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Based on the foregoing, Blackstone applied ranges of selected multiples of the financial and operating data derived from the selected comparable companies to corresponding financial and operating data of Great Plains Energy in order to derive an implied total enterprise value for Great Plains Energy and equity value range for Great Plains Energy common stock. This analysis indicated an implied per share equity reference range for Great Plains Energy of \$28.00 to \$35.00, as presented in the following table:

Metric	Great Plains Energy Value Range Per Common Share		Selected Companies	
	\$28	\$35	Range	Median
(\$ in millions, except per share amounts)				
Total Enterprise Value/				
CY2006E EBITDA(1)	\$ 456	7.5x - 8.8x	7.3x-10.4x	8.8x
CY2007E EBITDA(1)	\$ 477	7.2x - 8.4x	6.6x-9.3x	7.9x
CY2008E EBITDA(1)	\$ 492	7.0x - 8.1x	6.2x-8.5x	7.6x
CY2006E EBIT(1)	\$ 296	11.6x - 13.5x	12.8x-17.6x	14.6x
CY2007E EBIT(1)	\$ 290	11.8x - 13.8x	11.3x-14.7x	13.7x
CY2008E EBIT(1)	\$ 304	11.3x - 13.2x	10.7x-14.4x	12.8x
CY2006E Net PP&E(1)	\$3,050	1.1x - 1.3x	1.0x-1.8x	1.3x
Equity Value/				
CY2006E EPS(1)	\$ 1.77	15.8x - 19.8x	15.8x-27.4x	17.3x
CY2007E EPS(1)	\$ 1.86	15.1x - 18.8x	15.1x-19.1x	16.2x
CY2008E EPS(1)	\$ 2.05	13.7x - 17.1x	13.4x-17.0x	15.7x

(1) Based on Great Plains Energy management projections. EBITDA is unadjusted for Amortization of Nuclear Fuel or Other Amortization.

Discounted Cash Flow Analysis—Great Plains Energy. Using Great Plains Energy’s management projections, Blackstone performed a DCF analysis of the present value of the unlevered cash flows that Great Plains Energy management estimated that Great Plains Energy would generate over fiscal years 2007 to 2011 and the estimated terminal value calculated by applying EBITDA multiples ranging from 8.0x to 9.0x 2011 EBITDA, corresponding to the trailing twelve month range for comparable companies. The projected unlevered cash flows and estimated terminal value were then discounted to present value using a discount rate of 6.75% to 7.75% (reflecting WACC for selected comparable companies, based on a median unlevered beta of 0.451 and a median debt-to-total capitalization ratio of 40.1%). Blackstone thereby derived implied per share equity reference ranges for Great Plains Energy. In addition, Blackstone performed the same analysis incorporating a sensitivity in which the EBITDA for Great Plains Energy’s Strategic Energy business is held at 2007 levels throughout the forecast period. The following table presents the results of this analysis:

	Illustrative Per Share Value Indications
Great Plains Energy	\$34.24-\$43.57
Great Plains Energy (including Strategic Energy sensitivity)	\$31.36-\$40.23

These analyses implied perpetual growth rates ranging from 1.7% to 3.2% and 1.9% to 3.4%, respectively, to Great Plains Energy’s 2011 projected cash flows.

Sum-of-the-Parts Analysis—Great Plains Energy. Blackstone performed a sum-of-the-parts valuation of each of Great Plains Energy’s principal businesses and significant investments in order to derive an

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implied equity value per share for Great Plains Energy. For purposes of this analysis, Blackstone examined and independently valued (i) KCP&L, (ii) Strategic Energy and (iii) Great Plains Energy’s corporate and other businesses. The following table presents the results of this analysis:

<u>Great Plains Energy</u>	<u>Earnings Multiple Range</u>
KCP&L	15.0x-18.5x(1)
Strategic Energy	8.5x-10.5x(2)
Corporate/Other	14.5x-16.0x(2)
Equity value per share	\$28.23-\$35.08

Note: Based on Great Plains Energy’s management projections.

- (1) Based on publicly traded comparable company multiples.
- (2) Based on third party research estimates for this business.

Pro Forma Merger Analysis. Using projections prepared for Aquila and Great Plains Energy by their respective managements, and after making various assumptions that Blackstone deemed appropriate, Blackstone prepared illustrative pro forma analyses of the potential financial impact of the merger. For each of fiscal years 2008, 2009, 2010 and 2011, Blackstone compared the projected earnings per share and dividend per share of Aquila common stock and Great Plains Energy common stock as well as credit metrics on a stand-alone basis to the projected earnings per share of the common stock of the combined company after the merger.

	<u>Aquila Stand-alone(1)</u>	<u>Great Plains Energy Stand-alone(2)</u>	<u>Pro Forma(3)</u>	<u>Benefit to Aquila Shareholders</u>	<u>Benefit to Great Plains Energy’s Shareholders</u>
Earnings Per Share					
—2008E	\$1.54	\$2.05	\$2.09	36%	2%
—2009E	\$1.71	\$2.23	\$2.28	33%	2%
—2010E	\$1.92	\$2.42	\$2.60	35%	7%
—2011E	\$2.42	\$2.61	\$2.69	11%	3%

- (1) Based on Aquila management projections, and multiplied by the exchange ratio of 0.0856x, and subsequently divided by 60% to adjust for % cash vs. stock consideration, to derive a multiplier of 0.1427x
- (2) Based on Great Plains Energy management projections.
- (3) Based on Aquila management projections and various assumptions that Blackstone deemed appropriate.

In addition, based on the current dividend paid and projected by Great Plains Energy management to be paid on Great Plains Energy common stock of \$1.66 per share, Aquila stockholders would receive an additional \$0.14 in dividends on a pro forma per Aquila share basis. Furthermore, based on Aquila management assumptions, the pro forma entity would have superior credit metrics, as measured by

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funds from operations (FFO) divided by total debt and FFO divided by interest expense, relative to Aquila’s stand-alone plan, as depicted below.

	Aquila Stand-alone(1)	Pro Forma(2)
FFO/Total Debt		
—2008E	16%	21%
—2009E	19%	21%
—2010E	19%	22%
—2011E	25%	25%
FFO/Interest Expense		
—2008E	2.7x	4.5x
—2009E	3.0x	4.4x
—2010E	3.2x	4.3x
—2011E	3.7x	4.8x

- (1) Based on Aquila management projections.
- (2) Based on Aquila management projections and various assumptions that Blackstone deemed appropriate.

Fee arrangements.

Blackstone has acted as one of Aquila’s financial advisors in connection with the merger and estimates that it will receive a fee of approximately \$11.3 million for its financial advisory services, a significant portion of which is payable upon consummation of the transaction. In addition, Aquila agreed to reimburse Blackstone for out-of-pocket expenses and to indemnify Blackstone and related persons against certain liabilities arising out of the performance of its services, including certain liabilities under the federal securities laws. Blackstone has, in the past, provided financial advisory services to Aquila and/or its affiliates and may continue to do so, and has received, and may continue to receive, fees for the rendering of such services. In the ordinary course of the activities of Blackstone and its affiliates, Blackstone and its affiliates may actively trade or hold the securities of Aquila and Great Plains Energy for their own account or for others and, accordingly, may at any time hold a long or short position in such securities.

Opinion of Lehman Brothers, Inc.

Aquila engaged Lehman Brothers to act as its financial advisor in connection with the proposed merger and the proposed Asset Sale, referred to in Lehman Brothers’ written opinion as the “Proposed Transaction” and “Proposed Asset Transaction,” respectively, and referred to herein, collectively, as the “proposed Transactions”. On February 6, 2007, Lehman Brothers delivered its oral opinion to Aquila’s board of directors that, as of such date, and based upon and subject to certain matters stated in its opinion, from a financial point of view, the 0.0856 shares of Great Plains Energy common stock plus cash equal to \$1.80 for each share of Aquila common stock, which we refer to as the merger consideration, to be offered to the stockholders of Aquila in the proposed merger was fair to such stockholders.

The full text of Lehman Brothers’ written opinion, dated February 6, 2007, is attached as Annex G to this joint proxy statement/prospectus and is incorporated herein by reference. Holders of Aquila common stock and Great Plains Energy common stock are urged to read Lehman Brothers’ opinion carefully and in its entirety for a discussion of the assumptions made, procedures followed, factors considered and qualifications and limitations upon the review undertaken by Lehman Brothers in connection with its opinion. The description of Lehman Brothers’ opinion set forth below is qualified in its entirety by reference to the full text of Lehman Brothers’ opinion.

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Lehman Brothers' advisory services and opinion were provided for the information and assistance of Aquila's board of directors in connection with its consideration of the proposed merger. Lehman Brothers' opinion was not intended to be and did not constitute a recommendation to any stockholder of Aquila as to how such stockholder should vote with respect to the Transactions or any related matter. Lehman Brothers was not requested to opine as to, and the Lehman Brothers' opinion does not in any manner address, Aquila's underlying business decision to proceed with or effect the proposed Transactions or the consideration involved in the Asset Sale.

In arriving at its opinion, Lehman Brothers reviewed and analyzed:

- the merger agreement and the specific terms of the proposed merger;
- the Asset Sale Agreements and the specific terms of the Asset Sale;
- publicly available information concerning Aquila and Great Plains Energy that Lehman Brothers believed to be relevant to its analysis, including each of their respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2005 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006;
- financial and operating information with respect to the business, operations and prospects of Aquila furnished to Lehman Brothers by Aquila, including financial projections of Aquila prepared by the management of Aquila;
- financial and operating information with respect to the business, operations and prospects of Great Plains Energy furnished to Lehman Brothers by Great Plains Energy, including financial projections of Great Plains Energy prepared by the management of Great Plains Energy;
- trading histories of the common stock of Aquila and common stock of Great Plains Energy and a comparison of those trading histories with each other and with those of other companies that Lehman Brothers deemed relevant;
- a comparison of the historical financial results and present financial condition of Aquila and Great Plains Energy with each other and with those of other companies that Lehman Brothers deemed relevant;
- a comparison of the financial terms of the proposed merger with the financial terms of certain other recent transactions that Lehman Brothers deemed relevant;
- the relative contributions of Aquila, on the one hand, and Great Plains Energy, on the other hand, to the current and future financial performance of the combined company on a pro forma basis;
- the potential pro forma impact of the proposed merger and the Asset Sale on the current financial condition and future financial performance of the combined company, including the cost savings and operating synergies expected by the management of Aquila to result from the combination of the businesses of Aquila and Great Plains Energy, after giving effect to the Asset Sale (the Expected Synergies); and
- the results of Lehman Brothers' efforts to solicit indications of interest and definitive proposals from third parties with respect to an acquisition of Aquila.

In addition, Lehman Brothers had discussions with the managements of Aquila and Great Plains Energy concerning their respective businesses, operations, assets, liabilities, financial conditions and prospects and undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate.

In arriving at its opinion, Lehman Brothers assumed and relied upon the accuracy and completeness of the financial, accounting, legal, regulatory, tax and other information discussed with or

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reviewed by Lehman Brothers without assuming any responsibility for independent verification of such information and further relied upon the assurances of the managements of Aquila and Great Plains Energy that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of Aquila, upon advice of Aquila, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Aquila as to the future financial performance of Aquila and that Aquila will perform substantially in accordance with such projections. With respect to the financial projections of Great Plains Energy, upon advice of Great Plains Energy, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Great Plains Energy as to the future financial performance of Great Plains Energy and that Great Plains Energy will perform substantially in accordance with such projections. With respect to the Expected Synergies, upon advice of Aquila, Lehman Brothers assumed that the amount and timing of the Expected Synergies were reasonable and that the Expected Synergies would be realized substantially in accordance with such estimates. In addition, Lehman Brothers assumed, upon the advice of Aquila and Great Plains Energy, that the Asset Sale will close prior to the close of the proposed merger. Furthermore, upon the advice of Aquila and Great Plains Energy, Lehman Brothers assumed that the impact of the Asset Sale was reflected in the pro forma financial statements and projections of Great Plains Energy and the financial impact of such transaction will be realized substantially in accordance with such estimates.

In arriving at its opinion, Lehman Brothers did not conduct a physical inspection of the properties and facilities of Aquila or Great Plains Energy and did not make or obtain any evaluations or appraisals of the assets or liabilities of Aquila or Great Plains Energy. Lehman Brothers further assumed, upon advice of Aquila, that all governmental, regulatory or other consents or approvals necessary for the consummation of the proposed Transactions will be obtained without any adverse effect on Aquila or Great Plains Energy material to its analyses or would reduce the expected benefits of the proposed Transactions in a manner material to its analyses. Lehman Brothers' opinion necessarily is based upon market, economic and other conditions as they existed on, and can be evaluated as of, the date of its opinion letter.

In addition, Lehman Brothers expressed no opinion as to the prices at which shares of Aquila common stock or Great Plains Energy common stock would trade at any time following the announcement of the proposed Transactions or Great Plains Energy common stock would trade at any time following the consummation of the proposed Transactions.

In arriving at its opinion, Lehman Brothers did not ascribe a specific range of value to Aquila or to Great Plains Energy, but rather made its determination as to the fairness to the stockholders of Aquila, from a financial point of view, of the merger consideration to be offered to the Aquila stockholders in the proposed merger on the basis of financial and comparative analyses described below. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial and comparative analysis and the application of those methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to summary description. Furthermore, in arriving at its opinion, Lehman Brothers did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Lehman Brothers believes that its analyses must be considered as a whole and that considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion. In its analyses, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Aquila and Great Plains Energy. Neither Aquila nor Lehman Brothers nor any other person assumes responsibility if future results are materially different from those assumptions. Any estimates contained in the analyses are not necessarily indicative of actual values or

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predictive of future results or values, which may be significantly more or less favorable than those suggested by such analyses. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses actually may be sold.

The following is a summary of the material financial and comparative analyses prepared and used by Lehman Brothers in connection with the delivery of its opinion to Aquila's board of directors. **Certain of the summaries of the analyses include information presented in tabular format. In order to fully understand the analyses used by Lehman Brothers, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses. Accordingly, the information presented in the tables and described below must be considered as a whole. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying Lehman Brothers' opinion.**

Summary of Analyses

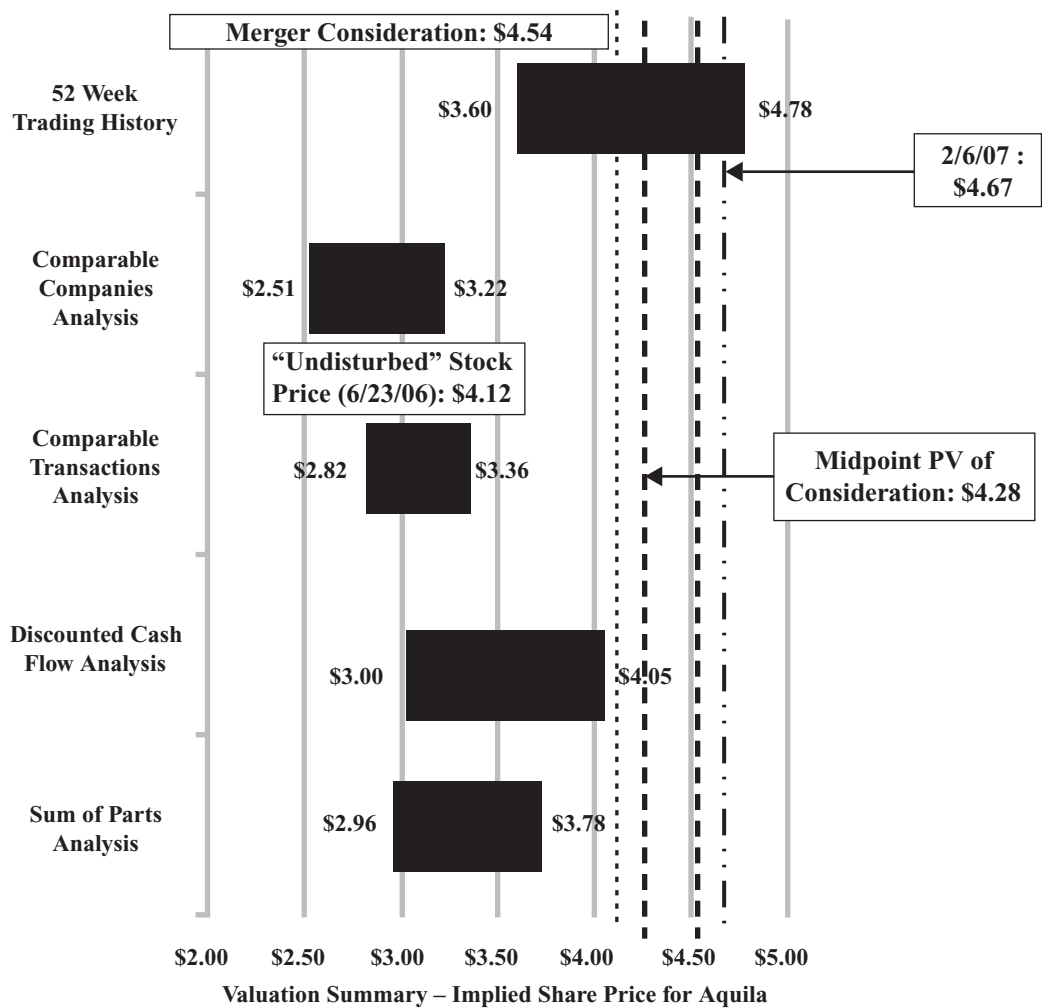
Lehman Brothers prepared separate valuations of Aquila and Great Plains Energy before considering the pro forma impact of the Expected Synergies resulting from the proposed Transactions. In determining valuation, Lehman Brothers used the following methodologies where appropriate: comparable companies analysis, comparable transactions analysis, discounted cash flow analysis, and sum of the parts analysis. Each of these methodologies was used to generate a reference enterprise value range for each of Aquila and Great Plains Energy (with the exception of the comparable transactions analysis for Great Plains Energy, which was not used to generate a reference enterprise value because no change of control occurs for Great Plains Energy pursuant to the merger). The enterprise value range for each company was adjusted for appropriate balance sheet assets and liabilities to arrive at an implied equity value range (in aggregate dollars) per share. Lehman Brothers assumed for the purposes of its analyses that there were 375.4 million shares of Aquila common stock outstanding and 80.3 million shares of Great Plains Energy common stock outstanding. In connection with its valuation of Aquila, Lehman Brothers also analyzed the value of Aquila's NOLs using a discounted cash flow methodology to determine the value of such tax attributes on a per share basis. Using a discount rate of 10.14% which reflects Aquila's cost of equity, and assuming a tax rate of 38%, the cash flow stream associated with theoretical cash taxes that would otherwise be paid by Aquila without the benefit of the NOLs was discounted to a present value. The result of this analysis yielded a NOL value per share of \$0.48. This per share value was added to each of the implied equity value ranges derived for Aquila from the valuation methodologies listed above.

The resulting implied equity value ranges (including the NOL component) were then compared to the merger consideration to be offered to Aquila's stockholders in the proposed merger. As of February 6, 2007, the implied merger consideration was \$4.54 per share which price represents the sum of the cash component of \$1.80 per share and an implied stock component of \$2.74 per share, based on the product of the exchange ratio of 0.0856 provided for in the merger agreement and the closing share price of Great Plains Energy common stock of \$32.05 per share on February 6, 2007. The implied equity value ranges were also compared to the present value of the merger consideration to be offered to Aquila's stockholders in the proposed merger. As of February 6, 2007, the midpoint of the present value of the implied merger consideration was \$4.28 per share which price assumes the cash consideration of \$1.80 per share is discounted by one year and the present value of Great Plains Energy's common stock dividend is deducted, using a discount rate range of 5.07% (one year Treasury yield) to 10.14% (estimated cost of equity for Aquila). Finally, the implied equity value ranges were compared to Aquila's "undisturbed price" of \$4.12 which is described more fully in the stock trading history section below.

The implied share price ranges, derived using the various valuation methodologies listed above, supported the conclusion that the merger consideration to be offered to Aquila's stockholders in the proposed merger was fair, from a financial point of view, to those stockholders.

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The table below summarizes the results of the valuation methodologies described herein with respect to Aquila:



Stock Trading History

Lehman Brothers considered various historical data concerning the trading prices of Aquila common stock and Great Plains Energy common stock between February 6, 2006 and February 6, 2007 and the relative stock price performances during the same period of Aquila, Great Plains Energy and certain peer companies (as set forth above in the comparable companies analysis) of each of Aquila and Great Plains Energy. During this period, the closing price of Aquila common stock ranged from \$3.60 (on February 13, 2006) to \$4.78 (on December 27, 2006) per share and the closing price of Great Plains Energy common stock ranged from \$27.33 (on June 22 and June 23, 2006) to \$32.80 (on November 14, 2006). Lehman Brothers noted that the price of Aquila common stock increased approximately 27.9% and the price of Great Plains Energy common stock increased approximately 13.7% over the period from February 6, 2006 to February 6, 2007, while the prices of the selected peer companies for Aquila rose by a mean of 21.3% and the prices of the selected peer companies for Great Plains Energy rose by a mean of 26.1%.

In addition, Lehman Brothers considered historical data concerning the trading price of Aquila common stock for the period between June 23, 2005 and June 23, 2006, the latter of which was the

date two weeks prior to the commencement of press speculation that Aquila had initiated a sale process. This review indicated that, for such period, Aquila common stock traded in the range of \$3.29 to \$4.49 per share with an average per share closing price for the period of \$3.85. We refer to the closing price of Aquila’s common stock on June 23, 2006, which was \$4.12 per share, as the “undisturbed price.”

Historical Exchange Ratio for Stock Component

In considering the stock component of the merger consideration, Lehman Brothers reviewed the ratio of \$2.70 to the closing share prices of Great Plains Energy common stock as of various dates within the 52-week period ended February 6, 2007 in order to determine implied exchange ratios. Lehman Brothers also reviewed the ratio of \$2.70 to the average closing share prices of Great Plains Energy common stock for the periods between the same dates and February 6, 2007.

The following table reflects the results of this analysis:

Historical Exchange Ratio Analysis for Stock Component

Time Period	Stock Price of Great Plains Energy		Implied Exchange Ratio for Stock Component	
	Closing Stock Price	Average Stock Price	Closing Stock Price	Average Stock Price
2/6/2007				
1 day	\$32.05	\$32.05	0.0842x	0.0842x
5 days	31.33	31.71	0.0862x	0.0851x
10 days	31.67	31.55	0.0853x	0.0856x
15 days	31.56	31.52	0.0856x	0.0857x
1 month	31.41	31.46	0.0860x	0.0858x
6 months	30.13	31.45	0.0896x	0.0859x
12 months	28.18	29.89	0.0958x	0.0903x
52 Week High .	32.80	32.80	0.0823x	0.0823x
52 Week Low . .	27.33	27.33	0.0988x	0.0988x

The historical exchange ratio analysis suggested a range of implied exchange ratios between 0.0842x and 0.0958x. Lehman Brothers noted that the stock component of the merger consideration, represented by 0.0856 shares of Great Plains Energy common stock for each share of Aquila common stock, is within this range of implied exchange ratios.

Comparable Companies Analysis for Aquila

Using publicly available information including estimates in published third-party research reports, Lehman Brothers reviewed and compared certain selected financial data for Aquila to similar financial data for comparable publicly traded utility companies. Lehman Brothers selected these companies because their businesses and operating profiles are reasonably similar to those of Aquila. No comparable company identified is identical to Aquila. A complete analysis involved complex considerations and qualitative judgments concerning differences in financial and operating characteristics of the comparable companies and other factors that could affect the public trading values of those comparable companies; mathematical analysis (such as determining the mean or the median) is not in itself a meaningful method of using selected financial data.

Lehman Brothers included in its comparable companies analysis of Aquila companies that included electric and gas businesses:

- AGL Resources Inc.

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- Ameren Corporation
- Atmos Energy Corporation
- Centerpoint Energy Inc.
- Great Plains Energy
- IdaCorp, Inc.
- Nicor Inc.
- OGE Energy Corp.
- Piedmont Natural Gas Company, Inc.
- Pinnacle West Capital Corporation
- Westar Energy, Inc.
- Vectren Corporation

With respect to each of the selected comparable companies, Lehman Brothers used publicly available financial information and third party research reports to calculate enterprise values (determined as equity market value as of February 6, 2007, plus the sum of the following balance sheet items as of September 30, 2006: debt, minority interest, nonconvertible preferred stock and all out-of-money convertible securities less cash) as multiples of 2007 estimated EBITBA; 2007 EBIT; and net property, plant and equipment (net PP&E) as of September 30, 2006.

The following table shows the multiples derived from this review:

Comparable Companies Analysis—Aquila

	Enterprise Value to 2007E EBITDA	Enterprise Value to 2007E EBIT	Enterprise Value to 9/30/2006 Net PP&E
Comparable Companies:			
Mean	8.1x	12.5x	1.3x
Median	8.2x	12.3x	1.4x
Low	7.1x	10.6x	1.0x
High	9.0x	14.5x	1.6x

Lehman Brothers used this data to develop a range of multiples applicable to Aquila. For 2008 EBITDA and EBIT multiples, Lehman Brothers assumed a 0.5x reduction in multiples from 2007 to 2008, consistent with the approximate difference between the equivalent multiples from 2006 to 2007.

Selected Multiple Ranges for Comparable Companies Analysis—Aquila

	Enterprise Value to EBITDA		Enterprise Value to EBIT		Enterprise Value to Net PP&E
	2007E	2008E	2007E	2008E	9/30/2006
Selected Ranges for Aquila:	7.25x-8.25x	6.75x-7.75x	11.50x-12.50x	11.00x-12.00x	1.00x-1.25x

The comparable companies analysis suggested an implied equity value range of \$2.51 to \$3.22 per share of Aquila common stock, including \$0.48 per share of value associated with Aquila’s NOL position, as compared to (i) the implied merger consideration of \$4.54 per share and (ii) the midpoint of the present value of the implied merger consideration of \$4.28.

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Comparable Companies Analysis for Great Plains Energy

Using publicly available information including estimates in published third-party research reports, Lehman Brothers reviewed and compared certain selected financial data for Great Plains Energy to similar financial data for comparable publicly traded utility companies. Lehman Brothers selected these companies because their businesses and operating profiles are reasonably similar to those of Great Plains Energy. No comparable company identified is identical to Great Plains Energy. A complete analysis involved complex considerations and qualitative judgments concerning differences in financial and operating characteristics of the comparable companies and other factors that could affect the public trading values of those comparable companies; mathematical analysis (such as determining the mean or the median) is not in itself a meaningful method of using selected financial data.

Lehman Brothers included in its comparable companies analysis of Great Plains Energy:

- Ameren Corporation
- IdaCorp, Inc.
- OGE Energy Corp.
- Pinnacle West Capital Corporation
- Westar Energy, Inc.

With respect to each of the selected comparable companies, Lehman Brothers used publicly available financial information and third party research reports to calculate enterprise values (determined as equity market value as of February 6, 2007, plus the sum of the following balance sheet items as of September 30, 2006: debt, minority interest, nonconvertible preferred stock and all out-of-money convertible securities less cash) as multiples of 2007 estimated EBITDA; 2007 estimated EBIT; and net PP&E as of September 30, 2006. For the selected comparable companies, Lehman Brothers also calculated the equity market prices on a per share basis as of February 6, 2007 as multiples of 2007 and 2008 estimated earnings per share (EPS). Note that the EPS multiples review conducted for Great Plains Energy was not performed for Aquila because the results of that review for Aquila were not meaningful.

The following table shows the multiples derived from this review:

Comparable Companies Analysis—Great Plains Energy

	<u>Enterprise Value to 2007E EBITDA</u>	<u>Enterprise Value to 2007E EBIT</u>	<u>Enterprise Value to 9/30/2006 Net PP&E</u>	<u>Stock Price to EPS</u>	
				<u>2007E</u>	<u>2008E</u>
Comparable Companies:					
Mean	8.2x	13.4x	1.2x	15.8x	15.4x
Median	8.4x	14.1x	1.1x	16.2x	15.4x
Low	7.2x	10.9x	1.0x	14.0x	13.6x
High	8.8x	14.5x	1.4x	16.8x	16.9x

Lehman Brothers used this data to develop a range of multiples applicable to Great Plains Energy. For 2008 EBITDA and EBIT multiples, Lehman Brothers assumed a 0.5x reduction in multiples from 2007 to 2008, consistent with the approximate difference between the equivalent multiples from 2006 to 2007.

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Selected Multiple Ranges for Comparable Companies Analysis—Aquila

Enterprise Value to EBITDA		Enterprise Value to EBIT		Enterprise Value to Net PP&E	Stock Price to EPS	
2007E	2008E	2007E	2008E	9/30/2006	2007E	2008E

Selected Ranges
for Great

Plains Energy: 7.50x-8.50x 7.00x-8.00x 12.75x-13.75x 12.25x-13.25x 1.00x-1.25x 15.00x-16.00 14.50x-15.50x

The comparable companies analysis suggested an implied equity value range of \$30.19 to \$34.92 per share of Great Plains Energy common stock as compared to Great Plains Energy’s closing stock price of \$32.05 on February 6, 2007.

Because of the inherent differences between the businesses, operations and prospects of Aquila, Great Plains Energy and the above selected comparable companies, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable companies analysis, and accordingly also made qualitative judgments concerning differences between the financial and operating characteristics and prospects of Aquila, Great Plains Energy and the selected comparable companies that would affect the public market valuations of such companies.

Comparable Transactions Analysis

Using publicly available information, Lehman Brothers compared selected financial data for Aquila to similar financial data for selected transactions in the utility sector it deemed comparable to the proposed merger, in whole or in part, which were announced between July 2004 and July 2006. The transactions reviewed were:

- WPS Resources Corp.’s proposed acquisition of Peoples Energy Corp. (announced July 6, 2006)
- Macquarie consortium’s proposed acquisition of Duquesne Light Holdings, Inc. (announced July 5, 2006)
- Babcock & Brown’s proposed acquisition of NorthWestern Corporation (announced April 25, 2006)
- National Grid plc’s proposed acquisition of Keyspan Corp. (announced February 27, 2006)
- FPL Group’s proposed acquisition of Constellation Energy Group, Inc. (announced December 19, 2005; terminated October 24, 2006)
- MidAmerican Energy Holdings Company’s acquisition of PacifiCorp (announced May 24, 2005)
- Duke Energy Corporation’s acquisition of Cinergy Corp. (announced May 9, 2005)
- Exelon Corporation’s proposed acquisition of Public Service Enterprise Group Incorporated (announced December 20, 2004; terminated September 14, 2006)
- PNM Resources, Inc.’s acquisition of TNP Enterprises, Inc. (announced July 25, 2004)

Lehman Brothers reviewed the prices paid in the comparable transactions in terms of the multiple of the transaction value (defined as the target company’s enterprise value implied by the terms of each transaction), to 2007 estimated EBITDA and 2007 estimated EBIT. The comparable transactions analysis focused on multiples of EBITDA and EBIT for the target companies that correspond to the first full year post announcement of the comparable transactions. Lehman Brothers refers to such time period as “forward year one” or “FY1.”

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The following table shows the multiples derived from this review:

Comparable Transactions Analysis—Aquila

	Transaction Value to 2007E (FY1) EBITDA	Transaction Value to 2007E (FY1) EBIT
Comparable Transactions:		
Mean	8.9x	13.1x
Median	9.1x	12.6x
Low	7.5x	9.8x
High	10.2x	16.3x

Lehman Brothers used this data to develop a range of multiples applicable to Aquila. As applied to Aquila, FY1 and the subsequent year, “forward year two” or “FY2,” represent calendar years 2007 and 2008, respectively. For 2008 (FY2) EBITDA and EBIT multiples, Lehman Brothers assumed a 0.5x reduction in multiples from 2007 to 2008.

