Diluted Earnings per Common Share Calculation

To determine basic EPS, preferred stock dividend requirements and net loss attributable to noncontrolling interest are deducted from net income before dividing by the average number of common shares outstanding. The effect of dilutive securities, calculated using the treasury stock method, assumes the issuance of common shares applicable to performance shares, restricted stock and Equity Units. Great Plains Energy settled the Equity Units in June 2012.

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

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Income	(millions, except per share amounts)			
Net income	\$ 63.6	\$ 58.1	\$ 89.6	\$ 48.8
Less: net loss attributable to noncontrolling interest	—	—	—	(0.2)
Less: preferred stock dividend requirements	0.4	0.4	0.8	0.8
Earnings available for common shareholders	\$ 63.2	\$ 57.7	\$ 88.8	\$ 48.2
Common Shares Outstanding				
Average number of common shares outstanding	153.5	139.6	153.4	137.7
Add: effect of dilutive securities	0.3	2.4	0.3	2.9
Diluted average number of common shares outstanding	153.8	142.0	153.7	140.6
Basic EPS	\$ 0.41	\$ 0.41	\$ 0.58	\$ 0.35
Diluted EPS	\$ 0.41	\$ 0.41	\$ 0.58	\$ 0.34

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

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Performance shares	55,271	—	55,271	—
Restricted stock shares	—	10,617	21,652	10,617

Dividends Declared

In August 2013, Great Plains Energy's Board of Directors (Board) declared a quarterly dividend of \$0.2175 per share on Great Plains Energy's common stock. The common dividend is payable September 20, 2013, to shareholders of record as of August 29, 2013. The Board also declared regular dividends on Great Plains Energy's preferred stock, payable December 1, 2013, to shareholders of record as of November 7, 2013.

In August 2013, KCP&L's Board of Directors declared a cash dividend payable to Great Plains Energy of \$23 million payable on September 19, 2013.

2. SUPPLEMENTAL CASH FLOW INFORMATION***Great Plains Energy Other Operating Activities***

Year to Date June 30	2013	2012
Cash flows affected by changes in:	(millions)	
Receivables	\$ (25.9)	\$ 27.3
Accounts receivable pledged as collateral	(1.0)	(67.0)
Fuel inventories	(7.2)	(13.7)
Materials and supplies	(2.1)	(5.7)
Accounts payable	(116.3)	(53.7)
Accrued taxes	43.7	33.8
Accrued interest	(0.2)	(3.6)
Deferred refueling outage costs	(26.4)	9.0
Pension and post-retirement benefit obligations	21.0	13.5
Allowance for equity funds used during construction	(5.0)	(0.1)
Fuel recovery mechanism	(6.4)	10.5
Other	(13.6)	(13.1)
Total other operating activities	\$ (139.4)	\$ (62.8)
Cash paid during the period:		
Interest	\$ 87.2	\$ 130.5
Income taxes	\$ 0.2	\$ 3.3
Non-cash investing activities:		
Liabilities accrued for capital expenditures	\$ 32.8	\$ 48.9

KCP&L Other Operating Activities

Year to Date June 30	2013	2012
Cash flows affected by changes in:	(millions)	
Receivables	\$ (5.2)	\$ 13.8
Accounts receivable pledged as collateral	—	(11.0)
Fuel inventories	(7.5)	(12.7)
Materials and supplies	(1.7)	(4.5)
Accounts payable	(85.8)	(36.5)
Accrued taxes	29.8	25.2
Accrued interest	0.1	(3.5)
Deferred refueling outage costs	(26.4)	9.0
Pension and post-retirement benefit obligations	22.3	14.9
Allowance for equity funds used during construction	(5.0)	—
Fuel recovery mechanism	(3.1)	(4.4)
Other	(10.7)	(16.4)
Total other operating activities	\$ (93.2)	\$ (26.1)
Cash paid during the period:		
Interest	\$ 57.4	\$ 61.3
Income taxes	\$ —	\$ —
Non-cash investing activities:		
Liabilities accrued for capital expenditures	\$ 29.2	\$ 44.3

3. RECEIVABLES

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

	June 30 2013	December 31 2012
(millions)		
Great Plains Energy		
Customer accounts receivable - unbilled	\$ 108.5	\$ 58.3
Allowance for doubtful accounts - customer accounts receivable	(5.0)	(2.6)
Other receivables	77.3	98.8
Total	\$ 180.8	\$ 154.5
KCP&L		
Customer accounts receivable - unbilled	\$ 72.9	\$ 42.9
Allowance for doubtful accounts - customer accounts receivable	(2.9)	(1.5)
Intercompany receivables	75.5	40.0
Other receivables	62.9	81.8
Total	\$ 208.4	\$ 163.2

Great Plains Energy's and KCP&L's other receivables at June 30, 2013, and December 31, 2012, 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 and steam service 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 June 30, 2013, and December 31, 2012, Great Plains Energy's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were \$175.0 million and \$174.0 million, respectively. At June 30, 2013, and December 31, 2012, KCP&L's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were \$110.0 million.

KCP&L and GMO each sell their receivables at a fixed price based upon the expected cost of funds and charge-offs. These costs comprise KCP&L's and GMO's loss on the sale of accounts receivable. KCP&L and GMO service the receivables and receive annual servicing fees of 1.5% and 1.25%, respectively, of the outstanding principal amount of the receivables sold to KCP&L Receivables Company and GMO Receivables Company. KCP&L and GMO do not recognize a servicing asset or liability because management determined the collection agent fees earned by KCP&L and GMO approximate market value. KCP&L's agreement expires in September 2014 and allows for \$110 million in aggregate outstanding principal amount at any time. GMO's agreement expires in September 2014 and allows for \$80 million in aggregate outstanding principal during the period of June 1 through October 31 and \$65 million in aggregate outstanding principal during the period of November 1 through May 31 of each year.

Information regarding KCP&L's sale of accounts receivable to KCP&L Receivables Company and GMO's sale of accounts receivable to GMO Receivables Company is reflected in the following tables.

Three Months Ended June 30, 2013	KCP&L	KCP&L Receivables Company	Consolidated KCP&L	GMO	GMO Receivables Company	Consolidated Great Plains Energy
			(millions)			
Receivables (sold) purchased	\$ (373.3)	\$ 373.3	\$ —	\$ (202.7)	\$ 202.7	\$ —
Gain (loss) on sale of accounts receivable ^(a)	(4.8)	4.4	(0.4)	(2.6)	2.4	(0.6)
Servicing fees received (paid)	0.6	(0.6)	—	0.3	(0.3)	—
Fees paid to outside investor	—	(0.3)	(0.3)	—	—	(0.3)
Cash from customers (transferred) received	(345.6)	345.6	—	(184.6)	184.6	—
Cash received from (paid for) receivables purchased	341.3	(341.3)	—	182.3	(182.3)	—

Year to Date June 30, 2013	KCP&L	KCP&L Receivables Company	Consolidated KCP&L	GMO	GMO Receivables Company	Consolidated Great Plains Energy
			(millions)			
Receivables (sold) purchased	\$ (708.0)	\$ 708.0	\$ —	\$ (388.1)	\$ 388.1	\$ —
Gain (loss) on sale of accounts receivable ^(a)	(9.0)	8.6	(0.4)	(4.9)	4.7	(0.6)
Servicing fees received (paid)	1.2	(1.2)	—	0.6	(0.6)	—
Fees paid to outside investor	—	(0.6)	(0.6)	—	(0.3)	(0.9)
Cash from customers (transferred) received	(682.3)	682.3	—	(369.5)	369.5	—
Cash received from (paid for) receivables purchased	673.8	(673.8)	—	364.9	(364.9)	—
Interest on intercompany note received (paid)	0.1	(0.1)	—	—	—	—

Three Months Ended June 30, 2012	KCP&L	KCP&L Receivables Company	Consolidated KCP&L	GMO	GMO Receivables Company	Consolidated Great Plains Energy
			(millions)			
Receivables (sold) purchased	\$ (368.6)	\$ 368.6	\$ —	\$ (91.7)	\$ 91.7	\$ —
Gain (loss) on sale of accounts receivable ^(a)	(4.7)	4.0	(0.7)	(1.2)	0.8	(1.1)
Servicing fees received (paid)	0.6	(0.6)	—	0.1	(0.1)	—
Fees paid to outside investor	—	(0.3)	(0.3)	—	(0.1)	(0.4)
Cash from customers (transferred) received	(319.4)	319.4	—	(64.7)	64.7	—
Cash received from (paid for) receivables purchased	315.3	(315.3)	—	63.9	(63.9)	—

Year to Date June 30, 2012	KCP&L	KCP&L Receivables Company	Consolidated KCP&L	GMO	GMO Receivables Company	Consolidated Great Plains Energy
			(millions)			
Receivables (sold) purchased	\$ (662.1)	\$ 662.1	\$ —	\$ (91.7)	\$ 91.7	\$ —
Gain (loss) on sale of accounts receivable ^(a)	(8.4)	8.1	(0.3)	(1.2)	0.8	(0.7)
Servicing fees received (paid)	1.1	(1.1)	—	0.1	(0.1)	—
Fees paid to outside investor	—	(0.6)	(0.6)	—	(0.1)	(0.7)
Cash from customers (transferred) received	(646.6)	646.6	—	(64.7)	64.7	—
Cash received from (paid for) receivables purchased	638.4	(638.4)	—	63.9	(63.9)	—
Interest on intercompany note received (paid)	0.1	(0.1)	—	—	—	—

^(a) Any net gain (loss) is the result of the timing difference inherent in collecting receivables and over the life of the agreement will net to zero.

4. 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 Nuclear Regulatory Commission (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. KCP&L pays 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. These disposal costs are charged to fuel expense. 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, and the DOE appealed that decision to the full NRC. In 2011, the NRC issued an evenly split decision on the appeal and ordered the licensing board to close out its work on the DOE's application due to a lack of funding. These agency actions prompted multiple states and a municipality to file a lawsuit in a federal court of appeals asking the court to compel the NRC to resume its review and to issue a decision on the license application. The court has not yet issued a final decision in the case. Wolf Creek has an on-site storage facility designed to hold all spent fuel generated at the plant through 2025, and believes it will be able to expand on-site storage as needed past 2025. Management cannot predict when, or if, an 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 Decommissioning Trust Fund

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

	June 30, 2013	December 31, 2012
(millions)		
Decommissioning Trust		
Beginning balance January 1	\$ 154.7	\$ 135.3
Contributions	1.7	3.3
Earned income, net of fees	1.2	3.0
Net realized gains	1.5	1.0
Net unrealized gains	5.6	12.1
Ending balance	\$ 164.7	\$ 154.7

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

	June 30, 2013				December 31, 2012			
	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
(millions)								
Equity securities	\$ 82.5	\$ 29.2	\$ (1.8)	\$ 109.9	\$ 80.6	\$ 21.1	\$ (1.6)	\$ 100.1
Debt securities	46.6	3.0	(0.5)	49.1	46.6	4.9	(0.1)	51.4
Other	5.7	—	—	5.7	3.2	—	—	3.2
Total	\$ 134.8	\$ 32.2	\$ (2.3)	\$ 164.7	\$ 130.4	\$ 26.0	\$ (1.7)	\$ 154.7

The weighted-average maturity of debt securities held by the trust at June 30, 2013, was approximately 7 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.

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
(millions)				
Realized gains	\$ 0.4	\$ 0.2	\$ 1.9	\$ 0.7
Realized losses	—	(0.1)	(0.4)	(0.2)

5. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Great Plains Energy maintains defined benefit pension plans for substantially all active and inactive employees, including officers, of KCP&L, GMO and Wolf Creek Nuclear Operating Corporation (WCNOC) and incurs significant costs in providing the plans. Pension benefits under these plans reflect the employees' compensation, years of service and age at retirement. In addition to providing pension benefits, Great Plains Energy provides certain post-retirement health care and life insurance benefits for substantially all retired employees of KCP&L, GMO and WCNOC.

KCP&L and GMO record pension and post-retirement expense in accordance with rate orders from the Public Service Commission of the State of Missouri (MPSC) and The State Corporation Commission of the State of Kansas (KCC) that allow the difference between pension and post-retirement costs under Generally Accepted Accounting Principles (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.

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The following tables provide Great Plains Energy's components of net periodic benefit costs prior to the effects of capitalization and sharing with joint owners of power plants.

Three Months Ended June 30	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Components of net periodic benefit costs	(millions)			
Service cost	\$ 10.5	\$ 8.8	\$ 1.1	\$ 0.8
Interest cost	11.8	12.3	1.9	2.0
Expected return on plan assets	(11.8)	(10.7)	(0.5)	(0.4)
Prior service cost	0.5	1.1	1.8	1.8
Recognized net actuarial loss	13.7	11.2	0.4	—
Transition obligation	—	—	0.1	0.2
Net periodic benefit costs before regulatory adjustment	24.7	22.7	4.8	4.4
Regulatory adjustment	(2.8)	(3.8)	(0.6)	0.3
Net periodic benefit costs	\$ 21.9	\$ 18.9	\$ 4.2	\$ 4.7

Year to Date June 30	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Components of net periodic benefit costs	(millions)			
Service cost	\$ 21.0	\$ 17.7	\$ 2.2	\$ 1.6
Interest cost	23.6	24.5	3.8	3.9
Expected return on plan assets	(23.6)	(21.4)	(1.0)	(0.9)
Prior service cost	1.0	2.2	3.6	3.6
Recognized net actuarial loss	27.4	22.3	0.9	—
Transition obligation	—	—	0.1	0.5
Net periodic benefit costs before regulatory adjustment	49.4	45.3	9.6	8.7
Regulatory adjustment	(6.4)	(7.7)	(1.1)	0.7
Net periodic benefit costs	\$ 43.0	\$ 37.6	\$ 8.5	\$ 9.4

Year to date June 30, 2013, the Company contributed \$32.4 million to the pension plans and expects to contribute an additional \$25.0 million in 2013 to satisfy the minimum Employee Retirement Income Security Act of 1974, as amended (ERISA) funding requirements and the MPSC and KCC rate orders, the majority of which is expected to be paid by KCP&L. Also in 2013, the Company expects to make contributions of \$18.7 million to the post-retirement benefit plans, the majority of which is expected to be paid by KCP&L.

6. 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. 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.

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Great Plains Energy	(millions)			
Equity compensation expense	\$ 0.3	\$ 1.8	\$ 2.1	\$ 2.8
Income tax benefit	0.1	0.7	0.7	1.3
KCP&L				
Equity compensation expense	\$ 0.2	\$ 1.4	\$ 1.5	\$ 2.1
Income tax benefit	—	0.5	0.4	1.0

Performance Shares

Performance share activity year to date June 30, 2013, 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	370,560	\$ 23.05
Granted	224,121	24.16
Earned	(104,453)	23.37
Forfeited	(3,036)	24.33
Performance adjustment	(51,542)	23.37
Ending balance	435,650	23.49

* weighted-average

At June 30, 2013, the remaining weighted-average contractual term was 1.8 years. There were no shares granted for the three months ended June 30, 2013. The weighted-average grant-date fair value of shares granted was \$24.16 year to date June 30, 2013. The weighted-average grant-date fair value of shares granted was \$20.99 and \$19.01 for the three months ended and year to date June 30, 2012, respectively. At June 30, 2013, there was \$5.0 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 year to date June 30, 2013, was \$2.4 million. There were no performance shares earned and paid year to date June 30, 2012.

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 2013, inputs for expected volatility, dividend yield and risk-free rates were 19%, 3.88% and 0.35%, respectively.

Restricted Stock

Restricted stock activity year to date June 30, 2013, is summarized in the following table.

	Nonvested Restricted Stock	Grant Date Fair Value*
Beginning balance	277,439	\$ 19.03
Granted and issued	74,728	22.45
Vested	(33,802)	17.41
Forfeited	(1,013)	22.78
Ending balance	317,352	19.98

* weighted-average

At June 30, 2013, the remaining weighted-average contractual term was 1.6 years. There were no shares granted for the three months ended June 30, 2013. The weighted-average grant-date fair value of shares granted was \$22.45 year to date June 30, 2013. The weighted-average grant-date fair value of shares granted was \$19.89 and \$19.69 for the three months ended and year to date June 30, 2012, respectively. At June 30, 2013, there was \$3.2 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. The total fair value of shares vested was insignificant and \$0.6 million for the three months ended and year to date June 30, 2013, respectively. The total fair value of shares vested was \$1.3 million and \$3.2 million for the three months ended and year to date June 30, 2012, respectively.

7. 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 December 2016. 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 June 30, 2013, Great Plains Energy was in compliance with this covenant. At June 30, 2013, Great Plains Energy had \$6.0 million of outstanding cash borrowings at a weighted-average interest rate of 2.00% and had issued letters of credit totaling \$1.8 million under the credit facility. At December 31, 2012, Great Plains Energy had \$12.0 million of outstanding cash borrowings at a weighted-average interest rate of 2.00% and had issued letters of credit totaling \$1.8 million 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 December 2016. 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 June 30, 2013, KCP&L was in compliance with this covenant. At June 30, 2013, KCP&L had \$200.0 million of commercial paper outstanding at a weighted-average interest rate of 0.35%, had issued letters of credit totaling \$5.3 million and had no outstanding cash borrowings under the credit facility. At December 31, 2012, KCP&L had \$361.0 million of commercial paper outstanding at a weighted-average interest rate of 0.48%, had issued letters of credit totaling \$13.9 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 December 2016. 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, Great Plains Energy or any of their significant subsidiaries on other indebtedness totaling more than \$50.0 million is a default under the facility. Great Plains Energy currently guarantees this GMO credit 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 June 30, 2013, GMO was in compliance with this covenant. At June 30, 2013, GMO had \$185.0 million of commercial paper outstanding at a weighted-average interest rate of 0.80%, had issued letters of credit totaling \$15.1 million and had no outstanding cash borrowings under the credit facility. At December 31, 2012, GMO had \$169.1 million of commercial paper outstanding at a weighted-average interest rate of 0.94%, had issued letters of credit totaling \$15.1 million and had no outstanding cash borrowings under the credit facility.

8. LONG-TERM DEBT

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

	Year Due	June 30 2013	December 31 2012
(millions)			
KCP&L			
General Mortgage Bonds			
2.95% EIRR bonds ^(a)	2015-2035	\$ 146.4	\$ 106.9
7.15% Series 2009A (8.59% rate) ^(b)	2019	400.0	400.0
4.65% EIRR Series 2005	2035	50.0	50.0
5.375% Series 2007B		—	73.2
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	—
6.05% Series (5.78% rate) ^(b)	2035	250.0	250.0
5.30% Series	2041	400.0	400.0
EIRR Bonds			
0.089% Series 2007A and 2007B ^(c)	2035	146.5	—
4.90% Series 2008	2038	23.4	23.4
Other		—	2.6
Current maturities		—	(0.4)
Unamortized discount		(4.2)	(4.0)
Total KCP&L excluding current maturities		2,312.1	1,901.7
Other Great Plains Energy			
GMO First Mortgage Bonds 9.44% Series	2014-2021	9.0	10.1
GMO Pollution Control Bonds			
0.189% Wamego Series 1996 ^(c)	2026	7.3	7.3
0.192% State Environmental 1993 ^(c)	2028	5.0	5.0
5.85% SJLP Pollution Control		—	5.6
GMO 8.27% Senior Notes	2021	80.9	80.9
GMO Medium Term Notes			
7.16% Series	2013	6.0	6.0
7.33% Series	2023	3.0	3.0
7.17% Series	2023	7.0	7.0
Great Plains Energy Senior Notes			
2.75% Series (3.67% rate) ^(b)	2013	250.0	250.0
6.875% Series (7.33% rate) ^(b)	2017	100.0	100.0
4.85% Series (7.34% rate) ^(b)	2021	350.0	350.0
5.292% Series	2022	287.5	287.5
Current maturities		(257.1)	(262.7)
Unamortized discount and premium, net		5.2	5.4
Total Great Plains Energy excluding current maturities		\$ 3,165.9	\$ 2,756.8

^(a) Weighted-average interest rates at June 30, 2013

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

^(c) Variable rate

Fair Value of Long-Term Debt

The fair value of long-term debt is categorized as a Level 2 liability within the fair value hierarchy as it is based on market prices, with the incremental borrowing rate for similar debt used to determine fair value if market prices are not available. At June 30, 2013, the book value and fair value of Great Plains Energy's long-term debt, including current maturities, were \$3.4 billion and \$3.7 billion, respectively. At December 31, 2012, the book value and fair value of Great Plains Energy's long-term debt, including current maturities, were \$3.0 billion and \$3.5 billion, respectively. At June 30, 2013, the book value and fair value of KCP&L's long-term debt, including current maturities, were \$2.3 billion and \$2.5 billion, respectively. At December 31, 2012, the book value and fair value of KCP&L's long-term debt, including current maturities, were \$1.9 billion and \$2.2 billion, respectively.

