Kansas City Power & Light Company (KCP&L) and KCP&L Greater Missouri Operations Company (GMO)

True-Up of FY2012 Transmission Formula Rates

Information related to the true-up, as specified in the KCP&L and GMO Formula Rate Implementation Protocols (Protocols), is provided below.

Section I.4.c of the Protocols requires a variance analysis. The posted variance analysis compares the projected FY2012 revenue requirements to the FY2012 revenue requirements developed based on actual results applied in the KCP&L and GMO formula rates accepted in the settlement of Docket No. ER10-230. The following is a discussion of material variances identified in this analysis:

<u>KCP&L</u>

1) Revenue Requirements on page 1 of 3:
    a. Base Plan net revenue requirement decreased compared with projected primarily due to actual revenue credits that were larger than projected
    b. Zonal net revenue requirement decreased from projected primarily due to lower depreciation expense resulting from revised rates and lower allocated administrative and general expenses, partially offset by an increase in rate base.
2) Rate base on page 2 of 3, increased from projected levels due primarily to increases in net plant in-service, which is a result of lower depreciation rates and a re-allocation of certain accumulated amortization balances pursuant to orders of the Missouri Public Service Commission.
3) Total operation and maintenance (O&M) expense, on page 3 of 3, decreased compared with projected, primarily in the administrative and general expense accounts.
4) Depreciation expense, on page 3 of 3, decreased compared with projected primarily due to lower depreciation rates approved by the FERC in 2011.

<u>GMO</u>

1) Revenue Requirements on page 1 of 3:
    a. Base Plan net revenue requirement decreased compared with projected primarily due to lower plant in-service, coupled with greater actual revenue credits.
    b. Zonal net revenue requirement decreased from projected primarily due to lower depreciation expense resulting from revised rates, lower O&M and administrative expenses, and

lower rate base, partially offset by smaller actual revenue credits.

2) Total O&M expense, on page 3 of 3, decreased from projected levels.
3) The depreciation expense, on page 3 of 3, decreased compared with projected, primarily due to revised depreciation rates that were approved by the FERC in 2011.
4) Taxes Other Than Income Taxes increased compared with projected.

Section I.4.e(i) of the Protocols requires the identification of changes in KCP&L accounting policies, practices and procedures. For the FY2012 True-Up, there are no accounting changes to report.

Section I.4.e(ii) of the Protocols requires the identification of changes in the Southwest Power Pool (SPP) Open Access Transmission Tariff (OATT) from the provisions of the SPP OATT in effect during the calendar year upon which the most recent ATRR was based, and that in KCPL's judgment could have an impact on the formula rate or the calculations thereunder in the next three years. For the FY2012 True-Up, there are no such SPP OATT changes to report.

Section I.4.e(iii) of the Protocols requires the identification of any change, and the dollar amount of the change, in the classification of any transmission facility under Attachment AI of the SPP OATT that KCP&L has made in the applicable true-up. KCP&L and GMO made no change during 2012 in the classification of facilities under Attachment AI.