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PRESENTATION

Operator

Good morning. My name is Terese and I will be your conference operator today. At this time, I would like to welcome everyone to the third-quarter 2012 earnings call webcast. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. (Operator Instructions) Thank you.

I would now turn the call over to Kevin Bryant. You may begin your conference.

Kevin Bryant - *Great Plains Energy, Inc. - VP of IR and Treasurer*

Thank you, Therese, and good morning. Welcome to Great Plains Energy's third-quarter 2012 earnings conference call. Joining me this morning to discuss our third-quarter earnings and operating results are Terry Bassham, President and Chief Executive Officer; and Jim Shay, Senior Vice President and Chief Financial Officer. Scott Heidtbrink, Executive Vice President and Chief Operating Officer of KCP&L is also joining us, and will be available during the question-and-answer portion of today's call.

Before we begin, I must remind you of the inherent uncertainties in any forward-looking statements in our discussion this morning. Slide 2 and the disclosure in our SEC filings contain a list of some of the factors that could cause future results to differ materially from our expectations. I also want to remind everyone that we issued our earnings release and third-quarter 2012 10-Q after the market closed yesterday. These items are available, along with today's webcast slide and supplemental financial information regarding the quarter, on the main page of our website at www.greatplainsenergy.com.

With that, I'll now hand the call to Terry.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Thanks, Kevin, and good morning, everyone. Thank you for joining us today.

Before we discuss our third-quarter results, I'd like to express our deep concern for those affected by the devastation that resulted in Hurricane Sandy. It takes a tremendous effort to restore power after a disaster like this, and our industry has a rich history of assisting each other in times of need to serve customers across the country. We have employees in the northeast assisting those utilities and their customers with their restoration efforts, and we look forward to their safe return to Kansas City.

Yesterday, we announced third-quarter 2012 earnings of $145.8 million or $0.95 per share compared with earnings of $126.1 million or $0.91 per share for the same quarter last year. The increase in earnings includes the effects of weather and the record-setting heat our service territory experienced in July. In addition to the impacts of weather, there were a number of factors that affected our earnings, including a meaningful decline in weather normalized retail megawatt hour sales.

With three quarters behind us, we are narrowing our 2012 full-year earnings guidance range to $1.25 to $1.35 per share from $1.20 to $1.40 per share. Jim will provide you with more detail on the quarter and year-to-date results in his comments.

Earlier this week, our Board of Directors approved an increase in our quarterly common stock dividend, raising it from $0.2125 per share to $0.2175 per share or from $0.85 to $0.87 per share on an annual basis. We believe a competitive, sustainable and increasing dividend is an important driver in our total shareholder returns.

Turning to slide 4, I will provide an update on our general rate cases. In Kansas, KCP&L's initial revenue increase request was $63.6 million and subsequently updated to $56.4 million. Kansas Corporation's staff in its direct test only recommended that the Commission authorize a revenue increase of $27.5 million. A 99-month stipulation and agreement to settle a number of the issues in the case was filed by KCP&L, the KCC staff, and the Citizens Utility Ratepayer Board.

Primary issues settled include depreciation rates and agreement of the parties not to contest KCP&L's request for commissioned preapproval to file an abbreviated rate case for Construction Work In Process, or CWIP, for the LaCygne environmental upgrade. The KCC has not issued an order on the stipulation agreement at this time, but we are confident the Commission will approve the stipulation.

An evidentiary hearing on the remaining issues that were not part of the stipulation and agreement, including ROE, was held in early October. The Kansas order is expected by December 17, with new rates projected to be in effect on January 1, 2013.

In Missouri, our total initial revenue request for KCP&L and GMO were $105.7 million and $83.5 million, respectively. Since the initial filings, things have progressed according to schedule. A number of agreements that are subject to Commission approval have been filed by KCP&L, GMO, and the parties, to settle some of the issues in both cases. These agreements settle multiple issues in a comprehensive manner without assigning specific value to individual items. Several, but not all, of the agreements were approved by the MPSC earlier this week.

In an agreement entered into just yesterday, the parties settled a number of additional issues, which result in a staff-revised revenue increase of $53.5 million for KCP&L and $34.6 million for GMO. These amounts include the staff's recommendation of 9% ROE. We want to emphasize that parties have not agreed to an ROE, and that is an important area still to be ruled on by the Commission. From an order of magnitude standpoint, 100 basis points of ROE is worth $30 million to $35 million in revenue increase, depending on the rate base and other true-ups.

Beyond ROE, a number of other items remain open for the Commission to rule on, including Holding Company cost of debt, our request for a transmission tracker, several matters relating to Crossroads, and a few other items. Several additional pieces of yesterday's agreement include the parties' agreements to return to the traditional treatment of wholesale margins at KCP&L, and an agreement that the companies would no longer seek a property tax tracker or an interim energy charge in the current KCP&L case. However, we continue to pursue the transmission trackers filed in the original cases, as they represent an important recovery mechanism that's a key element of our strategy to reduce the impact of regulatory lag.

The $34.6 million GPO -- GMO revenue increase also includes the staff's assumed ROE and cost of debt issues yet to be ruled upon. Included in yesterday's agreement is approximately $19 million related to our proposed enhanced energy efficiency and demand side management programs under the Missouri Energy Efficiency Investment Act or MEEIA. Last December, GMO filed its initial request with the MPSC seeking to recover costs for new and enhanced energy efficiency and demand side management programs under MEEIA.

In October, GMO, MPSC staff, and other parties filed a non-unanimous stipulation agreement with the MPSC to settle all the issues in the MEEIA request. And earlier this week, the agreement was approved by the Commission. The agreement provides for a three-year energy efficiency investment plan that recovers both projected program costs, and related 90% of throughput disincentive. At the conclusion of the three-year plan, GMO will also be eligible to recover remaining throughput disincentive and incremental incentive through base rates set in a future general rate case based on program performance.

