

**XI. Market Capitalization at September 30, 2010 (in \$ Mil.)**

U.S. Shareholder-Owned Electric Utilities

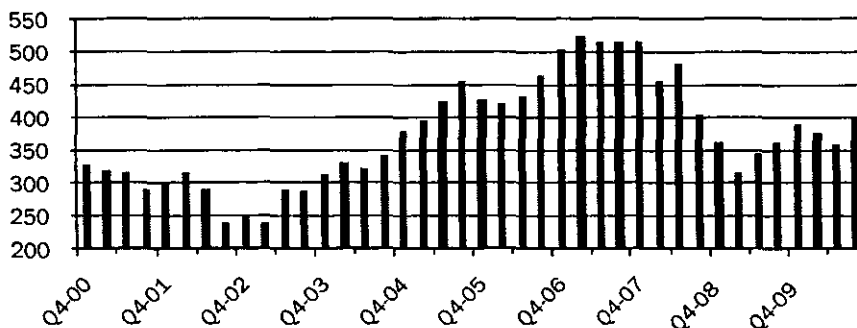
Company	Stock Symbol	\$ Market Cap	% Total	Company	Stock Symbol	\$ Market Cap	% Total
Southern Company	SO	30,848.2	7.67%	Alliant Energy Corporation	LNT	4,013.4	1.00%
Exelon Corporation	EXC	28,145.4	7.00%	OGE Energy Corp.	OGE	3,879.4	0.96%
Dominion Resources, Inc.	D	25,776.9	6.41%	MDU Resources Group, Inc.	MDU	3,753.2	0.93%
Duke Energy Corporation	DUK	23,270.9	5.79%	TECO Energy, Inc.	TE	3,680.5	0.92%
NextEra Energy, Inc.	NEE	22,219.6	5.53%	NV Energy, Inc.	NVE	3,090.2	0.77%
Amer. Elec. Power Comp., Inc.	AEP	17,356.0	4.32%	DPL Inc.	DPL	3,023.2	0.75%
PG&E Corporation	PCG	16,941.7	4.21%	Westar Energy, Inc.	WR	2,702.2	0.67%
Public Service Enter. Group Inc.	PEG	16,742.1	4.16%	Great Plains Energy Inc.	GXP	2,553.4	0.64%
Entergy Corporation	ETR	14,447.0	3.59%	Hawaiian Electric Ind. Inc.	HE	2,099.8	0.52%
Consolidated Edison, Inc.	ED	13,598.0	3.38%	Vectren Corporation	VVC	2,095.5	0.52%
Sempra Energy	SRE	13,277.0	3.30%	Cleco Corporation	CNL	1,790.0	0.45%
Progress Energy, Inc.	PGN	12,881.8	3.20%	IDACORP, Inc.	IDA	1,720.1	0.43%
FirstEnergy Corp.	FE	11,716.2	2.91%	Portland Gen. Elec. Co.	POR	1,526.6	0.38%
Edison International	EIX	11,211.1	2.79%	ALLETE, Inc.	ALE	1,242.3	0.31%
Xcel Energy Inc.	XEL	10,567.1	2.63%	UniSource Energy Corp.	UNS	1,214.2	0.30%
PPL Corporation	PPL	10,399.0	2.59%	Black Hills Corporation	BKH	1,214.1	0.30%
DTE Energy Company	DTE	7,762.2	1.93%	Avista Corporation	AVA	1,149.0	0.29%
Ameren Corporation	AEE	6,770.6	1.68%	PNM Resources, Inc.	PNM	1,041.0	0.26%
Wisconsin Energy Corp.	WEC	6,756.8	1.68%	El Paso Electric Company	EE	1,033.5	0.26%
Constellation Energy Group	CEG	6,473.8	1.61%	NorthWestern Corporation	NWE	1,031.1	0.26%
CenterPoint Energy, Inc.	CNP	6,280.4	1.56%	MGE Energy, Inc.	MGEE	915.1	0.23%
Northeast Utilities	NU	5,221.2	1.30%	UIL Holdings Corporation	UIL	847.4	0.21%
SCANA Corporation	SCG	5,048.1	1.26%	Empire District Elec. Comp.	EDE	818.6	0.20%
NiSource Inc.	NI	4,829.6	1.20%	Otter Tail Corporation	OTTR	729.9	0.18%
Pinnacle West Capital Corp.	PNW	4,434.8	1.10%	CH Energy Group, Inc.	CHG	696.9	0.17%
NSTAR	NST	4,170.9	1.04%	Central Vermont Pub. Svc.	CV	243.6	0.06%
Allegheny Energy, Inc.	AYE	4,160.6	1.03%	Unitil Corporation	UTL	237.5	0.06%
Pepco Holdings, Inc.	POM	4,147.8	1.03%	Maine & Maritimes Corp.	MAM	75.6	0.02%
CMS Energy Corporation	CMS	4,112.2	1.02%				
Integrus Energy Group, Inc.	TEG	4,029.4	1.00%				
				Total Industry		\$402,013.9	100.0%

Source: EEI Finance Department and Wall Street Journal

**XII. EEI Index Market Capitalization (at Period End)**

U.S. Shareholder-Owned Electric Utilities

\$ Billions



Note: Change in EEI Index market capitalization reflects the impact of buyout and spin-off activity in addition to stock market performance.  
Source: EEI Finance Department and Wall Street Journal

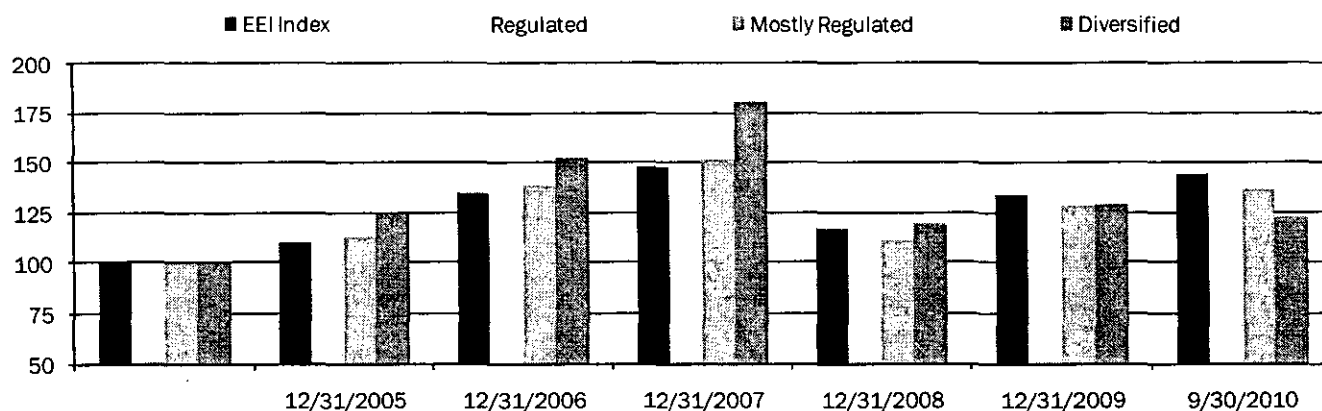
EEI Index Market Cap (in \$ Billions)

Q1-01	319,484	Q1-06	422,899
Q2-01	317,546	Q2-06	432,848
Q3-01	291,035	Q3-06	464,281
Q4-01	300,200	Q4-06	503,858
Q1-02	317,668	Q1-07	525,088
Q2-02	292,238	Q2-07	515,565
Q3-02	238,331	Q3-07	514,946
Q4-02	249,553	Q4-07	514,486
Q1-03	240,598	Q1-08	456,711
Q2-03	289,454	Q2-08	482,024
Q3-03	288,073	Q3-08	404,472
Q4-03	314,324	Q4-08	361,921
Q1-04	329,601	Q1-09	316,070
Q2-04	323,193	Q2-09	343,844
Q3-04	342,460	Q3-09	363,185
Q4-04	380,305	Q4-09	389,672
Q1-05	395,663	Q1-10	377,281
Q2-05	425,989	Q2-10	360,044
Q3-05	454,727	Q3-10	402,014
Q4-05	428,825		

EEI Q3 2010 Financial Update

### XIII. Comparative Category Total Annual Returns

U.S. Shareholder-Owned Electric Utilities, Value of \$100 invested at close on 12/31/2004



	2004	2005	2006	2007	2008	2009	9/30/10
EEI Index Annual Return (%)		9.89	22.47	9.83	(20.93)	14.13	8.25
EEI Index Cumulative Return (\$)	100	109.89	134.57	147.81	116.87	133.38	144.38
Regulated EEI Index Annual Return		2.73	22.65	7.81	(15.59)	14.25	10.46
Regulated EEI Index Cumulative Return	100	102.73	126.00	135.84	114.66	131.00	144.70
Mostly Regulated EEI Index Annual Return		12.87	22.37	9.93	(27.00)	15.58	6.96
Mostly Regulated EEI Index Cumulative Return	100	112.87	138.11	151.83	110.84	128.11	137.02
Diversified EEI Index Annual Return		24.73	22.16	18.46	(33.90)	8.07	(4.94)
Diversified EEI Index Cumulative Return	100	124.73	152.37	180.49	119.30	128.93	122.56

Calendar year returns shown, except where noted.  
Returns are unweighted averages of constituent company returns.

ing of concern about slowing U.S. economic growth and the impact of European sovereign debt loads on the stability of European banks, which drove stock prices down during May and June. Investors instead became more confident as the summer progressed about the U.S. economy's ability to avoid a dip back into recession, while European leaders pieced together a rescue plan that backstopped, at least for now, its most fragile economies and the banks that lent to them.

In such a strong quarter for the market, one might expect utilities to underperform, but continued declines during the third quarter in already low interest rates, the group's strong 4.5% dividend yield, and reasonably healthy prospects for rate base and earnings growth among regulated utilities helped the group keep pace with the major averages. Moreover, second quarter earnings were generally above expectation across the industry, buoyed by the recovery in demand and rate relief in recent rate cases.

The EEI Index likewise slightly outpaced the broad market for the first nine months of 2010, returning 5.6% versus the Dow Jones Industrials' 5.6%, the S&P 500's 3.9% and the Nasdaq Composite's gain of 4.4%.

EEI Q3 2010 Financial Update

### XIV. EEI Index Top Ten Performers

For the 9-month period ending 9/30/10

Company	Category	% Return
Maine & Maritimes Corporation	R	29.5
Integrus Energy Group, Inc.	MR	29.4
Alliant Energy Corporation	R	24.4
Black Hills Corporation	MR	21.5
CMS Energy Corporation	R	18.7
Wisconsin Energy Corporation	R	18.7
NiSource Inc.	MR	18.1
Northeast Utilities	R	17.9
Pinnacle West Capital Corporation	R	17.6
El Paso Electric Company	R	17.3

Note: Return figures include capital gains and dividends.  
R = Regulated, MR = Mostly Regulated, D = Diversified  
Source: EEI Finance Department

**Regulated Group's Strength Continues**

The Regulated group of companies continued to outperform competitive power generators during the quarter, extending for the fifth consecutive quarter a trend that began in Q3 2009. As shown in Table VIII, EEI's Regulated group (80% of assets are regulated) returned 12.0% during Q3 while the Diversified group (less than 50% of assets are regulated) returned 5.1%. The Mostly Regulated group (50% to 80% of assets are regulated), a mix of companies that balance regulated and competitive operations to varying degrees, returned 13.7%. However, due to the migration of company strategies toward traditional regulated operations in recent years, the Diversified group is down to only four publicly traded companies from ten in 2004, while the Mostly Regulated group has decreased from 26 companies to 20. A more telling comparison comes against independent power producers, which are not included in the EEI Index and which generally saw negative returns during the quarter as natural gas prices eroded further, remaining at multi-year lows.

For the first nine months of 2010, the Regulated group's dominance is clear in the data, with a total return of 10.5% versus 7.0% for the Mostly Regulated group and a negative 4.9% return for the Diversified group. And as shown in Table XIV, seven out of the EEI Index's top ten

gainers for the first nine months of 2010 are members of the Regulated group, while the other three are in the Mostly Regulated group.

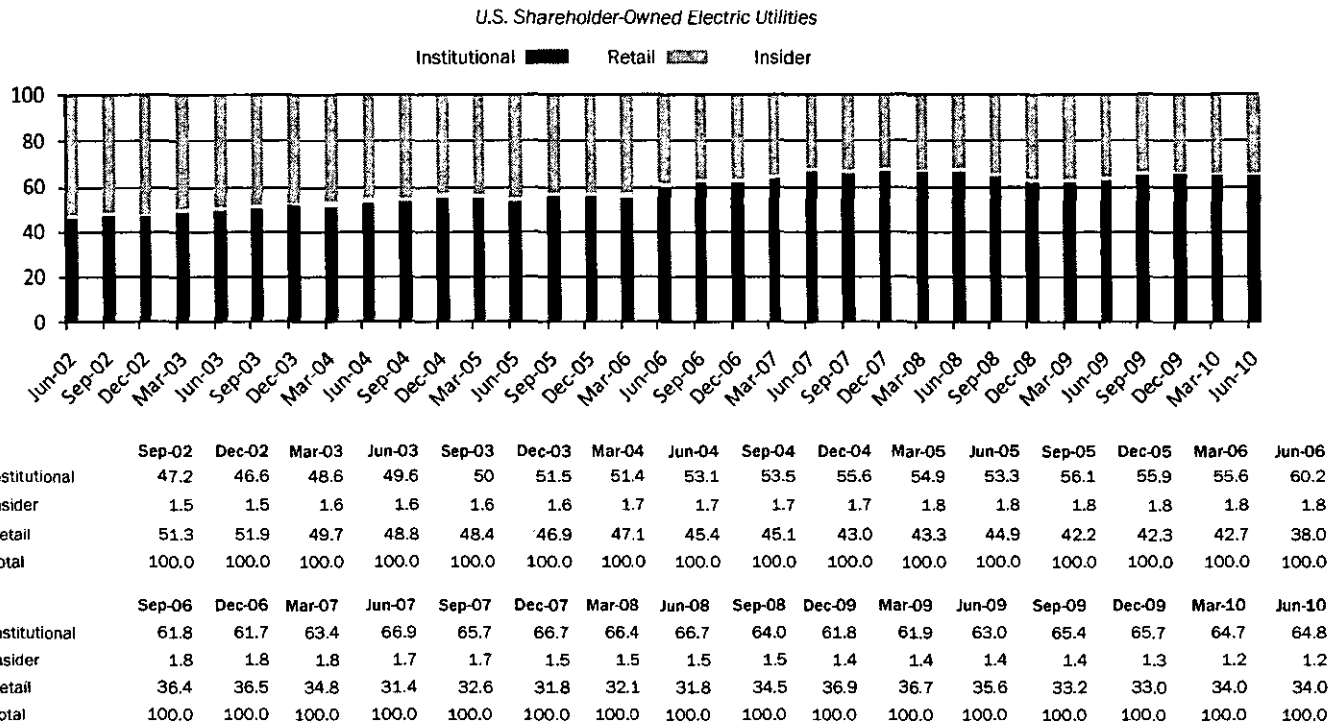
**Natural Gas Prices Remain Depressed**

The most significant trend in terms of overall macroeconomic fundamentals impacting the industry during 2010 continues to be the ongoing softness in natural gas spot and futures prices. Natural gas-fired generators are typically the marginal price setters in many competitive power markets across the country and natural gas prices, therefore, exert a strong influence on competitive power prices.

