Exhibit No.:	
Issues:	*Regulatory Amortizations*
	Regulatory Lag
	Authorized Returns
	Jurisdictional Allocation Factors
Witness:	*Cary G. Featherstone*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal Testimony*
Case No.:	*ER-2014-0370*
Date Testimony Prepared:	*June 5, 2015*

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

UTILITY SERVICES - AUDITING

SURREBUTTAL TESTIMONY

OF

CARY G. FEATHERSTONE

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2014-0370

Jefferson City, Missouri
June 5, 2015

TABLE OF CONTENTS OF

SURREBUTTAL TESTIMONY OF

CARY G. FEATHERSTONE

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2014-0370

SURREBUTTAL TESTIMONY

OF

CARY G. FEATHERSTONE

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2014-0370

Q. Please state your name and business address.

A. Cary G. Featherstone, Fletcher Daniels State Office Building, 615 East 13th Street, Kansas City, Missouri.

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

A. I am a Regulatory Auditor with the Missouri Public Service Commission ("Commission" or "Missouri Commission").

Q. Are you the same Cary G. Featherstone who filed direct and rebuttal testimony in this proceeding?

A. Yes, I am. I filed direct testimony in this case on April 3, 2015, sponsoring Staff's revenue requirement cost of service report ("COS Report") for Kansas City Power & Light Company's ("KCPL" or "Company") rate case filed on October 30, 2014. I provided testimony in the COS Report on various topics specifically identified in the report, specifically off-system sales, jurisdictional allocations and additional amortizations for Iatan 2. I also filed rebuttal testimony on May 7, 2015 regarding regulatory lag and jurisdictional allocations.

Q. What is the purpose of your surrebuttal testimony?

A. I address the rebuttal testimony of Darrin R. Ives, KCPL's Vice President – Regulatory Affairs— rebuttal testimony, pages 3 and 8 concerning KCPL's rate increases and rates.

I address the rebuttal testimony regarding regulatory amortizations of the following KCPL witnesses:

- Darrin R. Ives, KCPL's Vice President – Regulatory Affairs— rebuttal testimony, pages 15 and 16;
- Tim M. Rush- KCPL's Director of Regulatory Affairs— rebuttal testimony, pages 29-31.
- Ronald A. Klote, KCPL's Senior Manager of Regulatory Affairs- rebuttal testimony, pages 9-16.

I also address the issue of regulatory lag and the impact on KCPL's earnings discussed throughout Dr. H. Edwin Overcast's rebuttal testimony and those of other KCPL witnesses such as Mr Ives and Mr. Rush. I also address KCPL's inability to earn authorized returns set by the Commission and the understatement by the Company of KCPL's actual earned returns referred to in the rebuttal testimonies of KCPL witnesses Ives and Rush.

Finally, I will also address jurisdictional allocation factors issue found in Mr. Klote's rebuttal testimony, pages 52-55.

EXECUTIVE SUMMARY

Q. Would you please summarize your surrebuttal testimony?

A. I will present comments that KCPL has filed five rate increases starting in February 1, 2007 totaling $283.1 million in rate increases, an increase of over 57% over that period.[1]

[1] Staff Cost of Service Report filed on April 3, 2015, page 14- KCPL total rates- Missouri 2013 of 8.78 cents per kWh compared to 2005 of 5.65 cents per kWh representing a 55% increase. Using KCPL's total rates- Missouri 2014 of 8.89 cents per kWh compared to 2005 of 5.65 cents per kWh representing a 57% increase.

In the Regulatory Amortizations section of this surrebuttal testimony, I discuss the need to have a mechanism to quantify and capture any over collected amortizations by KCPL from regulatory assets and amounts over funded to customers from regulatory liabilities (returned to customers through a reduction in cost of service).

KCPL claims it has not earned its authorized returns in Missouri for 2013 and 2014 due to continually rising costs and a limited "Missouri regulatory framework"[2] that uses a ratemaking model in Missouri based on actual historic test years and updating for known and measurable changes while ignoring "cost increase that have occurred between the historical test year used and the date rates are effective" and ignores costs in a rising cost environment after rates are in place ". . . with little ability to synchronize recovery with costs incurred other than to initiate another expensive and time-consuming rate case."[3] While KCPL may have not earned the 9.7% authorized by the Commission in the 2012 rate case (ER-2012-0174), there is evidence that KCPL's actual earned returns on equity is higher than it is reporting to the Commission in testimony or in its annual surveillance reporting. In addition, there are many reasons that a utility like KCPL does not earn at authorized levels.

I also respond to KCPL's witness Klote's rebuttal testimony relating to jurisdictional allocations. While KCPL adopted Staff's 4 coincident peak ("CP") method to calculate the demand allocation factor, ("demand factor"), KCPL takes issue with the period used to determine this demand factor. Staff disagrees with KCPL's criticism of using the four summer months of June, July, August and September 2014 and continues to support calculation of the demand factor based on these 4 summer months. The demand factor used to allocate production and transmission plant, depreciation reserve, depreciation expense and

[2] KCPL witness Ives direct, page 3, line 13.
[3] KCPL witness Ives direct, page 4, lines 3-11.

related operation and maintenance expenses to Missouri is 53.17%. Staff continues to support this allocation percentage level.

Staff agrees with KCPL updating the distribution accounts for meters as of the May 31, 2015 true-up date because of the installation of the new advanced metering infrastructure meter, the Advanced Metering Infrastructure meter ("AMI meters").

KCPL's RATE INCREASES

Q. Mr. Ives discusses various aspects KCPL's past rate increases at pages 3 through 8 of his rebuttal. Do you believe customers have benefited from the significant increases in rates since 2006?

A. While no rate increases are ever well received by customers, customers have and are benefiting from the capital investments made to support system reliability and conservation efforts identified by Mr. Ives. Customers throughout KCPL's service area and people living in Missouri benefited greatly from the reduced emissions from state of the art environmental equipment installed at KCPL's generating fleet. But all those benefits come with a steep price paid by the ratepayers, namely significant rate increases causing KCPL's rates to increase faster than the national, regional and state averages.

Since 2006, KCPL has made substantial capital investments to its system causing customer rates to go up dramatically. The completion of the Iatan 2 generating unit greatly increased costs to customers. The improvements made at Wolf Creek and the increase in operation and maintenance costs for the power plants and throughout the transmission and distribution system also caused rates to increase. Transmission costs have risen. Transition to the new Southwest Power Pool's ("SPP") integrated market has caused cost increases. New plant increases caused property tax costs to increase.

Q. Mr. Ives identifies what he refers to as the "Comprehensive Energy Plan." Were you involved in this plan?

A. Yes. I participated in the development and negotiations of the Regulatory Plan that dealt with the regulatory aspects of the Comprehensive Energy Plan. In 2003 to 2005, KCPL held a series of workshops, meetings for customers, regulatory meetings, presentations, and ultimately a hearing for this plan, what Staff generally refers to as the Regulatory Plan (Experimental Regulatory of Kansas City Power & Light Company). This plan was submitted to the Commission for approval in Case No. EO-2005-0329, after long and intense negotiations between various stakeholders and KCPL. Many parties to the 2005 Regulatory Plan case supported the Non-Unanimous Stipulation and Agreement approved by the Commission on July 28, 2005.

Q. Mr. Ives identifies in his rebuttal (page 3) several commitments made by KCPL from the Regulatory Plan. Did customers make commitments to support this plan?

A. While KCPL certainly made significant commitments to increase generating capacity, environmental upgrades and system reliability improvements, those commitments were not going to be made by the Company without equal commitments in the form of rate payments from customers. While KCPL should be commended with its commitments made to improving its system, it was the customers who had to sacrifice to pay for these commitments via substantial rate increases.

Q. How many rate increases has KCPL made since 2006?

A. KCPL has five rate increases with this being the sixth rate case. The Regulatory Plan identified four rate cases and a fifth rate case was filed in February 2012.

KCPL filed for the following rate increases under the Regulatory Plan for the period from 2006 to 2010 and a rate increase in 2012:

Case No.	Date Filed	Amount Requested	Amount Authorized	Effective Date of Rates
ER-2006-0314	February 1, 2006	$57 million 11.5% increase	$50.6 million	January 1, 2007
ER-2007-0291	February 1, 2007	$45 million 8.3% increase	$35.3 million	January 1, 2008
ER-2009-0089	September 5, 2008	$101 million 17.5% increase	$95 million 16.2% increase	September 1, 2009
ER-2010-0355	June 4, 2010	$92.1 million 13.8% increase	$34.8 million 5.23% increase	May 4, 2011
ER-2012-0174	February 27, 2012	$105.7 million 15.1% increase	$67.4 million	January 26, 2013
ER-2014-0370	October 30, 2014	$120.9 million 15.75% increase	Pending	September 2015 expected

Source: Commission's Report and Orders from each rate case

KCPL has received a total of $283.1 million since 2007. While KCPL made commitments to upgrade its infrastructure through significant investments, its customers made substantial commitments to the Company through increases in rates of over 57%. KCPL's overall retail rates in Missouri have gone from a 5.65 cents per kilowatt hour in 2005 to 8.89 cents per kilowatt hour in 2014.[4]

Q. Mr. Ives indicates at page 6 of his rebuttal testimony that its electric rates are below the national average. Is that so?

[4] EEI Winter 2014 Report, page 179 and EEI Winter 2006 Report, page 179 (see page 14 of Staff Cost of Service Report). Using EEI Winter 2014 Report, page 178, KCPL's total rates- Missouri 2014 of 8.89 cents per kWh compared to 2005 of 5.65 cents per kWh representing a 57% increase.

A. Yes. Tables in Staff Cost of Service Report appearing at pages 14 through 17 show KCPL's overall rates and for each class of customer – residential, commercial and industrial, or large volume users—are below the national average during the period 2005 to 2013, the most recent year available when Staff filed its direct testimony. However, KCPL's overall rates are above the regional average and the state of Missouri's average.

Staff recently received the Edison Electric Institute's Typical Bills and Average Rates Report Winter 2015. An update to the analysis presented in the Cost of Service Report for 2014 compared to previous years appears below for overall rates:

Utility Company	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
MISSOURI RETAIL AVERAGE RATES										
KCPL-Missouri	**8.89 cents/kwh**	**8.78** **Jan 26, 2013 ER-2012-0174**	**8.23**	**8.01** **May 4, 2011 ER-2010-0355**	**7.69**	**6.88** **Sept 1 ER-2009-0089**	**6.51** **Feb 1 ER-2007-0291**	**6.14** **Feb 1 ER-2006-0314**	**5.66**	**5.65**
MPS	9.56	9.51	9.48	9.31	9.09	8.36	7.79	7.33	6.85	6.45
L&P	9.14	9.10	8.49	7.34	6.75	6.34	5.93	5.63	5.30	5.20
Ameren Missouri	8.02	8.12	7.36	7.16	6.48	5.95	5.43	5.46	5.43	5.49
Empire-Missouri	11.00	10.65	10.35	10.07	8.96	8.45	8.18	8.03	7.33	7.09
Missouri Average	**8.56**	**8.58**	**7.96**	**7.72**	**7.11**	**6.55**	**6.04**	**5.93**	**5.74**	**5.71**
KANSAS RETAIL AVERAGE RATES										
KCPL-Kansas	10.40	10.42	9.87	9.43	8.57	8.06	7.46	6.73	6.35	6.32
Empire - Kansas	10.39	10.15	10.48	10.11	9.25	8.41	8.69	8.61	8.06	6.54
Westar Energy -- KGE	9.54	8.87	8.42	7.90	7.46	7.13	6.32	5.73	6.04	6.03
Westar Energy -- KPL	10.17	9.42	8.99	8.28	8.15	7.82	6.92	6.06	6.25	5.58

Utility Company	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Kansas Average	9.99	9.46	9.00	8.43	8.00	7.62	6.84	6.12	6.35	6.14
West North Central	**8.70**	**8.56**	**8.06**	**7.82**	**7.53**	**7.14**	**6.81**	**6.51**	**6.38**	**6.17**
United States Average	**10.72**	**10.37**	**10.09**	**10.09**	**9.97**	**9.83**	**9.77**	**9.20**	**8.89**	**8.22**

Source: EEI Winter 2010 Report, page 180 provided Data Request 380- ER-2010-0355
EEI Winter 2012 Report, page 180 provided Data Request 241- ER-2012-0174
EEI Winter 2014 Report, page 179; EEI Winter 2015 Report, page 178

Attached as Surrebuttal Schedule CGF-s1 are updated tables to include 2014 for residential, commercial and industrial customer rates for period 2005 to 2014.

While KCPL's overall rates may be below the national average, those rates increased over 57% from 2005 to 2014. The national average rates increased at just 30% over the same period. The West North Central region, which includes KCPL, experienced an overall increase of 41%.

KCPL's residential rates increased 60% compared to just 32% for the national average. The West North Central region residential rates increased 43% compared to the Company's 60% increase for that same period.

Of course, none of these increases include any impact of changes in rates from this case, expected late September 2015.

It is certainly true, customers benefited from the many changes made to KCPL's infrastructure, but customers are paying and will continue to pay for every one of these improvements. With all the improvements, come a price—KCPL's rates have gone up faster than the national, regional and state averages. While KCPL's overall total rates in the past were below the regional rates, they are now higher than the regional average.

REGULATORY AMORTIZATIONS- Regulatory Assets and Regulatory Liabilities

Q. Please summarize KCPL's position regarding Staff's treatment of expiring amortizations.

A. KCPL's witness Klote identifies at pages 9 through 16 of his rebuttal testimony the Company's opposition to quantifying and capturing the amortizations from previously authorized deferral mechanisms that KCPL fully recovered. In fact, until rates change in this case, KCPL continues to collect from its customers for these fully recovered amortizations. While KCPL collected the entire amount of the deferrals over the prescribed amortization periods, the Company believes the amounts over-collected for these amortizations in essence belong to KCPL. The amortizations for deferred costs are identified as regulatory assets.

KCPL's witness Ives discusses at pages 15 and 16 of his rebuttal testimony, the Iatan 2 operations and maintenance ("O&M") tracker amortizations. KCPL attempts to link any proposed rate treatment of fully recovered amortizations for Iatan 2's O&M tracker to approval of its request for various deferral mechanisms in this case.

KCPL takes the position that any amortization completed during the period of current rates should flow to its earnings—Great Plains Energy shareholders should benefit from the excess collections generated from fully collected amortizations.

Q. Were the amortizations expected to be kept to the benefit of KCPL once fully recovered?

A. No. The deferral mechanisms are unique to the regulatory process. Generally, the types of costs causing a deferral for a regulated utility would be required to be charged to income in the period of the event or occurrence. In determining utility rates, the Missouri

Commission can authorize the deferral of costs for recovery in future periods. The intent of the deferral process is to allow recovery of these costs, not over recovery. Indeed, if KCPL is allowed to "keep" the over recovered amounts, they will "profit", collecting in excess of the agreed to amortizations. Staff supported deferral recovery of these costs in rates to allow full recovery by KCPL but did not intend for KCPL to over recover those costs, or in essence, receive a windfall gain from the amortization process.

Q. Does Staff agree with KCPL's proposed treatment of the expired amortizations?

A. No. Staff believes any amounts collected above the total deferrals once the amortizations were completed should be quantified and used as offsets to other unamortized deferrals. The over-collected amounts from customers from these fully recovered amortizations relating to the regulatory assets should be applied to other amortizations that still being recovered. Customer have paid the agreed upon amounts and should not have to "overpay" for these amortizations. Staff believes the over-collected amortizations that have occurred and, will occur in the future, should be treated independent of KCPL's request for the various trackers it is requesting in this case.

Q. What happens to fully recovered amortizations?

A. KCPL continues to collect in rates each amortization that ends and will do so until rates are changed, expected September 30, 2015. Once approved by the Commission, a deferral is established on KCPL's books as a regulatory asset. These amortizations are charged to KCPL's books as an expense each month during the Commission authorized amortization period. This reduces the deferral amounts reflected in KCPL's deferred accounts as the amortization is recovered during the amortization period. The deferred amounts are fully recovered when the deferred accounts no longer contain a balance. At that time, KCPL discontinues expensing the fully recovered amortizations. However, since rates are not changed, KCPL continues to collect the same amounts from its customers. As such, KCPL over-collects these fully recovered amortizations. All over-collected amounts are retained by KCPL to its benefit unless those amounts are quantified, as Staff has done, and reflected as reductions for other amortizations that are not fully recovered.

Q. Please identify the amortizations that have been fully recovered.

A. The following table identifies the various amortizations for specific areas that KCPL deferred through the update period December 31, 2014 and the true-up period of May 31, 2015:

Regulatory Asset	End Date of Amortization	Annual Amortization	Over collection at December 31, 2014	Over collection at May 31, 2015	Over collection at September 30, 2015
Regulatory Assets					
2010 Rate Case Expense – Vintage 1	April 2014	$1,294,629	$863,086	$1,402,515	$1,834,058
Wolf Creek Refueling No. 16	August 2014	$314,116	$104,705	$235,587	$340,292
Economic Relief Pilot Program (ERPP)	April 2014	$85,642	$57,095	$92,779	$121,326
Regulatory Liabilities					
R&D Tax Credit Expenses	August 2014	$78,846	$26,282	$59,134	$85,416
Total Net		**$1,773,233**	**$1,051,168**	**$1,790,015**	**$2,381,092**

Q. Has Staff requested ratemaking treatment for any of the fully recovered amortizations in this case?

A. Yes. Various Staff members addressed the fully recovered amortizations throughout the Cost of Service Report shown below:

Regulatory Asset	End Date of Amortization	Staff Witness	Cost of Service Report	
Overall Amortizations		Keith Majors	Pages 145-148	
2010 Rate Case Expense – Vintage 1	April 2014	Keith Majors Matthew R. Young	Pages 147-148 Page 130	Reduce other unamortized vintages in this case
Wolf Creek Refueling No. 16	August 2014	V. William Harris	Page 115	Reduce other unamortized vintages in this case
Economic Relief Pilot Program (ERPP)	April 2014	Matthew R. Young	Page 137-138	Unspent funds be used for future ERPP
R&D Tax Credit Expenses	August 2014	Karen Lyons	Page 145	Requested future recovery treatment

Q. Why is it appropriate to reflect the fully recovered amortizations in this case?

A. KCPL collected from its customers the agreed upon amounts for each of the amortizations identified in the table above and is now collecting an excess amount for those fully recovered amortizations until rates are changed in this case. Customers fulfilled their obligation to KCPL by paying the entire deferred balance – they should not be over charged by allowing KCPL to retain the over collections, in essence, to profit from the fully collected amortization amounts.

Q. Mr. Klote believes the use of the over-collected amortizations in this manner is retroactive. Do you agree with this assessment?

A. No. There is nothing retroactive about the treatment of these amortizations since they ended after the test year and within the update period of December 31, 2014. Each amortization expired during 2014, within the update period in this case of December 31, 2014. An adjustment was necessary to eliminate the expired amortization for amounts charged in the test year ending March 31, 2014.

Q. Does Staff's proposed treatment of the fully recovered amounts harm KCPL?

A. No. KCPL fully recovered the agreed to amounts of the deferred costs. Not using the over-collected amounts to offset other amortizations as Staff proposes allows KCPL to financial gains from these cost recovery mechanisms— clearly not the intent of the deferral process. Staff supports KCPL collecting the proper amount of the amortizations but does not support the Company over-collecting them. Staff's proposed treatment for the fully recovered amortizations ensures KCPL collects amounts agreed to and what the Company is entitled to, but not more.

Q. Are there other amortizations currently built into rates that have not been fully recovered?

A. Yes. Several amortizations exist that have amortization periods extending beyond this rate case, as follows:

Regulatory Asset	**End Date of Amortization**	**Staff Witness**	**Cost of Service Report**
Overall		Keith Majors	Pages 144
2011 Missouri River Flood	January 2018	Keith Majors	Page 144
Iatan 2 O&M Amortization	January 2016	V. William Harris	Page 118

Staff proposes that the amortizations that continue beyond this rate case be quantified when they become fully recovered, so over-collections are available to offset any existing amortizations in the next rate case. The Commission should require KCPL to capture the deferred costs for those amortizations when fully recovered to use as offset to other amortizations. Once those amortizations reach full recovery, KCPL should track the over-collections through any cutoff period—an update period, true-up or effective date of rates—to be available to be used in the future rate case and continue to identify the amounts through the date new rates take effect of the next rate case.

The recovery of the deferrals was intended to allow KCPL to receive rate recovery of the amortizations but was not to allow the Company to profit or gain from the deferred mechanisms.

Q. Are the expiring amortizations both deferred assets and deferred liabilities?

A. Yes. Both types of deferral were reflected on KCPL's books and records and included in the existing rate structure.

Q. What are regulatory assets?

A. Regulatory assets are deferral accounting treatments of certain types of costs. Regulatory assets are selected costs, typically extraordinary in nature, that are allowed to be deferred and generally recovered over a specific period of time such as five or ten years. The costs are not charged to income (are not charged to expenses) in the year of incurrence but deferred to a regulatory asset account- FERC Account 182.3 Other Regulatory Assets[5] or

[5] Account 182.3- Other Regulatory Assets

A. This account shall include the amounts of regulatory-created assets, not includible in other accounts, resulting from the ratemaking actions of regulatory agencies. (See Definition No. 30.)

B. The amounts included in this account are to be established by those charges which would have been included in net income, or accumulated other comprehensive income, determinations in the current period under the general requirements of the Uniform System of Accounts but for it being probable that such items will be

Account 186 Miscellaneous Deferred Debits[6].

The deferred costs do not increase expenses in the year deferred, but is amortized to expenses in future periods. The deferred amounts are amortized and the utility typically is allowed to include the amortization as an increased cost of service item—an increase of costs reflected in rates. When the regulatory asset is fully recovered (fully amortized), expenses are reduced.

The utility benefits from regulatory assets as the costs are reflected in its rate structure. An example of a regulatory asset is when a utility defers costs from an ice storm, generally, to restore the distribution and transmission systems back to the pre-storm levels. The deferred costs are recovered in rates over a period of time such as over five or ten years.

Q. What are regulatory liabilities?

A. Certain deferrals have the effect of reducing expenses, referred to as deferred liabilities. The regulatory liability amounts reduce expenses over a period of time, flowing monies for the deferrals back to customers in the same way the regulatory assets increase costs over the recovery period. Once the regulatory liability amortization is completed and the customers are fully funded (reimbursed), the end of the amortizations increase expenses to KCPL, the opposite of when KCPL fully recovers the regulatory asset.

---

included in a different period(s) for purposes of developing rates that the utility is authorized to charge for its utility services. When specific identification of the particular source of a regulatory asset cannot be made, such as in plant phase-ins, rate moderation plans, or rate levelization plans, account 407.4, regulatory credits, shall be credited. The amounts recorded in this account are generally to be charged, concurrently with the recovery of the amounts in rates, to the same account that would have been charged if included in income when incurred, except all regulatory assets established through the use of account 407.4 shall be charged to account 407.3, regulatory debits, concurrent with the recovery in rates.

[6] Account 186 Miscellaneous Deferred Debits

A. For Major utilities, this account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.

Regulatory liabilities are selected reductions to costs that are allowed to be deferred and generally refunded, or flowed back to customers over a specific period of time, such as five or ten years. The cost reductions are not reflected in income (are not credited to revenues or reduction to expenses) in the year of incurrence but deferred to a regulatory liability account- FERC Account 254- Other Regulatory Liabilities.[7] The deferred liabilities reduce expenses in the year deferred, thus a deferral that is amortized as a reduction to expenses in future periods. The deferred amounts are amortized and the utility is required to reduce its cost of service-- a decrease of costs reflected in rates. The utility's customers benefit from regulatory liabilities as the cost reductions are reflected in its rate structure. An example of a regulatory liability is when a utility receives proceeds from an insurance claim that is flowed back to its customers over a period of time such as over five or ten years.

Staff's proposed treatment for fully funded regulatory liabilities is consistent with the treatment of fully recovered amortizations relating to regulatory assets. Any reduction in costs to provide customers the benefit of flowing back the dollars for the regulatory liabilities, once fully funded to customers, should be quantified and used to increase unrecovered regulatory asset balances. Both the fully amortized regulatory liabilities and regulatory assets will be addressed in future rate case.

[7] Account 254- Other Regulatory Liabilities

A. This account shall include the amounts of regulatory liabilities, not includible in other accounts, imposed on the utility by the ratemaking actions of regulatory agencies. (See Definition No. 30.)

B. The amounts included in this account are to be established by those credits which would have been included in net income, or accumulated other comprehensive income, determinations in current period under the general requirements of the Uniform System of Accounts but for it being probable that: Such items will be included in a different period(s) for purposes of developing the rates that the utility is authorized to charge for its utility services; or refunds to customers, not provided for in other accounts, will be required. When specific identification of the particular source of the regulatory liability cannot be made or when the liability arises from revenues collected pursuant to tariffs on file at a regulatory agency, account 407.3, regulatory debits, shall be debited. The amounts recorded in this account generally are to be credited to the same account that would have been credited if included in income when earned except: All regulatory liabilities established through the use of account 407.3 shall be credited to account 407.4, regulatory credits; and in the case of refunds, a cash account or other appropriate account should be credited when the obligation is satisfied.

Staff witness Karen Lyons proposed this treatment for the Research and Development Tax Credit Amortization discussed at page 145 of the Cost of Service Report.

Q. Is Staff requesting the Commission require KCPL to quantify and capture any amortization reaching full recovery?

A. Yes. In addition to reflecting the over collections for the regulatory assets and over funding to customers for regulatory liabilities that have expired during the course of the update and test periods in this case, Staff requests the Commission require KCPL in the future to take any amount over the amount needed to fully recover amortizations and treat it as a regulatory liability to be returned to customers in a future rate case. In the case of any current regulatory liabilities KCPL is returning to customers through an amortization that is reflected in new rates determined in this case, KCPL should capture those amounts once they have been fully funded back to customers and treat them as a regulatory asset. The amounts for the regulatory assets and regulatory liabilities should be identified to be reflected as additions or subtractions in an amortization over a five-year period in a future rate case.

Q. Under Staff's proposal of requiring KCPL to quantify over recovered amounts of regulatory assets, do those become regulatory liabilities?

A. Yes. Once the amortizations from the regulatory assets are fully collected in rates, any amounts accumulated must be credited to a regulatory liability for future refunding to customers or reductions in other unamortized regulatory assets. The over recovered amortizations can be used to offset any remaining amortizations not yet recovered. Conversely, any payments over the fully refunded amount due to customers should be captured as offsets (reduction) to existing regulatory liabilities. Once the customers receive full benefits from the deferred liabilities (deferred credits), KCPL should quantify those amounts as a deferred asset to increase existing amortizations.

Since KCPL always has deferrals it is either recovering from its customers or is refunding back to its customers through amortizations, amounts over collected or over refunded can be dealt in the normal accounting of the amortization process.

Q. Beyond the fully recovered amortizations, has KCPL recently experienced other reduced costs?

A. Yes. In 2014, the Department of Energy reduced the fees paid by Wolf Creek for nuclear storage. KCPL experienced a significant reduction in its costs by the elimination of these nuclear storage fees. Staff filed an application with the Commission seeking an Accounting Order requiring KCPL to identify and defer these cost savings as a regulatory liability. The Accounting Order application, filed October 9, 2014, was designated as Case No. EU-2015-0094. Staff wanted to be sure these deferred cost savings were identified for the proper rate making determination in KCPL's October 30, 2014 rate case.

Q. Did Staff quantify the amount of DOE fees KCPL was no longer required to pay for Wolf Creek's nuclear storage?

A. Yes. The amount of collections in rates relating to the DOE fees is $2.8 million total KCPL and $1.6 million on a Missouri jurisdictional basis for the update period ending December 31, 2014. The DOE fees eliminated costs valued at $4.7 million total KCPL and $2.7 million on a Missouri jurisdictional basis through the true-up ending May 31, 2015. Staff made an adjustment in its cost of service calculation to reflect the total amount for DOE fees over a 5-year period as a reduction to nuclear fuel costs (Adjustment E 55.1).

The following table identifies the amount of the DOE cost reduction recognized by KCPL for the update period December 31, 2014, the true-up period of May 31, 2015 and through the effective date of rates in this case:

Begin Date of Savings	End Date of Savings	Total Savings	Missouri Jurisdictional
May 16, 2014	December 31, 2014	$2.8 million	**$1.6 million**
May 16, 2014	May 31, 2015	$4.7 million	**$2.7 million**
May 16, 2014	September 29, 2015	$6.2 million	**$3.5 million**

Source: Missouri Jurisdictional Energy Allocation Factor 57.12%-- KCPL ER-2012-0174, EFIS 353 Staff Accounting Schedule for True-up filed November 8, 2012-- Schedule 9, page 3- Account 501, line 12

Q. Did Staff file an application with the Commission addressing the reduction in KCPL's costs for the DOE fees?

A. Yes. On October 9, 2014 Staff requested the Commission approve an Accounting Order to defer the cost savings for the DOE fees. This Accounting Order request was designated as Case No. EU-2015-0094, and specifically asked the Commission to order KCPL to record this cost reduction as a regulatory liability based on the annualized level of this cost included in rates as of January 26, 2013, the effective date in rates for Case No. ER-2012-0174. The Commission approved a consolidation of Case No. EU-2015-0094 with KCPL's 2015 rate case, Case No. ER-2014-0370, in its January 30, 2015 *Order Consolidating Cases*.

Through a combined stipulation concerning another deferral request made by KCPL for continuation of construction accounting for La Cygne Station's environmental cost upgrades, identified as Case No. EU-2014-0255, the request to defer the cost savings for DOE fee reductions is to be treated as part of this rate case. Staff witness Majors provides additional testimony on the DOE fees and continuation of construction accounting.

Q. KCPL witness Ives presents in his rebuttal testimony, at page 16, KCPL's position that no over recovery of amortizations should be considered unless the Company's requested rate mechanisms are approved. Does Staff agree with this position?

A. No. There is no relationship to KCPL benefiting from over collecting the fully recovered amortizations and its request for the fuel clause and the many trackers it is requesting in this case. KCPL's proposals for the various rate mechanisms should be considered independently from how the Commission should decide the proper treatment for the fully recovered amortizations.

REGULATORY LAG

Q. Does KCPL claim in its rebuttal testimony it is experiencing an earnings shortfall in Missouri?

A. Yes. Several KCPL witnesses indicate KCPL's Missouri operation has not earned its authorized rate of return in its rebuttal testimony.[8] KCPL witness Rush summarizes the Company's position regarding its inability to earn an appropriate return at page 30 of his rebuttal testimony; "since new rates last took effect in early 2013, KCP&L's actual Missouri-jurisdictional return on equity ("ROE") has fallen substantially short of the 9.7% ROE authorized by the [Missouri] Commission in Case No. ER-2012-0174…"

Q. Has earning below authorized levels impacted Great Plains?

A. Great Plains apparently suffered no adverse effects by any such earnings declines. According to the March 19, 2015 SNL Financial LC or SNL Energy ("SNL"), Great Plains ranked 15th on its Top 25 utilities for 2014 results based on "earnings before interest, taxes, depreciation and amortizations ("EBITDA") recurring margins, meaning Great

[8] Rebuttal Testimonies of Ives, pages 9- 14; Rush, pages 30-31 and Overcast, pages 25-26.

Plains earnings are doing well. (See attached Schedule CGF-s2) Great Plains' EBITDA recurring margin for 2014 was 35.68% and for 2013 it was 38.48%. It is noteworthy that Great Plains EBITDA results were higher than both Empire District Electric Company ("Empire") and Ameren Corporation, the parent companies to Missouri's other electric utilities.

Q. Has Great Plains had other positive results from their earnings?

A. Yes. As noted in my rebuttal testimony at pages 14 to 16, Great Plains has quality earnings, including a total shareholder return of 21% for 2014.[9] In 2013, Great Plains reported to its shareholders in its annual report:

> In 2013, Great Plains Energy continued down a determined path to improve our total shareholder return. Our mantra of "Execute, Execute, Execute" focused on our ability to achieve operational excellence, manage costs and significantly reduce regulatory lag. I am proud to report that we delivered on this goal. Our 2013 total shareholder return of 24 percent placed us in Tier 1 of investor-owned utilities, which compared to a 13 percent return for the Edison Electric Institute Index.[10]

Total shareholder return is the change in Great Plains stock price from the beginning of the year to the end of one annual period plus any dividends paid in the year.

Q. How does the Missouri Commission rank among other regulatory utility commissions?

A. As it has for some time, the Commission currently ranks as "average" among the other state public utility commissions. SNL ranks state commissions as above average, average and below average from an investor perspective. Within each category a further ranking exists with designations of 1 through 3. The following is a footnote to a recent

[9] 2014 Great Plains Energy Incorporated Annual Report, page. 2.
[10] 2013 Great Plains Energy Incorporated Annual Report, page 1- Terry Bassham's letter to shareholders.

ranking of the state commissions describing these rankings used to evaluate them from an investor perspective:

> RRA [Regulatory Research Associates- SNL Energy's affiliate] maintains three principal categories, Above Average, Average, and Below Average, with Above Average indicating a relatively more constructive, lower-risk regulatory environment from an investor viewpoint, and Below Average indicating a less constructive, higher-risk regulatory climate from an investor viewpoint. Within the three principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger (more constructive) rating; 2. a mid range rating; and, 3. a weaker (less constructive) rating. We endeavor to maintain an approximately equal number of ratings above the average and below the average.

The most recent report from SNL lists the Missouri Commission as "Average/ 2", or in the middle between more constructive (Above Average) and less constructive (Below Average) with further designation as "2", or mid-range rating. In fact, the Commission has been an "Average/ 2" ranking since January 8, 2008.

Noteworthy, the Kansas Commission, KCPL's other state commission, ranks the same as the Missouri Commission-- "Average/ 2". See Schedule CGF-s3 for the SNL report listing the rankings of all the state commissions.

Q. Does SNL further evaluate the Commission?

A. Yes. SNL files individual state commission reports. Attached as Schedule CGF-s 4 is the latest report on the Commission identifying the January 2008 "Average/2" ranking.

In addition, RRA's Regulatory Focus published an April 10, 2015 (Schedule CGF-s 5) "State Regulatory Evaluations" identifies the Missouri Commission as "A/2", or Average/ 2 in the alphabetical listing the bottom of page 2 of this report. This was published after the April 3, 2015 direct filing of Staff in this case.

Further, as a point of reference, RRA's Regulatory Focus published an April 16, 2013 (Schedule CGF-s 6) "State Regulatory Evaluations" identifies the Missouri Commission as "A/2", or Average/ 2 in the alphabetical listing. This is noteworthy because this report was issued shortly after the implementation of rates on January 26, 2013 in KCPL's last rate case- Case No. ER-2012-0174.

Q. KCPL's witness Overcast addresses regulatory lag and the opportunity for a utility to earn its allowed return at page 26 of his rebuttal. Please comment.

A. At page 25 of his rebuttal, Dr. Overcast references conclusions presented in an article that specifically concerns incentives relating to regulatory lag:

> 1. As an efficiency incentive, regulatory lag functions poorly because neither the rewards nor the punishments that flow from it bear a direct relationship to the company's efficiency.
>
> 2. Regulatory lag simply operates as a squeeze on the utility. The need for the squeeze, the degree of squeeze, and when the squeeze should be applied are not issues that commissions consider when they permit regulatory lag.
>
> 3. High inflation during a regulatory lag period may impair the efficient producer's financial integrity.
>
> 4. Regulatory lag is at best an "inadvertent," "crude," and "clumsy" tool to promote utility efficiency.
>
> Senator Warren concluded her discussion of the incentive role of regulatory lag as it relates to the FAC concept by saying "That regulatory lag continues to protect consumer interests and is the best available means of providing efficiency incentive is demonstrably a fallacy." This analysis of the incentive concept is wholly consistent with views of utility Commissions around the country who have approved full tracking fuel clauses as a means of meeting the concept of a just and reasonable rate that allows the utility a reasonable opportunity to earn its allowed return.
>
> [Footnotes omitted]

Q. Has KCPL experienced the disincentives of regulatory lag discussed in Dr. Overcast's rebuttal testimony?

A. While KCPL certainly experiences adverse impacts on its earnings recently because of higher costs, KCPL has also greatly benefited from regulatory lag. Regulatory lag provided KCPL powerful incentives during a period of post-Wolf Creek and power plant construction in late 1980s. In fact, the 1985 Wolf Creek rate case was the last rate case filed by KCPL until the start of the series of rate cases filed under the Experimental Regulatory Plan ("Regulatory Plan") discussed in KCPL's witness Ives rebuttal (pages 3-5). The Regulatory Plan primarily concerned the building of Iatan 2, placed in service August 2010. The first of four planned rate cases started with the February 1, 2006 rate filing, Case No. ER-2006-0314. KCPL's rates did not increase from April 1986 until rates went into effect on January 1, 2007 for the 2006 rate case.

For over twenty years, KCPL avoided rate increase cases because of the benefits it recognized through the incentives built into regulatory lag. KCPL experienced both increases and decreases in cost of service. Through the ratemaking frame work of regulatory lag, KCPL constructed power plants starting in 1997 with the completion of Hawthorn 6, a 136 megawatt natural gas-fired combustion turbine, and the construction of several natural gas-fired combustion turbines in 2000 and 2003, for a total of 805 megawatts.[11] All these units were completed without the need for a rate case. In fact, KCPL had several rate reductions during this two-decade period of rate stability brought on by regulatory lag ratemaking benefits.

KCPL also rebuilt its Hawthorn 5 unit after the February 1999 explosion. Incurring substantial costs and higher fuel and purchased power costs as well as lost off-system sales opportunities, resulted in downward pressure to KCPL's earnings, yet the Company did not

[11] 2010 Great Plains Energy Incorporated Annual Report, page 22.

file for a rate increase until the 2006 rate case. The reason for the 2006 rate case was directly related to the construction of Iatan 2 and the related financial metrics agreed to in the Regulatory Plan.

Q. During the 20 years in which regulatory lag worked in KCPL's favor, what rate reductions occurred?

A. Since the 1985 Wolf Creek rate case and two sequent Wolf Creek rate phase-in increases contemplated in that rate case, there were several rate reductions as result of Staff earning reviews. The following table identifies the rate activity for KCPL after Wolf Creek was placed in rates in April 1986, through the 2006 rate case filing:

Order Date	Case Number	Original Rate Request	Commission Decision
April 23, 1986	EO-85-185	$194.7 million	$78.3 million
April 1, 1987	EO-85-185	Not Applicable	$7.7 million
May 5, 1988	EO-85-185	Not Applicable	$8.5 million
December 29, 1993	ER-94-197	Not Applicable	($12.5 million)
July 3, 1996	EO-94-199	Not Applicable	($9.0 million)
October 7, 1997	EO-94-199	Not Applicable	($11.0 million)
April 13, 1999	ER-99-313	Not Applicable	($15.0 million)

All of these reductions directly resulted from the concept of regulatory lag. KCPL experienced significant cost reductions after the Wolf Creek rate case concluded. KCPL retained the vast majority of these cost reductions and revenue growth for a substantial period of years.

Q. What cost reductions did KCPL experience during the 20 years it did not make rate case filings?

A. KCPL experienced reductions in employee levels, decreased fuel and freight costs, cost of capital decreases and substantial reduction in income taxes. KCPL also experienced sustained revenue growth, especially in off-system sales during much of the non-rate case period. The improvement in the economy in the late 1980s and much of the 1990s, along with operational events experienced by KCPL, allowed for a general decline in rates because:

- Construction of new plant declined significantly, causing rate base to decline during a period of post-Wolf Creek in service
- The newly constructed power plants enabled KCPL to actively engage in the off-system market, substantially increasing revenues
- Substantial reduction in payroll and benefit costs as employee levels decreased through down-sizing and right-sizing programs resulting from productivity gains through technology and improvements in work processes
- Substantial reductions in fuel and freight costs
- Reductions in costs from material management improvements and inventory controls including better utilization of fuel inventories
- Significant reduction of inflation that reduced the pressure of cost increases for goods and services used by the utility industry
- Significant reduction in income taxes as result of the 1986 Tax Reform Act
- Cost of capital decreased substantially for both equity returns and debt costs
- Customer growth and increased usage increased revenues

Q. What employee reductions were experienced by KCPL during the time it was not filing rate cases?

A. In 1987, KCPL had over 3,100 employees, the first full year after Wolf Creek rates became effective. In 2006, the last full year before the new cycle of rate increases started, Great Plains had a total of 2,407 employees; of those KCPL employed 2,140 employees. The following table shows the decline in KCPL employee levels during the 20 years it did not have rate cases:

Year	**KCPL Employees**
1987	**3,154**
1988	3,214
1989	3,251
1990	3,243
1991	3,276
1992	3,181
1993	3,130
1994	2,738
1995	2,643
1996	2,602
1997	2,594
1998	2,550
1999	2,529
2000	2,570
2001	2,258 GPE 2,248 KCPL
2002	n/a
2003	n/a
2004	n/a
2005	2,382 GPE 2,078 KCPL
2006	2,407 GPE **2,140** KCPL

Source: Years 1987-1997 KCPL's "Financial & Statistics 1987-1997," Report, pages 12-13 (employee date excludes employees allocated to joint owners of LaCygne and Iatan and includes employees allocated to KCPL for Wolf Creek.

Great Plains Annual Reports 2001, p. 6; 2005, p. 12; 2006, p. 12

Q. Why is there a difference between the Great Plains and KCPL employee levels?

A. On October 1, 2001, Great Plains was incorporated and became the owner of KCPL and two other non-regulated subsidiaries.[12] In 2001, KCPL had 2,248 employees and another Great Plains subsidiary had 10 employees, making up the 2,258 parent company total. By 2006, Great Plains had other non-regulated entities and a parent company corporate staff. The total employees for KCPL numbered 2,140. KCPL experienced a decline of over 1,000 employees in the 20 years from 1987 to 2006.

Q. What caused the employee reductions?

A. During the period of the late 1980s and 1990s, companies like KCPL benefited from technological changes. Work forces became more productive through the use of computers and technology improvements. Through improvements in work processes, KCPL, like many companies, reduced its work force significantly, resulting in dramatic cost savings.

Q. Were these cost reductions passed on to KCPL's customers?

A. KCPL retained most of those payroll savings throughout the period it did not have rate increase cases. While some earnings reviews that took place resulted in rate reductions, the vast majority of the payroll savings stayed with KCPL. KCPL benefited greatly from the payroll savings, as it did with many other costs reductions, through regulatory lag.

Q. Did KCPL have a fuel clause during this period of cost reductions?

A. No. KCPL has not had a fuel clause since the late 1970s when the Missouri Supreme Court ruled in the State ex rel. Util. Consumers' Council of Missouri, Inc. v. Pub.

[12] 2001 Great Plains Annual Report, page 1 of December 31, 2001 SEC 10-K.

Serv. Comm'n, 585 S.W.2d 41 (Mo. 1979) (the "UCCM case") the Commission lacked jurisdiction over authorizing fuel adjustment clause mechanisms because they constituted single issue ratemaking. KCPL fully retained any cost reductions related to fuel and freight costs through regulatory lag, providing the Company with a powerful incentive to reduce costs and be as efficient as possible.

Q. Did KCPL have an incentive to reduce other costs during this period?

A. Yes. KCPL retained all cost reductions and revenue increases resulting from better utilization of inventories such as material management and fuel inventories. KCPL, like many utilities, went to automatic meter reading devices that cut costs to read meters and streamlined the billing function. There were substantial reductions in the accounting and record keeping systems with the advent of using personal computers. Utility work crews on Transmission and distribution work crews were reduced because of using work flow processes and technology. The utility industry experienced cost reductions through financing instruments, some of which carried features that looked like debt which allowed tax deductions, further reducing costs. A very significant cost reduction was the reduction in the corporate tax rate from the 1986 Tax Reform Act. Both KCPL and its customers recognized benefits from these tax reductions.

During this time, Staff conducted earning reviews. Staff examined KCPL's rates several times during this 20 year period, resulting in several rate reductions as noted above from the cost savings occurring at that time.

Q. What were KCPL's earned returns during the period in which it sought no rate relief?

A. KCPL's actual earned equity returns for the period 1987 through 2000 are[13]:

Year	KCPL Return on year-end Equity (after 2000 not GPE)	Significant Events Occurring in the Year	KCPL Missouri Jurisdictional ROE-surveillance	Comments
1987 first full year rates after Wolf Creek Case	11.9%			
1988	12.2%			
1989	12.2%			
1990	11.3%			
1991	11.4%		10.9%	
1992	9.8%		9.6%	
1993	11.8%		12.3%	
1994	11.6%		11.7%	
1995	13.2%		No report per agreement	
1996	11.5%		No report per agreement	
1997	8.3%	Hawthorn 6 in-service	12.9% revised correct for error	
1998	13%		14.1%	
1999	9%	Hawthorn 5 Feb explosion	10.1%	
2000	14%	Hawthorn 7, 8 & 9 in-service	8.3%	
2001	12.9%	Hawthorn 5 back in service June	11.2%	
2002	12.9%		11.9%	
2003	15.7%		12.2%	
2004	17.0%		11.6%	
2005	12.9%		10.3% revised for 4 CP demand	
2006	13.0%	Spearville 1 in service September	8.6% revised for allocations	
2007	11.3%	LaCygne 1 environmental in service September	10.0%	
2008	8.5%		7.7%	
2009	7.9%	Iatan 1 environmental plant in service April	6.2%	
2010	8.4%	Iatan 2 in service August & Spearville 2 in service December	6.9%	
2011	6.8%	Started construction of LaCygne 1 & 2 environmental	5.1%	
2012	6.9%		5.8%	

[13] These are actual rate of returns on equity for KCPL up to 2001 as the corporate parent and KCPL only after 2001 (does not include Great Plains Energy).

Year	KCPL Return on year-end Equity (after 2000 not GPE)	Significant Events Occurring in the Year	KCPL Missouri Jurisdictional ROE- surveillance	Comments
2013	8.1%		6.5% Staff believes this ROE is understated	ROE impacted by allocations issue using abnormal summer months
2014	7.5%		5.9% Staff believes this ROE is understated	Unable to verify—no surveillance report issued for 2014 ROE impacted by use of wrong 2013 allocations
2015	n/a	LaCygne 1 & 2 environmental planned in service by June	n/a	

Source: Years 1987-1997 KCPL's "Financial & Statistics 1987-1997," Report, pages 12-13

Years 1998 and 1999 – 1999 Annual Report, page 1; Year 2000 – 2000 Annual Report, page 1 and December 31, 2000 10-K, page 9

Years 2001-2014, Hyneman Rebuttal, page 10 KCPL's SEC Form 10-K

Missouri Jurisdictional ROE's Annual Surveillance Reports including Historical Comparisons – all years based on 4 CP demand allocator (Year 2006 revised from allocations, DR 516 Case ER-2009-0089) (Year 2005 revised from use of 12 CP to 4 CP, DR 519.1 Case ER-2006-0314)

Q. How much of an impact does the Missouri jurisdiction have on Great Plains shareholders' return?

A. In the 1985 Wolf Creek rate case, KCPL's Missouri Operations accounted for 66% of KCPL operations on a demand allocation factor basis (using 4 CP), and a 69% energy allocation factor. Those allocations are used to assign costs to KCPL's Missouri jurisdictions. Throughout the 1990s, KCPL's Missouri operations continued to be the predominate jurisdiction with the allocations to Missouri in the high 50% range— on a demand basis, in 1990 the factor was 61.5% and in 1999, it was 57% to Missouri.[14] (See allocations factors used in Missouri surveillance reports attached as Schedule CGF-s7)

[14] Missouri Jurisdictional Allocation Factor History, Exhibit F supplied in 2013 Missouri Surveillance Report – all years based on 4 CP except for Year 2005 which is identified on the schedule for 12 CP of 53.93%—the surveillance report was revised to 53.4582% based on 4 CP increasing the ROE over 100 basis points.

Currently, KCPL's Missouri operations and KCP&L Greater Missouri Operations Company ("GMO") contributed a substantial part of Great Plains income since these two Missouri entities represent 71% of Great Plains revenues.[15]

Q. Has the Commission previously addressed the subject of regulatory lag?

A. Yes. The Commission has found it is not reasonable to protect shareholders from all regulatory lag. In 1991, Missouri Public Service, a division of UtiliCorp United Inc., the predecessor company of GMO, requested an accounting authority order ("AAO"), in Case Nos. EO-91-358 and EO-91-360. In its Order, the Commission stated in part:

> **Lessening the effect of regulatory lag by deferring costs is beneficial to a company but not particularly beneficial to ratepayers.** Companies do not propose to defer profits to subsequent rate cases to lessen the effects of regulatory lag, but insist it is a benefit to defer costs. Regulatory lag is part of the regulatory process and can be a benefit as well as a detriment. Lessening regulatory lag by deferring costs is not a reasonable goal unless the costs are associated with an extraordinary event.
>
> Maintaining the financial integrity of a utility is also a reasonable goal. The deferral of costs to maintain current financial integrity, though, is of questionable benefit. If a utility's financial integrity is threatened by high costs so that its ability to provide service is threatened, then it should seek interim rate relief. **If maintaining financial integrity means sustaining a specific return on equity, this is not the purpose of regulation. It is not reasonable to defer costs to insulate shareholders from any risks. If costs are such that a utility considers its return on equity unreasonably low, the proper approach is to file a rate case so that a new revenue requirement can be developed which allows the company the opportunity to earn its authorized rate of return.** Deferral of costs just to support the current financial picture distorts the balancing process used by the Commission to establish just and reasonable rates. Rates are set to recover ongoing operating expenses plus a reasonable return on investment. Only when an extraordinary event occurs should

[15] 2014 Great Plains Energy Incorporated Annual Report, page 7.

> this balance be adjusted and costs deferred for consideration in a later period.[16]
>
> [emphasis added]

Q. Are utilities like KCPL guaranteed a return?

A. The Commission authorizes utility companies such as KCPL a specific level of profit, known as its authorized return on equity. This represents an opportunity for KCPL to earn this return through rates charged its customers, but it does not mean KCPL will actually earn this level. KCPL, and all other regulated utilities that fall under the jurisdiction of the Commission, are not guaranteed return levels.

Q. Has the Commission addressed the concept of "guarantee of profit" before?

A. Yes. In the recent Union Electric Company, d/b/a Ameren Missouri's ("Ameren Missouri") 2015 rate case, Case No. ER-2014-0258, the Commission addressed earning levels of a utility in its April 29, 2015 Report and Order. The Commission stated:

> The Commission sets rates in a forward looking process using a test year to evaluate the amount of revenue the utility needs to earn to recover its costs and to have a reasonable opportunity to earn a profit. **The utility is not guaranteed a profit, just an opportunity to earn that profit**. Sometimes, circumstances make it difficult for the utility to earn that profit. Perhaps the summer is cooler than normal and people do not use their air conditioners so the utility does not sell as much electricity as anticipated. Or, perhaps, a generating plant goes down, resulting in unanticipated capital expenditures for the utility. Sometimes, circumstances favor the utility and it is able to earn more revenue than was anticipated when its rates were set. Whether the utility earns more or less revenue than was anticipated when the Commission set its rates does not necessarily indicate over- or under-earnings such that the utility's rate are no longer just and reasonable, though that can be one relevant factor of many to consider when setting new rates. Thus, in most cases, mention of over- or under-earnings is just a shorthand way of discussing whether the Commission

[16] MPSC vol 1, 3d 207.

> should examine a utility's existing rates to determine if they are still just and reasonable.[17]
>
> [emphasis added]

The Commission concluded that "if the utility looks at its earnings and finds it is not earning what it believes is should, it can begin the rate review process by filing a tariff to start the rate case process."[18]

Q. Did the Commission recognize times when utilities will not earn authorized returns?

A. Yes. In the same Order, the Commission stated:

> The Commission only sets the rates that Ameren Missouri, or any other utility, may charge its customers. It does not determine a maximum or minimum return the utility may earn from those rates. **Sometimes, the established rate will allow the utility to earn more than was anticipated when the rate was established. Sometimes, the utility will earn less than anticipated. But the rate remains in effect until it is changed by the Commission**, and so long as the utility has charged the authorized rate, it cannot be made to refund any "over-earnings," nor can it be allowed to collect any "under-earnings" from its customers.[19]
>
> [emphasis added]

So clearly the Commission recognized in its Ameren Missouri Order utilities like KCPL will earn a return that fluctuates, at times earning above and at times earning less. At such time a utility like KCPL believes it is not earning the proper return, it has the responsibility to seek a rate increase by filing a rate case.

Q. Please summarize your surrebuttal relating to regulatory lag.

---

[17] Commission's Report and Order in Union Electric Company's Case No. ER-2014-0258, page 32.
[18] Commission's Report and Order in Union Electric Company's Case No. ER-2014-0258, page 32.
[19] Commission's Report and Order in Union Electric Company's Case No. ER-2014-0258, page 30- footnote 64: *Straube v. Bowling Green Gas Co*., 227 S.W.2d 666 (Mo. 1950).

A. KCPL presented direct and rebuttal testimony on the subject of regulatory lag. Staff disputes KCPL's view that the model used to determine rates in Missouri is broken and does not allow for KCPL to have an opportunity to earn a fair and reasonable return. Staff could not disagree more with KCPL's witnesses on this topic. If KCPL believes it is not earning at an appropriate level, it should file for a rate increase. A rate case, while costly and time consuming, provides opportunity for all elements of the cost of service calculation to be examined and recommended levels for revenues, expenses and capital expenditures be properly reflected in rates.

KCPL's OPPORTUNITY TO EARN AUTHORIZED RETURNS

Q. Did KCPL discuss its ability to earn authorized returns in its rebuttal testimony?

A. Yes. KCPL witness Overcast devotes considerable effort in his rebuttal testimony discussing utilities like KCPL's ability to earn authorized returns.[20] Dr. Overcast's rebuttal at page 17 states that ". . . earned return on equity is a residual after all operating expenses and debt payments have been made . . ."

Other KCPL witnesses discuss the Company's earnings as well. KCPL witness Ives states at page 9 of his rebuttal that "the historical record unambiguously shows that changes in these cost of service items have caused material earnings shortfalls for KCP&L since current rates took effect in January 2013." KCPL witness Rush also discusses " . . . significant earnings shortfalls . . . " at page 21 of his rebuttal testimony.

[20] KCPL Overcast rebuttal, pages 13-15; p.16, lines 20-22; page 17-18; page 38, lines 16-17.

Q. Has KCPL identified the recent earnings shortfall for its Missouri operations?

A. Yes. KCPL witness Rush claims at page 30 of his rebuttal, KCPL's actual Missouri jurisdictional return on equity for 2013 was 6.5% and for 2014 was 5.9%. KCPL witness Ives also references those same returns on equity levels in his rebuttal testimony at page 13. KCPL witness Overcast also addresses difficulties in KCPL's ability to earn authorized returns throughout his rebuttal testimony, but specifically, at pages 21, 22 and 44 of his rebuttal testimony.

Q. What are the reasons KCPL believes it has not earned its authorized returns in Missouri?

A. KCPL argues in testimony that it is the fault of the Commission and Missouri's poor regulatory climate. KCPL takes no responsibility with any earnings shortfall, simply concluding that the lower earnings are from high costs that KCPL cannot control and an inability to get adequate and timely rate recovery. The fact is there are many factors that cause a utility like KCPL not to earn at authorized levels.

Q. What are the reasons KCPL has not earned authorized returns on equity in Missouri?

A. There are many reasons that a utility like KCPL does not earn at authorized levels. Those include:

- Actual costs incurred greater than those included in rates
- Costs incurred but not allowed in rate recovery
- Costs incurred for which the Company does not seek rate recovery
- Weather related events causing higher or lower results on earnings—authorized returns are based on normalized weather

- Differences of allocations of costs among the jurisdictions. KCPL does not seek proper cost recovery from its Kansas jurisdiction resulting in earned returns being understated in Missouri

- Lost revenue opportunities

Q. What are the costs KCPL incurred over levels set in rates?

A. KCPL incurred some costs above and below those levels included in its last rate case. Those cost increases not fully recovered in rates cause a deterioration of earnings. Transmission costs and property taxes are higher than levels included in rates. However, at page 20 in my rebuttal testimony, I also referenced many costs savings for KCPL resulting from reductions from the cost levels included in rates.

Q. Does KCPL incur costs that it does not recover in rates?

A. Yes. The Commission can disallow costs for rate treatment that KCPL incurs. Those disallowed costs will have an adverse impact on KCPL's ability to earn authorized levels going forward if KCPL continues to incur them. Also, cost amount that are compromised in value through negotiated settlements but that KCPL still incurs fully will adversely affect earnings. For example, the Commission approved Stipulations in the 2013 rate case (Case No. ER-2012-0174) agreed to by KCPL, various parties, and Staff resulted in cost differences from those stipulated and those actually incurred by the Company. While KCPL agreed to the terms of the Stipulations, the difference between the costs included in rates and the costs incurred affected the earnings level of the Company. One such example would be the agreement reached in the treatment for the Iatan 2 Tax Credits, but there are many other such differences in cost treatments found in the 2013 Stipulation in Case No. ER-2012-0174.

