

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 **September 30, 2016**

or

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

For the transition period from _____ to _____

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

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 October 31, 2016, Great Plains Energy Incorporated had 215,295,002 shares of common stock outstanding. On October 31, 2016, 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.

[Table of Contents](#)**PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

GREAT PLAINS ENERGY INCORPORATED
Consolidated Balance Sheets
(Unaudited)

	September 30 2016	December 31 2015
(millions, except share amounts)		
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 12.0	\$ 11.3
Funds on deposit	2.4	2.1
Receivables, net	194.1	147.7
Accounts receivable pledged as collateral	190.0	175.0
Fuel inventories, at average cost	98.6	118.4
Materials and supplies, at average cost	161.0	155.7
Deferred refueling outage costs	11.7	19.2
Refundable income taxes	1.1	3.8
Prepaid expenses and other assets	67.9	31.0
Total	738.8	664.2
Utility Plant, at Original Cost		
Electric	13,418.7	13,189.9
Less - accumulated depreciation	5,041.6	4,943.7
Net utility plant in service	8,377.1	8,246.2
Construction work in progress	400.9	347.9
Nuclear fuel, net of amortization of \$214.9 and \$192.5	66.5	68.3
Total	8,844.5	8,662.4
Investments and Other Assets		
Nuclear decommissioning trust fund	218.3	200.7
Regulatory assets	980.4	979.1
Goodwill	169.0	169.0
Other	93.7	63.2
Total	1,461.4	1,412.0
Total	\$ 11,044.7	\$ 10,738.6

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

[Table of Contents](#)

GREAT PLAINS ENERGY INCORPORATED
Consolidated Balance Sheets
(Unaudited)

	September 30 2016	December 31 2015
(millions, except share amounts)		
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	\$ 104.0	\$ 10.0
Collateralized note payable	190.0	175.0
Commercial paper	157.1	224.0
Current maturities of long-term debt	382.1	1.1
Accounts payable	227.7	352.9
Accrued taxes	123.4	31.6
Accrued interest	61.4	44.7
Accrued compensation and benefits	47.5	41.4
Pension and post-retirement liability	3.4	3.4
Derivative instruments	78.8	0.5
Other	24.7	31.1
Total	1,400.1	915.7
Deferred Credits and Other Liabilities		
Deferred income taxes	1,270.5	1,158.8
Deferred tax credits	126.5	125.1
Asset retirement obligations	285.0	275.9
Pension and post-retirement liability	467.2	455.2
Regulatory liabilities	305.1	284.4
Other	82.6	82.9
Total	2,536.9	2,382.3
Capitalization		
Great Plains Energy common shareholders' equity		
Common stock - 600,000,000 and 250,000,000 shares authorized without par value 154,925,107 and 154,504,900 shares issued, stated value	2,661.7	2,646.7
Retained earnings	1,092.7	1,024.4
Treasury stock - 128,096 and 101,229 shares, at cost	(3.8)	(2.6)
Accumulated other comprehensive loss	(7.5)	(12.0)
Total	3,743.1	3,656.5
Cumulative preferred stock \$100 par value		
3.80% - 0 and 100,000 shares issued	—	10.0
4.50% - 0 and 100,000 shares issued	—	10.0
4.20% - 0 and 70,000 shares issued	—	7.0
4.35% - 0 and 120,000 shares issued	—	12.0
Total	—	39.0
Long-term debt (Note 11)	3,364.6	3,745.1
Total	7,107.7	7,440.6
Commitments and Contingencies (Note 14)		
Total	\$ 11,044.7	\$ 10,738.6

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

[Table of Contents](#)