As shown in Chart VI, spot gas prices drifted further downward in Q3, falling under \$4/mm BTU by September 30 from \$4.50/mm BTU in early July. Chart VII shows the marked decline in futures prices during Q3 and over the past two years, which has resulted in analysts ratcheting down the longer-term outlook for competitive power pricing and related earnings estimates for competitive power producers, contributing to the group's share price weakness.

Domestic natural gas supply has been boosted by production from low-cost shale reserves, creating a supply glut. As a result, analysts have become increasingly bearish about the prospects for natural gas prices and long-term competitive power prices, even in a sustainable economic rebound.

**XV. Share Ownership by Investor Category (% of total)**



Source: SNL Financial and EEI Finance Department. Note: Institutional figures represent end-of-quarter, unweighted average of the 58 publicly traded EEI Index companies.

### Power Demand Boosted by Hot Summer

After declining nearly 4% on an annual basis in 2009, nationwide electricity output has rebounded this year, rising 4.5% during the first nine months of 2010. Helped by a generally hot summer across the country (cooling degree days, a measure of air conditioning usage, were 22% higher than the historical average), power demand jumped 6.9% in Q3 and hit record levels in some cities, which likely contributed to the industry's share price strength. Nevertheless, the long-term outlook for power demand remains uncertain, dependent not only on the strength of economic growth, which has slowed as 2010 has progressed, but on the impact that energy efficiency, smart grid and demand response technologies, along with general conservation measures, will have on power usage.

### Utility Dividends Offer Relief from Low Interest Rates

Interest rates continue to be a wildcard for the industry and its investors, most directly impacting regulated utility shares, which often appeal to income-oriented investors as a bond substitute with dividend growth potential. Widespread predictions by economists in recent years that interest rates will rise have continually been confounded by declining rates, and this trend continued during the third quarter.

As shown in Table V, the 10-year Treasury yield fell from 3.0% at the start of the quarter to 2.5% by quarter-end. With bond yields low, the strong dividends offered by many utilities are no doubt one important source of support for utility stocks. At September 30, the average dividend yield for the EEI Index's 63 publicly traded utilities stood at 4.5%, about two full percentage points higher than the 10-year Treasury yield, representing the widest gap in 20 years. The gap is likely exaggerated by the government bond's status as a risk-free haven in a time of global macro uncertainty and market anticipation of additional Federal Reserve buying designed to hold down risk-free rates and force capital to flow to corporate investments, but its magnitude clearly supports the sector's investment appeal.

### Industry Prospects Appear to Be Sound

Many regulated utilities are engaged in capital spending programs that should help drive solid 6% to 8% earnings growth over the next several years, which analysts point to as an ongoing source of attraction for investors in addition to the sector's dividends. Moreover, recent EPA moves to limit coal plant emissions through the Clean Air Transport Rule (CATR) — which will target SO<sub>x</sub> and NO<sub>x</sub> emission — and a Maximum Achievable Control Technology (MACT) rule for mercury will conceivably force the retirement of 50 to 60 gigawatts of older, inefficient coal plants

within the next five to ten years, according to many Wall Street analysts who follow the industry. This represents a sizeable slice of a total coal fleet that totals approximately 340 gigawatts.

Replacing this capacity and upgrading other coal plants with emissions control technology offers the potential for extended strong rate base growth at regulated utilities. However, as is always the case in this most political of industries, maintaining healthy regulatory relationships will be a key to achieving reasonable returns for investors. The sharp decline in natural gas prices in recent years has helped to moderate the rise in end-user rates required to finance the industry's elevated capital spending. While most analysts now predict that natural gas prices will remain low over the next few years, any significant uptrend has the potential to boost the fuel cost component of rates and renew the more confrontational regulatory politics as seen in some jurisdictions several years ago, when power prices were forced upward by surging natural gas prices.

However, utilities have important political strengths as well. Their capital investment programs are a source of high-quality jobs and they are often among the largest employers in a given state. In a weak economy burdened by chronically high unemployment and considerable nervousness about job stability — even among those who are employed — regulators, utility managements, company employees and local communities all agree that financially healthy utilities and the good jobs they offer serve everyone's best interest. Nevertheless, the judicious management of regulatory relationships will likely be among the most important factors in achieving success for shareholders and all stakeholders in the years ahead.

By late in the third quarter, most industry analysts were commenting that utility price earnings multiples had returned to near their average levels and that the undervaluation evident earlier in the year had largely closed. However, with interest rates as low as they are and the risk of a return to broad economic weakness still very much in play, there was a general sense of confidence that the sector's capital investment growth potential and strong dividend yields offer a floor of support for its stock prices. There were even some suggestions that the bear market in competitive power may be nearing a bottom, and that investors willing to wait for gains might take advantage of today's depressed stocks, with an eye to anticipating a lift in shares as the stock market begins in 2011 to discount a tightening in power markets driven by coal plant retirements. But such advice also came with the usual admonition that being early into an investment theme often comes hand-in-hand with a painfully long waiting period. ■

April 30, 2010

**Summary:**  
**KCP&L Greater Missouri  
Operations Co.**

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Rationale

Outlook

Related Criteria And Research

## Summary:

# KCP&L Greater Missouri Operations Co.

**Credit Rating:** BBB/Stable/NR

## Rationale

The ratings on KCP&L Greater Missouri Operations Co. (GMO) reflect the consolidated credit profile of Great Plains Energy Inc. Great Plains' regulated subsidiaries include Kansas City Power and Light Co. (KCP&L) and 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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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**

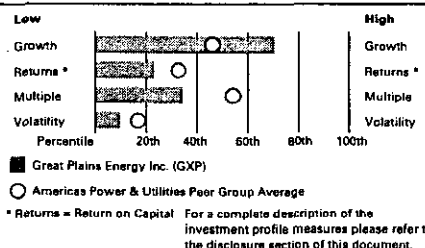
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**Investment Profile**

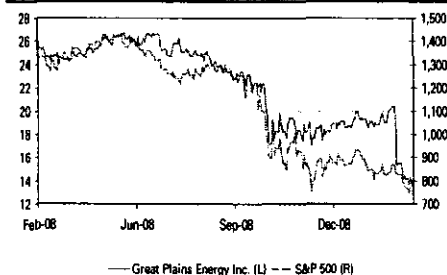


Key data	Current
Price (\$)	13.54
12 month price target (\$)	19.00
Market cap (\$ mn)	1,605.8

	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	(26.6)	(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)	(190.3)	<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	<b>Dupont ROE (%)</b>	<b>6.6</b>	<b>5.7</b>	<b>7.1</b>	<b>9.0</b>
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

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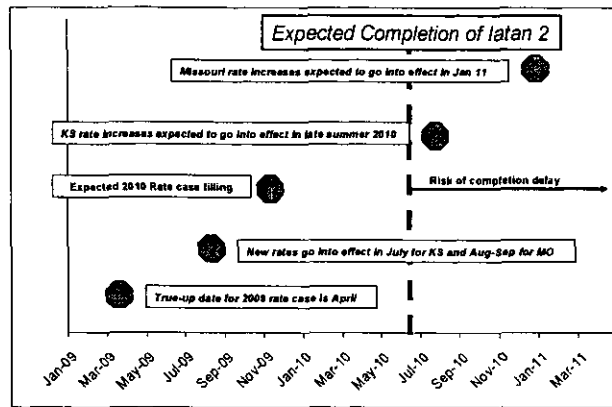
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## Rate case timing and regulatory lag drive utility under-earning

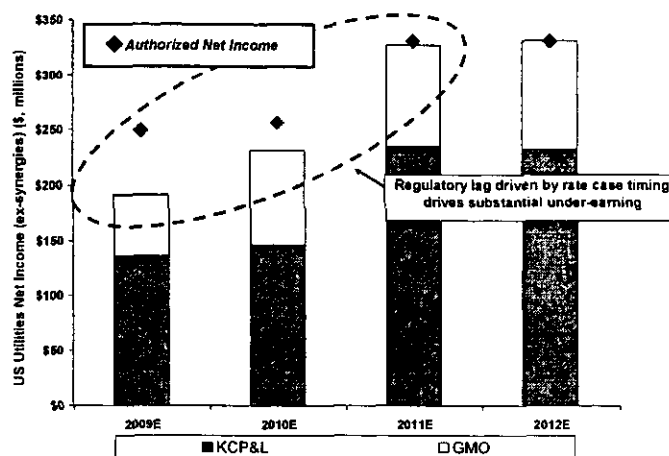
The construction schedule for the Iatan 2 coal plant partially drives GXP's rate case timing, creating regulatory lag. Examining the current rate cases on file for KCP&L and GMO, the regulatory calendar allows for a true-up date in April 2009, with new rates going into effect for Kansas in July 2009 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.

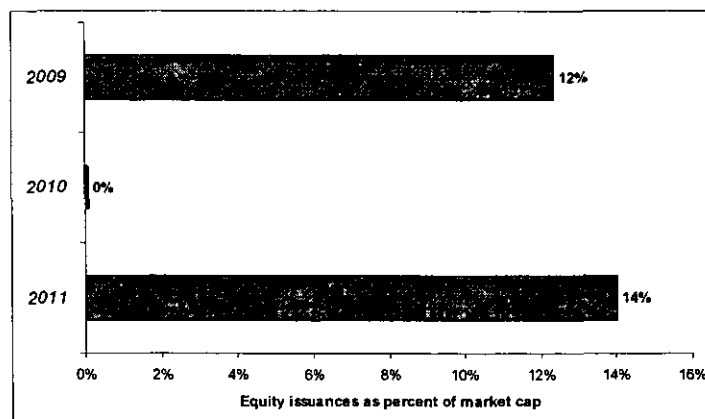
**Exhibit 3: Old versus new estimates**

	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**

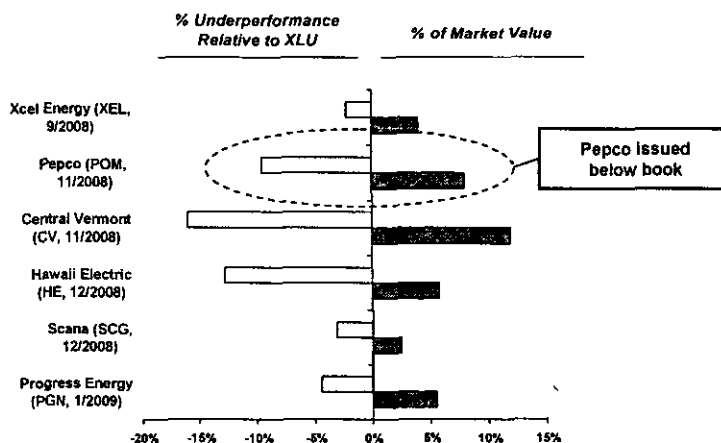
issuance of debt and equity in 2009 could remove possible overhang and unlock long term value



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**

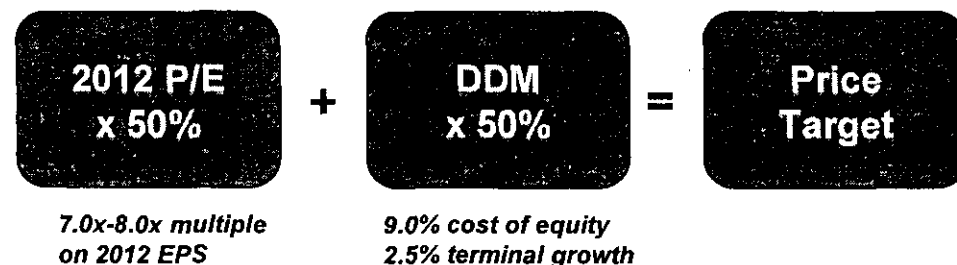
Ticker	Rating	Close 03/01/09	Target Price and EPS Summary			EPS Estimates				P/E Multiples				Dividend Yield
			Price Target	Tot Ret to Target		2009	2010	2011	2012	2009	2010	2011	2012	
<b>Regulated Utilities</b>														
<b>Large-Cap</b>														
American Elec Power	AEP	Buy	\$28.05	\$32	20%	\$3.07	\$3.23	\$3.63	\$3.56	9.2x	8.7x	7.7x	7.5x	5.9%
Duke Energy	DUK	Neutral	\$13.47	\$15	18%	\$1.17	\$1.38	\$1.48	\$1.56	11.5x	9.7x	9.1x	8.6x	6.8%
Consolidated Edison	ED	Sell	\$36.21	\$34	0%	\$3.30	\$3.37	\$3.46	\$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	10.8x	10.4x	4.1%
Progress Energy	PGN	Neutral	\$35.42	\$36	9%	\$2.79	\$3.01	\$3.16	\$3.64	12.7x	11.8x	11.1x	9.7x	6.9%
<b>Large-Cap Mean</b>										11.3x	10.6x	9.9x	9.4x	6.0%
<b>Large-Cap Median</b>										11.3x	10.5x	9.7x	9.7x	6.5%
<b>Mid &amp; Small-Cap Regulated Utilities</b>														
Cleco	CNL	Neutral	\$20.52	\$24	21%	\$1.50	\$2.27	\$2.44	\$2.59	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	10.6x	9.3x	8.6x	6.2x	0.0%
Great Plains Energy	GXP	Neutral	\$13.54	\$19	46%	\$1.27	\$1.84	\$2.13	\$2.26	10.7x	8.3x	6.4x	6.0x	8.1%
NSTAR	NST	Sell	\$32.17	\$25	18%	\$2.20	\$2.26	\$2.49	\$2.67	14.6x	14.2x	12.9x	12.0x	4.4%
Northeast Utilities	NU	Neutral	\$21.91	\$23	9%	\$1.56	\$1.85	\$1.86	\$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	\$1.65	\$2.15	\$2.22	9.1x	8.6x	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	8.9x	8.1%
Wisconsin Energy	WEC	Neutral	\$39.82	\$42	8%	\$2.94	\$4.06	\$4.56	\$4.62	13.5x	9.8x	8.7x	8.6x	2.7%
Westar Energy	WR	Neutral	\$16.90	\$20	28%	\$1.80	\$1.77	\$2.19	\$2.32	9.4x	9.5x	7.7x	7.3x	6.9%
<b>Small / Mid Cap Mean</b>										11.7x	9.7x	8.6x	8.0x	4.5%
<b>Small / Mid Cap Median</b>										10.9x	9.4x	8.1x	7.7x	4.4%
<b>Regulated Utilities Mean</b>										11.8x	10.0x	9.0x	8.4x	6.0%
<b>Regulated Utilities Median</b>										11.6x	9.7x	8.7x	8.8x	5.8%