We believe in creating a balanced framework to partner with our customers and develop a sustainable cost recovery approach for our investment in energy efficiency. We look forward to working with our customers under the newly established MEEIA programs to identify reliable and sustainable energy solutions.

Evidentiary hearings for the remaining issues in the Missouri rate cases that were not part of the stipulation agreements, including cost of capital and capital structure, were completed in late October, and true-up testimony was filed this week. We anticipate the Missouri orders to be filed in January 2013 and new rates effective later that month.

As a successful completion of these cases is integral to our strategy of delivering competitive shareholder returns, Jim will discuss the financial impact of all recent rate case activity during his remarks. In both Kansas and Missouri, a settlement in these cases reflect constructive working relationship with the parties, which allow us to minimize the need for litigation.

While it's difficult to speculate on the final outcome of the rate cases, we believe we put forth solid cases and are expecting fair treatment. We believe that successful outcomes in these rate cases will provide us with the opportunity to reduce regulatory lag, enable us to avoid filing rate cases, until we seek recovery of the expenditures on the LaCygne environmental upgrade.

Next on slide 5, I'd like to provide you with an update on TranSource Energy, our joint venture with American Electric Power. As a reminder, we own 13.5% of the joint venture. In August, KCP&L and GMO filed an application with the MPSC seeking regulatory approval to transfer certain transmission property related to the two SBP regional projects to TranSource.

Separately, TranSource Missouri, a wholly-owned subsidiary of TranSource, filed a request with the MPSC seeking regulatory approval to construct, own, and operate the projects. Also in August, TranSource Missouri filed a request with FERC seeking incentive rate treatment and acceptance of a formula transmission rate, including a base ROE of 10.6% to recover the cost of current and future projects.

Last week, FERC issued an order approving certain incentive rate treatments, and conditionally accepted the formula transmission rate for TranSource Missouri, subject to the outcome of an administrative hearing or settlement expected to occur during 2013. The authorized base ROE will be determined through the hearing in our settlement process. And in the Appendix, we've provided a summary of incentive rate components that were requested in the case.

Following approval of these filings, KCP&L and GMO must also seek approval from the SBP to novate the projects to TranSource. The SBP will then submit its approval of the novation to FERC for final approval. We anticipate receiving the necessary regulatory approvals to novate these projects by the fourth-quarter 2013. By partnering with AEP, recognized as a leader in the transmission business, we believe Great Plains Energy will be positioned to compete in the emerging competitive transmission market, while further diversifying our earnings and footprint.

Next I'll turn to operations. Our transmission and distribution systems and generation fleet performed well during the third quarter. Our combined fleet Equivalent Availability Factor, or EAF, for the quarter was 91% compared to 89% for the same period last year. Although our Wolf Creek nuclear unit had another strong quarter, running at 99% EAF, we've not been satisfied with its overall performance during the past few years.

With additional Nuclear Regulatory Commission oversight and efforts to comply with new industrial-wide regulations, prompted by Japan's Fukushima power plant event last year, we expect an increase in operating and maintenance costs will accrete. We, along with our co-owners, are evaluating options for the operation of the unit, and are considering aligning with another fleet operator.

We're in the process of soliciting proposals. At the end of the process, the owners may hire one of these companies to help with operations. We'll keep you updated on further developments.

Before I conclude my initial remarks, I would also like to mention our LaCygne environmental upgrade. The project remains on budget and on schedule for completion by the second quarter of 2015. Upon completion, we expect approximately 72% of our coal fleet will have emission-reducing scrubbers installed.

With that, I'll turn the call over to Jim.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Thank you, Terry, and good morning, everyone. I'll begin with slide 8, which provides a current year earnings per share reconciliation to the prior year. For the third-quarter 2012, Great Plains Energy's consolidated earnings were $0.95 per share compared to $0.91 per share in 2011.

There were a number of factors contributing to the $0.04 per share increase. First, it's important to note that the prior year included $0.09 in special factors relating to the effects of coal conservation and other related expenses due to Missouri River flooding. In addition to the absence of special factors, earnings increased $0.06 per share due to weather, and $0.06 per share from lower interest expense.

These increases were partially offset by lower weather normalized demand of $0.09 per share, and dilution of $0.09 per share relating to the issuance of common shares in June 2012 to settle our obligations under the equity units. For the nine months of 2012, earnings were $1.34 per share compared to $1.24 per share in 2011. The primary drivers impacting the $0.10 per share increase include, first, the absence of $0.22 in special factors relating to a number of items, including the Missouri River flooding, an organizational realignment and voluntary separation program, and extended refueling outage at Wolf Creek, and other costs associated with rate case outcomes.

In addition, earnings increased $0.20 per share due to new retail rates in Missouri that became effective in May and June 2011 for KCP&L and GMO, respectively. The increases were offset by a net decline in EPS of $0.07 per share, reflecting lower demand offset by the impacts of weather. We also incurred higher expenses in 2012 of $0.09 per share relating to Wolf Creek, which included an unplanned outage in the first quarter of 2012.

The offsets also include the combined impacts of $0.13 per share relating to higher interest expense, and higher share count relating to the previously discussed issuance of common stock. Third-quarter 2012 and year-to-date earnings for the Electric Utilities segment can be found in the Appendix in the earnings release we issued yesterday.

Next, turning to slide 9, I'll provide comments on our retail customer consumption. For the quarter, total retail megawatt hour sales decreased 1.6%. Cooling degree days for the quarter were $0.18 -- 18% above normal and 6% above the comparable 2011 period. Compared to normal, third-quarter pre-tax gross margin was favorable by approximately $37 million or about $0.15 per share. Year-to-date total retail megawatt hour sales decreased 2%. Compared to normal weather, the positive pre-tax gross margin impact of weather was approximately $54 million or about $0.23 per share.

