

# Great Plains Energy

## Third Quarter 2008 Earnings Presentation

November 6, 2008



# Forward Looking Statement

Statements made in this presentation 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 the Comprehensive Energy Plan and other matters affecting future operations. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the registrants 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 the regional, national and international markets, including but not limited to regional and national wholesale electricity markets; market perception of the energy industry, Great Plains Energy, Kansas City Power & Light (KCP&L), and KCP&L Greater Missouri Operations Company (GMO); changes in business strategy, operations or development plans; 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 KCP&L and GMO 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 pension plan assets and costs; 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; increased competition including, but not limited to, retail choice in the electric utility industry and the entry of new competitors; ability to carry out marketing and sales plans; weather conditions including weather-related damage; cost, availability, quality and deliverability of fuel; ability to achieve generation planning goals and the occurrence and duration of planned and unplanned generation outages; delays in the anticipated in-service dates and cost increases of additional generating capacity and environmental projects; nuclear operations; workforce risks, including retirement compensation and benefits costs; the ability to successfully integrate KCP&L and GMO operations and the timing and amount of resulting synergy savings; and other risks and uncertainties. Other risk factors are detailed from time to time in Great Plains Energy's and KCP&L's most recent quarterly reports on Form 10-Q or Annual Reports on Form 10-K filed with the Securities and Exchange Commission. This list of factors is not all-inclusive because it is not possible to predict all factors.



# Great Plains Energy

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Mike Chesser,  
Chairman and CEO

# Great Plains Energy – Positioned to “Weather the Storm”

- We will be challenged in 2009 by the same economic factors impacting others in the industry;
- We believe we have the liquidity to weather difficulties in global markets and continue to be committed to the dividend;
- We are managing those challenges by prudently reducing near-term capital expenditures while steadfastly living up to our commitments;
- We have a plan to move all areas toward a Tier 1 cost structure;
- We will continue to work diligently to effectively and constructively manage our regulatory relationships;
- We have an experienced, talented senior management team to lead the company through difficult times; and
- *Our Path to Growth remains intact.*

# Experienced Management Team

## *Aligned to Succeed*

**Mike Chesser - CEO**  
**37 years experience**

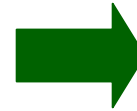
Officers average 23 years of industry experience

**Terry Bassham - CFO**  
**22 years experience**

### Current Key Responsibilities

- Accounting
- Finance and IR
- Risk Management
- Strategic Planning
- Internal Audit

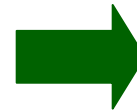
### Direct Reports' Average Years of Industry Experience



**17 years**

**Bill Downey - COO**  
**37 years experience**

- Construction
- Regulatory
- Public Affairs
- Business Planning
- Utility Operations



**20 years**

**John Marshall – EVP**  
**Utility Operations**  
**32 years experience**

- Supply - Generation
- Delivery – T&D
- Corporate Services



**23 years**



# A Path to Growth

## **2009 and beyond: Extend the platform**

- Integrate GMO and deliver synergies
- Complete and include Iatan 1 AQCS and GMO environmental projects in rates effective in 2009
- Complete Iatan 2
- Evaluate 400 MW of additional wind
- Additional environmental spending at LaCygne 1 and potentially LaCygne 2 and Montrose
- Continue with sound strategic planning to effectively meet future generation requirements and be an industry leader in energy efficiency
- Expected dividend growth, with a traditional target payout ratio, to follow