In the Iatan 2 Tax Credit matter, KCPL and Staff reached an agreement with respect to that issue where KCPL may see an adverse impact on earnings as result of the way in which that issue was resolved. A compromise was reached between the parties to solve a problem relating to the Iatan Tax Credits being assigned to its affiliate KCP&L Greater Missouri Operations.

Furthermore, in the 2010 KCPL rate case, the Commission disallowed certain costs relating to Iatan 2 construction costs. Those disallowances also affect authorized returns.

Q. What are examples of costs KCPL incurs but for which it does not seek rate treatment?

A. KCPL removed several expense items from its rate request that it actually incurs costs but for which it is not seeking rate recovery, thus putting downward pressure on Missouri's earned returns. KCPL removed costs relating to long-term incentive plans paid to its officers and executives. Other examples of costs KCPL incurs but does not seek rate treatment are:

- charitable contributions incurred
- certain advertising costs incurred
- costs incurred by officers and executives, including officers expense reports, that KCPL voluntarily removed from rate recovery
- costs incurred by the Board of Directors that KCPL voluntarily removed from rate recovery

KCPL still incurred these expenses, adversely impacting the authorized rate of returns for a given period because no balancing revenue recovery is received in rates.

Another example would be costs KCPL removed from its rate request to hold the request to a certain percentage level. When KCPL does not include costs it incurs in its rate request because the Company wants to maintain a certain level of rates, those instances will cause pressure on the ability of the entity to earn authorized returns.

Q. How does weather affect KCPL's ability to earn an authorized return on equity?

A. Rates are set on the basis of normalized costs and normalized sales. The normalized weather loads determine sales levels for revenues and costs to develop rates that the Commission will authorize in this case. Those normalized costs and sales are different than those actually incurred by KCPL in its yearly operations. Therefore, the actual earned returns will be different as well.

Q. How do differences in allocation methods affect KCPL's ability to earn its authorized return levels in Missouri?

A. KCPL uses different allocation methods in Missouri and Kansas, and has for a number of years. It has been unsuccessful in getting Kansas to use the correct allocation methodology for both its demand factor and energy factor. Several years ago, KCPL agreed to a demand factor in Kansas based on the 12 CP method. However, it presented in testimony in both jurisdictions that the 4 CP method is the proper basis for the demand allocation factor.

KCPL also agreed to a methodology in Kansas to develop an energy factor to allocate variable fuel and purchased power costs and margin costs for off-system sales. This allocation methodology is referred to as an "unused energy" allocation factor. KCPL attempted to use this factor in Missouri but the Commission rejected such an approach in KCPL's 2006 rate case, Case No. ER-2006-0314.

Every dollar KCPL fails to properly collect from its respective jurisdictions causes an understatement of costs and an overstatement of revenues affecting its ability to earn at or near authorized levels. KCPL is already on record indicating that it is using the correct allocation methodology in Missouri but Kansas has not followed in using the correct allocation methods.

However, KCPL uses allocation factors in the Missouri surveillance reporting that affects the earned returns reported for Missouri. KCPL has used at various times and recently for its 2013 and 2014 earned results allocation factors that are not correct for Missouri's jurisdictional operations. If the allocations for the Missouri jurisdiction were correct the actual earned returns would be closer to the authorized levels in this state.

I will discuss in more detail the impact of KCPL using the incorrect allocation methodology in Kansas on its ability to earn at or near its authorized levels in Missouri later in my testimony.

Q. What lost revenues cause KCPL from earning its authorized returns?

A. KCPL has complained of rising transmission costs and declining or flat revenue growth. KCPL has had some small increases in revenues but nothing like it experienced a few years ago. KCPL has had opportunities in the past to maintain some revenue increases that it chose to transfer to another affiliated subsidiary called Transource.

Transource Missouri is a wholly owned subsidiary of Transource Energy, LLC ("Transource"). Transource is owned jointly by Great Plains who has a 13.5 % ownership share and American Electric Power Company, Inc. ("AEP" or "American Electric") who has an 86.5% ownership share.

KCPL had the opportunity to mitigate its increased transmission expense with transmission revenue. KCPL management had the opportunity to construct two regional transmission projects, but instead transferred the right to construct these regional transmission projects to Transource Missouri, an affiliate of KCPL and KCP&L Greater Missouri Operations ("GMO") pursuant to a Stipulation and Agreement in File Nos. EA-2013-0098 and EO-2012-0367.

Q. Does Staff dispute KCPL's claim returns on equity for 2013 and 2014?

A. Yes. The most recent year of reported earnings for KCPL's Missouri operations is 2014. Both Mr. Ives and Mr. Rust indicate the earned return on equity for its Missouri operations is 5.9% for 2014. However, Staff has been unable to verify this level for 2014 since KCPL has not submitted its annual surveillance reporting to Staff.

Q. What is the annual surveillance reporting?

A. After the Wolf Creek rate case concluded with the issuance of the Commission's Report and Order in Case Nos. EO-85-185 and EO-85-224 on April 23, 1986, the Commission directed KCPL to file certain automatic phase-in tariffs for the Missouri retail electric service to be effective over an 8-year phase-in period. (Section 393.155 RSMo. 2000) The Commission on April 1, 1987 by Order accepted the Stipulation and Agreement in Case Nos. EO-85-185, EO-85-224 and AO-87-48[21] which reduced future phase-in tariffs and extended the phase-in to 9-years in recognition of the Tax Reform Act of 1986 upon KCPL's operations.

On November 6, 1987, KCPL, the other parties[22] and Staff filed a Joint Recommendation of Alterations to Kansas City Power & Light Company's Phase-In Plan Rates. The Joint Recommendation stated that the Staff had engaged in an examination of KCPL's books and records and the parties had reached certain agreements. The parties

[21] In the Matter of the Investigation of the revenue effects upon Missouri utilities of the Tax Reform Act of 1986.
[22] Public Counsel, Department of Energy, The Kansas Power & Light Co., the City of Kansas City, Missouri, Armco, Inc., General Motors, Ford Motor Co., Missouri Portland Cement Co., Reynolds Minerals Corporation, and Missouri Retailers Association.

agreed that the phase-in accrual of deferred revenues net of taxes as authorized and approved by the Commission would end as of September 30, 1987, and, among other things, there would be no additional phase-in accrual of deferred revenues net of taxes after that date.

The Joint Recommendation also stated, in part:

> 4. KCPL and Staff agree that KCPL should cease submitting to the Staff monthly surveillance reports, and in their stead provide semiannual cost of service reports based on twelve months' data ending June and December of each year, to be provided to the Staff and Public Counsel on the following September 30 and April 30, respectively. The first such semiannual cost of service report applicable to the twelve month period ending December 1987 will be provided by June 30, 1988, to enable the Staff and KCPL to develop the form and contents of those cost of service reports, which shall be mutually agreed upon by KCPL and Staff. The cost of service reports shall be based upon the Commission's Report and Order in the most recent rate or complaint case respecting KCPL. Public Counsel, DOE, KPL, Kansas City, Armco, GM, MRA, and their designated consultants, if any shall also be furnished with a copy of each of these cost of service reports upon execution and faithful observance of the nondisclosure agreement attached hereto as Attachment B.

On November 23, 1987 in an Order Approving Joint Recommendation in Case Nos. EO-85-185 and EO-85-224, the Commission, among other things, "ORDERED: 5. That Kansas City Power & Light Company shall cease submitting to the Staff monthly surveillance reports, and in their stead shall provide reports as set forth in paragraph 4 of the Joint Recommendation." (Schedule CGF-s8)

On October 27, 1992, in Case No. EO-93-143, KCPL filed a Motion To Approve Modification To Joint Recommendation. (Schedule CGF-s9) KCPL stated that it had proposed and Staff and the other parties[23] agreed have agreed to modify the Joint Recommendation previously approved by the Commission as set forth in the attached Modification To Joint Recommendation.

The Modification To Joint Recommendation was also filed on October 27, 1992 in Case No. EO-93-143. (Schedule CGF-s8) It modified the prior Joint Recommendation in a very material way. It provided for a single annual cost of service report instead of the two semiannual reports that were then being prepared and provided by KCPL. The single cost of service report would be based on 12-months' data ending December and the report would be provided by the following April 30. If any of the signatories to the Modification indicate a valid need for additional cost of service data, other than what is contained in the cost of service reports, KCPL agreed it would attempt to meet that need utilizing any additional cost of service data that might be readily available.

On November 6, 1992, the Commission issued in Case No. EO-93-143 an Order Modifying Joint Recommendation as requested by the signatories to the Modification To Joint Recommendation. (Schedule CGF-s10)

Q. Who made the request to modify KCPL's previously monthly surveillance reporting?

A. KCPL approached Staff to modify the monthly surveillance reporting KCPL was making to the Commission. Like every other utility regulated by the Commission, KCPL was providing monthly surveillance information regarding its earnings on a quarterly basis. KCPL proposed to provide substantially more detailed information regarding its operations on an actual basis.

[23] Public Counsel, Department of Energy, The Kansas Power & Light Co.(now Western Resources, Inc.), the City of Kansas City, Missouri, Armco, Inc., General Motors, Ford Motor Co., Missouri Portland Cement Co., Reynolds Minerals Corporation, and Missouri Retailers Association.

Originally, the agreement reached with the parties required KCPL to provide this new detailed surveillance reporting twice a year based on 12-months ending June 30 and December 31 of each year. As noted above, in 1993, KCPL and Staff entered into an agreement to amend the reporting requirements to just once a year based on calendar year results.

Both of these agreements were part of earnings reviews conducted by Staff as part of cases. The original agreement was reached in a Stipulation in Case Nos. EO-85-185 and EO-85-224 and the amended agreement was reached in a Stipulation in Case No. EO-93-143.

Q. When was the annual surveillance reporting due?

A. The calendar year 2014 surveillance reporting was due April 30, 2015. Typically, Staff receives this reporting the first of May of each year after the close of the calendar year.

Q. Does Staff believe KCPL is violating the terms of the Stipulation made in Case Nos. EO-85-185 and EO-85-224 and the amended agreement reached in Case No. EO-93-143?

A. Yes. KCPL is not complying with a Commission approving the Stipulation. The agreements were straightforward. KCPL has been providing this reporting for almost 30 years. KCPL unilaterally, without notification, made a decision not to comply with either of the Stipulations reached many years ago. KCPL made this decision without any notification to Staff personnel. In particular, at a time when KCPL is proposing substantive changes to the way its rates are determined by the Commission, and making rate case proposals for deferral mechanisms for fuel clauses and tracker requests. These proposed changes require more detailed information to monitor KCPL's operating results. KCPL has detailed information about its earnings level for 2014 and has chosen not to provide the Annual Surveillance Report, in noncompliance with a Commission order and an agreement with Staff.

Q. When was the last annual surveillance report made?

A. The last annual surveillance report received by Staff was for 2013 made in a transmittal dated April 30, 2014, attached as Schedule CGF-s11.

Q. What is provided to Staff relating to the annual surveillance reporting requirement?

A. Historically, Staff received the Annual Surveillance Report along with several other signatory parties to agreements reached with KCPL. In addition to the surveillance report, Staff received a full set of work papers supporting the surveillance report.

Q. Was Staff told it was going to receive the Annual Surveillance Report for 2014?

A. Yes. In a meeting held in late April, KCPL witness Rush indicated a need to discuss the surveillance reporting requirements with Staff since KCPL was preparing a report associated with the Missouri Energy Efficiency Investment Act (MEEIA). Mr. Rush indicated at this meeting that KCPL had made its first quarterly filing under its new MEEIA reporting requirements. Mr. Rush said KCPL was going to provide the Annual Surveillance Report for this year which would be for 2014, but wanted to further discuss this reporting requirement in the future given the MEEIA reporting requirement. Mr. Rush gave no indication that KCPL did not intend on providing Annual Surveillance Report for 2014 at this, or any other meeting with Staff.

When informed of KCPL's desire to discuss the reporting requirements of the Company, I told Mr. Rush we could discuss this at the prehearing conference schedule for this proceeding which was April 29, 2015. I told the Company that it would be necessary to involve others at the Commission for this discussion, and being in Jefferson City for the prehearing conference would be good opportunity to get those needed for the discussion.

Q. Was another Staff member present for this discussion at the meeting?

A. Yes. Staff member Keith Majors, who is a witness in this case. Mr. Majors can confirm the understanding by Staff that KCPL was going to provide the 2014 Annual Surveillance Report from KCPL.

I also immediately informed Mr. Robert E. Schallenberg, the Commission's Division Director of the Services Department, of the discussion relating to the surveillance reporting. Mr. Schallenberg was instrumental in developing the surveillance reporting KCPL has used since 1987. I told Mr. Schallenberg that KCPL wanted to discuss future reporting requirements, but we were to receive the 2014 Annual Surveillance Report.

Q. Did KCPL bring up the surveillance reporting at the prehearing conference on April 29, 2015?

A. No. At no time did KCPL discuss the surveillance reporting matter either at the April 29th prehearing conference or any other time since. The last discussion Staff had on this subject was at the late April meeting in Kansas City when Mr. Rush indicated the need to discuss the surveillance reporting.

Q. Did Staff bring up the annual surveillance report to KCPL?

A. During the preparation of this testimony, I informed KCPL in an email that Staff had not received the 2014 Annual Surveillance Report and inquired about its status.

That started a series of email exchanges between KCPL and several Staff members. The emails are attached as Schedule CGF-s12.

Q. Was there any further indication KCPL planned on providing the 2014 Annual Surveillance Report?

A. Yes. In KCPL's February 10, 2015, response to Data Request 25, KCPL stated with respect to the surveillance report for 2014, it was not going to be available until the time it normally was provided, late April. The response stated:

> There is no update at this time. The 2014 Annual Surveillance report for the period ending December 31, 2014 is not available until April 30, 2015.
>
> [Data Request 25, February 10, 2015 response—attached as Schedule CGF-s13]

This April 30 time frame is consistent with when the 2014 Annual Surveillance Report would have been provided, based on previously years' experience. The MEEIA report is due much earlier than this April 30 date. Staff had no reason to believe after almost 30 years of prior compliance, the data request response and Mr. Rush's own words, that KCPL had no intentions of complying with the Stipulations and the Commission's Orders regarding this matter.

Q. What is the difference between the annual surveillance reporting KCPL has submitted since 1987 and the quarterly reporting it is making relating to MEEIA?

A. There is no relationship between the annual surveillance reporting and KCPL's MEEIA report. The two reports are completely different and are prepared for different purposes.

The annual surveillance reporting made on a calendar year is based on the actual Missouri financial results incorporating certain ratemaking adjustments like allocations, cash working capital, and advertising disallowances, as examples. The Annual Surveillance Report is intended to reflect KCPL's earnings on more of a regulated basis using ratemaking concepts. The surveillance reporting was originally set up to look at what actual earnings results might look like on a ratemaking basis. In addition to the actual reporting, KCPL provided detailed information regarding the adjustments it was making, actual results of operations, selected financial information from the Company's books and records, and a host of information on a variety of topics including capital structure and jurisdictional allocations.

Essentially, the surveillance reporting KCPL agreed to was to provide an actual scaled down cost of service calculation very similar to what is developed for a rate case. In fact, KCPL's surveillance report filed in the past relied on its revenue requirement model which is very similar to Staff's Exhibit Modeling System (EMS) run filed as Accounting Schedules in every rate case.

Q. What is the MEEIA reporting used by KCPL?

A. This reporting is made up of six pages. I have attached as Schedule CGF-s14, a copy of the quarterly report ending December 31, 2014.

Q. Have you included the last annual surveillance report in your surrebuttal?

A. Yes. But I only included the 2013 report itself as Schedule CGF-s11. The supplemental information and detailed work papers are too voluminous to include as a schedule attachment, containing several hundred pages of information. Along with the report, supplemental schedules and detailed supporting work papers, the package is 2 inches of material.

Q. Why is the surveillance reporting important?

A. The Commission has relied on surveillance reports for over 30 years that I am aware of. The surveillance reporting is a way to monitor the earnings levels of utilities under the jurisdiction of the Commission to see how well or not they are doing. Staff used this surveillance during the late 1980s and 1990s when utilities were doing very well financially to see if an earnings review was necessary.

Q. Why do you dispute the 2013 and 2014 earning levels asserted by KCPL in its rebuttal testimony?

A. As referred to above, KCPL has presented in testimony its view the return on equity for 2013 is 6.5% and for 2014 is 5.9%.[24] Staff believes KCPL is understating the return on equity levels for these two years identified in the Company's direct and rebuttal testimonies, and likely to do so in its surrebuttal testimony. Further, Staff believes KCPL is misrepresenting the earned returns by using allocations to understate the actual earnings for the years 2013 and 2014. I will address each of these years separately.

As stated above, the 2014 Annual Surveillance Report cannot be verified since it wasn't provided to Staff as per the Stipulation reached in Case Nos. EO-85-185 and EO-85-224 and Case No. EO-93-143. Although KCPL did not provide the 2014 Annual Surveillance Report, after I requested the report, KCPL indicated it had prepared a rate model for 2014 it could provide but it was not Annual Surveillance Report Staff had received in the past. I reviewed this model's results and found:

[24] Rush rebuttal page 30 and Ives rebuttal page 13.

- It was not consistent with stated 2014 return on equity identified in KCPL's rebuttal of 5.9%.[25] The model for 2014 showed a 5.0%

- The model used the wrong demand allocation factor—it used the demand factor determined for 2013, which is questionable in its own right (discussed later), and not the demand factor for 2014

- No supporting work papers or supplemental schedules were included.

Q. What demand allocation factor was included in the 2014 rate model KCPL provided in the model given to you?

A. The demand allocation factor used was 54.6841%. This is the same factor KCPL calculated for 2013. This factor used in the earnings is over 150 basis points higher than the 53.17% demand allocation factor Staff determined for 2014 and is using in this case. Staff believes this is the wrong demand allocation factor to use to allocate fixed costs and expenses.

Q. What is the effect of using the higher 2013 demand factor for 2014 results?

A. This demand factor overstates the costs allocated to Missouri and causes its return on equity to be understated, a favorable outcome for KCPL's rate case presentation to support its position it cannot earn authorized returns.

Q. What problem existed with 2013 surveillance results?

A. KCPL identified in its direct testimony a problem with the month of June 2013 as an abnormal month relating to its monthly peak demands, in particular in the Kansas jurisdiction[26]. KCPL removed the June 2013 in its calculation of the demand allocation factor used for the rate case.

[25] Rush rebuttal page 30 and Ives rebuttal page 13.
[26] KCPL witness Klote direct page 7; Bass direct, pages 3-4.

The 2013 Annual Surveillance Report, the last one received by Staff, uses the demand allocation factor based on the abnormal June 2013 Kansas peak problem, an abnormality so significant KCPL made a ratemaking decision to replace that month with June 2014. Even though KCPL believed June 2013 had to be removed for the rate case, did not remove it for surveillance reporting purposes.

Q. What impact did the abnormal month of June 2013 Kansas peak have on the Missouri 2013 Annual Surveillance Report?

A. The abnormal June 2013 peak understated the return on equity for the 2013 Missouri operations. KCPL determined the demand allocation factor based on the abnormal month of June 2013 to be 54.6841%. This 54.6841% demand factor from 2013 was used by KCPL for the 2013 Annual Surveillance Report and the 2014 model provided recently. KCPL now argues to apply a demand factor containing the abnormality to the 2014 model.

If this demand factor was wrong to use in KCPL's direct rate case because of the abnormality found in the Kansas peak, it certainly is wrong to rely on the 54.6841% demand factory for either of the 2013 or 2014 surveillance results.

This demand factor overstated allocation of costs to Missouri's operations and resulted in an understatement of the actual return on equity reported for Missouri.

Q. What is the understatement to KCPL's actual earned return on equity for Missouri?

A. At this time Staff does not know, it only knows that it is likely substantial. At this time, KCPL is not complying with the Stipulation approved by the Commission. The 2014 Annual Surveillance Report is over a month past due from its April 30 due date and Staff intends on pursuing this annual surveillance report. Once the surveillance report is obtained, the demand factors will have to be reviewed and revised if necessary. Staff is requesting that KCPL update the 2013 Annual Surveillance Report using a revised demand factor that does not include the abnormal month of June 2013. Further, Staff will request that the 2014 Annual Surveillance Report use a properly calculated demand factor based on the actual 2014 four-summer months. This should result in a demand factor of 53.17%, the same factor computed by Staff and used in this case.

Q. Does KCPL rely on return on equity results for Missouri?

A. Yes. Several KCPL witnesses report in direct and rebuttal testimonies that KCPL is not earning its authorized returns. Mr. Rush relies on the 2013 Annual Surveillance Report to present that year's return on equity of 6.5% for Missouri in his rebuttal testimony at page 30. Mr. Rush also states that Missouri's 2014 return on equity is 5.9% in his rebuttal even though the return identified in the MEEIA reporting is 5.69%. Mr. Ives also relies on these returns on equity in his testimony (page 13). But with the problems relating to allocations causing increase costs to Missouri for both 2013 and 2014, those returns on equity for both those years are understated. It is likely the return on equity is significantly understated, perhaps as much as a 100 basis points.

Q. How many return on equity levels have you received for 2014?

A. KCPL has provided three different return on equities for 2014 as follows:

	Rush Rebuttal	**MEEIA Reporting**	**2014 KCPL Cost of Service Model**
Year 2014	5.9%	5.69%	5.50%

Source: Rush Rebuttal page 30 and Ives Rebuttal page 7; MEEIA Reporting (email from Linda Nunn dated May 21, 2015); 2014 KCPL Cost of Service Model (email from Ron Klote dated May 29, 2015)

Q. Has KCPL manipulated the allocation factors used in the surveillance report in the past?

A. Yes. In the 2005 Annual Surveillance Report, KCPL changed the methodology previously agreed to in the surveillance reporting relating to the demand allocation factor. In the 2005 Report, KCPL used a 12 CP instead of the 4 CP method to determine the demand factor. In so doing it was able to show a significant reduction to its Missouri return on equity reported in the 2005 surveillance report. KCPL reported a 9.321% return on equity for 2005 but revising for the correct demand factor, the actual return on equity for that year was 10.328%. The table summarizes the revision made to the 2005 Annual Surveillance Report, comparing it to the original reported level:

Year 2005	**REVISED**	**Original Reported**	**Difference**
Return on Equity	10.328%	9.321%	1.007%
Demand Factor	53.4582% based on 4 CP	53.9296% based on 12 CP	(0.4714%)

Source: 2013 Annual Surveillance Report – Exhibit A - 2013 and 2005 Annual Surveillance Report – original and revised Data Request 519 and 519.1 in Case No. ER-2006-0314

As can be seen from the above, a small change in the demand allocation factor can have a significant impact on the return on equity result. Changing the demand allocation factor 47 basis points has caused a 100 basis point increase in the return on equity.

Also, in the 2006 Annual Surveillance Report, the allocation factors had issues that affected that year's Missouri earned return on equity. The Missouri actual earned return on equity for 2006 was revised to 8.793% from the 7.671% at Staff's request when it was discovered a wrong allocation factor was applied. The table summarizes the revision made to the 2005 Annual Surveillance Report, comparing it to the original reported level:

Year 2006	REVISED	Original Reported	Difference
Return on Equity	8.793%	7.671%	1.122%
Demand Factor	53.771% based on 4 CP	56.0621% based on 4 CP	(2.2911%)

Source: 2013 Annual Surveillance Report – Exhibit A – 2013 and original and revised 2006 Annual Surveillance Report and 516 in Case No. ER-2009-0089

<u>JURISDICTIONAL ALLOCATIONS</u>

Q. Please summarize KCPL's concerns regarding jurisdictional allocations.

A. KCPL witness Klote indicates in his rebuttal testimony that the Company does not agree with the period of time used by Staff to develop its demand allocation factor—the "demand factor." KCPL believes Staff went outside the test year to base its demand factor. KCPL also believes allocation factors used for distribution plant and expenses should be updated for two FERC accounts for the newly installed meters.

Q. Mr. Klote's rebuttal identifies concerns KCPL has using the demand allocation factor based on four summer months of 2014. Should this be a concern?

A. No. The demand allocation factor supported by Staff uses the 4 summer months of June, July, August and September 2014, because this is the most current summer months available in this case.

KCPL's position is that the use of these four summer months in 2014 is inconsistent with the way in which the energy allocation factor is determined. Staff determined the energy allocation factor based on the twelve months ending March 31, 2014, the test year in this case.

Q. Does Staff agree that the bases for these two allocation factors are inconsistent?

A. No. The energy allocation factor allocates *variable costs,* such as fuel and purchased power, while the demand allocation factor allocates *fixed costs*, such as the production and transmission costs. The energy allocation factor is applied to fuel costs developed with a fuel model using a variety of inputs, one of which is weather normalized net system input ("NSI") that are typically based on a test year, in this case the twelve months ending March 31, 2014. Using the weather normalized NSI as an input in the fuel model results in weather normalized fuel costs, consistent with the kilowatt sales levels used to develop the annualized and normalized retail sales, the weather normalized revenues found in both KCPL's and Staff's respective cost of service results. While it is important for the revenues and fuel costs to be weather normalized consistent with the energy factor that is weather normalized, the demand factor is developed and used for an entirely different set of *fixed* costs and expenses. Thus, the fixed demand factor does not need to be weather normalized, nor does it necessarily need to be the same time period as the energy allocator.

In Staff's case, the demand allocation factor was developed using the four summer months of June through September 2014, while the energy allocation factor used weather normalized sales for the test year period ending March 31, 2014.

Q. Did KCPL go outside the test year to develop the demand factor used in its direct filing?

A. Yes. KCPL initially calculated the demand factor using the 12 CP method without what it termed an abnormal June 2013, using June 2014 in its place. In Mr. Klote's direct testimony[27], KCPL identifies the need to exclude June 2013 month from its calculation for the demand factor because June 2013 had abnormal results, stating " . . . an adjustment

[27] KCPL witness Klote direct, page 7, line 18.

was necessary for the month of June 2013 coincident peak weather normalized statistics in order to properly reflect a more historic normalized level for that month used in the development of the 12-month average." KCPL replaced the month of June 2013 with the month of June 2014[28], which is the first month of the four summer months Staff used to base its demand factor.

Q. Why did KCPL adjust the month of June 2013 for the demand factor?

A. KCPL witness Albert R. Bass, Jr., stated that replacing June 2013 with June 2014 was necessary because the "2013 Kansas peaks did not respond as their historical trend would suggest."[29] Further, Mr. Bass stated "since the June 2014 values returned to normal trend it was concluded that June 2013 was an anomaly and it was adjusted to reflect the Kansas June 2014 peak value resulting in a peak allocation of Missouri – 53% and Kansas – 47%."

Q. How does Staff address the anomalous information from June 2013 in its demand allocation factor calculation?

A. By using the most recent summer months of June through September 2014, Staff excludes abnormal month of June 2013. Further, Staff's calculation is based on the complete and most recent information available. While Staff agrees measures to address June 2013 are necessary, Staff does not believe it is appropriate to use the summer months of 2013 when a more recent set of summer months are available. Staff also recognizes problems replacing particular increments of information like what KCPL did in its original filing using replacing the abnormal June 2013 with June 2014 while still using the remaining months of 2013. Staff's solution to base the data set on the summer months of 2014 avoids any debate

[28] KCPL witness Albert R. Bass, Jr. direct, page 3, line 19-22 and page 4, lines 1-17.
[29] KCPL witness Albert R. Bass, Jr. direct, page 4.

about the appropriateness of a replacement month for summer 2013 because it is a complete data set.

Q. Was there another difference that Staff observed regarding allocations?

A. Yes. The annual peak loads for Missouri and Kansas occurred in different months the past two years. Normally, the annual peaks occur in the same summer month for both jurisdictions. KCPL's peak always occurs in the summer and typically, occurs in either July or August. In 2013, the summer peak for Missouri occurred in August while the summer peak for Kansas occurred in July. 2013's annual system peak occurred with identical peaks in both July and August. In 2014, the Missouri annual peak occurred in July while the annual peak for Kansas and annual system peak occurred in August.

Q. What demand factor did Staff use in its cost of service calculation?

A. Staff used a 53.17% demand factor. The following table shows the differences between KCPL's original direct filing made on October 30, 2014, using a 12 CP method and Staff's direct filing using a 4 CP:

Jurisdiction	**<u>Staff</u>** **Missouri Rate Case—filed April 3, 2015 ER-2014-0370 based on June to September 2014**	**<u>KCPL</u>** **Missouri Rate Case—filed October 30,2014 ER-2014-0370 based on April 2013 to March 2014**	**<u>KCPL</u>** **Kansas Rate Case—filed January 2, 2015 15-KCPE-116-RTS based on July 2013 to June 2014**
Allocation Method	4 Coincident Peak	12 Coincident Peak	12 Coincident Peak
Missouri	**53.17%**	53.5748%	53.5494%
Kansas	46.59%	46.2047%	46.2293%
Whole Sale	0.24%	0.2204%	0.2213%
Total	100%	100%	100%

Source: KCPL work paper D 1 Allocator for KCPL's Missouri and Kansas 2015 rate cases and Staff Cost of Service Report, page 181

Q. What demand factor does KCPL now believe is appropriate for the Missouri jurisdiction?

A. Mr. Klote identifies a 54.8121% demand factor based on test year coincident peaks ending March 31, 2014, calculated using the 4 CP allocation method consisting of the summer months of June through September of 2013. The test year in this case is the 12 month period April 1, 2013, through March 31, 2014. The month of June 2013—the abnormal month KCPL sought to exclude in its original filing— is included KCPL's new calculation using the 4 CP method identified in Mr. Klote's rebuttal.[30]

Q. Is this a new position presented in KCPL's rebuttal testimony?

A. Yes. KCPL original direct filing supported the use of the 12 CP method for determining the demand allocation factor. KCPL is now advocating the use of the 4 CP method but using the 2013 summer months that contained the abnormal June 2013 resulting in a much higher demand allocation factor of 54.8121%, even when to compared to KCPL's originally supported 53.5748%.

KCPL has provided no support in any of its testimony for this new position using abnormal information the Company concluded could not be relied on. Although KCPL now states it supports the use of the 4 CP method to determine the demand allocation factor, it is doing so using the very data the Company initially argued should not be used, namely the abnormal June 2013 monthly peak.

Q. Does Staff agree with Mr. Klote's calculation of 4 CP method finding 54.8121%?

[30] Klote rebuttal, page 53.

A. No. For the same reason KCPL believed June 2013 was abnormal and should be excluded from of its allocation factor calculation, Staff believes the use of the four summer months of June through September 2013 should not be the basis of the 4 CP calculation. The use of the summer months of 2013 using the 4 CP method, including the abnormal June 2013, results in an inflated demand factor greater than KCPL's original request using the 12 CP method— 54.8121% instead of the original 53.5748%. KCPL's new proposal for the 54.8121% demand factor is significantly higher than previous KCPL Missouri rate cases. In the 2012 KCPL rate case, the demand factor was 52.70%[31] and in the 2010 KCPL rate case it was 53.50%.[32] Staff's calculation using the 4 CP based on the summer months of 2014 results in a 53.17% demand factor, which is much more in line with past cases and is based on the most recent available information.

Based on supporting information from the Annual Surveillance Report, KCPL's demand factor of 54.8121% is higher than any of the past ten years. Over time there has been a shift of KCPL's jurisdictional loads to Kansas causing a downward trend in the demand factor over many years (Schedule CGF-s7). The 54.8121% demand factor does not reflect those shifts over the past decade. This demand factor should not be used to determine rates in this case as it is inconsistent with recent levels because it contains abnormal information as the basis for its development.

Staff agrees with KCPL's reasoning for excluding June 2013 from its initial filing, and opposes KCPL's attempt to now include the abnormal data in its proposed demand factor

[31] KCPL ER-2012-0174, EFIS 353 Staff Accounting Schedule for True-up filed November 8, 2012-- Schedule 3, page 1.
[32] KCPL ER-2010-0355 EFIS 1071 Accounting Schedule based on Commission's Report and Ordered filed April 14, 2011 —Schedule 3, page 1.

calculation. Staff witness Bax also addresses the improper use of the 2013 4 CP allocation factor for this case in his surrebuttal.

Q. What is Staff's recommendation concerning calculation of the jurisdictional demand allocation factor?

A. Staff recommends its 53.17% demand factor based on the 4 CP method using the four summer months of 2014. Staff believes the 4 CP method is the proper method to use for the demand factor and results in the most appropriate allocation method for a summer peaking utility like KCPL. Further, the 4 CP method is consistent with prior Commission orders, prior Staff's recommendations for KCPL's past rate cases and consistent with previous KCPL's recommendations in past KCPL's rate cases. KCPL is willing to accept the use of the 4 CP method. However, Staff opposes KCPL's calculations based on four summer months of 2013. Just as KCPL replaced the month of June 2013 from its demand factor calculation in its original direct filing for the 12 CP method, it is equally necessary to exclude June 2013 results for the 4 CP method. Using the four summer months of June through September 2014 avoids the abnormal results of June 2013 for the summer months of 2013.

Q. What concerns has KCPL raised with regard to the allocation factor for meters?

A. Mr. Klote identifies concerns KCPL has using what is referred to as situs allocation factor for FERC Accounts 370.000 and 370.002.[33] These accounts capture the costs for updating the meters that KCPL is installing in Missouri. The existing meters— called automatic meter reading meters ("AMR meters") — are currently being replaced in Missouri. The new meters are called advanced metering infrastructure ("AMI meters").

[33] KCPL's witness Klote rebuttal, page 54, lines 14-23.

KCPL installed these meters in Kansas during 2014 and is installing them in Missouri during 2015. Since the AMI meters were installed in Kansas during 2014, the plant balances at December 31, 2014, used to determine the allocation factors for meters on what is referred to on a *situs* basis is not reflective of actual jurisdictional assigned to each state for these plant additions. Because there is a disproportionate amount of meters replacements that occurred in Kansas compared to those installed in Missouri as of December 31, 2014, the allocation factors are skewed.

Q. Does Staff have an issue updating the allocation factor for meters?

A. No. Staff agrees with KCPL that the FERC Accounts 370.000 and 370.002 relating to meter accounts should be allocated based on updated information through May 31, 2015, which is the end of the true-up period in this case. The circumstance of the installation of the meters in Missouri occurring primarily the first of 2015 dictates that an update for this allocation factor is warranted. Therefore, Staff will use the latest information it can obtain through the true-up to allocate these two FERC accounts for the AMI meter upgrades—Accounts 370.000 and 370.002.

Q. What is the jurisdictional factor used for meter accounts in this case?

A. For KCPL's Missouri jurisdiction, Staff used a 75.2499% factor for Account 370.000 and a 23.5810%[34] factor for the new AMI meters' Account 370.002.

Q. What are the historic jurisdictional factors used for the meter accounts?

A. In the 2012 rate case, the factor used for the FERC Account 370.000 meter account was 54.2104%[35] and in the 2010 rate case it was 54.3485%.[36] Account 370.002 is a

[34] KCPL ER-2014-0370 EFIS 129- Staff Accounting Schedule filed April 3, 2015 —Schedule 3, page 6.
[35] KCPL ER-2012-0174 EFIS 353-True-up Staff Accounting Schedule filed November 8, 2012 —Schedule 3, page 6.

new account for the AMI meters so that account did not exist in past KCPL rate cases. It is apparent the allocation factors for the meter accounts contained in the direct filing are not indicative of past Missouri jurisdictional factors for the meter account and need to be updated.

Q. Are the other distribution accounts allocation factors planned to be updated?

A. No. KCPL has not indicated the need to update any other allocation factors for the distribution accounts other than the two FERC accounts for the AMI meters. Therefore, it may not be necessary to update any other distribution accounts. However, Staff will review the other distribution accounts and update those on a *situs* basis for the true-up as of May 31, 2015.

Q. Does the use of the most current information to allocate the meter accounts identify an inconsistency in KCPL's approach to allocations?

A. It is interesting to note that KCPL wants to go outside the test year to update the meter allocation factors for the FERC meter accounts, yet takes issue with using the latest information available for the four summer months to develop the demand allocation factor. Staff believes the latest information should be used for the 4 CP method of allocation—that is the four summer months of 2014—and the latest information for the meter accounts—the May 31, 2015 true-up.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

[36] KCPL ER-2010-0355 EFIS 1071-Commission's Ordered Staff Accounting Schedule filed April 14, 2011 — Schedule 3, page 6.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	))))	Case No. ER-2014-0370

AFFIDAVIT

COMES NOW Cary G. Featherstone and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Surrebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Cary G. Featherstone

Cary G. Featherstone

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 4th day of June, 2015.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070

D Suzie Mankin

Notary Public

Kansas City Power & Light Company
Case No. ER-2014-0370
Electric Rate Comparisons

The following tables are based on information from the *Edison Electric Institute's Typical Bills and Average Rates Report Winter 2015* publication. An update to the analysis presented in the Cost of Service Report for 2014 appears below for overall rates:

Utility Company	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
MISSOURI RETAIL AVERAGE RATES										
KCPL-Missouri	**8.89 cents/kwh**	**8.78** **Jan 26, 2013 ER-2012-0174**	**8.23**	**8.01** **May 4, 2011 ER-2010-0355**	**7.69**	**6.88** **Sept 1 ER-2009-0089**	**6.51** **Feb 1 ER-2007-0291**	**6.14** **Feb 1 ER-2006-0314**	**5.66**	**5.65**
MPS	9.56	9.51	9.48	9.31	9.09	8.36	7.79	7.33	6.85	6.45
L&P	9.14	9.10	8.49	7.34	6.75	6.34	5.93	5.63	5.30	5.20
Ameren Missouri	8.02	8.12	7.36	7.16	6.48	5.95	5.43	5.46	5.43	5.49
Empire-Missouri	11.00	10.65	10.35	10.07	8.96	8.45	8.18	8.03	7.33	7.09
Missouri Average	**8.56**	**8.58**	**7.96**	**7.72**	**7.11**	**6.55**	**6.04**	**5.93**	**5.74**	**5.71**
KANSAS RETAIL AVERAGE RATES										
KCPL-Kansas	10.40	10.42	9.87	9.43	8.57	8.06	7.46	6.73	6.35	6.32
Empire - Kansas	10.39	10.15	10.48	10.11	9.25	8.41	8.69	8.61	8.06	6.54
Westar Energy -- KGE	9.54	8.87	8.42	7.90	7.46	7.13	6.32	5.73	6.04	6.03
Westar Energy -- KPL	10.17	9.42	8.99	8.28	8.15	7.82	6.92	6.06	6.25	5.58
Kansas Average	9.99	9.46	9.00	8.43	8.00	7.62	6.84	6.12	6.35	6.14
West North Central	**8.70**	**8.56**	**8.06**	**7.82**	**7.53**	**7.14**	**6.81**	**6.51**	**6.38**	**6.17**
United States Average	**10.72**	**10.37**	**10.09**	**10.09**	**9.97**	**9.83**	**9.77**	**9.20**	**8.89**	**8.22**

Source: EEI Winter 2010 Report, page 180 provided Data Request 380- ER-2010-0355
EEI Winter 2012 Report, page 180 provided Data Request 241- ER-2012-0174
EEI Winter 2014 Report, page 179; EEI Winter 2015 Report, page 178

The following table shows such a comparison of KCPL's actual residential customer rates as of January 1, 2015:

MISSOURI AND KANSAS RESIDENTIAL RATES – in cents per kilowatt hour

Utility Company	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	MISSOURI RESIDENTIAL RATES									
KCPL-Missouri	**10.99 cents/kwh**	**10.82**	**10.30**	**9.90**	**9.53**	**8.51**	**8.14**	**7.61**	**6.90**	**6.88**
MPS	11.20	11.17	11.21	10.81	10.52	9.67	9.10	8.64	8.08	7.45
L&P	10.80	10.81	10.24	8.64	7.97	7.43	7.03	6.78	6.31	5.97
Ameren Missouri	9.97	10.11	9.30	8.80	7.82	7.03	6.53	6.60	6.60	6.52
Empire-Missouri	12.27	11.90	11.74	11.22	9.95	9.75	9.19	9.10	8.35	7.98
Missouri Average	**10.47**	**10.50**	**9.89**	**9.39**	**8.54**	**7.77**	**7.27**	**7.18**	**6.96**	**6.77**
	KANSAS RESIDENTIAL RATES									
KCPL-Kansas	11.58	11.57	11.09	10.58	9.67	9.07	8.43	7.43	6.92	6.88
Empire - Kansas	10.58	10.72	11.03	10.53	9.65	8.97	9.26	9.20	8.69	7.11
Westar Energy -- KGE	12.04	11.16	10.68	9.92	9.46	8.84	7.84	7.29	7.72	7.74
Westar Energy -- KPL	12.08	11.18	10.70	9.93	9.55	9.17	8.07	7.16	7.36	6.69
Kansas Average	11.90	11.29	10.81	10.12	9.56	9.03	8.12	7.31	7.51	7.27
West North Central	**11.01**	**10.82**	**10.35**	**9.91**	**9.40**	**8.79**	**8.37**	**8.13**	**7.99**	**7.70**
United States Average	**12.70**	**12.43**	**12.20**	**12.07**	**12.01**	**11.72**	**11.53**	**10.95**	**10.62**	**9.60**

Source: EEI Winter 2010 Report, page 212 provided Data Request 380- ER-2010-0355
EEI Winter 2012 Report, page 212 provided Data Request 241- ER-2012-0174
EEI Winter 2014 Report, page 212
EEI Winter 2015 Report, page 212

The following table shows such a comparison of KCPL's actual commercial customer rates as of January 1, 2015:

MISSOURI AND KANSAS COMMERCIAL RATES – in cents per kilowatt hour

Utility Company	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	MISSOURI COMMERCIAL RATES									
KCPL-Missouri	**8.51 cents/kwh**	**8.37**	**7.79**	**7.62**	**7.31**	**6.56**	**6.22**	**5.92**	**5.49**	**5.48**
MPS	8.63	8.57	8.49	8.45	8.25	7.62	7.08	6.59	6.16	5.94
L&P	9.21	9.12	8.46	7.36	6.69	6.26	5.86	5.51	5.26	5.37
Ameren Missouri	7.72	7.81	7.02	6.92	6.29	5.71	5.34	5.34	5.32	5.29
Empire-Missouri	10.93	10.58	10.25	9.94	8.82	8.60	8.13	7.96	7.32	7.08
Missouri Average	**8.21**	**8.20**	**7.55**	**7.40**	**6.85**	**6.26**	**5.87**	**5.74**	**5.56**	**5.50**
	KANSAS COMMERCIAL RATES									
KCPL-Kansas	9.40	9.44	8.93	8.38	7.57	7.20	6.62	6.13	5.90	5.87
Empire - Kansas	11.44	11.18	11.59	11.21	10.27	9.48	9.62	9.61	9.19	7.64
Westar Energy -- KGE	9.73	8.95	8.46	7.97	7.57	7.31	6.66	6.03	6.38	6.29
Westar Energy -- KPL	9.64	8.90	8.45	7.99	7.64	7.33	6.54	5.68	5.89	5.22
Kansas Average	9.60	9.08	8.61	8.12	7.61	7.30	6.61	5.93	6.24	5.96
West North Central	**8.80**	**8.60**	**8.07**	**7.83**	**7.50**	**7.01**	**6.75**	**6.51**	**6.38**	**6.17**
United States Average	**10.94**	**10.52**	**10.19**	**10.20**	**10.21**	**10.03**	**10.05**	**9.53**	**9.33**	**8.54**

Source: EEI Winter 2010 Report, page 246 provided Data Request 380- ER-2010-0355
EEI Winter 2012 Report, page 244 provided Data Request 241- ER-2012-0174
EEI Winter 2014 Report, page 245
EEI Winter 2015 Report, page 244

The following table shows such a comparison of KCPL's actual industrial customer rates as of January 1, 2015:

	<u>MISSOURI AND KANSAS INDUSTRIAL</u>-in cents per kilowatt hour									
Utility Company	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
	MISSOURI INDUSTRIAL RATES									
KCPL-Missouri	**6.44 cents/kwh**	**6.46**	**5.99**	**5.83**	**5.57**	**5.13**	**4.77**	**4.47**	**4.21**	**4.23**
MPS	6.47	6.40	6.27	6.28	6.26	5.82	5.34	4.89	4.58	4.49
L&P	6.98	6.96	6.47	5.61	5.16	4.96	4.60	4.26	3.98	3.97
Ameren Missouri	5.34	5.45	4.85	4.87	4.46	4.30	3.87	3.89	3.96	4.05
Empire-Missouri	8.33	8.07	7.72	7.72	6.89	6.60	6.19	6.08	5.51	5.41
Missouri Average	**5.83**	**5.88**	**5.35**	**5.30**	**4.90**	**4.73**	**4.26**	**4.18**	**4.14**	**4.61**
	KANSAS INDUSTRIAL RATES									
KCPL-Kansas	8.79	8.16	6.65	7.95	7.06	6.73	6.15	5.50	5.15	5.15
Empire - Kansas	8.20	7.92	8.25	8.26	7.42	7.01	6.97	6.94	6.32	5.02
Westar Energy -- KGE	7.04	6.63	6.30	5.89	5.47	5.34	4.78	4.17	4.36	4.32
Westar Energy -- KPL	8.02	7.45	7.14	6.84	6.50	6.31	5.62	4.83	5.01	4.40
Kansas Average	7.49	7.00	6.62	6.34	5.91	5.75	5.15	4.49	4.77	4.65
West North Central	**6.20**	**6.10**	**5.68**	**5.62**	**5.48**	**5.38**	**5.21**	**4.83**	**4.76**	**4.52**
United States Average	**7.21**	**6.91**	**6.60**	**6.64**	**6.71**	**6.63**	**6.66**	**6.15**	**6.00**	**5.62**

Source: EEI Winter 2010 Report, page 278 provided Data Request 380- ER-2010-0355
EEI Winter 2012 Report, page 276 provided Data Request 241- ER-2012-0174
EEI Winter 2014 Report, page 278
EEI Winter 2015 Report, page 276

Thursday, March 19, 2015 2:26 PM ET Exclusive

Top 25 utilities by 2014 recurring EBITDA margin

Article | Related Content

To receive real-time alerts for this regular feature, click here.

By Garrett Devine

Companies with gas utility operations held the top three spots in the ranking of the most profitable companies with utility operations by recurring EBITDA margin for the year 2014, but power and diversified utilities filled out the rest of the top 25. The top 25 ranking of most profitable companies with utility operations was made up of 12 power, 10 diversified and three gas utilities.

The median recurring EBITDA margin for the top 25 utilities in 2014 was just over 36%, less than a percentage point decrease from values in 2013. The mean recurring EBITDA margin in 2014 was just under 38%, an increase of less than half a percentage point from 2013.

Of the top 25 most profitable companies with utility operations, 11 companies reported a year-over-year increase in EBITDA margin for 2014. On average the top 25 companies by recurring EBITDA margin increased by less than half a percentage point year over year.

Most profitable utilities by recurring EBITDA margin

Company (ticker)	Utility type	Q4'13 LTM operating margin (%)	Q4'14 LTM operating margin (%)	Q4'13 LTM recurring EBITDA margin (%)	Q4'14 LTM recurring EBITDA margin (%)	YOY change (pct. points)
Questar Corp. (STR)	Gas utility	31.69	34.15	48.80	54.25	5.45
TransCanada Corp. (TRP)	Gas utility	32.69	32.32	52.95	51.08	-1.87
National Fuel Gas Co. (NFG)	Gas utility	28.40	27.30	46.62	46.52	-0.10
Duke Energy Corp. (DUK)	Diversified	25.03	29.03	41.41	44.50	3.09
NextEra Energy Inc. (NEE)	Power	23.39	25.82	41.39	44.14	2.74
PPL Corp. (PPL)	Diversified	25.38	28.45	36.82	42.02	5.20
Public Service Enterprise Group Inc. (PEG)	Diversified	23.95	24.34	38.53	38.60	0.07
OGE Energy Corp. (OGE)	Diversified	19.30	21.86	32.25	37.71	5.45
Pinnacle West Capital Corp. (PNW)	Power	24.50	23.23	38.77	37.55	-1.22
Southern Co. (SO)	Power	25.96	24.42	39.85	37.52	-2.34
Westar Energy Inc. (WR)	Power	24.43	24.33	37.33	36.66	-0.67
PNM Resources Inc. (PNM)	Power	21.55	20.95	36.42	36.21	-0.21
Cleco Corp. (CNL)	Power	28.19	23.46	43.59	36.19	-7.40
Emera Inc. (EMA)	Diversified	18.25	22.45	34.61	35.99	1.37
Great Plains Energy Inc. (GXP)	Power	23.27	20.81	38.46	35.68	-2.78
Entergy Corp. (ETR)	Diversified	14.83	17.50	33.69	35.41	1.72
Empire District Electric Co. (EDE)	Diversified	23.48	21.38	35.82	34.52	-1.30
Dominion Resources Inc. (D)	Diversified	24.92	20.60	36.79	34.46	-2.33
Ameren Corp. (AEE)	Diversified	20.28	20.72	33.35	34.38	1.03
TECO Energy Inc. (TE)	Diversified	19.50	19.69	33.52	33.30	-0.22
Edison International (EIX)	Power	18.17	19.60	31.74	33.27	1.53
Portland General Electric Co. (POR)	Power	11.38	15.42	25.90	32.61	6.71
IDACORP Inc. (IDA)	Power	23.41	19.78	35.80	32.43	-3.37
El Paso Electric Co. (EE)	Power	18.60	16.48	33.26	32.27	-0.99
American Electric Power Co. Inc. (AEP)	Power	20.06	18.99	33.22	32.10	-1.12

As of March 9, 2015.
Utility type indicates the type of retail energy distribution service provided by the company or its subsidiaries. Companies marked as "Power" are only engaged in electric distribution. "Gas Utility" indicates that only gas distribution service is provided, and "Diversified" indicates that the company is engaged in both electric and gas distribution.
Source: SNL Energy

Questar Corp. topped the list of the 25 most profitable utilities, with recurring EBITDA making up about 54% of its almost $1.20 billion recurring revenue in 2014, compared with a recurring EBITDA margin of just under 49% in 2013. In the company's fourth-quarter earnings release, Questar reported strong performance from its subsidiary Wexpro Co., which experienced net income growth of 11% year over year.

TransCanada Corp. posted the second-highest recurring EBITDA margin of 51% from recurring revenues of C$10.80 billion in 2014, compared to a recurring EBITDA margin of roughly 53% in 2013. In the company's fourth-quarter earnings release, TransCanada President and CEO Russ Girling reported C$3.8 billion of new assets placed into service in 2014. The company also has large midstream and merchant generation operations, which form a considerable portion of the company's net income.

Largest Increases

Eleven companies experienced an average increase of about 3% in year-over-year recurring EBITDA margins for the year 2014.

Portland General Electric Co. posted the largest year-over-year increase in recurring EBITDA margin, which increased nearly 7 percentage points to about 33%, compared to roughly 26% in 2013. In its earnings release, the company attributed the improved earnings primarily to higher average retail prices.

OGE Energy Corp. tied with Questar for the second largest year-over-year increase in recurring EBITDA margin, which increased more than 5 percentage points to about 38% from about 32% in 2013. In the company's earnings release, it attributed a higher gross margin year over year primarily to increased transmission revenues and customer growth.

Largest decreases

Fourteen companies experienced a decline in recurring EBITDA margin, for an average decrease of 2% year over year in 2014.

Cleco Corp. posted the largest decline of over 7 percentage points in year-over-year recurring EBITDA margins. The company's recurring EBITDA was roughly 36% of its recurring operating revenue of $1.28 billion in 2014. In its fourth-quarter earnings release, the company attributed the decrease to mild weather, along with a rate decrease and customer refund associated with its formula rate plan extension that began in July.

IDACORP Inc. had the second largest year-over-year decrease in recurring EBITDA margin, decreasing over 3%. The company's recurring EBITDA was roughly 32% of its recurring operating revenue of $1.32 billion in 2014.

Use SNL Energy's Company Ratio Dissection template to examine EBITDA and other key company ratios.

Article Feedback | Email this Story | Add to Library | Display Printable View

More On:
Earnings and Guidance: Earnings

More From:
Data Dispatch

Article | Related Content

SNL Editors' Picks


MarketWeek: Yieldcos, IPPs dominate ranking of power companies by implied upside to price targets
Friday, May 15, 2015


Canadian gas 'chased out' of US markets by Marcellus/Utica flood
Monday, May 18, 2015


Midstream GPs' 'value becomes crystallized' in EQT, Tallgrass IPOs
Friday, May 15, 2015

Back To Top

SNL

Site Map
Help
RSS Feeds
About SNL
Careers
Data Feeds
Data Publications
Advertising
Feedback

Close

Commissions

Tools

View Multiple Commissions

Select All Clear All

View Definitions

Select	Jurisdiction	Commission Name	RRA Ranking	RRA Ranking As Of	No. of Pending Rate Cases	No. of Rate Cases in Last 3 Years
☐	Alabama	Alabama Public Service Commission	Above Average / 2	01/08/1993	0	0
☐	Alaska	Regulatory Commission of Alaska	Average / 2	04/10/2012	0	0
☐	Arizona	Arizona Corporation Commission	Average / 3	03/01/2005	0	5
☐	Arkansas	Arkansas Public Service Commission	Average / 3	01/10/2011	0	3
☐	California	California Public Utilities Commission	Average / 1	04/05/2007	3	16
☐	Colorado	Colorado Public Utilities Commission	Average / 1	09/14/2011	1	4
☐	Connecticut	Connecticut Public Utilities Regulatory Authority	Below Average / 2	10/22/2013	0	3
☐	Delaware	Delaware Public Service Commission	Average / 3	10/24/2014	0	3
☐	District of Columbia	District of Columbia Public Service Commission	Average / 3	10/22/2013	0	4
☐	Florida	Florida Public Service Commission	Above Average / 3	01/16/2013	0	6
☐	Georgia	Georgia Public Service Commission	Above Average / 3	10/22/2013	0	4
☐	Hawaii	Hawaii Public Utilities Commission	Average / 1	01/16/2013	2	5
☐	Idaho	Idaho Public Utilities Commission	Average / 2	08/27/2010	0	6
☐	Illinois	Illinois Commerce Commission	Below Average / 1	10/24/2014	2	12
☐	Indiana	Indiana Utility Regulatory Commission	Above Average / 3	07/15/2009	2	3
☐	Iowa	Iowa Utilities Board	Above Average / 3	02/01/2007	0	2
☐	Kansas	Kansas Corporation Commission	Average / 2	03/27/2008	1	13
☐	Kentucky	Kentucky Public Service Commission	Average / 1	12/09/2010	4	10
☐	Louisiana	Louisiana Public Service Commission	Average / 1	10/13/2011	0	3
☐	Louisiana	New Orleans City Council	Average / 1	04/12/2012	0	1
☐	Maine	Maine Public Utilities Commission	Average / 2	03/01/2006	0	2
☐	Maryland	Maryland Public Service Commission	Below Average / 2	07/15/2009	0	17
☐	Massachusetts	Massachusetts Department of Public Utilities	Average / 3	04/09/2013	1	3
☐	Michigan	Michigan Public Service Commission	Average / 1	04/09/2010	3	10
☐	Minnesota	Minnesota Public Utilities Commission	Average / 2	08/07/1990	1	5
☐	Mississippi	Mississippi Public Service Commission	Above Average / 3	04/16/2012	2	3
☐	Missouri	Missouri Public Service Commission	Average / 2	01/08/2008	3	16
☐	Montana	Montana Public Service Commission	Below Average / 1	10/10/2001	0	3
☐	Nebraska	Nebraska Public Service Commission	Average / 2	01/28/2004	0	1
☐	Nevada	Public Utilities Commission of Nevada	Average / 2	05/23/2007	0	5
☐	New Hampshire	New Hampshire Public Utilities Commission	Average / 3	01/01/2002	1	3
☐	New Jersey	New Jersey Board of Public Utilities	Average / 3	04/16/2012	1	5
☐	New Mexico	New Mexico Public Regulation Commission	Below Average / 1	04/01/2008	1	2
☐	New York	New York Public Service Commission	Average / 2	04/16/2013	4	8
☐	North Carolina	North Carolina Utilities Commission	Average / 1	10/22/2013	0	5
☐	North Dakota	North Dakota Public Service Commission	Average / 1	04/27/2009	0	3
☐	Ohio	Public Utilities Commission of Ohio	Average / 2	04/16/2012	0	2
☐	Oklahoma	Oklahoma Corporation Commission	Average / 2	12/27/2011	1	4
☐	Oregon	Oregon Public Utility Commission	Average / 3	09/22/2006	1	8
	Pennsylvania	Pennsylvania Public Utility Commission	Average / 3	12/01/1998	4	6

Schedule CGF-s3 Page 1 of 2

☐						
☐	Rhode Island	Rhode Island Public Utilities Commission	Average / 3	05/25/2010	0	2
☐	South Carolina	Public Service Commission of South Carolina	Average / 1	12/01/1998	0	8
☐	South Dakota	South Dakota Public Utilities Commission	Average / 3	06/28/2012	3	3
☐	Tennessee	Tennessee Regulatory Authority	Average / 1	01/01/1992	2	2
☐	Texas	Public Utility Commission of Texas	Below Average / 1	05/11/2001	1	9
☐	Texas	Railroad Commission of Texas	Average / 3	03/14/2014	1	3
☐	Utah	Public Service Commission of Utah	Average / 2	07/09/2010	0	3
☐	Vermont	Vermont Public Service Board	Average / 3	01/04/2007	0	1
☐	Virginia	Virginia State Corporation Commission	Above Average / 2	04/16/2012	5	20
☐	Washington	Washington Utilities and Transportation Commission	Average / 2	07/15/2013	1	10
☐	West Virginia	Public Service Commission of West Virginia	Below Average / 1	01/16/2013	2	2
☐	Wisconsin	Public Service Commission of Wisconsin	Above Average / 2	07/02/1982	0	27
☐	Wyoming	Wyoming Public Service Commission	Average / 2	06/13/2007	1	6

RRA maintains three principal rating categories, Above Average, Average, and Below Average, with Above Average indicating a relatively more constructive, lower-risk regulatory environment from an investor viewpoint, and Below Average indicating a less constructive, higher-risk regulatory climate from an investor viewpoint. Within the three principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger (more constructive) rating; 2, a mid range rating; and, 3, a weaker (less constructive) rating. We endeavor to maintain an approximately equal number of ratings above the average and below the average.

