

and GMO owns 17%). Because the project's ultimate cost will be higher than its initial estimate and will likely be placed into service two months behind schedule the risk of some regulatory disallowance is heightened.

The regulatory lag associated with recovery of the sizable capital investment cited above continues to pressure credit metrics. With one key metric, CFO (pre-w/c) to debt, we would expect to see utility issuers in the "Baa" range demonstrate results between 12%-22%. In 2009, Great Plains and KCPL reported just 11% and 15%, respectively, which are levels considered soft for the ratings, particularly for KCPL. Nevertheless, our stable outlook considers that in 2010 KCPL will receive a full year's benefit from approximately \$154 million of rate increases (\$218 million on a consolidated basis) that became effective in Q3-2009, and that further improvement is possible in 2011 given a reasonable outcome of the recent rate filing in Kansas and the expected filing in Missouri. Both of these cases will deal with the transition of Iatan 2 to rate base.

We believe a constructive regulatory environment can help to mitigate the pressure associated with such a large capital plan. The current rating considers the historically challenging yet improving regulatory environment in Missouri and the reasonable and improving regulatory climate in Kansas. Both jurisdictions have included an "additional amortization" component in rates. The additional amortization is a one-time increase in rates (a return of capital) that KCPL has availed itself of to maintain stability in its cash flows during periods of heavy capital spending. Notwithstanding that benefit, there may be pressure to disallow a portion of the costs related to these projects in future rate cases given the cost escalation incurred to date.

#### **LONGER-TERM REGULATED ELECTRIC OPERATIONS PROVIDE GOOD PLATFORM TO MAINTAIN INVESTMENT GRADE PROFILE**

KCPL has significant baseload generating capacity. Its owned and controlled power generating fleet of approximately 4,049 MW's is primarily coal based with some nuclear and is characterized by low cost production and historically good efficiency. Although we note certain unexpected/extended plant outages negatively affected the company in 2008 there appears to be recent improvement. A longer-term concern with this level of coal exposure is the potential cost involved to comply with any as yet undefined regulations regarding CO2 curtailment.

This capacity serves a stable service territory with limited reliance on industrial customers. The generation fleet also provides capacity in excess of its native load requirements which has enabled KCPL to sell excess power into the wholesale market. Approximately 27% of KCPL's total MW hours sold in 2009 were classified as wholesale.

We note that at KCPL, the benefits of off-system sales are shared with rate-payers in Missouri and margins above a certain threshold are considered in rate-case proceedings as an offset to revenue requirements. As such, market demand and the continued availability of KCPL's generating fleet to make the required amount of off-system sales assumed in the rate structure are important rating considerations. This was a consideration in 2009 as the level of wholesale sales increased, but the lower realized pricing environment in the Southwest Power Pool negatively impacted margins and cash flow. We note that KCPL has mechanisms to pass-through fuel costs in Kansas and in the Missouri based GMO service area and this is viewed positively by Moody's. However, KCPL is currently precluded from requesting a similar fuel clause in Missouri due to its previous agreement with the MPSC under the comprehensive energy plan.

#### **Liquidity**

KCPL has a \$600 million revolver (expires May 2011) that it uses primarily to backstop its commercial paper borrowings (KCPL's short-term commercial paper rating is Prime-2). At December 31, 2009, KCPL reported \$187 million of CP outstanding and \$393 million of available borrowing capacity. It has been KCPL's strategy to borrow short-term to meet capital spending needs and refinance with periodic common equity infusions from Great Plains and the issuance of long-term debt. The sole financial covenant is a maximum debt to capitalization ratio of 65%. KCPL also has no significant near-term debt maturities. Nevertheless, external liquidity will need to be relied on as KCPL will likely be free cash flow negative (CFO -dividends-capex) in 2010.

As a utility holding company, Great Plains relies solely on the ability of its operating subsidiaries to upstream cash to meet debt service requirements and pay dividends. Historically, Great Plains has paid a sizeable dividend, averaging 90% of net income from 2005-2007, but just 74% following the 50% dividend cut to \$110 million in 2009; a measure viewed positively with respect to the ratings as it somewhat alleviates pressure to upstream dividends.

#### **Rating Outlook**

KCPL's rating outlook is stable. Although challenges remain we believe the current Baa2 unsecured rating is appropriate and captures the near-term operational and regulatory risks. Additionally, further improvement in credit metrics is expected in 2010 given a full year benefit of the decided rate cases in 2009.

### What Could Change the Rating - Up

In view of the recent rating action, a near term upgrade of KCPL's rating is unlikely. However, as the company makes progress with its various construction programs and demonstrates sustainable improving credit metrics then Moody's could consider a change in outlook. We note the Baa1 range for certain metrics used in the sector such as CFO (pre w/c) to debt and RCF to debt are 19-22% and 14-17%, respectively.

### What Could Change the Rating - Down

Factors that could pressure the rating downward include further material cost overruns at latan that could pressure future inclusion into rate base. In terms of credit metrics, should KCPL's CFO (pre w/c) to debt ratio continue to remain below the low-to-mid-teens range and the CFO (pre w/c) + Interest/interest ratio fail to improve above 3.5 times over an extended period of time, negative pressure on the rating would develop.

### Other Considerations

The principal methodology used in rating Great Plains is Moody's "Regulated Electric & Gas Utilities" methodology published in August 2009. The table below details parameters around certain qualitative considerations and key credit metrics outlined in the methodology.

### Rating Factors

#### Kansas City Power & Light Company

Regulated Electric and Gas Utilities	Aaa	Aa	A	Baa	Ba	B
Factor 1: Regulatory Framework (25%)					X	
Factor 2: Ability to Recover Costs and Earn Returns (25%)				X		
Factor 3: Diversification (10%)						
a) Market Position (10%)				X		
b) Generation and Fuel Diversity (0%)					X	
Factor 4: Financial Strength, Liquidity & Financial Metrics (40%)						
a) Liquidity (10%)				X		
b) CFO pre-WC + Interest / Interest (7.5%) (3yr Avg)				X		
c) CFO pre-WC / Debt (7.5%) (3yr Avg)				X		
d) CFO pre-WC - Dividends / Debt (7.5%) (3yr Avg)				X		
e) Debt / Capitalization or Debt / RAV (7.5%) (3yr Avg)				X		
Rating:						
a) Actual Senior Unsecured Rating				Baa2		
b) Methodology Implied Senior Unsecured Rating				Baa3		



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**Summary:**

**Kansas City Power & Light Co.**

**Primary Credit Analyst:**

Gabe Grosberg, New York (1) 212-438-6043; gabe\_grosberg@standardandpoors.com

**Secondary Credit Analyst:**

Todd A Shipman, CFA, New York (1) 212-438-7676; todd\_shipman@standardandpoors.com

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## Summary:

# Kansas City Power & Light Co.

**Credit Rating:** BBB/Stable/A-2

## Rationale

The ratings on Kansas City Power and Light Co. (KCP&L) reflect the consolidated credit profile of Great Plains Energy Inc. Great Plains' regulated subsidiaries include KCP&L and KCP&L Greater Missouri Operations Co. (GMO). The ratings also reflect the company's 'excellent' business risk profile and 'aggressive' financial risk profile. As of Dec. 31, 2009, the Kansas City-based Great Plains had about \$3.7 billion of total debt outstanding.

Through its regulated subsidiaries, Great Plains distributes electricity to about 820,000 customers in Kansas and Missouri. The company's electric generating capacity is approximately 6,100 megawatts (MW), and in 2009 about 80% of the energy generated was from coal and 17% from nuclear.

The 'excellent' business risk profile reflects the company's pure regulated strategy, our view of the company's decreasing regulatory risk, and management's renewed commitment to credit quality. In 2009 the Kansas and Missouri Commissions ordered various constructive rate orders, increasing rates by a total of \$218 million, or about 85% of what Great Plains originally requested. Additionally, we view the regulatory mechanisms including the fuel adjustment clauses for GMO and KCP&L (in Kansas only), and the allowance of additional accelerated depreciation to be credit supportive. Also in 2009, the company proactively reduced its dividend and issued equity, demonstrating its renewed commitment to credit quality.

The company is currently implementing its comprehensive energy plan, which includes generation, environmental, and wind projects. Recently, the company announced that it is delaying the in-service date of Iatan 2 until the fall of 2010 because of construction delays and unusually cold weather. As a result, the company provided a reforecast of its Iatan 2 costs that were only marginally higher than its previous estimate. The revised estimate of the cost is \$1.25 billion or about 4% higher than its previous estimate. Because the reforecast remained substantially in line with the company's previous estimate, Standard & Poor's views the risk of a material regulatory disallowance as reduced. As a result of the in-service delay, the company's corresponding rate case orders related to placing Iatan 2 into rate base will also be delayed.

The company's generation fleet demonstrated some operational improvements in 2009 over its 2008 performance. Standard & Poor's 'excellent' business risk profile assumes that the recent operational improvements will be lasting and that the company will be able to continuously demonstrate these improved results on a consistent basis.

Great Plains' financial risk profile is 'aggressive' and is characterized by its historically weak financial measures. For the 12 months ended Dec. 31, 2009, adjusted funds from operations (FFO) to total debt increased to 9.4% from 6.2% at the end of 2008 and adjusted FFO interest coverage also increased to 2.7x from 2.2x. Adjusted debt to total capital improved to 56.7% compared to 60.3%. However, the 2009 financial measures were squeezed by the mild weather and the recession. We expect that the cash flow measures will continue to gradually improve in the near and intermediate term as the 2009 rate case increases take hold and Iatan 2 is placed into service. Given the current rating and business risk profile, we expect that adjusted FFO to debt of 15%-16%, adjusted FFO interest

coverage above 3.5x, and adjusted debt to total capital below 60%.

#### Short-term credit factors

The short-term rating on KCP&L is 'A-2' and reflects the consolidated company's adequate cash flow and sufficient alternative sources to cover current liquidity needs, including ongoing capital requirements, dividend payments, and upcoming debt maturities.

As of Dec. 31, 2009, Great Plains had cash and cash equivalents of \$66 million. Great Plains and its subsidiaries also had about \$900 million available under its various credit facilities after reducing for outstanding borrowings, commercial paper, and letters of credit. The company's \$1.4 billion capacity under the various credit facilities do not expire until 2011. The credit facilities are subject to maintaining a consolidated capitalization ratio of not greater than 65%. As of Dec. 31, 2009, the company was in compliance with this covenant. Great Plains' long-term debt maturities are considerable in 2011 and 2012 with \$486 million and \$514 million maturing, respectively.

#### Outlook

The stable outlook reflects Great Plains' renewed commitment to credit quality. Because of the initiatives that have been implemented, we expect that the prospective cash flow measures will gradually improve and will be in line with the company's 'BBB' rating. A downgrade could occur if the improved financial measures do not materialize, the recent operational improvements at the generating facilities are not lasting, or there is a material regulatory disallowance related to Iatan 2. A ratings upgrade would be predicated on continued effective management of the company's regulatory risk, long-term demonstrated operational consistency at the generating facilities, and significant long-term improvement of the financial measures.

#### Related Criteria And Research

- Business Risk/Financial Risk Matrix Expanded, May 27, 2009.
- Corporate Criteria: Analytical Methodology, April 15, 2008.

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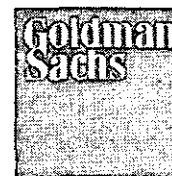
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COMPANY UPDATE  
**Great Plains Energy Inc. (GXP)**

Neutral

**Financing NT needs outweigh valuation on normalized LT earnings**

**What's changed**

GXP's announcement of a dividend decrease and disappointing 2009 guidance creates a potential opportunity for longer-term oriented investors, although near-term equity issuances present a clear overhang. GXP's shares declined approximately 32% YTD versus small- and mid-cap Regulated Utility peers down 14%, but equity issuances in 2009—roughly 12% of the market cap and at prices well below book value of about \$21 per share—may present an even more attractive entry point. We update estimates to reflect (1) increased regulatory lag weighing on 2010/2011 earnings, (2) reduced dividends and equity issuances, and (3) lower share price for equity offerings. Our 2009/2010/2011 EPS estimates go to \$1.27/\$1.64/\$2.13 from \$1.31/\$1.65/\$2.12

**Implications**

Valuation on normalized earnings power screens attractive, but 2009-2010 multiple comparisons are less so, given under-earning due to regulatory lag. GXP's dividend announcement and the need for equity financing highlights predicaments that utilities—especially those trading well below book value—face if they cannot reduce capital spending. Longer-term, more patient investors may consider building a position, given the sell-off, although we recommend waiting until clarity arrives on timing of issuances.

**Valuation**

We maintain GXP's 12-month price target of \$19, given overhang of equity issuances, implying 46% upside potential, as detailed in our February 22 note, *Returning to Center Court: Financing needs outweigh LT valuations*. GXP trades at an 8%/15% discount on 2009/2010 estimates but at a 24%/25% discount on more normalized 2011-2012 estimates.

**Key risks**

Primary risks include (1) higher-than-expected equity financing needs, (2) rate case and regulatory risks, especially given potential delays and cost over-runs on coal plant construction, and (3) regulatory lag in 2010 and 2011.

**INVESTMENT LIST MEMBERSHIP**

Neutral

**Coverage View: Neutral**

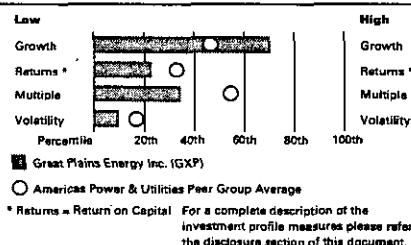
United States:  
 Power

**Michael Lapides**  
 (212) 357-6307 | michael.lapides@gs.com Goldman, Sachs & Co.

**Zac Hurst**  
 (212) 357-2399 | zac.hurst@gs.com Goldman, Sachs & Co.

**Jaideep Malik**  
 (212) 834-6967 | jaideep.malik@gs.com Goldman Sachs India SPL

**Investment Profile**

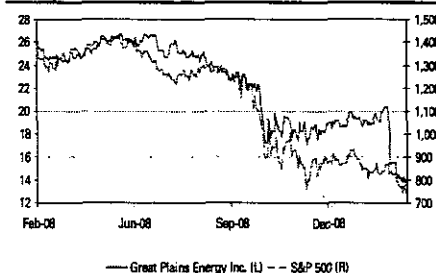


Key data	Current
Price (\$)	13.54
12 month price target (\$)	19.00
Market cap (\$ mn)	1,605.8

	12/08	12/09E	12/10E	12/11E
Revenue (\$ mn) New	2,197.9	2,234.5	2,390.4	2,583.1
Revenue (\$ mn) Old	2,197.9	2,257.9	2,407.7	2,595.4
EPS (\$) New	1.39	1.27	1.64	2.13
EPS (\$) Old	1.39	1.31	1.65	2.12
P/E (X)	9.7	10.7	8.3	6.4
EV/EBITDA (X)	9.6	6.4	5.6	4.9
ROE (%)	8.3	6.1	7.3	9.7

	12/08	3/09E	6/09E	9/09E
EPS (\$)	0.06	(0.01)	0.21	0.80

**Price performance chart**



Share price performance (%)	3 month	6 month	12 month
Absolute	(26.8)	(42.4)	(48.4)
Rel. to S&P 500	(11.4)	0.5	(3.1)

Source: Company data, Goldman Sachs Research estimates, FactSet, Price as of 2/27/2009 close.

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## Great Plains Energy Inc.: Summary financials

Profit model (\$ mn)	12/08	12/09E	12/10E	12/11E	Balance sheet (\$ mn)	12/08	12/09E	12/10E	12/11E
Total revenue	2,197.9	2,234.5	2,390.4	2,583.1	Cash & equivalents	61.1	87.4	165.0	260.9
Cost of goods sold	(937.8)	(648.8)	(660.8)	(674.1)	Accounts receivable	242.3	242.3	242.3	242.3
SG&A	(119.3)	(102.2)	(105.2)	(108.4)	Inventory	186.3	186.3	186.3	186.3
R&D	0.0	0.0	0.0	0.0	Other current assets	114.1	114.1	114.1	114.1
Other operating profit/(expense)	(561.5)	(713.2)	(731.2)	(749.6)	<b>Total current assets</b>	<b>603.8</b>	<b>630.1</b>	<b>707.7</b>	<b>803.6</b>
ESO expense	0.0	0.0	0.0	0.0	Net PP&E	6,081.3	6,475.4	6,802.5	7,319.3
<b>EBITDA</b>	<b>579.3</b>	<b>770.3</b>	<b>893.2</b>	<b>1,051.0</b>	Net intangibles	0.0	0.0	0.0	0.0
Depreciation & amortization	(215.0)	(302.2)	(349.7)	(339.3)	Total investments	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>364.3</b>	<b>468.1</b>	<b>543.5</b>	<b>711.7</b>	Other long-term assets	1,184.3	1,185.7	1,187.1	1,188.5
Net interest income/(expense)	(111.8)	(217.9)	(217.9)	(235.2)	<b>Total assets</b>	<b>7,869.4</b>	<b>8,291.1</b>	<b>8,697.3</b>	<b>9,311.4</b>
Income/(loss) from associates	0.0	0.0	0.0	0.0	Accounts payable	418.0	418.0	418.0	418.0
Others	20.9	17.7	17.7	17.7	Short-term debt	654.9	379.9	379.9	379.9
<b>Pretax profits</b>	<b>273.4</b>	<b>267.9</b>	<b>343.3</b>	<b>494.2</b>	Other current liabilities	264.5	290.1	315.7	341.3
Provision for taxes	(100.8)	(103.3)	(132.2)	(180.3)	<b>Total current liabilities</b>	<b>1,337.4</b>	<b>1,088.0</b>	<b>1,113.6</b>	<b>1,139.2</b>
Minority interest	(0.2)	0.0	0.0	0.0	Long-term debt	2,556.6	2,888.1	3,063.1	3,101.1
<b>Net income pre-preferred dividends</b>	<b>172.4</b>	<b>164.7</b>	<b>211.1</b>	<b>303.9</b>	Other long-term liabilities	1,385.8	1,465.8	1,565.8	1,705.8
Preferred dividends	(1.7)	(1.7)	(1.7)	(1.7)	<b>Total long-term liabilities</b>	<b>3,942.4</b>	<b>4,353.9</b>	<b>4,628.9</b>	<b>4,806.9</b>
<b>Net income (pre-exceptionals)</b>	<b>170.7</b>	<b>163.0</b>	<b>209.5</b>	<b>302.3</b>	<b>Total liabilities</b>	<b>5,279.8</b>	<b>5,441.9</b>	<b>5,742.5</b>	<b>5,946.1</b>
Post tax exceptionals	(29.8)	0.0	2.1	0.0	Preferred shares	39.0	39.0	39.0	39.0
<b>Net income (post-exceptionals)</b>	<b>140.9</b>	<b>163.0</b>	<b>211.6</b>	<b>302.3</b>	<b>Total common equity</b>	<b>2,550.6</b>	<b>2,810.2</b>	<b>2,915.8</b>	<b>3,326.3</b>
EPS (basic, pre-exception) (\$)	1.69	1.27	1.62	2.13	Minority interest	0.0	0.0	0.0	0.0
EPS (diluted, pre-exception) (\$)	1.69	1.27	1.62	2.13	<b>Total liabilities &amp; equity</b>	<b>7,869.4</b>	<b>8,291.1</b>	<b>8,697.3</b>	<b>9,311.4</b>
EPS (basic, post-exception) (\$)	1.39	1.27	1.64	2.13	<b>Additional financials</b>	<b>12/08</b>	<b>12/09E</b>	<b>12/10E</b>	<b>12/11E</b>
EPS (diluted, post-exception) (\$)	1.39	1.27	1.64	2.13	Net debt/equity (%)	121.7	111.6	110.9	95.7
Common dividends paid	(172.0)	(106.8)	(107.3)	(120.2)	Interest cover (X)	3.3	2.1	2.5	3.0
DPS (\$)	1.66	0.83	0.83	0.85	Inventory days	55.7	104.8	102.9	100.9
Dividend payout ratio (%)	98.3	65.5	51.2	39.8	Receivable days	55.6	39.6	37.0	34.2
					BVPS (\$)	36.86	40.61	42.14	48.07
<b>Growth &amp; margins (%)</b>	<b>12/08</b>	<b>12/09E</b>	<b>12/10E</b>	<b>12/11E</b>	ROA (%)	2.7	2.0	2.5	3.4
Sales growth	(32.7)	1.7	7.0	8.1	CROCI (%)	6.5	7.2	7.8	8.5
EBITDA growth	15.0	33.0	16.0	17.7	Dupont ROE (%)	6.6	5.7	7.1	9.0
EBIT growth	13.9	28.5	16.1	31.0	Margin (%)	7.8	7.3	8.8	11.7
Net income (pre-exception) growth	8.3	(4.5)	28.5	44.3	Turnover (X)	0.3	0.3	0.3	0.3
EPS growth	(9.0)	(25.0)	28.0	31.4	Leverage (X)	3.0	2.9	2.9	2.8
Gross margin	57.3	71.0	72.4	73.9	Free cash flow per share (\$)	(5.81)	(2.16)	0.06	(0.34)
EBITDA margin	26.4	34.5	37.4	40.7	Free cash flow yield (%)	(24.4)	(15.9)	0.5	(2.5)
EBIT margin	16.6	20.9	22.7	27.6					
<b>Cash flow statement (\$ mn)</b>	<b>12/08</b>	<b>12/09E</b>	<b>12/10E</b>	<b>12/11E</b>					
Net income	154.5	165.0	211.1	303.9					
D&A add-back (incl. ESO)	249.1	326.4	373.9	363.5					
Minority interest add-back	0.0	0.0	0.0	0.0					
Net (inc)/dec working capital	0.0	0.0	0.0	0.0					
Other operating cash flow	34.3	80.0	100.0	140.0					
<b>Cash flow from operations</b>	<b>437.9</b>	<b>571.4</b>	<b>685.1</b>	<b>807.4</b>					
Capital expenditures	(1,024.9)	(849.3)	(676.9)	(856.1)					
Acquisitions	0.0	0.0	0.0	0.0					
Divestitures	0.0	0.0	0.0	0.0					
Others	445.9	153.0	0.0	0.0					
<b>Cash flow from investing</b>	<b>(579.0)</b>	<b>(696.3)</b>	<b>(676.9)</b>	<b>(856.1)</b>					
Dividends paid (common & pref)	(172.0)	(106.8)	(107.3)	(120.2)					
Inc/dec in debt	311.9	56.5	175.0	38.0					
Other financing cash flows	(4.8)	201.5	1.7	226.8					
<b>Cash flow from financing</b>	<b>135.1</b>	<b>151.2</b>	<b>69.4</b>	<b>144.6</b>					
<b>Total cash flow</b>	<b>(6.0)</b>	<b>26.3</b>	<b>77.6</b>	<b>96.0</b>					

Note: Last actual year may include reported and estimated data.  
Source: Company data, Goldman Sachs Research estimates.