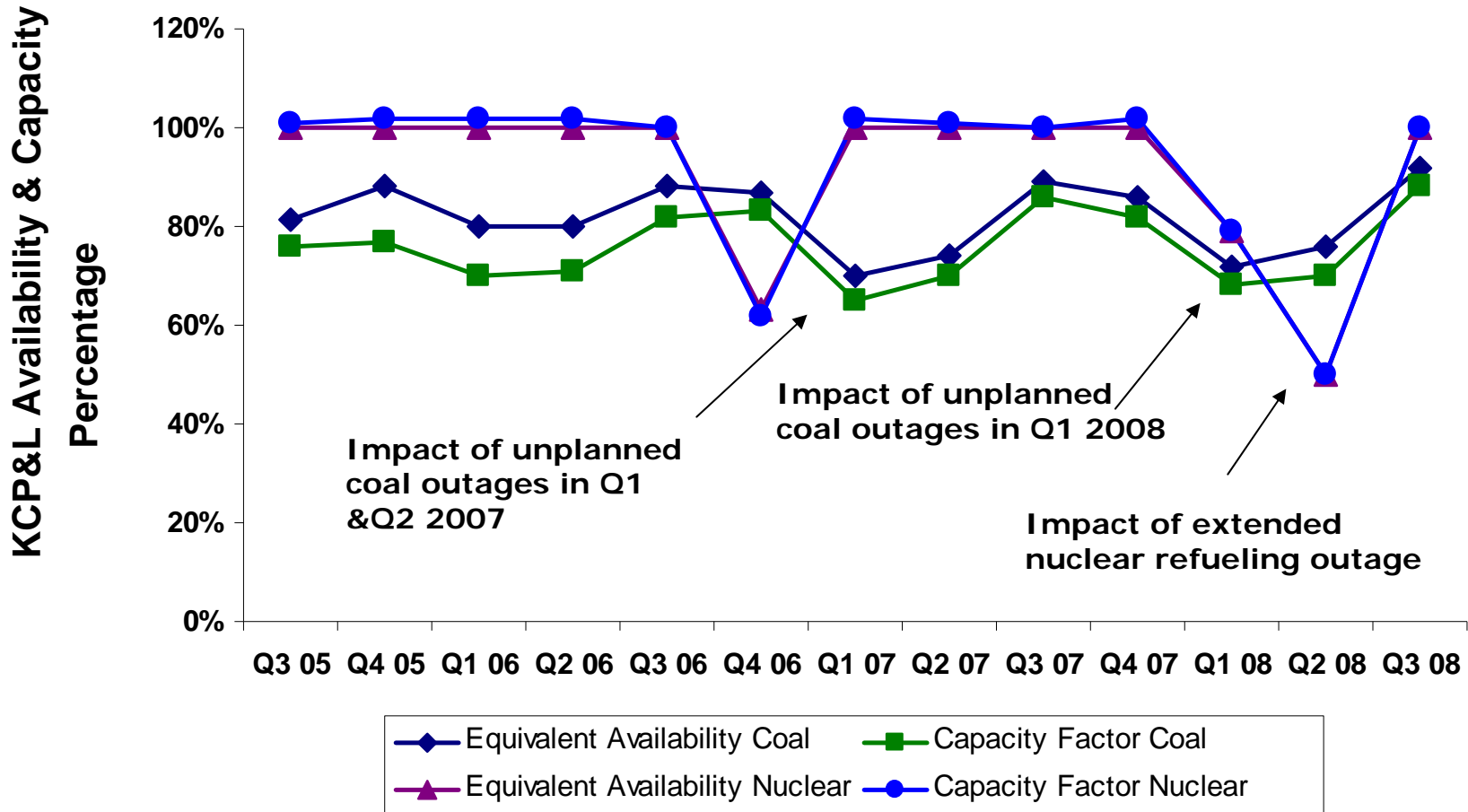


**William Downey,  
President and COO  
Kansas City Power & Light**

# Operations Highlights

- Integration progressing smoothly and synergy capture on target
- Customer satisfaction and reliability remains strong
- Progress on implementation of energy efficiency and demand response
- KCP&L coal units set monthly and quarterly records

# KCP&L Equivalent Availability / Capacity



- For the period July 14 – September 30, 2008, GMO had equivalent availability of 94% and a capacity factor of 76%

# Construction Update

- Iatan 1 AQCS
  - Planned completion January 2009; in-service February 2009
- Iatan 2
  - Planned completion summer 2010
  - Planned cost re-assessment to be completed in early 2009
- Sibley 3 SCR
  - On schedule; planned completion and in-service Q4 2008
- LaCygne
  - Significant expenditures extended beyond 2010
- Wind
  - Continuing to assess opportunities

# Summary of Rate Cases

Rate Case	File Date	Annual Revenue Increase			Rate Base	Return on Equity	Rate-making Equity Ratio	Rate of Return
		Traditional	Additional Amortization	Total				
GMO- MPS	9/5/2008	\$66.0	\$0.0	\$66.0	\$1,202,225	10.75%	53.82%	8.93%
GMO- L&P	9/5/2008	\$17.1	\$0.0	\$17.1	\$305,034	10.75%	53.82%	9.29%
GMO- Steam	9/5/2008	\$1.3	\$0.0	\$1.3	\$14,557	10.75%	53.82%	9.29%
KCPL- MO	9/5/2008	\$86.4	\$15.1	\$101.5	\$1,503,146	10.75%	53.82%	8.69%
KCPL- KS	9/5/2008	\$60.4	\$11.2	\$71.6	\$1,255,419	10.75%	55.39%	8.75%
<b>Total</b>		<b>\$231.2</b>	<b>\$26.3</b>	<b>\$257.5</b>	<b>\$4,280,381</b>			

- Fuel recovery included in KCP&L-MO case only
- Key assets requested to be included in rate base:
  - Iatan 1 AQCS
  - Sibley SCR
  - Crossroads peaking unit and related transmission
  - GMO interest in environmental upgrades at Jeffrey Energy Center
- New rates expected to be effective July 2009 in Kansas and August 2009 in Missouri

# Financial Overview



**Terry Bassham, CFO**  
**Executive Vice President**  
**Finance & Strategic Development**

# Liquidity

Liquidity at 9/30/08

<i>(in \$ millions except where indicated)</i>	<b>Capacity</b>	<b>Outstanding</b>	<b>Available</b>
<b>KCP&amp;L</b>			
Revolving Credit Facility <sup>1</sup>	\$ 600.0	\$266.6	\$ 333.4
A/R Facility	100.0	70.0	30.0
<b>GMO</b>			
Revolving Credit Facility	400.0	0.0	400.0
A/R Facility	65.0	17.0	48.0
<b>GPE</b>			
Revolving Credit Facility <sup>2</sup>	400.0	68.0	332.0
	<b>\$1,565.0</b>	<b>\$421.6</b>	<b>\$1,143.4</b>

<sup>1</sup> *Revolving credit facility used as a backstop for commercial paper issuance; outstanding amount includes \$254.7 million of CP and \$11.9 million of letters of credit*

<sup>2</sup> *Outstanding amount includes \$20.0 million in cash borrowings and \$48.0 million of letters of credit*

# Earnings Per Share By Segment

	<u>3Q 2007</u>	<u>3Q 2008</u>	<u>YTD 2007</u>	<u>YTD 2008</u>
Electric Utility	\$0.89	\$0.90	\$1.35	\$1.34
Other	(0.11)	0.02	(0.23)	(0.16)
Income from continuing operations	\$0.78	\$0.92	\$1.12	\$1.18
SE discontinued operations	(0.05)	0.00	0.19	0.37
Net Income	0.73	0.92	1.31	1.55
Preferred dividends	(0.01)		(0.02)	(0.01)
Earnings available for common	\$0.72	0.92 <sup>*1</sup>	\$1.29	1.54 <sup>*2</sup>

## Core EPS by Segment

	<u>3Q 2007</u>	<u>3Q 2008</u>	<u>YTD 2007</u>	<u>YTD 2008</u>
Electric Utility	\$0.87	\$0.90	\$1.33	\$1.54
Other	(0.05)	(0.02)	(0.18)	(0.18)
Earnings available for common	\$0.82	0.88 <sup>*1</sup>	\$1.15	1.36 <sup>*2</sup>