Missouri Public Service Commission

Go to Section: General Information

Tools

General Information

Contact information	200 Madision Street PO Box 360 Jefferson City, MO 65102-0360 (573) 751-3234 http://www.psc.mo.gov/
No. of Commissioners	5 of 5
Method of Selection	Commissioners: Gubernatorial appointment, Senate confirmation Chairperson: Appointed by and serves at the pleasure of the Governor
Term of Office	Commissioners: 6 years Chairperson: Indefinite
Chairperson	Robert Kenney
Deputy Chairperson	NA
Governor	Jay Nixon (D) – elected in January, 2009
Services Regulated	Electric cooperatives, Electric utilities, Gas utilities, Securities companies, Sewer utilities, Steam utilities, Telecommunications utilities, Water utilities
RRA Ranking	Average/2 (1/8/2008)
Commission Budget	$15.8 million
Commissioner Salaries	Commissioners: $105,100 Chairperson: $105,100
Size of Staff	205
Rate Cases	Missouri Public Service Commission's Rate Case History
Research Notes	RRA Articles
RRA Contact	Russell Ernst

Commissioners

Name	Party	Began Serving	Term Ends
Robert Kenney **Chairman**	D	07/2009	04/2015
Stephen Stoll	D	06/2012	12/2017
Bill Kenney	R	01/2013	01/2019
Daniel Hall	D	09/2013	09/2019
Scott Rupp	R	04/2014	04/2020

Miscellaneous Issues

Commissioner Selection Criteria–Minority party representation is practiced, but not required.

Services Regulated–In addition to regulating electric, gas, steam, water, and sewer utilities, the PSC has authority over rural electric cooperatives (only with regard to safety), and manufactured housing (with regard to building code compliance), and has limited authority over retail telecommunications.

Staff Contact: Kevin Kelly, Public Information Administrator (573) 751 9300 (Section updated 10/16/14)

RRA Evaluation

Missouri regulation is relatively balanced from an investor perspective. Rate case decisions issued over the past couple of years have generally been neutral and the authorized equity returns have either approximated or were slightly below prevailing industry averages at the time established. Nearly all of the electric utilities have fuel adjustment clauses (FACs) in place that allocate a portion of fuel and purchased power-related cost variations to shareholders; the only company currently without an FAC, Great Plains Energy subsidiary Kansas City Power & Light, is expected to request one in a forthcoming rate case. Statutes permit the PSC to approve environmental and renewable resource cost recovery mechanisms for the utilities; however, no such mechanisms have been authorized to date. In a recent decision, the Commission rejected a request by a large industrial customer that would have effectively provided for a reduced electric rate for the customer over a multi-year period, with the related revenue shortfall for the utility being allocated to the other customer classes. The proceeding garnered considerable attention from certain customers that would have been affected by the proposal and claimed that approval of such a request would have set the stage for a "slippery slope" for similar requests to be made. In the gas arena, the state's local gas distribution companies (LDCs) are permitted to adjust rates to reflect changes in gas commodity costs on a timely basis, and the Commission has approved the use of surcharges for recovery of infrastructure improvement costs between base rate cases. Over the past couple of years, the PSC has approved three separate LDC merger proposals without imposing onerous restrictions. Revenue decoupling mechanisms have not been implemented in the state. We continue to accord Missouri regulation an Average/2 rating. (Section updated 10/16/14)

RRA Ranking History

Date of Ranking Change	RRA Ranking
1/8/2008	Average / 2
10/13/1993	Average / 3
1/1/1993	Below Average / 1
1/6/1989	Average / 2
10/5/1987	Average / 3
5/16/1986	Below Average / 1
2/1/1984	Average / 3
7/19/1983	Below Average / 1

RRA maintains three principal rating categories for regulatory climates: Above Average, Average, and Below Average. Within the principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger rating; 2, a mid-range rating; and, 3, a weaker rating. The evaluations are assigned from an investor perspective and indicate the relative regulatory risk associated with the ownership of securities issued by the jurisdiction's utilities. The evaluation reflects our assessment of the probable level and quality of the earnings to be realized by the state's utilities as a result of regulatory, legislative, and court actions.

	7/2/1982	Below Average / 2

Consumer Interest

Represented by the Office of the Public Counsel, a division of the Department of Economic Development (DED). The Public Counsel is appointed by the Director of the DED for an unspecified term. (Section updated 10/16/14)

Rate Case Timing/Interim Procedures

Utilities seeking to increase rates must file tariffs 30 days prior to the proposed effective date. The proposed tariffs may then be suspended by the PSC for 10 months. If the Commission has not issued a final decision within 11 months of the initial filing, the proposed rates would become effective as filed and would not be subject to refund. The PSC may authorize an interim increase, subject to refund, if a company can demonstrate an emergency, or a near emergency situation. Interim increases have rarely been sought or authorized. (Section updated 10/16/14)

Return on Equity

The most recent electric rate decision that specified a return on equity (ROE) was issued in January 2013, when the PSC authorized Great Plains Energy subsidiary subsidiaries Kansas City Power & Light (KCP&L) and KCP&L-Greater Missouri Operations (GMO) a 9.7% ROE. The most recent electric rate decision for Ameren Corp. subsidiary Union Electric (UE), d/b/a Ameren Missouri, was issued in 2012, when the PSC established a 9.8% ROE. The most recent electric decision for Empire District Electric (Empire) that specified an ROE was issued in 2008, when the PSC established a 10.8% ROE.

The most recent gas rate decision that specified an ROE was issued in December 2014, when the PSC authorized Liberty Utilities (Midstates Natural Gas), d/b/a Liberty Utilities, a 10% ROE. Liberty Utilities was formerly known as Atmos Energy. In October 2014, the PSC authorized Summit Natural Gas of Missouri a 10.8% ROE. For the other gas utilities, rate decisions in recent years have been silent regarding authorized ROEs for their overall operations. However, in certain circumstances, those utilities have riders in place that reflect PSC-approved equity returns (see the Adjustment Clauses section). The most recent gas rate decision that specified an ROE for Laclede Group subsidiary Missouri Gas Energy (MGE) was issued in 2010, when the PSC authorized a 10% ROE; however, MGE uses a 9.75% pre-tax weighted average cost of capital to calculate rate adjustments under its infrastructure system replacement surcharge (ISRS). A 2013 PSC-approved rate case settlement specifies that Laclede Group subsidiary Laclede Gas (LCG) is to use a 9.7% ROE to calculate prospective rate adjustments under the company's ISRS charge. UE is permitted to utilize a 10% ROE in the context of its ISRS rider. (Section updated 1/7/15)

Rate Base and Test Period

The PSC generally relies on a year-end original-cost rate base, but, by law, must consider fair value. Rate requests are typically filed based on historical or partly forecasted test period data, which are updated during the course of the proceeding to reflect actual results. The adopted test periods are historical at the time of PSC decisions; however, limited "known-and-measurable" changes beyond the end of the test period may be recognized. By law, the PSC is prohibited from including electric construction-work-in-progress in rate base. (Section updated 10/16/14)

Accounting

Union Electric (UE) and Kansas City Power & Light (KCP&L) are permitted to collect from ratepayers amounts to fund the eventual decommissioning of the Callaway and Wolf Creek nuclear facilities, respectively; these funds are placed in qualified external decommissioning trusts. (UE owns 100% of Callaway and KCP&L owns 47% of Wolf Creek.)

UE, KCP&L, KCP&L Greater Missouri Operations (GMO), Empire District Electric (Empire), Laclede Gas, Missouri Gas Energy (MGE) and Liberty Energy (Midstates), formerly known as Atmos Energy, are permitted to track, as regulatory assets/liabilities, incremental variations in pension-related costs and other post-employment benefits. UE, KCP&L, GMO, Empire, Missouri Gas Energy and Liberty Energy (Midstates) are permitted to record, as regulatory assets, costs related to energy efficiency programs. Empire and UE utilize vegetation management and infrastructure inspection tracking mechanisms, whereby costs associated with these activities that vary from a base level are deferred for future recovery/refund and are to be addressed in subsequent rate cases. (Section updated 10/16/14)

Alternative Regulation

Empire District Electric, KCP&L Greater Missouri Operations, and Union Electric utilize fuel adjustment clauses that permit sharing, on a 95%/5% basis by ratepayers and shareholders, of incremental fuel-cost variations (see the Adjustment Clauses section). Missouri Gas Energy (MGE) has in place a framework that provides for sharing of a portion of off-system sales (OSS) margins and capacity release (CR) revenues, specifically: for the first $1.2 million of OSS margins and CR revenues, 15% is to be allocated to the company and 85% to customers; for the next $1.2 million, 20% is to be allocated to the company and 80% to customers; for the next $1.2 million, 25% is to be allocated to the company and 75% to customers; and, above $3.6 million, 30% is to be allocated to the company and 70% to customers.

Laclede Gas (LCG) is permitted to retain 10% of any gas-cost savings relative to an established benchmark. In addition, LCG shares with ratepayers, to varying degrees, OSS margins and CR revenues. Specifically: the first $2 million of OSS margins and CR revenues are to be entirely allocated to ratepayers; incremental margins between $2 million and $4 million are to be shared 80%/20%; incremental margins between $4 million and $6 million are to be shared 75%/25%; and, incremental margins above $6 million are to be shared 70%/30%. (Section updated 10/16/14)

Court Actions

PSC rate orders may be appealed directly to the Missouri Court of Appeals (MCA), and ultimately to the Supreme Court of Missouri (SCM). Rates essentially cannot be stayed by the MCA; however, the Court has the authority to require the PSC to amend a company's rates based on the Court's ruling. The governor initially appoints judges to the SCM and the MCA from nominations submitted by judicial selection commissions. Supreme and Appeals Court judges must run for retention of office at the end of a 12 year term. No major utility related cases have been before the courts over the past couple of years. (Section updated 10/16/14)

Legislation

The Missouri General Assembly is a bicameral body that meets annually beginning in January and continuing into May. Annual veto sessions are held in September, whereby bills vetoed by the governor during the prior regular session are considered by the legislature for possible override. Currently there are 110 Republicans, 52 Democrats, and one vacancy in the House of Representatives; there are 23 Republicans, 9 Democrats, and two vacancies in the Senate. The General Assembly is to reconvene on Jan. 7, 2015.

House Bill 1631, enacted in July 2014, allows the Missouri Air Conservation Commission to develop less-stringent carbon-reduction standards than those included in the EPA's proposed 111(d) rule (see the Emissions section). (Section updated 10/16/14)

Corporate Governance

BBy law, the PSC has authority over mergers and reorganizations involving the utilities it regulates, certain financing arrangements, and affiliate issues. The PSC has, in some instances, adopted ring-fencing provisions in the context of approving proposed mergers (see the Merger Activity section).

Reorganizations--In 2001, the PSC conditionally authorized Kansas City Power & Light (KCP&L) to restructure its operations into a holding company, Great Plains Energy, with subsidiaries that included KCP&L and its regulated operations. The PSC imposed the following conditions: KCP&L's common stock cannot be pledged as collateral for Great Plains Energy's debt without PSC approval; KCP&L cannot guarantee the notes, debentures, debt obligations, or other securities of Great Plains Energy or its subsidiaries without PSC authorization; Great Plains Energy is to maintain a common equity ratio of at least 30%, and KCP&L's common equity ratio must be at least 35%; KCP&L's total long-term debt is not to exceed rate base, and must remain separate from the holding company; and, KCP&L is to maintain an investment-grade credit rating.

In 2001, the PSC conditionally authorized Laclede Gas to restructure its operations into a holding company, Laclede Group, with subsidiaries that included Laclede Gas and its regulated operations. (Section updated 10/16/14)

Merger Activity

In approving a proposed merger, the PSC must determine that the transaction is "not detrimental to the public interest." There is no statutory timeframe within which the Commission must render decisions on proposed mergers.

Since the late 1990s, the PSC has ruled on a number of mergers and asset transfers. In 1997, the PSC approved the merger of Union Electric (UE) and Central Illinois Public Service (CIPS) to form Ameren. The merger closed in 1997. In 2005, the PSC affirmed a previous decision in which it conditionally approved Ameren's proposal to transfer UE's Illinois electric and gas distribution assets to CIPS at book value ($138 million). The PSC's conditions pertained to the treatment of certain pre-transfer liabilities and off-system sales issues. A related service territory transfer was completed later in 2005, and UE now operates solely in Missouri. The PSC did not have jurisdiction over Ameren's 2003 and 2004 acquisitions of Illinois utilities Central Illinois Light and Illinois Power, respectively, as there was no change in control of a utility subject to its oversight.

In 1999, the PSC approved the merger of American Electric Power and Central and South West following a settlement that resolved the Commission's concerns regarding the effect of the merger on retail competition in Missouri related to the companies' capacity reservation on Ameren's transmission system. The merger closed in 2000.

In 2000, UtiliCorp United (subsequently known as Aquila) and St. Joseph Light & Power merged following PSC approval. However, the Commission rejected a related five-year alternative regulation plan. In 2004, the PSC determined that UtiliCorp should not be allowed to recover the acquisition premium from customers; the Commission stated that it has consistently applied the net original-cost standard when placing a value on assets for purposes of establishing a utility's rates.

In 2008, KCP&L parent Great Plains Energy acquired Aquila, following conditional approval by the PSC. The former Aquila utilities in Missouri are now known as KCP&L Greater Missouri Operations. The conditions include the following: Great Plains will not be permitted to recover from ratepayers any transaction costs associated with the merger; the companies are to track merger-related synergies to demonstrate whether actual synergies exceed the transition costs associated with the merger (the company utilized regulatory lag to retain its share of synergies, and ratepayers share of the synergies have been reflected in rates through rate cases filed subsequent to the completion of the transaction); any post-merger "financial effect" of a credit downgrade of Great Plains, KCP&L, and/or Aquila, that occurs as a result of the merger is to be "borne by the shareholders"; and, the PSC "reserves the right to consider any ratemaking treatment" to be accorded the transactions in a future proceeding. In the company's 2011 rate case decision, the PSC determined that actual synergies exceeded the merger's transition costs and allowed the company to amortize these costs over a five-year period.

In 1997, Atmos Energy acquired United Cities Gas following PSC approval. In 2004, Atmos acquired former TXU Inc. subsidiary TXU Gas, following PSC approval of a settlement specifying that: the acquisition premium may not be recovered from ratepayers; company books and records continue to be available for review by the PSC Staff and the Office of Public Counsel; and, Atmos would issue at least $300 million of new equity to partially fund the acquisition (Atmos' equity issuance later in 2004 generated $235 million in net proceeds). The transaction closed in 2004.

In 2012, Atmos sold its Missouri-jurisdictional utility assets to Liberty Energy (Midstates) Corp., an affiliate of Algonquin Power & Utilities Corp., following PSC approval of a related settlement. The transaction also involved the sale of Atmos' Illinois and Iowa utility assets to Liberty Energy. The approved settlement provides for Liberty to maintain Atmos existing tariffs. The transaction closed later in 2012, and the new entity is known as Liberty Energy (Midstates) Corp., d/b/a Liberty Utilities.

In 2006, the PSC authorized Empire District Gas (EDG) to acquire Aquila's Missouri-jurisdictional gas utility operations following a settlement that imposed a three-year base rate freeze.

In 2012, Energy Transfer Equity (ETE) acquired Southern Union following PSC approval of a related settlement. The approved settlement specifies, among other things, that: Southern Union is to be prohibited from guaranteeing certain debts incurred by ETE affiliate Energy Transfer Partners in conjunction with the transaction; the debt of any affiliate is to be non-recourse to Southern Union; Southern Union's equity is not to be pledged as collateral for the debt of any affiliate or non-affiliate; Southern Union is to maintain records separate from its affiliates; Southern Union is to be prohibited from commingling its utility system with any other entity or maintain its system such that it would be "costly or difficult" to separate its assets from those of an affiliate; Southern Union is to continue to be subject to certain customer service performance measures and maintain certain operating procedures; Southern Union agrees to ensure that the company's retail gas distribution rates do not increase as a result of the merger; any adverse impact of the merger on Southern Union's credit ratings "deserves consideration" by the PSC in future proceedings when a "fair and reasonable" return is authorized; the acquisition premium and the transaction and transition costs associated with the merger are not to be recoverable in retail distribution rates; and, Southern Union is to continue its service-line and main replacement programs.

In September 2013, Southern Union division Missouri Gas Energy (MGE) was acquired by a subsidiary of the Laclede Group. In July 2013, the PSC had approved a related settlement specifying, among other things, that: MGE is to record a $125 million "rate base offset" and will be permitted to amortize this amount over a ten -year period; the company is prohibited from recovering, from its retail distribution customers, any acquisition premium and transaction-related costs; LG and MGE will not seek an increased cost of capital as a result of the transaction; LG is prohibited from pledging its equity as collateral for the debt of any affiliate without first receiving PSC approval for such action; and, if Laclede's non-regulated operations were to be the cause of a downgrade in LG's credit ratings to below investment-grade, LG would be required to pursue additional "legal and structural separation" from the parent to ensure that LG has "access to capital at a reasonable cost."

In December 2013, the PSC terminated its review of a proposed transaction that had called for Entergy Corp.'s utility operating companies to spin off their electric transmission assets, with those assets subsequently to be acquired by ITC Holdings. The companies had previously requested that their proposal be withdrawn in light of their inability to obtain regulatory approval for the deal in another jurisdiction. (Section updated 10/16/14)

Electric Regulatory Reform/Industry Restructuring

Comprehensive retail competition has not been implemented. However, a large industrial customer, Noranda Aluminum, is permitted to contract for the purchase of electricity and delivery services outside of the PSC's jurisdiction. Noranda currently receives service from Union Electric. (Section updated 10/16/14)

Gas Regulatory Reform/Industry Restructuring

Local gas distribution companies (LDCs) have offered transportation-only service since the late-1980s. Missouri Gas Energy (MGE) offers transportation-only service to customers with gas usage of at least 2,000 MCF in any one month or annual usage of at least 30,000 CCF. Laclede Gas offers a transportation rate to customers that have annual gas usage of at least 30,000 MCF. Union Electric offers two transportation rates: a "standard rate" for certain customers with annual usage of less than 60,000 MCF; and, a "large-volume rate" for all other customers. Empire District Gas (EDG) offers transportation-only service to customers with annual gas usage of at least 15,000 MCF. Liberty Energy (Midstates) offers transportation-only service to customers with gas usage of at least 1,550 MCF in a single month. All of the state's LDCs offer transportation-only service to schools on an aggregated basis. No action has been taken with regard to retail choice for small-volume customers. (Section updated 10/16/14)

Adjustment Clauses

State statutes permit the electric utilities to request PSC approval of mechanisms that allow for the expedited recovery of costs related to fuel and purchased power, environmental compliance, renewable energy, gas commodity costs and certain other items.

Fuel Adjustment Clauses (FACs)—According to the PSC's rules: an application for approval of an FAC must be submitted within the context of a general rate case or complaint proceeding; an FAC should provide the utility an opportunity to earn a "fair return on equity"; the Commission may adjust a utility's allowed return on equity in future rate proceedings if it determines that implementation of an FAC would alter the utility's business risk; incentive features may be incorporated into an FAC to improve the efficiency and cost-effectiveness of a utility's fuel and purchased power procurement activities; an FAC is to be subject to true-ups for under- and over-collections, including interest; an FAC may reflect incremental variations in off-system sales (OSS) revenues; an FAC may remain in place for a maximum four-year term, unless the PSC authorizes an extension or modification of the FAC in the context of a general rate case (i.e., the utility must file a rate case within four years after implementation, extension, or modification of an FAC); and, such mechanisms are to be subject to a prudence review no less frequently than every 18 months.

KCP&L Greater Missouri Operations' FAC, implemented in 2007, and subsequently modified, is adjusted semi-annually, has 12-month recovery periods and provides for the company to recover from/flow to ratepayers 95% of incremental variations in "prudently incurred" fuel and purchased power costs, net emissions allowance costs, and OSS revenues from the levels included in base rates.

Empire District Electric (Empire) utilizes an FAC, implemented in 2008, and subsequently modified, that provides for the company to recover from/flow to ratepayers, on a semi-annual basis over six-month recovery periods, 95% of incremental variations in fuel and purchased power costs, net emissions allowance costs, and OSS revenues from the levels included in base rates.

Union Electric (UE) utilizes an FAC, implemented in 2009, and subsequently modified, that provides for the company to recover from/flow to ratepayers 95% of incremental variations in fuel and purchased power costs, net emissions allowances, and OSS revenues from the levels included in base rates. UE's FAC incorporates three adjustments per year and eight-month-long recovery periods.

A comprehensive infrastructure expansion program approved by the PSC in 2005 prohibits Kansas City Power & Light (KCP&L) from seeking implementation of an FAC before June 1, 2015. However, the company is permitted to request approval of an interim energy charge (IEC) that would provide for limited recovery of fuel and purchased power costs, prior to that date.

Environmental Cost Recovery Mechanisms (ECRMs)--The PSC's rules pertaining to ECRMs are similar to those in place for FACs, and specify that: the Commission may consider the magnitude of costs eligible for inclusion in an ECRM and the ability of the utility to manage these costs, when determining which cost components to include in an ECRM; a portion of the utility's environmental costs may be recovered through an ECRM and a portion may be recovered through base rates; the annual recovery of environmental compliance costs is to be capped at 2.5% of the utility's Missouri gross jurisdictional revenues, less certain taxes; a utility that uses an ECRM must file for at least one, and no more than two, annual adjustments to its ECRM rate; adjustments must be made to a utility's ECRM rates within 60 days from the time of filing, if such adjustments adhere to state statutes; an ECRM may remain in place for a maximum four-year term, unless the PSC authorizes an extension in the context of a general rate case (the utility must file a general rate case within four years after implementation of an ECRM); and, such mechanisms are to be subject to a prudence review every 18 months and an annual true-up for under- and over-collections, including interest. None of the utilities currently have an ECRM in place.

Renewable Energy--The PSC's rules specify that the electric utilities may file, in the context of a rate case or in a generic proceeding, for a Renewable Energy Standards rate adjustment mechanism (RESRAM) that would allow for rate adjustments to provide for recovery of prudently incurred costs or a pass-through of benefits received, as a result of compliance with the state's renewable energy standards. The RESRAM is to be capped at a 1% annual rate impact. None of the utilities currently have a RESRAM in place.

Purchased Gas Adjustment (PGA) Clauses--Local gas distribution companies (LDCs) are authorized to reflect changes in gas costs through a purchased gas adjustment (PGA) clause, with up to four adjustments permitted each year. Differences between actual costs incurred and costs reflected in rates are deferred and recovered from, or credited to, customers over a subsequent 12-month period. The companies are permitted to use financial hedging instruments to mitigate the effects of gas-price volatility, and the PSC has implemented a rule that identifies the types of hedging mechanisms that should be considered. The LDCs may request PSC approval of a mechanism to reflect the impact of changes in customer usage due to variations in weather and/or conservation; however, none of the utilities currently have such a mechanism in place. Laclede Gas (LCG) and Missouri Gas Energy (MGE) share OSS margins and capacity release revenues with ratepayers, with the related impacts reflected in the PGA clause (see the Alternative Regulation section).

Other Gas--LCG, Union Electric, MGE and Liberty Energy (Midstates) utilize an infrastructure system replacement surcharge to recover costs associated with certain distribution system replacement projects. (Section updated 10/16/14)

Integrated Resource Planning

The state's four largest electric utilities (Union Electric, Kansas City Power & Light (KCP&L), KCP&L-Greater Missouri Operations (GMO), and Empire District Electric) are required by the Commission's Chapter 22 rules to file 20-year resource plans every three years with annual updates. In these filings, the utility must consider demand-side measures on an equivalent basis with supply side alternatives, and analyze and quantify the risks associated with such factors as: future environmental regulations; load growth; fuel prices and availability; construction costs and schedules; and, demand-side program load impacts.

The Missouri Energy Efficiency Investment Act, which requires the PSC to allow the electric utilities to implement energy efficiency programs and recover the related costs, became law in 2009 and the PSC's related rules became effective in 2011. In 2012, the Commission approved a unanimous stipulation and agreement approving the following for Union Electric: (1) a three-year demand-side-management plan for residential and commercial customers, beginning in January 2013, (2) a related tracker to provide for $80 million in revenue (ultimately reflected in UE's 2012 general rate proceeding) for recovery of program costs and recovery of lost fixed costs and that will allow the Company to earn a future performance incentive based on after-the-fact verified energy savings from the programs; and, (3) annual evaluation, measurement and verification of such programs' processes and energy and demand savings performed by an independent contractor with reported results audited by the Commission's independent auditor. The tracker was subsequently replaced by a rider in January 2014.

In 2012, the PSC approved a settlement for GMO that provides for: (1) a three-year demand-side-management plan for residential and commercial customers, that became effective in January 2013, (2) a related tracker to provide for $18 million in revenue (ultimately reflected in GMO's 2012 general rate proceeding) and recovery of lost fixed costs, and which will allow the Company to earn a future performance incentive award based on after-the-fact verified energy savings from the programs; and, (3) annual evaluation, measurement and verification of such programs' processes and energy and demand savings performed by an independent contractor with reported results audited by the Commission's independent auditor.

In 2014, the PSC approved a settlement for KCP&L that provides for: (1) an 18 month demand-side-management plan, for residential and commercial customers, that became effective in July 2014, (2) a related investment recovery mechanism to allow recovery of actual program costs and lost fixed costs, and which will allow the Company to earn a future performance incentive award based on after-the-fact verification of energy savings from the programs; and, (3) annual evaluation, measurement and verification of such programs processes and energy and demand-savings performed by an independent auditor. (Section updated 10/16/14)

Renewable Energy

State statutes include a renewable energy standard (RES) that required Missouri-jurisdictional investor-owned electric utilities to obtain at least 2% of their generation from renewable resources in calendar-years 2011 through 2013, with the threshold rising to 5% in calendar-years 2014 through 2017, to 10% in calendar-years 2018 through 2020, and to 15% in 2021 and thereafter. Eligible renewable resources include solar, wind, biomass and certain hydropower facilities, and at least 2% of each year's renewable-energy-related portfolio requirement is to be from solar resources. RES-related rules subsequently adopted by the PSC: include a restriction that adherence to the standard would result in a rate increase of no more than 1%; provide for penalties for non-compliance; and, include a provision for recovery outside the context of a general rate case for the "prudently incurred costs and the pass-through of benefits to customers of any savings achieved" in complying with the measure (see the Adjustment Clauses section). The utilities are permitted to purchase renewable energy credits to satisfy their obligations under the law.

The statute was subsequently modified to include a tiered approach to reducing applicable solar rebate amounts from $2 per watt for systems that became operational by June 30, 2014 to zero cents per watt after June 30, 2020, and provisions to allow the electric utility to cease paying rebates in any calendar year in which the maximum average retail rate impact will be reached. As a condition of receiving a rebate, customers are required to transfer to the electric utility all right, title and interest in and to the renewable energy credits for a period of 10 years. Subsequent settlements approved by the PSC designated a total of $176.4 million for solar rebates in Missouri. (Section updated 10/16/14)

Rate Structure

TThe major electric utilities have seasonally-differentiated rates in place, and all of the electric utilities have some form of time-of-day rates in effect. The PSC has authorized discounted economic development electric rates for new or expanding industrial and commercial customers.

In August 2014, the PSC rejected a "rate shift" complaint case that had been filed by Noranda Aluminum with respect to the rates that Noranda pays to Union Electric (UE). (Noranda operates a large aluminum smelting facility and is UE's largest customer.) Noranda's request, as modified in a settlement that was not signed by UE, would have effectively provided for a reduced electric rate for the company over a multi-year period, with the accompanying revenue shortfall for UE being allocated to the company's other customer classes (see the RRA article dated 8/20/14). Noranda sought a change in rate design that would have reduced the rate assessed to the Large Transmission Service Class, of which Noranda is the only customer and which is the lowest-cost rate class of all customers served by Ameren Missouri. The PSC acknowledged that while there was substantial evidence in the record supporting the economic importance of Noranda's facility on the region, the evidence did not support Noranda's complaint and the company failed to carry its burden of proof to show that UE's rate design should be modified, contrary to traditional cost of service principles.

In 2014, the PSC adopted a settlement that required Missouri Gas Energy (MGE) to terminate its straight-fixed variable (SFV) rate design for the residential and small commercial customer classes, whereby all of the company's fixed costs allocable to those customer classes were recovered through a fixed, monthly customer charge. MGE now recovers a portion of its fixed costs through the volumetric rate.

Laclede Gas has a seasonally-differentiated rate in place. In 2010, the PSC adopted a settlement that required Liberty Energy (Midstates), formerly known as Atmos Energy, to terminate its SFV rate design and utilize a traditional rate design under which a portion of fixed costs are recovered through volumetric charges. (Section updated 10/16/14)

Emissions Requirements

Legislation enacted in July 2014 allows the Missouri Air Conservation Commission to develop less-stringent carbon-reduction standards than those included in the EPA's proposed 111(d) rule. A "unit-by-unit analysis" is to be conducted to determine the appropriate means of compliance that, among other things, considers the cost of installing emissions-reduction equipment and the economic impact that a closure of a plant could have on the region. (Section updated 10/16/14)

Regulatory Research Associates
REGULATORY FOCUS

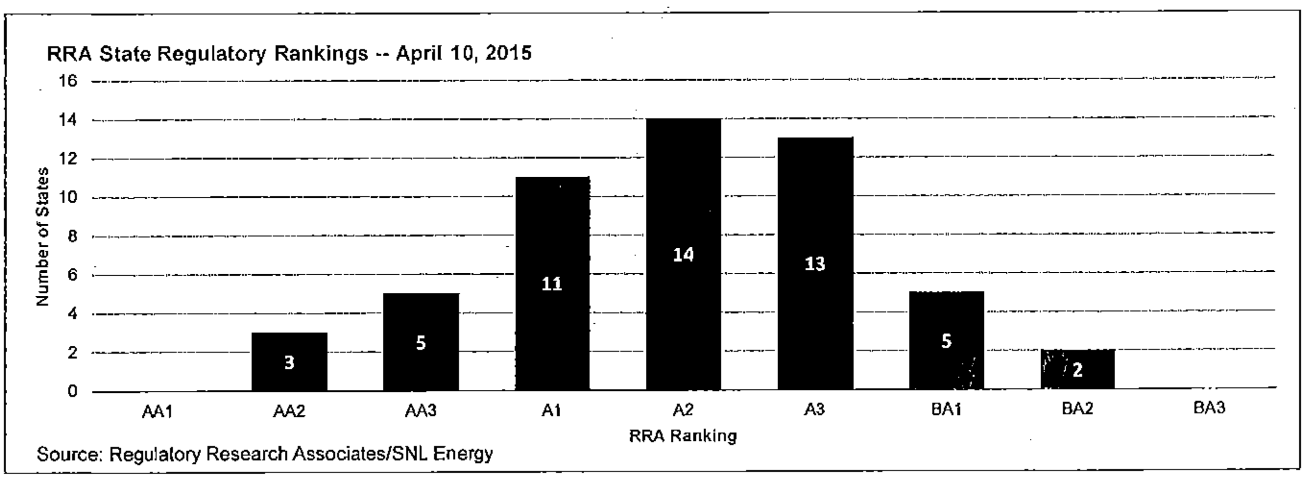
April 10, 2015

STATE REGULATORY EVALUATIONS
~ Including an Overview of RRA's ranking process ~

As part of RRA's research effort, we evaluate the regulatory climates of the jurisdictions within the 50 states and the District of Columbia (a total of 53 jurisdictions) on an ongoing basis. The evaluations are assigned from an investor perspective and indicate the relative regulatory risk associated with the ownership of securities issued by each jurisdiction's electric and gas utilities. Each evaluation is based upon our consideration of the numerous factors affecting the regulatory process in the state, and is changed as major events occur that cause us to modify our view of the regulatory risk accruing to the ownership of utility securities in that individual jurisdiction.

We also review our evaluations when we update our Commission Profiles, and when we publish this quarterly comparative evaluations report. The majority of factors that we consider are discussed in Focus Notes articles, Commission Profiles, or Final Reports. We also consider information obtained from contacts with commission, company, and government personnel in the course of our research. The final evaluation reflects our assessment of the probable level and quality of the earnings to be realized by the state's utilities as a result of regulatory, legislative, and court actions.

RRA maintains three principal rating categories, Above Average, Average, and Below Average, with Above Average indicating a relatively more-constructive, lower-risk regulatory environment from an investor viewpoint, and Below Average indicating a less-constructive, higher-risk regulatory climate from an investor viewpoint. Within the three principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger (more constructive) rating; 2, a mid-range rating; and, 3, a weaker (less constructive) rating. We endeavor to maintain about an equal number of ratings above the average and below the average. The graph below depicts the current distribution of our rankings. (***A more detailed explanation of our ratings process can be found in the Appendix that begins on page 3.***)



RRA's previous "State Regulatory Evaluations" report was published on Jan. 16, 2015, at which time we noted that we had made no rating changes since the prior report was published on Oct. 24, 2014. Since Jan. 16, 2015, we have made no rankings changes, and we are not making any changes at this time. Although we are not adjusting our Average/3 rating of Arkansas regulation at this time, we view recently enacted legislation establishing a formula rate plan (FRP) paradigm that includes a revenue-sharing mechanism as a constructive step that could address concerns regarding Arkansas' historical tendency to authorize below-average equity returns for the utilities. We would expect several utilities to file for approval of FRP mechanisms. In addition, recent changes to the composition of the Arkansas PSC suggest that a wait-and-see approach may be justified. For additional information regarding the FRP law, see the RRA Article dated 3/31/15.)

Above Average	Average	Below Average
1	**1**	**1**
	California	Illinois
	Colorado	Montana
	Hawaii	New Mexico
	Kentucky	Texas PUC
	Louisiana—PSC	West Virginia
	Louisiana—NOCC	
	Michigan	
	North Carolina	
	North Dakota	
	South Carolina	
	Tennessee	
2	**2**	**2**
Alabama	Alaska	Connecticut
Virginia	Idaho	Maryland
Wisconsin	Kansas	
	Maine	
	Minnesota	
	Missouri	
	Nebraska	
	Nevada	
	New York	
	Ohio	
	Oklahoma	
	Utah	
	Washington	
	Wyoming	
3	**3**	**3**
Florida	Arizona	
Georgia	Arkansas	
Indiana	Delaware	
Iowa	District of Columbia	
Mississippi	Massachusetts	
	New Hampshire	
	New Jersey	
	Oregon	
	Pennsylvania	
	Rhode Island	
	South Dakota	
	Texas RRC	
	Vermont	

ALPHABETICAL LISTING

Alabama - AA/2
Alaska – A/2
Arizona - A/3
Arkansas –A/3
California – A/1
Colorado - A/1
Connecticut – BA/2
Delaware - A/3
Dist. of Col. - A/3
Florida – AA/3
Georgia – AA/3
Hawaii - A/1
Idaho - A/2
Illinois - BA/
Indiana - AA/3
Iowa - AA/3
Kansas – A/2
Kentucky - A/1
Louisiana – A/1
Maine - A/2
Maryland – BA/2
Massachusetts – A/3
Michigan - A/1
Minnesota - A/2
Mississippi - AA/3
Missouri - A/2
Montana - BA/1
Nebraska – A/2
Nevada – A/2
New Hampshire – A/3
New Jersey - A/3
New Mexico - BA/1
New York – A/2
North Carolina - A/1
North Dakota - A/1
Ohio - A/2
Oklahoma - A/2
Oregon - A/3
Pennsylvania - A/3
Rhode Island - A/3
South Carolina - A/1
South Dakota - A/3
Tennessee - A/1
Texas PUC - BA/1
Texas RRC – A/3
Utah - A/2
Vermont - A/3
Virginia - AA/2
Washington - A/2
West Virginia – BA/1
Wisconsin - AA/2
Wyoming - A/2

Appendix: Explanation of RRA ratings process

As noted above, RRA maintains three principal rating categories, Above Average, Average, and Below Average, with Above Average indicating a relatively more constructive, lower-risk regulatory environment from an investor viewpoint, and Below Average indicating a less constructive, higher-risk regulatory climate. Within the three principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger (more constructive) rating; 2, a mid-range rating; and, 3, a weaker (less constructive) rating within each higher-level category. Hence, if you were to assign numeric values to each of the nine resulting categories, with a "1" being the most constructive from an investor viewpoint and a "9" being the least constructive from an investor viewpoint, then Above Average/1 would be a "1" and Below Average/3 would be a "9."

The rankings are subjective and are intended to be comparative in nature. Consequently, we do not use a mathematical model to determine each state's ranking. However, we endeavor to maintain a "normal distribution" with an approximately equal number of rankings above and below the average. The variables that RRA considers in determining each state's ranking are largely the broad issues addressed in our State Regulatory Reviews/Commission Profiles and those that arise in the context of rate cases and are discussed in RRA Rate Case Final Reports. Keep in mind that the rankings reflect not only the decisions rendered by the state regulatory commission, but also take into account the impact of the actions taken by the governor, the legislature, the courts, and the consumer advocacy groups. The summaries below are intended to provide an overview of these variables and how each can impact a given regulatory environment.

Commissioner Selection Process/Membership--RRA looks at how commissioners are selected in each state. All else being equal, RRA attributes a greater level of investor risk to states in which commissioners are elected rather than appointed. Generally, energy regulatory issues are less politicized when they are not subject to debate in the context of an election. Realistically, a commissioner candidate who indicates sympathy for utilities and appears to be amenable to rate increases is not likely to be popular with the voting public. Of course, in recent years there have been some notable instances in which energy issues in appointed-commission states have become gubernatorial/senatorial election issues, with detrimental consequences for the utilities (e.g., Illinois, Florida, and Maryland, all of which were downgraded by RRA when increased politicization of the regulatory process became apparent.)

In addition, RRA looks at the commissioners themselves and their backgrounds. Experience in economics and finance and/or energy issues is generally seen as a positive sign. Previous employment by the commission or a consumer advocacy group is sometimes viewed as a negative indicator. In some instances, new commissioners have very little experience or exposure to utility issues, and in some respects, these individuals represent the highest level of risk, simply because there is no way to foresee what they will do or how long it will take them to "get up to speed."

Commission Staff/Consumer Interest--Most commissions have a staff that participates in rate proceedings. In some instances the Staff has a responsibility to represent the consumer interest and in others the Staff's statutory role is less defined. In addition, there may or may not be: additional state-level organizations that are charged with representing the interests of a certain class or classes of customers; private consortia that represent certain customer groups; and/or, large-volume customers that intervene directly in rate cases. Generally speaking, the greater the number of consumer intervenors, the greater the level of uncertainty for investors. The level of risk for investors also depends on the caliber and influence (political and otherwise) of the intervening parties and the level of contentiousness in the rate case process. RRA's opinion on these issues is largely based on past experience and observations.

Rate Case Timing/Interim Procedures--For each state commission, RRA considers whether there is a set time frame within which a rate case must be decided, the length of any such statutory time frame, the degree to which the commission adheres to that time frame, and whether interim increases are permitted. Generally speaking, we view a set time frame as preferable, as it provides a degree of certainty as to when any new revenue may begin to be collected. In addition, shorter time frames for a decision generally reduce the likelihood that the actual conditions during the first year the new rates will be in effect will vary markedly from the test period utilized (a discussion of test periods is provided below) to set new rates. In addition, the ability to implement all or a portion of a proposed rate increase on an interim basis prior to a final decision in a rate case is viewed as constructive.

Return on Equity--Return on equity (ROE) is perhaps the single most litigated issue in any rate case. There are two aspects RRA considers when evaluating an individual rate case and the overall regulatory environment: (1) how the authorized ROE compares to the average of returns authorized for energy utilities nationwide over the 12 months, or so, immediately preceding the decision; and, (2) whether the company has been accorded a reasonable opportunity to earn the authorized return in the first year of the new rates. (It is important to note that even if a utility is accorded a "reasonable opportunity" to earn its authorized ROE, there is no guarantee that the utility will do so.)

With regard to the first criteria, RRA looks at the ROEs historically authorized for utilities in a given state and compares them to utility industry averages (the benchmark statistics are available in *RRA's Major Rate Case Decisions Quarterly Updates*). Intuitively, authorized ROEs that meet or exceed the prevailing averages at the time established are viewed as more constructive than those that fall short of these averages.

With regard to the second consideration, in the context of a rate case, a utility may be authorized a relatively high ROE, but factors, e.g., capital structure changes, the age or "staleness" of the test period, rate base and expense disallowances, the manner in which the commission chooses to calculate test year revenue, and other adjustments, may render it unlikely that the company will earn the authorized return on a financial basis. Hence, the overall decision may be negative from an investor viewpoint, even though the authorized ROE is equal to or above the average. (RRA's *Rate Case Final Reports* provide a detailed analysis of each fully-litigated commission decision.)

Rate Base and Test Period--As noted above, a commission's policies regarding rate base and test year can impact the ability of a utility to earn its authorized ROE. These policies are often outlined in state statutes and the commission usually does not have much latitude with respect to these overall policies. With regard to rate base, commissions employ either a year-end or average valuation (some also use a date-certain). In general, assuming rate bases are rising, i.e., new investment is outpacing depreciation, a year-end valuation is preferable from an investor viewpoint. Again this relates to how well the parameters used to set rates reflect actual conditions that will exist during the rate-effective period; hence, the more recent the valuation, the more likely it is to approximate the actual level of rate base being employed to serve customers once the new rates are placed into effect. Some commissions permit post-test-year adjustments to rate base for "known and measurable" items, and, in general, this practice is beneficial to the utilities.

Another key consideration is whether state law and/or the commission generally permits the inclusion in rate base of construction work in progress (CWIP), i.e., assets that are not yet, but ultimately will be, operational in serving customers. Generally, investors view inclusion of CWIP in rate base for a cash return as constructive, since it helps to maintain cash flow metrics during a large construction phase. Alternatively, the utilities accrue allowance for funds used during construction (AFUDC), which is essentially booking a return on the construction investment as a regulatory asset that is recoverable from ratepayers once the project in question becomes operational. While this method bolsters earnings, it does not augment cash flow.

With regard to test periods, there are a number of different practices employed, with the extremes being fully-forecasted (most constructive) on the one hand and fully historical (least constructive) on the other. Some states utilize a combination of the two, in which a utility is permitted to file a rate case that is based on data that is fully or partially forecast at the time of filing, and is later updated to reflect actual data that becomes known during the course of the proceeding.

Accounting--RRA looks at whether a state commission has permitted unique or innovative accounting practices designed to bolster earnings. Such treatment may be approved in response to extraordinary events such as storms, or for volatile expenses such as pension costs. Generally, such treatment involves deferral of expenditures that exceed the level of such costs reflected in base rates. In some instances the commission may approve an accounting adjustment to temporarily bolster certain financial metrics during the construction of new generation capacity. From time-to-time commissions have approved frameworks under which companies were permitted to, at their own discretion, adjust depreciation in order to mitigate under-earnings or eliminate an over-earnings situation without reducing rates. These types of practices are generally considered to be constructive from an investor viewpoint.

Alternative Regulation--Generally, RRA views as constructive the adoption of alternative regulation plans that: allow a company or companies to retain a portion of cost savings (e.g. fuel, purchased power, pension, etc.) versus benchmark levels; permit a company to retain for shareholders a portion of off-system sales revenues; or, provide a company an enhanced ROE for achieving operational performance and/or customer service metrics or for investing in certain types of projects (e.g., demand-side management programs, renewable resources, new traditional plant investment). The use of ROE-based earnings sharing plans is, for the most part, considered to be constructive, but it depends upon the level of the ROE benchmarks specified in the plan, and whether there is symmetrical sharing of earnings outside the specified range.

Court Actions--This aspect of state regulation is particularly difficult to evaluate. Common sense would dictate that a court action that overturns restrictive commission rulings is a positive. However, the tendency for commission rulings to come before the courts, and for extensive litigation as appeals go through several layers of court review, may add an untenable degree of uncertainty to the regulatory process. Also, similar to commissioners, RRA looks at whether judges are appointed or elected.

Legislation--While *RRA's Commission Profiles* provide statistics regarding the make-up of each state legislature, RRA has not found there to be any specific correlation between the quality of energy legislation enacted and which political party controls the legislature. Of course, in a situation where the governor and legislature are of the same political party, generally speaking, it is easier for the governor to implement key policy initiatives, which may or may not be focused on energy issues. Key considerations with respect to legislation include: how prescriptive newly enacted laws are; whether the bill is clear or ambiguous and open to varied interpretations; whether it balances ratepayer and shareholder interests rather than merely "protecting" the consumer; and, whether the legislation takes a long-term view or is it a "knee-jerk" reaction to a specific set of circumstances.

Corporate Governance--This term generally refers to a commission's ability to intervene in a utility's financial decision-making process through required pre-approval of all securities issuances, limitations on leverage in utility capital structures, dividend payout limitations, ring-fencing, and authority over mergers (discussed below). Corporate governance may also include oversight of affiliate transactions. In general, RRA views a modest level of corporate governance provisions to be the norm, and in some circumstances these provisions (such as ring-fencing) have protected utility investors as well as ratepayers. However, a degree of oversight that would allow the commission to "micromanage" the utility's operations and limit the company's financial flexibility would be viewed as restrictive.

Merger Activity--In cases where the state commission has authority over mergers, RRA reviews the conditions, if any, placed on the commission's approval of these transactions, specifically: whether the company will be permitted to retain a portion of any merger-related cost savings; if guaranteed rate reductions or credits were required; whether certain assets were required to be divested; and, whether the commission placed stringent limitations on capital structure and/or dividend policy.

Electric Regulatory Reform/Industry Restructuring--RRA generally does not view a state's decision to implement retail competition as either positive or negative from an investor viewpoint. However, for those states that have implemented retail competition, RRA considers: whether up-front guaranteed rate reductions were required; how stranded costs were quantified and whether the utilities were accorded a reasonable opportunity to recover stranded costs; the length of the transition period and whether utilities were at risk for power price fluctuations associated with their default service responsibilities during the transition period; how default service is procured following the end of the transition period; and, how any price volatility issues that arose as the transition period expired were addressed.

Gas Regulatory Reform/Industry Restructuring--Retail competition for gas supply is more widespread than is electric retail competition, and the transition was far less contentious, as the magnitude of potential stranded asset costs was much smaller. Similar to the electric retail competition, RRA generally does not view a state's decision to implement retail competition for gas service as either positive or negative from an investor viewpoint. RRA primarily considers the manner in which stranded costs were addressed and how default service obligation-related costs are recovered.

Securitization--Securitization refers to the issuance of bonds backed by a specific existing revenue stream that has been "guaranteed" by regulators. State commissions have used securitization to allow utilities to recover demand-side management costs, electric-restructuring-related stranded costs, environmental compliance costs, and storm costs. RRA views the use of this mechanism as generally constructive from an investor viewpoint, as it virtually eliminates the recovery risk for the utility.

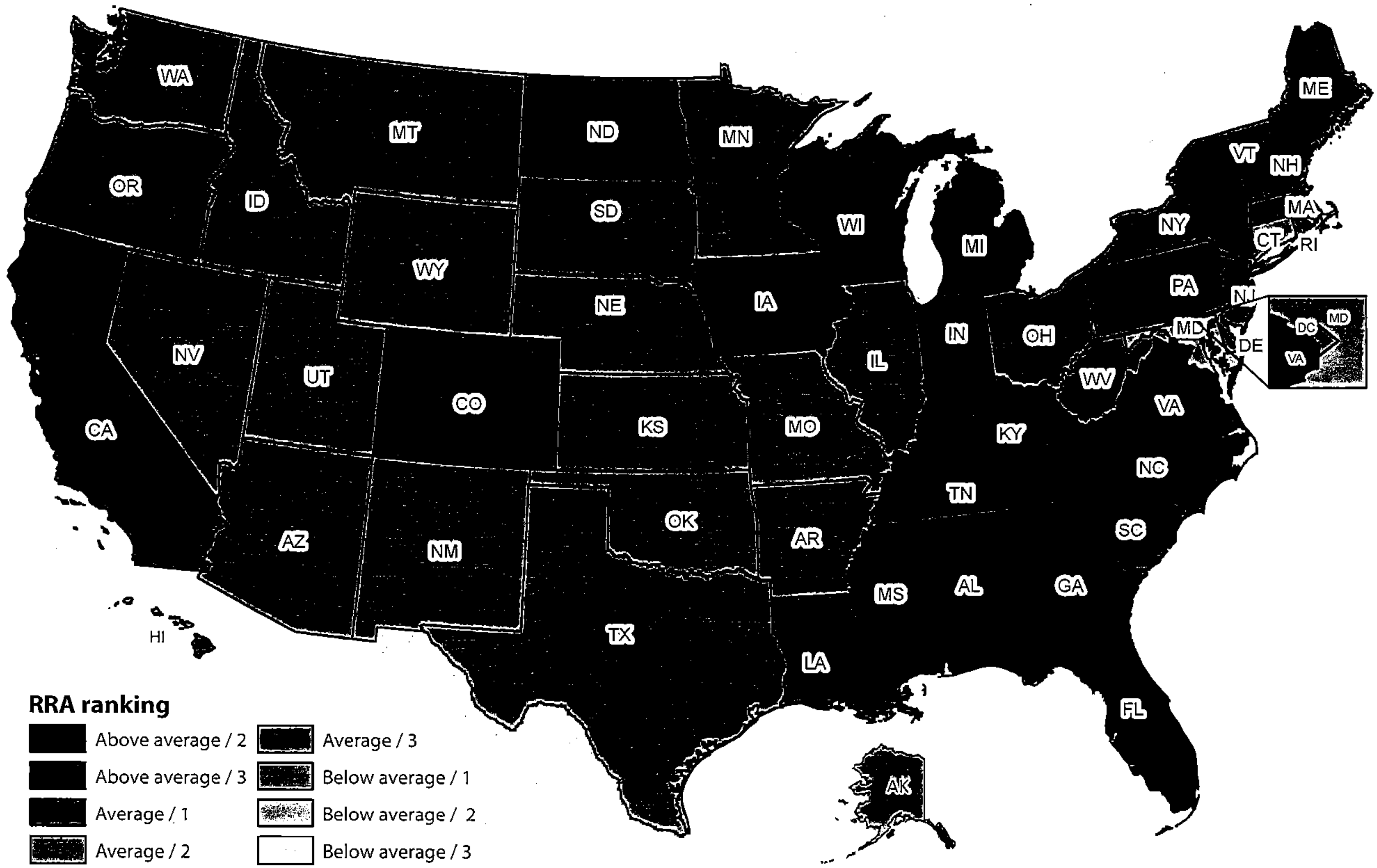
Adjustment Clauses--For many years adjustment clauses have been widely utilized to allow utilities to recover fuel and purchased power costs outside a general rate case, as these costs are generally subject to a high degree of variability. In some instances a base amount is reflected in base rates, with the clause used to reflect variations from the base level, and in others, the entire annual fuel/purchased power cost amount is reflected in the clause. More recently, the types of costs recovered through these mechanisms has been expanded in some jurisdictions to include such items as pension and healthcare costs, demand-side management program costs, FERC-approved transmission costs, and new generation plant investment. Generally, RRA views the use of these types of mechanisms as constructive, but also looks at the frequency with which the adjustments occur, whether there is a true-up mechanism, and whether adjustments are forward-looking in nature. Other mechanisms that RRA views as constructive are weather normalization clauses that are designed to remove the impact of weather on a utility's revenue and decoupling mechanisms that may remove not only the impact of weather, but also the earnings impacts of customer participation in energy efficiency programs. Generally, an adjustment mechanism would be viewed as less constructive if there are provisions that limit the utility's ability to fully implement revenue requirement changes under certain circumstances, e.g., if the utility is earning in excess of its authorized return.

Integrated Resource Planning--RRA generally considers the existence of a resource planning process as constructive from an investor viewpoint, as it may provide the utility at least some measure of protection from hindsight prudence reviews of its resource acquisition decisions. In some cases, the process may also provide for pre-approval of the ratemaking parameters and/or a specific cost for the new facility. RRA views these types of provisions as constructive, as the utility can make more informed decisions as to whether it will proceed with a proposed project.

Renewable Energy/Emissions Requirements--As with retail competition, RRA does not take a stand as to whether the existence of renewable portfolio standards or an emissions reduction mandate is positive or negative from an investor viewpoint. However, RRA considers whether there is a defined pre-approval and/or cost-recovery mechanism for investments in projects designed to comply with these standards. RRA also reviews whether there is a mechanism (e.g., a percent rate increase cap) that ensures that meeting the standards does not impede the utility's ability to pursue other investments and/or recover increased costs related to other facets of its business. RRA also looks at whether incentives, such as an enhanced ROE, are available for these types of projects.

Rate Structure--RRA looks at whether there are economic development or load-retention rate structures in place, and if so, how any associated revenue shortfall is recovered. RRA also looks at whether there have been steps taken over recent years to reduce/eliminate inter-class rate subsidies, i.e., equalize rates of return across customer classes. In addition, RRA considers whether the commission has adopted or moved towards a straight-fixed-variable rate design, under which a greater portion (or all) of a company's fixed costs are recovered through the monthly customer charge, thus according the utility greater certainty of recovering its fixed costs.

RRA state regulatory rankings



RRA ranking

- Above average / 2
- Above average / 3
- Average / 1
- Average / 2
- Average / 3
- Below average / 1
- Below average / 2
- Below average / 3

Source: SNL Energy/RRA
As of April 10, 2015
Texas PUC is Below Average/1 and the Texas RRC is Average/3

SNLFinancial

karen.lyons@psc.mo.gov;printed 4/14/2015

Regulatory Research Associates
REGULATORY FOCUS

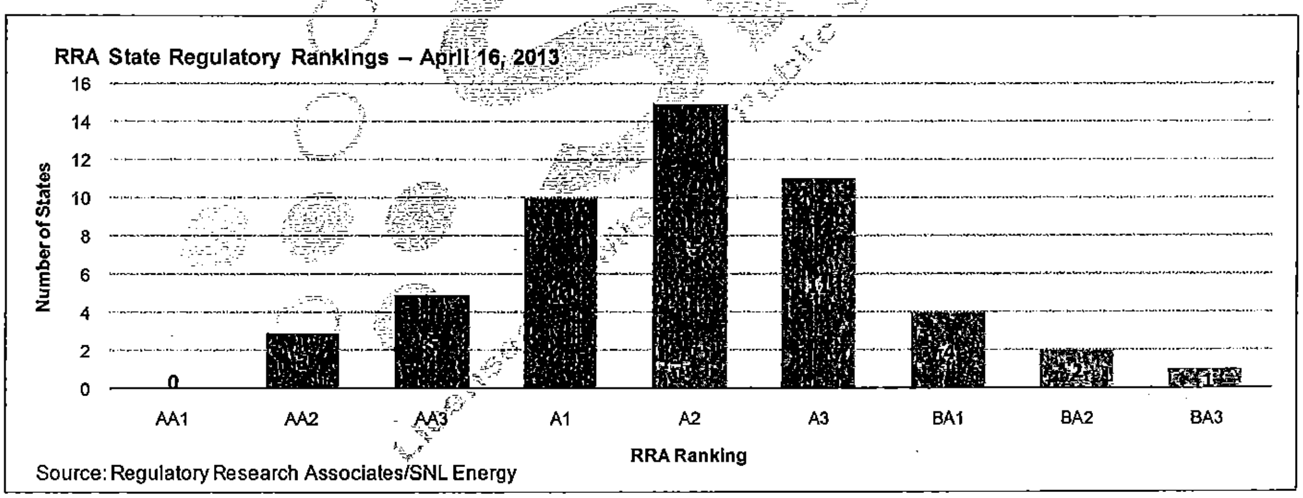
April 16, 2013

STATE REGULATORY EVALUATIONS
~ Including an Overview of RRA's ranking process ~

As part of RRA's regulatory research effort, we evaluate the regulatory climates of the 50 states and the District of Columbia on an ongoing basis. The evaluations are assigned from an investor perspective and indicate the relative regulatory risk associated with the ownership of securities issued by each jurisdiction's electric and gas utilities. Each evaluation is based upon our consideration of the numerous factors affecting the regulatory process in the state, and is changed as major events occur that cause us to modify our view of the regulatory risk accruing to the ownership of utility securities in that individual jurisdiction.