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

	Three Months Ended September 30		Year to Date September 30	
	2016	2015	2016	2015
Operating Revenues	(millions, except per share amounts)			
Electric revenues	\$ 856.8	\$ 781.4	\$ 2,099.7	\$ 1,939.5
Operating Expenses				
Fuel	105.7	124.5	285.7	332.0
Purchased power	78.4	52.1	176.5	146.3
Transmission	23.8	23.9	64.5	65.1
Utility operating and maintenance expenses	193.3	182.5	553.1	537.4
Costs to achieve the anticipated acquisition of Westar Energy, Inc.	14.4	—	19.4	—
Depreciation and amortization	86.4	82.4	256.9	245.7
General taxes	63.7	58.0	174.5	162.8
Other	9.2	1.3	15.0	3.5
Total	574.9	524.7	1,545.6	1,492.8
Operating income	281.9	256.7	554.1	446.7
Non-operating income	4.3	0.9	9.7	9.1
Non-operating expenses	(3.0)	(1.4)	(10.7)	(8.7)
Interest charges	(67.6)	(51.0)	(251.7)	(148.3)
Income before income tax expense and income from equity investments	215.6	205.2	301.4	298.8
Income tax expense	(82.7)	(78.6)	(111.5)	(109.6)
Income from equity investments, net of income taxes	0.7	0.2	2.1	0.9
Net income	133.6	126.8	192.0	190.1
Preferred stock dividend requirements and redemption premium	0.9	0.4	1.7	1.2
Earnings available for common shareholders	\$ 132.7	\$ 126.4	\$ 190.3	\$ 188.9
Average number of basic common shares outstanding	154.6	154.2	154.5	154.1
Average number of diluted common shares outstanding	154.9	154.8	154.9	154.8
Basic earnings per common share	\$ 0.86	\$ 0.82	\$ 1.23	\$ 1.23
Diluted earnings per common share	\$ 0.86	\$ 0.82	\$ 1.23	\$ 1.22
Cash dividends per common share	\$ 0.2625	\$ 0.245	\$ 0.7875	\$ 0.735
Comprehensive Income				
Net income	\$ 133.6	\$ 126.8	\$ 192.0	\$ 190.1
Other comprehensive income				
Derivative hedging activity				
Reclassification to expenses, net of tax	1.3	1.4	4.1	4.2
Derivative hedging activity, net of tax	1.3	1.4	4.1	4.2
Defined benefit pension plans				
Amortization of net losses included in net periodic benefit costs, net of tax	0.2	—	0.4	0.3
Change in unrecognized pension expense, net of tax	0.2	—	0.4	0.3
Total other comprehensive income	1.5	1.4	4.5	4.5
Comprehensive income	\$ 135.1	\$ 128.2	\$ 196.5	\$ 194.6

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

[Table of Contents](#)

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

Year to Date September 30	2016	2015
Cash Flows from Operating Activities	(millions)	
Net income	\$ 192.0	\$ 190.1
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	256.9	245.7
Amortization of:		
Nuclear fuel	22.4	18.4
Other	52.4	35.3
Deferred income taxes, net	109.9	110.1
Investment tax credit amortization	(1.1)	(1.1)
Income from equity investments, net of income taxes	(2.1)	(0.9)
Fair value impacts of interest rate swaps	78.8	—
Other operating activities (Note 3)	(24.4)	9.7
Net cash from operating activities	684.8	607.3
Cash Flows from Investing Activities		
Utility capital expenditures	(435.3)	(520.9)
Allowance for borrowed funds used during construction	(4.7)	(4.3)
Purchases of nuclear decommissioning trust investments	(23.7)	(35.3)
Proceeds from nuclear decommissioning trust investments	21.2	32.8
Other investing activities	(48.7)	(34.5)
Net cash from investing activities	(491.2)	(562.2)
Cash Flows from Financing Activities		
Issuance of common stock	2.4	2.3
Issuance of long-term debt	—	348.8
Issuance fees	(68.7)	(2.6)
Repayment of long-term debt	(1.1)	(87.0)
Net change in short-term borrowings	27.1	(211.2)
Net change in collateralized short-term borrowings	15.0	19.0
Dividends paid	(122.5)	(114.6)
Cumulative preferred stock redemption	(40.1)	—
Purchase of treasury stock	(4.9)	(1.6)
Other financing activities	(0.1)	(0.2)
Net cash from financing activities	(192.9)	(47.1)
Net Change in Cash and Cash Equivalents	0.7	(2.0)
Cash and Cash Equivalents at Beginning of Year	11.3	13.0
Cash and Cash Equivalents at End of Period	\$ 12.0	\$ 11.0