<sup>\*1</sup> Includes \$0.15/share contribution from GMO (\$0.16 for Electric Utility and \$(0.01) for other); average number of diluted shares O/S increased to 113.9M for 3Q, causing \$0.30/share dilution to reported earnings and \$0.29/share dilution to core earnings

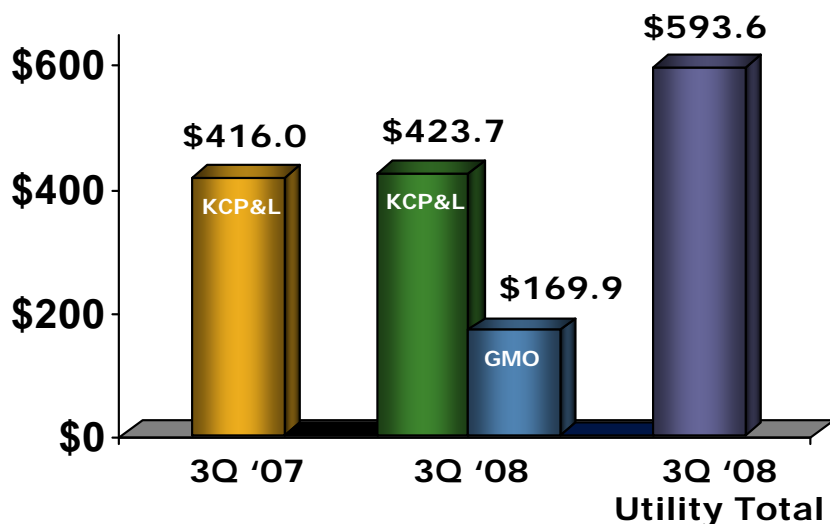
<sup>\*2</sup> Includes \$0.18/share contribution from GMO (\$0.20 for electric utility and \$(0.02) for other); average number of diluted shares O/S increased to 95.3M YTD causing \$0.18/share dilution to reported earnings and \$0.16/share to core earnings



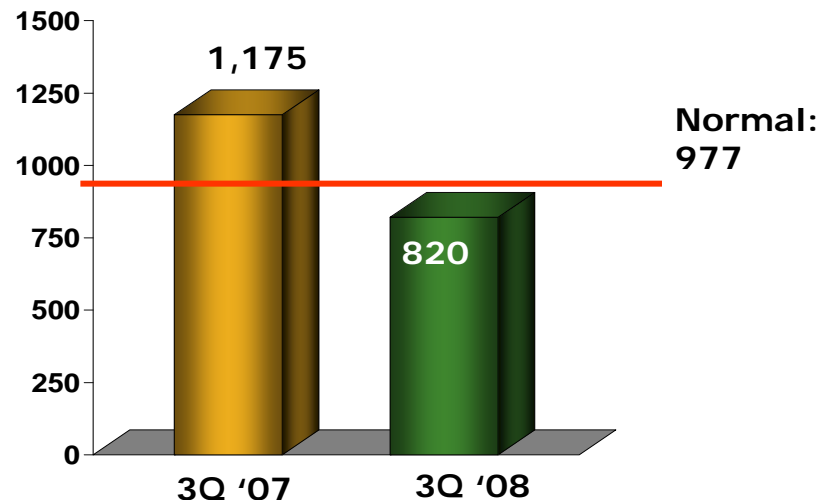
# Electric Utility Third Quarter Revenue

(millions except where indicated)

## Revenue



## Cooling Degree Days



### Key Revenue Drivers:

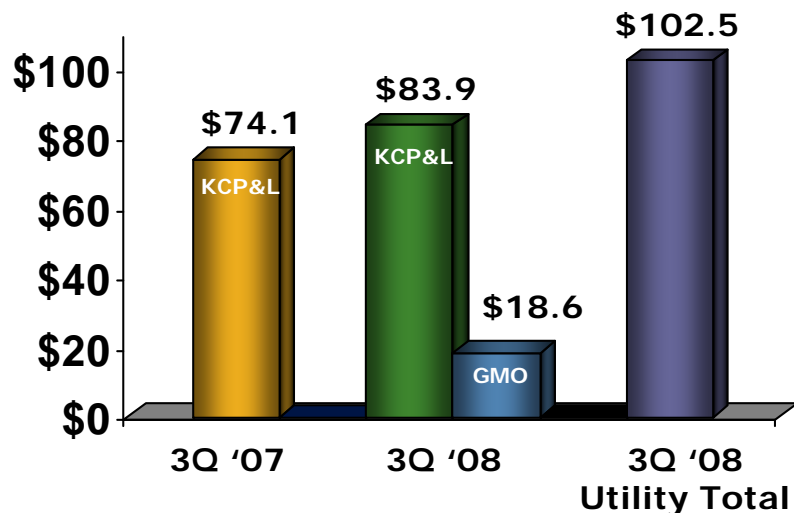
- + GMO revenue contribution of \$169.9 million in 3Q 2008
- + New retail rates at KCP&L effective January 2008
- + KCP&L wholesale revenue up 22% due to increased wholesale volume and prices
- Mild weather
- Lower weather-normalized demand



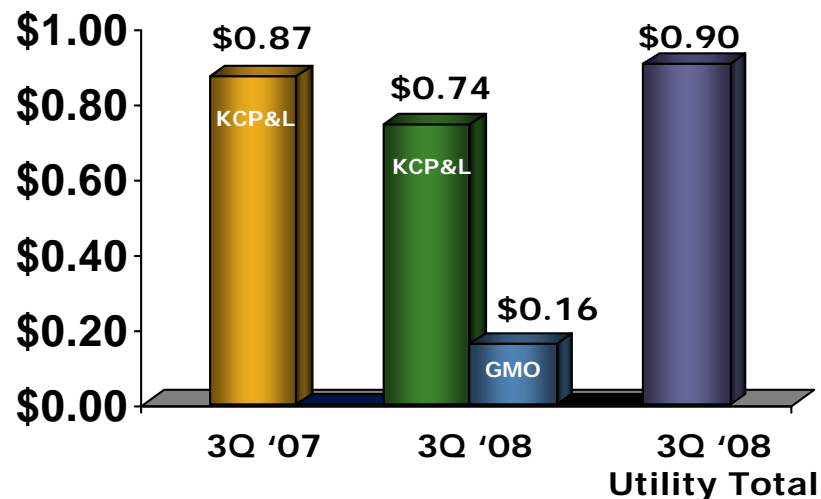
# Electric Utility Third Quarter Results