We also review our evaluations when we update our Commission Profiles, and when we publish this quarterly comparative evaluations report. The majority of factors that we consider are discussed in Focus Notes articles, Commission Profiles, or Final Reports. We also consider information obtained from contacts with commission, company, and government personnel in the course of our research. The final evaluation reflects our assessment of the probable level and quality of the earnings to be realized by the state's utilities as a result of regulatory, legislative, and court actions.

RRA maintains three principal rating categories, Above Average, Average, and Below Average, with Above Average indicating a relatively more-constructive, lower-risk regulatory environment from an investor viewpoint, and Below Average indicating a less-constructive, higher-risk regulatory climate from an investor viewpoint. Within the three principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger (more constructive) rating; 2, a mid-range rating; and, 3, a weaker (less constructive) rating. We endeavor to maintain about an equal number of ratings above the average and below the average. The graph below depicts the current distribution of our rankings. (***A more detailed explanation of our ratings process can be found in the Appendix that begins on page 3.***)



Our previous "State Regulatory Evaluations" report was published Jan. 16, 2013, at which time we noted three ratings changes. Specifically, we: raised our ranking of Florida regulation to Above Average/3 from Average/1; raised our rating of Hawaii regulation to Average/1 from Average/2; and, lowered our rating of West Virginia regulation to Below Average/1 from Average/3. Since then, we have made one rating change. In our Massachusetts Regulatory Review dated April 9, 2013, we lowered our ranking of that jurisdiction to Average/3 from Average/2 in recognition of certain recent developments that we view as restrictive from an investor viewpoint (see the Massachusetts Commission Profile). At this time, in order to maintain a balance in our rankings, we are raising our ranking of New York regulation to Average/2 from Average/3 (see the New York Commission Profile).

Above Average	Average	Below Average
1	**1**	**1**
	California Colorado Georgia Hawaii Kentucky Louisiana Michigan North Dakota South Carolina Tennessee	Montana New Mexico Texas West Virginia
2	**2**	**2**
Alabama Virginia Wisconsin	Alaska Delaware District of Columbia Idaho Kansas Maine Minnesota Missouri Nebraska Nevada New York** Ohio Oklahoma Utah Wyoming	Illinois Maryland
3	**3**	**3**
Florida Indiana Iowa Mississippi North Carolina	Arizona Arkansas Massachusetts* New Hampshire New Jersey Oregon Pennsylvania Rhode Island South Dakota Vermont Washington	Connecticut

ALPHABETICAL LISTING

Alabama - AA/2	Illinois - BA/2	Montana - BA/1	Rhode Island - A/3
Alaska – A/2	Indiana - AA/3	Nebraska – A/2	South Carolina - A/1
Arizona - A/3	Iowa - AA/3	Nevada – A/2	South Dakota - A/3
Arkansas –A/3	Kansas – A/2	New Hampshire – A/3	Tennessee - A/1
California – A/1	Kentucky - A/1	New Jersey - A/3	Texas - BA/1
Colorado - A/1	Louisiana – A/1	New Mexico - BA/1	Utah - A/2
Connecticut – BA/3	Maine - A/2	New York – A/2**	Vermont - A/3
Delaware - A/2	Maryland – BA/2	North Carolina - AA/3	Virginia - AA/2
Dist. of Col. - A/2	Massachusetts – A/3*	North Dakota - A/1	Washington - A/3
Florida – AA/3	Michigan - A/1	Ohio - A/2	West Virginia – BA/1
Georgia - A/1	Minnesota - A/2	Oklahoma - A/2	Wisconsin - AA/2
Hawaii - A/1	Mississippi - AA/3	Oregon - A/3	Wyoming - A/2
Idaho - A/2	Missouri - A/2	Pennsylvania - A/3	

* Revised downward since Jan. 16, 2013

** Revised upward since Jan. 16, 2013

Appendix: Explanation of RRA ratings process

As noted above, RRA maintains three principal rating categories, Above Average, Average, and Below Average, with Above Average indicating a relatively more constructive, lower-risk regulatory environment from an investor viewpoint, and Below Average indicating a less constructive, higher-risk regulatory climate. Within the three principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger (more constructive) rating; 2, a mid-range rating; and, 3, a weaker (less constructive) rating within each higher-level category. Hence, if you were to assign numeric values to each of the nine resulting categories, with a "1" being the most constructive from an investor viewpoint and a "9" being the least constructive from an investor viewpoint, then Above Average/1 would be a "1" and Below Average/3 would be a "9."

The rankings are subjective and are intended to be comparative in nature. Consequently, we do not use a mathematical model to determine each state's ranking. However, we endeavor to maintain a "normal distribution" with an approximately equal number of rankings above and below the average. The variables that RRA considers in determining each state's ranking are largely the broad issues addressed in our State Regulatory Reviews/Commission Profiles and those that arise in the context of rate cases and are discussed in RRA Rate Case Final Reports. Keep in mind that the rankings reflect not only the decisions rendered by the state regulatory commission, but also take into account the impact of the actions taken by the governor, the legislature, the courts, and the consumer advocacy groups. The summaries below are intended to provide an overview of these variables and how each can impact a given regulatory environment.

Commissioner Selection Process/Membership--RRA looks at how commissioners are selected in each state. All else being equal, RRA attributes a greater level of investor risk to states in which commissioners are elected rather than appointed. Generally, energy regulatory issues are less politicized when they are not subject to debate in the context of an election. Realistically, a commissioner candidate who indicates sympathy for utilities and appears to be amenable to rate increases is not likely to be popular with the voting public. Of course, in recent years there have been some notable instances in which energy issues in appointed-commission states have become gubernatorial/senatorial election issues, with detrimental consequences for the utilities (e.g., Illinois, Florida, and Maryland, all of which were downgraded by RRA when increased politicization of the regulatory process became apparent.)

In addition, RRA looks at the commissioners themselves and their backgrounds. Experience in economics and finance and/or energy issues is generally seen as a positive sign. Previous employment by the commission or a consumer advocacy group is sometimes viewed as a negative indicator. In some instances, new commissioners have very little experience or exposure to utility issues, and in some respects, these individuals represent the highest level of risk, simply because there is no way to foresee what they will do or how long it will take them to "get up to speed."

Commission Staff/Consumer Interest--Most commissions have a staff that participates in rate proceedings. In some instances the Staff has a responsibility to represent the consumer interest and in others the Staff's statutory role is less defined. In addition, there may or may not be: additional state-level organizations that are charged with representing the interests of a certain class or classes of customers; private consortia that represent certain customer groups; and/or, large-volume customers that intervene directly in rate cases. Generally speaking, the greater the number of consumer intervenors, the greater the level of uncertainty for investors. The level of risk for investors also depends on the caliber and influence (political and otherwise) of the intervening parties and the level of contentiousness in the rate case process. RRA's opinion on these issues is largely based on past experience and observations.

Rate Case Timing/Interim Procedures--For each state commission, RRA considers whether there is a set time frame within which a rate case must be decided, the length of any such statutory time frame, the degree to which the commission adheres to that time frame, and whether interim increases are permitted. Generally speaking, we view a set time frame as preferable, as it provides a degree of certainty as to when any new revenue may begin to be collected. In addition, shorter time frames for a decision generally reduce the likelihood that the actual conditions during the first year the new rates will be in effect will vary markedly from the test period utilized (a discussion of test periods is provided below) to set new rates. In addition, the ability to implement all or a portion of a proposed rate increase on an interim basis prior to a final decision in a rate case is viewed as constructive.

Return on Equity--Return on equity (ROE) is perhaps the single most litigated issue in any rate case. There are two aspects RRA considers when evaluating an individual rate case and the overall regulatory environment: (1) how the authorized ROE compares to the average of returns authorized for energy utilities nationwide over the 12 months, or so, immediately preceding the decision; and, (2) whether the company has been accorded a reasonable opportunity to earn the authorized return in the first year of the new rates. (It is important to note that even if a utility is accorded a "reasonable opportunity" to earn its authorized ROE, there is no guarantee that the utility will do so.)

With regard to the first criteria, RRA looks at the ROEs historically authorized for utilities in a given state and compares them to utility industry averages (the benchmark statistics are available in *RRA's Major Rate Case Decisions Quarterly Updates*). Intuitively, authorized ROEs that meet or exceed the prevailing averages at the time established are viewed as more constructive than those that fall short of these averages.

With regard to the second consideration, in the context of a rate case, a utility may be authorized a relatively high ROE, but factors, e.g., capital structure changes, the age or "staleness" of the test period, rate base and expense disallowances, the manner in which the commission chooses to calculate test year revenue, and other adjustments, may render it unlikely that the company will earn the authorized return on a financial basis. Hence, the overall decision may be negative from an investor viewpoint, even though the authorized ROE is equal to or above the average. (RRA's *Rate Case Final Reports* provide a detailed analysis of each fully-litigated commission decision.)

Rate Base and Test Period--As noted above, a commission's policies regarding rate base and test year can impact the ability of a utility to earn its authorized ROE. These policies are often outlined in state statutes and the commission usually does not have much latitude with respect to these overall policies. With regard to rate base, commissions employ either a year-end or average valuation (some also use a date-certain). In general, assuming rate bases are rising, i.e., new investment is outpacing depreciation, a year-end valuation is preferable from an investor viewpoint. Again this relates to how well the parameters used to set rates reflect actual conditions that will exist during the rate-effective period; hence, the more recent the valuation, the more likely it is to approximate the actual level of rate base being employed to serve customers once the new rates are placed into effect. Some commissions permit post-test-year adjustments to rate base for "known and measurable" items, and, in general, this practice is beneficial to the utilities.

Another key consideration is whether state law and/or the commission generally permits the inclusion in rate base of construction work in progress (CWIP), i.e., assets that are not yet, but ultimately will be, operational in serving customers. Generally, investors view inclusion of CWIP in rate base for a cash return as constructive, since it helps to maintain cash flow metrics during a large construction phase. Alternatively, the utilities accrue allowance for funds used during construction (AFUDC), which is essentially booking a return on the construction investment as a regulatory asset that is recoverable from ratepayers once the project in question becomes operational. While this method bolsters earnings, it does not augment cash flow.

With regard to test periods, there are a number of different practices employed, with the extremes being fully-forecasted (most constructive) on the one hand and fully historical (least constructive) on the other. Some states utilize a combination of the two, in which a utility is permitted to file a rate case that is based on data that is fully or partially forecast at the time of filing, and is later updated to reflect actual data that becomes known during the course of the proceeding.

Accounting--RRA looks at whether a state commission has permitted unique or innovative accounting practices designed to bolster earnings. Such treatment may be approved in response to extraordinary events such as storms, or for volatile expenses such as pension costs. Generally, such treatment involves deferral of expenditures that exceed the level of such costs reflected in base rates. In some instances the commission may approve an accounting adjustment to temporarily bolster certain financial metrics during the construction of new generation capacity. From time-to-time commissions have approved frameworks under which companies were permitted to, at their own discretion, adjust depreciation in order to mitigate under-earnings or eliminate an over-earnings situation without reducing rates. These types of practices are generally considered to be constructive from an investor viewpoint.

Alternative Regulation--Generally, RRA views as constructive the adoption of alternative regulation plans that: allow a company or companies to retain a portion of cost savings (e.g. fuel, purchased power, pension, etc.) versus benchmark levels; permit a company to retain for shareholders a portion of off-system sales revenues; or, provide a company an enhanced ROE for achieving operational performance and/or customer service metrics or for investing in certain types of projects (e.g., demand-side management programs, renewable resources, new traditional plant investment). The use of ROE-based earnings sharing plans is, for the most part, considered to be constructive, but it depends upon the level of the ROE benchmarks specified in the plan, and whether there is symmetrical sharing of earnings outside the specified range.

Court Actions--This aspect of state regulation is particularly difficult to evaluate. Common sense would dictate that a court action that overturns restrictive commission rulings is a positive. However, the tendency for commission rulings to come before the courts, and for extensive litigation as appeals go through several layers of court review, may add an untenable degree of uncertainty to the regulatory process. Also, similar to commissioners, RRA looks at whether judges are appointed or elected.

Legislation--While *RRA's Commission Profiles* provide statistics regarding the make-up of each state legislature, RRA has not found there to be any specific correlation between the quality of energy legislation enacted and which political party controls the legislature. Of course, in a situation where the governor and legislature are of the same political party, generally speaking, it is easier for the governor to implement key policy initiatives, which may or may not be focused on energy issues. Key considerations with respect to legislation include: how prescriptive newly enacted laws are; whether the bill is clear or ambiguous and open to varied interpretations; whether it balances ratepayer and shareholder interests rather than merely "protecting" the consumer; and, whether the legislation takes a long-term view or is it a "knee-jerk" reaction to a specific set of circumstances.

Corporate Governance--This term generally refers to a commission's ability to intervene in a utility's financial decision-making process through required pre-approval of all securities issuances, limitations on leverage in utility capital structures, dividend payout limitations, ring-fencing, and authority over mergers (discussed below). Corporate governance may also include oversight of affiliate transactions. In general, RRA views a modest level of corporate governance provisions to be the norm, and in some circumstances these provisions (such as ring-fencing) have protected utility investors as well as ratepayers. However, a degree of oversight that would allow the commission to "micromanage" the utility's operations and limit the company's financial flexibility would be viewed as restrictive.

Merger Activity--In cases where the state commission has authority over mergers, RRA reviews the conditions, if any, placed on the commission's approval of these transactions, specifically: whether the company will be permitted to retain a portion of any merger-related cost savings; if guaranteed rate reductions or credits were required; whether certain assets were required to be divested; and, whether the commission placed stringent limitations on capital structure and/or dividend policy.

Electric Regulatory Reform/Industry Restructuring--RRA generally does not view a state's decision to implement retail competition as either positive or negative from an investor viewpoint. However, for those states that have implemented retail competition, RRA considers: whether up-front guaranteed rate reductions were required; how stranded costs were quantified and whether the utilities were accorded a reasonable opportunity to recover stranded costs; the length of the transition period and whether utilities were at risk for power price fluctuations associated with their default service responsibilities during the transition period; how default service is procured following the end of the transition period; and, how any price volatility issues that arose as the transition period expired were addressed.

Gas Regulatory Reform/Industry Restructuring--Retail competition for gas supply is more widespread than is electric retail competition, and the transition was far less contentious, as the magnitude of potential stranded asset costs was much smaller. Similar to the electric retail competition, RRA generally does not view a state's decision to implement retail competition for gas service as either positive or negative from an investor viewpoint. RRA primarily considers the manner in which stranded costs were addressed and how default service obligation-related costs are recovered.

Securitization--Securitization refers to the issuance of bonds backed by a specific existing revenue stream that has been "guaranteed" by regulators. State commissions have used securitization to allow utilities to recover demand-side management costs, electric-restructuring-related stranded costs, environmental compliance costs, and storm costs. RRA views the use of this mechanism as generally constructive from an investor viewpoint, as it virtually eliminates the recovery risk for the utility.

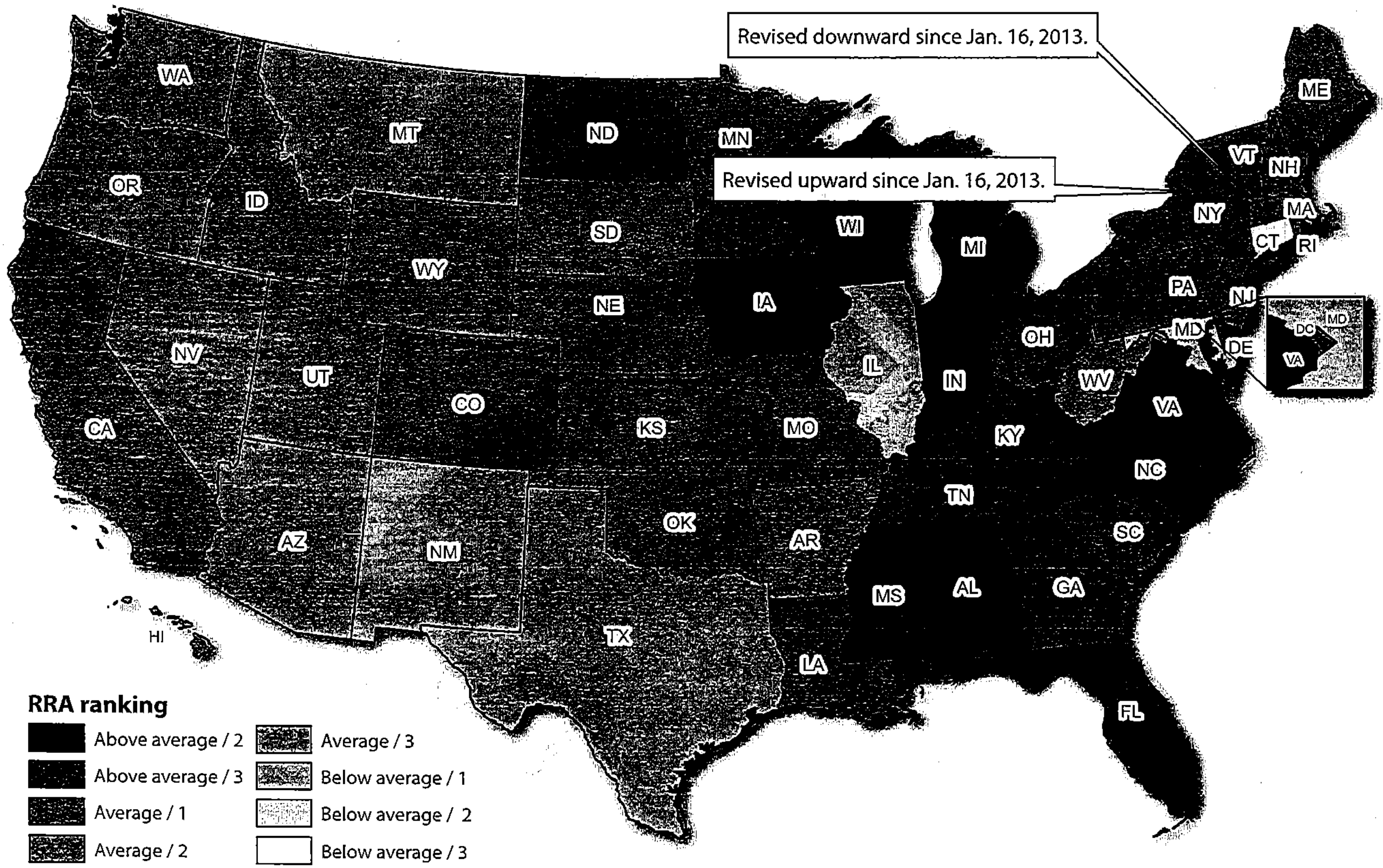
Adjustment Clauses--For many years adjustment clauses have been widely utilized to allow utilities to recover fuel and purchased power costs outside a general rate case, as these costs are generally subject to a high degree of variability. In some instances a base amount is reflected in base rates, with the clause used to reflect variations from the base level; and in others, the entire annual fuel/purchased power cost amount is reflected in the clause. More recently, the types of costs recovered through these mechanisms has been expanded in some jurisdictions to include such items as pension and healthcare costs, demand-side management program costs, FERC-approved transmission costs, and new generation plant investment. Generally, RRA views the use of these types of mechanisms as constructive, but also looks at the frequency with which the adjustments occur, whether there is a true-up mechanism, and whether adjustments are forward-looking in nature. Other mechanisms that RRA views as constructive are weather normalization clauses that are designed to remove the impact of weather on a utility's revenue and decoupling mechanisms that may remove not only the impact of weather, but also the earnings impacts of customer participation in energy efficiency programs. Generally, an adjustment mechanism would be viewed as less constructive if there are provisions that limit the utility's ability to fully implement revenue requirement changes under certain circumstances, e.g., if the utility is earning in excess of its authorized return.

Integrated Resource Planning--RRA generally considers the existence of a resource planning process as constructive from an investor viewpoint, as it may provide the utility at least some measure of protection from hindsight prudence reviews of its resource acquisition decisions. In some cases, the process may also provide for pre-approval of the ratemaking parameters and/or a specific cost for the new facility. RRA views these types of provisions as constructive, as the utility can make more informed decisions as to whether it will proceed with a proposed project.

Renewable Energy/Emissions Requirements--As with retail competition, RRA does not take a stand as to whether the existence of renewable portfolio standards or an emissions reduction mandate is positive or negative from an investor viewpoint. However, RRA considers whether there is a defined pre-approval and/or cost-recovery mechanism for investments in projects designed to comply with these standards. RRA also reviews whether there is a mechanism (e.g., a percent rate increase cap) that ensures that meeting the standards does not impede the utility's ability to pursue other investments and/or recover increased costs related to other facets of its business. RRA also looks at whether incentives, such as an enhanced ROE, are available for these types of projects.

Rate Structure--RRA looks at whether there are economic development or load-retention rate structures in place, and if so, how any associated revenue shortfall is recovered. RRA also looks at whether there have been steps taken over recent years to reduce/eliminate inter-class rate subsidies, i.e., equalize rates of return across customer classes. In addition, RRA considers whether the commission has adopted or moved towards a straight-fixed-variable rate design, under which a greater portion (or all) of a company's fixed costs are recovered through the monthly customer charge, thus according the utility greater certainty of recovering its fixed costs.

RRA state regulatory rankings



Source: SNL Energy/RRA
As of April 16, 2013
Map credit: Jesse Bellavance

SNLFinancial

MISSOURI SURVEILLANCE REPORT
MISSOURI JURISDICTION ALLOCATION FACTOR HISTORY

Case or Allocation Year	Production Allocation Factor	Transmission Allocation Factor	Energy Allocation Factor	Notes
ER-85-128	65.78	59.89	69.10	Per Commission Order % of Electric Plant
1986	65.36	59.08	68.44	% of Total Plant
1987	63.32	56.48	67.99	% of Total Plant
1988	61.07	54.83	66.95	% of Total Plant
1989	62.39	55.80	66.02	% of Total Plant
1990	61.49	55.55	65.49	% of Total Plant
1991	61.49	55.55	65.49	1990 Factors Used
1992	62.33	56.25	65.03	1991 Factors Used
1993	61.23	55.09	64.13	% of Total Plant
1994	59.86	54.18	63.42	% of Total Plant
1996 (A)	58.11	47.08	63.23	% of Total Plant
1997	58.59	52.37	62.97	% of Total Plant
1998	57.66	51.54	62.26	% of Total Plant
1999	57.09	51.96	61.91	% of Total Plant
2000	56.91	52.29	60.99	% of Total Plant
2001	55.49	44.78	58.68	% of Total Plant
2002	54.60	49.57	57.83	% of Total Plant
2003	54.54	47.71	57.77	% of Total Plant
2004	53.62	49.35	57.50	% of Total Plant
2005	53.93	53.93	57.16	% of Total Plant
2006	53.77	53.77	57.20	% of Total Plant
2007	53.89	53.89	57.25	% of Total Plant
2008	53.55	53.55	57.09	% of Total Plant
2009	53.50	53.50	57.07	% of Total Plant
2010	53.81	53.81	56.87	% of Total Plant
2011	52.49	52.49	57.01	% of Total Plant
2012	53.19%	53.19%	57.20%	% of Total Plant
2013	54.68%	54.68%	57.40%	% of Total Plant

(A) Allocators for 1995 were not developed due to the rate design and Staff audit in Case No. EO-94-199.

A: 50

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the modification of the Joint Recommendation approved by the Commission on November 23, 1987 in Case Nos. EO-85-185 and EO-85-224.	)))))	Case No. EO-93-143

MODIFICATION TO JOINT RECOMMENDATION

COMES NOW the Kansas City Power & Light Company (KCPL), the Staff of the Missouri Public Service Commission (Staff), Office of Public Counsel (Public Counsel), Department of Energy (DOE), Western Resources, Inc. (formerly The Kansas Power & Light Company), City of Kansas City, Missouri (Kansas City), Armco Inc., et al. (Armco), General Motors, Ford Motor Co., Missouri Portland Cement Co., Reynolds Minerals Corporation (GM) and Missouri Retailers Association (MRA), and enter into the following Modification to Joint Recommendation.

On November 6, 1987, the above-referenced parties entered into a Joint Recommendation of Alterations to Kansas City Power & Light Company's Phase-In Plan Rates (hereinafter referred to as "Joint Recommendation" and attached hereto as Appendix A) in Docket Nos. EO-85-185 and EO-85-224. On November 23, 1987, the Missouri Public Service Commission (Commission) entered an order (attached hereto as Appendix B) approving said Joint Recommendation.

Paragraph 4 of the Joint Recommendation required KCPL to provide semiannual cost of service reports based upon twelve months' data ending June and December of each year. Said reports were to be provided to Staff and Public Counsel on the following September 30 and April 30, respectively. The other signatories to the Joint

Recommendation, and their designated consultants, also were to be furnished a copy of each report contingent upon their execution and observance of a nondisclosure agreement attached to the Joint Recommendation as Attachment B.

The above-referenced parties have agreed to modify the Joint Recommendation as set forth below and wish to present that modification to the Commission for consideration and approval. Consequently, the above-referenced parties stipulate and agree as follows:

1. KCPL will prepare and provide a single annual cost of service report instead of the two semiannual reports currently being prepared and provided. Specifically, KCPL no longer shall be required to prepare the cost of service reports based on twelve months' data ending June each year or to provide said reports by the following September 30. This obligation shall cease to exist immediately upon issuance of a Commission order approving this Modification to Joint Recommendation. KCPL shall continue to prepare the cost of service reports based on twelve months' data ending December each year and to provide those reports by the following April 30.

2. If any of the signatories to this Modification to Joint Recommendation indicate a valid need for additional cost of service data, other than what is contained in the annual cost of service reports, KCPL agrees that it will attempt to meet that need utilizing any additional existing cost of service data that may be readily available.

3. With the exception of the modification described above, all provisions of the Joint Recommendation will remain in full force and effect as currently written.

4. If the Commission rejects this Modification to Joint Recommendation, all provisions of the Joint Recommendation will remain in full force and effect as currently written.

5. None of the parties to this Modification to Joint Recommendation shall be deemed to have approved of or acquiesced in any question of Commission authority, ratemaking principle, valuation methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology, cost allocation, cost recovery, or prudence. Similarly, none of the parties shall be prejudiced, bound, or in any way affected by the terms of this Modification to Joint Recommendation in any future proceeding, or in any proceeding currently pending under a separate docket.

6. The Staff shall have the right to submit to the Commission, in memorandum form, an explanation of its rationale for entering into this Modification to Joint Recommendation and to provide the Commission whatever further explanation the Commission requests. Such memorandum shall not become a part of the record of this proceeding and shall not bind or prejudice the Staff in any future proceeding. It is understood by the signatories hereto than any rationales advanced by the Staff in such memorandum are its own and are not acquiesced in or otherwise adopted by KCPL or any other party hereto.

Respectfully submitted,

KANSAS CITY POWER & LIGHT COMPANY

By ____________________

OFFICE OF PUBLIC COUNSEL

By Martha Hogerty / WGR

CITY OF KANSAS CITY, MISSOURI

By Robert N Ward / WGR

WESTERN RESOURCES, INC.

By Martin Bregman / WGR

MISSOURI RETAILERS ASSOCIATION

By Willard C. Reine / WGR

STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

By Steven Dottheim

DEPARTMENT OF ENERGY

By Paul Phillips / WGR

ARMCO, INC., et al.

By Stuart Conrad / WGR

GENERAL MOTORS CORPORATION, et al.

By Diana M. Schmidt / WGR

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the retail electric service rates of Kansas City Power & Light Company.	Case No. ______
In the matter of Kansas City Power & Light Company of Kansas City, Missouri, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the Company, and the determination of in-service criteria for Kansas City Power & Light Company's Wolf Creek Generating Station and Wolf Creek rate base and related issues.	Case No. EO-85-185
In the matter of Kansas City Power & Light Company, a Missouri corporation, for determination of certain rates of depreciation.	Case No. EO-85-224

JOINT RECOMMENDATION OF ALTERATIONS TO KANSAS CITY POWER & LIGHT COMPANY'S PHASE-IN PLAN RATES

This Joint Recommendation is entered into as of this 6 day of November, 1987, among Kansas City Power & Light Company (KCPL), the Staff of the Missouri Public Service Commission (Staff), Office of Public Counsel (Public Counsel), Department of Energy (DOE), The Kansas Power and Light Company (KPL), City of Kansas City, Missouri (Kansas City), Armco Inc., et al. (Armco), General Motors, Ford Motor Co., Missouri Portland Cement Co., Reynolds Minerals Corporation (GM) and Missouri Retailers Association (MRA).

Witnesseth:

Whereas, by Report and Order dated April 23, 1986, in Case Nos. EO- 85-185 and EO-85-224, the Commission directed and authorized KCPL to file certain automatic phase-in tariffs for Missouri retail electric service, to be effective over an 8-year phase-in period; and

Whereas, the Commission on April 1, 1987, accepted a certain Stipulation and Agreement in Case Nos. EO-85-185, EO-85-224 and AO-87-48 which reduced future phase-in tariffs and extended the phase-in period to nine years in recognition of the effects of the Tax Reform Act of 1986 upon KCPL's operations; and

FILED

NOV 1987

PUBLIC SERVICE COMMISSION

Whereas, the Staff has engaged in an examination of KCPL's books and records to determine whether KCPL's present level of rates and the rates currently authorized to automatically take effect under the phase-in plan are just and reasonable; and

Whereas, the Staff, KCPL, Public Counsel, DOE, KPL, Kansas City, Armco, GM and MRA have had extensive discussions regarding the resolution of the various matters raised by Staff's examination, and have reached certain agreements which they wish to present to the Commission for consideration and approval.

The parties to this Joint Recommendation agree as follows:

1. The phase-in accrual of deferred revenues net of taxes as authorized and approved by the Commission in Case Nos. EO-85-185, EO-85-224 and AO-87-48 shall end as of September 30, 1987, and there shall be no additional phase-in accrual of deferred revenues net of taxes after that date.

2. The phase-in accrual shall accumulate carrying charges at the rate of return on investment authorized in Case Nos. EO-85-185 and EO-85-224 during the period of September 30, 1987, through December 31, 1988, whereupon all carrying charges on this accrual shall cease The balance of the phase-in accrual and carrying charges as of January 1, 1989, shall earn a return through rate base inclusion and be recovered in revenues through amortization over a five-year period from that date. Attachment A hereto contains a cost deferral and recovery schedule underlying KCPL's authorized automatic phase-in plan, as modified by this Joint Recommendation.

3. KCPL shall withdraw all of its filed phase-in tariffs which have proposed effective dates subsequent to May 5, 1988. All of the parties hereto agree not to seek the suspension of the tariffs to be effective on May 5, 1988 (designed to recover a 2.21% overall revenue increase) applicable to the third year of KCPL's phase-in (contained in Attachment A). These May 5, 1988 tariffs reflect the rate design ordered by the Commission in Case Nos. EO-85-185 and EO-85-224.

4. KCPL and Staff agree that KCPL should cease submitting to the Staff monthly surveillance reports, and in their stead provide

semiannual cost of service reports based on twelve months' data ending June and December of each year, to be provided to the Staff and Public Counsel on the following September 30 and April 30, respectively. The first such semiannual cost of service report applicable to the twelve month period ending December 1987 will be provided by June 30, 1988, to enable the Staff and KCPL to develop the form and contents of these cost of service reports, which shall be mutually agreed upon by KCPL and Staff. The cost of service reports shall be based upon the Commission's Report and Order in the most recent rate or complaint case respecting KCPL. Public Counsel, DOE, KPL, Kansas City, Armco, GM, MRA, and their designated consultants, if any, shall also be furnished with a copy of each of these cost of service reports upon execution and faithful observance of the nondisclosure agreement attached hereto as Attachment B.

5. This Joint Recommendation is predicated upon Commission approval of all the terms and conditions herein. Should this condition not be satisfied, then this Joint Recommendation shall not be binding in any respect upon the parties hereto.

6. Except as they may conflict with the terms and conditions of this Joint Recommendation, all of the provisions of the Stipulation and Agreement dated February 4, 1987, and filed in Case No. CV186-644cc in Cole County, Missouri, Circuit Court, are incorporated herein by reference by the parties to this Joint Recommendation who entered into that Stipulation and Agreement, and all of the provisions of the Stipulation and Agreement dated March 25, 1987, and filed in Case Nos. EO-85-185, EO-85-224 and AO-87-48 before this Commission are incorporated herein by reference by the parties to this Joint Recommendation who entered into that Stipulation and Agreement.

7. The parties hereto shall not be deemed to have approved of or acquiesced in any ratemaking principle, valuation method, cost of service method or rate design proposal, and any number used in this Joint Recommendation shall not prejudice, bind or affect any party hereto, except to the extent necessary to give effect to the intent and terms of this Joint Recommendation.

8. In the event the Commission accepts the specific terms of this Joint Recommendation, the parties waive their respective rights to present oral argument or written briefs, pursuant to Section 536.080(1), RSMo 1986, and to judicial review pursuant to Section 386.510, RSMo 1986.

9. That the parties hereto join in recommending that the Commission accept this Joint Recommendation as presented.

IN WITNESS WHEREOF, the parties have signed this Joint Recommendation by their authorized representatives as of the date first above written.

KANSAS CITY POWER & LIGHT COMPANY	STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION
By ______	By ______
DEPARTMENT OF ENERGY	OFFICE OF PUBLIC COUNSEL
By Paul Phillips / MGE	By ______
CITY OF KANSAS CITY, MISSOURI	ARMCO INC., et al.
By Carol Kennett / MGE	By Stuart Conrad / MGE
THE KANSAS POWER & LIGHT COMPANY	GENERAL MOTORS CORPORATION, et al.
By Martin Bregman / MGE	By Robert Johnson / MGE
MISSOURI RETAILERS ASSOCIATION	
By Willard C Reine	
By Sam Overfelt by WCR	

ATTACHMENT A

Phase-in Year	Initial Phase-In Rate Increases	% Rate Changes Authorized in TRA Case	% Rate Changes Recommended Herein	Deferred Revenues Net of Taxes ($000)	Deferred Carrying Cost ($000)	Amortization of the Deferral ($000)
1	7%	7%	7%	$23,730	$1,394	--
2	5	2	2	4,240	3,450	--
3	3.5	2.21	2.21	--	2,546	$2,403
4	3.5	2.21	--	--	--	7,072
5	3.5	2.21	--	--	--	7,072
6	3.5	2.21	--	--	--	7,072
7	3.5	2.21	--	--	--	7,072
8	(12.43)	(9.12)	--	--	--	4,669
9	--	(0.54)	--	--	--	--

Note: Each phase-in year is a twelve-month period commencing on May 5; the first phase-in year began on May 5, 1986.

ATTACHMENT B

NONDISCLOSURE AGREEMENT

This Nondisclosure Agreement (Agreement) is made as of this ___ day of ____________, 1987, by and between Kansas City Power & Light Company (KCPL) and ______________________________ (Requestor).

WITNESSETH:

Whereas, Staff, KCPL and Requestor, among others, have entered into a certain Joint Recommendation dated ______________, concerning certain modifications to KCPL's phase-in rate plan, and

Whereas, said Joint Recommendation further provided that KCPL is to file a semiannual cost of service report (Report) with Staff in lieu of monthly surveillance reports, and

Whereas, KCPL is willing to furnish a copy of said Report upon request to Requestor, upon the terms and conditions contained in this Agreement,

Now, therefore, in consideration of KCPL's agreement to provide said Report to Requestor, the parties agree as follows:

1. Except as provided in this Agreement, the Requestor, its counsel, agents and employees, shall not use, copy or disclose to any person who is not a signatory to this Agreement or is not a person described in Section 386.480, RSMo 1986 any information contained in the Report.

2. Paragraph 1 above shall not apply to or be deemed to include any information or document contained in the public files of the Commission or of any other Federal or state agency, whether or not such information or document is also contained in the Report, nor shall it apply to or include documents or information which at the time of, or prior to, disclosure to Requestor pursuant to this Agreement, is or was public knowledge, or subsequently becomes public knowledge as a result of publication or disclosure by KCPL. Material which would be subject to nondisclosure is all documents and/or information or portions thereof (1) which contain or disclose confidential or proprietary information, and (2) which are designated, in good faith, as confidential and subject to nondisclosure by KCPL.

3. In the event that the Requestor intends to use all or a part of the Report that has been denominated subject to nondisclosure in any proceeding before the Missouri Public Service

Commission respecting KCPL, it shall notify KCPL of that intended use in advance. Prepared testimony of any of Requestor's witnesses which contain references to or copies of the Report shall be filed with the Commission under seal and any proceedings in which such references or copies are proposed to be submitted or introduced shall be conducted in camera. At such in camera hearing, no party shall be present who has not signed a nondisclosure agreement. If a Requestor believes that the portion of the Report submitted under seal pursuant to this Agreement is not entitled to confidential treatment, the Requestor may make a motion in the in camera proceeding that it be relieved of the obligations of this Agreement. Nothing contained herein shall be construed to shift the burden of proof on the issue of confidentiality from KCPL should it oppose the motion referenced in the preceding sentence.

4. Nothing herein shall be construed as precluding either KCPL or Requestor from objecting to the use of materials to which Paragraph 1 hereof is applicable on any legal grounds other than confidentiality.

5. The Requestor agrees either to destroy the noncurrent issues of the Report and provide an affidavit of said destruction or to return promptly to KCPL all noncurrent issues of the Report in its possession; provided, however, that Requestor may retain and use issues of the Report which (a) were then current when a rate case was filed by KCPL or complaint filed against KCPL's rates, or (b) were issued during the pendency of such rate case or complaint, so long as such rate case or complaint is pending before the Commission.

IN WITNESS WHEREOF, the undersigned have signed this Agreement as of the date first above written.

KANSAS CITY POWER & LIGHT COMPANY REQUESTOR

By______________________ By______________________

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 23rd day of November, 1987.

CASE NO. EO-85-185

In the matter of Kansas City Power & Light Company of Kansas City, Missouri, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the Company, and the determination of in-service criteria for Kansas City Power & Light Company's Wolf Creek Generating Station and Wolf Creek rate base and related issues.

CASE NO. EO-85-224

In the matter of Kansas City Power & Light Company, a Missouri corporation, for determination of certain rates of depreciation.

ORDER APPROVING JOINT RECOMMENDATION

On November 6, 1987, a Joint Recommendation was executed by Kansas City Power & Light Company (KCPL), Staff of the Missouri Public Service Commission (Staff), Office of the Public Counsel (Public Counsel), Department of Energy (DOE), the City of Kansas City, Missouri, Armco Inc., et al, The Kansas Power and Light Company, General Motors Corporation, et al., and Missouri Retailers Association. The Joint Recommendation involves a proposed alteration to KCPL's phase-in plan which the Commission established by Report and Order issued April 23, 1986, and modified by Session Order issued April 1, 1987.

The Joint Recommendation adequately sets forth all procedural and factual matters in this case and is set forth in Appendix A attached hereto and incorporated herein by reference.

KCPL is a public utility subject to the jurisdiction of this Commission pursuant to Chapters 386 and 393, RSMo 1986. For ratemaking purposes, the Commission may accept a Joint Recommendation in settlement of any matters submitted by the parties. The Commission is of the opinion that the matters of agreement between the parties in this case are reasonable and proper and should be adopted.

It is, therefore,

ORDERED: 1. That the Joint Recommendation referred to herein is approved and adopted and Kansas City Power & Light Company's phase-in plan is hereby modified pursuant to the terms of the Joint Recommendation.

ORDERED: 2. That the phase-in accrual of deferred revenues net of taxes as authorized and approved by this Commission in the instant case shall end as of September 30, 1987, and there shall be no additional phase-in accrual of deferred revenues net of taxes after that date.

ORDERED: 3. That the phase-in accrual shall accumulate carrying charges at the rate of return on investment as authorized in the instant case during the period September 30, 1987 through December 31, 1988, whereupon all carrying charges on this accrual shall cease. The balance of the phase-in accrual and carrying charges as of January 1, 1989, shall earn a return through rate base inclusion and be recovered in revenues through amortization over a five-year period from that date.

ORDERED: 4. That Kansas City Power & Light Company shall withdraw all of its filed phase-in tariffs which have proposed effectives dates subsequent to May 5, 1988.

ORDERED: 5. That Kansas City Power & Light Company shall cease submitting to the Staff monthly surveillance reports, and in their stead shall provide reports as set forth in paragraph 4 of the Joint Recommendation.

ORDERED: 6. That this Order shall become effective on the date hereof.

BY THE COMMISSION

Harvey G. Hubbs

Harvey G. Hubbs
Secretary

(S E A L)

Steinmeier, Chm., Musgrave, Mueller,
Hendren and Fischer, CC., Concur.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the retail electric service rates of Kansas City Power & Light Company.)	Case No. ______
In the matter of Kansas City Power & Light Company of Kansas City, Missouri, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the Company, and the determination of in-service criteria for Kansas City Power & Light Company's Wolf Creek Generating Station and Wolf Creek rate base and related issues.)	Case No. EO-85-185
In the matter of Kansas City Power & Light Company, a Missouri corporation, for determination of certain rates of depreciation.)	Case No. EO-85-224

JOINT RECOMMENDATION OF ALTERATIONS TO KANSAS CITY POWER & LIGHT COMPANY'S PHASE-IN PLAN RATES

This Joint Recommendation is entered into as of this 6 day of November, 1987, among Kansas City Power & Light Company (KCPL), the Staff of the Missouri Public Service Commission (Staff), Office of Public Counsel (Public Counsel), Department of Energy (DOE), The Kansas Power and Light Company (KPL), City of Kansas City, Missouri (Kansas City), Armco Inc., et al. (Armco), General Motors, Ford Motor Co., Missouri Portland Cement Co., Reynolds Minerals Corporation (GM) and Missouri Retailers Association (MRA).

Witnesseth:

Whereas, by Report and Order dated April 23, 1986, in Case Nos. EO- 85-185 and EO-85-224, the Commission directed and authorized KCPL to file certain automatic phase-in tariffs for Missouri retail electric service, to be effective over an 8-year phase-in period; and

Whereas, the Commission on April 1, 1987, accepted a certain Stipulation and Agreement in Case Nos. EO-85-185, EO-85-224 and AO-87-48 which reduced future phase-in tariffs and extended the phase-in period to nine years in recognition of the effects of the Tax Reform Act of 1986 upon KCPL's operations; and

FILED

NOV 1987

PUBLIC SERVICE COMMISSION

Whereas, the Staff has engaged in an examination of KCPL's books and records to determine whether KCPL's present level of rates and the rates currently authorized to automatically take effect under the phase-in plan are just and reasonable; and

Whereas, the Staff, KCPL, Public Counsel, DOE, KPL, Kansas City, Armco, GM and MRA have had extensive discussions regarding the resolution of the various matters raised by Staff's examination, and have reached certain agreements which they wish to present to the Commission for consideration and approval.

The parties to this Joint Recommendation agree as follows:

1. The phase-in accrual of deferred revenues net of taxes as authorized and approved by the Commission in Case Nos. EO-85-185, EO-85-224 and AO-87-48 shall end as of September 30, 1987, and there shall be no additional phase-in accrual of deferred revenues net of taxes after that date.

2. The phase-in accrual shall accumulate carrying charges at the rate of return on investment authorized in Case Nos. EO-85-185 and EO-85-224 during the period of September 30, 1987, through December 31, 1988, whereupon all carrying charges on this accrual shall cease The balance of the phase-in accrual and carrying charges as of January 1, 1989, shall earn a return through rate base inclusion and be recovered in revenues through amortization over a five-year period from that date. Attachment A hereto contains a cost deferral and recovery schedule underlying KCPL's authorized automatic phase-in plan, as modified by this Joint Recommendation.

3. KCPL shall withdraw all of its filed phase-in tariffs which have proposed effective dates subsequent to May 5, 1988. All of the parties hereto agree not to seek the suspension of the tariffs to be effective on May 5, 1988 (designed to recover a 2.21% overall revenue increase) applicable to the third year of KCPL's phase-in (contained in Attachment A). These May 5, 1988 tariffs reflect the rate design ordered by the Commission in Case Nos. EO-85-185 and EO-85-224.

4. KCPL and Staff agree that KCPL should cease submitting to the Staff monthly surveillance reports, and in their stead provide

semiannual cost of service reports based on twelve months' data ending June and December of each year, to be provided to the Staff and Public Counsel on the following September 30 and April 30, respectively. The first such semiannual cost of service report applicable to the twelve month period ending December 1987 will be provided by June 30, 1988, to enable the Staff and KCPL to develop the form and contents of these cost of service reports, which shall be mutually agreed upon by KCPL and Staff. The cost of service reports shall be based upon the Commission's Report and Order in the most recent rate or complaint case respecting KCPL. Public Counsel, DOE, KPL, Kansas City, Armco, GM, MRA, and their designated consultants, if any, shall also be furnished with a copy of each of these cost of service reports upon execution and faithful observance of the nondisclosure agreement attached hereto as Attachment B.

5. This Joint Recommendation is predicated upon Commission approval of all the terms and conditions herein. Should this condition not be satisfied, then this Joint Recommendation shall not be binding in any respect upon the parties hereto.

6. Except as they may conflict with the terms and conditions of this Joint Recommendation, all of the provisions of the Stipulation and Agreement dated February 4, 1987, and filed in Case No. CV186-644cc in Cole County, Missouri, Circuit Court, are incorporated herein by reference by the parties to this Joint Recommendation who entered into that Stipulation and Agreement, and all of the provisions of the Stipulation and Agreement dated March 25, 1987, and filed in Case Nos. EO-85-185, EO-85-224 and AO-87-48 before this Commission are incorporated herein by reference by the parties to this Joint Recommendation who entered into that Stipulation and Agreement.

7. The parties hereto shall not be deemed to have approved of or acquiesced in any ratemaking principle, valuation method, cost of service method or rate design proposal, and any number used in this Joint Recommendation shall not prejudice, bind or affect any party hereto, except to the extent necessary to give effect to the intent and terms of this Joint Recommendation.

8. In the event the Commission accepts the specific terms of this Joint Recommendation, the parties waive their respective rights to present oral argument or written briefs, pursuant to Section 536.080(1), RSMo 1986, and to judicial review pursuant to Section 386.510, RSMo 1986.

9. That the parties hereto join in recommending that the Commission accept this Joint Recommendation as presented.

IN WITNESS WHEREOF, the parties have signed this Joint Recommendation by their authorized representatives as of the date first above written.

KANSAS CITY POWER & LIGHT COMPANY	STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION
By ______________	By ______________
DEPARTMENT OF ENERGY	OFFICE OF PUBLIC COUNSEL
By Paul Phillips / MGE	By ______________
CITY OF KANSAS CITY, MISSOURI	ARMCO INC., et al.
By Carol Kennett / MGE	By Stuart Conrad / MGE
THE KANSAS POWER & LIGHT COMPANY	GENERAL MOTORS CORPORATION, et al.
By Martin Bregman / MGE	By Robert Johnson / MGE
MISSOURI RETAILERS ASSOCIATION	
By Willard C. Reine	
By Sam Overfelt by WCR	

ATTACHMENT A

Phase-in Year	Initial Phase-In Rate Increases	% Rate Changes Authorized in TRA Case	% Rate Changes Recommended Herein	Deferred Revenues Net of Taxes ($000)	Deferred Carrying Cost ($000)	Amortization of the Deferral ($000)
1	7%	7%	7%	$23,730	$1,394	--
2	5	2	2	4,240	3,450	--
3	3.5	2.21	2.21	--	2,546	$2,403
4	3.5	2.21	--	--	--	7,072
5	3.5	2.21	--	--	--	7,072
6	3.5	2.21	--	--	--	7,072
7	3.5	2.21	--	--	--	7,072
8	(12.43)	(9.12)	--	--	--	4,669
9	--	(0.54)	--	--	--	--

Note: Each phase-in year is a twelve-month period commencing on May 5; the first phase-in year began on May 5, 1986.

ATTACHMENT B

NONDISCLOSURE AGREEMENT

This Nondisclosure Agreement (Agreement) is made as of this ___ day of ____________, 1987, by and between Kansas City Power & Light Company (KCPL) and ________________________________ (Requestor).

WITNESSETH:

Whereas, Staff, KCPL and Requestor, among others, have entered into a certain Joint Recommendation dated ______________, concerning certain modifications to KCPL's phase-in rate plan, and

Whereas, said Joint Recommendation further provided that KCPL is to file a semiannual cost of service report (Report) with Staff in lieu of monthly surveillance reports, and

Whereas, KCPL is willing to furnish a copy of said Report upon request to Requestor, upon the terms and conditions contained in this Agreement,

Now, therefore, in consideration of KCPL's agreement to provide said Report to Requestor, the parties agree as follows:

1. Except as provided in this Agreement, the Requestor, its counsel, agents and employees, shall not use, copy or disclose to any person who is not a signatory to this Agreement or is not a person described in Section 386.480, RSMo 1986 any information contained in the Report.

2. Paragraph 1 above shall not apply to or be deemed to include any information or document contained in the public files of the Commission or of any other Federal or state agency, whether or not such information or document is also contained in the Report, nor shall it apply to or include documents or information which at the time of, or prior to, disclosure to Requestor pursuant to this Agreement, is or was public knowledge, or subsequently becomes public knowledge as a result of publication or disclosure by KCPL. Material which would be subject to nondisclosure is all documents and/or information or portions thereof (1) which contain or disclose confidential or proprietary information, and (2) which are designated, in good faith, as confidential and subject to nondisclosure by KCPL.

3. In the event that the Requestor intends to use all or a part of the Report that has been denominated subject to nondisclosure in any proceeding before the Missouri Public Service

Commission respecting KCPL, it shall notify KCPL of that intended use in advance. Prepared testimony of any of Requestor's witnesses which contain references to or copies of the Report shall be filed with the Commission under seal and any proceedings in which such references or copies are proposed to be submitted or introduced shall be conducted in camera. At such in camera hearing, no party shall be present who has not signed a nondisclosure agreement. If a Requestor believes that the portion of the Report submitted under seal pursuant to this Agreement is not entitled to confidential treatment, the Requestor may make a motion in the in camera proceeding that it be relieved of the obligations of this Agreement. Nothing contained herein shall be construed to shift the burden of proof on the issue of confidentiality from KCPL should it oppose the motion referenced in the preceding sentence.

4. Nothing herein shall be construed as precluding either KCPL or Requestor from objecting to the use of materials to which Paragraph 1 hereof is applicable on any legal grounds other than confidentiality.

5. The Requestor agrees either to destroy the noncurrent issues of the Report and provide an affidavit of said destruction or to return promptly to KCPL all noncurrent issues of the Report in its possession; provided, however, that Requestor may retain and use issues of the Report which (a) were then current when a rate case was filed by KCPL or complaint filed against KCPL's rates, or (b) were issued during the pendency of such rate case or complaint, so long as such rate case or complaint is pending before the Commission.

IN WITNESS WHEREOF, the undersigned have signed this Agreement as of the date first above written.

KANSAS CITY POWER & LIGHT COMPANY	REQUESTOR
By____________________	By____________________

SD

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the modification of the Joint Recommendation approved by the Commission on November 23, 1987 in Case Nos. EO-85-185 and EO-85-224.	)))))	Case No. EO-93-143

MOTION TO APPROVE MODIFICATION TO JOINT RECOMMENDATION

COMES NOW the Kansas City Power & Light Company (KCPL), and requests the Commission approve the Modification, attached hereto, of the Joint Recommendation approved by the Commission on November 23, 1987 in Case Nos. EO-85-185 and EO-85-224. In support of its motion, KCPL states as follows:

1. On November 6, 1987, KCPL, the Staff of the Missouri Public Service Commission, the Office of Public Counsel, the Department of Energy, The Kansas Power & Light Company (now Western Resources, Inc.), the City of Kansas City, Missouri, Armco Inc., et al., General Motors, Ford Motor Co., Missouri Portland Cement Co., Reynolds Minerals Corporation, and Missouri Retailers Association entered into a Joint Recommendation of Alterations to Kansas City Power & Light Company's Phase-In Plan Rates (Joint Recommendation) in Docket Nos. EO-85-185 and EO-85-224. On November 23, 1987, the Commission entered an order approving said Joint Recommendation.

2. KCPL has proposed, and all of the above-referenced signatories to the Joint Recommendation have agreed, to modify the Joint Recommendation as set forth in the attached Modification to Joint Recommendation (Modification). Said Modification has been signed by all of the signatories to the Joint Recommendation.

FILED
OCT 27 1992
MISSOURI
PUBLIC SERVICE COMMISSION

WHEREFORE, KCPL requests the Commission approve the attached Modification to Joint Recommendation.

Respectfully submitted,

William G. Riggins
1201 Walnut St.
Kansas City, MO 64106
(816) 556-2645

ATTORNEY FOR KANSAS CITY
POWER & LIGHT COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion and the attached Modification were mailed to the following on this 27th day of October, 1992:

Martha Hogerty
Office of Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Stuart Conrad
Lathrop & Norquist
2600 Mutual Benefit Life Bldg.
2345 Grand Ave.
Kansas City, MO 64108

Steven Dottheim
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Richard N. Ward
City Hall, 28th Fl.
414 E. 12th St.
Kansas City, MO 64106

Diana M. Schmidt
Peper, Martin, Jensen, Maichel & Hetlage
720 Olive St., 24th Fl.
St. Louis, MO 63101

Martin Bregman
Western Resources
818 Kansas Ave.
Topeka, KS 66612

Paul Phillips
Room 6D-033
1000 Independence Ave., S.W.
Washington, D.C. 20585

Willard C. Reine
314 E. High St.
Jefferson City, MO 65101

William G. Riggins

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 6th day of November, 1992.

In the matter of the modification of the Joint Recommendation approved by the Commission on November 23, 1987 in Case Nos. EO-85-185 and EO-85-224.	))))	**Case No. EO-93-143**

ORDER MODIFYING JOINT RECOMMENDATION

On October 27, 1992, Kansas City Power & Light Company (KCPL) filed a Motion To Approve Modification To Joint Recommendation approved by the Commission on November 23, 1987 in Case Nos. EO-85-185 and EO-85-224.

On November 6, 1987, the Staff of the Missouri Public Service Commission (Staff), the Office of Public Counsel (Public Counsel), the Department of Energy, The Kansas Power and Light Company (now Western Resources, Inc.), the City of Kansas City, Missouri, Armco Inc., et al., General Motors Corporation, Ford Motor Company, Missouri Portland Cement Company, Reynolds Minerals Corporation, and Missouri Retailers Association entered into a Joint Recommendation To Kansas City Power & Light Company's Phase-in Plan Rates (Joint Recommendation) in Case Nos. EO-85-185 and EO-85-224. On November 23, 1987, the Commission entered an order approving said Joint Recommendation.

KCPL proposes, and all of the above-referenced signatories to the Joint Recommendation have agreed, to modify the Joint Recommendation as follows: Paragraph 4 of the Joint Recommendation requires KCPL to provide semiannual cost of service reports based upon twelve months' data ending June and December of each year. Said reports were to be provided to Staff and Public Counsel on the following September 30 and April 30, respectively, and to other parties on the said dates under certain nondisclosure requirements. The Modification To Joint Recommendation reflecting the parties' agreement is attached to this order as

Attachment A and is incorporated herein by reference. The Modification indicates that KCPL will prepare and provide a single annual cost of service report instead of the two semiannual reports currently being prepared and provided. KCPL shall prepare the cost of service reports based upon twelve months' data ending December of each year and shall provide those reports by the following April 30.

The Commission has considered the Motion To Approve Modification To Joint Recommendation and the Modification To Joint Recommendation and finds the terms reasonable. KCPL will still be obligated to provide cost of service reports but on a less burdensome basis. Also, according to Paragraph 2 of the Modification, KCPL agrees to meet any additional cost of service data request utilizing existing cost of service data that may be readily available.

IT IS THEREFORE ORDERED:

1. That the Motion To Approve Modification To Joint Recommendation in Case Nos. EO-85-185 and EO-85-224 be granted hereby and the Modification To Joint Report attached to this order as Attachment A be authorized hereby.

2. That this order shall become effective on the 17th day of November, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins and Kincheloe, CC., concur.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the modification of the Joint Recommendation approved by the Commission on November 23, 1987 in Case Nos. EO-85-185 and EO-85-224.	)))))	Case No. EO-93-143

MODIFICATION TO JOINT RECOMMENDATION

COMES NOW the Kansas City Power & Light Company (KCPL), the Staff of the Missouri Public Service Commission (Staff), Office of Public Counsel (Public Counsel), Department of Energy (DOE), Western Resources, Inc. (formerly The Kansas Power & Light Company), City of Kansas City, Missouri (Kansas City), Armco Inc., et al. (Armco), General Motors, Ford Motor Co., Missouri Portland Cement Co., Reynolds Minerals Corporation (GM) and Missouri Retailers Association (MRA), and enter into the following Modification to Joint Recommendation.