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

[Table of Contents](#)

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

Year to Date September 30	2016		2015	
	Shares	Amount	Shares	Amount
	(millions, except share amounts)			
Common Stock				
Beginning balance	154,504,900	\$ 2,646.7	154,254,037	\$ 2,639.3
Issuance of common stock	420,207	12.5	210,579	5.5
Equity compensation expense, net of forfeitures		3.1		1.4
Unearned Compensation				
Issuance of restricted common stock		(2.8)		(2.4)
Forfeiture of restricted common stock		—		0.4
Compensation expense recognized		2.0		1.3
Other		0.2		(0.5)
Ending balance	154,925,107	2,661.7	154,464,616	2,645.0
Retained Earnings				
Beginning balance		1,024.4		967.8
Net income		192.0		190.1
Redemption premium on preferred stock		(0.6)		—
Dividends:				
Common stock (\$0.7875 and \$0.735 per share)		(121.8)		(113.4)
Preferred stock - at required rates		(0.7)		(1.2)
Performance shares		(0.6)		(0.6)
Ending balance		1,092.7		1,042.7
Treasury Stock				
Beginning balance	(101,229)	(2.6)	(91,281)	(2.3)
Treasury shares acquired	(136,562)	(4.1)	(73,326)	(1.9)
Treasury shares reissued	109,695	2.9	64,180	1.6
Ending balance	(128,096)	(3.8)	(100,427)	(2.6)
Accumulated Other Comprehensive Income (Loss)				
Beginning balance		(12.0)		(18.7)
Derivative hedging activity, net of tax		4.1		4.2
Change in unrecognized pension expense, net of tax		0.4		0.3
Ending balance		(7.5)		(14.2)
Total Great Plains Energy Common Shareholders' Equity		\$ 3,743.1		\$ 3,670.9

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

[Table of Contents](#)

- a \$5.3 million decrease in plant operating and maintenance expense due to fewer planned outages in 2016.

Electric Utility Depreciation and Amortization

Electric utility's depreciation and amortization increased \$4.0 million and \$11.2 million for the three months ended and year to date September 30, 2016, respectively, compared to the same periods in 2015 due to capital additions.

Electric Utility Interest Charges

Electric utility's interest charges increased \$5.3 million year to date September 30, 2016, compared to the same period in 2015 primarily due to a \$7.9 million increase in interest expense related to KCP&L's issuance of \$350 million of 3.65% Senior Notes in August 2015; partially offset by a \$2.2 million decrease in interest expense due to KCP&L's purchase in lieu of redemption of its \$50.0 million and \$21.9 million EIRR Series 2005 bonds in September 2015.

Electric Utility Income Tax Expense

Electric utility's income tax expense increased \$17.4 million and \$48.2 million, respectively, for the three months ended and year to date September 30, 2016, compared to the same periods in 2015 primarily due to increased pre-tax income.

GREAT PLAINS ENERGY SIGNIFICANT BALANCE SHEET CHANGES**(September 30, 2016 compared to December 31, 2015)**

