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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Great Plains Energy fourth-quarter year-end 2013 earnings conference call. (Operator Instructions). As a reminder, this call is being recorded.

I would now like to introduce your host for today's conference, Kevin Bryant, Vice President of Investor Relations and Strategic Planning and Treasurer. Sir, you may begin.

Kevin Bryant - *Great Plains Energy, Inc. - VP, IR & Strategic Planning, Treasurer*

Thanks, Sam, and good morning, everyone, and thank you for joining us for our year-end 2013 earnings conference call.

Let me begin by introducing the members of the Great Plains Energy management team who are here with me today. We have Terry Bassham, Chairman and Chief Executive Officer, and Jim Shay, Senior Vice President and Chief Financial Officer, who in a few moments will both provide an overview of our 2013 results, our 2014 earnings-per-share guidance range and our longer-term planning targets. Scott Heidtbrink, Executive Vice President and Chief Operating Officer of KCP&L, is also with us this morning 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 contains 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 2013 10-K after the market closed yesterday. These items are available, along with today's webcast slides and supplemental financial information regarding the quarter and full-year 2013, on the main page of our website.

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

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

Thanks, Kevin, and good morning, everybody.

2013 was an outstanding year for our Company. We increased earnings-per-share 20% to $1.62 and increased our dividend nearly 6% contributing to a total shareholder return of 24%. Through a balanced approach, we were able to achieve Tier 1 reliability for our customers, along with Tier 1 performance for our shareholders. These achievements were the result of hard work and the outstanding efforts of our employees across the Company who I would like to publicly thank on this call. We plan to build on this success and are providing an earnings guidance range of $1.60 to $1.75 per share for 2014. Jim will discuss the details of our 2014 guidance, along with our 2015 and 2016 considerations later in the call.

Turning to slide 5, I'll discuss positive drivers in our service territory and our ongoing strategies to reduce regulatory lag, our approach to sustainability, along with an update on our national transmission strategy. We believe our service territory is healthy and that it has a positive growth outlook. For 2013 our weather normalized demand was up 1.4%, which is the strongest we've seen in five years. We are encouraged by positive trends in both labor and housing markets. Regional unemployment is near prerecession levels, 5.4% in December, reflecting the strength of employers in our service territory. We've also seen a solid recovery in the housing market with single and multifamily permits up 24% and 62% respectively compared to 2012.

The Kansas City area is a great place to do business, and many companies in our service territory are expanding. I'd like to cite just a few prominent examples.

The first is Ford Motor Company whose $1.1 billion investment in its Kansas City assembly plant will add approximately 2000 jobs, with production of the transit band expected to begin this quarter. The second example is BNSF Railway which has completed a state-of-the-art intermodal facility adjacent to a 1000-acre logistics park with a distribution warehousing development capacity of 15 million square feet. Development has long-term potential to create nearly 13,000 jobs.

Third example is Cerner Corporation, a leading healthcare software company based in our region who recently announced plans to build a 4.5 million square-foot campus, which would employ an additional 15,000 people by 2024. We've been active on the regulatory and legislative fronts as our strategy includes minimizing regulatory lag and smoothing out the impact of customer rate increases. We expect the commission in Missouri to issue an order on our request to implement an accounting authority order or AAO for transmission costs this spring.

On the legislative front, we are seeking relief through Missouri Senate Bill 702, which would defer for future recovery and general rate case proceedings transmission and property tax expenses that exceed amounts recovered in current rates. Missouri Senate Bill 909 seeks to reduce regulatory lag by deferring depreciation and cost of capital associated with infrastructure investments for future recovery and general rate case proceedings. We believe that the AAO and legislative efforts are in the best long-term interest of customers and shareholders. We'll keep you updated as things continue to develop.

Appropriate investments and sustainability initiatives is an integral part of our long-term strategy. To that end, we are pleased to have filed a request to expand our energy efficiency programs as authorized under the Missouri Energy Efficiency Investment Act or MEEIA. Specifically in December, we requested to expand and offer energy efficiency programs to our KCP&L customers in Missouri similar to the programs that GMO offers its customers. These programs provide real-time recovery of program costs and a portion of net share benefits, along with an opportunity for longer-term performance incentives.

