

KCP&L Greater Missouri Operations Company
Formula Rate Implementation Protocols

I. Annual Update

1. The formula rate template contained in Attachment H of the Southwest Power Pool, Inc. ("SPP") Open Access Transmission Tariff ("OATT"), Federal Energy Regulatory Commission ("FERC") Electric Tariff, Sixth Revised Volume No. 1 ("Formula") and these Formula Rate Implementation Protocols ("Protocols") together comprise the KCP&L Greater Missouri Operations ("GMO") filed rate (collectively, the "Formula Rate") for transmission service under the SPP OATT or the GMO OATT, as applicable. GMO will follow the instructions specified in the Formula Rate to calculate annually its Annual Transmission Revenue Requirements ("ATRR") for Network Integration Transmission Service, rates for Point-to-Point transmission service, its ATRR associated with transmission upgrade projects having cost recovery under Schedule 11 of the SPP OATT, and rates for Ancillary Services Schedule 1 – Scheduling System Control and Dispatch Services, for posting by GMO and SPP, as applicable.
2. The Formula Rate shall be applicable to service on and after January 1 of each calendar year through December 31 of the same calendar year ("Rate Year"), subject to review, challenge and refunds or surcharges with interest, as provided herein.
3. Each calendar year, GMO shall:
 - (a) Calculate the ATRR by September 24 (or the next business day if September 24 is not a business day) for the next Rate Year in accordance with the Formula Rate ("Annual Update"). The Formula Rate specifies in detail the manner in which
 - i. the most recent Form No. 1 data shall be used as inputs and the limited projections of transmission plant and associated transmission depreciation expense, transmission O&M expense, A&G expense, revenue credits, and load will be forecast for the next Rate Year in the Annual Update; and
 - ii. any true-up calculated in accordance with the Formula Rate, including interest, ("True-Up Adjustment") for the prior Rate Year shall be incorporated into the Annual Update for the next Rate Year;
 - (b) Interest on any over-recovery or under-recovery of the net revenue requirements shall be calculated in accordance with the Formula true-up worksheet (Worksheet TU(True-Up)). Interest on an over-

recovery or under-recovery of a revenue requirement shall be determined according to the Formula;

- (c) Calculate the True-Up Adjustment for a given Rate Year and post it by June 1 (or the next business day if June 1 is not a business day) of the year following that Rate Year in accordance with the Formula Rate, which adjustment will be reflected in the next Annual Update. The True-Up Adjustment shall include a Formula template with the actual data for the prior Rate Year compared to the previously projected data for the same period;
- (d) Calculate the ATRR values for transmission service for the next Rate Year which shall be the Annual Update for such Rate Year, plus or minus the True-up Adjustment from the previous Rate Year;
- (e) Post such Annual Update (each September 24) and True-Up Adjustment (each June 1), as well as a populated Formula template in fully functional spreadsheets showing the calculation of such Annual Update and True-Up Adjustment with documentation supporting such calculation as provided in Section I.4, below, and, with respect to the Annual Update, information supporting the limited projections described in Section I.3.a.i., above, (which information shall include, but is not limited to, the following information for all transmission facilities included in the expected plant additions: (i) expected date of completion; (ii) percent completion status as of the date of the Annual Update; (iii) a one-line diagram of facilities exceeding \$5 million in cost; (iv) the total installed cost of the facility; (v) the reason for the facility addition; and (vi) upgrade costs paid by a generator or paid by a transmission customer directly to GMO) in an accessible location on GMO's and the SPP's OASIS website (the date of such posting is referred to herein as the "Posting Date");
- (f) On the Posting Date, notify its transmission customers, as well as any designated staff for the Missouri Public Service Commission ("MPSC") and the Kansas Corporation Commission ("KCC"), by e-mail using the most recent e-mail addresses provided to GMO, of the website address of the Annual Update and True-Up Adjustment postings;
- (g) Make a good faith effort to respond within ten (10) business days to reasonable information requests submitted by interested parties for information and work papers supporting the Annual Update. Any such information request must be submitted within thirty (30) days of the Posting Date and shall be limited to that which is appropriate to determine if GMO has properly calculated the Annual Update

and whether the costs included in the Annual Update are appropriately recovered under the terms of the Formula Rate and the Formula Rate has been applied according to its terms; and

- (h) Provide its transmission customers and any MPSC or KCC designated staff, via e-mail to the most recent e-mail addresses provided to GMO, at least thirty (30) days (all references herein to days shall be calendar days unless specified otherwise) advance notice of a public meeting (which shall include, at GMO's option, video conferencing, webinar or internet conference) to be held no sooner than ten (10) days after the Posting Date of the Annual Update and no later than October 16 each year, to explain and answer questions regarding the Annual Update for the next calendar year. GMO shall modify the Annual Update to reflect any changes that it and the participating transmission customers all agree upon by no later than November 20 and shall cause the revised Annual Update to be posted in the same manner as the original Annual Update.

