

**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-2016-0285

RECONCILIATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and, in response to the Commission's August 10, 2016, *Order Adopting Procedural Schedule and Delegating Authority*, wherein the Commission ordered a reconciliation to be filed on February 2, 2017, files the attached reconciliation. The parties have done their best to ensure the accuracy of this reconciliation; however Staff assumes the Commission will order it to perform another revenue requirement calculation that is consistent with the Commission's decisions in its Report and Order in this case.

Respectfully submitted,

/s/ Nicole Mers

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Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 2nd day of February, 2017.

/s/ Nicole Mers

KCP&L MO					
ER-2016-0285					
Revenue Requirement Reconciliation					
Staff Direct Filed 6/30/2016 Cutoff, Updated as of 2/2/2016, Compared to KCPL Direct Filed Case					
Staff Direct Filed 6/30/2016 Cutoff, Updated as of 2/2/2016, Compared to KCPL Cutoff 6/30/2016					
Line No.			Direct 12/31/2015	Cut-Off 06/30/2016	Difference
1	KCPL - Missouri Public Service Gross Revenue Requirement		89,804,382	60,837,968	(28,966,414)
2	Misc difference		272,231	1,360	(270,871)
3	KCPL - Missouri Public Service Gross Revenue Requirement-Per Model		90,076,613	60,839,328	(29,237,285)
4					
5	Rate of Return & Capital Structure				
6	Value of Capital Structure Issue - Staff / Company		(3,240,653)	(2,235,122)	1,005,531
7	Capital Structure Impact on Interest Expense Deduction		1,159,320	389,396	(769,924)
8	Return on Equity Issue - KCPL 9.90%, Staff - 8.65%		(25,716,151)	(24,992,727)	723,424
9	Sub-Total Rate of Return and Capital Structure Differences		(27,797,484)	(26,838,452)	959,032
10					
11	Rate Base Issues				
12	Plant Issues				
13	Allconnect Plant in Service		15,613	(50)	(15,663)
14	Greenwood Solar Allocation		314,639	314,639	0
15	Remove Capitalized LT Incentive Stock Comp		(163,287)	(163,287)	0
16	Unadjusted Plant in Service		(14,164,520)	2,462,950	16,627,470
17	Reserve Issues				
18	Allconnect Reserve		(9,628)	31	9,659
19	Depreciation Reserve		3,963,508	(853,536)	(4,817,044)
20	Rate Base Additions Issues				
21	Cash Working Capital		685,466	168,357	(517,109)
22	Materials and Supplies		233,589	38,752	(194,837)
23	Prepayments		17,564	15,277	(2,287)
24	Fuel Inventory - Oil		(19,669)	(2,305)	17,364
25	Fuel Inventory - Coal		59,269	70,092	10,822
26	Fuel Inventory - Additives		1,887	(246)	(2,133)
27	Fuel Inventory - Nuclear Fuel		127,464	(14,172)	(141,636)
28	Regulatory Asset - EE/DR Deferral-MO		526,359	0	(526,359)
29	Regulatory Asset - Iatan 1 and Com-MO		29,347	0	(29,347)
30	Regulatory Asset - Iatan 2		34,706	0	(34,706)
31	Regulatory Asset - Pensions		399,131	458,544	59,413
32	Regulatory Asset (Liab) - OPEBs Tracker		(66,923)	(64,404)	2,519
33	Rate Base Reductions Issues				
34	Customer Deposits		(15,368)	0	15,368
35	Deferred Income Taxes		1,789,678	(558,410)	(2,348,088)
36	Deferred Gain on SO2 Emissions-100% MO		(131,277)	0	131,277
37	Income Eligible Weatherization		(145,388)	(145,388)	0
38	Sub Total - Rate Base Issues		(6,517,843)	1,726,842	8,244,685
39					0
40	Income Statement - Revenue Issues				
41	Booked Revenue - Unadjusted		244,153	468,852	224,700
