

Exhibit No.:

Issue: Accounting and Taxes

Witness/Type of Exhibits: Cattron Direct

Sponsoring Party: KCPL

Case No.: HO-86-139

DIRECT TESTIMONY OF

Steven W. Cattron

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. HO-86-139

Exhibit No. 3
Date 7/6/87 Case No. HO-86-139
Reporter DA-9861

DIRECT TESTIMONY
of
STEVEN W. CATTRON

Manager, Regulatory Accounting

KANSAS CITY POWER & LIGHT COMPANY

Case No. HO-86-139
(September 1986)

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. Steven W. Cattron, 1330 Baltimore Avenue, Kansas City, Missouri.

3
4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

5 A. I am employed by Kansas City Power & Light Company ("KCPL" or
6 "Company") as Manager of Regulatory Accounting which is under the
7 direction of Mr. Neil A. Roadman, Controller of the Company.

8
9 Q. PLEASE REVIEW BRIEFLY YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL
10 EXPERIENCE.

11 A. I graduated from the University of Missouri-Kansas City in 1979 with a
12 Bachelor of Business Administration with emphasis in accounting. I am
13 currently enrolled in courses at Rockhurst College seeking an MBA
14 degree with a concentration in accounting. I successfully completed
15 the examination for Certified Public Accountants in May 1982 and hold a
16 certificate in the State of Missouri, and am a member of the Missouri
17 Society of Certified Public Accountants and the American Institute of
18 Certified Public Accountants.

19 Upon graduation, I accepted a position with the Missouri Public
20 Service Commission as a utility accountant. In January of 1982, I
21 joined the firm of Troupe, Kehoe, Whiteaker & Kent ("TKWK"). My
22 primary responsibility while employed by TKWK was the preparation of

1 testimony and exhibits in various regulatory proceedings.

2 On August 30, 1982, I accepted the position of Supervisor of
3 Regulatory Accounting of KCPL. Effective July 1, 1983, I was promoted
4 to Manager of Regulatory Accounting. As such, it is my responsibility
5 to coordinate and direct the efforts required of accounting personnel
6 in the preparation of accounting data for rate case proceedings.

7
8 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

9 A. Yes, I have presented direct testimony to this Commission in Case Nos.
10 ER-85-128, ER-80-48, ER-81-42, TR-80-256, TR-81-208, and GR-80-173. In
11 addition, I have testified before the Arizona Corporation Commission,
12 the Kansas Corporation Commission, and the Public Service Commission of
13 Indiana.

14
15 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

16 A. The purpose of my testimony is to present evidence to the Commission
17 with respect to the following items, which are presented in KCPL
18 Exhibit ____ (SWC), Schedules 1-15:

19 1. The Company's actual steam heat rate base (and the elements
20 comprising it) and the rates of return under present and proposed
21 services rates, and certain adjustments relating thereto, for the
22 twelve months ended December 31, 1985, based upon data (a)
23 obtained from KCPL's historical accounting records and (b)
24 normalized and annualized as required and appropriate to present a
25 proper basis for determining the reasonableness of the Company's
26 proposal.

27 2. The Company's actual test year and pro forma steam heat operating
28 results, based upon data (a) obtained from the Company's

1 historical books and records, (b) normalized and annualized as
2 required and appropriate to present a proper basis for determining
3 the reasonableness of the Company's proposal.

4 Some of the data utilized in the above items are sponsored by other
5 Company witnesses, as indicated in their respective testimonies.
6

7 Q. WERE THE APPENDED SCHEDULES PREPARED BY YOU OR UNDER YOUR DIRECT
8 SUPERVISION?

9 A. Yes.

10
11 Q. WHAT TEST YEAR IS KCPL'S FILING BASED ON?

12 A. The calendar year 1985, with certain annualizations and normalizations
13 described in the filing.
14

15 Q. MR. CATTRON, WILL YOU PLEASE EXPLAIN THE ATTACHED SCHEDULES.

16 A. Yes, Schedule 1 shows KCPL's steam heat revenue deficiency, utilizing
17 data contained in Schedules 2 through 15. Schedule 1, line 1, reflects
18 the steam heat rate base of \$7,803,000 which is summarized on Schedule
19 2 and supported by Schedule 3 through 8. The 11.90% rate of return is
20 discussed in KCPL witness J. J. DeStefano's direct testimony. Line 3
21 is the net operating income required and is the product of line 1 and
22 2. Line 4 reflects the net operating income available which is
23 summarized on Schedule 9 and supported by Schedules 10 through 15. The
24 net operating income deficiency on line 5 is then multiplied by the
25 factor for income taxes to arrive at the gross revenue deficiency
26 appearing on line 7. This presentation is consistent with
27 methodologies employed by the Company in previous steam heat rate
28 proceedings before this Commission.

1 Q. MR. CATTON, WILL YOU PLEASE DESCRIBE SCHEDULE 2.

2 A. Yes. Schedule 2 reflects the quantification of the Company's steam
3 heat original cost and fair value rate bases for the test year. The
4 original cost rate base amounts reflected in column C are directly
5 supported by Schedules 3 through 8. As reflected on line 20, the steam
6 heat fair value and net original cost rate bases are \$11,116,000 and
7 \$7,803,000, respectively. Lines 22 and 23 show the steam heat
8 operating income, as taken from Schedule 9, both with and without the
9 effect of the proposed rate schedules. Additionally, I have calculated
10 the rates of return on both the net fair value and original cost rate
11 base on an adjusted and pro forma basis on line 25 and 26,
12 respectively.

13
14 Q. PLEASE DESCRIBE SCHEDULE 3.

15 A. This schedule shows the Company's total electric and steam heat plant
16 in service. These amounts were obtained from the books and records of
17 the Company as of December 31, 1985.

18
19 Q. PLEASE DESCRIBE YOUR SCHEDULE 4.

20 A. Schedule 4 shows the Company's total electric and steam heat
21 accumulated provisions for depreciation and amortization. The amounts
22 appearing on Schedule 4 were obtained from the historical books and
23 records of the Company as of December 31, 1985.

24
25 Q. PLEASE DESCRIBE SCHEDULE 5.

26 A. This schedule shows the total Company and steam heat fuel inventory.
27 The inventory at Grand Avenue was adjusted to reflect a 90-day supply
28 based on the fuel requirements of the Company's normalized steam heat

1 sales and coal prices at December 31, 1985. In addition, a thirteen
2 month average level of oil priced at the average costs for 1985 is
3 reflected in the Grand Avenue inventory.
4

5 Q. PLEASE DESCRIBE SCHEDULE 6.

6 A. Schedule 6 reflects the amount of materials and supplies, other than
7 fuel, as recorded on the books of the Company at December 31, 1985.
8

9 Q. PLEASE DESCRIBE SCHEDULE 7.

10 A. This schedule reflects the level of prepayments being requested in this
11 proceeding to be included in rate base. These amounts represent the
12 book balances of the Company at December 31, 1985.
13

14 Q. PLEASE DESCRIBE SCHEDULE 8.

15 A. Schedule 8 shows the accumulated deferred income taxes applicable to
16 steam heat rate base. The amounts appearing on this schedule were
17 obtained from the historical books and records of the Company at
18 December 31, 1985.
19

20 Q. PLEASE EXPLAIN SCHEDULES 9, 10 and 11.

21 A. Schedule 9 is the test year steam heat income statement and pro forma
22 operating results, based on the twelve-month period ended December 31,
23 1985.

