

Staff 6/30 EMS Run - 10 % Discount Rate for Off Balance Sheet Obligations

Line		Staff Exhibit No. 152	Total Company	Jurisdictional Allocation	Jurisdictional Adjustments	Jurisdictional Proforma
1	Additional net Assets on KCPL's balance sheet	Case No(s) 88-2006-0314		30,830,731		
2	Rate Base	Date 10-26-06 Rptr JH		1,169,611,766		
3	Net Assets supported by LTD & Equity		NA	1,200,442,497		
4	Jurisdictional Allocator for Capital			54.20%		
5	Jurisdictional Rate Base / Total Company Rate Base					
6	Total Capital	Barnes Schedule 9	2,530,901,000	1,200,442,497	-	1,200,442,497
7	Equity	Barnes Schedule 9	1,347,348,000	53.24%	639,066,403	639,066,403
8	Preferred	Barnes Schedule 9	39,000,000	1.54%	18,498,257	18,498,257
9	Long-term Debt	Barnes Schedule 9	1,144,553,000	45.22%	542,877,837	542,877,837
10	Cost of Debt	Barnes Schedule 10		6.08%		6.08%
11	Interest Expense	Line 13 * Line 14	69,588,822	33,006,973	-	33,006,973
12						
13	Retail Sales Revenue	Staff Accounting Schedule 9-1 plus Revenue Requirement	0	483,388,716	82,190,103	565,578,819
14	Other Revenue	Staff Accounting Schedule 9-1	0	88,464,140		88,464,140
15	Operating Revenue	Staff Accounting Schedule 9-1	0	571,852,856	82,190,103	654,042,959
16						
17	Operating & Maintenance Expenses	Staff Accounting Schedule 9-3 - Less Customer Deposit Interest		352,635,384		352,635,384
18	Depreciation	Staff Accounting Schedule 9-3		53,203,472		53,203,472
19	Amortization	Staff Accounting Schedule 9-3		4,421,356	82,190,103	86,611,459
20	Interest on Customer Deposits					0
21	Taxes other than income taxes	Staff Accounting Schedule 9-3		36,135,265		36,135,265
22	Federal and State income taxes	Staff Accounting Schedule 9-4		34,110,700		34,110,700
23	Gains on disposition of plant			0		0
24	Total Electric Operating Expenses	Sum of Lines 21 to 27	0	480,506,177	82,190,103	562,696,280
25						
26	Operating Income	Staff Accounting Schedule 1-1 Line 3	0	91,346,679	0	91,346,679
27	Less Interest Expense	- Line 15		(33,006,973)	-	(33,006,973)
28	Depreciation	Staff Accounting Schedule 9-3		53,203,472		53,203,472
29	Amortization	Staff Accounting Schedule 9-3		4,421,356	82,190,103	86,611,459
30	Deferred Taxes	Staff Accounting Schedule 9-4		1,346,217	(31,865,103)	(30,518,886)
31	Funds from Operations (FFO)	Sum of Lines 30 to 34		117,310,751	50,325,000	167,635,752
32						
33	Net Income	Line 30 + Line 31		58,339,706	-	58,339,706
34	Return on Equity	Line 37 / Line 11	0.0%	9.1%	0.0%	9.1%
35	Unadjusted Equity Ratio	Line 11 / Line 10	53.2%	53.2%	0.0%	53.2%

Additional financial information needed for the calculation of ratios

36	Capitalized Lease Obligations	KCPL Trial Balance accts 227100 & 243100	2,314,096	1,254,334		1,254,334
37	Short-term Debt Balance	KCPL Trial Balance accts 231xxx	82,400,000	44,664,151		44,664,151
38	Short-term Debt Interest	KCPL T.B. accts 831014, 831015, 831016	5,681,983	3,079,866		3,079,866