On November 6, 1987, the above-referenced parties entered into a Joint Recommendation of Alterations to Kansas City Power & Light Company's Phase-In Plan Rates (hereinafter referred to as "Joint Recommendation" and attached hereto as Appendix A) in Docket Nos. EO-85-185 and EO-85-224. On November 23, 1987, the Missouri Public Service Commission (Commission) entered an order (attached hereto as Appendix B) approving said Joint Recommendation.

Paragraph 4 of the Joint Recommendation required KCPL to provide semiannual cost of service reports based upon twelve months' data ending June and December of each year. Said reports were to be provided to Staff and Public Counsel on the following September 30 and April 30, respectively. The other signatories to the Joint

FILED

OCT 27 1992

MISSOURI
PUBLIC SERVICE COMMISSION

Recommendation, and their designated consultants, also were to be furnished a copy of each report contingent upon their execution and observance of a nondisclosure agreement attached to the Joint Recommendation as Attachment B.

The above-referenced parties have agreed to modify the Joint Recommendation as set forth below and wish to present that modification to the Commission for consideration and approval. Consequently, the above-referenced parties stipulate and agree as follows:

1. KCPL will prepare and provide a single annual cost of service report instead of the two semiannual reports currently being prepared and provided. Specifically, KCPL no longer shall be required to prepare the cost of service reports based on twelve months' data ending June each year or to provide said reports by the following September 30. This obligation shall cease to exist immediately upon issuance of a Commission order approving this Modification to Joint Recommendation. KCPL shall continue to prepare the cost of service reports based on twelve months' data ending December each year and to provide those reports by the following April 30.

2. If any of the signatories to this Modification to Joint Recommendation indicate a valid need for additional cost of service data, other than what is contained in the annual cost of service reports, KCPL agrees that it will attempt to meet that need utilizing any additional existing cost of service data that may be readily available.

3. With the exception of the modification described above, all provisions of the Joint Recommendation will remain in full force and effect as currently written.

4. If the Commission rejects this Modification to Joint Recommendation, all provisions of the Joint Recommendation will remain in full force and effect as currently written.

5. None of the parties to this Modification to Joint Recommendation shall be deemed to have approved of or acquiesced in any question of Commission authority, ratemaking principle, valuation methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology, cost allocation, cost recovery, or prudence. Similarly, none of the parties shall be prejudiced, bound, or in any way affected by the terms of this Modification to Joint Recommendation in any future proceeding, or in any proceeding currently pending under a separate docket.

6. The Staff shall have the right to submit to the Commission, in memorandum form, an explanation of its rationale for entering into this Modification to Joint Recommendation and to provide the Commission whatever further explanation the Commission requests. Such memorandum shall not become a part of the record of this proceeding and shall not bind or prejudice the Staff in any future proceeding. It is understood by the signatories hereto than any rationales advanced by the Staff in such memorandum are its own and are not acquiesced in or otherwise adopted by KCPL or any other party hereto.

Respectfully submitted,

KANSAS CITY POWER & LIGHT COMPANY

By ______________________

OFFICE OF PUBLIC COUNSEL

By ______________________ / WGR

CITY OF KANSAS CITY, MISSOURI

By ______________________ / WGR

WESTERN RESOURCES, INC.

By ______________________ / WGR

MISSOURI RETAILERS ASSOCIATION

By ______________________ / WGR

STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

By ______________________

DEPARTMENT OF ENERGY

By ______________________ / WGR

ARMCO, INC., et al.

By ______________________ / WGR

GENERAL MOTORS CORPORATION, et al.

By ______________________ / WGR

April 30, 2014

Steven Dottheim
Chief Deputy Counsel
Missouri Public Service Commission
200 Madison Street, Suite 105
Jefferson City, MO 65101

Lewis R. Mills, Jr.
Office of the Public Counsel
200 Madison Street, Suite 650
Jefferson City, MO 65102

Jeremiah D. Finnegan
3100 Broadway
Suite 1209
Kansas City, MO 64111

RE: KCP&L Annual Cost of Service Report

Gentlemen:

Pursuant to the November 6, 1987 Joint Recommendation in Case Nos. EO-85-185 and EO-85-224, as modified in Case No. EO-93-143, please find enclosed KCP&L's annual cost of service report for the twelve months ended December 31, 2013.

Sincerely,

Ronald A. Klote
Sr. Manager – Regulatory Affairs

Enclosure

April 30, 2014

Steven Dottheim
Chief Deputy Counsel
Missouri Public Service Commission
200 Madison Street, Suite 105
Jefferson City, MO 65101

RE: Supplemental Information - Cost of Service Report

Dear Steve,

Pursuant to KCP&L's agreement with the Staff, please find enclosed the following information, which is provided separated and apart, for KCP&L's annual cost of service report for the period ended December 31, 2013.

1. Detailed list of adjustment amounts.

2. KCP&L's capital structure at December 31, 2013.

3. Supplemental analysis including historical comparisons, major station outages and revenue and kWh for major customers.

4. Workpapers supporting the cost of service.

Should you have any questions or concerns about these enclosures, we would be pleased to meet with you at your convenience. We will also provide two (2) copies of this information for the Staff's Kansas City office.

Sincerely,

Ronald A. Klote

Ronald A. Klote
Sr. Manager – Regulatory Affairs

Enclosures

KCP&L®
energizing *life*

MISSOURI REVENUE REQUIREMENT
NON-PROPRIETARY

SURVEILLANCE

YEAR ENDED 12/31/2013

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Revenue Requirement - Schedule 1

Line No.	Description	MO Jurisdictional Amount	2013 Earned ROR
1	Net Orig Cost of Rate Base (Sch 2)	$ 2,129,955,525	
2	Rate of Return	7.7182%	
3	Net Operating Income Requirement	164,394,227	
4	Net Income Available (Sch 9)	130,553,432	6.1294%
5	Earned Return (over) under Authorized Return	$ 33,840,795	
6	Earned Return on Equity (Sch Capital Structure)		6.4853%

(a) Calculated using ratemaking principles.
Excl CWIP, property held for future use and other non-rate base assets & liabilities.
Excludes non-utility property, income and expenses.
Includes synchronized interest expense rather than actual interest expense.

(b) Uses Capital Structure as 12-31-2013 with ROE of 9.7%.

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Rate Base - Schedule 2

Line No.	Line Description	Amount	Juris Factor #	Juris Allocator	Electric Retail Rate Base
	A	B	C	D	E
1	*Total Plant :*				
2	Total Plant in Service - Schedule 3	$ 8,247,043,419	Various	See Sch 3	$ 4,543,674,644
3	*Subtract from Total Plant:*				
4	Depreciation Reserve - Schedule 6	3,375,232,220	Various	See Sch 6	1,959,335,589
5	**Net (Plant in Service)**	$ 4,871,811,199			$ 2,584,339,055
6	*Add to Net Plant:*				
7	Cash Working Capital - Schedule 8	(49,375,616)	100% MO	See Sch 8	$ (49,375,616)
8	Materials and Supplies - Schedule 12	108,333,234	Blended	See Sch 12	59,298,828
9	Prepayments - Schedule 12	10,621,701	Blended	See Sch 12	5,827,083
10	Fuel Inventory - Oil - Schedule 12	7,395,246	Blended	See Sch 12	4,245,034
11	Fuel Inventory - Coal - Schedule 12	42,898,788	Blended	See Sch 12	24,624,848
12	Fuel Inventory - Additives - Schedule 12	667,946	Blended	See Sch 12	383,416
13	Fuel Inventory - Nuclear - Schedule 12	55,799,834	Blended	See Sch 12	32,030,332
14	Regulatory Asset - EE/DR Deferral-MO	48,301,029	100% MO	100.000%	48,301,029
15	Regulatory Asset - Iatan 1 and Com-MO	12,038,809	100% MO	100.000%	12,038,809
16	Regulatory Asset - Iatan 2	27,477,154	100% MO	100.000%	27,477,154
17	Regulatory Asset - Pensions	33,557,841	Sal&Wg	54.722%	18,363,488
18	Regulatory Asset - Prepaid Pension Exp	0	Sal&Wg	54.722%	-
19	Regulatory Asset (Liab) - OPEBs	(946,358)	Sal&Wg		(508,595)
20	*Subtract from Net Plant:*				
21	Cust Advances for Construction-MO	167,781	100% MO	100.000%	167,781
22	Customer Deposits-MO	3,569,487	100% MO	100.000%	3,569,487
23	Deferred Income Taxes - Schedule 13	1,041,150,236	Blended	See Sch 13	591,123,024
24	Def Gain on SO2 Emissions Allowances-MO	42,206,097	100% MO	100.000%	42,206,097
25	Def Gain (Loss) Emissions Allow-Allocated	39,985	E1	57.402%	22,952
26	**Total Rate Base**	$ 4,081,447,220			$ 2,129,955,525

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Total Plant In Service - Schedule 3

Line No.	Account No.	Description	Company Total Plant 12/31/2013	Adjustments RB-3 Plant Basis Diff	Total Adjustments	MO Basis Per Period DR27 For Juris Books Tot Co Plant	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
	A	B	C	D	H	I	J	K	L
1		INTANGIBLE PLANT							
2	30100	Organization	$ 72,186		$ -	$ 72,186	PTD	55.117%	$ 39,787
3	30200	Franchises and Consents	22,937		-	22,937	100% MO	100.000%	22,937
4	30301	Miscellaneous Intangibles (Like 353)	2,033,869		-	2,033,869	D1	54.684%	1,112,203
5		Misc Intangible Plant-5-Year Software, excl Wolf Creek							
6	30302	CUSTOMER RELATED	40,312,185		-	40,312,185	C2	52.702%	21,245,288
7	30302	ENERGY RELATED	8,850,255		-	8,850,255	E1	57.402%	5,080,241
8	30302	DEMAND RELATED	33,725,269		-	33,725,269	D1	54.684%	18,442,360
9	30302	CORPORATE SOFTWARE	28,311,743		-	28,311,743	Sal&Wg	54.722%	15,492,724
10	30302	TRANSMISSION RELATED	3,828,595		-	3,828,595	D1	54.684%	2,093,633
11	30304	Miscl Intang Plt - Communications Equip (Like 397)	-		-	-	PTD	55.117%	-
12		Miscl Intangible Plt - 10 yr Software							
13	30303	CUSTOMER RELATED	43,529,051		-	43,529,051	C2	52.702%	22,940,637
14	30303	ENERGY RELATED	22,683,755		-	22,683,755	E1	57.402%	13,020,974
15	30303	CORPORATE SOFTWARE	24,217,260		-	24,217,260	Sal&Wg	54.722%	13,252,145
16	30305	Miscl Intang Plt - WC 5yr Software	25,774,601		-	25,774,601	D1	54.684%	14,094,609
17	30307	Miscl Intg Plt-Srct (Like 312)	34,980		-	34,980	D1	54.684%	19,129
18	30308	Miscl Intang Trans Line (Like 355)	5,839,200		-	5,839,200	D1	54.684%	3,193,114
19	30309	Miscl Intang Trans Ln MINT Line	55,209		-	55,209	D1	54.684%	30,191
20	30310	Miscl Intang-Iatan Hwy & Bridge	3,243,743	3	3	3,243,746	D1	54.684%	1,773,813
21		TOTAL PLANT INTANGIBLE	$ 242,534,839	$ 3	$ 3	$ 242,534,842			$ 131,863,783
22		PRODUCTION PLANT							
23		STEAM PRODUCTION							
24		PRODUCTION-STM-HAWTHORN UNIT 5							
25	31000	Land & Land Rights	807,281		$ -	$ 807,281	D1	54.684%	$ 441,454
26	31100	Structures & Improvements	29,845,960		-	29,845,960	D1	54.684%	16,320,995
27	31102	Structures - Hawthorn 5 Rebuild	8,923,285		-	8,923,285	D1	54.684%	4,879,618
28	31200	Boiler Plant Equipment	85,618,428		-	85,618,428	D1	54.684%	46,819,667
29	31201	Stm Pr-Boiler-Unit Train-Elect-Hawthorn	9,973,895		-	9,973,895	D1	54.684%	5,454,135
30	31202	Boiler AQC Equipment - Electric	-		-	-	D1	54.684%	-
31	31203	Boiler Plant - Haw. 5 Rebuild	221,991,460		-	221,991,460	D1	54.684%	121,394,032
32	31400	Turbogenerator Units	79,059,776		-	79,059,776	D1	54.684%	43,233,127
33	31500	Accessory Electric Equipment	13,936,836		-	13,936,836	D1	54.684%	7,621,233
34	31501	Accessory Equip - Hawthorn 5 Rebuild	39,396,975		-	39,396,975	D1	54.684%	21,543,881
35	31600	Misc. Power Plant Equipment	9,301,291		-	9,301,291	D1	54.684%	5,086,327
36	31601	Misc. Equip - Hawthorn 5 Rebuild	2,305,160		-	2,305,160	D1	54.684%	1,260,556
37		TOTAL PRODUCTION-STM-HAWTHORN UNIT 5	$ 501,160,347	$ -	$ -	$ 501,160,347			$ 274,056,025
38		PRODUCTION-IATAN 1							
39	31000	Steam Production- Land- Electric	3,691,922		-	3,691,922	D1	54.684%	2,018,894
40	31100	Steam Production-Structures-Electric	7,261,108		-	7,261,108	D1	54.684%	3,970,672
41	31115	Steam Prod- KS Addl Amort	-		-	-	100% KS	0.000%	-
42	31200	Steam Prod-Boiler Plant Equip-Electric	382,920,687		-	382,920,687	D1	54.684%	209,396,731
43	31201	Steam Production- Unit Trains- Electric	-		-	-	D1	54.684%	-
44	31205	Steam Prod-Boiler Plt Eq-Elec-Iat 1 MO Juris Disallow	(16,365)		-	(16,365)	100% MO	100.000%	(16,365)
45	31213	Steam Prod-Boiler Plt Eq-Elec-Iat 1 KS Juris Disallow	(705,700)	705,700	705,700	-	100% KS	0.000%	-
46	31215	Steam Prod- KS Addl Amort	-		-	-	100% KS	0.000%	-
47	31400	Steam Prod- Turbogenerator-Electric	58,642,189		-	58,642,189	D1	54.684%	32,067,953
48	31500	Steam Prod-Accessory Equipment-Elec	50,303,999		-	50,303,999	D1	54.684%	27,508,289
49	31505	Steam Prod-Accessory Eq-El-Iat 1 MO Juris Disallow	(622,572)		-	(622,572)	100% MO	100.000%	(622,572)
50	31600	Steam Prod-Misc Pwr Plt Equip-Elec	6,011,723		-	6,011,723	D1	54.684%	3,287,457
51	31605	Steam Prod-Misc Pwr Plt Eq-El-Iat 1 MO Juris Disallow	(11)		-	(11)	100% MO	100.000%	(11)
52		TOTAL PRODUCTION-IATAN 1	$ 507,486,980	$ 705,700	$ 705,700	$ 508,192,680			$ 277,611,048
53		PRODUCTION-IATAN COMMON							
54	31100	Steam Prod- Structures-Electric	95,681,302		-	95,681,302	D1	54.684%	52,322,459
55	31115	Steam Prod- KS Addl Amort	-		-	-	100% KS	0.000%	-
56	31200	Steam Prod- Turbogenerators- Elec	201,029,460		-	201,029,460	D1	54.684%	109,931,151
57	31201	Steam Production- Unit Trains- Electric	1,554,088		-	1,554,088	D1	54.684%	849,839
58	31213	Steam Prod- KS Juris Disallowance	(544,201)	544,201	544,201	-	100% KS	0.000%	-
59	31215	Steam Prod- KS Addl Amort	-		-	-	100% KS	0.000%	-
60	31400	Steam Prod- Boiler Plant Equip- Elec	5,871,350		-	5,871,350	D1	54.684%	3,210,695
61	31415	Steam Prod- KS Addl Amort	-		-	-	100% KS	0.000%	-
62	31500	Steam Prod-Accessory Equip- Elec	25,707,873		-	25,707,873	D1	54.684%	14,058,119
63	31515	Steam Prod- KS Addl Amort	-		-	-	100% KS	0.000%	-
64	31600	Steam Prod-Misc Pwr Plt Equip- Elec	4,135,646		-	4,135,646	D1	54.684%	2,261,541
65		TOTAL PRODUCTION-IATAN COMMON	$ 333,436,518	$ 544,201	$ 544,201	$ 333,979,719			$ 182,633,804
66		PRODUCTION- IATAN 2	$ -						
67	31000	Steam Prod- Land- Iatan 2	633,187		-	633,187	D1	54.684%	346,253
68	31104	Steam Prod- Structures- Iatan 2	92,550,430	1,647	1,647	92,552,077	D1	54.684%	50,611,270
69	31106	Steam Prod- Structures- Iatan 2 - MO Juris Disallow	(720,112)		-	(720,112)	100% MO	100.000%	(720,112)
70	31115	Regulatory Plan- KS Addl Amort	-		-	-	100% KS	0.000%	-
71	31199	Regulatory Plan-EO-2005-0329-Cum Addl Amort	-		-	-	100% MO	100.000%	-

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Total Plant in Service - Schedule 3

Line No.	Account No.	Description	Company Total Plant 12/31/2013	Adjustments RB-3 Plant Basis Diff	Total Adjustments	MO Basis Per Period DR27 For Juris Books Tot Co Plant	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
72	31200	Steam Prod-Boiler Plant Equip- Iatan 2							
73	31201	Steam Prod-Unit Trains- Iatan 2	-		-	-	D1	54.684%	-
74	31202	Steam Prod-AQC- Iatan 2			-	-	D1	54.684%	-
75	31204	Steam Prod-Boiler Plant Equip- Iatan 2	-		-	-	N/A	0.000%	-
76	31206	Steam Prod-Boiler Plant Equip- Iatan 2-MO Juris Disallow	618,485,303	9,601	9,601	618,494,904	D1	54.684%	338,218,372
77	31214	Steam Prod-Boiler Plant Equip- Iatan 2 -KS Juris Disallow	(5,175,688)		-	(5,175,688)	100% MO	100.000%	(5,175,688)
78	31215	Regulatory Plan- KS Addl Amort	(4,477,350)	4,477,350	4,477,350	-	100% KS	0.000%	-
79	31299	Regulatory Plan-EO-2005-0329-Cum Addl Amort	-		-	-	100% KS	0.000%	-
80	31404	Steam Prod-Turbogenerator- Iatan 2	-		-	-	100% MO	100.000%	-
81	31406	Steam Prod-Turbogenerator- Iat 2-MO Juris Disallow	225,106,467	4,223	4,223	225,110,690	D1	54.684%	123,099,755
82	31415	Regulatory Plan- KS Addl Amort	(715,476)		-	(715,476)	100% MO	100.000%	(715,476)
83	31499	Regulatory Plan-EO-2005-0329-Cum Addl Amort	-		-	-	100% KS	0.000%	-
84	31504	Steam Prod-Accessory Equip- Iatan 2	-		-	-	100% MO	100.000%	-
85	31506	Steam Prod-Accessory Equip- Iat 2-MO Juris Disallow	55,999,925	578	578	56,000,503	D1	54.684%	30,623,371
86	31515	Regulatory Plan- KS Addl Amort	(239,102)		-	(239,102)	100% MO	100.000%	(239,102)
87	31599	Regulatory Plan-EO-2005-0329-Cum Addl Amort	-		-	-	100% KS	0.000%	-
88	31604	Steam Prod- Misc Power Plant Equip- Iatan 2	-		-	-	100% MO	100.000%	-
89	31606	Steam Prod- Misc Pwr Plt Eq-Iat 2-MO Juris Disallow	3,828,319	49	49	3,828,368	D1	54.684%	2,093,509
90	31615	Regulatory Plan- KS Addl Amort	(26,735)		-	(26,735)	100% MO	100.000%	(26,735)
91	31699	Regulatory Plan-EO-2005-0329-Cum Addl Amort	-		-	-	100% MO	100.000%	-
92		TOTAL PRODUCTION- IATAN 2	-		-	-	100% MO	100.000%	-
			$ 985,249,168	$ 4,493,448	$ 4,493,448	$ 989,742,616			$ 538,115,416
93		LACYGNE COMMON PLANT							
94	31000	Stm Pr-Land-LaCygne-Common	-						
95	31100	Stm Pr-Structures-LaCygne-Common	767,850		-	767,850	D1	54.684%	419,892
96	31200	Stm Pr-Boiler Plt-LaCygne-Common	10,751,713		-	10,751,713	D1	54.684%	5,879,477
97	31201	Stm Pr-Boiler-Unit Train-LaCygne-Common	8,721,186		-	8,721,186	D1	54.684%	4,769,102
98	31202	Stm Pr-Boiler-AQC Equip-La Cygne-Common	456,630		-	456,630	D1	54.684%	249,704
99	31400	Stm Pr-Turbogenerator-LaCygne-Common	-		-	-	D1	54.684%	-
100	31500	Stm Pr-Acc. Equip-LaCygne-Common	72,856		-	72,856	D1	54.684%	39,841
101	31502	Stm Pr-Acc. Equip.-Comp.	1,573,445		-	1,573,445	D1	54.684%	860,424
102	31600	Stm Pr-Misc. Pwr Plt	14,320		-	14,320	D1	54.684%	7,831
103		TOTAL LACYGNE COMMON PLANT	5,313,309		-	5,313,309	D1	54.684%	2,905,535
			$ 27,671,309	$ -	$ -	$ 27,671,309			$ 15,131,806
104		PRODUCTION-STM-LACYGNE 1							
105	31000	Land-LaCygne 1							
106	31100	Structures-LaCygne 1	1,937,712		-	1,937,712	D1	54.684%	1,059,620
107	31200	Boiler Plt Equip-LaCygne 1	19,398,184		-	19,398,184	D1	54.684%	10,607,722
108	31202	Boiler AQC Equip.-LaCygne 1	180,359,684		-	180,359,684	D1	54.684%	98,628,070
109	31215	Regulatory Plan -KS Addl Amort	33,606,100		-	33,606,100	D1	54.684%	18,377,193
110	31400	Turbogenerator-LaCygne 1	-		-	-	D1	54.684%	-
111	31500	Acc. Equip-LaCygne 1	33,073,306		-	33,073,306	D1	54.684%	18,085,840
112	31600	Misc. Pwr Plt Equip.-LaCygne 1	19,762,755		-	19,762,755	D1	54.684%	10,807,085
113		TOTAL PRODUCTION-STM-LACYGNE 1	3,092,306		-	3,092,306	D1	54.684%	1,691,000
			$ 291,230,047	$ -	$ -	$ 291,230,047			$ 159,256,530
114		PRODUCTION-STM-LACYGNE 2							
115	31100	Structures- LaCygne 2							
116	31200	Boiler Plt Equip.-LaCygne 2	4,138,017		-	4,138,017	D1	54.684%	2,262,837
117	31201	Boiler-Unit Train-LaCygne 2	125,958,628		-	125,958,628	D1	54.684%	68,879,342
118	31202	Boiler AQC Equip-LaCygne 2	-		-	-	D1	54.684%	-
119	31400	Turbogenerator- LaCygne 2	-		-	-	D1	54.684%	-
120	31500	Accessory Equip.-LaCygne 2	23,176,280		-	23,176,280	D1	54.684%	12,673,740
121	31600	Misc. Pwr Plt Equip.-LaCygne 2	26,448,344		-	26,448,344	D1	54.684%	14,463,039
122		TOTAL PRODUCTION-STM-LACYGNE 2	1,490,052		-	1,490,052	D1	54.684%	814,822
			$ 181,211,321	$ -	$ -	$ 181,211,321			$ 99,093,780
123		PRODUCTION STM-MONTROSE 1, 2 & 3							
124	31000	Land- Montrose							
125	31100	Structures - Electric - Montrose	1,620,842		-	1,620,842	D1	54.684%	886,343
126	31200	Boiler Plant Equipment - Equipment- Montrose	17,743,687		-	17,743,687	D1	54.684%	9,702,976
127	31201	Stm Pr-Boiler-Unit Train- Elect- Montrose	160,081,227		-	160,081,227	D1	54.684%	87,538,978
128	31400	Turbogenerators- Electric- Montrose	8,919,886		-	8,919,886	D1	54.684%	4,877,759
129	31500	Accessory Equipment- Electric - Montrose	48,375,353		-	48,375,353	D1	54.684%	26,453,626
130	31600	Miscl. Plant Equipment- Electric- Montrose	24,014,526		-	24,014,526	D1	54.684%	13,132,127
131		TOTAL PRODUCTION STM-MONTROSE 1, 2 & 3	5,474,069		-	5,474,069	D1	54.684%	2,993,445
			$ 266,229,690	$ -	$ -	$ 266,229,690			$ 145,585,255
132		PRODUCTION- HAWTHORN 6 COMBINED CYCL							
133	31100	Structures - Hawthorn 6							
134	31500	Accessory Equip- Hawthorn 6			-	-	D1	54.684%	-
135	34100	Other Prod - Structures Hawthorn 6			-	-	D1	54.684%	-
136	34200	Other Production- Fuel Holders	154,046		-	154,046	D1	54.684%	84,239
137	34400	Other Prod - Generators Hawthorn 6	1,067,636		-	1,067,636	D1	54.684%	583,827
138	34500	Other Prod - Accessory Equip - Haw. 6	46,273,508		-	46,273,508	D1	54.684%	25,304,251
139		TOTAL PRODUCTION- HAWTHORN 6 COMBINED CYCL	2,563,052		-	2,563,052	D1	54.684%	1,401,582
			$ 50,058,242	$ -	$ -	$ 50,058,242			$ 27,373,899
140		PRODUCTION - HAWTHORN 9 COMBINED CYCL							
141	31100	Structures and Improvements - Haw. 9	2,380,058		-	2,380,058	D1	54.684%	1,301,513

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Total Plant In Service - Schedule 3

Line No.	Account No.	Description	Company Total Plant 12/31/2013	Adjustments RB-3 Plant Basis Diff	Total Adjustments	MO Basis Per Period DR27 For Juris Books Tot Co Plant	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
142	31200	Boiler Plant Equip - Hawthorn 9	42,555,953		-	42,555,953	D1	54.684%	23,271,340
143	31400	Turbogenerators - Hawthorn 9	17,404,604		-	17,404,604	D1	54.684%	9,517,551
144	31500	Accessory Equipment - Hawthorn 9	16,186,388		-	16,186,388	D1	54.684%	8,851,381
145	31600	Miscl. Pwr Plt Equip - Hawthorn 9	180,373		-	180,373	D1	54.684%	98,635
146		TOTAL PRODUCTION - HAWTHORN 9 COMBINED CYCL	$ 78,707,376	$ -	$ -	$ 78,707,376			$ 43,040,420
147		**PRODUCTION - NORTHEAST STATION**							
148	31100	Steam Prod - Structures - Elect - NE	-		-	-	D1	54.684%	-
149	31200	Stm Pr-Boiler Plt Equip-NE	-		-	-	D1	54.684%	-
150	31500	Accessory Equipment - NE			-	-	D1	54.684%	-
151	31600	Miscl. Plant Equipment - NE	-		-	-	D1	54.684%	-
152	34000	Other Production - Land NE	136,550		-	136,550	D1	54.684%	74,671
153	34100	Other Production - Structures NE	204,604		-	204,604	D1	54.684%	111,886
154	34200	Other Production - Fuel Holders NE	2,071,763		-	2,071,763	D1	54.684%	1,132,925
155	34400	Other Production - Generators NE	40,243,364		-	40,243,364	D1	54.684%	22,006,721
156	34500	Other Production - Accessory Equip - NE	7,240,490		-	7,240,490	D1	54.684%	3,959,397
157	34600	Other Prod -Misc Pwr Plat Equip -Elec	73,305		-	73,305	D1	54.684%	40,086
158		TOTAL PRODUCTION - NORTHEAST STATION	$ 49,970,076	$ -	$ -	$ 49,970,076			$ 27,325,686
159		**PRODUCTION-HAWTHORN 7 COMBUSTION TURBINE**							
160	34100	Other Prod- Structures- Electric	703,772		-	703,772	D1	54.684%	384,851
161	34200	Other Prod- Fuel Holders- Electric	2,867,642		-	2,867,642	D1	54.684%	1,568,144
162	34400	Other Prod- Generators- Electric	22,679,525		-	22,679,525	D1	54.684%	12,402,094
163	34500	Other Prod- Accessory Equip- Electric	2,250,259		-	2,250,259	D1	54.684%	1,230,534
164		TOTAL PROD-HAWTHORN 7 COMBUSTION TURBINES	$ 28,501,198	$ -	$ -	$ 28,501,198			$ 15,585,624
165		**PRODUCTION-HAWTHORN 8 COMBUSTION TURBINE**							
166	34100	Other Prod- Structures-Electric	84,765		-	84,765	D1	54.684%	46,353
167	34200	Other Prod- Fuel Holders-Electric	568,122		-	568,122	D1	54.684%	310,672
168	34400	Other Production-Generators-Electric	24,017,676		-	24,017,676	D1	54.684%	13,133,850
169	34500	Other Prod-Accessory Equip-Electric	1,433,269		-	1,433,269	D1	54.684%	783,770
170		TOTAL PROD-HAWTHORN 8 COMBUSTION TURBINES	$ 26,103,832	$ -	$ -	$ 26,103,832			$ 14,274,646
171		**PROD OTHER - WEST GARDNER 1, 2, 3 & 4**							
172	31100	Steam Production - Structures	-		-	-	D1	54.684%	-
173	31600	Miscl Plant Equip - Electric W. Gardner	-		-	-	D1	54.684%	-
174	34000	Other Prod - Land - W. Gardner	177,836		-	177,836	D1	54.684%	97,248
175	34001	Other Prod- Landrights & Easements	93,269		-	93,269	D1	54.684%	51,003
176	34100	Other Prod - Structures- W. Gardner	3,507,405		-	3,507,405	D1	54.684%	1,917,993
177	34200	Other Prod- Fuel Holders- W. Gardner	3,247,574		-	3,247,574	D1	54.684%	1,775,907
178	34400	Other Prod - Generators- W. Gardner	111,400,080		-	111,400,080	D1	54.684%	60,918,131
179	34500	Other Prod- Access Equip - W. Gardner	6,896,828		-	6,896,828	D1	54.684%	3,771,468
180	34600	Other Prod -Misc Pwr Plat Equip -Elec	14,380		-	14,380	D1	54.684%	7,864
181		TOTAL PROD OTHER - WEST GARDNER 1, 2, 3 & 4	$ 125,337,372	$ -	$ -	$ 125,337,372			$ 68,539,614
182		**PROD OTHER - MIAMI/OSAWATOMIE 1**							
183	31100	Steam Production - Structures			-	-	D1	54.684%	-
184	34000	Other Production - Land- Osawatomie	694,545		-	694,545	D1	54.684%	379,806
185	34100	Other Prod - Structures- Osawatomie	1,588,888		-	1,588,888	D1	54.684%	868,869
186	34200	Other Prod - Fuel Holders- Osawatomie	2,006,803		-	2,006,803	D1	54.684%	1,097,402
187	34400	Other Prod - Generators- Osawatomie	26,508,460		-	26,508,460	D1	54.684%	14,495,913
188	34500	Other Prod - Accessory Equip - Osawatomie	1,797,193		-	1,797,193	D1	54.684%	982,779
189		TOTAL PROD OTHER - MIAMI/OSAWATOMIE 1	$ 32,595,889	$ -	$ -	$ 32,695,889			$ 17,824,769
190		**TOTAL STEAM & CT's - PRODUCTON IN SVC**	$ 3,484,948,265	$ 6,743,349	$ 6,743,349	$ 3,490,691,614			$1,905,447,322
191		**NUCLEAR PRODUCTION**							
192	32000	Land & Land Rights - Wolf Creek	3,536,679		-	3,536,679	D1	54.684%	1,934,001
193	32100	Structures & Improvements-Wolf Creek	405,095,995		-	405,095,995	D1	54.684%	221,523,099
194	32101	Structures MO Gr Up AFC Ele	19,153,642		-	19,153,642	100% MO	100.000%	19,153,642
195	32200	Reactor Plant Equipment	699,219,178		-	699,219,178	D1	54.684%	382,361,715
196	32201	Reactor - MO Gr Up AFDC	48,216,928		-	48,216,928	100% MO	100.000%	48,216,928
197	32202	MO Juris deprec 40 to 60 yr EO-05-0359			-	-	D1	54.684%	-
198	32300	Turbogenerator Units - Wolf Creek	209,210,830		-	209,210,830	D1	54.684%	114,405,059
199	32301	Turbogenerator MO GR Up AFDC	4,331,914		-	4,331,914	100% MO	100.000%	4,331,914
200	32400	Accessory Electric Equipment - WC	130,100,661		-	130,100,661	D1	54.684%	71,144,376
201	32401	Accessory Equip - MO Gr Up AFDC	5,885,918		-	5,885,918	100% MO	100.000%	5,885,918
202	32500	Miscellaneous Power Plant Equipment	109,979,699		-	109,979,699	D1	54.684%	60,141,409
203	32501	Miscl. Plt Equip - MO Gr Up AFDC	1,073,460		-	1,073,460	100% MO	100.000%	1,073,460
204	32800	Disallow - MO Gr Up AFDC 100% MO	(8,016,886)		-	(8,016,886)	100% MO	100.000%	(8,016,886)
205	32801	MPSC Disallow - Mo Basis	(129,085,408)		-	(129,085,408)	D1	54.684%	(70,589,194)
206	32802	Wolf Creek Disallowance -MPSC -Not MO Juris	44,172,999	(44,172,999)	(44,172,999)	-	D1	54.684%	-
207	32803	Wolf Creek -MPSC Disallowance - 100% KS Basis	(117,099,717)	117,099,717	117,099,717	-	D1	54.684%	-
208	32804	Wolf Creek -KCC Disallowance - Not KS Juris	79,344,138	(79,344,138)	(79,344,138)	-	D1	54.684%	-
209	32805	Nucl PR-Dosa,-Pre 1988 res	(0)		-	(0)	D1	54.684%	(0)
210		TOTAL PROD PLT- NUCLEAR - WOLF CREEK	$ 1,505,120,030	$ (6,417,420)	$ (6,417,420)	$ 1,498,702,610			$ 851,565,441

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Total Plant in Service - Schedule 3

Line No.	Account No.	Description	Company Total Plant 12/31/2013	Adjustments RB-3 Plant Basis Diff	Total Adjustments	MO Basis Per Period DR27 For Juris Books Tot Co Plant	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
211		OTHER PRODUCTION							
212		PRODUCTION PLANT - WIND GEN-SPEARVILLE 1							
213	31600	St Pr-Misc Pwr Plt Equip- Elec	-		-	-	D1	54.684%	-
214	34102	Other Prod - Structures - Elect Wind	3,433,088		-	3,433,088	D1	54.684%	1,877,353
215	34402	Other Prod - Generators - Elect Wind	156,508,591		-	156,508,591	D1	54.684%	85,585,314
216	34415	Other Prod - Generators - Elect Wind -Add Amort -100% KS	-		-	-	100% KS	0.000%	-
217	34502	Other Prod-Accessory Equip-Wind	707,218		-	707,218	D1	54.684%	386,736
218	34602	Other Prod-Misc Pwr Plat Eq-Wind							
219		TOTAL PRODUCTION PLANT - WIND GENERATION	$ 160,648,897	$ -	$ -	$ 160,648,897			$ 87,849,403
220		PRODUCTION PLANT - WIND GEN-SPEARVILLE 2							
221	34102	Other Prod-Structures-Elect Wind	1,228,862		-	1,228,862	D1	54.684%	671,992
222	34402	Other Prod-Generators-Elect Wind	102,694,994		-	102,694,994	D1	54.684%	56,157,833
223	34502	Other Prod-Accessory Equipt-Elect Wind			-	-	D1	54.684%	-
224		TOTAL PROD PLANT-WIND GENERATN-SPEARVILLE 2	$ 103,923,856	$ -	$ -	$ 103,923,856			$ 56,829,825
225		PRODUCTION PLANT - SOLAR							
226	34400	Other Prod-Generators-Elect	905,964		-	905,964	D1	54.684%	495,418
227		TOTAL PROD PLANT - SOLAR	$ 905,964	$ -	$ -	$ 905,964			$ 495,418
228		GENERAL PLANT- BUILDINGS							
229	31000	Steam Prod- Land- Electric	-		-	-	D1	54.684%	-
230	31100	Steam Prod-Structures-Elec	9,321		-	9,321	D1	54.684%	5,097
231	31101	Steam Prod-Structures-Lshd Impr- P&M	332,244		-	332,244	D1	54.684%	181,685
232	31500	Steam Prod- Accessory Equip-Elec	19,598		-	19,598	D1	54.684%	10,717
233	31600	Steam Prod- Misc Power Plt Equip-Elec	21,004		-	21,004	D1	54.684%	11,486
234		TOTAL GENERAL PLANT- BUILDINGS	$ 382,167	$ -	$ -	$ 382,167			$ 208,985
235		GENERAL PLANT- GENERAL EQUIP/TOOLS							
236	31100	Steam Prod- Structures-Elec							
237	31200	Steam Prod- Boiler Plant Equip-Elec	-		-	-	D1	54.684%	-
238	31400	Steam Prod- Turbogenerator-Elec	-		-	-	D1	54.684%	-
239	31500	Steam Prod- Accessory Equip- Elec	-		-	-	D1	54.684%	-
240	31600	Steam Prod-Misc Power Plt Equip- Elec	26,371		-	26,371	D1	54.684%	14,421
			7,926,567		-	7,926,567	D1	54.684%	4,334,572
241		TOTAL GENERAL PLANT- GENERAL EQUIP/TOOLS	$ 7,952,938	$ -	$ -	$ 7,952,938	D1		$ 4,348,993
242		BULK OIL FACILITY NE							
243	31000	Steam Prod- Land- Electric	148,900		-	148,900	D1	54.684%	81,425
244	31100	Steam Prod-Structures-Electric	1,330,172		-	1,330,172	D1	54.684%	727,393
245	31200	Steam Prod- Boiler Plt Equip- Electric	609,766		-	609,766	D1	54.684%	333,445
246	31500	Steam Prod- Accessory Equip- Electric	24,947		-	24,947	D1	54.684%	13,642
247	31600	Steam Prod-Misc Pwr Plt Equip-Electric	195,243		-	195,243	D1	54.684%	106,767
248	34400	Other Prod-Generators-Electric	-		-	-	D1	54.684%	-
249		TOTAL BULK OIL FACILITY NE	$ 2,309,028	$ -	$ -	$ 2,309,028			$ 1,262,671
250		TOTAL OTHER PRODUCTION	$ 276,122,860	$ -	$ -	$ 276,122,860			$ 150,995,295
251		RETIREMENTS WORK IN PROGRESS-PROD							
252		Production-Salvage & Removal: Retirements not classified			-	-	D1	54.684%	-
253		TOTAL RETIREMENTS WORK IN PROGRESS-PROD	$ -	$ -	$ -	$ -			$ -
254		TOTAL PRODUCTION PLANT	$ 5,266,191,145	$ (674,071)	$ (674,071)	$ 5,265,517,074			$ 2,908,008,058
255		PRODUCTION PLANT SUMMARY							
256		TOTAL STEAM PRODUCTION PLANT	3,183,025,789	5,743,349	5,743,349	3,188,769,138			1,740,343,734
257		TOTAL NUCLEAR PRODUCTION PLANT	1,505,120,030	(6,417,420)	(6,417,420)	1,498,702,610			851,565,441
258		TOTAL OTHER PRODUCTION PLANT	578,045,326	-	-	578,045,326			316,098,884
259		RETIREMENTS WORK IN PROGRESS-PROD	-	-	-	-			-
260		TOTAL PRODUCTION PLANT	$ 5,266,191,145	$ (674,071)	$ (674,071)	$ 5,265,517,074			$ 2,908,008,058
261		TRANSMISSION PLANT							
262	35000	Land - Transmission Plant	1,584,661		$ -	$ 1,584,661	D1	54.684%	$ 866,558
263	35001	Land Rights - Transmission Plant	24,976,776		-	24,976,776	D1	54.684%	13,658,325
264	35002	Land Rights- TP- Wolf Creek	355		-	355	D1	54.684%	194
265	35200	Structures & Improvements - TP	5,516,849		-	5,516,849	D1	54.684%	3,016,839
266	35201	Structures & Improvements - TP - Wolf Creek	250,476		-	250,476	D1	54.684%	136,971
267	35202	Structures & Improvements-WlfCrk-Mo Gr Up	15,694		-	15,694	100% MO	100.000%	15,694
268	35300	Station Equipment - Transmission Plant	148,233,455	48	48	148,233,503	D1	54.684%	81,060,157
269	35301	Station Equipment - Wolf Creek -TP	11,222,806		-	11,222,806	D1	54.684%	6,137,090
270	35302	Station Equipment- WlfCrk Mo Gr Up	532,474		-	532,474	100% MO	100.000%	532,474
271	35303	Station Equipment - Communications	8,015,903		-	8,015,903	D1	54.684%	4,383,424
272	35315	Station Equip - Trans Plt Addl Amort 100%KS	-		-	-	100% KS	0.000%	-

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Total Plant In Service - Schedule 3

Line No.	Account No.	Description	Company Total Plant 12/31/2013	Adjustments RB-3 Plant Basis Diff	Total Adjustments	MO Basis Per Period DR27 For Juris Books Tot Co Plant	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
273	35400	Towers and Fixtures - Transmission Plant	4,287,911		-	4,287,911	D1	54.684%	2,344,806
274	35500	Poles and Fixtures - Transmission Plant	118,233,857		-	118,233,857	D1	54.684%	64,655,121
275	35501	Poles & Fixtures - Wolf Creek	58,255		-	58,255	D1	54.684%	31,856
276	35502	Poles & Fixtures - WfCrk Mo Gr Up	3,506		-	3,506	100% MO	100.000%	3,506
277	35600	Overhead Conductors & Devices - TP	102,028,853		-	102,028,853	D1	54.684%	55,793,560
278	35601	Overhead Conductors & Devices- Wlf Crk	39,418		-	39,418	D1	54.684%	21,555
279	35602	Ovehd Cond-Dev-Wlf Crk- Mo Gr Up	2,552		-	2,552	100% MO	100.000%	2,552
280	35700	Underground Conduit	3,648,880		-	3,648,880	D1	54.684%	1,995,357
281	35800	Underground Conductors & Devices	3,120,097		-	3,120,097	D1	54.684%	1,706,197
282		Transmission-Salvage & Removal : Retirements not classified	-		-	-	D1	54.684%	-
283		TOTAL TRANSMISSION PLANT	$ 431,772,778	$ 48	$ 48	$ 431,772,826			$ 238,362,236
284		DISTRIBUTION PLANT							
285	36000	Distribution Land Electric	8,167,469		$ -	$ 8,167,469	360L	43.710%	$ 3,570,009
286	36001	Distribution Depreciable Land Rights	16,589,190		-	16,589,190	360LR	58.331%	9,676,657
287	36100	Distribution Structures & Improvements	12,578,417		-	12,578,417	361	49.497%	6,225,914
288	36200	Distribution Station Equipment	191,546,089		-	191,546,089	362	59.495%	113,961,112
289	36203	Distribution Station Equipment-Communicatons	4,111,289		-	4,111,289	362Com	54.921%	2,257,945
290	36400	Distribution Poles, Tower, & Fixtures	289,349,912		-	289,349,912	364	54.620%	158,041,475
291	36500	Distribution Overhead Conductor	225,510,352		-	225,510,352	365	54.781%	123,535,924
292	36600	Distribution Underground Circuit	248,355,046		-	248,355,046	366	58.136%	144,382,944
293	36700	Distribution Underground Conductors	443,252,646		-	443,252,646	367	52.326%	231,935,050
294	36800	Distribution Line Transformers	269,824,398		-	269,824,398	368	57.680%	155,633,633
295	36900	Distribution Services	116,323,178		-	116,323,178	369	51.402%	59,792,440
296	37000	Distribution Meters Electric	97,124,142		-	97,124,142	370	53.802%	52,255,022
297	37100	Distribution Cust Prem Install	10,885,397		-	10,885,397	371	74.487%	8,108,164
298	37300	Distribution Street Light and Traffic Signal	35,956,923		-	35,956,923	373	33.296%	11,972,073
299		Distribution-Salvage & Removal: Retirements not classified	-		-	-	Dist Plt	54.903%	-
300		TOTAL DISTRIBUTION PLANT	$ 1,969,574,448	$ -	$ -	$ 1,969,574,448			$1,081,348,382
301		GENERAL PLANT							
302	38900	Land and Land Rights - General Plant	$ 2,884,805		$ -	$ 2,884,805	PTD	55.117%	$ 1,590,006
303	39000	Structures & Improvements - General Plant	73,905,260		-	73,905,260	PTD	55.117%	40,734,067
304	39003	Struct & Imprv - Leasehold (801 Char)	5,181,560		-	5,181,560	PTD	55.117%	2,855,900
305	39004	Struct & Imprv - Leasehold (Marshall)			-	-	PTD	55.117%	-
306	39005	Struct & Imprv - Leasehold (One KC Place)	28,939,944		-	28,939,944	PTD	55.117%	15,950,713
307	39100	Office Furniture & Equipment - Gen. Plt	9,357,861		-	9,357,861	PTD	55.117%	5,157,735
308	39101	Office Furniture & Equip - Wolf Creek	7,426,871		-	7,426,871	PTD	55.117%	4,093,439
309	39102	Office Furniture & Equip - Computer	12,962,397		-	12,962,397	PTD	55.117%	7,144,433
310	39110	Office Furniture & Equip - Gen Unrecover Res 100% KS	-		-	-	100% KS	0.000%	-
311	39111	Office Furniture & Equip - WC Unrecover Res 100% KS	-		-	-	100% KS	0.000%	-
312	39112	Office Furnit & Equip - Comp Unrecover Res 100% KS	-		-	-	100% KS	0.000%	-
313	39200	Transportation Equipment- Autos	681,512		-	681,512	PTD	55.117%	375,626
314	39201	Transportation Equipment- Light Trucks	9,001,618		-	9,001,618	PTD	55.117%	4,961,386
315	39202	Transportation Equipment - Heavy Trucks	36,909,877		-	36,909,877	PTD	55.117%	20,343,469
316	39203	Transportation Equipment - Tractors	584,061		-	584,061	PTD	55.117%	321,915
317	39204	Transportatiob Equipment - Trailers	1,896,045		-	1,896,045	PTD	55.117%	1,045,036
318	39300	Stores Equipment - General Plant	821,838		-	821,838	PTD	55.117%	452,969
319	39310	Stores Equip - Gen Unrecovered Res 100% KS	-		-	-	100% KS	0.000%	-
320	39400	Tools, Shop, & Garage Equipment-Gen. Plt	5,010,762		-	5,010,762	PTD	55.117%	2,761,762
321	39410	Tools, Shop, & Garage Equip -Gen Unrecov Res 100%KS	-		-	-	100% KS	0.000%	-
322	39500	Laboratory Equipment	6,796,213		-	6,796,213	PTD	55.117%	3,745,842
323	39510	Laboratory Equip -Unrecov Res 100% KS	-		-	-	100% KS	0.000%	-
324	39600	Power Operated Equipment - Gen. Plt	24,868,531		-	24,868,531	PTD	55.117%	13,706,689
325	39700	Communication Equipment - Gen. Plt	109,706,992		-	109,706,992	PTD	55.117%	60,466,764
326	39701	Communications Equip - Wolf Creek	143,389		-	143,389	PTD	55.117%	79,031
327	39702	Communication Equip - WfCrk Mo Gross Up	9,280		-	9,280	100% MO	100.000%	9,280
328	39710	Communication Equip - Unrecov Res 100%KS	-		-	-	100% KS	0.000%	-
329	39800	Miscellaneous Equipment - Gen. Plt	555,413		-	555,413	PTD	55.117%	306,125
330	39810	Miscellaneous Equip - Unrecov Res 100% KS	-		-	-	100% KS	0.000%	-
331		General Plant-Salvage & Removal: Retirements not classified	-		-	-	PTD	55.117%	-
332		TOTAL GENERAL PLANT	$ 337,644,229	$ -	$ -	$ 337,644,229			$ 186,102,184
333		TOTAL PLANT IN SERVICE	$ 8,247,717,439	$ (674,020)	$ (674,020)	$ 8,247,043,419			$4,543,674,644

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Expense - Schedule 5

TOTAL COMPANY - JURIS BASIS

Line No.	Account No.	Plant Account Description	Depr Expense Per FIN Books CS-12 Workpaper	Adj FIN Depr Exp to Juris Basis CS-12	Depr. Expense per Juris Books CS-12 Wkpaper	Juris Factor	Juris Allocation	Electric Jurisdictional Depr Exp
	A	B	C	E	C	D	D	E
1		INTANGIBLE PLANT						
2	30100	Organization	$ -	-	$ -	PTD	55.117%	-
3	30200	Franchises and Consents	-	-	-	100% MO	100.000%	-
4	30301	Miscellaneous Intangibles (Like 353)	24,406	2,644	27,050	D1	54.684%	14,792
5		Misc Intangible Plant-5-Year Software, excl Wolf Creek		-	-			
6	30302	Customer Related	3,820,966	-	3,820,966	C2	52.702%	2,013,722
7	30302	Energy Related	635,892	-	635,892	E1	57.402%	365,016
8	30302	Demand Related	2,774,542	-	2,774,542	D1	54.684%	1,517,233
9	30302	Corporate Software	2,398,816	-	2,398,816	Sal&Wg	54.722%	1,312,678
10	30302	Transmission Related	72,037	-	72,037	D1	54.684%	39,393
11	30304	Miscl Intang Plt - Communications Equip (Like 397)	-	-	-	PTD	55.117%	-
12		Miscl Intangible Plt - 10 yr Software		-	-			
13	30303	Customer Related	409,530	-	409,530	C2	52.702%	215,830
14	30303	Energy Related	1,112,600	-	1,112,600	E1	57.402%	638,657
15	30303	Corporate Software	1,130,056	-	1,130,056	Sal&Wg	54.722%	618,388
16	30305	Miscl Intang Plt - WC 5yr Software	1,687,818	-	1,687,818	D1	54.684%	922,968
17	30307	Miscl Intg Plt-Srct (Like 312)	966	35	1,001	D1	54.684%	547
18	30308	Miscl Intang Trans Line (Like 355)	129,630	10,511	140,141	D1	54.684%	76,635
19	30309	Miscl Intang Trans Ln MINT Line	2,543		2,543	D1	54.684%	1,391
20	30310	Miscl Intang-Iatan Hwy & Bridge	62,929	5,190	68,119	D1	54.684%	37,250
21		TOTAL PLANT INTANGIBLE	14,262,731	18,380	14,281,111			7,774,500
22		PRODUCTION PLANT						
23		STEAM PRODUCTION						
24		PRODUCTION-STM-HAWTHORN UNIT 5						
25	31000	Land & Land Rights				D1	54.684%	-
26	31100	Structures & Improvements				D1	54.684%	-
27	31102	Structures - Hawthorn 5 Rebuild				D1	54.684%	-
28	31200	Boiler Plant Equipment				D1	54.684%	-
29	31201	Stm Pr-Boiler-Unit Train-Elect-Hawthorn				D1	54.684%	-
30	31202	Boiler AQC Equipment - Electric				D1	54.684%	-
31	31203	Boiler Plant - Haw. 5 Rebuild				D1	54.684%	-
32	31400	Turbogenerator Units				D1	54.684%	-
33	31500	Accessory Electric Equipment				D1	54.684%	-
34	31501	Accessory Equip - Hawthorn 5 Rebuild				D1	54.684%	-
35	31600	Misc. Power Plant Equipment				D1	54.684%	-
36	31601	Misc. Equip - Hawthorn 5 Rebuild				D1	54.684%	-
37		TOTAL PRODUCTION-STM-HAWTHORN UNIT 5	-	-	-			-
38		PRODUCTION-IATAN 1						
39	31000	Steam Production- Land- Electric				D1	54.684%	-
40	31100	Steam Production-Structures-Electric				D1	54.684%	-
41	31115	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
42	31200	Steam Prod-Boiler Plant Equip-Electric				D1	54.684%	-
43	31201	Steam Production- Unit Trains- Electric				D1	54.684%	-
44	31205	Steam Prod-Boiler Plt Eq-Elec-Iat 1 MO Juris Disallow				100% MO	100.000%	-
45	31213	Steam Prod-Boiler Plt Eq-Elec-Iat 1 KS Juris Disallow				100% KS	0.000%	-
46	31215	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
47	31400	Steam Prod- Turbogenerator-Electric				D1	54.684%	-
48	31500	Steam Prod-Accessory Equipment-Elec				D1	54.684%	-
49	31505	Steam Prod-Accessory Eq-El-Iat 1 MO Juris Disallow				100% MO	100.000%	-
50	31600	Steam Prod-Misc Pwr Plt Equip-Elec				D1	54.684%	-
51	31605	Steam Prod-Misc Pwr Plt Eq-El-Iat 1 MO Juris Disallow				100% MO	100.000%	-
52		TOTAL PRODUCTION-IATAN 1	-	-	-			-
53		PRODUCTION-IATAN COMMON						
54	31100	Steam Prod- Structures-Electric				D1	54.684%	-
55	31115	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
56	31200	Steam Prod- Turbogenerators- Elec				D1	54.684%	-
57	31201	Steam Production- Unit Trains- Electric				D1	54.684%	-
58	31213	Steam Prod- Ks Juris Disallowance				100% KS	0.000%	-
59	31215	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
60	31400	Steam Prod- Boiler Plant Equip- Elec				D1	54.684%	-
61	31415	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
62	31500	Steam Prod-Accessory Equip- Elec				D1	54.684%	-
63	31515	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
64	31600	Steam Prod-Misc Pwr Plt Equip- Elec				D1	54.684%	-
65		TOTAL PRODUCTION-IATAN COMMON	-	-	-			-
66		PRODUCTION- IATAN 2						
67	31000	Steam Prod- Land- Iatan 2				D1	54.684%	-
68	31104	Steam Prod- Structures- Iatan 2				D1	54.684%	-
69	31106	Steam Prod- Structures- Iatan 2 - MO Juris Disallow				100% MO	100.000%	-
70	31115	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
71	31199	Reg Plan-EO-2005-0329-Cum Addl Amort				100% MO	100.000%	-
72	31200	Steam Prod-Boiler Plant				D1	54.684%	