KCP&L Senior Notes

In March 2013, KCP&L issued, at a discount, \$300.0 million of 3.15% unsecured Senior Notes, maturing in 2023.

EIRR Bond Remarketing

In April 2013, KCP&L remarketed the following series of Environmental Improvement Revenue Refunding (EIRR) bonds:

- secured Series 1992 EIRR bonds maturing in 2017 totaling \$31.0 million at a fixed rate of 1.25% through maturity;
- secured Series 1993B EIRR bonds totaling \$39.5 million and previously held by KCP&L and 1993A EIRR bonds totaling \$40.0 million maturing in 2023 at a fixed rate of 2.95% through maturity;
- unsecured Series 2007A-1 and 2007A-2 EIRR bonds totaling \$10.0 million and \$63.3 million, respectively, maturing in 2035 and previously held by KCP&L into one series: Series 2007A totaling \$73.3 million at a variable rate that will be determined weekly; and
- unsecured Series 2007B EIRR bonds maturing in 2035 totaling \$73.2 million at a variable rate that will be determined weekly.

In connection with the remarketing of the bonds, the municipal bond insurance policies issued by Syncora Guarantee Inc. relating to the Series 1992 EIRR bonds and the Series 1993 EIRR bonds and by Financial Guaranty Insurance Company (FGIC) relating to the Series 2007 EIRR bond were cancelled. In connection with the cancellation of the policy relating to the Series 2007 EIRR bonds, KCP&L's Mortgage Bond Series 2007 EIRR Insurer due 2035 was retired. This mortgage bond, in the amount of \$146.5 million, was issued and delivered to FGIC in 2009 to collateralize FGIC's claim on KCP&L under the related insurance agreement.

In July 2013, KCP&L remarketed its unsecured Series 2008 EIRR bonds maturing in 2038 totaling \$23.4 million at a fixed rate of 2.875% through July 1, 2018.

9. 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 estimate of capital expenditures (exclusive of Allowance for Funds Used During Construction (AFUDC) and property taxes) to comply with current final environmental regulations where the timing is certain is approximately \$700 million. The actual cost of compliance with any existing, proposed or future laws and regulations may be significantly different from the cost estimate provided.

The current estimate of approximately \$700 million of capital expenditures reflects costs to install environmental equipment at KCP&L's La Cygne Nos. 1 and 2 by June 2015 to comply with the Best Available Retrofit Technology (BART) rule and environmental upgrades at other coal-fired generating units through 2016 to comply with the Mercury and Air Toxics Standards (MATS) rule.

In September 2011, KCP&L commenced construction of the La Cygne projects and at June 30, 2013, had incurred approximately \$311 million of cash capital expenditures, which is included in the approximate \$700 million estimate above.

Great Plains Energy and KCP&L estimate that other capital projects at coal-fired generating units for compliance with the Clean Air Act and Clean Water Act based on proposed or final environmental regulations where the timing is uncertain could be approximately \$600 million to \$800 million for Great Plains Energy, which includes approximately \$350 million to \$450 million for KCP&L. However, these other projects are less certain and the timeframe cannot be estimated and therefore are not included in the approximately \$700 million estimated cost of compliance discussed above.

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 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.

Clean Air Interstate Rule (CAIR) and Cross-State Air Pollution Rule (CSAPR)

The CAIR requires reductions in SO₂ and NO_x emissions in 28 states, including Missouri, accomplished through statewide caps. Great Plains Energy's and KCP&L's fossil fuel-fired plants located in Missouri are subject to CAIR, while their fossil fuel-fired plants in Kansas are not.

In July 2008, the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit Court) vacated CAIR in its entirety and remanded the matter to the EPA to promulgate a new rule consistent with its opinion. In December 2008, the court issued an order reinstating CAIR pending EPA's development of a replacement regulation on remand. In July 2011, the EPA finalized the CSAPR to replace the currently-effective CAIR. The CSAPR required states within its scope to reduce power plant SO₂ and NO_x emissions that contribute to ozone and fine particle nonattainment in other states. Compliance with the CSAPR was scheduled to begin in 2012. Multiple states, utilities and other parties, including KCP&L, filed requests for reconsideration and stays with the EPA and/or the D.C. Circuit Court. In August 2012, the D.C. Circuit Court issued its opinion in which it vacated the CSAPR and remanded the rule to the EPA to revise in accordance with its opinion. The D.C. Circuit Court directed the EPA to continue to administer the CAIR until a valid replacement is promulgated.

Best Available Retrofit Technology Rule

The EPA BART rule directs state air quality agencies to identify whether visibility-reducing emissions from sources subject to BART are below limits set by the state or whether retrofit measures are needed to reduce emissions. BART applies to specific eligible facilities including KCP&L's La Cygne Nos. 1 and 2 in Kansas; KCP&L's Iatan No. 1, in which GMO has an 18% interest, and KCP&L's Montrose No. 3 in Missouri; GMO's Sibley Unit No. 3 and Lake Road Unit No. 6 in Missouri; and Westar Energy, Inc.'s

(Westar) Jeffrey Unit Nos. 1 and 2 in Kansas, in which GMO has an 8% interest. Both Missouri and Kansas have approved BART plans.

KCP&L has a consent agreement with the Kansas Department of Health and Environment (KDHE) incorporating limits for stack particulate matter emissions, as well as limits for NO_x and SO₂ emissions, at its La Cygne Station that will be below the presumptive limits under BART. KCP&L further agreed to use its best efforts to install emission control technologies to reduce those emissions from the La Cygne Station prior to the required compliance date under BART, but in no event later than June 1, 2015. In August 2011, KCC issued its order on KCP&L's predetermination request that would apply to the recovery of costs for its 50% share of the environmental equipment required to comply with BART at the La Cygne Station. In the order, KCC stated that KCP&L's decision to retrofit La Cygne was reasonable, reliable, efficient and prudent and the \$1.23 billion cost estimate is reasonable. If the cost for the project is at or below the \$1.23 billion estimate, absent a showing of fraud or other intentional imprudence, KCC stated that it will not re-evaluate the prudence of the cost of the project. If the cost of the project exceeds the \$1.23 billion estimate and KCP&L seeks to recover amounts exceeding the estimate, KCP&L will bear the burden of proving that any additional costs were prudently incurred. KCP&L's 50% share of the estimated cost is \$615 million. KCP&L began the project in September 2011.

Mercury and Air Toxics Standards Rule

In December 2011, the EPA finalized the MATS rule that will reduce emissions of toxic air pollutants, also known as hazardous air pollutants, from new and existing coal- and oil-fired electric utility generating units with a capacity of greater than 25 MWs. The rule establishes numerical emission limits for mercury, particulate matter (a surrogate for non-mercury metals) and hydrochloric acid (a surrogate for acid gases). The rule establishes work practices, instead of numerical emission limits, for organic air toxics, including dioxin/furan. Compliance with the rule would need to be achieved by installing additional emission control equipment, changes in plant operation, purchasing additional power in the wholesale market or a combination of these and other alternatives. The rule allows three to four years for compliance.

Industrial Boiler Rule

In December 2012, the EPA issued a final rule that would reduce emissions of hazardous air pollutants from new and existing industrial boilers. The final rule establishes numeric emission limits for mercury, particulate matter (as a surrogate for non-mercury metals), hydrogen chloride (as a surrogate for acid gases) and carbon monoxide (as a surrogate for non-dioxin organic hazardous air pollutants). The final rule establishes emission limits for KCP&L's and GMO's existing units that produce steam other than for the generation of electricity. The final rule does not apply to KCP&L's and GMO's electricity generating boilers, but would apply to most of GMO's Lake Road boilers, which also serve steam customers, and to auxiliary boilers at other generating facilities. The rule allows three to four years for compliance.

New Source Review

The Clean Air Act's New Source Review program requires companies to obtain permits and, if necessary, install control equipment to reduce emissions when making a major modification or a change in operation if either is expected to cause a significant net increase in regulated emissions.

In 2010, Westar settled a lawsuit filed by the Department of Justice on behalf of the EPA and agreed to install a selective catalytic reduction (SCR) system at one of the three Jeffrey Energy Center units by the end of 2014. The Jeffrey Energy Center is 92% owned by Westar and operated exclusively by Westar. GMO has an 8% interest in the Jeffrey Energy Center and is generally responsible for its 8% share of the facility's operating costs and capital expenditures. Westar has estimated the cost of this SCR at approximately \$240 million. Depending on the NO_x emission reductions attained by that SCR and attainable through the installation of other controls at the other two units, the settlement agreement may require the installation of a second SCR system on one of the other two units. Westar has informed the EPA that they believe that the terms of the settlement can be met through the installation of less expensive NO_x reduction equipment rather than a second SCR system and they plan to complete this project in

2014. GMO expects to seek recovery of its share of these costs through rate increases; however, there can be no assurance that such rate increases would be granted.

SO₂ NAAQS

In June 2010, the EPA strengthened the primary NAAQS for SO₂ by establishing a new 1-hour standard at a level of 0.075 ppm and revoking the two existing primary standards of 0.140 ppm evaluated over 24 hours and 0.030 ppm evaluated over an entire year. In July 2013, the EPA designated a part of Jackson County, Missouri, which is in the Companies' service territory, as a nonattainment area for the new 1-hour SO₂ standard. The Missouri Department of Natural Resources (MDNR) will now develop and submit their plan to the EPA to return the area to attainment of the standard, which may include stricter controls on certain industrial facilities.

Particulate Matter (PM) NAAQS

In December 2012, the EPA strengthened the annual primary NAAQS for fine particulate matter (PM_{2.5}). With the final rule, the EPA provided recent ambient air monitoring data for the Kansas City area indicating it would be in attainment of the revised fine particle standard. States will now make recommendations to designate areas as meeting the standards or not meeting them with the EPA making the final designation.

Climate Change

The Companies are subject to existing greenhouse gas reporting regulations and certain greenhouse gas permitting requirements. 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, while the United States is not a current party to the international Kyoto Protocol, it has agreed to undertake certain voluntary actions under the non-binding Copenhagen Accord and pursuant to subsequent international discussions relating to climate change, including the establishment of a goal to reduce greenhouse gas emissions. International agreements legally binding on the United States may be reached in the future. Such new laws or regulations 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. The Companies' current generation capacity is primarily coal-fired and is estimated to produce about one ton of CO₂ per MWh, or approximately 25 million tons and 19 million tons per year for Great Plains Energy and KCP&L, respectively.

Legislation concerning the reduction of emissions of greenhouse gases, including CO₂, is being considered at the federal and state levels. The timing and effects of any such legislation cannot be determined at this time. In the absence of new Congressional mandates, the EPA is proceeding with the regulation of greenhouse gases under the existing Clean Air Act. In March 2012, the EPA proposed new source performance standards for emissions of CO₂ for new affected fossil-fuel-fired electric utility generating units. This action pursuant to the Clean Air Act would, for the first time, set national limits on the amount of CO₂ that power plants built in the future can emit. The proposal would not apply to Great Plains Energy's and KCP&L's existing units including modifications to those units.

In June 2013, United States President Barack Obama announced a climate action plan and issued a presidential memorandum to address one element of the plan which is to reduce power plant carbon pollution. The memorandum directs the EPA to: (1) issue a new proposal addressing new units no later than September 20, 2013, and finalize the rule in a timely fashion; (2) issue proposed carbon pollution standards, regulations or guidelines, as appropriate, for modified, reconstructed and existing power plants by no later than June 1, 2014; (3) issue final standards, regulations or guidelines, as appropriate, for modified, reconstructed and existing power plants by no later than June 1, 2015; (4) include in the guidelines addressing existing power plants a requirement that states submit to the EPA the implementation plans by no later than June 30, 2016; and (5) engage with states, leaders in the power sector and other stakeholders on issues related to the rules.

Greenhouse gas legislation or regulation has the potential of having significant financial and operational impacts on Great Plains Energy and KCP&L, including the potential costs and impacts of achieving

compliance with limits that may be established. However, the ultimate financial and operational consequences to Great Plains Energy and KCP&L cannot be determined until such legislation is passed and/or regulations are issued. Management will continue to monitor the progress of relevant legislation and regulations.

Laws have been passed in Missouri and Kansas, the states in which the Companies' retail electric businesses are operated, setting renewable energy standards, and management believes that national clean or renewable energy standards are also possible. While management believes additional requirements addressing these matters will possibly be enacted, the timing, provisions and impact of such requirements, including the cost to obtain and install new equipment to achieve compliance, cannot be reasonably estimated at this time.

A Kansas law enacted in May 2009 required Kansas public electric utilities, including KCP&L, to have renewable energy generation capacity equal to at least 10% of their three-year average Kansas peak retail demand by 2011 increasing to 15% by 2016 and 20% by 2020. A Missouri law enacted in November 2008 required at least 2% of the electricity provided by Missouri investor-owned utilities (including KCP&L and GMO) to their Missouri retail customers to come from renewable resources, including wind, solar, biomass and hydropower, by 2011, increasing to 5% in 2014, 10% in 2018, and 15% in 2021, with a small portion (estimated to be about 2 MW for each of KCP&L and GMO) required to come from solar resources.

KCP&L and GMO project that they will be compliant with the Missouri renewable requirements, exclusive of the solar requirement, through 2023 for KCP&L and 2018 for GMO. KCP&L and GMO project that the acquisition of solar renewable energy credits will be sufficient for compliance with the Missouri solar requirements for the foreseeable future. KCP&L also projects that it will be compliant with the Kansas renewable requirements through 2015.

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 March 2011, the EPA proposed 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 would be subject to a limit on how many fish can be killed by being pinned against intake screens (impingement) and would be required to conduct studies to determine whether and what site-specific controls, if any, would be required to reduce the number of aquatic organisms drawn into cooling water systems (entrainment). The EPA agreed to finalize the rule by November 2013. Although the impact on Great Plains Energy's and KCP&L's operations will not be known until after the rule is finalized, it could have a significant effect on Great Plains Energy's and KCP&L's results of operations, financial position and cash flows.

KCP&L holds a permit from the 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. KCP&L cannot predict the outcome of this matter; however, while less significant outcomes are possible, this matter may require KCP&L to reduce its generation at Hawthorn Station, install cooling towers or both, any of which could have a significant impact on KCP&L's results of operations, financial position and cash flows. The outcome could also affect the terms of water permit renewals at KCP&L's Iatan Station and at GMO's Sibley and Lake Road Stations.

In April 2013, the EPA proposed to revise the technology-based effluent limitations guidelines and standards regulation to make the existing controls on discharges from steam electric power plants more stringent. The

proposal 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 2017 and 2022. The EPA is under a consent decree to take final action on the proposed rule by May 2014.

The proposal includes a variety of options to reduce pollutants that are discharged into waterways by coal ash, air pollution control waste and other waste from steam electric power plants. Depending on the option, the proposed rule would establish 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, combustion residual leachate from landfills and surface impoundments, and non-chemical metal cleaning wastes.

The EPA also announced its intention to align this proposal with a related rule for coal combustion residuals (CCRs) proposed in May 2010 under the Resource Conservation and Recovery Act (RCRA). The EPA is considering establishing best management practices requirements that would apply to surface impoundments containing CCRs. The cost of complying with the proposed rules has the potential of having a significant financial and operational impact on Great Plains Energy and KCP&L. However, the financial and operational consequences to Great Plains Energy and KCP&L cannot be determined until the final regulation is enacted.

Solid Waste

Solid and hazardous waste generation, storage, transportation, treatment and disposal is regulated at the federal and state levels under various laws and regulations. In May 2010, the EPA proposed to regulate CCRs under the RCRA to address the risks from the disposal of CCRs generated from the combustion of coal at electric generating facilities. The EPA is considering two options in this proposal. Under the first option, the EPA would regulate CCRs as special wastes under subtitle C of RCRA (hazardous), when they are destined for disposal in landfills or surface impoundments. Under the second option, the EPA would regulate disposal of CCRs under subtitle D of RCRA (non-hazardous). The Companies use coal in generating electricity and dispose of the CCRs in both on-site facilities and facilities owned by third parties. The cost of complying with the proposed CCR rule has the potential of having a significant financial and operational impact on Great Plains Energy and KCP&L. However, the financial and operational consequences to Great Plains Energy and KCP&L cannot be determined until an option is selected by the EPA and the final regulation is enacted.

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 is named as a potentially responsible party at two disposal sites for polychlorinated biphenyl (PCB) contamination, and 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 June 30, 2013, and December 31, 2012, 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 June 30, 2013, and December 31, 2012, Great Plains Energy had \$2.0 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 \$2.6 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.

10. LEGAL PROCEEDINGS

GMO Western Energy Crisis

In response to complaints of manipulation of the California energy market, The Federal Energy Regulatory Commission (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. FERC has stated that interest will be applied to the refunds but the amount of interest has not yet been determined.

In December 2001, various parties appealed the July 2001 FERC order to the United States Court of Appeals for the Ninth Circuit (Ninth Circuit) seeking review of a number of issues, including expansion of the refund period to include periods prior to October 2, 2000 (the Summer Period). MPS Merchant was a net seller of power during the Summer Period. On August 2, 2006, the Ninth Circuit issued an order finding, among other things, that FERC did not provide a sufficient justification for refusing to exercise its remedial authority under the Federal Power Act to determine whether market participants violated FERC-approved tariffs during the Summer Period. The court remanded the matter to FERC for further consideration. If FERC determines that MPS Merchant violated then-existing tariffs or laws during the Summer Period and that such violations affected market clearing prices in California, MPS Merchant could be found to owe refunds. Due to the uncertainties remaining in this case, the potential refund or range of potential refunds owed by MPS Merchant are not reasonably estimable.

11. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

KCP&L employees manage GMO's business and operate its facilities at cost. These costs totaled \$24.4 million and \$49.6 million, respectively, for the three months ended and year to date June 30, 2013. These costs totaled \$26.7 million and \$52.9 million, respectively, for the same periods in 2012. Additionally, KCP&L and GMO engage in wholesale electricity transactions with each other. KCP&L's net wholesale sales to GMO were \$4.6 million and \$10.0 million for the three months ended and year to date June 30, 2013, respectively. KCP&L's net wholesale sales to GMO were \$7.4 million and \$12.8 million, respectively, for the same periods in 2012. 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 June 30, 2013, KCP&L had a money pool receivable from GMO of \$36.3 million. At December 31, 2012, KCP&L had a money pool payable to Great Plains Energy of \$3.8 million. The following table summarizes KCP&L's related party net receivables.

	June 30	December 31
	2013	2012
	(millions)	
Net receivable from GMO	\$ 59.2	\$ 26.2
Net receivable from Great Plains Energy	16.3	13.8

12. 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 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 normal purchases and normal sales (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 currently in net income unless specific hedge accounting criteria are met, except hedges for GMO's utility operations that are recorded to a regulatory asset or liability consistent with MPSC regulatory orders, as discussed below.

Great Plains Energy and KCP&L have posted collateral, in the ordinary course of business, for the aggregate fair value of all derivative instruments with credit risk-related contingent features that are in a liability position. At June 30, 2013, Great Plains Energy and KCP&L have posted collateral in excess of the aggregate fair value of their derivative instruments; therefore, if the credit risk-related contingent features underlying these agreements were triggered, Great Plains Energy and KCP&L would not be required to post additional collateral to their counterparties. For derivative contracts with counterparties under master netting agreements, Great Plains Energy and KCP&L can net all receivables and payables with each respective counterparty.

Commodity Risk Management

KCP&L's risk management policy is to use derivative instruments, as needed, in order to mitigate its exposure to market price fluctuations on a portion of its projected natural gas purchases to meet generation requirements for retail and firm wholesale sales. KCP&L designates these natural gas hedges as cash flow hedges. The fair values of these instruments are recorded as derivative assets or liabilities with an offsetting entry to OCI for the effective portion of the hedge. To the extent the hedges are not effective, any ineffective portion of the change in fair market value would be recorded currently in fuel expense. At June 30, 2013, KCP&L had no hedges for its projected natural gas usage for retail load and firm MWh sales. KCP&L did not record any ineffectiveness on natural gas hedges for the three months ended and year to date June 30, 2013 and 2012.

