

# KCP&L

Midwest Association of Rail Shippers

July 15, 2014

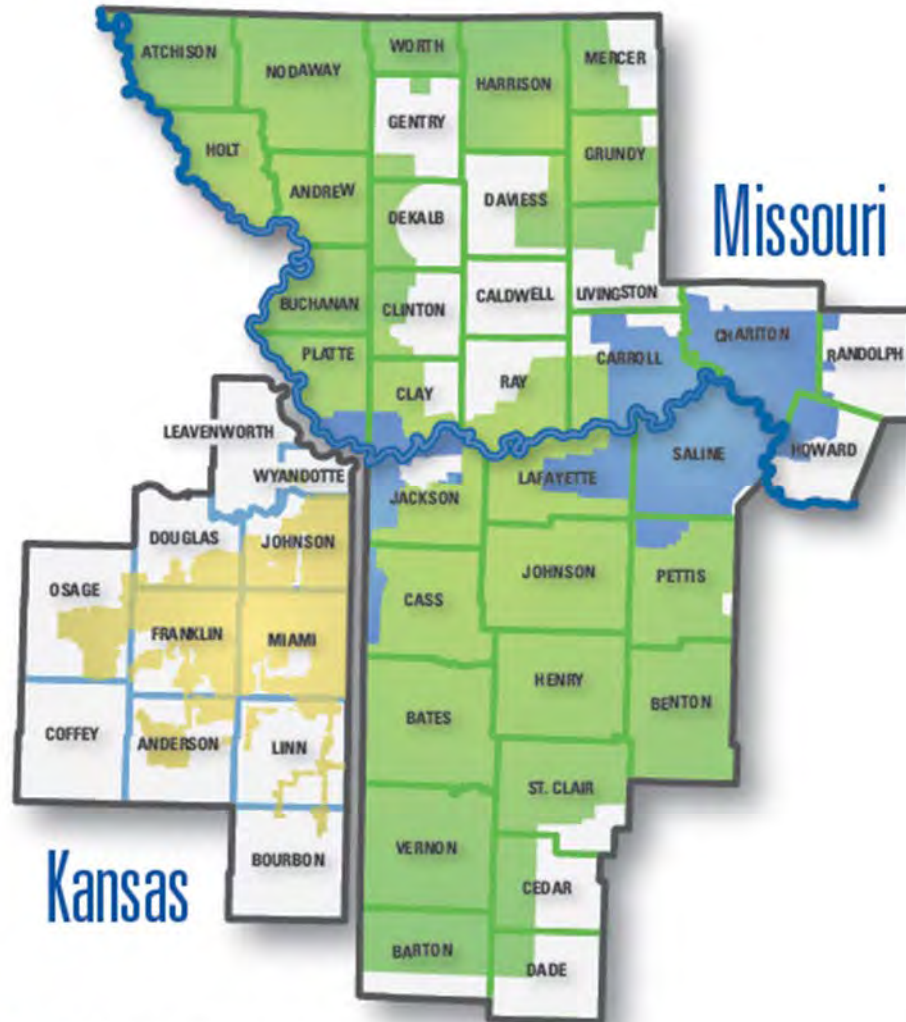


# Overview


- Two utilities...Kansas City Power and Light Company and KCP&L Greater Missouri Operations Company (formerly Aquila), collectively KCP&L.
- 800,000 electric connections in Eastern Kansas and Western Missouri, serving over 2 mm people.
- 6 coal-fired power plants (12 units).
- 20 unit coal trains, service with 4 carriers (BNSF, UP, KCS and MNA).