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Expense - Schedule 5

TOTAL COMPANY - JURIS BASIS

Line No.	Account No.	Plant Account Description	Depr Expense Per FIN Books CS-12 Workpaper	Adj FIN Depr Exp to Juris Basis CS-12	Depr. Expense per Juris Books CS-12 Wkpaper	Juris Factor	Juris Allocation	Electric Jurisdictional Depr Exp
73	31201	Steam Prod-Unit Trains- Iatan 2				D1	54.684%	
74	31202	Steam Prod-AQC- Iatan 2				N/A	0.00%	-
75	31204	Steam Prod-Boiler Plant Equip- Iatan 2				D1	54.684%	-
76	31206	Steam Prod-Boiler Plant Equip- Iatan 2-MO Juris Disallow				100% MO	100.000%	-
77	31214	Steam Prod-Boiler Plant Equip- Iatan 2 -KS Juris Disallow				100% KS	0.000%	-
78	31215	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
79	31299	Reg Plan-EO-2005-0329-Cum Addl Amort				100% MO	100.000%	-
80	31404	Steam Prod-Turbogenerator- Iatan 2				D1	54.684%	-
81	31406	Steam Prod-Turbogenerator- Iat 2-MO Juris Disallow				100% MO	100.000%	-
82	31415	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
83	31499	Reg Plan-EO-2005-0329-Cum Addl Amort				100% MO	100.000%	-
84	31504	Steam Prod- Accessory Equip- Iatan 2				D1	54.684%	-
85	31506	Steam Prod-Accessory Equip- Iat 2-MO Juris Disallow				100% MO	100.000%	-
86	31515	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
87	31599	Reg Plan-EO-2005-0329-Cum Addl Amort				100% MO	100.000%	-
88	31604	Steam Prod- Misc Power Plant Equip- Iatan 2				D1	54.684%	-
89	31606	Steam Prod- Misc Pwr Plt Eq-Iat 2-MO Juris Disallow				100% MO	100.000%	-
90	31615	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
91	31699	Reg Plan-EO-2005-0329-Cum Addl Amort				100% MO	100.000%	-
92		TOTAL PRODUCTION- IATAN 2	-	-	-			-
93		**LACYGNE COMMON PLANT**						
94	31000	Stm Pr-Land-LaCygne-Common				D1	54.684%	-
95	31100	Stm Pr-Structures-LaCygne-Common				D1	54.684%	-
96	31200	Stm Pr-Boiler Plt-LaCygne-Common				D1	54.684%	-
97	31201	Stm Pr-Boiler-Unit Train-LaCygne-Common				D1	54.684%	-
98	31202	Stm Pr-Boiler-AQC Equip-La Cygne-Common				D1	54.684%	-
99	31400	Stm Pr-Turbogenerator-LaCygne-Common				D1	54.684%	-
100	31500	Stm Pr-Acc. Equip-LaCygne-Common				D1	54.684%	-
101	31502	Stm Pr-Acc. Equip.-Comp.				D1	54.684%	-
102	31600	Stm Pr-Misc. Pwr Plt				D1	54.684%	-
103		TOTAL LACYGNE COMMON PLANT	-	-	-			-
104		**PRODUCTION-STM-LACYGNE 1**						
105	31000	Land-LaCygne 1				D1	54.684%	-
106	31100	Structures-LaCygne 1				D1	54.684%	-
107	31200	Boiler Plt Equip-LaCygne 1				D1	54.684%	-
108	31202	Boiler AQC Equip.-LaCygne 1				D1	54.684%	-
109	31215	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
110	31400	Turbogenerator-LaCygne 1				D1	54.684%	-
111	31500	Acc. Equip-LaCygne 1				D1	54.684%	-
112	31600	Misc. Pwr Plt Equip.-LaCygne 1				D1	54.684%	-
113		TOTAL PRODUCTION-STM-LACYGNE 1	-	-	-			-
114		**PRODUCTION-STM-LACYGNE 2**						
115	31100	Structures- LaCygne 2				D1	54.684%	-
116	31200	Boiler Plt Equip.-LaCygne 2				D1	54.684%	-
117	31201	Boiler-Unit Train-LaCygne 2				D1	54.684%	-
118	31202	Boiler AQC Equip-LaCygne 2				D1	54.684%	-
119	31400	Turbogenerator- LaCygne 2				D1	54.684%	-
120	31500	Accessory Equip.-LaCygne 2				D1	54.684%	-
121	31600	Misc. Pwr Plt Equip.-LaCygne 2				D1	54.684%	-
122		TOTAL PRODUCTION-STM-LACYGNE 2	-	-	-			-
123		**PRODUCTION STM-MONTROSE 1, 2 & 3**						
124	31000	Land- Montrose				D1	54.684%	-
125	31100	Structures - Electric - Montrose				D1	54.684%	-
126	31200	Boiler Plant Equipment - Equipment- Montrose				D1	54.684%	-
127	31201	Stm Pr-Boiler-Unit Train- Elect- Montrose				D1	54.684%	-
128	31400	Turbogenerators- Electric- Montrose				D1	54.684%	-
129	31500	Accessory Equipment- Electric - Montrose				D1	54.684%	-
130	31600	Miscl. Plant Equipment- Electric- Montrose				D1	54.684%	-
131		TOTAL PRODUCTION STM-MONTROSE 1, 2 & 3	-	-	-			-
132		**PRODUCTION- HAWTHORN 6 COMBINED CYCL**						
133	31100	Structures - Hawthorn 6				D1	54.684%	-
134	31500	Accessory Equip- Hawthorn 6				D1	54.684%	-
135	34100	Other Prod - Structures Hawthorn 6				D1	54.684%	-
136	34200	Other Production- Fuel Holders				D1	54.684%	-
137	34400	Other Prod - Generators Hawthorn 6				D1	54.684%	-
138	34500	Other Prod - Accessory Equip - Haw. 6				D1	54.684%	-
139		TOTAL PRODUCTION- HAWTHORN 6 COMBINED CYCL	-	-	-			-
140		**PRODUCTION - HAWTHORN 9 COMBINED CYCL**						
141	31100	Structures and Improvements - Haw. 9				D1	54.684%	-
142	31200	Boiler Plant Equip - Hawthorn 9				D1	54.684%	-
143	31400	Turbogenerators - Hawthorn 9				D1	54.684%	-

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Expense - Schedule 5

TOTAL COMPANY - JURIS BASIS

Line No.	Account No.	Plant Account Description	Depr Expense Per FIN Books CS-12 Workpaper	Adj FIN Depr Exp to Juris Basis CS-12	Depr. Expense per Juris Books CS-12 Wkpaper	Juris Factor	Juris Allocation	Electric Jurisdictional Depr Exp
144	31500	Accessory Equipment - Hawthorn 9				D1	54.684%	-
145	31600	Miscl. Pwr Plt Equip - Hawthorn 9				D1	54.684%	-
146		TOTAL PRODUCTION - HAWTHORN 9 COMBINED CYCL	-	-	-			-
147		PRODUCTION - NORTHEAST STATION						
148	31100	Steam Prod - Structures - Elect - NE				D1	54.684%	-
149	31200	Stm Pr-Boiler Plt Equip-NE				D1	54.684%	-
150	31500	Accessory Equipment - NE				D1	54.684%	-
151	31600	Miscl. Plant Equipment - NE				D1	54.684%	-
152	34000	Other Production - Land NE				D1	54.684%	-
153	34100	Other Production - Structures NE				D1	54.684%	-
154	34200	Other Production - Fuel Holders NE				D1	54.684%	-
155	34400	Other Production - Generators NE				D1	54.684%	-
156	34500	Other Production - Accessory Equip - NE				D1	54.684%	-
157	34600	Other Prod -Misc Pwr Plat Equip -Elec				D1	54.684%	-
158		TOTAL PRODUCTION - NORTHEAST STATION	-	-	-			-
159		PRODUCTION-HAWTHORN 7 COMBUSTION TURBINE						
160	34100	Other Prod- Structures- Electric				D1	54.684%	-
161	34200	Other Prod- Fuel Holders- Electric				D1	54.684%	-
162	34400	Other Prod- Generators- Electric				D1	54.684%	-
163	34500	Other Prod- Accessory Equip- Electric				D1	54.684%	-
164		TOTAL PROD-HAWTHORN 7 COMBUSTION TURBINES	-	-	-			-
165		PRODUCTION-HAWTHORN 8 COMBUSTION TURBINE						
166	34100	Other Prod- Structures-Electric				D1	54.684%	-
167	34200	Other Prod- Fuel Holders-Electric				D1	54.684%	-
168	34400	Other Production-Generators-Electric				D1	54.684%	-
169	34500	Other Prod-Accessory Equip-Electric				D1	54.684%	-
170		TOTAL PROD-HAWTHORN 8 COMBUSTION TURBINES	-	-	-			-
171		PROD OTHER - WEST GARDNER 1, 2, 3 & 4						
172	31100	Steam Production - Structures				D1	54.684%	-
173	31600	Miscl Plant Equip - Electric W. Gardner				D1	54.684%	-
174	34000	Other Prod - Land - W. Gardner				D1	54.684%	-
175	34001	Other Prod- Landrights & Easements				D1	54.684%	-
176	34100	Other Prod - Structures- W. Gardner				D1	54.684%	-
177	34200	Other Prod- Fuel Holders- W. Gardner				D1	54.684%	-
178	34400	Other Prod - Generators- W. Gardner				D1	54.684%	-
179	34500	Other Prod- Access Equip - W. Gardner				D1	54.684%	-
180	34600	Other Prod -Misc Pwr Plat Equip -Elec				D1	54.684%	-
181		TOTAL PROD OTHER - WEST GARDNER 1, 2, 3 & 4	-	-	-			-
182		PROD OTHER - MIAMI/OSAWATOMIE 1						
183	31100	Steam Production - Structures				D1	54.684%	-
184	34000	Other Production - Land- Osawatomie				D1	54.684%	-
185	34100	Other Prod - Structures- Osawatomie				D1	54.684%	-
186	34200	Other Prod - Fuel Holders- Osawatomie				D1	54.684%	-
187	34400	Other Prod - Generators- Osawatomie				D1	54.684%	-
188	34500	Other Prod - Accessory Equip - Osawatomie				D1	54.684%	-
189		TOTAL PROD OTHER - MIAMI/OSAWATOMIE 1	-	-	-			-
190		TOTAL STEAM & CT's - PRODUCTON IN SVC	-	-	-			-
191	NUCLEAR PRODUCTION							
192	32000	Land & Land Rights - Wolf Creek				D1	54.684%	-
193	32100	Structures & Improvements-Wolf Creek				D1	54.684%	-
194	32101	Structures MO Gr Up AFC Ele				100% MO	100.000%	-
195	32200	Reactor Plant Equipment				D1	54.684%	-
196	32201	Reactor - MO Gr Up AFDC				100% MO	100.000%	-
197	32202	MO Juris deprec 40 to 60 yr EO-05-0359				D1	54.684%	-
198	32300	Turbogenerator Units - Wolf Creek				D1	54.684%	-
199	32301	Turbogenerator MO GR Up AFDC				100% MO	100.000%	-
200	32400	Accessory Electric Equipment - WC				D1	54.684%	-
201	32401	Accessory Equip - MO Gr Up AFDC				100% MO	100.000%	-
202	32500	Miscellaneous Power Plant Equipment				D1	54.684%	-
203	32501	Miscl. Plt Equip - MO Gr Up AFDC				100% MO	100.000%	-
204	32800	Disallow - MO Gr Up AFDC 100% MO				100% MO	100.000%	-
205	32801	MPSC Disallow - Mo Basis				D1	54.684%	-
206	32802	Wolf Creek Disallowance -MPSC -Not MO Juris				D1	54.684%	-
207	32803	Wolf Creek -MPSC Disallowance - 100% KS Basis				D1	54.684%	-
208	32804	Wolf Creek -KCC Disallowance - Not KS Juris				D1	54.684%	-
209	32805	Nucl PR-Dosa;-Pre 1988 res				D1	54.684%	-
210		TOTAL PROD PLT- NUCLEAR - WOLF CREEK	-	-	-			-
211	OTHER PRODUCTION							

Depreciation Expense - Schedule 5

Line No.	Account No.	Plant Account Description	Depr Expense Per FIN Books CS-12 Workpaper (TOTAL COMPANY - JURIS BASIS)	Adj FIN Depr Exp to Juris Basis CS-12	Depr. Expense per Juris Books CS-12 Wkpaper	Juris Factor	Juris Allocation	Electric Jurisdictional Depr Exp
212		**PRODUCTION PLANT - WIND GEN-SPEARVILLE 1**						
213	31600	St Pr-Misc Pwr Plt Equip- Elec				D1	54.684%	-
214	34102	Other Prod - Structures - Elect Wind				D1	54.684%	-
215	34402	Other Prod - Generators - Elect Wind				D1	54.684%	-
216	34415	Regulatory Plan -KS Addl Amort				100% KS	0.000%	-
217	34502	Other Prod-Accessory Equip-Wind				D1	54.684%	-
218	34602	Other Prod-Misc Pwr Plat Eq-Wind				D1	54.684%	-
219		TOTAL PRODUCTION PLANT - WIND GENERATION	-	-	-			-
220		**PRODUCTION PLANT - WIND GEN-SPEARVILLE 2**						
221	34102	Other Prod-Structures-Elect Wind				D1	54.684%	-
222	34402	Other Prod-Generators-Elect Wind				D1	54.684%	-
223	34502	Other Prod-Accessory Equipt-Elect Wind				D1	54.684%	-
224		TOTAL PROD PLANT-WIND GENERATN-SPEARVILLE 2	-	-	-			-
225		**PRODUCTION PLANT - SOLAR**						
226	34400	Other Prod-Accessory Equipt - Solar -Elect				D1	54.684%	-
227		TOTAL PROD PLANT - SOLAR	-	-	-			-
228		**GENERAL PLANT- BUILDINGS**						
229	31000	Steam Prod- Land- Electric				D1	54.684%	-
230	31100	Steam Prod-Structures-Elec				D1	54.684%	-
231	31101	Steam Prod-Structures-Lshd Impr- P&M				D1	54.684%	-
232	31500	Steam Prod- Accessory Equip-Elec				D1	54.684%	-
233	31600	Steam Prod- Misc Power Plt Equip-Elec				D1	54.684%	-
234		TOTAL GENERAL PLANT- BUILDINGS	-	-	-			-
235		**GENERAL PLANT- GENERAL EQUIP/TOOLS**						
236	31100	Steam Prod- Structures-Elec				D1	54.684%	-
237	31200	Steam Prod- Boiler Plant Equip-Elec				D1	54.684%	-
238	31400	Steam Prod- Turbogenerator-Elec				D1	54.684%	-
239	31500	Steam Prod- Accessory Equip- Elec				D1	54.684%	-
240	31600	Steam Prod-Misc Power Plt Equip- Elec				D1	54.684%	-
241		TOTAL GENERAL PLANT- GENERAL EQUIP/TOOLS	-	-	-			-
242		**BULK OIL FACILITY NE**						
243	31000	Steam Prod- Land- Electric				D1	54.684%	-
244	31100	Steam Prod-Structures-Electric				D1	54.684%	-
245	31200	Steam Prod- Boiler Plt Equip- Electric				D1	54.684%	-
246	31500	Steam Prod- Accessory Equip- Electric				D1	54.684%	-
247	31600	Steam Prod-Misc Pwr Plt Equip-Electric				D1	54.684%	-
248	34400	Other Prod-Generators-Electric				D1	54.684%	-
249		TOTAL BULK OIL FACILITY NE	-	-	-			-
250		**TOTAL OTHER PRODUCTION**	-	-	-			-
251	**Recorded Depreciation Expense -Production Plant Account**							
252	31000	Sm Pr-Land	-	-	-	D1	54.684%	-
253	31100	Stm Pr-Structures-Elec	4,632,559	1,125,318	5,757,877	D1	54.684%	3,148,643
254	31101	Stm Pr-Struc-Lshd Impr-P&M	17,322	-	17,322	D1	54.684%	9,472
255	31102	Stm Pr-Struc-H5 Rebuild	77,632	30,339	107,971	D1	54.684%	59,043
256	31104	Stm Pr-Structure Iatan 2-Elec	1,491,349	(109,098)	1,382,251	D1	54.684%	755,872
257	31199	Reg Plan-EO-2005-0329-Cum Addl Amort	-	-	-	100% MO	100.000%	-
258	31200	Stm Pr-Boiler Plt Equip-Elec	32,288,693	1,205,627	33,494,320	D1	54.684%	18,316,067
259	31201	Stm Pr-Boiler-Unit Train-Elec	631,316	12,543	643,859	D1	54.684%	352,088
260	31202	Stm Pr-Boiler AQC Equip-Elec	23,525	(23,525)	-	D1	54.684%	-
261	31203	Stm Pr-Boiler-H5 Rebuild	2,153,317	532,780	2,686,097	D1	54.684%	1,468,868
262	31204	Stm Pr-Boiler Iatan 2-Elec	11,499,161	(1,202,304)	10,296,857	D1	54.684%	5,630,744
263	31299	Regulatory Plan-EO-2005-0329-Cum Addl Amort				100% KS	0.000%	
264	31400	Stm Pr-Turbogenerator-Elec	7,445,391	1,127,295	8,572,686	D1	54.684%	4,687,896
265	31404	Stm Pr-Turbogen Iatan 2-Elec	3,844,574	(269,727)	3,574,847	D1	54.684%	1,954,873
266	31499	Regulatory Plan-EO-2005-0329-Cum Addl Amort				100% MO	100.000%	
267	31500	Stm Pr-Accessory Equip-Elec	5,392,458	931,425	6,323,883	D1	54.684%	3,458,159
268	31501	Stm Pr-Acc-H5 Rebuild	378,211	47,276	425,487	D1	54.684%	232,674
269	31502	Stm Pr-Accessory Equip-Comp	295	259	554	D1	54.684%	303
270	31504	Stm Pr-Accessory Iatan 2-Elec	1,003,472	(50,164)	953,308	D1	54.684%	521,308
271	31599	Regulatory Plan-EO-2005-0329-Cum Addl Amort	-	-	-	100% MO	100.000%	-
272	31600	St Pr-Misc Pwr Plt Equip-Elec	968,350	(40,859)	927,491	D1	54.684%	507,190
273	31601	St Pr-Misc Eq-H5 Rebuild	13,600	692	14,292	D1	54.684%	7,815
274	31604	St Pr-MiscPwr Eq Iatan 2-Elec	48,917	4,172	53,089	D1	54.684%	29,031
275	31699	Regulatory Plan-EO-2005-0329-Cum Addl Amort	-	-	-	100% MO	100.000%	-
276	32100	Nucl Pr-Struct & Improv-Elec	5,868,258	121,412	5,989,670	D1	54.684%	3,275,397
277	32101	Nucl Pr-Struc-MO Gr Up AFC-EI	283,478	-	283,478	100% MO	100.000%	283,478
278	32200	Nucl Pr-Reactor Plt Eq-Elec	10,625,096	(1,069,900)	9,555,196	D1	54.684%	5,225,173
279	32201	Nucl Pr-React-MO Gr Up AFDC	771,730	-	771,730	100% MO	100.000%	771,730
280	32202	Nucl Pr-MO Jurisdictional-WC 40to 60-year life	-	-	-	D1	54.684%	-
281	32300	Nucl Pr-Turbine/Generato-Elec	3,935,038	(374,765)	3,560,273	D1	54.684%	1,946,903

TOTAL COMPANY - JURIS BASIS

Depreciation Expense - Schedule 5

Line No.	Account No.	Plant Account Description	Depr Expense Per FIN Books CS-12 Workpaper	Adj FIN Depr Exp to Juris Basis CS-12	Depr. Expense per Juris Books CS-12 Wkpaper	Juris Factor	Juris Allocation	Electric Jurisdictional Depr Exp
282	32301	Nucl Pr-Tur/Gen-MO Gr Up AFC	76,549	-	76,549	100% MO	100.000%	76,549
283	32400	Nucl Pr-Accessory Equip-Elec	2,598,608	129,284	2,727,892	D1	54.684%	1,491,723
284	32401	Nucl Pr-Acce Eq-MO Gr Up AFDC	124,702	-	124,702	100% MO	100.000%	124,702
285	32500	Nucl Pr-Misc Pwr Plt Eq-Elec	2,338,530	317,242	2,655,772	D1	54.684%	1,452,265
286	32501	Nucl Pr-Misc Eq-MO Gr Up AFDC	31,452	-	31,452	100% MO	100.000%	31,452
287	32800	Nucl Pr-Disall-Mo Gr Up AFDC	(128,754)	-	(128,754)	100% MO	100.000%	(128,754)
288	32801	Nucl Pr-MPSC Disall-100% MO basis	(2,073,159)	-	(2,073,159)	D1	54.684%	(1,133,688)
289	32802	Wolf Creek Disallowance -MPSC -Not MO Juris	709,435	(709,435)	-	D1	54.684%	-
290	32803	Wolf Creek -MPSC Disallowance - 100% KS Basis	(2,315,568)	2,315,568	-	D1	54.684%	-
291	32804	Wolf Creek -KCC Disallowance - Not KS Juris	1,568,975	(1,568,975)	-	D1	54.684%	-
292	32805	Nucl Pr-Disal-Pre 1988 Res	-	-	-	D1	54.684%	-
293	34000	Oth Prod-Land-Elec-CT's	-	-	-	D1	54.684%	-
294	34001	Oth Prod-LandRights-Easements-CT's	588	522	1,110	D1	54.684%	607
295	34100	Oth Prod-Structures-Elec-CT's	164,284	13,690	177,974	D1	54.684%	97,323
296	34102	Oth Prod-Struct-Elec-Wind	236,827	(3,729)	233,098	D1	54.684%	127,466
297	34200	Oth Prod-Fuel Holders-Elec-CT's	341,423	31,679	373,102	D1	54.684%	204,027
298	34400	Oth Prod-Generators-Elec-CT's	8,851,098	733,067	9,584,165	D1	54.684%	5,241,014
299	34402	Oth Prod-Generators-Elec-Wind	12,703,672	232,857	12,936,529	D1	54.684%	7,074,224
300	34500	Oth Prod-Accessory Equip-Elec-CT's	467,172	8,773	475,945	D1	54.684%	260,266
301	34502	Oth Prod-Accesry Eq-Elec-Wind	15,601	(743)	14,858	D1	54.684%	8,125
302	34600	Oth Prod-Misc Pwr Plt Equip-Elec-CT's	2,297	(448)	1,849	D1	54.684%	1,011
303	34602	Oth Prod-Misc Pwr Plt Eq-Wind	-	-	-	D1	54.684%	-
304		Change in Retirement Work in Progress						
305		TOTAL PROJ ADDS NET OF RETIRES-STEAM & CT'S	119,107,474	3,498,148	122,605,622			67,571,063
306		**RETIREMENTS WORK IN PROGRESS-PROD**						
307		Production-Salvage & Removal: Retirements not classified				D1	54.684%	-
308		TOTAL RETIREMENTS WORK IN PROGRESS-PROD						-
309		**TOTAL PRODUCTION PLANT**	119,107,474	3,498,148	122,605,622			67,571,063
310	**PRODUCTION PLANT SUMMARY**							
311		TOTAL STEAM PRODUCTION PLANT	71,910,142	3,322,049	75,232,191			41,140,047
312		TOTAL NUCLEAR PRODUCTION PLANT	24,414,370	(839,569)	23,574,801			13,416,950
313		TOTAL OTHER PRODUCTION PLANT	22,782,962	1,015,668	23,798,630			13,014,067
314		RETIREMENTS WORK IN PROGRESS-PROD						0
315		**TOTAL PRODUCTION PLANT**	119,107,474	3,498,148	122,605,622			67,571,063
316	**TRANSMISSION PLANT**							
317	35000	Land - Transmission Plant	-	-	-	D1	54.684%	-
318	35001	Land Rights - Transmission Plant	157,354	139,870	297,224	D1	54.684%	162,534
319	35002	Land Rights- TP- Wolf Creek	2	2	4	D1	54.684%	2
320	35200	Structures & Improvements - TP	92,580	13,148	105,728	D1	54.684%	57,816
321	35201	Structures & Improvements - TP - Wolf Creek	4,233	601	4,834	D1	54.684%	2,643
322	35202	Structures & Improvements-WlfCrk-Mo Gr Up	303	-	303	100% MO	100.000%	303
323	35300	Station Equipment - Transmission Plant	1,947,490	214,797	2,162,287	D1	54.684%	1,182,427
324	35301	Station Equipment - Wolf Creek -TP	134,339	14,817	149,156	D1	54.684%	81,565
325	35302	Station Equipment- WlfCrk Mo Gr Up	8,062	-	8,062	100% MO	100.000%	8,062
326	35303	Station Equipment - Communications	1,406,615	(422,142)	984,473	D1	54.684%	538,350
327	35315	Station Equip. - Trans. Plt - KS Addl Amort	-	-	-	100% KS	0.000%	-
328	35400	Towers and Fixtures - Transmission Plant	29,158	8,147	37,305	D1	54.684%	20,400
329	35500	Poles and Fixtures - Transmission Plant	2,576,405	208,898	2,785,303	D1	54.684%	1,523,118
330	35501	Poles & Fixtures - Wolf Creek	1,293	105	1,398	D1	54.684%	764
331	35502	Poles & Fixtures - WlfCrk Mo Gr Up	84	-	84	100% MO	100.000%	84
332	35600	Overhead Conductors & Devices - TP	1,063,175	661,977	1,725,152	D1	54.684%	943,384
333	35601	Overhead Conductors & Devices- Wlf Crk	418	260	678	D1	54.684%	371
334	35602	Ovehd Cond-Dev-Wlf Crk- Mo Gr Up	44	-	44	100% MO	100.000%	44
335	35700	Underground Conduit	44,881	12,041	56,922	D1	54.684%	31,127
336	35800	Underground Conductors & Devices	44,617	(15,912)	28,705	D1	54.684%	15,697
337		Transmission-Salvage & Removal : Retirements not classified				D1	54.684%	-
338		**TOTAL TRANSMISSION PLANT**	7,511,053	836,609	8,347,662			4,568,693
339	**DISTRIBUTION PLANT**							
340	36000	Distribution Land Electric	-	-	-	360L	43.710%	-
341	36001	Distribution Depreciable Land Rights	210,683	149,302	359,985	360LR	58.331%	209,983
342	36100	Distribution Structures & Improvements	211,872	(21,313)	190,559	361	49.497%	94,321
343	36200	Distribution Station Equipment	3,329,804	236,543	3,566,347	362	59.495%	2,121,812
344	36203	Distribution Station Equipment-Communicatons	677,375	(168,224)	509,151	362Com	54.921%	279,629
345	36400	Distribution Poles, Tower, & Fixtures	8,416,343	1,122,179	9,538,522	364	54.620%	5,209,893
346	36500	Distribution Overhead Conductor	5,224,653	199,245	5,423,898	365	54.781%	2,971,244
347	36600	Distribution Underground Circuit	4,507,607	1,900,505	6,408,112	366	58.136%	3,725,401
348	36700	Distribution Underground Conductors	7,123,364	2,622,097	9,745,461	367	52.326%	5,099,381
349	36800	Distribution Line Transformers	4,585,405	503,600	5,089,005	368	57.660%	2,935,318
350	36900	Distribution Services	5,491,184	(301,344)	5,189,820	369	51.402%	2,667,671
351	37000	Distribution Meters Electric	1,425,331	(306,111)	1,119,220	370	53.802%	602,166
352	37100	Distribution Cust Prem Install	90,038	31,085	121,123	371	74.487%	90,221

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Expense - Schedule 5

TOTAL COMPANY - JURIS BASIS

Line No.	Account No.	Plant Account Description	Depr Expense Per FIN Books CS-12 Workpaper	Adj FIN Depr Exp to Juris Basis CS-12	Depr. Expense per Juris Books CS-12 Wkpaper	Juris Factor	Juris Allocation	Electric Jurisdictional Depr Exp
353	37300	Distribution Street Light and Traffic Signal	1,841,209	(117,202)	1,724,007	373	33.296%	574,018
354		Distribution-Salvage and Removal: Retirements not classified				Dist Plt	54.903%	-
355		TOTAL DISTRIBUTION PLANT	43,134,848	5,850,362	48,985,210			26,581,058
356		GENERAL PLANT						
357	38900	Land and Land Rights - General Plant	-	-	-	PTD	55.117%	-
358	39000	Structures & Improvements - General Plant	1,956,129	(94,534)	1,861,595	PTD	55.117%	1,026,048
359	39003	Struct & Imprv - Leasehold (801 Char)	298,386	-	298,386	PTD	55.117%	164,460
360	39004	Struct & Imprv - Leasehold (Marshall)	-	-	-	PTD	55.117%	-
361	39005	Struct & Imprv - Leasehold (One KC Place)	1,253,980	-	1,253,980	PTD	55.117%	691,151
362	39100	Office Furniture & Equipment - Gen. Plt	437,262	(203,342)	233,920	PTD	55.117%	128,929
363	39101	Office Furniture & Equip - Wolf Creek	280,390	(130,391)	149,999	PTD	55.117%	82,674
364	39102	Office Furniture & Equip - Computer	1,768,810	(1,023,298)	745,512	PTD	55.117%	410,901
365	39110	Office Furniture & Equip - KS Only	185,612	(185,612)	-	PTD	55.117%	-
366	39111	Office Furniture & Equip - WC -KS Only	17,616	(17,616)	-	PTD	55.117%	-
367	39112	Office Furniture & Equip - Computer -KS Only	3,517	(3,517)	-	PTD	55.117%	-
368	39200	Transportation Equipment- Autos	121,406	(3,842)	117,564	PTD	55.117%	64,797
369	39201	Transportation Equipment- Light Trucks	906,177	(66,088)	816,089	PTD	55.117%	450,903
370	39202	Transportation Equipment - Heavy Trucks	2,775,159	(208,736)	2,566,423	PTD	55.117%	1,414,525
371	39203	Transportation Equipment - Tractors	40,249	(1,902)	38,347	PTD	55.117%	21,136
372	39204	Transportatiob Equipment - Trailers	63,055	6,084	69,139	PTD	55.117%	38,107
373	39300	Stores Equipment - General Plant	32,960	(15,344)	17,616	PTD	55.117%	9,709
374	39310	Stores Equipment - Gen -KS Only	(2,189)	2,189	-	PTD	55.117%	-
375	39400	Tools, Shop, & Garage Equipment-Gen. Plt	175,007	(91,302)	83,705	PTD	55.117%	46,135
376	39410	Tools, Shop, & Garage Equip-Gen -KS Only	1,307	(1,307)	-	PTD	55.117%	-
377	39500	Laboratory Equipment	211,839	(104,538)	107,301	PTD	55.117%	59,141
378	39510	Laboratory Equip -KS Only	44,664	(44,664)	-	PTD	55.117%	-
379	39600	Power Operated Equipment - Gen. Plt	1,862,653	(266,093)	1,596,560	PTD	55.117%	879,970
380	39700	Communication Equipment - Gen. Plt	3,743,102	(2,226,769)	1,516,333	PTD	55.117%	835,751
381	39701	Communications Equip - Wolf Creek	2,217	(27)	2,190	PTD	55.117%	1,207
382	39702	Communication Equip - WlfCrk Mo Grs Up	265	-	265	100% MO	100.000%	265
383	39710	Communications Equip - WC -KS Only	1,414,127	(1,414,127)	-	PTD	55.117%	-
384	39800	Miscellaneous Equipment - Gen. Plt	17,940	(9,359)	8,581	PTD	55.117%	4,730
385	39810	Miscellaneous Equip - Gen. Plt -KS Only	(2,729)	2,729	-	PTD	55.117%	-
386		General Plant-Salvage & Removal: Retirements not classified				PTD	55.117%	-
387		TOTAL GENERAL PLANT	17,608,911	(6,123,406)	11,485,505			6,330,539
388		TOTAL PLANT IN SERVICE	201,625,018	4,080,093	205,705,110			112,825,852
389		PLUS: BOOK PROV - ASSET RETIREMT COSTS						
390		Steam	615,825	(615,825)	-	D1	54.684%	$ -
391		Wind	252,458	(252,458)	-	D1	54.684%	$ -
392		TOTAL BOOK PROV-ASSET RETIRE COSTS	868,283	(868,283)	-			-
		LESS: Amort of Plt incl above shown separately on Sch 9						
393		Amortization of Limited Term Plant-Allocated	1,569,688	-	1,569,688	Var Alloc		865,084
394		Amortization of Other Plant	14,262,731	18,380	14,281,111	Weighted	54.439%	7,774,500
395		Amortization-Land Rights	157,944	140,394	298,338	D1	54.684%	163,144
396		Amortization-Land Rights- Distribution	210,683	149,302	359,985	360LR	58.331%	209,983
397		Amortiz of Unrecovered Reserve-KS	1,661,925	(1,661,925)	-	100% KS		-
		Total Amortization	17,862,972	(1,353,849)	16,509,122			9,012,710
398		LESS: DEPR CHARGED TO CLEARING OR OTHER ACCOUNT						
399		Unit Trains (312) Charged to Inventory	631,316	12,543	643,859			352,088
400		Vehicles(392) Charged to Clearing	3,906,046	(296,484)	3,609,562			1,989,468
401		TOTAL CHARGED TO CLEARINGS	4,537,362	(283,941)	4,253,421			2,341,556
402		TOTAL DEPR EXPENSE NET OF CLEARING	180,092,967	4,849,600	184,942,567			101,471,586

Line No.	Description			Adjustment (Total Company)	Account
403	Depreciation of Unit Trains and Vehicles				
404	Unit Trains	631,316	12,543	12,543	501
405	Vehicles	3,906,046	(296,484)		
406	Percent cleared to O&M	54.16%	54.16%		
		2,115,413	(160,568)	(160,568)	933
				(148,025)	

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Reserve - Schedule 6

Line No.	Account Number	Depreciation Reserve Description	FIN Basis DR27R Total Company Basis Depr. Reserve	Adjustments RB-13 Adjustments	Total Adjustments	MO Basis Per Period DR 27 For Juris Books Tot Co Reserve	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
	A	B	C	D	G	H	I	J	K
1		INTANGIBLE PLANT							
2	30100	Organization							
3	30200	Franchises and Consents			$ -	$ -	PTD	55.117%	$ -
4	30301	Miscellaneous Intangibles (Like 353)			-	-	100% MO	100.000%	-
5		Misc Intang Plant-5-Year Software, excl Wlf Crk	437,687	(57,826)	(57,826)	379,861	D1	54.684%	207,724
6	30302	Customer Related							
7	30302	Energy Related	32,128,810		-	32,128,810	C2	52.702%	16,932,493
8	30302	Demand Related	8,678,005		-	8,678,005	E1	57.402%	4,981,366
9	30302	Corporate Software	20,006,161		-	20,006,161	D1	54.684%	10,940,189
10	30302	Transmission Related	22,969,720		-	22,969,720	Sal&Wg	54.722%	12,569,467
11	30304	Miscl Intang Plt - Communications Equip (Like 397)	3,821,230		-	3,821,230	D1	54.684%	2,089,605
12		Miscl Intangible Plt - 10 yr Software			-	-	PTD	55.117%	-
13	30303	Customer Related							
14	30303	Energy Related	39,104,344		-	39,104,344	C2	52.702%	20,608,732
15	30303	Corporate Software	14,830,047		-	14,830,047	E1	57.402%	8,512,773
16	30305	Miscl Intang Plt - WC 5yr Software	1,130,056		-	1,130,056	Sal&Wg	54.722%	618,368
17	30307	Miscl Intg Plt-Srct (Like 312)	13,847,614		-	13,847,614	D1	54.684%	7,572,443
18	30308	Miscl Intang Trans Line (Like 355)	7,643	369	369	8,012	D1	54.684%	4,381
19	30309	Miscl Intang Trans Ln MINT Line	415,307	45,927	45,927	461,234	D1	54.684%	252,222
20	30310	Miscl Intang-Iatan Hwy & Bridge	2,543		-	2,543	D1	54.684%	1,391
21		TOTAL PLANT INTANGIBLE	179,129	15,589	15,589	194,718	D1	54.684%	106,480
			$ 157,558,296	$ 4,059	$ 4,059	$ 157,562,355			$ 85,397,654
22		PRODUCTION PLANT							
23		STEAM PRODUCTION							
24		PRODUCTION-STM-HAWTHORN UNIT 5							
25	31000	Land & Land Rights							
26	31100	Structures & Improvements			$ -	$ -	D1	54.684%	$ -
27	31102	Structures - Hawthorn 5 Rebuild	13,889,859	75,275	75,275	13,965,134	D1	54.684%	7,636,708
28	31200	Boiler Plant Equipment	8,208,021	97,781	97,781	8,305,802	D1	54.684%	4,541,953
29	31201	Stm Pr-Boiler-Unit Train-Elect-Hawthorn	(14,284,992)	26,442	26,442	(14,258,550)	D1	54.684%	(7,797,160)
30	31202	Boiler AQC Equipment - Electric	2,895,214	(429,551)	(429,551)	2,465,663	D1	54.684%	1,348,328
31	31203	Boiler Plant - Haw. 5 Rebuild	-		-	-	D1	54.684%	-
32	31400	Turbogenerator Units	197,712,611	644,173	644,173	198,356,784	D1	54.684%	108,469,622
33	31500	Accessory Electric Equipment	31,340,819	3,554,775	3,554,775	34,895,594	D1	54.684%	19,082,342
34	31501	Accessory Equip - Hawthorn 5 Rebuild	(934,662)	212,874	212,874	(721,788)	D1	54.684%	(394,703)
35	31600	Misc. Power Plant Equipment	34,773,783	237,982	237,982	35,011,765	D1	54.684%	19,145,869
36	31601	Misc. Equip - Hawthorn 5 Rebuild	5,304,492	(270,615)	(270,615)	5,033,877	D1	54.684%	2,752,730
37		TOTAL PRODUCTION-STM-HAWTHORN UNIT 5	2,047,321	(6,378)	(6,378)	2,040,943	D1	54.684%	1,116,071
			$ 280,952,466	$ 4,142,758	$ 4,142,758	$ 285,095,224			$ 156,901,757
38		PRODUCTION-IATAN 1							
39	31000	Steam Production- Land- Electric							
40	31100	Steam Production-Structures-Electric			-	-	D1	54.684%	-
41	31115	Regulatory Plan -KS Addl Amort	3,126,814	222,765	222,765	3,349,599	D1	54.684%	1,831,698
42	31200	Steam Prod-Boiler Plant Equip-Electric	261,106	(261,106)	(261,106)	-	100% KS	0.000%	-
43	31201	Steam Production- Unit Trains- Electric	132,681,219	4,165,564	4,165,564	136,846,783	D1	54.684%	74,833,432
44	31205	Steam Prod-Boiler Plt Eq-Elec-Iat 1 MO Juris Disallow	-	-	-	-	D1	54.684%	-
45	31213	Steam Prod-Boiler Plt Eq-Elec-Iat 1 KS Juris Disallow	(1,013)	(235)	(235)	(1,248)	100% MO	100.000%	(1,248)
46	31215	Regulatory Plan -KS Addl Amort	(50,969)	50,969	50,969	-	100% KS	0.000%	-
47	31400	Steam Prod- Turbogenerator-Electric	10,350,719	(10,350,719)	(10,350,719)	-	100% KS	0.000%	-
48	31500	Steam Prod-Accessory Equipment-Elec	31,497,404	3,491,369	3,491,369	34,988,773	D1	54.684%	19,133,296
49	31505	Steam Prod-Accessory Eq-El-Iat 1 MO Juris Disallow	19,140,168	948,782	948,782	20,088,950	D1	54.684%	10,985,462
50	31600	Steam Prod-Misc Pwr Plt Equip-Elec	(60,389)	(3,860)	(3,860)	(64,249)	100% MO	100.000%	(64,249)
51	31605	Steam Prod-Misc Pwr Plt Eq-El-Iat 1 MO Juris Disallow	2,078,190	(105,199)	(105,199)	1,972,991	D1	54.684%	1,078,912
52		TOTAL PRODUCTION-IATAN 1	(1)		-	(1)	100% MO	100.000%	(1)
			$ 189,023,248	$ (1,841,650)	$ (1,841,650)	$ 197,181,598			$ 107,797,301
53		PRODUCTION-IATAN COMMON							
54	31100	Steam Prod- Structures-Electric							
55	31115	Regulatory Plan -KS Addl Amort	19,267,217	2,779,994	2,779,994	22,047,211	D1	54.684%	12,056,319
56	31200	Steam Prod- Boiler Plt	3,044,660	(3,044,660)	(3,044,660)	-	100% KS	0.000%	-
57	31201	Steam Production- Unit Trains- Electric	42,827,066	4,475,430	4,475,430	47,302,496	D1	54.684%	25,866,944
58	31213	Steam Prod- KS Juris Disallowance	451,119	(66,930)	(66,930)	384,189	D1	54.684%	210,090
59	31215	Regulatory Plan -KS Addl Amort	(39,305)	39,305	39,305	-	100% KS	0.000%	-
60	31400	Steam Prod- Tubogenerators- Elec	6,850,160	(6,850,160)	(6,850,160)	-	100% KS	0.000%	-
61	31415	Regulatory Plan -KS Addl Amort	799,412	116,674	116,674	916,086	D1	54.684%	500,953
62	31500	Steam Prod-Accessory Equip- Elec	44,905	(44,905)	(44,905)	-	100% KS	0.000%	-
63	31515	Regulatory Plan -KS Addl Amort	3,505,197	197,925	197,925	3,703,122	D1	54.684%	2,025,019
64	31600	Steam Prod-Misc Pwr Plt Equip- Elec	88,058	(88,058)	(88,058)	-	100% KS	0.000%	-
65		TOTAL PRODUCTION-IATAN COMMON	1,102,549	(63,278)	(63,278)	1,039,271	D1	54.684%	568,316
			$ 77,941,038	$ (2,548,663)	$ (2,548,663)	$ 76,392,375			$ 41,227,642
66		PRODUCTION- IATAN 2							
67	31000	Steam Prod- Land- Iatan 2							
68	31104	Steam Prod- Structures- Iatan 2			-	-	D1	54.684%	-
69	31108	Steam Prod- Structures- Iatan 2 - MO Juris Disallow	6,133,224	2,467	2,467	6,135,691	D1	54.684%	3,355,247
70	31115	Regulatory Plan -KS Addl Amort	(31,492)	2,303	2,303	(29,189)	100% MO	100.000%	(29,189)
71	31199	Regulatory Plan-EO-2005-0329-Cum Addl Amort	2,626,050	(2,626,050)	(2,626,050)	-	100% KS	0.000%	-
72	31200	Steam Prod-Boiler Plant Equip-	19,240,688		-	19,240,688	100% MO	100.000%	19,240,688
73	31201	Steam Prod-Unit Trains- Iatan 2				-	D1	54.684%	-
74	31202	Steam Prod-AQC- Iatan 2			-	-	D1	54.684%	-
					-	-	NA	0.000%	-

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Reserve - Schedule 6

Line No.	Account Number	Depreciation Reserve Description	FIN Basis DR27R Total Company Basis Depr. Reserve	Adjustments RB-13 Adjustments	Total Adjustments	MO Basis Per Period DR 27 For Juris Books Tot Co Reserve	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
75	31204	Steam Prod-Boiler Plant Equip- Iatan 2	52,050,520	(2,387,408)	(2,387,408)	49,663,112	D1	54.684%	27,157,826
76	31206	Steam Prod-Boiler Plant Equip- Iatan 2-MO Juris Disallo	(261,717)	29,846	29,846	(231,871)	100% MO	100.000%	(231,871)
77	31214	Steam Prod-Boiler Plant Equip- Iatan 2 -KS Juris Disallo	(281,252)	281,252	281,252	-	100% KS	0.000%	-
78	31215	Regulatory Plan -KS Addl Amort	28,448,875	(28,448,875)	(28,448,875)	-	100% KS	0.000%	-
79	31299	Regulatory Plan-EO-2005-0329-Cum Addl Amort	137,897,545		-	137,897,545	100% MO	100.000%	137,897,545
80	31404	Steam Prod- Turbogenerator- Iatan 2	9,290,049	(286,011)	(286,011)	9,004,038	D1	54.684%	4,923,777
81	31406	Steam Prod-Turbogenerator- Iat 2-MO Juris Disallow	(33,341)	3,005	3,005	(30,336)	100% MO	100.000%	(30,336)
82	31415	Regulatory Plan -KS Addl Amort	8,753,500	(8,753,500)	(8,753,500)	-	100% KS	0.000%	-
83	31499	Regulatory Plan-EO-2005-0329-Cum Addl Amort	19,135,918		-	19,135,918	100% MO	100.000%	19,135,918
84	31504	Steam Prod- Accessory Equip- Iatan 2	2,909,906	(128,160)	(128,160)	2,781,746	D1	54.684%	1,521,173
85	31506	Steam Prod-Accessory Equip- Iat 2-MO Juris Disallow	(12,154)	1,251	1,251	(10,903)	100% MO	100.000%	(10,903)
86	31515	Regulatory Plan -KS Addl Amort	3,063,725	(3,063,725)	(3,063,725)	-	100% KS	0.000%	-
87	31599	Regulatory Plan-EO-2005-0329-Cum Addl Amort	6,399,672		-	6,399,672	100% MO	100.000%	6,399,672
88	31604	Steam Prod- Misc Power Plant Equip- Iatan 2	249,302	(7,864)	(7,864)	241,438	D1	54.684%	132,028
89	31606	Steam Prod- Misc Pwr Plt Eq-Iat 2-MO Juris Disallow	(1,102)	104	104	(998)	100% MO	100.000%	(998)
90	31615	Regulatory Plan -KS Addl Amort	875,350	(875,350)	(875,350)	-	100% KS	0.000%	-
91	31699	Regulatory Plan-EO-2005-0329-Cum Addl Amort	704,779		-	704,779	100% MO	100.000%	704,779
92		TOTAL PRODUCTION- IATAN 2	$ 297,158,045	$ (46,256,716)	$ (46,256,715)	$ 250,901,330			$ 220,165,356
93		**LACYGNE COMMON PLANT**							
94	31000	Stm Pr-Land-LaCygne-Common	-	-	-	-	D1	54.684%	-
95	31100	Stm Pr-Structures-LaCygne-Common	2,886,762	(65,191)	(65,191)	2,821,571	D1	54.684%	1,542,951
96	31200	Stm Pr-Boiler Plt-LaCygne-Common	4,236,079	(300,242)	(300,242)	3,935,837	D1	54.684%	2,152,277
97	31201	Stm Pr-Boiler-Unit Train-LaCygne-Common	132,550	(19,666)	(19,666)	112,884	D1	54.684%	61,730
98	31202	Stm Pr-Boiler-AQC Equip-La Cygne-Common			-	-	D1	54.684%	-
99	31400	Stm Pr-Turbogenerator-LaCygne-Common	33,565	5,539	5,539	39,104	D1	54.684%	21,384
100	31500	Stm Pr-Acc. Equip-LaCygne-Common	714,425	41,677	41,677	756,102	D1	54.684%	413,468
101	31502	Stm Pr-Acc. Equip.-Comp.	5,123	1,208	1,208	6,331	D1	54.684%	3,462
102	31600	Stm Pr-Misc. Pwr Plt	1,396,041	(88,018)	(88,018)	1,308,023	D1	54.684%	715,281
103		TOTAL LACYGNE COMMON PLANT	$ 9,404,645	$ (424,693)	$ (424,693)	$ 8,979,852			$ 4,910,561
104		**PRODUCTION-STM-LACYGNE 1**			-	-	D1	54.684%	-
105	31000	Land-LaCygne 1			-	-	D1	54.684%	-
106	31100	Structures-LaCygne 1	13,643,059	(139,285)	(139,285)	13,503,774	D1	54.684%	7,384,417
107	31200	Boiler Plt Equip-LaCygne 1	75,014,876	(2,541,652)	(2,541,652)	72,473,226	D1	54.684%	39,631,331
108	31202	Boiler AQC Equip.-LaCygne 1	62,819,135	(18,074,291)	(18,074,291)	44,744,844	D1	54.684%	24,468,315
109	31215	Regulatory Plan -KS Addl Amort	1,435,000	(1,435,000)	(1,435,000)	-	100% KS	0.000%	-
110	31400	Turbogenerator-LaCygne 1	18,228,827	1,894,883	1,894,883	20,123,710	D1	54.684%	11,004,470
111	31500	Acc. Equip-LaCygne 1	9,379,998	443,695	443,695	9,823,693	D1	54.684%	5,371,998
112	31600	Misc. Pwr Plt Equip.-LaCygne 1	1,227,849	(60,616)	(60,616)	1,167,233	D1	54.684%	638,291
113		TOTAL PRODUCTION-STM-LACYGNE 1	$ 181,748,746	$ (19,912,266)	$ (19,912,266)	$ 161,836,480			$ 88,498,823
114		**PRODUCTION-STM-LACYGNE 2**			-	-	D1	54.684%	-
115	31100	Structures- LaCygne 2	2,290,848	(24,753)	(24,753)	2,266,095	D1	54.684%	1,239,194
116	31200	Boiler Plt Equip.-LaCygne 2	86,099,389	(3,106,745)	(3,106,745)	82,992,644	D1	54.684%	45,383,760
117	31201	Boiler-Unit Train-LaCygne 2			-	-	D1	54.684%	-
118	31202	Boiler AQC Equip-LaCygne 2	-		-	-	D1	54.684%	-
119	31400	Turbogenerator- LaCygne 2	15,542,664	1,723,355	1,723,355	17,266,019	D1	54.684%	9,441,767
120	31500	Accessory Equip.-LaCygne 2	9,351,360	459,296	459,296	9,810,656	D1	54.684%	5,364,869
121	31600	Misc. Pwr Plt Equip.-LaCygne 2	1,109,183	(62,182)	(62,182)	1,047,001	D1	54.684%	572,543
122		TOTAL PRODUCTION-STM-LACYGNE 2	$ 114,393,444	$ (1,011,028)	$ (1,011,029)	$ 113,382,416			$ 62,002,163
123		**PRODUCTION STM-MONTROSE 1, 2 & 3**							
124	31000	Land- Montrose			-	-	D1	54.684%	-
125	31100	Structures - Electric - Montrose	10,733,916	(176,883)	(176,883)	10,557,033	D1	54.684%	5,773,018
126	31200	Boiler Plant Equipment - Equipment- Montrose	88,746,940	(4,112,273)	(4,112,273)	82,634,667	D1	54.684%	45,186,024
127	31201	Stm Pr-Boiler-Unit Train- Elect- Montrose	2,569,257	(364,157)	(364,157)	2,205,100	D1	54.684%	1,205,839
128	31400	Turbogenerators- Electric- Montrose	23,427,211	1,568,070	1,568,070	24,995,281	D1	54.684%	13,668,444
129	31500	Accessory Equipment- Electric - Montrose	10,861,930	508,063	508,063	11,369,993	D1	54.684%	6,217,578
130	31600	Misd. Plant Equipment- Electric- Montrose	2,513,130	(153,476)	(153,476)	2,359,654	D1	54.684%	1,290,356
131		TOTAL PRODUCTION STM-MONTROSE 1, 2 & 3	$ 136,872,384	$ (2,750,656)	$ (2,750,656)	$ 134,121,728			$ 73,343,260
132		**PRODUCTION- HAWTHORN 6 COMBINED CYCL**							
133	31100	Structures - Hawthorn 6			-	-	D1	54.684%	-
134	31500	Accessory Equip- Hawthorn 6			-	-	D1	54.684%	-
135	34100	Other Prod - Structures Hawthorn 6	49,506	2,804	2,804	52,310	D1	54.684%	28,605
136	34200	Other Production- Fuel Holders	448,665	19,279	19,279	467,944	D1	54.684%	255,891
137	34400	Other Prod - Generators Hawthorn 6	16,829,784	(679,657)	(679,657)	16,150,127	D1	54.684%	8,831,552
138	34500	Other Prod - Accessory Equip - Haw. 6	1,140,460	(2,614)	(2,614)	1,137,846	D1	54.684%	622,221
139		TOTAL PRODUCTION- HAWTHORN 6 COMBINED CY	$ 18,468,415	$ (660,188)	$ (660,188)	$ 17,808,227			$ 9,738,269
140		**PRODUCTION - HAWTHORN 9 COMBINED CYCL**							
141	31100	Structures and Improvements - Haw. 9	995,561	(26,239)	(26,239)	969,322	D1	54.684%	530,065
142	31200	Boiler Plant Equip - Hawthorn 9	24,216,090	(2,055,374)	(2,055,374)	22,160,716	D1	54.684%	12,118,388
143	31400	Turbogenerators - Hawthorn 9	6,622,854	1,092,622	1,092,622	7,715,476	D1	54.684%	4,219,139
144	31500	Accessory Equipment - Hawthorn 9	5,465,806	287,754	287,754	5,753,560	D1	54.684%	3,146,283
145	31600	Misd. Pwr Plt Equip - Hawthorn 9	75,206	(5,369)	(5,369)	69,837	D1	54.684%	38,190
146		TOTAL PRODUCTION - HAWTHORN 9 COMBINED C\	$ 37,375,517	$ (706,606)	$ (706,606)	$ 36,668,911			$ 20,052,064

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Reserve - Schedule 6

Line No.	Account Number	Depreciation Reserve Description	FIN Basis DR27R Total Company Basis Depr. Reserve	Adjustments RB-13 Adjustments	Total Adjustments	MO Basis Per Period DR 27 For Juris Books Tot Co Reserve	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
147		PRODUCTION - NORTHEAST STATION							
148	31100	Steam Prod - Structures - Elect - NE	-	-	-	-	D1	54.684%	-
149	31200	Stm Pr-Boiler Plt Equip-NE	-		-	-	D1	54.684%	-
150	31500	Accessory Equipment - NE			-	-	D1	54.684%	-
151	31600	Miscl. Plant Equipment - NE	-		-	-	D1	54.684%	-
152	34000	Other Production - Land NE	-		-	-	D1	54.684%	-
153	34100	Other Production - Structures NE	15,842	280	280	16,122	D1	54.684%	8,816
154	34200	Other Production - Fuel Holders NE	1,013,794	29,895	29,895	1,043,689	D1	54.684%	570,732
155	34400	Other Production - Generators NE	34,327,499	(389,369)	(389,369)	33,938,130	D1	54.684%	18,558,761
156	34500	Other Production - Accessory Equip - NE	6,222,699	(3,473)	(3,473)	6,219,226	D1	54.684%	3,400,928
157	34600	Other Prod -Misc Pwr Plat Equip -Elec	2,807	(290)	(290)	2,517	D1	54.684%	1,376
158		TOTAL PRODUCTION - NORTHEAST STATION	$ 41,582,641	$ (362,957)	$ (362,957)	$ 41,219,684			$ 22,540,613
159		PRODUCTION-HAWTHORN 7 COMBUSTION TURBINE							
160	34100	Other Prod- Structures- Electric	237,525	13,779	13,779	251,304	D1	54.684%	137,423
161	34200	Other Prod- Fuel Holders- Electric	1,280,197	56,113	56,113	1,336,310	D1	54.684%	730,749
162	34400	Other Prod- Generators- Electric	11,597,705	(506,765)	(506,765)	11,090,940	D1	54.684%	6,064,981
163	34500	Other Prod- Accessory Equip- Electric	992,736	(2,260)	(2,260)	990,476	D1	54.684%	541,633
164		TOTAL PROD-HAWTHORN 7 COMBUSTION TURBINE	$ 14,108,163	$ (439,133)	$ (439,133)	$ 13,669,030			$ 7,474,786
165		PRODUCTION-HAWTHORN 8 COMBUSTION TURBINE							
166	34100	Other Prod- Structures-Electric	28,850	1,680	1,680	30,530	D1	54.684%	16,695
167	34200	Other Prod- Fuel Holders-Electric	254,513	11,169	11,169	265,682	D1	54.684%	145,286
168	34400	Other Production-Generators-Electric	12,318,636	(538,557)	(538,557)	11,780,079	D1	54.684%	6,441,830
169	34500	Other Prod-Accessory Equip-Electric	614,916	(1,390)	(1,390)	613,526	D1	54.684%	335,501
170		TOTAL PROD-HAWTHORN 8 COMBUSTION TURBINE	$ 13,216,915	$ (527,098)	$ (527,098)	$ 12,689,817			$ 6,939,312
171		PROD OTHER - WEST GARDNER 1, 2, 3 & 4							
172	31100	Steam Production - Structures	-		-	-	D1	54.684%	-
173	31600	Misd Plant Equip - Electric W. Gardner	-		-	-	D1	54.684%	-
174	34000	Other Prod - Land - W. Gardner	-		-	-	D1	54.684%	-
175	34001	Other Prod- Landrights & Easements	6,703	5,067	5,067	11,770	D1	54.684%	6,436
176	34100	Other Prod - Structures- W. Gardner	770,195	35,622	35,622	805,817	D1	54.684%	440,654
177	34200	Other Prod- Fuel Holders- W. Gardner	1,134,432	45,447	45,447	1,179,879	D1	54.684%	645,206
178	34400	Other Prod - Generators- W. Gardner	45,480,344	(1,893,402)	(1,893,402)	43,586,942	D1	54.684%	23,835,127
179	34500	Other Prod- Access Equip - W. Gardner	2,604,575	(5,691)	(5,691)	2,598,884	D1	54.684%	1,421,176
180	34600	Other Prod -Misc Pwr Plat Equip -Elec	496	(43)	(43)	453	D1	54.684%	248
181		TOTAL PROD OTHER - WEST GARDNER 1, 2, 3 & 4	$ 49,996,745	$ (1,813,000)	$ (1,813,000)	$ 48,183,745			$ 26,348,847
182		PROD OTHER - MIAMI/OSAWATOMIE 1							
183	31100	Steam Production - Structures			-	-	D1	54.684%	-
184	34000	Other Production - Land- Osawatomie			-	-	D1	54.684%	-
185	34100	Other Prod - Structures- Osawatomie	435,859	22,609	22,609	458,468	D1	54.684%	250,709
186	34200	Other Prod - Fuel Holders- Osawatomie	723,244	29,259	29,259	752,503	D1	54.684%	411,499
187	34400	Other Prod - Generators- Osawatomie	10,908,561	(454,356)	(454,356)	10,454,205	D1	54.684%	5,716,788
188	34500	Other Prod - Accessory Equip - Osawatomie	683,705	(1,496)	(1,496)	682,209	D1	54.684%	373,060
189		TOTAL PROD OTHER - MIAMI/OSAWATOMIE 1	$ 12,751,369	$ (403,984)	$ (403,984)	$ 12,347,385			$ 6,752,056
190		TOTAL STEAM & CT's - PRODUCTON	$ 1,484,993,681	$ (75,515,880)	$ (75,515,880)	$ 1,409,477,801			$ 853,692,781
191		NUCLEAR PRODUCTION							
192	32000	Land & Land Rights - Wolf Creek	-	-	-	-	D1	54.684%	-
193	32100	Structures & Improvements-Wolf Creek	254,632,566	11,136	11,136	254,643,702	D1	54.684%	139,249,617
194	32101	Structures MO Gr Up AFC Ele	12,299,436	(415,484)	(415,484)	11,883,952	100% MO	100.000%	11,883,952
195	32200	Reactor Plant Equipment	390,527,154	(2,823,474)	(2,823,474)	387,703,680	D1	54.684%	212,012,268
196	32201	Reactor - MO Gr Up AFDC	31,677,184	(950,240)	(950,240)	30,726,944	100% MO	100.000%	30,726,944
197	32202	MO Juris deprec 40 to 60 yr EO-05-0359	-	14,591,667	14,591,667	14,591,667	100% MO	100.000%	14,591,667
198	32300	Turbogenerator Units - Wolf Creek	85,080,661	(1,238,514)	(1,238,514)	83,842,147	D1	54.684%	45,848,324
199	32301	Turbogenerator MO GR Up AFDC	4,108,871	(95,331)	(95,331)	4,013,540	100% MO	100.000%	4,013,540
200	32400	Accessory Electric Equipment - WC	66,885,269	(446,862)	(446,862)	66,438,407	D1	54.684%	36,331,245
201	32401	Accessory Equip - MO Gr Up AFDC	3,383,918	(120,580)	(120,580)	3,263,338	100% MO	100.000%	3,263,338
202	32500	Miscellaneous Power Plant Equipment	26,269,386	57,950	57,950	26,327,336	D1	54.684%	14,396,867
203	32501	Miscl. Plt Equip - MO Gr Up AFDC	590,949	(11,877)	(11,877)	579,072	100% MO	100.000%	579,072
204	32800	Disallow - MO Gr Up AFDC 100% MO	(5,210,725)	156,143	156,143	(5,054,582)	100% MO	100.000%	(5,054,582)
205	32801	MPSC Disallow - Mo Basis	(73,987,128)	2,507,962	2,507,962	(71,479,166)	D1	54.684%	(39,087,739)
206	32802	Wolf Creek Disallowance -MPSC -Not MO Juris	25,320,411	(25,320,411)	(25,320,411)	-	D1	54.684%	-
207	32803	Wolf Creek -MPSC Disallowance - 100% KS Basis	(65,438,781)	65,438,781	65,438,781	-	D1	54.684%	-
208	32804	Wolf Creek -KCC Disallowance - Not KS Juris	46,304,223	(46,304,223)	(46,304,223)	-	D1	54.684%	-
209	32805	Nucl PR-Dose;-Pre 1988 res	(10,471,390)	385,384	385,384	(10,086,006)	D1	54.684%	(5,515,442)
210		TOTAL PROD PLT- NUCLEAR - WOLF CREEK	$ 791,972,004	$ 5,422,027	$ 5,422,027	$ 797,394,031			$ 463,239,071
211		OTHER PRODUCTION							
212		PRODUCTION PLANT - WIND GEN-SPEARVILLE 1							
213	31600	St Pr-Misc Pwr Plt Equip- Elec	-		-	-	D1	54.684%	-
214	34102	Other Prod - Structures - Elect Wind	1,221,466	(6,517)	(6,517)	1,214,949	D1	54.684%	664,384
215	34402	Other Prod - Generators - Elect Wind	54,634,249	701,743	701,743	55,335,992	D1	54.684%	30,259,989
216	34415	Regulatory Plan -KS Addl Amort	5,740,000	(5,740,000)	(5,740,000)	-	100% KS	0.000%	-
217	34502	Other Prod-Accessory Equip-Wind	47,441	(1,305)	(1,305)	46,136	D1	54.684%	25,229

