

Exhibit No.:

Issue: Property Insurance Allocation
After O&M Expenses

Witness/Type of Exhibit: Cox,
Direct

Sponsoring Party: Missouri Public
Service Commission

Company: Kansas City Power
and Light Company

Case No.: HC-86-139

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY DIVISION

DIRECT TESTIMONY

OF

LARRY G. COX

OFFICIAL CASE FILE
MISSOURI PUBLIC SERVICE COMMISSION

Jefferson City, Missouri
February, 1987

Exhibit No. 44
Date 4/9/87 Case No. HC-86-139
Reporter T. J. [illegible]

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the investigation)
of steam service rendered by) Case No. HO-86-139
Kansas City Power & Light Company.)

AFFIDAVIT OF LARRY G. COX

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Larry G. Cox, of lawful age, on his oath states: That he has participated in the preparation of the attached written testimony and appendices/schedules attached thereto in question and answer form, consisting of 6 pages of testimony to be presented in the above case, that the answers in the attached written testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

Larry G. Cox
Larry G. Cox

Subscribed and sworn to before me this 20th day of February, 1987.

Joyce C. Neuner
Notary Public

My Commission expires June 18, 1989.

Joyce C. Neuner, Notary Public
Osage County, State of Missouri
My Commission Expires June 18, 1989

1 PREPARED TESTIMONY

2 OF

3 LARRY G. COX

4 KANSAS CITY POWER AND LIGHT COMPANY

5 CASE NO. HO-86-139

6 Q. Please state your name and business address.

7 A. Larry G. Cox, University Towers II, 700 Eighth Street,
8 Kansas City, Missouri; 64106.

9 Q. By whom are you employed and in what capacity?

10 A. I am a Regulatory Auditor with the Missouri Public Service
11 Commission (Commission).

12 Q. Please describe your educational background.

13 A. I attended Southwest Missouri State University at
14 Springfield, Missouri and received a Bachelor of Science Degree in
15 Accounting in December, 1980.

16 Q. What has been the nature of your duties while in the employ
17 of this Commission?

18 A. I have, under the direction of the Chief Accountant, Utility
19 Division, participated in audits and examinations of the books and records
20 of public utilities with respect to proposed rate increases and compliance
21 with Commission Orders.

22 Q. Have you previously filed testimony in cases before this
23 Commission?

24 A. Yes, a list of cases in which I have previously filed
25 testimony is included as Schedule 1.

26 Q. Have you made an examination of the books and records of
27 Kansas City Power & Light Company (KCPL or Company)?

28 A. Yes, with the assistance of other Staff members.

1 Q. What were your areas of responsibility in this case?

2 A. My areas of responsibility included participating in Staff's
3 document review of Company personnel steam utility files as described in
4 Staff witness Haskamp's testimony, determining an annualized level of
5 Grand Avenue Station Non-labor, Non-fuel Operation and Maintenance (O&M)
6 expenses, and determining the proper allocation of property insurance
7 expense for steam operations. I also performed a historical financial
8 analysis of KCPL's Downtown Steam System and Missouri electric operations.

9 Q. Please describe the Accounting Adjustments on Accounting
10 Schedule 13 that you are sponsoring.

11 A. Accounting Adjustments S-3.4 and S-4.2 annualize the Grand
12 Avenue Station Non-labor, Non-fuel O&M expenses and Accounting Adjustment
13 S-7.10 annualizes property insurance expense for Grand Avenue Station.

14 Q. How were the Accounting Adjustments S-3.4 and S-4.2
15 calculated?

16 A. Staff used the actual operating results for 1986, in which
17 Grand Avenue Station was used entirely for steam heat production. Staff
18 removed coal handling and clean-up items from the expenses to recognize
19 the Station's planned gas-only operations. Water and water treatment
20 items were also adjusted to Staff's annualized production levels.

21 Q. How was Accounting Adjustment S-7.10 calculated?

22 A. Accounting Adjustment S-7.10 was calculated by allocating
23 the Company's property insurance costs to the steam operations based upon
24 the replacement value of \$17,000,000 for Grand Avenue Station as discussed
25 by Staff consultant Robert S. Miller in his prefilled direct testimony.

26 The Company purchases a single property insurance policy to
27 cover all risks to all Company property based on the insurable value
28 (replacement cost) of each property. A portion of the premium paid for

1 the policy is allocated to steam operations based on the replacement value
2 of Grand Avenue.

3 As can be seen in Schedule 2, which is a copy of the response to
4 Staff Data Information Request No. 708, the Company lists the replacement
5 cost of Grand Avenue Station as \$114,031,333. The Company uses this
6 amount for purposes of allocating property insurance costs to steam.
7 However, in Schedule 3, which is Company response to Staff Data
8 Information Request No. 709, the Company states that Grand Avenue Station
9 probably would not be replaced if lost in a catastrophic event. KCPL
10 would collect an insurance settlement based on the undepreciated original
11 cost of the plant, which was \$1,794,576 at December 31, 1986. If KCPL did
12 replace Grand Avenue Station after a catastrophic event, a plant described
13 by Staff consultant Miller should adequately meet the current load now
14 served by that plant. Therefore, for ratemaking purposes, Staff feels
15 that \$17,000,000 is an appropriate replacement cost to be used in
16 allocating property insurance premiums to steam operations.

17 Q. Please describe Schedules 4 and 5 of your testimony.

18 A. These schedules provide a perspective of the steam
19 operation's financial condition and its historic contribution to KCPL's
20 total company operations. Since KCPL is proposing to phase-out and
21 discontinue operation of Central District Heating, Staff believes it is
22 important to provide the Commission with financial information of the
23 steam utility operations. Information on the Company's Missouri electric
24 operations is presented to provide a contrast to the performance of steam
25 operations.

26 More specifically, Schedule 4 shows KCPL's income statements and
27 its investment in net plant for both its steam operations and its Missouri
28 electric operations for the years 1970 through 1986. A rate of return on

1 net plant is then computed by dividing net income (loss) by net plant.
2 Schedule 5 graphically compares the rates of return for the Central
3 District Heating System operations and the Company's Missouri electric
4 operations, the achieved steam rates of return versus authorized steam
5 rates of return, and the achieved electric rates of return versus
6 authorized electric rates of return.

7 Q. Why didn't Staff compute a rate of return based on a rate
8 base consisting of all the traditional rate base items?

9 A. It would be impractical to compute some items, such as cash
10 working capital, and extremely difficult to properly allocate other items
11 such as materials and supplies and prepayments. Further compounding the
12 problem are inconsistencies in reporting format and evolving ratemaking
13 principles including changes in allocation methodologies. Staff is
14 presenting these rates of return for illustrative purposes only and
15 considers the other items to be largely immaterial for this purpose.