Additionally, KCP&L's risk management policy uses derivative instruments to mitigate exposure to market price fluctuations for wholesale power prices. KCP&L has designated these financial contracts as economic hedges (non-hedging derivatives). The fair values of these instruments are recorded as derivative assets or liabilities with an offsetting entry to the consolidated statements of income.

GMO's risk management policy is to use derivative instruments to mitigate exposure to natural gas price volatility in the market. At June 30, 2013, GMO had financial contracts in place to hedge approximately 38%, 23% and 3% of its expected on-peak natural gas generation and natural gas equivalent purchased power price exposure for the remainder of 2013, 2014 and 2015, respectively. The fair value of the portfolio will settle against actual purchases of natural gas and purchased power. GMO has designated its natural gas hedges as economic hedges (non-hedging derivatives). In connection with GMO's 2005 Missouri electric rate case, it was agreed that the settlement costs of these contracts would be recognized in fuel expense. The settlement cost is included in GMO's Fuel Adjustment Clause (FAC). A regulatory asset has been recorded to reflect the change in the timing of recognition authorized by the MPSC. Recovery of actual costs incurred 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 income.

The notional 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.

	June 30 2013		December 31 2012	
	Notional Contract Amount	Fair Value	Notional Contract Amount	Fair Value
Great Plains Energy	(millions)			
Futures contracts				
Cash flow hedges	\$ —	\$ —	\$ 1.0	\$ (0.2)
Non-hedging derivatives	11.4	(0.9)	17.9	(2.8)
Forward contracts				
Non-hedging derivatives	57.3	6.0	65.5	6.5
Option contracts				
Non-hedging derivatives	3.4	0.3	—	—
KCP&L				
Futures contracts				
Cash flow hedges	\$ —	\$ —	\$ 1.0	\$ (0.2)
Non-hedging derivatives	1.0	0.3	—	—

The fair values of Great Plains Energy's and KCP&L's open derivative positions are summarized in the following tables. The tables contain both derivative instruments designated as hedging instruments as well as non-hedging derivatives under GAAP. The fair values below are gross values before netting agreements and netting of cash collateral.

Great Plains Energy

June 30, 2013	Balance Sheet Classification	Asset Derivatives Fair Value	Liability Derivatives Fair Value
(millions)			
Derivatives Not Designated as Hedging Instruments			
Commodity contracts	Derivative instruments	\$ 6.6	\$ 1.2
December 31, 2012			
Derivatives Designated as Hedging Instruments			
Commodity contracts	Derivative instruments	\$ —	\$ 0.2
Derivatives Not Designated as Hedging Instruments			
Commodity contracts	Derivative instruments	6.5	2.8
Total Derivatives		\$ 6.5	\$ 3.0

KCP&L

June 30, 2013	Balance Sheet Classification	Asset Derivatives Fair Value	Liability Derivatives Fair Value
(millions)			
Derivatives Not Designated as Hedging Instruments			
Commodity contracts	Derivative instruments	\$ 0.3	\$ —
December 31, 2012			
Derivatives Designated as Hedging Instruments			
Commodity contracts	Derivative instruments	\$ —	\$ 0.2

The following tables provide information regarding Great Plains Energy's and KCP&L's offsetting of derivative assets and liabilities at June 30, 2013, and December 31, 2012.

**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			Net Amount
				Financial Instruments	Cash Collateral Received		
(millions)							
June 30, 2013							
Derivative assets	\$ 6.6	\$ (0.1)	\$ 6.5	\$ —	\$ —		\$ 6.5
Derivative liabilities	1.2	(1.2)	—	—	—		—
December 31, 2012							
Derivative assets	\$ 6.5	\$ —	\$ 6.5	\$ —	\$ —		\$ 6.5
Derivative liabilities	3.0	(3.0)	—	—	—		—

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			Net Amount
				Financial Instruments	Cash Collateral Received		
(millions)							
June 30, 2013							
Derivative assets	\$ 0.3	\$ —	\$ 0.3	\$ —	\$ —		\$ 0.3
December 31, 2012							
Derivative liabilities	\$ 0.2	\$ (0.2)	\$ —	\$ —	\$ —		\$ —

The following tables summarize the amount of gain (loss) recognized in OCI or earnings for interest rate and commodity hedges.

Great Plains Energy

Derivatives in Cash Flow Hedging Relationship

	Amount of Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	
		Income Statement Classification	Amount
Three Months Ended June 30, 2013	(millions)		(millions)
Interest rate contracts	\$ —	Interest charges	\$ (4.7)
Income tax benefit	—	Income tax benefit	1.8
Total	\$ —	Total	\$ (2.9)
Year to Date June 30, 2013			
Interest rate contracts	\$ —	Interest charges	\$ (9.7)
Commodity contracts	—	Fuel	(0.2)
Income tax benefit	—	Income tax benefit	3.8
Total	\$ —	Total	\$ (6.1)
Three Months Ended June 30, 2012			
Interest rate contracts	\$ —	Interest charges	\$ (5.0)
Commodity contracts	0.1	Fuel	—
Income tax benefit	—	Income tax benefit	1.9
Total	\$ 0.1	Total	\$ (3.1)
Year to Date June 30, 2012			
Interest rate contracts	\$ —	Interest charges	\$ (10.1)
Commodity contracts	(0.2)	Fuel	—
Income tax benefit	0.1	Income tax benefit	3.9
Total	\$ (0.1)	Total	\$ (6.2)

KCP&L

Derivatives in Cash Flow Hedging Relationship

	Amount of Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	
		Income Statement Classification	Amount
Three Months Ended June 30, 2013			
	(millions)		(millions)
Interest rate contracts	\$ —	Interest charges	\$ (2.2)
Income tax benefit	—	Income tax benefit	0.9
Total	\$ —	Total	\$ (1.3)
Year to Date June 30, 2013			
Interest rate contracts	\$ —	Interest charges	\$ (4.4)
Commodity contracts	—	Fuel	(0.2)
Income tax benefit	—	Income tax benefit	1.8
Total	\$ —	Total	\$ (2.8)
Three Months Ended June 30, 2012			
Interest rate contracts	\$ —	Interest charges	\$ (2.2)
Commodity contracts	0.1	Fuel	—
Income tax benefit	—	Income tax benefit	0.9
Total	\$ 0.1	Total	\$ (1.3)
Year to Date June 30, 2012			
Interest rate contracts	\$ —	Interest charges	\$ (4.4)
Commodity contracts	(0.2)	Fuel	—
Income tax benefit	0.1	Income tax benefit	1.7
Total	\$ (0.1)	Total	\$ (2.7)

The following table summarizes the amount of loss recognized in a regulatory asset or earnings for GMO utility commodity hedges. GMO utility commodity derivatives fair value changes are recorded to either a regulatory asset or liability consistent with MPSC regulatory orders.

Great Plains Energy
Derivatives in Regulatory Account Relationship

	Amount of Gain (Loss) Recognized in Regulatory Asset on Derivatives	Gain (Loss) Reclassified from Regulatory Account	
		Income Statement Classification	Amount
Three Months Ended June 30, 2013	(millions)		(millions)
Commodity contracts	\$ (0.9)	Fuel	\$ (0.2)
Total	\$ (0.9)	Total	\$ (0.2)
Year to Date June 30, 2013			
Commodity contracts	\$ 0.9	Fuel	\$ (1.2)
Total	\$ 0.9	Total	\$ (1.2)
Three Months Ended June 30, 2012			
Commodity contracts	\$ 0.3	Fuel	\$ (2.0)
Total	\$ 0.3	Total	\$ (2.0)
Year to Date June 30, 2012			
Commodity contracts	\$ (2.7)	Fuel	\$ (2.7)
Total	\$ (2.7)	Total	\$ (2.7)

Great Plains Energy's income statement reflects the gain (loss) for the change in fair value of commodity contract derivatives not designated as hedging instruments of \$1.0 million for the three months ended June 30, 2013, and an insignificant amount year to date June 30, 2013, and \$(0.3) million and \$(1.1) million, respectively, for the same periods in 2012. KCP&L's income statement reflects the gain for the change in fair value of commodity contract derivatives not designated as hedging instruments of \$1.6 million and \$0.6 million, respectively, for the three months ended and year to date June 30, 2013.

The amounts recorded in accumulated OCI related to the cash flow hedges are summarized in the following table.

	Great Plains Energy		KCP&L	
	June 30 2013	December 31 2012	June 30 2013	December 31 2012
	(millions)			
Current assets	\$ 10.4	\$ 10.6	\$ 10.4	\$ 10.6
Current liabilities	(58.3)	(68.4)	(48.1)	(52.8)
Noncurrent liabilities	—	(0.1)	—	(0.1)
Deferred income taxes	18.6	22.5	14.7	16.5
Total	\$ (29.3)	\$ (35.4)	\$ (23.0)	\$ (25.8)

Great Plains Energy's accumulated OCI in the table above at June 30, 2013, includes \$19.3 million that is expected to be reclassified to expenses over the next twelve months. KCP&L's accumulated OCI in the table above at June 30, 2013, includes \$8.7 million that is expected to be reclassified to expenses over the next twelve months.

13. 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. Assets and liabilities categorized within this level consist of Great Plains Energy's and KCP&L's various exchange traded derivative instruments and equity and U.S. Treasury securities that are actively traded within KCP&L's decommissioning trust fund and GMO's Supplemental Executive Retirement Plan (SERP) rabbi trusts.

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. Assets categorized within this level consist of Great Plains Energy's and KCP&L's various non-exchange traded derivative instruments traded in over-the-counter markets and certain debt securities and fixed income funds within KCP&L's decommissioning trust fund and GMO's SERP rabbi trusts.

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. Assets categorized within this level consist of Great Plains Energy's various non-exchange traded derivative instruments traded in over-the-counter markets for which sufficiently observable market data is not available to corroborate the valuation inputs.

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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 at June 30, 2013, and December 31, 2012.

Description	June 30, 2013	Netting ^(d)	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)
			(millions)		
KCP&L					
Assets					
Derivative instruments ^(a)	\$ 0.3	\$ —	\$ 0.3	\$ —	\$ —
Nuclear decommissioning trust ^(b)					
Equity securities	109.9	—	109.9	—	—
Debt securities					
U.S. Treasury	19.1	—	19.1	—	—
U.S. Agency	2.4	—	—	2.4	—
State and local obligations	3.1	—	—	3.1	—
Corporate bonds	24.5	—	—	24.5	—
Other	1.0	—	—	1.0	—
Total nuclear decommissioning trust	160.0	—	129.0	31.0	—
Total	\$ 160.3	\$ —	\$ 129.3	\$ 31.0	\$ —
Other Great Plains Energy					
Assets					
Derivative instruments ^(a)	\$ 6.2	\$ (0.1)	\$ —	\$ 4.4	\$ 1.9
SERP rabbi trusts ^(c)					
Equity securities	0.1	—	0.1	—	—
Fixed income funds	19.7	—	—	19.7	—
Total SERP rabbi trusts	19.8	—	0.1	19.7	—
Total	26.0	(0.1)	0.1	24.1	1.9
Liabilities					
Derivative instruments ^(a)	—	(1.2)	1.2	—	—
Total	\$ —	\$ (1.2)	\$ 1.2	\$ —	\$ —
Great Plains Energy					
Assets					
Derivative instruments ^(a)	\$ 6.5	\$ (0.1)	\$ 0.3	\$ 4.4	\$ 1.9
Nuclear decommissioning trust ^(b)	160.0	—	129.0	31.0	—
SERP rabbi trusts ^(c)	19.8	—	0.1	19.7	—
Total	186.3	(0.1)	129.4	55.1	1.9
Liabilities					
Derivative instruments ^(a)	—	(1.2)	1.2	—	—
Total	\$ —	\$ (1.2)	\$ 1.2	\$ —	\$ —

Description	December 31, 2012	Netting ^(d)	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)
KCP&L					
(millions)					
Assets					
Nuclear decommissioning trust ^(b)					
Equity securities	\$ 100.1	\$ —	\$ 100.1	\$ —	\$ —
Debt securities					
U.S. Treasury	18.5	—	18.5	—	—
U.S. Agency	2.8	—	—	2.8	—
State and local obligations	3.3	—	—	3.3	—
Corporate bonds	26.8	—	—	26.8	—
Other	0.3	—	—	0.3	—
Total nuclear decommissioning trust	151.8	—	118.6	33.2	—
Total	151.8	—	118.6	33.2	—
Liabilities					
Derivative instruments ^(a)	—	(0.2)	0.2	—	—
Total	\$ —	\$ (0.2)	\$ 0.2	\$ —	\$ —
Other Great Plains Energy					
Assets					
Derivative instruments ^(a)	\$ 6.5	\$ —	\$ —	\$ 4.2	\$ 2.3
SERP rabbi trusts ^(c)					
Equity securities	0.1	—	0.1	—	—
Fixed income funds	20.2	—	—	20.2	—
Total SERP rabbi trusts	20.3	—	0.1	20.2	—
Total	26.8	—	0.1	24.4	2.3
Liabilities					
Derivative instruments ^(a)	—	(2.8)	2.8	—	—
Total	\$ —	\$ (2.8)	\$ 2.8	\$ —	\$ —
Great Plains Energy					
Assets					
Derivative instruments ^(a)	\$ 6.5	\$ —	\$ —	\$ 4.2	\$ 2.3
Nuclear decommissioning trust ^(b)	151.8	—	118.6	33.2	—
SERP rabbi trusts ^(c)	20.3	—	0.1	20.2	—
Total	178.6	—	118.7	57.6	2.3
Liabilities					
Derivative instruments ^(a)	—	(3.0)	3.0	—	—
Total	\$ —	\$ (3.0)	\$ 3.0	\$ —	\$ —

^(a) The fair value of 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.

^(b) Fair value is based on quoted market prices of the investments held by the fund and/or valuation models. The total does not include \$4.7 million and \$2.9 million at June 30, 2013, and December 31, 2012, respectively, of cash and cash equivalents, which are not subject to the fair value requirements.

^(c) Fair value is based on quoted market prices and/or valuation models for equity securities and Net Asset Value (NAV) per share for fixed income funds. The total does not include \$0.1 million at June 30, 2013, and December 31, 2012, of cash and cash equivalents, which are not subject to the fair value requirements.

^(d) Represents the difference between derivative contracts in an asset or liability position presented on a net basis by counterparty on the consolidated balance sheets where a master netting agreement exists between the Company and the counterparty. At June 30, 2013, and December 31, 2012, Great Plains Energy netted \$1.1 million and \$3.0 million, respectively, of cash collateral posted with counterparties.

The following tables reconcile the beginning and ending balances for all Level 3 assets and liabilities, net, measured at fair value on a recurring basis for the three months ended and year to date June 30, 2013 and 2012.

	Derivative Instruments	
	2013	2012
	(millions)	
Balance at April 1	\$ 2.4	\$ 2.4
Total realized/unrealized gains included in non-operating income	1.9	0.9
Settlements	(2.4)	(1.1)
Balance at June 30	\$ 1.9	\$ 2.2
Total unrealized losses included in non-operating income relating to assets and liabilities still on the consolidated balance sheet at June 30	\$ (0.3)	\$ (0.1)

	Derivative Instruments	
	2013	2012
	(millions)	
Balance at January 1	\$ 2.3	\$ 3.1
Total realized/unrealized gains included in non-operating income	4.3	1.1
Settlements	(4.7)	(2.0)
Balance at June 30	\$ 1.9	\$ 2.2
Total unrealized losses included in non-operating income relating to assets and liabilities still on the consolidated balance sheet at June 30	\$ (0.1)	\$ (0.7)

14. 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 year to date June 30, 2013.

Great Plains Energy

	Gains and Losses on Cash Flow Hedges^(a)	Defined Benefit Pension Items^(a)	Total^(a)
		(millions)	
Beginning balance January 1, 2013	\$ (35.4)	\$ (3.0)	\$ (38.4)
Amounts reclassified from accumulated other comprehensive loss	6.1	0.2	6.3
Net current period other comprehensive income	6.1	0.2	6.3
Ending balance June 30, 2013	\$ (29.3)	\$ (2.8)	\$ (32.1)

^(a) Net of tax

KCP&L

	Gains and Losses on Cash Flow Hedges^(a)
	(millions)
Beginning balance January 1, 2013	\$ (25.8)
Amounts reclassified from accumulated other comprehensive loss	2.8
Net current period other comprehensive income	2.8
Ending balance June 30, 2013	\$ (23.0)

^(a) Net of tax

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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 for the three months ended and year to date June 30, 2013.

Great Plains Energy

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss	Affected Line Item in the Income Statement
Three Months Ended June 30, 2013		
(millions)		
Gains and (losses) on cash flow hedges (effective portion)		
Interest rate contracts	\$ (4.7)	Interest charges
	(4.7)	Income before income tax expense and loss from equity investments
	1.8	Income tax benefit
	\$ (2.9)	Net income
Amortization of defined benefit pension items		
Net losses included in net periodic benefit costs	\$ (0.3)	Utility operating and maintenance expenses
	(0.3)	Income before income tax expense and loss from equity investments
	0.1	Income tax benefit
	(0.2)	Net income
Total reclassifications, net of tax	\$ (3.1)	Net income
Year to Date June 30, 2013		
Gains and (losses) on cash flow hedges (effective portion)		
Interest rate contracts	\$ (9.7)	Interest charges
Commodity contracts	(0.2)	Fuel
	(9.9)	Income before income tax expense and loss from equity investments
	3.8	Income tax benefit
	\$ (6.1)	Net income
Amortization of defined benefit pension items		
Net losses included in net periodic benefit costs	\$ (0.3)	Utility operating and maintenance expenses
	(0.3)	Income before income tax expense and loss from equity investments
	0.1	Income tax benefit
	(0.2)	Net income
Total reclassifications, net of tax	\$ (6.3)	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
Three Months Ended June 30, 2013		
	(millions)	
Gains and (losses) on cash flow hedges (effective portion)		
Interest rate contracts	\$ (2.2)	Interest charges
	(2.2)	Income before income tax expense
	0.9	Income tax benefit
Total reclassifications, net of tax	\$ (1.3)	Net income
Year to Date June 30, 2013		
Gains and (losses) on cash flow hedges (effective portion)		
Interest rate contracts	\$ (4.4)	Interest charges
Commodity contracts	(0.2)	Fuel
	(4.6)	Income before income tax expense
	1.8	Income tax benefit
Total reclassifications, net of tax	\$ (2.8)	Net income

15. TAXES

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

Great Plains Energy	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
(millions)				
Current income taxes				
Federal	\$ —	\$ (3.3)	\$ —	\$ (3.3)
State	0.2	0.4	0.1	0.3
Total	0.2	(2.9)	0.1	(3.0)
Deferred income taxes				
Federal	27.6	30.8	37.5	22.5
State	5.7	5.1	8.0	4.3
Total	33.3	35.9	45.5	26.8
Noncurrent income taxes				
Federal	—	(0.2)	—	(0.2)
State	(0.2)	—	(0.2)	—
Foreign	(0.2)	(0.4)	(0.3)	(0.1)
Total	(0.4)	(0.6)	(0.5)	(0.3)
Investment tax credit amortization				
	(0.4)	(0.6)	(0.9)	(1.2)
Income tax expense	\$ 32.7	\$ 31.8	\$ 44.2	\$ 22.3

KCP&L	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Current income taxes	(millions)			
Federal	\$ (0.3)	\$ 0.1	\$ (0.6)	\$ 0.2
State	(0.1)	0.1	(0.1)	0.1
Total	(0.4)	0.2	(0.7)	0.3
Deferred income taxes				
Federal	16.6	19.4	20.6	16.1
State	3.7	4.2	5.0	4.1
Total	20.3	23.6	25.6	20.2
Noncurrent income taxes				
Federal	0.6	(0.3)	1.1	0.1
State	0.1	(0.1)	0.2	—
Total	0.7	(0.4)	1.3	0.1
Investment tax credit amortization	(0.3)	(0.4)	(0.5)	(0.9)
Income tax expense	\$ 20.3	\$ 23.0	\$ 25.7	\$ 19.7

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	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %	35.0 %
Differences between book and tax depreciation not normalized	(0.3)	1.2	0.2	3.0
Amortization of investment tax credits	(0.4)	(0.7)	(0.6)	(1.8)
Federal income tax credits	(3.8)	(3.6)	(5.0)	(8.6)
State income taxes	3.8	3.9	3.9	4.1
Changes in uncertain tax positions, net	(0.3)	(0.4)	(0.4)	(0.1)
Valuation allowance	—	0.1	—	0.1
Other	(0.1)	—	(0.1)	(0.4)
Effective income tax rate	33.9 %	35.5 %	33.0 %	31.3 %

KCP&L	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %	35.0 %
Differences between book and tax depreciation not normalized	(0.7)	1.3	(0.1)	2.7
Amortization of investment tax credits	(0.4)	(0.7)	(0.6)	(1.4)
Federal income tax credits	(5.7)	(4.9)	(7.7)	(9.3)
State income taxes	3.8	4.0	3.8	4.1
Changes in uncertain tax positions, net	(0.1)	—	(0.1)	—
Other	(0.3)	(0.2)	(0.4)	(1.1)
Effective income tax rate	31.6 %	34.5 %	29.9 %	30.0 %

Deferred Income Taxes

At June 30, 2013, Great Plains Energy's current deferred income tax asset decreased \$66.0 million and noncurrent deferred income tax liability decreased \$16.8 million compared to December 31, 2012, primarily due to the reclassification of \$60.3 million of net operating losses from current deferred income tax asset to noncurrent

deferred income tax liability driven by the expected timing of their utilization due to the extension of 50% bonus depreciation with the January 2, 2013, enactment of the American Taxpayer Relief Act of 2012. The decrease in noncurrent deferred income tax liability was offset by an increase in temporary differences mostly as a result of bonus depreciation.