24 Column D shows the direct steam heat adjustments to the test year
25 operating results to annualize and normalize for known and measurable
26 changes. These adjustments are detailed on Schedule 10 by FERC account
27 and explained on Schedule 11.

28 Columns E, F and G show the adjusted steam heat operating results

and pro forma operating results.

Q. WHAT IS THE AMOUNT OF THE ADJUSTED TEST YEAR OPERATING INCOME FOR STEAM HEAT PRESENTED BY THE COMPANY IN THIS PROCEEDING?

A. That amount is \$(2,123,000). The pro forma adjustment in Column F increases steam heat operating income to \$928,000.

Q. MR. CATTRON, WHICH OF THE ADJUSTMENTS LISTED ON SCHEDULE 11 are you sponsoring?

A. I sponsor test year Adjustment Nos. 2 through 4, 6 through 11, and pro forma Adjustment No. 1.

Q. MR. CATTRON, WOULD YOU PLEASE DESCRIBE THOSE ADJUSTMENTS.

A. Yes. Adjustment No. 2 annualizes Grand Avenue Station non-labor and non-fuel expenses based on the original 1986 operating budget.

Adjustment No. 3 annualizes fuel expense consistent with the annualized pounds of steam sales included in the cost of service analysis and priced at the December 31, 1985, historical price.

Adjustment No. 4 records the transfer of Grand Avenue Station payroll from electric to steam operations.

Adjustment No. 6 eliminates the administrative and general expenses and inter-departmental rents allocated to steam operations during the test year so that those costs may be reallocated from operations based on KCPL allocation methods proposed in this case.

Adjustment No. 7 annualizes depreciation expense based on test year plant and proposed depreciation rates supported by KCPL witness J. K. Liberda.

Adjustment Nos. 8 and 9 adjust property tax, payroll tax and

1 fringe benefits to reflect the transfer of Grand Avenue Station to
2 steam operations.

3 Adjustment No. 10 allocates a portion of operations expenses to
4 steam heat operations per Schedule 2, Column F as supported by KCPL's
5 cost of service analysis.

6 Adjustment No. 11 adjusts test year income tax to reflect the
7 effects of Adjustment Nos. 1 through 10.

8
9 Q. PLEASE EXPLAIN THE STEAM HEAT PRO FORMA ADJUSTMENT PROPOSED HEREIN BY
10 THE COMPANY.

11 A. The steam heat pro forma adjustment reflects the change in the
12 Company's steam heat revenues and the related change in income and
13 earnings tax, as projected for the test year ended December 31, 1985.
14 KCPL witness R. A. Kite is sponsoring the revenue portion of the steam
15 heat pro forma adjustment.

16
17 Q. PLEASE DESCRIBE SCHEDULES 12, 13 and 14.

18 A. Schedule 12 shows the total Company operating income statement,
19 adjustments thereto, test year operating results, and allocations to
20 steam heat based on the year ended December 31, 1985.

21 Column D on pages 1 and 2 shows the total Company adjustments to
22 the test year operating results necessary to annualize and normalize
23 the test year data to arrive at the as-adjusted figures. These
24 adjustments are detailed by FERC account in Schedule 13 and an
25 explanation is provided for each in Schedule 14.

26 Column F on Schedule 12 shows test year operations allocated to
27 the steam heat department. The specific allocation factors are
28 sponsored by KCPL witness R. A. Kite.

Q. PLEASE IDENTIFY AND DESCRIBE THOSE ADJUSTMENTS LISTED ON SCHEDULE 4.

A. Adjustment No. 1 eliminates operating expenses allocated to steam heat operations during the test year. This allows those items to be reallocated for purposes of this rate case based on methods proposed by KCPL.

Adjustment Nos. 2 and 5 remove test year Grand Avenue Station operations, maintenance, and depreciation expenses from operations to reflect the transfer of that station to steam heat operations.

Adjustment Nos. 3 and 4 annualize electric payroll expense and overheads using employee levels at December 31, 1985, and pay rates at July 31, 1986.

Adjustment No. 6 increases test year property tax expense to reflect expensing rather than capitalizing 1985 Wolf Creek property tax. This amount has been reduced to reflect the transfer of Grand Avenue Station property tax expense to steam heat operations.

Adjustment No. 7 adjusts electric income taxes to reflect Adjustments 1 through 6.

Q. PLEASE DESCRIBE SCHEDULE 15.

A. Schedule 15 details the calculation made to obtain KCPL's steam heat test year and pro forma provisions for income taxes payable currently.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes it does.

AFFIDAVIT

STATE OF MISSOURI
COUNTY OF JACKSON

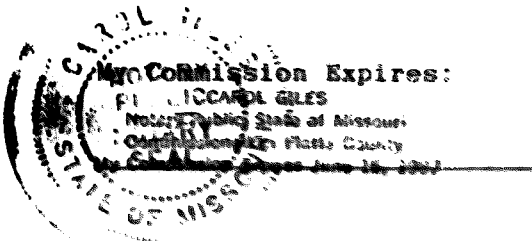
)
) ss.
)

Steven W. Cattron, being first duly sworn, on his oath states: that he has participated in the preparation of the foregoing written testimony, in question and answer form, consisting of 8 pages, to be presented to the Public Service Commission of the State of Missouri in Case No. HO-86-139; that the answers therein contained were given by him; that he has knowledge of the matters set forth in said answers; and that such answers are true to the best of his knowledge and belief.

Steven W. Cattron
Steven W. Cattron

Subscribed and sworn to before me this 19th day of September, 1986.

Carol Giles
Notary Public



**KANSAS CITY POWER & LIGHT COMPANY
STEAM HEAT RATE CASE NO. HO-86-139
ACCOUNTING EXHIBITS**

SCHEDULE

- 1 Steam Heat Revenue Deficiency
- 2 Steam Heat Rate Base and Rates Of Return
- 3 Electric Department and Steam Heat Plant In Service
- 4 Electric Department and Steam Heat Accumulated Provision
 For Depreciation and Amortization
- 5 Total Company and Steam Heat Fuel Inventory
- 6 Total Company and Steam Heat Materials and Supplies
 Inventory Other Than Fuel
- 7 Total Company and Steam Heat Prepayments
- 8 Accumulated Deferred Income Taxes Applicable to Steam Heat
- 9 Steam Heat Operating Income Statement
- 10 Statement of Adjustments Made to Obtain Steam Heat Test
 Period and Pro Forma Operating Results By FERC Account
- 11 Explanation of Adjustments Made to Obtain Total Steam Heat
 Test Period and Pro Forma Operating Results
- 12 Total Company Operating Income Statement and Electric
 Department Allocation to Steam Heat
- 13 Statement of Adjustments Made to Obtain Total Electric
 Test Period Operating Results by FERC Account
- 14 Explanation of Adjustments Made to Obtain Total Electric
 Test Period Operating Results
- 15 Calculation for Steam Heat Test Period and Pro Forma
 Provisions For Income Taxes Payable Currently