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	3/81 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	5.6%	34%	\$3.56	8.0x	\$28	7%	\$32	28%
Consolidated Edison	ED	Sell	\$38.21	\$39	0.5%	13%	\$3.55	8.0x	\$29	16%	\$34	6%
Duke Energy	DUK	Neutral	\$13.47	\$17	6.8%	32%	\$1.66	8.0x	\$12	1%	\$16	18%
PG&E	PCG	Neutral	\$38.22	\$38	4.1%	3%	\$3.67	8.0x	\$29	18%	\$33	10%
Progress Energy	PGH	Neutral	\$35.42	\$42	8.9%	25%	\$3.64	8.0x	\$29	11%	\$36	9%
<b>Large-Cap Mean</b>												
8.0%												
<b>Large-Cap Median</b>												
-11%												
<b>Mid &amp; Small Cap</b>												
Cleco	CNL	Neutral	\$20.52	\$27	4.4%	36%	\$2.59	8.0x	\$21	8%	\$24	21%
El Paso Electric	EE	Buy	\$14.13	\$21	0.0%	45%	\$2.27	8.0x	\$18	29%	\$19	34%
<b>Great Plains Energy</b>												
GXP		Neutral	\$13.54	\$23	8.1%	73%	\$2.25	7.0x	\$16	23%	\$19	40%
<b>Northwest Utilities</b>												
NU		Neutral	\$21.91	\$26	3.9%	23%	\$2.46	8.0x	\$20	4%	\$23	9%
NSTAR	NST	Sell	\$32.17	\$31	4.4%	2%	\$2.67	8.0x	\$21	29%	\$24	16%
NV Energy	NVE	Buy	\$9.27	\$14	4.3%	67%	\$1.40	7.0x	\$10	10%	\$12	34%
Portland General	POR	Neutral	\$16.42	\$23	8.0%	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%
Wentz	WR	Neutral	\$16.90	\$25	6.9%	82%	\$2.32	7.0x	\$16	3%	\$20	26%
Wisconsin Energy	WVEC	Neutral	\$39.82	\$47	2.7%	26%	\$4.62	8.0x	\$37	6%	\$42	8%
<b>Mid &amp; Small-Cap Mean</b>												
4.6%												
<b>Mid &amp; Small-Cap Median</b>												
-4.6%												
<b>Regulated Utilities Mean</b>												
6.0%												
<b>Regulated Utilities Median</b>												
8.8%												

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		
		Cons			Cons		
Large Cap Regulated Utilities	Ticker	GS EPS	EPS	% Ch	GS EPS	EPS	% Ch
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	PGEN	\$2.79	\$3.02	-8%	\$3.01	\$3.19	-6%
<b>Large Cap Average</b>				<b>-3%</b>	<b>-2%</b>		
Small & Mid Cap Regulated Utilities							
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>				<b>-8%</b>	<b>-1%</b>		

Source: Goldman Sachs Research estimates, FactSet.



## Reg AC

I, Michael Lapedes, 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.

## Investment profile

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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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America-Regulated Utilities: AGL Resources Inc., American Electric Power, Atmos Energy Corp., Cleco Corp., Consolidated Edison, Inc., Duke Energy Corporation, El Paso Electric Co., Great Plains Energy Inc., Northeast Utilities, NSTAR, NV Energy, Inc., PG&E Corporation, Portland General Electric Co., Progress Energy Inc., SCANA Corp., Westar Energy Inc., WGL Holdings, Inc., Wisconsin Energy Corp.

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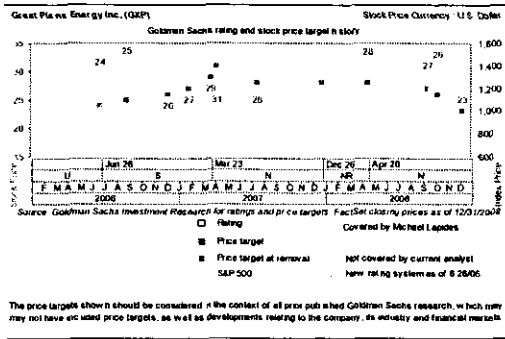
Goldman Sachs Investment Research global coverage universe

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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 G-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	<b>Full Year</b>	<b>10.75</b>	<b>(19)</b>	<b>10.59</b>	<b>(20)</b>
	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	<b>Full Year</b>	<b>10.54</b>	<b>(29)</b>	<b>10.46</b>	<b>(26)</b>
	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	<b>Full Year</b>	<b>10.36</b>	<b>(26)</b>	<b>10.43</b>	<b>(16)</b>
	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	<b>Full Year</b>	<b>10.36</b>	<b>(39)</b>	<b>10.24</b>	<b>(37)</b>
	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	<b>Full Year</b>	<b>10.46</b>	<b>(37)</b>	<b>10.37</b>	<b>(30)</b>
	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	<b>Full Year</b>	<b>10.48</b>	<b>(39)</b>	<b>10.19</b>	<b>(29)</b>
	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	<b>Year-To-Date</b>	<b>10.36</b>	<b>(43)</b>	<b>10.07</b>	<b>(24)</b>

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

	<b>Period</b>	<b>ROR % (# Cases)</b>		<b>ROE % (# Cases)</b>		<b>Eq. as % Cap. Struc. (# Cases)</b>		<b>Amt. \$ 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)
2010	Year-To-Date	8.01	(45)	10.36	(43)	48.41	(41)	3,645.3	(55)

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

	<b>Period</b>	<b>ROR % (# Cases)</b>		<b>ROE % (# Cases)</b>		<b>Eq. as % Cap. Struc. (# Cases)</b>		<b>Amt. \$ 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)
2010	Year-To-Date	8.01	(25)	10.07	(24)	48.25	(24)	690.3	(33)

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

## ELECTRIC UTILITY DECISIONS

Date	Company (State)	ROR %	ROE %	Common Eq. as % Cap. Str.	Test Year & Rate Base	Amt. \$ Mil.
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,B)
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 Spurduto

**AN ANALYSIS OF THE COST OF CAPITAL**

**FOR**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**

**SCHEDULES**

**BY**

**DAVID MURRAY**

**UTILITY SERVICES DIVISION**

**MISSOURI PUBLIC SERVICE COMMISSION**

**NOVEMBER 2010**

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**  
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**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**Federal Reserve Discount Rates Changes and Federal Reserve Funds Rates 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

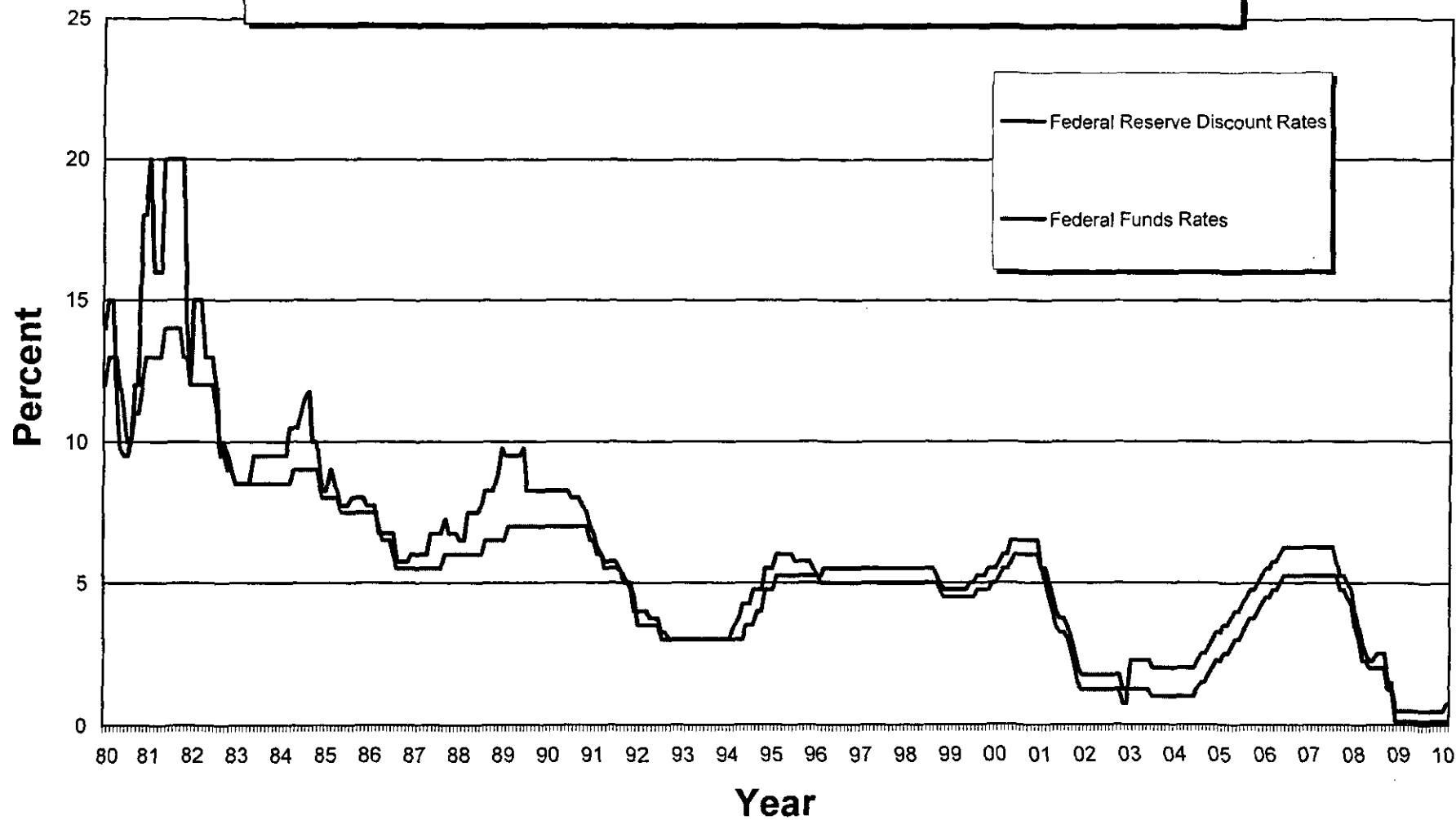
<http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html>

Federal Reserve Funds rate

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

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

Federal Reserve Discount Rates and Federal Funds Rates  
1980 - 2010



KCP&L Greater Missouri Operations Company

File No. ER-2010-0356

Rate of Inflation

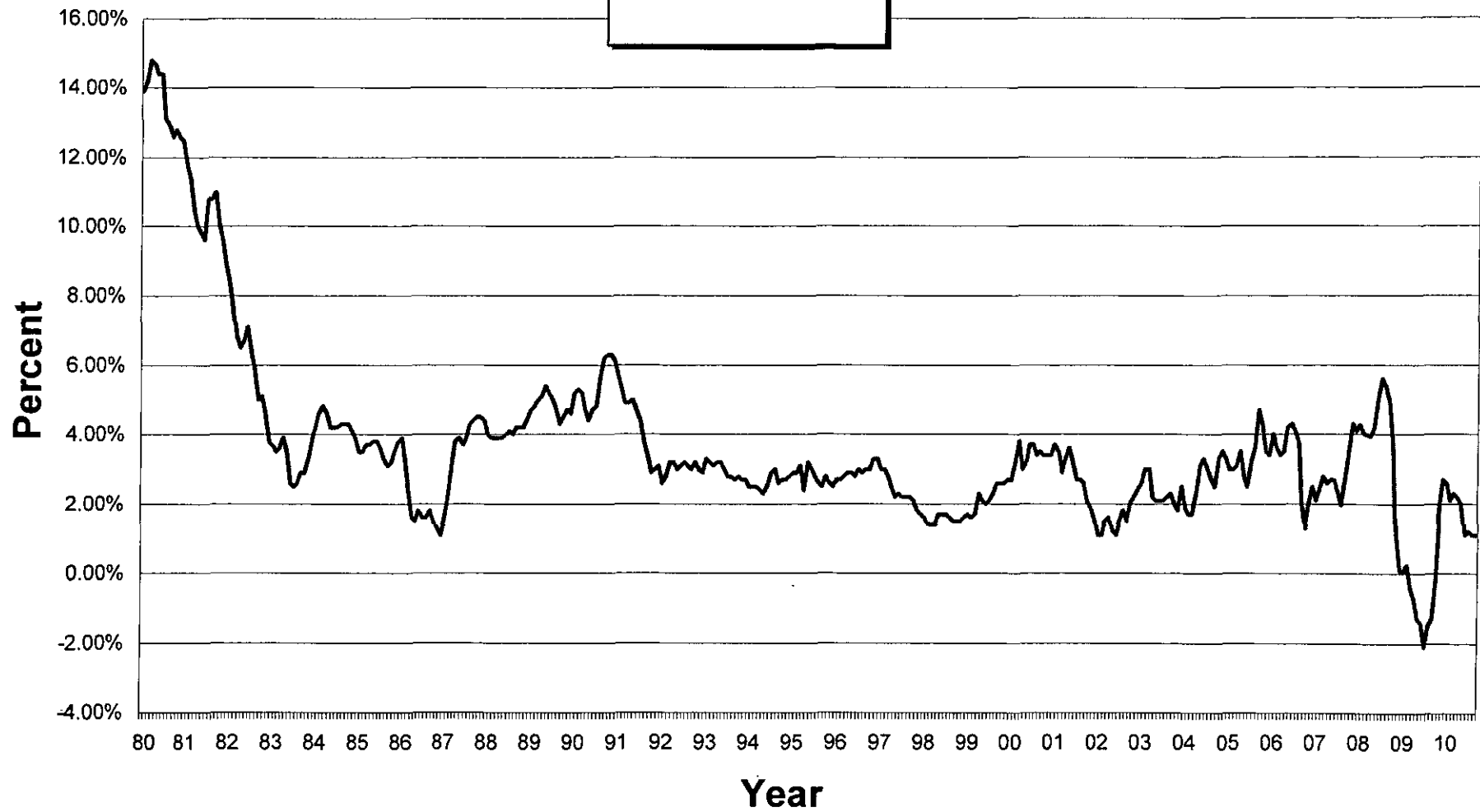
Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	13.90	Jan 1984	4.20	Jan 1988	4.00	Jan 1992	2.60	Jan 1996	2.70	Jan 2000	2.70	Jan 2004	1.90	Jan 2008	4.30
Feb	14.20	Feb	4.60	Feb	3.90	Feb	2.80	Feb	2.70	Feb	3.20	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)