Selected Multiple Ranges for Comparable Companies Analysis—Aquila

	Transaction Value to EBITDA		Transaction Value to EBIT	
	2007E (FY1)	2008E (FY2)	2007E (FY1)	2008E (FY2)
Selected Ranges for Aquila:	8.50x-9.50x	8.00x-9.00x	12.00x-13.00x	11.50x-12.50x

The comparable transactions analysis suggested an implied equity value range of \$2.82 to \$3.36 per share of Aquila common stock, including \$0.48 per share of value associated with Aquila’s NOL position, as compared to (i) the implied merger consideration of \$4.54 per share and (ii) the midpoint of the present value of the implied merger consideration of \$4.28.

However, because the reasons for and the circumstances surrounding each of the selected transactions were specific to such transactions, and because of the inherent differences among the businesses, operations and prospects of Aquila and the selected target companies analyzed, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable transactions analysis and accordingly, also made qualitative judgments concerning differences between the terms and characteristics of the proposed Transaction and the comparable transactions that would affect the transaction values of Aquila and such target companies.

Discounted Cash Flow Analysis of Aquila

Lehman Brothers performed discounted cash flow analyses to estimate an implied equity value range for Aquila, using financial projections provided for Aquila by Aquila’s management for the fiscal years 2007 through 2011. For purposes of such analyses, Lehman Brothers calculated the present value of the “terminal value” of Aquila common stock by applying multiples ranging from 7.50x to 8.50x to Aquila’s 2011 estimated EBITDA. The free cash flow streams and the terminal values were then discounted back to December 31, 2006 using a range of discount rates from 6.70% to 7.70%, which range Lehman Brothers viewed as appropriate and consistent with the weighted average cost of capital for a company with Aquila’s risk characteristics, with a midpoint discount rate of 7.20%. From this analysis, Lehman Brothers calculated a range of implied equity values per share of Aquila common stock. Lehman Brothers also analyzed the value of Aquila’s NOLs using discounted cash flow methodology to determine the value of such tax attributes on a per share basis. Using a discount rate of 10.14% which reflects Aquila’s cost of equity capital, the cash flow stream associated with theoretical cash taxes that would otherwise be paid by Aquila without the benefit of the NOLs was discounted to a present value as of December 31, 2006. The result of this analysis implied a NOL value per share of \$0.48. This per share value was added to the implied equity value range described above.

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The discounted cash flow analysis suggested an implied equity value range of \$3.00 to \$4.05 per share of Aquila common stock, including \$0.48 per share of value associated with Aquila’s NOL position, as compared to (i) the implied merger consideration of \$4.54 per share and (ii) the midpoint of the present value of the implied merger consideration of \$4.28.

Discounted Cash Flow Analysis of Great Plains Energy

Lehman Brothers performed discounted cash flow analyses to estimate an implied equity value range for Great Plains Energy using financial projections for Great Plains Energy prepared by Great Plains Energy’s management for the period from January 1, 2007 through December 31, 2011. For purposes of such analyses, Lehman Brothers calculated the present value of the “terminal value” of Great Plains Energy common stock by applying multiples ranging from 7.75x to 8.75x to Great Plains Energy’s 2011 estimated EBITDA. The free cash flow streams and the terminal values were then discounted back to December 31, 2006 using a range of discount rates from 6.50% to 7.50%, which range Lehman Brothers viewed as appropriate and consistent with the weighted average cost of capital for a company with Great Plains Energy’s risk characteristics, with a midpoint discount rate of 7.00%. From this analysis, Lehman Brothers calculated a range of implied equity values per share of Great Plains Energy common stock.

The discounted cash flow analysis suggested an implied value range of \$33.04 to \$42.42 per share of Great Plains Energy common stock as compared to Great Plains Energy’s closing stock price of \$32.05 on February 6, 2007.

Sum of the Parts Analysis for Aquila

Lehman Brothers performed a “sum of the parts” analysis of each of Aquila’s primary business segments in order to derive an implied equity value range for the Aquila common stock. For purposes of this analysis, Lehman Brothers considered the following primary business segments for Aquila:

- Electric Utilities
- Gas Utilities
- Merchant Services
- Corporate & Other

For purposes of its sum of the parts analysis of Aquila, Lehman Brothers applied a range of multiples to Aquila’s 2008 estimated EBITDA for each of the above referenced business segments in order to generate a composite reference enterprise value range. The multiple ranges for the electric and gas utility segments were based on the enterprise value to 2008 estimated EBITDA multiple ranges derived from the comparable companies analysis described previously. The composite reference enterprise value range for Aquila was adjusted for appropriate balance sheet assets and liabilities to arrive at an implied equity value range (in aggregate dollars) per share.

The following table shows the multiples derived from the comparable companies analysis for electric and gas comparable companies:

Multiples from Comparable Companies Analysis—Aquila

	Enterprise Value to 2007E EBITDA Electric	Enterprise Value to 2007E EBITDA Gas
From Comparable Companies Analysis:		
Mean	8.1x	8.2x
Median	8.2x	8.3x
Low	7.2x	7.1x
High	8.8x	9.0x

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Lehman Brothers used this data to develop a range of multiples applicable to Aquila’s electric and gas business segments for 2007 and 2008. The multiple range for the Merchant Services segment was derived from selected financial data of comparable companies within the unregulated power sector. Lehman Brothers assumed a 0.5x reduction in multiples from 2007 to 2008, consistent with the approximate difference between the equivalent multiples from 2006 to 2007, and applied such adjusted ranges to Aquila’s 2008 estimated EBITDA.

Selected Multiple Ranges for Sum of the Parts Analysis—Aquila

	Enterprise Value to 2007E EBITDA	Enterprise Value to 2007E EBITDA
Selected Ranges for Aquila Segments:		
Electric Utilities	7.25x-8.25x	6.75x-7.75x
Gas Utilities	7.50x-8.50x	7.00x-8.00x
Merchant Services	5.50x-6.50x	5.00x-6.00x
Corporate & Other	7.25x-8.25x	6.75x-7.75x

The sum of the parts analysis suggested an implied equity value range of \$2.96 to \$3.73 per share of Aquila common stock, including \$0.48 per share of value associated with Aquila’s NOL position, as compared to (i) the implied merger consideration of \$4.54 per share and (ii) the midpoint of the present value of the implied merger consideration of \$4.28.

Sum of the Parts Analysis for Great Plains Energy

Lehman Brothers performed a “sum of the parts” analysis of each of Great Plains Energy’s primary business segments in order to derive an implied equity value range for the Great Plains Energy common stock. For purposes of this analysis, Lehman Brothers considered the following primary business segments for Great Plains Energy:

- KCP&L
- Strategic Energy
- Corporate & Other

For purposes of its sum of the parts analysis of Great Plains Energy, Lehman Brothers applied a range of multiples to Great Plains Energy’s 2007 estimated EBITDA for each of the above referenced business segments in order to generate a composite reference enterprise value range. The multiple range for the KCP&L segment was based on the enterprise value to 2007 estimated EBITDA multiple range derived from the comparable companies analysis described previously. The multiple range for the Strategic Energy segment was derived from selected financial data of comparable companies within the retail electric supply services sector. The composite reference enterprise value range for Great Plains Energy was adjusted for appropriate balance sheet assets and liabilities to arrive at an implied equity value range (in aggregate dollars) per share.

The following table shows Lehman Brothers’ selected multiple ranges applicable to Great Plains Energy’s business segments:

Selected Multiple Ranges for Sum of the Parts Analysis—Great Plains Energy

	Enterprise Value to 2007E EBITDA
Selected Ranges for Great Plains Energy Segments:	
KCP&L	7.50x-8.50x
Strategic Energy	5.50x-6.50x
Corporate & Other	7.50x-8.50x

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The sum of the parts analysis suggested an implied value range of \$27.59 to \$33.39 per share of Great Plains Energy's common stock as compared to Great Plains Energy's closing stock price of \$32.05 on February 6, 2007.

Pro Forma Merger Consequences Analysis

Lehman Brothers analyzed and considered the pro forma impact of the proposed Transactions on the estimated EPS and dividends per share of Aquila common stock for the fiscal years 2008 through 2011 using financial projections for Aquila provided by Aquila's management for the period from January 1, 2007 through December 31, 2011 and financial projections for Great Plains Energy provided by Great Plains Energy's management for the same period.

Based on certain assumptions that Lehman Brothers deemed appropriate, including the assumption that the proposed Transactions would be effective as of January 1, 2008, the proposed merger would result in an increase in earnings per share when compared to Aquila's EPS on a stand-alone basis in each of the years 2008 through 2011 (i) both with and without expected purchase accounting adjustments, (ii) both with and without the Expected Synergies, and (iii) both with and without the combination of expected purchase accounting adjustments and the Expected Synergies. Lehman Brothers also noted that Aquila shareholders currently do not receive a dividend but upon closing of the proposed merger, Aquila shareholders would have the same projected dividend as that paid to Great Plains Energy's shareholders taking into account the 0.0856 exchange ratio.

In addition, based on certain assumptions that Lehman Brothers deemed appropriate, including the assumption that the proposed Transactions would be effective as of January 1, 2008, the proposed merger would result in an increase in earnings per share when compared to Great Plains Energy's EPS on a stand-alone basis in each of the years 2008 through 2011 including certain rate case filing outcomes, expected purchase accounting adjustments and the Expected Synergies.

General

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Aquila's board of directors selected Lehman Brothers because of its expertise, reputation and familiarity with Aquila and the utility industry generally and because its investment banking professionals have substantial expertise in transactions similar to the proposed Transactions.

Lehman Brothers acted as financial advisor to Aquila in connection with the proposed Transactions and was paid a fee of \$2,255,000 upon delivery of Lehman Brothers' opinion, dated February 6, 2007. Lehman Brothers will also receive an additional fee of \$9,020,000 for its services which is contingent upon proceeding with the consummation of the proposed merger. In addition, Aquila has agreed to reimburse Lehman Brothers for its expenses and to indemnify Lehman Brothers and certain related persons against certain liabilities that may arise out of Lehman Brothers' engagement. Lehman Brothers has performed investment banking services for Aquila, Great Plains Energy and Black Hills in the past for which Lehman Brothers has received customary fees and Lehman Brothers expects to perform certain investment banking services for Great Plains Energy and Black Hills in the future for which Lehman Brothers expects to receive customary fees. In the ordinary course of its business, Lehman Brothers actively trades in the securities of Aquila, Great Plains Energy and Black Hills for its own account and for the accounts of its customers and, accordingly, Lehman Brothers may at any time hold long or short positions in such securities.

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Opinion of Evercore Group L.L.C.

Evercore was formally engaged by the independent members of Aquila's board of directors (the independent directors) pursuant to a letter agreement dated August 2, 2006. Evercore was asked to act as a financial advisor to the independent directors and render an opinion as to the fairness, from a financial point of view, of the proposed merger consideration to be received by the holders of Aquila common stock. At the meeting of Aquila's board of directors on February 6, 2007, Evercore rendered its oral opinion, which was subsequently confirmed in writing as of the same date, that as of such date, and based upon and subject to the assumptions, qualifications and limitations discussed in its opinion, which are described below, the merger consideration of \$1.80 in cash and 0.0856 of a share of Great Plains Energy common stock per share of Aquila's common stock to be received by Aquila shareholders, other than Great Plains Energy or any of its subsidiaries, was fair, from a financial point of view, to such shareholders. Evercore notes that, at the time the merger agreement was signed, the merger consideration had an implied value of \$4.54, in excess of the \$4.50 implied value Evercore assumed in arriving at its fairness conclusion and in its supporting analyses.

The full text of Evercore's opinion, dated February 6, 2007, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of the review undertaken by it in rendering its opinion is attached as Annex H to this joint proxy statement/prospectus and is incorporated by reference herein. The summary of Evercore's fairness opinion set forth as Annex H to this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. Shareholders should read this opinion carefully and in its entirety. The following is a summary of Evercore's opinion and the methodology that Evercore used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Evercore's advisory services and opinion were provided to the independent directors of Aquila, addresses only the fairness from a financial point of the merger consideration to be received by holders of Aquila's common stock pursuant to the merger agreement, and does not address any other aspect of the merger. Evercore's opinion does not address the underlying decision by Aquila to engage in the merger and does not constitute a recommendation to any shareholder of Aquila as to how such shareholder should vote with respect to the merger agreement.

In connection with rendering its opinion, Evercore has, among other things:

- Reviewed a draft of the merger agreement, dated February 5, 2007;
- Reviewed a draft of the Asset Sale Agreements, dated February 5, 2007;
- Analyzed certain publicly available financial statements and other publicly available information relating to Aquila and its businesses that Evercore deemed relevant to its analysis;
- Analyzed certain financial statements and other non-publicly available financial and operating data relating to Aquila that were prepared by the management of Aquila and furnished to Evercore;
- Analyzed certain financial projections relating to Aquila (the Aquila Financial Projections) that were prepared by the management of Aquila and furnished to Evercore;
- Discussed the past and current operations, the Aquila Financial Projections, the current financial condition of Aquila and the future strategic benefits of the merger with the management of Aquila;
- Analyzed certain publicly available financial statements and other publicly available information relating to Great Plains Energy and its businesses that Evercore deemed relevant to its analysis;
- Analyzed certain financial statements and other non-publicly available financial and operating data relating to Great Plains Energy that were prepared by the management of Great Plains Energy and furnished to Evercore;

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- Analyzed certain financial projections relating to Great Plains Energy (the Great Plains Energy Financial Projections) that were prepared by the management of Great Plains Energy and furnished to Evercore;
- Discussed the past and current operations, the Great Plains Energy Financial Projections, the current financial condition of Great Plains Energy and the future strategic benefits of the merger with the management of Great Plains Energy;
- Compared the financial performance of both Aquila and Great Plains Energy and their stock market trading multiples with that of certain other publicly-traded companies that Evercore deemed relevant;
- Compared the financial performance of both Aquila and Great Plains Energy and the valuation multiples relating to the merger with that of certain other transactions that Evercore deemed relevant;
- Reviewed the reported prices and trading activity of the shares of Aquila Common Stock and the shares of Great Plains Energy Common Stock;
- Reviewed the amount and timing of the integration costs, cost savings and operating synergies estimated by Great Plains Energy management to result from the merger (the Synergies);
- Reviewed detailed pro forma financial projections prepared by both Aquila and Great Plains Energy; and
- Performed such other analyses and examinations and considered such other factors as Evercore in its sole judgment deemed appropriate.

In addition, Evercore held discussions with certain members of the management of Aquila and Great Plains Energy with respect to certain aspects of the merger, and the past and current business operations of Aquila and Great Plains Energy, the financial condition and future prospects and operations of Aquila and Great Plains Energy, the effects of the merger, including the estimated cost savings and related expenses, synergies and other strategic benefits expected to result from the merger, on the financial condition and future prospects of Great Plains Energy and certain other matters Evercore believed necessary or appropriate to its inquiry.

For purposes of its analysis and opinion, Evercore assumed and relied upon, without undertaking any responsibility for independent verification of, the accuracy and completeness of the information publicly available and the information that was furnished to Evercore by Aquila or Great Plains Energy or supplied or otherwise made available to, discussed with or reviewed by Evercore and does not assume liability therefor. With respect to the Aquila Financial Projections and the Great Plains Energy Financial Projections, Evercore has assumed that such financial projections have been reasonably prepared by the respective managements of Aquila and Great Plains Energy on a basis reflecting the best currently available estimates of each management and each management's good faith judgments of the future competitive, operating and regulatory environments and related financial performance of Aquila and Great Plains Energy, respectively. In addition, Evercore has assumed that Great Plains Energy's management's estimation of the Synergies provided to Evercore were reasonably calculated by Great Plains Energy's management, on bases reflecting the best currently available estimates and its good faith judgments of the future competitive, operating and regulatory environments and related financial performance of the combined company. Evercore has further assumed that, in all material respects, such Aquila Financial Projections and Great Plains Energy Financial Projections and the Synergies will be realized in the amounts and times indicated thereby. Evercore expresses no view as to the Aquila Financial Projections, the Great Plains Energy Financial Projections, the Synergies or the assumptions on which they are based.

Evercore neither made nor assumed any responsibility for making any independent valuation or appraisal of the assets or liabilities of either Aquila or Great Plains Energy, including real estate assets, nor has Evercore been furnished with any such appraisals. Evercore assumed that all necessary

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governmental, regulatory or other consents and approvals that are required in connection with the merger will be obtained without any adverse effect on Aquila or Great Plains Energy or on the expected benefits of the merger in any way meaningful to Evercore’s analysis. In addition, Evercore has assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without material modification, waiver or delay. For purposes of Evercore’s analysis and opinion, Evercore assumed that none of the merger agreement, the Asset Sale Agreements will vary from the form of the draft of each such document reviewed by Evercore in any manner that is material to Evercore’s opinion.

Evercore’s opinion was necessarily based on economic, market and other conditions as in effect on, and the information and draft merger agreement, Asset Sale Agreements made available to Evercore as of, the time at which it delivered its opinion. It should be understood that subsequent developments may affect this opinion and that Evercore does not have any obligation to update, revise or reaffirm its opinion.

In connection with rendering its opinion to the independent members of Aquila’s board of directors, Evercore performed a variety of financial and comparative analyses, including those described below. The preparation of a fairness opinion is a complex process and involves various judgments and determinations as to the most appropriate and relevant assumptions and financial analyses and the application of these methods to the particular circumstances involved. Fairness opinions are therefore not necessarily susceptible to partial analysis or summary description.

Accordingly, Evercore believes that the analyses it performed and the summary set forth below must be considered as a whole and that selecting portions of its analyses and factors, or focusing on information in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying the analyses performed by Evercore in connection with its opinion. In arriving at its opinion, Evercore did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, Evercore arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole, and believes that the totality of the factors considered and analyses it performed in connection with its opinion operated collectively to support its determination as to the fairness, from a financial point of view, of the merger consideration to be received by Aquila’s shareholders in the proposed merger.

Evercore’s opinion and financial analyses were only one of many factors considered by the independent members of Aquila’s board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the independent members of Aquila’s board of directors or management with respect to the merger or the merger consideration received by Aquila’s shareholders.

Summary of Analyses

The following is a summary of the material financial analyses performed by Evercore in connection with providing its opinion to Aquila’s board of directors on February 6, 2007. Some of the summaries of the financial analyses include information presented in tabular format. To fully understand the financial analyses, the tables should be read together with the text of each summary. Considering the data set forth in the tables without considering the narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses.

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Historical Public Market Trading Levels Analysis

Evercore reviewed the closing share prices of Aquila common stock during the prior 2-year period as of February 1, 2007. The use of 1-year and 2-year incremental time periods is designed to capture the progression of Aquila’s share price and isolate the effects of specific corporate or other events on share price performance. The table below illustrates the percentage of days Aquila common stock closed in specified share price ranges for each of those periods.

1-Year Days Traded Analysis		2-Year Days Traded Analysis	
\$3.00-\$3.50	0.0%	\$3.00-\$3.50	8.4%
\$3.50-\$4.00	16.8%	\$3.50-\$4.00	46.5%
\$4.00-\$4.50	45.0%	\$4.00-\$4.50	26.0%
\$4.50-\$5.00	38.2%	\$4.50-\$5.00	19.1%

As shown above, the \$4.50 implied merger consideration value exceeds Aquila’s closing price on approximately 81% of the days traded over the past two years and approximately 62% of the days traded over the past year (52-week closing share price range of \$3.60—\$4.78).

Evercore reviewed the closing share prices of Great Plains Energy common stock over various periods, each ending on February 1, 2007. The use of incremental time periods is designed to capture the progression of Great Plains Energy’s share price and isolate the effects of specific corporate or other events on share price performance. The table below illustrates the percentage of days Great Plains Energy common stock closed in specified share price ranges for each of those periods.

1-Year Days Traded Analysis		2-Year Days Traded Analysis	
\$27.00-\$28.50	37.8%	\$27.00-\$28.50	24.1%
\$28.50-\$30.00	14.5%	\$28.50-\$30.00	20.8%
\$30.00-\$31.50	22.1%	\$30.00-\$31.50	31.5%
\$31.50-\$33.00	25.6%	\$31.50-\$33.00	23.5%

As shown above, the \$31.62 Great Plains Energy’s share price as of February 1, 2007 was in the \$31.50-\$33.00 range which exceeded Great Plains Energy’s share price trading in approximately 74% of the days traded over the past year and approximately 76% of the days traded over the past two years. Great Plains Energy’s 52-week closing share price range was \$27.33 - \$32.80 as of February 1, 2007.

Equity Research Analyst Price Targets

Evercore reviewed the most recent Wall Street equity research analyst per share price targets for Aquila’s common stock, which ranged from \$4.35 - \$5.00. Evercore noted that since Aquila does not provide earnings guidance, Wall Street coverage of Aquila is relatively limited, with only one major investment bank, Lehman Brothers, providing up-to-date research coverage with a price target of \$4.50. This price target is comparable to the implied value of the merger consideration at the time of Evercore’s presentation to the independent members of Aquila’s board of directors.

Evercore reviewed the most recent Wall Street equity research analyst per share price targets for Great Plains Energy common stock, which ranged from \$26.00 - \$31.00. These price targets compare to the Great Plains Energy’s current share price of \$31.62 as of February 1, 2007.

Present Value of Equity Analysis

Evercore also calculated the present value of future earnings of Aquila and Great Plains Energy’s internal management forecasts, respectively. This analysis applies a trailing twelve month market price-to-earnings multiple to the forecasted expected net income of a company. The resulting implied equity value is discounted by an appropriate cost of equity to December 31, 2006. Where applicable,

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Evercore also included the present value of expected dividends discounted by an appropriate cost of equity to arrive at a present value of an expected total return.

Based on Aquila's internal projected earnings as provided by management, Evercore arrived at the present value of the Aquila's projected 2012E earnings. Aquila's 2012E earnings were capitalized at a trailing twelve month (2006E) market multiple range (16.0x - 19.0x) and discounted back to December 31, 2006 at Aquila's cost of equity (12.0 - 14.0%) to derive an implied price per share ranging from \$2.48 - \$3.27, excluding the value of tax attributes, depending on what multiple and expected return on equity is applied. Evercore noted that the present value of equity range of management's operational plan is less than the proposed implied merger consideration value of \$4.50.

Using Great Plains Energy's internal projected earnings as provided by management, Evercore arrived at the present value of Great Plains Energy's projected 2011E earnings. Great Plains Energy's 2011E earnings was capitalized at a trailing twelve month (2006E) market multiple range (16.0x - 19.0x) and discounted back to December 31, 2006 at Great Plains Energy's cost of equity (9.0 - 10.0%) to derive an implied price per share ranging from \$32.55 - \$38.99, depending on what multiple and expected return on equity is applied. Evercore noted that the present value of management's operational plan is above Great Plains Energy's current share price.

Peer Group Trading Analysis

Evercore analyzed selected historical and projected operating information provided by both Aquila and Great Plains Energy management, stock price performance data and Aquila and Great Plains Energy respective valuation multiples and compared this data to that of selected publicly traded companies whose operations Evercore deemed to be similar to both Aquila and Great Plains Energy's operations for purposes of this analysis. Evercore used the earnings forecasts for these companies from publicly available financial information and, where appropriate, these earnings forecasts were adjusted to reflect a calendar year end for comparability purposes. For Aquila and Great Plains Energy, earnings forecasts were based on Aquila and Great Plains Energy's respective management financial projections. In conducting its analysis, Evercore considered the trading multiples of the following selected peer group companies with similar financial, operational, growth, and risk profiles:

- DPL Inc.
- PNM Resources, Inc.
- Idacorp, Inc.
- OGE Energy Corp.
- Cleco Corporation
- Black Hills
- Westar Energy, Inc.
- Pinnacle West Capital Corporation

Evercore reviewed, among other things, the selected companies' multiples of Enterprise Value (which means equity value plus indebtedness minus cash and cash equivalents plus liquidation of preferred stock and minority interest) to 2007E and 2008E estimated EBITDA (earnings before interest, taxes, depreciation and amortization), and Price to 2007E and 2008E earnings per share. The multiples are based on the closing stock prices of the companies on February 1, 2007.

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The following table summarizes the analysis:

Company	Enterprise Value / 2007E EBITDA	Enterprise Value / 2008E EBITDA	Price / 2007E Earnings	Price / 2008E Earnings
DPL Inc.	9.7x	8.8x	18.9x	17.2x
PNM Resources Inc.	9.1	8.4	15.0	13.2
Idacorp, Inc.	8.6	7.8	16.1	15.3
OGE Energy Corp.	8.4	8.6	16.3	16.7
Cleco Corporation	9.3	8.7	18.0	14.5
Black Hills	7.4	7.1	17.2	15.8
Westar Energy, Inc.	7.6	7.2	16.0	16.7
Pinnacle West Capital Corporation	7.5	7.1	15.5	14.8
Mean	8.5x	8.0x	16.6x	15.5x
Median	8.5x	8.1x	16.2x	15.5x

Using (i) the trading levels of these selected public companies, and (ii) the financial projections prepared by Aquila and Great Plains Energy management, Evercore calculated a range of implied valuations of Aquila and Great Plains Energy. Based on this analysis, Evercore estimated an implied trading value range for Aquila common stock of approximately \$2.42 - \$3.64 per share on an Enterprise Value / OPEBITDA multiple basis (EBITDA adjusted to exclude gain/loss on restructuring and other income/expense, as defined by Aquila management) and an implied trading value range for Aquila’s common stock of approximately \$1.57 - \$3.50 per share on a Price / Earnings multiple basis (both value ranges excluding the value of tax attributes), compared to the merger consideration value of \$4.50. Based on this analysis, Evercore estimated an implied trading value range for Great Plains Energy common stock of approximately \$33.27 - \$41.77 per share on an Enterprise Value / EBITDA multiple basis and an implied trading value range for Great Plains Energy common stock of approximately \$30.50 - \$40.50 per share on a Price / Earnings multiple basis, compared to the closing trading value of Great Plains Energy common stock of \$31.62 on February 1, 2007.

Evercore noted that none of the selected comparable public companies are identical to Aquila or Great Plains Energy. Accordingly, a complete analysis of the results of the foregoing calculations cannot be limited to a quantitative review of such results and involves complex considerations and judgments regarding differences in financial and operating characteristics of the comparable public companies and other factors that could affect the public valuation of the comparable public companies, as well as that of Aquila and Great Plains Energy. In addition, Evercore noted that Aquila’s 2006E and 2007E OPEBITDA margins of approximately 13% and 14%, respectively, are below the EBITDA margins of selected peers and selected large capitalization utilities of approximately 26% and 28%, respectively. Accordingly, Evercore believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the peer group company analysis. Evercore also made qualitative judgments concerning differences between the financial and operating characteristics and prospects of Aquila and Great Plains Energy relative to the companies included in the peer group company analysis and other factors that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis, which involved applying selected implied market multiples to Aquila and Great Plains Energy financial metrics, respectively.

Selected Precedent Transaction Analysis

Evercore reviewed and analyzed selected merger and acquisition transactions involving companies that Evercore judged to be similar in some respects to the proposed transactions as they occurred in industry sectors consistent with Aquila’s operations and overall business. Evercore reviewed, among other things, the ratio of the companies’ enterprise value implied in the respective transactions to their latest twelve months (pre-acquisition) EBITDA (LTM EBITDA). Evercore reviewed selected completed transactions in the Integrated Utilities sector since 2000.

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In conducting its analysis, Evercore considered the implied transaction multiples of the following selected precedent transactions in the Integrated Utility sector since 2000:

Date Announced	Acquiror	Target
09/15/06	Dynegy Inc.	LS Power Group
07/05/06	Macquarie Infrastructure	Duquesne Light Holdings, Inc.
04/26/06	Babcock & Brown Infrastructure Limited	NorthWestern Corporation
02/27/06	National Grid plc	KeySpan Corp.
02/16/06	National Grid plc	New England Gas Co, Rhode Island Assets
12/19/05	FPL Group, Inc.	Constellation Energy Group, Inc.
10/02/05	NRG Energy Inc.	Texas Genco LLC
06/30/05	Montana Public Power Inc.	NorthWestern Corporation
05/24/05	MidAmerican Energy Holdings Company	PacifiCorp
05/09/05	Duke Energy Corporation	Cinergy Corp.
12/17/04	Exelon Corporation	Public Service Enterprise Group Incorporated
07/25/04	PNM Resources, Inc.	TNP Enterprises, Inc.
02/03/04	Ameren Corporation	Illinois Power Company & 20% of EEI
01/13/04	Black Hills	Cheyenne Light, Fuel & Power (Xcel)
04/29/02	Ameren Corporation	CILCORP, Inc.
10/02/00	NorthWestern Corporation	Montana Power Co.
07/17/00	The AES Corporation	IPALCO Enterprises, Inc.
02/28/00	Powergen plc	LG&E Energy Corp.

The following table summarizes the selected precedent transaction analysis:

	Median Transaction Multiples Since 2000
	Enterprise Value / LTM EBITDA
Selected Integrated Utilities	9.7x
Selected Valuation Multiple Range	9.0-10.0x

Based on its valuation analysis of precedent transactions, and taking into consideration Aquila’s historical financial results and business segment mix, Evercore estimated an implied trading value range for Aquila common stock of approximately \$3.14 - \$3.79 per share (excluding the value of tax attributes) based on a 9.0 - 10.0x LTM OPEBITDA multiple, compared to the implied merger consideration value of \$4.50.

Discounted Cash Flow Analysis

Evercore calculated the estimated present value of Aquila and Great Plains Energy’s future unlevered cash flows for the six years ending December 31, 2012 and the five years ending December 31, 2011, respectively, based on the financial projections prepared by each of Aquila and Great Plains Energy’s managements, respectively.

Evercore then calculated a range of terminal values based on LTM multiples of 7.25x - 8.25x projected OPEBITDA (EBITDA adjusted to exclude gain/loss on restructuring and other income/expense, as defined by Aquila) and EBITDA (earnings before interest, taxes, depreciation and amortization) in 2012 and 2011 for Aquila and Great Plains Energy, respectively. The terminal EBITDA multiple range was based on both current public and private market-based valuations. The present value of the future cash flows (mid-year convention) and terminal values were discounted using

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a range of discount rates of 7.5% - 9.5% and 7.0% - 8.0% for Aquila and Great Plains Energy, respectively. The discount rate range was determined based on estimates of Aquila and Great Plains Energy's appropriate weighted average cost of capital, respectively. Evercore then adjusted for Aquila's December 31, 2006 market value of debt, anticipated debt defeasement, December 31, 2006 expected cash balance, and net cash proceeds from the sale of Kansas electric to Mid-Kansas Electric Company announced on September 21, 2005, to arrive at an equity value range. In arriving at an equity value range for Great Plains Energy, Evercore adjusted for Great Plains Energy's December 31, 2006 debt, cash, and preferred stock.

Given Aquila's estimated NOL balance, as provided by Aquila, Evercore also estimated the value of Aquila's NOL tax attributes as of December 31, 2006, adjusted for reserves for contingent tax liabilities. Evercore calculated the present value of Aquila's future expected cash tax savings from the application of Aquila's NOL balance against Aquila's expected future earnings, as provided by Aquila, at a fully-taxed rate of 38.8% and assuming a cost of equity of 13.0%. Evercore estimated Aquila's cost of equity range based on the capital asset pricing model and an appropriate estimate of Aquila's beta, which is a statistical measure of the relative volatility of a company's stock relative to the market as a whole.

Evercore compared a range of implied equity values per share for Aquila's common stock of \$2.05 - \$3.39 per share excluding the value of NOLs, and \$2.50 - \$3.86 per share including the value of NOLs, respectively, to the implied merger consideration value of \$4.50 per share.