KANSAS CITY POWER & LIGHT COMPANY

Steam Heat Revenue Deficiency
Test Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

	(A)	(B)	(C)
<u>Line</u>	<u>Description</u>	<u>Revenue Requirement</u>	<u>Reference</u>
1	Rate Base	\$ 7,803	Sch. 2
2	Rate of Return	<u>11.90%</u>	
3	Net Operating Income Required	928	
4	Net Operating Income Available	<u>(2,123)</u>	Sch. 9
5	Net Operating Income Deficiency	3,051	
6	Income Taxes	<u>2,819</u>	
7	Gross Revenue Deficiency	<u><u>\$ 5,870</u></u>	

KANSAS CITY POWER & LIGHT COMPANY
Steam Heat Rate Base and Rates of Return
Test Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) Description	(B)	(C)	(D) Reference
		Fair Value	Original Cost	
1	Utility Plant in Service	\$ 10,287	\$ 24,195	Sch. 3
2	Less Accumulated Depreciation & Amortization	-	17,221	Sch. 4
3	Net Utility Plant in Service	<u>10,287</u>	<u>6,974</u>	
4	Working Capital -			
5	Materials and Supplies			
6	Fuel and Fuel Additives	557	557	Sch. 5
7	Other Than Fuel	1,193	1,193	Sch. 6
8	Prepayments	62	62	Sch. 7
9	Cash	-	-	
10	Total Working Capital	<u>1,812</u>	<u>1,812</u>	
11	Deferred Income Taxes Relating To:			
12	Accelerated Amortization	(1)	(1)	
13	Liberalized Depreciation	(968)	(968)	
14	Repair Allowance	(6)	(6)	
15	Pensions Capitalized	-	-	
16	Payroll Taxes Capitalized	-	-	
17	Property Taxes Capitalized	(7)	(7)	
18	Health & Welfare Costs Capitalized	-	-	
19	Total Deferred Income Taxes	<u>(983)</u>	<u>(983)</u>	Sch. 8
20	Total Steam Heat Rate Base	<u>\$ 11,116</u>	<u>\$ 7,803</u>	
21	Steam Heat Operating Income -			
22	As Adjusted	<u>\$ (2,123)</u>	<u>\$ (2,123)</u>	Sch. 9
23	Pro Forma	<u>\$ 928</u>	<u>\$ 928</u>	Sch. 9
24	Steam Heat Rate of Return			
25	Based on Actual Operating Income	<u>(19.10)%</u>	<u>(27.21)%</u>	
26	Based on Pro Forma Operating Income	<u>8.35%</u>	<u>11.92%</u>	

KANSAS CITY POWER & LIGHT COMPANY

Electric Department and Steam Heat Plant
In Service as of December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) FERC Account Number	(B) Title	(C) Electric Department & Steam Heat	(D) Steam Heat
1		<u>ELECTRIC DEPARTMENT PLANT IN SERVICE</u>		
2		<u>Intangible Plant</u>		
3	101-301	Organization	\$ 72	\$ -
4	302	Franchises and Consents	22	-
5		Total Intangible Plant	<u>95</u>	<u>-</u>
6		<u>Steam Production Plant</u>		
7	310	Land and Land Rights	7,183	4
8	311	Structures and Improvements	39,867	27
9	312	Boiler Plant Equipment -		
10		Unit Train Coal Cars	14,295	9
11		Air Quality Control Scrubber Equipment	22,327	15
12		Other Steam Boiler Plant Equipment	391,242	270
13		Total Boiler Plant Equipment	<u>427,865</u>	<u>296</u>
14	314	Turbogenerator Units	113,210	78
15	315	Accessory Electric Equipment	44,753	30
16	316	Miscellaneous Power Plant Equipment	6,713	4
17		Total Steam Production Plant	<u>639,594</u>	<u>442</u>
18		<u>Nuclear Production Plant</u>		
19	320	Land and Land Rights	3,808	2
20	321	Structures and Improvements	188,321	122
21	322	Reactor Plant Equipment	803,035	521
22	323	Turbogenerator Units	297,626	193
23	324	Accessory Electric Equipment	110,181	71
24	325	Miscellaneous Power Plant Equipment	36,437	23
25		Total Nuclear Production Plant	<u>1,439,410</u>	<u>935</u>
26		<u>Other Production Plant</u>		
27	340	Land and Land Rights	136	-
28	342	Fuel Holders, Producers and Accessories	953	-
29	344	Generators	35,216	24
30	345	Accessory Electric Equipment	5,028	3
31		Total Other Production Plant	<u>41,333</u>	<u>28</u>
32		<u>Transmission Plant</u>		
33	350	Land and Land Rights	15,475	9
34	352	Structures and Improvements	2,194	1
35	353	Station Equipment	42,394	26
36	354	Towers and Fixtures	3,910	2
37	355	Poles and Fixtures	32,505	20
38	356	Overhead Conductors and Devices	30,577	19
39	357	Underground Conduit	2,608	1
40	358	Underground Conductors and Devices	2,749	1
41		Total Transmission Plant	<u>132,416</u>	<u>82</u>
42		<u>Distribution Plant</u>		
43	360	Land and Land Rights	9,872	-
44	361	Structures and Improvements	4,819	-
45	362	Station Equipment	68,375	-
46	364	Poles, Towers and Fixtures	73,518	-
47	365	Overhead Conductors and Devices	58,771	-
48	366	Underground Conduit	35,437	-
49	367	Underground Conductors and Devices	79,089	-
50	368	Line Transformers	85,530	-
51	369	Services	27,783	-
52	370	Waters	36,365	-
53	371	Installations on Customers' Premises	1,788	-
54	372	Street Lighting and Signal Systems	37,025	-
55		Total Distribution Plant	<u>517,237</u>	<u>-</u>