16 Q. What sources did Staff use to gather the information
17 presented in Schedules 4 and 5?

18 A. Staff utilized annual reports filed with the Commission by
19 KCPL and monthly operating reports provided by KCPL.

20 Q. Please explain the adjustment made to the steam and electric
21 income statements on page 4 of Schedule 4.

22 A. These adjustments are made to both the steam and electric
23 income statement for Company-use electricity at Grand Avenue Station from
24 January, 1983 through October, 1985. No Company use electricity was
25 allocated to steam operations during this time period. This adjustment
26 assigns Grand Avenue Station KWH usage to the steam operations based on
27 the boiler plant allocator, which is the production plant allocator. This
28 adjustment attempts to assign an approximate amount of electric usage to

1 steam operations where none has been assigned. Staff knows of other items
2 which should have been allocated to steam but were not, but Staff has made
3 no adjustment for these other items because of immateriality.

4 Q. Please describe the results of Staff's analysis.

5 A. The analysis clearly shows that between 1970 and 1986,
6 KCPL's Central District Heating System operations nearly always earned a
7 significantly lower rate of return than its Missouri electric operations.
8 Further, the steam operation showed a loss for eight of the ten years from
9 1974 through 1983.

10 Q. Did the Company seek rate relief during this time frame?

11 A. Yes, the Company's rate case activity is presented in
12 Schedule 6. That schedule shows that for the period of 1970-1986 the
13 Company received 98.44% of the total amount of steam rate increases
14 requested. It received 100% of the amount it requested in six of seven
15 cases.

16 Q. Did the Company realize that it was not earning a reasonable
17 rate of return from its Central District Heating System operations?

18 A. Yes. In a 1981 KCPL study titled "A Study of the KCPL Steam
19 Heat Business" (which is included in Staff's filing as Oligschlaeger
20 Schedule 1), the Company analyzed the results of the Central District
21 Heating System operations for the years 1960 through 1980. On page 10 of
22 the study, an attached schedule is discussed in which revenues, variable
23 expenses, and fixed expenses are presented. The study notes that, "for
24 the past three years (1978-80) steam heat revenues have not covered total
25 costs. In 1980 such revenues did not even match variable costs which are
26 essential to continuing operation. These results indicate we have never
27 earned a 'reasonable return' on the steam investment." On page 11, the
28 study notes that Distribution O&M, taxes, and purchased steam have

1 increased 189% in the twenty years subsequent to 1960. These expenses
2 were believed to be largely responsible for the Central District Heating
3 System operation's deteriorated financial position, and the study
4 concludes that "these cost increases have not been offset by adequate rate
5 increases and, therefore, a 'reasonable return' has not been attained."

6 Q. Where does the fault of inadequate rate relief lie?

7 A. Clearly the problem lies with the Company. Schedule 6 is a
8 summary of KCPL steam rate case activity since 1950. It lists Company
9 Revenue Increase Requests, Staff Revenue Recommendations, and Revenue
10 Increases Granted by the Commission. As this schedule illustrates, the
11 Company consistently received all of its requested steam rate increases
12 while still showing operating losses or an inadequate return. Obviously,
13 the over-riding reason for the inadequate rate relief was a result of KCPL
14 not asking for the amounts required to put its steam operations in a
15 strong financial position. This is illustrated by the fact that the
16 Staff's filed revenue requirements were larger than the Company's in six
17 of the seven rate increases in the 1970-1985 period. In fact, for the
18 seven cases Staff's composite revenue requirement was approximately 147%
19 of the Company's requested rate increase, as can be seen in Column G of
20 Schedule 6.

21 Q. What was the source of information in Schedule 6?

22 A. Most of the information is from the Company's response to
23 Staff Data Information Request No. 344, which is included as Schedule 7.
24 Staff revenue recommendations are from the Staff's filed testimony or
25 Reports and Orders of the various cases.

26 Q. Does this conclude your direct testimony?

27 A. Yes, it does.
28

COK-DIRECT

RATE CASE PROCEEDINGS PARTICIPATION

Associated Natural Gas Company	GR-82-108
Missouri Utilities Company	ER-82-246
Missouri Utilities Company	GR-82-247
Missouri Utilities Company	WR-82-248
Citizens Electric Corporation	ER-83-61
General Telephone Company of the Midwest	TR-83-164
Missouri Telephone Company	TR-83-334
Great River Gas Company	GR-83-363
Peoples Natural Gas Company	GR-84-118
Missouri Cities Water Company	WR-84-51
Kansas City Power and Light Company	ER-85-128 & EO-85-185
ALLTEL Missouri, Inc.	TR-86-14

COK-DIRECT

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ALLTEL Missouri, Inc.	TR-86-14

ASAP COX

FEB 9 1987

No. 708

Class

Data Information Request
Kansas City Power & Light Company
Case No. HO-46-139

Requested From:

Steve Cather

Date Requested:

February 6, 1987

Information Requested:

What dollar amount of Grand Avenue
Station is covered by the Property Insurance
coverage?

Requested By:

Larry D. Cox

Information Provided:

See attached.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-46-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By:

May D. Moore

Date Received:

2-11-87

AGE 2-20-87

COX

RESPONSE TO DATA INFORMATION REQUEST 'O. 708
CASE NO. HO-86-139

The insurable value for Grand Avenue Station is \$114,031,333 and the policy limit is \$2 billion. Grand Avenue Station is covered even in the event of a total loss.

COX

ASAP

FEB 9 1987

Data Information Request
 Kansas City Power & Light Company
 Case No. HO-86-139

No. 709
 Class _____

SWE B&B
 2/1/87

Requested From:

Steve Catton

Date Requested:

February 6, 1987

Information Requested:

If Grand Avenue Station is destroyed by a catastrophic event, would KCPL replace it? If so, would KCPL discontinue its plan to phase out steam distribution? If not, why is KCPL carrying property insurance on the plant?

Requested By:

Larry D. Cox

Information Provided:

See attached response

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By:

B. Berenson 2/16/87

Date Received:

LGC 2-20-87

KANSAS CITY POWER & LIGHT COMPANY

Data Information Request No. 709

Case No. HO-86-139

Information Requested:

If Grand Avenue Station is destroyed by a catastrophic event, would KCPL replace it? If so, would KCPL discontinue its plan to phase out steam distribution? If not, why is KCPL carrying property insurance on the plant?

Information Provided:

1. If Grand Avenue steam station were destroyed by a "catastrophic" event, KCPL probably would not replace it.

In fact, KCPL's contract with National Starch contains a "force majeure" clause that terminates the agreement in the event of a catastrophe at Grand Avenue. In this event, KCPL would accelerate its plan to convert downtown steam customers to on-site steam production.

2. KCPL carries property insurance on Grand Avenue Station which in the event of destruction of Grand Avenue will provide, at KCPL's option, either replacement cost if a replacement plant is built or a sum equal to the depreciated original cost of the plant. Grand Avenue is a used and useful utility asset, and KCPL carries insurance on the plant to compensate for its loss. The insurance recovery would be available to be used by KCPL for business purposes, which could include the Downtown Steam Plan if KCPL decides against a replacement plant.