On a weather normalized basis, retail megawatt sales for the quarter declined by 4.2% compared to 2011. The industrial sector experienced the most significant decline among our three sectors with a 5.9% drop in demand. We believe over half of this large drop in industrial sales is due in part to the temporary shutdown of Ford Escape's assembly line to retool for the production of the Transit Commercial Van, which also affects suppliers in the regions. In addition, there were a few plant closing in our service territory, including a bottle manufacturer and a coffee plant.

Weather normalized retail megawatt sales declined in the residential and commercial sectors by 3% and 4.5%, respectively. We believe we're beginning to see the impact of customers choosing to buy new, more efficient air-conditioning units and pulling forward replacements at a quicker than normal pace. Like others in the industry, we may be seeing more than just a change in customer behavior during periods of extreme heat and challenging economic cycles, and possibly the more lasting effects of energy efficiency standards for major household and commercial end-users -- uses such as air-conditioning and light fixtures.

Year-to-date, weather normalized demand has declined by 1.5%. And as a result, we are revising our full-year projection from 0.5% growth to a 1.1% decline. Our revised expectation assumes flat year-over-year weather normalized sales in the fourth quarter. Although demand results were challenging for the quarter, we continue to see positive longer-term developments in our service territory, including ongoing improvements in housing starts and a reduction in the unemployment rate to 6%.

Turning to slide 10, we continued to maintain a strong liquidity position during the quarter. As of September 30, 2012, approximately $760 million of capacity remained on the Company's $1.25 billion of revolving credit facilities. Given our 2013 maturity schedule and outstanding commercial paper, we continue to evaluate a number of refinancing alternatives, and expect to issue long-term debt for both KCP&L and GMO in 2013.

As we've indicated in the past, improving the Company's credit metrics at sustainable and higher levels is a key goal. Our credit metrics continue to improve, and we were pleased with the increase in our cash dividend, as Terry discussed earlier. We continue to believe if we receive fair and constructive rate case outcomes in our rate cases, we do not expect to issue additional equity through the end of 2013. Beyond 2013, if we have a need to issue equity that would support our credit rating and true-up our cap structure, we would likely try to target the issuance to be introduced in the true-up dates in the general rate cases to bring the LaCygne environmental expenditures into rate base.

Next, turning to slide 11, as Terry noted, we are narrowing our 2012 guidance range to $1.25 to $1.35 per share from $1.20 to $1.40 per share. We would expect to be at the lower end of the range if there was some combination of an unexpected significant decline in demand, extreme weather, or unanticipated charges associated with the rate case orders.

For 2013, we plan to provide earnings guidance in connection with the announcement of our 2012 year-end results in February. Moving into 2013, we continue to target 50 basis points of normalized lag in our regulated operations as our primary financial target. Generally speaking, $0.10 in earnings per share is a reasonable proxy for 50 basis points of regulatory lag. One of the key factors we are monitoring is demand.

As noted earlier, we are forecasting for 2012 a 1.1% decline in demand as compared to 2011. Since the kilowatt hour sales used to determine final customer rates are generally based on the historical test year, without any growth, our new rates could potentially have up to 50 basis points of embedded lag based on demand.

On the regulatory front, one of the key areas of focus is wholesale margins. The current amount built into KCP&L's Missouri rates is about $46 million or the 40th percentile determined in the last rate case. The inability to achieve this target negatively impacted our 2011 and 2012 year-to-date results. As structured, one of the settlements Terry referenced contains a significant adjustment for wholesale margins to reflect current market conditions.

In addition, the parties have agreed to no longer track off system sales by eliminating the wholesale margin cap. If approved by the Commission, we believe this to be a meaningful improvement in our rate structure moving forward. In addition to the wholesale margin cap, trackers for transmission costs and property taxes are key elements of our strategy to achieve 50 basis points of lag. For 2013, we are forecasting cost increases relating to these areas as compared to our test year period. As Terry noted, we requested trackers for both cost of service elements in our current cases.

As part of the settlement agreement, we agreed to withdraw our request for a property tax tracker, but are continuing to pursue a transmission tracker in connection with the ongoing rate case proceedings. Although trackers don't provide a cash benefit, they are an important recovery mechanism and a key element of our strategy to reduce earnings per share lag.

Regarding Wolf Creek, we expect to incur operating and maintenance costs to address the oversight in plant's performance improvement matters Terry discussed. These costs will be higher than the Wolf Creek costs included in our test year period.

The combined potential impacts of demand, Wolf Creek expenses, and other cost of service increases, represents approximately 50 to 100 basis points of regulatory lag pressure moving into next year. Achieving successful regulatory outcomes with respect to the remaining items in our rate case, along with overall retail and wholesale sales growth, are important to help offset this lag. In addition, we plan to continue to manage the business tightly to mitigate cost increases, while maintaining our overall high level of system reliability and performance.

In summary, we remain committed to targeting 50 basis points of regulatory lag for 2013, but wanted to provide some additional clarity on several key areas of focus we are managing.

I'll now turn the call back over to Terry.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Thanks, Jim. In closing, we remain focused on our simple vision of being a reliable regional utility for our employees, customers, and shareholders. Executing on a strategy of providing operational excellence, tightly managing costs, and maintaining a diligent regulatory approach, we believe our team of dedicated employees can deliver high-quality service to customers, and create competitive long-term shareholder returns in the years ahead.

Thank you for your time this morning. And we look forward to seeing many of you next week at EEI. Jim, Scott, and I would now be happy to take questions you may have.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Paul Patterson, Glenrock Associates.