KANSAS CITY POWER & LIGHT COMPANY

Electric Department and Steam Heat Plant
In Service as of December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) FERC Account Number	(B) Title	(C) Electric Department & Steam Heat	(D) Steam Heat
1		<u>ELECTRIC DEPARTMENT PLANT IN SERVICE</u> (Continued)		
2		<u>General Plant</u>		
3	101-389	Land and Land Rights	\$ 1,946	\$ 13
4	390	Structures and Improvements	14,395	98
5	391	Office Furniture and Equipment	3,313	40
6	392	Transportation Equipment	5,249	70
7	393	Stores Equipment	446	4
8	394	Tools, Shop and Garage Equipment	1,190	4
9	395	Laboratory Equipment	1,029	10
10	396	Power Operated Equipment	1,248	-
11	397	Communication Equipment	8,579	42
12	398	Miscellaneous Equipment	315	4
13		Total General Plant	<u>37,715</u>	<u>289</u>
14		TOTAL ELECTRIC DEPARTMENT		
15		PLANT IN SERVICE	<u>\$ 2,808,024</u>	<u>\$ 1,778</u>
16		<u>DIRECT STEAM HEAT PLANT IN SERVICE</u>		
17		<u>Production Plant</u>		
18	710	Land and Land Rights	\$ 526	\$ 526
19	711	Structures and Improvements	3,923	3,923
20	712	Boiler Plant Equipment	10,872	10,872
21	714	Turbogenerator Units	-	-
22	715	Accessory Electric Equipment	1,011	1,011
23	716	Miscellaneous Power Plant Equipment	381	381
24		Total Steam Heat Production Plant	<u>16,712</u>	<u>16,716</u>
25		<u>Distribution Plant</u>		
26	760	Land & Land Rights	15	15
27	761	Structures and Improvements	73	73
28	762	Station Equipment	193	193
29	766	Underground Conduit	4,830	4,830
30	769	Services	370	370
31	770	Nettes	212	212
32		Total Distribution Plant	<u>5,683</u>	<u>5,686</u>
33		<u>General Plant</u>		
34	791	Office Furniture & Equipment	1	1
35	794	Tools Shop & Garage Equipment	2	2
36	798	Miscellaneous Equipment	-	-
37		Total General Plant	<u>4</u>	<u>4</u>
38		TOTAL DIRECT STEAM HEAT		
39		PLANT IN SERVICE	<u>\$ 22,416</u>	<u>\$ 22,416</u>
40		TOTAL ELECTRIC DEPARTMENT AND		
41		STEAM HEAT PLANT IN SERVICE	<u>\$ 2,830,440</u>	<u>\$ 1,790</u>

KANSAS CITY POWER & LIGHT COMPANY

Electric Department and Steam Heat
Accumulated Provision for Depreciation and Amortization
As of December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) FERC Account Number	(B) Title	(C) Electric Department & Steam Heat	(D) Steam Heat
1		<u>ELECTRIC DEPARTMENT ACCUMULATED PROVISION</u>		
2		<u>FOR DEPRECIATION AND AMORTIZATION</u>		
3		<u>Steam Production</u>		
4	108-311	Structures and Improvements	\$ 4,633	\$ 3
5	312	Boiler Plant Equipment -		
6		Unit Train Coal Cars	7,966	5
7		Air Quality Control Scrubber Equipment	25,109	17
8		Other Steam Boiler Plant Equipment	116,855	80
9		Total Boiler Plant Equipment	149,930	103
10	314	Turbogenerator Units	27,516	19
11	315	Accessory Electric Equipment	12,230	8
12	316	Miscellaneous Power Plant Equipment	1,658	1
13		Total Steam Production Plant	195,969	135
14		<u>Nuclear Production</u>		
15	321	Structures and Improvements	2,123	1
16	322	Reactor Plant Equipment	9,012	5
17	323	Turbogenerator Units	3,355	2
18	324	Accessory Electric Equipment	1,242	-
19	325	Miscellaneous Power Plant Equipment	410	-
20		Total Nuclear Production Plant	16,144	9
21		<u>Other Production</u>		
22	342	Fuel Holders, Producers and Accessories	413	-
23	344	Generators	14,887	10
24	345	Accessory Electric Equipment	1,663	1
25		Total Other Production Plant	16,964	11
26		<u>Transmission</u>		
27	111-350	Land and Land Rights	1,321	-
28	108-352	Structures and Improvements	540	-
29	353	Station Equipment	15,338	9
30	354	Towers and Fixtures	1,678	1
31	355	Poles and Fixtures	17,557	10
32	356	Overhead Conductors and Devices	15,796	9
33	357	Underground Conduit	1,030	-
34	358	Underground Conductors and Devices	878	-
35		Total Transmission Plant	54,140	33
36		<u>Distribution</u>		
37	111-360	Land and Land Rights	946	-
38	108-361	Structures and Improvements	1,167	-
39	362	Station Equipment	27,985	-
40	364	Poles, Towers and Fixtures	28,102	-
41	365	Overhead Conductors and Devices	16,833	-
42	366	Underground Conduit	10,432	-
43	367	Underground Conductors and Devices	22,061	-
44	368	Line Transformers	28,508	-
45	369	Services	1,467	-
46	370	Meters	6,009	-
47	371	Installations on Customers' Premises	886	-
48	373	Street Lighting and Signal Systems	10,833	-
49		Total Distribution Plant	155,136	-

KANSAS CITY POWER & LIGHT COMPANY

Electric Department and Steam Heat
Accumulated Provision for Depreciation and Amortization
As of December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A)		(B)	(C)		(D)	
	FERC	Account		Electric	Department	Steam	Heat
	Number		Title	& Steam Heat		Heat	
1			<u>ELECTRIC DEPARTMENT ACCUMULATED PROVISION</u>				
2			<u>FOR DEPRECIATION AND AMORTIZATION (Continued)</u>				
3			<u>General</u>				
4	108-390		Structures and Other Improvements	\$	4,007	\$	27
5	391		Office Furniture and Equipment		1,356		16
6	392		Transportation Equipment		4,424		59
7	393		Stores Equipment		307		2
8	394		Tools, Shop and Garage Equipment		813		3
9	395		Laboratory Equipment		580		5
10	396		Power Operated Equipment		486		-
11	397		Communication Equipment		2,009		9
12	398		Miscellaneous Equipment		252		3
13			Total General Plant		<u>14,236</u>		<u>128</u>
14	108		<u>Retirement Work in Progress</u>				
15			Steam Production		(2,254)		(1)
16			Transmission		(127)		-
17			Distribution		355		-
18			General		1		-
19			Total Retirement Work in Progress		<u>(2,024)</u>		<u>(1)</u>
20			TOTAL ELECTRIC DEPARTMENT ACCUMULATED				
21			PROVISION FOR DEPRECIATION AND				
22			AMORTIZATION		<u>455,765</u>		<u>318</u>
23			<u>DIRECT STEAM HEAT ACCUMULATED PROVISION</u>				
24			<u>FOR DEPRECIATION</u>				
25			<u>Production</u>				
26	711		Structures and Improvements		3,650		3,650
27	712		Boiler Plant Equipment		9,321		9,321
28	713		Accessory Electric Equipment		880		880
29	714		Miscellaneous Equipment		242		242
30			Total Production Plant		<u>14,094</u>		<u>14,094</u>
31			<u>Distribution</u>				
32	714-761		Structures and Improvements		37		37
33	762		Station Equipment		205		205
34	764		Underground Conduit		2,314		2,314
35	769		Services		240		240
36	770		Meters		33		33
37			Total Distribution Plant		<u>2,829</u>		<u>2,829</u>
38			<u>General</u>				
39	791		Office Furniture and Equipment		1		1
40	794		Tools, Shop and Garage Equipment		3		3
41	798		Miscellaneous Equipment		-		-
42			Total General Plant		<u>4</u>		<u>4</u>
43			<u>Retirement Work in Progress</u>				
44	799		Distribution		(120)		(120)
45			TOTAL DIRECT STEAM HEAT ACCUMULATED				
46			PROVISION FOR DEPRECIATION		<u>2,829</u>		<u>2,829</u>
47			TOTAL ELECTRIC DEPARTMENT AND				
48			STEAM HEAT ACCUMULATED PROVISION FOR				
49			DEPRECIATION AND AMORTIZATION		<u>458,594</u>		<u>322</u>