STEAM OPERATIONS	1970	1971	1972	1973	1974
<u>RATE CASE ACTIVITY</u>					CASE 17,801
REVENUES	\$1,797,983	\$1,700,064	\$1,828,730	\$1,733,586	\$1,786,694
O&M EXPENSES					
PRODUCTION	0	94,300	120,100	153,424	168,000
PURCHASED STEAM	886,683	833,826	983,860	945,601	1,046,916
DISTRIBUTION	174,897	191,172	193,180	202,770	178,059
CUSTOMER ACCTS.	14,539	15,634	15,432	10,188	48,243
SALES	699	423	292	132	424
ADMINISTRATIVE	72,485	82,761	91,230	141,598	176,530
TOTAL O&M EXPENSES	1,149,303	1,218,116	1,404,094	1,453,713	1,618,192
DEPRECIATION	80,534	82,064	83,094	83,731	112,885
TAXES	351,276	299,296	272,472	176,833	109,857
TOTAL EXPENSES	\$1,581,113	\$1,599,476	\$1,759,660	\$1,716,297	\$1,840,934
NET INCOME (LOSS)	\$216,870	\$100,588	\$69,070	\$19,289	(\$54,240)
PLANT IN SERVICE	3,500,055	3,536,004	3,586,424	3,465,326	3,473,939
DEPR. RESERVE	1,294,149	1,376,997	1,442,346	1,488,739	1,573,127
NET PLANT	\$2,205,906	\$2,159,007	\$2,144,078	\$1,976,567	\$1,900,811
RATE OF RETURN	9.83%	4.66%	3.22%	0.98%	-2.85%
AUTHORIZED RATE OF RETURN	5.35%	5.35%	5.35%	5.35%	7.86%

ELECTRIC OPERATIONS

<u>RATE CASE ACTIVITY</u>			CASE 17,419		CASE 17,903
REVENUES	\$120,060,313	\$128,946,816	\$137,988,419	\$155,696,359	\$208,137,525
O&M EXPENSES					
PRODUCTION	26,760,023	28,991,243	34,113,305	39,189,036	43,034,203
TRANSMISSION	948,848	1,037,580	913,034	993,006	856,332
DISTRIBUTION	10,151,737	10,648,940	10,953,676	12,886,287	11,795,330
CUSTOMER ACCTS.	2,946,649	3,264,982	3,463,332	4,029,486	4,686,244
CUST. SERVICE	0	0	0	0	0
SALES	1,981,532	1,981,897	1,520,939	1,294,380	702,504
ADMINISTRATIVE	7,291,337	8,102,934	9,036,404	10,282,694	11,021,832
TOTAL O&M EXPENSES	50,080,126	54,027,576	60,000,730	68,676,889	72,096,465
DEPRECIATION	12,876,492	13,407,318	14,217,512	18,476,369	20,535,005
TAXES	27,976,693	30,257,182	30,451,722	33,413,643	40,301,291
TOTAL EXPENSES	\$90,933,313	\$97,692,076	\$104,669,964	\$120,568,901	\$132,932,761
NET INCOME (LOSS)	\$29,127,000	\$31,254,740	\$33,318,455	\$35,127,458	\$75,204,764
PLANT IN SERVICE	529,448,036	533,038,690	584,228,123	696,460,143	715,711,836
DEPR. RESERVE	118,388,231	129,377,299	140,849,333	156,979,924	176,438,900
NET PLANT	\$410,859,803	\$423,681,391	\$443,378,790	\$539,480,219	\$539,272,936
RATE OF RETURN	7.09%	7.38%	7.31%	6.51%	13.95%
AUTHORIZED RATE OF RETURN	7.38%	7.38%	7.98%	7.98%	8.16%

STEAM OPERATIONS	1975	1976	1977	1978
<u>RATE CASE ACTIVITY</u>		CASE 18,463	ER-77-118	
REVENUES	\$2,505,312	\$2,866,684	\$3,497,462	\$3,912,840
O&M EXPENSES				
PRODUCTION	174,600	186,400	203,000	258,000
PURCHASED STEAM	1,549,272	1,874,548	2,056,490	2,697,831
DISTRIBUTION	234,252	268,255	299,333	300,150
CUSTOMER ACCTS.	18,277	7,811	15,333	43,627
SALES	240	0	0	0
ADMINISTRATIVE	171,430	177,149	177,090	219,247
TOTAL O&M EXPENSES	2,148,071	2,514,163	2,751,286	3,518,855
DEPRECIATION	123,795	126,257	157,801	181,115
TAXES	223,272	228,732	437,568	271,698
TOTAL EXPENSES	\$2,495,138	\$2,869,152	\$3,346,655	\$3,971,668
NET INCOME (LOSS)	\$10,374	(\$2,468)	\$150,807	(\$58,829)
PLANT IN SERVICE	3,513,662	3,777,853	4,774,515	4,896,652
DEPR. RESERVE	1,689,829	1,906,062	2,050,804	2,231,919
NET PLANT	\$1,823,833	\$1,871,791	\$2,723,711	\$2,664,733
RATE OF RETURN	0.57%	-0.13%	5.54%	-2.21%
AUTHORIZED RATE OF RETURN	7.86%	NOT SPECIFIED IN ORDER	NOT SPECIFIED IN ORDER	-----

ELECTRIC OPERATIONS

<u>RATE CASE ACTIVITY</u>		CASE 18,433	ER-77-118	
REVENUES	\$207,987,652	\$236,009,673	\$267,986,724	\$314,258,376
O&M EXPENSES				
PRODUCTION	65,219,644	75,243,946	93,634,265	116,494,464
TRANSMISSION	1,056,029	1,049,007	1,574,137	1,278,873
DISTRIBUTION	13,437,132	13,543,451	15,616,862	13,380,993
CUSTOMER ACCTS.	6,232,065	6,187,511	6,414,127	7,664,518
CUST. SERVICE	0	874,414	1,134,918	993,354
SALES	796,480	268,349	261,652	160,973
ADMINISTRATIVE	14,014,394	15,875,722	17,644,286	21,361,488
TOTAL O&M EXPENSES	100,775,744	113,042,400	136,280,247	161,334,663
DEPRECIATION	21,743,063	24,502,335	30,197,600	32,993,379
TAXES	44,808,888	52,122,567	54,411,866	64,625,675
TOTAL EXPENSES	\$167,327,695	\$189,667,302	\$220,889,713	\$258,953,717
NET INCOME (LOSS)	\$40,659,957	\$46,342,371	\$47,097,011	\$55,304,659
PLANT IN SERVICE	745,562,745	781,438,571	946,471,677	991,983,330
DEPR. RESERVE	193,086,867	213,847,084	242,323,989	273,467,238
NET PLANT	\$552,475,878	\$567,591,487	\$704,147,688	\$718,516,092
RATE OF RETURN	7.36%	8.19%	6.69%	7.69%
AUTHORIZED RATE OF RETURN	8.16%	8.43%	9.14%	9.14%