(millions except where indicated)

## Core Earnings



## Core Earnings Per Share



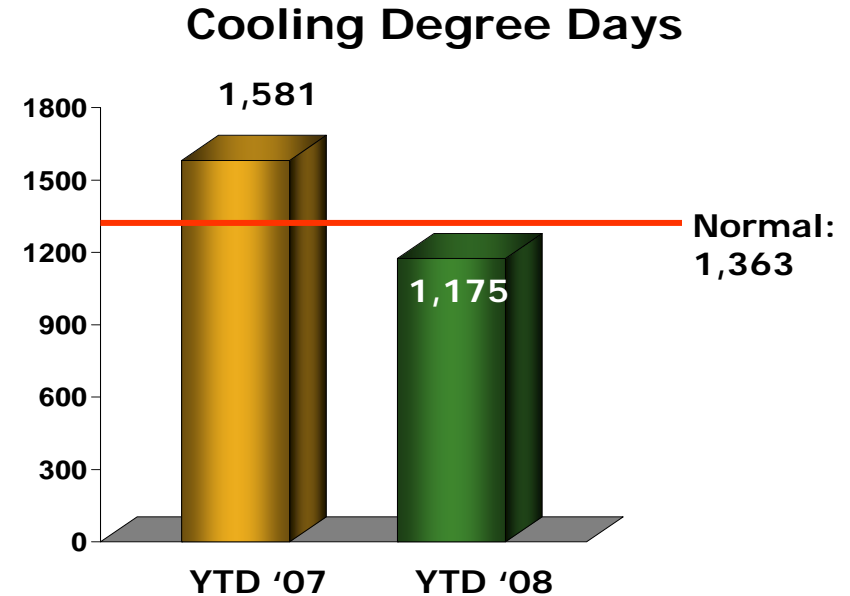
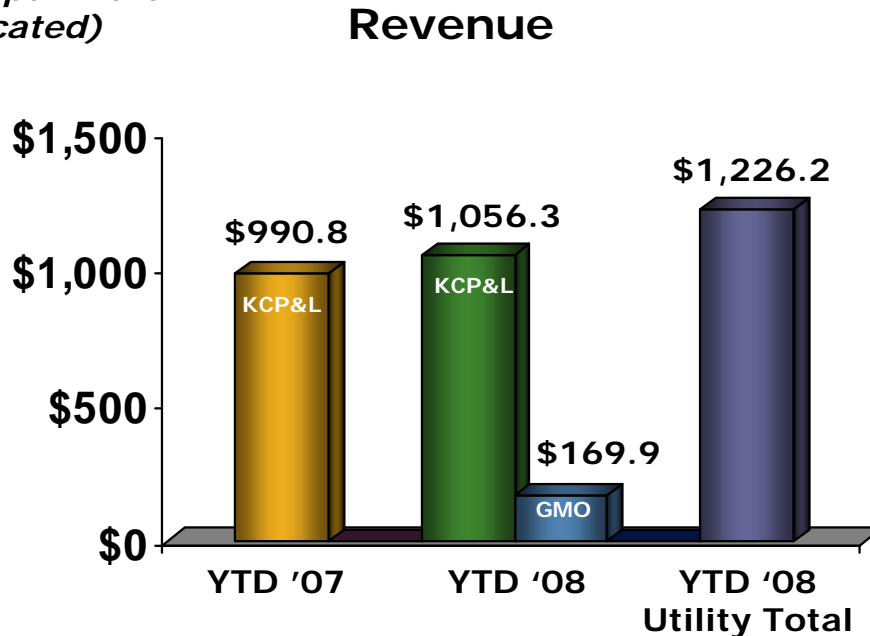
### Key Earnings Drivers:

- + GMO contribution of \$18.6 million or \$0.16 per share to 3Q 2008
- + Higher KCP&L revenue driven by wholesale
- + Favorable impact of \$6.5 million from AFUDC
- + Lower KCP&L purchased power volume, offset somewhat by higher prices
- Higher KCP&L fuel and O&M costs
- Dilution of \$0.29 caused by shares issued in connection with GMO transaction



# Electric Utility Year-to-Date Revenue

(millions except where indicated)



## Key Revenue Drivers:

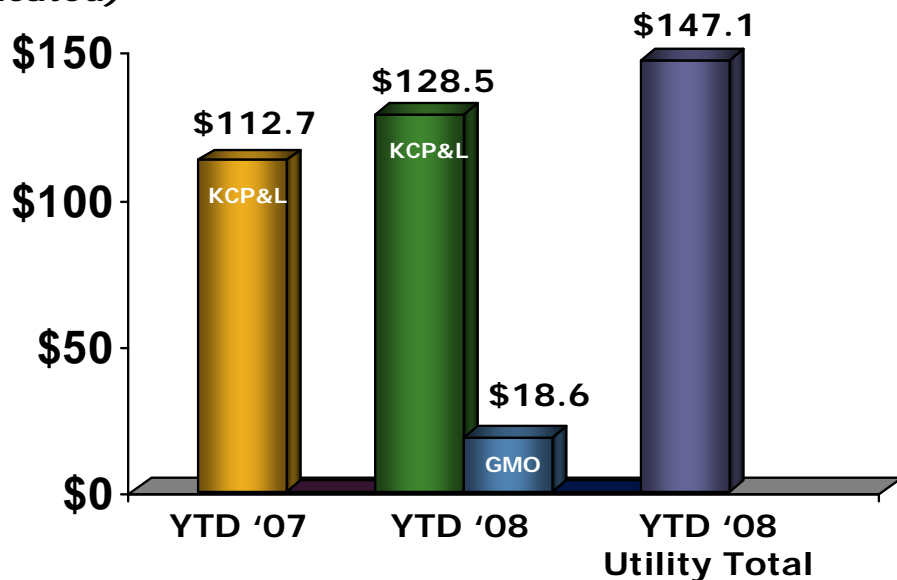
- + GMO revenue contribution of \$169.9 million
- + New retail rates at KCP&L effective January 2008
- + Increased wholesale sales volumes and prices
  