Paul Patterson - *Glenrock Associates - Analyst*

I wanted to just sort of go over these regulatory lag numbers that you guys now have. How do we think about -- I mean, you mentioned that you're now looking, I think, at a 1.1% negative growth for this year. How should we think about next year?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Well, the message we tried to communicate is that we're just not really providing our view of demand for next year, but basically just communicating that the way the test year is set up, and how kilowatt hour sales generally are based on last year's actuals, just the math works out that when we get our rates set, and what should be based on historical kilowatt hour sales with 1.1% decline in sales this year, we'll have 50 basis points of embedded lag kind of in our current rates, which could be mitigated by, and offset by, growth next year. But we haven't come out with our view. But generally, with a rate case true-up, you don't have lag going into the following year, but just with the decline we're seeing this year, there's that potential for embedded lag.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Obviously, when we give our guidance, we'll be describing what kind of growth is embedded in that guidance at that time.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. Any thoughts about a new regulatory regime in terms of decoupling or something? Or -- because it does seem that there is some energy efficiency efforts, obviously, I guess passably -- well, passably, but in terms of your customers, but also these efforts on the part of the regulators and/or the legislature, et cetera. How should we think about that?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, obviously, those are things that have happened in other jurisdictions. And we're always open to have those conversations with regulators, legislators, or our fellow utilities in the state. Right now I would say that that's not something we're currently discussing in the near-term. But as we continue to see what's happening with demand, different issues like that, that have been addressed in other states are certainly things we're watching, and would be talking about -- not necessarily, though, in the near-term, I would say.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. The ROE, is there a possibility that that might be settled? Or is that going to be left, as it often is to the Commission, do you think? In the Missouri case, I'm sorry.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, there's always a chance of settlement until the order comes out. I would say based on where we stand in the process, and the time and the settlement that have been filed, that that's likely to be finally decided by the Commission.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. And then on TranSource, I believe there's a hearing procedure in terms of the formula rate plan they had? I mean, some -- I know they were instituting some of this stuff for the purpose of the filing, but it seems like they also are calling into question the need to review them, at least in some sort of a additional procedure. Could you just sort of outline the timing on that and what we should be looking for?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

The timing for the setting of the ROE?

Paul Patterson - *Glenrock Associates - Analyst*

Well, I believe that they, in terms of the formula rate plan, I think the ROE was part of that. My understanding was that they indicated that there was a -- issues of material fact that cannot be resolved before the record, and that they believe that the formula rate plan and protocols might have to be reviewed because of determining whether they're just and reasonable, what have you.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

I don't -- I mean, my belief of what the order said basically was that we were going to have a separate hearing on ROE -- based ROE as it is. To the extent that that gets done, it will be done in 2013, probably early midyear, certainly before the Missouri process is over.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. Okay, I appreciate it. Thank you very much.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

You bet. Thank you.

Operator

Paul Ridzon, KeyBanc.

Paul Ridzon - *KeyBanc Capital - Analyst*

Just to clarify in Missouri, there's -- they're basically agnostic to wholesale sales at this point?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, included in the settlement that was filed yesterday, we agreed on a number of issues that resulted in an agreed revenue requirement in connection with that group of issues. And the agreement around structure is that that's embedded, which is what we used to do. And we're no longer going to attract those.

So, to the extent that we overperform with what's embedded, it's just part of the revenue requirement we keep, to the extent that we underperform, like the old mechanism, we would lose. So we've done away with kind of the one-sided piece of that mechanism. But again, the bottom line is that's embedded in the overall number that was part of that settlement.

(multiple speakers) And it does also -- the main issue there, Paul, is that it was -- part of that negotiation was offset based upon current market conditions, which obviously have changed over the last 18 to 24 months since it was set last time.

Paul Ridzon - *KeyBanc Capital - Analyst*

You don't happen to have any idea what that number is, because it's mashed up with a bunch of other issues?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, obviously, we have a sense of it. That was based on our negotiations, but the parties didn't have to agree on what that single number was. It was part of the overall total. Again, the key there for us and for investors to know is that it was set based upon a visual of the current market, as opposed to previous numbers or previous periods.

Paul Ridzon - *KeyBanc Capital - Analyst*

And you're comfortable based on the current market? Okay.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

We are, we are.

Paul Ridzon - *KeyBanc Capital - Analyst*

And just -- there's no way to revisit volumetric changes in rate case true-ups? That's correct?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Demand, you mean? We said volumetric.

Paul Ridzon - *KeyBanc Capital - Analyst*

(multiple speakers) Yes, I'm sorry.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

(multiple speakers) Yes, the way the process is set up it will be our job to manage around those numbers, which are set consistent with the current process in the state.

Paul Ridzon - *KeyBanc Capital - Analyst*

And then, as the final rate case outcomes come, and obviously, we're not expecting you're going to get what you asked, but as the authorized comes in incrementally lower, does that make achieving the 50 basis points that much harder just due to less headroom?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, actually, the 50 basis points works off the ROE allowed. So, we will be working toward our lag and minimizing the lag around that allowed ROE. It would obviously affect the overall allowed return, but the basis point lag piece of that will be consistent with whatever the final allowed ROE is.

Paul Ridzon - *KeyBanc Capital - Analyst*

Thank you very much.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Yes. Thanks, Paul.

Operator

Shah Pourreza, Citigroup.

Shah Pourreza - *Citigroup - Analyst*

When we look at your load numbers for the quarter, can you decompose how much of that is really attributed to energy efficiency and conservation versus macro?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

No. There's probably three things driving those. I mean, obviously, number one, we've got the economy; things that are affecting it from a pure economic basis. We've got weather, which sometimes, the more extreme the weather, the more difficult to separate those factors versus actual economic effects. And then we do have this developing trend across the country. (multiple speakers) I'm sorry.

At any rate, we do have this developing issue about trying to determine exactly how much of that is economy, and how much of it is actual energy efficiency. But I think it's pretty clear that, as people replace equipment and standards for that equipment, continue to improve, that there is some effect to that. So, all those factors are there. It's difficult to separate those out.

Shah Pourreza - *Citigroup - Analyst*

Are these plant closures permanent or are they just temporary?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, there were three we mentioned, and they're just examples. The first one was temporary -- as Ford retools for a brand-new product. And actually, we'll see a little growth from that event, because not only will they have a new product, but there's some other surrounding entities that will be doing some work there.