- Great Plains Energy's receivables, net increased \$46.4 million primarily due to seasonal increases in customer accounts receivable.
- Great Plains Energy's notes payable increased \$94.0 million primarily due to borrowings for up-front fees and other expenses incurred in connection with the anticipated acquisition of Westar.
- Great Plains Energy's commercial paper decreased \$66.9 million due to the repayment of \$180.3 million of commercial paper at KCP&L with funds from operations partially offset by an increase in commercial paper of \$113.4 million at GMO due to borrowings for general corporate purposes.
- Great Plains Energy's current maturities of long-term debt increased \$381.0 million and long-term debt decreased \$380.5 million due to the reclassification of KCP&L's \$250.0 million of 5.85% Senior Notes and \$31.0 million of 1.25% EIRR Series 1992 bonds and Great Plains Energy's \$100.0 million of 6.875% Senior Notes from long-term to current.
- Great Plains Energy's accounts payable decreased \$125.2 million primarily due to the timing of cash payments.
- Great Plains Energy's accrued taxes increased \$91.8 million primarily due to the timing of property tax payments.
- Great Plains Energy's derivative instruments - current liabilities increased \$78.3 million due to a \$78.8 million mark-to-market loss on interest rate swaps entered into in June 2016 to hedge against interest rate fluctuations on future issuances of long-term debt expected to be issued to finance a portion of the cash consideration for the anticipated acquisition of Westar.
- Great Plains Energy's cumulative preferred stock \$100 par value decreased \$39.0 million due to the redemption of its 390,000 shares of outstanding cumulative preferred stock in August 2016.

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 is dependent on its receipt of dividends or other distributions from its subsidiaries, proceeds from the issuance of its securities and borrowing under its revolving credit facility.

[Table of Contents](#)

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

Great Plains Energy's liquid resources at September 30, 2016, consisted of \$12.0 million of cash and cash equivalents on hand and \$983.8 million of available borrowing capacity from unused bank lines of credit and receivable sale agreements. The available borrowing capacity consisted of \$95.8 million from Great Plains Energy's revolving credit facility, \$597.2 million from KCP&L's credit facilities and \$290.8 million from GMO's credit facilities. See Notes 4 and 10 to the consolidated financial statements for more information regarding the receivable sale agreements and revolving credit facilities, respectively. Generally, Great Plains Energy uses these liquid resources to meet its day-to-day cash flow requirements, and from time to time issues equity and/or long-term debt to repay short-term debt or increase cash balances.

Great Plains Energy intends to meet day-to-day cash flow requirements including interest payments, retirement of maturing debt, construction requirements, dividends and pension benefit plan funding requirements with a combination of internally generated funds and proceeds from short-term debt. From time to time, Great Plains Energy issues equity and/or long-term debt to repay short-term debt or increase cash balances. Great Plains Energy's intention to meet a portion of these requirements with internally generated funds may be impacted by the effect of inflation on operating expenses, the level of MWh sales, regulatory actions, compliance with environmental regulations and the availability of generating units. In addition, Great Plains Energy may issue equity, equity-linked securities and/or debt to finance growth.

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

Great Plains Energy has a 364-day \$5.1 billion senior unsecured bridge term loan facility to support the anticipated acquisition of Westar and provide flexibility for timing of long-term financing. See Note 10 to the consolidated financial statements for additional information.

Cash Flows from Operating Activities

Great Plains Energy generated positive cash flows from operating activities for the periods presented. The \$77.5 million increase in cash flows from operating activities for Great Plains Energy year to date September 30, 2016, compared to the same period in 2015 was primarily due to new retail rates and new cost recovery mechanisms for KCP&L. Other changes in working capital are detailed in Note 3 to the consolidated financial statements. The individual components of working capital vary with normal business cycles and operations.

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 decreased \$85.6 million year to date September 30, 2016, compared to the same period in 2015 primarily due to a decrease in cash utility capital expenditures related to infrastructure and system improvements.

Cash Flows from Financing Activities

Great Plains Energy's cash flows from financing activities year to date September 30, 2016, reflect \$40.1 million paid for the redemption of its 390,000 shares of cumulative preferred stock and \$68.7 million in issuance fees related to establishing Great Plains Energy's bridge term loan facility and a payment to OMERS pursuant to a stock purchase agreement.

Great Plains Energy's cash flows from financing activities year to date September 30, 2015, reflect KCP&L's issuance, at a discount, of \$350.0 million of 3.65% Senior Notes that mature in 2025, with the proceeds used to purchase in lieu of redemption \$71.9 million of EIRR bonds and repay short-term borrowings.