- Mild weather in third quarter



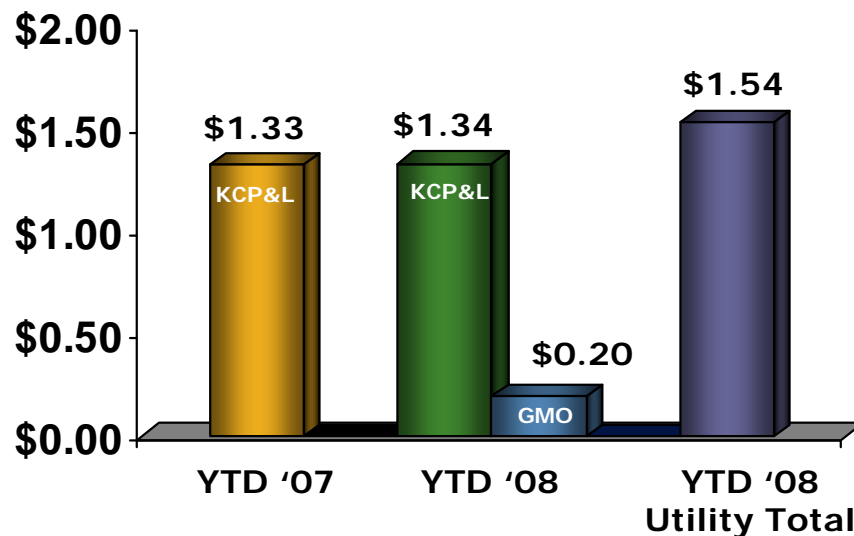
# Electric Utility Year-to-Date Results

(millions except where indicated)

## Core Earnings



## Core Earnings Per Share



### Earnings Drivers:

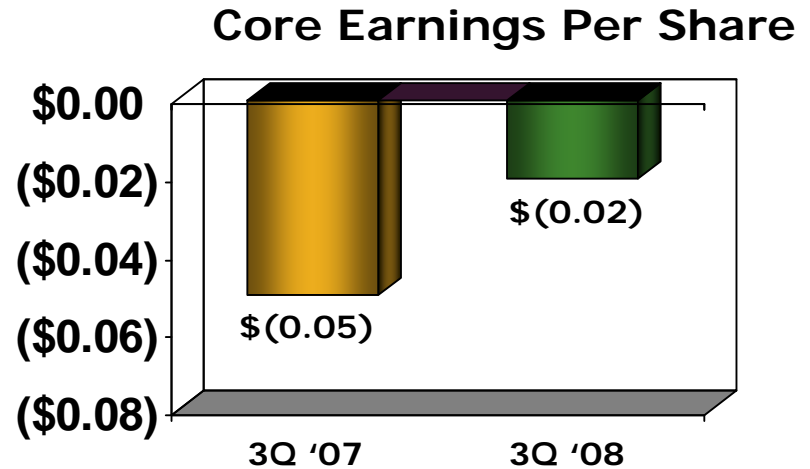
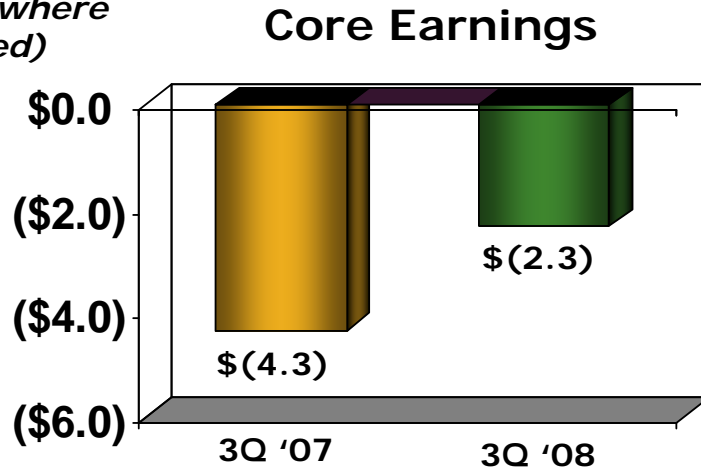
- + GMO contribution of \$18.6 million or \$0.20 per share YTD 2008
- + Increase in KCP&L's AFUDC of \$13.7 million
- + New retail rates at KCP&L effective January 2008
- + Increased wholesale prices and 3Q volumes

- Mild 3Q weather
- Purchased power \$19.9 million higher
- Dilution of \$0.16 caused by shares issued in connection with GMO transaction



# GXP "Other" Third Quarter Results

(millions  
except where  
indicated)



