BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

)

)

)

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service

Case No. ER-2014-0370

STAFF'S REVENUE REQUIREMENT ESTIMATE

COMES NOW the Staff of the Missouri Public Service Commission and, in response to the Commission's August 19, 2015, *Order Directing Filing Regarding Revenue Requirement Estimate*, states that, based on the hypothetical rulings on issues stated in that order, Staff estimates KCPL's revenue requirement increase would be \$89,332,464, exclusive of rate case expense, which when divided by KCPL's original revenue requirement increase request of \$120.9 million less KCPL's original estimated rate case expense of \$454,087, and multiplied by 100% results in a factor of 74.2%. In arriving at its estimate Staff did not include current rate case expense in the amount KCPL requested or the hypothetical revenue requirement, and Staff assumed the cost of KCPL's depreciation study would be recovered over 5 years (one-fifth of the study cost was included in the hypothetical revenue requirement). If Staff misunderstood the Commission's order and the Commission expected Staff to provide more explanation of or supporting documentation as to how it arrived at the \$89,332,464 and 74.2%, then if the Commission informs Staff it wants that explanation, Staff will provide it forthwith.

Respectfully,

/s/ Nathan Williams

Nathan Williams Deputy Staff Counsel Missouri Bar No. 35512

Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102 (573) 751-8702 (Telephone) (573) 751-9285 (Fax) nathan.williams@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 21st day of August, 2015.

<u>/s/ Nathan Williams</u>