KCP&L Greater Missouri Operations Company  
File No. ER-2010-0356

Rate of Inflation  
1980 - 2010



**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**  
**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	7.69	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

KCP&L Greater Missouri Operations Company  
File No. ER-2010-0356

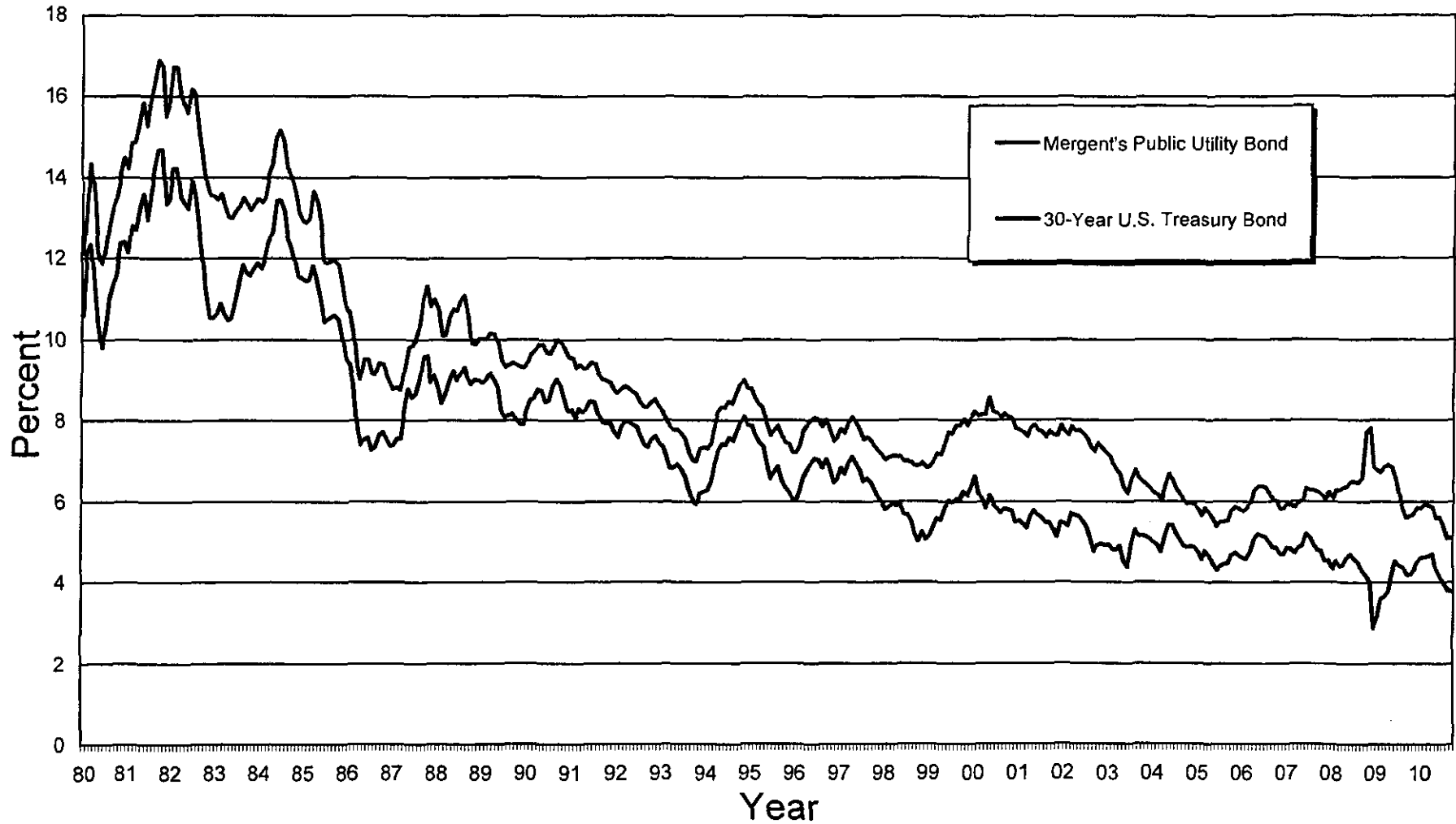
Average Yields on Thirty-Year U.S. Treasury Bonds

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	8.17	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	Jul	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	Jul	5.13	Jul	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	Nov	
Dec	10.54	Dec	7.37	Dec	8.24	Dec	7.87	Dec	5.06	Dec	4.92	Dec	4.68	Dec	
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	Jan 2008	
Feb	10.68	Feb	7.54	Feb	8.03	Feb	7.61	Feb	5.37	Feb	4.81	Feb	4.82	Feb	
Mar	10.63	Mar	7.55	Mar	8.29	Mar	7.45	Mar	5.58	Mar	4.80	Mar	4.72	Mar	
Apr	10.48	Apr	8.25	Apr	8.21	Apr	7.36	Apr	5.55	Apr	4.90	Apr	4.86	Apr	
May	10.53	May	8.78	May	8.27	May	6.95	May	5.81	May	4.53	May	4.90	May	
Jun	10.93	Jun	8.57	Jun	8.47	Jun	6.57	Jun	6.04	Jun	4.37	Jun	5.20	Jun	
Jul	11.40	Jul	8.64	Jul	8.45	Jul	6.72	Jul	5.98	Jul	4.93	Jul	5.11	Jul	
Aug	11.82	Aug	8.97	Aug	8.14	Aug	6.86	Aug	6.07	Aug	5.30	Aug	4.93	Aug	
Sep	11.63	Sep	9.59	Sep	7.95	Sep	6.55	Sep	6.07	Sep	5.14	Sep	4.79	Sep	
Oct	11.58	Oct	9.61	Oct	7.93	Oct	6.37	Oct	6.26	Oct	5.16	Oct	4.77	Oct	
Nov	11.75	Nov	8.95	Nov	7.92	Nov	6.26	Nov	6.15	Nov	5.13	Nov	4.52	Nov	
Dec	11.88	Dec	9.12	Dec	7.70	Dec	6.06	Dec	6.35	Dec	5.08	Dec	4.53	Dec	

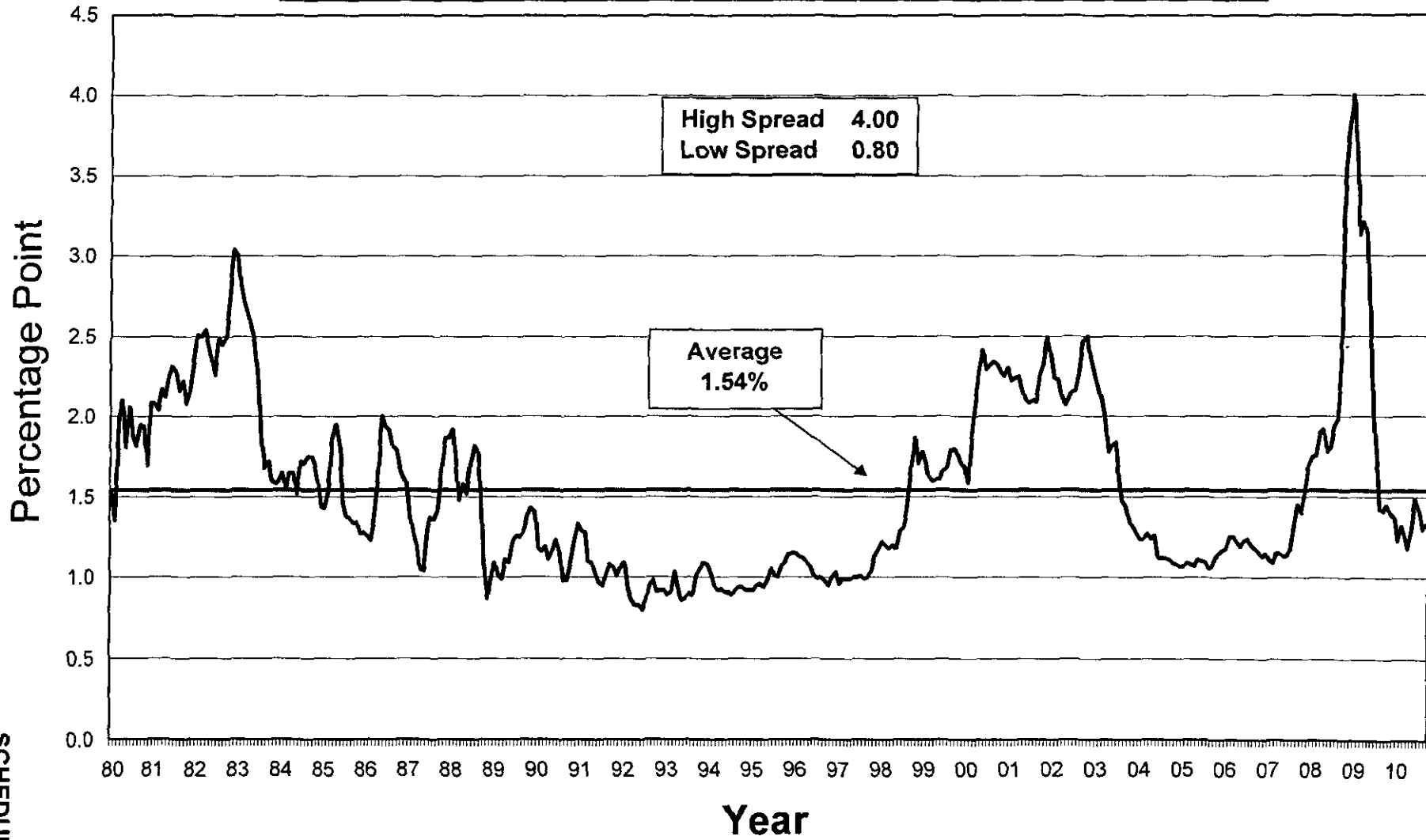
Sources:  
<http://finance.yahoo.com/q/hp?s=^TYX>  
<http://research.stlouisfed.org/fred2/data/GS30.txt>

KCP&L Greater Missouri Operations Company  
File No. ER-2010-0356

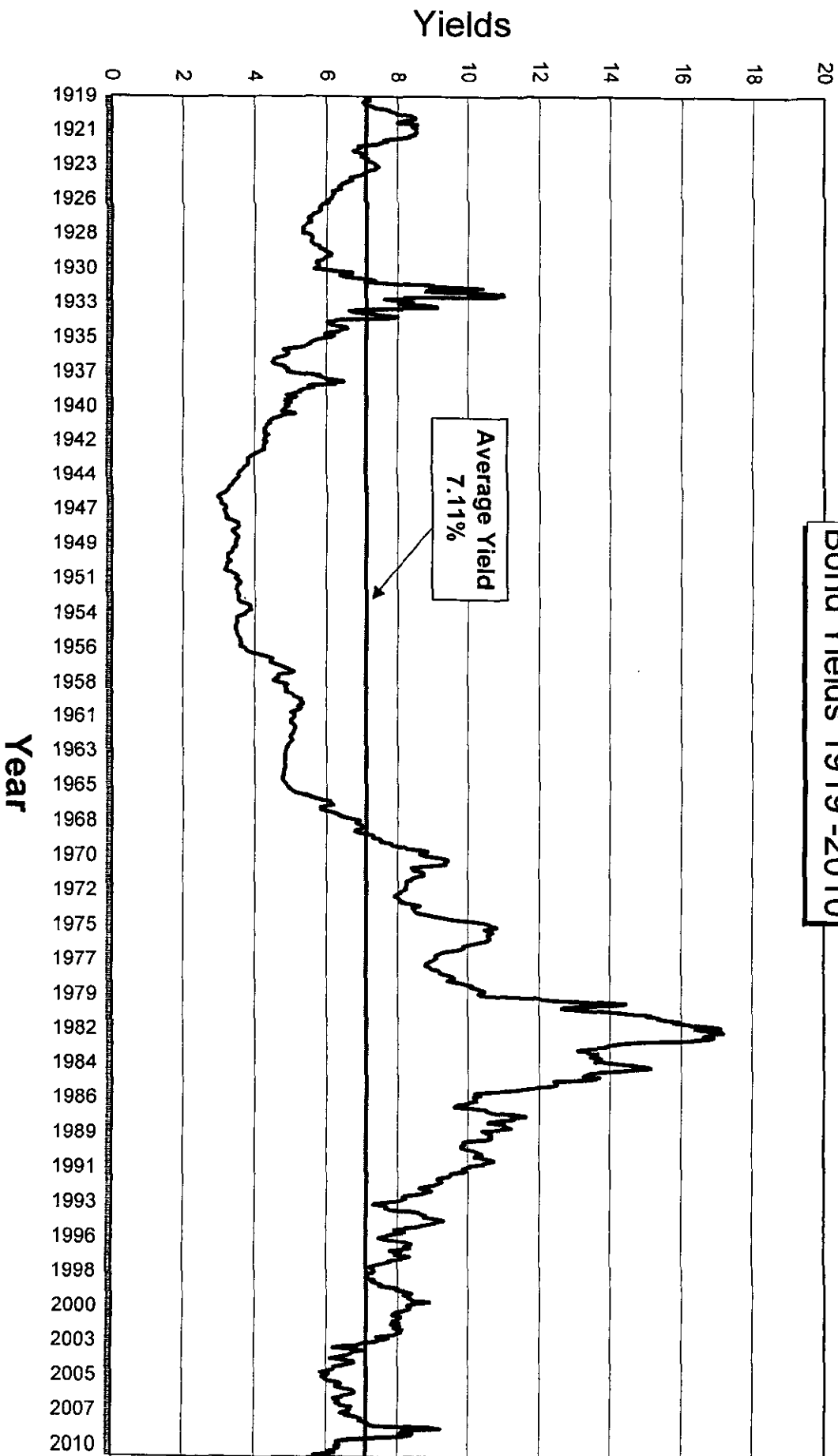
Average Yields on Public Utility Bonds and  
Thirty-Year U.S. Treasury Bonds (1980 - 2010)



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



Moody's Baa Corporate  
Bond Yields 1919 -2010



**KCP&L Greater Missouri Operations Company  
File No. ER-2010-0356**

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

(Thousands of Dollars)

<u>Capital Components</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
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>

<u>Capital Components</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>5-Year Average</u>
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.