### Analyst Contributors

**Michael Lapidés**  
michael.lapides@gs.com

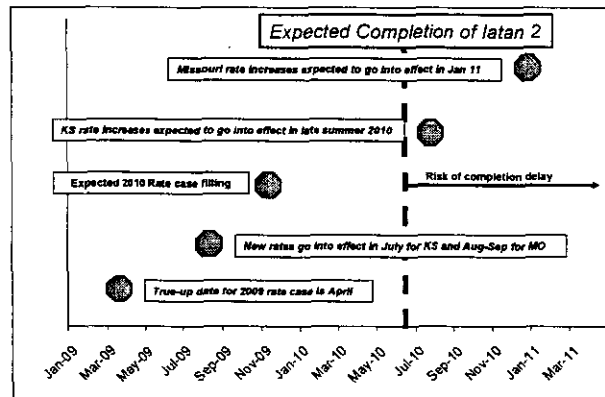
**Zac Hurst**  
zac.hurst@gs.com

**Jaideep Malik**  
jaideep.malik@gs.com

## Rate case timing and regulatory lag drive utility under-earning

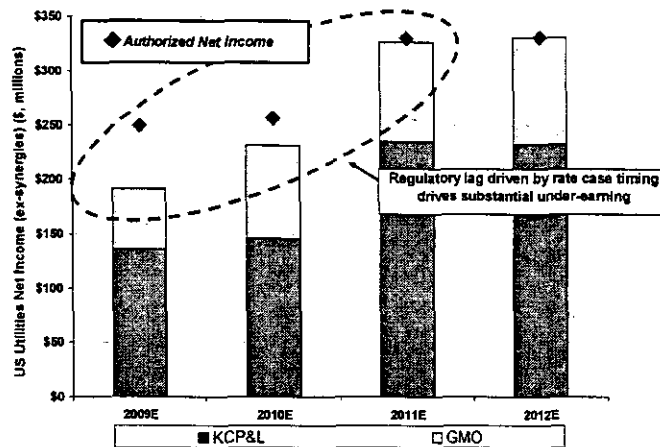
**The construction schedule for the Iatan 2 coal plant partially drives GXP's rate case timing, creating regulatory lag.** Examining the current rate cases on file for KCP&L and GMO, the regulatory calendar allows for a true-up date in April 2009, with new rates going into effect for Kansas in July 2009 and for Missouri in August-September 2009. Cases filed in 4Q2009 that will include the new Iatan 2 coal plant in the utility rate base will go into effect in Kansas in July 2010 and Missouri in January 2011. With the current filing schedule, regulatory lag negatively affects earnings levels in 2009-2011, as shown in Exhibit 2 below. Only in 2012 will GXP likely earn at or near its authorized ROE.

**Exhibit 1: Completion of Iatan 2 drives the regulatory calendar**  
delays could exacerbate regulatory lag in 2010 and 2011



Source: Company data, Goldman Sachs Research estimates.

**Exhibit 2: Regulatory lag drives under-earning at the utility subsidiaries**  
authorized versus estimated net income



Source: Goldman Sachs Research estimates.

**Downside risk exists to our 2011 estimate exists, if construction issues delay completion of Iatan 2.** Regulations, especially in Missouri, prohibit earning on new generation not "placed in service" creating regulatory lag for GXP before it can recover and earn on investment in the Iatan 2 plant. Any significant delays in the construction process would "push out" rate case timing and revenue increases. While we assume modest construction cost over-runs on the remaining portion of the project, likely announced in the coming months, we do not forecast major schedule delays, although we admit uncertainty on timing. We expect incremental updates on timing of project completion on the 1Q2009 earnings call in late April/early May 2009.

## Financing needs remain, but reduced given the dividend cut

**Decreasing the dividend reduces, but does not eliminate, equity financing needs.** We expect GXP will issue about \$200 mn of equity in 2009 and, because GXP's "DRIP-like" facility only allows for distribution of 8 mn shares, we are forecasting a secondary offering in 2Q2009. We are updating our estimates to reflect the secondary issue, whereas our previous estimates included an equity issuance by the company's "DRIP-like" facility. We recommend investors wait for this potential negative catalyst, although we recognize the shares have already underperformed significantly and screen better on more normalized earnings power.

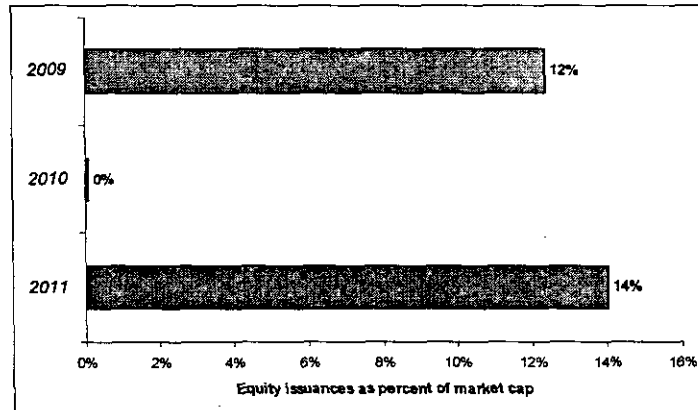
Exhibit 3: Old versus new estimates

	EPS			EBITDA(\$mn)		
	Old	New	% chg.	Old	New	% chg.
2009E	\$1.31	\$1.27	-4%	779	770	-1%
2010E	\$1.65	\$1.64	-1%	894	893	0%
2011E	\$2.12	\$2.13	0%	1,046	1,051	0%
2012E	\$2.26	\$2.26	0%	1,044	1,049	0%

Source: Goldman Sachs Research estimates.

Exhibit 4: Significant near term financing needs exist for GXP

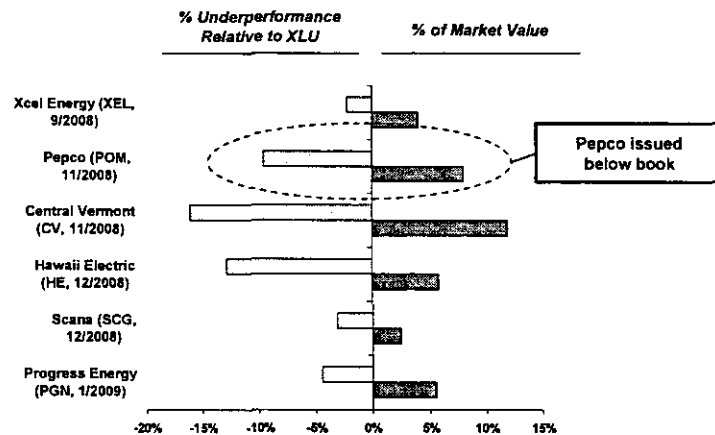
issuance of debt and equity in 2009 could remove possible overhang and unlock long term value



Source: Goldman Sachs Research estimates.

**In the past six months, Regulated Utilities issuing equity at or below book value underperformed by about 5% to 15%.** In the near term, GXP faces a similar risk of underperformance, magnified by the issuance of shares well below their book value of \$21, creating near-term downside risk. GXP's upcoming equity issuance would likely remove the overhang from the stock, allowing investors to look through to the company's long-term earnings potential and providing an even more attractive entry point for potential buyers.

**Exhibit 5: Share price performance of companies issuing equity in the last six months**  
underperformance of GXP shares could make for an attractive entry point



Source: Bloomberg, Goldman Sachs Research estimates.

## Near term valuation screens in line, but longer-term earnings and multiple comparisons appear more attractive

**GXP screens in line on near term earnings, but more normalized utility earnings in 2012 highlight upside for patient investors.** The overhang of equity issuances, combined with the negative earnings impact caused by regulatory lag, drive our Neutral rating on GXP, even though longer-term earnings power highlights potential for the shares to outperform in late 2009/early 2010, after equity issuances. On near-term metrics, GXP trades at 10.7X/8.3X earnings for 2009E/2010E versus peer levels closer to 11.6X/10.0X, while at an even greater discount on 2011/2012 estimates.

**Exhibit 6: Regulated Utility EPS and P/E multiples**

Ticker	Rating	Close 03/01/09	Price Target	Tot Ret to Target	EPS Estimates				P/E Multiples			Dividend Yield		
					2009	2010	2011	2012	2009	2010	2011			
<b>Regulated Utilities</b>														
<i>Large-Cap</i>														
American Elec Power	AEP	Buy	\$28.05	\$32	20%	\$3.07	\$3.23	\$3.63	\$3.56	9.2x	8.7x	7.7x	7.9x	5.8%
Duke Energy	DUK	Neutral	\$13.47	\$15	18%	\$1.17	\$1.38	\$1.48	\$1.56	11.5x	9.7x	9.1x	8.0x	6.6%
Consolidated Edison	ED	Sell	\$38.21	\$34	0%	\$3.30	\$3.37	\$3.48	\$3.58	11.0x	10.8x	10.5x	10.1x	6.5%
PG&E	PCG	Neutral	\$38.22	\$33	-10%	\$3.09	\$3.24	\$3.52	\$3.67	12.4x	11.8x	10.9x	10.4x	4.1%
Progress Energy	PGN	Neutral	\$35.42	\$36	3%	\$2.79	\$3.01	\$3.18	\$3.64	12.7x	11.8x	11.1x	9.7x	6.9%
						<i>Large-Cap Mean</i>								
									7%					
						<i>Large-Cap Median</i>								
									8%					
<i>Mid &amp; Small-Cap Regulated Utilities</i>														
Cleco	CNL	Neutral	\$20.52	\$24	21%	\$1.50	\$2.27	\$2.44	\$2.50	13.7x	9.0x	8.4x	7.9x	4.4%
El Paso Electric	EE	Buy	\$14.13	\$19	34%	\$1.33	\$1.51	\$2.15	\$2.27	10.8x	9.3x	8.6x	6.2x	0.0%
Great Plains Energy	GXP	Neutral	\$13.54	\$19	46%	\$1.27	\$1.64	\$2.13	\$2.28	10.7x	8.3x	6.4x	6.0x	6.1%
NSTAR	NST	Sell	\$32.17	\$28	-16%	\$2.20	\$2.28	\$2.49	\$2.67	14.8x	14.2x	12.9x	12.0x	4.4%
Northeast Utilities	NU	Neutral	\$21.91	\$23	9%	\$1.58	\$1.95	\$1.96	\$2.46	14.0x	11.3x	11.8x	8.9x	3.9%
NV Energy	NVE	Buy	\$9.27	\$12	34%	\$0.87	\$1.29	\$1.38	\$1.40	10.7x	7.2x	6.7x	6.6x	4.3%
Portland General Electric	POR	Neutral	\$16.42	\$20	28%	\$1.80	\$1.85	\$2.15	\$2.22	9.1x	8.9x	7.6x	7.4x	6.0%
SCANA Corporation	SCG	Sell	\$30.13	\$32	12%	\$2.73	\$3.11	\$3.19	\$3.38	11.0x	9.7x	9.4x	8.8x	6.1%
Wisconsin Energy	WEC	Neutral	\$39.82	\$42	9%	\$2.94	\$4.06	\$4.56	\$4.82	13.5x	9.9x	9.7x	8.8x	2.7%
Westar Energy	WR	Neutral	\$18.90	\$20	25%	\$1.80	\$1.77	\$2.19	\$2.32	9.4x	9.5x	7.7x	7.2x	6.9%
						<i>Small / Mid Cap Mean</i>								
									11.7x					
						<i>Small / Mid Cap Median</i>								
									10.9x					
						<i>Regulated Utilities Mean</i>								
									11.8x					
						<i>Regulated Utilities Median</i>								
									11.0x					

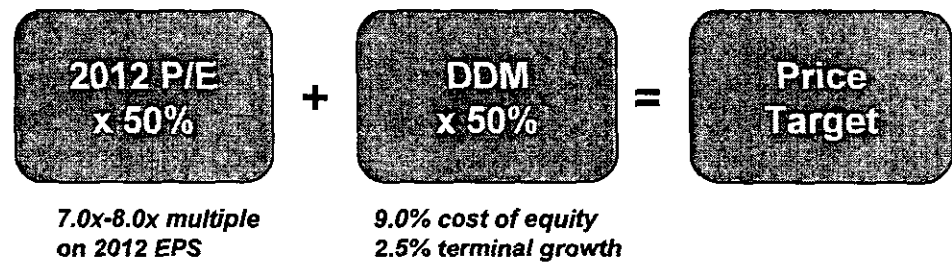
For methodology and risks associated with our price targets, please see our previously published research. For important disclosures, please go to <http://www.gs.com/research/hedge.html>.

Source: Goldman Sachs Research estimates.

**We maintain our 12-month price target of \$19 utilizing our DDM and P/E multiple methodology, highlighting significant longer-term upside.** As with all Regulated Utilities, for valuation of GXP, we continue to employ both DDM analysis and PE multiple screens to set target prices. As outlined in our February 25 note, "Returning to Center Court: Financing needs outweigh LT valuations," we employ a 50/50 weighting of P/E multiple valuations, assuming an 8.0X multiple on 2012 more normalized estimates. We apply a 7.0X multiple for companies, such as GXP, that we forecast near-term equity issuances, and a dividend discount model that incorporates a 9.0% cost of equity and 2.5% terminal growth rate. Our DDM analysis assumes a 75% payout ratio in the terminal year for all companies to create an "apples to apples" comparison.

**Exhibit 7: Goldman Sachs valuation methodology for Regulated Utilities**

GXP's financing needs imply a 7.0X P/E multiple on 2012 earnings



Source: Goldman Sachs Research estimates.

**We remain Neutral rated on GXP, due to the overhang of their large near-term financing needs, although significant long-term upside exists.** Given normalized earnings power, investors may consider investing in GXP at current prices, although we believe the upcoming issuances continue to present an overhang on the shares and may provide a better entry point.

**Exhibit 8: Price target analysis of small and mid-cap Regulated Utilities**

GXP screens attractive on our analysis with 46% return potential to our 12-month price target

	Ticker	Rating	3/01 Close	DDM Value	Current Yield	Total Return, DDM Only	2012 EPS	Multiple Applied	P/E-Based Value	Total Return, P/E Only	12-month Target Price	Total Return to 12-Month Target
<b>Large-Cap</b>												
American Electric Power	AEP	Buy	\$28.05	\$37	5.8%	38%	\$3.56	8.0x	\$28	7%	\$32	-20%
Consolidated Edison	ED	Sell	\$36.21	\$39	6.5%	13%	\$3.58	8.0x	\$29	-18%	\$34	0%
Duke Energy	DUK	Neutral	\$13.47	\$17	6.6%	32%	\$1.56	8.0x	\$12	-1%	\$15	18%
PG&E	PCG	Neutral	\$36.22	\$38	4.1%	9%	\$3.87	8.0x	\$29	-19%	\$33	-10%
Progress Energy	PGN	Neutral	\$35.42	\$42	6.9%	25%	\$3.64	8.0x	\$29	-11%	\$38	8%
<b>Large-Cap Mean</b>												
8.0%												
<b>Large-Cap Median</b>												
4.6%												
<b>Mid &amp; Small-Cap</b>												
Cisco	CNL	Neutral	\$20.52	\$27	4.4%	38%	\$2.59	8.0x	\$21	8%	\$24	-21%
El Paso Electric	EE	Buy	\$14.13	\$21	0.0%	48%	\$2.27	8.0x	\$18	23%	\$18	-34%
<b>Great Plains Energy</b>												
GXP		Neutral	\$13.54	\$23	6.1%	73%	\$2.26	7.0x	\$16	23%	\$19	46%
<b>Nonmask Utilities</b>												
Norfolk Utilities	NU	Neutral	\$21.91	\$25	3.9%	23%	\$2.46	8.0x	\$20	-4%	\$23	5%
NSTAR	NST	Sell	\$32.17	\$31	4.4%	2%	\$2.67	8.0x	\$21	-28%	\$28	-15%
NV Energy	NVE	Buy	\$9.27	\$14	4.3%	67%	\$1.40	7.0x	\$10	10%	\$12	33%
Portland General	POR	Neutral	\$16.42	\$23	6.0%	49%	\$2.22	7.0x	\$16	0%	\$20	28%
SCANA	SCG	Sell	\$30.13	\$36	6.1%	28%	\$3.38	8.0x	\$27	-4%	\$32	12%
Wester	WR	Neutral	\$14.90	\$25	6.9%	62%	\$2.32	7.0x	\$16	3%	\$20	29%
<b>Wisconsin Energy</b>												
WEC		Neutral	\$39.82	\$47	2.7%	20%	\$4.62	8.0x	\$37	-5%	\$42	8%
<b>Mid &amp; Small-Cap Mean</b>												
4.6%												
<b>Mid &amp; Small-Cap Median</b>												
4.0%												
<b>Regulated Utilities Mean</b>												
6.0%												
<b>Regulated Utilities Median</b>												
5.8%												

Source: Goldman Sachs Research estimates.

**Primary catalysts and key risks**

Potential catalysts for GXP include the following:

- Completion of 2009 equity issuance, removing the financing overhang from the stock,
- Positive outcomes in key rate case filings in Kansas and Missouri, and
- Positive updates on the Iatan 2 plant construction process

Key risks for GXP include the following:

- Lower-than-expected authorized level of returns set by state regulators,
- Delays in the construction of the Iatan 2 coal plant, increasing regulatory lag,
- Higher-than-expected declines in electricity demand, and
- Equity financings above current forecasts.

## Appendix

### Appendix A: Goldman Sachs estimates versus consensus estimates

		GS EPS estimates versus consensus					
		2009			2010		
		GS EPS	Cons	% Ch	GS EPS	Cons	% Ch
<b>Large Cap Regulated Utilities</b>							
American Elec Power	AEP	\$3.07	\$3.19	-4%	\$3.23	\$3.40	-5%
Duke Energy	DUK	\$1.17	\$1.22	-4%	\$1.38	\$1.31	6%
Consolidated Edison	ED	\$3.30	\$3.20	3%	\$3.37	\$3.35	1%
PG&E	PCG	\$3.09	\$3.18	-3%	\$3.24	\$3.36	-4%
Progress Energy	PGN	\$2.79	\$3.02	-8%	\$3.01	\$3.19	-6%
<b>Large Cap Average</b>				-3%	<b>-2%</b>		
<b>Small &amp; Mid Cap Regulated Utilities</b>							
Cleco	CNL	\$1.50	\$1.82	-18%	\$2.27	\$2.19	4%
El Paso Electric	EE	\$1.33	\$1.46	-9%	\$1.51	\$1.76	-14%
Great Plains Energy	GXP	\$1.27	\$1.34	-5%	\$1.64	\$1.53	7%
NSTAR	NST	\$2.20	\$2.35	-7%	\$2.26	\$2.49	-9%
Northeast Utilities	NU	\$1.56	\$1.87	-17%	\$1.95	\$2.06	-6%
Portland General Electric	POR	\$1.80	\$1.85	-3%	\$1.85	\$1.93	-4%
SCANA Corporation	SCG	\$2.73	\$2.82	-3%	\$3.11	\$3.07	1%
NV Energy	NVE	\$0.87	\$0.98	-11%	\$1.29	\$1.19	8%
Wisconsin Energy	WEC	\$2.94	\$3.09	-5%	\$4.06	\$3.74	8%
Westar Energy	WR	\$1.80	\$1.83	-2%	\$1.77	\$1.89	-6%
<b>Small &amp; Mid Cap Average</b>				-8%	<b>-1%</b>		

Source: Goldman Sachs Research estimates, FactSet.

## Reg AC

I, Michael Lapidès, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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**Growth** is a composite of next year's estimate over current year's estimate, e.g. EPS, EBITDA, Revenue. **Return** is a year one prospective aggregate of various return on capital measures, e.g. CROCI, ROACE, and ROE. **Multiple** is a composite of one-year forward valuation ratios, e.g. P/E, dividend yield, EV/FCF, EV/EBITDA, EV/DACF, Price/Book. **Volatility** is measured as trailing twelve-month volatility adjusted for dividends.

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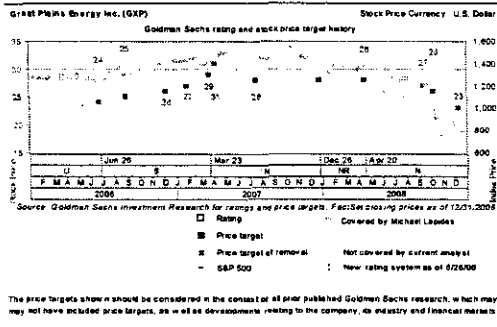
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**Price target and rating history chart(s)**



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Regulatory Research Associates

# REGULATORY FOCUS

October 4, 2010

## MAJOR RATE CASE DECISIONS--JANUARY-SEPTEMBER 2010

The average return on equity (ROE) authorized electric utilities in the first nine months of 2010 was 10.36% (43 observations), compared to the 10.48% average in calendar-2009. The average ROE authorized gas utilities was 10.07% in the first three quarters of 2010 (24 observations), compared to the 10.19% average in calendar-2009. In addition, on Sept. 16, 2010, the New York Public Service Commission authorized Consolidated Edison of New York's steam operations a 9.6% ROE. We note that this report utilizes the simple mean for the return averages.