## Key Earnings Drivers:

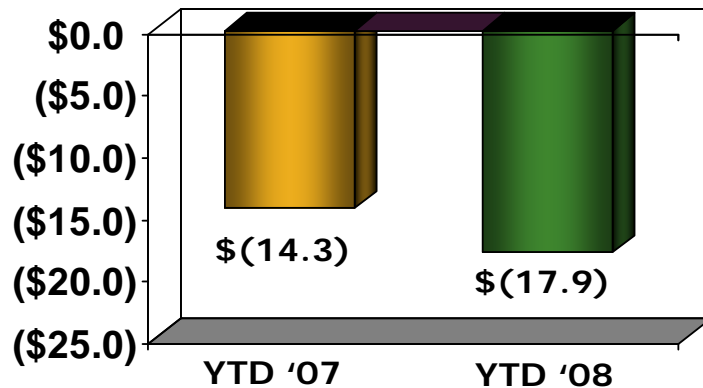
- + \$3.6 million from the reversal of after-tax interest expense related to unrecognized tax benefit
- Higher interest expense of \$1.1 million
- Higher expenses including \$2.4 million labor expense related to the GMO transaction that would otherwise be reflected in Electric Utility segment



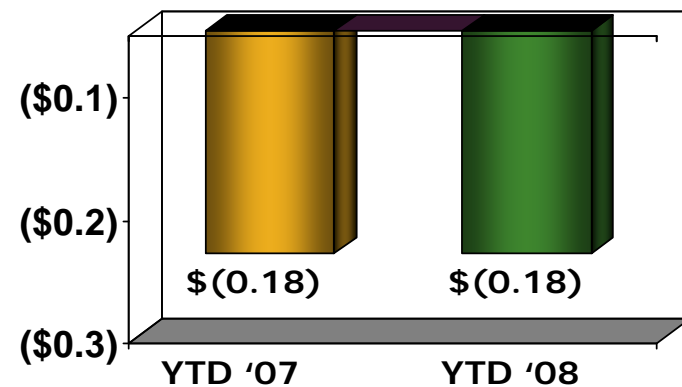
# GXP "Other" Year-to-Date Results

(millions  
except where  
indicated)

## Core Earnings



## Core Earnings Per Share



### Key Drivers:

- + \$3.6 million from the reversal of after-tax interest expense related to unrecognized tax benefits.
- Higher interest expense of \$3.4 million
- Higher expenses including \$5.1 million related to the GMO transaction that would otherwise be reflected in Electric Utility segment



# Key Assumptions

## Great Plains Energy 2009 Guidance Range \$1.30 – \$1.60

- **Revenue**

- Normal weather
- Retail (weather-normalized)
  - 2009 - Retail MWh sales essentially flat compared to 2008 for KCP&L; growth rate at GMO ~1.5%, similar to 2008 growth
  - 2010-11 – Retail growth of 0.5% - 1% at KCP&L and 1% - 2% at GMO
- New wholesale margin threshold for KCP&L-MO of \$92.5 million (subject to true-up) effective with new rates in August 2009

- **Regulatory**

- Approval of the rate request in Kansas and Missouri with new rates in effect late summer 2009
- New rates in “Iatan 2 case” in effect summer 2010 in KS, and fall 2010 for the MO properties
  - Assumed ROE of 10.75%

# Key Assumptions Continued

- **Plant Performance**

- Equivalent Availability Factor (EAF) and Capacity Factor (CF) for fossil fleet for 2009 of ~80% and 77%, respectively; in 2010-11, EAF in 80%-85% range and CF relatively constant
- Wolf Creek plant performance at historical levels

- **Capital Expenditures**

- Previous cost and schedule disclosures for Iatan 2
- No wind in capex projections until 2011
- Reduced spending on LaCygne environmental in 2009 – 10
- No additional environmental mandates

- **Fuel Expense**

- 67% covered by FAC
- Approximately 85% of 2009, 45% of 2010, and 15% of 2011's KCP&L coal requirements are under contract

# Key Assumptions Continued

- **Finance**

- Dividend maintained at \$1.66/share for 2009-11
- \$200 million of equity issuance in 2009; total \$400 million of additional equity issuance in 2010-11
- \$850 - \$950 million of new debt over 2009-11; short-term / long-term TBD
- No refinancing of GMO debt prior to maturity
- Amortization of GMO debt write-up reduces pre-tax interest expense by approximately \$32 million per year in 2009-11

- **Tax**

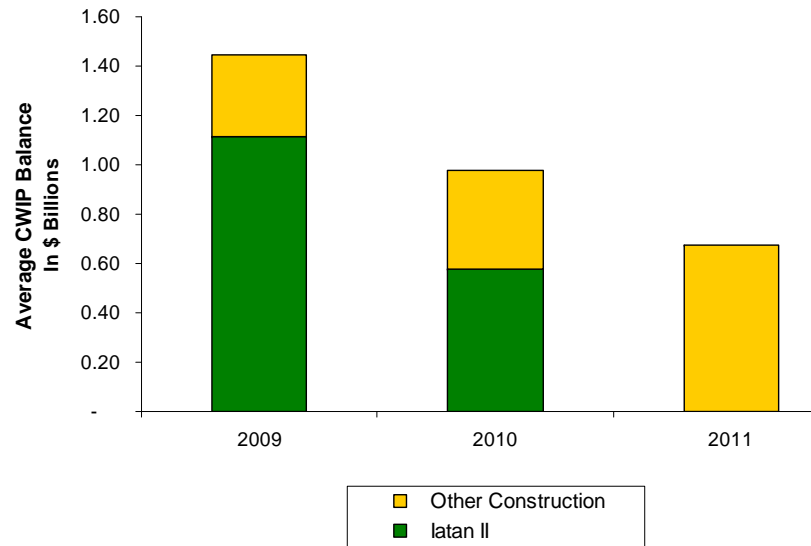
- The marginal tax rate before credits relatively constant at 38.9%
- Tax credits of \$6-8 million per year will reduce the marginal tax rate from 38.9% (excludes advanced coal credits)
- NOLs – No earnings benefit, but \$100 million of NOLs available annually in 2009 – 2012 to reduce cash taxes