Also in the area of sustainability, we were able to take advantage of competitive pricing and earlier this year announced plans to purchase 400 megawatts additional wind power. With this addition, our total renewable portfolio will be nearly 1000 megawatts, and we are well-positioned to satisfy our renewable requirements in Kansas and Missouri through 2023 and 2035 respectively.

Regarding our long-term national transmission strategy, Transource, our joint venture with AEP, continues to make progress. This includes the recent innovation of our two SPP projects for the new company. Near-term, Transource is focused on submitting bids to construct transmission projects in several domestic RTOs, including PJM, MISO, and SPP. We believe Transource is one of the best positioned companies in the country to compete in the growing transmission market. We'll keep you apprised as things develop with Transource as well.

I'll now turn it over to Jim to discuss our 2013 full-year performance guidance for 2014 and considerations for 2015 and 2016.

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

Thank you, Terry, and good morning, everyone.

I'll begin with slide 7, which provides a comparison of 2013 to 2012. For the full year, our earnings-per-share increased $0.27 from $1.35 in 2012 to $1.62 in 2013. The increase was primarily driven by new retail rates, an increase in weather normalized demand which I'll discuss in a moment, and lower interest expense. These favorable impacts were offset by weather, higher transmission costs, and property taxes. For the fourth quarter, our earnings-per-share increased $0.08 from $0.03 in 2012 to $0.11 in 2013. New retail rates, higher customer demand and the impacts of weather were key drivers for the quarter.

Included in the appendix of this presentation are details on customer consumption. As Terry mentioned, there are a number of positive drivers in our service territory, which resulted in 1.4% weather-normalized growth for the year. For the fourth quarter, we saw growth of nearly 3%, which continued the positive trend.

Of particular note, I'd like to highlight that we've seen four consecutive quarters of positive residential growth.

Regarding O&M expense, we are pleased with our performance in this area. Approximately $22 million of the $24 million O&M increase in 2013 was due to regulatory amortization, pension trackers and energy efficiency expenses that we are recovering in our new retail rates. Levers we were able to pull in 2013 to control O&M and other cost increases include managing headcount down 4% through attrition, the renegotiation of coal transportation contracts and lower procurement costs through supply chain transformation activities.

Turning to slide 8, as Terry indicated, our 2014 earnings-per-share guidance range is $1.60 to $1.75. A few drivers and assumptions for 2014 include: First weather normalized load growth of 0.5% to 1%; One additional month of new Missouri retail rates. You recall that $115 million of rates in Missouri became effective on January 26, 2013;. In August we expect new retail rates to be effective in Kansas following the abbreviated rate case for the La Cygne environmental upgrade where we are requesting a revenue increase of $12.1 million; An increase in allowance for funds used during construction from the La Cygne project; Higher transmission costs and property taxes in Missouri, a portion of which may be deferred for future recovery depending on the timing and outcome of legislative and regulatory activities Terry discussed; and Finally, an increase in depreciation and amortization expense relating to ongoing infrastructure investments placed into service.

As the slide shows, we expect O&M to increase approximately 3% to 4% over 2013. Roughly 60% of the projected increase relates to incremental MEEIA costs that have a direct revenue offset in costs associated with the Wolf Creek midcycle maintenance outage. Costs during midcycle maintenance outages are expensed as incurred as opposed to costs during the refueling outage that are deferred and amortized between refueling outages. Our O&M forecast for 2014 includes approximately $9 million for the Wolf Creek midcycle outage and $26 million for incremental regulatory amortization's pension trackers and MEEIA expenses that were approved in our most recent general rate case. Diligently managing O&M costs has been a clear company priority as demonstrated by our performance. When compared to 2011, our 2014 O&M forecast is relatively flat, other than the $35 million of O&M just discussed.

On slide 9, we have listed considerations for 2015 and 2016. From an earnings trajectory standpoint, we expect the improvement from 2015 to 2016 to exceed the improvement from 2014 to 2015. This trend is consistent with what we've previously seen during rate case cycles. Although difficult to predict, we are assuming weather normalized sales growth of 0.5% to 1% during this period. We will continue to manage costs tightly and plan to manage O&M growth in line with our view of demand growth.