STEAM OPERATIONS	1979	1980	1981	1982
RATE CASE ACTIVITY	ER-78-252	ER-80-48	HR-81-15	HR-82-67
REVENUES	\$3,986,082	\$3,660,104	\$3,894,125	\$6,369,401
O&M EXPENSES				
PRODUCTION	253,000	294,000	336,000	377,000
PURCHASED STEAM	3,127,249	3,556,088	3,555,289	4,463,822
DISTRIBUTION	327,394	378,649	375,859	773,272
CUSTOMER ACCTS.	24,504	24,637	35,753	110,381
SALES	0	0	0	0
ADMINISTRATIVE	240,311	291,433	339,851	480,153
TOTAL O&M EXPENSES	3,972,458	4,344,809	4,642,752	6,204,628
DEPRECIATION	168,334	128,933	156,006	149,642
TAXES	127,163	(259,199)	(289,270)	193,833
TOTAL EXPENSES	\$4,267,955	\$4,214,543	\$4,489,488	\$6,548,103
NET INCOME (LOSS)	(\$281,873)	(\$554,439)	(\$595,363)	(\$178,702)
PLANT IN SERVICE	4,934,621	4,998,729	5,203,039	5,979,699
DEPR. RESERVE	2,576,580	2,557,737	2,741,110	2,760,266
NET PLANT	\$2,558,041	\$2,440,992	\$2,461,929	\$3,219,433
RATE OF RETURN	-11.02%	-22.71%	-24.18%	-5.55%
AUTHORIZED RATE OF RETURN	NOT SPECIFIED IN ORDER	NOT SPECIFIED IN ORDER	10.16%	NOT SPECIFIED IN ORDER
ELECTRIC OPERATIONS				
RATE CASE ACTIVITY	ER-78-252	ER-80-48	ER-81-42	ER-82-66
REVENUES	\$365,597,141	\$440,724,290	\$466,386,539	\$476,380,436
O&M EXPENSES				
PRODUCTION	180,567,517	159,901,098	160,622,957	183,433,865
TRANSMISSION	1,367,728	1,682,864	2,227,281	2,700,042
DISTRIBUTION	17,938,671	18,906,833	21,339,004	24,874,430
CUSTOMER ACCTS.	9,247,932	10,709,852	11,073,791	11,214,588
CUST. SERVICE	1,514,789	1,434,987	1,577,247	1,940,125
SALES	128,772	100,648	147,494	209,981
ADMINISTRATIVE	24,115,339	28,399,450	31,299,260	37,664,073
TOTAL O&M EXPENSES	234,680,748	221,133,734	228,289,034	262,039,104
DEPRECIATION	34,686,154	41,531,060	44,773,622	45,012,483
TAXES	51,615,588	90,460,433	98,012,303	91,533,488
TOTAL EXPENSES	\$320,982,490	\$353,147,229	\$371,075,161	\$398,585,075
NET INCOME (LOSS)	\$44,614,651	\$87,577,061	\$95,311,378	\$77,793,361
PLANT IN SERVICE	1,035,279,646	1,286,983,043	1,302,068,936	1,313,992,836
DEPR. RESERVE	307,834,640	347,316,620	387,264,363	414,829,263
NET PLANT	\$727,445,006	\$939,666,423	\$914,804,571	\$899,163,571
RATE OF RETURN	6.13%	9.32%	10.42%	8.63%
AUTHORIZED RATE OF RETURN	9.47%	10.16%	10.67%	11.91%

COX

STEAM OPERATIONS	1983	1984	1985	1986
RATE CASE ACT./FOOTNOTES	(A)	(A) (B)	(A) (C) (D)	
REVENUES	\$7,257,454	\$12,855,989	\$13,508,257	\$10,482,385
O&M EXPENSES				
PRODUCTION	0	0	1,956,758	7,897,383
PURCHASED STEAM	5,799,985	8,252,652	6,791,914	0
DISTRIBUTION	1,123,952	1,146,154	1,238,432	1,554,801
CUSTOMER ACCTS.	76,074	68,720	67,266	100,433
SALES	0	0	0	0
ADMINISTRATIVE	887,928	900,063	1,496,101	1,725,572
TOTAL O&M EXPENSES	7,887,959	10,367,569	11,550,471	11,278,189
DEPRECIATION	168,795	178,866	286,397	1,040,401
TAXES	(13,053)	1,476,093	1,036,678	(397,949)
TOTAL EXPENSES	\$8,043,681	\$12,022,528	\$12,873,546	\$11,920,641
NET INCOME (LOSS)	(\$786,227)	\$833,461	\$634,711	(\$1,438,256)
(A) *ADJUSTMENT	143,506	179,210	125,305	-----
*ADJ NET INC (LOSS)	(929,733)	654,251	509,406	-----
PLANT IN SERVICE	5,060,228	4,767,335	22,416,755	22,934,426
DEPR. RESERVE	2,610,157	2,789,023	16,953,045	17,987,397
NET PLANT	\$2,450,071	\$1,978,312	\$5,463,710	\$4,947,029
RATE OF RETURN	-32.09%	42.13%	11.62%	-29.07%
(A) *ADJ RATE OF RETURN	-37.95%	33.07%	9.32%	N/A
AUTHORIZED	-----	-----	-----	-----
RATE OF RETURN				

ELECTRIC OPERATIONS

RATE CASE ACT./FOOTNOTES	ER-83-49	(A)	(A) (E)	E0-85-185
	(A)			(E)
REVENUES	\$553,370,311	\$570,557,599	\$583,112,638	\$654,387,335
O&M EXPENSES				
PRODUCTION	205,251,514	196,061,561	191,017,022	185,263,260
TRANSMISSION	2,615,943	3,384,220	6,797,881	7,072,409
DISTRIBUTION	26,814,778	33,021,240	38,506,527	35,502,263
CUSTOMER ACCTS.	11,640,504	11,715,129	12,201,311	13,188,238
CUST. SERVICE	2,063,557	2,818,172	3,347,016	2,496,950
SALES	451,937	458,506	629,424	542,322
ADMINISTRATIVE	38,406,018	40,089,480	55,678,251	49,982,658
TOTAL O&M EXPENSES	287,244,251	287,548,308	308,177,432	292,048,100
DEPRECIATION	46,128,031	47,382,291	62,156,241	83,136,380
TAXES	115,053,041	123,832,786	121,413,920	131,637,904
DEFERRED M.C. EXP.	0	0	(14,343,670)	(6,903,937)
TOTAL EXPENSES	\$448,427,323	\$458,763,385	\$477,403,323	\$499,918,447
NET INCOME (LOSS)	\$104,942,988	\$111,794,214	\$105,708,715	\$154,468,888
(A) *ADJUSTMENT	(143,506)	(179,210)	(125,305)	-----
*ADJ NET INC (LOSS)	105,086,494	111,973,424	105,834,020	-----
PLANT IN SERVICE	1,336,112,409	1,325,967,076	2,808,024,485	2,873,626,306
DEPR. RESERVE	449,395,115	421,336,788	463,585,938	338,921,712
NET PLANT	\$906,717,294	\$904,610,288	\$2,342,438,547	\$2,514,704,594
RATE OF RETURN	11.57%	12.36%	4.31%	6.67%
(A) *ADJ RATE OF RETURN	11.59%	12.38%	4.52%	N/A
AUTHORIZED	12.24%	12.24%	12.24%	11.75%
RATE OF RETURN				