42	Adjustment for billing corrections (Bocklage & Stahlman)		(1,307,655)	(1,307,655)	0
43	Billed DSIM and Mpower		(1,028,062)	(1,028,062)	0
44	Weather Adjustment (Bocklage and Stahlman)		(3,932,656)	(6,616,657)	(2,684,001)
45	Annualize Rate Change (Stahlman)		13,380,943	11,491,193	(1,889,750)
46	Annualize Large Power Service & Customer Growth (Bocklage)		(15,081,600)	(26,626,142)	(11,544,542)
47	Large General Rate Switching (Stahlman)		(981,348)	(981,348)	0
48	Large Power Manual Bill (Bocklage)		(2,266,250)	(2,266,250)	0
49	Firm Bulk Sales Energy (Lyons)		(3,332,671)	(3,332,671)	0
50	Misc. Charges and Revenue - 447		732,214	(73,554)	(805,769)
51	Firm Bulk Sales (Capacity & Fixed) (Lyons)		(878,324)	(830,955)	47,370
52	Normalize Nonfirm Sales (Lyons)		150,464,222	171,894,115	21,429,894
53	Firm Bulk Sales (Energy)		(2,039,960)	(2,146,798)	(106,838)
54	Forfeited Discounts - MO only (Young)		233,986	(31,763)	(265,749)
55	Forfeited Discounts - MO only on Revenue Requirement		209,731	125,185	(84,546)
56	Annualize Transmission of Elec. For Others Rev		(408,736)	(308,677)	100,059
57	Allconnect (Majors)		18,756	14	(18,742)
58	Amort of OSS Margin Rate Refund (Lyons)		4,226		(4,226)
59	Transmission Rev - ROE		(516,338)	(585,049)	(68,711)
60					
61	Sub Total - Revenue Issues		133,514,632	137,843,779	4,329,148
62					
63	Income Statement - Expense Issues				
64	Total Oper.& Maint. Expense - Unadjusted		218,306	(446,256)	(664,562)
65	Uncollectible Accounts-MO- test year from KCREC		(401,361)	23,997	425,358
66	Add Incremental Bad Debt - Revenue Requirement		(537,237)	(339,041)	198,196
67	Include test year KCREC bank fees related to sale of receivables		1,374	0	(1,374)
68	Annualize KCREC bank fees related to sale of receivables		4,638	(112,049)	(116,687)
69	Missouri - Annualize Customer Deposit Interest		16,130	0	(16,130)
70	Elimination of Prior Period and certain test year amounts; Adj Incl Equity Comp		(3,066,193)	(163,906)	2,902,287
71	Amortization of SO2 Proceeds		5,752	0	(5,752)
72	Annualize Fuel Expense		13,307,277	13,080,168	(227,109)
73	Normalize Purchased Power		(175,051,323)	(188,293,203)	(13,241,880)
74	Wolf Creek Refuel Outage		10,370	(742,062)	(752,432)
75	IT Software Maintenance		(421,716)	140,749	562,465
76	O&M Maintenance Exp Adjustments - Transmission		(369,743)	(110,064)	259,679
77	O&M Maintenance Exp Adjustments - Distribution		718,033	(38,635)	(756,668)
78	O&M Maintenance Exp Adjustments - Steam Production		(1,405,578)	2,834,621	4,240,199
79	Missouri Economic Relief Pilot Program (MO only)		(65,856)	(65,856)	0
80	Transmission of Electricity by others		(3,704,029)	(811,683)	2,892,346
81	Iatan 2 / Common O&M - Amortization of Tracker		(412,247)	(412,247)	0
82	Payroll Annualization		(2,809,735)	(1,043,991)	1,765,744
83	Incentive Comp-Value Link (See CS-11 for Equity Comp)		(878,976)	(923,991)	(45,015)
84	Normalize 401k costs		2,677	6,576	3,899
85	Payroll Tax, incl Unemployment		(384,684)	(215,284)	169,400
86	Medical and Other Benefits		176,310	(21,620)	(197,930)
87	Adjust OPEB's		(105,086)	(86,578)	18,508
88	Adjust SERP pension expense		(147,121)	(126,031)	21,090
89	Adjust annualized level of pension expense		127,936	594,151	466,215
90	Annualized Property Insurance Premiums		(30,618)	(1,211)	29,407
91	Annualized amt. for injures and damages; claims and settlements		(3,548)	69,836	73,384
92	AllConnect		(18,223)	96	18,319