KANSAS CITY POWER & LIGHT COMPANY

Total Company and Steam Heat Fuel Inventory
As of December 31, 1985
(Truncated to Thousands of Dollars)

Line	Station	(A) Inventory	(B) Unit Price	(D) Quantity		(F) Total Company	(G) Steam Heat
				Barrels	Tons		
				(Note 1)			
1	Northeast	Oil	\$31.433	119,023		\$ 3,741	\$ 7
2	Grand Avenue	Oil	20.367	5,480		111	111
3	Grand Avenue	Coal	34.800		8,927	310	310
4	Hawthorn	Oil	34.563	5,046		174	-
5	Hawthorn	Coal	20.860		231,626	4,515	9
6	Montrose	Oil	33.067	8,392		277	-
7	Montrose	Coal	32.377		181,578	5,878	11
8	La Cygne	Oil	34.335	8,403		288	-
9	La Cygne #1	Coal	24.526		269,212	6,637	13
10	La Cygne #2	Coal	23.746		212,798	4,694	9
11	Iatan	Oil	33.161	6,987		231	-
12	Iatan	Coal	21.120		417,942	8,952	17
13	Wolf Creek	Oil	33.733	3,359		119	-
14	Total Without Nuclear Fuel					35,936	493
15	Nuclear Fuel					36,530	64
16	Total					<u>\$72,467</u>	<u>\$ 557</u>

Note 1 - Quantities shown above represent KCP's share of such inventories.

2 - The above allocations are based on, and are consistent with, the fuel expenses.

KANSAS CITY POWER & LIGHT COMPANY

Total Company and Steam Heat
Materials and Supplies Inventory Other Than Fuel
as of December 31, 1985
(Truncated to Thousands of Dollars)

Line	Description	Total Company	Steam Heat
1	Northeast & Northeast Unit Train	\$ 827	\$ -
2	Grand Avenue	1,352	1,173
3	Hawthorn	4,709	2
4	Montrose & Montrose T&D	4,039	2
5	Iatan	3,933	2
6	Manchester & Garages	6,642	4
7	La Cygne	4,886	3
8	Wolf Creek	4,381	2
9	Johnson County & Paola Service Centers	357	-
10	Deposits, Reels, Drums & Containers	154	-
11	Fuel Additives	147	-
12	Stationery Stores	42	-
13	Undistributed Stores Expense	212	-
14	Other	<u>402</u>	<u>-</u>
15	Total	<u>\$12,092</u>	<u>\$1,177</u>

KANSAS CITY POWER & LIGHT COMPANY

Total Company and Steam Heat
Prepayments
as of December 31, 1985
(Truncated to Thousands of Dollars)

	(A)	(B)
<u>Line</u>	<u>Description</u>	<u>Amount</u>
1	Premiums on General Insurance Coverage	\$ 2,530
2	Premiums on Automobile Insurance	128
3	Postage	<u>72</u>
4	Total	<u>\$ 2,731</u>
5	Allocation of Prepayments to:	
6	Steam Heat	<u>\$ 62</u>

KANSAS CITY POWER & LIGHT COMPANY
Accumulated Deferred Income Taxes Applicable to Steam Heat
As of December 31, 1985
(Truncated to Thousands of Dollars)

Line	FERC Account Number	(B) Title	(C)	(D)
			Electric Department & Steam Heat	Steam Heat
1	255	Investment Tax Credit	\$ 671	\$ -
2	281	Accelerated Amortization		
3		Electric	<u>2,558</u>	<u>1</u>
4	282	Liberalized Depreciation		
5		Electric	219,256	169
6		Steam	<u>798</u>	<u>798</u>
			<u>220,054</u>	<u>968</u>
7		Repair Allowance		
8		Electric	6,761	-
9		Steam	<u>5</u>	<u>5</u>
			<u>6,766</u>	<u>6</u>
10		Pension Cost Capitalized		
11		Electric	<u>2,521</u>	<u>-</u>
12		Payroll Taxes Capitalized		
13		Electric	<u>1,862</u>	<u>-</u>
14		Property Taxes Capitalized		
15		Electric	<u>10,963</u>	<u>7</u>
16		Health & Welfare Costs Capitalized	<u>931</u>	<u>-</u>
17	283	Tree Trimming	<u>826</u>	<u>-</u>
18		Total	<u>524,828</u>	<u>1,783</u>

KANSAS CITY POWER & LIGHT COMPANY

Steam Heat Operating Income Statement
Test Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) FERC Account Number	(B) Title	(C) Test Year Ended 12-31-85	(D) Test Year Adjust- ments	(E) Test Year as Adjusted	(F) Pro Forma Adjustments	(G) Pro Forma Operat- ions
1		<u>Steam Heat Operating Revenues</u>					
2	414-600	Revenues from Steam Heat Sales	\$ 13,452	\$(8,562)	\$ 4,890	\$ 5,870	\$10,761
3	-601	Other	<u>55</u>	<u>4</u>	<u>60</u>	<u>-</u>	<u>60</u>
4		Total	<u>13,508</u>	<u>(8,557)</u>	<u>4,951</u>	<u>5,870</u>	<u>10,822</u>
5		<u>Steam Heat Operating Expenses</u>					
6		Purchased Steam & Other	-	(38)	(38)	-	(38)
7	414-625	Production - Operations	7,983	(3,088)	4,894	-	4,894
8	414-625,636	- Maintenance	765	961	1,727	-	1,727
9		- Nat'l Starch Contri.	-	(2,201)	(2,201)	-	(2,201)
10	414-630-635						
11	640-644	Distribution	1,238	(115)	1,122	-	1,122
12	414-630	Customer Accounts	67	(13)	54	-	54
13	414-620,						
14	670-673	Administrative and General	<u>1,496</u>	<u>38</u>	<u>1,534</u>	<u>-</u>	<u>1,534</u>
15		Total Operation and					
16		Maintenance Expenses	11,330	(4,456)	7,093	-	7,093
17	414-680	Depreciation and Amortization	286	1,130	1,417	-	1,417
18	408.1-200	General Taxes	613	(134)	479	58	537
19	409.1-200						
20	410.1-200						
21	411.1-200	Income Taxes Payable Currently(Sch 15)	-	(1,737)	(1,737)	2,760	999
22	411.4-200	Deferred Income Taxes	<u>452</u>	<u>(380)</u>	<u>(137)</u>	<u>-</u>	<u>(137)</u>
23		Total	<u>12,677</u>	<u>(3,798)</u>	<u>8,879</u>	<u>2,812</u>	<u>9,691</u>
24		Steam Heat Operating Income(Loss)	<u>8,831</u>	<u>(4,767)</u>	<u>4,062</u>	<u>3,058</u>	<u>1,131</u>