For 2015 we expect to pick up an additional seven months of new retail rates in Kansas from the La Cygne abbreviated case. We plan to request construction accounting treatment for La Cygne. If approved, incremental costs related to the La Cygne upgrades such as O&M and depreciation would be deferred once the asset goes into service in the second quarter of 2015 until the effective date of new retail rates. Previously we were granted authorization of construction accounting treatment in Missouri for an environmental upgrade at Iatan 1 and the construction of Iatan 2. We plan to file general rate cases in 2015 to reflect the completion of the La Cygne environmental upgrade project and to include our request for a fuel adjustment clause for KCP&L in Missouri. We anticipate new retail rates will be effective in the first quarter of 2016. Our financial position remains strong, which is evidenced by Moody's recent upgrade to our credit ratings. Our financing needs are also pretty straightforward. We will likely term out some short-term KCP&L debt during 2015, and we have no plans to issue equity through 2016.

I'll now turn it back over to Terry who will discuss a few of our longer-term strategies and targets.

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

Thanks, Jim. Turning to slide 10, I'd like to discuss our near- and longer-term earnings and dividend growth targets. Our strategy is to deliver safe and reliable power at a reasonable cost to customers and competitive returns to our shareholders. With appropriate investments and diligent cost management, our target is to maintain a high level of system performance while managing a long-term increase in average customer builds. At the same time, we expect to deliver competitive returns to shareholders through a combination of earnings and dividend growth. In the near-term through 2016, we're targeting 4% to 6% earnings growth off our 2014 earnings-per-share guidance range. Rate-based growth is a key component of our strategy. Between 2013 and the start of 2016, we continue to target rate-based growth from $5.7 billion to $6.5 billion or roughly 4% per year. This rate-based growth is primarily driven by the environmental upgrade at our La Cygne generating station.

Beyond 2016, we have considerable investment opportunities to ensure that we are able to deliver safe and reliable power while managing customer rate impacts. Detailed in the appendix of this presentation is our five-year capital expenditure plan, which includes expenditures to harden our distribution infrastructure and improve protection for physical and cyber security. In the area of sustainability, we have included capital costs relating to compliance with proposed and final regulations under the Clean Air Act and Clean Water Act.

We also expect to make investments in national transmission projects through Transource. The other component of shareholder returns is dividend growth. Near-term through 2016, we're targeting 4% to 6% dividend growth. With our planned investment in rate-based growth post-2016, we expect to generate positive cash flows before dividends.

It's also important to note that we do not anticipate paying significant cash income taxes through 2020 due to net operating losses. The combination of these factors gives us considerable flexibility to increase our annual cash dividend. As a result, our plan is to narrow our payout range to 60% to 70%, which allows us to increase dividend growth at an accelerated rate while staying within the top end of this range.

To sum up, we are pleased with our 2013 results and are looking forward to 2014 and beyond. Appreciate your time this morning. Scott and Jim and I would now be happy to answer any questions that you may have for us.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Brian Russo, Ladenburg Thalmann.

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

Embedded in the 2014 guidance, can you isolate the under recovery of transmission expenses and property taxes on an EPS basis?

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

Yes, Brian, for 2013, we had about $0.09 of lag. That being cost in excess of the amounts in our new retail rates going into the year. So $0.09 for 2013, and we would expect those costs to grow next year, though perhaps not quite at that rate. So, meaningful components of lag, but we have been able to -- we are able to offset to a certain extent in 2013. And so hopefully that sizes up the issue for you.

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

Okay. So just to confirm, at least $0.09 of lag related to the transmission expense under recovery and property tax under recovery in your 2014 guidance.

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

Yes.

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

And that's probably what, 25 basis points?

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

Yes, that is.

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

Okay. And is there any reason why you've only forecasted earnings growth through 2016 rather than a five-year CAGR like the other companies do?