Uncertain Tax Positions

At June 30, 2013, and December 31, 2012, Great Plains Energy had \$22.0 million and \$21.4 million, respectively, of liabilities related to unrecognized tax benefits. Of these amounts, \$6.7 million and \$7.3 million at June 30, 2013, and December 31, 2012, respectively, were expected to impact the effective tax rate if recognized.

At June 30, 2013, and December 31, 2012, KCP&L had \$11.8 million and \$10.5 million, respectively, of liabilities related to unrecognized tax benefits. None of these amounts were expected to impact the effective tax rate if recognized.

The following table reflects activity for Great Plains Energy and KCP&L related to the liability for unrecognized tax benefits.

	Great Plains Energy		KCP&L	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
	(millions)			
Beginning balance January 1	\$ 21.4	\$ 24.0	\$ 10.5	\$ 8.7
Additions for current year tax positions	1.8	3.7	1.8	3.6
Reductions for current year tax positions	(0.2)	—	—	—
Reductions for prior year tax positions	(0.5)	(1.8)	(0.5)	(1.6)
Statute expirations	(0.2)	(4.7)	—	(0.2)
Foreign currency translation adjustments	(0.3)	0.2	—	—
Ending balance	\$ 22.0	\$ 21.4	\$ 11.8	\$ 10.5

Great Plains Energy and KCP&L recognize interest related to unrecognized tax benefits in interest expense and penalties in non-operating expenses. At June 30, 2013, and December 31, 2012, amounts accrued for interest related to unrecognized tax benefits for Great Plains Energy were \$3.3 million and \$3.5 million, respectively. Amounts accrued for penalties with respect to unrecognized tax benefits for Great Plains Energy were \$0.6 million and \$0.7 million at June 30, 2013, and December 31, 2012, respectively. At June 30, 2013, and December 31, 2012, amounts accrued for interest and penalties with respect to unrecognized tax benefits for KCP&L were insignificant.

The IRS is currently auditing Great Plains Energy and its subsidiaries for the 2009 tax year. In July 2013, the IRS provided guidance to the Company regarding the audit of certain income tax accounting methods for the capitalization of assets. Based on this new guidance, the Company expects to reduce unrecognized tax benefits for these income tax accounting methods by \$11.8 million for Great Plains Energy and KCP&L in the third quarter of 2013. This \$11.8 million reduction in unrecognized tax benefits will be offset by an increase to deferred income tax liabilities since a significant portion of the unrecognized tax benefits were related to temporary tax differences. The Company also estimates that it is reasonably possible that \$0.9 million for Great Plains Energy of other unrecognized tax benefits may be recognized in the next twelve months due to statute expirations or settlement agreements with tax authorities.

16. 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 and unallocated corporate charges. The summary of significant accounting policies applies to the reportable segment. Segment performance is evaluated based on net income attributable to Great Plains Energy.

The following tables reflect summarized financial information concerning Great Plains Energy's reportable segment.

Three Months Ended June 30, 2013	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Operating revenues	\$ 600.3	\$ —	\$ —	\$ 600.3
Depreciation and amortization	(72.6)	—	—	(72.6)
Interest (charges) income	(47.4)	(14.6)	12.6	(49.4)
Income tax (expense) benefit	(33.9)	1.2	—	(32.7)
Net income (loss) attributable to Great Plains Energy	65.5	(1.9)	—	63.6

Year to Date June 30, 2013	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Operating revenues	\$ 1,142.5	\$ —	\$ —	\$ 1,142.5
Depreciation and amortization	(142.8)	—	—	(142.8)
Interest (charges) income	(95.2)	(29.1)	25.2	(99.1)
Income tax (expense) benefit	(46.5)	2.3	—	(44.2)
Net income (loss) attributable to Great Plains Energy	93.1	(3.5)	—	89.6

Three Months Ended June 30, 2012	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Operating revenues	\$ 603.6	\$ —	\$ —	\$ 603.6
Depreciation and amortization	(67.9)	—	—	(67.9)
Interest (charges) income	(50.4)	(15.1)	9.7	(55.8)
Income tax (expense) benefit	(35.9)	4.1	—	(31.8)
Net income (loss) attributable to Great Plains Energy	63.8	(5.7)	—	58.1

Year to Date June 30, 2012	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Operating revenues	\$ 1,083.3	\$ —	\$ —	\$ 1,083.3
Depreciation and amortization	(135.3)	—	—	(135.3)
Interest (charges) income	(101.1)	(40.2)	18.6	(122.7)
Income tax (expense) benefit	(34.1)	11.8	—	(22.3)
Net income (loss) attributable to Great Plains Energy	68.3	(19.3)	—	49.0

June 30, 2013	Electric Utility	Other	Eliminations	Great Plains Energy
	(millions)			
Assets	\$ 10,124.6	\$ 63.9	\$ (424.5)	\$ 9,764.0
Capital expenditures ^(a)	339.8	—	—	339.8
December 31, 2012				
Assets	\$ 9,910.6	\$ 122.4	\$ (385.7)	\$ 9,647.3
Capital expenditures ^(a)	610.2	—	—	610.2

^(a) Capital expenditures reflect year to date amounts for the periods presented.

17. REGULATORY MATTERS

KCP&L Missouri Rate Case Proceedings

On January 9, 2013, the MPSC issued an order for KCP&L authorizing an increase in annual revenues of \$67.4 million effective January 26, 2013. Appeals of the January 9, 2013, MPSC order were filed in February 2013 with the Missouri Court of Appeals, Western District (Court of Appeals) by KCP&L and the Missouri Energy Consumers Group (MECG) regarding various issues. On May 16, 2013, the Court of Appeals granted KCP&L's request to withdraw its appeal.

On January 23, 2013, the MPSC issued an order granting expedited treatment and approving compliance tariffs implementing rates reflecting the increase in annual revenues authorized in the January 9, 2013, order. On February 6, 2013, the Office of Public Counsel (OPC) filed a Writ of Mandamus asking the Court of Appeals to direct the MPSC to vacate and rescind its January 23, 2013, order approving the tariffs because the order did not provide the OPC with a reasonable amount of time to review and/or file a motion for rehearing on the tariffs. On March 13, 2013, the Court of Appeals preliminarily found that OPC may be entitled to the relief it requested. On March 28, 2013, the MPSC requested to the Court of Appeals that the OPC be denied its requested relief. The MECG also appealed the January 23, 2013, order in February 2013.

The Court of Appeals has not yet issued its decision on the MECG appeal or the Writ of Mandamus. The rates established by the MPSC order are effective unless and until modified by the MPSC or stayed by a court.

GMO Missouri Rate Case Proceedings

On January 9, 2013, the MPSC issued an order for GMO authorizing an increase in annual revenues of \$26.2 million for its Missouri Public Service division and \$21.7 million for its St. Joseph Light & Power (L&P) division effective January 26, 2013. Appeals of the January 9, 2013, MPSC order were filed in February 2013 with the Court of Appeals by GMO and MECG regarding various issues.

On January 23, 2013, the MPSC issued an order granting expedited treatment and approving compliance tariffs implementing rates reflecting the increase in annual revenues authorized in the January 9, 2013, order. On February 6, 2013, the OPC filed a Writ of Mandamus asking the Court of Appeals to direct the MPSC to vacate and rescind its January 23, 2013, order approving the tariffs because the order did not provide the OPC with a reasonable amount of time to review and/or file a motion for rehearing on the tariffs. On March 13, 2013, the Court of Appeals preliminarily found that OPC may be entitled to the relief it requested. On March 28, 2013, the MPSC requested to the Court of Appeals that the OPC be denied its requested relief. The MECG also appealed the January 23, 2013, order in February 2013.

The Court of Appeals has not yet issued its decision on the appeals or the Writ of Mandamus. The rates established by the MPSC order are effective unless and until modified by the MPSC or stayed by a court.

ITEM 2. 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. Great Plains Energy's direct subsidiaries with operations or active subsidiaries are KCP&L and GMO. Great Plains Energy's sole reportable business segment is electric utility for the periods presented.

Electric utility consists of KCP&L, a regulated utility, GMO's regulated utility operations, which include its Missouri Public Service and L&P divisions, and GMO Receivables Company. Electric utility has over 6,600 MWs of generating capacity and engages in the generation, transmission, distribution and sale of electricity to approximately 830,600 customers in the states of Missouri and Kansas. Electric utility's retail electricity rates are comparable to the national average of investor-owned utilities.

Earnings Overview

Great Plains Energy's earnings available for common shareholders for the three months ended June 30, 2013, increased to \$63.2 million or \$0.41 per share from \$57.7 million or \$0.41 per share for the same period in 2012 driven by:

- a \$1.5 million increase in gross margin driven by new retail rates, mostly offset by unfavorable weather and increased purchased power and transmission of electricity by others expense; and
- a \$6.4 million decrease in interest expense primarily due to the repayment of GMO's \$500.0 million 11.875% Senior Notes at maturity in July 2012.

In addition, a higher number of shares outstanding due to the issuance of 17.1 million shares in connection with the June 2012 settlement of the purchase contracts underlying the Equity Units diluted earnings per share by \$0.03.

Great Plains Energy's earnings available for common shareholders year to date June 30, 2013, increased to \$88.8 million or \$0.58 per share from \$48.2 million or \$0.34 per share for the same period in 2012 driven by:

- a \$32.9 million increase in gross margin driven by new retail rates, an increase in weather-normalized residential retail demand and the impact from an unplanned outage at Wolf Creek in the first quarter of 2012, partially offset by unfavorable weather and increased purchased power and transmission of electricity by others expense;
- a \$10.0 million decrease in Wolf Creek operating and maintenance expenses primarily due to the unplanned outage at Wolf Creek during the first quarter of 2012;
- a \$23.6 million decrease in interest expense primarily due to the repayment of GMO's \$500.0 million 11.875% Senior Notes at maturity in July 2012 and a lower interest rate on the refinanced long-term debt that was underlying Great Plains Energy's \$287.5 million Equity Units; and
- a \$21.9 million increase in income tax expense driven by increased pre-tax income.

In addition, a higher number of shares outstanding due to the issuance of 17.1 million shares in connection with the June 2012 settlement of the purchase contracts underlying the Equity Units diluted earnings per share by \$0.03.

Gross margin is a financial measure that is not calculated in accordance with GAAP. See the explanation of gross margin and the reconciliation to GAAP operating revenues under Great Plains Energy's Results of Operations for further information.

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

Wolf Creek Refueling Outage

Wolf Creek's latest refueling outage began on February 4, 2013, and the unit returned to service on April 15, 2013. A mid-cycle maintenance outage is planned for the spring of 2014 with the next refueling outage planned to begin in the first quarter of 2015.

Transmission Investment Opportunities

KCP&L and GMO jointly have an SPP-approved regional transmission project for an approximately 30-mile, 345kV transmission line from KCP&L's and GMO's Iatan generating station to KCP&L's Nashua substation with estimated construction costs of \$65 million and an expected 2015 in-service date (Iatan-Nashua line). GMO has an SPP-approved regional transmission project for the Missouri portion of an approximately 180-mile, 345kV transmission line from Sibley, Missouri to Nebraska City, Nebraska with an expected 2017 in-service date (Sibley-Nebraska City line). In June 2013, the final route for the Sibley-Nebraska City line was determined and the previous cost estimate of \$380 million for GMO's portion of the line is currently being reevaluated.

In August 2012, Transource Missouri filed a request with FERC seeking incentive rate treatment and acceptance of a formula transmission rate to recover the cost of current and future projects. In October 2012, FERC issued an order approving certain incentive rate treatments and conditionally accepting the formula transmission rate for Transource Missouri, subject to the outcome of an administrative hearing or settlement. In February 2013, Transource Missouri and another party to the case filed a settlement with FERC for the formula transmission rate. FERC approved the settlement in May 2013. Transource Missouri's base return on equity for the formula transmission rate approved by FERC is 9.8%. Including certain incentives approved by FERC, the weighted-average return on equity specifically for the Iatan-Nashua and Sibley-Nebraska City lines discussed above is approximately 11.1%.

In August 2012, KCP&L and GMO filed a request with the MPSC to authorize the transfer at cost of certain transmission property related to the two SPP-approved regional transmission projects to Transource Missouri, LLC (Transource Missouri), a wholly owned subsidiary of Transource Energy, LLC (Transource). In August 2012, Transource Missouri filed a request with the MPSC seeking a Certificate of Convenience and Necessity (CCN) to construct, finance, own, operate and maintain the projects. In April 2013, KCP&L, GMO, Transource Missouri, MPSC staff and another party to the cases filed a non-unanimous stipulation and agreement with the MPSC requesting that the MPSC approve the KCP&L, GMO and Transource Missouri requests filed in August 2012, subject to certain conditions. The MPSC approved the stipulation and agreement in August 2013.

KCP&L and GMO must also seek approval from the SPP to novate the projects to Transource Missouri. Upon SPP's expected approval, SPP will then submit its approval of the novation to FERC for final approval. Great Plains Energy expects that final FERC approval of the novation will be obtained so that the projects can be transferred in the next six months.

ENVIRONMENTAL MATTERS

See Note 9 to the consolidated financial statements for information regarding environmental matters.

RELATED PARTY TRANSACTIONS

See Note 11 to the consolidated financial statements for information regarding related party transactions.

GREAT PLAINS ENERGY RESULTS OF OPERATIONS

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

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
	(millions)			
Operating revenues	\$ 600.3	\$ 603.6	\$ 1,142.5	\$ 1,083.3
Fuel	(121.2)	(138.1)	(253.4)	(257.4)
Purchased power	(34.9)	(26.9)	(73.7)	(51.6)
Transmission of electricity by others	(12.9)	(8.8)	(24.3)	(16.1)
Gross margin ^(a)	431.3	429.8	791.1	758.2
Other operating expenses	(215.1)	(211.9)	(418.6)	(423.9)
Depreciation and amortization	(72.6)	(67.9)	(142.8)	(135.3)
Operating income	143.6	150.0	229.7	199.0
Non-operating income and expenses	2.2	(4.2)	3.4	(5.1)
Interest charges	(49.4)	(55.8)	(99.1)	(122.7)
Income tax expense	(32.7)	(31.8)	(44.2)	(22.3)
Loss from equity investments	(0.1)	(0.1)	(0.2)	(0.1)
Net income	63.6	58.1	89.6	48.8
Less: Net loss attributable to noncontrolling interest	—	—	—	0.2
Net income attributable to Great Plains Energy	63.6	58.1	89.6	49.0
Preferred dividends	(0.4)	(0.4)	(0.8)	(0.8)
Earnings available for common shareholders	\$ 63.2	\$ 57.7	\$ 88.8	\$ 48.2

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

Three Months Ended June 30, 2013, Compared to June 30, 2012

Great Plains Energy's earnings available for common shareholders for the three months ended June 30, 2013, increased to \$63.2 million or \$0.41 per share from \$57.7 million or \$0.41 per share for the same period in 2012.

Electric utility's net income increased \$1.7 million for the three months ended June 30, 2013, compared to the same period in 2012 primarily due to:

- a \$1.5 million increase in gross margin driven by:
 - an estimated \$39 million increase from new retail rates in Kansas effective January 1, 2013, and Missouri effective January 26, 2013;
 - an estimated \$28 million decrease due to unfavorable weather driven by a 37% decrease in cooling degree days; and
 - an estimated \$10 million decrease primarily due to increased purchased power and transmission of electricity by others expense;
- a \$3.0 million decrease in interest expense primarily due to a \$6.7 million decrease from the repayment of GMO's \$500.0 million 11.875% Senior Notes at maturity in July 2012, partially offset by a \$3.0 million increase due to a \$287.5 million 5.15% intercompany loan from Great Plains Energy to GMO issued in June 2012.

Great Plains Energy's corporate and other activities loss decreased \$3.8 million for the three months ended June 30, 2013, compared to the same period in 2012 primarily due to a \$1.8 million increase in after-tax intercompany interest income due to a \$287.5 million 5.15% intercompany loan from Great Plains Energy to GMO issued in June 2012.

Year to Date June 30, 2013, Compared to June 30, 2012

Great Plains Energy's earnings available for common shareholders year to date June 30, 2013, increased to \$88.8 million or \$0.58 per share from \$48.2 million or \$0.34 per share for the same period in 2012.

Electric utility's net income increased \$24.8 million year to date June 30, 2013, compared to the same period in 2012 driven by:

- a \$32.9 million increase in gross margin driven by:
 - an estimated \$62 million increase from new retail rates in Kansas effective January 1, 2013, and Missouri effective January 26, 2013;
 - an estimated \$3 million increase driven by an increase in weather-normalized residential retail demand;
 - an estimated \$4 million increase from the impact of an unplanned outage at Wolf Creek in the first quarter of 2012;
 - an estimated \$12 million decrease due to unfavorable weather driven by a 42% decrease in cooling degree days partially offset by the impact of favorable weather during the first quarter of 2013; and
 - an estimated \$24 million decrease primarily due to increased purchased power and transmission of electricity by others expense;
- a \$5.9 million decrease in interest expense primarily due to a \$13.4 million decrease from the repayment of GMO's \$500.0 million 11.875% Senior Notes at maturity in July 2012, partially offset by a \$6.7 million increase due to a \$287.5 million 5.15% intercompany loan from Great Plains Energy to GMO issued in June 2012; and
- a \$12.4 million increase in income tax expense driven by increased pre-tax income.

Great Plains Energy's corporate and other activities loss decreased \$15.8 million year to date June 30, 2013, compared to the same period in 2012 driven by:

- a \$6.0 million decrease in after-tax interest expense as a result of a lower interest rate on the refinanced long-term debt that was underlying Great Plains Energy's \$287.5 million Equity Units;
- a \$4.0 million increase in after-tax intercompany interest income due to a \$287.5 million 5.15% intercompany loan from Great Plains Energy to GMO issued in June 2012; and
- year to date June 30, 2012, included a \$1.8 million after-tax loss on the sale of real estate property.

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, purchased power and transmission of electricity by others. Expenses for fuel, purchased power and transmission of electricity by others, offset by wholesale sales margin, are subject to recovery through cost adjustment mechanisms, except for KCP&L's Missouri retail operations. As a result, operating revenues increase or decrease in relation to a significant portion of these expenses. Management believes that gross margin provides a more meaningful basis for evaluating electric utility's operations across periods than operating revenues 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 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.