4. The True-Up Adjustment for the prior Rate Year shall:

- (a) Be based upon GMO's FERC Form No. 1 for that Rate Year, and, to the extent specified in the Formula Rate, upon the books and records of GMO (GMO's FERC Form No. 1, books, and records all to be maintained consistently with FERC's Uniform System of Accounts ("USoA") and FERC accounting policies and practices);
- (b) Be calculated pro rata based on the months during the Rate Year when the ATRR was in effect by multiplying the Annual True-Up Adjustment by the number of months that the ATRR was in effect divided by 12;
- (c) Include a variance analysis of, at minimum, actual revenue requirement components of rate base, operating and maintenance expenses, depreciation expense, taxes, return on rate base, and revenue credits as compared to the corresponding components in the projected revenue requirement that was calculated for the prior Rate Year with an explanation of material changes.
- (d) As and to the extent specified in the Formula Rate, provide sufficiently detailed supporting documentation for data (and all adjustments thereto or allocations thereof) that are used to develop the actual ATRR for the applicable Rate Year and are not otherwise available directly from the FERC Form No. 1;

- (e) Include an identification of (i) any changes in GMO accounting policies, practices, and procedures (including changes resulting from revisions to FERC's Uniform System of Accounts and/or Form No. 1 reporting requirements) from those in effect during the calendar year upon which the most recent ATRR was based and that, in GMO's reasonable judgment, could impact the Formula Rate or the calculations under the Formula Rate within the next three years; (ii) any changes in the SPP 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 GMO's reasonable judgment, could impact the Formula Rate or the calculations under the Formula Rate within the next three years; and (iii) any change, and the dollar value of the change, in the classification of any transmission facility under Attachment A1 of the SPP OATT (including the costs of any reclassified facility) that GMO has made in the applicable True-Up Adjustment or Annual Update; and
 - (f) Be subject to review and challenge in accordance with the procedures set forth in these Formula Rate Implementation Protocols.
5. A change to the Formula Rate inputs related to extraordinary property losses, return on equity, depreciation rates for each regulatory jurisdiction that are used to calculate the composite rates applied in the Formula Rate, or Post Employment Benefits Other than Pensions may not be made absent an appropriate Federal Power Act Section 205 or 206 filing with the FERC.
6. If GMO files any corrections or modifications to its FERC Form No. 1 prior to the Posting Date of its Annual Update and such corrections or modifications would affect the True-Up Adjustment for a prior Rate Year, the True-Up Adjustment for each Rate Year(s) affected by the corrections or modifications shall be updated to reflect the corrected or modified FERC Form No. 1 and the Annual Update shall incorporate the change in such True-Up Adjustment(s), with interest. Corrections or modifications to a FERC Form No. 1 filed after the Posting Date of an Annual Update and not included in a revised Annual Update by November 20 shall be incorporated in the next True-Up Adjustment or Annual Update, as applicable. GMO shall report in a timely manner to the FERC, the applicable state commissions, and all parties required by FERC regulations any corrections or modifications to its FERC Form No. 1, that affect materially the past or present implementation of the Formula Rate, whether such corrections or modifications have the effect of increasing or decreasing the resulting transmission rates.

II. Review Procedures for True-Up Adjustment

Each True-Up Adjustment for the prior Rate Year shall be subject to the following review procedures ("Annual Review Procedures") (if any of the dates provided for herein fall on a Saturday, Sunday or Federal bank holiday, then the due date shall be the first business day thereafter):