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Reserve - Schedule 6

Line No.	Account Number	Depreciation Reserve Description	FIN Basis DR27R Total Company Basis Depr. Reserve	Adjustments RB-13 Adjustments	Total Adjustments	MO Basis Per Period DR 27 For Juris Books Tot Co Reserve	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
218	34602	Other Prod-Misc Pwr Plat Eq-Wind							
219		TOTAL PRODUCTION PLANT - WIND GENERATION	$ 61,643,156	$ (5,046,079)	$ (5,046,079)	$ 56,597,077			$ 30,949,602
220		**PRODUCTION PLANT - WIND GEN-SPEARVILLE 2**							
221	34102	Other Prod-Structures-Elect Wind	170,657	(2,267)	(2,267)	168,390	D1	54.684%	92,083
222	34402	Other Prod-Generators-Elect Wind	14,864,453	480,416	480,416	15,344,869	D1	54.684%	8,391,204
223	34502	Other Prod-Accessory Equipt-Elect Wind			-	-	D1	54.684%	-
224		TOTAL PROD PLANT-WIND GENERATN-SPEARVILLE	$ 15,035,110	$ 478,149	$ 478,149	$ 15,513,259			$ 8,483,286
225		**PRODUCTION PLANT - SOLAR**							
226	34400	Other Prod-Accessory Equipt - Solar -Elect	46,828	(465)	(465)	46,363	D1	54.684%	25,353
227		TOTAL PROD PLANT - SOLAR	$ 46,828	$ (465)	$ (465)	$ 46,363			$ 25,353
228		**GENERAL PLANT- BUILDINGS**							
229	31000	Steam Prod-Structures-Elec		-	-	-	D1	54.684%	-
230	31100	Steam Prod-Structures-Elec	433	(2)	(2)	431	D1	54.684%	236
231	31101	Steam Prod-Structures-Lshd Impr- P&M	301,931		-	301,931	D1	54.684%	165,108
232	31500	Steam Prod- Accessory Equip-Elec	6,290	328	328	6,618	D1	54.684%	3,619
233	31600	Steam Prod- Misc Power Plt Equip-Elec	8,903	(637)	(637)	8,268	D1	54.684%	4,520
234		TOTAL GENERAL PLANT- BUILDINGS	$ 317,557	$ (311)	$ (311)	$ 317,246			$ 173,483
235		**GENERAL PLANT- GENERAL EQUIP/TOOLS**							
236	31100	Steam Prod- Structures-Elec	-		-	-	D1	54.684%	-
237	31200	Steam Prod- Boiler Plant Equip-Elec	-		-	-	D1	54.684%	-
238	31400	Steam Prod- Turbogenerator-Elec	-		-	-	D1	54.684%	-
239	31500	Steam Prod- Accessory Equip- Elec	3,813	116	116	3,929	D1	54.684%	2,149
240	31600	Steam Prod-Misc Power Plt Equip- Elec	1,819,099	(117,607)	(117,607)	1,701,492	D1	54.684%	930,446
241		TOTAL GENERAL PLANT- GENERAL EQUIP/TOOLS	$ 1,822,912	$ (117,491)	$ (117,491)	$ 1,705,421			$ 932,594
242		**BULK OIL FACILITY NE**							
243	31000	Steam Prod- Land- Electric	-	-	-	-	D1	54.684%	-
244	31100	Steam Prod-Structures-Electric	706,231	(15,135)	(15,135)	691,096	D1	54.684%	377,920
245	31200	Steam Prod- Boiler Plt Equip- Electric	529,250	(25,867)	(25,867)	503,383	D1	54.684%	275,270
246	31500	Steam Prod- Accessory Equip- Electric	16,114	940	940	17,054	D1	54.684%	9,326
247	31600	Steam Prod-Misc Pwr Plt Equip-Electric	86,121	(6,066)	(6,066)	80,055	D1	54.684%	43,777
248	34400	Other Prod-Generators-Electric	-		-	-	D1	54.684%	-
249		TOTAL BULK OIL FACILITY NE	$ 1,337,716	$ (46,128)	$ (46,128)	$ 1,291,588			$ 706,293
250		**TOTAL OTHER PRODUCTION**	$ 80,203,279	$ (4,732,325)	$ (4,732,325)	$ 75,470,954			$ 41,270,612
251		**RETIREMENTS WORK IN PROGRESS-PROD**							
252		Production-Salvage & Removal: Retirements not classified	(22,988,126)		-	(22,988,126)	D1	54.684%	(12,570,850)
253		TOTAL RETIREMENTS WORK IN PROGRESS-PROD	$ (22,988,126)	$ -	$ -	$ (22,988,126)			$ (12,570,850)
254		**TOTAL PRODUCTION PLANT**	$ 2,334,180,838	$ (74,826,178)	$ (74,826,178)	$ 2,259,354,660			$ 1,345,631,624
255		**PRODUCTION PLANT SUMMARY**							
256		TOTAL STEAM PRODUCTION PLANT	1,338,347,618	(71,473,450)	(71,473,450)	1,266,874,168			775,711,278
257		TOTAL NUCLEAR PRODUCTION PLANT	791,972,004	5,422,027	5,422,027	797,394,031			463,239,071
258		TOTAL OTHER PRODUCTION PLANT	226,849,342	(8,774,755)	(8,774,755)	218,074,587			119,252,125
259		RETIREMENTS WORK IN PROGRESS-PROD	(22,988,126)	-	-	(22,988,126)			(12,570,850)
260		**TOTAL PRODUCTION PLANT**	$ 2,334,180,838	$ (74,826,178)	$ (74,826,178)	$ 2,259,354,660			$ 1,345,631,624
261		**TRANSMISSION PLANT**							
262	35000	Land - Transmission Plant			$ -	$ -	D1	54.684%	$ -
263	35001	Land Rights - Transmission Plant	5,417,561	2,566,852	2,566,852	7,984,413	D1	54.684%	4,366,204
264	35002	Land Rights- TP- Wolf Creek	69	43	43	112	D1	54.684%	61
265	35200	Structures & Improvements - TP	1,937,080	(268,579)	(268,579)	1,668,501	D1	54.684%	912,405
266	35201	Structures & Improvements - TP - Wolf Creek	102,618	(22,141)	(22,141)	80,477	D1	54.684%	44,008
267	35202	Structures & Improvements-WlfCrk-Mo Gr Up	4,904		-	4,904	100% MO	100.000%	4,904
268	35300	Station Equipment - Transmission Plant	44,400,353	(5,851,986)	(5,851,986)	38,548,367	D1	54.684%	21,079,828
269	35301	Station Equipment - Wolf Creek -TP	5,591,527	(736,425)	(736,425)	4,855,102	D1	54.684%	2,654,969
270	35302	Station Equipment- WlfCrk Mo Gr Up	335,540		-	335,540	100% MO	100.000%	335,540
271	35303	Station Equipment - Communications	5,540,024	(2,255,012)	(2,255,012)	3,285,012	D1	54.684%	1,796,379
272	35315	Station Equip. - Trans. Plt - KS Addl Amort	167,891	(167,891)	(167,891)	-	100% KS	0.000%	-
273	35400	Towers and Fixtures - Transmission Plant	3,955,386	(251,464)	(251,464)	3,703,922	D1	54.684%	2,025,456
274	35500	Poles and Fixtures - Transmission Plant	62,429,564	(3,882,572)	(3,882,572)	58,546,992	D1	54.684%	32,015,896
275	35501	Poles & Fixtures - Wolf Creek	55,407	(5,213)	(5,213)	50,194	D1	54.684%	27,448
276	35502	Poles & Fixtures - WlfCrk Mo Gr Up	3,361		-	3,361	100% MO	100.000%	3,361
277	35600	Overhead Conductors & Devices - TP	52,893,369	(833,050)	(833,050)	52,060,319	D1	54.684%	28,468,717
278	35601	Overhead Conductors & Devices- Wlf Crk	26,023	(1,598)	(1,598)	24,425	D1	54.684%	13,357
279	35602	Ovehd Cond-Dev-Wlf Crk- Mo Gr Up	1,474		-	1,474	100% MO	100.000%	1,474
280	35700	Underground Conduit	2,176,488	(177,068)	(177,068)	1,999,420	D1	54.684%	1,093,365
281	35800	Underground Conductors & Devices	2,351,918	154,728	154,728	2,506,646	D1	54.684%	1,370,737
282		Transmission-Salvage & Removal : Retirements not classified	(876,122)		-	(876,122)	D1	54.684%	(479,099)

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Depreciation Reserve - Schedule 6

Line No.	Account Number	Depreciation Reserve Description	FIN Basis DR27R Total Company Basis Depr. Reserve	Adjustments RB-13 Adjustments	Total Adjustments	MO Basis Per Period DR 27 For Juris Books Tot Co Reserve	Juris Factor #	Juris Allocation	Electric Juris Adjusted Plant
283		TOTAL TRANSMISSION PLANT	$ 186,514,435	$ (11,731,376)	$ (11,731,376)	$ 174,783,059			$ 95,736,009
284		DISTRIBUTION PLANT							
285	36000	Distribution Land Electric			$ -	$ -	360L	43.710%	$ -
286	36001	Distribution Depreciable Land Rights	4,689,951	2,816,902	2,816,902	7,506,853	360LR	58.331%	4,378,830
287	36100	Distribution Structures & Improvements	5,913,660	426,435	426,435	6,340,095	361	49.497%	3,138,144
288	36200	Distribution Station Equipment	68,785,137	(3,493,617)	(3,493,617)	65,291,520	362	59.495%	38,845,451
289	36203	Distribution Station Equipment-Communicatons	3,379,750	(1,018,873)	(1,018,873)	2,360,877	362Com	54.921%	1,296,608
290	36400	Distribution Poles, Tower, & Fixtures	157,156,745	7,551,465	7,551,465	164,708,210	364	54.620%	89,962,801
291	36500	Distribution Overhead Conductor	73,018,594	(9,494,799)	(9,494,799)	63,523,795	365	54.761%	34,798,716
292	36600	Distribution Underground Circuit	50,343,862	(1,888,846)	(1,888,846)	48,455,016	366	58.136%	28,169,663
293	36700	Distribution Underground Conductors	112,001,639	(33,601,280)	(33,601,280)	78,400,359	367	52.326%	41,023,537
294	36800	Distribution Line Transformers	129,046,381	(6,689,840)	(6,689,840)	122,356,541	368	57.680%	70,574,763
295	36900	Distribution Services	56,403,665	696,097	696,097	57,099,762	369	51.402%	29,350,420
296	37000	Distribution Meters Electric	60,192,007	5,344,080	5,344,080	65,536,087	370	53.802%	35,259,922
297	37100	Distribution Cust Prem Install	13,028,268	(614,164)	(614,164)	12,414,104	371	74.487%	9,246,869
298	37300	Distribution Street Light and Traffic Signal	11,920,448	1,054,179	1,054,179	12,974,627	373	33.296%	4,319,980
299		Distribution-Salvage & Removal: Retirements not classified	(2,089,901)		-	(2,089,901)	Dist Plt	54.903%	(1,147,412)
300		TOTAL DISTRIBUTION PLANT	$ 743,790,206	$ (38,912,261)	$ (38,912,261)	$ 704,877,945			$ 389,218,291
301		GENERAL PLANT							
302	38900	Land and Land Rights - General Plant			$ -	$ -	PTD	55.117%	$ -
303	39000	Structures & Improvements - General Plant	19,429,884	2,263,975	2,263,975	21,693,859	PTD	55.117%	11,956,917
304	39003	Struct & Imprv - Leasehold (801 Char)	1,602,740		-	1,602,740	PTD	55.117%	883,376
305	39004	Struct & Imprv - Leasehold (Marshall)	-		-	-	PTD	55.117%	-
306	39005	Struct & Imprv - Leasehold (One KC Place)	5,003,036		-	5,003,036	PTD	55.117%	2,757,503
307	39100	Office Furniture & Equipment - Gen. Plt	3,344,697	(708,800)	(708,800)	2,635,897	PTD	55.117%	1,452,817
308	39101	Office Furniture & Equip - Wolf Creek	1,997,998	(23,577)	(23,577)	1,974,421	PTD	55.117%	1,088,234
309	39102	Office Furniture & Equip - Computer	2,919,311	(1,169,946)	(1,169,946)	1,749,365	PTD	55.117%	964,191
310	39110	Office Furniture & Equip - Gen -Unrecov. Res 100% KS	(1,291,552)	1,291,552	1,291,552	-	100% KS	0.000%	-
311	39111	Office Furniture & Equip - WC -Unrecov. Res 100% KS	(122,582)	122,582	122,582	-	100% KS	0.000%	-
312	39112	Office Furniture & Equip - Compt. -Unrecov. Res 100% I	(24,475)	24,475	24,475	-	100% KS	0.000%	-
313	39200	Transportation Equipment- Autos	584,586	19,728	19,728	604,314	PTD	55.117%	333,077
314	39201	Transportation Equipment- Light Trucks	2,229,387	(808,878)	(808,878)	1,420,509	PTD	55.117%	782,936
315	39202	Transportation Equipment - Heavy Trucks	6,792,978	(1,560,653)	(1,560,653)	5,232,325	PTD	55.117%	2,883,880
316	39203	Transportation Equipment - Tractors	329,698	(53,829)	(53,829)	275,869	PTD	55.117%	152,050
317	39204	Transportatiob Equipment - Trailers	943,647	(75,534)	(75,534)	868,113	PTD	55.117%	478,474
318	39300	Stores Equipment - General Plant	381,201	33,750	33,750	414,951	PTD	55.117%	228,707
319	39310	Stores Equipment - Gen -Unrecov. Res. 100% KS	15,234	(15,234)	(15,234)	-	100% KS	0.000%	-
320	39400	Tools, Shop, & Garage Equipment-Gen. Plt	1,993,808	(345,370)	(345,370)	1,648,438	PTD	55.117%	908,563
321	39410	Tools, Shop, & Garage Equip - Gen -Unrecov. Res 100%	(9,093)	9,093	9,093	-	100% KS	0.000%	-
322	39500	Laboratory Equipment	3,274,191	(426,436)	(426,436)	2,847,755	PTD	55.117%	1,569,586
323	39510	Laboratory Equip. -Gen -Unrecov. Res. 100% KS	(310,789)	310,789	310,789	-	100% KS	0.000%	-
324	39600	Power Operated Equipment - Gen. Plt	6,475,171	(369,331)	(369,331)	6,105,840	PTD	55.117%	3,365,331
325	39700	Communication Equipment - Gen. Plt	48,023,399	(23,433,621)	(23,433,621)	24,589,778	PTD	55.117%	13,553,050
326	39701	Communications Equip - Wolf Creek	99,625	(16,309)	(16,309)	83,316	PTD	55.117%	45,921
327	39702	Communication Equip - WlfCrk MO Gross Up	3,317	-	-	3,317	100% MO	100.000%	3,317
328	39710	Communication Equip. -Gen -Unrecov. Res. 100%KS	(9,839,965)	9,839,965	9,839,965	-	100% KS	0.000%	-
329	39800	Miscellaneous Equipment - Gen. Plt	176,029	(55,221)	(55,221)	120,808	PTD	55.117%	66,585
330	39810	Miscellaneous Equip. - Gen. Plt -Unrecov Res -100%KS	18,991	(18,991)	(18,991)	-	100% KS	0.000%	-
331		General Plant-Salvage & Removal: Retirements not classified	(220,450)		-	(220,450)	PTD	55.117%	(121,505)
332		TOTAL GENERAL PLANT	$ 83,820,022	$ (15,165,821)	$ (15,165,821)	$ 78,654,201			$ 43,353,010
333		TOTAL DEPRECIATION RESERVE	$ 3,516,863,797	$ (140,631,577)	$ (140,631,577)	$ 3,376,232,220			$ 1,959,335,589

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Cash Working Capital - Schedule 8

Line No.	Account Description	W/P Ref	Jurisdictional Adjusted Test Year Expenses	Revenue Lag	Expense Lead	Net (Lead)/Lag (C) - (D)	Factor (Col E/366)	CWC Req (B) X (F)
	A		B	C	D	E	F	G
1	Operations & Maintenance Expense							
2	Gross Payroll excl Wolf Creek Prod & Accrued Vac	Footnote (a)	60,651,910	27.38	13.85	13.53	0.0370	2,242,132
3	Accrued Vacation	Footnote (a)	6,843,119	27.38	344.83	(317.45)	(0.8673)	(5,935,378)
4	Wolf Creek Operations & Fuel, incl Payroll	Sch 9, Nucl Pwr Gen	65,958,469	27.38	25.85	1.53	0.0042	275,728
5	Purchased Coal & Freight	Sch 9, see A/C 501	184,091,718	27.38	20.88	6.50	0.0178	3,269,388
6	Purchased Gas	Sch 9, see A/C 501/547	6,054,968	27.38	28.62	(1.24)	(0.0034)	(20,514)
7	Purchased Oil, excl Wolf Creek	Sch 9, see A/C 501/547	5,527,663	27.38	8.50	18.88	0.0516	285,143
8	Purchased Power	Sch 9, AC 555	35,725,260	27.38	30.72	(3.34)	(0.0091)	(326,017)
9	Injuries & Damages	Sch 9, A/C 925	3,946,007	27.38	149.56	(122.18)	(0.3338)	(1,317,944)
10	Pension Expense	Sch 9, see A/C 926	25,584,377	27.38	51.74	(24.36)	(0.0666)	(1,702,829)
11	OPEBs	Sch 9, see A/C 926	4,289,742	27.38	178.44	(151.06)	(0.4127)	(1,770,515)
12	Cash Vouchers	calculation	140,284,272	27.38	30.00	(2.62)	(0.0072)	(1,004,221)
13	Total Operation & Maintenance Expense	Sch 9	538,959,506					(6,005,026)
14	Taxes other than Income Taxes							
15	FICA Taxes - Employer's	Footnote (b)	6,557,369	27.38	13.77	13.61	0.0372	243,841
16	Unemployment Taxes - Federal & State	Footnote (b)	259,824	27.38	71.00	(43.62)	(0.1192)	(30,966)
17	City Franchise Taxes - 6% GRT - MO	Sum of Taxes Pd Sch	35,803,045	12.17	72.28	(60.11)	(0.1642)	(5,880,112)
18	City Franchise Taxes - 4% GRT - MO	Sum of Taxes Pd Sch	13,619,961	12.17	39.34	(27.17)	(0.0742)	(1,011,077)
19	City Franchise Taxes - Other MO Cities	Sum of Taxes Pd Sch	8,295,608	12.17	60.94	(48.77)	(0.1333)	(1,105,401)
20	Ad Valorem / Property Taxes	Sch 9, see A/C 708	44,890,754	12.17	208.84	(196.67)	(0.5373)	(24,122,034)
21	Sales & Use Taxes - MO	Sum of Taxes Pd Sch	21,512,256	12.17	22.00	(9.83)	(0.0269)	(577,775)
22	Total Taxes other than Income Taxes		130,938,817					(32,483,525)
23	Current Income Taxes-Federal	Sch 11	14,470,061	27.38	45.63	(18.25)	(0.0499)	(721,526)
24	Current Income Taxes-State	Sch 11	3,567,261	27.38	45.63	(18.25)	(0.0499)	(177,876)
25	Total Income Taxes		18,037,322					(899,402)
26	Interest Expense	Sch 11	61,779,360	27.38	86.55	(59.17)	(0.1617)	(9,987,663)
27								
28	Total Cash Working Capital Requirement		749,715,005					(49,375,616)

Note a Calculation of Jurisdictional Payroll for CWC

	Total Company	Sal&Wg Allocation	Jurisdictional
Annualized Payroll (CS-50)	170,958,712	54.7219%	93,551,855
Less:			
Nuclear Payroll -Accts 517 -532 (CS-50)	47,616,815	54.7219%	26,056,826
Accrued Vacation	12,505,266	54.7219%	6,843,119
Gross Payroll excl Wolf Creek Prod and Accrued Vac	110,836,631		60,651,910

Note b Breakdown of Payroll Taxes (Adjusted test year)

	Total Company	Sal&Wg Allocation	Jurisdictional
FICA, net of amounts capitalized (704142 to 708150	11,983,080	54.7219%	6,557,369
Fed & State Unemployment (708140,141,160,164)	474,808	54.7219%	259,824
	12,457,888		6,817,193

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

12 Month Revenues and O & M Expenses - Schedule 9

Line No.	Account No. A	Description B	Per Books Test Year C	Rate Case Adj D	Adjusted Balance E	Juris Factor # F	Juris Allocator G	Electric Juris Adjusted Balance H
1		ELECTRIC - RETAIL SALES						
2	400	Missouri (excluding GRT)	753,065,562	0	753,065,562	100% MO	100.0000%	753,065,562
3		Gross Receipts Tax in MO Revenue	58,811,991	(58,811,991)	(0)	100% MO	100.0000%	(0)
4		Amort of Off Syst Sales Margin Rate Refund	744,349	0	744,349	100% MO	100.0000%	744,349
5		TOTAL MISSOURI	812,621,902	(58,811,991)	753,809,910			753,809,910
6		Kansas	655,210,777	0	655,210,777	100% KS	0.0000%	0
7		TOTAL RETAIL SALES	1,467,832,679	(58,811,991)	1,409,020,687			753,809,910
8		MISCELLANEOUS REVENUE						
9	450	Forfeited Discounts - MO	1,800,789	(116,645)	1,684,144	100% MO	100.0000%	1,684,144
10		Forfeited Discounts - KS	1,528,174	0	1,528,174	100% KS	0.0000%	0
11	451	Miscellaneous Services - MO	725,185	0	725,185	100% MO	100.0000%	725,185
12		Miscellaneous Services - KS	529,312	0	529,312	100% KS	0.0000%	0
13		Miscellaneous Services - Allocated - Dist	0	0	0	Dist Plt	54.9027%	0
14	454	Rent from Electric Property - MO	963,090	0	963,090	100% MO	100.0000%	963,090
15		Rent from Electric Property - KS	1,341,036	0	1,341,036	100% KS	0.0000%	0
16		Rent from Electric Property - Allocated - Prod	41,274	0	41,274	D1	54.6841%	22,570
17		Rent from Electric Property - Allocated - Trans	600,888	0	600,888	D1	54.6841%	328,590
18		Rent from Electric Property - Allocated - Dist	0	0	0	Dist Plt	54.9027%	0
19	456	Transmission for Others	8,403,458	0	8,403,458	D1	54.6841%	4,595,355
20		Other Elec Revenues - MO	681,723	0	681,723	100% MO	100.0000%	681,723
21		Other Elec Revenues - KS	124,941	0	124,941	100% KS	0.0000%	0
22		Other Elec Revenues - Allocated - Dist	367,217	0	367,217	Dist Plt	54.9027%	201,612
23		TOTAL MISCELLANEOUS REVENUE	17,107,087	(116,645)	16,990,442			9,202,270
24		BULK POWER SALES (BPS)						
25	447	Firm Bulk Sales (Capacity & Fixed)	6,700,498	0	6,700,498	D1	54.6841%	3,664,107
26		Firm Bulk Sales (Energy)	7,869,845	0	7,869,845	E1	57.4022%	4,517,464
27		Other Miscellaneous & Adjustments	0	0	0	D1	54.6841%	0
28		Non-firm Sales	169,757,348	0	169,757,348	E1	57.4022%	97,444,453
29		TOTAL BULK POWER SALES	184,327,691	0	184,327,691			105,626,024
30		SALES FOR RESALE (FERC JURIS CUST)						
31	447	FERC JURIS WHOLESALE FIRM POWER	2,327,790	0	2,327,790	NonJur/Wh	0.0000%	0
32		TRANSMISSION FOR FERC WHSLE FIRM PC	0	0	0	NonJur/Wh	0.0000%	0
33		TOTAL SALES FOR RESALE	2,327,790	0	2,327,790			0
34	449	BPS IN EXCESS OF 25% with INTEREST	(173,238)	0	(173,238)	100% MO	100.0000%	(173,238)
35								
36		TOTAL ELECTRIC OPERATING REVENUE	1,671,422,009	(58,928,636)	1,612,493,373			868,464,966
37		POWER PRODUCTION EXPENSES						
38		STEAM POWER GENERATION						
39		STEAM POWER OPERATION						
40	500.000	Prod Steam Operation- Suprv &	9,008,199	0	9,008,199	D1	54.6841%	4,926,053
41	500.000	Prod Steam Oper-lat 1&2 -100% MO	(1,288)	0	(1,288)	100% MO	100.0000%	(1,288)
42	500.000	Prod Steam Oper-lat 2 -100% KS	0	0	0	100% KS	0.0000%	0
43	501.000	Fuel Expense						
44		Labor	7,871,343	0	7,871,343	E1	57.4022%	4,518,324
45		Fuel Handling (non-labor)	4,802,591	0	4,802,591	E1	57.4022%	2,756,793
46		Fuel Expense-Coal & Freight	320,882,261	0	320,882,261	E1	57.4022%	184,193,477
47		100% MO STB- (Surface Trsp Bound)	(101,759)	0	(101,759)	100% MO	100.0000%	(101,759)
48		100%-KS-STB- (Surface Trsp Bound)	0	0	0	100% KS	0.0000%	0
49		Fuel Expense-Oil	9,296,827	0	9,296,827	E1	57.4022%	5,336,583
50		Fuel Expense- Gas	976,683	0	976,683	E1	57.4022%	560,638
51		Fuel Expense-Residual	1,254,147	0	1,254,147	E1	57.4022%	719,908
52		Additives, incl NH4, Limestone & Oth	5,736,622	0	5,736,622	E1	57.4022%	3,292,947
53		Fuel Expense - Unit Train Depreciation	0	12,543	12,543	D1	54.6841%	6,859
54	502.000	Steam Operating Expense	19,558,060	0	19,558,060	D1	54.6841%	10,695,149
55	502.000	Steam Operating Expense-lat 2-100% MO	0	0	0	100% MO	100.0000%	0
56	502.000	Steam Operating Expense-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
57	505.000	Electric Operating Electric Expense	7,044,541	0	7,044,541	D1	54.6841%	3,852,244
58	505.000	Electric Operating Exp-lat 2-100% MO	0	0	0	100% MO	100.0000%	0

12 Month Revenues and O & M Expenses - Schedule 9

Line No.	Account No.	Description	Per Books Test Year	Rate Case Adj	Adjusted Balance	Juris Factor #	Juris Allocator	Electric Juris Adjusted Balance
59	505.000	Electric Operating Exp-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
60	506.000	Misc Other Power Expenses	8,207,322	0	8,207,322	D1	54.6841%	4,488,100
61	506.000	Misc Other Power Exp-lat 2-100% MO	385,007	0	385,007	100% MO	100.0000%	385,007
62	506.000	Misc Other Power Exp-lat 2-100% KS	92,493	0	92,493	100% KS	0.0000%	0
63	507.000	Steam Operating Exp - Rents	160,093	0	160,093	D1	54.6841%	87,545
64	507.000	Steam Operating Exp-Rents-lat 2-100% MO	0	0	0	100% MO	100.0000%	0
65	507.000	Steam Operating Exp-Rents-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
66	509.000	Allowances						
67		NOX/Other Allowances-Allocated	0	0	0	E1	57.4022%	0
68		Amort of SO2 Allowances-MO	(2,302,448)	0	(2,302,448)	100% MO	100.0000%	(2,302,448)
69		Amort of SO2 Allowances-KS	(1,681,238)	0	(1,681,238)	100% KS	0.0000%	0
70		Emission Allowance -REC Exp.	77,817	0	77,817	E1	57.4022%	44,669
71		TOTAL STEAM OPERATION	391,267,273	12,543	391,279,816			223,458,801
72		STEAM POWER OPERATION						
73	510.000	Steam Maintenance Suprv & Engineering	7,079,743	0	7,079,743	D1	54.6841%	3,871,493
74	510.000	Steam Mtce Suprv & Eng-lat 2-100% MO	0	0	0	100% MO	100.0000%	0
75	510.000	Steam Mtce Suprv & Eng-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
76	511.000	Maintenance of Structures	4,841,301	0	4,841,301	D1	54.6841%	2,647,422
77	511.000	Maintenance of Structures-lat 2-100% MO	0	0	0	100% MO	100.0000%	0
78	511.000	Maintenance of Structures-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
79	512.000	Maintenance of Boiler Plant		0	0			
80		Non-Labor	21,276,868	0	21,276,868	D1	54.6841%	11,635,064
81		Labor	10,460,468	0	10,460,468	D1	54.6841%	5,720,213
82		Steam Prod Mtce-lat 1&2-100% MO	0	0	0	100% MO	100.0000%	0
83		Steam Prod Mtce-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
84	513.000	Maintenance of Electric Plant	6,310,118	0	6,310,118	D1	54.6841%	3,450,631
85	513.000	Maintenance of Elec Plant-lat 2-100% MO	205,721	0	205,721	100% MO	100.0000%	205,721
86	513.000	Maintenance of Elec Plant-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
87	514.000	Maintenance of Miscellaneous Steam Plant	415,207	0	415,207	D1	54.6841%	227,052
88	514.000	Mtce of Misc Steam Plant-lat 2-100% MO	0	0	0	100% MO	100.0000%	0
89	514.000	Mtce of Misc Steam Plant-lat 2-100% KS	0	0	0	100% KS	0.0000%	0
90		TOTAL STEAM MAINTENANCE	50,589,425	0	50,589,425			27,757,596
91		TOTAL STEAM POWER GENERATION EXPENSE	441,856,698	12,543	441,869,241			251,216,397
92		NUCLEAR POWER GENERATION						
93		NUCLEAR OPERATION						
94	517.000	Prod Nuclear Operation- Superv & Engineer	9,777,051	0	9,777,051	D1	54.6841%	5,346,492
95	518.000	Nuclear Fuel Expense						
96		Nuclear Fuel - Net Amortizarion	22,763,797	0	22,763,797	E1	57.4022%	13,066,920
97		Prod Nuclear-Disposal Costs	3,039,530	0	3,039,530	E1	57.4022%	1,744,757
98		KS DOE Refund	0	0	0	E1	0.0000%	0
99		Cost of Oil	753,388	0	753,388	E1	57.4022%	432,461
100		Labor	0	0	0	E1	57.4022%	0
101	519.000	Coolants and Water	2,918,728	0	2,918,728	D1	54.6841%	1,596,080
102	520.000	Steam Expense	19,787,528	0	19,787,528	D1	54.6841%	10,820,632
103	523.000	Electric Expense	1,143,688	0	1,143,688	D1	54.6841%	625,416
104	524.000	Miscellaneous Nuclear Power Exp						
105		Misc. Nuclear Power Expenses-100% KS	0	0	0	100% KS	0.0000%	0
106		Decommissioning-Missouri	1,281,264	0	1,281,264	100% MO	100.0000%	1,281,264
107		Decommissioning-Kansas	2,036,230	0	2,036,230	100% KS	0.0000%	0
108		Decommissioning-FERC	38,753	0	38,753	NonJur/Wh	0.0000%	0
109		Refueling Outage Amortization	(5,864,485)	0	(5,864,485)	D1	54.6841%	(3,206,941)
110		Refueling Outage Amortization - MO only	280,688	0	280,688	100% MO	100.0000%	280,688
111		Misc. Nucl Power Exp-Other-Alloc	28,464,902	0	28,464,902	D1	54.6841%	15,565,776
112	525.000	Rents	0	0	0	D1	54.6841%	0
113		TOTAL NUCLEAR OPERATION	86,421,062	0	86,421,062			47,553,545
114		NUCLEAR MAINTENANCE						
115	528.000	Prod Nuclear Maint- Suprv & Engineer	8,954,344	0	8,954,344	D1	54.6841%	4,896,602
116	529.000	Prod Nuclear Maint- Maint of Structures	3,245,819	0	3,245,819	D1	54.6841%	1,774,947
117	530.000	Prod Nuclear Maint- Maint Reactor Plant	12,999,171	0	12,999,171	D1	54.6841%	7,108,480
118		Refueling Outage Amortization						

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

12 Month Revenues and O & M Expenses - Schedule 9

Line No.	Account No.	Description	Per Books Test Year	Rate Case Adj	Adjusted Balance	Juris Factor #	Juris Allocator	Electric Juris Adjusted Balance
119		Refueling Outage Amortization - MO only	773,421	0	773,421	100% MO	100.0000%	773,421
120		Maint Reactor Plant - Other	(4,484,917)	0	(4,484,917)	D1	54.6841%	(2,452,536)
121	531.000	Prod Nuclear Mtce - Electric Plant	8,466,844	0	8,466,844	D1	54.6841%	4,630,017
122	532.000	Prod Nuclear Maint- Maint of Miscl Plant	3,061,206	0	3,061,206	D1	54.6841%	1,673,993
123		TOTAL NUCLEAR MAINTENANCE	33,015,888	0	33,015,888			18,404,924
124		TOTAL NUCLEAR POWER GENERATION	119,436,950	0	119,436,950			65,958,469
125		OTHER POWER GENERATION						
126		OTHER POWER OPERATION						
127	546.000	Prod Turbine Oper-Supr & Engineering	213,839	0	213,839	D1	54.6841%	116,936
128	547.000	Other PowerOperation- Fuel Expense						
129		Labor	47,254	0	47,254	E1	57.4022%	27,125
130		Fuel Handling (non-labor)	127,850	0	127,850	E1	57.4022%	73,389
131		Other Fuel Expense - Oil	332,879	0	332,879	E1	57.4022%	191,080
132		Other Fuel Expense - Gas	9,571,638	0	9,571,638	E1	57.4022%	5,494,331
133		Other Fuel Expense - Hedging - MO	(542,961)	0	(542,961)	100% MO	100.0000%	(542,961)
134		Additives	57,830	0	57,830	E1	57.4022%	33,196
135	548.000	Other Power Generation Expense	1,140,037	0	1,140,037	D1	54.6841%	623,419
136	549.000	Misc Other Power Generation Expense	2,302,259	0	2,302,259	D1	54.6841%	1,258,970
137	550.000	Other Generation Rents	0	0	0	D1	54.6841%	0
138		TOTAL OPERATION - OP	13,250,626	0	13,250,626			7,275,484
139		OTHER POWER MAINTANENCE						
140	551.000	Other Maint-Supr Eng. Struct Gen & Misc.	341,087	0	341,087	D1	54.6841%	186,520
141	552.000	Other General Maintenance of Structures	167,361	0	167,361	D1	54.6841%	91,520
142	553.000	Other General Maint of General Plant	1,600,611	0	1,600,611	D1	54.6841%	875,280
143	554.000	Other Gen Maint Miscl. Other General Plant	100,265	0	100,265	D1	54.6841%	54,829
144		TOTAL MAINTANENCE - OP	2,209,324	0	2,209,324			1,208,149
145		TOTAL OTHER POWER GENERATION	15,459,950	0	15,459,950			8,483,633
146		OTHER POWER SUPPLY EXPENSES						
147	555.000	Purchased Power						
148		Purchased Power-Energy	58,558,537	0	58,558,537	E1	57.4022%	33,613,889
149		Purchased Power-Capacity (Demand)	3,861,034	0	3,861,034	D1	54.6841%	2,111,372
150		Purch Pwr Energy Solar Contrct (100%	0	0	0	100% MO	100.0000%	0
151		Solar Renew Energy Credits (100% MO)	0	0	0	100% MO	100.0000%	0
152	556.000	System Control and Load Dispatch	2,979,307	0	2,979,307	D1	54.6841%	1,629,207
153	557.000	Other Expenses	7,021,647	0	7,021,647	D1	54.6841%	3,839,725
154		TOTAL OTHER POWER SUPPLY	72,420,526	0	72,420,526			41,194,192
155		TOTAL POWER PRODUCTION	649,174,124	12,543	649,186,667			366,852,691
156		TRANSMISSION EXPENSES						
157		OPERATION - TRANSMISSION EXP.						
158	560.000	Transmission Operation Suprv and Engrg	1,105,045	0	1,105,045	D1	54.6841%	604,284
159	561.000	Transmission Operation- Load Dispatch	6,791,142	0	6,791,142	D1	54.6841%	3,713,675
160	562.000	Transmission Operation- Station Expenses	385,742	0	385,742	D1	54.6841%	210,940
161	563.000	Transmission Operation-Overhead Line	96,019	0	96,019	D1	54.6841%	52,507
162	564.000	Trans Oper-Underground Line Expense	0	0	0	D1	54.6841%	0
163	565.000	Transmission of Electricity by Others	37,313,845	0	37,313,845	D1	54.6841%	20,404,740
164	566.000	Miscl. Transmission Expense	2,008,723	0	2,008,723	D1	54.6841%	1,098,452
165	567.000	Transmission Operation Rents	2,381,951	0	2,381,951	D1	54.6841%	1,302,548
166	575.000	Regional Transmission Operation	4,601,981	0	4,601,981	D1	54.6841%	2,516,552
167		TOTAL OPERATION - TRANSMISSION	54,684,448	0	54,684,448			29,903,698
168		MAINTENANCE - TRANSMISSION EXP.						
169	568.000	Transmission Maint-Suprv and Engrg	0	0	0	D1	54.6841%	0
170	569.000	Transmission Maintenance of Structures	2,512	0	2,512	D1	54.6841%	1,374
171	570.000	Transmission Maintenance of Station	977,598	0	977,598	D1	54.6841%	534,591
172	571.000	Transmission Maintenance of Overhead	2,866,941	0	2,866,941	D1	54.6841%	1,567,761
173	572.000	Trans Maintenance of Underground Lines	48,733	0	48,733	D1	54.6841%	26,649
174	573.000	Trans Maintenance of Miscl. Trans Plant	8,185	0	8,185	D1	54.6841%	4,476

12 Month Revenues and O & M Expenses - Schedule 9

Line No.	Account No.	Description	Per Books Test Year	Rate Case Adj	Adjusted Balance	Juris Factor #	Juris Allocator	Electric Juris Adjusted Balance
175	576.000	Transmission Maintenance-Comp	0	0	0	D1	54.6841%	0
176		TOTAL MAINTENANCE - TRANSMISSION	3,903,968	0	3,903,968			2,134,850
177		TOTAL TRANSMISSION EXPENSES	58,588,416	0	58,588,416			32,038,548
178		DISTRIBUTION EXPENSES						
179		OPERATION - DIST. EXPENSES						
180	580.000	Distribution Operation - Supr & Engineering	3,386,754	0	3,386,754	Dist Plt	54.9027%	1,859,419
181	581.000	Distribution Operation - Load Dispatching	745,845	0	745,845	Dist Plt	54.9027%	409,489
182	582.000	Distribution Operation - Station Expense	184,762	0	184,762	362	59.4954%	109,925
183	583.000	Dist Operation Overhead Line Expense	1,774,487	0	1,774,487	365	54.7806%	972,075
184	584.000	Dist Operation Underground Line Expense	2,397,425	0	2,397,425	367	52.3257%	1,254,470
185	585.000	Distrb Oper Street Light & Signal Expense	27,945	0	27,945	373	33.2956%	9,304
186	586.000	Distribution Operation Meter Expense	1,947,441	0	1,947,441	370	53.8023%	1,047,768
187	587.000	Distrb Operation Customer Install Expense	256,363	0	256,363	371	74.4868%	190,957
188	588.000	Dist Operation Miscl Distribution Expense	15,306,056	0	15,306,056	Dist Plt	54.9027%	8,403,438
189	589.000	Distribution Operations Rents	78,660	0	78,660	Dist Plt	54.9027%	43,186
190		TOTAL OPERATION - DIST. EXPENSES	26,105,738	0	26,105,738			14,300,031
191		MAINTENANCE - DISTRIB. EXPENSES						
192	590.000	Distribution Maint-Suprv & Engineering	182,247	0	182,247	Dist Plt	54.9027%	100,058
193	591.000	Distribution Maintenance-Structures	520,956	0	520,956	361	49.4968%	257,857
194	592.000	Distribution Maintenance-Station Equipment	773,396	0	773,396	362	59.4954%	460,135
195	593.000	Distribution Maintenance-Overhead lines	20,982,070	0	20,982,070	365	54.7806%	11,494,104
196	593.000	OH-Conductor/Devic (100% MO)	0	0	0	100% MO	100.0000%	0
197	594.000	Distrib Maint-Maintenance Underground	1,460,601	0	1,460,601	367	52.3257%	764,270
198	595.000	Distrib Maint-Maintenance Line Transformer	315,440	0	315,440	368	57.6796%	181,944
199	596.000	Distrib Maint- Maintenance St Lights/Signal	1,185,894	0	1,185,894	373	33.2956%	394,851
200	597.000	Distrib Maint-Maintenance of Meters	382,232	0	382,232	370	53.8023%	205,650
201	598.000	Distrib Maint-Maint Miscl Distribution Plant	1,706,392	0	1,706,392	Dist Plt	54.9027%	936,855
202		TOTAL MAINTENANCE - DISTRIB.	27,509,229	0	27,509,229			14,795,724
203		TOTAL DISTRIBUTION EXPENSES	53,614,967	0	53,614,967			29,095,755
204		CUSTOMER ACCOUNTS EXPENSE						
205	901.000	Cust Acct-Suprv Meter Read Collection	1,123,118	0	1,123,118	C2	52.7019%	591,905
206	902.000	Cust Accts Meter Reading Expense	4,319,765	0	4,319,765	C2	52.7019%	2,276,598
207	903.000	Customer Accts Records and Collection	12,873,731	0	12,873,731	C2	52.7019%	6,784,701
208	903.000	Cust Accts-Interest on Deposits - MO	0	149,310	149,310	100% MO	100.0000%	149,310
209	903.000	Cust Accts-Interest on Deposits - KS	0	2,470	2,470	100% KS	0.0000%	0
210	904.000	Uncollectible Accounts-MO 100%	0	5,960,527	5,960,527	100% MO	100.0000%	5,960,527
211	904.000	Uncollectible Accts-KS 100%	0	2,491,350	2,491,350	100% KS	0.0000%	0
212	905.000	Miscellaneous Customer Accts Expense	894,377	1,189,322	2,083,699	C2	52.7019%	1,098,149
213		TOTAL CUSTOMER ACCOUNTS	19,210,991	9,792,979	29,003,970			16,861,190
214		CUSTOMER SERVICE & INFO EXP						
215	907.000	Customer Service Suprv	72,437	0	72,437	C2	52.7019%	38,176
216	908.000	Customer Assistance Expense						
217		Customer Assistance Exp-100% MO	5,891,716	0	5,891,716	100% MO	100.0000%	5,891,716
218		Customer Assistance Exp-100% KS	4,074,208	0	4,074,208	100% KS	0.0000%	0
219		Customer Assistance Expense-Allocated	1,242,562	0	1,242,562	C2	52.7019%	654,854
220	908.000	Public Information	0	0	0	C2	52.7019%	0
221	909.000	Information and Instruction Advertising						
222		Information and Instruction Advertising	197,850	0	197,850	C1	52.7024%	104,272
223		Inform & Instruct'l Advertis- 100% MO	50,986	0	50,986	100% MO	100.0000%	50,986
224	910.000	Misc Customer Accounts and Info Exp						
225		Misc Cust Accts & Info Exp-Allocated	1,055,733	0	1,055,733	C2	52.7019%	556,391
226		Misc Cust Accts & Info Exp-100% MO	1,073,737	0	1,073,737	100% MO	100.0000%	1,073,737
227		TOTAL CUSTOMER SERVICE & INFO	13,659,229	0	13,659,229			8,370,132
228		SALES EXPENSES						
229	911.000	Sales Supervision	3	0	3	C1	52.7024%	1
230	912.000	Sales Demonstration and Selling	358,973	0	358,973	C2	52.7019%	189,186
231	913.000	Sales Advertising Expense	0	0	0	C1	52.7024%	0
232	916.000	Miscellaneous Sales Expense	63,560	0	63,560	C1	52.7024%	33,497

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

12 Month Revenues and O & M Expenses - Schedule 9

Line No.	Account No.	Description	Per Books Test Year	Rate Case Adj	Adjusted Balance	Juris Factor #	Juris Allocator	Electric Juris Adjusted Balance
233		TOTAL SALES EXPENSES	422,535	0	422,535			222,684
234		ADMIN. & GENERAL EXPENSES						
235		OPERATION - ADMIN. & GENERAL EXP						
236	920.000	Admin & Gen-Administrative Salaries						
237		Admin & Gen-Admin Salaries - Allocated	39,170,336	0	39,170,336	Sal&Wg	54.7219%	21,434,752
238		Admin & Gen-Admin. Salaries- 100% MO	1,209,001	0	1,209,001	100% MO	100.0000%	1,209,001
239		Admin & Gen- Admin. Salaries- 100% KS	1,893,050	0	1,893,050	100% KS	0.0000%	0
240	921.000	Admin & General Off Supply						
241		Admin & General Off Supply- Allocated	(1,393,242)	0	(1,393,242)	E2	57.5183%	(801,369)
242		Admin & General Off Supply- 100% MO	0	0	0	100% MO	100.0000%	0
243		Admin & General Off Supply- 100% KS	11,335	0	11,335	100% KS	0.0000%	0
244		Settlement - Misc Issues for ER-2010-	0	0	0	E2	57.5183%	0
245	922.000	Admin Expense Transfer Credit	(4,666,954)	0	(4,666,954)	E2	57.5183%	(2,684,353)
246	923.000	Outside Services Employed						
247		Outside Services Employed-Allocated	9,398,889	0	9,398,889	E2	57.5183%	5,406,081
248		Outside Services-100 % MO	2,114,420	0	2,114,420	100% MO	100.0000%	2,114,420
249		Outside Services- 100% KS	936,132	0	936,132	100% KS	0.0000%	0
250	924.000	Property Insurance	4,619,477	0	4,619,477	PTD	55.1166%	2,546,099
251	925.000	Injuries and Damages	7,214,674	0	7,214,674	Sal&Wg	54.7219%	3,948,007
252	926.000	Employee Pensions and Benefits	-					
253		Employee Pensions	46,753,451	0	46,753,451	Sal&Wg	54.7219%	25,584,377
254		Employee OPEB	7,839,169	0	7,839,169	Sal&Wg	54.7219%	4,289,742
255		Empl Ben-OPEB-MO	0	0	0	100% MO	100.0000%	0
256		Empl Ben-OPEB-KS	0	0	0	100% KS	0.0000%	0
257		Other Miscellaneous Employee Benefits	15,259,394	0	15,259,394	Sal&Wg	54.7219%	8,350,230
258	927.000	Franchise Requirements	0	0	0	C1	52.7024%	0
259	928.000	Regulatory Comm Exp						
260		Regulatory Comm Exp-FERC Assment	1,169,076	0	1,169,076	E1	57.4022%	671,075
261		Reg Comm Exp- MPSC Assmnt - 100% MO	1,268,327	0	1,268,327	100% MO	100.0000%	1,268,327
262		Reg Comm Exp- KCC Assmnt - 100% KS	935,154	0	935,154	100% KS	0.0000%	0
263		Reg Comm Exp- MO Proceeding 100% MO	2,843,709	0	2,843,709	100% MO	100.0000%	2,843,709
264		Reg Comm Exp- KS Proceeding 100% KS	2,556,438	0	2,556,438	100% KS	0.0000%	0
265		Reg Comm Exp- FERC Proceed - Allocated	437,392	0	437,392	E1	57.4022%	251,073
266		Regulatory Comm Expense- FERC	0	0	0	NonJur/Wh	0.0000%	0
267		Load Research Expenses- 100% to MO	0	0	0	100% MO	100.0000%	0
268		Miscellaneous Regulatory Filings/Expense	0	0	0	D1	54.6641%	0
269	929.000	Duplicate Charges-Credit	(12,687)	0	(12,687)	PTD	55.1166%	(6,993)
270	930.100	General Advertising Expense						
271		General Advertising Expense - Allocated	22,273	0	22,273	C1	52.7024%	11,739
272		General Advertising Expense - 100% MO	0	0	0	100% MO	100.0000%	0
273	930.200	Miscellaneous General Expense	5,584,432	0	5,584,432	E2	57.5183%	3,212,070
274	931.000	Admin & General Expense-Rents-Allocated	5,486,101	0	5,486,101	E2	57.5183%	3,155,512
275		Admin & General Expense-Rents-100% MO	(324,843)	0	(324,843)	100% MO	100.0000%	(324,843)
276		Admin & General Expense-Rents-100% KS	(242,160)	0	(242,160)	100% KS	0.0000%	0
277	933.000	Transportation Expense	0	(160,568)	(160,568)	Dist Plt	54.9027%	(88,156)
278		TOTAL OPERATION- ADMIN. &	150,082,346	(160,568)	149,921,778			82,390,501
279		MAINT, ADMIN. & GENERAL EXP						
280	935.000	Maintenance Of General Plant	5,675,250	0	5,675,250	PTD	55.1166%	3,128,005
281		TOTAL MAINT, ADMIN. & GENERAL EXP	5,675,250	0	5,675,250			3,128,005
282		TOTAL ADMIN. & GENERAL EXPENSES	155,757,596	(160,568)	155,597,028			85,518,506
283		TOTAL ELEC OPER & MAINT EXP	950,427,859	9,644,954	960,072,813			538,959,506
284		DEPRECIATION EXPENSE					Blended	
285	403.000	Depreciation Expense, Dep. Exp.	180,092,967	4,849,600	184,942,567		54.8665%	101,471,586
286	703.001	Other Depreciation	0	0	0			
287		TOTAL DEPRECIATION EXPENSE	180,092,967	4,849,600	184,942,567			101,471,586
288		AMORTIZATION EXPENSE						
289	704.000	Amortization of Limited Term Plant-	1,569,688	0	1,569,688	Blended	54.8665%	861,234
290	705.000	Amortization of Other Plant	16,293,283	289,697	16,582,980	Blended	54.8665%	9,098,507

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

12 Month Revenues and O & M Expenses - Schedule 9

Line No.	Account No.	Description	Per Books Test Year	Rate Case Adj	Adjusted Balance	Juris Factor #	Juris Allocator	Electric Juris Adjusted Balance
291	705.001	Amortization-Non-Plant-Allocate	0	18,380	18,380	Blended	54.8665%	10,085
292	705.001	Amort-lat Reg Asset & Oth Non-Plant - MO	1,099,030	0	1,099,030	100% MO	100.0000%	1,099,030
293	705.001	Amort-lat Reg Asset & Oth Non-Plant - KS	74,817	0	74,817	100% KS	0.0000%	0
294	705.00x	Amortiz of Unrecovered Reserve-KS	0	(1,661,925)	(1,661,925)	100% KS	0.0000%	0
295	707.400	Regulatory Credits	(9,347,576)	0	(9,347,576)	NonJur/Wh	0.0000%	0
296	711.100	Accretion Exp-Asset Retirement Obligation	8,479,294	0	8,479,294	NonJur/Wh	0.0000%	0
297	711.000	Write down-Emissions Allowance Liab-Whsl	0	0	0	NonJur/Wh	0.0000%	0
298		TOTAL AMORTIZATION EXPENSE	18,168,536	(1,353,848)	16,814,688			11,068,855
299		OTHER OPERATING EXPENSES						
300	708.1xx	Taxes Other Than Income Taxes-Allocated						
301	708.12x	Property Tax	81,446,886	0	81,446,886	PTD	55.1166%	44,890,754
302		Payroll Tax, incl Unemployment	12,457,888	0	12,457,888	Sal&Wg	54.7219%	6,817,193
303		Other Miscellaneous Taxes	286,161	0	286,161	PTD	55.1166%	157,722
304	708.130	Gross Receipts Tax-100% MO	57,795,656	(57,795,656)	0	100% MO	100.0000%	0
305	708.110	KCMO City Earnings Tax-100% MO	45,847	(45,847)	0	100% MO	100.0000%	0
306		TOTAL OTHER OPERATING EXPENSES	152,032,438	(57,841,503)	94,190,935			51,865,670
307		TOTAL OPERATING EXPENSE	1,300,721,800	(44,700,797)	1,256,021,003			703,365,616
308		NET INCOME BEFORE TAXES	370,700,209	(14,227,839)	356,472,370			165,099,350
309		INCOME TAXES						
310	709.100	Current Income Taxes	(6,318,170)	58,893,631	52,575,461	Sch11		18,037,322
311		TOTAL CURRENT INCOME TAXES	(6,318,170)	58,893,631	52,575,461			18,037,322
312	710 & 71	DEFERRED INCOME TAXES						
313		Deferred Income Taxes - Def. Inc. Tax.	91,870,088	(50,293,398)	41,576,690	Sch 11		23,342,678
314		Amortization of Deferred ITC	(751,440)	(321,874)	(1,073,314)	Sch 11		(591,574)
315		Amort of Excess Deferred Income Taxes		(736,449)	(736,449)	Sch 11		(405,906)
316		Amort. Of prior deferred taxes-Basis		(10,880,443)	(10,880,443)	Sch 11		(5,996,930)
317		Amort of R&D Credits	(194,111)	0	(194,111)	Sch 11		(194,111)
318		Amortization of Cost of Removal-ER-2007-	354,438	0	354,438	Sch 11		354,438
319		TOTAL DEFERRED INCOME TAXES	91,278,975	(62,232,164)	29,046,811			16,508,595
320								
321		TOTAL INCOME TAXES	84,960,804	(3,338,532)	81,622,272			34,545,918
322								
323		NET OPERATING INCOME	285,739,405	(10,889,307)	274,850,098			130,553,432

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Detail of Revenue Adjustments

Account		Remove GRT R-1	Out-of-period-items - Revenue R-11	Total by Account
	ELECTRIC - RETAIL SALES			
	MISSOURI (EXCLUDING GRT)			0
	GRT IN MO REVENUE	(58,811,991)		(58,811,991)
	AMORT OF OSS MARGIN RATE REFUND			0
	TOTAL MISSOURI	(58,811,991)	0	(58,811,991)
	KANSAS			0
	TOTAL RETAIL SALES	**(58,811,991)**	**0**	**(58,811,991)**
	MISCELLANEOUS REVENUE			
450	Forfeited Discounts - MO	(116,645)		(116,645)
	Forfeited Discounts - KS			0
451	Miscellaneous Services - MO			0
	Miscellaneous Services - KS			0
	Miscellaneous Services - Allocated - Dist			0
454	Rent from Electric Property - MO			0
	Rent from Electric Property - KS			0
	Rent from Electric Property - Allocated - Prod			0
	Rent from Electric Property - Allocated - Trans			0
	Rent from Electric Property - Allocated - Dist			0
456	Transmission for Others			0
	Other Elec Revenues - MO			0
	Other Elec Revenues - KS			0
	Other Elec Revenues - Allocated - Dist			0
	TOTAL MISCELLANEOUS REVENUE	**(116,645)**	**0**	**(116,645)**
	BULK POWER SALES (BPS)			
447	Firm Bulk Sales (Capacity & Fixed)		0	0
	Firm Bulk Sales (Energy)		0	0
	Other Miscellaneous & Adjustments			0
	NON-FIRM SALES (MARGIN ON SALES)			0
	NON-FIRM SALES (COST OF SALES & OTHER)			0
	TOTAL BULK POWER SALES	**0**	**0**	**0**
	SALES FOR RESALE (FERC JURIS CUST)			
447	FERC JURIS WHOLESALE FIRM POWER			0
	TRANSMISSION FOR FERC WHSLE FIRM POWER			0
	TOTAL SALES FOR RESALE	**0**	**0**	**0**
449	**BPS IN EXCESS OF 25% with INTEREST**			0
	TOTAL ELEC OPER REV-Adjustments	**(58,928,636)**	**0**	**(58,928,636)**