The other two we mentioned were permanent. They were an old coffee plant and a bottling company that did close down. So, a combination of those. And those are just examples. Remember that our industrial load is not the largest part of our demand driver, but certainly affected it in this quarter, it appears.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Yes, and about the Ford plant closure, which is temporary, that had about a 2.5% impact, which we'll start to get back in the first quarter of next year. And that's just the plant impact and doesn't -- wouldn't also pick up impact on other suppliers in the region.

Shah Pourreza - *Citigroup - Analyst*

Okay. And then, let me ask you -- the load numbers are obviously worse than expected, but the guidance wasn't really revised. Is this something you accounted for in your outlook?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, we've committed to deliver. So, certainly, we've been working to offset the effects of that. We did have some weather which helped to manage that as well. But I would say that the demand -- the extent of the demand drop in the third quarter was certainly a bit of a surprise for us.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

And Shah, you're talking about the guidance for -- the current year guidance?

Shah Pourreza - *Citigroup - Analyst*

That's right.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Yes. No, we're very well on the cost side of the equation. So if you look at the year-over-year O&M comparables, we're managing the business very tightly. So we're very comfortable with the range.

Shah Pourreza - *Citigroup - Analyst*

Got it, got it. And then just one last question. When we -- if we assume we get a favorable outcome in the rate case, and you get a favorable outcome with the OSS, is -- I mean, is it fair to say that we don't -- we won't see you file for another rate case until, like, what? -- the mid-2014 to coincide with LaCygne? Are you out of a rate case?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

That's certainly our strategy. Again, until we see those outcomes, we always want to be cautious. But the plan -- or preference, I guess, better said -- would be not to file again until LaCygne would be in place. It is set to be in service mid-summer 2015. About that time period is also the time period we're entitled to ask for a fuel factor at KCP&L. So the timing of that case will be managed around a lot of those factors likely to be sometime in 2015.

Shah Pourreza - *Citigroup - Analyst*

Terrific. Thanks so much, guys.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Thank you.

Operator

Jay Dobson, Wunderlich Securities.

Jay Dobson - *Wunderlich Securities, Inc. - Analyst*

I wanted to talk a little more about these retail numbers as we look out to '13. And I appreciate that you're not giving guidance for 2013 yet. But is there anything inside those numbers or trends that you're seeing that suggest it will change or improve? And I appreciate the industrial side with the floorplan coming back.

But you mentioned in your prepared comments that this was sort of replacement or accelerated replacement of maybe some AC units and the like. And that would actually suggest that this new lower level is sort of here to stay. So I'm just trying to understand, although I know you're not giving guidance, what gives you, if anything, optimism that this will improve in '13?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, certainly, if you look at the Metro and regional information around what's happening here, it's very positive. We have housing starts which are up. We have unemployment which is down. We have a lot of economic development going on. And so, from that perspective, we feel good about the Kansas City region.

Certainly, on a shorter-term basis, we have -- we've seen in this quarter some industrial, if you will, closings. But, again, Ford starts back up. We think we have positive trends from a macro level basis. And so I don't think that we anticipate the kind of numbers you see in the third quarter to be consistent. But certainly, it's an indicator that we continue to have a sluggish short-term economy that we've got to deal with, plan around, and manage.

Jay Dobson - *Wunderlich Securities, Inc. - Analyst*

Got you, okay, fair enough. Maybe then to turn it around a little bit. If you do get reasonable outcomes in the case, but we see maybe not the decline in sales but maybe flatter sales than you're expecting, and hence, the 50 to 100 basis points of sort of embedded lag still exists, can you talk a little bit about some of the levers that you have to pull in '13 to bring you back to that 50 basis points of lag, which you've committed to? Which I appreciate is very important to you, but maybe it's another way of saying how much of the cost reductions you've done this year are actually durable and not delays? And then which of these -- what else can you do incremental to that?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, certainly, as this year has gone, we have managed costs extremely tightly around expected growth and around our expectations to continue to provide great quality service, reliable service to our customers. As we move forward, if growth is not what we expect, then obviously, there is some opportunity there around the lack of growth to manage down costs consistent with that lack of growth.

We've committed to live within our means; i.e., the result of these rate cases will set a cost of service out that we obviously clearly know we need to match. And then, we've got the ability to manage capital projects and other things that are related to, again, expected growth that may not be developing. So as a result, you manage all of those things down, consistent with not only our current regulatory approvals, but also our maybe-revised expectations around growth, both on a capital and an ongoing O&M perspective.

Jay Dobson - *Wunderlich Securities, Inc. - Analyst*

No, that's great. Thanks for the insight, Terry.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

All right. Thank you, Jay.

Operator

Brian Russo, Ladenburg Thalmann.

Brian Russo - *Ladenburg Thalmann & Company Inc. - Analyst*

Correct me if I'm wrong, but I'm sensing from your comments on the embedded lag on demand and Wolf Creek expenses, that it seems like your confidence level in the 50 basis point target and reg lag in '13 is less than it previously was. Can you just comment on that?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

You know, the way I would describe it is, absent the demand issues, we remain very confident we can manage through the numbers, although we do have a couple of things, such as demand in the Wolf Creek piece, that are challenges and we want to be transparent about those challenges. We're committed to the numbers. We're going to work extremely hard to get there. But if we see a larger disconnect on demand than we anticipate, we'll have to manage that in the context of continuing to provide solid, reliable service to our customers, which we'll always continue to do.

I hope that kind of answers your question.

Brian Russo - *Ladenburg Thalmann & Company Inc. - Analyst*

Yes. And how important is the transmission tracker to you achieving your target of 50 basis point lag?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

You know, the transmission tracker is probably not as critical in '13 as some other things that -- the transmission tracker is important because of the ongoing nature of transmission expense, and the volatility or increases we can see over time.

We're continuing to try to work through processes and regulatory mechanisms to manage our business on a very reliable basis, and not have to file rate cases on single issues, which may be a little more volatile, occur. And so it's important long-term. Transmission may -- and it's important next year. It may not be as important as some others.