# Projected Capital Expenditures 2009-2011

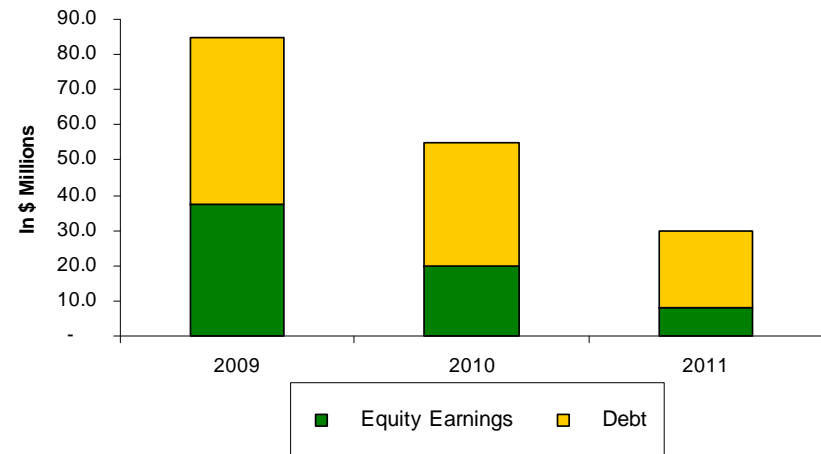
	<u>2009</u>		<u>2010</u>		<u>2011</u>
<b>Base utility construction expenditures</b>					
Generating facilities	\$ 107.8	\$	133.0	\$	245.3
Distribution and transmission facilities	204.6		281.9		301.6
General facilities	44.9		35.7		67.9
<b>Total base utility construction expenditures</b>	<u>357.3</u>		<u>450.6</u>		<u>614.8</u>
<b>CEP construction expenditures</b>					
Iatan No. 2 (KCP&L share)	291.2		120.4		-
Environmental (KCP&L)	48.4		43.3		82.6
Customer programs & asset management (KCP&L)	12.2		7.6		2.0
<b>Total CEP construction expenditures</b>	<u>351.8</u>		<u>171.3</u>		<u>84.6</u>
Nuclear fuel	17.5		32.0		25.1
Iatan No. 2 (GMO share)	94.9		39.6		-
Other environmental	27.2		49.7		106.3
Customer programs & asset management (GMO)	0.5		0.4		0.4
<b>Total utility construction expenditures</b>	<u>\$ 849.2</u>	<u>\$</u>	<u>743.6</u>	<u>\$</u>	<u>831.2</u>

# CWIP and AFUDC Projections

## CWIP Projection 2009 - 2011

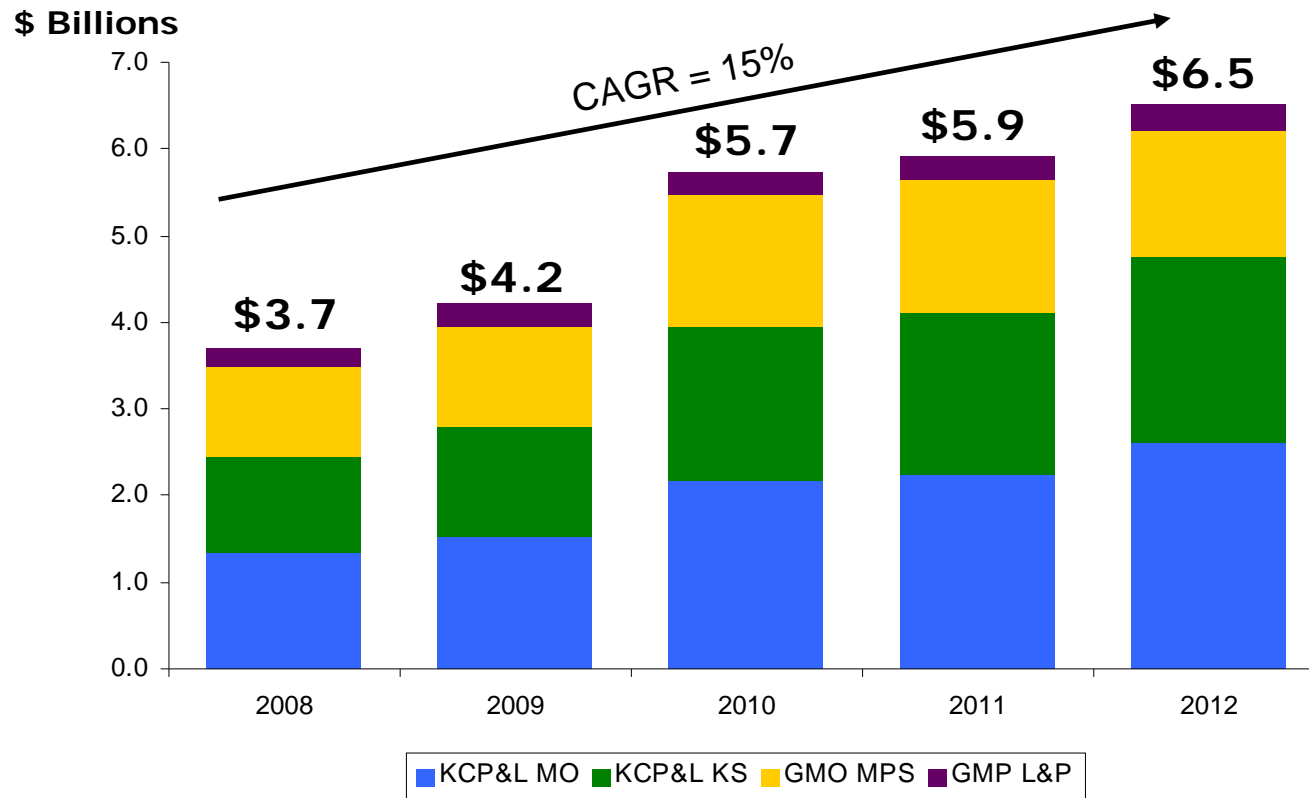


## AFUDC Projection 2009 - 2011



- latan 2 AFUDC equity rates for KCP&L KS and KCP&L MO are 8.30% and 8.25%, respectively, until new rates effective in 2009