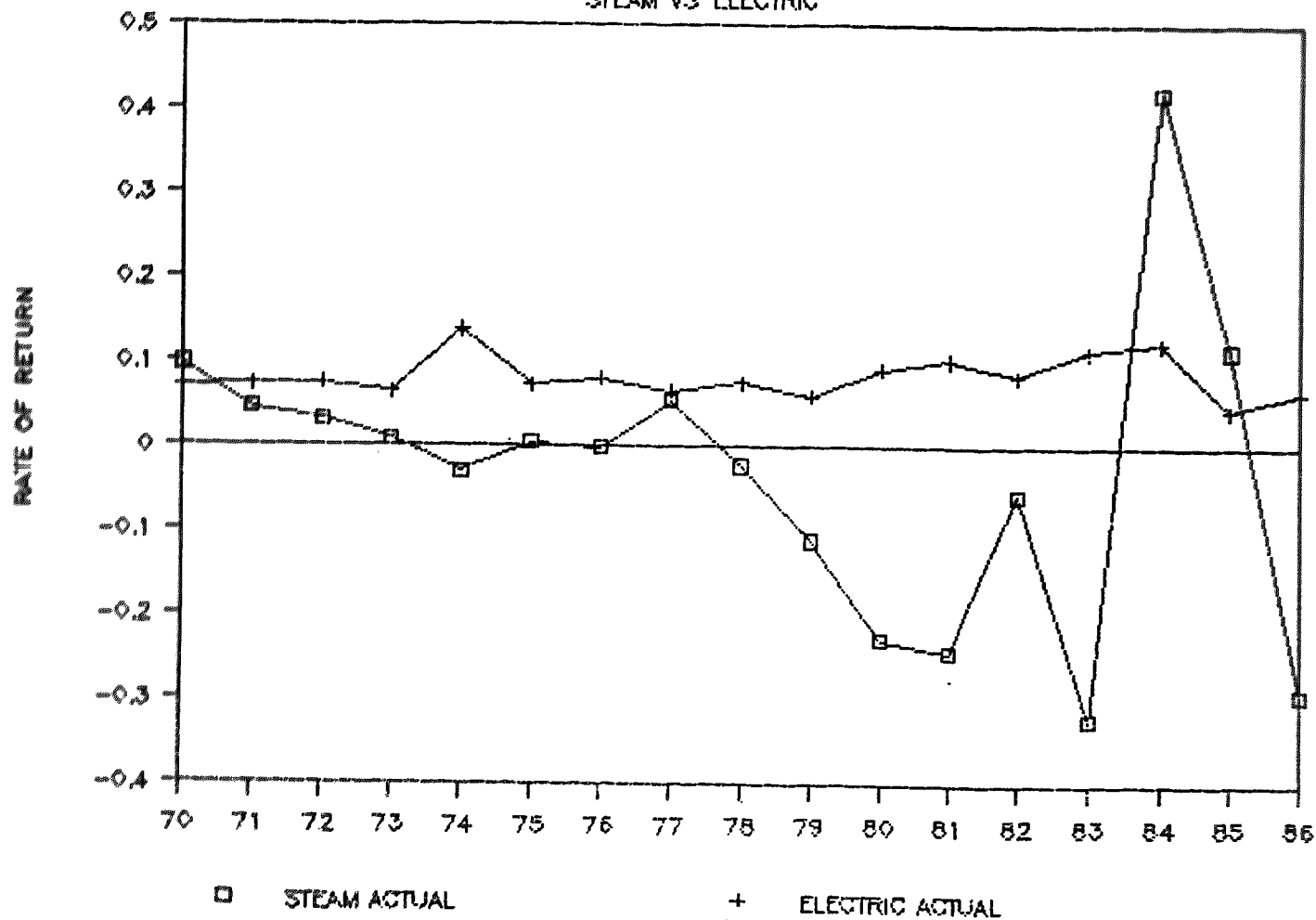
FOOTNOTES EXPLAINED ON NEXT PAGE.

SCHEDULE 4-4

- (A) Company failed to allocate Grand Avenue Station KWH usage to the steam operations for the period of January, 1983 through October, 1985. Adjustment removes approximate amounts from electric operations and assigns them to the steam operations. An adjusted net income (loss) and an adjusted rate of return is then calculated. Staff knows of other unallocated items, but is not making an adjustment for them due to immateriality.
- (B) Corn Products Corporation began receiving steam generated at Grand Avenue Station during April, 1984.
- (C) National Starch began receiving steam generated at Grand Avenue Station during December, 1985.
- (D) Grand Avenue Station retired from electric generation on October 31, 1985 and cost was assigned entirely to steam.
- (E) Wolf Creek Station is declared in-service in September, 1985 and subsequently KCPL placed its percentage on its books though tariffs in Missouri would not be set until May, 1986.