Evercore compared a range of implied equity values per share for Great Plains Energy's common stock to the current share price of Great Plains Energy's common stock. Based on its discounted cash flow analysis, Evercore estimated an implied value range for Great Plains Energy's common stock of approximately \$28.44 - \$37.86 per share, compared to the current share price of Great Plains Energy's common stock of \$31.62.

While discounted cash flow analysis is a widely used valuation methodology, it necessarily relies on numerous assumptions, including assets and earnings growth rates, terminal values and discount rates. Thus, it is not necessarily indicative of Aquila or Great Plains Energy's actual, present or future value or results, which may be significantly more or less favorable than suggested by such analysis.

Exchange Ratio Analysis

Evercore reviewed the respective implied exchange ratios of the various aforementioned valuation analyses performed (i.e., Trading History, Analyst Price Target, Present Value of Equity, Peer Group Trading Analysis, and Discounted Cash Flow Analysis). These implied exchange ratios were calculated by dividing the calculated equity value per share of Aquila common stock from each valuation analysis by the calculated equity value per share of Great Plains Energy common stock multiplied by 60%,

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which is the stock percentage of the total merger consideration. The implied stock exchange ratio range per share by each valuation analysis is summarized below:

	Implied Stock Exchange Ratio per Share	
	Low	High
52-week Closing Trading Price	0.0659x	0.1049x
Equity Research Analyst Price Target	0.0659	0.1154
Present Value of Equity Analysis (16.0x-19.0x LTM P/E Range)	0.0381	0.0603
Selected Peer Group Trading Analysis ('07 and '08 OPEBITDA Multiples)	0.0348	0.0656
Selected Peer Group Trading Analysis ('07 and '08 P/E Multiples)	0.0257	0.0630
Discounted Cash Flow Analysis (7.25-8.25x LTM Exit OPEBITDA Multiple)	0.0395	0.0815
Merger Consideration	0.0856x	

Evercore noted that the merger consideration implied stock exchange ratio per share of 0.0856x exceeded all implied stock exchange ratio per share ranges calculated from Evercore’s valuation analyses. Furthermore, Evercore noted that the implied stock exchange ratio per share derived from market-driven metrics, closing trading prices and equity research analyst price targets, necessarily included Aquila stock’s price appreciation resulting from published public speculation of a potential sale of Aquila.

Pro Forma Analysis

Analysis of Merger Impact on Earnings

In order to evaluate the estimated ongoing impact of the merger, Evercore analyzed the pro forma impact of the merger on Great Plains Energy’s estimated earnings per common share for years 2008, 2009, 2010 and 2011, after giving effect to potential cost and revenue synergies, as provided by Aquila and Great Plains Energy’s respective managements, related to the merger. Evercore’s valuation analyses assumed pro forma combined assumptions of potential synergies, rate case filings on Aquila’s Missouri business, regulatory amortization treatment of Aquila’s Iatan investment, and a revised forecast of capital expenditures. Evercore estimated that based on the assumptions described above, the pro forma impact of the transaction on the cash earnings of Great Plains Energy would be modestly accretive in each year beginning in 2008. The financial forecasts that underline this analysis are subject to substantial uncertainty and, therefore, actual results may be substantially different.

General

The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analysis or the summary set forth above, without considering the analysis as a whole, could create an incomplete view of the processes underlying the opinion of Evercore. In arriving at its fairness determination, Evercore considered the results of all these constituent analyses and did not attribute any particular weight to any particular factor or analysis considered by it; rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all such analyses. Certain of Evercore’s analyses are based upon forecasts of future results and are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by such analyses. The foregoing summary does not purport to be a complete description of the analyses performed by

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Evercore. Additionally, analyses relating to the value of businesses or securities are not appraisals. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty.

Evercore performed a variety of financial and comparable analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not susceptible to partial analysis or summary description. In arriving at its opinion, Evercore considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered. Furthermore, Evercore believes that the summary provided and the analyses described above must be considered as a whole and that selecting any portion of the analyses, without considering all of them, would create an incomplete view of the process underlying Evercore’s analysis and opinion. In addition, Evercore may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Evercore with respect to the actual value of Aquila or Great Plains Energy or their common stock. In performing its analyses, Evercore made numerous assumptions with respect to industry performance, general business, regulatory and economic conditions and other matters, many of which are beyond the control of Evercore, Aquila or Great Plains Energy. Any estimates contained in the analysis of Evercore are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates. The analyses performed were prepared solely as part of the analyses of Evercore of the fairness of the consideration to be received by holders of shares of Aquila common stock pursuant to the merger agreement from a financial point of view, and were prepared in connection with the delivery by Evercore of its opinion on February 6, 2007 to Aquila’s board of directors. The merger consideration was determined through arm’s-length negotiations between Aquila and Great Plains Energy and was approved by Aquila’s board of directors. Evercore provided advice to Aquila during these negotiations. Evercore did not, however, recommend any specific merger consideration to Aquila or that any specific merger consideration constituted the only appropriate merger consideration for the merger.

Evercore is an internationally recognized investment banking and advisory firm. Evercore, as part of its investment banking business, is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, competitive biddings and valuations for corporate, estate and other purposes. In the ordinary course of its business, Evercore and its affiliates may from time to time trade in the securities or the indebtedness of Aquila, Great Plains Energy and their affiliates or any currencies or commodities (or derivative thereof) for its own account, the accounts of investment funds and other clients under the management of Evercore and for the accounts of its customers and accordingly, may at any time hold a long or short position in such securities, indebtedness, currencies or commodities (or derivative thereof) for any such account. In the past, Evercore and its affiliates have provided financial advisory services for Aquila and have received fees from Aquila for the rendering of these services.

Pursuant to the terms of an engagement letter, Aquila has agreed to pay Evercore an opinion fee and a customary transaction fee, \$1.50 million and \$1.79 million, respectively, the latter of which is contingent upon the consummation of the merger. Aquila has also agreed to reimburse Evercore for its fees and expenses incurred in performing its services. In addition, Aquila has agreed to indemnify Evercore and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Evercore or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Evercore’s engagement and any related transactions.

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Projected Financial Information

Great Plains Energy

Great Plains Energy does not as a matter of course make public projections as to future sales, earnings, or other results. However, in connection with their respective confirmatory due diligence, Aquila requested, and Great Plains Energy provided Aquila and its financial advisors with, non-public financial projections prepared by Great Plans Energy’s management, and substantially the same information was provided to Great Plains Energy’s financial advisors. A portion of such financial information was disclosed by Great Plains Energy in a Report on Form 8-K dated March 6, 2007. The projected financial information provided below was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of Great Plains Energy’s management, was prepared on a reasonable basis, reflects the best estimates and judgments available as of the date of its preparation, and presents, to the best of management’s knowledge and belief as of the date of its preparation, the expected course of action and the expected future financial performance of Great Plains Energy. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information.

Neither Great Plains Energy’s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Set forth below are material financial projections provided by Great Plains Energy to its financial advisors in rendering their opinions to Great Plains Energy’s board of directors described in this joint proxy statement/prospectus, a portion of which was disclosed by Great Plains Energy in its Current Report on Form 8-K dated March 6, 2007.

Great Plains Energy Stand-Alone Projections

	2007 (\$)	2008 (\$)	2009 (\$)	2010 (\$)	2011 (\$)
	(in millions, except for per-share data)				
Revenue	2,949.0	3,392.8	3,922.9	4,336.3	4,719.2
EBITDA(1)	477.1	492.4	582.5	678.5	751.4
EBIT(1)	290.3	303.6	348.4	427.4	524.3
Net Income (2)	160.2	187.5	216.6	244.9	270.1
Earnings per share (2)	\$ 1.86	\$ 2.05	\$ 2.23	\$ 2.42	\$ 2.61

- (1) Excludes allowance for equity funds used during construction and other non-operating income and expenses.
- (2) These projected amounts do not reflect the potential effects of discontinued operations, certain unusual items and mark-to-market gains and losses on energy contracts. As such, these projected amounts are the same as projected “core earnings” and “core earnings” per share for the periods presented. A discussion of the term “core earnings” is provided below.

Significant assumptions underlying the above financial projections include:

- KCP&L annual retail MWh sales growth averaging 2% over the forecast periods;

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- Strategic Energy annual retail MWh delivered volume growth averaging 17% over the forecast periods;
- KCP&L being authorized a return on equity of 11.25% over the forecast periods;
- Strategic Energy average annual gross margin per MWh of approximately \$4.25 over the forecast periods;
- KCP&L capital expenditures of approximately \$2.5 billion as the primary driver of earnings growth over the forecast periods;
- Depreciation expense reflecting expected capital expenditures over the forecast periods;
- KCP&L fuel and related transportation expense reflecting current contracts and projected increases in generation capacity;
- Issuance of approximately \$660 million of equity, \$900 million of long term debt and \$250 million of hybrid debt, offset with \$540 million of long-term debt retirement and repayment over the forecast periods; and
- Normal weather over the forecast periods.

On May 2, 2007, subsequent to the preparation of the above projections, Great Plains Energy disclosed revised 2007 core earnings guidance of \$1.65 to \$1.85 per share compared to the previous range of \$1.80 to \$2.00. An explanation of the term “core earnings” is provided below.

Reconciliation to GAAP

EBITDA and EBIT are measures that are not derived in accordance with GAAP. The EBITDA and EBIT measures set out above exclude various items (allowance for equity funds used during construction, non-operating income and expenses, interest expense and taxes and, for EBITDA, depreciation and amortization) that are reflected in net income (the most comparable GAAP financial measure). Great Plains Energy and its financial advisors used the EBITDA and EBIT measures in their valuation analyses.

Great Plains Energy provides guidance regarding core earnings. Core earnings is a non-GAAP financial measure that differs from GAAP earnings because it excludes the effects of discontinued operations, certain unusual items and mark-to-market gains and losses on energy contracts. Great Plains Energy believes core earnings provide to investors a more meaningful indicator of its results that is comparable among periods because it excludes the effects of items that may not be indicative of its prospective earnings potential. As discussed above, the projected net income and earnings per share amounts set out in the preceding table correspond to core earnings and core earnings per share for the periods presented. Great Plains Energy is unable to reconcile the net income, core earnings, earnings per share and core earnings per share amounts to GAAP net income or GAAP earnings per share because it does not predict the impact of future discontinued operations, unusual items and mark-to-market gains and losses on energy contracts. Core earnings is used internally to measure performance against budget and in reports for management and Great Plains Energy’s board of directors. Great Plains Energy’s definition of core earnings may differ from similar terms used by other companies.

Great Plains Energy Cost and Synergy Estimates

Great Plains Energy management prepared estimates of transaction and transition costs associated with the Transactions, and estimates of cost savings and synergies expected to be realized from the Transactions. The estimate of transaction and transition costs considered by the Great Plains Energy board of directors in approving the Transactions was \$185 million. Subsequent to that time, additional analysis and additional information provided by Aquila to Great Plains Energy led to a reduction in the

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anticipated total transaction and transition costs to \$181 million from \$185 million. Aquila and KCP&L have requested regulatory authorization to amortize transaction and incremental transition-related costs over five years.

The estimate of cost savings and synergies considered by Great Plains Energy’s board of directors in approving the Transactions, and provided to Great Plains Energy’s financial advisors in rendering their opinions to Great Plains Energy’s board of directors, was \$500 million. Subsequent to that time, additional analysis and additional information provided by Aquila to Great Plains Energy led to a re-evaluation of the estimated amount of cost savings and synergies expected after the Merger is consummated. The primary change results from Aquila’s decision to install pollution control equipment on one of its generating facilities to avoid the potential of being required to purchase NOx emissions credits. It is anticipated that the avoidance of purchasing NOx emission credits will be realized whether or not the merger is consummated. Accordingly, Great Plains Energy now expects the Merger to generate approximately \$452 million in cost savings and synergies over the first five years following consummation of the Merger. The following table summarizes the currently estimated cost savings and synergies for each year of the period. All amounts presented are in millions of dollars.

Year	Cost Savings and Synergies (1)
1	91
2	92
3	89
4	89
5	91
Total	452

- (1) For purposes of calculating total pre-tax gross synergies and savings (including interest expense reductions), please note the following:
- (a) Great Plains Energy, KCP&L and Aquila have proposed to the MPSC and KCC that the estimated amount of cost savings and synergies (including interest expense reductions) be split equally between utility customers and shareholders for the first five years after consummation of the merger;
 - (b) approximately \$26 million of the total estimated operational cost savings and synergies are expected to result from capital investments of approximately \$111.8 million. Great Plains Energy will seek recovery of the costs of such capital investments through rates. The merger applications filed with the MPSC and the KCC will be updated to the extent necessary to reflect changes in the amount of operational cost savings and synergies expected by Great Plains Energy to result from the merger;
 - (c) approximately 60% of the total \$452 million of pre-tax savings and synergies comprise are expected to result from operations and shared service functions, and the remaining 40% is expected to be achieved through interest expense reductions; and
 - (d) to achieve the interest expense reductions reflected in this total amount, Great Plains Energy assumed (i) approximately \$670 million of Aquila debt will be retired with proceeds from the Asset Sale and the issuance by Great Plains Energy of hybrid securities, and (ii) the interest rate on \$500 million of Aquila debt will be reset to the original 11.875% rate at closing. Estimated debt tender costs of approximately \$35 million have been included in Great Plain Energy’s transaction and transition cost estimate of \$181 million.

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Aquila

In the course of the discussions between Aquila and Great Plains Energy leading up to the execution of the merger agreement, Aquila provided to its financial advisors, Great Plains Energy, Black Hills and representatives of Great Plains Energy and Black Hills certain non-public, financial projections prepared by Aquila’s management for internal planning and budgeting purposes. While these financial projections were prepared in good faith by Aquila’s management at the time the projections were prepared, no assurance can be given regarding future events or that these projections will be realized. Therefore, these financial projections should not be relied upon as necessarily indicative of actual future operating results, and this information should not be relied on as such. Moreover, these financial projections were not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information or published guidelines of the SEC regarding forward-looking statements. These financial projections are not historical fact and should not be relied upon as being necessarily indicative of actual future results. In light of the foregoing, as well as the uncertainties inherent in any financial projections, investors are expressly cautioned not to place undue reliance on these financial projections.

The EBITDA and EBIT financial projections set out below were not derived in accordance with GAAP. The EBITDA projections exclude depreciation and amortization and interest expense, and the EBIT projections exclude interest expense that would be reflected in income before income taxes, the most comparable GAAP financial measure. Aquila and its financial advisors used EBITDA and EBIT financial projections in their analyses. The EBITDA and EBIT financial projections are reconciled to income before income taxes below.

Aquila Stand-Alone Financial Projections

	2008	2009	2010	2011	2012
	(In Millions)				
EBITDA	\$ 289	\$345	\$366	\$402	\$425
Depreciation and Amortization Expense	121	128	131	132	130
EBIT	\$ 168	\$217	\$235	\$270	\$295
Interest Expense	118	121	119	110	86
Income Before Income Taxes	\$ 50	\$ 96	\$116	\$160	\$209

Aquila Stand-Alone Capital Expenditure Projections

Capital Expenditures	2007	2008	2009	2010	2011	2012
	(In Millions)					
Transmission	\$ 17	\$ 30	\$ 16	\$ 5	\$ 6	\$ 6
Environmental	49	73	13	5	—	—
Iatan 2	81	112	68	31	—	—
Baseline	152	165	152	166	173	179
Total	\$299	\$380	\$249	\$207	\$179	\$185

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Aquila Net Operating Loss Projections Giving Effect to the Asset Sale

	December 31, 2006(1)	IRS Tax Audit	Projected Stand alone	Pending Asset Sale(2)	Valuation Allowance(3)	Projected Benefits to Great Plains Energy
Alternative Minimum						
Tax Credits	\$ 92	\$ (27)	\$ 65	\$ 13		\$ 78
U.S. net operating losses	597	(90)	507	(147)		360
Capital loss carryforward	120	(15)	105	(105)		—
Other deferred tax						
assets	63	(7)	56	—		56
Reserves	(497)	122	(375)	128	152	(95)
Total deferred tax assets						
(liability)	375	(17)	358	(111)	152	399
Total deferred tax						
liabilities	(375)	17	(358)	111	—	(247)
Deferred income tax						
asset (liability)	\$ —	\$ —	\$ —	\$ —	\$152	\$ 152
Gross Tax Attributes:						
Alternative minimum tax						
credits	\$ 92	\$ (27)	\$ 65	\$ 13		\$ 78
U.S. net operating losses	1,457	(233)	1,224	(376)		848
Capital loss						
carryforwards	\$ 313	\$ (39)	\$ 274	\$(274)		\$ —

Footnotes:

- (1) December 31, 2006 balances have been adjusted to reflect the net impact of \$19 million to retained earnings for Aquila’s adoption of FIN 48 on January 1, 2007.
- (2) Projected utilization of income tax benefits associated with the Asset Sale. Amounts assume a December 31, 2007 closing of the Asset Sale and that actual working capital and capital expenditures are equal to the estimated working capital and capital expenditure amounts in the Asset Purchase Agreement and Partnership Interest Purchase Agreement.
- (3) The valuation allowance has been adjusted to reflect Great Plains Energy’s net tax liability position.

Aquila Projections for Assets Subject to the Asset Sale

Colorado Electric & Gas Utilities(1)	2008	2009	2010	2011	2012
	(In Millions)				
EBITDA	\$114	\$119	\$118	\$119	\$121
Depreciation and Amortization Expense	48	50	48	46	45
Interest Expense	19	18	19	19	18
Income Before Income Taxes	\$ 47	\$ 51	\$ 51	\$ 54	\$ 58

- (1) Includes operations of Aquila’s Colorado electric and Colorado, Iowa, Kansas and Nebraska gas utilities. These projections include allocated costs for Aquila’s corporate headquarters and

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centralized services (which do not reflect the division of centralized services between Black Hills and Great Plains Energy).

<u>Missouri Electric & Others(1)</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>(In Millions)</u>				
EBITDA	\$175	\$226	\$248	\$283	\$304
Depreciation and Amortization Expense	73	78	83	86	85
Interest Expense	99	103	100	91	68
Income Before Income Taxes	<u>\$ 3</u>	<u>\$ 45</u>	<u>\$ 65</u>	<u>\$106</u>	<u>\$151</u>

(1) Includes operations of Aquila’s Missouri electric utilities as well as Aquila’s Merchant Services and Corporate business segments. These projections include allocated costs for Aquila’s corporate headquarters and centralized services (which do not reflect the division of centralized services between Black Hills and Great Plains Energy).

<u>Capital Expenditures</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>(In Millions)</u>					
Colorado Electric & Gas Utilities(1)	\$ 62	\$ 64	\$ 59	\$ 57	\$ 58	\$ 59
Missouri Electric & Other(2)	237	316	190	150	121	126
Total	<u>\$299</u>	<u>\$380</u>	<u>\$249</u>	<u>\$207</u>	<u>\$179</u>	<u>\$185</u>

(1) Includes expenditures for Aquila Colorado electric and Colorado, Iowa, Kansas, and Nebraska gas utilities.

(2) Includes expenditures for Aquila Missouri electric utilities and corporate shared assets.

Significant assumptions underlying Aquila’s financial projections include:

- capital investment drives Aquila’s increased earnings over the forecast period;
- rate cases are planned around expected in-service dates for significant plant additions;
- a full fuel adjustment clause is received in Aquila’s pending Missouri rate case;
- 3% annual inflation rate;
- customer growth various by jurisdiction, averaging 2-2.5%;
- Aquila’s South Harper litigation is resolved favorably;
- Aquila’s Crossroads plant continues to be “held for use” during the forecast period;
- Aquila earns its authorized rates of return in each of its regulatory jurisdictions;
- pending litigation resolved within reserve balances;
- Aquila’s NOLs are utilized on a stand-alone basis by 2013;
- Aquila does not pay any dividends during the forecast periods; and
- normal weather in the forecast periods.

The assumptions underlying the financial projections involve judgments with respect to, among other things, future regulatory, economic and financial market conditions. In any event, these assumptions may not be realized and are inherently subject to significant uncertainties, all of which are difficult to predict and many of which are beyond Aquila’s control and will be beyond the control of the combined company after the merger. In addition, the financial projections represent Aquila management’s evaluation of Aquila’s future financial performance on a stand-alone basis, and without reference to transaction-related costs or benefits.

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General

The prospective financial information of Aquila and the Great Plains Energy included in this joint proxy statement/prospectus has been prepared by, and is the responsibility of, the managements of Aquila and Great Plains Energy, respectively. Deloitte & Touche LLP, the independent registered public accounting firm of Great Plains Energy, and KPMG LLP, the independent registered public accounting firm of Aquila, have neither compiled nor performed any procedures with respect to the accompanying prospective financial information and, accordingly, do not express an opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the projections.

The estimates and assumptions underlying the financial projections of Aquila and Great Plains Energy involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions. In any event, these estimates and assumptions may not be realized and are inherently subject to significant business, economic, competitive and regulatory uncertainties, all of which are difficult to predict and many of which are beyond the control of Aquila or Great Plains Energy. In addition, the financial projections prepared by Aquila and Great Plains Energy represent each company's own evaluation of its future financial performance on a stand-alone basis, and without reference to transaction-related costs or benefits. Accordingly, there can be no assurance that the projected results would be realized or that actual results would not differ materially from those presented in the financial projections. The inclusion of these financial projections should not be regarded as a representation by any person that the results contained in the financial projections will be achieved, and this information should not be unduly relied on for that purpose. Great Plains Energy and its management did not participate in preparing, and do not express any view on, the Aquila financial projections set forth above, or the assumptions underlying such financial projections. Aquila and its management did not participate in preparing, and do not express any view on, the Great Plains Energy financial projections set forth above, or the assumptions underlying such cost and synergy estimates.

Stockholders are cautioned not to add the amounts set forth above, or take into account the pro forma adjustments set forth under "Great Plains Energy Unaudited Pro Forma Condensed Combined Financial Information," to obtain a view as to projections for the combined company. These projections are not included in this joint proxy statement/prospectus to induce any Great Plains Energy or Aquila stockholder to vote to approve the merger. See "Cautionary Statement Regarding Forward-Looking Statements" on page [•].

EXCEPT AS EXPRESSLY NOTED, NEITHER GREAT PLAINS ENERGY NOR AQUILA INTENDS TO DISCLOSE PUBLICLY ANY UPDATE OR OTHER REVISION TO THESE PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING SINCE THEIR PREPARATION OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS OR CHANGES IN GENERAL ECONOMIC OR INDUSTRY CONDITIONS, EVEN IN THE EVENT THAT ANY OR ALL OF THE UNDERLYING ASSUMPTIONS ARE SHOWN TO BE IN ERROR.

Interests of Aquila's Directors and Executive Officers in the Transactions

In considering the recommendation of Aquila's board of directors to vote FOR the adoption of the merger agreement and approval of the merger, Aquila stockholders should be aware that Aquila's executive officers have interests in the Transactions that are different from, or in addition to, the interests of Aquila's stockholders generally. Aquila's board of directors was aware of these interests and considered them in approving the transaction agreement and the Transactions. The aggregate amount of compensatory payments and benefits that Aquila's senior executive officers (Richard C. Green, Jon R. Empson, Leo E. Morton, Christopher M. Reitz, and Beth A. Armstrong) are expected to receive as a result of the Transactions under the terms of their respective agreements with Aquila is \$7,340,401. The aggregate amount of Great Plains Energy common stock that executive officers will

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receive as a result of the merger under Aquila plans upon conversion of their outstanding Aquila equity awards is approximately 18,616 shares, all of which are expected to be received by Mr. Green.

Agreements With Aquila Officers

Other than Mr. Green, each of Aquila’s current executive officers and certain other officers of Aquila are party to severance compensation agreements with Aquila. Mr. Green is party to an employment agreement with Aquila. Under Mr. Green’s employment agreement, he will be entitled to the severance compensation set forth below if his employment is terminated by Aquila, regardless of whether the termination is in connection with the merger or any other change in control transaction involving Aquila. However, he will be paid in installments, rather than a lump sum, if the termination is not in connection with a change in control transaction involving Aquila. Under the merger agreement, Messrs. Green, Empson, Morton and Reitz and Ms. Armstrong will be deemed terminated for the purposes of payment under their severance compensation agreements or, in the case of Mr. Green, employment agreement, and will be entitled to severance compensation as follows:

- a lump sum payment equal to 3 times (for Mr. Green) or 2 times (for the other executive officers) the sum of his or her base salary and target annual incentive opportunity for the calendar year in which the change in control occurs (for Mr. Green), or if greater (for the other executive officers), the average target annual incentive opportunity for a select group of comparable companies as determined by an independent consulting firm. Great Plains Energy has agreed to target annual incentive opportunities that are materially consistent with the following preliminary calculations:

	Target Annual Incentive Opportunity (Measured as a % of Base Salary)
Jon R. Empson	50%
Leo E. Morton	45%
Christopher M. Reitz	40%
Beth A. Armstrong	40%

- the ability to exercise any stock options as of the date of termination and continuing for three months thereafter and any restrictions on his or her restricted stock will lapse;
- an additional cash payment equal to a pro-rata portion of his or her target annual and long-term incentive opportunity for the incentive period in which his or her employment terminates;
- a gross-up payment, if necessary, so that the net amount of his or her total payments received on an after-tax basis would equal the amount he or she would have received in the absence of the imposition of golden parachute excise taxes. No gross-up payments are currently expected to be paid in connection with the change-in-control transaction;
- three years of health coverage benefits; and
- three years of additional credit for both age and service under Aquila’s tax-qualified and non-qualified pension plans.

The following table summarizes the approximate amounts of cash payments and value of continued benefits, as outlined above, that are expected to be made to each executive officer. For purposes of this

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calculation, we have assumed the executive officer’s salary, bonus amounts, the target bonus as in effect on the date hereof, and assumed the merger is completed on December 31, 2007.

Executive	Base and Bonus with Multiplier	Target Bonus	Assumed Annual Value of Continued Benefits	Outplacement Services	3 Years Credited Service	Total
Richard C. Green	\$2,970,000	\$0	\$22,000	\$50,000	\$411,100	\$3,453,100
Leo E. Morton	\$ 962,800	\$0	\$23,000	\$35,000	\$109,546	\$1,130,346
Jon R. Empson	\$1,080,000	\$0	\$18,500	\$35,000	\$ 55,525	\$1,189,025
Christopher M. Reitz	\$ 728,000	\$0	\$18,500	\$35,000	\$ 3,630	\$ 785,130
Beth A. Armstrong	\$ 728,000	\$0	\$18,500	\$35,000	\$ 1,300	\$ 782,800

Treatment of Restricted Stock

As of May 4, 2007, there will be approximately 139,026 shares of Aquila common stock represented by restricted stock awards held by Aquila’s executive officers. 7,000 of these restricted stock awards will vest prior to the merger. 132,026 of these restricted stock awards will vest upon the completion of the merger (to the extent then unvested) and will be converted into a number of shares of Great Plains Energy common stock equal to the product of

- The number of Aquila shares subject to the restricted stock award immediately prior to the effective time of the merger agreement and
- An “option exchange ratio.”

Under the terms of the merger agreement, the option exchange ratio will be equal to:

- .0856, the fraction of a share of Great Plains Energy common stock into which each Aquila share will be converted in the merger, plus
- \$1.80, the amount of cash into which each Aquila share will be converted in the merger, divided by the average closing sale prices of Great Plains Energy’s stock over the 5-consecutive trading days ending the second day prior to the closing date.

Based on the \$32.48 average closing share price as of May 4, 2007, the option exchange ratio would have been .141.

The following table summarizes the restricted shares held by our executive officers as of the record date and the resulting number of shares of Great Plains Energy common stock that they will receive based on an option exchange ratio of .141.

Executive	Number of Shares Subject to Aquila Restricted Stock Awards	Resulting Number of Shares of Great Plains Energy Common Stock
Richard C. Green	132,026	18,616

Mr. Green has 132,026 shares subject to Aquila restricted stock awards which are scheduled to vest of March 15, 2008. He will be entitled to receive approximately 18,616 unrestricted shares of Great Plains Energy common stock in the merger in exchange for these restricted shares in accordance with the terms of such awards, which were granted in 2002 and, therefore, were outstanding prior to the execution of the merger agreement. Ms. Armstrong holds 7,000 shares subject to Aquila restricted stock awards. These awards are scheduled to vest on December 30, 2007, prior to the anticipated completion date of the merger.

Treatment of Stock Options

As of the record date, there were approximately 993,108 shares of Aquila common stock subject to vested stock options granted under Aquila’s equity incentive plans to its current executive officers which will become options to acquire Great Plains Energy common stock, as equitably adjusted based on the option exchange ratio. As of May 4, 2007, only 51,800 of the 781,008 options held by executive

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officers of Aquila had exercise prices which were less than the fair market value of Aquila’s common stock. As of that date, these options, which are sometimes referred to as “in the money” options, had an aggregate value (based on the difference between the exercise price and the fair market value of Aquila common stock on that date) of \$46,935.

Deferred Compensation Plans and Distribution of Accounts

Under the merger agreement, Aquila is obligated to make contributions to a “rabbi trust” in amounts necessary to cover 100% of the accrued benefits under the Capital Accumulation Plan (CAP) and the SERP. The amount of the accounts of the executive officers for the SERP are as follows: \$3,780,242 for Mr. Green, \$460,381 for Mr. Empson, \$527,121 for Mr. Morton, \$48 for Mr. Reitz, and \$9,854 for Ms. Armstrong. The amount of the accounts of the executive officers for the CAP are as follows: \$147,809 for Mr. Green, \$854,913 for Mr. Empson*, \$24,010 for Mr. Morton, \$222 for Mr. Reitz, and \$0 for Ms. Armstrong.

* For Mr. Empson, this number represents earnings and aggregate balances for his accounts under the CAP and a frozen non-qualified deferred income plan which Aquila assumed in its acquisition of Peoples Natural Gas in 1986.

Continuing Board and Management Positions

The directors and officers of Great Plains Energy are not expected to change in connection with the merger. The directors and officers of Great Plains Energy immediately prior to the merger will continue to be the directors and officers of Great Plains Energy after completion of the merger.

Indemnification and Insurance

The merger agreement provides that, following the merger, Great Plains Energy will indemnify and hold harmless, and provide advancement of expenses to, all present and former officers and directors of Aquila and its subsidiaries with respect to acts or omissions occurring prior to the merger, including those relating to the merger, to the fullest extent permitted by applicable laws. After the merger, Great Plains Energy will also fulfill and honor the obligations of Aquila under any indemnification agreements between Aquila and its present or former directors, officers and employees.

The merger agreement also provides that the combined company will maintain for a period of six years after completion of the merger the current directors’ and officers’ and fiduciary liability insurance policies maintained by Aquila, or policies of at least the same coverage and amount and containing terms and conditions that are not less advantageous than the current policies, with respect to facts or events occurring prior to the merger, including events relating to the merger, although the combined company will not be required to make aggregate annual premium payments for such policies in excess of 300% of the annual premiums currently paid by Aquila and its subsidiaries for directors’ and officers’ and fiduciary liability insurance. In the event that the combined company is unable to maintain or obtain such insurance, the combined company will obtain as much comparable insurance as is available for annual premium payments equal to 300% of the annual premiums currently paid by Aquila for directors’ and officers’ and fiduciary liability insurance.

Listing of Great Plains Energy Common Stock

It is a condition to the completion of the merger that the Great Plains Energy common stock issuable to Aquila stockholders pursuant to the merger agreement be approved for listing on the NYSE, subject to official notice of issuance.