# Solid Rate Base Growth



- Year-end rate base projections
- Iatan 1, Sibley environmental and Crossroads in rate base 3Q09
- Iatan 2 in rate base 3Q 2010 (KCP&L-KS and GMO) and 4Q 2010 (KCP&L-MO)

# Great Plains Energy

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# Appendix

**GREAT PLAINS ENERGY**  
**Consolidated Earnings and Earnings Per Share**  
**Three Months Ended September 30**  
(Unaudited)

	<b>Earnings</b>		<b>Earnings per Great Plains Energy Share</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	(millions)			
Electric Utility	\$ 102.5	\$ 76.5	\$ 0.90	\$ 0.89
Other	2.2	(10.5)	0.02	(0.11)
Income from continuing operations	104.7	66.0	0.92	0.78
Strategic Energy discontinued operations	0.3	(3.9)	-	(0.05)
Net income	105.0	62.1	0.92	0.73
Preferred dividends	(0.4)	(0.3)	-	(0.01)
Earnings available for common shareholders	\$ 104.6	\$ 61.8	\$ 0.92	\$ 0.72
<b>Reconciliation of GAAP to Non-GAAP</b>				
Earnings available for common shareholders	\$ 104.6	\$ 61.8	\$ 0.92	\$ 0.72
Reconciling items				
Electric Utility - allocation of holding company merger tax benefits	-	(2.4)	-	(0.02)
Other - merger transition costs	(3.9)	0.9	(0.04)	0.01
Other - mark-to-market impacts	(0.2)	5.6	-	0.06
Strategic Energy discontinued operations	(0.3)	3.9	-	0.05
Core earnings	\$ 100.2	\$ 69.8	\$ 0.88	\$ 0.82
<b>Core earnings</b>				
Electric Utility	\$ 102.5	\$ 74.1	\$ 0.90	\$ 0.87
Other	(2.3)	(4.3)	(0.02)	(0.05)
Core earnings	\$ 100.2	\$ 69.8	\$ 0.88	\$ 0.82

Core earnings is a non-GAAP financial measure that differs from GAAP earnings because it excludes the effects of discontinued operations, certain unusual items and mark-to-market gains and losses on certain contracts. Great Plains Energy believes core earnings provides to investors a meaningful indicator of its results that is comparable among periods because it excludes the effects of items that may not be indicative of Great Plains Energy's prospective earnings potential. Core earnings is used internally to measure performance against budget and in reports for management and the Board of Directors and are a component, subject to adjustment, of employee and executive compensation plans. Investors should note that this non-GAAP measure involves judgments by management, including whether an item is classified as an unusual item, and Great Plains Energy's definition of core earnings may differ from similar terms used by other companies. The impact of these items could be material to operating results presented in accordance with GAAP. Great Plains Energy is unable to reconcile core earnings guidance to GAAP earnings per share because it does not predict the future impact of unusual items and mark-to-market gains or losses on energy contracts.



**GREAT PLAINS ENERGY**  
**Consolidated Earnings and Earnings Per Share**  
**Year to Date September 30**  
(Unaudited)

	<u>Earnings</u>		<u>Earnings per Great Plains Energy Share</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(millions)			
Electric Utility	\$ 127.4	\$ 115.1	\$ 1.34	\$ 1.35
Other	(14.9)	(20.4)	(0.16)	(0.23)
Income from continuing operations	112.5	94.7	1.18	1.12
Strategic Energy discontinued operations	35.0	16.4	0.37	0.19
Net income	147.5	111.1	1.55	1.31
Preferred dividends	(1.2)	(1.2)	(0.01)	(0.02)
Earnings available for common shareholders	\$ 146.3	\$ 109.9	\$ 1.54	\$ 1.29
<b>Reconciliation of GAAP to Non-GAAP</b>				
Earnings available for common shareholders	\$ 146.3	\$ 109.9	\$ 1.54	\$ 1.29
Reconciling items				
Electric Utility - allocation of holding company merger tax benefits	-	(2.4)	-	(0.02)
Electric Utility - change in composite tax rate	19.7	-	0.20	-
Other - merger transition costs	(3.0)	1.7	(0.03)	0.01
Other - release of legal reserve	(3.4)	-	(0.04)	-
Other - mark-to-market impacts	5.5	5.6	0.07	0.06
Other - change in composite tax rate	(0.9)	-	(0.01)	-
Strategic Energy discontinued operations	(35.0)	(16.4)	(0.37)	(0.19)
Core earnings	\$ 129.2	\$ 98.4	\$ 1.36	\$ 1.15
<b>Core earnings</b>				
Electric Utility	\$ 147.1	\$ 112.7	\$ 1.54	\$ 1.33
Other	(17.9)	(14.3)	(0.18)	(0.18)
Core earnings	\$ 129.2	\$ 98.4	\$ 1.36	\$ 1.15

Core earnings is a non-GAAP financial measure that differs from GAAP earnings because it excludes the effects of discontinued operations, certain unusual items and mark-to-market gains and losses on certain contracts. Great Plains Energy believes core earnings provides to investors a meaningful indicator of its results that is comparable among periods because it excludes the effects of items that may not be indicative of Great Plains Energy's prospective earnings potential. Core earnings is used internally to measure performance against budget and in reports for management and the Board of Directors and are a component, subject to adjustment, of employee and executive compensation plans. Investors should note that this non-GAAP measure involves judgments by management, including whether an item is classified as an unusual item, and Great Plains Energy's definition of core earnings may differ from similar terms used by other companies. The impact of these items could be material to operating results presented in accordance with GAAP. Great Plains Energy is unable to reconcile core earnings guidance to GAAP earnings per share because it does not predict the future impact of unusual items and mark-to-market gains or losses on energy contracts.