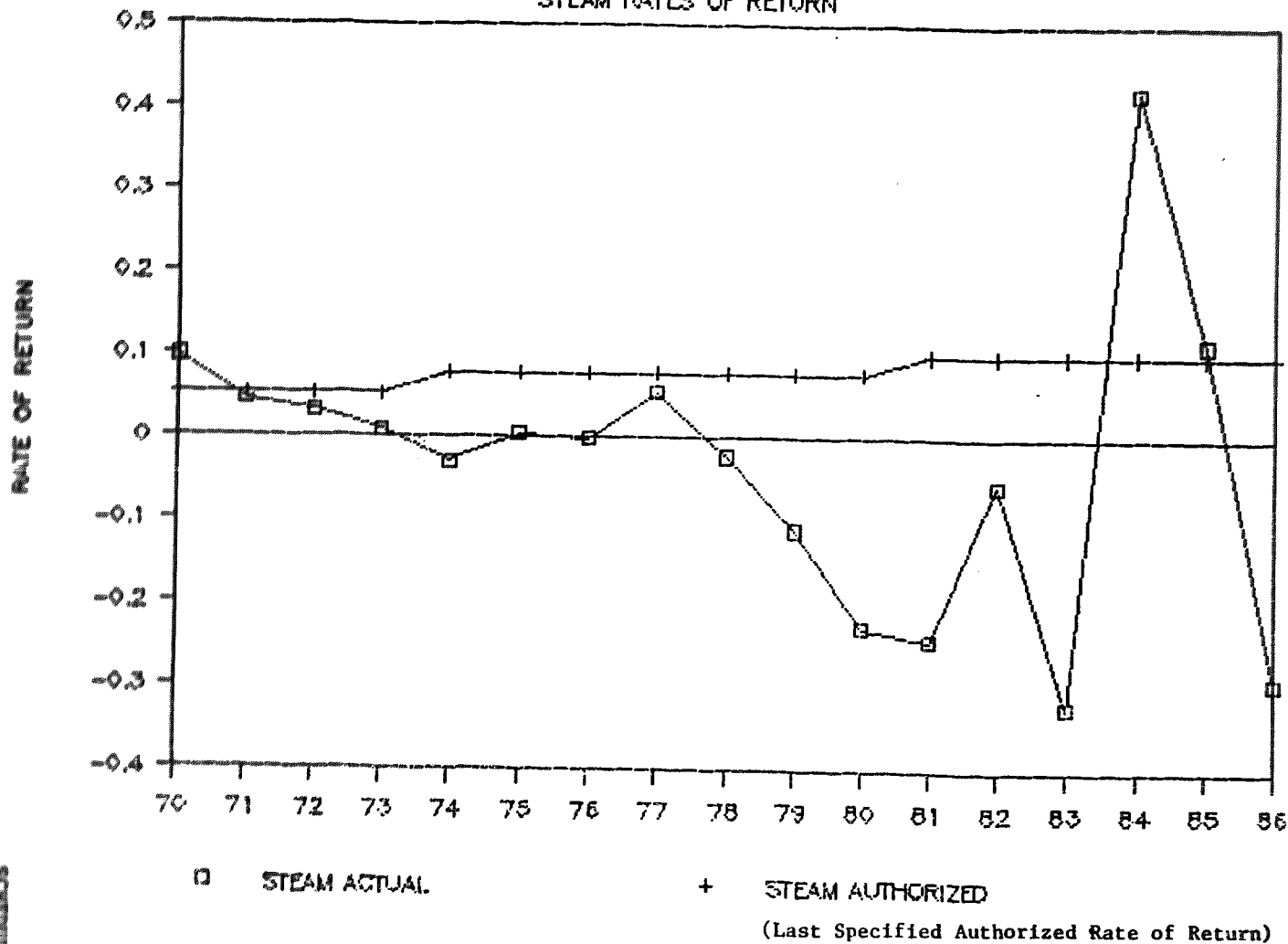
KANSAS CITY POWER & LIGHT COMPANY

STEAM VS ELECTRIC



KANSAS CITY POWER & LIGHT COMPANY

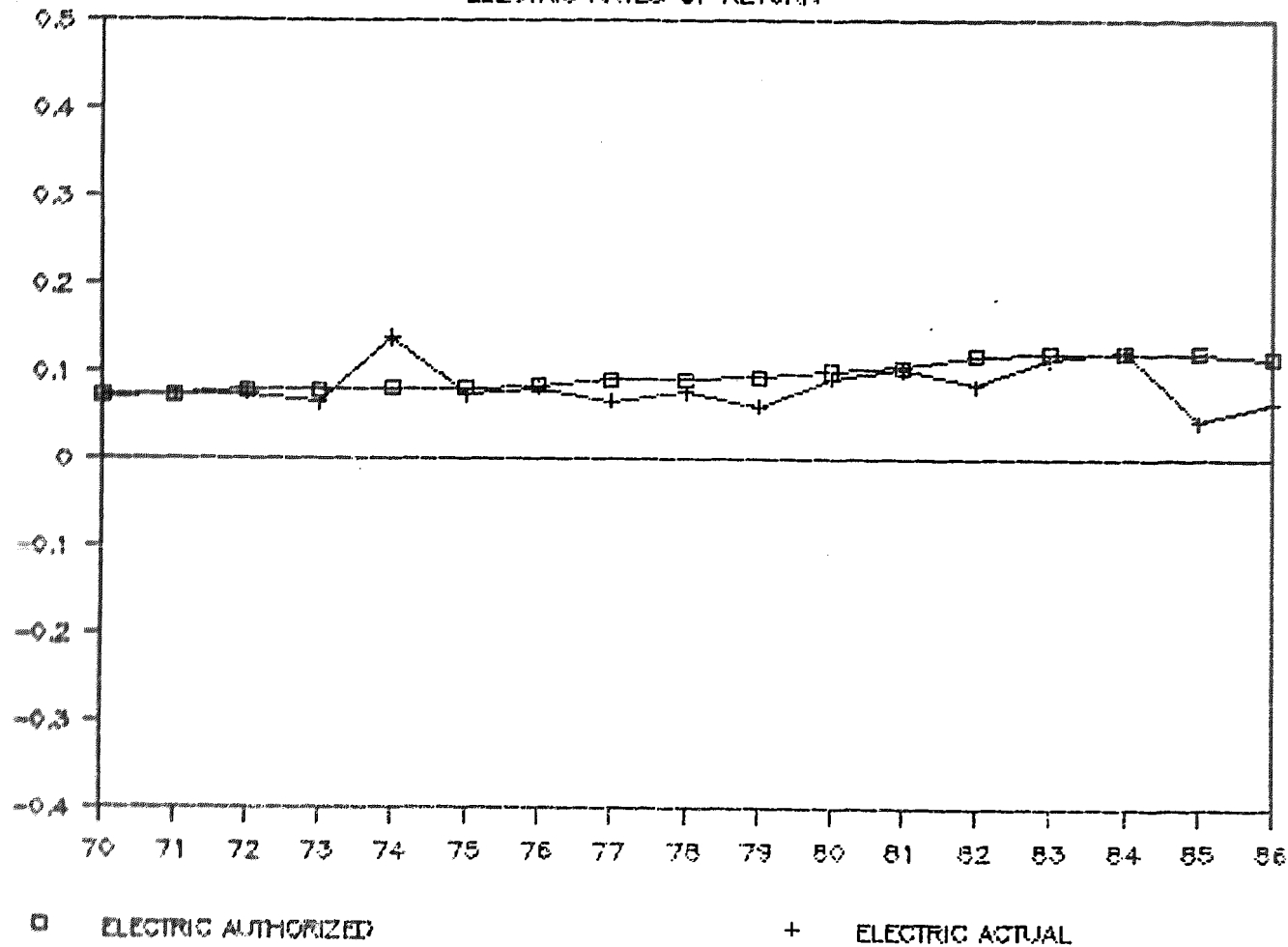
STEAM RATES OF RETURN



KANSAS CITY POWER & LIGHT COMPANY

ELECTRIC RATES OF RETURN

RATE OF RETURN



6-5 TIMES

100

KCPCL STEAM RATE CASE ACTIVITY SINCE 1950

CASE (A)	DATE FILED (B)	EFFECTIVE DATE OF ORDER (C)	TEST YEAR ENDED (D)	REVENUE INCREASE REQUEST (E) (3)	PERCENT INCREASE (F)	MPSC STAFF RECOMMENDATION (G) (3)	REVENUE INCREASE GRANTED (H)	PERCENT INCREASE (I)	BOILER PLANT ALLOCATION TO STEAM (J)	GRAND RATE PER UNITED SUPPLY MAX CAPACITY (K)
12,049	9-50	2-21-51	5-31-50	346,912			325,543		5.82	145
13,822	10-57	9-25-58	5-31-57	(139,718)	(12.50)		(139,718)	(12.50)	4.05	151
(1)	3-61	4-20-61	12-31-60	(81,928)	(6.64)		(81,928)	(6.64)	4.69	151
17,801	3-73	4-01-74	12-31-72	494,795	28.97	494,207	437,351	25.61	7.78	99
18,463	6-75	5-04-76	6-30-75	525,547	21.88	648,139	525,547	21.88	16.21	99
ER-77-118	12-76	11-02-77	6-30-77	389,000	10.97	364,539	389,000	10.97	18.44	76
ER-78-252	4-78	3-16-79	12-31-77	182,048	5.65	646,924	182,048	5.65	18.69	76
ER-80-48	8-79	7-02-80	12-31-79	354,030	9.52	599,509	354,030	9.52	26.25	76
MR-81-15	7-80	3-20-81	5-31-80	793,668	23.74	792,921	793,668	23.74	26.25	76
MR-82-67	9-81	6-04-82	12-31-81	936,000	19.30	1,667,000	936,000	19.30	20.29	76
MR-83-245	1-83	(2)	9-30-82	964,792	17.83	(2)	(2)	-----	31.51	40
MD-84-139	7-86	PENDING	12-31-85	5,870,794	120.043	0	PENDING	-----	100.00	--
YEAR 1				1,065,852	21.794					
YEAR 2				1,298,144	21.794					
YEAR 3				1,581,061	21.794					
YEAR 4				1,925,636	21.794					
TOTAL OF COMPLETED CASES 1970-86 CASE 17,801 THROUGH MR-82-67 PERCENT OF COMPANY'S REQUEST				3,675,088		5,413,259	3,617,644			
						147.30%	98.44%			

(1) NO CASE NUMBER ASSIGNED.