Delisting of Aquila Common Stock

If the merger is completed, Aquila common stock will be delisted from the NYSE. The stockholders of Aquila will become stockholders of Great Plains Energy and their rights as stockholders will be governed by Missouri law and by Great Plains Energy’s certificate of incorporation and by-laws. However, it is expected that, Aquila will continue to file periodic and current reports after the merger.

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Dividends

Upon consummation of the merger, Aquila stockholders will own approximately 27% of Great Plains Energy common stock, which currently is paying an annual dividend of \$1.66 per share. The merger agreement provides that Great Plains Energy may continue to pay its regular quarterly cash dividend, not to exceed \$0.415 per share, until the consummation of the merger. Great Plains Energy does not currently anticipate making any changes to its dividend policies.

The payment of dividends by Great Plains Energy, however, will be subject to approval and declaration by Great Plains Energy’s board of directors and will depend on a variety of factors, including business, financial and regulatory considerations and the amount of dividends paid to it by its subsidiaries.

Material U.S. Federal Income Tax Consequences of the Transactions

U.S. Federal Income Tax Consequences to Great Plains Energy Stockholders

The Transactions will not constitute a taxable event to holders of Great Plains Energy stock.

U.S. Federal Income Tax Consequences to Aquila Stockholders

The following is a general discussion of certain material U.S. federal income tax consequences of the merger to holders of Aquila common stock. We base this summary on the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable current and proposed U.S. Treasury Regulations, judicial authority, and administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis.

For purposes of this discussion, the term “U.S. holder” means:

- a citizen or individual resident of the U.S. for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S. or any state or the District of Columbia;
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons, as defined under Section 7701(a)(30) of the Code (U.S. persons), have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or
- an estate the income of which is subject to U.S. federal income tax regardless of its source.

A “non-U.S. holder” is a person (other than a partnership) that is not a U.S. holder.

This discussion assumes that a holder holds the shares of Aquila common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income tax that may be relevant to a holder in light of its particular circumstances, or that may apply to a holder that is subject to special treatment under the U.S. federal income tax laws (including, for example, insurance companies, dealers in securities or foreign currencies, traders in securities who elect the mark-to-market method of accounting for their securities, holders subject to the alternative minimum tax, persons that have a functional currency other than the U.S. dollar, tax-exempt organizations, financial institutions, mutual funds, partnerships or other pass-through entities for U.S. federal income tax purposes, controlled foreign corporations, passive foreign investment companies, certain expatriates, corporations that accumulate earnings to avoid U.S. federal income tax, holders who hold shares of Aquila common stock as part of a hedge, straddle, constructive sale or conversion transaction, or holders who acquired their shares of Aquila common stock through the exercise of employee stock options or other compensation arrangements). In addition, this discussion does not address any tax considerations under state, local or foreign tax laws, or U.S. federal laws other than those pertaining to the U.S. federal income tax that may apply to holders. **The U.S. federal income tax consequences set forth below are not**

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intended to constitute a complete description of all tax consequences relating to the merger. Holders are urged to consult their own tax advisors to determine the particular tax consequences, including the application and effect of any state, local or foreign income and other tax laws, of the receipt of cash and Great Plains Energy common stock in exchange for Aquila common stock pursuant to the merger.

If a partnership holds Aquila common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. If you are a partner of a partnership holding Aquila common stock, you should consult your tax advisors.

U.S. Holders

The receipt of cash and Great Plains Energy stock in the merger (or pursuant to the exercise of dissenters' rights) by U.S. holders of Aquila common stock will be a taxable transaction for U.S. federal income tax purposes. In general, for U.S. federal income tax purposes, a U.S. holder of Aquila common stock will recognize gain or loss equal to the difference between:

- the amount of cash and the fair market value of the Great Plains Energy stock consideration received in exchange for Aquila common stock; and
- the U.S. holder's adjusted tax basis in such Aquila common stock.

If the holding period in Aquila common stock surrendered in the merger (or pursuant to the exercise of dissenters' rights) is greater than one year as of the date of the merger, the gain or loss will be long-term capital gain or loss. The deductibility of a capital loss recognized on the exchange is subject to limitations under the Code. If a U.S. holder acquired different blocks of Aquila common stock at different times and different prices, such holder must determine its adjusted tax basis and holding period separately with respect to each block of Aquila common stock.

Each share of Great Plains Energy common stock received by a U.S. holder in the merger will have a tax basis equal to the fair market value of the share received. A new holding period for each share of stock will begin on the day after the merger.

Under the Code, cash or stock received in the merger (or pursuant to the exercise of dissenters' rights) by a U.S. holder may be subject to U.S. information reporting and backup withholding. Backup withholding (currently at a rate of 28%) will apply with respect to the amount of cash received and the fair market value of the Great Plains Energy common stock received by a non-corporate U.S. holder, unless the U.S. holder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be refunded or credited against a U.S. holder's U.S. federal income tax liability, if any, provided that such U.S. holder furnishes the required information to the Internal Revenue Service in a timely manner.

Non-U.S. Holders

Any gain realized on the receipt of cash and Great Plains Energy common stock in the merger (or pursuant to the exercise of dissenters' rights) by a non-U.S. holder generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the U.S. (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the U.S. for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- the non-U.S. holder owned, directly or under certain constructive ownership rules of the Code, more than 5% of Aquila common stock (which includes for purposes of this bullet point the stock of Aquila's predecessor entity) at any time during the five-year period preceding the

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merger, and Aquila is or has been a “United States real property holding corporation” for U.S. federal income tax purposes at any time during the shorter of a five-year period preceding the merger or the period that the non-U.S. holder held Aquila common stock.

A non-U.S. holder described in the first bullet point immediately above will be taxed on a net income basis on the net gain derived from the merger and in the same manner as if it were a U.S. person, and, if a non-U.S. holder is a foreign corporation, it may be subject, in addition, to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. holder described in the second bullet point immediately above will generally be subject to a flat 30% tax on the gain derived from the merger, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the U.S. under the Code.

In general, Aquila will be treated as a “U.S. real property holding corporation” as of a given date if the fair market value of its “U.S. real property interests” equals or exceeds 50% of the sum of the fair market value of Aquila’s worldwide real property interests and our other assets used or held for use in a trade or business as of a given date. The determination of the fair market value of Aquila’s assets and, therefore, whether Aquila is a U.S. real property holding corporation at any given time, will depend on the particular facts and circumstances applicable at the time. Currently, it is unclear if Aquila is a U.S. real property holding corporation and in addition it is possible that Aquila has been a U.S. real property holding corporation for some or all of the preceding five year period.

If you owned more than 5% of Aquila’s common stock at any time during the five-year period preceding the merger (taking into account applicable attribution rules under the Code), please consult your tax advisor to determine the U.S. federal income tax consequences of the merger.

Information reporting and, depending on the circumstances, backup withholding (currently at a rate of 28%) will apply to the cash and Great Plains Energy common stock received in the merger (or pursuant to the exercise of dissenters’ rights), unless a beneficial owner certifies under penalties of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such beneficial owner is a U.S. person) or such beneficial owner otherwise establishes an exemption. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be refunded or credited against a non-U.S. holder’s U.S. federal income tax liability, if any, provided that such non-U.S. holder furnishes the required information to the Internal Revenue Service in a timely manner.

Accounting Treatment

In accordance with U.S. GAAP, Great Plains Energy will account for the merger using the purchase method of accounting. Under this method of accounting, Great Plains Energy will record the market value (based on an average of the closing prices of Great Plains Energy common stock for a range of two trading days before and after February 7, 2007, the announcement date) of its common stock issued in connection with the merger, the fair market value of the liabilities of Aquila being assumed by Great Plains Energy in the merger, the amount of cash consideration to be paid to holders of Aquila common stock, the fair value of certain Great Plains Energy options issued to replace Aquila options assumed in connection with the merger and the amount of direct transaction costs associated with the merger as the estimated purchase price of acquiring Aquila. Great Plains Energy will allocate the estimated purchase price to the net tangible and amortizable intangible assets acquired based on their respective fair values at the date of the completion of the merger. Any excess of the estimated purchase price over those fair values will be accounted for as goodwill. Intangible assets with definite lives will be amortized over their estimated useful lives. Goodwill resulting from the business combination will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that Great Plains Energy’s management determines that the value of goodwill has become impaired, the combined company will incur an

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accounting charge for the amount of impairment during the fiscal quarter in which the determination is made.

Dissenters’ or Appraisal Rights

Great Plains Energy

Under the Missouri General and Business Corporation Law (MGBCL), Great Plains Energy stockholders will not have any appraisal or dissenters’ rights as a result of the issuance of additional shares of Great Plains Energy common stock in connection with the merger.

Aquila

Under Delaware law, any Aquila stockholders who does not wish to accept the cash and stock merger consideration provided for in the merger agreement has the right to seek appraisal of their shares of Aquila common stock and to receive payment in cash for the fair value of their Aquila common stock, as determined by a Delaware Court of Chancery, in lieu of the merger consideration. The “fair value” of Aquila common stock as determined by the Court of Chancery may be more or less than, or the same as, the value that the Aquila stockholder is entitled to receive under the terms of the merger agreement. Stockholders who elect to exercise appraisal rights must comply with the provisions of Section 262 of the Delaware General Corporation Law (DGCL), in order to perfect their rights. Strict compliance with the statutory procedures will be required. Failure to follow precisely any of the statutory requirements may result in the loss of appraisal rights. A copy of Section 262 of the DGCL is attached to this proxy statement as Annex I.

This section is intended as a brief summary of the material provisions of the Delaware statutory procedures that a stockholder must follow in order to seek and perfect appraisal rights. This summary, however, is not a complete statement of all applicable requirements, and it is qualified in its entirety by reference to Section 262 of the DGCL, the full text of which appears in Annex I to this proxy statement.

Section 262 requires that stockholders be notified that appraisal rights will be available not less than 20 days before the special meeting to vote on the merger. A copy of Section 262 must be included with such notice. This proxy statement constitutes Aquila’s notice to its stockholders that appraisal rights are available in connection with the merger in compliance with the requirements of Section 262. If Aquila stockholders wish to consider exercising their appraisal rights, they should carefully review the text of Section 262 contained in Annex I because failure to comply timely and properly with the requirements of Section 262 will result in the loss of appraisal rights under Delaware law.

If any Aquila stockholder elects to demand appraisal of their shares, the Aquila stockholder must satisfy each of the following conditions:

- deliver to Aquila a written demand for appraisal of Aquila shares before the vote with respect to the merger is taken, which must reasonably set forth of the identity of the holder of record of Aquila common stock who intends to demand appraisal of his, her or its shares of common stock; and
- not vote in favor of adoption of the merger agreement.

If the Aquila stockholder fails to comply with either of these conditions and the merger is completed, then the stockholder will be entitled to receive payment for their shares of Aquila common stock as provided for in the merger agreement, but will have no appraisal rights with respect to their shares of Aquila common stock. Voting against or failing to vote for adoption of the merger agreement by itself does not constitute a demand for appraisal within the meaning of Section 262. A vote in favor of the adoption of the merger agreement, by proxy or in person, will constitute a waiver of appraisal rights in respect of the shares so voted and will nullify any previously filed written demands for appraisal.

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All demands for appraisal should be addressed to Christopher M. Reitz, Esq., Senior Vice President, General Counsel and Corporate Secretary, Aquila, Inc., 20 West Ninth Street, Kansas City, Missouri 64105, before the vote on the merger is taken at the special meeting. All demands for appraisal should be executed by, or on behalf of, the record holder of the shares of Aquila common stock for which appraisal is sought. The demand must reasonably inform Aquila of the identity of the stockholder and the intention of the stockholder to demand appraisal of his, her or its shares.

To be effective, a demand for appraisal by a stockholder of Aquila must be made by, or in the name of, the registered stockholder, fully and correctly, as the stockholder's name appears on the stockholder's stock certificate(s). The demand cannot be made by the beneficial owner if he or she does not also hold the shares of record. The beneficial holder must, in such cases, have the registered owner submit the required demand in respect of those shares.

If shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made in that capacity; and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner. A record owner, such as a broker, who holds shares as a nominee for others, may exercise his or her right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares as to which appraisal is sought. Where no number of shares is expressly mentioned, the demand will be presumed to cover all shares held in the name of the record owner.

If any Aquila stockholder holds shares of Aquila common stock in a brokerage account or in other nominee form and wishes to exercise appraisal rights, the Aquila stockholder should consult with his or her broker or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.

Within 10 days after the effective date of the merger, Aquila, as the surviving corporation in the merger, must give written notice that the merger has become effective to each Aquila stockholder who has properly filed a written demand for appraisal and who did not vote in favor of the merger. At any time within 60 days after the effective date, any stockholder who has demanded an appraisal has the right to withdraw the demand and to accept the payment specified by the merger agreement for that stockholder's shares of Aquila common stock. Within 120 days after the effective date, either the surviving corporation or any stockholder who has complied with the requirements of Section 262 may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares held by all stockholders entitled to appraisal. The surviving corporation has no obligation to file such a petition if there are dissenting stockholders. Accordingly, the failure of a stockholder to file such a petition within the period specified could nullify the stockholder's previous written demand for appraisal. Within 120 days after the effective date of the merger or consolidation, any stockholder who has demanded appraisal, upon written request, is also entitled to receive from Great Plains Energy, as the surviving corporation in the merger, a statement setting forth the aggregate number of shares not voted in favor of the merger, which demands for appraisal have been received and the aggregate number of holders of such shares. Great Plains Energy must mail such statement to the stockholder within 10 days after such stockholder's written request for such a statement is received by it or within 10 days after expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for appraisal is duly filed by a stockholder and a copy of the petition is delivered to Great Plains Energy, as the surviving corporation, then the surviving corporation will be obligated, within 20 days after receiving service of a copy of the petition, to provide the Court of Chancery with a duly verified list containing the names and addresses of all stockholders who have demanded an

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appraisal of their shares. After notice to stockholders who have demanded appraisal, the Court of Chancery is empowered to conduct a hearing upon the petition and to determine those stockholders who have complied with Section 262 and who have become entitled to the appraisal rights provided by Section 262. The Court of Chancery may require stockholders who have demanded payment for their shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; if any stockholder fails to comply with that direction, the Court of Chancery may dismiss the proceedings as to that stockholder.

After determination of the stockholders entitled to appraisal of their shares of Aquila common stock, the Court of Chancery will appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest. When the value is determined, the Court of Chancery will direct the payment of such value upon surrender by those stockholders of the certificates representing their shares. The Court of Chancery may determine to direct the surviving corporation to pay interest on the fair value accrued while the appraisal proceeding was pending to the stockholders who exercised their appraisal rights.

In determining fair value, the Court of Chancery is required to take into account all relevant factors. Aquila stockholders should be aware that the fair value of Aquila shares as determined under Section 262 could be more or less than, or the same as, the value that Aquila stockholders are entitled to receive under the terms of the merger agreement. Stockholders also should be aware that investment banking opinions as to the fairness from a financial point of view of the consideration payable in a merger are not opinions as to fair value under Section 262.

Costs of the appraisal proceeding may be imposed upon the surviving corporation and the stockholders participating in the appraisal proceeding by the Court of Chancery as the Court of Chancery deems equitable in the circumstances. Upon the application of a stockholder, the Court of Chancery may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal. Any Aquila stockholder who had demanded appraisal rights will not, after the effective date of the merger, be entitled to vote shares subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares, other than with respect to payment as of a record date prior to the effective date of the merger; however, if no petition for appraisal is filed within 120 days after the effective date of the merger, or if the stockholder delivers a written withdrawal of that stockholder's demand for appraisal and an acceptance of the merger within 60 days after the effective date of the merger, then the right of that stockholder to appraisal will cease and that stockholder will be entitled to receive the merger consideration for shares of the stockholder's Aquila common stock pursuant to the merger agreement. Any withdrawal of a demand for appraisal made more than 60 days after the effective date of the merger may only be made with the written approval of the surviving corporation and must, to be effective, be made within 120 days after the effective date.

In view of the complexity of Section 262, stockholders who may wish to pursue appraisal rights should consult their legal advisors.

Principal Corporate Offices

After completion of the merger, Great Plains Energy will maintain its headquarters and principal corporate offices in Kansas City, Missouri.

Workforce and Employee Benefit Matters

Continuation of Agreements

Following the merger, Great Plains Energy will cause the combined company to honor Aquila's compensation and benefit plans and any collective bargaining agreements to which Aquila or its subsidiaries are a party. In addition, from the date of the merger until the end of the calendar year

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following the year in which the merger occurs, Great Plains Energy will cause the combined company to provide employees of Aquila and its subsidiaries who are not covered by a collective bargaining agreement with compensation and employee benefits that are no less favorable in the aggregate than provided to those employees immediately before the merger (excluding certain benefits, such as equity or equity based compensation and change in control or retention payments). For purposes of determining eligibility to participate and vesting under employee benefit plans of Aquila or the combined company following the merger, Great Plains Energy will generally give employees of Aquila and its subsidiaries credit for service with Aquila prior to the merger, generally allow such employees to immediately participate in the plans without waiting times, pre-existing condition exclusions or proof of insurability requirements and will recognize eligible co-payments and deductibles under the new plan.

Effect of Merger on Equity Awards

At the time of the merger, each outstanding Aquila stock option will be converted into an option to acquire, on the same terms and conditions as were applicable under such Aquila stock option, including vesting (taking into account any acceleration of vesting that may occur as a result of the transactions contemplated by the merger agreement), shares of Great Plains Energy common stock, with the number of shares subject to the option and the per share exercise price being equitably adjusted to preserve the economic value of the option. Likewise, at the time of the mergers each other award denominated in Aquila common stock will be equitably adjusted into an award which relates to Great Plains Energy common stock. In general, the adjusted Aquila options and equity awards will remain subject to their other terms and conditions (including vesting schedules) following the merger, including those terms and conditions which provide for accelerated vesting of these awards in connection with the merger.

Restriction on Sales of Shares of Great Plains Energy Common Stock Received in the Merger

The shares of Great Plains Energy common stock to be issued in connection with the merger will be registered under the Securities Act and will be freely transferable, except for shares of Great Plains Energy common stock issued to any person who is deemed to be an “affiliate” of Aquila prior to the merger. Persons who may be deemed to be “affiliates” of Aquila prior to the merger include individuals or entities that control, are controlled by, or are under common control of Aquila, prior to the merger, and may include officers and directors, as well as principal stockholders of Aquila, prior to the merger. Affiliates of Aquila will be notified separately of their affiliate status.

Persons who may be deemed to be affiliates of Aquila prior to the merger may not sell any of the shares of Great Plains Energy common stock received by them in connection with the merger except pursuant to:

- an effective registration statement under the Securities Act covering the resale of those shares;
- an exemption under paragraph (d) of Rule 145 under the Securities Act; or
- any other applicable exemption under the Securities Act.

Great Plains Energy’s registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, does not cover the resale of shares of Great Plains Energy common stock to be received in connection with the merger by persons who may be deemed to be affiliates of Aquila prior to the merger.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS
AND EXECUTIVE OFFICERS

Security Ownership of Certain Beneficial Owners and Management of Great Plains Energy

The following table shows beneficial ownership of Great Plains Energy common stock by the directors, the Named Executive Officers, and all executive officers of Great Plains Energy as of May 1, 2007. The total of all shares owned by directors and executive officers represents less than 1% of Great Plains Energy’s outstanding shares. Great Plains Energy management has no knowledge of any person (as defined by the SEC) who owns beneficially more than 5% of its common stock.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned(1)
Named Executive Officers	
Michael J. Chesser	137,283
William H. Downey	108,453
Terry Bassham	40,075
Shahid Malik	27,315
John R. Marshall	55,026
Non-Management Directors	
David L. Bodde	13,317(2)
Mark A. Ernst	11,215
Randall C. Ferguson, Jr.	6,402
William K. Hall	14,946
Luis A. Jimenez	8,160
James A. Mitchell	7,685
William C. Nelson	7,685(3)
Linda H. Talbott	13,318
Robert H. West	10,142(4)
All directors and executive officers as a group (17 persons)	561,457

- (1) Includes restricted stock with restricted reinvested dividend shares and exercisable non-qualified stock options.
 - **Restricted Stock:** Chesser—111,807 shares; Downey—73,715 shares; Bassham—38,882 shares; Malik—14, 986 shares; Marshall—50,794 shares; all other executives—83,043 shares
 - **Exercisable Non-Qualified Stock Options:** Downey—45,249 shares; all other executives—22,761 shares
- (2) The nominee disclaims beneficial ownership of 1,000 shares reported and held by nominee’s mother.
- (3) The nominee disclaims beneficial ownership of 62 shares reported and held by nominee’s wife.
- (4) The nominee disclaims beneficial ownership of 1,000 shares reported and held by nominee’s wife.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Great Plains Energy directors, executive officers and person who own more than 10% of Great Plains Energy common stock to file reports of holdings and transactions in our common stock with the SEC. Based upon its records, Great Plains Energy believes that all required reports for 2006 have been timely filed.

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Security Ownership of the Directors and Executive Officers of Aquila

The following table shows beneficial ownership of Aquila common stock by the directors and named executive officers of Aquila as of May 1, 2007. In general, “beneficial ownership” includes those shares a director or named executive officer has sole or shared power to vote or transfer, and stock options that are currently exercisable or that are exercisable within 60 days. The total of all shares beneficially owned by the directors and named executive officers of Aquila represents, as of May 1, 2007, less than 1% of the outstanding shares of Aquila common stock.

Name of Beneficial Owner	Issued Shares Beneficially Owned	Exercisable Stock Options	Total Beneficial Ownership
Beth A. Armstrong	16,556	54,296	70,852
Herman Cain	60,444	0	60,444
Michael M. Crow	30,625	0	30,625
Jon R. Empson	70,600	51,850	122,450
Richard C. Green	688,371(1)	565,962	1,254,333
Irvine O. Hockaday, Jr.	58,793	0	58,793
Heidi E. Hutter	49,387	0	49,397
Stanley O. Ikenberry	52,397	0	52,397
Patrick J. Lynch	28,500	0	28,500
Leo E. Morton	52,805	86,000	138,805
Christopher M. Reitz	0	22,900	22,900
Nicholas J. Singer	7,500	0	7,500
Directors and Executive Officers as a group (13 persons) . . .	1,139,721	839,822	1,979,543

(1) Includes 13,556 shares held in trusts over which Mr. Green has voting and investment control.

Stock Ownership of Certain Beneficial Owners of Aquila

Set forth below are the only persons or groups known to Aquila to beneficially own five percent or more of Aquila’s outstanding common stock, as of December 31, 2006.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
Horizon Asset Management, Inc. 470 Park Avenue South New York, NY 10016	71,558,915	19.1
Advisory Research, Inc. Two Prudential Plaza 180 North Stetson Avenue, Suite 5500 Chicago, IL 60601	21,062,345	5.6

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REGULATORY MATTERS

To complete the Transactions, Aquila and Great Plains Energy must obtain approvals or consents from, or make filings with a number of U.S. federal and state public utility, antitrust and other regulatory authorities. The material U.S. federal and state approvals, consents and filings are described below. Aquila and Great Plains Energy are not currently aware of any other material governmental consents, approvals or filings that are required prior to the parties’ consummation of the Transactions other than those described below. If additional approvals, consents and filings are required to complete the Transactions, Aquila and Great Plains Energy contemplate that those consents, approvals and filings will be sought or made.

Aquila and Great Plains Energy will seek to consummate the Transactions by the first quarter of 2008. Although Aquila and Great Plains Energy believe that they will receive the required consents and approvals described below to complete the Transactions, there can be no assurance as to the timing of these consents and approvals or as to Aquila’s and Great Plains Energy’s ultimate ability to obtain those consents or approvals (or any additional consents or approvals which may otherwise become necessary) or that those consents or approvals will be obtained on terms and subject to conditions satisfactory to Great Plains Energy and Aquila.

Hart-Scott Rodino Act

The Transactions are subject to the requirements of the HSR Act, and the rules and regulations promulgated thereunder, which provide that certain acquisition transactions may not be consummated until required information has been furnished to the Antitrust Division of the Department of Justice and the FTC and until certain waiting periods have been terminated or have expired. The termination of the HSR Act waiting period does not preclude the Antitrust Division or the FTC from challenging the Transactions on antitrust grounds and seeking to preliminarily or permanently enjoin the proposed Transactions. Neither Great Plains Energy nor Aquila believes that the Transactions will violate federal antitrust laws, but there can be no guarantee that the Antitrust Division or the FTC will not take a different position. If the Transactions are not consummated within 12 months after the termination of the initial HSR Act waiting period, Great Plains Energy and Aquila will be required to submit new information to the Antitrust Division and the FTC, and a new HSR Act waiting period will have to expire or be earlier terminated before the Transactions could be consummated.

Federal Power Act

Section 203 of the Federal Power Act, or FPA, provides that no public utility may sell or otherwise dispose of its jurisdictional facilities, directly or indirectly merge or consolidate its jurisdictional facilities with those of any other person, or acquire any security of any other public utility without first having obtained authorization from the FERC. Because Aquila and Great Plains Energy own “jurisdictional facilities” under the Federal Power Act, the approval of the FERC under Section 203 is required before Aquila and Great Plains Energy may consummate the Transactions. Section 203 provides that the FERC is required to grant its approval if the Transactions are found to be “consistent with the public interest.”

The FERC stated in its 1996 Merger Policy Statement that, in analyzing a merger under Section 203, it will evaluate the following criteria:

- the effect of the merger on competition in electric power markets;
- the effect of the merger on the applicants’ wholesale rates; and
- the effect of the merger on state and federal regulation of the applicants.

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In addition, under amendments to Section 203 of the FPA that were implemented under the Energy Policy Act of 2005, FERC now also is required to consider whether a jurisdictional transaction will result in the cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company and, if so, FERC may not approve the transaction unless FERC determines that the cross-subsidization, pledge or encumbrance will be consistent with the public interest.

The FERC will review these factors to determine whether the Transactions are consistent with the public interest. If the FERC finds that the Transactions would adversely affect competition, wholesale rates, or regulation, or that it will result in the cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company that is not in the public interest, it may, pursuant to the FPA, deny approval of the Transactions or impose remedial conditions intended to mitigate such effects. In the event the FERC chooses to impose remedial conditions, Aquila and Great Plains Energy would then review those conditions that would have a material adverse effect and decide whether to accept them. Based on FERC precedent, Aquila and Great Plains Energy believe that the Transactions should satisfy the FERC's merger guidelines and that any mitigation conditions imposed by the FERC would not have a material adverse effect on the anticipated benefits of the Transactions. However, there can be no guarantee that the FERC will agree with the parties' characterization of FERC precedent or that the FERC will not change its analytic framework in a manner adverse to the parties.

State Regulatory Approvals

Great Plains Energy (through its KCP&L subsidiary) is currently subject to regulation by the utility commissions of Missouri and Kansas. Aquila is currently subject to regulation by the public utility commissions of Missouri, Iowa, Nebraska, Kansas and Colorado. The following is a brief description of state regulatory jurisdiction over the Transactions and required approvals:

- Great Plains Energy, KCP&L, a wholly-owned subsidiary of Great Plains Energy, and Aquila are subject to regulation by the MPSC. Missouri law confers upon the MPSC jurisdiction to review and approve the acquisition of Aquila by Great Plains Energy. The statutory standard that the MPSC will use to review the merger is whether the merger "is not detrimental to the public interest," although the MPSC has recently articulated that standard to mean a "no net detriment" standard. The companies filed a joint application with the MPSC on April 4, 2007.
- Great Plains Energy and KCP&L also are subject to regulation by the KCC. These two companies have previously entered into a stipulation that obligate the companies to obtain KCC approval of the proposed acquisition. Aquila is also subject to regulation by the KCC under a law that requires Aquila to obtain KCC approval of the merger. The statutory standard the KCC will use to review the merger is whether the merger is "in the public interest." The companies filed a joint application with the KCC on April 4, 2007.
- Aquila is also subject to regulation by the KCC under a "standstill" order dated June 26, 2003, as amended and modified. Under the "standstill" order, KCC approval is, subject to certain exceptions, required for the sale of any of Aquila's regulated utility assets. On February 26, 2007, Aquila (i) filed a motion with the KCC requesting a waiver to the "standstill" provisions applicable to the merger and Asset Sale, other than the sale of Aquila's Kansas gas utility operations to Black Hills, and (ii) entered into a stipulation and agreement with the KCC Staff in respect of Aquila's motion for a waiver of the "standstill" provisions, so that Aquila would not need KCC approval to sell its regulated operations in Colorado, Iowa and Nebraska. On March 19, 2007, Aquila and the KCC Staff filed a joint motion with the KCC requesting approval of the aforementioned stipulation and agreement. On April 4, 2007, the KCC approved

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the settlement and agreement entered into by Aquila and the KCC Staff, which effectively grants to Aquila the waiver requested under the “standstill” order.

In the MPSC application, the companies have requested that Aquila be authorized to use an additional amortization mechanism to maintain credit ratios once Aquila achieves financial metrics necessary to support an investment-grade credit rating. Aquila and KCP&L also requested authorization to amortize transaction and incremental transition-related costs over five years, and to collectively retain for a five year period 50 percent of the estimated synergy savings resulting from the transaction. The companies are not seeking to recover any acquisition premium. In the KCC application, the companies requested similar regulatory treatment of costs and synergies only for KCP&L; no regulatory treatment was requested for Aquila, as it will be selling its non-Missouri utility operations to Black Hills immediately before the merger closes. Aquila further requested approval in Missouri to distribute to Great Plains Energy approximately \$677 million of the proceeds from the sale of its non-Missouri utility operations to Black Hills to fund substantially all of the cash portion of the merger consideration payable to its shareholders by Great Plains Energy.

The sharing of the anticipated merger related savings and related costs to achieve such savings allocated among various ratepayers and the stockholders of Great Plains Energy will either be considered by the MPSC and KCC as a part of their respective merger proceedings or will be considered by them as a part of future rate proceedings. In that regard, Aquila is obligated under the merger agreement, if certain financial metrics are not achieved as of the end of any quarter in 2007, to file a rate case at the MPSC before the merger is closed seeking the regulatory relief requested in the MPSC joint application, effective as of the consummation of the merger. Aquila and Great Plains Energy will seek to work with each state utility commission in a collaborative process to allocate merger related savings and costs applicable to each jurisdiction between ratepayers and stockholders.

The state public utility commissions of Colorado, Iowa and Nebraska also currently have regulatory jurisdiction over Aquila’s utility assets and operations to be sold by Aquila to Black Hills. However, those commissions will not have jurisdiction over Aquila following the completion of the Asset Sale, which must occur prior to the consummation of the merger. As a result, the approval of the state public utility commissions of Colorado, Iowa and Nebraska will be required to consummate the Asset Sale, but not the merger. Due to the cross-contingent nature of the merger and the Asset Sale, the following is a brief description of state regulatory jurisdiction over the Asset Sale and required approvals:

- Aquila is subject to regulation by the Colorado Public Utilities Commission, or CPUC. Colorado law confers upon the CPUC jurisdiction to review and approve the sale of utility assets of any “public utility” subject to the CPUC’s jurisdiction. The sale of Aquila’s jurisdictional electric and gas utility assets in Colorado to Black Hills will, therefore, require CPUC approval. The statutory standard the CPUC will use to review the Asset Sale is whether the transaction “is not contrary to the public interest.” Aquila and Black Hills filed a joint application for approval of the Asset Sale, to the extent it relates to Aquila’s Colorado gas and electric utility assets, with the CPUC on April 4, 2007.
- Aquila is subject to regulation by the Iowa Utilities Board, or IUB. Iowa law confers upon the IUB jurisdiction to review and approve the reorganization (including by merger or otherwise) of any “public utility” subject to the IUB’s jurisdiction. The sale of Aquila’s jurisdiction gas utility assets in Iowa to Black Hills will, therefore, require IUB approval. The statutory standard the IUB will use to review the Asset Sale is whether the transaction “is not detrimental to the public.” Aquila and Black Hills filed a joint application for approval of the Asset Sale, to the extent it relates to Aquila’s Iowa gas utility assets, with the IUB on April 4, 2007.
- Aquila is subject to regulation by the KCC. Kansas law confers upon the KCC jurisdiction to review and approve the transfer of utility assets of any “public utility” subject to the KCC’s

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jurisdiction. The sale of Aquila’s jurisdictional gas utility assets in Kansas to Black Hills will, therefore, require KCC approval. The statutory standard the KCC will use to review the Asset Sale is whether the transaction “promotes the public interest.” Aquila and Great Plains Energy filed a joint application for approval of the Asset Sale, to the extent it relates to Aquila’s Kansas gas utility assets, with the KCC on April 4, 2007.