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

Well, this is Terry. You know, we've got clear vision through the rate case and a history that kind of reflects that. So we thought it was important to list it that way. Obviously we've still got load growth that we are watching which can affect that and felt like it would be better to continue to work through the process the next year or so before we gave definitive numbers. Remember that what we are talking about here is the flexibility we have around how we spend that cash or how we spend those dollars, and we have a lot of opportunity and need from EPA and infrastructure perspectives but a manner of caution that far out.

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

Okay. And earlier you mentioned the Transource opportunities in PJM and SPP and MISO. Is there anyway you could maybe a little bit more in detail about that or the dollar value of those market opportunities?

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

We haven't really forecasted investment dollars specifically yet that's not really in this forecast. At this point, those are upside, if you will, because of the ongoing RFP processes. So I guess what I would say is we are, as Transource, actively involved in the opportunities there and have had several projects we are working on. But at this point, nothing has been awarded, and so to put a dollar impact, you know, in 2016, 2017, 2018 for those would be a little bit premature.

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

Okay. And just lastly to confirm, there is no assumption in your guidance related to the potential accounting order or any of the legislative initiatives that would all be upside to your midpoint?

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

To the midpoint, yes. I mean I'd say that it is included in our guidance in that if we got none of that it obviously pushes to the lower end. If we got it all, it pushes toward the top end. But there is no specific assumption around recovery within that range, that's correct.

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

Okay. The midpoint assumes no recovery.

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

Effectively. It assumes managing around not recovering. That's correct.

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

Okay. Thank you.

Operator

Michael Goldenberg, Luminus Management.

Michael Goldenberg - *Luminus Management - Analyst*

I have a question regarding the earnings trajectory. So 2014 to 2016, you're saying 4% to 6%. Today you're saying 2015 to 2016 is higher. Is the way to understand that 2014 to 2015 should be more like 3% than 2015 to 2016 is 7%? Is that the right way to think about it?

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

Mike, I hate to do it to you, but you are a little far from the microphone. I guess I (multiple speakers)

Michael Goldenberg - *Luminus Management - Analyst*

Is it fair to say that the 4% to 6% has a kink the way you explain the presentation, so 2014 to 2015 may be something like 3% growth and then 2015 to 2016 is something like 7% growth. Is that the right way to understand what you're trying to tell us?

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

Yes, absolutely. I mean obviously we've got an increase in rates expected through the rate case that won't be collected or seen until the order. And so yes, you described it exactly right.

Michael Goldenberg - *Luminus Management - Analyst*

And then I want to follow-up to what Brian was asking. If we -- if the midpoint of the guidance assumes no recovery but ability to mitigate it through other costs so it assumes less of the full impact, lower and assumes full negative impact and the upper end assumes no impact because you get recovery, is that the right way to think about it?

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

I think so. Let me say it again. Obviously if we don't achieve any of the recovery mechanisms, we'll have to take action to mitigate. But that's likely to push us in the lower end of the range. If we recovered everything, we would have the opportunity to be on the higher end of the range. Our range includes not just this one item, though. It includes load growth. So we could have higher load growth or lower load growth.

So there are several factors that affect that. But the effect of that particular item you described is accurate.

Michael Goldenberg - *Luminus Management - Analyst*

Understood. Thank you very much.

Operator

Sarah Akers, Wells Fargo.

Sarah Akers - *Wells Fargo Securities, LLC - Analyst*

Are you able to break up -- I'm sorry break out the level of nonregulatory costs that are assumed in 2014 guidance?

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

It would be in the $0.09 to $0.10 range, consistent with 2013.

Sarah Akers - *Wells Fargo Securities, LLC - Analyst*

Got it. And then it looks like there's still meaningful environmental spend even after La Cygne. With that qualify under the ISRS legislation as it's currently written? And if not, would the plan just be to file traditional rate cases, or what's the strategy on environmental going forward?

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

Those kinds of projects would qualify under the plan as written. There's other limitations within that bill. I mean obviously the bill is not done yet. But yes, they would be the kind of things that would be included, and we take advantage of any opportunity if the bill passed. If it didn't pass or to the extent they were greater than the limitations that may ultimately be on the bill, we would include those in rate cases as well.