	Three Months Ended June 30		Year to Date June 30	
	2013	2012	2013	2012
	(millions)			
Operating revenues	\$ 600.3	\$ 603.6	\$ 1,142.5	\$ 1,083.3
Fuel	(121.2)	(138.1)	(253.4)	(257.4)
Purchased power	(34.9)	(26.9)	(73.7)	(51.6)
Transmission of electricity by others	(12.9)	(8.8)	(24.3)	(16.1)
Gross margin ^(a)	431.3	429.8	791.1	758.2
Other operating expenses	(214.4)	(208.8)	(417.2)	(416.2)
Depreciation and amortization	(72.6)	(67.9)	(142.8)	(135.3)
Operating income	144.3	153.1	231.1	206.7
Non-operating income and expenses	2.5	(3.0)	3.7	(3.2)
Interest charges	(47.4)	(50.4)	(95.2)	(101.1)
Income tax expense	(33.9)	(35.9)	(46.5)	(34.1)
Net income	\$ 65.5	\$ 63.8	\$ 93.1	\$ 68.3

^(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.

Three Months Ended June 30	Revenues and Costs		% Change	MWhs Sold		% Change
	2013	2012		2013	2012	
Retail revenues	(millions)			(thousands)		
Residential	\$ 228.0	\$ 236.7	(4)%	1,868	2,060	(9)%
Commercial	253.0	242.5	4 %	2,665	2,790	(4)%
Industrial	58.7	55.4	6 %	812	853	(5)%
Other retail revenues	5.5	4.9	5 %	29	29	(1)%
Kansas property tax surcharge	(0.1)	1.4	N/M	N/A	N/A	N/A
Fuel recovery mechanism	5.9	3.8	57 %	N/A	N/A	N/A
Total retail	551.0	544.7	1 %	5,374	5,732	(6)%
Wholesale revenues	38.6	48.6	(21)%	1,385	2,146	(35)%
Other revenues	10.7	10.3	5 %	N/A	N/A	N/A
Operating revenues	600.3	603.6	(1)%	6,759	7,878	(14)%
Fuel	(121.2)	(138.1)	(12)%			
Purchased power	(34.9)	(26.9)	29 %			
Transmission of electricity by others	(12.9)	(8.8)	45 %			
Gross margin ^(a)	\$ 431.3	\$ 429.8	— %			

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

Year to Date June 30	Revenues and Costs		% Change	MWhs Sold		% Change
	2013	2012		2013	2012	
Retail revenues	(millions)			(thousands)		
Residential	\$ 454.6	\$ 426.8	7 %	4,222	4,116	3 %
Commercial	461.7	431.3	7 %	5,190	5,253	(1)%
Industrial	103.0	98.2	5 %	1,518	1,610	(6)%
Other retail revenues	10.5	9.9	5 %	60	60	— %
Kansas property tax surcharge	—	2.9	N/M	N/A	N/A	N/A
Fuel recovery mechanism	14.1	10.2	38 %	N/A	N/A	N/A
Total retail	1,043.9	979.3	7 %	10,990	11,039	— %
Wholesale revenues	73.0	82.2	(11)%	2,631	3,279	(20)%
Other revenues	25.6	21.8	18 %	N/A	N/A	N/A
Operating revenues	1,142.5	1,083.3	5 %	13,621	14,318	(5)%
Fuel	(253.4)	(257.4)	(2)%			
Purchased power	(73.7)	(51.6)	43 %			
Transmission of electricity by others	(24.3)	(16.1)	50 %			
Gross margin ^(a)	\$ 791.1	\$ 758.2	4 %			

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

Electric utility's gross margin increased \$1.5 million for the three months ended June 30, 2013, compared to the same period in 2012 primarily due to:

- an estimated \$39 million increase from new retail rates in Kansas effective January 1, 2013, and Missouri effective January 26, 2013;
- an estimated \$28 million decrease due to unfavorable weather driven by a 37% decrease in cooling degree days; and
- an estimated \$10 million decrease primarily due to increased purchased power and transmission of electricity by others expense. Purchased power expense increased primarily due to increased MWh purchases under new wind generation power purchase agreements, which are included in new retail rates. Transmission of electricity by others increased primarily due to SPP base plan funding transmission charges, of which a portion is included in new retail rates.

Electric utility's gross margin increased \$32.9 million year to date June 30, 2013, compared to the same period in 2012 primarily due to:

- an estimated \$62 million increase from new retail rates in Kansas effective January 1, 2013, and Missouri effective January 26, 2013;
- an estimated \$3 million increase driven by an increase in weather-normalized residential retail demand;
- an estimated \$4 million increase from the impact of an unplanned outage at Wolf Creek in the first quarter of 2012;
- an estimated \$12 million decrease due to unfavorable weather driven by a 42% decrease in cooling degree days partially offset by the impact of favorable weather during the first quarter of 2013; and
- an estimated \$24 million decrease primarily due to increased purchased power and transmission of electricity by others expense. Purchased power expense increased primarily due to increased MWh purchases under new wind generation power purchase agreements, which are included in new retail rates. Transmission of electricity by others increased primarily due to SPP base plan funding transmission charges, of which a portion is included in new retail rates.

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

Electric utility's other operating expenses increased \$5.6 million for the three months ended June 30, 2013, compared to the same period in 2012 primarily due to a \$3.2 million increase in general taxes driven by increased property taxes and \$0.8 million of regulatory asset amortization in 2013 for solar rebates provided to customers.

Electric utility's other operating expenses increased \$1.0 million year to date June 30, 2013, compared to the same period in 2012 driven by a \$6.5 million increase in general taxes driven by increased property taxes and a \$4.4 million increase relating to solar rebates provided to customers due to the deferral to a regulatory asset for recovery in future rates of \$3.0 million in the first quarter of 2012 and \$1.4 million of regulatory asset amortization in 2013. These increases were mostly offset by a \$10.0 million decrease in operating and maintenance expenses at Wolf Creek primarily due to an unplanned outage in the first quarter of 2012.

Electric Utility Depreciation and Amortization

Electric utility's depreciation and amortization increased \$4.7 million and \$7.5 million for the three months ended and year to date June 30, 2013, respectively, compared to the same periods in 2012 driven by higher depreciation rates for KCP&L as well as increased depreciation expense for other capital additions.

Electric Utility Non-Operating Income and Expenses

Electric utility's non-operating income and expenses increased \$5.5 million and \$6.9 million for the three months ended and year to date June 30, 2013, respectively, compared to the same periods in 2012 primarily due to an increase in the equity component of AFUDC at KCP&L.

Electric Utility Interest Charges

Electric utility's interest charges decreased \$3.0 million for the three months ended June 30, 2013, compared to the same period in 2012 primarily due to a \$6.7 million decrease from the repayment of GMO's \$500.0 million 11.875% Senior Notes at maturity in July 2012, partially offset by a \$3.0 million increase due to a \$287.5 million 5.15% intercompany loan from Great Plains Energy to GMO issued in June 2012.

Electric utility's interest charges decreased \$5.9 million year to date June 30, 2013, compared to the same period in 2012 primarily due to a \$13.4 million decrease from the repayment of GMO's \$500.0 million 11.875% Senior Notes at maturity in July 2012, partially offset by a \$6.7 million increase due to a \$287.5 million 5.15% intercompany loan from Great Plains Energy to GMO issued in June 2012.

Electric Utility Income Tax Expense

Electric utility's income tax expense increased \$12.4 million year to date June 30, 2013, compared to the same period in 2012 primarily due to increased pre-tax income.

GREAT PLAINS ENERGY SIGNIFICANT BALANCE SHEET CHANGES

(June 30, 2013, compared to December 31, 2012)

- Great Plains Energy's receivables, net increased \$26.3 million primarily due to seasonal increases in customer accounts receivable.
- Great Plains Energy's deferred income taxes - current assets decreased \$66.0 million primarily due to the reclassification to deferred income taxes - deferred credits and other liabilities of \$60.3 million of deferred tax assets relating to net operating losses driven by the expected timing of their utilization due to the extension of 50% bonus depreciation with the January 2, 2013, enactment of the American Taxpayer Relief Act of 2012.
- Great Plains Energy's construction work in progress increased \$61.4 million primarily due to a \$57.6 million increase for environmental upgrades at KCP&L's La Cygne Station.
- Great Plains Energy's commercial paper decreased \$145.1 million due to repayment with proceeds from KCP&L's issuance of \$300.0 million of 3.15% Senior Notes and the remarketing of \$112.8 million of

EIRR bonds previously held by KCP&L, partially offset by increased borrowings used to support environmental upgrades at KCP&L's La Cygne Station, as well as dividend and interest payments.

- Great Plains Energy's accounts payable decreased \$148.2 million primarily due to the timing of cash payments.
- Great Plains Energy's accrued taxes increased \$42.9 million primarily due to the timing of property tax payments.
- Great Plains Energy's deferred income taxes - deferred credits and other liabilities decreased \$16.8 million primarily due to the reclassification from deferred income taxes - current assets of \$60.3 million of deferred tax assets relating to net operating losses driven by the expected timing of their utilization due to the extension of 50% bonus depreciation with the January 2, 2013, enactment of the American Taxpayer Relief Act of 2012. This decrease was offset by an increase in temporary differences mostly as a result of bonus depreciation.
- Great Plains Energy's long-term debt increased \$409.1 million primarily due to the issuance, at a discount, of KCP&L's \$300.0 million of 3.15% Senior Notes in March 2013 and the remarketing in April 2013 of \$112.8 million of EIRR bonds previously held by KCP&L.

CAPITAL REQUIREMENTS AND LIQUIDITY

Great Plains Energy operates through its subsidiaries and has no material assets other than the stock of its subsidiaries. Great Plains Energy's ability to make payments on its debt securities and its ability to pay dividends are 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 are discussed below.

Great Plains Energy's liquid resources at June 30, 2013, consisted of \$7.9 million of cash and cash equivalents on hand and \$851.8 million of unused bank lines of credit. The unused lines consisted of \$192.2 million from Great Plains Energy's revolving credit facility, \$394.7 million from KCP&L's credit facilities and \$264.9 million from GMO's credit facilities. See Note 7 to the consolidated financial statements for more information on the revolving credit facilities. 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.

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 the issuance of equity securities, equity-linked securities and/or short-term and long-term debt. 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.

Cash Flows from Operating Activities

Great Plains Energy generated positive cash flows from operating activities for the periods presented. The \$10.1 million increase in cash flows from operating activities for Great Plains Energy year to date June 30, 2013, compared to the same period in 2012 is primarily due to a \$40.8 million increase in net income, partially offset by an increase in deferred refueling outage costs. Other changes in working capital are detailed in Note 2 to the consolidated financial statements. The individual components of working capital vary with normal business cycles and operations.

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.

Great Plains Energy's utility capital expenditures increased \$76.4 million year to date June 30, 2013, compared to the same period in 2012 primarily due to an increase in cash utility capital expenditures at the Wolf Creek nuclear unit for a back-up diesel generator and pipe replacement for the essential service water system, environmental upgrades at KCP&L's La Cygne Station and construction of the SPP-approved regional transmission line from the Iatan generating station to KCP&L's Nashua substation, in addition to normal plant activity.

Cash Flows from Financing Activities

Great Plains Energy's cash flows from financing activities year to date June 30, 2013, reflect KCP&L's issuance, at a discount, of \$300.0 million of 3.15% Senior Notes that mature in 2023 and the remarketing of \$112.8 million of EIRR bonds previously held by KCP&L, with the proceeds used to repay short-term borrowings.

In June 2012, Great Plains Energy settled the obligations under the purchase contracts underlying its 5.7 million outstanding Equity Units by issuing approximately 17.1 million shares of its common stock in exchange for \$287.4 million in cash proceeds which Great Plains Energy used to make an intercompany loan to GMO. GMO used the proceeds to make an intercompany loan to KCP&L under the Great Plains Energy money pool, which KCP&L used to repay short-term borrowings. Great Plains Energy's cash flows from financing activities year to date June 30, 2012, also reflect repayment of KCP&L's \$12.4 million of 4.00% EIRR bonds at maturity in January 2012.

Financing Authorization

Under stipulations with the 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. In February 2012, the MPSC authorized KCP&L to issue up to \$300.0 million of long-term debt and to enter into interest rate hedging instruments in connection with such debt through December 31, 2013. At June 30, 2013, KCP&L had utilized all of this authorization.

In October 2012, FERC authorized KCP&L to have outstanding at any time up to a total of \$1.0 billion in short-term debt instruments through December 2014, conditioned on KCP&L's borrowing costs not exceeding the greater of: (i) 2.25% over LIBOR; (ii) the greater of 1.25% over the prime rate, 1.75% over the federal funds rate, and 2.25% over LIBOR; or (iii) 2.25% over the A2/P-2 nonfinancial commercial paper rate most recently published by the Federal Reserve at the time of the borrowing. The authorization is subject to four restrictions: (i) proceeds of debt backed by utility assets must be used for utility purposes; (ii) if any utility assets that secure authorized debt are divested or spun off, the debt must follow the assets and also be divested or spun off; (iii) if any proceeds of the authorized debt are used for non-utility purposes, the debt must follow the non-utility assets (specifically, if the non-utility assets are divested or spun off, then a proportionate share of the debt must follow the divested or spun off non-utility assets); and (iv) if utility assets financed by the authorized short-term debt are divested or spun off to another entity, a proportionate share of the debt must also be divested or spun off. At June 30, 2013, there was \$800.0 million available under this authorization.

In January 2012, FERC authorized GMO to have outstanding at any time up to a total of \$750.0 million in short-term debt instruments through March 2014, conditioned on GMO's borrowing costs not exceeding the greater of 2.25% over LIBOR or 1.75% over the prime rate or federal funds rate, as applicable, and subject to the same four restrictions as the KCP&L FERC short-term authorization discussed in the preceding paragraph. At June 30, 2013, there was \$565.0 million available under this authorization.

In November 2011, FERC authorized GMO to issue up to a total of \$850.0 million of long-term debt through December 2013. At June 30, 2013, there was \$562.5 million available under this authorization.

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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 June 30, 2013, GMO had outstanding payables under the money pool of \$36.3 million to KCP&L and \$3.2 million to Great Plains Energy.

Debt Agreements

See Note 7 to the consolidated financial statements for information regarding revolving credit facilities.

Pensions

The Company maintains defined benefit plans for substantially all active and inactive employees of KCP&L, GMO and WCNOG and incurs significant costs in providing the plans. Funding of the plans follows legal and regulatory requirements with funding equaling or exceeding the minimum requirements of ERISA. Year to date June 30, 2013, the Company contributed \$32.4 million to the pension plans and expects to contribute an additional \$25.0 million in 2013 to satisfy the minimum ERISA funding requirements and the MPSC and KCC rate orders, the majority of which is expected to be paid by KCP&L.

Additionally, the Company provides post-retirement health and life insurance benefits for certain retired employees and expects to make benefit contributions of \$18.7 million under the provisions of these plans in 2013, 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.

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.

	Year to Date June 30	
	2013	2012
Operating revenues	\$ 777.5	\$ 736.1
Fuel	(180.5)	(183.3)
Purchased power	(37.7)	(13.6)
Transmission of electricity by others	(16.8)	(11.1)
Gross margin ^(a)	542.5	528.1
Other operating expenses	(299.6)	(304.9)
Depreciation and amortization	(97.2)	(91.7)
Operating income	145.7	131.5
Non-operating income and expenses	3.9	(2.1)
Interest charges	(63.5)	(63.7)
Income tax expense	(25.7)	(19.7)
Net income	\$ 60.4	\$ 46.0

^(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.

Year to Date June 30	Revenues and Costs		%	MWhs Sold		%
	2013	2012	Change	2013	2012	Change
Retail revenues	(millions)			(thousands)		
Residential	\$ 278.4	\$ 260.3	7 %	2,513	2,488	1 %
Commercial	335.3	310.7	8 %	3,636	3,691	(1)%
Industrial	61.6	59.4	4 %	862	933	(8)%
Other retail revenues	6.5	6.3	4 %	44	44	(1)%
Kansas property tax surcharge	—	2.9	N/M	N/A	N/A	N/A
Fuel recovery mechanism	7.5	9.0	(17)%	N/A	N/A	N/A
Total retail	689.3	648.6	6 %	7,055	7,156	(1)%
Wholesale revenues	79.7	78.7	1 %	2,863	3,145	(9)%
Other revenues	8.5	8.8	(4)%	N/A	N/A	N/A
Operating revenues	777.5	736.1	6 %	9,918	10,301	(4)%
Fuel	(180.5)	(183.3)	(2)%			
Purchased power	(37.7)	(13.6)	N/M			
Transmission of electricity by others	(16.8)	(11.1)	51 %			
Gross margin ^(a)	\$ 542.5	\$ 528.1	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's gross margin increased \$14.4 million year to date June 30, 2013, compared to the same period in 2012 primarily due to:

- an estimated \$42 million increase from new retail rates in Kansas effective January 1, 2013, and Missouri effective January 26, 2013;
- an estimated \$2 million increase driven by an increase in weather-normalized residential retail demand;
- an estimated \$4 million increase from the impact of an unplanned outage at Wolf Creek in the first quarter of 2012;
- an estimated \$10 million decrease due to unfavorable weather driven by a 42% decrease in cooling degree days partially offset by the impact of favorable weather during the first quarter of 2013; and
- an estimated \$24 million decrease primarily due to increased purchased power and transmission of electricity by others expense. Purchased power expense increased primarily due to increased MWh purchases under new wind generation power purchase agreements, which are included in new retail rates. Transmission of electricity by others increased primarily due to SPP base plan funding transmission charges, of which a portion is included in new retail rates.

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

KCP&L's other operating expenses decreased \$5.3 million year to date June 30, 2013, compared to the same period in 2012 driven by a \$10.0 million decrease in operating and maintenance expenses at Wolf Creek primarily due to an unplanned outage in the first quarter of 2012. This decrease was partially offset by a \$3.6 million increase in general taxes driven by increased property taxes and a \$2.0 million increase relating to solar rebates provided to customers due to the deferral to a regulatory asset for recovery in future rates of \$1.6 million in the first quarter of 2012 and \$0.4 million of regulatory asset amortization in 2013.

KCP&L Depreciation and Amortization

KCP&L's depreciation and amortization increased \$5.5 million year to date June 30, 2013, compared to the same period in 2012 driven by higher depreciation rates as well as increased depreciation expense for other capital additions.

KCP&L Non-Operating Income and Expenses

KCP&L's non-operating income and expenses increased \$6.0 million year to date June 30, 2013, compared to the same period in 2012 primarily due to an increase in the equity component of AFUDC.

KCP&L Income Tax Expense

KCP&L's income tax expense increased \$6.0 million year to date June 30, 2013, compared to the same period in 2012 primarily due to increased pre-tax income.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Great Plains Energy and KCP&L are exposed to market risks associated with commodity price and supply, interest rates and equity prices. Market risks are handled in accordance with established policies, which may include entering into various derivative transactions. In the normal course of business, Great Plains Energy and KCP&L also face risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, regulatory, operational and credit risks and are discussed elsewhere in this document as well as in the 2012 Form 10-K and therefore are not represented here.

Great Plains Energy's and KCP&L's interim period disclosures about market risk included in quarterly reports on Form 10-Q address material changes, if any, from the most recently filed annual report on Form 10-K. Therefore, these interim period disclosures should be read in connection with Item 7A Quantitative and Qualitative Disclosures About Market Risk included in the 2012 Form 10-K of each of Great Plains Energy and KCP&L, incorporated herein by reference.

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 June 30, 2013, was \$18.2 million.

ITEM 4. 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 June 30, 2013, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

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 June 30, 2013, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II - OTHER INFORMATION**ITEM 1. 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 9, 10 and 17 to the consolidated financial statements. Such information is incorporated herein by reference.

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. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in Item 1A Risk Factors included in the 2012 Form 10-K for each of Great Plains Energy and KCP&L. There have been no material changes with regard to those risk factors. 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.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information regarding purchases by Great Plains Energy of its equity securities during the three months ended June 30, 2013.

Issuer Purchases of Equity Securities				
Month	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
April 1 - 30	686 ⁽¹⁾	\$ 22.78	—	N/A
May 1 - 31	327 ⁽¹⁾	22.78	—	N/A
June 1 - 30	1,940 ⁽²⁾	22.66	—	N/A
Total	2,953	\$ 22.70	—	N/A

⁽¹⁾ Represents common shares surrendered to the Company related to the forfeiture of restricted common shares.