- Aquila is subject to regulation by the Nebraska Public Service Commission, or NPSC. Nebraska law confers upon the NPSC the jurisdiction to review and approve the transfer of utility assets of any “public utility” subject to the NPSC’s jurisdiction. The sale of Aquila’s jurisdictional gas utility assets in Nebraska to Black Hills will, therefore, require NPSC approval. The statutory standard the NPSC will use to review the Asset Sale is whether the transaction “does not adversely affect the utility’s ability to serve ratepayers.” Aquila and Black Hills filed a joint application for approval of the Asset Sale, to the extent it relates to Aquila’s Nebraska gas utility assets, with the NPSC on April 4, 2007.

In the MPSC application relating to the merger, Aquila and Great Plains Energy requested approval of certain aspects of the Asset Sale, to the extent assets included in the Asset Sale have previously been deemed “necessary or useful” for Aquila’s Missouri utility operations.

Federal Communications Commission

Under the provisions of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, an entity holding licenses for the provision of telecommunications services must obtain the approval of the FCC before the transfer of control or assignment of those licenses. Affiliates of both Great Plains Energy and Aquila hold certain FCC licenses for the provision of telecommunications services in the U.S. and, thus, must obtain prior FCC approval to assign or transfer control of those licenses. Obtaining FCC approval is not a condition to closing of the merger or the Asset Sale.

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THE MERGER AGREEMENT AND OTHER TRANSACTION AGREEMENTS

The following is a summary of the material terms of the merger agreement and Asset Sale Agreements. This summary does not purport to describe all the terms of the merger agreement and is qualified in its entirety by reference to the complete merger agreement, asset purchase agreement and partnership interests purchase agreement, which are attached as Annexes A, B and C to this joint proxy statement/prospectus and incorporated by reference herein. All stockholders of Great Plains Energy and Aquila are urged to read the merger agreement carefully and in its entirety to understand the rights and obligations of Great Plains Energy and Aquila under the merger agreement.

The Transactions

The Asset Sale

Black Hills is acquiring Aquila’s gas and Colorado electric utility assets under the Asset Sale Agreements for a total of \$940 million in cash, subject to adjustment. Specifically, under the terms of the asset purchase agreement, Black Hills will purchase from Aquila its natural gas utility assets in Iowa, Nebraska and Kansas for \$600 million in cash, subject to adjustment. Also, under the terms of the partnership interests purchase agreement, Aquila and its wholly-owned subsidiary Aquila Colorado, LLC will form two limited partnerships, to which Aquila will contribute its Colorado electric and natural gas utility assets. Aquila and Aquila Colorado, LLC will then sell the ownership interests in the two limited partnerships to Black Hills and one or more of its subsidiaries for an aggregate purchase price of \$340 million in cash, subject to adjustment. The \$940 million base purchase price is subject to adjustment if, among other things, actual working capital varies from projected working capital of \$63 million, and actual capital expenditures varies from 2007 estimated capital expenditures of \$62.1 million, and, depending on when the Asset Sale closes in 2008, 2008 estimated capital expenditures of \$64.4 million.

The Merger

Immediately following the completion of the Asset Sale, at the effective time of the merger, Gregory Acquisition Corp. will be merged with and into Aquila in accordance with the DGCL. Aquila will be the surviving corporation and will continue its corporate existence under the laws of Delaware and will succeed to and assume all of the rights and obligations of Gregory Acquisition Corp. in accordance with the DGCL. As a result of the merger, Aquila will become a wholly-owned subsidiary of Great Plains Energy.

Timing of Closing

The closing of the Transactions will take place at 10:00 A.M, New York time, on the first business day after satisfaction or waiver of the conditions to closing set forth in the merger agreement, asset purchase agreement and partnership interests purchase agreement (other than those conditions that by their terms are to be satisfied at the closing, but subject to the satisfaction or waiver or such conditions at the time of closing), unless another time or date is agreed to by the parties. Because the closing of the merger can occur only following the closing of the Asset Sale, any occurrence which prevents the Asset Sale from closing (whether in accordance with the terms of the asset purchase agreement or partnership interests purchase agreement, or involving a breach by one of the parties) would also prevent the merger.

The closing of the Transactions will be held at Fried Frank’s offices at One New York Plaza, New York, New York 10004.

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Merger Consideration

Conversion of Aquila Common Stock in the Merger

At the effective time of the merger, each issued and outstanding share of Aquila common stock (other than those shares to be canceled) will be converted into the right to receive \$1.80 in cash and 0.0856 of a fully paid and nonassessable share of Great Plains Energy common stock.

Cancellation of Certain Aquila Common Stock in the Merger

At the effective time of the merger, each share of Aquila common stock that is owned by Aquila or Great Plains Energy immediately prior to the effective time of the merger will automatically be canceled and no consideration will be delivered in exchange therefor.

Procedures for Exchange of Share Certificates; Fractional Shares

Great Plains Energy will choose an exchange agent with Aquila's approval. At the effective time of the merger, Great Plains Energy will deposit with the exchange agent certificates of Great Plains Energy common stock to be exchanged for shares of common stock of Aquila and cash to be paid in exchange for shares of common stock of Aquila. As soon as is practicable after the effective time of the merger, the exchange agent will mail to each holder of record (as of the effective time of the merger) who is entitled to receive the merger consideration a letter of transmittal and instructions for use in surrendering the certificates in exchange for whole shares of Great Plains Energy common stock, cash in lieu of fractional shares, the cash portion of the consideration, and any dividends or other distributions payable on the shares of Great Plains Energy common stock to be exchanged for shares of common stock of Aquila.

Upon surrender of a certificate for cancellation to the exchange agent, together with such letter of transmittal, duly executed, the holder will be entitled to receive in exchange therefor a certificate representing the number of whole shares of Great Plains Energy common stock, and a check in the amount (net of required tax withholdings) of the cash merger consideration, cash in lieu of fractional shares and certain other dividends or distributions, that the holder is entitled to receive. In the event of a transfer of ownership of Aquila common stock that is not registered in the transfer records of Aquila, the proper number of shares of Great Plains Energy common stock and a check for the proper amount of cash may be issued to a person other than the person in whose name the certificate so surrendered is registered if such certificate is properly endorsed or otherwise in proper form for transfer and the person requesting such issuance will pay any transfer or other taxes required by reason of the issuance of shares of Great Plains Energy common stock to a person other than the registered holder of such certificate or establish to the satisfaction of Great Plains Energy or the exchange agent that such tax has been paid or is not applicable. Until surrendered as described, each certificate will be deemed at any time after the effective time of the merger to represent only the right to receive the merger consideration upon such surrender which the holder has the right to receive. No interest will be paid or will accrue on any consideration payable to holders of certificates.

Great Plains Energy will not issue any fractional shares of its common stock upon the surrender of certificates. Holders of Aquila common stock will receive cash in lieu of fractional shares.

Conditions to the Completion of the Transactions

The merger agreement contains customary closing conditions, including the following closing conditions that apply to the obligations of both Great Plains Energy and Aquila:

- Aquila stockholder approval of the merger agreement, and Great Plains Energy stockholder approval of the issuance of Great Plains Energy common stock in the merger;

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- the approval for listing on the NYSE of the shares of common stock of Great Plains Energy that will be issuable to holders of Aquila common stock pursuant to the merger;
- the absence of laws preventing the consummation of the merger the violation of which would reasonably be expected to have significant impact on Great Plains Energy or Aquila, after giving effect to the Asset Sale, and the absence of a court order or injunction which effects or enjoins the consummation of the merger;
- the receipt of certain required consents with respect to the merger and the Asset Sale from the FERC and state utility regulators, without the imposition of terms or conditions which would reasonably be expected to result in the imposition of restrictions on Aquila effective before the consummation of the merger, or be materially adverse to Aquila and its subsidiaries (after giving effect to the Asset Sale), Great Plains Energy and its subsidiaries, or the businesses to be purchased by Black Hills, in each case, taken as a whole;
- the termination or expiration of the applicable waiting period under the HSR Act;
- the effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part and the absence of a stop order suspending its effectiveness;
- the accuracy of the representations and warranties of the other party and of Black Hills, except where such failure to be true and accurate would not have a material adverse effect;
- the performance in all material respects of the other party's obligations under the merger agreement;
- the receipt of the required closing certificates from the other and from Black Hills; and
- the absence of any change, event, occurrence or development that, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on the other party (as defined in the merger agreement).

In addition, the Asset Sale must have occurred.

Termination of the Agreements

The merger agreement may be terminated at any time prior to the completion of the merger, whether before or (unless otherwise noted below) after the Great Plains Energy and Aquila stockholder votes regarding the transactions:

- by mutual written consent of Great Plains Energy, Aquila and Black Hills;
- by either Great Plains Energy or Aquila (provided that a party whose material breach of its obligations under the merger agreement has proximately contributed to the failure of the merger to be consummated will not have the right to terminate the merger agreement) if:
 - the merger has not been consummated by the first anniversary of the date of the merger agreement; provided that if either party determines that additional time is necessary to obtain required regulatory approvals for the merger or the Asset Sale, or if all of the conditions to Great Plains Energy's obligations to consummate the merger have been satisfied or shall be then capable of being satisfied other than the closing of the Asset Sale, such party may extend the termination date up to the 18-month anniversary of the date of the merger agreement;
 - the Aquila stockholders do not approve the merger agreement, or the Great Plains Energy stockholders do not approve the stock issuance;

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- any final and nonappealable order by any court in the U.S. permanently enjoining the consummation of the merger is in effect;
- either of the Asset Sale Agreements is terminated in accordance with its terms;
- the other party breaches the merger agreement, one of such party's representations or warranties becomes untrue after the date of the merger agreement or the other party fails to perform its obligations in any material respect which breach or failure to perform would give rise to the failure to satisfy the closing conditions and such breach or failure to perform is not or cannot be cured before the termination date (as extended);
- by either Great Plains Energy or Aquila, prior to the approval of the merger agreement or the stock issuance, as applicable, by the other party's stockholders, if the board of directors of the other party:
 - publicly withholds or withdraws, or publicly proposes to withhold or withdraw, its recommendation of the merger agreement or the stock issuance, as applicable;
 - fails to reaffirm its recommendation of the merger agreement or the stock issuance, as applicable, within 15 business days of the receipt of a written request for reaffirmation of such recommendation from the other party when such party has received and not rejected an acquisition proposal, provided that the 15-business-day period will be extended for an additional 15 business days following any material modification to the acquisition proposal occurring after the receipt of the written request to reaffirm. In addition, the 15-business day period will recommence, following the receipt of a written request from the other party, each time an acquisition proposal is made by a person that had not previously made an acquisition proposal; or
 - has approved or recommended, or publicly proposed to approve or recommend, an acquisition proposal.
- by either Great Plains Energy's or Aquila's board of directors prior to the approval of the merger agreement or the stock issuance, as applicable, by such party's stockholders, if such party's board of directors approves a superior proposal and authorizes such party to enter into a binding written agreement with respect to that superior proposal.

An "acquisition proposal" means a proposal or offer by a party other than Aquila or Great Plains Energy, as applicable, to acquire in any manner, including by merger, consolidation, tender offer or otherwise, directly or indirectly, 20% or more of the common stock or consolidated assets (including equity interests of subsidiaries) of Aquila or Great Plains Energy, as applicable.

A "superior proposal" means a bona fide acquisition proposal for at least 50% of the common stock or consolidated assets (including equity interests of subsidiaries) of Aquila or Great Plains Energy that such party's board of directors determines in good faith (after consultation with its financial advisors and outside legal counsel) is reasonably expected to be consummated in accordance with its terms, taking into account all legal, financial and regulatory aspects of the proposal and the person making the proposal and, if consummated, would result in a transaction more favorable to the stockholders of such party from a financial point of view than the Transactions, after taking into account any changes to the terms of the merger agreed to by Great Plains Energy and Black Hills.

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Termination Fees

Under the circumstances described below, Great Plains Energy or Aquila, as applicable, would be required to pay a termination fee of \$45 million to the other party under the merger agreement. Under the Asset Sale Agreements, in the case a termination fee payable by Aquila under the merger agreement, Great Plains Energy will reimburse Black Hills for up to \$15 million of its expenses in connection with the Transactions; in the case of a termination fee payable by Great Plains Energy, the full termination fee would be paid to Aquila and Great Plains Energy would additionally reimburse Black Hills for up to \$15 million of its expenses in connection with the Transactions under the Asset Sale Agreements.

Aquila will pay the termination fee to Great Plains Energy and Black Hills if the merger agreement is terminated:

- by Aquila prior to the approval of the merger agreement by Aquila’s stockholders if Aquila’s board of directors approves a superior proposal;
- by Great Plains Energy prior to the approval of the merger agreement by Aquila’s stockholders if Aquila’s board of directors fails to reaffirm its recommendation of the merger agreement within 15 business days of the receipt of a written request for reaffirmation of such recommendation from Great Plains Energy when Aquila has received and not rejected an acquisition proposal; or
- because the merger has not been consummated by the termination date (as it may be extended), the approval of the merger agreement is not obtained at a duly convened meeting of Aquila’s stockholders or Aquila has materially breached any of its representations, warranties, covenants or agreements and such breach cannot be or is not cured by the termination date; provided, that prior to such termination, a third party has made an acquisition proposal for 50% or more of Aquila’s common stock or assets, within nine months of the termination any third party has acquired a majority of Aquila’s stock, or Aquila has entered into binding agreements with respect to or consummated an acquisition proposal for 50% or more of Aquila’s common stock or assets.

Great Plains Energy will pay the termination fee to Aquila if the merger agreement is terminated:

- by Great Plains Energy prior to the approval of the share issuance by Great Plains Energy’s stockholders if Great Plains Energy’s board of directors approves a superior proposal;
- by Aquila prior to the approval of the share issuance by Great Plains Energy’s stockholders if Great Plains Energy’s board of directors fails to reaffirm its recommendation of the share issuance within 15 business days of the receipt of a written request for reaffirmation of such recommendation from Aquila when Great Plains Energy has received and not rejected an acquisition proposal; or
- because the merger has not been consummated by the termination date (as it may be extended), the approval of the merger agreement is not obtained at a duly convened meeting of Aquila’s stockholders or Great Plains Energy has materially breached any of its representations, warranties, covenants or agreements and such breach cannot be or is not cured by the termination date; provided, that prior to such termination, a third party has made an acquisition proposal for 50% or more of Great Plains Energy’s common stock or assets, within nine months of the termination any third party has acquired a majority of Great Plains Energy’s stock, or Great Plains Energy has entered into binding agreements with respect to or consummated an acquisition proposal for 50% or more of Great Plains Energy’s common stock or assets.

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No Solicitation

Aquila, Great Plains Energy, their subsidiaries, and their respective officers, directors and representatives may not:

- initiate, solicit or knowingly facilitate or encourage, any inquiries or proposal that is or is reasonably expected to constitute an acquisition proposal;
- participate in negotiations regarding, or provide non-public information to anyone who has made, or proposes to make, an acquisition proposal;
- provide access to the properties, books or records of such party to anyone that has made, or that such party knows is considering making, an acquisition proposal;
- except as described below, enter into any agreement or understanding with respect to an acquisition proposal; or
- except as described below, propose publicly or agree to any of the foregoing.

Notwithstanding this prohibition, at any time prior to the approval of a party's stockholders, that party's board of directors may:

- provide information in response to a request by a third party who has made a bona fide written acquisition proposal that was not solicited or encouraged in violation of the nonsolicitation obligation provided that the party requesting the information executes a confidentiality agreement no more favorable in any material respect to that party than the confidentiality agreement between Great Plains Energy and Aquila and provided that all information provided to such third party must concurrently be provided to Great Plains Energy and Black Hills, or Aquila, as applicable, if not previously provided; and
- engage in negotiations with a third party who has made a bona fide written acquisition proposal that was not solicited or encouraged in violation of the nonsolicitation obligation, if the board of directors of the party entering into the negotiations determines in good faith (after consultation with outside legal counsel and financial advisors) that failure to take this action would be inconsistent with the its fiduciary duties, and that the acquisition proposal either is, or is reasonably likely to lead to, a superior proposal.

Except as set forth below, neither Great Plains Energy's board of directors or Aquila's board of directors, nor any committee may:

- withhold or withdraw its recommendation in favor of the merger agreement or the stock issuance, as applicable, or approve or recommend to that party's stockholders an acquisition proposal; or
- allow that party to enter into an agreement or understanding with respect to an acquisition proposal.

Notwithstanding these prohibitions, at any time prior to receipt of a party's stockholder approval, the board of directors of that party may, if it determines in good faith, after consulting with its financial advisors and outside counsel, that the failure to take such action would be inconsistent with its fiduciary obligations under applicable law:

- withhold or withdraw its recommendation in favor of the merger agreement or the stock issuance, as applicable; or
- approve or recommend to the party's stockholders a superior proposal, but only if such party notifies the other party in writing six business days in advance of its intention to take this action and during that six-business-day period, Great Plains Energy and Black Hills, or Aquila, as

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applicable, will be allowed to propose changes to the terms of the Transactions and the parties will negotiate in good faith with respect to such modifications, and the superior proposal may only be accepted if it remains a superior proposal as compared to the terms of the Transactions taking into account the modifications the parties may agree to during the six-business-day period.

Great Plains Energy and Aquila must promptly (and within 36 hours) notify each other (and Black Hills, in the case of Aquila) orally and in writing, of any:

- inquiries, proposals or offers with respect to an acquisition proposal,
- requests for non-public information from a third party who has made, or proposes to make, an acquisition proposal, or
- discussions or negotiations which are sought to be initiated or continued by a third party who has made, or proposes to make, an acquisition proposal.

Expenses

All expenses incurred in connection with the merger will be paid by the party incurring such expenses, whether or not the merger is consummated, except that each of Great Plains Energy and Aquila will bear and pay one-half of the filing fees for the premerger notification and report forms under the HSR Act and the costs and expenses incurred in connection with the printing and mailing of the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part. Great Plains Energy will reimburse Aquila’s reasonable out-of-pocket expenses in connection with assistance provided by Aquila in preparing financial information to be used in financings transactions undertaken by Great Plains Energy on or prior to the consummation of the merger. Great Plains Energy and Black Hills will reimburse Aquila’s reasonable out-of-pocket expenses incurred at the request of Great Plains Energy or Black Hills in connection with preparing to perform the transition services agreement between Great Plains Energy and Black Hills.

Amendment; Extension and Waiver

The merger agreement may be amended in writing by the parties at any time before the effective time of the merger by Aquila, Great Plains Energy and Gregory Acquisition Corp., provided that Black Hills must also consent to any amendment that would adversely affect its rights or obligations.

Any agreement on the part of a party to any waiver will be valid only if set forth in an instrument in writing signed on behalf of that party. The failure of any party to the merger agreement to assert any of its rights under the merger agreement or otherwise will not constitute a waiver of such rights.

Representations and Warranties

The merger agreement contains customary representations and warranties made by Great Plains Energy and Aquila to each other. These representations and warranties are subject to qualifications and limitations agreed to by Great Plains Energy and Aquila in connection with negotiating the terms of the merger agreement. Some of the more significant of these representations and warranties relate to:

- organization, good standing and qualification;
- capital structure;
- corporate authority to enter into the merger agreement and the merger;
- required governmental approvals;

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- absence of any breach of organizational documents, law or material agreements, as a result of the merger;
- SEC filings, financial statements and compliance with the Sarbanes-Oxley Act of 2002;
- absence of changes or events that have had or could reasonably be expected to have a material adverse effect;
- absence of undisclosed liabilities;
- litigation;
- certain employee benefits matters and compliance with the Employee Retirement Income Security Act of 1974;
- truth and accuracy of certain information supplied in connection with the preparation of this joint proxy statement/prospectus and the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part;
- possession of requisite permits and compliance with laws;
- validity of, and compliance with, material contracts;
- title to real and personal property;
- inapplicability of state anti-takeover statutes;
- compliance with environmental laws and certain other environmental matters;
- proper filing of tax returns and certain other tax matters;
- certain labor and employee relations matters;
- transactions with affiliates;
- compliance with the Foreign Corrupt Practices Act of 1977 and other laws applicable to foreign trade;
- maintenance of adequate insurance;
- brokers' and finders' fees; and
- states regulating utility operations.

Representations made only by Great Plains Energy and its subsidiary Gregory Acquisition Corp.:

- ownership of Aquila stock;
- ability to complete the Asset Sale; and
- the absence of prior operations of Gregory Acquisition Corp.

Representations made only by Aquila:

- ownership and use of intellectual property; and
- absence of a "rights plan" or "poison pill."

In addition, Black Hills makes limited representations and warranties in the merger agreement, including representations and warranties relating to:

- organization, good standing and qualification;
- corporate authority to enter into the merger agreement;
- required governmental approvals; and
- absence of any breach of organizational documents, law or material agreements.

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THE DESCRIPTION OF THE MERGER AGREEMENT IN THIS JOINT PROXY STATEMENT/PROSPECTUS HAS BEEN INCLUDED TO PROVIDE YOU WITH INFORMATION REGARDING ITS TERMS. THE MERGER AGREEMENT CONTAINS REPRESENTATIONS AND WARRANTIES MADE BY AND TO THE PARTIES THERETO AS OF SPECIFIC DATES. THE STATEMENTS EMBODIED IN THOSE REPRESENTATIONS AND WARRANTIES WERE MADE FOR PURPOSES OF THE CONTRACTS BETWEEN THE PARTIES THERETO AND ARE SUBJECT TO QUALIFICATIONS AND LIMITATIONS AGREED BY THE PARTIES THERETO IN CONNECTION WITH NEGOTIATING THE TERMS OF THOSE CONTRACTS. IN ADDITION, CERTAIN REPRESENTATIONS AND WARRANTIES WERE MADE AS OF A SPECIFIED DATE, MAY BE SUBJECT TO A CONTRACTUAL STANDARD OF MATERIALITY DIFFERENT FROM THOSE GENERALLY APPLICABLE TO STOCKHOLDERS, OR MAY HAVE BEEN USED FOR THE PURPOSE OF ALLOCATING RISK BETWEEN THE PARTIES RATHER THAN ESTABLISHING MATTERS AS FACTS.

Covenants

Pending the consummation of the merger, except as contemplated by the merger agreement or legally required, unless Great Plains Energy consents in writing (such consent not to be unreasonably withheld or delayed):

- Aquila and its subsidiaries will conduct their business in all material respects in the ordinary course of business, and, to the extent consistent with past practice, each will use commercially reasonable efforts to preserve its business organizations intact, maintain existing relations and goodwill with customers, suppliers, regulators, distributors, creditors, lessors, employees and business associates, and retain the services of current key officers and employees;
- Aquila and its subsidiaries will not amend their organizational documents;
- Aquila and its subsidiaries will not split, combine, subdivide or reclassify its outstanding shares of capital stock; declare, set aside or pay any dividend or distribution payable in cash, stock or property in respect of any capital stock or other equity interests, other than dividends or distributions by wholly-owned subsidiaries; or repurchase, redeem or otherwise acquire any shares of its capital stock, equity interests, or any securities convertible into or exchangeable or exercisable for any shares of its capital stock or other equity interests, except that that Aquila may acquire its options and stock awards upon their exercise or settlement, Aquila may acquire its premium income equity securities or convertible debentures upon their conversion or exchange, and wholly-owned subsidiaries may repurchase, redeem or otherwise acquire shares of their capital stock or securities convertible into or exchangeable or exercisable for capital stock;
- Aquila and its subsidiaries will not merge or consolidate, or adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization except for transactions between wholly-owned subsidiaries, or between Aquila and its wholly-owned subsidiaries provided Aquila is the surviving entity;
- Aquila and its subsidiaries will not terminate, establish, adopt, enter into, make any new, or accelerate any existing, grants or awards of stock-based compensation or other benefits under, amend or otherwise modify, or grant any rights to severance, termination or retention benefits under compensation and benefit plans, or increase the salary, wage, bonus or other compensation of any directors, officers or employees, except for: grants of equity or equity based awards in the ordinary course of business with respect to more than 350,000 shares of Aquila common stock, subject to certain other restrictions; increases in salary or grants of annual bonuses in the ordinary course of business in connection with normal periodic performance reviews (including promotions) and the provision of individual compensation and benefits to new and existing directors, officers and employees of Aquila and its subsidiaries consistent with past

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practice (but not benefits or compensation payable solely as a result of the consummation of the Transactions); actions necessary to satisfy existing contractual obligations under existing benefit plans; and certain specified bonuses to executives;

- Aquila and its subsidiaries may not incur or modify (other than immaterial modifications not affecting the timing or amounts of payments due thereunder) indebtedness for borrowed money or guarantee indebtedness of others, or issue or sell debt securities except for: indebtedness or guarantees for borrowed money incurred to finance investments Aquila is required to make under existing agreements; indebtedness or guarantees for borrowed money incurred in the ordinary course of business to finance permitted capital expenditures; short-term indebtedness for working capital requirements; indebtedness for money borrowed between Aquila's wholly-owned subsidiaries (other than the subsidiaries to be transferred under the partnership interests purchase agreement) and Aquila; indebtedness for borrowed money made in connection with the refinancing of existing indebtedness for borrowed money or indebtedness for borrowed money permitted to be incurred hereunder at a lower cost of funds and otherwise on terms that, in the aggregate, are not less favorable to Aquila than the terms of the indebtedness to be replaced, either at or prior to its stated maturity; or interest rate hedges on customary terms not to exceed \$150,000,000 of notional debt in the aggregate relating to Aquila's investment in the Iatan 1 and 2 electric generation stations, which hedges will terminate on or before the second anniversary of the date of the merger agreement;
- Aquila and its subsidiaries may not make capital expenditures in excess of the amounts specified in its capital expenditures budget plus incremental amounts of \$26 million in 2007 and \$27 million in 2008, except for capital expenditures: required under existing contracts or incurred in connection with the repair or replacement of facilities destroyed or damaged due to casualty or accident (whether or not covered by insurance) which are necessary to provide or maintain safe, adequate and reliable service to Aquila's utility customers;
- Aquila and its subsidiaries may not transfer, sell, mortgage, or pledge any material property or assets (including capital stock of subsidiaries), except for: transfers, pledges and other dispositions in the ordinary course of business, liens to secure permitted indebtedness and hedges; and transfers and other dispositions required under existing contracts;
- Aquila and its subsidiaries may not issue, pledge, or sell shares of capital stock, or securities convertible into stock, except for any stock issued pursuant to existing options and awards, or for awards granted in accordance with the merger agreement; pro rata issuances by subsidiaries, and the issuance of stock pursuant to the conversion of any of Aquila's premium income equity securities or convertible debentures;
- Aquila and its subsidiaries may not spend in excess of \$5,000,000 individually or \$20,000,000 in the aggregate to acquire businesses which would be part of Aquila after giving effect to the Asset Sale;
- Aquila and its subsidiaries may not change their accounting standards and procedures, other than as a result of changes in GAAP, law or regulatory accounting standards and practice;
- Aquila and its subsidiaries may not make any tax election, or take any position on any future tax return, or adopt any method that is inconsistent in any material respect with elections made, positions taken or methods used in preparing or filing similar tax returns in prior periods, or enter into any closing agreement, or settle or resolve any tax controversy involving more than \$1,000,000 individually or \$10,000,000 in the aggregate;
- Aquila and its subsidiaries may not enter into any line of business in any geographic area other than their current and related lines of business and areas (which includes the wind-down of the

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trading book of Aquila's subsidiary Aquila Merchant Services, Inc.), other than with respect to businesses to be acquired by Black Hills in the Asset Sale;

- Aquila and its subsidiaries may not make any loans or investments (other than to each other and other than as required under existing contracts) in excess of \$1,000,000 individually or \$2,000,000 in the aggregate, except for investments in marketable securities and the provision of goods, commodities and services in the ordinary course of business;
- Aquila and its subsidiaries will maintain with financially responsible insurance companies (or through self-insurance consistent with past practice) insurance in amounts and against risks and losses as are customary in their industries for companies of their size;
- Aquila and its subsidiaries may not enter into, modify or materially breach any material contract (other than contracts relating only to the businesses to be acquired by Black Hills) other than in the ordinary course of business or on terms not materially adverse to them;
- Aquila and its subsidiaries may not materially amend, breach or terminate a material permit, other than as required by law;
- Aquila and its subsidiaries may not enter into any settlement of any litigation in which the damages to be paid by Aquila (and not reimbursed by insurance) are in excess of \$20,000,000 in the aggregate, or the non-monetary relief to be provided could reasonably be expected to materially restrict the prospective operation of their businesses;
- Aquila and its subsidiaries may not negotiate the renewal or extension of certain collective bargaining agreements without consulting with Great Plains Energy or in a manner inconsistent with past practice;
- Aquila and its subsidiaries may not agree to material changes to agreements or courses of dealings with FERC and state utility regulatory bodies in respect of the operation of Aquila after giving effect to the Asset Sale, except as required by law to obtain or renew permits, or agreements in the ordinary course of business consistent with past practice;
- Aquila and its subsidiaries may not waive their material rights under confidentiality and standstill agreements except that Aquila may grant waivers under a standstill agreement to allow a third party to submit an acquisition proposal to the extent Aquila's board of directors determines in good faith after consultation with its outside legal counsel that the failure to grant such waiver would be inconsistent with its fiduciary duties;
- Aquila and its subsidiaries may not enter into agreements which would materially restrict the business of Aquila after giving effect to the Asset Sale or any of its subsidiaries or, after the consummation of the merger, Great Plains Energy and its subsidiaries (including Aquila);
- Aquila and its subsidiaries may not take actions intended or which would reasonably be expected to prevent the satisfaction of the conditions to the consummation of the merger;
- Aquila and its subsidiaries must consult with Great Plains Energy prior to implementing changes in its rates, standards of service or accounting, and must not agree to the settlement of a rate case which would result in a decrease in annual revenues or establish a rate moratorium or phased-in rate increases over a period of longer than one year; and
- Aquila and its subsidiaries may not enter into certain transactions with affiliates, other than Aquila's wholly-owned subsidiaries, except on terms not less favorable than those available from third parties.