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**  
**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	47.96%
Preferred Stock	\$ -	0.00%
Long-Term Debt	\$ 2,838	47.42%
Equity Units	\$ 276	4.62%
<b>Total Capitalization</b>	<b>\$ 5,984</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: KCPL Greater Missouri Operation's response to Staff's Data Request No. 0159.



KCP&L Greater Missouri Operations Company

File No. ER-2010-0356

Criteria for Selecting Comparable Electric Utility Companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
ValueLine Electric Utility Companies	Ticker	Stock Publicly Traded	Regulated		10-Year		At Least		No Announced Merger or Acquisition	Comparable Company Met All Criteria	
			Electric Utility (EEI)	% Electric Revenues ≥ 70%	Value Line Historical Growth Available	No Reduced Dividend since 2007	Projected Growth Available from Value Line and Reuters	Investment Grade S&P Corporate Credit Rating			
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								
G1 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								
Southera 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 Managemen	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 AUIS Utility Reports

Column 8 = Reuters.com on October 7, 2010

Column 9 = S&P RatingsDirect

Notes:

1 No dividends per share

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**Comparable Electrical Utility Companies**  
**for KCP&L Greater Missouri Operations 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

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

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

Company Name	DPS	EPS	BVPS	Average of 10 Year Annual Compound Growth Rates
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>-0.05%</b>	<b>1.60%</b>	<b>2.40%</b>	<b>1.32%</b>

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

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**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.

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**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.

**KCP&L Greater Missouri Operations Company  
File No. ER-2010-0356**

**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>	<u><u>1.32%</u></u>	<u><u>4.55%</u></u>	<u><u>4.90%</u></u>	<u><u>6.09%</u></u>	<u><u>5.85%</u></u>	<u><u>5.97%</u></u>

**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.

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**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	<b>34.87</b>
American Electric Power	36.82	31.87	36.47	34.50	36.93	35.57	<b>35.36</b>
Cleco Corp.	30.00	25.95	29.36	27.50	29.92	28.49	<b>28.54</b>
DPL Inc.	26.69	23.73	26.14	24.84	26.41	25.31	<b>25.52</b>
IDACORP, Inc.	36.98	32.46	36.96	34.57	36.45	34.30	<b>35.29</b>
PG&E Corp.	45.46	40.52	47.73	44.50	48.34	43.18	<b>44.96</b>
Pinnacle West Capital	40.34	35.71	40.44	38.32	41.75	40.04	<b>39.43</b>
Progress Energy	42.92	38.96	43.38	41.61	44.82	38.38	<b>41.68</b>
Southern Company	36.78	33.00	37.00	35.19	37.73	36.54	<b>36.04</b>
Xcel Energy	23.02	20.47	22.64	21.41	23.28	22.37	<b>22.20</b>

Notes:

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

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

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

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

	(1)	(2)	(3)
Company Name	Expected Annual Dividend	Average High/Low Stock Price	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.



**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**  
**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>		<b>0.65</b>			<b>7.72%</b>	<b>6.69%</b>

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)).

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**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.

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**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.

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**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.

KCP&L Greater Missouri Operations Company  
File No. ER-2010-0356

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

DPS		EPS		BVPS		GDP	
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%
Average	3.74%	Average	3.18%	Average	3.63%	Average	7.53%
Average of 10-year Rolling Averages EPS, DPS and BVPS			3.52%				

Source: 2003 Mergent Public Utility and Transportation Manual

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**  
**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 Tax
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

**KCP&L Greater Missouri Operations Company**  
**File No. ER-2010-0356**

**Weighted Cost of Capital as of June 30, 2010**  
**for KCP&L Greater Missouri Operations 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	47.96%	----	4.08%	4.32%	4.56%
Preferred Stock	0.00%	0.000%	0.00%	0.00%	0.00%
Long-Term Debt	47.42%	6.520% <sup>1</sup>	3.09%	3.09%	3.09%
Equity Units	4.62%	12.351%	0.57%	0.57%	0.57%
Total	<u>100.00%</u>		<u>7.74%</u>	<u>7.98%</u>	<u>8.22%</u>

Note:

1. Embedded cost of long-term debt is based on The Empire District Electric Company's embedded cost of long-term debt provided in Case No. ER-2011-0004.



**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
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**APPENDIX 3  
Support for Jeffrey Energy Center  
FGD Rebuild Project Adjustment**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**

**NP**



**SCHEDULES 1 - 8**

**HAVE BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN THEIR ENTIRETY**

**NP**

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 4  
In-Service Criteria and Staff Evaluation Notes**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**

**NP**

**APPENDIX 4**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**NP**



**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 5  
Support for Capacity Requirements  
and Iatan 2 Allocations**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**

**NP**

Schedule LMM-1

**History of Staff's Position Regarding**

**GMO's Capacity Additions Since 2000**

In 2000, Aquila, Inc. ("Aquila") entered into a five-year purchased power agreement ("PPA") to obtain capacity and energy from the exempt wholesale generator Aries Plant owned by Aquila Merchant and Calpine. At the time when Aquila was planning to replace the power and energy provided through this agreement, Aquila met with Staff and the Office of the Public Counsel twice a year to update them on Aquila's resource needs and plans to meet those needs. The only information given to Staff at those meetings was Aquila's presentation material. Staff provided feedback based on the presentation materials and statements made during the presentations. Staff did not do a formal or informal review of the resource plan updates presented at the meetings. Sometimes, if Staff felt that it was warranted, Staff would respond to Aquila after a meeting by a letter expressing its concerns.

Aquila issued a Request For Proposals ("RFP") in the spring of 2001 for capacity for the delivery of energy in June 2005. The proposals Aquila received included purchased power offers respecting merchant coal, combustion turbine ("CT") and combined cycle ("CC") plants. However, the electric industry changed considerably when Aquila was reviewing the proposals in 2002, so at the urging of Staff, Aquila reissued the RFP in early 2003. At the June 26, 2003 resource planning update meeting with Staff and Office of Public Counsel, Aquila presented the results of its analysis of the bids it received from this second RFP. Included in the responses were proposals for wind, coal, CTs, and CCs. All of the proposals except one were purchased power

agreements. Aquila reviewed the bids and then contacted neighboring utilities to see what other supply options might be available. All of the proposals, including available capacity that Aquila learned of from talking with neighboring utilities, were evaluated against the option of Aquila building a CT/CC plant.

At this June 26, 2003 meeting, Aquila told Staff that an "undisclosed" bidder had offered it an excellent bid for 600 MW, but Aquila could not tell Staff much about the bid at that time. Because this would be more than enough to cover its needs, Aquila felt that no other capacity was needed. Staff filed rebuttal testimony on September 10, 2003 in EF-2003-0465 stating its concerns regarding Aquila's need to replace the Aries contract. Staff learned in a data request response from Aquila in this case that this bid withdrawn and a substitute proposal was not offered to Aquila.

On January 27, 2004, Aquila again met with Staff, this time not in a resource planning meeting, but in a meeting to let Staff know about Aquila's power supply acquisition process for the next five years. In this meeting, Aquila's preferred/proposed resource plan over the short term was to build three combustion turbines and to enter into three-to-five year PPAs based off of the bids to the 2003 RFP. Staff was concerned regarding the short-term nature of Aquila's preferred/proposed plan, so three days later on January 30, 2004, Staff responded with a letter to Mr. Dennis Williams of Aquila in which Staff, expressed its concern regarding Aquila's short-sightedness. Staff also explained in the letter that it was Staff's belief that Aquila needed to be looking at base-load generation because Aquila should not become overly dependent upon short-term PPAs.

Aquila met with Staff on February 9, 2004 to provide its semi-annual resource update. This update, which took into consideration events over a twenty-year time horizon, showed that Aquila's least cost plan was to build five 105 MW CTs in 2005 and to purchase a small amount of capacity on the market in 2005. Then, between 2005 and 2009, Aquila would meet its growth through purchases on the market; build a CT in 2009 and another in 2010. It also called for Aquila to pursue base load capacity for 2010. Aquila's preferred plan differed from the least cost plan only in that instead of building five 105 MW CTs in 2005, Aquila would build three 105 MW CTs in 2005 and enter into a 200 MW PPA in 2005.

At the next semi-annual update on July 9, 2004, Aquila still showed that the five 105 MW CTs plan was least cost; however the three 105 MW CTs with PPAs was still its preferred plan. Aquila had found a very good 75 MW PPA with Nebraska Public Power District ("NPPD"), but it was still pursuing the other PPAs upon which it had received bids. At subsequent resource planning update meetings Aquila provided updates on the three 105 MW CTs and Aquila's pursuit of PPAs. Other than the 75 MW PPA with NPPD, Aquila was unable to enter into a PPA of more than a few months duration.

Aquila followed its preferred plan by building three 105 MW CTs at its South Harper site near the City of Peculiar and entering into a short-term purchased-power contract for power {capacity and/or energy} from another plant owned by Aquila Merchant - the 300 MW Crossroads plant in Mississippi - to meet its capacity needs for 2005.

In Aquila's first general electric rate increase case after the expiration of the Aries PPA, Case No. ER-2005-0436, Staff asserted that, given the information available to

Aquila from its resource planning process when Aquila decided how it would replace the power it was obtaining through the Aries capacity contract, Aquila should have built five 105 MW CTs. In that case, it was Staff's position that utilities should carefully do risk and contingency analysis of their resource plans and chose a resource plan that is robust across many scenarios of possible future events. That is still Staff's position. Prudently building and owning generation, whether it is base load, intermediate or peaking, provides price stability for Missouri consumers. PPAs are useful tools and are typically less expensive than building generation in the short-term, but they should not be relied upon as long-term solutions to capacity needs in the planning process without a firm long-term contract in hand. It was Staff position that, instead of relying on short-term PPAs, Aquila should have had five 105 MW CTs built by 2005 and that it then would have had that capacity available to serve its customers for the next thirty years.

This was the first case, Case No. ER-2005-0436, where, in lieu of costs based on Aquila's three 105 MW CTs South Harper power plant and a purchased power agreement, Staff included the costs of a new site with five installed 105 MW CTs in its case to approximate a self-build option for MPS. At that time there was ongoing litigation involving the South Harper power plant, so Aquila was again using short-term purchased power contracts to meet its capacity needs. The parties in Case No. ER-2005-0436 entered into a Stipulation and Agreement regarding fuel and purchased power expenses. The Stipulation and Agreement was silent regarding how Aquila should meet its capacity requirements.

In Aquila's next rate increase case, Case No. ER-2007-0004, Aquila was still relying on the three 105 MW CTs at South Harper and short-term PPA. Due to Aquila's



continued litigation regarding the South Harper power plant, in this case Staff took the position that Aquila should have built five 105 MW CTs in 2005 to meet its capacity and energy needs, which was consistent with Staff's position in Aquila's preceding rate case. In this case Staff and other parties entered into another Stipulation and Agreement regarding fuel and purchased power expenses that was silent on how Aquila should meet its capacity requirements.

Staff's position remained that Aquila should have built five 105 MW CTs early enough to meet its capacity needs in 2005. In 2008, Section 393.171 RSMo. was passed which allowed the Commission to grant Aquila a certificate of convenience and necessity ("CCN") for South Harper and the substation associated with it. The Commission granted Aquila a CCN for South Harper and the substation effective March 28, 2009 in Case No. EA-2009-0118.

Aquila obtained this CCN during the pendency its next rate increase case (Case No. ER-2009-0090). By that time Great Plains Energy had acquired Aquila and had renamed it KCP&L – Greater Missouri Operations Company ("GMO"). Once the legal issues surrounding South Harper were resolved and the Commission had granted Aquila a CCN for South Harper, Staff's position changed and Staff included the capacity and running costs of the three 105 MW CTs at South Harper in its cost of service determination for GMO, but Staff maintained its position that Aquila should have built five 105 CTs in 2005, not three. Again, in Case No. ER-2009-0090, Staff and other parties entered into another Non-Unanimous Stipulation and Agreement regarding fuel and purchased power expense which was silent on how GMO should meet its capacity requirements.

As a part of this Non-Unanimous Stipulation and Agreement filed on May 22, 2009 in Case No. ER-2009-0090, GMO did agree to provide an analysis to be conducted by GMO regarding the Crossroads units and capacity additions for the Company. GMO provided this analysis to Staff and parties on May 31, 2010. This study was based on adding capacity at 2009 costs and included the generic CTs at 2009 costs. However, the time GMO needed capacity was the summer peak season of 2005, at the same time as when the Aries PPA expired. Aquila's least cost plan was to build five CTs instead of the three Aquila built at South Harper to be in service during summer of 2005. So GMO's analysis provided to Staff on May 31, 2010, was not useful for determining the prudence of Aquila's actions in 2005.

*Staff Expert: Lena M. Mantle*

**SCHEDULE LMM-2**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**NP**

Schedule LMM-3

**Background of Separate MPS and L&P Rates**

Currently the bill of a residential customer using the Company's average kWh usage on MPS's residential rates is approximately 19% higher than that of a residential customer using the same kWh on L&P's residential rate. The reason for the disparity in rates goes back to the merger of GMO (then known as UtiliCorp United, Inc.) and St. Joseph Light and Power Company (SJLP). The Commission's original Report and Order approving the merger went into effect on December 27, 2000. In order for the merger to not be a detriment to SJLP customers, the rates and rate structures of SJLP were maintained separate from those of GMO. Soon after the merger UtiliCorp changed its name to Aquila, Inc. Aquila kept two separate rates – one for the territory it had before the merger ("MPS") and the other for the territory it acquired from SJLP ("L&P").

The main difference between the rates of UtiliCorp United, Inc. and SJLP had to do with the type and cost of capacity each company was utilizing when they merged. This disparity has continued since the Commission approved the merger in December 2000. GMO has not worked to resolve the rate disparities since it merged with SJLP or since Great Plains Energy, Inc. ("GPE") acquired it.