(2) CASE WITHDRAWN 8-9-83.

(3) MANY OF THE COMPANY'S PRIOR CASES INCLUDED GROSS RECEIPTS TAXES (GRT) IN THE REVENUE REQUIREMENT WHILE STAFF'S CASES DID NOT. EITHER THE EXCLUSION OF GRT IN THE COMPANY'S CASES, OR THE INCLUSION OF GRT IN STAFF'S CASES WOULD HAVE HAD THE EFFECT OF MAKING THE DISPARITY OF THE COMPANY'S REQUESTS TO STAFF'S RECOMMENDATIONS LARGER.

COX

COX
NOV 10 1986

No. 377
Class _____

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: Steve Cottrell / Ron Kite
Date Requested: 11/7/86
Information Requested: _____

Re Staff Meeting with Ron Kite, 11/7/86:

please provide a copy of Chris Gile's rate case
summary 'Major Rate Case Data Since 1951' discussed at
this meeting

Requested By: Mark Olschlag
Information Provided: _____

See attached

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please: (1) identify the relevant documents and their location; (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document: e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By:

Ronald A. Jett (11-17-86)

Date Received: _____

KANSAS CITY POWER & LIGHT COMPANY
Major Rate Case Data
Since 1951

Page	Case or Statute No.	Jurisdiction	Filing Date	Requested		Return(45)		Date(3)	Granted		Dollars Granted as % of Dollars		
				Revenue Change (2)		Rate Base	Common Equity		Revenue Change (2)		Filed	Rate Base	Common Equity
				Dollars	Percent				Dollars	Percent			
10	10,170	Missouri	05-01-51	\$ 2,380,599	10.04			12-01-51	\$ 2,000,000	9.10	84.01	8.29	(13)
10	12,007-0	Kansas	05-01-51	231,193	8.81			12-06-51	204,106	7.78	88.28	3.20	(13)
10	17,000	Missouri	06-01-54	3,622,691(4)	11.34			04-29-55	3,466,800(5)	9.94	NA	6.47	(13)
10	18,000-0	Kansas	06-01-54	515,416(4)	10.37			04-29-55	543,757(5)	9.35	NA	5.00	
10	19,000	Missouri	10-10-57	(189,635)	17.0								
				(139,718(38))	12.5	6.293		09-25-58	139,718	12.5	100.00	5.345(39)(13)	
10		Missouri	01-20-61	(81,928)	(6.64)	-	-						
10		Missouri	11-14-63	(795,245)	(1.36)	-	-	04-20-61	(81,928)	(6.64)	100.00	-	-
10		Kansas	11-14-63	(403,584)	(2.06)	-	-	12-16-63	(795,245)	(1.36)	100.00	-	-
						-	-	12-16-63	(403,584)	(2.86)	100.00	-	-
10		Missouri	04-26-65	(560,700)	(0.87)	-	-	06-01-65	(614,700)(6)	(0.94)	-	-	-
10		Kansas	04-26-65	(469,300)	(2.82)	-	-	06-01-65	(510,300)(6)	(2.94)	-	-	-
10	16,000	Missouri	07-28-69	5,816,000	7.14	-	-	06-15-70	2,537,639	3.11	43.62	7.38	12.1
10	17,176-0	Kansas	07-28-69	1,691,500	8.09	-	-	06-15-70	821,000	3.93	48.55	6.00	(13)
10	17,419	Missouri	01-28-72	8,304,300(7)	8.26	-	-	12-28-72	5,768,813	5.74	69.47	7.99	12.6(13)(14)
10	18,100-0	Kansas	01-28-72	2,329,400(7)	8.27	-	-	12-28-72	1,745,000	6.17	74.59	7.48	12.25(13)(14)
10	17,001	Missouri	03-04-73	494,795	28.97	-	-	04-01-74	437,351	25.61	88.39	7.86	12.0
10	17,003	Missouri	08-10-73	21,054,000	17.70	8.27	13.00	07-16-74	21,054,000(8)	17.70	100.00	8.16	12.8
10	19,304-0	Kansas	08-10-73	6,493,000	17.68	8.27	13.00	09-09-74	4,712,429	12.83			
								12-23-74	1,531,730	4.17	96.17	8.22	13.0

(1) Line No.	Case or Subst. No. (2)	Jurisdiction (3)	Requested				Granted				Common Equity (13)
			Filing Date (4)	Revenue Change (2)		Return (43)	Date(3)	Revenue Change (2)		Dollars Granted as % of Dollars Filed	Common Equity (13)
				Dollars (5)	Percent (6)			Dollars (7)	Percent (8)		
101	119-8018-U	Missouri	08-03-79	412,000(21)	10.50(21)	-	07-02-80	354,030	9.52	100.00	(113)
102	119-8018-U	Missouri	08-03-79	27,800,000(21)	25.50(21)	(28)	(29)	24,487,551	25.0(30)	79.13(32)	9.695 14.8
103	119-8018-U	Missouri	01-28-80	14,219,705	14.56		06-01-80	25,000,000	10.4	69.18	(113)
104	119-8018-U	Missouri	03-12-80	30,947,514	31.5		(05-06-80(26))				
105	119-8018-U	Missouri	01-28-80	36,135,360	15.1	10.06					
106	119-8018-U	Missouri	04-01-80	7,379,313	51.05	12.44	01-06-81	2,296,981(43)	15.81	48.28	11.18 15.3
107	119-8018-U	Missouri	04-06-80	4,745,405	32.82	12.44	03-20-81	793,648(25)	23.74(25)	100.00	18.16 13.4
108	119-8018-U	Missouri	07-02-80	793,648(25)	23.74(25)	10.16					
109	119-8018-U	Missouri	08-06-80	(45,409,000(25))	15.30(21)	12.67	07-03-81	17,177,000(25)	5.781(35)	37.83(46)	10.67 14.4
110	119-8018-U	Missouri	04-06-81	24,922,449(41)	17.4(37)	12.67	12-09-81	24,631,000	0(46)	49.85(42)	10.52 16.49
111	119-8018-U	Missouri	08-26-81	62,100,000(21)	19.9	13.21(21)	07-24-82	14,501,000	4.6	23.28	11.91 15.76
112	119-8018-U	Missouri	08-02-81	936,000(21)	19.3	13.21(21)	06-04-82	936,000	19.3	100.00	(113)
113	119-8018-U	Missouri	04-12-82(53)	26,296,418	19.8	13.56	04-01-83	15,110,000	11.991	60.45	10.66 15.59
114	119-8018-U	Missouri	08-03-82(44)	26,650,941	19.8	13.60	11-21-82	(525,450(50))	(3.20)(50)	-	(48) (48)
115	119-8018-U	Missouri	04-21-82	978,910	5.96	13.30		1,647,341 (51)	15.51(51)	-	(48) (48)
116	119-8018-U	Missouri	08-26-82	57,500,000	18.7	13.54	07-20-83	23,099,561(54)	7.5	39.90	12.24 16.25
117	119-8018-U	Missouri	01-26-83	965,000	17.83						
118	119-8018-U	Missouri		(1964,792)							