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Pending the consummation of the merger, except as contemplated by the merger agreement or legally required, unless Aquila consents in writing (such consent not to be unreasonably withheld or delayed):

- Great Plains Energy and its subsidiaries must conduct their business in all material respects in the ordinary course of business, and, to the extent consistent with past practice, each will use commercially reasonable efforts to preserve its business organizations intact, maintain existing relations and goodwill with customers, suppliers, regulators, distributors, creditors, lessors, employees and business associates, and retain the services of current key officers and employees;
- Great Plains Energy and its subsidiaries may not amend their organizational documents;
- Great Plains Energy and its subsidiaries may not split, combine, subdivide or reclassify their capital stock; declare or pay any dividend or distribution in respect of their stock, other than dividends or distributions by subsidiaries and regular quarterly dividends of no more than \$0.415 per share on Great Plains Energy's common stock and dividends on its preferred stock in accordance with its terms, declared and paid in accordance with past practice; acquire any shares of its stock, equity interests, or any securities convertible into or exchangeable or exercisable for its stock or other equity interests, except that Great Plains Energy may acquire its options and awards under stock-based plans upon their exercise or settlement, and wholly-owned subsidiaries may acquire their own stock and securities;
- Great Plains Energy may not adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;
- Great Plains Energy and its subsidiaries may not sell or otherwise dispose of any material property or assets (including capital stock of subsidiaries), except for: dispositions in the ordinary course of business; dispositions required under existing contracts; dispositions of businesses, property or assets that are not regulated by the MPSC or KCC; and dispositions of property or assets with a fair market value of more than \$100,000,000 in the aggregate;
- Great Plains Energy may not issue, pledge or sell its common stock, or securities convertible into or rights, warrants or options to acquire its common stock, exceeding 15,000,000 shares in the aggregate;
- Great Plains Energy and its subsidiaries may not spend in excess of \$100,000,000 in the aggregate to acquire any business whether by merger, consolidation, asset purchase or otherwise;
- Great Plains Energy and its subsidiaries may not take actions intended or which would reasonably be expected to prevent the satisfaction to the conditions to the consummation of the merger; and
- Gregory Acquisition Corp. may not take or commit to take before the closing any action except as expressly set forth in the merger agreement.

Great Plains Energy, Aquila and their subsidiaries will use their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the merger and the Transactions as promptly as practicable. However, Aquila will not be required to agree or consent to it, or its subsidiaries, taking or refraining from taking any action or engaging in or refraining from any conduct, or agreeing to any restriction, condition or conduct, which would take effect prior to closing or which is not conditioned on the closing occurring.

Great Plains Energy will not be required to take or refrain from taking, or to cause its subsidiaries to take or refrain from taking, any action or to engage in any conduct, or to agree or consent to Great

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Plains Energy, Aquila or any of their subsidiaries taking any action, or agreeing to any restriction, condition or conduct, if:

- the cumulative impact of these actions, restrictions, conditions and conduct relating to Aquila and its subsidiaries would reasonably be expected to have a material adverse effect on Aquila (excluding the businesses to be acquired by Black Hills), taken as a whole;
- the cumulative impact of these actions, restrictions, conditions and conduct relating to Great Plains Energy and its subsidiaries would reasonably be expected to have a material adverse effect on Great Plains Energy and its subsidiaries, taken as a whole; or
- the cumulative impact of these actions, restrictions, conditions and conduct relating to the businesses to be acquired by Black Hills in the Asset Sale would reasonably be expected to have a material adverse effect on these businesses, considered together.

For purposes of these determinations, any requirement for the divestiture of assets of Great Plains Energy, Aquila (after giving effect to the Asset Sale) or any of their subsidiaries and both the positive and negative effects of any actions, conduct, restrictions and conditions will be taken into account.

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THE ASSET SALE AGREEMENTS

Consideration

As described above, Black Hills is acquiring Aquila's gas assets in Iowa, Nebraska and Kansas, and interests in limited partnerships which will own Aquila's Colorado electric and gas assets, under the Asset Sale Agreements for a total of \$940 million in cash, subject to adjustment.

Under both agreements, the purchase prices will be adjusted, dollar for dollar, for (i) the difference between the purchased businesses' actual and projected working capital amounts; (ii) the difference between Aquila's capital expenditures for the purchased businesses and budgeted amounts; (iii) the aggregate over- or under-billed fuel and purchased gas adjustment amounts permitted under Aquila's tariffs for the purchased gas businesses; (iv) any amount spent by Aquila in buying out certain vehicle leases which would otherwise be assumed by Black Hills; and (v) pension fund assets received by Black Hills attributable to contributions made by Aquila after the date of the agreements. For purposes of determining the working capital and capital expenditure adjustments, the projected working capital amount is \$63 million and the projected capital expenditures for 2007 and 2008 are \$62.1 million and \$64.4 million, respectively

Under both agreements, Black Hills or the limited partnerships will assume the liabilities associated with the purchased businesses. Aquila will retain certain liabilities including those associated with its corporate-level operations. Black Hills, however, will reimburse Aquila for 40% of all short-term severance-related costs with respect to termination of corporate-level employees at or prior to the consummation of the Transactions as a result of the Transactions.

Black Hills Financing

Black Hills has entered into a credit agreement, dated May 7, 2007, with ABN AMRO Bank N.V. as administrative agent and sole bookrunner, ABN AMRO Bank N.V., BMO Capital Markets Financing, Inc., Credit Suisse and Union Bank of California, N.A. as co-arrangers, BMO Capital Markets Financing, Inc., Credit Suisse and Union Bank of California, N.A. as syndication agents and ABN Amro Bank N.V., BMO Capital Markets Financing, Inc., Credit Suisse, Cayman Island Branch and Union Bank of California, N.A. as lenders to provide up to \$1 billion in a senior unsecured acquisition facility which will be available in a single draw only. Once drawn, the senior unsecured acquisition facility will convert into a term loan. The acquisition facility will be used to finance certain costs and expenses related to the Asset Sale, repay certain obligations of the purchased businesses, finance a portion of the purchase price of the Asset Sale and to finance certain transaction and integration costs arising from the Asset Sale.

The acquisition facility expires on August 5, 2008.

The obligation of the lenders under the senior unsecured acquisition facility are subject to certain conditions precedent, including that since September 30, 2006, there shall not have occurred any material adverse effect with respect to the assets being purchased by Black Hills, payment of required fees and expenses, absence of any insolvency or bankruptcy proceedings with respect to Black Hills, certain of Black Hills' material subsidiaries including Black Hills Power, Inc., Black Hills Energy, Inc., Wyodak Resources Development Corp., Black Hills Generation, Inc., Cheyenne Light, Fuel & Power Company, and any other subsidiary of Black Hills whose assets constitute at least 5% of the consolidated assets of Black Hills (but excluding any subsidiaries that are "project finance subsidiaries" under its existing senior revolving credit agreement) and the absence of any acceleration of indebtedness of Black Hills or any of these subsidiaries with a principal balance exceeding \$50 million.

Failure of Black Hills to obtain financing as described above or through other means would result in the failure of the Asset Sale transactions to close, which, in turn, would result in the merger not being consummated.

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Conditions to the Closing of the Asset Sale Agreements

The Asset Sale Agreements contain customary closing conditions, which include:

- the expiration or termination of the waiting period under the HSR Act;
- the absence of laws preventing the consummation of the Asset Sale the violation of which would reasonably be expected to have a significant impact on the assets being sold to Black Hills, taken as a whole and the absence of a court order or injunction which effects or enjoins the consummation of the Asset Sale;
- the accuracy of the parties’ representations and warranties, except where a failure to be true and accurate would not have a material adverse effect;
- the absence of a material adverse effect with respect to the assets to be purchased by Black Hills;
- the performance in all material respects of the parties’ obligations;
- the delivery of required closing certificates;
- the receipt of certain required approvals without the imposition of conditions (other than those proposed in the applications for the approvals) which would reasonably be expected to result in a material adverse effect on the businesses being acquired in the aggregate; and
- the delivery of required closing documents, except that documents with respect to the transfer of immaterial assets, or the release of immaterial encumbrances on assets, may be delivered after the closing.

In addition, Aquila and Great Plains Energy must be in a position to consummate the merger immediately following the Asset Sale closing.

Termination of the Asset Sale Agreements

The asset purchase agreement and partnership interests purchase agreement would terminate under the following circumstances, which would entitle Aquila or Great Plains Energy to terminate the merger agreement:

- by mutual written consent of Aquila, Great Plains Energy and Black Hills;
- by either Aquila or Black Hills, if:
 - the Asset Sale has not been consummated by the first anniversary of the date of the Asset Sale Agreements; provided that if either party determines that additional time is necessary to obtain required approvals for the merger or the Asset Sale, or if all of the conditions to Great Plains Energy’s obligations to consummate the merger have been satisfied or shall be then capable of being satisfied and Great Plains Energy breaches its obligation to be in a position to consummate the merger following the consummation of the Asset Sale Agreements, such party may extend the termination date up to the 18-month anniversary of the date of the Asset Sale Agreements;
 - certain required regulatory approvals have been denied and all appeals have been taken and have been unsuccessful;
 - any final and nonappealable order by any court in the U.S. permanently enjoining the consummation of the merger is in effect;
 - the other party materially breaches the agreement, one of such party’s representations or warranties becomes untrue after the date of the Asset Sale Agreements, or the other party

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fails to perform its obligations in any material respect which breach or failure to perform would give rise to the failure to satisfy the closing conditions and such breach or failure to perform is not or cannot be cured before the termination date (as extended);

- the merger agreement is terminated in accordance with its terms, as described above; or
- by Aquila, if its board approves a superior proposal as permitted under the merger agreement, as described above.

Under the Asset Sale Agreements, as described above, if either Great Plains Energy or Aquila is required to pay a termination fee, Great Plains Energy will reimburse up to \$15 million of Black Hills's expenses.

Expenses

All expenses incurred in connection with the Asset Sale will be paid by the party incurring such expenses, whether or not the Asset Sale is consummated.

Amendment; Extension and Waiver

The Asset Sale Agreements may be amended in writing by the parties at any time before the closing by Aquila, Great Plains Energy and Black Hills.

Any agreement on the part of a party to any waiver will be valid only if set forth in an instrument in writing signed on behalf of that party. The failure of any party to the Asset Sale Agreements to assert any of its rights will not constitute a waiver of such rights.

Representations and Warranties

Aquila, Great Plains Energy and Black Hills each make representations and warranties in the Asset Sale Agreements, including with respect to:

- organization, good standing and qualification;
- corporate authority to enter into the Asset Sale Agreements;
- required governmental approvals;
- absence of any breach of organizational documents, law or material agreements as a result of the Asset Sale Agreements; and
- brokers' and finders' fees.

Aquila makes additional representations and additional warranties, relating to the assets being acquired by Black Hills, including:

- governmental filings;
- financial information;
- absence of conditions having a material adverse effect on the businesses to be acquired by Black Hills;
- conduct of the businesses being acquired by Black Hills in the ordinary course of business;
- title to real and personal property;
- leases;
- compliance with environmental laws and certain other environmental matters;

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- certain labor and employee relations matters;
- certain employee benefits matters and compliance with the Employee Retirement Income Security Act of 1974;
- validity of, and compliance with, material contracts;
- litigation;
- possession of requisite permits and compliance with laws;
- maintenance of adequate insurance;
- proper filing of tax returns and certain other tax matters;
- sufficiency of the assets to be acquired by Black Hills for the conduct of the related businesses;
- transactions with affiliates; and
- financial hedging arrangements.

Representations and warranties made only by Black Hills include:

- availability of funds at closing to pay the purchase price; and
- the debt commitment letter received by Black Hills.

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Covenants

Under the Asset Sale Agreements, except as required by existing agreements, required by law, or specified in the Asset Sale Agreements, without the consent of Great Plains Energy and Black Hills, Aquila must use reasonable best efforts to preserve intact the businesses being sold to Black Hills, and to preserve the businesses' goodwill and relationships, and may not:

- create certain liens on the assets to be acquired by Black Hills;
- make material changes in inventory levels, other than in the ordinary course of business or consistent with good utility practice;
- dispose of any of the assets to be acquired by Black Hills, other than in the ordinary course of business or up to certain dollar thresholds;
- make or commit to make capital expenditures relating to the businesses to be acquired by Black Hills beyond amounts reflected in Aquila's capital expenditure budget, or amounts up to 10% in excess of such budgeted amounts as a result of increases in costs or materials, except for capital expenditures: required under existing contracts; incurred in connection with the repair or

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replacement of facilities destroyed or damaged due to casualty or accident (whether or not covered by insurance) necessary to provide or maintain safe and adequate service to the utility customers of the businesses to be acquired or incremental amounts in addition to budgeted amounts for each 12 month budget cycle;

- acquire businesses which would be included in the Asset Sale, in excess of specified amount;
- enter into, modify or materially breach any material contract relating to the businesses to be acquired by Black Hills, other than in the ordinary course of business or on terms not materially adverse to these businesses;
- grant severance pay to employees that would become the responsibility of Black Hills after the Asset Sale;
- terminate, establish, adopt, enter into, make any new, or accelerate any existing, grants or awards of stock-based compensation or other benefits under, amend or otherwise modify, or grant any rights to severance, termination or retention benefits under compensation and benefit plans, or increase the salary, wage, bonus or other compensation of any directors, officers or employees, except for: grants of equity or equity based awards in the ordinary course of business; increases in salary or grants of annual bonuses in the ordinary course of business in connection with normal periodic performance reviews (including promotions) and the provision of individual compensation and benefits to new and existing directors, officers and employees of Aquila and its subsidiaries consistent with past practice (but not benefits or compensation payable solely as a result of the consummation of the Transactions); actions necessary to satisfy existing contractual obligations under existing benefit plans; and certain specified bonuses to executives;
- negotiate the renewal or extension of collective bargaining agreements without consulting with Black Hills or in a manner inconsistent with past practice;
- agree to material changes to agreements or material courses of dealing with FERC and state utility regulatory bodies related to the businesses to be acquired by Black Hills, except as required by law to obtain or renew permits, or agreements in the ordinary course of business consistent with past practice;
- waive any material rights under confidentiality and standstill agreements related to the assets being sold to Black Hills except that Aquila may grant waivers under a standstill agreement to allow a third party to submit an acquisition proposal to the extent Aquila's board of directors determines in good faith after consultation with its outside legal counsel that the failure to grant such waiver would be inconsistent with its fiduciary duties;
- fail to maintain with financially responsible insurance companies (or through self-insurance not inconsistent with their past practice) insurance in amounts and against risks and losses as are customary in their industries for companies of their size, and consistent with good utility practice;
- enter into or materially modify any tax agreement relating to the businesses to be acquired by Black Hills;
- enter into new lines of business in Iowa, Kansas, Nebraska or Colorado, other than businesses that are not related to the businesses to be acquired by Black Hills;
- materially amend, breach or terminate a permit material to the businesses to be acquired by Black Hills, other than as required by law;
- enter into any settlement of any litigation related to the businesses to be acquired by Black Hills in which the damages to be paid by Aquila (and not reimbursed by insurance) are in excess of

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specified amounts, or the non-monetary relief to be provided could reasonably be expected to materially restrict the prospective operation of these businesses;

- enter into agreements which would materially restrict Black Hills or the businesses to be acquired by Black Hills after the consummation of the Asset Sale from engaging or competing in any line of business or product line or in Colorado, Iowa, Kansas or Nebraska;
- take actions intended or which would reasonably be expected to prevent the satisfaction to the conditions to closing;
- implement changes in its rates, standards of service or accounting for the businesses to be acquired by Black Hills without consulting with Black Hills, or agree to the settlement of a rate case which would result in a decrease in annual revenues or establish a rate moratorium or phased-in increases rate over a period of longer than one year;
- change its accounting standards and procedures for the businesses to be acquired by Black Hills, other than as a result of changes in GAAP, law or regulatory accounting standards and practice; or
- hire employees for the businesses to be acquired by Black Hills, other than employees hired to replace employees who have retired, been terminated, died, or become disabled, or in the ordinary course of business consistent with past practice.

Black Hills, Aquila, Great Plains Energy and their subsidiaries will use their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the Asset Sale as promptly as practicable. However, Aquila will not be required to agree or consent to it or its Subsidiaries taking or refraining from taking any action or engaging in or refraining from any conduct, or agreeing to any restriction, condition or conduct, which would take effect prior to closing or is not conditioned on the closing occurring. Black Hills will not be required to take or refrain from taking, or to cause its subsidiaries to take or refrain from taking, any action or to engage in any conduct, or to agree or consent to Black Hills or any of its subsidiaries taking any action, or agreeing to any restriction, condition or conduct, if the cumulative impact of these actions, restrictions, conditions and conduct relating to Black Hills and its subsidiaries would reasonably be expected to have a material adverse effect on the assets acquired by Black Hills, taken as a whole. For purposes of these determinations, both the positive and negative effects of any actions, conduct, restrictions and conditions will be taken into account.

Legal Proceedings

On February 8, 2007, a putative class action lawsuit, entitled Powers v. Green et al., Case No. 0716-CV03695 was filed against Aquila and its directors in the Circuit Court of Jackson County, Missouri in Kansas City. The complaint purports to be brought on behalf of all Aquila stockholders (except the defendants and their affiliates). The complaint alleges that Aquila's directors breached their fiduciary duties in approving the merger. In that connection, the complaint alleges that:

- the merger provides for grossly inadequate consideration;
- the merger will deprive Aquila's stockholders of an enhanced premium that further action or negotiations of Aquila with potential merger partners could have provided;
- the terms of the merger are not fair to Aquila's stockholders and that this unfairness is compounded by the disparity of knowledge and information between Aquila's directors and Aquila's stockholders;
- the failure of Aquila's directors to reject the offer from Great Plains Energy evidences a disregard on the part of Aquila's directors for ensuring that Aquila stockholders obtain adequate

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value for their stock and is resulting in an artificial depression of the value of Aquila's stock thereby depriving Aquila's stockholders of receiving the maximum value for their shares that could be provided by an auction or liquidation;

- Aquila's directors' failure to reject the merger will ensure their continued positions with Aquila; and
- Aquila's directors are not exercising independent business judgment and are acting to the detriment of Aquila's stockholders.

The complaint seeks various forms of relief, including injunctive relief that would, if granted, prevent the completion of the Transactions or, if the merger is consummated, rescinding the merger, unspecified compensatory damages and attorneys' fees and expenses.

Also on February 8, 2007, a putative class action lawsuit, entitled Tansey v. Aquila, Inc. et al., Case No. 0716-CV03755 was filed against Aquila and its directors in the Circuit Court of Jackson County, Missouri in Kansas City. The complaint purports to be brought on behalf of all Aquila stockholders (except the defendants and their affiliates). The complaint alleges that Aquila's directors breached their fiduciary duties in approving the Transactions. In that connection, the complaint alleges that:

- Aquila's directors have engaged in self dealing and are obtaining personal benefits not shared by Aquila's stockholders;
- Aquila's directors have not provided Aquila's stockholders with all information necessary to make an informed decision with respect to the Transactions;
- the actions of Aquila's directors will result in Aquila's stockholders not receiving adequate or fair value for their Aquila common stock;
- Aquila's directors have failed to obtain the maximum value to which Aquila's stockholders are entitled and have failed to properly value Aquila;
- as a result of the Aquila directors' breach of their fiduciary duties the burden of proving the inherent and entire fairness of the Transactions is placed on Aquila and its directors as a matter of a law; and
- the disparity of knowledge and economic power between Aquila and its directors and Aquila's stockholders makes it unfair for Aquila's directors to pursue a proposed transaction where they will reap disproportionate benefits to the exclusion of maximizing stockholder value.

The complaint seeks various forms of relief, including injunctive relief that would, if granted, prevent the completion of the Transactions or, to the extent the Transactions are already implemented, rescission of such Transactions, that the court direct Aquila and its directors to exercise their fiduciary duties, the imposition of a constructive trust in favor of Aquila stockholders upon benefits improperly received by Aquila and its directors and attorneys' fees and expenses.

On or about April 16, 2007, a putative class action lawsuit, entitled Jolly Roger Fund LP et al. v. Aquila, Inc. et al., Case No. 2897-VCL (Delaware Chancery) was filed against Aquila and its directors in the Court of Chancery of the State of Delaware in and for New Castle County. The complaint purports to be brought on behalf of all Aquila shareholders (except the defendants and their affiliates). The complaint alleges that Aquila's directors breached their fiduciary duties in approving the Transactions. In that connection, the complaint alleges that:

- Aquila pursued a flawed process resulting in the value of Aquila's common stock being artificially depressed and depriving Aquila's stockholders of the right to receive maximum value for their shares;

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- the disparity of knowledge and economic power between Aquila and its directors and Aquila’s stockholders makes it unfair for Aquila’s directors to entrench themselves at the expense of Aquila’s stockholders;
- Aquila’s directors have breached their fiduciary duties by not exercising independent business judgment and have acted to the detriment of Aquila’s stockholders;
- the consideration to be paid to Aquila’s stockholders in the transaction is unfair and grossly inadequate;
- the Transactions will ensure the continued position of certain officers and directors of Aquila and that Richard Green, Aquila’s Chairman, President and Chief Executive Officer will remain as an officer of Aquila after the merger;
- Aquila’s directors have violated their fiduciary duties by agreeing to the Transactions to benefit certain officers of Aquila who will obtain change of control benefits as the result of the Transactions; and
- Aquila and its directors have failed to properly inform themselves and Aquila’s stockholders with respect to the Transactions.

The complaint seeks various forms of relief, including injunctive relief that would, if granted, prevent the completion of the Transactions or, if the Transactions are consummated, rescinding the Transactions, ordering Aquila and its directors to fully disclose all material information regarding the Transactions, unspecified compensatory damages and attorneys’ fees and expenses.

Aquila intends to defend vigorously all of these lawsuits.

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COMPARATIVE STOCK PRICES AND DIVIDENDS

Great Plains Energy common stock is listed for trading on the NYSE under the symbol “GXP,” and Aquila common stock is listed for trading on the NYSE under the symbol “ILA.” The following table sets forth, for the periods indicated, dividends and the high and low intra-day sales prices per share of Great Plains Energy common stock or the NYSE composite transactions reporting system and the high and low intra-day sales prices per share of Aquila common stock on the NYSE composite transaction reporting system. Aquila has not paid any dividends during the periods indicated. For current price information, you should consult publicly available sources. See also “The Transactions—Dividends” on page [•].

	Great Plains Energy Common Stock			Aquila Common Stock	
	High	Low	Dividends Paid	High	Low
2003					
First Quarter	\$25.00	\$21.36	\$0.415	\$2.50	\$1.07
Second Quarter	\$30.31	\$23.75	\$0.415	\$3.22	\$1.63
Third Quarter	\$30.84	\$27.32	\$0.415	\$3.85	\$2.16
Fourth Quarter	\$32.78	\$30.10	\$0.415	\$4.37	\$3.17
2004					
First Quarter	\$35.29	\$31.66	\$0.415	\$4.75	\$3.41
Second Quarter	\$34.36	\$29.23	\$0.415	\$4.86	\$3.05
Third Quarter	\$31.71	\$28.62	\$0.415	\$3.87	\$2.25
Fourth Quarter	\$30.71	\$28.17	\$0.415	\$3.80	\$3.00
2005					
First Quarter	\$31.61	\$29.56	\$0.415	\$4.24	\$3.24
Second Quarter	\$32.25	\$29.77	\$0.415	\$3.87	\$2.90
Third Quarter	\$32.63	\$29.82	\$0.415	\$4.14	\$3.50
Fourth Quarter	\$30.23	\$27.27	\$0.415	\$4.07	\$3.29
2006					
First Quarter	\$29.32	\$27.89	\$0.415	\$4.06	\$3.45
Second Quarter	\$28.99	\$27.33	\$0.415	\$4.50	\$3.91
Third Quarter	\$31.43	\$27.70	\$0.415	\$4.77	\$4.12
Fourth Quarter	\$32.80	\$31.13	\$0.415	\$4.85	\$4.29

The following table sets forth the high and low sales prices per share of Great Plains Energy common stock and Aquila common stock on the NYSE Composite Transaction reporting system on February 6, 2007, the last full trading day prior to the public announcement of the merger, and on May 7, 2007, the last trading day for which this information could be calculated prior to the filing of this joint proxy statement/prospectus:

	Great Plains Energy Common Stock		Aquila Common Stock		Aquila Equivalent Per Share(1)	
	High	Low	High	Low	High	Low
February 6, 2007	\$32.18	\$31.74	\$4.68	\$4.53	\$4.55	\$4.52
May 7, 2007	\$32.74	\$32.51	\$4.25	\$4.19	\$4.60	\$4.58

(1) The equivalent per share data for Aquila common stock has been determined by multiplying the closing market price of a share of Great Plains Energy common stock on each of the dates by the exchange ratio of 0.0856 and adding the per share cash consideration of \$1.80 being paid to Aquila stockholders.

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AQUILA, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Pro Forma Condensed Consolidated Financial Statements of Aquila have been prepared to reflect the Asset Sale and the April 1, 2007 sale of Aquila’s Kansas electric utility business, which has been classified as “held for sale” since September 2005.

The following Aquila Unaudited Pro Forma Condensed Consolidated Statement of Income for the year ended December 31, 2006, gives effect to the transactions referred to in the preceding paragraph as if they had occurred on January 1, 2006. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2006, gives effect to the Asset Sale as if it had occurred on December 31, 2006. The pro forma adjustments are described in the accompanying notes.

The Unaudited Pro Forma Condensed Consolidated Financial Statements should be read in connection with Aquila’s consolidated financial statements as of December 31, 2006, including the notes thereto, included in Aquila’s Annual Report on Form 10-K for the year ended December 31, 2006. Aquila’s consolidated financial statements as of December 31, 2006 reflect, among other things, (i) a pre-tax loss of \$218 million resulting from the termination in June 2006 of Aquila’s rights and obligations under its former Elwood tolling contracts and (ii) \$28.2 million of pre-tax losses on the early retirement of debt by Aquila in June and September 2006. The accompanying Unaudited Pro Forma Condensed Consolidated Financial Statements are provided for informational purposes only and are not necessarily indicative of the consolidated financial position or results of operations of Aquila that would have been reported had the Asset Sale and the sale of Aquila’s Kansas electric utility business been completed at the dates indicated, nor is it indicative of Aquila’s future consolidated financial position or results of operations.

The accompanying Unaudited Pro Forma Condensed Consolidated Financial Statements do not reflect the impact of financing, liquidity, acquisition or other use of proceeds from the Asset Sale or the sale of Aquila’s Kansas electric utility business that may have occurred (or may occur) subsequent to December 31, 2006.

AQUILA, INC.

Unaudited Pro Forma Condensed Consolidated Statement of Income
For the Year Ended December 31, 2006

	Aquila Historical	Pro Forma Adjustments A	Aquila Historical As Adjusted
	(thousands, except per share amounts)		
Operating Revenues			
Electric revenues	\$ 767,875	\$(171,848)	\$ 596,027
Gas revenues	581,389	(575,088)	6,301
Other revenues	20,318	(30,440)	(10,122)
Total	1,369,582	(777,376)	592,206
Operating Expenses			
Fuel	573,966	(433,150)	140,816
Purchased power	270,682	(98,595)	172,087
Other	312,960	(110,934)	202,026
Maintenance	52,470	(10,155)	42,315
Depreciation and amortization	103,898	(37,154)	66,744
General taxes	31,237	(11,137)	20,100
Loss on property and other charges	246,922	—	246,922
Total	1,592,135	(701,125)	891,010
Operating income (loss)	(222,553)	(76,251)	(298,804)
Non-operating income (expense)	32,452	1,122	33,574
Interest charges	(159,198)	90	(159,108)
Loss from continuing operations before income taxes	(349,299)	(75,039)	(424,338)
Income tax benefit	67,282	29,115	96,397
Loss from continuing operations	\$ (282,017)	\$ (45,924)	\$(327,941)
Average number of basic common shares outstanding	375,080		375,080
Average number of diluted common shares outstanding	375,450		375,450
Loss from continuing operations per common share			
Basic	\$ (0.75)		\$ (0.87)
Diluted	(0.75)		(0.87)

The accompanying Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements are an integral part of these statements.

AQUILA, INC.

Unaudited Pro Forma Condensed Consolidated Balance Sheet

As of December 31, 2006

	Aquila Historical	Pro Forma Adjustments	B	Aquila Historical As Adjusted
		(thousands)		
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 232,758	\$ 1,151,741		\$1,384,499
Restricted cash	9,057	—		9,057
Funds on deposit	107,929	—		107,929
Receivables, net	200,593	(82,732)		117,861
Fuel inventories, at average cost	82,632	(43,530)		39,102
Materials and supplies, at average cost	33,388	(4,252)		29,136
Assets of discontinued operations	26,529	(26,529)		—
Derivative instruments	71,314	—		71,314
Other	23,575	(16,959)		6,616
Total	787,775	977,739		1,765,514
Nonutility Property and Investments				
Nonutility plant, net	130,231	(5,293)		124,938
Other	74	(74)		—
Total	130,305	(5,367)		124,938
Utility Plant, at Original Cost				
Utility Plant	3,099,883	(1,042,708)		2,057,175
Less-accumulated depreciation	1,336,621	(533,801)		802,820
Net utility plant in service	1,763,262	(508,907)		1,254,355
Construction work in progress	61,814	(8,825)		52,989
Total	1,825,076	(517,732)		1,307,344
Deferred Charges and Other Assets				
Assets of discontinued operations	286,142	(286,142)		—
Regulatory assets	178,007	(76,701)		101,306
Goodwill	110,977	—		110,977
Derivative instruments	43,412	—		43,412
Other	53,440	(987)		52,453
Total	671,978	(363,830)		308,148
Total	\$3,415,134	\$ 90,810		\$3,505,944

The accompanying Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements are an integral part of these statements.

AQUILA, INC.

Unaudited Pro Forma Condensed Consolidated Balance Sheet

As of December 31, 2006

	Aquila Historical	Pro Forma Adjustments B (thousands)	Aquila Historical As Adjusted
LIABILITIES AND CAPITALIZATION			
Current Liabilities			
Current maturities of long-term debt	\$ 19,650	\$ (351)	\$ 19,299
Accounts payable	155,466	(70,399)	85,067
Accrued taxes	21,736	—	21,736
Accrued interest	49,741	(56)	49,685
Accrued payroll and vacations	26,762	(5,511)	21,251
Pension and post retirement liability	3,537	—	3,537
Liabilities of discontinued operations	1,358	(1,358)	—
Derivative instruments	74,505	(12,774)	61,731
Other	80,930	6,983	87,913
Total	433,685	(83,466)	350,219
Deferred Credits and Other Liabilities			
Deferred income taxes	11,872	—	11,872
Deferred investment tax credits	7,391	—	7,391
Asset retirement obligations	10,405	(2,223)	8,182
Liabilities of discontinued operations	35,877	(35,877)	—
Pension liability	72,533	(46,797)	25,736
Regulatory liabilities	78,539	(13,023)	65,516
Derivative instruments	27,076	—	27,076
Other	45,744	(11,989)	33,755
Total	289,437	(109,909)	179,528
Capitalization			
Common shareholders' equity			
Common stock	3,883,894	—	3,883,894
Retained earnings	(2,546,755)	284,703	(2,262,052)
Treasury stock, at cost	(356)	—	(356)
Accumulated other comprehensive loss	(30,642)	97	(30,545)
Total	1,306,141	284,800	1,590,941
Long-term debt	1,385,871	(615)	1,385,256
Total	2,692,012	284,185	2,976,197
Commitments and Contingencies			
Total	\$ 3,415,134	\$ 90,810	\$ 3,505,944

The accompanying Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements are an integral part of these statements.

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AQUILA, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The Unaudited Pro Forma Condensed Consolidated Financial Statements have been prepared to reflect the Asset Sale and the April 1, 2007 sale of Aquila's Kansas electric utility business which was reflected as discontinued operations for the period presented. The Asset Sale is anticipated to close in the first quarter of 2008 depending on all necessary approvals being received, although actual timing cannot be predicted.

2. Synergies

The pro forma adjustments do not include any amounts related to expected synergies, restructuring activities or other integration activities, other than transaction-related expenses reflected in Aquila's consolidated financial statements as of December 31, 2006.

3. Reclassifications

Certain reclassifications have been made to Aquila's historical presentation in order to conform to Great Plains Energy's historical presentation. These reclassifications had no impact on the historical loss from continuing operations reported by Aquila.