Remember the way MEEIA works, we are likely to be a little more regular in our rate case filings because it requires up to three-year true-ups, and that gives us an opportunity to true up several things at that point.

Sarah Akers - *Wells Fargo Securities, LLC - Analyst*

Great. Thanks a lot.

Operator

(Operator Instructions). Paul Patterson, Glenrock Associates.

Paul Patterson - *Glenrock Associates - Analyst*

Just to sort of follow-up on the legislative initiatives, when would they actually take effect if they were to be -- when would you expect them in your guidance to actually take effect in 2014?

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

The bill itself, a bill normally past out of the legislature in May-ish, would go effective in May, I mean go effective in August. So that's when it would be effective. Now, what time period it would relate to, it all depends on how the bill is written. But assuming that it related to future expenses, then it would be, say, September dollars would start being subject to the bill.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. So then to focus back on Brian and other people's questions here, when we look at the impact of 2014, it would seem to me that these legislative initiatives, however they might be involved in guidance, if they were to pass would probably have a bigger impact in 2015. Is that right on the deposit side? Is that right?

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

Yes, well, that's a very good point because normally legislation like this is not retroactive. And so the effect in 2014 would be less than half the year and in 2015 would be a full-year's effect. You are exactly right, and again, remember, Jim gave you kind of the impact of transmission and property taxes both, and we've gotten an accounting order request that is a commission for the transmission piece. So, again, there is some variability in when and how these mechanisms might be available to us.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. And then with [SB 909], that would be in addition to that $0.09. I forgot -- I apologize if I missed this. What would be the impact of that? Could you quantify that?

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

Well, in the short-term, probably not a lot for 2014. Again, 909, as it's written, would suggest that as we take on additional infrastructure projects, environmental projects, that we would have the ability to pass those through quicker. Obviously we are not planning on spending any additional dollars until that passes. But I would say probably starting in 2015, you could start seeing our ability to do some things that might be above and beyond what we did before. So it would be more of a 2015, 2016 and beyond process.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. And then just finally on sales growth, you guys had this great year. Of course, you had some not so great years previously on sales growth. It does seem that you guys are being a little bit on the conservative side, perhaps maybe not. I don't know. With 0.5% to 1%, if you had this great growth just this year, could you just sort of elaborate a little bit more in terms of what you're seeing in sales growth and why you're seeing it go down in the next few years as opposed to 2014 as opposed to what you saw in 2013?

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

Yes, we talked in 2012 about the fact that we were seeing metrics in particular around housing, some around jobs, that suggested we had growth in our economy here, that we weren't seeing in electricity sales. That kind of continued to develop in 2013. So we saw growth in the housing for the full year, whereas our other segments didn't tend to grow until later in the year.

So I think what we're seeing from a macro perspective is a very good feeling about our economy, our growth in our local economy, and now growth in our electricity sales as we've come out of the recession like a lot of folks have. A lot of that growth, though, that pushed us to the 1.4% for the year was in the second half of the year, though. And I would say that's a trend, I hope. So we are seeing the growth, but it has been, other than housing, it's been more recent for the other two segments. And so we're not quite ready to declare complete victory for 2014, but we do believe and feel strongly that our growth opportunities -- we are a growth utility from that perspective, I'll put it that way. 0.5% to 1%, I think, is a very cautiously optimistic number. And yes, we are hopeful that we'll do a little better than that. But certainly we've got still some growth to do within our area to get comfortable that it's kind of a permanent trend with energy efficiency and other things also being part of the mix.

Paul Patterson - *Glenrock Associates - Analyst*

So this is based -- that 0.5% to 1% is based on the 1% customer growth, is that correct, or is there -- what is the customer growth that we should think about in relation to sales growth?

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

From a customer account perspective?

Paul Patterson - *Glenrock Associates - Analyst*

Yes. Yes. If you don't have that, that's okay. I was just wondering if because I think last time you said you guys were expecting a 1% growth in customers.

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

Yes, we can look that up for you. Again, I think we see both customer usage up as well.

Paul Patterson - *Glenrock Associates - Analyst*

Oh really, okay. Okay. I appreciate it. Thanks a lot, guys.