1. Each year, GMO will, with at least thirty (30) days' notice, convene a meeting (including video conferencing, webinar or internet conferencing, at GMO's option) of its Transmission Customers and any designated staff of the MPSC, no sooner than ten (10) days after the Posting Date of the True-Up Adjustment and no later than July 8, at GMO's offices in Kansas City, Missouri, to discuss the True-Up Adjustment ("Customer Meeting").
2. Interested parties may begin submitting information requests immediately following the Posting Date of the True-Up Adjustment and will have one-hundred five (105) days after June 1 to serve reasonable information requests on GMO for information and work papers supporting the True-Up Adjustment for the prior Rate Year. Such information requests shall be limited to that which is appropriate to determine if GMO has properly calculated the True-Up Adjustment under review (including any corrections pursuant to Section I.6) and whether the costs included in the True-Up Adjustment are properly recorded, prudently incurred, and appropriately recovered under the terms of the Formula Rate and the Formula Rate has been applied according to its terms. Without limiting the generality of the foregoing, such information requests may include questions related to the data described in Sections I.4(a) and (c) and Section I.6 above.
3. GMO shall make a good faith effort to respond to information requests pertaining to a True-Up Adjustment within ten (10) business days of receipt of such requests. Information requests received after 4 p.m. Central Prevailing Time shall be considered received the next business day.
4. To the extent GMO and any interested party(ies) are unable to resolve disputes related to information requests submitted in accordance with these Formula Rate Implementation Protocols, GMO or any interested party may petition the FERC to appoint an Administrative Law Judge as a discovery master. The discovery master shall have the power to issue binding orders to resolve discovery disputes and compel the production of discovery, as appropriate, in accordance with the Formula Rate Implementation Protocols and consistent with the FERC's discovery rules.
5. Any interested party shall have until the later of one-hundred fifty (150) days after June 1 or thirty (30) days after GMO's last response to

reasonable information requests submitted pursuant to Section II.2 above to notify GMO in writing of any specific challenges to the True-Up Adjustment ("Issues"). Challenges to the Formula Rate itself shall not be considered "Issues" for purposes of these Annual Review Procedures.

III. Resolution of Challenges

For each True-Up Adjustment:

1. If GMO and any interested party(ies) have not resolved all Issues identified pursuant to Section II.5 above within sixty (60) days after the deadline in Section II.5 for written notification of Issues, senior management of the interested party(ies) and GMO shall make a good faith effort to resolve any outstanding Issues ("Senior Management Review").
2.
 - (a) If GMO's and any interested party's(ies') senior management are unable to resolve all Issues within thirty (30) days after the Senior Management Review commences, the interested party(ies) may file a complaint pursuant to Sections 206 or 306 of the Federal Power Act challenging the True-Up Adjustment ("Formal Challenge"). Challenges to the Formula Rate itself shall not be considered "Formal Challenges" for purposes of these Annual Review Procedures.
 - (b) All information produced pursuant to these Protocols may be included in any Formal Challenge, in any other proceeding concerning the Formula Rate initiated at FERC pursuant to the Federal Power Act, or in any proceeding before the U.S. Court of Appeals to review a FERC decision involving the Formula Rate. GMO may, however, designate any response to an information request as confidential if the information conveyed is not publicly available. Interested parties' representatives shall treat such response as confidential in connection with any of the proceedings discussed in this section; provided, however, that when so used, such response shall initially be filed under seal (unless the claim of confidentiality is waived by GMO), subject to a later determination by the presiding authority that the material is, in whole or in part, not entitled to confidential treatment.
3. In any proceeding ordered by the FERC in response to a Formal Challenge, GMO will bear the burden of proof in accordance with applicable FERC precedent as it may be modified by the FERC.
4. Any refunds or surcharges resulting from a Formal Challenge shall be calculated, with interest, from the effective date of the challenged True-Up

Adjustment, and shall be reflected in the True-Up Adjustment and Annual Update for the next Rate Year.

5. In the event that GMO identifies an error in a True-Up Adjustment (or a FERC Form No. 1 or successor form which is used as an input to the Formula Rate), or is required by applicable law or a court or regulatory body to correct an error, GMO shall correct such error in good faith and without regard to whether the correction increases or decreases GMO's revenue requirements. There will be no mid-year rate adjustments. Any such correction will be implemented in the True-Up Adjustment and Annual Update for the next Rate Year, with interest. Nothing in these Protocols should or may be construed as preventing an interested party or the FERC from contesting such correction.

IV. Miscellaneous

1. Nothing in these Protocols limits or deprives GMO, the FERC or any interested party of any rights it may otherwise have under any applicable provision of the Federal Power Act. The provisions of these Protocols addressing review and challenge of the True-Up Adjustment are not intended to nor shall be construed as limiting GMO's, FERC's or any party's rights under any applicable provision of the Federal Power Act.
2. Notwithstanding the provisions of Section IV.1, before GMO or any interested party may bring any new action at the FERC involving the Formula Rate, senior management of such interested party(ies) and GMO shall make a good faith effort to resolve any outstanding issues. If GMO's and any interested party's(ies') senior management are unable to resolve all issues within thirty (30) days, then GMO or the interested party(ies) may bring such action. For the avoidance of doubt, the advance notice and negotiation requirement in this Section IV.2 shall not apply to Formal Challenges (as to which the Senior Management Review provisions in Section III apply) nor shall the requirement bar an interested party from intervening in, filing a protest under FPA § 206 in, or fully participating in any proceeding initiated by the FERC *sua sponte* or otherwise properly initiated before the FERC.