After reaching a low in the early-2000's, the number of rate case decisions for energy companies has generally increased over the last several years. There were 95 electric and gas rate decisions in 2009, versus 83 in 2008, and only 32 back in 2001. Increased costs, including environmental compliance expenditures, the need for generation and delivery infrastructure upgrades and expansion, renewable generation mandates, and higher employee benefit costs argue for a continuation of the increased level of rate case activity over the next few years. In fact, in the first three quarters of 2010, 88 electric and gas cases were decided and the authorized rate increases totaled \$4.3 billion, compared to 57 cases and \$2.9 billion in the first nine months of 2009. For the full year 2010, it appears that there will be about 115-120 rate case decisions.

We note that electric industry restructuring in certain states has led to the unbundling of rates and retail competition for generation. Commissions in those states are now authorizing revenue requirement and return parameters for delivery operations only (which we footnote in our chronology), thus complicating historical data comparability. We also note that while the increased business risk associated with the sluggish economy may have increased corporate capital costs, increased average authorized ROEs did not materialize in 2009 or in the first nine months of 2010. Some state commissions have cited customer hardship as a significant factor influencing their equity return authorizations.

The table on page 2 shows the average ROE authorized in major electric and gas rate decisions annually since 1990, and by quarter since 2004, followed by the number of observations in each period. The tables on page 3 show the composite electric and gas industry data for all major cases summarized annually since 1997 and by quarter for the past seven quarters. The individual electric and gas cases decided in the first three quarters of 2010 are listed on pages 4-7, with the decision date (generally the date on which the final order was issued) shown first, followed by the company name, the abbreviation for the state issuing the decision, the authorized rate of return (ROR), return on equity (ROE), and percentage of common equity in the adopted capital structure. Next we show the month and year in which the adopted test year ended, whether the commission utilized an average or a year-end rate base, and the amount of the permanent rate change authorized. The dollar amounts represent the permanent rate change ordered at the time decisions were rendered. Fuel adjustment clause rate changes are not reflected in this study. We note that the cases and averages included in this study may be slightly different from those in our online rate case history database. Any differences are likely the result of this study's inclusion of ROE determinations that are rendered in cost-of-capital-only proceedings in California or that apply only to specific generation plants. Both of these types of determinations typically are not included in the database, which generally encompasses major base rate cases only.

Dennis Sperduto

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Attachment H-1

Average Equity Returns Authorized January 1990 - September 2010

Year	Period	Electric Utilities		Gas Utilities	
		ROE %	(# Cases)	ROE %	(# Cases)
1990	Full Year	12.70	(44)	12.67	(31)
1991	Full Year	12.55	(45)	12.46	(35)
1992	Full Year	12.09	(48)	12.01	(29)
1993	Full Year	11.41	(32)	11.35	(45)
1994	Full Year	11.34	(31)	11.35	(28)
1995	Full Year	11.55	(33)	11.43	(16)
1996	Full Year	11.39	(22)	11.19	(20)
1997	Full Year	11.40	(11)	11.29	(13)
1998	Full Year	11.66	(10)	11.51	(10)
1999	Full Year	10.77	(20)	10.66	(9)
2000	Full Year	11.43	(12)	11.39	(12)
2001	Full Year	11.09	(18)	10.95	(7)
2002	Full Year	11.16	(22)	11.03	(21)
2003	Full Year	10.97	(22)	10.99	(25)
	1st Quarter	11.00	(3)	11.10	(4)
	2nd Quarter	10.54	(6)	10.25	(2)
	3rd Quarter	10.33	(2)	10.37	(8)
	4th Quarter	10.91	(8)	10.66	(6)
2004	Full Year	10.75	(19)	10.59	(20)
	1st Quarter	10.51	(7)	10.65	(2)
	2nd Quarter	10.05	(7)	10.54	(5)
	3rd Quarter	10.84	(4)	10.47	(5)
	4th Quarter	10.75	(11)	10.40	(14)
2005	Full Year	10.54	(29)	10.46	(26)
	1st Quarter	10.38	(3)	10.63	(6)
	2nd Quarter	10.68	(6)	10.50	(2)
	3rd Quarter	10.06	(7)	10.45	(3)
	4th Quarter	10.39	(10)	10.14	(5)
2006	Full Year	10.36	(26)	10.43	(16)
	1st Quarter	10.27	(8)	10.44	(10)
	2nd Quarter	10.27	(11)	10.12	(4)
	3rd Quarter	10.02	(4)	10.03	(8)
	4th Quarter	10.56	(16)	10.27	(15)
2007	Full Year	10.36	(39)	10.24	(37)
	1st Quarter	10.45	(10)	10.38	(7)
	2nd Quarter	10.57	(8)	10.17	(3)
	3rd Quarter	10.47	(11)	10.49	(7)
	4th Quarter	10.33	(8)	10.34	(13)
2008	Full Year	10.46	(37)	10.37	(30)
	1st Quarter	10.29	(9)	10.24	(4)
	2nd Quarter	10.55	(10)	10.11	(8)
	3rd Quarter	10.46	(3)	9.88	(2)
	4th Quarter	10.54	(17)	10.27	(15)
2009	Full Year	10.48	(39)	10.19	(29)
	1st Quarter	10.66	(17)	10.24	(9)
	2nd Quarter	10.08	(14)	9.99	(11)
	3rd Quarter	10.27	(12)	9.93	(4)
2010	Year-To-Date	10.36	(43)	10.07	(24)

**Electric Utilities--Summary Table\***

	<b>Period</b>	<b>Eq. as %</b>				<b>Amt.</b>
		<b>ROR % (# Cases)</b>	<b>ROE % (# Cases)</b>	<b>Cap. Struc. (# Cases)</b>	<b>\$ Mil. (# Cases)</b>	
1997	Full Year	9.16 (12)	11.40 (11)	48.79 (11)	-553.3 (33)	
1998	Full Year	9.44 (9)	11.66 (10)	46.14 (8)	-429.3 (31)	
1999	Full Year	8.81 (18)	10.77 (20)	45.08 (17)	-1,683.8 (30)	
2000	Full Year	9.20 (12)	11.43 (12)	48.85 (12)	-291.4 (34)	
2001	Full Year	8.93 (15)	11.09 (18)	47.20 (13)	14.2 (21)	
2002	Full Year	8.72 (20)	11.16 (22)	46.27 (19)	-475.4 (24)	
2003	Full Year	8.86 (20)	10.97 (22)	49.41 (19)	313.8 (12)	
2004	Full Year	8.44 (18)	10.75 (19)	46.84 (17)	1,091.5 (30)	
2005	Full Year	8.30 (26)	10.54 (29)	46.73 (27)	1,373.7 (36)	
2006	Full Year	8.24 (24)	10.36 (26)	48.67 (23)	1,465.0 (42)	
2007	Full Year	8.22 (38)	10.36 (39)	48.01 (37)	1,401.9 (46)	
2008	Full Year	8.25 (35)	10.46 (37)	48.41 (33)	2,899.4 (42)	
	1st Quarter	8.19 (8)	10.29 (9)	48.52 (8)	857.0 (14)	
	2nd Quarter	8.05 (9)	10.55 (10)	47.66 (9)	1,425.0 (17)	
	3rd Quarter	8.48 (3)	10.46 (3)	47.20 (3)	317.1 (7)	
	4th Quarter	8.30 (18)	10.54 (17)	49.41 (17)	1,593.2 (20)	
2009	Full Year	8.23 (38)	10.48 (39)	48.61 (37)	4,192.3 (58)	
	1st Quarter	7.95 (17)	10.66 (17)	48.36 (16)	2,010.0 (19)	
	2nd Quarter	7.95 (15)	10.08 (14)	47.07 (13)	885.0 (18)	
	3rd Quarter	8.17 (13)	10.27 (12)	49.91 (12)	750.3 (18)	
<b>2010</b>	<b>Year-To-Date</b>	<b>8.01 (45)</b>	<b>10.36 (43)</b>	<b>48.41 (41)</b>	<b>3,645.3 (55)</b>	

**Gas Utilities--Summary Table\***

	<b>Period</b>	<b>Eq. as %</b>				<b>Amt.</b>
		<b>ROR % (# Cases)</b>	<b>ROE % (# Cases)</b>	<b>Cap. Struc. (# Cases)</b>	<b>\$ Mil. (# Cases)</b>	
1997	Full Year	9.13 (13)	11.29 (13)	47.78 (11)	-82.5 (21)	
1998	Full Year	9.46 (10)	11.51 (10)	49.50 (10)	93.9 (20)	
1999	Full Year	8.86 (9)	10.66 (9)	49.06 (9)	51.0 (14)	
2000	Full Year	9.33 (13)	11.39 (12)	48.59 (12)	135.9 (20)	
2001	Full Year	8.51 (6)	10.95 (7)	43.96 (5)	114.0 (11)	
2002	Full Year	8.80 (20)	11.03 (21)	48.29 (18)	303.6 (26)	
2003	Full Year	8.75 (22)	10.99 (25)	49.93 (22)	260.1 (30)	
2004	Full Year	8.34 (21)	10.59 (20)	45.90 (20)	303.5 (31)	
2005	Full Year	8.25 (29)	10.46 (26)	48.66 (24)	458.4 (34)	
2006	Full Year	8.51 (16)	10.43 (16)	47.43 (16)	444.0 (25)	
2007	Full Year	8.12 (32)	10.24 (37)	48.37 (30)	813.4 (48)	
2008	Full Year	8.48 (30)	10.37 (30)	50.47 (30)	884.8 (41)	
	1st Quarter	8.11 (5)	10.24 (4)	44.97 (4)	167.6 (7)	
	2nd Quarter	8.05 (7)	10.11 (8)	48.84 (7)	92.5 (8)	
	3rd Quarter	8.30 (2)	9.88 (2)	51.00 (2)	19.2 (4)	
	4th Quarter	8.19 (14)	10.27 (15)	49.35 (15)	195.7 (18)	
2009	Full Year	8.15 (28)	10.19 (29)	48.72 (28)	475.0 (37)	
	1st Quarter	8.20 (10)	10.24 (9)	50.27 (9)	177.3 (11)	
	2nd Quarter	7.80 (11)	9.99 (11)	46.31 (11)	222.5 (12)	
	3rd Quarter	8.13 (4)	9.93 (4)	49.00 (4)	290.5 (10)	
<b>2010</b>	<b>Year-To-Date</b>	<b>8.01 (25)</b>	<b>10.07 (24)</b>	<b>48.25 (24)</b>	<b>690.3 (33)</b>	

\* Number of observations in each period indicated in parentheses.

## ELECTRIC UTILITY DECISIONS

<u>Date</u>	<u>Company (State)</u>	<u>ROR</u> <u>%</u>	<u>ROE</u> <u>%</u>	<u>Common</u> <u>Eq. as %</u> <u>Cap. Str.</u>	<u>Test Year</u> <u>&amp;</u> <u>Rate Base</u>	<u>Amt.</u> <u>\$ Mil.</u>
1/11/10	Detroit Edison (MI)	7.02	11.00	39.48 *	6/10-A	217.4 (I)
1/12/10	Northern States Power (SD)	8.32	---	---	---	10.9 (B)
1/19/10	Interstate Power & Light (IA)	8.91	10.80	49.52	12/08-A	83.7 (I)
1/22/10	Portland General Electric (OR)	---	---	---	---	9.8 (B)
1/26/10	PacifiCorp (OR)	8.08	10.13	51.00	12/10-A	41.5 (B)
1/27/10	Westar Energy (KS)	8.49	10.40	50.13	---	8.5 (B)
1/27/10	Kansas Gas & Elec. (KS)	8.49	10.40	50.13	---	8.5 (B)
1/27/10	Duke Energy Carolinas (SC)	8.41	10.70 (1)	53.00	12/08-YE	74.1 (B)
2/9/10	Narragansett Electric (RI)	7.20	9.80	42.75 (Hy)	12/08-A	23.5 (D)
2/18/10	PacifiCorp (UT)	8.34	10.60	51.00	6/10-A	32.4
2/24/10	Idaho Power (OR)	8.06	10.18	49.80	12/09	5.0 (B)
3/2/10	Potomac Electric Power (DC)	8.01	9.63	46.18	12/08-A	19.8 (D)
3/4/10	Kentucky Utilities (VA)	7.85	10.50	53.62	12/08-A	10.6 (I,B)
3/5/10	Florida Power (FL)	7.88	10.50	46.76 *	12/10-A	126.2 (I,2)
3/11/10	Virginia Electric and Power (VA)	---	11.90 (3)	---	12/08	0.0 (I,B)
3/11/10	Virginia Electric and Power (VA)	7.81 (E)	12.30 (4)	47.71	---	71.0 (I,B,4)
3/11/10	Virginia Electric and Power (VA)	7.81 (E)	12.30 (5)	47.71	---	64.0 (I,B,5)
3/17/10	Florida Power & Light (FL)	6.65	10.00	47.00 *	12/10-A	75.5
3/26/10	Consolidated Edison of New York (NY)	7.76	10.15	48.00	3/11-A	1,127.6 (D,B,Z)
<b>2010</b>	<b>1ST QUARTER: AVERAGES/TOTAL</b>	<b>7.95</b>	<b>10.66</b>	<b>48.36</b>		<b>2,010.0</b>
	<b>MEDIAN</b>	<b>8.01</b>	<b>10.50</b>	<b>48.76</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>17</b>	<b>17</b>	<b>16</b>		<b>19</b>
4/2/10	Puget Sound Energy (WA)	8.10	10.10	46.00 (Hy)	12/08-A	74.1 (R)
4/16/10	Southwestern Electric Power (TX)	---	---	---	3/09	25.0 (B)
4/29/10	Central Illinois Light (IL)	8.05	9.90	43.61	12/08-YE	2.2 (D,R)
4/29/10	Central Illinois Public Service (IL)	8.02	10.06	48.67	12/08-YE	17.5 (D,R)
4/29/10	Illinois Power (IL)	8.97	10.26	43.55	12/08-YE	15.4 (D,R)
5/12/10	Atlantic City Electric (NJ)	8.69	10.30	49.10	12/09-YE	20.0 (D,B)
5/12/10	Rockland Electric (NJ)	8.21	10.30	49.85	12/09-YE	9.8 (D,B)
5/14/10	PacifiCorp (WY)	8.33	---	---	---	35.5 (B,Z)
5/26/10	MDU Resources (WY)	8.25	10.00	49.77	12/08-YE	2.7
5/28/10	Union Electric (MO)	8.06	10.10	51.26	3/09-YE	229.6
6/7/10	Public Service Electric & Gas (NJ)	8.21	10.30	51.20	12/09-YE	73.5 (D,B)
6/18/10	Central Hudson Gas & Electric (NY)	7.43	10.00	48.00	6/11-A	30.2 (D,B,Z)
6/23/10	Entergy Arkansas (AR)	5.04	10.20	29.32 *	6/09-YE	63.7 (B,R)
6/23/10	Empire District Electric (KS)	---	---	---	---	2.8 (B)
6/25/10	Monongahela Power/Potomac Ed. (WV)	8.71	---	---	12/08-A	60.0 (B,Z)
6/28/10	Kentucky Power (KY)	---	10.50	---	9/09-YE	63.7 (B)
6/28/10	Public Service of New Hampshire (NH)	7.51	9.67	52.40	---	57.4 (D,I,B)
6/30/10	Connecticut Light & Power (CT)	7.68	9.40	49.20	6/09-DC	101.9 (D,Z)
<b>2010</b>	<b>2ND QUARTER: AVERAGES/TOTAL</b>	<b>7.95</b>	<b>10.08</b>	<b>47.07</b>		<b>885.0</b>
	<b>MEDIAN</b>	<b>8.10</b>	<b>10.10</b>	<b>49.10</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>15</b>	<b>14</b>	<b>13</b>		<b>18</b>

**ELECTRIC UTILITY DECISIONS (continued)**

7/1/10	Wisconsin Electric Power (MI)	6.99	10.25	47.61 *	12/10-A	23.5 (I)
7/15/10	South Carolina Electric & Gas (SC)	8.56	10.70	52.96	9/09-YE	101.2 (B,Z)
7/15/10	Appalachian Power (VA)	7.85	10.53	41.53	12/08-YE	61.5
7/30/10	Maui Electric (HI)	8.67	10.70	54.89	12/07-A	13.2 (B,I)
7/30/10	Kentucky Utilities (KY)	---	---	---	10/09-YE	98.0 (B)
7/30/10	Louisville Gas & Electric (KY)	---	---	---	10/09-YE	74.0 (B)
7/30/10	El Paso Electric (TX)	---	---	---	6/09	17.2 (B,6)
8/4/10	Black Hills Colorado Electric Utility (CO)	9.32	10.50	52.00	7/09	17.9 (B)
8/6/10	Potomac Electric Power (MD)	8.18	9.83	48.87	12/09-A	7.8
8/11/10	Black Hills Power (SD)	8.26	---	---	6/09-A	22.0 (B,I)
8/18/10	Empire District Electric (MO)	---	---	---	6/09-YE	46.8 (B)
8/25/10	Northern Indiana Public Service (IN)	7.29	9.90	49.95 *	12/07-YE	-48.9
9/14/10	Hawaiian Electric (HI)	8.62	10.70	55.10	12/07-A	77.5 (B,I)
9/16/10	New York State Electric & Gas (NY)	7.48	10.00	48.00	8/11-A	88.7 (D,B,Z,7)
9/16/10	Rochester Gas and Electric (NY)	8.47	10.00	48.00	8/11-A	54.2 (D,B,Z,7)
9/21/10	Avista Corp. (ID)	---	---	---	12/09	21.3 (B)
9/29/10	Minnesota Power (MN)	8.18	10.38	54.29	12/10-A	67.0 (I,E)
9/30/10	UNS Electric (AZ)	8.28	9.75	45.76	12/08-YE	7.4
<b>2010</b>	<b>3RD QUARTER: AVERAGES/TOTAL</b>	<b>8.17</b>	<b>10.27</b>	<b>49.91</b>		<b>750.3</b>
	<b>MEDIAN</b>	<b>8.26</b>	<b>10.32</b>	<b>49.41</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>13</b>	<b>12</b>	<b>12</b>		<b>18</b>
<b>2010</b>	<b>YEAR-TO-DATE: AVERAGES/TOTAL</b>	<b>8.01</b>	<b>10.36</b>	<b>48.41</b>		<b>3,645.3</b>
	<b>MEDIAN</b>	<b>8.10</b>	<b>10.26</b>	<b>49.10</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>45</b>	<b>43</b>	<b>41</b>		<b>55</b>



## GAS UTILITY DECISIONS

<u>Date</u>	<u>Company (State)</u>	<u>ROR</u> <u>%</u>	<u>ROE</u> <u>%</u>	<u>Common</u> <u>Eq. as %</u> <u>Cap. Str.</u>	<u>Test Year</u> <u>&amp;</u> <u>Rate Base</u>	<u>Amt.</u> <u>\$ Mil.</u>
1/11/10	CenterPoint Energy Resources (MN)	8.09	10.24	52.55	12/09-A	40.8 (I)
1/20/10	Empire District Gas (MO)	---	---	---	---	2.6 (B)
1/21/10	Peoples Gas Light & Coke (IL)	8.05	10.23	56.00	12/10-A	69.8
1/21/10	North Shore Gas (IL)	8.19	10.33	56.00	12/10-A	13.9
1/26/10	Atmos Energy (TX)	8.60	10.40	48.91	6/08-YE	2.7 (E)
2/10/10	Southern Union (MO)	7.72	10.00	38.66	12/08-YE	16.2 (Bp)
2/23/10	CenterPoint Energy Resources (TX)	8.65	10.50	55.60	3/09-YE	5.1
3/9/10	SourceGas Distribution (NE)	7.80	9.60	49.96	12/08-YE	1.6 (I)
3/19/10	Mountaineer Gas (WV)	8.72	---	---	12/08-A	19.0 (B)
3/24/10	MidAmerican Energy (IL)	7.60	10.13	47.08	12/08-YE	2.7
3/31/10	Atmos Energy (GA)	8.61	10.70	47.70	10/10-A	2.9
<b>2010</b>	<b>1ST QUARTER: AVERAGES/TOTAL</b>	<b>8.20</b>	<b>10.24</b>	<b>50.27</b>		<b>177.3</b>
	<b>MEDIAN</b>	<b>8.14</b>	<b>10.24</b>	<b>49.96</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>10</b>	<b>9</b>	<b>9</b>		<b>11</b>
4/2/10	Puget Sound Energy (WA)	8.10	10.10	46.00 (Hy)	12/08-A	10.1 (R)
4/14/10	UNS Gas (AZ)	8.00	9.50	49.90	6/08-YE	3.5
4/29/10	Central Illinois Light (IL)	7.83	9.40	43.61	12/08-YE	-7.5 (R)
4/29/10	Central Illinois Public Service (IL)	7.59	9.19	48.67	12/08-YE	-1.7 (R)
4/29/10	Illinois Power (IL)	8.59	9.40	43.55	12/08-YE	-11.3 (R)
5/17/10	Consumers Energy (MI)	7.02	10.55	40.78 *	9/10-A	65.9 (I)
5/24/10	Chattanooga Gas (TN)	7.41	10.05	46.06	4/11-A	0.1
5/28/10	Atmos Energy (KY)	---	---	---	---	6.1 (B)
6/3/10	Michigan Consolidated Gas (MI)	7.19	11.00	38.78 *	12/10-A	118.6 (I)
6/3/10	Questar Gas (UT)	8.42	10.35	52.91	12/10-A	2.6 (B,8)
6/18/10	Public Service Electric & Gas (NJ)	8.21	10.30	51.20	12/09-YE	26.5 (B)
6/18/10	Central Hudson Gas & Electric (NY)	7.43	10.00	48.00	6/11-A	9.6 (D,B,Z)
<b>2010</b>	<b>2ND QUARTER: AVERAGES/TOTAL</b>	<b>7.80</b>	<b>9.99</b>	<b>46.31</b>		<b>222.5</b>
	<b>MEDIAN</b>	<b>7.83</b>	<b>10.05</b>	<b>46.06</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>11</b>	<b>11</b>	<b>11</b>		<b>12</b>

**GAS UTILITY DECISIONS (continued)**

7/30/10	Atmos Energy (KS)	---	---	---	---	3.9 (B)
7/30/10	Louisville Gas & Electric (KY)	---	---	---	10/09-YE	17.0 (B)
8/17/10	Black Hills Nebraska Gas Utility (NE)	9.11	10.10	52.00	7/09-YE	8.3 (R,I)
8/18/10	Atmos Energy (MO)	---	---	---	---	5.7 (B)
8/18/10	Laclede Gas (MO)	---	---	---	---	31.4 (B)
8/18/10	Columbia Gas of Pennsylvania (PA)	---	---	---	9/09	12.0 (B)
9/16/10	Consolidated Edison of New York (NY)	7.46	9.60	48.00	9/11-YE	141.7 (B,Z)
9/16/10	New York State Electric & Gas (NY)	7.48	10.00	48.00	8/11-A	34.0 (B,Z,D,7)
9/16/10	Rochester Gas and Electric (NY)	8.47	10.00	48.00	8/11-A	34.6 (B,Z,D,7)
9/21/10	Avista Corp. (ID)	---	---	---	12/09	1.9 (B)
<b>2010</b>	<b>3RD QUARTER: AVERAGES/TOTAL</b>	<b>8.13</b>	<b>9.93</b>	<b>49.00</b>		<b>290.5</b>
	<b>MEDIAN</b>	<b>7.98</b>	<b>10.00</b>	<b>48.00</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>4</b>	<b>4</b>	<b>4</b>		<b>10</b>
<b>2010</b>	<b>YEAR-TO-DATE: AVERAGES/TOTAL</b>	<b>8.01</b>	<b>10.07</b>	<b>48.25</b>		<b>690.3</b>
	<b>MEDIAN</b>	<b>8.05</b>	<b>10.10</b>	<b>48.00</b>		<b>---</b>
	<b>OBSERVATIONS</b>	<b>25</b>	<b>24</b>	<b>24</b>		<b>33</b>

**FOOTNOTES**

- A- Average
- B- Order followed stipulation or settlement by the parties. Decision particulars not necessarily precedent-setting or specifically adopted by the regulatory body.
- Bp- Order followed partial stipulation or settlement by the parties. Decision particulars not necessarily precedent-setting or specifically adopted by the regulatory body.
- D- Applies to electric delivery only
- DC- Date certain
- E- Estimated
- Hy- Hypothetical capital structure
- I- Interim rates implemented prior to the issuance of final order, normally under bond and subject to refund.
- R- Revised
- YE- Year-end
- Z- Rate change implemented in multiple steps.
- \* Capital structure includes cost-free items or tax credit balances at the overall rate of return.