Operator

Brian Russo, Ladenburg Thalmann.

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

Just wanted to confirm previously you are targeting 50 to 100 basis points of Reg lag. Is that kind of the bookends of your 2014 guidance?

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

Yes. I think we are in a similar position this year to last, 50 to 100 is kind of our range, but we are always working to be on the shorter end of that.

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

Understood. And if you get the accounting order or the Senate bills, you know, working to your favor, is kind of the target lag 50 basis points?

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

Absolutely. If we get that kind of help from the legislature or from the regulatory processes, that certainly gives us the ability to reduce that number more effectively.

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

Okay. Great. Thank you.

Operator

David Paz, Wolfe Research.

David Paz - *Wolfe Research - Analyst*

Just sorry to belabor the transmission costs stuff but just wanted to clarify, can you remind me whether transmission costs above those in rates are not picked up by any fuel costs at GMO?

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

They are not picked up in GMO or at KCP&L kind of for different reasons. They are picked up in Kansas.

David Paz - *Wolfe Research - Analyst*

Okay. And I'm sorry if you said this already, but how much do you expect transmission costs to rise in 2014 versus 2013 on a dollar basis?

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

They won't rise quite at the same rate that they did year over year. They were up $0.04 from 2012 to 2013, and they will continue to rise but those are allocated costs. Difficult to actually predict the final range, but we will see some incremental increases.

David Paz - *Wolfe Research - Analyst*

Great. And then on the construction accounting, I believe you mentioned in your prepared remarks you did that in the past, you've done than in the past, and you plan to do that for La Cygne after its online. Is that correct?

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

Absolutely. That's -- (multiple speakers)

David Paz - *Wolfe Research - Analyst*

Can you just describe how that works again? I'm sorry. .

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

That's okay. So, we have the unit go in service. The way La Cygne was scheduled to work at this point is one of the units would begin a cutover in late this year, the other early in 2015, but it doesn't go effective, if you will, until it meets all testing, which is mid-summer. We would manage our rate case filing and the timing of the true-up around that. But effectively from the time it goes in service, if you will, until the time rates go effective, we have depreciation expense, which we would then be able to under construction accounting order book as a deferred recovery asset, and it would be rolled into the end result of the rate case that you're in at that time.

David Paz - *Wolfe Research - Analyst*

Okay. So the difference between construction accounting and the proposed legislation, I believe 909, is that you would also get a return -- you would be able to book a return?

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

You get a return in both. Yes, so if we had a legislation that defined how that return was calculated, it would be pursuant to legislation. If you filed something in the commission and the commission will rule what that deferred earnings is, but it would be some manner of recovery of return as well as expense.

David Paz - *Wolfe Research - Analyst*

Okay. And what's your share of the total La Cygne spend again?

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

It's 50%. We share the units 50% with Westar. So depending on the final number, the current project budget is $1.2 billion. So, if we came under budget or over budget -- well under budget -- we will not come over budget. If we came under budget, it would be less, but that would put it at $600 million for us.

David Paz - *Wolfe Research - Analyst*

Great. And I'm sorry. Last question. The $6.5 billion rate base, which I believe is on slide nine, that -- I know it's under your 2016, but that, based on historic test years that you have in both jurisdictions, is that really kind of like a year-end 2015 rate base?

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

It would be midyear true-ups for 2015.

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

So in any case, we'd have to true up our rate base to get it included in the case itself. So it will be related to the time period connecting to La Cygne in service.

David Paz - *Wolfe Research - Analyst*

Okay. Which is mid-2015 currently projected?

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

Right.

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

Correct.

David Paz - *Wolfe Research - Analyst*

Great. Thank you so much.

Operator

Thank you. And at this time, I'm not showing any further questions. So I'd like to turn the call back to management for any closing comments.

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

Well, thank you, everybody, for joining us. And, again, our management team and employees are excited about our opportunities to further strengthen our Company in 2014 and beyond. So, if you have any additional questions, feel free to call the IR team and appreciate you joining the call this morning.

Thank you.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program. You may all disconnect. Everyone have a wonderful day.