Sch. 11

Sch. 11

KANSAS CITY POWER & LIGHT COMPANY

Statement of Adjustments Made to Obtain Steam Heat Test Year as Adjusted
and Pro Forma Operating Results By FERC Account
Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

Line	FERC Account Number	(B) Operating Income Statement Caption	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
			Adjustment Number - Increase/(Decrease)								
			1	2	3	4	5	6	7	8	9
1		Total Company Operating Revenues									
2	405-454	Rent from Electric Property	\$	\$	\$	\$	\$	\$	\$	\$	\$
3		Total Electric Revenue									
4		Steam Heat Operating Revenues									
5	414-400	Revenue from Steam Heat Sales	(8,562)								
6	414-401	Other	4								
7		Total Steam Heat Revenue	(8,557)								
8		Steam Heat Operating Expenses									
9	414-425	Purchased Steam									
10	414-425	Production - Operations	(382)	(1,051)	373	(2,353)					
11	414-425,434	- Maintenance	695		241						
12		- Nat'l Starch Contribution				(2,201)					
13	414-430,435,										
14	440-444	Distribution				(119)					
15	414-450	Customer Accounts				(13)					
16	414-430,							(1,467)			
17	470-473	Administrative and General							1,094		
18	414-480	Depreciation and Amortization									
19	404.1-200,										
20	409.1-200,									94	254
21	410.1-200	General Taxes	(509)								
22	411.1-200	Income Taxes Payable Currently									
23	411.4-200	Deferred Income Taxes									
24		Total Steam Heat Operating Expenses	(509)	312	(1,051)	481	(4,555)	(1,467)	1,094	94	254
25											
26		Operating Income(Loss) in Steam Heat	\$(8,047)	\$(312)	\$1,051	\$ (481)	\$4,555	\$1,467	\$(1,094)	\$(94)	\$(254)

KANSAS CITY POWER & LIGHT COMPANY

Statement of Adjustments Made to Obtain Steam Heat Test Year as Adjusted and Pro Forma Operating Results By FERC Account Year Ended December 31, 1985 (Truncated to Thousands of Dollars)

(A)	(B)	(C)	(D)	(E)	(F)	
Line	FERC Account Number	Operating Income Statement Caption	Adjustment Number - Increase/(Decrease)		Total Test Year Adjustments Inc./ (Dec.)	Pro Forma Adjustment
			10	11		
1		Total Company Operating Revenues				
2	400-454	Rent from Electric Property	\$	\$	\$	\$
3		Total Electric Revenue				
4		Steam Heat Operating Revenues				
5	414-400	Revenue from Steam Heat Sales				
6	414-401	Other			(8,562)	5,870
7		Total Steam Heat Revenue			4	
					(8,557)	
8		Steam Heat Operating Expenses				
9	414-425	Purchased Steam	(39)		(39)	
10	414-429	Production - Operations	325		(3,088)	
11	414-425,436	- Maintenance	25		961	
12		- Nat'l Starch Contribution			(2,201)	
13	414-430,435,					
14	440-444	Distribution	4		(115)	
15	414-450	Customer Accounts			(13)	
16	414-420,					
17	470-473	Administrative and General	1,506		38	
18	414-480	Depreciation and Amortization	36		1,130	
19	408.1-200,					
20	409.1-200,					
21	410.1-200	General Taxes	25		(134)	58
22	411.1-200	Income Taxes Payable Currently	(1,757)		(1,757)	2,760
23	411.4-200	Deferred Income Taxes	(157)	(423)	(581)	
24		Total Steam Heat Operating Expenses	(29)	(423)	(5,798)	2,819
25						
26		Operating Income(Loss) in Steam Heat	\$ 29	\$ 423	\$(2,757)	\$ 3,051
					Sch. 11	Sch. 11

KANSAS CITY POWER & LIGHT COMPANY

Explanation of Adjustments Made to Obtain Total Steam Heat
Test Year as Adjusted and Pro Forma Operating Results
Test Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) Adjust- ment Number	(B) Explanation of Steam Heat Adjustment	(C) Increase/ (Decrease)
1	1	Adjust test year revenue for rates	
2		Revenues from Steam Heat Sales	\$(8,562)
3		Other Heat Revenues	4
4		Taxes Other Than Income Taxes - Heat	(509)
5			<u>(8,047)</u>
6	2	Adjust Grand Avenue test year Other than Labor and Other	
7		than Fuel Expenses based on 1986 budget	
8		Production - Operations	(382)
9		- Maintenance	695
10			<u>312</u>
11	3	To annualize fuel expense	
12		Production Operations	<u>(1,051)</u>
13	4	Adjust test year expenses to reflect the transfer of payroll	
14		at Grand Avenue from electric to steam	
15		Production - Operations	373
16		- Maintenance	241
17		Distribution	(119)
18		Customer Accounts	(13)
19			<u>481</u>
20	5	To reduce test year production expenses by the CPC	
21		cancellation fees and the National Starch and Chemical	
22		Company margin	
23		Production - Operations	(2,353)
24		- National Starch Contributions	(2,201)
25			<u>(4,554)</u>
26	6	Adjust test year to eliminate Administrative and General	
27		and Interdepartmental Rents transferred to steam	
28		from electric	
29		Administrative and General	<u>(1,467)</u>
30	7	To annualize depreciation expense based on test year plant	
31		and proposed depreciation rates	
32		Depreciation and Amortization	<u>1,084</u>
33	8	Adjust test year expenses to reflect the transfer of	
34		Grand Avenue to steam operations	
35		Property Taxes	<u>74</u>
36	9	Adjust test year expenses to reflect the transfer of payroll	
37		taxes and fringe benefits at Grand Avenue to steam from	
38		electric	
39		Taxes Other Than Income Taxes - Heat	<u>224</u>

KANSAS CITY POWER & LIGHT COMPANY

Explanation of Adjustments Made to Obtain Total Steam Heat
Test Year as Adjusted and Pro Forma Operating Results
Test Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) Adjust- ment Number	(B) Explanation of Steam Heat Adjustment	(C) Increase/ (Decrease)
1	10	Allocate test year electric expenses applicable to steam	
2		heat operating expenses	
3		Purchased Steam	\$ (39)
4		Production - Operations	325
5		- Maintenance	25
6		Distribution	4
7		Administrative and General	1,506
8		Depreciation and Amortization	36
9		Taxes Other Than Income Taxes - Heat	25
10		Income Taxes Payable Currently	(1,757)
11		Deferred Income Taxes	(157)
12		Schedule 9	(29)
13	11	To adjust for deferred income taxes	
14		Deferred Income Taxes	(423)
15		Net Operating Income Effect	<u>\$(2,757)</u>
16		<u>Pro Forma Adjustment</u>	
17	1	Provide for revenue rate increase proposed by KCPL	
18		Revenue from Steam Heat Sales	\$ 5,870
19		General Taxes (Kansas City C Tax)	38
20		Income Taxes Payable Currently (Sch. 15)	<u>2,760</u>
21		Net Operating Income Effect	<u>\$ 3,878</u>