At the time of the merger in 2000 L&P had a system peak of less than 400 MW, had a lot of base load capacity for a utility of its size. It owned 18% of Iatan 1 (127 MW) and was the sole owner of its Lake Road Unit 4 coal plant (99 MW). Its most recent capacity addition in 1996 was a base load, long-term purchased power agreement at a very economical price with Nebraska Public Power District ("NPPD PPA") for 100 MW through May 2011. Its base load capacity was over 80% of its peak load. Therefore,

L&P was able to meet most of its load requirements with low-cost, base load energy. This low cost energy, along with not needing to add more capacity, resulted in low rates for L&P customers.

At the time of the merger, MPS, with a peak of about 1,300 MW, more than three times the size of SJLP, was in a completely different situation. The base load capacity that it owned consisted of a portion of the Jeffery Energy Center (174 MW) and its Sibley plants (454 MW). It had a five-year purchased power agreement for 500 MW from the Aries combined cycle plant through 2005 ("Aries PPA") and an additional 383 MW of combustion turbine capacity. Less than 50% of its capacity was base load. All of its non-base load capacity, including the Aries PPA, was fueled by higher cost natural gas or oil turbines. One third of its capacity, the Aries PPA, was replaced in 2005 with combustion turbines. As a result, MPS's rates were much higher than those of L&P.

Schedule LMM-4

**Allocation of Fuel Cost Between MPS and L&P**

After GMO (then named UtiliCorp) merged with St. Joseph Light & Power Company, GMO began jointly dispatching L&P's and MPS's units to economically meet the combined energy requirements of L&P and MPS. No distinction was made as to what generating unit was serving what load. However, since L&P and MPS had separate and distinct rate schedules, the costs from this dispatch had to be allocated to MPS and L&P for ratemaking purposes based on the capacity owned and the PPAs entered into by each before the merger.

GMO also began doing resource planning for MPS and L&P. However, it was apparent that the resource needs of MPS and L&P were quite different. While L&P was set through at least 2010 when its NPPD PPA would end, MPS would need capacity as soon as 2005 when its Aries PPA ended.

Schedule LMM-1 gives a history of GMO's efforts to acquire capacity to replace its Aries PPA from about 2000 forward. During this period it went through two name changes. About 2000 GMO was named UtiliCorp United, Inc. Later it changed its name to Aquila, Inc. ("Aquila") and, after GPE acquired it, it changed its name once more to KCP&L-Greater Missouri Operations Company ("GMO").

While all of this was happening, L&P's generation resources continued to provide low-cost energy. Because it was obvious that L&P did not need additional capacity, the capital costs of the L&P and MPS generation was fairly easily assigned to them for ratemaking purposes. The allocation of fuel and purchased power costs between MPS and L&P was determined for rate increase cases Case Nos. ER-2005-0436 and ER-2007-

0004 through fuel models. The transfer of energy between the two was done at cost. Because of difficulties with GMO's allocation of fuel costs between rate cases, the Commission in Case No. ER-2007-0004, approved a Non-unanimous Stipulation and Agreement where the parties agreed to use a fixed allocation factor to allocate fuel costs between MPS and L&P until GMO's next rate case. In addition, GMO agreed that it would begin working with the parties to determine how the joint dispatch of fuel and purchased power would be allocated in its next general rate increase or rate complaint case. Staff talked with GMO regarding its allocation methodology before that next rate case, but Staff and GMO did not agree to a methodology. As Great Plains Energy ("GPE") began the process of acquiring GMO, then named Aquila, GMO put very little effort and time into working out a methodology for allocating fuel costs.

In its next rate case, Case No. ER-2009-0090, GMO again proposed in its direct testimony that the parties to the case work out a method of allocating fuel costs between MPS and L&P. However, no meetings were set by GMO and no methodologies were proposed. So Staff proposed such a methodology in its direct case. Staff worked with the parties during settlement talks to develop a methodology that was fair and that parties could agree to. The Commission approved the Non-Unanimous Stipulation and Agreement that contained a description of the methodology. The agreement stated:

**11. Allocation of off-system sales and Staff's methodology for fuel and purchased power allocations between MPS and L&P**

The methodology set out in attached Schedule 3, which includes Staff's methodology described at pages 75-80 of the *Staff Report, Cost of Service* filed in Case No. ER-2009-0090 on February 13, 2009 in the section labeled 5. *Allocation of Fuel and Purchased Power Costs*, shall be used to allocate off-system sales, fuel expenses and purchased power expenses between MPS and L&P.

Integral to this methodology is the assignment of power plants to either MPS or L&P. Low cost plants are dispatched first. It was expected (and still is expected) that Iatan 2 will have the lowest cost of generation for GMO. Therefore, to continue using this fuel and purchased power allocation methodology, rather than being assigned to MPS or L&P, Iatan 2 needs to be allocated between MPS and L&P.





**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 6  
Relevant Pages of  
Energy Efficiency Advisory  
Group's Status Report**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**

**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:** KCP&L Greater Missouri Operations Company (GMO)

**Name and Description:** GMO Advisory Group provides suggestions and advice to the Company on DSM programs selection and other issues with a funding goal of one percent of annual revenues to implement cost-effective energy efficiency programs by 2010 as ordered and approved in stipulation and agreements in File Nos. ER-2007-0004 and EO-2007-0298

**Meetings:** Combined GMO Advisory Group and Kansas City Power & Light Company (KCPL) Customer Programs Advisory Group (CPAG) meetings are held every 2-3 months alternating meetings in person in Jefferson City and via teleconference

**Participants:**

- Regular: GMO, Staff, OPC, MDNR, Empire Electric District
- Occasional: Praxair, Inc., MIEC
- Consultants: n/a

**Programs Summaries:** See Attachment C.

**Effectiveness of Participants:** GMO 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:** GMO had limited demand-side programs prior to its acquisition by Great Plains Energy. However, since its acquisition by Great Plains Energy, demand-side programs consistent with KCPL's programs have been successfully implemented in the GMO service territory. Having combined GMO Advisory Group and KCPL CPAG meetings has proven to be a very efficient and effective way for stakeholders to provide advice on all KCPL and GMO demand-side programs.

**Challenges:** GMO is still learning about its customers' behavior toward and preferences for demand-side programs.

**Summary comments:** Through 6/30/2010 the budget for all GMO demand-side programs is \$12,036,668 and the actual expenditures for this period are \$10,564,587 or 12% less than budget.

**SCHEDULE JAR 1-2**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

Schedule JAR 1-2

**NP**

To aid in its FAC tariff, prudence and true-up reviews, Staff recommends that the Commission order GMO to continue to provide or make available the information and documents described in item 18. c. of the Non-Unanimous Stipulation and Agreement in GMO's 2009 rate case File No. ER-2009-0090:

1. As part of the information GMO submits when it files a tariff modification to change its CAF, GMO's calculation of the interest included in the proposed CAF;
2. In addition to the monthly reports required by 4 CSR 240-3.161(5), GMO's Southwest Power Pool ("SPP") Energy Imbalance Service ("EIS") market settlements and revenue neutrality uplift charges;
3. At GMO's corporate headquarters or at some other mutually agreed upon place within a mutually agreed upon time for review, a copy of each and every coal and transportation contract GMO has that is in effect;
4. Within 30 days of the effective date of each and every coal and transportation contract GMO enters into, both notice to the Staff of the contract and, at GMO's corporate headquarters or at some other mutually agreed upon place, the contracts for review;
5. At GMO's corporate headquarters or at some other mutually agreed upon place within a mutually agreed upon time, a copy for review of each and every natural gas contract GMO has that is in effect;
6. Within 30 days of the effective date of each and every natural gas contract GMO enters into, both notice to the Staff of the contract and at GMO's corporate headquarters or at some other mutually agreed upon place a copy of the contract for review;
7. A copy of each and every GMO hedging policy that is in effect for Staff to retain;
8. Within 30 days of any change in a GMO hedging policy, a copy of the changed hedging policy for Staff to retain;

9. A copy of GMO's internal policy for participating in the SPP EIS market including any GMO sales/purchases from that market for Staff to retain;
10. If GMO revises any internal policy for participating in the SPP EIS market, within 30 days of that revision, a copy of the revised policy with the revisions identified for Staff to retain; and
11. In addition to supplying the information required by 4 CSR 240-3.190(3) for any accidents occurring at a power plant involving serious physical injury or death or property damage in excess of \$100,000, the information for every incident at a power plant in which GMO has any ownership interest that involves serious physical injury or death or property damage in excess of \$100,000 in the aggregate.

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 7  
GMO Customer Program Expenditures**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**

**NP**

**SCHEDULE 1**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**NP**

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 8  
Support for Transmission Tracker Testimony**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**





Worksheet A-1 Revenue Credits							Page 1 of 2		
KCP&L Greater Missouri Operations Company									
							Total Company	Transmission	
								Transmission	
11.	<b>Rent from Electric Property, Account 454</b>								
2	Account 4540001 - Other Rev -Rent Electric Property						\$ 1,229,253	\$ 980,344	\$ 248,909
3	Transmission:								
4	Farm Land Rental						-		
5	Rental From Cell Phone Attachers						-		
6	Equipment / Facilities Rental						149,346		
7	Rental Substation Property -Cell Towers						99,563		
8	Other Rental						-		
9	Total Transmission:							\$ 248,909	
10	(Revenue related to transmission facilities for pole attachments, rentals, etc. Provide data sources and explanations in Section V, Notes below.)								
11									
12	<b>Other Operating Revenues To Reduce Revenue Requirement</b>								\$ 1,378,877
13									
14	<b>III. Revenues from Transmission of Electricity for Others, Account 456.1</b>								\$ 6,259,569
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								-
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							470,819	
23	Network Service Revenue (Schedule 9) Associated With Load Included in the Divisor							496,903	
24	Revenue Associated with Transmission Plant Excluded From SPP Tariff								-
25	Wholesale Distribution Revenue								-
26	Schedule 1 Revenue		Point-to-Point Subtotal:			\$ 553,237	553,237		
27	Schedule 2 Revenue						101,127		
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)							(368,015)	
34	Other								-
35									
36	Total Adjustments								\$ 1,254,071
37	Net 456.1 Account Activity								\$ 5,005,497
38									
39	<b>IV. Total Revenue Credits to Apply to Zonal Revenue Requirement</b>								\$ 6,633,283
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) SPP and MISO charges incorrectly recorded in 456.1.								
45	(4) If long-term firm point-to-point service terminates prior to end of calendar year, the associated revenue is credited rather than including reservation in divisor.								

**ATTACHMENT H**  
**Annual Transmission Revenue Requirement For Network Integration**  
**Transmission Service**

**SECTION I: General Requirements**

- The Zonal Annual Transmission Revenue Requirement within each Zone for purposes of determining the charges under Schedule 9, Network Integration Transmission Service, is specified in Column (3) of Table 1. The Base Plan Zonal Annual Transmission Revenue Requirement used to determine the zonal charges under Schedule 11 is specified in Column (4) of Table 1. The amount of Zonal Annual Transmission Revenue Requirement and Base Plan Zonal Annual Transmission Revenue Requirement that is included in Columns (3) and (4) and reallocated to the Region-wide Annual Transmission Revenue Requirement, in accordance with Attachment J, is specified in Column (5) of Table 1.

Table 1

(1) Zone	(2)	(3) Zonal ATRR	(4) Base Plan Zonal ATRR	(5) ATRR Reallocate d to Balanced Portfolio Region- wide ATRR
1	<b>American Electric Power – West (Total)</b>	\$151,662,031	\$8,481,841	\$0
	American Electric Power (Public Service Company of Oklahoma and Southwestern Electric Power Company) See Section II.3	\$147,162,500		
	East Texas Electric Cooperative, Inc.	\$2,733,879		
	Tex-La Electric Cooperative of Texas, Inc.	\$588,874		
	Deep East Texas Electric Cooperative, Inc.	\$428,131		
	Oklahoma Municipal Power Authority	\$748,647		
2	Reserved for Future Use			
3	City Utilities of Springfield, Missouri	\$8,651,509	(\$5,500)	\$0
4	Empire District Electric Company	\$14,075,000	(\$18,001)	\$0
5	Grand River Dam Authority (Est.)	\$24,589,256	(\$92,135)	\$0
6	Kansas City Power & Light Company	\$35,461,776	\$663,128	\$0
7	<b>Oklahoma Gas &amp; Electric (Total)</b>	\$81,151,489	\$1,906,234	\$0
	Oklahoma Gas & Electric	\$81,045,221	\$1,951,309	
	Oklahoma Municipal Power Authority	\$106,268		

Issued by: Heather H. Starnes, Manager, Regulatory Policy

Issued on: January 19, 2010

Effective: January 1, 2010

8	Midwest Energy, Inc.	\$4,197,347	\$131,517	\$0
9	Aquila Networks-MPS/L&P (Total)	\$20,759,283	\$139,965	\$0
9a	Aquila Networks-MPS	\$14,059,183		
9b	Aquila Networks-L&P	\$6,700,100		
10	Southwestern Power Administration	\$9,431,500	\$0	\$0
11	Southwestern Public Service	\$91,414,185	\$927,697	\$0
12	Sunflower Electric Corporation	\$14,484,045	\$320,628	\$0
13	Western Farmers Electric Cooperative	\$20,719,639	\$429,314	\$0
14	Westar Energy, Inc. (Kansas Gas & Electric and Westar Energy)	\$115,503,530	\$11,338,432	\$0
15	Mid-Kansas Electric Cooperative (Total)	\$7,016,706	\$305,944	\$0
15a	Mid-Kansas Electric Cooperative	\$5,947,002	\$305,944	
15b	ITC Great Plains	\$1,069,704	\$0	
16	Lincoln Electric System	\$14,168,176	\$101,419	\$0
17	Nebraska Public Power District	\$46,111,083	\$13,314,707	\$0
18	Omaha Public Power District	\$35,176,688	\$1,101,878	\$0
19	Total			\$0

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Issued on: January 27, 2010

Effective: January 1, 2010

Source	Total GMO	L&P	MPS
Acct 4540001 - Rent from transmission	\$248,909	\$80,336	\$168,573
"Net Account 456.1 Activity"	\$5,005,497	\$1,615,534	\$3,389,963
	Zonal ATRR *	%	
MPS	\$14,059,183	67.72%	
L&P	\$6,700,100	32.28%	
Combined MPS and L&P revenue requirement	\$20,759,283	100.00%	

\* based on SPP Zonal Annual Transmission Revenue Requirement before the KCPL and GMO FERC Formula Rate filing