Brian Russo - *Ladenburg Thalmann & Company Inc. - Analyst*

Okay. Your nine months year-to-date EPS is $1.34 and the midpoint of your '12 guidance is $1.30. I guess that implies you're expecting a fourth-quarter loss on earnings?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Not necessarily. I mean, if you look at our historical numbers, certainly the fourth quarter is our softest quarter, but we want to provide, again, transparency around things that could happen. We have rate cases that are not completed. We had demand in the third quarter, which was a little bit of a surprise. And we are headed into a winter storm season that could have some effects as well. So, we've been cautious in that regard. But no, if you look at our past fourth quarters, they're soft, but not necessarily expecting on an ordinary basis those kind of numbers. It would be based on those three factors I mentioned. primarily.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Yes, and in my comments, tried to emphasize that it might be some combination of extreme weather, maybe a storm. Rate case charges associated with finalizing the rate cases that we're not currently anticipating, or if we've got a forecasted flat demand for the fourth quarter, if there were a significant retrenchment in demand in the fourth quarter -- those are the types of things that might pull us down to the lower end of the range. But we're very comfortable with the overall range.

Brian Russo - *Ladenburg Thalmann & Company Inc. - Analyst*

Okay. And just to be clear, the general rate case strategy, when will you be filing the abbreviated rate case?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

In the Kansas on LaCygne?

Brian Russo - *Ladenburg Thalmann & Company Inc. - Analyst*

Yes.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

It'd be in -- within the 12 months of 2013. So it's -- you have a period 12 months after finalizing this current rate case. So it will be sometime next year.

Brian Russo - *Ladenburg Thalmann & Company Inc. - Analyst*

Okay. So, in Kansas, you're going to file next year probably late in the year for an abbreviated rate case; and then in Missouri, you're likely to file in mid- '14 for rates in mid-'15?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

No. We're not really committed to a time period around Missouri. Again, we've got several factors that are important. We are confident around LaCygne going in service mid-'15, but we've also got some other factors such as the right to ask for a fuel factor in KCP&L, and some other things that may drive the actual filing date. But it's likely to be sometime in '15. It will be around those factors. And just as a reminder, the abbreviated case in Kansas is intended to cover CWIP only, which is the benefit of that kind of filing. (multiple speakers) CWIP only.

Brian Russo - *Ladenburg Thalmann & Company Inc. - Analyst*

(multiple speakers) Thank you.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

You bet.

Operator

Charles Fishman, Morningstar.

Charles Fishman - *Morningstar - Analyst*

On the -- you indicated your concern on Wolf Creek costs for next year. Is that a reliability concern? Or is that a concern over just an increase in O&M costs? I didn't follow that.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Yes, no. It's not a reliability cost. Our unit, in fact, has continued to run very well. We've had, and have been a bit disappointed in, some outage issues that have gone longer than expected, and has resulted in some increased NRC oversight. And along with that NRC oversight includes some costs to respond to that, as well as some costs to address some of the issues that came up through that process.

And so we're looking at those kind of issues. The unit has continued to run very well, once it came up from its last outage.

Charles Fishman - *Morningstar - Analyst*

And then the next refuel for Wolf Creek?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

It's in the spring; starts in February, I believe.

Charles Fishman - *Morningstar - Analyst*

Okay. And then on the property tax tracker that you have taken off the table, what was the objection to that? Because it seems like that's something that is totally out of your control that would be ideal for a tracker.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, it's not property tax that is the issue. In Missouri, the parties feel pretty strongly that trackers are, quote/unquote, "single issue ratemaking, and they oppose those in general.

So, for example, we have a tracker in MEEIA, but that was approved by the legislature. Fuel factors, which are a form of tracker/rider approved by the legislature, they have a pretty firm position that they don't agree with trackers as a regulatory mechanism; whereas in Kansas, there's not that opposition. In fact, we got the property tax rider or tracker in Kansas. So it's more of a regulatory position than it is a property tax or single item issue.

Charles Fishman - *Morningstar - Analyst*

Got it. Thank you.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

You bet.

Operator

Thank you. Does that conclude your question?

Charles Fishman - *Morningstar - Analyst*

Yes, that did.

Operator

Michael Lapides, Goldman Sachs.

Michael Lapides - *Goldman Sachs - Analyst*

Hey, good morning, Terry. I want to beat the demand issue -- you know, beat that dead horse as much as I possibly can. Can you tell us -- what was the demand -- how did -- what demand level gets used in your rate case? Meaning, is it a historical demand? Is it a projected demand? And how does that demand level differ from what you actually have seen in the last nine months?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

The demand is actually historical.

Michael Lapides - *Goldman Sachs - Analyst*

Weather-adjusted?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Yes.

Michael Lapides - *Goldman Sachs - Analyst*

Okay. So demand in 20 -- just the weather normalized raw megawatt hours in first nine months 2012, tracking above or below what was filed in the rate case?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Below.

Michael Lapides - *Goldman Sachs - Analyst*

Okay. So unless you get growth, that creates natural lag even if demand is flat year-over-year?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Yes, that was kind of the outline Jim was making, absolutely.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Yes. And in my comments, Michael, we're 0.9 negative year-to-date. So -- excuse me, we're minus 1.5 year-to-date. So, projecting flat for the fourth quarter is the minus 1.1% that creates the potential for 50 basis points of embedded lag in the rates.

Michael Lapides - *Goldman Sachs - Analyst*

Got it, okay. One other thing. What O&M -- what drove the year-over-year change in O&M in the third quarter?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

It was a $12 million number. We had fewer outages during the period. But when you kind of go line item-by-line item, significant reduction in support and other areas, as we've tried to tightly manage the cost of business.