⁽²⁾ Represents common shares surrendered to the Company to pay taxes related to the vesting of restricted common shares.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>		<u>Description of Document</u>	<u>Registrant</u>
10.1	+	Great Plains Energy Incorporated Amended Long-Term Incentive Plan, effective January 1, 2014.	Great Plains Energy 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 James C. Shay.	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 James C. Shay.	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

* 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 Great Plains Energy or KCP&L, as applicable, 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Great Plains Energy Incorporated and Kansas City Power & Light Company have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

GREAT PLAINS ENERGY INCORPORATED

Dated: August 8, 2013

By: /s/ Terry Bassham
(Terry Bassham)
(Chief Executive Officer)

Dated: August 8, 2013

By: /s/ Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

KANSAS CITY POWER & LIGHT COMPANY

Dated: August 8, 2013

By: /s/ Terry Bassham
(Terry Bassham)
(Chief Executive Officer)

Dated: August 8, 2013

By: /s/ Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

**GREAT PLAINS ENERGY INCORPORATED
AMENDED LONG-TERM INCENTIVE PLAN**

SECTION ONE. PURPOSE OF PLAN

The purposes of the Plan are to encourage officers, employees and non-employee directors of the Company to acquire proprietary and vested interest in the growth and performance of the Company, to generate an increased incentive to enhance the value of the Company for the benefit of its customers and shareholders, and to aid in the attraction and retention of exceptionally qualified individuals upon whom the Company's success largely depends.

SECTION TWO. DEFINITIONS

The following definitions are applicable herein:

"Act" means the Securities Act of 1933, as it may be amended from time to time.

"Award" means the award to a Participant of Bonus Shares, Restricted Stock, Restricted Stock Units, Stock Options, Stock Appreciation Rights, Limited Stock Appreciation Rights, Performance Shares or Director Deferred Share Units.

"Award Agreement" means a written agreement or instrument between the Company and a Participant which evidences an Award and sets forth such applicable terms, conditions and limitations (including treatment as a Performance Award) as the Committee establishes for the Award.

"Award Period" means that period established by the Committee during which any performance goals specified with respect to earning any Award are to be measured.

"Board" means the Board of Directors of the Company.

"Bonus Shares" means Shares that are awarded to a Participant without cost and without restriction in recognition of past performance (whether determined by reference to another employee benefit plan of the Company or otherwise) or as an incentive to become an employee of the Company or a Subsidiary as permitted by applicable law.

"Cause" means unless otherwise defined in a Participant's employment agreement or change in control severance agreement with the Company, in which case such definition will apply, (i) the material misappropriation of any of the Company's funds or property; (ii) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, or the equivalent thereof; (iii) commission of an act of willful damage, willful misrepresentation, willful dishonesty, or other willful conduct that can reasonably be expected to have a material adverse effect on the business, reputation, or financial situation of the Company; or (iv) gross negligence or willful misconduct in performance of a Participant's duties; provided, however, "cause" shall not exist under clause (iv), above, with respect to an act or failure to act unless (A)

the Participant has been provided written notice describing in sufficient detail the acts or failure to act giving rise to the Company's assertion of such gross negligence or misconduct, (B) been provided a reasonable period to remedy any such occurrence and (C) failed to sufficiently remedy the occurrence.

"Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations promulgated thereunder.

"Committee" means (i) the Compensation and Development Committee or the independent members of the Board, composed in each case of not less than two directors, each of whom is both a "non-employee director" (within the meaning of Rule 16b-3(b)(3) under the Exchange Act) and an "outside director" (within the meaning of Code Section 162(m)) or (ii) any other committee of the Board to whom the Board has delegated its authority under this Plan.

"Common Stock" means the common stock, without par value, of the Company, or such other class of shares or other securities as may be subject to the Plan as a result of an adjustment made pursuant to the provisions of Section Fifteen I.

"Company" means Great Plains Energy Incorporated and its successors, including any Company as provided in Section Fifteen J.

"Covered Employee" means a Participant who, as of the last day of the fiscal year in which the value of an Award is recognizable in income for federal income tax purposes, is one of the groups of "covered employees," within the meaning of Code Section 162(m), with respect to the Company.

"Date of Disability" means the date on which a Participant is classified as disabled as defined in the Company's Long-Term Disability Plan.

"Date of Grant" means, unless the Committee otherwise specifies a later Date of Grant in the Committee's applicable granting resolution, the date on which an Award is granted by the Committee.

"Date of Retirement" means the date of normal retirement or early retirement as defined in the Company's pension plan.

"Deferred Compensation Plan" means the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan, as amended.

"Director" means a member of the Board, a member of the board of directors of any Subsidiary, or any honorary, advisory or emeritus director of the Company or any Subsidiary.

"Director Deferred Share Unit" means, pursuant to Section Twelve of this Plan, a Non-Employee Director's right to receive a payment following the Non-Employee Director's termination from service as a Director, in cash or Shares, of an amount equal to the Fair Market Value of one Share.

"Director Equity Payment Fees" means any fees payable to a Non-Employee Director in the form of common stock of the Company for his or her service as a Director of the Company or any of its Subsidiaries.

"Director Shares" means, pursuant to Section Twelve of the Plan, Shares issued to a Director, as payment for serving as a Director.

"Disability" means that a Participant is classified as disabled as defined in the Company's Long-Term Disability Plan.

"Dividend Equivalent" means a right granted appurtenant to an Award to receive payments equal to dividends or property paid with respect to Shares underlying such Award, at such time and on such terms and conditions as set forth in the Award Agreement.

"Eligible Employee" means any officer of, or any person employed on a regularly scheduled basis by, the Company or any Subsidiary during any portion of an Award Period.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive Officer" means (i) the president of the Company, any vice president of the Company, including any vice president of the Company in charge of a principal business unit, division or function (such as sales, administration, or finance), any other officer who performs a policy making function or any other Person who performs similar policy making functions for the Company, (ii) Executive Officers (as defined in part (i) of this definition) of subsidiaries of the Company who perform policy making functions for the Company, and (iii) any Person designated or identified by the Board as being an Executive Officer for purposes of the Act or the Exchange Act, including any Person designated or identified by the Board as being a Section 16 Person.

"Fair Market Value" means the closing market price for a Share as reported on the New York Exchange Composite Transactions for the applicable measuring date.

"Good Reason" means, without a Participant's written consent and unless otherwise defined in a Participant's employment agreement or change in control severance agreement with the Company (in which case such definition will apply), any of the following:

- (1) Any material and adverse reduction or material and adverse diminution in a Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities held, exercised or assigned at any time during the 90-day period immediately preceding the Change in Control;
- (2) Any reduction in a Participant's annual base salary as in effect immediately preceding the Change in Control or as the same may be increased from time to time; or
- (3) A Participant being required by the Company to be based at any office or location that is more than 70 miles from the location where the Participant was employed immediately preceding the Change in Control.

Provided, however, notwithstanding the occurrence of any of the events set forth above in this definition, Good Reason shall not include for the purpose of this definition (1) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant, or (2) any reduction in the Participant's base annual salary or reduction in benefits received by the Participant where such reduction is in connection with a company-wide reduction in salaries or benefits.

"Incentive Stock Option" means an incentive stock option within the meaning of Section 422 of the Code.

"Limited Stock Appreciation Right" or "LSAR" means an Award granted under Section Nine.

"Non-Employee Director" means a Director who is not employed by the Company or any Subsidiary.

"Option" or "Stock Option" means either a non-qualified stock option or an Incentive Stock Option granted under Section Eight.

"Option Period" or "Option Periods" means the period or periods during which an Option is exercisable as described in Section Eight E.

"Participant" means an Eligible Employee or Non-Employee Director who has been granted an Award under the Plan.

"Plan" means the Great Plains Energy Incorporated Long-Term Incentive Plan, as amended.

"Performance Award" means any Award that will be issued or granted, or become vested or payable, as the case may be, upon the achievement of certain performance goals (as described in Section Eleven B) to a Participant pursuant to Section Eleven.

"Performance Shares" means an Award granted under Section Ten.

"Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including "group" as defined in Section 13(d) thereof.

"Restricted Stock" means an Award granted under Section Seven.

"Restricted Stock Unit" or "RSU" means an Award granted under Section Seven evidencing the Participant's right to receive a Share (or, at the Committee's discretion, a cash payment equal to the Fair Market Value of a Share) at some future date and that is subject those restrictions set forth therein and the Award Agreement.

"Section 16 Person" means a Person who is subject to obligations under Section 16 of the Exchange Act with respect to transactions involving equity securities of the Company.

"Share" means a share of Common Stock.

"Stock Appreciation Right" or "SAR" means a right granted as an Award under the Plan to receive, as of the date specified in the Award Agreement, an amount equal to the number of Shares with respect to which the SAR is exercised, multiplied by the excess of (a) the Fair Market Value of one Share on the Exercise Date, over (b) the Strike Price.

"Strike Price" means the per-Share price used as the baseline measure for the value of a SAR, as specified in the Award Agreement.

"Subsidiary" means any corporation of which 50 percent or more of its outstanding voting stock or voting power is beneficially owned, directly or indirectly, by the Company.

"Termination" means resignation or discharge from employment with the Company or any one of its Subsidiaries, except in the event of death, disability, or retirement.

SECTION THREE. EFFECTIVE DATE, DURATION AND STOCKHOLDER APPROVAL

A. Effective Date.

The Plan originally became effective on May 5, 1992 and was subsequently amended effective on May 7, 2002, May 1, 2007 and May 3, 2011. The Plan is amended effective January 1, 2014 and, except as expressly specified otherwise, applies only with respect to Awards granted after such date.

B. Period for Grants of Awards.

Awards may be granted until May 1, 2021.

C. Termination of the Plan.

The Plan shall continue in effect until all matters relating to the payment of Awards and administration of the Plan have been settled.

SECTION FOUR. ADMINISTRATION

A. General Powers.

The Plan shall be administered by the Committee for, and on behalf of, the Board. The Committee shall have all of the powers (other than amending or terminating this Plan as provided in Section Fifteen) respecting the Plan, including, but not limited to those specific powers set forth below. All questions of interpretation and application of the Plan, or of the terms and conditions pursuant to which Awards are granted, exercised or forfeited under the provisions hereof, shall be subject to the determination of the Committee. Any such determination shall be final and binding upon all parties affected thereby.

B. Specific Committee Powers

Without limitation, the Committee shall have full power and authority and sole discretion as follows:

- (i) to determine when, to whom and in what types and amounts Awards should be granted;
- (ii) to grant Awards to Eligible Employees and Non-Employee Directors in any number, and to determine the terms and conditions applicable to each Award;
- (iii) to determine, as to all or part of any Award as to any Participant, at the time the Award is granted or thereafter, that the exercisability or vesting of an Award shall be accelerated upon a Participant's death, disability, retirement, Change in Control, or termination of employment following a Change in Control, to determine that Awards shall continue to become exercisable or vested in full or in installments after a Participant's termination of employment, to extend the period for exercise of Options, SARs or LSARs following a termination of employment (but not beyond ten (10) years from the Date of Grant of the Option, SARs or LSARs) or to provide that any Restricted Stock Award, Restricted Stock Unit Award, or Performance Share Award shall in whole or in part not be forfeited upon Participant's death, disability, retirement, Change in Control or termination of employment following a Change in Control;
- (iv) to determine the benefit payable under any Dividend Equivalent, and to determine whether any vesting conditions have been satisfied;
- (v) to determine whether or not specific Awards shall be granted in connection with other specific Awards, and if so, whether they shall be exercisable cumulatively with, or alternatively to, such other specific Awards and all other matters to be determined in connection with an Award;
- (vi) to determine, no later than the Date of Grant of Shares of Restricted Stock, whether the payment of cash dividends thereon shall be paid immediately or deferred until the underlying Shares become vested, and whether Restricted Stock shall be held in escrow or other custodial arrangement;
- (vii) to determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property;
- (viii) to determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award (other than with respect to an Option or a SAR for which no additional deferral opportunity beyond the deferral inherent in such Option or SAR is permitted under this Plan) will be deferred, either at the election of the Participant, or, if and to the extent specified in the Award Agreement, automatically or at the election of the Committee;

- (ix) to grant Awards in replacement of Awards previously granted under this Plan or any other compensation plan of the Company, provided that any such replacement grant that would be considered a repricing shall be subject to shareholder approval;
- (x) to make, amend, suspend, waive and rescind rules and regulations relating to the Plan;
- (xi) to appoint such agents as the Committee may deem necessary or advisable to administer the Plan;
- (xii) with the consent of the Participant, to amend any Award Agreement at any time; provided that the consent of the Participant shall not be required for any amendment (a) that, in the Committee's determination, does not materially adversely affect the rights of the Participant, or (b) which is necessary or advisable (as determined by the Committee) to carry out the purpose of the Award as a result of any new applicable law or change in an existing applicable law, or (c) to the extent the Award Agreement specifically permits amendment without consent;
- (xiii) to impose such additional terms and conditions upon the grant, exercise or retention of Awards as the Committee may, before or concurrently with the grant thereof, deem appropriate, including limiting the amount or percentage of Awards which may from time to time be exercised by a Participant, and including requiring the Participant to enter into restrictive covenants;
- (xiv) without the consent of the Participant, to make adjustments in the terms and conditions of, and the criteria in, Awards in recognition of unusual or nonrecurring events (including events described in Section Fifteen I) affecting the Company or the financial statements of the Company, or in response to changes in applicable laws, regulations or accounting principles; provided, however, that in no event shall such adjustment increase the value of an Award for a person expected to be a Covered Employee for whom the Committee desires to have the Performance-Based Exception apply;
- (xv) to correct any defect or supply any omission or reconcile any inconsistency, and to construe and interpret the Plan, the rules and regulations, the Award Agreements or any other instrument entered into or relating to an Award under the Plan, and to make all determinations, including factual determinations, necessary or advisable for the administration of the Plan;
- (xvi) to cause the forfeiture of any Award or recover any Shares, cash or other property attributable to an Award for violations of any Company ethics policy or pursuant to any Company compensation clawback policy; and
- (xvii) to take any other action with respect to any matters relating to the Plan for which it is responsible and to make all other decisions and determinations as may be

required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

C. Delegation.

Notwithstanding the general administrative powers discussed above, the Board may, by resolution, expressly delegate to a special committee consisting of two or more directors, who may also be officers of the Company, the authority, within specified parameters, to (i) grant Eligible Employees Awards under the Plan, and (ii) determine the number of such Awards to be received by any such participants; provided, however, that if such delegation of duties and responsibilities is to officers of the Company or to directors who are not "non-employee directors" (within the meaning of Rule 16b-3(b)(3) under the Exchange Act) and "outside directors" (within the meaning of Code Section 162(m)), such officers or directors may not grant Awards to eligible participants (a) who are subject to Section 16(a) of the Exchange Act at the time of grant, or (b) who, at the time of grant, are anticipated to become during the term of the Award, "covered employees" as defined in Section 162(m)(3) of the Code. The acts of such delegates shall be treated hereunder as acts of the Board and such delegates shall report regularly to the Board and the Compensation and Development Committee regarding the delegated duties and responsibilities and any Awards so granted.

SECTION FIVE. GRANT OF AWARDS AND LIMITATION OF NUMBER OF SHARES AWARDED

The Committee may, from time to time, grant Awards to one or more Eligible Employees or Non-Employee Directors, provided that (i) subject to any adjustment pursuant to Section Fifteen I, the aggregate number of Shares available for Awards under this Plan may not exceed 8,000,000 Shares (the "Maximum Limitation"); (ii) Shares tendered with respect to the payment of any Option Price, Shares withheld for any taxes, Shares repurchased by the Company using Option Price proceeds, and all Shares underlying any portion of a SAR or LSAR that is settled in Shares (regardless of the actual number of net Shares delivered upon exercise) shall count against this Maximum Limitation, (iii) to the extent that an award lapses or the rights of the Participant to whom it was granted terminate, any Shares subject to such Award shall be added to the Maximum Limitation and again be available for the grant of an Award under the Plan; and (iv) Shares delivered by the Company under the Plan may be authorized but unissued Shares, Shares held in the treasury of the Company or Shares purchased on the open market (including private purchases) in accordance with applicable securities laws. In determining the size of the Awards, the Committee shall assess the performance of the Eligible Employees against criteria to be established by the Committee, from time to time, based on the Company's performance (such as stockholder and customer related factors) and shall take into account a Participant's responsibility level, potential, cash compensation level, and the Fair Market Value of the common stock at the time of Awards, as well as such other considerations as it deems appropriate. The maximum number of Shares with respect to which an Award or Awards may be granted to any Participant in any one taxable year of the Company shall not exceed 500,000 Shares (increased, proportionately, in the event of any stock split or stock dividend with respect to the Shares in accordance with Section Fifteen I). The maximum number of Shares that may be subject to grants of Incentive Stock Options is the Maximum Limitation.

SECTION SIX. ELIGIBILITY

Eligible Employees and Non-Employee Directors of the Company and its Subsidiaries (including officers or salaried full-time employees who are members of the Board) shall be eligible to receive Awards. Subject to the provisions of the Plan, the Committee shall from time to time select from such eligible persons those to whom Awards shall be granted and determine the amount of such Awards. In no event shall the existence of this Plan create an obligation or duty of the Committee or the Company to grant an Award to any person under this Plan.

SECTION SEVEN. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

A. Grant of Restricted Stock.

The Committee may grant an Award of one or more Shares of Restricted Stock to any Eligible Employee or Non-Employee Director.

A Restricted Stock Award made pursuant to this Section Seven shall be in the form of Shares, restricted as provided herein. The Restricted Stock shall be issued in the name of the Participant and shall bear a restrictive legend prohibiting sale, transfer, pledge or hypothecation of the Restricted Stock until the expiration of the restriction period, or shall be placed in escrow or other custodial arrangements prohibiting such sale, transfer, pledge or hypothecation.

The Committee may also impose such other restriction and conditions on the restricted stock as it deems appropriate.

Upon issuance to the Participant of Restricted Stock, the Participant shall have the right to vote the Restricted Stock.

B. Grant of Restricted Stock Units.

The Committee may grant an Award of one or more Restricted Stock Units to any Eligible Employee or Non-Employee Director. Such grant of Restricted Stock Units may be made in connection with or separate from a grant of Restricted Stock.

The Company shall establish an account ("RSU Account") on its books for each Participant who receives a grant of Restricted Stock Units. Restricted Stock Units shall be credited to the Participant RSU Account as of the Date of Grant of such Restricted Stock Units. RSU Accounts shall be maintained for recordkeeping purposes only and the Company shall not be obligated to segregate or set aside assets representing securities or other amounts credited to RSU Accounts. The obligation to make distributions of securities or other amounts credited to RSU Accounts shall be an unfunded, unsecured obligation of the Company.

The Committee may also impose such other restriction and conditions on the Restricted Stock Units as it deems appropriate.

A Participant shall have no voting rights with respect to any Shares underlying the Restricted Stock Units unless and until such time as the Shares underlying the RSUs are issued.

Except as otherwise provided in an Award Agreement, whenever dividends are paid or distributions are made with respect to Shares, Dividend Equivalents shall be credited to RSU Accounts on all Restricted Stock Units credited thereto, as of the record date for such dividend or distribution. Such Dividend Equivalents shall be credited to the RSU Account either (i) in the form of additional Restricted Stock Units (in a number determined by dividing the aggregate value of such Dividend Equivalents by the Fair Market Value of a Share at the payment date of such dividend or distribution) or (ii) deferred cash. Any additional RSUs or deferred cash amounts shall be subject to the same restrictions and other terms as apply to the RSUs with respect to which such Dividend Equivalents are credited and in no event will the payment of such property or deferred cash be made before the underlying RSUs are payable.

The Company shall settle an RSU Account by delivering to the holder thereof (which may be the Participant or his or her beneficiary, as applicable) a number of Shares equal to the whole number of Shares underlying the Restricted Stock Units then credited to the Participant RSU Account (or a specified portion in the event of any partial settlement); provided that any fractional Shares underlying Restricted Stock Units remaining in the RSU Account on the settlement date shall be distributed in cash in an amount equal to the Fair Market Value of a Share as of the settlement date multiplied by the remaining fractional Restricted Stock Unit. Subject to any deferral election made by the Participant, the "settlement date" for all Restricted Stock Units credited to the Participant's RSU Account and that otherwise have not been forfeited shall be when restrictions applicable to an Award of Restricted Stock Units have lapsed in accordance with the terms of the Award Agreement; provided, however, to the extent an RSU is subject to Code Section 409A, no settlement shall be made on account of a disability unless such disability meets the definition of "disability" as defined in Code Section 409A(a)(2)(C)(i), and no settlement shall be made on account of a retirement or termination of employment unless such retirement or termination of employment constitutes a "separation from service" (as provided in Code Section 409A(a)(2)(A)(i)).