- (1) While the authorized rate increase is based on a 10.7% ROE, the settlement specifies that the company is permitted to earn up to an 11% ROE.
- (2) The permanent rate increase includes a \$126.2 million increase that was authorized by the PSC on 5/19/09 in a separate proceeding related to the repowering of the Bartow generating plant. The company had also requested recovery of the Bartow repowering costs in this base rate proceeding. In addition, the \$126.2 million Bartow-related increase, when adjusted for 2010 billing determinants, increases to \$132.1 million.
- (3) Authorized 11.9% ROE includes an 11.3% base ROE and a 60-basis-point management efficiency premium.
- (4) Parameters apply to rider for the Virginia City Hybrid Energy Center, and the specified ROE includes an 11.3% base equity return and a 100-basis-point premium.
- (5) Parameters apply to rider for the Bear Garden generation facility, and the specified ROE includes an 11.3% base equity return and a 100-basis-point premium.
- (6) The rate increase is effective retroactive to 7/1/10.
- (7) The 2010 rate increase is effective retroactive to 8/25/10.
- (8) Rate increase effective 8/1/10.

Dennis Sperduto

**AN ANALYSIS OF THE COST OF CAPITAL**

**FOR**

**KANSAS CITY POWER & LIGHT COMPANY**

**CASE NO. ER-2010-0355**

**SCHEDULES**

**BY**

**DAVID MURRAY**

**UTILITY SERVICES DIVISION**

**MISSOURI PUBLIC SERVICE COMMISSION**

**NOVEMBER 2010**

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**List of Schedules**

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2-2	Graph of Federal Reserve Discount Rates and Federal Funds Rates
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3-2	Graph of Rate of Inflation
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4-2	Average Yields on Thirty-Year U.S. Treasury Bonds
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16	Weighted Cost of Capital as of June 30, 2010 for Kansas City Power and Light Company

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**Federal Reserve Discount Rate Changes and Federal Reserve Funds Rate Changes**

Date	Federal Reserve Discount Rate	Federal Reserve Funds Rate	Date	Federal Reserve Discount Rate	Federal Reserve Funds Rate
01/01/83	8.50%		06/30/99	4.50%	5.00%
12/31/83	8.50%		08/24/99	4.75%	5.25%
04/09/84	9.00%		11/16/99	5.00%	5.50%
11/21/84	8.50%		02/02/00	5.25%	5.75%
12/24/84	8.00%		03/21/00	5.50%	6.00%
05/20/85	7.50%		05/19/00	6.00%	6.50%
03/07/86	7.00%		01/03/01	5.75%	6.00%
04/21/86	6.50%		01/04/01	5.50%	6.00%
07/11/86	6.00%		01/31/01	5.00%	5.50%
08/21/86	5.50%		03/20/01	4.50%	5.00%
09/04/87	6.00%		04/18/01	4.00%	4.50%
08/09/88	6.50%		05/15/01	3.50%	4.00%
02/24/89	7.00%		06/27/01	3.25%	3.75%
07/13/90		8.00%	08/21/01	3.00%	3.50%
10/29/90		7.75%	09/17/01	2.50%	3.00%
11/13/90		7.50%	10/02/01	2.00%	2.50%
12/07/90		7.25%	11/06/01	1.50%	2.00%
12/18/90		7.00%	12/11/01	1.25%	1.75%
12/19/90	6.50%		11/06/02	0.75%	1.25%
01/09/91		6.75%	01/09/03	2.25%**	1.25%
02/01/91	6.00%	6.25%	06/25/03	2.00%	1.00%
03/08/91		6.00%	06/30/04	2.25%	1.25%
04/30/91	5.50%	5.75%	08/10/04	2.50%	1.50%
08/06/91		5.50%	09/21/04	2.75%	1.75%
09/13/91	5.00%	5.25%	11/10/04	3.00%	2.00%
10/31/91		5.00%	12/14/04	3.25%	2.25%
11/06/91	4.50%	4.75%	02/02/05	3.50%	2.50%
12/06/91		4.50%	03/22/05	3.75%	2.75%
12/20/91	3.50%	4.00%	05/03/05	4.00%	3.00%
04/09/92		3.75%	06/30/05	4.25%	3.25%
07/02/92	3.00%	3.25%	08/09/05	4.50%	3.50%
09/04/92		3.00%	09/20/05	4.75%	3.75%
01/01/93			11/01/05	5.00%	4.00%
12/31/93	No Changes	No Changes	12/13/05	5.25%	4.25%
02/04/94		3.25%	01/31/06	5.50%	4.50%
03/22/94		3.50%	03/28/06	5.75%	4.75%
04/18/94		3.75%	05/10/06	6.00%	5.00%
05/17/94	3.50%	4.25%	06/29/06	6.25%	5.25%
08/16/94	4.00%	4.75%	08/17/07	5.75%	5.25%
11/15/94	4.75%	5.50%	09/18/07	5.25%	4.75%
02/01/95	5.25%	6.00%	10/31/07	5.00%	4.50%
07/06/95		5.75%	12/11/07	4.75%	4.25%
12/19/95		5.50%	01/22/08	4.00%	3.50%
01/31/96	5.00%	5.25%	01/30/08	3.50%	3.00%
03/25/97		5.50%	03/16/08	3.25%	
12/12/97	5.00%		03/18/08	2.50%	2.25%
01/09/98	5.00%		04/30/08	2.25%	2.00%
03/06/98	5.00%		10/08/08	1.75%	1.50%
09/29/98		5.25%	10/28/08	1.25%	1.00%
10/15/98	4.75%	5.00%	12/30/08	0.50%	0% - .25%
11/17/98	4.50%	4.75%	02/19/10	0.75%	

\* Staff began tracking the Federal Funds Rate.

\*\*Revised discount window program begins. Reflects rate on primary credit. This revised discount window policy results in incomparability of the discount rates after January 9, 2003 to discount rates before January 9, 2003.

Source:

Federal Reserve Discount rate

<http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html>

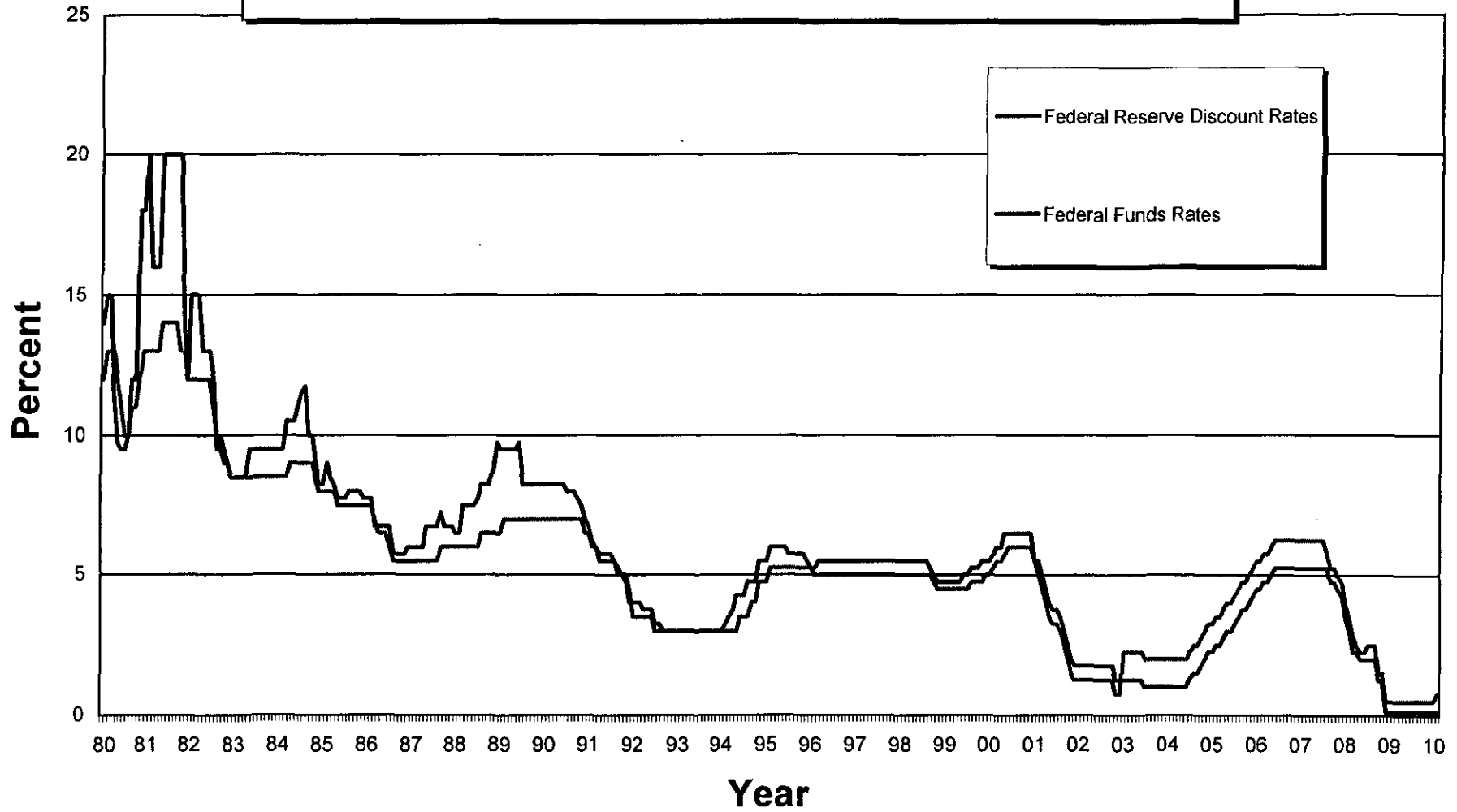
Federal Reserve Funds rate

<http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.htm>

Note: Interest rates as of December 31 for each year are underlined.

Kansas City Power and Light Company  
File No. ER-2010-0355

Federal Reserve Discount Rates and Federal Funds Rates  
1980 - 2010



SCHEDULE 2-2

SCHEDULE 2-2

Kansas City Power and Light Company

File No. ER-2010-0355

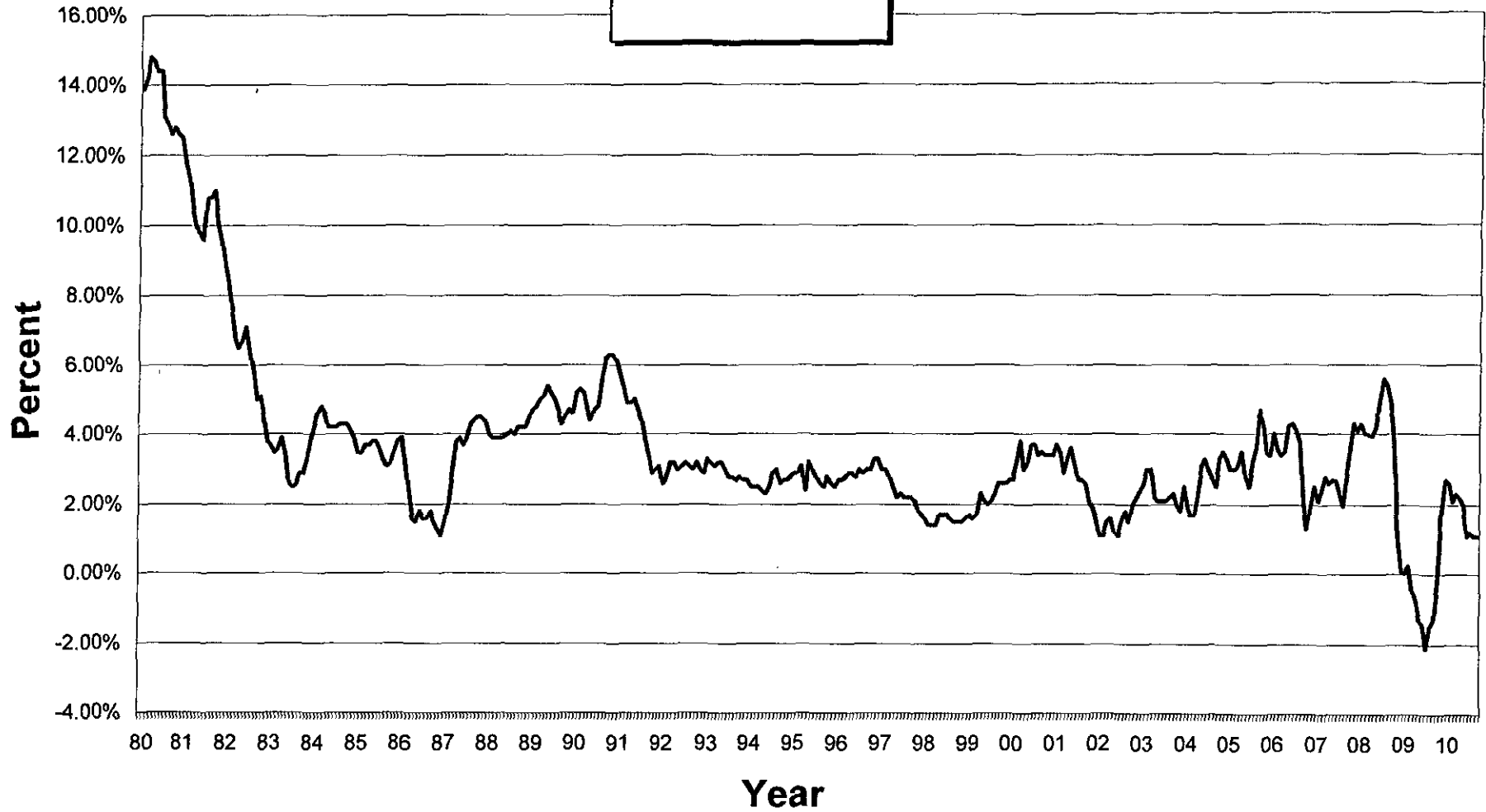
Rate of Inflation

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	13.90	Jan 1984	4.20	Jan 1988	4.00	Jan 1992	2.60	Jan 1996	2.70	Jan 2000	2.70	Jan 2004	1.90	Jan 2008	4.30
Feb	14.20	Feb	4.60	Feb	3.90	Feb	2.80	Feb	2.70	Feb	3.20	Feb	1.70	Feb	4.00
Mar	14.80	Mar	4.80	Mar	3.90	Mar	3.20	Mar	2.80	Mar	3.70	Mar	1.70	Mar	4.00
Apr	14.70	Apr	4.60	Apr	3.90	Apr	3.20	Apr	2.90	Apr	3.00	Apr	2.30	Apr	3.90
May	14.40	May	4.20	May	3.90	May	3.00	May	2.90	May	3.20	May	3.10	May	4.20
Jun	14.40	Jun	4.20	Jun	4.00	Jun	3.10	Jun	2.80	Jun	3.70	Jun	3.30	Jun	5.00
Jul	13.10	Jul	4.20	Jul	4.10	Jul	3.20	Jul	3.00	Jul	3.70	Jul	3.00	Jul	5.60
Aug	12.90	Aug	4.30	Aug	4.00	Aug	3.10	Aug	2.90	Aug	3.40	Aug	2.70	Aug	5.40
Sep	12.60	Sep	4.30	Sep	4.20	Sep	3.00	Sep	3.00	Sep	3.50	Sep	2.50	Sep	4.90
Oct	12.80	Oct	4.30	Oct	4.20	Oct	3.20	Oct	3.00	Oct	3.40	Oct	3.30	Oct	3.70
Nov	12.60	Nov	4.10	Nov	4.20	Nov	3.00	Nov	3.30	Nov	3.40	Nov	3.50	Nov	1.10
Dec	12.50	Dec	3.90	Dec	4.40	Dec	2.90	Dec	3.30	Dec	3.40	Dec	3.30	Dec	0.10
Jan 1981	11.80	Jan 1985	3.50	Jan 1989	4.70	Jan 1993	3.30	Jan 1997	3.00	Jan 2001	3.70	Jan 2005	3.00	Jan 2009	0.00
Feb	11.40	Feb	3.50	Feb	4.80	Feb	3.20	Feb	3.00	Feb	3.50	Feb	3.00	Feb	0.20
Mar	10.50	Mar	3.70	Mar	5.00	Mar	3.10	Mar	2.80	Mar	2.90	Mar	3.10	Mar	-0.40
Apr	10.00	Apr	3.70	Apr	5.10	Apr	3.20	Apr	2.50	Apr	3.30	Apr	3.50	Apr	-0.70
May	9.80	May	3.80	May	5.40	May	3.20	May	2.20	May	3.60	May	2.80	May	-1.28
Jun	9.60	Jun	3.80	Jun	5.20	Jun	3.00	Jun	2.30	Jun	3.20	Jun	2.50	Jun	-1.40
Jul	10.80	Jul	3.60	Jul	5.00	Jul	2.80	Jul	2.20	Jul	2.70	Jul	3.20	Jul	-2.10
Aug	10.80	Aug	3.30	Aug	4.70	Aug	2.80	Aug	2.20	Aug	2.70	Aug	3.60	Aug	-1.50
Sep	11.00	Sep	3.10	Sep	4.30	Sep	2.70	Sep	2.20	Sep	2.60	Sep	4.70	Sep	-1.30
Oct	10.10	Oct	3.20	Oct	4.50	Oct	2.80	Oct	2.10	Oct	2.10	Oct	4.30	Oct	-0.20
Nov	9.60	Nov	3.50	Nov	4.70	Nov	2.70	Nov	1.80	Nov	1.90	Nov	3.50	Nov	1.80
Dec	8.90	Dec	3.80	Dec	4.60	Dec	2.70	Dec	1.70	Dec	1.60	Dec	3.40	Dec	2.70
Jan 1982	8.40	Jan 1986	3.90	Jan 1990	5.20	Jan 1994	2.50	Jan 1998	1.60	Jan 2002	1.10	Jan 2006	4.00	Jan 2010	2.60
Feb	7.60	Feb	3.10	Feb	5.30	Feb	2.50	Feb	1.40	Feb	1.10	Feb	3.60	Feb	2.10
Mar	6.80	Mar	2.30	Mar	5.20	Mar	2.50	Mar	1.40	Mar	1.50	Mar	3.40	Mar	2.30
Apr	6.50	Apr	1.60	Apr	4.70	Apr	2.40	Apr	1.40	Apr	1.60	Apr	3.50	April	2.20
May	6.70	May	1.50	May	4.40	May	2.30	May	1.70	May	1.20	May	4.20	May	2.00
Jun	7.10	Jun	1.80	Jun	4.70	Jun	2.50	Jun	1.70	Jun	1.10	June	4.30	June	1.10
Jul	6.40	Jul	1.60	Jul	4.80	Jul	2.90	Jul	1.70	Jul	1.50	July	4.10	July	1.20
Aug	5.90	Aug	1.60	Aug	5.60	Aug	3.00	Aug	1.60	Aug	1.80	Aug	3.80	August	1.10
Sep	5.00	Sep	1.80	Sep	6.20	Sep	2.60	Sep	1.50	Sep	1.50	Sep	2.10	September	1.10
Oct	5.10	Oct	1.50	Oct	6.30	Oct	2.70	Oct	1.50	Oct	2.00	Oct	1.30		
Nov	4.60	Nov	1.30	Nov	6.30	Nov	2.70	Nov	1.50	Nov	2.20	Nov	2.00		
Dec	3.80	Dec	1.10	Dec	6.10	Dec	2.80	Dec	1.60	Dec	2.40	Dec	2.50		
Jan 1983	3.70	Jan 1987	1.50	Jan 1991	5.70	Jan 1995	2.90	Jan 1999	1.70	Jan 2003	2.60	Jan 2007	2.10		
Feb	3.50	Feb	2.10	Feb	5.30	Feb	2.90	Feb	1.60	Feb	3.00	Feb	2.40		
Mar	3.60	Mar	3.00	Mar	4.90	Mar	3.10	Mar	1.70	Mar	3.00	Mar	2.80		
Apr	3.90	Apr	3.80	Apr	4.90	Apr	2.40	Apr	2.30	Apr	2.20	Apr	2.60		
May	3.50	May	3.90	May	5.00	May	3.20	May	2.10	May	2.10	May	2.70		
Jun	2.60	Jun	3.70	Jun	4.70	Jun	3.00	Jun	2.00	Jun	2.10	Jun	2.70		
Jul	2.50	Jul	3.90	Jul	4.40	Jul	2.80	Jul	2.10	Jul	2.10	Jul	2.40		
Aug	2.60	Aug	4.30	Aug	3.80	Aug	2.60	Aug	2.30	Aug	2.20	Aug	2.00		
Sep	2.90	Sep	4.40	Sep	3.40	Sep	2.50	Sep	2.60	Sep	2.30	Sep	2.80		
Oct	2.90	Oct	4.50	Oct	2.90	Oct	2.80	Oct	2.60	Oct	2.00	Oct	3.50		
Nov	3.30	Nov	4.50	Nov	3.00	Nov	2.60	Nov	2.60	Nov	1.80	Nov	4.30		
Dec	3.80	Dec	4.40	Dec	3.10	Dec	2.50	Dec	2.70	Dec	1.90	Dec	4.10		