Michael Lapides - *Goldman Sachs - Analyst*

Got it. And if you were to receive unfavorable rate case outcomes -- it doesn't sound like that's the path this is going down, but just in case, what -- how does that impact your thoughts on both O&M and capital?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, again, when we talk about living within our means, what we're talking about is living within that cost of service. Now the -- so the results of the outcomes of cases would be that we would be responsive to them. And if something was disallowed, we wouldn't do that thing.

What you're seeing on these settlements is that's not really what's happening, and that we've gotten a good response to the settlements. And the two real issues left are, we're going to have to manage around lag related to demand and costs that have occurred post-case, and whatever our returns are. And the returns, again, drive returns on equity there, but don't directly affect allowed cost of service issues.

Michael Lapides - *Goldman Sachs - Analyst*

Got it. And one last thing -- and Terry, this is a little bit more longer-term focus. So, LaCygne capital spending remains elevated, obviously, in '12, '13. You get closer to finishing the project through '14, and then we get to 2015, and there's only probably a couple of months of spend on the project in 2015.

I know it's a long way out and the world can change five times between now and then, but come mid-2015, if I think about it, depreciation goes up a lot; O&M goes up a little to run the scrubber; but CapEx comes down a lot. Are you setting -- is GXP setting itself up in a position to where your free cash flow profile could look significantly different when LaCygne is done, versus what it has really looked like since you began Iatan 2 in 2005?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Yes. I mean we have certainly had what we'd call strategic spend now for basically the seven years that I've been here, starting with the agreement around our comprehensive energy plan. And we've been in a pretty heavy build cycle and certainly a combination of completing this last major environmental add. And the way the demand has gone, probably no need to immediately build another large generating station of some sort. We ought to be in a very favorable cash position.

We'll be looking at that point, hopefully, and needs for TranSource will also be at that point looking for opportunities around energy efficiency. The MEEIA rulings that were just approved relate to GMO because, currently, we don't need generation, if you will. That virtual generator we talk about for KCP&L, but at that time, we probably will. So there's opportunities for growth and use for that cash. But certainly from a cash perspective, we would be in a little bit different cycle than we've been over the last several years.

Michael Lapides - *Goldman Sachs - Analyst*

Got it. Okay. Thanks, guys. Much appreciated.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Thank you.

Operator

Steve Fleishman, Bank of America.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

A couple of clarification questions. So you had a 50 basis point kind of structural lag target, even before these sales issues and the Wolf Creek issues came up. So, when you talk about this 50 to 100 basis points, is that incremental to the kind of structural 50 that was already there?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Yes. I mean I think it's pretty consistent among the industry that 50 basis points would be a favorable low level of natural lag. And what we're talking about trying to outline what we're going to be working hard on, which is this additional impact of the weather rate cases work in connection with how the demand is working going forward, but kind of outlining to investors what our chore is and how hard we're going to be working on that.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

Okay. And then is there, on the property tax issue, how much, when you filed for the rider, did you indicate how much property taxes are expected to go up in 2013?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

No. No. We were trying to get several riders and trackers in place. We had saw a bump in property tax back when Iatan went in place. We were trying to get riders and trackers on several issues that had been allowed in other instances. We weren't asking for things that someone hadn't gotten before. We had gotten this one in Kansas. So at the time, it was based on a desire to get those kind of things in place. We do anticipate an increase in property taxes next year, but those are the kinds of things that we'll be managing.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

Okay. And then on demand, do you have like a rough sensitivity that you use? I guess you kind of gave it with the demand being equivalent to 50 basis points of ROE. But is there like a sensitivity to a 1% change in demand as equivalent to what in terms of earnings or ROE impact?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

You know, 1% -- we generally talk about 5% to 10% -- or excuse me -- $0.05 to $0.10 in earnings per share. And you know, it's interesting, last year, we had a decline of 1%, which had a $0.03 impact because we got growth in the third quarter of last year. This year, we had a decline in the third quarter and so that same 1% will have about a $0.10 per share impact. So we use $0.05 to $0.10 per share as kind of a proxy.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

Okay. And then just to finish the loop on that, going into this year, your plan for whether normal growth was 0.5% or 1%?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

It was at 0.5%

Steve Fleishman - *BofA Merrill Lynch - Analyst*

Okay, and now it's about 1% down?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Yes. That's correct.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

Okay. So when you gave the 50 basis point lag, you would of been thinking it was kind of 0.5% growth?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

That's right. And then some level of growth off the 0.5%.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

In 2013 as well?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Yes.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

Okay.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Well, we didn't give that specifically as a target, but industry in general, everyone was expecting or may still be expecting some growth in '13. But I think everybody is in the process of developing the view of '13.

Steve Fleishman - *BofA Merrill Lynch - Analyst*

Okay, thanks, and sorry for all the questions.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

No worries, thanks, Steve.

Operator

(Operator Instructions) Ashar Khan, Visium.

Ashar Khan - *Visium Asset Management - Analyst*

I just wanted to just go over -- I don't have my slide in front of me, but if I'm right, Terry, I just want to go over the -- if you were earning on a 10% ROE, am I right, the earnings level were like $1.80, am I right, from a slide that you had provided if there was zero lag or something?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

You're looking at, for 2012, in our previous webcast, regulatory potential $1.83, which is based on the 10%. And that's before a range of lag associated with the regulatory business. And then there's $0.14 related to nonregulatory costs that you back off that. And I'm familiar with the slide you're referring to.

Ashar Khan - *Visium Asset Management - Analyst*

Okay. So I'm just -- I just wanted to -- just bear me out so I understand this, I don't get this wrong and everything. Assume that number was $1.80 just for rounding purposes. You had mentioned that your goal was to have a 50 basis point financial lag. So that would have meant an earnings power of $1.70, right? Am I right? That's my first assumption. Am I apples-to-apples?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

For 2012 -- and you know, 2012, you recall, has got a share account that is an average of half-year for the 17 million of new shares issued. So I don't know if you're kind of thinking -- are you're trying to build a (multiple speakers) --?