KANSAS CITY POWER & LIGHT COMPANY

Total Company Operating Income Statement and
Electric Department Allocation to Steam Heat
Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

	(A)	(B)	(C)	(D)	(E)	(F)
	FERC				Test	Alloca-
	Account				Period	tion
	Number	Title	Total	Adjust-	Operating	to
Line			Company	ments	Results	Steam
						Heat
1		<u>Electric Operating Revenues</u>				
2		Electric Sales				
3	440	Residential	\$ 200,838	\$ -	\$ 200,838	\$ -
4	442	Commercial & Industrial	359,680	-	359,680	-
5	444	Public Street & Highway Lighting	12,127	-	12,127	-
6	445	Other Sales to Public Authorities	96	-	96	-
7	447	Sales for Resale	6,525	-	6,525	-
8		Total Electric Sales	579,267	-	579,267	-
9		Electric Revenue Other Than Sales				
10	450	Forfeited Discounts	1,487	-	1,487	-
11	451	Miscellaneous Service Revenues	404	-	404	-
12	454	Rent From Electric Property	576	-	576	-
13	455	Interdepartmental Rents	1,192	(1,192)	-	-
14	456	Other Electric Revenues	185	-	185	-
15		Total Electric Revenue Other Than Sales	3,845	(1,192)	2,653	-
16		Total Electric Operating Revenues	583,112	(1,192)	581,920	-
17		<u>Electric Operating Expenses</u>				
18		Operation & Maintenance				
19		Production				
20	500-507	Steam Production Operation	160,076	850	160,926	304
21	510-514	Steam Production Maintenance	34,286	(944)	33,342	23
22	517-525	Nuclear Production Operation	15,206	-	15,207	20
23	528-532	Nuclear Production Maintenance	2,808	-	2,808	1
24	546-550	Other Power Generation Operation	224	3	227	-
25	551-554	Other Power Generation Maintenance	311	10	321	-
26	555	Purchased Power	(23,371)	-	(23,371)	(39)
27	556-557	Dispatching & Other Production Expenses	1,475	44	1,519	1
28		Total Electric Production Expenses	191,817	(34)	190,982	312
29		Transmission				
30	560-567	Operation	3,396	61	3,457	2
31	568-572	Maintenance	3,491	41	3,442	2
32		Total Electric Transmission Expenses	6,797	102	6,900	4
33		Distribution				
34	580-589	Operation	13,060	439	13,500	-
35	590-598	Maintenance	25,445	280	25,725	-
36		Total Electric Distribution Expenses	38,505	719	39,225	-
37		Customer Accounts				
38	901,903-904	Customer Accounts Expenses	9,813	260	10,073	-
39	902	Water Heating Expenses	2,307	102	2,409	-
40		Total Electric Customer Accounts	12,120	362	12,482	-
41	902-910	Customer Service & Information Expenses	3,347	75	3,422	-
42		Sales				
43	912	Operating	2	-	2	-
44	911,913,916	Supervision, Advertising & Miscellaneous	652	12	664	-
45		Total Electric Sales Expenses	654	12	666	-

KANSAS CITY POWER & LIGHT COMPANY

Total Company Operating Income Statement and
Electric Department Allocation to Steam Heat
Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

	(A)	(B)	(C)	(D)	(E)	(F)
	FERC Account Number	Title	Total Company	Adjust- ments	Test Period Operating Results	Allocation to Steam Heat
1		Electric Operating Expenses (Continued)				
2		Operation & Maintenance (Continued)				
3		Administrative & General				
4	920	Salaries	\$ 14,215	\$ 714	\$ 14,929	\$ 786
5	921,923,931	Office Expense, Outside Services & Rents	10,774	-	10,774	22
6	922	Administrative Exp. Trans. CR	(1,118)	-	(1,118)	-
7	924	Property Insurance	1,891	3	1,894	16
8	925	Injuries and Damages	2,007	26	2,034	107
9	926	Employee Pensions and Benefits	12,763	(2,425)	10,338	544
10	928	Regulatory Expense	9,763	70	9,834	-
11	929	Duplicate Charges - Credit	(2,221)	275	(1,945)	- (4)
12	930.1,930.2	Miscellaneous General Expense				
13		Company Association Dues	443	-	443	-
14		Fee to EPRI Research Activity	1,879	-	1,879	4
15		Other Miscellaneous General Expense	1,925	-	1,925	3
16	935	Maintenance	3,353	25	3,379	25
17		Total Electric Administrative & General	55,678	(1,308)	54,369	1,506
18		Total Electric Operation & Maintenance	308,177	(70)	308,107	1,823
19	403-405	Total Electric Depreciation	62,156	(616)	61,539	36
20	408.1	Taxes Other Than Income Taxes				
21		Property Taxes	23,559	4,922	28,481	19
22		Gross Receipts Taxes	30,643	-	30,643	-
23		State Capital Stock Taxes	221	-	221	1
24		Payroll & Occupational Taxes	4,896	146	5,042	4
25		Federal Excise Taxes	17	-	17	-
26		Earnings Tax	(60)	60	-	-
27		Total Electric Taxes Other Than				
28		Income Taxes	59,277	5,128	64,406	25
29		Income Taxes				
30	409.1	Payable Currently	-	(13,351)	(13,351)	(1,757)
31	410.1	Deferred	219,987	(169,631)	50,355	(122)
32	411.1	Deferred Credits				
33		Other Than Accelerated Amortization	(154,540)	147,281	(7,258)	(30)
34		Accelerated Amortization	(343)	121	(221)	-
35	411.4	Investment Tax Credit				
36		Provision				
37		Amortization	(2,967)	- (3)	(2,970)	- (5)
38		Total Electric Income Taxes	62,136	(35,582)	26,553	(1,915)
39	406	Deferred Wolf Creek Expenses	(14,343)	-	(14,343)	-
40		Total Electric Operating Expenses	477,403	(31,140)	446,263	(29)
41		Net Electric Operating Income/(Loss)	105,708	\$ 29,948	\$ 135,657	\$ (29)
				Sch. 14		
42	414,408.1	Steam Heat Utility Oper. Income/(Loss)(Sch. 9)	634			
43	409.1,410.1,	Total Utility Operating Income/(Loss)	106,343			
44	411.1,411.4	Net Revenue/(Cost) From Sales, Jobbing &				
45	413-416	Contract Work	-			
46	410	Non-operating Rental Income	11			
47	410.1	Equity in Earnings of Subsidiary Companies	(2,689)			
48	412	Interest and Dividend Income	275			
49	415.1	Allowance for Other Funds Used During				
50		Construction	64,590			
51	420	Amortization of Gain on Sale of Property	56			
52	421	Nonoperating Income & Gain/(Loss) on Property	43,000			
53	426	Donations, Political Activities and Other	(4,755)			
54	427-431	Interest Expense & Amortization of Premiums and	(101,903)			
55	432	Other Debt Costs				
56		Allowance for Borrowed Funds Used During				
57		Construction	44,000			
58	434,435.1	Income Taxes - Other Than Electric Department				
59	436,437.1	Income Taxes - Other Than Electric Department				
60		Net Income/(Loss)				