# Service Territory

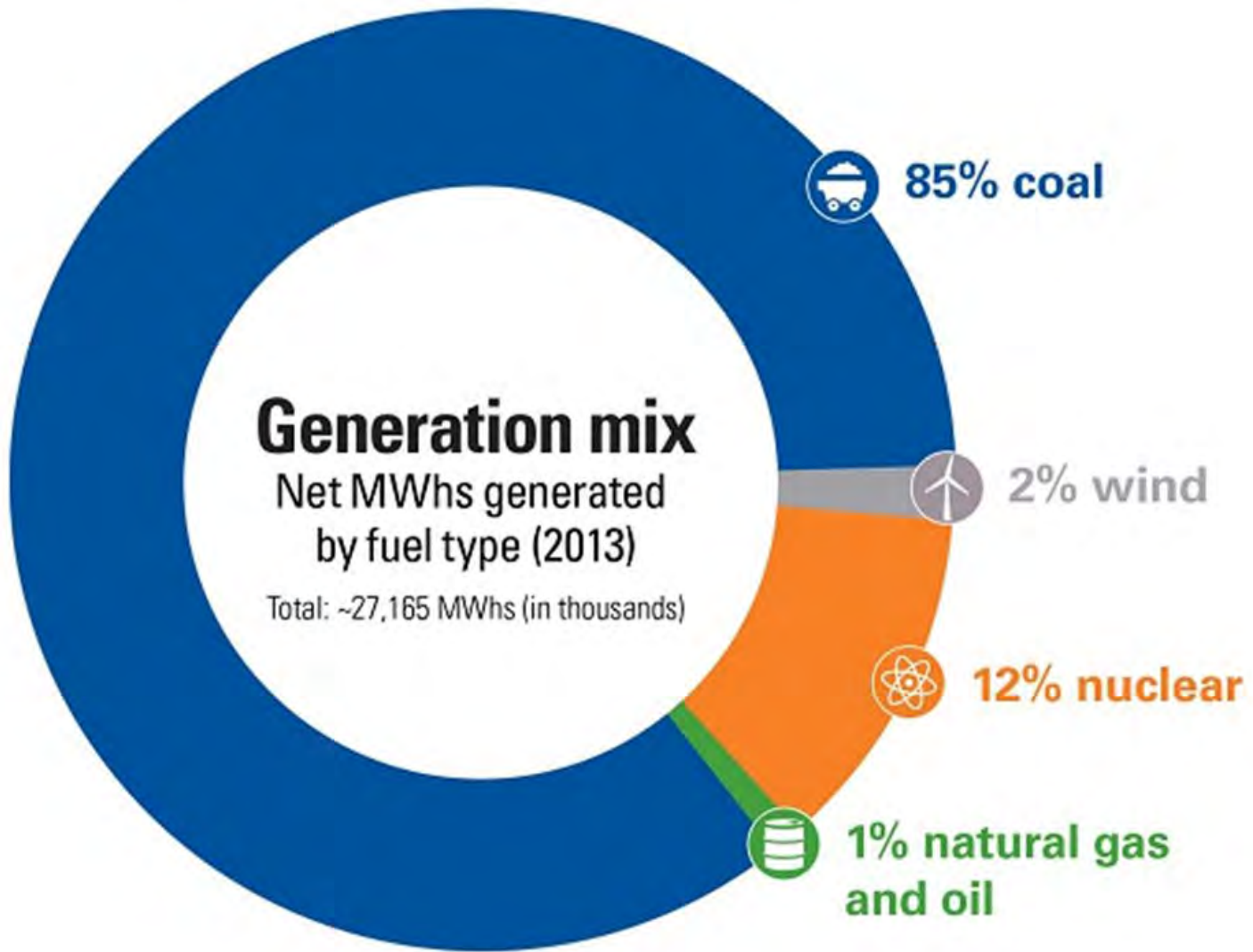


 KCP&L (MO): KCP&L Missouri customers (not in former Aquila service territory)

 KCP&L GMO (L&P): Represents the area served by the former Aquila St. Joseph Light & Power division and Missouri Public Service division.

 KCP&L (KS): KCP&L Kansas customers





# Significant challenges the past 12 months...

- Deteriorated cycle times from the Power River Basin to Kansas City since Summer 2013.
- Colder than expected winter.
- Growth in other commodity groups has resulted in rail networks being fully “pressurized”.
- Build-up of coal inventories this Spring for the Summer peak has not been realized.

## ...and going forward

- Competing with grain this Fall.
- The impact of “normal” Railroad disabilities (weather, derailments) is magnified in this constrained environment.
- Continued efforts to rebuild depleted stockpiles.
- Winter 2014-15 not that far away...
- Maintenance of Way disruptions.
- SPP’s migration to an Integrated Marketplace.

## ***How do we manage through this?***

- Maximize the utilization of railcar assets.
- Maintain coal deliveries through planned unit outages.
- Move unit outages up in schedule, or extend duration.
- Maintain constant dialogue with the Railroads.
- Re-allocate train sets to the station with the highest need.
- Use alternate carriers.
- Last but not least... **Coal Conservation.**

## ***Looking ahead to '15 (and beyond)***

- Utility industry shifting from coal generation to renewables and natural gas.
- Flat to negative load growth.
- Coal business competing with crude oil, intermodal and other commodities.
- A return to 2012 cycle times not to be expected. So what is the new *normal*?
- When will the benefits of railroad build-out, locomotive additions, and hiring be realized?



Thank you!