Ashar Khan - *Visium Asset Management - Analyst*

Yes, I'm just trying to build (multiple speakers) --

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Maybe let's step back and kind of figure out where the question is going, because I don't want to construct a model. (multiple speakers) But generally, what's your question and where would you like to take this?

Ashar Khan - *Visium Asset Management - Analyst*

Okay. So I'm just trying to understand is -- okay, so there might be more lag from the shares count, so fine. Then you're saying that, say if there is a 1% lower demand, how much is regulatory lag there? Did you mention? Is it like 50 basis points ROE?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

Well, there'd be 50 basis points of lag embedded in the rates, which could be covered by some level of growth. (multiple speakers)

Ashar Khan - *Visium Asset Management - Analyst*

So if I assume zero growth, there's another $0.10 gone?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

I'm not interested really in constructing a model on this call. (multiple speakers)

Ashar Khan - *Visium Asset Management - Analyst*

Yes, but I'm just trying to go assumptions-wise. If I assume -- I'm not saying you are assuming -- if I assume there's zero growth, there's $0.10 of earnings gone. Is that correct?

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

There is $0.10 or 50 basis points of lag embedded in our rates.

Ashar Khan - *Visium Asset Management - Analyst*

Understood. Okay. So you're saying, right, if I assume zero growth, there's $0.10 of earnings degradation.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

In and of itself, on that single item, that's the calculation.

Ashar Khan - *Visium Asset Management - Analyst*

Okay. Now can you just mention -- on Wolf Creek, you mentioned that you are going to be -- there's another regulatory lag of 1%. Did I hear that correct or wrong?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

No.

Jim Shay - *Great Plains Energy, Inc. - SVP of Finance & Strategic Planning, and CFO*

No.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

We didn't say an amount of lag. We said it was additional costs related to our work there. We didn't give a specific number.

Ashar Khan - *Visium Asset Management - Analyst*

How much are the -- can you share with us what those additional costs are?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

No. We're still -- at this point, we're still working through those numbers and that work. We don't have a specific number. We'll be obviously talking about those kinds of things when we provide guidance next quarter.

Ashar Khan - *Visium Asset Management - Analyst*

Okay, but those are going to be additional numbers which were not anticipated before?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, they were certainly not as we originally anticipated, that's correct.

Ashar Khan - *Visium Asset Management - Analyst*

Okay, so that's going to produce another lag?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Not -- well, not necessarily. What we've tried to describe are the things that we're faced with that we're working on. We're not giving guidance today, because we're going to be working on ways to offset many of those issues, if not all of them. So what we're trying to give investors a view of are the challenges we're under; but we're not suggesting that everything that we've listed is automatically a lag, because we're going to be working to offset those.

Ashar Khan - *Visium Asset Management - Analyst*

Okay, fine. But, Terry, can you just tell us what are you working on to offset those? Can you help us that?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Cost containment. Absolutely. To the extent we had planned in that same plan to spend money related to growth, if we're not getting growth, then obviously we won't need to spend money on those areas. We're obviously looking at other capital projects and other projects that we would have originally planned to take on because we expected to have the revenue to do that. We'll be looking at how to turn those back down. We'll be doing all the things that we, as a utility, would normally do when we have a level of growth different than what we expected -- positive or negative. In this instance, it happens to be negative.

Ashar Khan - *Visium Asset Management - Analyst*

Okay, but how much O&M -- can you just tell me [less] capital does not help earnings to meet in the near-term, it helps on a long-term basis. How much of O&M is there available to cut, can I ask?

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Yes. No, we're -- again, we'll be describing all those things when we provide guidance for next year. We're not giving that kind of guidance today and we're not through doing our work. We've obviously got rate cases that aren't finished. We've got demand which is shifted a bit honest in this last quarter.

We're going to watch and see what happens this quarter, come to our final conclusions around next year along with the rate case outcomes, and put together a clear and succinct guidance range with all the elements of that you'll need when we do that. We certainly wouldn't want to give pieces of that until the work's complete today.

Ashar Khan - *Visium Asset Management - Analyst*

Okay. So it could be -- it is a pretty hard task, the way you're pointing out, right? I'm just trying to think through this.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

I don't think you'd find a utility in our industry in this country today that doesn't think we're all faced with a tough task at this point, dealing with low growth issues, capital issues, regulatory issues. But that's what we get paid to do. And we're going to do a good job of it and we're going to provide solid shareholder returns as we go.

Ashar Khan - *Visium Asset Management - Analyst*

Okay. Now my only point was that you started off your call with the goal of still achieving a 50 basis points, and then you laid out a lot of other stuff, which kind of indicated that goal is impossible to meet. And I'm just trying to see if that is the case or not.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

We did not say it was impossible. In fact, we said just the opposite. We said it is still possible and that is still our target. We said that we've got some work to do, and we think it's important to be transparent with shareholders about those kinds of issues. And so that's what we wanted to do today. We did not say it was impossible and we do not believe it's impossible to continue to meet our targets.

Ashar Khan - *Visium Asset Management - Analyst*

Okay. So let's -- we look forward to, then, the call to see on the possibility.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Absolutely, absolutely. Thank you.

Operator

Your final question comes from Michael Lapides with Goldman Sachs.

Michael Lapides - *Goldman Sachs - Analyst*

Hey, guys, asked and answered, much appreciated.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Okay. Thank you.

Operator

Thank you. Now I will turn the call back over to Terry Bassham for closing remarks.

Terry Bassham - *Great Plains Energy, Inc. - President and CEO*

Well, thank you, everybody, for calling, and thank you for your questions. Obviously, great questions related to all the issues that are facing us and facing our industry. And again, we appreciate your time. We, as always, want to be transparent, but we also want to be able to deliver a message that we're working hard to continue to deliver on our goals as we move forward.

I know many of you are going to be at EEI this coming week, so we look forward to seeing you there. Otherwise, have a good day. Thank you very much.

Operator

Ladies and gentlemen, thank you for joining today's conference. You may now disconnect.