Source: U.S. Dept of Labor, Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers, Change for 12-Month Period, Bureau of Labor Statistics, [http://www.bls.gov/schedule/archives/cpi\\_nr.htm](http://www.bls.gov/schedule/archives/cpi_nr.htm)

Kansas City Power and Light Company  
File No. ER-2010-0355

Rate of Inflation  
1980 - 2010





**Kansas City Power and Light Company**  
**File No. ER-2010-0355**  
**Average Yields on Public Utility Bonds**

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	12.12	Jan 1984	13.40	Jan 1988	10.75	Jan 1992	8.67	Jan 1996	7.20	Jan 2000	8.22	Jan 2004	6.23	Jan 2008	6.08
Feb	13.48	Feb	13.50	Feb	10.11	Feb	8.77	Feb	7.37	Feb	8.10	Feb	6.17	Feb	6.28
Mar	14.33	Mar	14.03	Mar	10.11	Mar	8.84	Mar	7.72	Mar	8.14	Mar	6.01	Mar	6.29
Apr	13.50	Apr	14.30	Apr	10.53	Apr	8.79	Apr	7.88	Apr	8.14	Apr	6.38	Apr	6.36
May	12.17	May	14.95	May	10.75	May	8.72	May	7.99	May	8.55	May	6.68	May	6.38
Jun	11.87	Jun	15.16	Jun	10.71	Jun	8.64	Jun	8.07	Jun	8.22	Jun	6.53	Jun	6.50
Jul	12.12	Jul	14.92	Jul	10.96	Jul	8.46	Jul	8.02	Jul	8.17	Jul	6.34	Jul	6.50
Aug	12.82	Aug	14.29	Aug	11.09	Aug	8.34	Aug	7.84	Aug	8.05	Aug	6.18	Aug	6.48
Sep	13.29	Sep	14.04	Sep	10.56	Sep	8.32	Sep	8.01	Sep	8.16	Sep	6.01	Sep	6.59
Oct	13.53	Oct	13.68	Oct	9.92	Oct	8.44	Oct	7.76	Oct	8.08	Oct	5.95	Oct	7.70
Nov	14.07	Nov	13.15	Nov	9.89	Nov	8.53	Nov	7.48	Nov	8.03	Nov	5.97	Nov	7.80
Dec	14.48	Dec	12.96	Dec	10.02	Dec	8.36	Dec	7.58	Dec	7.79	Dec	5.93	Dec	6.87
Jan 1981	14.22	Jan 1985	12.88	Jan 1989	10.02	Jan 1993	8.23	Jan 1997	7.79	Jan 2001	7.76	Jan 2005	5.80	Jan 2009	6.77
Feb	14.84	Feb	13.00	Feb	10.02	Feb	8.00	Feb	7.68	Feb	7.89	Feb	5.64	Feb	6.72
Mar	14.86	Mar	13.66	Mar	10.16	Mar	7.85	Mar	7.92	Mar	7.59	Mar	5.86	Mar	6.85
Apr	15.32	Apr	13.42	Apr	10.14	Apr	7.76	Apr	8.08	Apr	7.81	Apr	5.72	Apr	6.90
May	15.84	May	12.89	May	9.92	May	7.78	May	7.94	May	7.88	May	5.60	May	6.83
Jun	15.27	Jun	11.91	Jun	9.49	Jun	7.68	Jun	7.77	Jun	7.75	Jun	5.39	June	6.54
Jul	15.87	Jul	11.88	Jul	9.34	Jul	7.53	Jul	7.52	Jul	7.71	Jul	5.50	July	6.15
Aug	16.33	Aug	11.93	Aug	9.37	Aug	7.21	Aug	7.57	Aug	7.57	Aug	5.51	Aug	5.80
Sep	16.89	Sep	11.95	Sep	9.43	Sep	7.01	Sep	7.50	Sep	7.73	Sep	5.54	Sep	5.60
Oct	16.76	Oct	11.84	Oct	9.37	Oct	6.99	Oct	7.37	Oct	7.64	Oct	5.79	Oct	5.64
Nov	15.50	Nov	11.33	Nov	9.33	Nov	7.30	Nov	7.24	Nov	7.61	Nov	5.88	Nov	5.71
Dec	15.77	Dec	10.82	Dec	9.31	Dec	7.33	Dec	7.16	Dec	7.86	Dec	5.83	Dec	5.86
Jan 1982	16.73	Jan 1986	10.66	Jan 1990	9.44	Jan 1994	7.31	Jan 1998	7.03	Jan 2002	7.69	Jan 2006	5.77	Jan 2010	5.83
Feb	16.72	Feb	10.16	Feb	9.66	Feb	7.44	Feb	7.09	Feb	7.62	Feb	5.83	Feb	5.94
Mar	16.07	Mar	9.33	Mar	9.75	Mar	7.83	Mar	7.13	Mar	7.83	Mar	5.98	Mar	5.90
Apr	15.82	Apr	9.02	Apr	9.87	Apr	8.20	Apr	7.12	Apr	7.74	Apr	6.28	Apr	5.87
May	15.60	May	9.52	May	9.89	May	8.32	May	7.11	May	7.76	May	6.39	May	5.59
Jun	16.18	Jun	9.51	Jun	9.69	Jun	8.31	Jun	6.99	Jun	7.67	June	6.39	June	5.55
Jul	16.04	Jul	9.19	Jul	9.66	Jul	8.47	Jul	6.99	Jul	7.54	July	6.37	July	5.39
Aug	15.22	Aug	9.15	Aug	9.84	Aug	8.41	Aug	6.96	Aug	7.34	Aug	6.20	Aug	5.10
Sep	14.56	Sep	9.42	Sep	10.01	Sep	8.65	Sep	6.88	Sep	7.23	Sep	6.03	Sep	5.10
Oct	13.88	Oct	9.39	Oct	9.94	Oct	8.88	Oct	6.88	Oct	7.43	Oct	6.01	Oct	5.14
Nov	13.58	Nov	9.15	Nov	9.76	Nov	9.00	Nov	6.96	Nov	7.31	Nov	5.82		
Dec	13.55	Dec	8.96	Dec	9.57	Dec	8.79	Dec	6.84	Dec	7.20	Dec	5.83		
Jan 1983	13.46	Jan 1987	8.77	Jan 1991	9.56	Jan 1995	8.77	Jan 1999	6.87	Jan 2003	7.13	Jan 2007	5.96		
Feb	13.60	Feb	8.81	Feb	9.31	Feb	8.56	Feb	7.00	Feb	6.92	Feb	5.91		
Mar	13.28	Mar	8.75	Mar	9.39	Mar	8.41	Mar	7.18	Mar	6.80	Mar	5.87		
Apr	13.03	Apr	9.30	Apr	9.30	Apr	8.30	Apr	7.16	Apr	6.68	Apr	6.01		
May	13.00	May	9.82	May	9.29	May	7.93	May	7.42	May	6.35	May	6.03		
Jun	13.17	Jun	9.87	Jun	9.44	Jun	7.62	Jun	7.70	Jun	6.21	June	6.34		
Jul	13.28	Jul	10.01	Jul	9.40	Jul	7.73	Jul	7.66	Jul	6.54	July	6.28		
Aug	13.50	Aug	10.33	Aug	9.16	Aug	7.86	Aug	7.86	Aug	6.78	Aug	6.28		
Sep	13.35	Sep	11.00	Sep	9.03	Sep	7.62	Sep	7.87	Sep	6.58	Sep	6.24		
Oct	13.19	Oct	11.32	Oct	8.99	Oct	7.46	Oct	8.02	Oct	6.50	Oct	6.17		
Nov	13.33	Nov	10.82	Nov	8.93	Nov	7.40	Nov	7.86	Nov	6.44	Nov	6.04		
Dec	13.48	Dec	10.99	Dec	8.76	Dec	7.21	Dec	8.04	Dec	6.36	Dec	6.23		

Sources:  
Mergent Bond Record - January 1980 through September 2010  
BondsOnline - October 2010

**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Average Yields on Thirty-Year U.S. Treasury Bonds**

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	10.60	Jan 1984	11.75	Jan 1988	8.83	Jan 1992	7.58	Jan 1996	6.05	Jan 2000	6.63	Jan 2004	4.99	Jan 2008	4.33
Feb	12.13	Feb	11.95	Feb	8.43	Feb	7.85	Feb	6.24	Feb	6.23	Feb	4.93	Feb	4.52
Mar	12.34	Mar	12.38	Mar	8.63	Mar	7.97	Mar	6.60	Mar	6.05	Mar	4.74	Mar	4.39
Apr	11.40	Apr	12.65	Apr	8.95	Apr	7.96	Apr	6.79	Apr	5.85	Apr	5.14	Apr	4.44
May	10.36	May	13.43	May	9.23	May	7.89	May	6.93	May	6.15	May	5.42	May	4.60
Jun	9.81	Jun	13.44	Jun	9.00	Jun	7.84	Jun	7.06	Jun	5.93	Jun	5.41	Jun	4.69
Jul	10.24	Jul	13.21	Jul	9.14	Jul	7.60	Jul	7.03	Jul	5.85	Jul	5.22	Jul	4.57
Aug	11.00	Aug	12.54	Aug	9.32	Aug	7.39	Aug	6.84	Aug	5.72	Aug	5.06	Aug	4.50
Sep	11.34	Sep	12.29	Sep	9.06	Sep	7.34	Sep	7.03	Sep	5.83	Sep	4.90	Sep	4.27
Oct	11.59	Oct	11.98	Oct	8.89	Oct	7.53	Oct	6.81	Oct	5.80	Oct	4.86	Oct	4.17
Nov	12.37	Nov	11.56	Nov	9.02	Nov	7.61	Nov	6.48	Nov	5.78	Nov	4.89	Nov	4.00
Dec	12.40	Dec	11.52	Dec	9.01	Dec	7.44	Dec	6.55	Dec	5.49	Dec	4.86	Dec	2.87
Jan 1981	12.14	Jan 1985	11.45	Jan 1989	8.93	Jan 1993	7.34	Jan 1997	6.83	Jan 2001	5.54	Jan 2005	4.73	Jan 2009	3.13
Feb	12.80	Feb	11.47	Feb	9.01	Feb	7.09	Feb	6.69	Feb	5.45	Feb	4.55	Feb	3.59
Mar	12.69	Mar	11.81	Mar	9.17	Mar	6.82	Mar	6.93	Mar	5.34	Mar	4.78	Mar	3.64
Apr	13.20	Apr	11.47	Apr	9.03	Apr	6.85	Apr	7.09	Apr	5.65	Apr	4.65	Apr	3.76
May	13.60	May	11.05	May	8.83	May	6.92	May	6.94	May	5.78	May	4.49	May	4.23
Jun	12.96	Jun	10.44	Jun	8.27	Jun	6.81	Jun	6.77	Jun	5.67	Jun	4.29	Jun	4.52
Jul	13.59	Jul	10.50	Jul	8.08	Jul	6.63	Jul	6.51	Jul	5.61	Jul	4.41	July	4.41
Aug	14.17	Aug	10.56	Aug	8.12	Aug	6.32	Aug	6.58	Aug	5.48	Aug	4.46	Aug	4.37
Sep	14.67	Sep	10.61	Sep	8.15	Sep	6.00	Sep	6.50	Sep	5.48	Sep	4.47	Sep	4.19
Oct	14.68	Oct	10.50	Oct	8.00	Oct	5.94	Oct	6.33	Oct	5.32	Oct	4.67	Oct	4.19
Nov	13.35	Nov	10.06	Nov	7.90	Nov	6.21	Nov	6.11	Nov	5.12	Nov	4.73	Nov	4.31
Dec	13.45	Dec	9.54	Dec	7.90	Dec	6.25	Dec	5.99	Dec	5.48	Dec	4.66	Dec	4.49
Jan 1982	14.22	Jan 1986	9.40	Jan 1990	8.26	Jan 1994	6.29	Jan 1998	5.81	Jan 2002	5.44	Jan 2006	4.59	Jan 2010	4.60
Feb	14.22	Feb	8.93	Feb	8.50	Feb	6.49	Feb	5.89	Feb	5.39	Feb	4.58	Feb	4.62
Mar	13.53	Mar	7.96	Mar	8.56	Mar	6.91	Mar	5.95	Mar	5.71	Mar	4.73	Mar	4.64
Apr	13.37	Apr	7.39	Apr	8.76	Apr	7.27	Apr	5.92	Apr	5.67	Apr	5.06	Apr	4.69
May	13.24	May	7.52	May	8.73	May	7.41	May	5.93	May	5.64	May	5.20	May	4.29
Jun	13.92	Jun	7.57	Jun	8.46	Jun	7.40	Jun	5.70	Jun	5.52	Jun	5.16	Jun	4.13
Jul	13.55	Jul	7.27	Jul	8.50	Jul	7.58	Jul	5.68	Jul	5.38	July	5.13	July	3.99
Aug	12.77	Aug	7.33	Aug	8.86	Aug	7.49	Aug	5.54	Aug	5.08	Aug	5.00	Aug	3.80
Sep	12.07	Sep	7.62	Sep	9.03	Sep	7.71	Sep	5.20	Sep	4.76	Sep	4.85	Sep	3.77
Oct	11.17	Oct	7.70	Oct	8.86	Oct	7.94	Oct	5.01	Oct	4.93	Oct	4.85	Oct	3.87
Nov	10.54	Nov	7.52	Nov	8.54	Nov	8.08	Nov	5.25	Nov	4.95	Nov	4.69		
Dec	10.54	Dec	7.37	Dec	8.24	Dec	7.87	Dec	5.06	Dec	4.92	Dec	4.68		
Jan 1983	10.63	Jan 1987	7.39	Jan 1991	8.27	Jan 1995	7.85	Jan 1999	5.16	Jan 2003	4.94	Jan 2007	4.85		
Feb	10.88	Feb	7.54	Feb	8.03	Feb	7.61	Feb	5.37	Feb	4.81	Feb	4.82		
Mar	10.63	Mar	7.55	Mar	8.29	Mar	7.45	Mar	5.58	Mar	4.80	Mar	4.72		
Apr	10.48	Apr	8.25	Apr	8.21	Apr	7.36	Apr	5.55	Apr	4.90	Apr	4.86		
May	10.53	May	8.78	May	8.27	May	6.95	May	5.81	May	4.53	May	4.90		
Jun	10.93	Jun	8.57	Jun	8.47	Jun	6.57	Jun	6.04	Jun	4.37	Jun	5.20		
Jul	11.40	Jul	8.64	Jul	8.45	Jul	6.72	Jul	5.98	Jul	4.93	July	5.11		
Aug	11.82	Aug	8.97	Aug	8.14	Aug	6.86	Aug	6.07	Aug	5.30	Aug	4.93		
Sep	11.63	Sep	9.59	Sep	7.95	Sep	6.55	Sep	6.07	Sep	5.14	Sep	4.79		
Oct	11.58	Oct	9.61	Oct	7.93	Oct	6.37	Oct	6.26	Oct	5.16	Oct	4.77		
Nov	11.75	Nov	8.95	Nov	7.92	Nov	6.26	Nov	6.15	Nov	5.13	Nov	4.52		
Dec	11.88	Dec	9.12	Dec	7.70	Dec	6.06	Dec	6.35	Dec	5.08	Dec	4.53		

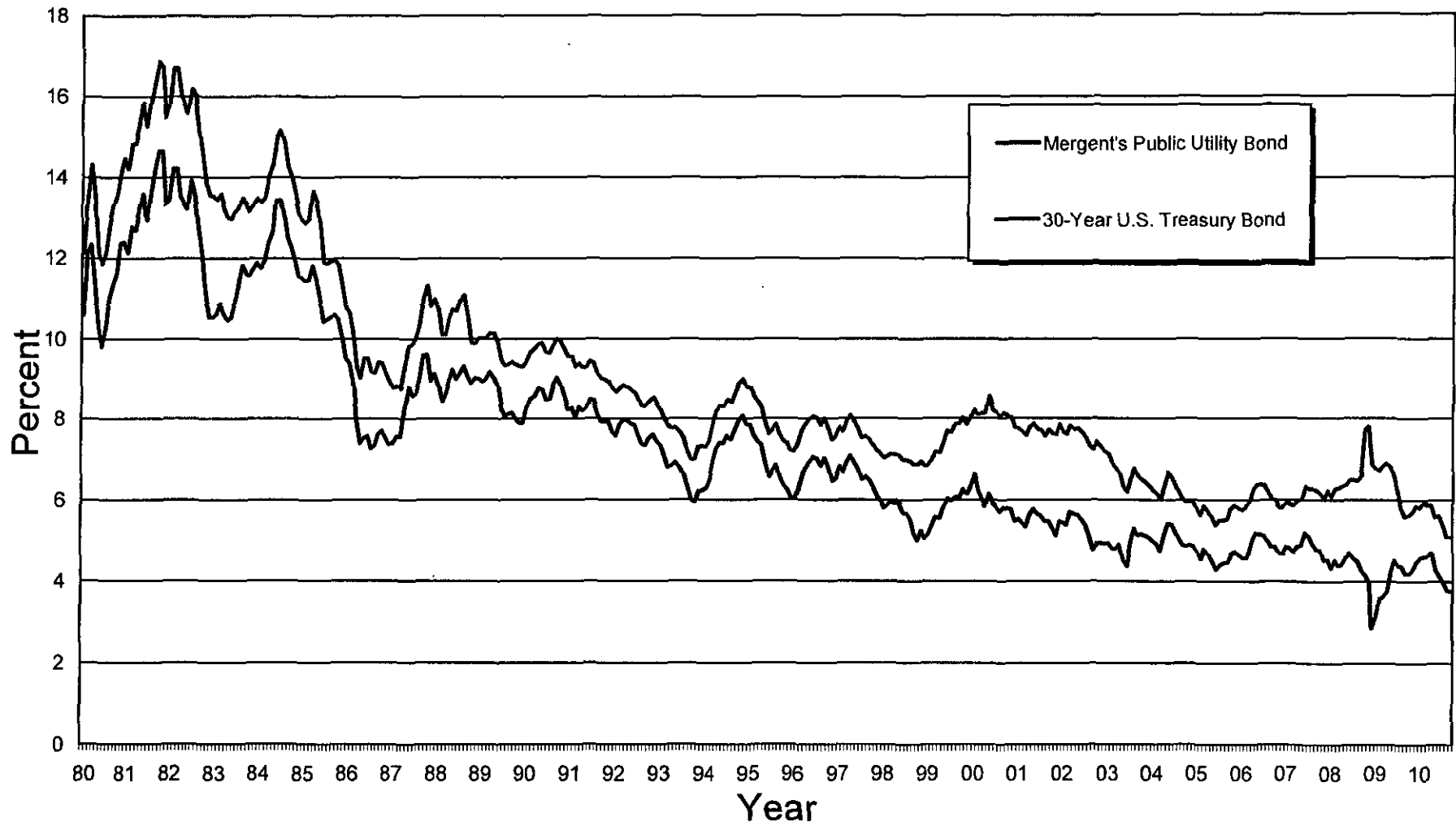
Sources:

<http://finance.yahoo.com/q/hp?s=^TYX>

<http://research.stlouisfed.org/fred2/data/GS30.txt>

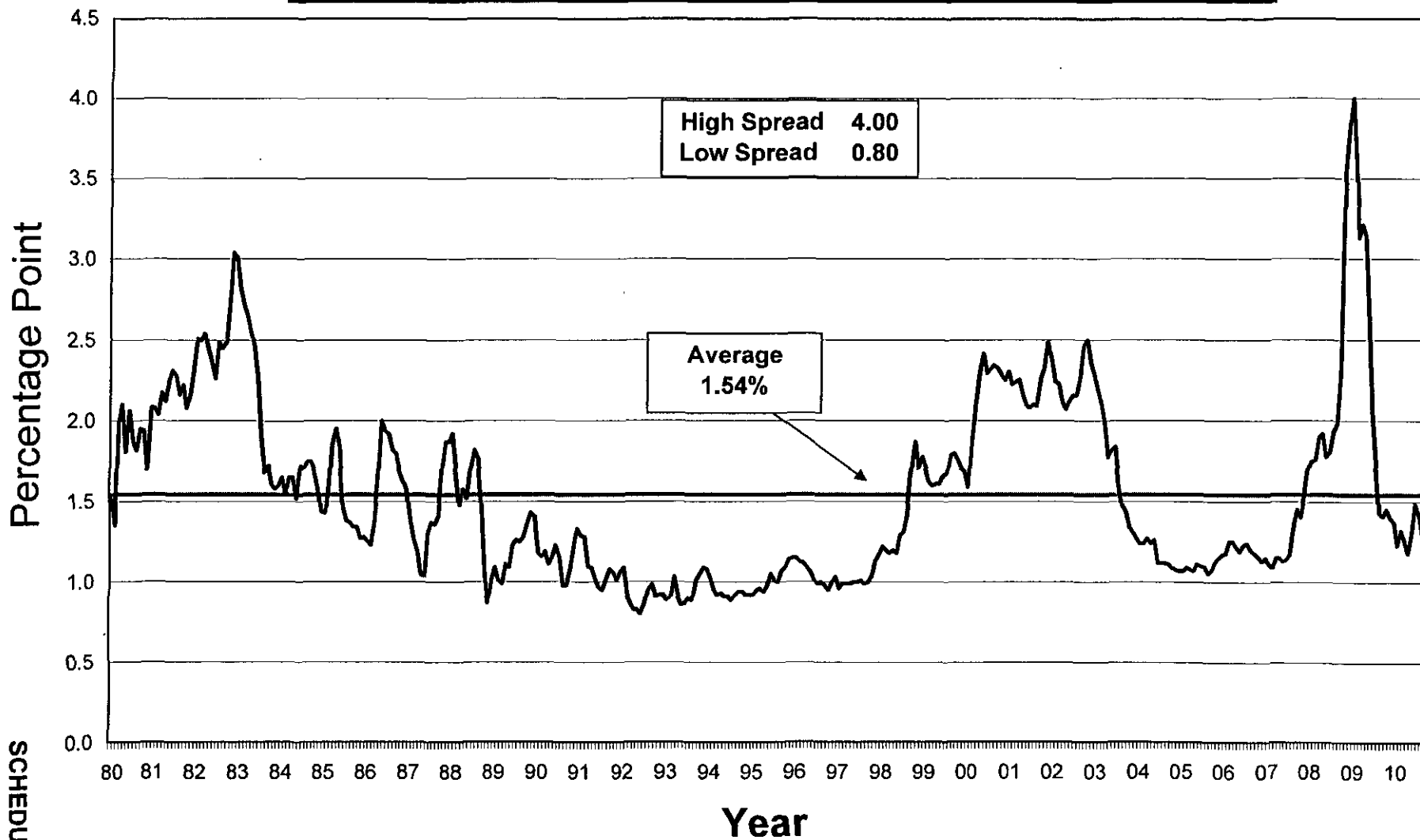
Kansas City Power and Light Company  
File No. ER-2010-0355

Average Yields on Public Utility Bonds and  
Thirty-Year U.S. Treasury Bonds (1980 - 2010)



Kansas City Power and Light Company  
File No. ER-2010-0355

Monthly Spreads Between Yields on Public Utility Bonds and  
Thirty-Year U.S. Treasury Bonds (1980 - 2010)

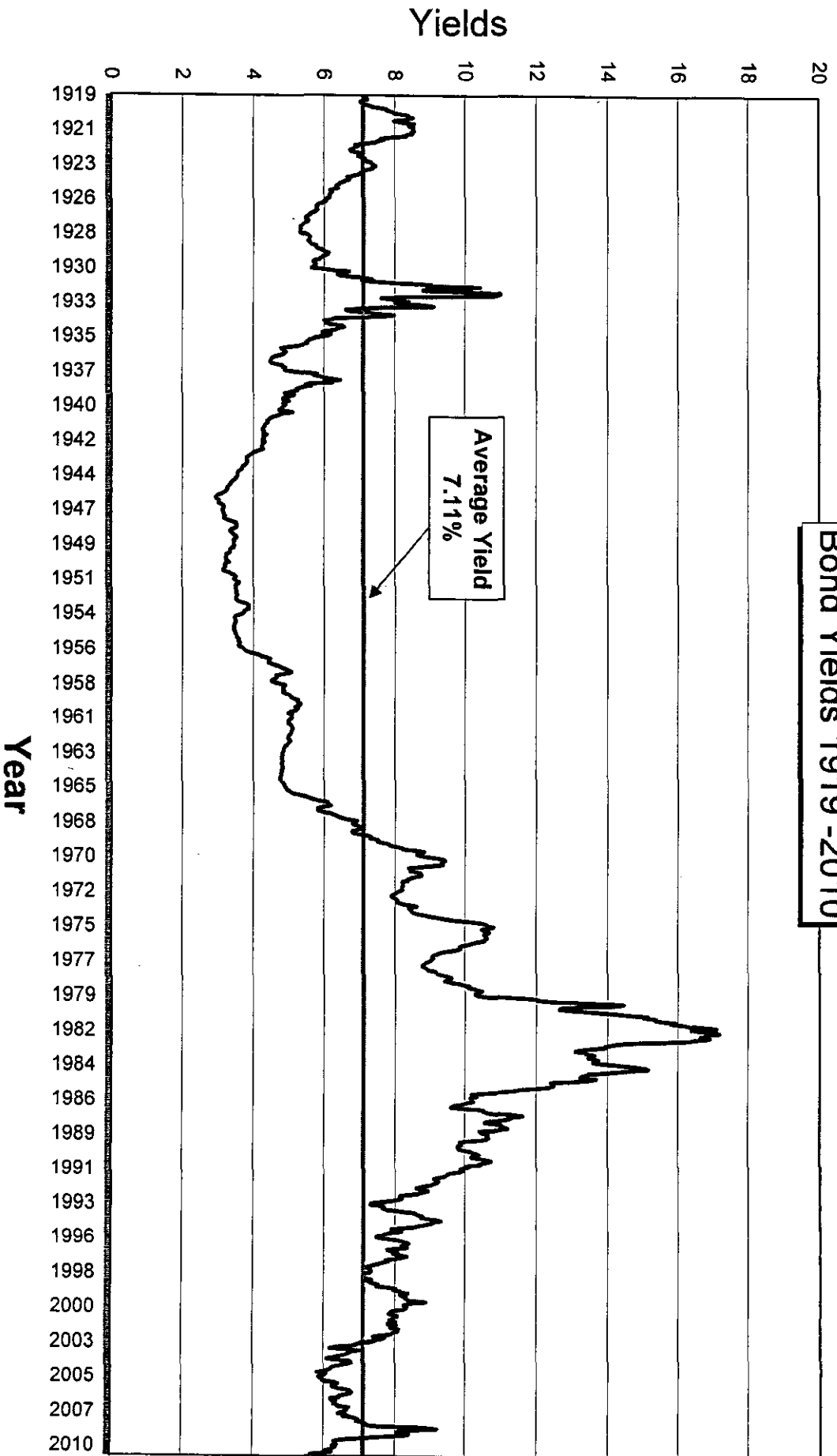


SCHEDULE 4-4

SCHEDULE 4-4

Kansas City Power and Light Company  
File No. ER-2010-0355

Moody's Baa Corporate  
Bond Yields 1919 -2010



Source: St. Louis Federal Reserve Website: <http://stlouisfed.org>

Schedule 4-5

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**Historical Consolidated Capital Structures for Great Plains Energy**

(Thousands of Dollars)

Capital Components	2005	2006	2007	2008	2009
Common Equity	\$1,234,058.0	\$1,341,916.0	\$1,567,900.0	\$2,551,600.0	\$2,793,700.0
Preferred Stock	39,000.0	39,000.0	39,000.0	39,000.0	39,000.0
Long-Term Debt	1,142,555.0 *	1,141,886.0 *	1,103,200.0 *	2,627,300.0 *	3,214,300.0 *
Short-Term Debt	37,900.0	156,400.0	407,800.0	584,200.0	438,600.0
Total	<u>\$2,453,513.0</u>	<u>\$2,679,202.0</u>	<u>\$3,117,900.0</u>	<u>\$5,802,100.0</u>	<u>\$6,485,600.0</u>

Capital Components	2005	2006	2007	2008	2009	5-Year Average
Common Equity	50.30%	50.09%	50.29%	43.98%	43.08%	47.54%
Preferred Stock	1.59%	1.46%	1.25%	0.67%	0.60%	1.11%
Long-Term Debt	46.57%	42.62%	35.38%	45.28%	49.56%	43.88%
Short-Term Debt	1.54%	5.84%	13.08%	10.07%	6.76%	7.46%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Sources:

- Great Plains Energy's SEC 10-K for 12/31/2005.
- Great Plains Energy's SEC 10-K for 12/31/2006.
- Great Plains Energy's SEC 10-K for 12/31/2007.
- Great Plains Energy's SEC 10-K for 12/31/2009.

Note: \*Includes current maturities of long-term debt.

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**  
**Capital Structure as of June 30, 2010**  
**Great Plains Energy**

<b>Capital Component</b>	<b>Dollar Amount (millions)</b>	<b>Percentage of Capital</b>
Common Stock Equity	\$ 2,870	47.65%
Preferred Stock	\$ 39	0.65%
Long-Term Debt	\$ 2,838	47.12%
Equity Units	\$ 276	4.59%
<b>Total Capitalization</b>	<b>\$ 6,023</b>	<b>100.00%</b>

Notes: 1. Long-term Debt at June 30, 2010 is based on the net balance of long-term debt, including current maturities (total principal amount of long-term debt outstanding less unamortized expenses and discounts).

2. Short-term debt balance net of construction work in progress (CWIP) was negative as of June 30, 2010. Therefore, no short-term debt is included in the capital structure.

3. Equity unit balance is based on net proceeds to the company.

Source: Kansas City Power and Light's updated response to Staff's Data Request No. 0194.

**Kansas City Power and Light Company**  
File No. ER-2010-0355

**Criteria for Selecting Comparable Electric Utility Companies**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Value Line		Stock	Regulated	% Electric	10-Year	Dividend	Projected	Investment		No	Comparable
Electric Utility Companies	Ticker	Publicly	Electric	Revenues	Value Line	since	Available	Grade S&P	Generation	Announced	Company
		Traded	Utility	≥ 70%	Historical	2007	Value Line	Corporate	Assets	Merger or	Met All
			(EEI)		Growth		and Reuters	Credit Rating		Acquisition	Criteria
Allegheny Energy	AYE	Yes	No								
ALLETE	ALE	Yes	Yes	Yes	No						
Alliant Energy	LNT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Amer. Elec. Power	AEP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ameren Corp.	AEE	Yes	Yes	Yes	Yes	No					
Avista Corp.	AVA	Yes	Yes	No							
Black Hills	BKH	Yes	No								
Gen. Vermont Pub. Serv.	CV	Yes	Yes	Yes	Yes	Yes	No				
CenterPoint Energy	CNP	Yes	No								
CH Energy Group	CHG	Yes	Yes	No							
Cleco Corp.	CNL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CMS Energy Corp.	CMS	Yes	Yes	No							
Consol. Edison	ED	Yes	Yes	No							
Constellation Energy	CEG	Yes	No								
Dominion Resources	D	Yes	No								
DPL Inc.	DPL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
DTE Energy	DTE	Yes	Yes	No							
Duke Energy	DUK	Yes	No								
Edison Int'l	EIX	Yes	No								
El Paso Electric	EE	Yes	Yes	Yes	Yes	No <sup>1</sup>					
Empire Dist. Elec.	EDE	Yes	Yes	Yes	Yes	Yes	No				
Entergy Corp.	ETR	Yes	No								
Evergreen Energy Inc	EEE	Yes	NA								
Exelon Corp.	EXC	Yes	No								
FirstEnergy Corp.	FE	Yes	No								
Fortis Inc.	FTS.TO	Yes	NA								
G't Plains Energy	GXP	Yes	Yes	Yes	Yes	No					
Hawaiian Elec.	HE	Yes	No								
IDACORP, Inc.	IDA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Integrus Energy	TEG	Yes	No								
ITC Holdings	ITC	Yes	NA								
Maine & Maritimes Corp	MAM	Yes	Yes	Yes	Yes	No					
MGE Energy	MGEE	Yes	No								
NextEra Energy	FPL	Yes	No								
Northeast Utilities	NU	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
NorthWestern Corp	NWE	Yes	Yes	Yes	No						
NSTAR	NST	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No		
NV Energy Inc.	NVE	Yes	Yes	Yes	Yes	Yes	Yes	No			
OGE Energy	OGE	Yes	No								
Otter Tail Corp.	OTTR	Yes	No								
Pepco Holdings	POM	Yes	No								
PG&E Corp.	PCG	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pinnacle West Capital	PNW	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PNM Resources	PNM	Yes	Yes	Yes	Yes	No					
Portland General	POR	Yes	Yes	Yes	No						
PPL Corp.	PPL	Yes	No								
Progress Energy	PGN	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Public Serv. Enterprise	PEG	Yes	No								
SCANA Corp.	SCG	Yes	No								
Sempra Energy	SRE	Yes	No								
Southern Co.	SO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
TECO Energy	TE	Yes	Yes	No							
U.S. Energy Sys Inc	USEYQ	Yes	NA								
UIL Holdings	UIL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No		
UniSource Energy	UNS	Yes	Yes	Yes	Yes	Yes	Yes	No			
UNITIL Corp.	UTL	Yes	Yes	No							
Vectren Corp.	VVC	Yes	Yes	No							
Westar Energy	WR	Yes	Yes	No							
Wilmington Capital Management	WCM/A.TO	Yes	NA								
Wisconsin Energy	WEC	Yes	Yes	No							
Xcel Energy Inc.	XEL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Columns 1, 2, 3, 6, 7, 8 and 10 = The Value Line Investment Survey: Ratings & Reports.  
 Column 4 = Edison Electric Institute 2009 Financial Review  
 Column 5 = September 2010 AUS Utility Reports.  
 Column 8 = Reuters.com on October 7, 2010.  
 Column 9 = S&P'S RatingsDirect

Notes:

1. No dividends per share.



**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Comparable Electrical Utility Companies  
for Kansas City Power and Light Company**

Number	Ticker Symbol	Company Name	S&P Corporate Credit Rating
1	LNT	Alliant Energy	BBB+
2	AEP	American Electric Power	BBB
3	CNL	Cleco Corp.	BBB
4	DPL	DPL Inc.	A-
5	IDA	IDACORP, Inc.	BBB
6	PCG	PG&E Corp.	BBB+
7	PNW	Pinnacle West Capital	BBB-
8	PGN	Progress Energy	BBB+
9	SO	Southern Company	A
10	XEL	Xcel Energy	A-
		Average	<u>BBB+</u>
		Great Plains Energy	BBB

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**Ten-Year Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates**  
**for the Comparable Electric Utility Companies**

<u>Company Name</u>	<u>10-Year Annual Compound Growth Rates</u>			<u>Average of 10 Year Annual Compound Growth Rates</u>
	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>	
Alliant Energy	-3.50%	3.00%	1.00%	0.17%
American Electric Power	-4.00%	0.00%	0.50%	-1.17%
Cleco Corp.	1.00%	3.50%	7.00%	3.83%
DPL Inc.	1.50%	4.50%	0.00%	2.00%
IDACORP, Inc.	-4.50%	-0.50%	3.50%	-0.50%
PG&E Corp.	2.50%	4.50%	2.50%	3.17%
Pinnacle West Capital	5.50%	-2.00%	3.00%	2.17%
Progress Energy	2.50%	1.00%	5.00%	2.83%
Southern Company	2.50%	3.00%	2.00%	2.50%
Xcel Energy	-4.00%	-1.00%	-0.50%	-1.83%
<b>Average</b>	<b><u>-0.05%</u></b>	<b><u>1.60%</u></b>	<b><u>2.40%</u></b>	<b><u>1.32%</u></b>

Source: The Value Line Investment Survey: Ratings & Reports, August 6, August 27, and September 24, 2010.

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**Five-Year Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates**  
**for the Comparable Electric Utility Companies**

Company Name	----- 5-Year Annual Compound Growth Rates -----				Average of 5 Year Annual Compound Growth Rates
	DPS	EPS	BVPS		
Alliant Energy	0.50%	9.00%	3.50%		4.33%
American Electric Power	-2.50%	2.00%	5.00%		1.50%
Cleco Corp.	0.00%	3.00%	10.00%		4.33%
DPL Inc.	3.00%	10.50%	3.00%		5.50%
IDACORP, Inc.	-5.50%	8.50%	4.00%		2.33%
PG&E Corp.	0.00%	38.00%	14.00%		17.33%
Pinnacle West Capital	4.00%	-1.00%	2.00%		1.67%
Progress Energy	2.00%	-3.50%	2.00%		0.17%
Southern Company	3.50%	3.00%	5.50%		4.00%
Xcel Energy	1.00%	8.00%	4.00%		4.33%
<b>Average</b>	<b>0.60%</b>	<b>7.75%</b>	<b>5.30%</b>		<b>4.55%</b>

Source: *The Value Line Investment Survey: Ratings & Reports, August 6, August 27, and September 24, 2010.*

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**Five-Year Projected Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates**  
**for the Comparable Electric Utility Companies**

Company Name	----- 5-Year Projected Compound Growth Rates -----				Average of 5 Year Annual Compound Growth Rates
	DPS	EPS	BVPS		
Alliant Energy	5.50%	7.00%	3.50%		5.33%
American Electric Power	2.50%	3.00%	4.50%		3.33%
Cleco Corp.	8.50%	9.50%	7.00%		8.33%
DPL Inc.	5.50%	7.00%	6.00%		6.17%
IDACORP, Inc.	2.50%	5.50%	5.00%		4.33%
PG&E Corp.	7.50%	7.00%	6.50%		7.00%
Pinnacle West Capital	1.50%	6.00%	2.00%		3.17%
Progress Energy	1.00%	3.50%	2.50%		2.33%
Southern Company	4.00%	4.50%	5.00%		4.50%
Xcel Energy	3.50%	5.50%	4.50%		4.50%
<b>Average</b>	<b>4.20%</b>	<b>5.85%</b>	<b>4.65%</b>		<b>4.90%</b>

Source: The Value Line Investment Survey: Ratings & Reports, August 6, August 27, and September 24, 2010.

**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Historical and Projected Growth Rates  
for the Comparable Electric Utility Companies**

Company Name	(1) Historical 10-Year Compound Growth Rates (DPS, EPS and BVPS)	(2) Historical 5-Year Compound Growth Rates (DPS, EPS and BVPS)	(3) Projected 5-Year Compound Growth Rates (DPS, EPS and BVPS)	(4) Projected 5-Year EPS Growth Reuters (Mean)	(5) Projected 3-5 Year EPS Growth Value Line	(6) Average Projected EPS Growth
Alliant Energy	0.17%	4.33%	5.33%	7.94%	7.00%	7.47%
American Electric Power	-1.17%	1.50%	3.33%	4.70%	3.00%	3.85%
Cleco Corp.	3.83%	4.33%	8.33%	3.00%	9.50%	6.25%
DPL Inc.	2.00%	5.50%	6.17%	11.80%	7.00%	9.40%
IDACORP, Inc.	-0.50%	2.33%	4.33%	4.00%	5.50%	4.75%
PG&E Corp.	3.17%	17.33%	7.00%	6.63%	7.00%	6.82%
Pinnacle West Capital	2.17%	1.67%	3.17%	7.62%	6.00%	6.81%
Progress Energy	2.83%	0.17%	2.33%	3.83%	3.50%	3.67%
Southern Company	2.50%	4.00%	4.50%	5.07%	4.50%	4.79%
Xcel Energy	-1.83%	4.33%	4.50%	6.34%	5.50%	5.92%
<b>Average</b>	<b><u>1.32%</u></b>	<b><u>4.55%</u></b>	<b><u>4.90%</u></b>	<b><u>6.09%</u></b>	<b><u>5.85%</u></b>	<b><u>5.97%</u></b>

**Proposed Range of Growth for Comparables:**

**4.00%-5.00%**

Column 5 = [ ( Column 3 + Column 4 ) / 2 ]

Sources:

Column 1 = Schedule 9-1.

Column 2 = Schedule 9-2.

Column 3 = Schedule 9-3.

Column 4 = Reuters.com on October 7, 2010.

Column 5 = The Value Line Investment Survey, August 6, August 27, and September 24, 2010.

**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Average High / Low Stock Price for July 2010 through September 2010  
for the Comparable Electric Utility Companies**

Company Name	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	-- July 2010 --		-- August 2010 --		-- September 2010 --		Average High/Low Stock Price (7/10 - 9/10)
	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	
Alliant Energy	36.08	31.12	36.30	33.62	36.74	35.34	34.87
American Electric Power	36.82	31.87	36.47	34.50	36.93	35.57	35.36
Cleco Corp.	30.00	25.95	29.36	27.50	29.92	28.49	28.54
DPL Inc.	26.69	23.73	26.14	24.84	26.41	25.31	25.52
IDACORP, Inc.	36.98	32.46	36.96	34.57	36.45	34.30	35.29
PG&E Corp.	45.46	40.52	47.73	44.50	48.34	43.18	44.96
Pinnacle West Capital	40.34	35.71	40.44	38.32	41.75	40.04	39.43
Progress Energy	42.92	38.96	43.38	41.61	44.82	38.38	41.68
Southern Company	36.78	33.00	37.00	35.19	37.73	36.54	36.04
Xcel Energy	23.02	20.47	22.64	21.41	23.28	22.37	22.20

Notes:

Column 7 = [ ( Column 1 + Column 2 + Column 3 + Column 4 + Column 5 + Column 6 ) / 6 ].

Source: <http://finance.yahoo.com>

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**Constant-Growth Discounted Cash Flow (DCF) Estimated Costs of Common Equity**  
**for the Comparable Electric Utility Companies**

Company Name	(1) Expected Annual Dividend	(2) Average High/Low Stock Price	(3) Projected Dividend Yield
Alliant Energy	\$1.63	\$34.867	4.68%
American Electric Power	\$1.69	\$35.360	4.79%
Cleco Corp.	\$1.06	\$28.537	3.70%
DPL Inc.	\$1.26	\$25.520	4.95%
IDACORP, Inc.	\$1.20	\$35.287	3.40%
PG&E Corp.	\$1.93	\$44.955	4.28%
Pinnacle West Capital	\$2.10	\$39.433	5.33%
Progress Energy	\$2.51	\$41.678	6.02%
Southern Company	\$1.86	\$36.040	5.16%
Xcel Energy	\$1.02	\$22.198	4.61%
<b>Average</b>			<u><u>4.69%</u></u>

**Proposed Dividend Yield: 4.70%**

**Proposed Range of Growth: 4.00% - 5.00%**

**Estimated Proxy Cost of Common Equity: 8.70%-9.70%**

Notes: Column 1 = Estimated Dividend Declared per share represents a weighted average of Value Line projected dividends for 2010 and 2011 (25% for 2010 and 75% for 2011).