KANSAS CITY POWER & LIGHT COMPANY

Statement Of Adjustments Made To Obtain Total Electric
Test Year As Adjusted
Operating Results By FERC Account
Test Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line	FERC Account	Electric Adjustment Number - Increase/(Decrease)							Total Inc./ (Dec.)
		1	2	3	4	5	6	7	
1	Revenue								
2	all-								
3	440-456	\$ (1,192)	\$	\$	\$	\$	\$	\$	\$ (1,192)
4	Expense								
5	401-								
6	500-507		1	848					850
7	402-								
8	510-514		(1,606)	662					(944)
9	401-								
10	517-525								662
11	402-								
12	528-532								
13	401-								
14	546-550			3					3
15	402-								
16	551-554			10					10
17	401-								
18	555-557			44					44
19	401-								
20	560-567			61					61
21	402-								
22	568-573			41					41
23	401-								
24	580-589			439					439
25	402-								
26	590-598			280					280
27	401-								
28	901-904			362					362
29	907-910			74					74
30	912								
31	911			2					2
32	913								
33	916			11					11
34	920			714					714
35	921								
36	923								
37	931								
38	924			3					3
39	925			26					26
40	926			31	(2,456)				(2,425)
41	928			70					70
42	929	275							275
43	930.1								
44	930.2								
45	402-935			25					25
46	403-000					(616)			(616)
47	404-000								
48	405-000								
49	406.1				141	4,302			4,443
50	406.1						(13,333)		(13,333)
51	406.1						(100,433)		(100,433)
52	406.1						(12,433)		(12,433)
53	406.1						(1)		(1)
54	Net Operating-								
55	Long Income								
56	Effect	\$ (1,427)	\$ 1,425	\$ (1,714)	\$ 2,331	\$ 4,424	\$ (13,333)	\$ (12,433)	\$ (1,714)

KANSAS CITY POWER & LIGHT COMPANY

Explanation of Adjustments Made to Obtain Total Electric
Test Year as Adjusted Operating Results
Test Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

Line	(A) Adjust- ment Number	(B) Explanation of Electric Adjustments	(C) Increase/ (Decrease)
1	1	Adjust test year to exclude Administrative and General and	
2		Interdepartmental Rents transferred from electric to	
3		steam	
4		Interdepartmental Rents - Revenue	\$ (1,192)
5		Duplicate Charges - Credit	275
6			<u>(1,467)</u>
7	2	Adjust test year operations and maintenance expense to	
8		reflect transfer of Grand Avenue electric operations to steam	
9		Production Operation	1
10		Production Maintenance	(1,606)
11			<u>(1,605)</u>
12	3	Adjust test year expenses to annualize electric payroll	
13		Production Operations	848
14		Production Maintenance	662
15		Other Production Operations	3
16		Other Production Maintenance	10
17		Other Power Supply Expenses	44
18		Transmission Operations	61
19		Transmission Maintenance	41
20		Distribution Operations	439
21		Distribution Maintenance	280
22		Customer Accounts Operations	362
23		Customer Service and Informational Operations	74
24		Sales Operations	13
25		Administrative and General Operations	846
26		Administrative and General Maintenance	25
27			<u>3,716</u>
28	4	Adjust test year payroll overhead expenses to reflect	
29		annualized payroll	
30		Employee Pensions and Benefits	(2,456)
31		Taxes other than Income Taxes - Net	106
32			<u>(2,310)</u>
33	5	Adjust test year depreciation expense to exclude	
34		Grand Avenue Station from electric operations	
35		Depreciation	<u>(616)</u>
36	6	Adjust test year expenses to annualize property tax expense	
37		Property Taxes	<u>4,312</u>
38	7	Adjust for Income Taxes and Earnings Tax for the test year	
39		Income Tax	(35,582)
40		Earnings Tax	48
41			<u>(35,534)</u>
42		Net Operating Income Effect	<u>1,252</u>

KANSAS CITY POWER & LIGHT COMPANY

Calculation for Steam Heat Test Year As Adjusted and Pro Forma Provisions
For Income Taxes Payable Currently (FERC Account No. 409.1)
Year Ended December 31, 1985
(Truncated to Thousands of Dollars)

Line	Description	(A)	(B)	(C)	(D)
		Steam Heat		Reference	
		Test Year	Pro Forma		
1	<u>INCOME SUBJECT TO TAXATION</u>				
2	Revenues	\$ 4,951	\$ 10,822	Sch 9	
3	Deductions				
4	Operation and maintenance expenses	7,093	7,093	Sch 9	
5	Less: Depreciation charged through clearings (1)	-	-		
6	Nuclear fuel amortization	13	13		
7	Amort. of prior years vacation	6	6		
8	Amort. of prulease	10	10		
9	Net operation and maintenance expenses	7,062	7,062		
10	Taxes other than income taxes	479	537	Sch 9	
11	Tax depreciation and amortization (2)	591	591		
12	Removal costs (2)	171	171		
13	Total deductions	8,304	8,363		
14	Steam heat operating income subject to income taxes	(3,353)	2,458		
15	Less steam heat interest expense	355	355		
16	Steam heat portion of income subject to income taxes (A)	<u>\$ (3,708)</u>	<u>\$ 2,103</u>		
17	<u>Federal Income Tax Calculation:</u>				
18	Steam heat portion of income subject to income taxes	\$ (3,708)	\$ 2,103		
19	Less steam heat portion of provision for state income taxes				
20	payable currently	(95)	58		
21	Steam heat income subject to <u>Federal</u> income taxation	<u>(3,612)</u>	<u>2,045</u>		
22	Steam heat portion of provision for Federal income taxes				
23	payable currently at a 46% statutory income tax rate applicable to				
24	taxable income over \$100,000/year (Note 1)	<u>\$ (1,661)</u>	<u>\$ 940</u>		
25	<u>Missouri Income Tax Calculation:</u>				
26	Steam heat portion of income subject to income taxes	\$ (3,708)	\$ 2,103		
27	Steam heat portion of provision for Federal income taxes				
28	payable currently	(1,661)	940		
29	Steam heat income subject to <u>Missouri</u> income taxation	<u>(2,046)</u>	<u>1,163</u>		
30	Steam heat portion of provision for state income taxes				
31	payable currently at a 5% statutory income tax rate (Note 2)	<u>\$ (95)</u>	<u>\$ 58</u>		
32	<u>Total Income Tax Payable Currently</u>	<u>\$ (1,733)</u>	<u>\$ 999</u>		

Allocation based on:

- (1) Transportation plant, unit train, and direct assignments
- (2) Gross electric plant in service at December 31, 1985

Notes: 1 - Federal Income Tax (FIT) - 46% of (A) - (B)
2 - Missouri Income Tax (MIT) - 5% of (A) - (B)