C. Restriction Period.

At the time Restricted Stock or Restricted Stock Units are granted, the Committee shall establish a restriction period applicable to such Award which shall not be less than one year nor more than ten years. The restriction period and the restrictions imposed may be based on the achievement of specific performance goals, time-based restrictions following the achievement of specific performance goals, restrictions based on the occurrence of a specified event, and/or restrictions under applicable securities laws. Each Restricted Stock Award or Restricted Stock Unit Award may have a different restriction period or a different type of restrictions at the discretion of the Committee. Except with respect to Restricted Stock Awards or Restricted Stock Unit Awards made to new hires or in connection with other special one-time circumstances, any time-based restrictions (other than time-based restrictions following the achievement of specific performance

goals) shall remain in effect (in whole or in part) at least until the third anniversary of the Date of Grant; provided, however, in the event of a Participant's death, Disability, retirement, or a termination of employment following a Change in Control, all or a portion of the Award may become fully vested as is provided for (i) in this Plan, (ii) in an Award Agreement or (iii) by a determination of the Committee. In the case of Restricted Stock or RSUs awarded based on performance in a performance period, the performance period will not be less than one year.

D. Forfeiture.

Except as otherwise provided for in this Plan or determined by the Committee, upon the termination of employment of a Participant holding Restricted Stock or RSUs for any reason during the period of time in which some or all of the Shares are subject to restrictions, all Shares of Restricted Stock and all RSUs held by the Participant and still subject to restriction will be forfeited by the Participant and, in the case of Shares of Restricted Stock, reacquired by the Company; provided that in the event of a Participant's retirement, Disability, death, or in cases of special circumstances, the Committee may, in its discretion, waive in whole or in part any or all of the remaining restrictions or conditions with respect to the Participant's Shares of Restricted Stock or RSUs.

E. Payout of Award.

Upon completion of the restriction period and satisfaction of any other restrictions required by the Award, all restrictions on the Restricted Stock and RSUs will expire and certificates representing the underlying Shares will be issued to the Participant.

SECTION EIGHT. STOCK OPTION

A. Grant of Option.

The Committee may grant an Award of one or more Options to any Eligible Employee or Non-Employee Director.

B. Stock Option Agreement.

Each Option granted under the Plan shall be evidenced by an Award Agreement between the Company and the Participant containing such terms and conditions as may be determined by the Committee, including, without limitations, provisions to qualify Incentive Stock Options as such under Section 422 of the Code; provided, however, that each Stock Option shall be subject to the following terms and conditions: (i) the Options are exercisable either in total or in part with a partial exercise not affecting the exercisability of the balance of the Option; (ii) every Share purchased through the exercise of an Option shall be paid for in full at the time of the exercise; (iii) each Option shall cease to be exercisable, as to any Share, at the earliest of (a) the Participant's purchase of the Shares to which the Option relates, (b) the exercise of a related LSAR, or (c) the lapse of the Option; and (iv) Options shall not be transferable by the Participant other than by will or the laws of descent and distribution or pursuant to a domestic relations order validly issued and approved by a Court of proper jurisdiction. Non-

Employee Directors shall be ineligible to receive Incentive Stock Options. Except with respect to Option Awards made to new hires or in connection with other special one-time circumstances, in no event shall an Option that is subject to a time-based minimum exercise or vesting schedule (other than a time-based exercise or vesting schedule following the achievement of specific performance goals) be fully exercisable/vested earlier than the third anniversary of the Date of Grant; provided, however, in the event of a Participant's death, Disability, retirement, or a termination of employment following a Change in Control, all or a portion of the Award may become fully exercisable/vested as is provided for (i) in this Plan, (ii) in an Award Agreement or (iii) by a determination of the Committee.

C. Option Price.

The Option Price per Share shall be set by the grant, but shall not be less than 100 percent of the Fair Market Value at the Date of Grant.

D. Form of Payment.

At the time of an exercise of an Option, the Option Price shall be payable in any manner allowed under applicable law and as permitted by the Committee, including, but not limited to:

- (i) Cash or certified bank check;
- (ii) By delivery to the Company Shares then owned by the Participant, the Fair Market Value of which equals the purchase price of the Shares purchased pursuant to the Option, properly endorsed for transfer to the Company; provided, however, that Shares used for this purpose must have been held by the Holder for such minimum period of time as may be established from time to time by the Committee; and provided further that the Fair Market Value of any Shares delivered in payment of the purchase price upon exercise of the Options shall be the Fair Market Value as of the exercise date, which shall be the date of delivery of the Shares used as payment of the Option Price;

In lieu of actually surrendering to the Company the Shares then owned by the Participant, the Committee may, in its discretion permit the Participant to submit to the Company a statement affirming ownership by the Participant of such number of Shares and request that such Shares, although not actually surrendered, be deemed to have been surrendered by the Participant as payment of the exercise price;

- (iii) For any Participant other than an Executive Officer or except as otherwise prohibited by the Committee, by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board;
- (iv) By a "net exercise" arrangement pursuant to which the Company will not require a payment of the Option Price but will reduce the number of Shares of common stock issued upon the exercise by the largest number of whole Shares that has a

Fair Market Value on the date of exercise that does not exceed the aggregate Option Price. With respect to any remaining balance of the aggregate Option Price, the Company will accept a cash payment from the Participant; or

- (v) Any combination of the consideration provided in the foregoing subsections (i), (ii), (iii) and (iv).

E. Other Terms and Conditions.

Each Option shall become exercisable in such manner and within such Option Period or periods not to exceed ten years from its Date of Grant, as set forth in the Stock Option Agreement.

F. Lapse of Option.

An Option will lapse upon the first occurrence of one of the following circumstances: (i) ten years from the Date of Grant; (ii) three months following the Participant's Date of Retirement; (iii) at the time of a Participant's Termination (other than in connection with a Change in Control as provided in Section Thirteen); (iv) at the expiration of the Option Period set by the grant; or (v) twelve months from the Date of Disability. If, however, the Participant dies within the Option Period and prior to the lapse of the Option, the Option shall lapse unless it is exercised within the Option Period or twelve months from the date of the Participant's death, whichever is earlier, by the Participant's legal representative or representatives or by the person or persons entitled to do so under the Participant's will or, if the Participant shall fail to make testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive said Option under the applicable laws of descent and distribution.

G. Rights as a Stockholder.

A participant or a transferee of a Participant shall have no rights as a stockholder with respect to any Shares covered by an Option, until the date the Option is exercised, except as provided in Section Fifteen A.

H. Early Disposition of Common Stock.

If a Participant shall engage in a disqualifying disposition (as such term or successor term is then used under the Code) with respect to any Shares purchased pursuant to an Incentive Stock Option (presently within one year from the date the Shares were acquired or within two years from the Date of Grant of the Option), then, to provide the Company with the opportunity to claim the benefit of any income tax deduction which may be available to it under the circumstances, the Participant shall, within ten days of such disposition, notify the Company of the dates of acquisition and disposition of such Shares, the number of Shares so disposed and the consideration, if any, received therefor.

I. Individual Dollar Limitations.

The aggregate Fair Market Value (determined at the time of Award) of the common stock, with respect to which an Incentive Stock Option is exercisable for the first time by a Participant during any calendar year (whether under this Plan or another plan or arrangement of the Company) shall not exceed \$100,000 (or such other limit as may be in effect under the Code on the date of Award).

J. No Obligation to Exercise Option.

The granting of an Option shall impose no obligation on the Participant to exercise such Option.

K. No Repricing of Options Unless Repricing Subject to Stockholder Approval.

In no event may the Committee grant Options in replacement of Options previously granted under this Plan or any other compensation plan of the Company, or may the Committee amend outstanding Options (including amendments to adjust an Option Price) unless such replacement or adjustment (i) is subject to and approved by the Company's stockholders or (ii) would not be deemed to be a repricing under the rules of the New York Stock Exchange.

SECTION NINE. STOCK APPRECIATION RIGHTS AND LIMITED STOCK APPRECIATION RIGHTS

A. Grant of Stock Appreciation Rights and Limited Stock Appreciation Rights.

The Committee, at any time and from time to time, may grant SARs to any Eligible Employee or Non-Employee Director either alone or in addition to other Awards granted under the Plan. SARs may, but need not, be granted in connection with a specific Option. Any SAR related to a Non-Qualified Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option, but in no event may the Strike Price of a SAR granted related to a nonqualified option be less than the Option Price of the related nonqualified option. Any SAR related to an Incentive Stock Option must be granted at the same time such Option is granted. The Committee may impose such conditions or restrictions on the exercise of any SAR as it shall deem appropriate. In no event may the compensation payable under a SAR be greater than the excess of the Fair Market Value of the Share on the date the SAR is exercised over the Fair Market Value of the Share on the date of grant of the SAR. The stock appreciation right does not include any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the stock appreciation right.

The Committee may grant LSARs to any Eligible Employee or Non-Employee Director provided that the Eligible Employee or Non-Employee Director is holding an Option granted under the Plan. LSARs may be granted with respect to an Option at the time of the Option grant or any time thereafter up to six months prior to the Option's expiration.

B. SAR Agreements.

Each SAR shall be evidenced by an Award Agreement in such form as the Committee may approve, which shall contain such terms and conditions not inconsistent with the provisions of the Plan as shall be determined from time to time by the Committee. Unless otherwise provided in the Award Agreement, (i) no SAR grant shall have a term of more than ten (10) years from the date of grant of the SAR, and (ii) SARs granted in tandem with Options shall vest at the same time and in the same proportions as the underlying Options. Except with respect to SAR Awards made to new hires or in connection with other special one-time circumstances, in no event shall a SAR that is subject to a time-based minimum exercise or vesting schedule (other than a time-based exercise or vesting schedule following the achievement of specific performance goals) be fully exercisable/vested earlier than the third anniversary of the Date of Grant; provided, however, in the event of a Participant's death, Disability, retirement, or a termination of employment following a Change in Control, all or a portion of the Award may become fully exercisable/vested as is provided for (i) in this Plan, (ii) in an Award Agreement or (iii) by a determination of the Committee.

C. Strike Price.

The Strike Price of a SAR shall be determined by the Committee in its sole discretion; provided that the Strike Price shall not be less than the lesser of 100 percent of the Fair Market Value of a Share on the Date of Grant of the SAR or the Option Price under the nonqualified Option to which the SAR relates.

D. Exercise and Payment.

Except as may otherwise be provided by the Committee in an Award Agreement, SARs shall be exercised by the delivery of a written notice to the Company, setting forth the number of Shares with respect to which the SAR is to be exercised. Payments made in connection with the exercise of a SAR shall be made on or as soon as administratively practicable following the exercise date. Any payment by the Company in respect of a SAR may be made in cash, Shares, other property, or any combination thereof, as the Committee, in its sole discretion, shall determine.

E. Exercise of Limited Stock Appreciation Rights.

LSARs will be automatically exercised one day after the Participant's termination of employment event giving rise to the exercise pursuant to Section Thirteen. An LSAR cannot be exercised in any other manner. Notwithstanding the above, an LSAR may only be exercised if the event giving rise to the exercise occurred no earlier than six months after the date of the grant of the LSAR and the Option to which it relates has not previously been exercised.

The exercise of an LSAR will cancel any related Option and allow the holder to receive in cash an amount equal to the excess of the Fair Market Value on the date of exercise of one Share over the Option Price, multiplied by the number of Shares covered by the related Option.

In the event of an exercise of an LSAR, the number of Shares reserved for issuance shall be reduced by the number of Shares covered by the Stock Option Award.

SECTION TEN. BONUS SHARES AND PERFORMANCE SHARES

A. Grant of Bonus Shares

Subject to the terms of the Plan, the Committee may grant Bonus Shares to any Eligible Employee or Non-Employee Director, in such amount and upon such terms and at any time and from time to time as shall be determined by the Committee.

B. Grant of Performance Shares.

The Committee may grant an Award of one or more Performance Shares to any Eligible Employee or Non-Employee Director.

A Performance Share is the right to receive a payment from the Company with respect to such Performance Share subject to satisfaction of such terms and conditions as the Committee may determine. Performance Shares shall be credited to a Performance Share account to be maintained for each Participant. Each Performance Share shall be deemed to be equivalent of one Share. The Award of Performance Shares under the Plan shall not entitle the participant to any interest in or to any dividend, voting, or other rights of a stockholder of the Company.

A grant of Performance Shares may be made by the Committee during the term of the Plan, even if the applicable Award Period extends beyond the term of the Plan.

The Participant shall be entitled to receive payment for each Performance Share of an amount based on the achievement of performance measures for such Award Period as determined by the Committee. During or before the Award Period, the Committee shall have the right to establish requirements or other criteria for measuring such performance.

C. Form and Timing of Payment.

Unless a Performance Share Award Agreement is specifically amended to comply with the conditions under Code Section 409A to avoid the additive income taxes imposed thereunder, any payment relating to Performance Shares shall be made as soon as practicable following the end of the Award Period but in no event will any payment relating to Performance Shares be made later than the last day of the applicable 2 ½ month period set forth in Treasury Regulations 1.409A-1(a)(4).

The payment to which a Participant shall be entitled at the end of an Award Period shall be a dollar amount equal to the number of Performance Shares earned, multiplied by the Fair Market Value of a Share determined as of the business day immediately preceding the date of payment. Payment shall normally be made in Shares. The Committee, however, in its sole discretion, may authorize payment in such combinations of cash and Shares or all in cash as it deems appropriate.

D. Forfeiture.

Except as provided in Section Thirteen or in special circumstances as otherwise determined by the Committee including, without limitation, a Participant's retirement, Disability or death, (i) upon the termination of employment of a Participant holding Performance Shares for any reason before some or all of the Performance Shares have been paid, all Performance Shares (other than any vested Performance Shares for which a valid deferral election has been made and which are scheduled to be paid in the future) which have not been paid will be forfeited by the Participant. In special circumstances as otherwise determined by the Committee including, without limitation, the Participant's retirement, Disability or death, the Committee may, in its sole discretion, (i) accelerate payment with respect to some or all of the Performance Shares, (ii) provide that the payout of any Performance Shares will be prorated for service during the Award Period and paid at the end of the Award Period, or (iii) provide that a Participant is entitled to a full payout (or less than full payout) at the end of the Award Period of all Performance Shares based on the level of achievement of the established performance goals.

E. Dividend Equivalents.

The Committee may provide in an Award Agreement that, as of the date any dividend is paid to holders of Shares, one of more Performance Share shall also be credited with a hypothetical cash credit equal to the per Share dividend paid on a Share. Unless otherwise provided in an Award Agreement, if the Award Agreement provides for the payment of Dividend Equivalents, such Dividend Equivalents will be equal to the dividends paid during the entire Award Period for which the Performance Shares relate and not just that period of time after the Performance Shares were granted. At the end of an Award Period and provided the Performance Shares have not been forfeited in accordance with the terms of this Plan, the Participant shall be paid, in a lump sum cash payment, the aggregate amount of such hypothetical dividend equivalents.

SECTION ELEVEN. PERFORMANCE AWARDS; SECTION 162(M) PROVISIONS.

A. Terms of Performance Awards.

The Committee may grant one or more Performance Awards to any Eligible Employee or Non-Employee Director.

Except as provided in Section Thirteen, Performance Awards will be issued or granted, or become vested or payable, only after the end of the relevant Award Period. The performance goals to be achieved for each Award Period and the amount of the Award to be distributed upon satisfaction of those performance goals shall be conclusively determined by the Committee. When the Committee determines whether a performance goal has been satisfied for any Award Period, the Committee, where the Committee deems appropriate, may make such determination using calculations which alternatively include and exclude one, or more than one, "extraordinary items" as determined under U.S. generally accepted accounting principles ("GAAP"), and the Committee may determine whether a performance goal has been satisfied for any Award Period taking

into account the alternative which the Committee deems appropriate under the circumstances. The Committee also may establish performance goals that are determined using GAAP or other non-GAAP financial measures and may exclude or take into account mark-to-market gains and losses on energy contracts, any unusual or non-recurring items, including the charges or costs associated with restructurings of the Company, discontinued operations, and the cumulative effects of accounting changes and, further, may take into account any unusual or non-recurring events affecting the Company, changes in applicable tax laws or accounting principles or such other items and factors as the Committee may determine reasonable and appropriate under the circumstances (including any factors that could result in the Company's paying non-deductible compensation to an Employee or Non-Employee Director).

B. Performance Goals.

If an Award is subject to this Section Eleven, then the lapsing of restrictions thereon, or the vesting thereof, and the distribution of cash, Shares or other property pursuant thereto, as applicable, shall be subject to the achievement of one or more objective performance goals established by the Committee which shall be based on the attainment of one or any combination of the following metrics (the "Performance Measures") (which may be calculated on a GAAP or non-GAAP basis), which may be established on an absolute or relative basis for the Company as a whole or any of its subsidiaries, operating divisions or other operating units, and which may be measured in the aggregate or on a per Share basis:

1. Earnings measures, including net earnings on either a LIFO, FIFO or other basis;
2. Operating measures, including operating income, operating earnings, operating margin, funds from operations and operating measures determined on an absolute basis or relative to another Performance Measure such as total adjusted debt;
3. Income or loss measures, including net income or net loss;
4. Cash flow measures, including cash flow or free cash flow and measures based on all operations or a designated segment of operations;
5. Revenue measures;
6. Measures based on reductions in expense levels, including measures determined either on a Company-wide basis or in respect of any one or more subsidiaries or business units;
7. Operating and maintenance cost management and employee productivity measures, including measures based on an Equivalent Availability Factor (EAF) for coal and nuclear divisions;
8. Return measures, including stockholder return, return on assets, investments, equity, or sales, and whether determined on an absolute basis or relative to

another performance measure or industry peer group (e.g., Edison Electric Institute (EEI) index);

9. Growth or rate of growth in any of the Performance Measures set forth herein;
10. Share price (including attainment of a specified per-share price during the Award Period; growth measures and total stockholder return or attainment by the Shares of a specified price for a specified period of time);
11. Strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, production volume levels, and cost targets;
12. Accomplishment of, or goals related to, mergers, acquisitions, divestitures, dispositions, public offerings or similar extraordinary business transactions;
13. Achievement of business or operational goals such as market share and/or business development and/or customer objectives; and/or
14. Achievement of credit ratings or certain credit quality levels;

provided that applicable Performance Measures may be applied on a pre- or post-tax basis; and provided further that the Committee may, when the applicable Performance Measures are established, provide that the formula for such Performance Measures may include or exclude items to measure specific objectives, including but not limited to losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, mark-to-market gains and losses from energy contracts, and any unusual, nonrecurring gain or loss. In addition to the foregoing Performance Measures, the Performance Measures shall also include any performance goals which are set forth in a Company bonus or incentive plan, if any, which has been approved by the Company's stockholders, which are incorporated herein by reference. Such performance goals shall be set by the Committee within the time period prescribed by, and shall otherwise comply with the requirements of, Code Section 162(m).

C. Adjustments.

Except as provided in Section Fifteen I and Section Thirteen or as provided for in the immediately following sentence, with respect to any Award that is subject to this Section Eleven, the Committee may not adjust upwards the amount payable pursuant to such Award, nor may it waive the achievement of the applicable performance goals except in the case of the death or Disability of the Participant. The Committee may, at the time it initially establishes one or more Performance Measures, provide that the amount payable upon achievement of such Performance Measures may be increased in the discretion of the Committee or that the achievement of the applicable Performance Measures may be waived. If the Committee does not specifically provide for such flexibility at the time it establishes a Performance Measures, the Committee will not be permitted to adjust

upwards the amount payable pursuant to the Award nor waive the achievement of the applicable Performance Measures except in the case of the death or Disability of the Participant.

D. Other Restrictions.

The Committee shall have the power to impose such other restrictions on Awards subject to this Section Eleven as it may deem necessary or appropriate to insure that such Awards satisfy all requirements for "performance-based compensation" within the meaning of Code Section 162(m)(4)(B).

E. Section 162(m) Limitations.

Notwithstanding any other provision of this Plan, if the Committee determines at the time any Award is granted to a Participant that such Participant is, or is likely to be at the time he or she recognizes income for federal income tax purposes in connection with such Award, a Covered Employee, then the Committee may provide that this Section Eleven is applicable to such Award.