KCP&L MO

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Revenue Requirement Reconciliation

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Line No.		Direct 12/31/2015	Cut-Off 06/30/2016	Difference	
93	Annualize Customer Accts expense for credit card payment costs	(33,434)	(32,342)	1,092	
94	Reg Comm Rate Case Exp- MO Proceeding 100% to MO	(1,287,743)	(885,341)	402,402	
95	Regulatory Assessments	(9,417)	40,676	50,093	
96	SPP Schedule 1 Admin Fees	(331,403)	(317,193)	14,210	
97	CIPS	(1,174,192)	(1,177)	1,173,015	
98	Meter Replacement O&M	(180,687)	0	180,687	
99	Low Income Weatherization	254,385	254,385	0	
100	MEIAA & pre-MEIAA opt out costs	(63,182)	(63,182)	0	
101	DSM Amort, Weatherization Removal, DSM Opt Out	157,655	290,085	132,430	
102	Transource CWIP/FERC Incentives	(137,940)	(34,182)	103,758	
103	To Normalize lease expense	(90,234)	(99,257)	(9,023)	
104	Annualize Renewable Energy Standards	(341,137)	(341,137)	0	
105	Common Use Billings	976,025	2,568	(973,457)	
106	Depreciation Adjustment	(11,635,173)	(9,004,833)	2,630,340	
107	Amortization - Limited Term Plant	(5,999,828)	(2,904)	5,996,924	
108	Property Tax Annualization	(7,928,836)	(445,840)	7,482,996	
109	Dues and Donations	(153,338)	(153,338)	0	
110	Dues and Donations - Removal of EEI	(40,477)	(40,477)	(0)	
111	Test Year Severance Costs	(29,751)	(29,751)	0	
112					
113	Sub Total - Operations & Maintenance Expense Issues		(203,273,178)	(188,066,754)	15,206,425
114					
115	Income Taxes				
116	Annualized Depreciation Expense (Book)	(5,572,843)	(3,947,879)	1,624,964	
117	Tax Depreciation in Excess of Straight Line - Regular	3,906,711	5,554,116	1,647,405	
118	IRS Deduction-Tax Depreciation	2,852,080	(420,744)	(3,272,824)	
119					
120	Depreciation adjustments		\$1,185,948	\$1,185,493	(455)
121					
122	Income Tax Issues - Income Statement				
123	Depr on Vehicles/Unit Trains cleared to O&M	(862,810)	(881,499)	(18,689)	
124	Meals & Entertainment	806	834	28	
125	Nuclear Fuel Amortization - Add Back Book	46,287	19,219	(27,068)	
126	IRS Deduction - Nuclear Fuel	2,965,332	35,224	(2,930,108)	
127	Tax Amortiz.-Nuclear Fuel - Excess over S/L Nuclear	(3,011,626)	(54,445)	2,957,181	
128	IRS Deduction - Amortization - Intangible Plant	3,355,474	(16,969)	(3,372,443)	
129	Book Amortization - Intangible Plt / Leaseholds	(3,705,583)	36,469	3,742,052	
130	Tax Amortiz.- Intang Plt. - Excess over S/L Amortization	350,110	(19,501)	(369,611)	
131	Impact of Wind/R&D Credits (Need to iterate)	792,736	0	(792,736)	
132	Impact of Alternate Refueling Credit - CCN	0	792,736	792,736	
133	Impact of Fuel/New Hire Credits (Need to iterate)	(1)	0	1	
134	Employee 401-K ESOP deduction	(2,696)	(2,792)	(96)	
135	Flowthrough - AFUDC Equity	(255,129)	11,264	266,393	
136	Flowthrough - MO ITC Coal Basis Adjustment	487	574	87	
137	Flowthrough - MO Misc Flow Through	502	588	86	
138	Amortization of Excess Deferred Tax	(3,968)	(3,968)	0	
139	Investment Tax Credit	(1,815)	(1,815)	(0)	
140					
141					
142	Sub Total - Income Tax Issues - Income Statement		(\$331,893)	(\$84,081)	247,812
143					
144	Difference in Tax Gross Up Factor		-		
145					
146	Total Value of All Issues		(103,219,819)	(74,233,172)	28,986,646
147					
148	Unreconciled Difference/Rounding		473,161	451,568	(21,593)
149					
150	Staff Revenue Requirement at 11/30/2016		(12,942,276)	(12,942,276)	(12,942,276)
151					(0)
152	Allowance for Known And Measurable Changes				
153					
154	Staff Revenue Requirement at 11/30/2016		(12,942,276)		
155					
156	Office of the Public Counsel				
157	Rate Case Expense		0		
158	Severance Expenses		0		
159	Management Employee Expense Reports		(523,544)		
160	Value of Capital Structure Issue - Staff / OPC		0		
161	Iatan 1 and 2 Expense Trackers in Rate Base		(4,175,125)		
162	SERP Capitalization		38,295		
163	SERP Expense		(169,914)		
164	Remove Hedging Gain		0		
165	Transmission Revenue R-80		0		
166	EPRI Dues		(1,118,894)		
167	No Allocation of Greenwood Solar		(314,639)		
168	Remove Electric Vehicle Charging Stations		(138,845)		
169	Office of the Public Counsel - Revenue Requirement		(19,344,942)		
170					
171	Midwest Energy Consumer's Group				
172	Return on Equity Issue - Staff - 8.65%, MECG - 9.00%		7,112,138		
	Value of Capital Structure Issue - Staff / MECG		3,801,315		
173	Midwest Energy Consumer's Group - Revenue Requirement		(2,028,823)		
174					