(case withdrawn 08-08-83)

(1) Line No.	Case or Docket No. (ENR-548)	Jurisdiction FERC	Requested				Granted				Dollars Granted as % of Dollars Filed	Common Rate Base	Equity
			Filing Date	Revenue Change (2)		Return (45)		Date(3)	Revenue Change (2)				
				Dollars	Percent	Rate Base	Common Equity		Dollars	Percent			
			06-07-83	472,618	2.94	11.77(52)	15.5(52)	01-06-84	472,618(33)				
	ENR-665	FERC	08-08-83	617,474	82.00	11.80(53)	15.85(53)	10-08-83 03-07-84	579,600(33) 37,874(33)				
	04-RCPE-1988 Kansas 143,899-U		11-08-84	43,300,000 30,700,000 20,000,000 14,600,000	25.00(55A) 14.00(55B) 8.00(55C) 5.00(55D)	12.33	16.25	09-30-85 11-18-85	25,103,000 3,092,000(57)	14.4 1.8	23.11 2.85	11.236 11.236	15.80 15.80
	EN-83-128	Missouri	11-26-84	97,300,000 66,000,000 43,000,000 31,400,000	25.00(56A) 14.00(56B) 8.00(55C) 5.00(56D)	12.33	16.25	05-05-86 05-05-87 05-05-88 05-05-89 05-05-90 05-05-91 05-05-92 05-05-93	25,172,000 19,246,000 14,118,000 14,611,000 15,121,000 15,650,000 16,198,000 (59,628,000)	7.0 5.4 3.9 3.5 3.5 3.5 3.5 (12.4)	50.53(60)	11.75	15.00
	04-RCPE-1988 Kansas 198,368-U		04-04-86	30,300,000 27,100,000 20,020,000	14.00(58A) 11.00(58B) 7.40(58C)	11.13(59)	14.00(59)						
	ENR-873		01-31-86	971,331	16.6111	12.07	16.25						

Notes regarding Rate Case Data:

1. RE = Retail Electric, RS = Retail Steam, WE = Wholesale Electric.
2. Based on Rate Department exhibits and related to total jurisdictional revenue except as noted, increase at basic revenue level would be slightly higher in most cases.
3. Effective date of rate increase or decrease or fuel surcharge.
4. Based on actual 1953.
5. Based on actual 1954.
6. Based on KCC revision of proposed residential rate.
7. After adjustment for reduced depreciation rates.
8. Rate increase of \$23,897,283 representing a 20.09% increase in rates and 113.50% of dollars filed was in effect from 5-15-74 to 5-29-74, excluding 5-21-74.
9. Except MPL on 6-1-74 and MPS on 4-15-75.
10. Including 8.97% GRT.
11. Fuel surcharge.
12. Fuel surcharge; original amount of \$611,612 was increased to \$677,936 based on KCC staff calculation.
13. Not specified in Order.
14. Percent shown from R.W. Fisher Exhibit No. 7, Schedule 2, in KCC Docket No. 105,000-U.
15. Combined with Case No. 18,433 et al for hearing and Order.
16. Increase from reduced rates effective 2-1-77.
17. Based on all actual data.
18. Increase from rate level effective 11-16-77.
19. Increase from rate level effective 8-25-76.
20. Supplement A filing reflecting summary dispositions granted by the FERC.
21. At time of initial filing.
22. Based on exhibits updated February 1980 - actual 1979 data.
23. Interim case.
24. Interim case based on abbreviated filing.
25. Excluding GRT.
26. Rate redesign only.
27. Surcharge refunded in 1979-80 as a result of Missouri Supreme Court ruling.
28. Case in chief never filed.
29. Application rendered moot by Order dated 5-28-80 on 3-12-80.
30. 14.49% + \$.00618/kwh.
31. Percent of \$76,000,000.
32. Percent of \$30,947,514.
33. Subject to refund.
34. Based on exhibits updated February 1981 - actual 1980 data.
35. Related to basic revenue only.
36. Increase from rate level effective 3-16-79 plus fuel adjustment roll-in effective 2-15-80.
37. Increase from rate level effective 6-1-80.
38. Based on reduced estimate for new HP transmission line.
39. Based on fair value rate base; no finding on original cost rate base in Order.
40. Percent of \$45,400,000.
41. In addition to interim increase of \$24,487,551.

42. Percent of \$24,487,551 (interim increase) + \$24,922,449 (permanent increase) or \$49,410,000
43. Initial filing based on test year ended 12-31-81 adjusted for known and measureable changes through 6-1-82.
44. Amended filing, based on test year ended 6-30-82; replaces 4-12-82 filing.
45. Based on end of period capitalization, not balanced or optimal capitalization.
46. Made permanent the interim increase allowed on 6-1-80.
47. Included full CWIP; filing rejected as change in rate by Order issued 5-30-80.
48. Settlement agreement w/o specified ROR or ROE (staff "Top Sheets", used as basis for settlement, should 12.24% ROR and 17.00% ROE).
49. Based on Initial Decision issued 10-12-82.
50. Reduction from rates "Requested" in Docket No. ER80-450.
51. Increase from rates "Granted" in Docket No. ER80-450.
52. Based on rates as filed; recommended Rates of Return were 13.05% ROR and 19.00% ROE based on capital structure and costs at 6-1-83.
53. Based on rates as filed; recommended Rates of Return were 12.97% ROR and 19.00% ROE based on capital structure and costs at 8-1-83.
54. Final rate increase \$23,099,561 or 7.5%. Initial increase of \$31,113,000(10.1%) was reduced to \$24,420,000(7.9%) effective 9-12-83 - refund ordered by MPSC. This amount was reduced again due to fuel cost reduction effective 2-10-84 - refund ordered by MPSC.
- 55A. Four-year phase in: 1st year \$45.3 million, 25%
- 55B. Second year: \$30.7 million, 14%
- 55C. Third year: \$20 million, 8%
- 55D. Fourth year: \$14.6 million, 5%
- 56A. Four-year phase in: 1st year \$97.3 million, 25%
- 56B. 2nd year \$66 million, 14%
- 56C. 3rd year, \$43 million, 8%
- 56D. 4th year \$31.4 million, 5%
57. Additional increase granted in adjustment for nuclear fuel and depreciation.
- 58A. 1st year phase-in
- 58B. 2nd year phase-in
- 58C. 3rd year phase-in
59. Assumes the granting of full amount of increase requested; otherwise rate of return on rate base is 12.67% and return on equity is 18.00%
60. Excludes decrease ordered for year 8.