Column 3 = ( Column 1 / Column 2 ).

Sources: Column 1 = The Value Line Investment Survey: Ratings and Reports, August 6, August 27, and September 24, 2010  
Column 2 = Schedule 10.

**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Capital Asset Pricing Model (CAPM) Costs of Common Equity Estimates  
Based on Historical Return Differences Between Common Stocks and Long-Term U.S. Treasuries  
for the Comparable Electric Utility Companies**

Company Name	(1)	(2)	(3)	(4)	(5)	(6)
	Risk Free Rate	Company's Value Line Beta	Arithmetic Average Market Risk Premium (1926-2009)	Geometric Average Market Risk Premium (1926-2009)	Arithmetic CAPM Cost of Common Equity (1926-2009)	Geometric CAPM Cost of Common Equity (1926-2009)
Alliant Energy	3.85%	0.70	6.00%	4.40%	8.05%	6.93%
American Electric Power	3.85%	0.70	6.00%	4.40%	8.05%	6.93%
Cleco Corp.	3.85%	0.65	6.00%	4.40%	7.75%	6.71%
DPL Inc.	3.85%	0.60	6.00%	4.40%	7.45%	6.49%
IDACORP, Inc.	3.85%	0.70	6.00%	4.40%	8.05%	6.93%
PG&E Corp.	3.85%	0.55	6.00%	4.40%	7.15%	6.27%
Pinnacle West Capital	3.85%	0.75	6.00%	4.40%	8.35%	7.15%
Progress Energy	3.85%	0.60	6.00%	4.40%	7.45%	6.49%
Southern Company	3.85%	0.55	6.00%	4.40%	7.15%	6.27%
Xcel Energy	3.85%	0.65	6.00%	4.40%	7.75%	6.71%
<b>Average</b>		<u><u>0.65</u></u>			<u><u>7.72%</u></u>	<u><u>6.69%</u></u>

Column 1 = The appropriate yield is equal to the average 30-year U.S. Treasury Bond yield for July, August and September 2010 which was obtained from the St. Louis Federal Reserve website at <http://research.stlouisfed.org/fred2/series/GS30/22>.

Column 2 = Beta is a measure of the movement and relative risk of an individual stock to the market as a whole as reported by the Value Line Investment Survey: Ratings & Reports, August 6, August 27, September 24, 2010.

Column 3 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2009 was determined to be 6.00% based on an arithmetic average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2010 Yearbook.

Column 4 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2009 was determined to be 4.4% based on a geometric average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2010 Yearbook.

Column 5 = (Column 1 + (Column 2 \* Column 3)).

Column 6 = (Column 1 + (Column 2 \* Column 4)).



**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity  
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.58	7.47%	6.73%	5.98%	5.24%	4.49%	3.75%	3.00%	9.10%
American Electric Power	\$1.68	3.85%	3.71%	3.57%	3.43%	3.28%	3.14%	3.00%	8.16%
Cleco Corp.	\$1.00	6.25%	5.71%	5.17%	4.63%	4.08%	3.54%	3.00%	7.43%
DPL Inc.	\$1.21	9.40%	8.33%	7.27%	6.20%	5.13%	4.07%	3.00%	10.11%
IDACORP, Inc.	\$1.20	4.75%	4.46%	4.17%	3.88%	3.58%	3.29%	3.00%	6.92%
PG&E Corp.	\$1.82	6.82%	6.18%	5.54%	4.91%	4.27%	3.64%	3.00%	8.27%
Pinnacle West Capital	\$2.10	6.81%	6.18%	5.54%	4.91%	4.27%	3.64%	3.00%	9.86%
Progress Energy	\$2.48	3.67%	3.55%	3.44%	3.33%	3.22%	3.11%	3.00%	9.38%
Southern Company	\$1.82	4.79%	4.49%	4.19%	3.89%	3.60%	3.30%	3.00%	8.80%
Xcel Energy	\$1.01	5.92%	5.43%	4.95%	4.46%	3.97%	3.49%	3.00%	8.60%
									<b>8.66%</b>

Sources: Column 1 = The Value Line Investment Survey: Ratings and Reports, August 6, August 27, and September 24, 2010.  
Column 2 = Reuters.com on October 7, 2010.  
Column 8 = See range of averages from Schedule 14.

**Kansas City Power and Light Company**  
**File No. ER-2010-0355**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity**  
**for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.58	7.47%	6.81%	6.15%	5.49%	4.82%	4.16%	3.50%	9.45%
American Electric Power	\$1.68	3.85%	3.79%	3.73%	3.68%	3.62%	3.56%	3.50%	8.52%
Cleco Corp.	\$1.00	6.25%	5.79%	5.33%	4.88%	4.42%	3.96%	3.50%	7.81%
DPL Inc.	\$1.21	9.40%	8.42%	7.43%	6.45%	5.47%	4.48%	3.50%	10.44%
IDACORP, Inc.	\$1.20	4.75%	4.54%	4.33%	4.13%	3.92%	3.71%	3.50%	7.31%
PG&E Corp.	\$1.82	6.82%	6.26%	5.71%	5.16%	4.61%	4.05%	3.50%	8.64%
Pinnacle West Capital	\$2.10	6.81%	6.26%	5.71%	5.16%	4.60%	4.05%	3.50%	10.20%
Progress Energy	\$2.48	3.67%	3.64%	3.61%	3.58%	3.56%	3.53%	3.50%	9.72%
Southern Company	\$1.82	4.79%	4.57%	4.36%	4.14%	3.93%	3.71%	3.50%	9.15%
Xcel Energy	\$1.01	5.92%	5.52%	5.11%	4.71%	4.31%	3.90%	3.50%	8.96%
									<b>9.02%</b>

Sources: Column 1 = The Value Line Investment Survey: Ratings and Reports, August 6, August 27, and September 24, 2010.  
Column 2 = Reuters.com on October 7, 2010.  
Column 8 = See range of averages from Schedule 14.

**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity  
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.58	7.47%	6.89%	6.31%	5.74%	5.16%	4.58%	4.00%	9.81%
American Electric Power	\$1.68	3.85%	3.88%	3.90%	3.93%	3.95%	3.98%	4.00%	8.89%
Cleco Corp.	\$1.00	6.25%	5.88%	5.50%	5.13%	4.75%	4.38%	4.00%	8.20%
DPL Inc.	\$1.21	9.40%	8.50%	7.60%	6.70%	5.80%	4.90%	4.00%	10.77%
IDACORP, Inc.	\$1.20	4.75%	4.63%	4.50%	4.38%	4.25%	4.13%	4.00%	7.71%
PG&E Corp.	\$1.82	6.82%	6.35%	5.88%	5.41%	4.94%	4.47%	4.00%	9.01%
Pinnacle West Capital	\$2.10	6.81%	6.34%	5.87%	5.41%	4.94%	4.47%	4.00%	10.54%
Progress Energy	\$2.48	3.67%	3.72%	3.78%	3.83%	3.89%	3.94%	4.00%	10.07%
Southern Company	\$1.82	4.79%	4.65%	4.52%	4.39%	4.26%	4.13%	4.00%	9.51%
Xcel Energy	\$1.01	5.92%	5.60%	5.28%	4.96%	4.64%	4.32%	4.00%	9.32%
									<b>9.38%</b>

Sources: Column 1 = The Value Line Investment Survey: Ratings and Reports, August 6, August 27, and September 24, 2010.  
Column 2 = Reuters.com on October 7, 2010.  
Column 8 = See range of averages from Schedule 14.

**Kansas City Power and Light Company**  
File No. ER-2010-0355

**Electric Utility**  
**DPS, EPS, BVPS & GDP**  
**10-Year Compound Growth Rate Averages (1948-1998)**

<u>DPS</u>		<u>EPS</u>		<u>BVPS</u>		<u>GDP</u>	
Years	10 yr compound growth rate avgs	Years	10 yr compound growth rate avgs	Years	10 yr compound growth rate avgs	Years	10 yr compound growth rate avgs
1948-50 to 1958-60	4.58%	1948-50 to 1958-60	4.92%	1948-50 to 1958-60	3.10%	1948-50 to 1958-60	6.28%
1949-51 to 1959-60	4.49%	1949-51 to 1959-60	4.91%	1949-51 to 1959-60	3.30%	1949-51 to 1959-60	6.10%
1950-52 to 1960-62	4.33%	1950-52 to 1960-62	5.00%	1950-52 to 1960-62	3.39%	1950-52 to 1960-62	5.77%
1951-53 to 1961-63	4.31%	1951-53 to 1961-63	5.35%	1951-53 to 1961-63	3.48%	1951-53 to 1961-63	5.27%
1952-54 to 1962-64	4.48%	1952-54 to 1962-64	5.76%	1952-54 to 1962-64	3.79%	1952-54 to 1962-64	4.96%
1953-55 to 1963-65	4.74%	1953-55 to 1963-65	5.99%	1953-55 to 1963-65	4.22%	1953-55 to 1963-65	5.26%
1954-56 to 1964-66	5.16%	1954-56 to 1964-66	6.09%	1954-56 to 1964-66	4.53%	1954-56 to 1964-66	5.47%
1955-57 to 1965-67	5.52%	1955-57 to 1965-67	6.26%	1955-57 to 1965-67	4.65%	1955-57 to 1965-67	5.82%
1956-58 to 1966-68	5.87%	1956-58 to 1966-68	6.50%	1956-58 to 1966-68	4.65%	1956-58 to 1966-68	5.94%
1957-59 to 1967-69	5.97%	1957-59 to 1967-69	6.57%	1957-59 to 1967-69	4.69%	1957-59 to 1967-69	6.36%
1958-60 to 1968-70	5.96%	1958-60 to 1968-70	6.50%	1958-60 to 1968-70	4.73%	1958-60 to 1968-70	6.63%
1959-61 to 1969-71	5.89%	1959-61 to 1969-71	6.06%	1959-61 to 1969-71	4.88%	1959-61 to 1969-71	6.93%
1960-62 to 1970-72	5.68%	1960-62 to 1970-72	5.60%	1960-62 to 1970-72	4.97%	1960-62 to 1970-72	7.16%
1961-63 to 1971-73	5.42%	1961-63 to 1971-73	5.27%	1961-63 to 1971-73	5.14%	1961-63 to 1971-73	7.46%
1962-64 to 1972-74	5.00%	1962-64 to 1972-74	4.95%	1962-64 to 1972-74	5.05%	1962-64 to 1972-74	7.92%
1963-65 to 1973-75	4.35%	1963-65 to 1973-75	4.41%	1963-65 to 1973-75	4.92%	1963-65 to 1973-75	8.24%
1964-66 to 1974-76	3.50%	1964-66 to 1974-76	3.71%	1964-66 to 1974-76	4.83%	1964-66 to 1974-76	8.49%
1965-67 to 1975-77	2.77%	1965-67 to 1975-77	3.02%	1965-67 to 1975-77	4.92%	1965-67 to 1975-77	8.62%
1966-68 to 1976-78	2.46%	1966-68 to 1976-78	2.90%	1966-68 to 1976-78	5.00%	1966-68 to 1976-78	8.91%
1967-69 to 1977-79	2.47%	1967-69 to 1977-79	2.63%	1967-69 to 1977-79	4.83%	1967-69 to 1977-79	9.29%
1968-70 to 1978-80	2.71%	1968-70 to 1978-80	2.71%	1968-70 to 1978-80	4.63%	1968-70 to 1978-80	9.71%
1969-71 to 1979-81	3.03%	1969-71 to 1979-81	2.49%	1969-71 to 1979-81	4.40%	1969-71 to 1979-81	10.05%
1970-72 to 1980-82	3.46%	1970-72 to 1980-82	2.88%	1970-72 to 1980-82	4.16%	1970-72 to 1980-82	10.41%
1971-73 to 1981-83	3.89%	1971-73 to 1981-83	3.19%	1971-73 to 1981-83	3.78%	1971-73 to 1981-83	10.42%
1972-74 to 1982-84	4.29%	1972-74 to 1982-84	3.69%	1972-74 to 1982-84	3.49%	1972-74 to 1982-84	10.22%
1973-75 to 1983-85	4.82%	1973-75 to 1983-85	4.36%	1973-75 to 1983-85	3.37%	1973-75 to 1983-85	10.03%
1974-76 to 1984-86	5.27%	1974-76 to 1984-86	4.80%	1974-76 to 1984-86	3.17%	1974-76 to 1984-86	9.96%
1975-77 to 1985-87	5.57%	1975-77 to 1985-87	5.15%	1975-77 to 1985-87	3.01%	1975-77 to 1985-87	9.77%
1976-78 to 1986-88	5.43%	1976-78 to 1986-88	4.45%	1976-78 to 1986-88	2.81%	1976-78 to 1986-88	9.34%
1977-79 to 1987-89	4.98%	1977-79 to 1987-89	3.44%	1977-79 to 1987-89	2.71%	1977-79 to 1987-89	8.80%
1978-80 to 1988-90	4.32%	1978-80 to 1988-90	1.78%	1978-80 to 1988-90	2.36%	1978-80 to 1988-90	8.32%
1979-81 to 1989-91	3.59%	1979-81 to 1989-91	0.82%	1979-81 to 1989-91	1.88%	1979-81 to 1989-91	7.92%
1980-82 to 1990-92	2.99%	1980-82 to 1990-92	0.34%	1980-82 to 1990-92	1.82%	1980-82 to 1990-92	7.38%
1981-83 to 1991-93	2.46%	1981-83 to 1991-93	0.16%	1981-83 to 1991-93	1.93%	1981-83 to 1991-93	7.06%
1982-84 to 1992-94	1.93%	1982-84 to 1992-94	-0.50%	1982-84 to 1992-94	2.43%	1982-84 to 1992-94	6.72%
1983-85 to 1993-95	1.37%	1983-85 to 1993-95	-1.81%	1983-85 to 1993-95	2.90%	1983-85 to 1993-95	6.49%
1984-86 to 1994-96	0.87%	1984-86 to 1994-96	-1.71%	1984-86 to 1994-96	2.62%	1984-86 to 1994-96	6.12%
1985-87 to 1995-97	0.49%	1985-87 to 1995-97	-1.51%	1985-87 to 1995-97	2.25%	1985-87 to 1995-97	5.89%
1986-88 to 1996-98	0.19%	1986-88 to 1996-98	-1.51%	1986-88 to 1996-98	1.78%	1986-88 to 1996-98	5.81%
1987-89 to 1997-99	-0.35%	1987-89 to 1997-99	-2.94%	1987-89 to 1997-99	1.59%	1987-89 to 1997-99	5.73%
1988-90 to 1998-2000	-0.70%	1988-90 to 1998-2000	-2.50%	1988-90 to 1998-2000	2.51%	1988-90 to 1998-2000	5.63%
<b>Average</b>	<b>3.74%</b>	<b>Average</b>	<b>3.18%</b>	<b>Average</b>	<b>3.63%</b>	<b>Average</b>	<b>7.53%</b>
<b>Average of 10-year Rolling Averages EPS, DPS and BVPS</b>			<b>3.52%</b>				

Source: 2003 Mergent Public Utility and Transportation Manual

**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Public Utility Revenue Requirement**

or

**Cost of Service**

The formula for the revenue requirement of a public utility may be stated as follows :

Equation 1 : **Revenue Requirement = Cost of Service**

or

Equation 2 : **RR = O + (V - D) R**

The symbols in the second equation are represented by the following factors :

RR	=	Revenue Requirement
O	=	Prudent Operating Costs, including Depreciation and Taxes
V	=	Gross Valuation of the Property Serving the Public
D	=	Accumulated Depreciation
(V - D)	=	Rate Base (Net Valuation)
(V - D) R	=	Return Amount (\$\$) or Earnings Allowed on Rate Base
R	=	$iL + dP + kE$ or Overall Rate of Return (%)
i	=	Embedded Cost of Debt
L	=	Proportion of Debt in the Capital Structure
d	=	Embedded Cost of Preferred Stock
P	=	Proportion of Preferred Stock in the Capital Structure
k	=	Required Return on Common Equity (ROE)
E	=	Proportion of Common Equity in the Capital Structure

**Kansas City Power and Light Company  
File No. ER-2010-0355**

**Weighted Cost of Capital as of June 30, 2010  
for Kansas City Power and Light Company**

Capital Component	Percentage of Capital	Embedded Cost	Weighted Cost of Capital Using Common Equity Return of:		
			8.50%	9.00%	9.50%
Common Stock Equity	47.65%	----	4.05%	4.29%	4.53%
Preferred Stock	0.65%	4.291%	0.03%	0.03%	0.03%
Long-Term Debt	47.12%	6.825%	3.22%	3.22%	3.22%
Equity Units	4.59%	11.140%	0.51%	0.51%	0.51%
<b>Total</b>	<b><u>100.00%</u></b>		<b><u>7.80%</u></b>	<b><u>8.04%</u></b>	<b><u>8.28%</u></b>

Notes:

See Schedule 6 for the Capital Structure Ratios.

Embedded Cost of Long-Term Debt and Embedded Cost of Preferred Stock Provided in Response to Staff Data Request No. DR 0194.



**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 3  
Relevant Pages of  
Energy Efficiency Advisory  
Group's Status Report**

**KANSAS CITY POWER & LIGHT COMPANY**

**FILE NO. ER-2010-0355**

**NP**

## Status Report on EE Advisory Groups & Collaboratives (File No. AO-2011-0035)

**Prepared by:** John Rogers and Hojong Kang

**Date:** September 15, 2010

**Electric Utility:** Kansas City Power & Light (KCPL)

**Name and Description:** KCPL Customer Programs Advisory Group (CPAG) was ordered and approved in stipulation and agreement for KCPL Experimental Regulatory Plan in File No. EO-2005-0329

**Meetings:** Combined KCPL CPAG and KCP&L Greater Missouri Operations Company (GMO) Advisory Group meetings are held every 2-3 months alternating meetings in person in Jefferson City and via teleconference.

**Participants:**

- Regular: KCPL, Staff, OPC, MDNR, City of Kansas City, Empire District Electric
- Occasional: Praxair, Inc., MIEC

**Program Summaries:** See Attachment B.

**Effectiveness of Participants:** KCPL encourages participation and critical feedback. All participants freely express their points of view and provide advice. The meetings are efficient and effective overall.

**Success stories:** KCPL reported at the 8/23/2010 CPAG meeting that the spending targets in KCPL Experimental Regulatory Plan in File No. EO-2005-0329 are being reached and that KCPL management is considering what to do when the spending targets are reached. Staff plans to raise this issue with KCPL management during the next quarterly meeting on status of Experimental Regulatory Plan. KCPL has used the CPAG process to effectively solicit and receive CPAG members' input and advice when appropriate. CPAG has become a sounding board for issues related to the KCPL Smart Grid demonstration project.

**Challenges:** KCPL formally advised the Commission on February 3, 2010 (File No. EE-2008-0034) that KCPL has determined that it is appropriate to scale back its demand-side resource programs in the earlier years of its adopted preferred resource plan due to a reduction in the load forecast, primarily attributable to the unprecedented economic recession that has affected both customer and energy growth in its service territory. This "scale back" does not impact the current energy efficiency and demand-side response programs established in the Experimental Regulatory Plan.

**Summary comments:** Overall spending levels and performance of demand-side programs have met expectations established in the Experimental Regulatory Plan, Case No. EO-2005-0329 (Comprehensive Energy Plan). Through 6/30/2010 the budget for all KCPL demand-side programs is \$24,001,009 and the actual expenditures for this period are \$27,442,517 or 14% greater than budget.