Adjustments made by Rating Agencies for Off-Balance Sheet Obligations

39	Debt Adjustments for Off-Balance Sheet Obligations					
40	Operating Lease Debt Equivalent	Present Value of Operating Lease Obligations discounted @ 10 %	69,938,087	37,908,203		37,908,203
41	Purchase Power Debt Equivalent	Present Value of Purchase Power Obligations discounted @ 10 %	10,876,738	5,895,634		5,895,634
42	Accounts Receivable Sale	KCPL Trial Balance account 142011	70,000,000	37,942,847		37,942,847
43	Total OBS Debt Adjustment	Sum of Lines 40 to 42	150,814,825	81,746,684	-	81,746,684
44						
45	Interest Adjustments for Off-Balance Sheet Obligations					
46	Present Value of Operating Leases	Line 50 * 10 %	6,993,609	3,790,820	-	3,790,820
47	Purchase Power Debt Equivalent	Line 51 * 10 %	1,087,674	589,563	-	589,563
48	Accounts Receivable Sale	Line 52 * 5 %	3,500,000	1,897,142	-	1,897,142
49	Total OBS Interest Adjustment	Sum of Lines 46 to 48	11,581,283	6,277,526	-	6,277,526

Ratio Calculations

50	Adjusted Interest Expense	Line 15 + Line 45 + Line 59	86,852,088	42,364,364	-	42,364,364
51	Adjusted Total Debt	Line 13 + Line 43 + Line 44 + Line 53	1,380,079,921	670,543,007	-	670,543,007
52	Adjusted Total Capital	Line 10 + Line 43 + Line 44 + Line 53	2,766,427,921	1,328,107,666	-	1,328,107,666
53						
54	FFO Interest Coverage	(Line 35 + Line 63) / Line 53	1.00	3.77	1.19	4.96
55	FFO as a % of Average Total Debt	Line 35 / Line 64	0.0%	17.5%	7.5%	25.0%
56	Total Debt to Total Capital	Line 64 / Line 65	49.9%	50.5%	0.0%	50.5%

Changes required to meet ratio targets

57	FFO Interest Coverage Target		3.80	3.80	0.00	3.80
58	FFO adjustment to meet target	(Line 73 - Line 67) * Line 63	243,185,846	1,309,469	(50,325,000)	(49,015,531)
59	Interest adjustment to meet target	Line 35 * (1 / (Line 73 - 1) - 1 / (Line 67 - 1))	#DIV/0!		#VALUE!	17,505,547
60						
61	FFO as a % of Average Total Debt Target		25%	25%	0%	25%
62	FFO adjustment to meet target	(Line 77 - Line 68) * Line 64	345,019,980	50,325,000	(50,325,000)	-
63	Debt adjustment to meet target	Line 35 * (1 / Line 77 - 1 / Line 68)	#DIV/0!	(201,300,001)	201,300,001	-
64						
65	Total Debt to Total Capital Target		51%	51%	0%	51%
66	Debt adjustment to meet target	(Line 81 - Line 69) * Line 85	30,798,319	6,791,903	-	6,791,903
67	Total Capital adjustment to meet target	Line 64 / Line 81 - Line 65	(60,398,860)	(13,317,457)	-	(13,317,457)

Amortization and Revenue needed to meet targeted ratios

68	FFO adjustment needed to meet target ratios	Maximum of Line 74, Line 78, or Zero	345,019,980	50,325,000	(50,325,000)	-
69	Effective income tax rate	Accounting Schedule 11	38.77%	38.77%	38.77%	38.77%
70	Deferred income taxes *	- Line 87 * Line 88 / (1 - Line 88)	(218,461,941)	(31,865,103)	31,865,103	-
71	Total amortization required for the FFO adjustment	Line 87 - Line 89	563,481,921	82,190,103	(82,190,103)	-
72						
73	Retail Sales Revenue Adjustment	Adjustment = Sum (Line 21 to Line 25) + Line 27 - Line 18 - Line 31 + (Line 11 * Line 38) / (1 - Line 88)		483,388,716	82,190,103	565,578,819
74	Percent increase in retail sales revenue	Line 92 Jurisdictional Adjustments / Line 92 Jurisdictional			17.0%	
* Adjusted for known and measurable changes including changes related to new plant in-service						