KCP&L Greater Missouri Operations Company  
 Case No. ER-2010-0356

MPS		GMO Proposed		Staff Adjustment 1	Staff Adjustment 2	As Adjusted
Account	Account Description	2009	Included in current filing			
561400	TransOp-Schd,Contr & Dis Serv	\$ 137,310	\$ 979,269			\$ 979,269
561800	Trans Op-Reli Plan&Std Dv-RTO	127,636	171,019			\$ 171,019
565000	Transm Oper-Elec Tr-By Others	3,445,095	5,711,708	(3,389,963)	(168,573)	\$ 2,153,172
565020	Trans of Electricity by Others	0	0			\$ -
565021	Transm Oper-Elec Tr-Interunit	442,050	439,778	Adjustment E-66.2	Adjustment E-66.3	\$ 439,778
565027	Transm Oper-Elec Tr-Demand	8,785,512	8,740,354			\$ 8,740,354
565030	Transm Oper-Elec Tr-OffSys	5,292	5,265			\$ 5,265
575700	Trans Op-Mkt Mon&Comp Ser-RTO	931,957	836,211			\$ 836,211
928003	Reg Comm Exp-FERC Assessmernt	335,565	344,807			\$ 344,807
<b>Total</b>		<b>\$ 14,210,417</b>	<b>\$ 17,228,411</b>			<b>\$ 13,669,875</b>

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

KCP&L Greater Missouri Operations Company  
Case No. ER-2010-0356

L&P		GMO Proposed		Staff Adjustment 1	Staff Adjustment 2	As Adjusted
Account	Account Description	2009	Included in current filing			
561400	TransOp-Schd,Contr & Dis Serv	295,720	281,483			281,483
561800	Trans Op-Reli Plan&Std Dv-RTO	39,351	49,311			49,311
565000	Transm Oper-Elec Tr-By Others	(35,466)	(35,446)	(1,615,534)	(80,336)	(1,731,316)
565020	Trans of Electricity by Others	0	0			0
565021	Transm Oper-Elec Tr-Interunit	442,050	442,050	Adjustment E-70.1	Adjustment E-70.2	442,050
565027	Transm Oper-Elec Tr-Demand	2,313,040	319,924			319,924
565030	Transm Oper-Elec Tr-OffSys	0	0			0
575700	Trans Op-Mkt Mon&Comp Ser-RTO	286,699	241,564			241,564
928003	Reg Comm Exp-FERC Assessmernt	118,314	110,162			110,162
<b>Total</b>		<b>3,459,708</b>	<b>1,409,048</b>			<b>(286,822)</b>

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  
COST OF SERVICE**

**APPENDIX 9  
Staff Recommended Depreciation Rates**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**FILE NO. ER-2010-0356**



## KCP&amp;L GREATER MISSOURI OPERATIONS COMPANY - MPS

File No. ER-2010-0356

## Proposed Depreciation Schedule AR-MPS-1

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Assigned Net Salvage %	Proposed Reserve Amortization \$	Proposed Depreciation Rate %
<b>STEAM PRODUCTION PLANT</b>						
311	Structures and Improvements	65	R2	(20)	(516,000)	1.85
312	Boiler Plant Equipment	45	R2	(30)	(1,087,000)	2.89
312.02	Boiler Plant AQC	45	R2	(30)	2,000	2.89
314	Turbogenerator Units	40	L2	(15)	(362,000)	2.87
315	Accessory Electrical Equipment	50	L1	(10)	(243,000)	2.20
316	Miscellaneous Power Plant Equipment	42	R2	(10)	(6,000)	2.69
<b>OTHER PRODUCTION PLANT (Combustion Turbines)</b>						
341	Structures & improvements	60	R1	(5)	(18,000)	1.75
342	Fuel Holder & Accessories	45	R2	(10)	(32,000)	2.44
343	Prime Movers	25	S0.5	(10)	133,000	4.40
344	Generators	35	S0.5	(5)	(212,000)	3.00
345	Accessory Electrical Equip	45	R2.5	(10)	(46,000)	2.44
346	Misc Power Plant Equipment	32	S2	0	2,000	3.13
<b>TRANSMISSION PLANT</b>						
352	Structures and Improvements	60	R3	(5)	(6,000)	1.75
353	Station Equipment	58	R2	(10)	(185,000)	1.89
354	Towers and Fixtures	55	R3	(20)	(4,000)	2.18
355	Poles and Fixtures	53	S0.5	(60)	45,000	3.02
356	Overhead Conductors	62	R2.5	(50)	(26,000)	2.42
358	Underground Conductors	50	R3	0	0	2.00
<b>DISTRIBUTION PLANT</b>						
361	Structures and Improvements	60	R3	(5)	(3,000)	1.75
362	Station Equipment	50	R1	(10)	(241,000)	2.20
364	Poles, Towers and Fixtures	47	R4	(75)	693,000	3.73
365	Overhead Conductors	58	R1.5	(35)	(110,000)	2.32
366	Underground Conduit	60	S1.5	(20)	6,000	2.00
367	Underground Conductors	50	S1.5	(15)	(119,000)	2.30
368	Line Transformers	35	R2	(15)	(193,000)	3.29
369.01	Services - Overhead	57	R4	(100)	(33,000)	3.50
369.02	Services - Underground	38	R5	(25)	(93,000)	3.29
370	Meters	45	R2.5	(5)	(134,000)	2.33
370.01	Meters - Load Research	16	S4	0	(127,000)	6.25
371	Installations on Customer Prop	29	R1.5	(20)	(178,000)	4.14
373	Street Lighting, Signal Systems	26	S0	(5)	5,000	3.98

KCP&L GREATER MISSOURI OPERATIONS COMPANY - MPS

File No. ER-2010-0356

**Proposed Depreciation Schedule AR-MPS-1**

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Assigned Net Salvage %	Proposed Reserve Amortization \$	Proposed Depreciation Rate %
<b>GENERAL PLANT</b>						
390	Structures and Improvements	45	R2.5	(10)	85,000	2.44
391.01	Office Furniture and Equipment	*Current Ordered rate		0		4.17
391.02	Computer Equipment	*Current Ordered rate		0		12.50
391.04	Software	*Current Ordered rate		0		11.11
Transportation Equipment						
392	Autos	9	S3	10	(5,000)	10.00
392.01	Light Trucks	9	S3	10	43,000	10.00
392.02	Heavy Trucks	12	L3	10	247,000	7.50
392.04	Trailers	17	R2	10	(32,500)	5.29
392.05	Medium Trucks	10	S3	10	94,500	9.00
393	Stores Equipment	*Current Ordered rate		0		3.70
394	Tools, Shop & Garage Equip	*Current Ordered rate		0		3.68
395	Laboratory Equipment	*Current Ordered rate		0		3.43
396	Power Operated Equipment	22	S1.5	10	(76,000)	4.07
397	Communications Equipment	*Current Ordered rate		0		3.70
398	Miscellaneous Equip	*Current Ordered rate		0		5.00
*Current Ordered Rate Case ER-2005-0436						
TOTAL AMORTIZATION					(769,000)	
Composite Depreciation Rate With Amortization						2.82 %
Composite Depreciation Rate With No Amortization						2.98

## KCP&amp;L GREATER MISSOURI OPERATIONS COMPANY - MPS

File No. ER-2010-0356

## Excess Calculated Accumulated Depreciation Reserves Schedule AR-MPS-2

USOA Account	Sub Account	ASL Yrs	Survivor Curve Type	Net Salvage Percent	Original Cost AS OF 31-Dec-08	Book Reserves AS OF 31-Dec-08	Calculated Reserves AS OF 31-Dec-08	Excess (+) Reserves AS OF 31-Dec-08
<b>STEAM PRODUCTION PLANT</b>								
311	Structures and Improvements	65	R2	(20)	58,200,429	42,268,735	20,844,532	21,424,203
312	Boiler Plant Equipment	45	R2	(30)	223,936,382	127,464,455	101,316,449	26,148,006
312.02	Boiler Plant AQC	45	R2	(30)	4,417,482	448,357	547,884	-99,527
314	Turbgenerator Units	40	L2	(15)	78,145,844	39,164,411	29,828,126	9,336,285
315	Accessory Electrical Equipment	50	L1	(10)	24,070,104	15,504,736	7,931,639	7,573,097
316	Miscellaneous Power Plant Equipment	42	R2	(10)	2,960,950	1,000,376	863,901	136,475
<b>OTHER PRODUCTION PLANT (Combustion Turbines)</b>								
341	Structures & improvements	60	R1	(5)	22,959,536	2,597,444	1,683,110	914,334
342	Fuel Holder & Accessories	45	R2	(10)	11,177,222	2,437,987	1,328,489	1,109,498
343	Prime Movers	25	S0.5	(10)	183,240,829	35,938,875	38,584,496	-2,645,621
344	Generators	35	S0.5	(5)	55,020,972	15,179,796	9,926,098	5,253,698
345	Accessory Electrical Equip	45	R2.5	(10)	39,783,366	6,855,754	5,250,978	1,604,776
346	Misc Power Plant Equipment	32	S2	0	316,494,882	63,807,748	57,635,197	6,172,551
<b>TRANSMISSION PLANT</b>								
352	Structures and Improvements	60	R3	(5)	6,462,751	1,540,738	1,337,866	202,872
353	Station Equipment	58	R2	(10)	96,919,975	30,543,466	23,986,158	6,557,308
354	Towers and Fixtures	55	R3	(20)	323,639	303,142	227,502	75,640
355	Poles and Fixtures	53	S0.5	(60)	69,877,253	21,336,995	22,887,956	-1,550,961
356	Overhead Conductors	62	R2.5	(50)	47,022,676	20,748,537	19,831,336	917,201
358	Underground Conductors	50	R3	0	58,426	48,256	31,915	16,341
<b>DISTRIBUTION PLANT</b>								
361	Structures and Improvements	60	R3	(5)	8,505,443	1,763,812	1,655,732	108,080
362	Station Equipment	50	R1	(10)	103,534,352	28,024,413	20,448,377	7,576,036
364	Poles, Towers and Fixtures	47	R4	(75)	133,789,716	65,836,039	78,195,782	-12,359,743
365	Overhead Conductors	58	R1.5	(35)	93,221,154	29,438,481	25,512,838	3,925,643
366	Underground Conduit	60	S1.5	(20)	40,508,133	7,386,890	7,728,112	-341,222
367	Underground Conductors	50	S1.5	(15)	96,716,739	29,503,991	25,761,824	3,742,167
368	Line Transformers	35	R2	(15)	147,755,521	53,233,448	50,206,216	3,027,232
369.01	Services - Overhead	57	R4	(100)	14,275,016	11,720,933	11,023,407	697,526
369.02	Services - Underground	38	R5	(25)	49,539,256	23,913,724	22,612,301	1,301,423
370	Meters	45	R2.5	(5)	25,444,958	12,483,829	10,180,469	2,303,360
370.01	Meters - Load Research	16	S4	0	2,038,114	2,270,641	1,730,905	539,736
371	Installations on Customer Prop	29	R1.5	(20)	14,357,916	8,248,716	5,469,665	2,779,051
373	Street Lighting, Signal Systems	26	S0	(5)	27,734,720	8,343,381	8,436,756	-93,375

Schedule AR - MPS - 2

KCP&L GREATER MISSOURI OPERATIONS COMPANY - MPS

File No. ER-2010-0356

Excess Calculated Accumulated Depreciation Reserves Schedule AR-MPS-2

USOA Account	Sub Account	ASL Yrs	Survivor Curve Type	Net Salvage Percent	Original Cost AS OF 31-Dec-08	Book Reserves AS OF 31-Dec-08	Calculated Reserves AS OF 31-Dec-08	Excess (+) Reserves AS OF 31-Dec-08
<b>GENERAL PLANT</b>								
390	Structures and Improvements	45	R2.5	(10)	13,830,268	3,663,174	5,740,867	-2,077,693
391.01	Office Furniture and Equipment	*Current Ordered rate		0	1,974,217	1,485,836		
391.02	Computer Equipment	*Current Ordered rate		0	2,497,767	1,762,837		
391.04	Software	*Current Ordered rate		0	697,058	312,646		
Transportation Equipment								
392	Autos	9	S3	10	140,137	73,432	59,919	13,513
392.01	Light Trucks	9	S3	10	804,790	65,439	187,927	-122,488
392.02	Heavy Trucks	12	L3	10	4,882,974	718,829	1,765,285	-1,046,456
392.04	Trailers	17	R2	10	628,347	554,000	308,199	245,801
392.05	Medium Trucks	10	S3	10	5,154,708	410,004	892,139	-482,135
	Total Transportation Equip				11,610,956	1,821,704	3,213,469	-1,391,765
393	Stores Equipment	*Current Ordered rate		0	99,697	87,232		
394	Tools, Shop & Garage Equip	*Current Ordered rate		0	4,372,747	2,600,590		
395	Laboratory Equipment	*Current Ordered rate		0	2,062,302	1,477,566		
396	Power Operated Equipment	22	S1.5	10	4,054,205	2,273,403	1,578,660	694,743
397	Communications Equipment	*Current Ordered rate		0	10,202,135	7,810,569		
398	Miscellaneous Equip	*Current Ordered rate		0	168,338	0		
*Current Ordered Rate Case ER-2005-0436								
TOTAL Electrical Plant					2,061,674,402	734,475,367	626,752,481	92,185,610
						36% Reserves as % of Plant		
						17% Excess Book Reserves		

KCP&L GREATER MISSOURI OPERATIONS COMPANY - MPS

File No. ER-2010-0356

**Case Analysis Depreciation Accrual Comparison Summary Schedule AR-MPS-3  
Annual Depreciation Accruals (expense)**

This table is for end of 2008 plant balances.

MPS Plant Account Group	*Current Ordered Dep. Rates Mass P & WL		Staff Case A Mass P & WL With Amortizations		Staff Case B Mass P & WL Traditional		Staff Case C Lf Span Steam Remaining Life Term Sal = 0%		Staff Case D Lf Span Steam Remaining Life Term Sal = -12%	
	ACCRUAL	%	ACCRUAL	%	ACCRUAL	%	ACCRUAL	%	ACCRUAL	%
Steam Production	8,501,443	2.17	8,314,040	2.12	10,789,274	2.75	10,277,876	2.62	10,816,369	2.76
Amortization			(2,212,000)							
Other (Comb Turbines)	12,939,647	4.09	11,312,420	3.57	11,485,420	3.63	11,324,818	3.58	11,324,481	3.58
Amortization			(173,000)							
Total Production	21,441,090	3.03	19,626,460	2.77	22,274,694	3.15	21,602,694	3.05	22,140,850	3.13
Transmission	4,911,680	2.23	5,025,351	2.28	5,201,351	2.36	5,027,347	2.28	5,027,347	2.28
Amortization			(176,000)							
Distribution	22,023,612	2.91	21,496,469	2.84	22,023,469	2.91	21,491,525	2.84	21,491,525	2.84
Amortization			(527,000)							
General	2,940,855	5.70	2,909,571	5.64	2,555,060	4.95	2,909,571	5.64	2,909,399	5.64
Amortization			356,000							
Total Plant Amortization	51,317,237	2.95	49,057,851	2.82	52,054,574	3.00	51,031,137	2.93	51,569,121	2.97
			(2,732,000)							

Staff Recommends Case A Depreciation rates and Reserve Amortization

Total Amortization = (2,732,000)

Company currently has approximately \$92,000,000 (17%) in excess reserves.