4. Pro Forma Adjustments

The pro forma adjustments represent preliminary estimates to reflect the Asset Sale and the sale of Aquila's Kansas electric utility business.

The pro forma adjustments included in the Unaudited Pro Forma Condensed Consolidated Financial Statements are as follows:

A—These Unaudited Pro Forma Condensed Consolidated Statement of Income adjustments represent the elimination of income from continuing operations directly associated with the Asset Sale. In addition, \$37.5 million of costs related to certain centralized functions to be acquired by Black Hills have been included in the pro forma adjustments. Aquila's corporate headquarters and centralized functions to be retained by Great Plains Energy were not included within the pro forma adjustments, including \$49.3 million of net operating expenses that Aquila allocated previously to the utility operations being acquired by Black Hills.

B—These Unaudited Pro Forma Condensed Consolidated Balance Sheet adjustments represent the elimination of assets and liabilities directly associated with the Asset Sale and the sale of Aquila's Kansas electric utility business. Assets and liabilities related to certain centralized functions to be acquired by Black Hills have also been included in the pro forma adjustments. Aquila's corporate headquarters and centralized functions to be retained by Great Plains Energy were not included in the pro forma adjustments. In addition, pro forma adjustments were made to accrue \$14.3 million and \$4.0 million in estimated closing transaction costs related to the Asset Sale and Kansas electric utility sale transactions, respectively.

The receipt by Aquila of the estimated net cash proceeds from asset sales is included in the pro forma adjustments. The \$867 million from the Asset Sale and \$286 million from the sale of Aquila's Kansas electric business are based on actual and estimated working capital and capital expenditures as of December 31, 2006. For example, to calculate the estimated net cash proceeds for the Asset Sale, Aquila made the following adjustments to the \$940 million base purchase price: (i) decreased the \$63 million working capital estimate contained in the Asset Sale Agreements by \$26.9 million to reflect

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the actual working capital balances for the businesses being acquired by Black Hills as of December 31, 2006: (ii) decreased the base purchase price by \$62.1 million of 2007 estimated capital expenditures set forth in the Asset Sale Agreements, to reflect Aquila's assumption that capital expenditures were not made to the business being acquired by Black Hills after the date on which the Asset Sale Agreements were executed; and (iii) increased the base purchase price by \$15.6 million to reflect unrecovered purchased gas and fuel adjustment balances attributable to the businesses being acquired by Black Hills as of December 31, 2006. The final net cash proceeds will likely differ materially from the estimates used in the pro forma adjustments.

GREAT PLAINS ENERGY INCORPORATED

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The Unaudited Pro Forma Condensed Combined Financial Statements have been prepared to reflect the merger of Great Plains Energy and Aquila. Immediately prior to Great Plains Energy's acquisition of Aquila, Black Hills will acquire from Aquila its electric utility assets in Colorado and its gas utilities assets in Colorado, Kansas, Nebraska and Iowa along with the associated liabilities. Following the Asset Sale and merger closings, Great Plains Energy will be the parent company of Aquila, which will continue to own its Missouri-based utilities comprised of Missouri Public Service and St. Joseph Light & Power and its Merchant Services operations, primarily consisting of the 340-megawatt Crossroads power generating facility and residual natural gas contracts.

The Unaudited Pro Forma Condensed Combined Statement of Income combines the historical consolidated statements of income for Great Plains Energy and Aquila, as adjusted for the Asset Sale, giving effect to the merger as if it had occurred on January 1, 2006. The Unaudited Pro Forma Condensed Combined Balance Sheet combines the historical consolidated balance sheets of Great Plains Energy and Aquila, as adjusted for the Asset Sale and the April 1, 2007 sale of Aquila's Kansas electric utility business, giving effect to the merger as if it had been consummated on December 31, 2006. These Unaudited Combined Pro Forma Financial Statements should be read in conjunction with the:

- accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Statements;
- separate Unaudited Pro Forma Condensed Consolidated Financial Information (and the notes thereto) of Aquila included in this joint proxy statement/prospectus;
- separate historical financial statements of Great Plains Energy as of and for the year ended December 31, 2006, included in the Great Plains Energy Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this document; and
- separate historical financial statements of Aquila as of and for the year ended December 31, 2006, included in the Aquila Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this document.

The historical financial information of Great Plains Energy and Aquila, as adjusted as of and for the year ended December 31, 2006, reflected in the Unaudited Pro Forma Condensed Combined Financial Statements is derived from the audited financial statements of Great Plains Energy and Aquila, respectively, but does not include all disclosures required by accounting principles generally accepted in the United States of America. The Unaudited Pro Forma Condensed Combined Financial statements are provided for informational purposes only and they are not necessarily indicative of what the combined companies' financial position or results of operations actually would have been had the merger been completed at the dates indicated. In addition, the unaudited pro forma condensed combined financial information is not intended to project the future financial position or results of operations of the combined company.

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The Unaudited Pro Forma Condensed Combined Financial Statements were prepared using the purchase method of accounting with Great Plains Energy as the acquirer. Accordingly, the historical consolidated financial information has been adjusted to give effect to the impact of the consideration issued in connection with the merger. In the Unaudited Pro Forma Condensed Combined Balance Sheet, Great Plains Energy's cost to acquire Aquila has been allocated to the assets to be acquired and liabilities to be assumed based upon Great Plains Energy's management's preliminary estimate of their respective fair values. Any differences between the purchase price and the fair value of the assets and liabilities to be acquired will be recorded as goodwill. In Great Plains Energy's opinion, the fair value of the assets acquired and liabilities (including long-term debt) assumed will approximate book value in a rate-regulated merger. Non-regulated assets and liabilities will be recorded at fair value. The amounts allocated to the assets acquired and liabilities assumed in the Unaudited Pro Forma Condensed Combined Financial Statements are based on Great Plains Energy's management's preliminary internal valuation estimates. The final allocation of the purchase price will be based upon the fair value of the assets acquired and liabilities assumed of Aquila on the date the merger is completed. Accordingly, the pro forma purchase allocation adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information and are subject to revision based on a final determination of fair value following the closing of the merger. Final determinations of fair value may differ materially from those presented herein. Aquila's integrated regulated operations comprised of Missouri Public Service and St. Joseph Light & Power's operations are accounted for pursuant to SFAS No. 71 "Accounting for the Effects of Certain Types of Regulation." Under the rate setting and recovery provisions currently in place and expected to continue in place for these regulated operations, revenues are derived from earning a return on, and a recovery of, the original cost of assets and liabilities. Accordingly, the fair values of the individual tangible assets and liabilities are estimated to approximate the carrying values. The estimated fair values of the assets and liabilities of these operations could also be materially affected by the rate structure of Aquila's utilities upon completion of the merger.

The Unaudited Pro Forma Condensed Combined Statement of Income also includes certain purchase accounting adjustments, including adjustments for events that are directly attributable to the merger; factually supportable; and with respect to the statements of income, expected to have a continuing impact on the combined company's results. The pro forma adjustments are described in the accompanying notes.

The purchase method of accounting applied to the merger is based on current accounting literature. On June 30, 2005, the Financial Accounting Standards Board (FASB) issued an exposure draft proposing a standard to replace Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations" changing the rules governing the application of purchase accounting. Although the FASB anticipates finalizing the standard in 2007, the effective date cannot be predicted. However, it is not expected to be effective until after December 31, 2008. If the standard is finalized and effective for this merger, the accounting for the merger could be materially affected.

Based on Great Plains Energy's review of Aquila's summary of significant accounting policies disclosed in Aquila's financial statements, the nature and amount of any adjustment to the historical financial statements of Aquila to conform their accounting policies to those of Great Plains Energy are not expected to be significant. Upon consummation of the merger, further review of Aquila's accounting policies and financial statements may result in required revisions to Aquila's policies and classifications to conform to those of Great Plains Energy.

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GREAT PLAINS ENERGY INCORPORATED
Unaudited Pro Forma Combined Statement of Income
For the Year Ended December 31, 2006

	Great Plains Energy Historical	Aquila Historical As Adjusted A	Pro Forma Adjustments	Great Plains Energy Combined Pro Forma
		(thousands, except per share amounts)		
Operating Revenues				
Electric revenues—Utility	\$1,140,357	\$ 596,027	\$ (2,967)B	\$1,733,417
Electric revenues—Strategic Energy	1,532,106	—		1,532,106
Gas revenues	—	6,301		6,301
Other revenues	2,886	(10,122)	(202)B	(7,438)
Total	<u>2,675,349</u>	<u>592,206</u>	<u>(3,169)</u>	<u>3,264,386</u>
Operating Expenses				
Fuel	229,469	140,816		370,285
Purchased power—Utility	26,418	172,087	(2,967)B	195,538
Purchased power—Strategic Energy	1,490,246	—		1,490,246
Skill set realignment costs	9,448	—		9,448
Other	327,917	202,026	(202)B	529,741
Maintenance	83,844	42,315		126,159
Depreciation and amortization	160,549	66,744	(2,168)D	225,125
General taxes	112,601	20,100		132,701
(Gain) loss on property and other charges	(565)	246,922		246,357
Total	<u>2,439,927</u>	<u>891,010</u>	<u>(5,337)</u>	<u>3,325,600</u>
Operating income (loss)	235,422	(298,804)	2,168	(61,214)
Non-operating income (expense)	13,183	33,574		46,757
Interest charges	<u>(71,221)</u>	<u>(159,108)</u>		<u>(230,329)</u>
Income (loss) from continuing operations before income taxes and loss from equity investments	177,384	(424,338)	2,168	(244,786)
Income tax (expense) benefit	(47,822)	(96,397)	(841)J	47,734
Loss from equity investments, net of income taxes	<u>(1,932)</u>	<u>—</u>		<u>(1,932)</u>
Income (loss) from continuing operations . .	127,630	(327,941)	1,327	(198,984)
Preferred stock dividend requirements	<u>1,646</u>	<u>—</u>		<u>1,646</u>
Income from continuing operations available for common shareholders	<u>\$ 125,984</u>	<u>\$ (327,941)</u>	<u>\$ 1,327</u>	<u>\$ (200,630)</u>
Average number of basic common shares outstanding	78,003	375,080		110,110
Average number of diluted common shares outstanding	78,170	375,450		110,309
Earnings (loss) from continuing operations per common share				
Basic	\$ 1.62	\$ (0.87)		\$ (1.82)
Diluted	<u>1.61</u>	<u>(0.87)</u>		<u>(1.82)</u>

The accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2006

	Great Plains Energy Historical	Aquila Historical As Adjusted	A	Pro Forma Adjustments	Great Plains Energy Combined Pro Forma
				(thousands)	
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 61,823	\$1,384,499		\$ (673,187) M	\$ 773,135
Restricted cash	—	9,057			9,057
Funds on deposit	—	107,929			107,929
Receivables, net	339,399	117,861		(1,593) B	455,667
Fuel inventories, at average cost	27,811	39,102			66,913
Materials and supplies, at average cost	59,829	29,136			88,965
Deferred refueling outage costs	13,921	—			13,921
Refundable income taxes	9,832	—			9,832
Deferred income taxes	39,566	—			39,566
Derivative instruments	6,884	71,314			78,198
Other	11,717	6,616			18,333
Total	570,782	1,765,514		(674,780)	1,661,516
Nonutility Property and Investments					
Affordable housing limited partnerships	23,078	—			23,078
Nuclear decommissioning trust fund	104,066	—			104,066
Nonutility plant, net	—	124,938		(67,255) D	57,683
Other	15,663	—			15,663
Total	142,807	124,938		(67,255)	200,490
Utility Plant, at Original Cost					
Utility Plant	5,268,485	2,057,175			7,325,660
Less-accumulated depreciation	2,456,199	802,820			3,259,019
Net utility plant in service	2,812,286	1,254,355		—	4,066,641
Construction work in progress	214,493	52,989			267,482
Nuclear fuel, net of amortization	39,422	—			39,422
Total	3,066,201	1,307,344		—	4,373,545
Deferred Charges and Other Assets					
Regulatory assets	434,392	101,306		28,599 O	564,297
Goodwill	88,139	110,977		(110,977) K	381,207
				293,068 E	
Derivative instruments	3,544	43,412			46,956
Other	29,795	52,453		(2,800) I	79,448
Total	555,870	308,148		207,890	1,071,908
Total	\$4,335,660	\$3,505,944		\$ (534,145)	\$7,307,459

The accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY INCORPORATED
Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2006

	Great Plains Energy Historical	Aquila Historical As Adjusted	A	Pro Forma Adjustments	Great Plains Energy Combined Pro Forma
				(thousands)	
LIABILITIES AND CAPITALIZATION					
Current Liabilities					
Commercial paper	\$ 156,400	\$ —		\$ —	\$ 156,400
Current maturities of long-term debt	389,634	19,299			408,933
EIRR bonds classified as current	144,742	—			144,742
Accounts payable	322,724	85,067		(1,593) B	406,198
Accrued taxes	24,106	21,736			45,842
Accrued interest	14,082	49,685			63,767
Accrued payroll and vacations	33,266	21,251			54,517
Pension and post retirement liability	1,037	3,537			4,574
Derivative instruments	91,482	61,731			153,213
Other	25,520	87,913		22,200 I 15,000 L	150,633
Total	1,202,993	350,219		35,607	1,588,819
Deferred Credits and Other Liabilities					
Deferred income taxes	622,847	11,872		(22,628) C 6,860 N 10,982 O	629,933
Deferred investment tax credits	28,458	7,391			35,849
Asset retirement obligations	91,824	8,182			100,006
Pension liability	143,170	25,736			168,906
Regulatory liabilities	114,674	65,516			180,190
Derivative instruments	61,146	27,076			88,222
Other	82,122	33,755			115,877
Total	1,144,241	179,528		(4,786)	1,318,983
Capitalization					
Common shareholders' equity					
Common stock	896,817	3,883,894		(3,883,894) F 1,022,991 G 2,984 H	1,922,792
Retained earnings (deficit)	493,399	(2,262,052)		(110,977) K 2,373,029 F	493,399
Treasury stock, at cost	(1,614)	(356)		356 F	(1,614)
Accumulated other comprehensive loss	(46,686)	(30,545)		30,545 O,F	(46,686)
Total	1,341,916	1,590,941		(564,966)	2,367,891
Cumulative preferred stock	39,000	—			39,000
Long-term debt	607,510	1,385,256			1,992,766
Total	1,988,426	2,976,197		(564,966)	4,399,657
Commitments and Contingencies					
Total	\$4,335,660	\$ 3,505,944		\$ (534,145)	\$7,307,459

The accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements are an integral part of these statements.

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GREAT PLAINS ENERGY INCORPORATED
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Basis of Presentation

The Unaudited Pro Forma Condensed Combined Financial Statements have been prepared to reflect the merger of Great Plains Energy and Aquila, which is currently anticipated to occur in the first quarter of 2008 depending on all necessary approvals being received, although actual timing cannot be predicted.

The estimated purchase price and the allocation of the estimated purchase price discussed below are preliminary, as the proposed merger has not yet been completed. The actual purchase price will be based upon the value of Great Plains Energy shares issued to Aquila shareholders, the fair value of the Aquila share-based compensation that will be exchanged for Great Plains Energy's share-based compensation and the actual transaction-related costs of Great Plains Energy. The final allocation of the purchase price will be based upon the fair value of the assets acquired and liabilities assumed of Aquila on the date the merger is completed.

The preliminary estimated total purchase price of the merger is as follows:

(Amounts in thousands, except share data)		
Aquila common shares outstanding	(1)	374,521
Less: Restricted shares outstanding		<u>528</u>
Total Aquila common shares to be converted to Great Plains Energy shares		373,993
Great Plains Energy share price	(2)	\$ 31.88
Exchange ratio into Great Plains Energy shares	(3)	0.0856
Equivalent number of Great Plains Energy shares	(4)	32,014
Option exchange ratio	(5)	0.142
Equivalent number of Great Plains Energy restricted shares	(6)	75
Estimated fair value of Great Plains Energy shares issued	(7)	\$1,020,600
Estimated fair value of Great Plains Energy restricted shares issued	(8)	\$ 2,391
Cash consideration paid	(9)	\$ 673,187
Estimated fair value of stock options exchanged	(10)	\$ 2,984
Estimated transaction-related costs	(11)	<u>\$ 25,000</u>
Total preliminary estimated purchase price		<u>\$1,724,162</u>

- (1) For pro forma purposes, the shares outstanding represent the total number of common shares of Aquila outstanding as of December 31, 2006. The actual purchase price will be based on the total shares of Aquila outstanding as of the effective date of the merger.
- (2) The share price used herein is based on the average closing price of Great Plains Energy common stock for the period beginning two trading days before and ending two trading days after the announcement of the merger. The range of dates for Great Plains Energy was between February 5, 2007 and February 9, 2007, and is herein referred to as the Great Plains Energy Share Price.
- (3) The Exchange Ratio into Great Plains Energy shares issued to Aquila shareholders is defined in the merger agreement.

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- (4) The equivalent number of Great Plains Energy shares is based on the Aquila common shares outstanding as of December 31, 2006, multiplied by the Exchange Ratio into Great Plains Energy shares.
- (5) The Option Exchange Ratio, as defined in the merger agreement, is the Exchange Ratio plus the ratio derived by dividing the per share cash amount by the Parent Company Stock Value, which was estimated as the Great Plains Energy Share price for these purposes.
- (6) The equivalent number of Great Plains Energy restricted shares is based on the Aquila restricted shares outstanding as of December 31, 2006, multiplied by the Option Exchange Ratio into Great Plains Energy restricted shares.
- (7) The estimated fair value of Great Plains Energy shares issued is the equivalent number of Great Plains Energy shares multiplied by the Great Plains Energy Share Price.
- (8) The estimated fair value of Great Plains Energy restricted shares issued is the equivalent number of Great Plains Energy restricted shares multiplied by the Great Plains Energy Share Price.
- (9) Cash consideration paid is calculated as the total number of Aquila common shares to be converted to Great Plains Energy Shares, multiplied by \$1.80, as defined in the merger agreement.
- (10) The estimated fair value of the stock options exchanged in the merger is calculated by multiplying the excess of the Great Plains Energy Share Price of \$31.88 over the converted exercise price of Aquila stock options by the new Great Plains Energy options issued. The fair value of the new Great Plains Energy options issued for the purposes of these Unaudited Pro Forma Condensed Combined Financial Statements may differ from the fair value determined at closing.
- (11) The estimated costs directly related to the merger transaction are comprised of Great Plains Energy financial advisory, legal, and other professional services fees, excluding all of the merger-related expenses of Aquila.

The Unaudited Pro Forma Condensed Combined Financial Statements do not reflect the impact of financing, liquidity or other balance sheet repositioning that may be undertaken subsequent to the merger, nor does it reflect any other changes that might occur regarding the Great Plains Energy and Aquila combined portfolios of businesses.

2. Synergies

Great Plains Energy expects to incur transaction and transition costs related to the merger, and to realize cost savings and synergies commencing upon the consummation of the merger. These cost savings and synergies are not included in the pro forma financial information.

The Unaudited Pro Forma Condensed Combined Financial Statements are not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the merger been completed at the dates indicated. Aquila historical information has been adjusted for the Asset Sale, as well as the April 1, 2007 sale of Aquila's Kansas electric utility business. In relation to the Asset Sale, the pro forma adjustments include eliminations of the assets sold and the liabilities, revenues and expenses directly associated with the assets sold. Therefore, costs related to centralized functions that have not been eliminated would more than likely be significant in relation to the significant amount of assets sold.

Except as discussed at Note 4, adjustment L to the Unaudited Pro Forma Condensed Combined Balance Sheet, the Unaudited Pro Forma Condensed Combined Financial Statements do not reflect any nonrecurring charges expected to result from the merger. The majority of nonrecurring charges resulting from the merger are anticipated to be comprised of executive separation, employee termination costs and other exit costs related to the Aquila business that will be recognized in the

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opening balance sheet in accordance with Emerging Issues Task Force (EITF) Issue No 95-3, “Recognition of Liabilities in Connection with a Purchase Business Combination.” Other merger-related charges may be incurred that do not meet the criteria in EITF Issue No 95-3, including employee termination and exit costs related to the acquired business, other integration-related costs, and the impacts of potential divestitures, if any, that may be required by governmental authorities.

3. Reclassifications

Certain reclassifications have been made to Aquila’s historical financial statement presentation in order to conform to Great Plains Energy’s historical financial statement presentation. These reclassifications had no impact on the historical income from continuing operations reported by Aquila.

Based on Great Plains Energy’s review of Aquila’s summary of significant accounting policies disclosed in Aquila’s financial statements, the most significant difference in accounting policies noted relates to the accounting for planned major maintenance activities. Great Plains Energy early adopted the provisions of FASB Staff Position (FSP) No. AUG AIR-1, “Accounting for Planned Major Maintenance Activities”, which prohibits the use of the accrue-in-advance method of accounting for planned major maintenance activities. Aquila adopted the direct expense method, but, as permitted by regulatory authorities will continue to use the accrue-in-advance method of accounting for planned major maintenance activities. Upon consummation of the merger, further review of Aquila’s accounting policies and financial statements may result in required revisions to Aquila’s policies and classifications to conform to those of Great Plains Energy.

4. Pro Forma Adjustments

The pro forma adjustments reflect the allocation of the estimated purchase price at an amount equal to the preliminary estimate of their fair values to the Aquila pro forma current and non-current tangible assets, intangible assets, and current and non-current liabilities; the amortization expense related to the estimated definite-lived intangible assets; changes in depreciation and amortization expense resulting from the estimated fair value adjustments to net tangible assets; elimination of intercompany transactions; and the income tax effect related to the pro forma adjustments.

The pro forma combined provisions for income taxes do not reflect the amounts that would have resulted had Great Plains Energy and Adjusted Aquila filed consolidated income tax returns during the periods presented.

The pro forma adjustments included in the Unaudited Pro Forma Condensed Combined Financial Statements are as follows:

A—Great Plains Energy and Aquila As Adjusted Historical Presentation—The amounts presented for Aquila represent the Aquila historical amounts as adjusted as presented in the Unaudited Pro Forma Condensed Consolidated Balance Sheet and Statement of Income.

B—The pro forma adjustment represents the elimination of transactions between Great Plains Energy and Adjusted Aquila included in each company’s historical balance sheet and statement of income. The underlying amounts in these adjustments relate primarily to purchases and sales of power, transmission and joint owner activities.

C—The pro forma adjustment represents the deferred tax impact related to the net amount assigned to the current and non-current assets and liabilities of Adjusted Aquila. This adjustment does not consider the goodwill in excess of the Adjusted Aquila historical carrying amount and the deferred tax impacts of the other pro forma adjustments. Income tax effects have been calculated using the Aquila statutory federal and blended state rate of 38.8% and could change based on changes in the applicable tax rates and finalization of the combined company’s tax position.

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D—The pro forma adjustment represents the adjustment of the estimated fair value of certain Adjusted Aquila non-regulated tangible assets and reduction of depreciation expense associated with the decreased fair value. The adjustment was determined based on Great Plains Energy’s estimates of fair value based on estimates of proceeds from sale of units to an unrelated party of similar capacity in the current market place. The preliminary internal analysis indicated a fair value estimate of Aquila’s non-regulated Crossroads power generating facility of approximately \$51.6 million. This analysis is significantly affected by assumptions regarding the current market for sales of units of similar capacity. The \$67.3 million adjustment reflects the difference between the fair value of the combustion turbines at \$51.6 million and the \$118.9 million book value of the facility at December 31, 2006. Great Plains Energy management believes this to be an appropriate estimate of the fair value of the facility. The adjusted value will be depreciated over the estimated remaining useful lives of the underlying assets and could be materially affected by changes in fair value prior to the closing of the merger. An additional change in the fair value of the facility of \$15 million would result in an additional change to annual depreciation expense of approximately \$0.5 million.

E—The pro forma adjustment represents goodwill, i.e. the excess of the purchase price over the fair value of the tangible assets of Adjusted Aquila acquired and liabilities assumed.

Under the purchase method of accounting, the total estimated purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values with the excess of the purchase price over the fair value recorded to goodwill. The fair value of these assets and liabilities is preliminary and subject to change pending additional information that may come to our knowledge and restructuring decisions made upon completion of the merger. The following represents the preliminary adjustments to the assets acquired and liabilities assumed:

(Amounts in Thousands)	
Total preliminary estimated purchase price (Note 1)	\$1,724,162
Less: Book value of Aquila assets acquired and liabilities assumed	<u>1,590,941</u>
Excess of purchase price over net book value of assets acquired	<u>\$ 133,221</u>
Adjustments to goodwill related to:	
Elimination of historical goodwill	\$ 110,977
Non-regulated tangible assets	67,255
Regulatory assets-pensions	(28,599)
Other current liabilities	15,000
Deferred tax liabilities	<u>(4,786)</u>
Total adjustments	159,847
Total adjustment to goodwill	<u>\$ 293,068</u>

In Great Plains Energy’s opinion, the fair value of assets, liabilities and long-term debt assumed will approximate book value in a rate-regulated merger. Great Plains Energy’s management analyzed the merger agreement for potential intangible assets and none were identified. For purposes of the pro forma balance sheet, Great Plains Energy’s management assumed the cost of Aquila’s long-term debt will be recovered in rates after consummation of the merger. Accordingly, no adjustment has been made to fair value Aquila’s long-term debt in the pro forma historical financials presented.

Pursuant to SFAS 142, “Goodwill and Other Intangible Assets”, goodwill is not amortized; rather, impairment tests are performed at least annually or more frequently if circumstances indicate an impairment may have occurred. If an impairment exists, the goodwill is immediately written down to its fair value through a current charge to retained earnings. Accordingly, the goodwill arising from the merger will be subject to an impairment test at least annually.

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- F—The historical equity of Aquila is eliminated in this pro forma adjustment.
- G—Represents the pro forma adjustment to record the fair value of the Great Plains Energy common shares outstanding, including restricted shares, exchanged in the merger.
- H—Represents the pro forma adjustment to record the fair value of the Adjusted Aquila stock options converted to Great Plains Energy stock options.
- I—This pro forma adjustment accrues the direct costs of the merger, or anticipated transaction-related expenses of Great Plains Energy to be capitalized by the combined company, which include financial advisory, legal and other professional service fees.
- J—Represents the pro forma adjustment to adjust the tax provision to reflect the effects of the pro forma adjustments. Income tax effects have been calculated using the Adjusted Aquila statutory federal and blended state rate of 38.8%. This estimate could change based on changes in the applicable tax rates and finalization of the combined company’s tax position.
- K—The pro forma adjustment eliminates goodwill previously recorded by Aquila primarily related to Aquila’s purchase of St. Joseph Light & Power.
- L—Represents the pro forma adjustments to accrue expenses related to Aquila executives as a result of the merger change in control that are not contingent upon future employment.
- M—The cash consideration paid to Aquila shareholders in the merger is reflected in this pro forma adjustment.
- N—Represents the pro forma adjustments to deferred taxes related to NOLs. This adjustment consists primarily of an adjustment to establish additional valuation allowance on state NOLs as a result of the Asset Sale, as the ability of the combined company to utilize the NOLs would be adversely affected since it will no longer have operations in several states. The adjustments could be materially affected by changes in the assumptions involved prior to the closing of the merger.
- O—The pro forma adjustment represents the recording of a regulatory asset for certain unrecognized pension costs that are being recovered over specific amortization periods pursuant to a regulatory order in Aquila’s Missouri electric operations.

5. Unaudited Pro Forma Loss per Share

The pro forma weighted average number of basic and diluted shares outstanding is calculated by adding Great Plains Energy’s weighted average number of basic and diluted shares of common stock outstanding for the year ended December 31, 2006 and Aquila’s weighted average number of basic and diluted shares of common stock outstanding for the same period multiplied by the exchange ratio of 0.0856:

(Amounts in Thousands, except per share data)	For the year ended December 31, 2006	
	Weighted Average Shares	Loss per Share
Basic:		
Great Plains Energy	78,003	
Conversion of Aquila to Great Plains Energy	32,107	
Pro forma	110,110	\$(1.82)
Diluted:		
Great Plains Energy	78,170	
Conversion of Aquila to Great Plains Energy	32,139	
Pro forma	110,309	\$(1.82)

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DESCRIPTION OF GREAT PLAINS ENERGY CAPITAL STOCK

The following descriptions of the common stock of Great Plains Energy and the relevant provisions of Great Plains Energy's articles of incorporation and by-laws are summaries and are qualified by references to Great Plains Energy's articles of incorporation and by-laws which have been previously filed with the SEC and are exhibits to this registration statement, of which this prospectus is a part, as well as the applicable MGBCL.

Under its Articles of Incorporation, Great Plains Energy is authorized to issue 162,962,000 shares of stock, divided into classes as follows:

- 390,000 shares of Cumulative Preferred Stock with a par value of \$100;
- 1,572,000 shares of Cumulative No Par Preferred Stock with no par value;
- 11,000,000 shares of Preference Stock with no par value; and
- 150,000,000 shares of Common Stock with no par value.

At May 1, 2007, 390,000 shares of Cumulative Preferred Stock and 85,998,337 shares of common stock were outstanding. No shares of Cumulative No Par Preferred Stock or Preference Stock are currently outstanding but such shares may be issued from time to time in accordance with the Articles of Incorporation. The voting powers, designations, preferences, rights and qualifications, limitations, or restrictions of any series of Preference Stock are set by Great Plains Energy's board of directors when the Preference Stock is issued.

DIVIDEND RIGHTS AND LIMITATIONS. The holders of Great Plains Energy's common stock are entitled to receive such dividends as the board of directors may from time to time declare, subject to any rights of the holders of Great Plains Energy preferred and preference stock. Great Plains Energy's ability to pay dividends depends primarily upon the ability of its subsidiaries to pay dividends or otherwise transfer funds to it. Except as otherwise authorized by consent of the holders of at least two-thirds of the total number of shares of the total outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock, Great Plains Energy may not pay or declare any dividends on common stock, other than dividends payable in common stock, or make any distributions on, or purchase or otherwise acquire for value, any shares of common stock if, after giving effect thereto, the aggregate amount expended for such purposes during the 12 months then ended (a) exceeds 50% of net income available for dividends on Preference Stock and common stock for the preceding 12 months, in case the total of Preference Stock and common stock equity would be reduced to less than 20% of total capitalization, or (b) exceeds 75% of such net income in case such equity would be reduced to between 20% and 25% of total capitalization, or (c) except to the extent permitted in subparagraphs (a) and (b), would reduce such equity below 25% of total capitalization.

DIVIDENDS. Subject to certain limited exceptions, no dividends may be declared or paid on common stock and no common stock may be purchased or redeemed or otherwise retired for consideration (a) unless all past and current dividends on Cumulative Preferred Stock and Cumulative No Par Preferred Stock have been paid or set apart for payment and (b) except to the extent of retained earnings (earned surplus).

VOTING RIGHTS. Except as otherwise provided by law and subject to the voting rights of the outstanding Cumulative Preferred Stock, Cumulative No Par Preferred Stock, and Preference Stock, the holders of Great Plains Energy's common stock have the exclusive right to vote for all general purposes and for the election of directors through cumulative voting. This means each stockholder has a total vote equal to the number of shares they own multiplied by the number of directors to be elected. These votes may be divided among all nominees equally or may be voted for one or more of the nominees either in equal or unequal amounts. The nominees with the highest number of votes are elected. The consent of specified percentages of holders of outstanding shares of Cumulative Preferred

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Stock and Cumulative No Par Preferred Stock is required to authorize certain actions which may affect their interests. If, at any time, dividends on any of the outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock are in default in an amount equivalent to four or more full quarterly dividends, the holders of outstanding shares of all preferred stock, voting as a single class, will be entitled (voting cumulatively) to elect the smallest number of directors necessary to constitute a majority of the full board of directors, which right shall continue in effect until all dividend arrearages shall have been paid.