SECTION TWELVE. DIRECTOR SHARES AND DIRECTOR DEFERRED SHARE UNITS

A. Election to Receive Award of Director Shares or Director Deferred Share Units.

Each Non-Employee Director may elect to have his/her Director Equity Payment Fees (i) paid on a current basis in the form of Director Shares, or, pursuant to this Section Twelve, on a deferred basis. Any election to have Director Equity Payment Fees converted into Director Deferred Share Units and paid on a deferred basis shall be made in accordance with Section Twelve B below. In the absence of any election made by a Non-Employee Director, all Director's Equity Payment Fees will be paid on a current basis through the issuance of Director Shares.

B. Timing of Election to Convert Director Equity Payment Fees.

Each Non-Employee Director that desires to convert all or a portion of his or her Director Equity Payment Fees into Director Deferred Share Units shall make such conversion election on the Director's Deferred Equity Payment Election Form (the "Election Form") and file such Election Form with the Plan Administrator before the first day of the calendar year in which services related to the Director Equity Payment Fees to be converted are to be performed. Any Election Form delivered by a Non-Employee Director shall be irrevocable with respect to any Director Equity Payment Fees covered by the elections set forth therein. Such Election Form shall remain in effect for subsequent calendar years until a written notice to revise the Election Form is delivered to the Plan Administrator before the first day of the calendar year in which the services related to the Director Equity Payment Fees subject to the revision are performed. As of each December 31, the election becomes irrevocable with respect to Director Equity Payment Fees payable with respect to services performed in the immediately following calendar year.

Notwithstanding the preceding paragraph, an election made by an individual in the calendar year in which he or she first becomes a Non-Employee Director may be made pursuant to an Election Form delivered to the Company within thirty (30) days after the date on which he or she becomes a Non-Employee Director and shall be effective with respect to Director Equity Payment Fees earned from and after the date such Election Form is delivered to the Company.

C. Director Equity Payment Fees Conversion Into Director Deferred Share Units.

Any Director Equity Payment Fees that are to be converted into Director Deferred Share Units shall be so converted on each day the Director Equity Payment Fees would otherwise have been payable to the Director. The number of Director Deferred Share Units to be granted to a Non-Employee Director shall be equal to the number of Shares that otherwise would have been payable on such day to the Director.

D. Director Deferred Share Units Account.

The Company will create and maintain on its books a Director Deferred Share Unit Account for each Non-Employee Director who has made an election to convert Director Equity Payment Fees into Director Deferred Share Units. The Company will credit to such account the number of Director Deferred Share Units earned pursuant to the Non-Employee's Director's conversion election.

E. Dividends.

As of the date any dividend is paid to holders of Shares, each Director Deferred Share Unit Account, regardless of whether the Non-Employee Director is then a Director, will be credited with additional Director Deferred Share Units equal to the number of Shares that could have been purchased with the amount which would have been paid as dividends on a number of Shares (including fractions of a share to three decimals) equal to the number of Director Deferred Share Units credited to such Director Deferred Share Unit Account as of the record date applicable to such dividend. The number of additional Director Deferred Share Units to be credited will be calculated to three decimals by dividing the amount which would have been paid as dividends by the Fair Market Value of one Share as of the applicable dividend payment date. In the case of dividends paid in property other than cash, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment of the dividend, as determined in good faith by the Committee.

F. Distribution of Director Deferred Share Units Credited on or After January 1, 2014.

1. *Distribution Timing.* Distribution of a Non-Employee Director's Director Deferred Share Units credited to the Non-Employee Director's Director Deferred Share Unit Account will be made or commence on the January 31st next following the date of the Non-Employee Director's termination from service as a Director for any reason.

2. *Termination (Other Than Death)*. Distribution of amounts payable to a Non-Employee Director upon termination from service as a Director (other than by reason of death), shall be made in a single lump sum or in substantially equal annual installments over a fixed period of 5 or 10 years, as elected by the Non-Employee Director. The entitlement to a series of installment payments will be deemed as the entitlement to a series of separate payments. In the event of installment distributions, each subsequent installment shall be made on the January 31 of the applicable anniversary date of the first installment. If a Non-Employee Director does not make a valid distribution election or fails to elect the form of distribution, then the manner of payment shall be a single lump sum.
3. *Death*. Distribution of amounts payable to a Non-Employee Director upon death will be made to his or her beneficiaries in a single lump sum or in substantially equal annual installments over a fixed period of 5 or 10 years, as elected by the Non-Employee Director. The entitlement to a series of installment payments will be deemed as the entitlement to a series of separate payments. In the event of installment distributions, subsequent installments shall be made on the annual anniversary date of the date of the first installment. If the Non-Employee Director has commenced receiving distributions in installments and dies before completing the receipt of all distributions, the remaining amount in his or her Director Deferred Share Unit Account will be distributed to his or her beneficiary as if the director had not died. If the Non-Employee Director has commenced receiving distributions in installments and dies before completing the receipt of all distributions, and the Non-Employee Director has elected a single lump sum distribution upon death, the remaining amount in his or her Director Deferred Share Unit Account will be distributed in a single lump sum. If a Non-Employee Director does not make a valid distribution election or fails to elect the form of distribution upon death, then the manner of payment shall be the same as upon termination from service as a Director other than by reason of death.
4. *Change In Control*. All Non-Employee Director's Director Deferred Share Units credited to the Non-Employee Director's Director Deferred Share Unit Account will be distributed in a single lump sum upon the date of a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company (as defined in Treasury Regulation Section 1.409A-3(i)(5)).
5. *Distribution in Kind*. At the time of distribution, a Non-Employee Director's Director Deferred Share Units shall be converted into an equal amount of Shares and all whole Shares shall be distributed, in kind, to the Non-Employee Director, or to his beneficiaries in the event of his death. Any fractional Deferred Share Unit shall be paid in cash, calculated by multiplying the fraction of the Deferred Share Unit by the Fair Market Value of the Shares as of the business day immediately preceding the date of distribution.
6. *Distribution Elections*. The Election Form under Section Twelve B above by which a Non-Employee Director elects to convert his or her Director Equity

Payment Fees into Director Deferred Share Units shall specify whether the Director Deferred Share Units to which the Election Form applies shall be distributed in a single lump sum or in installments upon termination from service as a Director. Any election regarding the form of distribution will remain in effect for subsequent calendar years until a written notice to revise the Election Form is delivered to the Plan Administrator. Any subsequently filed Election Form will be prospective only and must be submitted to the Plan Administrator before the first day of the calendar year in which the services related to the Director Equity Payment Fees subject to the revised Election Form are performed. As of each December 31, the election becomes irrevocable with respect to Director Equity Payment Fees payable with respect to services performed in the immediately following calendar year. If no election is made with respect to a lump sum or installment distribution upon a Director's termination from service, the Director will be presumed to have elected a lump sum distribution.

G. Distribution of Director Deferred Share Units Credited Before January 1, 2014.

On the January 31st next following the date the Non-Employee Director's service on the Board terminates for any reason, all of a Non-Employee Director's Director Deferred Share Units credited to the Non-Employee's Director Deferred Share Unit Account shall be converted into an equal amount of Shares and all whole Shares shall be distributed, in kind, to the Non-Employee Director, or to his beneficiaries in the event of his death, in a single lump sum. Any fractional Deferred Share Unit shall be paid in cash, calculated by multiplying the fraction of the Deferred Share Unit by the Fair Market Value of the Shares as of the business day immediately preceding the date of distribution.

H. Subsequent Deferral Elections.

A Non-Employee Director shall be entitled to change the time and form of distribution under Sections Twelve F. and G., except in the event of a change in control under Section Twelve F.4., if:

1. Such election does not take effect until at least 12 months after the date on which the election is made; and
2. Any election related to a payment, other than in the case of death, defers payment for a period of at least five years from the date such payment would otherwise have been made but for such subsequent deferral election.

A Non-Employee Director may only choose a form of distribution permitted under Section Twelve. For the avoidance of doubt, (i) no subsequent deferral election made within the 12 month period ending on the date of a Non-Employee Director's termination of service shall be effective and (ii) upon a Non-Employee Director's termination of service, no additional subsequent deferral elections may be made.

I. Separately Identifiable Amounts.

Director Deferred Share Units deferred in separate calendar years after December 31, 2013, and Director Deferred Share Units deferred in calendar years before January 1, 2014, will be treated as separately identifiable amounts. A Non-Employee Director may change the time and form of payment with respect to each separately identifiable amount.

J. Director Deferred Share Unit Status.

Except for purposes of the Company's Director Stock Ownership guidelines, Director Deferred Share Units are not, and do not constitute, Shares, and no right as holder of Shares devolves upon a Non-Employee Director by reason of having Director Share Units credited to his or her account.

SECTION THIRTEEN. CHANGE IN CONTROL

Except where the Committee expressly provides otherwise that no accelerated vesting or exercisability shall occur in connection with a termination following a Change in Control, in the event that, within the period commencing on a Change in Control (as defined below) of the Company and ending on the second anniversary of the Change in Control, a Participant's employment with the Company or one of its affiliates is terminated other than for Cause, or the Participant voluntarily resigns for Good Reason, then (i) all Stock Options then outstanding shall become fully exercisable unless LSARs were granted in connection with the Stock Options which in such event all LSARs will be automatically exercised as provided for in Section Nine herein; (ii) all restrictions (other than restrictions imposed by law) and conditions of all Restricted Stock Awards then outstanding shall be deemed satisfied as of the date of the Participant's termination of employment; and (iii) all Performance Share Awards shall be deemed to have been fully earned as of the date of the Participant's termination of employment, subject to the limitation that any Award which has been outstanding less than six months on the date of the Participant's termination of employment shall not be afforded such treatment. Notwithstanding the above paragraph, if a Participant is a "specified employee," as defined in Code section 409A(a)(1)(B)(i) and the payment of any Performance Share Awards would be required under Code section 409A to be delayed for a minimum of six months following the Participant's termination of employment, the payment of any Performance Share Awards shall be so delayed.

For purposes of this Plan, a "Change in Control" means the occurrence of one of the following events, whether in a single transaction or a series of related transactions:

1. any Person (as such term is defined in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the Beneficial Owner (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 35 percent or more of either the then outstanding Shares of the Company or the combined voting power of the Company's then outstanding securities; or

2. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

3. the consummation of a merger, consolidation, reorganization or similar corporate transaction of the Company, whether or not the Company is the surviving corporation in such transaction, other than (A) a merger, consolidation, or reorganization that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 60 percent of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or reorganization, or (B) a merger, consolidation or reorganization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20 percent or more of either the then outstanding Shares of the Company or the combined voting power of the Company's then outstanding securities; or

4. the occurrence of, or the stockholders of the Company approve a Plan of, a complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition of all or substantially all of the Company's assets to an entity, at least 60 percent of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

SECTION FOURTEEN. AMENDMENT OF PLAN

The Board may at any time and from time to time alter, amend, suspend or terminate the Plan in whole or in part, except (i) no such action may be taken without shareholder approval which increases the number of Shares which may be issued pursuant to the Plan (except as provided in Section Fifteen I), extends the period for granting Options under the Plan, modifies the requirements as to eligibility for participation in the Plan, or requires shareholder approval under any law or regulation in effect at the time such amendment is proposed for adoption; (ii) no such action may be taken without the consent of the Participant to whom any Award shall theretofore have been granted, which materially and adversely affects the rights of such Participant concerning such Award, except as such termination or amendment of the Plan is required by statute, or rules and regulations promulgated thereunder; and (iii) no such action may be taken if the proposed amendment must be in the discretion of the Committee to comply with the disinterested administration requirements of Rule 16b-3 under the Exchange Act.

SECTION FIFTEEN. MISCELLANEOUS PROVISIONS

A. Dividends.

The recipient of an Award may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, dividends or their equivalents, with respect to the number of Shares covered by the Award and subject to the terms and conditions of the Plan and any applicable Award Agreement.

B. Nontransferability.

No benefit provided under this Plan shall be subject to alienation or assignment by a Participant (or by any person entitled to such benefit pursuant to the terms of this Plan), nor shall it be subject to attachment or other legal process of whatever nature. Any attempted alienation, assignment or attachment shall be void and of no effect whatsoever. Notwithstanding the above, Stock Options and LSARs may be transferred as provided in any Stock Option Agreement.

Payment shall be made only into the hands of the Participant entitled to receive the same or into the hands of the Participant's authorized legal representative. Deposit of any sum in any financial institution to the credit of any Participant (or of a person entitled to such sum pursuant to the terms of this Plan) shall constitute payment into the hands of that Participant (or such person).

C. No Employment Right.

Neither this Plan nor any action taken hereunder shall be construed as giving any right to be retained as an officer or employee of the Company or any of its Subsidiaries.

D. Tax Withholding.

The Company shall be authorized to withhold under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other actions as

may be necessary in the opinion of the Company to satisfy all obligations for the payment of taxes. Such withholding may be deducted in cash from the value of any Award.

The Committee in its sole discretion may provide that when taxes are to be withheld in connection with the exercise of an Option or of a SAR, or upon the lapse of restrictions on an Award, or upon payment of Performance Shares or any other benefit or right under this Plan (the Exercise Date, date such restrictions lapse or the date of such payment of Performance Shares or any other benefit or right occurs hereinafter referred to as the "Tax Date"), the Participant may elect to make payment for the withholding of federal, state and local taxes, including Social Security and Medicare ("FICA") taxes by one or a combination of the following methods:

- (i) payment of an amount in cash equal to the amount to be withheld;
- (ii) requesting the Company to withhold from those Shares that would otherwise be received upon exercise of the Option or the SAR payable in Shares, or upon the lapse of restrictions on an Award or upon payment of Performance Shares or any other benefit or right paid in Shares, a number of Shares having a Fair Market Value on the Tax Date equal to the amount to be withheld; or
- (iii) withholding from any compensation otherwise due to the Participant.

The Committee in its sole discretion may provide that the maximum amount of tax withholding upon exercise of an Option or a SAR payable in Shares, or upon the lapse of restrictions on an Award, or upon payment of Performance Shares or any other benefit or right paid in Shares to be satisfied by withholding Shares pursuant to clause (iii) above shall not exceed the minimum amount of taxes, including FICA taxes, required to be withheld under federal, state and local law. An election by Participant under this subsection is irrevocable. Any fractional Share amount and any additional withholding not paid by the withholding or surrender of Shares must be paid in cash. If no timely election is made, the Participant must deliver cash to satisfy all tax withholding requirements. Notwithstanding the foregoing, the Committee has the continuing authority to require a Participant to pay withholding taxes in cash regardless of the Participant's prior election to satisfy such withholding taxes in Shares.

Any Grantee who makes a disqualifying disposition (as referenced in Section Eight H, or an election under Section 83(b) of the Code with respect to a Restricted Stock Award shall remit to the Company an amount sufficient to satisfy all resulting tax withholding requirements, if any, in the same manner as set forth above.

E. Fractional Shares.

Any fractional Shares shall be eliminated at the time of payment or payout by rounding down for fractions of less than one-half and rounding up for fractions equal to or more than one-half. No cash settlements shall be made with respect to fractional Shares eliminated by rounding.

F. Government and Other Regulations.

The obligation of the Company to make payment of Awards in common stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by any government agencies as may be required. Except as required by law, the Company shall be under no obligation to register under the Act, any of the Shares of common stock issued, delivered or paid in settlement under the Plan. If common stock granted under the Plan may in certain circumstances be exempt from registration under the Act, the Company may restrict its transfer in such manner as it deems advisable to ensure such exempt status.

G. Indemnification.

Each person who is or at any time serves as a member of the Committee shall be indemnified and held harmless by the Company against and from (i) any loss, cost liability, or expenses that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit, or proceeding to which such person may be a party or in which such person may be involved by reason of any action or failure to act under the Plan; and (ii) any and all amounts paid by such person in satisfaction of judgment in any such action, suit or proceeding relating to the Plan. Each person covered by this indemnification shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Restated Articles of Consolidation or By-Laws of the Company or any of its Subsidiaries, as a matter of law, or otherwise, or any power that the Company may have to indemnify such person or hold such person harmless.

H. Reliance on Reports.

Each member of the Committee shall be fully justified in relying or acting in good faith upon any report made by the independent public accountants of the Company and its Subsidiaries and upon any other information furnished in connection with the Plan. In no event shall any person who is or shall have been a member of the Committee be liable for any determination made or other action taken or any omission to act in reliance upon any such report or information or for any action taken, including the furnishing of information, or failure to act, if in good faith.

I. Changes in Capital Structure.

If, without the receipt of consideration therefor by the Company, the Company shall at any time increase or decrease the number of its outstanding Shares or change in any way the rights and privileges of such Shares such as, but not limited to, the payment of a stock dividend or any other distribution upon such Shares payable in Stock, or through a stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Shares, such that any adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential

benefits intended to be made available under the Plan, then in relation to the Stock that is affected by one or more of the above events, the numbers, rights and privileges of (i) the Shares as to which Awards may be granted under the Plan, and (ii) the Shares then included in each outstanding Award granted hereunder, shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and non-assessable at the time of such occurrence.

If any adjustment or substitution provided for in this Section Fifteen I shall result in the creation of a fractional Share under any Award, such fractional Share shall be rounded to the nearest whole Share and fractional Shares shall not be issued.

In the case of any such substitution or adjustment affecting an Option or an LSAR, such substitution or adjustments shall be made in a manner that is in accordance with the substitution and assumption rules set forth in Treasury Regulations 1.424-1 and the applicable guidance relating to Code Section 409A.

J. Company Successors.

In the event the Company becomes party to a merger, consolidation, sale of substantially all of its assets or any other corporate reorganization in which the Company will not be the surviving corporation or in which the holders of the common stock will receive securities of another corporation, then such Company shall assume the rights and obligations of the Company under this Plan.

K. Governing Law.

All matters relating to the Plan or to Awards granted hereunder shall be governed by the laws of the State of Missouri, without regard to the principles of conflict of laws.

L. Code Section 409A.

This Plan is intended to meet the requirements of Section 409A of the Code and may be administered in a manner that is intended to meet those requirements and will be construed and interpreted in accordance with such intent. To the extent payments hereunder are subject to Section 409A of the Code, such payments will be paid in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment will not be subject to the excise tax applicable under Section 409A of the Code. Any provision of this Plan that would cause the payment to fail to satisfy Section 409A of the Code will be amended (in a manner that as closely as practicable achieves the original intent of this Plan) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Code Section 409A upon or following a termination of employment, unless such termination is also a “separation

from service” within the meaning of Code Section 409A and the payment thereof prior to a “separation from service” would violate Code Section 409A. For purposes of any such provision of this Plan relating to any such payments or benefits, references to a “termination,” “termination of employment,” “termination from service” or like terms shall mean “separation from service.”

M. Relationship to Other Benefits.

No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing or group insurance plan of the Company or any Subsidiary, except as may be required by Federal law and regulation or to meet other applicable legal requirements.

N. Expenses.

The expenses of the Plan shall be borne by the Company and its Subsidiaries if appropriate.

O. Titles and Headings.

The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Plains Energy Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

/s/ Terry Bassham

Terry Bassham
Chairman, Chief Executive Officer and President

CERTIFICATIONS

I, James C. Shay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Plains Energy Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

/s/ James C. Shay

James C. Shay
Senior Vice President - Finance and Strategic Development and
Chief Financial Officer

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kansas City Power & Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

/s/ Terry Bassham

Terry Bassham
Chairman, Chief Executive Officer and President

CERTIFICATIONS

I, James C. Shay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kansas City Power & Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

/s/ James C. Shay

James C. Shay
Senior Vice President - Finance and Strategic Development and
Chief Financial Officer

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report on Form 10-Q of Great Plains Energy Incorporated (the "Company") for the quarterly period ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as Chairman, Chief Executive Officer and President of the Company, and James C. Shay, as Senior Vice President - Finance and Strategic Development and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: Chairman, Chief Executive Officer and President
Date: August 8, 2013

/s/ James C. Shay

Name: James C. Shay
Title: Senior Vice President - Finance and Strategic Development and Chief Financial Officer
Date: August 8, 2013

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report on Form 10-Q of Kansas City Power & Light Company (the "Company") for the quarterly period ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as Chairman, Chief Executive Officer and President of the Company, and James C. Shay, as Senior Vice President - Finance and Strategic Development and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: Chairman, Chief Executive Officer and President
Date: August 8, 2013

/s/ James C. Shay

Name: James C. Shay
Title: Senior Vice President - Finance and Strategic Development and Chief Financial Officer
Date: August 8, 2013