\*Current Dep. Rates From Case No. ER-2005-0436 order

## KCP&amp;L GREATER MISSOURI OPERATIONS COMPANY

File No. ER-2010-0356

## Proposed Depreciation Schedule AR-L&amp;P-1

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Assigned Net Salvage %	Proposed Reserve Amortization \$	Proposed Depreciation Rate %
<b>STEAM PRODUCTION PLANT</b>						
311	Structures and Improvements	65	R2	(30)	-52,000	2.00
312	Boiler Plant Equipment	50	R1	(20)	-936,000	2.40
312.02	Boiler Plant AQC	40	R2.5	(20)	-54,000	3.00
314	Turbogenerator Units	45	S2	(20)	-160,000	2.66
315	Accessory Electrical Equipment	45	L1	(10)	-127,000	2.44
316	Miscellaneous Power Plant Equipment	26	L1.5	(10)	-19,000	4.24
<b>OTHER PRODUCTION PLANT (Combustion Turbines)</b>						
341	Structures & improvements	50	R5	(5)	-25,000	2.10
342	Fuel Holder & Accessories	40	S3	(10)	-14,000	2.75
343	Prime Movers	55	R1	(10)	-208,000	2.00
344	Generators	50	R2.5	(10)	-64,000	2.20
345	Accessory Electrical Equip	45	R4	(5)	-12,000	2.33
<b>TRANSMISSION PLANT</b>						
352	Structures and Improvements	60	R4	(5)	-2,250	1.75
353	Station Equipment	36	R2	(5)	-70,500	2.92
355	Poles and Fixtures	60	R2	(40)	-110,800	2.34
356	Overhead Conductors	60	R2	(15)	-84,750	1.92
356	Underground Conduit	60	R3	0	0	1.67
358	Underground Conductors	50	S3	0	-600	2.00
<b>DISTRIBUTION PLANT</b>						
361	Structures and Improvements	50	R3	(10)	1,250	2.18
362	Station Equipment	50	R2.5	(10)	-200,750	2.20
364	Poles, Towers and Fixtures	52	S2.5	(80)	89,800	3.46
365	Overhead Conductors	55	R1	(25)	-90,700	2.27
366	Underground Conduit	65	R3	(35)	4,600	2.08
367	Underground Conductors	55	R2	(5)	-23,100	1.91
368	Line Transformers	45	R2.5	(10)	-321,650	2.44
369.01	Services Overhead	57	R4	(100)	25,500	3.50
369.02	Services Underground	40	S4	(15)	-33,100	2.88
370	Meters	50	S1.5	(5)	-75,650	2.10
371	Installations on Customer Prop	26	O1	(10)	-57,000	4.20
373	Street Lighting, Signal Systems	35	R0.5	(5)	-48,100	3.00
<b>GENERAL PLANT</b>						
390	Structures and Improvements	45	R1.5	0	49,000	2.44
391.01	Office Furniture and Equipment				*Current Ordered Rate	4.17
391.02	Computer Equipment				*Current Ordered Rate	12.50
391.04	Software				*Current Ordered Rate	11.11
391.06	Office Machines				*Current Ordered Rate	4.17
392.00	Autos	7	S4	15	0	12.15
392.01	Light Trucks	10	S4	15	-2,000	8.50
392.02	Heavy Trucks	12	L3	15	-39,000	6.93
392.04	Trailers	25	R3	15	-10,500	3.39
392.05	Medium Trucks	11	S3	15	75,800	7.59
393	Stores Equipment				*Current Ordered Rate	3.70
394	Tools, Shop & Garage Equip				*Current Ordered Rate	3.68
395	Laboratory Equipment				*Current Ordered Rate	3.43
396	Power Operated Equipment	19	19-S1.5	10	-32,000	4.73
397	Communications Equipment				*Current Ordered Rate	3.70
398	Miscellaneous Equipment				*Current Ordered Rate	3.71
	*Current Ordered Rate Case ER-2005-0436					
<b>TOTAL AMORTIZATION</b>					-2,627,500	
Composite Depreciation Rate With Amortization					4.84	
Composite Depreciation Rate With No Amortization						5.04

## KCP&amp;L GREATER MISSOURI OPERATIONS COMPANY

File No. ER-2010-0356

## Excess Calculated Accumulated Depreciation Reserves Schedule AR-L&amp;P-2

USOA Account	Sub Account	ASL Yrs	Survivor Curve Type	Net Salvage Percent	Original Cost AS OF 31-Dec-08	Book Reserves AS OF 31-Dec-08	Calculated Reserves AS OF 31-Dec-08	Excess (+) Reserves AS OF 31-Dec-08
<b>STEAM PRODUCTION PLANT</b>								
311	Structures and Improvements	65	R2	(30)	18,759,909	8,305,154	6,250,111	2,055,043
312	Boiler Plant Equipment	50	R1	(20)	91,650,234	59,976,493	31,551,902	28,424,591
312.02	Boiler Plant AQC	40	R2.5	(20)	11,911,662	5,826,833	4,485,109	1,341,724
314	Turbogenerator Units	45	S2	(20)	26,623,035	17,118,683	14,379,727	2,738,956
315	Accessory Electrical Equipment	45	L1	(10)	11,799,218	7,121,636	3,590,158	3,531,478
316	Miscellaneous Power Plant Equipment	26	L1.5	(10)	1,983,978	841,795	607,492	234,303
<b>OTHER PRODUCTION PLANT (Combustion Turbines)</b>								
341	Structures & improvements	50	R5	(5)	1,477,027	1,288,398	828,484	459,914
342	Fuel Holder & Accessories	40	S3	(10)	627,368	627,950	480,579	147,371
343	Prime Movers	55	R1	(10)	10,957,616	11,504,657	3,396,922	8,107,735
344	Generators	50	R2.5	(10)	3,107,233	3,247,722	1,554,077	1,693,645
345	Accessory Electrical Equip	45	R4	(5)	1,149,783	841,613	605,788	235,825
<b>TRANSMISSION PLANT</b>								
352	Structures and Improvements	60	R4	(5)	384,008	190,149	116,087	74,062
353	Station Equipment	36	R2	(5)	15,332,505	6,720,220	5,659,731	1,060,489
355	Poles and Fixtures	60	R2	(40)	10,072,255	8,126,424	4,507,493	3,618,931
356	Overhead Conductors	60	R2	(15)	7,702,148	6,208,644	3,568,546	2,640,098
356	Underground Conduit	60	R3	0	16,147	4,758	4,209	549
358	Underground Conductors	50	S3	0	31,692	29,860	16,729	13,131
<b>DISTRIBUTION PLANT</b>								
361	Structures and Improvements	50	R3	(10)	2,082,463	445,764	489,872	-44,108
362	Station Equipment	50	R2.5	(10)	38,604,535	16,391,006	11,354,707	5,036,299
364	Poles, Towers and Fixtures	52	S2.5	(80)	28,969,484	14,915,602	17,026,389	-2,110,787
365	Overhead Conductors	55	R1	(25)	23,863,209	9,993,590	7,112,211	2,881,379
366	Underground Conduit	65	R3	(35)	7,710,447	1,872,709	2,063,855	-191,146
367	Underground Conductors	55	R2	(5)	17,775,560	4,674,317	3,881,894	792,423
368	Line Transformers	45	R2.5	(10)	33,858,433	18,247,623	10,606,869	7,640,754
369.01	Services Overhead	57	R4	(100)	4,634,607	3,091,212	3,552,031	-460,819
369.02	Services Underground	40	S4	(15)	10,672,615	4,556,438	4,010,152	546,286

KCP&L GREATER MISSOURI OPERATIONS COMPANY

File No. ER-2010-0356

Excess Calculated Accumulated Depreciation Reserves Schedule AR-L&P-2

USOA Account	Sub Account	ASL Yrs	Survivor Curve Type	Net Salvage Percent	Original Cost AS OF 31-Dec-08	Book Reserves AS OF 31-Dec-08	Calculated Reserves AS OF 31-Dec-08	Excess (+) Reserves AS OF 31-Dec-08
370	Meters	50	S1.5	(5)	7,488,094	4,657,347	2,772,894	1,884,453
371	Installations on Customer Prop	26	O1	(10)	4,423,065	2,043,073	1,034,563	1,008,510
373	Street Lighting, Signal Systems	35	R0.5	(5)	5,169,587	2,242,701	1,062,822	1,179,879
<b>GENERAL PLANT</b>								
390	Structures and Improvements	45	R1.5	0	6,720,211	1,785,690	2,911,571	-1,125,881
391.01	Office Furniture and Equipment	*Current Ordered Rate						
391.02	Computer Equipment	*Current Ordered Rate						
391.04	Software	*Current Ordered Rate						
391.06	Office Machines	*Current Ordered Rate						
392.00	Autos	7	S4	15	25,099	17,940	18,866	926
392.01	Light Trucks	10	S4	15	347,522	131,686	135,568	3,882
392.02	Heavy Trucks	12	L3	15	2,134,071	1,180,062	1,060,713	-119,349
392.04	Trailers	25	R3	15	308,829	313,201	159,789	-153,412
392.05	Medium Trucks	11	S3	15	1,249,791	255,763	437,530	181,767
393	Stores Equipment	*Current Ordered Rate						
394	Tools, Shop & Garage Equip	*Current Ordered Rate						
395	Laboratory Equipment	*Current Ordered Rate						
396	Power Operated Equipment	19	19-S1.5	10	1,340,214	842,691	646,787	195,904
397	Communications Equipment	*Current Ordered Rate						
398	Miscellaneous Equipment	*Current Ordered Rate						
*Current Ordered Rate Case ER-2005-0436								
TOTAL Electrical Plant					Plant	Book	Calculated (excess = +)	
					410,963,654	225,639,404	151,942,227	73,524,805
55% Reserves as % of Plant in Service								
49% Excess Reserves								



KCP&L GREATER MISSOURI OPERATIONS COMPANY

File No. ER-2010-0356

**Case Analysis Depreciation Accrual Comparison Summary Schedule AR-L&P-3  
Annual Depreciation Accruals (expense)**

This table is for end of 2008 plant balances, updated for Dec 31 2010 latan additions.

L&P Plant Account Group	*Current Ordered Dep. Rates Mass P & WL		Staff Case A Mass P & WL With Amortizations		Staff Case B Mass P & WL Traditional		Staff Case C Lf Span Steam Remaining Life Term Sal = 0%		Staff Case D Lf Span Steam Remaining Life Term Sal = -12%	
	ACCRUAL	%	ACCRUAL	%	ACCRUAL	%	ACCRUAL	%	ACCRUAL	%
Steam Production	11,483,354	2.07	11,969,868	2.16	13,084,356	2.36	11,757,160	2.12	12,874,568	2.32
Amortization			(1,348,000)							
Other (Comb Turbines)	729,369	4.21	39,572	0.23	362,572	2.09	19,631	0.11	19,631	0.11
Amortization			(323,000)							
<b>Total Production</b>	<b>12,212,723</b>	<b>2.14</b>	<b>12,009,440</b>	<b>2.10</b>	<b>13,446,928</b>	<b>2.35</b>	<b>11,776,791</b>	<b>2.06</b>	<b>12,894,199</b>	<b>2.26</b>
Transmission	830,592	2.20	683,341	1.81	952,241	2.52	635,535	1.73	635,535	1.73
Amortization			(268,900)							
Distribution	5,260,268	2.84	4,003,596	2.16	4,732,462	2.55	4,003,146	2.16	4,003,146	2.16
Amortization			(728,900)							
General	1,154,079	5.69	1,022,888	5.05	981,588	4.84	1,023,311	5.04	1,023,311	5.04
Amortization			41,300							
<b>Total Plant</b>	<b>19,457,662</b>	<b>2.39</b>	<b>17,719,265</b>	<b>2.17</b>	<b>20,113,219</b>	<b>2.47</b>	<b>17,438,783</b>	<b>2.14</b>	<b>18,556,191</b>	<b>2.28</b>
Amortization			(2,627,500)							

Staff Recommends Case A Depreciation rates and Reserve Amortization

Total Amortization = (2,627,500)

Company currently has approximately \$73,500,000 (49%) in excess reserves.

\*Current Dep. Rates From Case No. ER-2005-0436 order

KCP&L GREATER MISSOURI OPERATIONS COMPANY  
File No. ER-2010-0356

**Proposed Depreciation Schedule AR-ECORP-1**

USOA Account	Sub Account	ASL yrs	Survivor Curve Type	Assigned Net Salvage %	Proposed Reserve Amortization \$	Proposed Depreciation Rate %
<b>GENERAL PLANT</b>						
390	Structures and Improvements		*Current Ordered rate	0	NA	2.22
391.01	Office Furniture and Equipment		*Current Ordered rate	0	NA	4.17
391.02	Computer Equipment		*Current Ordered rate	0	NA	12.50
391.04	Computer Software		*Current Ordered rate	0	NA	11.11
393	Stores Equipment		Fully Depreciated Note 1	0		0.00
394	Tools, Shop & Garage Equip		*Current Ordered rate	0	NA	3.57
396	Laboratory Equipment		Fully Depreciated Note 1	0		0.00
397	Communications Equipment		*Current Ordered rate	0	NA	3.70
398	Miscellaneous Equipment		*Current Ordered rate	0	NA	4.17
	*Current Ordered Rate Case ER-2005-0436					
	TOTAL AMORTIZATION					NA
	Composite Depreciation Rate With Amortization					NA
	Composite Depreciation Rate With <b>No</b> Amortization					9.07

Note 1 This account is fully depreciated and viewed by Staff as a Dying Account.

**this table is for end of 2008 balances**

**Staff Cases A, B, C, and D used existing ordered rates for all ECORP accounts.**

**ECORP**

All ECORP General Accounts                      \$4,700,530    Depreciation expense