LIQUIDATION RIGHTS. In the event of any dissolution or liquidation of Great Plains Energy Incorporated, after there shall have been paid to or set aside for the holders of shares of outstanding Cumulative Preferred Stock, Cumulative No Par Preferred Stock, and Preference Stock the full preferential amounts to which they are respectively entitled, the holders of outstanding shares of common stock shall be entitled to receive pro rata, according to the number of shares held by each, the remaining assets available for distribution.

MISCELLANEOUS. The outstanding shares of common stock are, and the shares of common stock sold hereunder will be, upon payment for them, fully paid and nonassessable. The holders of Great Plains Energy's common stock are not entitled to any preemptive or preferential rights to subscribe for or purchase any part of any new or additional issue of stock or securities convertible into stock. Great Plains Energy common stock does not contain any redemption provisions or conversion rights. UMB Bank, N.A. acts as transfer agent and registrar for Great Plains Energy's common stock.

BUSINESS COMBINATIONS. The affirmative vote of the holders of at least 80% of the outstanding shares of common stock is required for the approval or authorization of certain business combinations with interested stockholders. However, this 80% voting requirement will not be applicable if:

- the business combination will have been approved by a majority of the continuing directors; or
- the cash or the fair market value of the property, securities, or other consideration to be received per share by holders of the common stock in such business combination is not less than the highest per-share price paid by or on behalf of the acquiror for any shares of common stock during the five-year period preceding the announcement of the business combination.

LISTING. The common stock of Great Plains Energy is listed on the NYSE under the symbol "GXP."

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COMPARISON OF STOCKHOLDER RIGHTS

Upon completion of the merger, Aquila stockholders will receive \$1.80 in cash and 0.0856 share of Great Plains Energy common stock in exchange for each share of Aquila common stock.

- The rights of Aquila stockholders currently are governed by the DGCL and Aquila’s restated certificate of incorporation and amended and restated by-laws.
- The rights of Great Plains Energy stockholders currently are governed by the MGBCL, and by Great Plains Energy’s articles of incorporation and amended by-laws.

The following is a summary of the material differences between Delaware law and Aquila’s certificate of incorporation and by-laws, on the one hand, and Missouri law and Great Plains Energy articles of incorporation and by-laws, on the other hand. This summary does not purport to be a complete discussion of, and is qualified in its entirety by reference to, Aquila’s certificate of incorporation and by-laws, Great Plains Energy’s articles of incorporation and by-laws, Delaware law and Missouri law. For a more complete understanding of the differences between being a stockholder of Aquila and Great Plains Energy, you should carefully read this entire joint proxy statement/prospectus and the relevant provisions of the DGCL and the MGBCL, the certificate of incorporation and by-laws of Aquila and the articles of incorporation and by-laws of Great Plains Energy, which are incorporated by reference into this joint proxy statement/prospectus.

Authorized Capital Stock; Authority to Issue Capital Stock

Great Plains Energy

Great Plains Energy’s articles of incorporation authorizes it to issue up to 150,000,000 shares of common stock without par value, of which 85,998,337 shares were outstanding as of the close of business on May 1, 2007; 390,000 shares of cumulative preferred stock, of the par value of \$100 each, of which 390,000 shares were outstanding as of the close of business on May 1, 2007; 1,572,000 shares of cumulative no par preferred stock without par value, of which no shares were outstanding as of the close of business on May 1, 2007; and 11,000,000 shares of preference stock without par value, of which no shares were outstanding as of the close of business on May 1, 2007.

Aquila

Aquila’s restated certificate of incorporation authorizes it to issue up to 400,000,000 shares of common stock, of the par value \$1.00 per share, of which 374,683,577.8122 shares were outstanding as of the close of business on May 4, 2007; 10,000,000 preference stock, without par value, of which no shares were outstanding as of the close of business on May 4, 2007; and 20,000,000 shares of Class A common stock, of the par value of \$1.00 per share, of which no shares were outstanding as of the close of business on May 4, 2007.

Number of Directors; Classification of Board of Directors

Great Plains Energy

The MGBCL provides that a corporation shall have three or more directors, except that a corporation may have one or two directors if stated in the articles of incorporation.

The Great Plains Energy articles of incorporation provide for the number of members of the board of directors to be set by Great Plains Energy’s by-laws. Great Plains Energy’s by-laws provide for Great Plains Energy’s board of directors to consist of 11 directors who will be elected at the annual meeting of the stockholders. The Great Plains Energy bylaws provides that directors need not be stockholders. Great Plains Energy currently has 11 directors.

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Aquila

The DGCL provides that a corporation’s board of directors must consist of one or more individuals, with the number fixed by, or in the manner provided in, the by-laws, unless the certificate of incorporation fixes the number, in which case a change in the number of directors will be made only by amendment of the certificate. The DGCL further provides that directors need not be stockholders of the corporation unless the corporation’s certificate of incorporation or by-laws so provide. The certificate of incorporation and by-laws may also prescribe other qualifications for directors.

The Aquila certificate of incorporation provides that the number of directors of Aquila will not be less than three and shall be fixed by, or in the manner provided in, the by-laws of Aquila. Directors need not be stockholders of Aquila. The Aquila by-laws provide that Aquila’s board of directors shall consist of not less than three persons, the exact number of directors to be fixed from time to time solely by the vote of not less than a majority of the directors then in office. Aquila currently has 8 directors.

Vacancies on the Board and Newly Created Directorships

Great Plains Energy

The MGBCL provides that, unless otherwise provided in the articles of incorporation or the by-laws, the board of directors can fill vacancies by a majority vote until the next election of directors by stockholders. The Great Plains Energy by-laws provide that in case of the death or resignation of one or more of the directors, a majority of the remaining directors, though less than a quorum, may fill the vacancy or vacancies until the successor or successors are elected at a meeting of the stockholders. A director may resign at any time and the acceptance of his or her resignation shall not be required in order to make it effective.

Aquila

The DGCL provides that, unless otherwise provided in the certificate of incorporation or by-laws, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Aquila’s by-laws provide that vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the vote of a majority of the remaining directors, although this majority is less than a quorum.

Removal of Directors

Great Plains Energy

The MGBCL provides that, unless the articles of incorporation or bylaws provide otherwise, one or more directors of a corporation may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors. The MGBCL also provides that any director may be removed for cause by action of a majority of the entire board of directors if the director, at the time of removal, fails to meet the qualifications stated in the articles of incorporation or bylaws for election as a director or is in breach of any agreement between this director and the corporation relating to this director’s services as a director or employee of the corporation. Great Plains Energy’s articles of incorporation and by-laws are silent on the removal of directors.

Aquila

Under DGCL, unless the certificate of incorporation otherwise provides, any director or the entire board of directors may be removed by the holders of a majority of the shares then entitled to vote at an election of directors. The Aquila certificate of incorporation provides that the entire board of

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directors may be removed at any time by the affirmative vote of the holders of 80% or more of the outstanding shares of capital stock of the corporation entitled to vote generally in the election of directors (considered for this purpose as one class) cast at a meeting of the stockholders called for that purpose. The DGCL also provides that, unless the certificate of incorporation provides otherwise, in the case of a corporation with a board of directors that is classified, directors may be removed by shareholders only for cause. Because Aquila’s board of directors is classified, no directors may be removed without cause.

Quorum for Meetings of Stockholders

Great Plains Energy

The MGBCL provides that unless provided in the articles of incorporation or bylaws, a majority of votes of shares entitled to vote on a matter shall constitute a quorum but that the articles of incorporation may require any number or percent greater than a majority of votes to constitute a quorum. Great Plains Energy’s articles of incorporation provide that a majority of the outstanding shares entitled to vote represented in person or by proxy will constitute a quorum. However, less than such quorum shall have the right successively to adjourn the meeting to a specified date not longer than 90 days after such adjournment, and no notice need be given of such adjournment to stockholders not present at the meeting.

Aquila

The DGCL generally provides that a quorum for a stockholders meeting consists of a majority of shares entitled to vote present in person or represented by proxy at such meeting, unless the certificate of incorporation or by-laws of the corporation provide otherwise. Aquila’s by-laws provide that the holders of record of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or by proxy, shall constitute a quorum for the transaction of business.

Voting Rights and Required Vote Generally

Great Plains Energy

The MGBCL provides that, unless otherwise provided in the articles of incorporation, each outstanding share entitled to vote under the provisions of the articles of incorporation shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders, except no person shall vote any shares which at that time belong to the corporation which issued such shares, or which at that time belong to an entity controlled by such corporation. Unless the articles of incorporation or bylaws provide otherwise, each stockholder in electing directors shall have the right to cast as many votes in the aggregate as shall equal the number of votes held by the stockholder in the corporation, multiplied by the number of directors to be elected at the election, and each stockholder may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute them among two or more candidates. A stockholder may vote either in person or by proxy. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Pursuant to KCP&L’s restated articles of consolidation, any act or transaction by or involving KCP&L that requires the approval of the stockholders of KCP&L under the MGBCL also requires the approval of the stockholders of Great Plains Energy by the same vote.

Aquila

The DGCL provides that unless otherwise provided in a corporation’s certificate of incorporation, each stockholder is entitled to one vote for each share of capital stock held by such stockholder. The DGCL further provides that unless a corporation’s certificate of incorporation or by-laws otherwise

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provides, directors of a corporation are elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote in the election at a stockholders meeting at which a quorum is present. Except as otherwise required by the DGCL or by the certificate of incorporation or by-laws, under the DGCL, all matters brought before a stockholders meeting require the affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at that meeting at a stockholders meeting at which a quorum is present.

Votes on Mergers, Consolidations, Sales or Leases of Assets and Certain Other Transactions

Great Plains Energy

The MGBCL requires the approval of the board of directors and the affirmative vote of two-thirds of the votes entitled to be cast by all stockholders entitled to vote thereon for proposed mergers or consolidations. However, Missouri law provides that in any case in which 90% of the outstanding shares of each class of a domestic corporation is owned by another domestic corporation and the jurisdictions of each allow a merger with the other, the corporation having such share ownership may either merge the other corporation into itself and assume all of its obligations, or merge itself into the other corporation without any stockholder vote. Additionally, Missouri law states that unless expressly required by its articles of incorporation, no vote of stockholders of a domestic corporation is necessary to authorize a merger with or into a single indirect wholly owned subsidiary of such domestic corporation solely in connection with a holding company reorganization if:

- the domestic corporation and the indirect wholly owned subsidiary are the only merger parties;
- each share or fraction of a share of the capital stock of the domestic corporation outstanding immediately prior to the effective time of the merger is converted in the merger into a share or equal fraction thereof of a holding company having the same designations, rights, powers and preferences, and the qualifications, limitations and restrictions thereof, as the share or fraction thereof of such domestic corporation being converted in the merger;
- the holding company and each of the constituent corporations to the merger are Missouri corporations;
- generally, the articles of incorporation and bylaws of the holding company immediately following the effective time of the merger contain provisions identical to the articles of incorporation and bylaws of such domestic corporation immediately prior to the effective time of the merger;
- as a result of the merger, the domestic corporation becomes or remains a direct or indirect wholly owned subsidiary of the holding company;
- the directors of the domestic corporation become or remain the directors of the holding company upon the effective time of the merger; the articles of incorporation of the surviving corporation immediately following the effective time of the merger shall be substantially similar to the articles of incorporation of the domestic corporation immediately prior to the effective time of the merger;
- the stockholders of such domestic corporation do not recognize gain or loss for U. S. federal income tax purposes as determined by the board of directors of such domestic corporation.

Pursuant to KCP&L's restated articles of consolidation, any act or transaction by or involving KCP&L that requires the approval of the stockholders of KCP&L under the MGBCL also requires the approval of the stockholders of Great Plains Energy by the same vote.

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Under the DGCL, a merger, consolidation or sale of all or substantially all of a corporation’s assets must be approved by a majority of the outstanding stock of the corporation entitled to vote. However, unless required by its certificate of incorporation, approval is not required by the holders of the outstanding stock of a constituent corporation surviving a merger if:

- the merger agreement does not amend in any respect its certificate of incorporation;
- each share of its stock outstanding prior to the merger will be an identical share of stock following the merger; and
- either no shares of the surviving corporation’s common stock and no securities convertible into such stock will be issued pursuant to the merger, or the authorized unissued shares or treasury shares of the surviving corporation’s common stock to be issued pursuant to the merger plus those initially issuable upon conversion of any other securities to be issued pursuant to the merger do not exceed 20% of the shares of the surviving corporation’s common stock outstanding immediately prior to the effective date of the merger.

Stockholder approval is not required for either the acquired or, in most cases, the acquiring corporation in a merger if the corporation surviving the merger is at least the 90% parent of the acquired corporation. If the 90% parent is not the surviving corporation, however, the otherwise required vote of at least a majority of the parent’s outstanding stock entitled to vote is required to approve the merger. No vote of the holders of the subsidiary’s outstanding stock is required in these circumstances. In addition, unless required by its certificate of incorporation, approval of the holders of a corporation will not be required to approve a holding company reorganization of the corporation pursuant to the merger of that corporation with or into a single direct or indirect wholly owned subsidiary of that corporation, if the merger complies with certain provisions of the DGCL applicable to “holding company” merger.

Business Combination Statutes

Great Plains Energy

The MGBCL protects domestic corporations from unsolicited takeovers by prohibiting certain transactions once an acquiror has gained control. The statute restricts certain “Business Combinations” between a corporation and an “Interested Shareholder” or affiliates of the Interested Shareholder for a period of five years unless certain conditions are met. A “Business Combination” includes a merger or consolidation, certain sales, leases exchanges, pledges and similar dispositions of corporate assets or stock and certain reclassifications and recapitalizations. An “Interested Shareholder” includes any person or entity which beneficially owns or controls 20% or more of the outstanding voting shares of the corporation.

During the initial five-year restricted period, no Business Combination may occur unless such Business Combination or the transaction in which an Interested Shareholder becomes “interested” is approved by the board of directors of the corporation. Business Combinations may occur during such five-year period if: (i) prior to the stock acquisition by the Interested Shareholder, the board of directors approves the transaction in which the Interested Shareholder became such or approves the Business Combination in question; (ii) the holders of a majority of the outstanding voting stock, other than stock owned by the Interested Shareholder, approve the Business Combination; or (iii) the Business Combination satisfies certain detailed fairness and procedural requirements. The MGBCL exempts from its provisions: (i) corporations not having a class of voting stock registered under Section 12 of the Exchange Act; (ii) corporations which adopt provisions in their articles of incorporation or bylaws expressly electing not to be covered by the statute; and (iii) certain circumstances in which a stockholder inadvertently becomes an Interested Shareholder. In accordance

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with the provisions of these statutes, Great Plains Energy is covered by the restrictions imposed by these statutes.

The affirmative vote of the holders of at least 80% of the outstanding shares of common stock of Great Plains Energy is required for the approval or authorization of certain business combinations with interested shareholders; provided, however, that such 80% voting requirement shall not be applicable if:

- the business combination shall have been approved by a majority of the continuing directors; or
- the cash or the fair market value of the property, securities, or other consideration to be received per share by holders of the common stock in such business combination is not less than the highest per-share price paid by or on behalf of the acquiror for any shares of common stock during the five-year period preceding the announcement of the business combination.

Aquila

Section 203 of the DGCL is Delaware’s business combination statute. Section 203 is designed to protect publicly traded Delaware corporations, such as Aquila, from unsolicited takeovers, by prohibiting a Delaware corporation from engaging in a “business combination” with a person beneficially owning 15% or more of the corporation’s voting stock for three years following the time that person becomes a 15% beneficial owner, with certain exceptions. A corporation may elect not to be governed by Section 203 of the DGCL.

Aquila’s certificate of incorporation provides that, whether or not a vote of stockholders is otherwise required, the affirmative vote of the holders of not less than 80% of the outstanding shares of voting stock is required for the approval or authorization of any business transaction with a related person or any business transaction in which a related person has an interest (except proportionately as a stockholder). However, the 80% voting requirement would not be applicable if:

- the continuing directors have expressly approved the business transaction by a majority vote; or
- the business transaction is a merger or consolidation, or sale of all or substantially all of the assets of Aquila, and the cash or fair market value of the property, securities or other consideration to be received per share by holders of common stock of Aquila (other than the related person) in the business transaction is an amount at least equal to the minimum purchase price, which is the greater of (i) the highest amount of consideration paid by the related person for a share of common stock of the corporation at any time while such person or entity was a related person or in the transaction which resulted in such person or entity becoming a related person; provided, however, that the highest purchase price shall be appropriately adjusted to reflect the occurrence of any reclassification, recapitalization, stock split, reverse stock split or other readjustment in the number of outstanding shares of common stock of the corporation, or the declaration of a stock dividend thereon, between the last date upon which the related person paid the highest purchase price and the effective date of the merger or consolidation or the date of distribution to stockholders of the corporation of the proceeds from the sale of all or substantially all of the assets of the corporation or (ii) an amount equal to 110% of the book value per share of the common stock of the corporation immediately prior to the first public announcement of the proposed business transaction or on the date on which the related party became a related party, whichever is higher.

Stockholder Action by Written Consent

Great Plains Energy

The MGBCL provides that written action of stockholders in lieu of a meeting is permitted only if the consent is signed by all of the stockholders entitled to vote with respect to the subject effected by consent. There is no specific provision for stockholder action by written consent in either the articles of incorporation or the by-laws.

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Aquila

The DGCL provides that unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

The Aquila certificate of incorporation provides that no action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Special Meetings of Stockholders

Great Plains Energy

The MGBCL provides that a special meeting of stockholders may be called by the board of directors or by such persons as may be authorized by the corporation's by-laws. The Great Plains Energy by-laws provide that a special meetings of the stockholders may only be called by the Chairman of the Board, by the President or at the request in writing of a majority of the board of directors. Special meetings of stockholders of the company may not be called by any other person or persons.

Aquila

The DGCL provides that special meetings of the stockholders may be called by the board of directors or by such persons as may be authorized by the certificate of incorporation or by the by-laws. Aquila's by-laws provide that a special meeting of the stockholders may be called by the chairman or the president, or by a majority of the board of directors by vote at a meeting or in writing with or without a meeting, or by not less than a majority of all of the outstanding shares entitled to vote at such meeting.

Amendments to Governing Documents

Great Plains Energy

The MGBCL provides that a corporation may amend its articles of incorporation upon a resolution of the board of directors, proposing the amendment and its submission to the stockholders for their approval by the holders of a majority of the shares of common stock entitled to vote. The Great Plains Energy articles of incorporation provides that the articles of incorporation may be amended in accordance with and upon the vote prescribed by the laws of the State of Missouri. However, no amendment may be adopted without receiving the affirmative vote of at least a majority of the outstanding shares entitled to vote.

Under the MGBCL, the by-laws of a corporation may be made, altered, amended or repealed by the stockholders, unless and to the extent that this power is vested in the board of directors by the articles of incorporation. The Great Plains Energy articles of incorporation provides that the board of directors may make, alter, amend or repeal the company's by-laws by a majority vote of the whole board of directors at any regular meeting of the board or at any special meeting of the board if notice thereof has been given in the notice of such special meeting. The Great Plains Energy articles of incorporation and amended by-laws provide that this provision shall not be construed to limit the power of the stockholders to make, alter, amend or repeal by-laws at any annual or special meeting of stockholders by a majority vote of the shareholders present and entitled to vote at such meeting, provided a quorum is present.

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Aquila

The DGCL provides that an amendment to a corporation’s certificate of incorporation requires that the board of directors adopt a resolution setting forth the proposed amendment and that the stockholders must approve the amendment by a majority of outstanding shares entitled to vote (and a majority of the outstanding shares of each class entitled to vote, if any). Aquila’s certificate of incorporation grants the board of directors the authority to make, alter and repeal the by-laws, subject to the right of stockholders at any regular or special meeting to alter or repeal by-laws made by the board of directors, and subject to the rights, if any, of the holders of any class of stock.

The certificate of incorporation also provides that the affirmative vote of the holders of at least 80% of the issued and outstanding shares of voting stock of Aquila is required to amend, alter or repeal or adopt any provision inconsistent with the by-laws relating to number of directors, election and term of directors, vacancies and newly created directorships, related person transactions, and amendment to the by-law imposing the 80% stockholder approval requirement.

Aquila’s by-laws provide that, subject to the provisions of the certificate of incorporation, the by-laws, whether made by the stockholders or by the board of directors, may be amended, added to or repealed at any meeting of the board of directors or the stockholders.

Indemnification of Directors and Officers

Great Plains Energy

Under the MGBCL, a corporation may indemnify any person made or threatened to be made a party to any legal proceeding, including any suit by or in the name of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation in any such capacity with respect to another enterprise, against expenses and other amounts reasonably incurred by him in connection with such legal proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. Notwithstanding the foregoing, no indemnification may be made in respect to any claim brought by or in the name of the corporation as to which such person is adjudged to be liable to the corporation unless and only to the extent that a proper court determines that in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court deems proper. A corporation is required to indemnify its directors, officers, employees or agents to the extent that such persons have been successful in defending an action, suit or proceeding or any claim, issue or matter therein. These indemnification rights are not exclusive of any other rights to which the person seeking indemnification is entitled and do not limit a corporation’s right to provide further indemnification.

The Great Plains Energy by-laws provide that Great Plains Energy will indemnify each person who was or is made a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the company or is or was an employee of the company acting within the scope and course of his or her employment or is or was serving at the request of the company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the company to the fullest extent authorized by the MGBCL, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts paid to or to be paid in settlement) actually and reasonably incurred by such person in connection therewith. The company may in its discretion by action of its board of directors provide indemnification to agents of the company. Such indemnification shall

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continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators.

Aquila

The DGCL provides that a corporation may indemnify its officers, directors, employees and agents against liabilities and expenses incurred in proceedings if the person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action, had no reasonable cause to believe that the person’s conduct was unlawful. The DGCL further provides that no indemnification is available in respect of a claim as to which the person has been adjudged to be liable to the corporation, unless and only to the extent that a court determines that in view of all the circumstances, such person is fairly and reasonably entitled to indemnity for such expenses that the court deems proper. Under the DGCL, a Delaware corporation must indemnify its present or former directors and officers against expenses (including attorneys’ fees) actually and reasonably incurred to the extent that the officer or director has been successful on the merits or otherwise in defense of any action, suit or proceeding brought against him or her by reason of the fact that he or she is or was a director or officer of the corporation.

The Aquila by-laws contain provisions relating to indemnification substantially the same as those contained in the DGCL.

Limitation on Personal Liability of Directors

Great Plains Energy

The MGBCL provides that the incorporators, directors or stockholders may eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (a) for any breach of the director’s duty of loyalty to the corporation or its stockholders, (b) for acts or omissions not in subjective good faith or which involve intentional misconduct or a knowing violation of law, (c) for any unlawful declaration of dividends or (d) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision of the MGBCL becomes effective.

The Great Plains Energy articles of incorporation and by-laws are silent with respect to limitation on personal liability of directors.

Aquila

The DGCL provides that a corporation may include in its certificate of incorporation a provision eliminating the liability of a director to the corporation or its stockholders for monetary damages for a breach of the director’s fiduciary duties, except liability for any breach of the director’s duty of loyalty to the corporation’s shareholders, for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law, under Section 174 of the DGCL (which deals generally with unlawful payments of dividends, stock repurchases and redemptions), and for any transaction from which the director derived an improper personal benefit.

The Aquila certificate of incorporation provides that a director of the corporation shall not be liable to Aquila or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL.

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Preemptive Rights

Great Plains Energy

The Great Plains Energy stockholders do not have preemptive rights. Thus, if additional shares of Great Plains Energy common stock, cumulative preferred stock, cumulative no par preferred stock or preference stock were issued, the current holders of such shares, to the extent that they do not participate in the additional issuance, would own a proportionately smaller interest in a larger number of outstanding capital stock to the extent that they do not participate in the additional issuance.

Aquila

The Aquila shareholders do not have preemptive rights. Thus, if additional shares of Aquila common stock, preference stock or Class A common stock were issued, the current holders of such shares, to the extent that they do not participate in the additional issuance, would own a proportionately smaller interest in a larger number of outstanding capital stock to the extent that they do not participate in the additional issuance.

Cumulative Voting Rights

Great Plains Energy

Cumulative voting entitles each stockholder to cast an aggregate number of votes equal to the number of voting shares held, multiplied by the number of directors to be elected. Each stockholder may cast all of their votes for one nominee or distribute them among one or more nominees, thus permitting holders of less than a majority of the outstanding shares of voting stock to achieve board representation. Where cumulative voting is not permitted, holders of all outstanding shares of voting stock of a corporation elect the entire board of directors of the corporation, thereby precluding the minority stockholders from having board representation. Under the MGBCL, cumulative voting is permitted unless a corporation's by-laws or articles of incorporation provide otherwise. The Great Plains Energy by-laws and articles of incorporation are silent with respect to cumulative voting rights, so holders of Great Plains Energy cumulative preferred stock, cumulative no par preferred stock and common stock have cumulative voting rights.

Aquila

Holders of Aquila common stock do not have cumulative voting rights.

Dividends and Stock Repurchases

Great Plains Energy

The MGBCL provides that, subject to any restrictions in a corporation's articles of incorporation, the corporation's board of directors may declare dividends, but provides that:

- no dividend may be declared or paid at a time when the net assets of the corporation are less than its stated capital or when the payment thereof would reduce the net assets of the corporation below its stated capital;
- if a dividend is declared out of the paid-in surplus of the corporation, whether created by reduction of stated capital or otherwise, certain limitations contained in section 351.210 of the MGBCL shall apply;
- if a dividend is declared payable in the corporation's own shares having a par value, such shares shall be issued at the par value thereof and there shall be transferred to stated capital at the

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time such dividend is declared an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend;

- if a dividend is declared payable in the corporation’s own shares, without par value, and such shares have a preferential right in the assets of the corporation in the event of its involuntary liquidation, such shares shall be issued at the liquidation value thereof, and there shall be transferred to stated capital at the time such dividend is declared, an amount of surplus equal to the aggregate preferential amount payable upon such shares in the event of involuntary liquidation;
- if a dividend is declared payable in the corporation’s own shares without par value and none of such shares has a preferential right in the assets of the corporation in the event of its involuntary liquidation, such shares shall be issued at such value as shall be fixed by the board of directors by resolution at the time such dividend is declared, and there shall be transferred to stated capital, at the time such dividend is declared, an amount of surplus equal to the aggregate value so fixed in respect of such shares, and the amount per share transferred to stated capital shall be disclosed to the stockholders receiving such dividends concurrently with payment thereof;
- a split-up or division of issued shares into a greater number of shares of the same class shall not be construed to be a share dividend within the meaning of these provisions; and
- no dividend shall be declared or paid contrary to any restrictions contained in the articles of incorporation. The Great Plains Energy articles of incorporation contain additional restrictions on dividends in certain circumstances, as described above under the heading “Description of Great Plains Energy Capital Stock—Dividend Rights and Limitations”.

The MGBCL provides that a corporation shall have power to purchase, take, receive, or otherwise acquire, hold, own, pledge, transfer, or otherwise dispose of its own shares, provided, that it shall not purchase, either directly or indirectly, its own shares when its net assets are less than its stated capital, or when by so doing its net assets would be reduced below its stated capital. The Great Plains Energy articles of incorporation provides that the company may, at its option expressed by vote of the board of directors, at any time, or from time to time, redeem the whole or any part of the cumulative preferred stock, or of any series thereof, or cumulative no par preferred stock, or any series thereof, at the redemption price or prices at the time in effect.

Aquila

The DGCL provides that, subject to any restrictions in a corporation’s certificate of incorporation, dividends may be declared from the corporation’s surplus, or, if there is no surplus, from its net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year. Dividends may not be declared out of net profits, however, if the corporation’s capital has been diminished to an amount less than the aggregate amount of all capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets is repaired. Furthermore, the DGCL generally provides that a corporation may redeem or repurchase its shares only if the redemption or repurchase would not impair the capital of the corporation.

The Aquila by-laws provide that, subject to the provisions of the certificate of incorporation, and of any bonds or indentures securing bonds of the corporation, the board of directors may, in its discretion, declare what, if any, dividends shall be paid upon the stock of the corporation, or upon any class of such stock. Except as otherwise provided by the certificate of incorporation, dividends shall be payable upon such dates as the board of directors may designate. Before payment of any dividend there

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may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for payment as a sinking fund to retire bonds of the corporation, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interests of the corporation, and the directors may abolish any such reserve in the manner in which it was created. The Aquila certificate of incorporate and by-laws place no additional restrictions on the ability of its board of directors to declare repurchase shares of its capital stock.

Dissenters’ or Appraisal Rights

Great Plains Energy

Under the MGBCL, Great Plains Energy stockholders will not have any appraisal or dissenters’ rights as a result of the issuance of additional shares of Great Plains Energy common stock in connection with the merger.

Aquila

The DGCL provides that a stockholder may dissent from, and receive payment in cash for, the fair value of his or her shares as appraised by the Delaware Chancery Court in the event of, certain merger and consolidations. However, stockholders do not have appraisal rights if the shares of stock they hold, at the record date for determination of stockholders entitled to vote at the meeting of stockholders to act upon the merger or consolidation, or on the record date with respect to action by written consent, are either:

- listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.; or
- held of record by more than 2,000 stockholders.

Further, no appraisal rights are available to stockholders of the surviving corporation if the merger did not require the vote of the stockholders of the surviving corporation.

Notwithstanding the foregoing, appraisal rights are available if stockholders are required by the terms of the merger agreement to accept for their shares anything other than:

- shares of stock of the surviving corporation;
- shares of stock of another corporation that are listed on a national securities exchange, designated as a national market system security as described above, or held of record by more than 2,000 stockholders;
- cash instead of fractional shares of stock; or
- any combination of the above.

Appraisal rights are also available under the DGCL in certain other circumstances including in certain parent subsidiary corporation mergers, and in certain circumstances where the certificate of incorporation so provides.

Record Date for Determining Stockholders Entitled to Vote

Great Plains Energy

As permitted under the MGBCL, the Great Plains Energy by-laws provide that, in order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of

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stockholders or any adjournment thereof, the board of directors may fix a record date, which record date will not be more than 70 days before the date of such meeting.

Aquila

As permitted under the DGCL, the Aquila by-laws provide that, in order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date will not be more than 60 days nor less than 10 days before the date of such meeting.

Notice of Stockholder Meetings

Great Plains Energy

The MGBCL requires written or printed notice of each meeting of stockholders stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notice must be given not less than 10 days or more than 70 days before the date of the meeting to each stockholder of record entitled to vote at such meeting. Written notice includes, but is limited to, notice by electronic transmission which means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient.

Aquila

As permitted under the DGCL, Aquila's by-laws provide that, unless otherwise provided by law, Aquila must notify stockholders between 10 days and 60 days before any annual or special meeting of the time and place of the meeting. A notice of a special meeting must state the purpose or purposes for which the special meeting is called. Notices may be given by electronic transmission to the fullest extent permitted by the DGCL in a form of electronic transmission to which the stockholder has consented.

Advance Notice of Stockholder Nominations for Directors

Great Plains Energy

For a Great Plains Energy stockholder to properly nominate a person for election to Great Plains Energy's board of directors, the stockholder must be a stockholder of record on the date of giving notice and on the record date for the determination of stockholders entitled to vote at such annual meeting. In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice in proper written form to the Secretary of the company. To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the company not less than 60 days nor more than 90 days prior to the date of the annual meeting of stockholders; provided, however, that in the event that less than 70 days' notice or prior public disclosure of the date of the meeting is given to stockholders, notice by the stockholder in order to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the company that are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in

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