**ATTACHMENT B**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**NP**

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 4  
KCPL Customer Program Expenditures**

**KANSAS CITY POWER & LIGHT COMPANY**

**FILE NO. ER-2010-0355**

**NP**

**SCHEDULE 1**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**Schedule 1**

**NP**  
**Schedule 1**

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 5  
Support for Transmission Tracker Testimony**

**KANSAS CITY POWER & LIGHT COMPANY**

**FILE NO. ER-2010-0355**

Zone	SPS	OGE	OGE	GRDA	OGE	WFEC	KCPL	KCPL	OGE	ITC GP	NPPD		
Project	Tuco-Woodward	Tuco-Woodward	Cleveland - Sopnar	Cleveland - Sopnar	Gracemont sub	Gracemont sub	Iatan - Nashua	Tie at Swissvale/Stilwell	Seminole - Muskogee	Sperville - Post Rock (Knoll) - Axtell	Sperville - Post Rock (Knoll) - Axtell		
Voltage	345 kV	345 kV	345 kV	345 kV	345 kV	138 kV	345 kV	345 kV	345 kV	345 kV	345 kV		
Cost	Total Cost	\$148,727,500	\$79,000,000	\$34,000,000	\$0	\$8,000,000	\$2,000,000	\$54,444,000	\$2,000,000	\$131,000,000	\$168,000,000	\$71,377,015	Total \$688,548,515
	Cost Per Mile	\$688,750	\$900,000	\$900,000				\$1,214,800		\$1,250,000	\$846,000	\$1,416,667	
	Miles	178	72	36			3	30	0	100	170	45	
	Substation Cost	\$26,000,000	\$15,000,000	\$1,000,000		\$0		\$18,000,000		\$4,000,000	\$14,000,000	\$4,000,000	
	Size	2-795 ACSR	2-795 ACSR	2-795 ACSR				Bundled 1192.5, Grackle TW	2-795 ACSR	Bundled 1590	Bundled 1590	2 Bundle 477 72 Hawk	
Conductor	Design	Single Circuit	Single Circuit	Single Circuit			Single Circuit		Single Circuit	Single Circuit	Single Circuit		
	Electrical Capacity (amps)	2468	2578	2578			4100		3000	3000	2324		
Structure	Other	Fiber-optic shield wire	Fiber-optic shield wire	Fiber-optic shield wire					Fiber-optic shield wire				
	Type	H-frame	H-frame	H-frame			H-frame		single-pole	H-frame	single-pole		
	Material	Steel	Steel	Steel			Steel		Steel	Steel	Steel		
	Base	direct buried w/ backfill	direct buried w/ backfill	direct buried w/ backfill			Direct embed		steel plate reinforced concrete	direct-embedded concrete pier	concrete anchor bolts		
	NESC Assumption	Heavy	Heavy	Heavy			Heavy		Heavy	Heavy	Heavy		
	Dead Ends						16 @ \$50,000 each		2-3	60 @ \$50,000 each	20 @ \$140,000 each		
Sub	Underbuild	No	No	No			No		No	No	No		
	Transformers	345/230 kV 560 MVA	345/138 kV 50 MVAR reactor bank	breakers and relays		345/138 kV	600 MVA		two 345/138 kV	345/230 kV 200 MVA	none		
	Breaker Scheme	ring	ring	ring			ring	2 breakers, breaker disconnects, line panels	ring, replace 2 2,000 A breakers	ring	ring		
	Protection Scheme	\$1,000,000	included	included		included in cost	\$400,000		included	\$220,000	\$156,000		
	Cost	\$26,000,000	\$15,000,000	\$1,000,000			\$18,000,000		\$4,000,000	\$14,000,000	\$4,000,000		
Construction Labor	Amount												
	Cost	\$18,000,000	\$27,000,000	\$14,000,000			\$7,000,000		\$52,000,000	\$17,000,000	\$490,000,000		
Eng. Design, Project Management, Permitting	ROW	150	150	150			160		200	150	200		
	ROW Condition	farmland, pasture	rural, pasture	rural, pasture			Urban 50%, rural 50%		rural, pasture, rock, hill, high tree clearing cost	rural, pasture, agricultural, range land	rural farmland, rainwater basin		
	Permitting/Certifications	CCN	RR and highway	RR and highway			yes		CCN	included	NE Power Review Board		
	Escalation Rate		2.5% per year	2.5% per year			2.5% per year		2.5% per year	0% for 2 years	3%		
	Eng. Design/Proj. Mang.						\$349,000			\$13,770,000	\$8,798,000		
Total Cost	\$15,000,000	cost included	cost included			\$26,000,000		cost included	\$24,000,000	\$18,000,000			
Loadings	Type 1	included in total	included in total	included in total			\$123,000		included in total	\$26,700,000	included in total		
Other cost										\$4,560,000			
Other Cost Factor Notes		Included in substation cost is \$6.52 mil for midpoint reactor station					Large portion involved developed urban areas		\$25,000/mile cost included for tree clearing	4.56 mil addition contingency added	environmentally sensitive areas, possible double-circuit for 10 miles		

Worksheet A-1 Revenue Credits					Page 10 of 68			
KCP&L -Detailed Revenue Credits -FY 2009					Page 1 of 1			
					Total Company	Non-Transmission	Transmission	
1	<b>I. Rent from Electric Property, Account 454</b>							
2	Account 4540001 - Other Rev -Rent Electric Property				\$ 2,806,473	\$ 2,650,565	\$ 155,908	
3	Transmission:							
4		Farm Land Rental		4,500				
5		Rental From Cell Phone Attaches		21,093				
6		Equipment / Facilities Rental		6,785				
7		Rental Substation Property -Cell Towers		123,530				
8		Other Rental		-				
9		Total Transmission			\$ 155,908			
10	(Revenue related to transmission facilities for pole attachments, rentals, etc. Provide data sources and explanations in Section V, Notes below.)							
11								
12	<b>II. Other Operating Revenues To Reduce Revenue Requirement</b>						\$ 12,108	
13								
14	<b>III. Revenues from Transmission of Electricity for Others, Account 456.1</b>						\$ 10,192,837	
15	(Provide data sources and necessary explanations Section V, Notes below.)							
16	<b>Less:</b>							
17		TO's LSE Direct Assignment Revenue Credits				\$ -		
18		TO's LSE Sponsored Upgrade Revenue Credits				-		
19		TO's LSE Sch. 11 Rev. from Sponsored or Direct Assign Facilities - Network Credits				13,835		
20		TO's LSE Sch. 11 Rev. from Sponsored or Direct Assign Facilities - PtP Credits				-		
21		TO's LSE Network Upgrades for Generation Interconnection - Credits				-		
22		Point-To-Point Revenue for GFAs Associated with Load Included in the Divisor				1,583,537		
23		Network Service Revenue (Schedule 9) Associated With Load Included in the Divisor				1,148,475		
24		Revenue Associated with Transmission Plant Excluded From SPP Tariff				-		
25		Wholesale Distribution Revenue				-		
26		Schedule 1 Revenue	(Point-to-Point Subtotal:	\$ - )		-		
27		Schedule 2 Revenue				16,846		
28		Schedules 3-6 Revenue				-		
29		Zonal Network Revenue for TO's Facilities Under Schedule 11 -(Note 2)				-		
30		Region-wide Network Revenue for TO's Facilities Under Schedule 11 -(Note 2)				-		
31		Zonal Point-to-Point Revenue for TO's Facilities Under Schedule 11 -(Note 2)				-		
32		Region-wide Point-to-Point Revenue for TO's Facilities Under Schedule 11 - (Note 2)				-		
33		Other (Note 3)				-		
34		Other				-		
35								
36		Total Adjustments				\$ 2,762,693		
37		Net 456.1 Account Activity				\$ 7,430,144		
38								
39	<b>IV. Total Revenue Credits to Apply to Zonal Revenue Requirement</b>						\$ 7,598,160	
40								
41	<b>V. Notes</b>							
42	(1) Data for this worksheet came from the FERC Form 1 and the Company's General Ledger.							
43	(2) Includes any revenue from direct assignment to a customer of costs of a Base Plan, Balanced Portfolio, Priority or ITP project.							
44	(3) Attachment J Upgrades.							
45	(4)							
<b>A-1 Revenue Credits for Schedule 11 Revenue Requirements</b>								
KCP&L -Detailed Revenue Credits -FY 2009								
1	Revenue Received for TO's Facilities Under Schedule 11				(Sum Line 29 thru Line 32 on Page 1)		\$ -	
2								
3	Allocation of Revenue to Facility Groups:				(a)	(b)	(d)	(e)
4				Net Rev. Req with True-Up (Note A)	Percentage Allocation		Revenue Allocation	
5								
6		Base Plan		\$ -	0.0000%		\$ -	
7		Balanced Portfolio		-	0.0000%		-	
8		ITP/Priority Projects-1		-	0.0000%		-	
9		ITP/Priority Projects-2		-	0.0000%		-	
10		Total Schedule 11 Gross Revenue Requirement		\$ -	0.0000%		\$ -	
11								
12	Determine Net Revenue to Apply as Credit:							Revenue Credit
13								
14		Base Plan		(Line 6 col (a) less Line 6 col (e))			\$ -	
15		Balanced Portfolio		(Line 7 col (a) less Line 7 col (e))			-	
16		ITP/Priority Projects-1		(Line 8 col (a) less Line 8 col (e))			-	
17		ITP/Priority Projects-2		(Line 9 col (a) less Line 9 col (e))			-	
18		Total Schedule 11 Gross Revenue Requirement		(Sum Line 14 thru Line 17)			\$ -	
19	<b>Note:</b>							
20	A. The Net Revenue Requirement with True-up from Projection for Actual Period, Schedule "Projected Net Rev Req".							

Kansas City Power & Light Company  
Case No. ER-2010-0355

Account	Account Description	2009 Included in current filing		Staff Adjustment 1	Staff Adjustment 2	As Adjusted	EMS Adjustment
561400	TransOp-Schd,Contr & Dis Serv	\$ 2,498,396	\$ 2,667,818			\$ 2,667,818	
561800	Trans Op-Reli Plan&Std Dv-RTO	326,742	347,976			347,976	
565000	Transm Oper-Elec Tr-By Others	12,349,274	18,268,333	(7,430,144)	(155,908)	10,682,281	\$ (1,666,993)
565020	Trans of Electricity by Others	-	-			-	
565021	Transm Oper-Elec Tr-Interunit	-	-			-	Adjustment E-89.1
565027	Transm Oper-Elec Tr-Demand	-	-			-	
565030	Transm Oper-Elec Tr-OffSys	-	-			-	
575700	Trans Op-Mkt Mon&Comp Ser-RTO	2,462,502	2,783,810			2,783,810	
928003	Reg Comm Exp-FERC Assessment	880,858	986,400			986,400	
Total		\$ 18,517,772	\$ 25,054,337			\$ 17,468,285	

To arrive at KCPL's Annual Transmission Revenue Requirement (ATRR), the Southwest Power Pool (SPP) applies revenue credits. These revenue credits are reflected in Staff Adjustment 1 and Staff Adjustment 2

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
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**APPENDIX 6  
Staff Recommended Depreciation Rates**

**KANSAS CITY POWER & LIGHT COMPANY**

**FILE NO. ER-2010-0355**



Kansas City Power and Light Company  
File No. ER-2010-0355

**Proposed Depreciation Schedule**

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Assigned Net Salvage %	Observed Net Salvage %	Proposed Depreciation Rate (Zero Sal)
<b>STEAM PRODUCTION PLANT</b>						
311	Structures and Improvements	48	L2	0	(20)	2.08
312	Boiler Plant Equipment	43	S0	0	(15)	2.33
312.01	Unit Coal Trains	25	R2.5	0	20	4.00
312.02	Boiler Plant AQC	43	S0	0	(15)	2.33
314	Turbogenerator Units	47	R1.5	0	(15)	2.13
315	Accessory Electrical Equipment	43	L1.5	0	(10)	2.33
316	Miscellaneous Power Plant Equipment	37	R2	0	0	2.70
<b>Hawthorn Unit 5 rebuild</b>						
311.02	Structures & improvements	65	R2.5	0	(20)	0.16
312.03	Boiler Plant Equipment	42	R1	0	(15)	0.26
315.01	Accessory Electrical Equip	40	L2	0	(10)	0.28
316.01	Misc Power Plant Equip	42	R3	0	0	0.31
<b>Nuclear Production Plant</b>						
321	Structures & improvements	90	S0.5	0	(5)	1.15
322	Reactor Plant Equipment	60	R2	0	(5)	1.25
323	Turbogenerator Units	50	S1.5	0	(10)	1.10
324	Accessory Electrical Equip	50	S1.5	0	0	1.89
325	Mics power Plant Equip	40	R0.5	0	0	2.69
<b>Other Production Plant</b>						
341	Structures & improvements	60	R1	0	(5)	1.67
342	Fuel Holder & Accessories	45	R2	0	(10)	2.22
344	Generators	35	S0.5	0	(10)	2.86
345	Accessory Electrical Equip	45	R2.5	0	0	2.22
<b>WIND PRODUCTION PLANT</b>						
341.02	Structures and Improvements	20	S1	0	0	5.00
344.02	Generators	20	S1	0	0	5.00
345.02	Accessory Electrical Equip	20	S1	0	0	5.00
<b>TRANSMISSION PLANT</b>						
352	Structures and Improvements	60	R2.5	0	(5)	1.67
353	Station Equipment	60	R0.5	0	(10)	1.67
353.03	Station Equip - Communications	30	S1	0	0	3.33
354	Towers and Fixtures	70	R3	0	(20)	1.43
355	Poles and Fixtures	50	S0.5	0	(40)	2.00
356	Overhead Conductors	53	R2	0	(20)	1.89
357	Underground Conduit	60	R3	0	0	1.67
358	Underground Conductors	55	R4	0	0	1.82

Kansas City Power and Light Company  
File No. ER-2010-0355

**Proposed Depreciation Schedule**

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Assigned Net Salvage %	Observed Net Salvage %	Proposed Depreciation Rate (Zero Sal)
<b>DISTRIBUTION PLANT</b>						
361	Structures and Improvements	50	S0.5	0	(5)	2.00
362	Station Equipment	48	R1.5	0	(5)	2.08
362.03	Station Equip - Communications	30	S1	0	0	3.33
364	Poles, Towers and Fixtures	38	R3	0	(40)	2.63
365	Overhead Conductors	45	R0.5	0	(20)	2.22
366	Underground Conduit	55	R2	0	(25)	1.82
367	Underground Conductors	50	R1.5	0	(5)	2.00
368	Line Transformers	34	R2	0	10	2.94
369	Services	48	R2.5	0	(100)	2.08
370	Meters	36	R1.5	0	0	2.78
371	Installations on Customer Prop	20	L1.5	0	(15)	5.00
373	Street Lighting, Signal Systems	25	L0.5	0	(5)	4.00
<b>GENERAL PLANT</b>						
390	Structures and Improvements	45	45-R1	0	(15)	2.22
391	Office Furniture and Equipment	*Current Ordered Rate		0	0	5.40
391.01	Office Furniture - Wolf Creek	*Current Ordered Rate		0	0	5.40
391.02	Computer Equipment	*Current Ordered Rate		0	0	5.40
392	Transportation Equipment					
	Autos	7	R2	0	25	14.29
	Light Trucks	8	R0.5	0	25	12.50
	Heavy Trucks	10	S1.5	0	25	9.93
	Tractors	12	S0	0	25	8.33
	Trailers	20	S1.5	0	25	4.95
393	Stores Equipment	*Current Ordered Rate		0	0	3.58
394	Tools, Shop & Garage Equip	*Current Ordered Rate		0	0	2.61
395	Laboratory Equipment	*Current Ordered Rate		0	0	3.37
396	Power Operated Equipment	13	L2	0	15	7.66
397	Communications Equipment	*Current Ordered Rate		0	0	2.50
398	Miscellaneous Equipment	*Current Ordered Rate		0	0	3.16

\*Current Ordered Rate: Case ER-2005-0329)

Kansas City Power and Light Company  
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**Excess Calculated Accumulated Depreciation Reserves**

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Observed Net Salvage Percent	Plant Original Cost AS OF 31-Dec-08	Book Reserve 31-Dec-08	Calculated Reserve 31-Dec-08	Book Less Calculated Reserve
<b>STEAM PRODUCTION PLANT</b>								
311	Structures and Improvements	48	L2	(20)	47,794,617	27,773,168	19,689,703	8,083,465
312	Boiler Plant Equipment	43	S0	(15)	343,464,444	215,563,389	116,189,572	99,373,817
312.01	Unit Coal Trains	25	R2.5	20	11,680,725	1,674,672	902,663	772,009
312.02	Boiler Plant AQC	43	S0	(15)	18,676,875	21,478,406	8,231,145	13,247,261
314	Turbogenerator Units	47	R1.5	(15)	127,506,060	67,219,675	42,538,634	24,681,041
315	Accessory Electrical Equipment	43	L1.5	(10)	58,515,712	23,952,676	17,791,206	6,161,470
316	Miscellaneous Power Plant Equipment	37	R2	0	14,954,568	7,588,443	4,550,518	3,037,925
<b>Hawthorn Unit 5 rebuild</b>								
311.02	Structures & improvements	65	R2.5	(20)				
312.03	Boiler Plant Equipment	42	R1	(15)				
315.01	Accessory Electrical Equip	40	L2	(10)				
316.01	Misc power Plant Equip	42	R3	0				
	Total Hawthorn Unit 5 rebuild				154,860,147	140,245,433	26,399,254	113,846,179
<b>Nuclear Production Plant</b>								
321	Structures & improvements	90	90-S0.5	(5)			Uses Life Span & Remaining Life	
322	Reactor Plant Equipment	60	60-R2	(5)			Uses Life Span & Remaining Life	
323	Turbogenerator Units	50	50-S1.5	(10)			Uses Life Span & Remaining Life	
324	Accessory Electrical Equip	50	50-S1.5	0			Uses Life Span & Remaining Life	
325	Misc power Plant Equip	40	40-R0.5	0			Uses Life Span & Remaining Life	
	Total Nuclear Production Plant				769,530,695	461,207,157	311,423,891	149,783,266
<b>Other Production Plant</b>								
341	Structures & improvements	60	R1	(5)	3,099,303	1,090,139	314,866	775,273
342	Fuel Holder & Accessories	45	R2	(10)	6,315,673	2,401,119	1,291,745	1,109,374
344	Generators	35	S0.5	(10)	142,830,224	56,114,506	37,084,002	19,030,504
345	Accessory Electrical Equip	45	R2.5	0	11,640,826	6,025,375	3,200,902	2,824,473
<b>WIND PRODUCTION PLANT</b>								
341.02	Structures and Improvements	20	S1	0				
344.02	Generators	20	S1	0				
345.02	Accessory Electrical Equip	20	S1	0				
	Total Wind Production Plant				85,311,742	14,567,850	10,663,968	3,903,882
<b>TRANSMISSION PLANT</b>								
352	Structures and Improvements	60	60-R2.5	(5)				
353	Station Equipment	60	60-R0.5	(10)				
353.03	Station Equip - Communications	30	S1	0				
354	Towers and Fixtures	70	70-R3	(20)				
355	Poles and Fixtures	50	50-S0.5	(40)				
356	Overhead Conductors	53	53-R2	(20)				
357	Underground Conduit	60	60-R3	0				
358	Underground Conductors	55	55-R4	0				
	Total Transmission Plant				188,310,233	89,443,243	56,677,360	32,765,883

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**Excess Calculated Accumulated Depreciation Reserves**

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Observed Net Salvage Percent	Plant Original Cost AS OF 31-Dec-08	Book Reserve 31-Dec-08	Calculated Reserve 31-Dec-08	Book Less Calculated Reserve
<b>DISTRIBUTION PLANT</b>								
361	Structures and Improvements	50	50-S0.5	(5)				
362	Station Equipment	48	48-R1.5	(5)				
362.03	Station Equip - Communications	30	S1	0				
364	Poles, Towers and Fixtures	38	38-R3	(40)				
365	Overhead Conductors	45	45-R0.5	(20)				
366	Underground Conduit	55	55-R2	(25)				
367	Underground Conductors	50	50-R1.5	(5)				
368	Line Transformers	34	34-R2	10				
369	Services	48	48-R2.5	(100)				
370	Meters	36	36-R1.5	0				
371	Installations on Customer Prop	20	20-L1.5	(15)				
373	Street Lighting, Signal Systems	25	25-L0.5	(5)				
Total Distribution Plant					861,072,632	344,001,011	275,862,030	68,138,981
<b>GENERAL PLANT</b>								
390	Structures and Improvements	45	45-R1	(15)	31,280,133	12,225,406	8,529,493	3,695,913
391	Office Furniture and Equipment	Current Ordered Rate		0				0
391.01	Office Furniture - Wolf Creek	Current Ordered Rate		0				0
391.02	Computer Equipment	Current Ordered Rate		0				0
392	Transportation Equipment							0
	Autos	7	7-R2	25	347,869	172,319	121,811	50,508
	Light Trucks	8	8-R0.5	25	7,377,084	1,117,892	861,363	256,529
	Heavy Trucks	10	10-S1.5	25	12,328,194	2,775,000	2,838,125	-63,125
	Tractors	12	12-S0	25	366,210	82,015	68,282	13,733
	Trailers	20	20-S1.5	25	799,115	358,663	180,882	177,781
393	Stores Equipment	Current Ordered Rate		0				0
394	Tools, Shop & Garage Equip	Current Ordered Rate		0				0
395	Laboratory Equipment	Current Ordered Rate		0				0
396	Power Operated Equipment	13	13-L2	15	7,657,842	1,813,364	1,705,884	107,480
397	Communications Equipment	Current Ordered Rate		0				0
398	Miscellaneous Equipment	Current Ordered Rate		0				0
<b>Total All Plant</b>					2,905,720,923	1,498,890,921	947,117,299	551,773,622
<b>Estimated Iatan Additions in 2010</b>					1,200,000,000	nil	nil	nil
<b>With Iatan Additions</b>					4,105,720,923			

37% Reserves as % of Plant after Iatan 2 Addition

	Book Reserve	Calculated Reserve	Excess (+) Reserve
ALL	1,498,890,921	947,117,299	551,773,622
Hawthorn 5 Rebuild	140,245,433	26,399,254	113,846,179
Minus Hawthorn 5	1,358,645,488	920,718,045	437,927,443

52 % Excess Book Reserves  
52 % Excess After Iatan - No Change

**Case Analysis Depreciation Accrual Comparison Summary  
Annual Depreciation Accruals (expense)**

This table is for end of 2008 balances plus estimated later 2010 additions.

Plant Account Group	*Current Dep. Rates Mass P & WL ACCRUAL	%	Staff Case A Mass P & WL Zero Net Salvage ACCRUAL	%	Staff Case B Lf Span Steam Remaining Life ACCRUAL	%	Staff Case C Mass P & WL Traditional ACCRUAL	%	Staff Case D Steam Mass P Remaining Life ACCRUAL	%
	Steam Production	64,203,500	3.22	42,675,880	2.14	45,029,013	2.26	49,425,198	2.48	32,964,424
Other (Comb Turbines)	6,752,100	4.12	4,535,300	2.77	3,819,250	2.33	4,965,900	3.03	3,819,250	2.33
Other (Wind Turbines)	4,265,600	5.00	4,265,600	5.00	4,042,500	4.74	4,265,600	5.00	4,042,500	4.74
Nuclear	13,357,900	1.74	10,583,100	1.38	10,583,100	1.38	11,550,100	1.50	11,550,100	1.50
Total Production	88,579,100	3.22	62,059,880	2.12	63,473,863	2.15	70,206,798	2.40	52,376,274	1.79
Transmission	5,860,400	2.85	3,897,750	1.90	3,542,772	1.72	4,813,800	2.34	3,542,772	1.72
Distribution	21,710,550	2.52	14,896,700	1.73	19,579,400	2.27	23,435,500	2.72	19,579,390	2.27
General	4,322,870	3.39	4,322,870	3.39	5,158,850	4.05	5,939,900	4.66	5,248,350	4.12
Total Plant	120,472,920	2.86	85,177,200	2.03	91,754,885	2.18	104,395,998	2.48	80,746,786	1.92

Staff Recommends Case A with zero net salvage

Company currently has approximately \$437,000,000 (52 % in excess reserves, calculated from Case C salvage rate basis)

The Company has another approximately \$168,000,000 from the regulatory plan for use against reserves.

The proposal is to 1) allow current cost of removal and salvage to be netted against the \$168,000,000.

2) Collection of future cost of removal funds are stopped until the excess reserves are reduced.

(Case A provides approx \$14,000,000 more per year reduction in excess reserves compared to Company Proposal)

Reserves as a percent of total plant = 37% (After later addition)

\* Current Depreciation Rates are from Case No. EO-2005-0329 order