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Detail of Cost of Service Adjustments

Account		Remove GRT R-1	Estimated KCRec Bad Debt Exp CS-4	KCRec Bank Fees CS-9	Interest on Customer Deposits CS-10	Out-of-period-items - Cost of Service CS-11	Out-of-period-items-COS-Additional CS-11b	Surveillance Only Adj FIN depr exp to MO basis depr exp CS-12	KCMO Earnings Tax CS-18	Surveillance Only Inc Tx Exp-FIN to MO Basis CS-19	Total by Account
	POWER PRODUCTION EXPENSES										
	STEAM POWER GENERATION										
	STEAM POWER OPERATION										
500.000	Prod Steam Operation- Suprv & Engineering						0				0
500.000	Prod Steam Oper-Suprv & Eng-lat 1&2-100% MO										0
500.000	Steam Prod Oper-lat 2 -100% KS										0
501.000	Fuel Expense										
	Labor										0
	Non-Labor Fuel Handling										0
	Fuel Expense-Coal & Freight										0
	100% MO STB- (Surface Trsp Board)										0
	100%-KS-STB- (Surface Trsp Board)										0
	Fuel Expense-Oil										0
	Fuel Expense- Gas										0
	Fuel Expense-Residual										0
	Additives, incl Ammonia, Limestone & Oth										0
	Fuel Expense - Unit Train Depreciation							12,543			12,543
502.000	Steam Operating Expense						0				0
502.000	Steam Operating Expense-lat 2-100% MO										0
502.000	Steam Operating Expense-lat 2-100% KS										0
505.000	Steam Operating Electric Expense										0
505.000	Steam Operating Elecc Exp-lat 2-100% MO										0
505.000	Steam Operating Elec Exp-lat 2-100% KS										0
506.000	Misc Other Power Expenses										0
506.000	Misc Other Power Exp-lat 2-100% MO										0
506.000	Misc Other Power Exp-lat 2-100% KS										0
507.000	Steam Operating Exp - Rents										0
507.000	Steam Operating Exp-Rents-lat 2-100% MO										0
507.000	Steam Operating Exp-Rents-lat 2-100% KS										0
509.000	Allowances										
	Amort of SO2 Allowances-Allocated										0
	Amort of SO2 Allowances-MO										0
	Amort of SO2 Allowances-KS										0
	Emission Allowance -REC Exp.										0
	TOTAL STEAM OPERATION	0	0	0	0	0	0	12,543	0	0	12,543
	STEAM POWER OPERATION										
510.000	Steam Maintenance Suprv & Engineering						0				0
510.000	Steam Mtce Suprv & Eng-lat 2-100% MO										0
510.000	Steam Mtce Suprv & Eng-lat 2-100% KS										0
511.000	Maintenance of Structures										0
511.000	Maintenance of Structures-lat 2-100% MO										0
511.000	Maintenance of Structures-lat 2-100% KS										0
512.000	Maintenance of Boiler Plant										
	Non-Labor										0
	Labor										0
	lat 1&2 -100% MO										0
	Steam Prod Mtce-lat 2-100% KS										0
513.000	Maintenance of Electric Plant					0					0
513.000	Maintenance of Elec Plant-lat 2-100% MO										0
513.000	Maintenance of Elec Plant-lat 2-100% KS										0
514.000	Maintenance of Miscellaneous Steam Plant										0
514.000	Mtce of Misc Steam Plant-lat 2-100% MO										0
514.000	Mtce of Misc Steam Plant-lat 2-100% KS										0
	TOTAL STEAM MAINTENANCE	0	0	0	0	0	0	0	0	0	0
	TOTAL STEAM POWER GENERATION EXPENSE	0	0	0	0	0	0	12,543	0	0	12,543
	NUCLEAR POWER GENERATION										
	NUCLEAR OPERATION										
517.000	Prod Nuclear Operation- Superv & Engineer										0
518.000	Nuclear Fuel Expense										
	Nuclear Fuel - Net Amortization										0
	Prod Nuclear-Disposal Costs										0

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Detail of Cost of Service Adjustments

Account		Remove GRT	Estimated KCRec Bad Debt Exp	KCRec Bank Fees	Interest on Customer Deposits	Out-of-period-items - Cost of Service	Out-of-period-items-COS-Additional	Surveillance Only Adj FIN depr exp to MO basis depr exp	KCMO Earnings Tax	Surveillance Only Inc Tx Exp-FIN to MO Basis	Total by Account
Account		R-1	CS-4	CS-9	CS-10	CS-11	CS-11b	CS-12	CS-18	CS-19	Account
	KS DOE Refund (100% KS)										0
	Cost of Oil										0
	Labor										0
519.000	Coolants and Water										0
520.000	Steam Expense										0
523.000	Electric Expense										0
524.000	Miscellaneous Nuclear Power Exp										
	Misc. Nuclear Power Expenses-100% KS										0
	Decommissioning-Missouri										0
	Decommissioning-Kansas										0
	Decommissioning-FERC										0
	Refueling Outage Amortization										0
	Refueling Outage Amortization - MO only										0
	Misc. Nucl Power Exp-Other-Alloc										0
525.000	Rents										0
	TOTAL NUCLEAR OPERATION	0	0	0	0	0	0	0	0	0	0
	NUCLEAR MAINTENANCE										
528.000	Prod Nuclear Maint- Suprv & Engineer										0
529.000	Prod Nuclear Maint- Maint of Structures										0
530.000	Prod Nuclear Maint- Maint Reactor Plant										
	Refueling Outage Amortization										0
	Refueling Outage Amortization - MO only										0
	Maint Reactor Plant - Other										0
531.000	Prod Nuclear Mtce - Electric Plant										0
532.000	Prod Nuclear Maint- Maint of Misc Plant										0
	TOTAL NUCLEARMAINTENANCE	0	0	0	0	0	0	0	0	0	0
	TOTAL NUCLEAR POWER GENERATION	0	0	0	0	0	0	0	0	0	0
	OTHER POWER GENERATION										
	OTHER POWER OPERATION										
546.000	Prod Turbine Oper-Supr & Engineering										0
547.000	Other PowerOperation- Fuel Expense										
	Labor										0
	Fuel Hdlng (non-labor)										0
	Other Fuel Expense - Oil										0
	Other Fuel Expense - Gas										0
	Other Fuel Expense - Hedging - MO										0
	Additives										0
548.000	Other Power Generation Expense										0
549.000	Misc Other Power Generation Expense										0
550.000	Other Generation Rents										0
	TOTAL OPERATION - OP	0	0	0	0	0	0	0	0	0	0
	Other Power MAINTANENCE										
551.000	Other Maint-Supr Eng. Struct Gen & Misc.										0
552.000	Other General Maintenance of Structures					0					0
553.000	Other General Maint of General Plant										0
554.000	Other Gen Maint Miscl. Other General Plant										0
	TOTAL MAINTANENCE - OP	0	0	0	0	0	0	0	0	0	0
	TOTAL OTHER POWER GENERATION	0	0	0	0	0	0	0	0	0	0
	OTHER POWER SUPPLY EXPENSES										
555.000	Purchased Power-Energy										
	Purchased Power-Energy										0
	Purchased Power-Capacity (Demand)										0
	Purch Pwr Energy Solar Contrct (100% MO)										0
	Solar Renewable Energy Credits (100% MO)										0
556.000	System Control and Load Dispatch										0
557.000	Other Expenses					0					0
	TOTAL OTHER POWER SUPPLY EXPENSES	0	0	0	0	0	0	0	0	0	0
	TOTAL POWER PRODUCTION EXPENSES	0	0	0	0	0	0	12,543	0	0	12,543

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Detail of Cost of Service Adjustments

Account		Remove GRT R-1	Estimated KCRec Bad Debt Exp CS-4	KCRec Bank Fees CS-9	Interest on Customer Deposits CS-10	Out-of-period-items - Cost of Service CS-11	Out-of-period-items-COS-Additional CS-11b	Surveillance Only Adj FIN depr exp to MO basis depr exp CS-12	KCMO Earnings Tax CS-18	Surveillance Only Inc Tx Exp-FIN to MO Basis CS-19	Total by Account
	TRANSMISSION EXPENSES										
	OPERATION - TRANSMISSION EXP.										
560.000	Transmission Operation Suprv and Engrg										0
561.000	Transmission Operation- Load Dispatch										0
562.000	Transmission Operation- Station Expenses										0
563.000	Transmission Operation-Overhead Line										0
564.000	Trans Oper-Underground Line Expense										0
565.000	Transmission of Electricity by Others										0
566.000	Miscl. Transmission Expense										0
567.000	Transmission Operation Rents										0
575.000	Regional Transmission Operation										0
	TOTAL OPERATION - TRANSMISSION EXP.	0	0	0	0	0	0	0	0	0	0
	MAINTENANCE - TRANSMISSION EXP.										
568.000	Transmission Maint-Suprv and Engrg										0
569.000	Transmission Maintenance of Structures										0
570.000	Transmission Maintenance of Station										0
571.000	Transmission Maintenance of Overhead Lines										0
572.000	Trans Maintenance of Underground Lines										0
573.000	Trans Maintenance of Miscl. Trans Plant										0
576.000	Transmission Maintenance-Comp										0
	TOTAL MAINTENANCE - TRANSMISSION EXP.	0	0	0	0	0	0	0	0	0	0
	TOTAL TRANSMISSION EXPENSES	0	0	0	0	0	0	0	0	0	0
	DISTRIBUTION EXPENSES										
	OPERATION - DIST. EXPENSES										
580.000	Distribution Operation - Supr & Engineering										0
581.000	Distribution Operation - Load Dispatching										0
582.000	Distribution Operation - Station Expense										0
583.000	Dist Operation Overhead Line Expense										0
584.000	Dist Operation Underground Line Expense										0
585.000	Distrb Oper Street Light & Signal Expense										0
586.000	Distribution Operation Meter Expense										0
587.000	Distrb Operation Customer Install Expense										0
588.000	Dist Operation Miscl Distribution Expense					0					0
589.000	Distribution Operations Rents										0
	TOTAL OPERATION - DIST. EXPENSES	0	0	0	0	0	0	0	0	0	0
	MAINTENANCE - DISTRIB. EXPENSES										
590.000	Distribution Maint-Suprv & Engineering										0
591.000	Distribution Maintenance-Structures										0
592.000	Distribution Maintenance-Station Equipment					0					0
593.000	Distribution Maintenance-Overhead lines										0
593.000	Distribution Maint. Overhead lines- 100% MO										0
594.000	Distrib Maint-Maintenance Underground Lines										0
595.000	Distrib Maint-Maintenance Line Transformer										0
596.000	Distrib Maint- Maintenance St Lights/Signal										0
597.000	Distrib Maint-Maintenance of Meters										0
598.000	Distrib Maint-Maint Miscl Distribution Plant										0
	TOTAL MAINTENANCE - DISTRIB. EXPENSES	0	0	0	0	0	0	0	0	0	0
	TOTAL DISTRIBUTION EXPENSES	0	0	0	0	0	0	0	0	0	0
	CUSTOMER ACCOUNTS EXPENSE										
901.000	Cust Acct-Suprv Meter Read Collection Miscl										0
902.000	Cust Accts Meter Reading Expense										0
903.000	Customer Accts Records and Collection										0
903.000	Cust Accts-Interest on Deposits - MO				149,310						149,310
903.000	Cust Accts-Interest on Deposits - KS				2,470						2,470
904.000	Uncollectible Accounts-MO 100%		5,960,527								5,960,527
904.000	Uncollectible Accts-KS 100%		2,491,350								2,491,350
905.000	Miscellaneous Customer Accts Expense			1,189,322							1,189,322
	TOTAL CUSTOMER ACCOUNTS EXPENSE	0	8,451,877	1,189,322	151,780	0	0	0	0	0	9,792,979

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Detail of Cost of Service Adjustments

Account		Remove GRT	Estimated KCRec Bad Debt Exp	KCRec Bank Fees	Interest on Customer Deposits	Out-of-period-items - Cost of Service	Out-of-period-items-COS-Additional	Surveillance Only Adj FIN depr exp to MO basis depr exp	KCMO Earnings Tax	Surveillance Only Inc Tx Exp-FIN to MO Basis	Total by Account
		R-1	CS-4	CS-9	CS-10	CS-11	CS-11b	CS-12	CS-18	CS-19	Account
	CUSTOMER SERVICE & INFO. EXP.										
907.000	Customer Service Supv										0
908.000	Customer Assistance Expense										
	Customer Assistance Expense-100% MO					0					0
	Customer Assistance Expense-100% KS										0
	Cust Assistance Exp-Allocated										0
908.000	Public Information										
909.000	Information and Instruction Advertising										
	Information and Instruction Advertising										0
	Inform & Instructional Advertising-MO					0					0
910.000	Misc Customer Accounts and Info Exp										
	Misc Cust Accts & Info Exp-Allocated					0					0
	Misc Cust Accts & Info Exp-100% MO										0
	TOTAL CUSTOMER SERVICE & INFO. EXP.	0	0	0	0	0	0	0	0	0	0
	SALES EXPENSES										
911.000	Sales Supervision										0
912.000	Sales Demonstration and Selling										0
913.000	Sales Advertising Expense										0
916.000	Miscellaneous Sales Expense										0
	TOTAL SALES EXPENSES	0	0	0	0	0	0	0	0	0	0
	ADMIN. & GENERAL EXPENSES										
	OPERATION- ADMIN. & GENERAL EXP.										
920.000	Admin & Gen-Administrative Salaries										
	Admin & Gen-Admin Salaries - Allocated					0					0
	Admin & Gen-Admin. Salaries- 100% MO										0
	Admin & Gen- Admin. Salaries- 100% KS										0
921.000	Admin & General Off Supply										
	Admin & General Off Supply- Allocated					0					0
	Admin & General Off Supply- 100% MO										0
	Admin & General Off Supply- 100% KS										0
	Settlement - Misc Issues for ER-2010-0355										0
922.000	Admin Expense Transfer Credit										0
922.001	Admin Expense Transfer Credit 2										0
923.000	Outside Services Employed										
	Outside Services Employed-Allocated					0	0				0
	Outside Services-100 % MO					0					0
	Outside Services- 100% KS					0					0
924.000	Property Insurance										0
925.000	Injuries and Damages										0
926.000	Employee Pensions and Benefits										
	Employee Pensions										0
	Employee OPEB										0
	Empl Ben-OPEB-MO										0
	Empl Ben-OPEB-KS										0
	Other Miscellaneous Employee Benefits										0
927.000	Franchise Requirements										0
928.000	Regulatory Comm Exp										
	Regulatory Comm Exp-FERC Assment										0
	Reg Comm Exp- MPSC Assment 100% to MO										0
	Reg Comm Exp- KCC Assment 100% to KS										0
	Reg Comm Exp- MO Proceeding 100% to MO					0					0
	Reg Comm Exp- KS Proceeding 100% to KS					0					0
	Reg Comm Exp - FERC Proceedings - Allocated										0
	Regulatory Comm Expense- FERC Proceedings 100% to FERC										0
	Load Research Expenses- 100% to MO										0
	Miscellaneous Regulatory Expense										0
929.000	Duplicate Charges-Credit										0
930.100	General Advertising Expense										
	General Advertising Expense - Allocated										0
	General Advertising Expense - 100% MO										0
930.200	Miscellaneous General Expense					0					0

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Detail of Cost of Service Adjustments			Estimated					Surveillance Only		Surveillance Only	
		Remove GRT	KCRec Bad Debt Exp	KCRec Bank Fees	Interest on Customer Deposits	Out-of-period-items - Cost of Service	Out-of-period-items-COS-Additional	Adj FIN depr exp to MO basis depr exp	KCMO Earnings Tax	Inc Tx Exp-FIN to MO Basis	Total by
Account		R-1	CS-4	CS-9	CS-10	CS-11	CS-11b	CS-12	CS-18	CS-19	Account
931.000	Admin & General Expense-Rents-Allocated					0					0
	Admin & General Expense-Rents-100% MO					0					0
	Admin & General Expense-Rents-100% KS					0					0
933.000	Transportation Expense							(160,568)			(160,568)
	TOTAL OPERATION- ADMIN. & GENERAL EXP.	0	0	0	0	0	0	(160,568)	0	0	(160,568)
	MAINT., ADMIN. & GENERAL EXP.										
935.000	Maintenance Of General Plant										0
	TOTAL MAINT., ADMIN. & GENERAL EXP.	0	0	0	0	0	0	0	0	0	0
	TOTAL ADMIN. & GENERAL EXPENSES	0	0	0	0	0	0	(160,568)	0	0	(160,568)
	TOTAL ELEC OPER & MAINT EXP	0	8,451,877	1,189,322	151,780	0	0	(148,025)	0	0	9,644,954
	DEPRECIATION EXPENSE										
403.000	Depreciation Expense, Dep. Exp.							4,849,600			4,849,600
403.000	Hawthorn 5 Settlement-Depreciation										0
703.001	Other Depreciation										0
	TOTAL DEPRECIATION EXPENSE	0	0	0	0	0	0	4,849,600	0	0	4,849,600
	AMORTIZATION EXPENSE										
704.000	Amortization of Limited Term Plant-Allocated										0
705.000	Amortization of Other Plant							289,697			289,697
705.001	Amortization-Non-Plant-Allocate							18,380			18,380
705.001	Amortiz-Int Reg Asset & Other Non-Plant - MO										0
705.001	Amortiz-Int Reg Asset & Other Non-Plant - KS										0
707.400	Regulatory Credits										0
705.00x	Amortiz of Unrecovered Reserve-KS							(1,661,925)			(1,661,925)
711.100	Accretion Exp-Asset Retirement Obligation										0
711.000	Write down-Emissions Allowance Liab-Whsl										0
	TOTAL AMORTIZATION EXPENSE	0	0	0	0	0	0	(1,353,848)	0	0	(1,353,848)
	OTHER OPERATING EXPENSES										
708.100	Taxes Other Than Income Taxes-Allocated										
	Property Tax										0
	Payroll Tax										0
	Other Miscellaneous Taxes										0
708.200	Gross Receipts Tax-100% MO	(57,795,656)									(57,795,656)
708.300	KCMO City Earnings Tax-100% MO								(45,847)		(45,847)
	TOTAL OTHER OPERATING EXPENSES	(57,795,656)	0	0	0	0	0	0	(45,847)	0	(57,841,503)
	TOTAL OPERATING EXPENSE	(57,795,656)	8,451,877	1,189,322	151,780	0	0	3,347,727	(45,847)	0	(44,700,797)
	INCOME TAXES										
709.100	Current Income Taxes									58,893,631	58,893,631
	TOTAL CURRENT INCOME TAXES	0	0	0	0	0	0	0	0	58,893,631	58,893,631
	DEFERRED INCOME TAXES										
710.100	Deferred Income Taxes - Def. Inc. Tax.									(50,293,398)	(50,293,398)
711.410	Amortization of Deferred ITC									(321,874)	(321,874)
711.100	Amort of Excess Deferred Income Taxes									(736,449)	(736,449)
820.001	Amort. Of prior deferred taxes-Tax Rate Change									(10,880,443)	(10,880,443)
811.200	Amort of R&D Credits									0	0
809.000	Amortization of Cost of Removal-ER-2007-0291									0	0
	TOTAL DEFERRED INCOME TAXES	0	0	0	0	0	0	0	0	(62,232,164)	(62,232,164)
	Total Expense Adjustments	(57,795,656)	8,451,877	1,189,322	151,780	0	0	3,347,727	(45,847)	(3,338,532)	(48,039,329)

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Income Tax - Schedule 11

Line No.	Line Description	Total Company Balance *	Juris Factor #	Juris Allocator *	Tax Rate	(Jurisdictional) Adjusted with 7.718% Return
	A				B	C
1	Net Income Before Taxes (Sch 9)	356,472,370				165,099,350
2	*Add to Net Income Before Taxes:*					
3	Depreciation Exp	184,942,567				101,471,586
4	Plant Amortization Exp	18,152,668				9,959,741
5	Amortization of Unrecovered Reserve on General Plt-KS	1,661,925	100% KS	0.0000%		0
6	Book Nuclear Fuel Amortization	22,763,797				13,066,920
7	Transp & Unit Train Depr-Clearing (a)	(148,033)				1,429,584
8	50% Meals & Entertainment	1,045,277	Sal&Wg	54.7219%		571,995
9	Total	228,418,201				126,499,826
10	*Subtract from Net Income Before Taxes:*					
11	Interest Expense	118,382,377				61,779,360
12	IRS Tax Return Depreciation	267,723,349	PTD	55.1166%		147,560,007
13	IRS Tax Return Plant Amortization	6,350,607	PTD	55.1166%		3,500,239
14	IRS Tax Return Nuclear Amortization	22,596,472	E1	57.4022%		12,970,872
15	Employee 401k ESOP Deduction	2,700,000	Sal&Wg	54.7219%		1,477,491
16	IRC Section 199 Domestic Production Activities	0	D1	54.6841%		0
17	Total	417,752,805				227,287,969
18	Net Taxable Income	167,137,767				64,311,207
19	Provision for Federal Income Tax:					
20	Net Taxable Income	167,137,767				64,311,207
21	Deduct State Income Tax @ 100.0%	9,087,099			6.25%	3,567,261
22	Deduct City Income Tax	0				0
23	Federal Taxable Income	158,050,668				60,743,946
24	Federal Tax Before Tax Credits	55,317,734			35.00%	21,260,381
25	Less Tax Credits:					
26	Wind Tax Credit	(11,053,018)	E1	57.4022%		(6,344,675)
27	Research and Development Tax Credit	(700,000)	E1	57.4022%		(401,815)
28	Fuels Tax Credit	(76,354)	E1	57.4022%		(43,829)
29	Total Federal Tax	43,488,362				14,470,061
30	Provision for State Income Tax:					
31	Net Taxable Income	167,137,767				64,311,207
32	Deduct Federal Income Tax @ 50.0%	21,744,181			17.50%	7,235,031
33	Deduct City Income Tax	0				0
34	State Jurisdictional Taxable Income	145,393,586				57,076,176
35	Total State Tax	9,087,099			6.25%	3,567,261
36	Provision for City Income Tax:					
37	Net Taxable Income	167,137,767				64,311,207
38	Total City Tax	0			0.00%	0
39	Effective Tax rate before Tax Cr and Earnings Tax	38.39%				38.39%
40	Summary of Provision for Current Income Tax:					
41	Federal Income Tax	43,488,362				14,470,061
42	State Income Tax	9,087,099				3,567,261
43	City Income Tax	0				0
44	Total Provision for Current Income Tax	52,575,461				18,037,322

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Income Tax - Schedule 11

Line No.	Line Description	Total Company Balance *	Juris Factor #	Juris Allocator *	Tax Rate	(Jurisdictional) Adjusted with 7.718% Return
45	**Deferred Income Taxes:**					
46	Deferred Income Taxes - Excess IRS Tax over Tax SL	41,576,690	See Computation Below			23,342,678
47	Amortization of Deferred ITC	(1,073,314)	PTD	55.1166%		(591,574)
48	Amort of Excess Deferred Income Taxes (ARAM)	(736,449)	PTD	55.1166%		(405,906)
49	Amort. of Prior Deferred taxes - Turnaround of Book/Tax Basis Differences	(10,880,443)	PTD	55.1166%		(5,996,930)
50	Amortization of R&D Credits	(194,111)	100% MO	100.0000%		(194,111)
51	Amortization of Cost of Removal-ER-2007-0291	354,438	100% MO	100.0000%		354,438
52	**Total Deferred Income Tax Expense**	29,046,811				16,508,595
53	**Total Income Tax**	81,622,272				34,545,918
54	(a) Percent of vehicle depr clearing to O&M				54.160%	
55	Effective Tax Rate excluding City Earnings Taxes - MO juris	38.3900%				38.3900%

Interest Expense Proof:

Total Rate Base (Sch. 2)	2,129,955,525
X Wtd Cost of Debt	2.901%
Interest Exp	61,779,360
Less: Interest Expense from Line 7	61,779,360
Difference	0

* As Needed

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Income Tax - Schedule 11

Line No.	Line Description	Total Company Balance *	Juris Factor #	Juris Allocator *	Tax Rate	(Jurisdictional) Adjusted with 7.718% Return
	Computation of Line 43 Above:					
	Straight Line Tax Depreciation:					
56	Annualized Book Depreciation (Sch 5)	184,942,567				101,471,586
57	Amortiz of Unrecovered Reserve on General Plt-KS	1,661,925	100% KS	0.0000%		0
58	Total Straight Line Tax Depreciation	186,604,492				101,471,586
59	Straight Line Tax Ratio	80.97%				80.97%
60	Straight Line Tax Depreciation	151,094,030				82,161,746
	Deferred Income Taxes - Excess IRS Tax over Tax SL:					
61	IRS Tax Return Depreciation	267,723,349				147,560,007
62	Less: Tax Straight Line Depreciation	151,094,030				82,161,746
63	Excess IRS Tax Depr over Tax SL Depr	116,629,319				65,398,262
64	IRS Tax Return Plant Amortization	6,350,607				3,500,239
65	Less: Tax Straight Line Amortization	14,511,767	PTD	55.1166%		7,998,393
66	Excess IRS Tax Amort over Tax SL Amort	(8,161,160)				(4,498,154)
67	IRS Tax Return Nuclear Amortization	22,596,472				12,970,872
68	Less: Tax Straight Line Nuclear Amort	22,763,797	E1	57.4022%		13,066,920
69	Excess IRS Tax Nuclear Amort over Tax SL Nuclear Amort	(167,325)				(96,048)
70	Total Timing Differences	108,300,834				60,804,059
71	Effective Tax rate	38.39%				38.39%
72	Deferred Income Taxes - Excess IRS Tax over Tax SL	41,576,690				23,342,678

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Working Capital - Schedule 12

Line No.	Account No.	Description	Direct/Update /True UP Adjusted Balance	Juris Factor #	Juris Allocator	Juris Adjusted Balance
	A	B	E	F	G	H
1	151	**FUEL INVENTORY - RB-74**				
2		Coal	42,898,788	E1	57.4022%	24,624,848
3		Oil	7,395,246	E1	57.4022%	4,245,034
4		Lime/Linestone	303,759	E1	57.4022%	174,364
5		Ammonia	194,112	E1	57.4022%	111,425
6		Powder Activated Carbon	170,075	E1	57.4022%	97,627
7		FOSSIL FUELS	50,961,980			29,253,298
8						
9	120	**NUCLEAR FUEL IN REACTOR - RB-75**				
10		Fuel w/o MO Gross AFUDC	217,165,297	E1	57.4022%	124,657,658
11		Less Accum Prov for Amort	(161,365,463)	E1	57.4022%	(92,627,326)
12		TOTAL NUCLEAR FUEL IN REACTOR	55,799,834			32,030,332
13						
14		**TOTAL FUEL INVENTORY**	106,761,814			61,283,630
15						
16	154 & 163	**MATERIALS & SUPPLIES - RB-72**				
17		Fossil Generation Related M&S	67,349,033	D1	54.6841%	36,829,213
18		Wolf Creek Related M&S	34,127,771	D1	54.6841%	18,662,464
19		T&D Related M&S - MO	155,056	100% MO	100.0000%	155,056
20		T&D Related M&S - KS	75,248	100% KS	0.0000%	0
21		T&D Related M&S - ALLOCATED	6,626,126	PTD	55.1166%	3,652,095
22		Wind Generation Related M&S	0	D1	54.6841%	0
23		Miscellaneous Other	0	PTD	55.1166%	0
24		**TOTAL MATERIALS & SUPPLIES**	108,333,234			59,298,828
25						
26	165	**PREPAYMENTS - RB-50 (excl GRT)**				
27		GRT Taxes	0	100% MO	100.0000%	0
28		General Insurance	5,230,997	PTD	55.1166%	2,883,148
29		Postage	197,908	C2	52.7019%	104,301
30		Other	3,431,312	D1	54.6841%	1,876,382
31		Wolf Creek General Insurance	1,761,484	D1	54.6841%	963,252
32		**TOTAL PREPAYMENTS**	10,621,701			5,827,083
33						
34		**WORKING CAPITAL, excl Cash**	225,716,749			126,409,541
35						
36		**CASH WORKING CAPITAL - Sch 8**				(49,375,616)
37						
38		**TOTAL WORKING CAPITAL**				77,033,925

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Accumulated Deferred Income Tax Reserves - Schedule 13

LINE NO.	Account No.	Line Description	Total Comp Financial	Rate Case Adj	Total Comp Juris	Juris Factor #	Juris Allocator	Juris Adjusted Balance
	A	B	C	D	E	F	G	H
1	190	ACCT 190 ACCUM DEFERRED TAX						
2		Misc	0	0	0	PTD	55.1166%	0
3		Net Operating Loss	(70,437,384)	869,168	(69,568,216)	PTD	55.1166%	(38,343,635)
4		Vacation & Other Salaries & Wages Alloc	(10,405,926)	3,170,832	(7,235,094)	Sal&Wg	54.7219%	(3,959,181)
5		Advertising	0	0	0	100% MO	100.0000%	0
6		Nuclear Fuel	0	0	0	E1	57.4022%	0
7		TOTAL ACCT 190	(80,843,310)	4,040,000	(76,803,310)			(42,302,816)
8								
9	281	ACCELERATED AMORTIZATION	0	0	0	D1	54.6841%	0
10								
11	282	LIBERALIZED DEPRECIATION						
12		Method/Life Depreciation - Non Wolf Creek	656,949,908	49,256,960	706,206,868	D1	54.6841%	386,182,870
13		Method/Life Depreciation - Wolf Creek	145,730,488	(9,788,747)	135,941,741	D1	54.6841%	74,338,518
14		Nuclear Fuel	321,444	(4,214)	317,230	E1	57.4022%	182,097
15								
16		TOTAL LIBERALIZED DEPRECIATION	803,001,840	39,463,999	842,465,839			460,703,484
17								
18		ACCUM DIT ON BASIS DIFFERENCES						
19		Gross AFUDC - Wolf Creek Construction	19,065,699	(649,076)	18,416,623	100% MO	100.0000%	18,416,623
20		AFUDC Debt/Cap Int - W/O Fuel & Wolf Creek Constr	(11,632,206)	(178,794)	(11,811,000)	D1	54.6841%	(6,458,739)
21		AFUDC Debt - Nuclear Fuel	0	0	0	E1	57.4022%	0
22		Contributions in Aid of Construction	(28,008,546)	(643,656)	(28,652,202)	D1	54.6841%	(15,668,199)
23		Repair Allowance	51,952,444	2,427,400	54,379,844	D1	54.6841%	29,737,128
24		Repair Expense - Wolf Creek	44,713,485	(700,515)	44,012,970	D1	54.6841%	24,068,097
25		Repair Expense - Production	117,128,761	877,570	118,006,331	D1	54.6841%	64,530,700
26		Pensions Capitalized - Assigned	414,597	215,875	630,472	100% MO	100.0000%	630,472
27		Pensions Capitalized - Allocated			0	D1	54.6841%	0
28		Payroll Tax Capitalized - Assigned	334,803	163,328	498,131	100% MO	100.0000%	498,131
29		Payroll Tax Capitalized - Allocated			0	D1	54.6841%	0
30		Prop Tax Capitalized - Assigned - Wolf Creek			0	100% MO	100.0000%	0
31		Prop Tax Capitalized - Assigned	2,291,109	(463,523)	1,827,586	100% MO	100.0000%	1,827,586
32		Prop Tax Capitalized - Allocated - Wolf Creek			0	D1	54.6841%	0
33		Prop Tax Capitalized - Allocated	42,394	1,380,559	1,422,953	D1	54.6841%	778,129
34		Health & Welfare Capitalized	250,857	73,245	324,102	D1	54.6841%	177,232
35		MSC0140 - Strategic Initiative Capitalized			0	100% MO	100.0000%	0
36		Other Miscellaneous	43,943,321	(205,287)	43,738,034	D1	54.6841%	23,917,750
37		TOTAL ACCUM DIT ON BASIS DIFFERENCES	240,496,718	2,297,126	242,793,844			142,454,911
38								
39		TOTAL ACCT 282	1,043,498,558	41,761,125	1,085,259,683			603,158,395
40								
41	283	MISC DEFERRED INCOME TAX (RATEBASE ITEMS)						
42		Prior Years Depr ADJ & Other Total Plant	(6,615,910)	86,738	(6,529,172)	D1	54.6841%	(3,570,419)
43		SO2 Emissions & Other E1 Alloc	11,449,723	(150,112)	11,299,611	E1	57.4022%	6,486,225
44		Postretirement Benefits & Other Salaries & Wages	(7,092,638)	8,355,468	1,262,831	Sal&Wg	54.7219%	691,045
45		Customer Demand Prog & Other 100% MO	27,014,772	(354,178)	26,660,594	100% MO	100.0000%	26,660,594
46		Customer Demand Prog & Other 100% KS	(697,496)	697,496	0	100% KS	0.0000%	0
47		TOTAL ACCT 283	24,058,450	8,635,413	32,693,863			30,267,445
48								
49		TOTAL ACCUMULATED DEFERRED TAXES	986,713,698	54,436,538	1,041,150,236			591,123,024

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Capital Structure

Line No.	Description		Actual at 12-31-2012	Percent	Required Return	Weighted Return		
	A		B	C	D	E		
1	Long-Term Debt	**	2,244,098	50.024%	**5.7983%**	2.9005%	**	
2	Preference Stock	**	24,886	0.555%	**4.2913%**	0.0238%	**	
3	Common Equity	**	2,217,050	49.421%	**9.7000%**	4.7939%	**	**==>Return on Equity -Per ER-2012-174**
4	Overall Cost of Capital		4,486,034	100.000%		7.7182%		**==>Return on Investment**
Actual Earned Return on Equity								
5	Long-Term Debt		2,244,098	50.024%	5.7983%	2.9005%		
6	Preference Stock		24,886	0.555%	4.2913%	0.0238%		
7	Common Equity		2,217,050	49.421%	6.4853%	3.2051%		**==>Return on Equity - As Earned during 2013**
8	Overall Cost of Capital		4,486,034	100.000%		6.1294%		**==>Return on Investment**

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Rate Case Utility Allocation Factors

Jurisdiction Factors		Jurisdictional Allocators MO Retail	KS Retail	Non Juris / Wholesale	Total
100% MO	Missouri Jurisdictional	100.0000 %	0.0000 %	0.0000 %	100.0000 %
100% KS	Kansas Jurisdictional	0.0000 %	100.0000 %	0.0000 %	100.0000 %
NonJur/Wh	Non Jurisdictional/Wholesale	0.0000 %	0.0000 %	100.0000 %	100.0000 %
D1	D1 - Demand (Capacity) Factor	54.6841 %	45.0782 %	0.2377 %	100.0000 %
E1	E1 - Energy Factor with Losses (E1)	57.4022 %	42.3653 %	0.2325 %	100.0000 %
E2	E2 - Energy Factor without Losses (E2)	57.5183 %	42.2493 %	0.2324 %	100.0000 %
C1	C1 - Customer - Elec (Retail only) (C1)	52.7024 %	47.2976 %	0.0000 %	100.0000 %
C2	C2 - Customer - Elec & Wholesale (C2)	52.7019 %	47.2972 %	0.0009 %	100.0000 %
Blended Factors (See Calculation Below)		**MO**	**KS & Whsl**		
Sal&Wg	Sal & Wg - Salaries & Wages w/o A&G	54.7219 %	45.2781 %		100.0000 %
PTD	PTD - Prod/Trsm/Dist Plant (excl Gen)	55.1166 %	44.8834 %		100.0000 %
Dist Plt	Dist Plt - Weighted Situs Basis	54.9027 %	45.0973 %		100.0000 %
Situs Basis Plant used for Dist Depr Reserve		**MO Retail**	**KS Retail**	**Non Juris / Wholesale**	
360L	360 - Dist Land	43.7101 %	56.2899 %	0.0000 %	100.0000 %
360LR	360 - Dist Land Rights	58.3311 %	41.6689 %	0.0000 %	100.0000 %
361	361 - Dist Structures & Improvements	49.4968 %	50.5032 %	0.0000 %	100.0000 %
362	362 - Distr Station Equipment	59.4954 %	40.5046 %	0.0000 %	100.0000 %
362Com	362 - Distr Station Equip-Communication	54.9206 %	45.0794 %	0.0000 %	100.0000 %
364	364 - Dist Poles, Towers & Fixtures	54.6195 %	45.3805 %	0.0000 %	100.0000 %
365	365 - Dist Overhead Conductor	54.7806 %	45.2194 %	0.0000 %	100.0000 %
366	366 - Dist Underground Circuits	58.1357 %	41.8643 %	0.0000 %	100.0000 %
367	367 - Dist Underground Conduct & Devices	52.3257 %	47.6743 %	0.0000 %	100.0000 %
368	368 - Dist Line Transformers	57.6796 %	42.3204 %	0.0000 %	100.0000 %
369	369 - Dist Services	51.4020 %	48.5980 %	0.0000 %	100.0000 %
370	370 - Dist Meters	53.8023 %	46.1977 %	0.0000 %	100.0000 %
371	371 - Dist Customer Premise Installations	74.4868 %	25.5132 %	0.0000 %	100.0000 %
373	373 - Dist Street Lights & Traffic Signals	33.2956 %	66.7044 %	0.0000 %	100.0000 %

Calc of PTD Allocation Factor	Per Schedule 3 Total Adj Plant	MO Juris
Total Production Plant	5,265,517,074	2,908,008,058
Total Transmission Plant	431,772,826	236,362,236
Total Distribution Plant	1,969,574,448	1,081,348,382
Total Prod, Transm & Dist Plant	7,666,864,348	4,225,718,677
Total PTDist Allocation Factor		55.1166 %

Calculation of Salaries and Wages Allocation Factor Elec Oper & Mtce Labor	COSCLAS Test Year Labor	Factor	Juris Allocator	MO Juris
Production - Demand Related	96,241,792	D1	54.6841 %	52,628,958
Production - Energy Related Related	7,871,343	E1	57.4022 %	4,518,324
Transmission	3,100,781	D1	54.6841 %	1,695,634
Distribution	23,528,557	Dist Plt	54.9027 %	12,917,813
Customer Accounts	9,539,707	C2	52.7019 %	5,027,607
Customer Services	841,902	C2	52.7019 %	443,698
Sales	311,583	C2	52.7019 %	164,210
Subtotal Salaries & Wages W/O A&G	141,435,665		54.7219 %	77,396,244
Administrative & General	29,523,048	Sal&Wg	54.7219 %	16,155,573
TOTAL LABOR	170,958,713			93,551,817

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Rate Case Utility Allocation Factors

Situs Distribution Allocation Factors	Jurisdictional Allocators				
		Sch 3		Juris Allocators	
	Total	Missouri	Kansas	Missouri	Kansas
36000 - Dist Land	8,167,469	3,570,005	4,597,464	43.7101 %	56.2899 %
36001 - Dist Land Rights	16,589,190	9,676,655	6,912,534	58.3311 %	41.6689 %
36100 - Dist Structures & Improvements	12,578,417	6,225,910	6,352,507	49.4968 %	50.5032 %
36200 - Distr Station Equipment	191,546,089	113,961,176	77,584,913	59.4954 %	40.5046 %
36203 - Distr Station Equip-Communication	4,111,289	2,257,946	1,853,343	54.9206 %	45.0794 %
36400 - Dist Poles, Towers & Fixtures	289,349,912	158,041,383	131,308,529	54.6195 %	45.3805 %
36500 - Dist Overhead Conductor	225,510,352	123,536,019	101,974,333	54.7806 %	45.2194 %
36600 - Dist Underground Circuits	248,355,046	144,382,932	103,972,114	58.1357 %	41.8643 %
36700 - Dist Underground Conduc & Devices	443,252,646	231,935,257	211,317,389	52.3257 %	47.6743 %
36800 - Dist Line Transformers	269,824,399	155,633,589	114,190,810	57.6796 %	42.3204 %
36900 - Dist Services	116,323,178	59,792,485	56,530,693	51.4020 %	48.5980 %
37000 - Dist Meters	97,124,142	52,255,004	44,869,138	53.8023 %	46.1977 %
37100 - Dist Customer Premise Installations	10,885,397	8,108,188	2,777,209	74.4868 %	25.5132 %
37300 - Dist Street Lights & Traffic Signals	35,956,923	11,972,081	23,984,842	33.2956 %	66.7044 %
Total by Jurisdiction	1,969,574,448	1,081,348,631	888,225,816		
Total Dist Plant - Weighted Situs	1,969,574,448	1,081,348,631	888,225,816	54.9027 %	45.0973 %

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Authorized Depreciation Rates by Jurisdiction

ACCT. NO.	DESCRIPTION	MISSOURI JURISDICTION	
	PRODUCTION PLANT		
	STEAM		
31000	LAND & LAND RIGHTS	0.00%	
31100	STRUCTURES & IMPROVEMENTS	3.07%	
31102	STRUCTURES & IMPROVEMENTS - H5	1.21%	
31104	STRUCTURES & IMPROVEMENTS - IATAN 2	1.52%	
31106	Structures & Improv - Iatan 2 - MO Juris Disallow	1.52%	
31200	BOILER PLANT EQUIPMENT	2.86%	
31201	UNIT TRAINS	3.16%	
31202	AQC EQUIPMENT	0.00%	
31203	BOILER PLANT EQUIPMENT - H5	1.21%	
31204	BOILER PLANT EQUIPMENT - IATAN 2	1.68%	
31205	Boiler Plt Eq - Iatan 1 MO Juris Disallow	2.86%	
31206	Boiler Plt Eq - Iatan 2-MO Juris Disallow	1.68%	
31400	TURBOGENERATOR UNITS	3.27%	
31404	TURBOGENERATOR UNITS-IATAN 2	1.59%	
31406	Turbogenerator- Iatan 2-MO Juris Disallow	1.59%	
31500	ACCESSORY ELECTRIC EQUIPMENT	3.87%	
31501	ACCESSORY ELECTRIC EQUIPMENT - H5	1.08%	
31502	ACC ELEC EQUIP - COMPUTERS	3.87%	
31504	ACCESSORY ELECTRIC EQUIPMENT-IATAN 2	1.71%	
31505	Accessory Elec Equip - Iatan 1 MO Juris Disallow	3.87%	
31506	Accessory Elec Equip - Iatan 2 MO Juris Disallow	1.71%	
31600	MISC. POWER PLANT EQUIPMENT	2.27%	
31601	MISC. POWER PLANT EQUIPMENT - H5	0.62%	
31604	MISC. POWER PLANT EQUIPMENT-IATAN 2	1.40%	
31605	Misc Pwr Plt Eq - Iatan 1 - MO Jur Disallow	2.27%	
31606	Misc Pwr Plt Eq - Iatan 2 - MO Jur Disallow	1.40%	
	NUCLEAR		
32100	STRUCTURES & IMPROVEMENTS	1.48%	
32101	MISSOURI GROSS AFDC	1.48%	
32200	REACTOR PLANT EQUIPMENT	1.60%	
32201	MISSOURI GROSS AFDC	1.60%	
32300	TURBOGENERATOR UNITS	1.71%	
32301	MISSOURI GROSS AFDC	1.71%	
32400	ACCESSORY ELECT. EQUIPMENT	2.11%	
32401	MISSOURI GROSS AFDC	2.11%	
32500	MISC POWER PLANT EQUIPMENT	2.93%	
32501	MISSOURI GROSS AFDC	2.93%	
	REGULATORY DISALLOWANCES		
32801	MPSC DISALLOWANCE	1.60%	
32802	MPSC DISALLOW - NOT MO JUIRIS	1.60%	
32803	KCC DISALLOWANCE	0.00%	
32804	KCC DISALLOW - NOT KS JUIRIS	0.00%	
32800	MISSOURI GROSS AFDC	1.60%	
	OTHER PRODUCTION PLANT - CT		
34000	LAND - CT	0.00%	
34001	LAND RIGHTS - CT	0.00%	
34100	STRUCTURES & IMPROVEMENTS - CT	2.99%	
34200	FUEL HOLDERS,PRODUCERS AND ACC - CT	3.18%	
34400	GENERATORS - CT	3.53%	
34500	ACCESSORY ELECTRIC EQUIPMENT - CT	2.17%	
34600	OTHER PROD-MISC PWR PLT EQUIP - CT	2.27%	(a)

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Authorized Depreciation Rates by Jurisdiction

ACCT. NO.	DESCRIPTION	MISSOURI JURISDICTION
	OTHER PRODUCTION PLANT - WIND	
34000	LAND - WIND	0.00%
34102	STRUCTURES & IMPROVEMENTS - WIND	5.00%
34402	GENERATORS - WIND	5.00%
34502	ACCESSORY ELECTRIC EQUIPMENT - WIND	5.00%
34602	OTHER PROD-MISC PWR PLT EQUIP - WIND	
	TRANSMISSION PLANT	
	LAND AND LAND RIGHTS	
35000	LAND	0.00%
35002	LAND RIGHTS-WOLF CREEK	0.00%
35200	STRUCTURES AND IMPROVEMENTS	1.93%
35201	STRUCTURES AND IMPROVEMENTS-WOLF CREEK	1.93%
35202	MO GROSS AFDC	1.93%
35300	STATION EQUIPMENT	1.51%
35301	STATION EQUIPMENT - WOLF CREEK	1.51%
35302	MO GROSS AFDC	1.51%
35303	STATION EQUIP - COMMUN EQUIP	12.50%
35400	TOWERS AND FIXTURES	0.87%
35500	POLES AND FIXTURES	2.40%
35501	POLES AND FIXTURES-WOLF CREEK	2.40%
35502	MO GROSS AFDC	2.40%
35600	OVERHEAD CONDUCTORS AND DEVICES	1.72%
35601	OVERHEAD CONDUCTOR & DEVICES-WOLF CREEK	1.72%
35602	MO GROSS AFDC	1.72%
35700	UNDERGROUND CONDUIT	1.56%
35800	UNDERGROUND CONDUCTORS & DEVICES	0.92%
	DISTRIBUTION PLANT	
	LAND & LAND RIGHTS	
36000	LAND (NON-DEPRECIABLE)	0.00%
36100	STRUCTURES & IMPROVEMENTS	1.52%
36200	STATION EQUIPMENT	1.96%
36203	STATION EQUIP - COMMUN EQUIP	12.50%
36400	POLES,TOWERS, & FIXTURES	3.40%
36500	OVERHEAD CONDUCTORS & DEVICES	2.45%
36600	UNDERGROUND CONDUIT	2.63%
36700	UNDERGROUND CONDUCTORS & DEV.	2.23%
36800	LINE TRANSFORMERS	1.92%
36900	SERVICES	4.65%
37000	METERS	1.17%
37100	INSTALLATION ON CUST.PREMISES	1.13%
37300	STREET LIGHTS & SIGNAL SYSTEMS	4.56%
	GENERAL PLANT	
39000	STRUCTURES AND IMPROVEMENTS	2.56%

Kansas City Power & Light Company
2013 Surveillance
Missouri Jurisdiction
TY 12/31/2013

Authorized Depreciation Rates by Jurisdiction

ACCT. NO.	DESCRIPTION	MISSOURI JURISDICTION
39100	OFFICE FURNITURE & EQUIPMENT	5.00%
39101	OFFICE FURNITURE & EQUIPMENT-WOLF CREEK	5.00%
39102	OFFICE FURNITURE & EQUIPMENT - COMPUTERS	12.50%
39200	TRANSPORTATION EQUIP - AUTO'S	10.71%
39201	TRANSPORTATION EQUIP - LIGHT TRUCKS	9.38%
39202	TRANSPORTATION EQUIP - HEAVY TRUCKS	7.50%
39203	TRANSPORTATION EQUIP - TRACTORS	6.25%
39204	TRANSPORTATION EQUIP - TRAILERS	3.75%
39300	STORES EQUIPMENT	4.00%
39400	TOOLS, SHOP & GARAGE EQUIPMENT	3.30%
39500	LABORATORY EQUIPMENT	3.30%
39600	POWER OPERATED EQUIPMENT	6.54%
39700	COMMUNICATIONS EQUIPMENT	2.86%
39701	COMMUNICATIONS EQUIPMENT-WOLF CREEK	2.86%
39702	MO GROSS AFDC	2.86%
39800	MISCELLANEOUS EQUIPMENT	3.33%
39900	OTHER TANGIBLE PROPERTY	0.00%

PLANT THAT IS AMORTIZED (Depreciation rate is 0%)

	LAND RIGHTS & LEASEHOLD IMPROVEMENTS	
31101	LEASE HOLD IMPROVEMENTS - P&M BLDG	0.00%
32000	LAND & LAND RIGHTS - NUCLEAR	0.00%
32001	MISSOURI GROSS AFDC	0.00%
34002	LAND RIGHTS - WIND	0.00%
35001	LAND RIGHTS - TRANSMISSION	0.00%
36001	LAND RIGHTS - DISTRIBUTION	0.00%
38900	LAND & LAND RIGHTS - GENERAL	0.00%
39003	Struct & Imprv - Leashold (801 Charlotte)	0.00%
39004	Struct & Imprv - Leashold (Marshall)	0.00%
39005	Struct & Imprv - Leashold (1KC Place)	0.00%
	INTANGIBLE PLANT (to be Amortized)	
30100	ORGANIZATION	0.00%
30200	FRANCHISES & CONSENTS	0.00%
30301	INTANGIBLE SUBSTATION EQUIP (LIKE 353)	0.00%
30302	5-YR SOFTWARE	0.00%
30303	10-YR SOFTWARE	0.00%
30304	INTANGIBLE COMMUNICATION EQUIP (LIKE 397)	0.00%
30305	5-YR SOFTWARE-WOLF CREEK	0.00%
30306	INTANGIBLE ACC EQUIP (LIKE 345)	0.00%
30307	Misc Intg Plt-Srct (Like 312)	0.00%
30308	Misc Intang Trans Line (Like 355)	0.00%
30310	Misc Intang-Iatan Hwy & Bridge	0.00%

a) Rate approved in Depreciation Authority Order effective July 7, 2012, EO-2012-0340

Featherstone, Cary

From: Featherstone, Cary
Sent: Saturday, May 30, 2015 6:15 PM
To: Featherstone, Cary
Subject: FW: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

From: Featherstone, Cary
Sent: Friday, May 29, 2015 3:01 PM
To: 'Klote Ronald'; Rush Tim
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Dottheim, Steve; Williams, Nathan; Bax, Alan; Oligschlaeger, Mark; Williams, Hampton
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Ron- thanks for the explanation on why KCPL did what it did and explaining the Company's position.

There is no confusion. We have an agreement with KCPL to provide an annual surveillance reporting requirement. Until such time as that agreement is changed, modified, amended or terminated, we have an agreement to provide the historical and traditional reporting. The other reporting requirements of the Company on clauses, surcharges, riders, etc. have nothing to do with the Stipulations reached in Case Nos. EO-85-185 and EO-85-224, modified in Case NO. EO-93-143. I would ask that the Company review those agreements and supply agreements it is reviewing so we all are looking at the same documents. As such, what ever the Company is providing for the opportunity to have use of a MEEIA surcharge does not relieve KCPL of its obligation and responsibility under the terms of the above referenced agreements.

As to KCP&L Greater Missouri Operations, we have no such agreement regarding annual surveillance reporting requirements like we have with KCPL. GMO is under the traditional surveillance reporting requirements like every other utility the Commission regulates. While I can not speak to how well the GMO reporting operates, GMO's reporting requirement in no way alters the agreements we have with KCPL.

KCPL has unilaterally, without discussion, and without notification, changed how it is reporting its annual surveillance reporting. In addition, it appears KCPL is attempting to manipulate the results respecting allocations and the impact of the earned returns for 2013 and 2014.

At the very time of KCPL making a rate case issue in its current filing, it is providing less surveillance information. The MEEIA surveillance reporting is not sufficient for examining rate base components, jurisdiction factors, etc. Therefore, it is not acceptable to replace the MEEIA surveillance reporting for the agreed upon Annual Surveillance Reporting KCPL has supplied in the past.

We continue to expect a full annual reporting with all supporting schedules and work papers be provided to Staff as soon as possible. With the close of May, this reporting is already a month late.

From: Klote Ronald [mailto:Ronald.Klote@kcpl.com]
Sent: Friday, May 29, 2015 11:31 AM
To: Featherstone, Cary
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Dottheim, Steve; Williams, Nathan; Bax, Alan; Rush Tim
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Cary,

See response to your questions below:

The Demand Factor (and all allocation factors) included in the 2014 annual Surveillance Report are the same allocation factors that are included in the 2013 Annual Surveillance Report. As such, the 54% Demand allocator would be based on the actual results June 2013 to September 2013. The reasoning behind this is as follows:

In early 2015, we realized there was a compliance requirement on a quarterly basis to file a KCPL-MO Quarterly Surveillance Report. As such, we developed a process (that had to be streamlined from the annual reporting process) that would provide us the ability to be in compliance with this requirement. We patterned this approach after the GMO Surveillance Reporting process which has been successful for a number of years. As such, developing allocation factors which were an embedded piece of the process to develop the annual report were not available. As such, we developed a process to use the 2013 allocation factors (one year in arrears) to produce the 2014 Annual Surveillance Report. In addition, we have discussed that once the allocation factors are set in the rate case we will use those on the quarterly Surveillance Report until the subsequent rate case. This is consistent with how the GMO Surveillance Reports are completed. That provides the fact pattern that we went through to develop the quarterly reports which also provided annual data. As such, we have a process that will comply with both the quarterly and annual reporting process and provide the necessary data.

When looking at the difference between 2013 and 2014 allocation factors. You reference 2012 and 2014 being very similar based on actual data. The results may be the same, but both are based off of different time periods. 2012 would be based off of June 2012 to September 2012 and 2014 based off of June 2014 to Sept 2014. Yet, 2013 actual results were different than those 2 years and were based off of actual 2013 results. If you did replace the 2013 factors with 2014, I am estimating that the ROE would move from 5.5% to approximately 6%. You can do that in the model I sent you for a reasonableness check by simply changing the allocation factor tab.

The MEEIA Surveillance Report provides the KCPL-MO data at the KCPL-MO jurisdictional level and thus there is no additional allocation needed. It provides the KCPL-MO rate base at the KCPL-MO jurisdictional level. That is why the 100% value is noted and is correctly stated.

Ultimately, we were required to develop a process that would be in compliance with Surveillance Reporting process and provided us the efficiencies needed to complete the work. As such, 2014 reporting was a transition period which you are seeing and I think is causing some of the confusion. One additional note. There are significant differences between assumptions used to complete a Surveillance Report versus assumptions used to complete a rate case revenue requirement model.

I hope this helps. We can discuss further next week if needed. Thanks. Ron

---

From: Featherstone, Cary [mailto:cary.featherstone@psc.mo.gov]
Sent: Friday, May 29, 2015 12:17 AM
To: Klote Ronald; Rush Tim
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Dottheim, Steve; Williams, Nathan; Bax, Alan
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

This is an EXTERNAL EMAIL. Stop and think before clicking a link or opening attachments.

The demand allocation factor (the D1 factor) used in the 2014 surveillance model you sent me earlier today shows a 54.684% level. How was the demand factor calculated? This is significantly higher than what has been historically used. For example, in 2012 the demand factor was 53.19% consistent with Staff calculation of 53.17% for 2014. [Year 2011 was 52.49%; Year 2010 was 53.81%; Year 2009 was 53.50%-- in fact, you have to go all the way back to Years 2002 at 54.60% and 2003 at 54.54% to get anywhere comparable to what is being used in 2013 and 2014 for demand factor]

The 54.684% factor appears to be nothing more than the 2013 level used in the 2013 Annual Surveillance Report of 54.68%, which we know is wrong based on the June 2013 abnormality identified in KCPL's direct filing (see Klote and Bass testimony). I looked at the 2013 Surveillance work papers for allocations and it is clear the 2014 model sent today is using the same 54.684% determined in the 2013 Surveillance Report.

In the past, when KCPL has had allocation issues in the surveillance report it has been a 100 basis point impact (note the 2005 where the Company used 12 CP instead of the required 4 CP and never restated the surveillance report for that year and the 2006 report which had problems with demand factor as well).

The MEEIA surveillance report doesn't identify rate base but shows jurisdictional allocations factor to "100.000%" which is certainly wrong.

We need the 2013 and 2014 surveillance reports restated to reflected "corrected" demand allocation factor to determine the real return on equity of KCPL's Missouri operations. Until I get those corrections to allocations, I will assume at least a 100 basis point "correction" to calculated returns provided. As an example, we know the 2014 4 CP is 53.17% -- a 1.514% reduction from the 54.684% used in 2014 surveillance model sent me today. A corrected 2013 4 CP summer months replacing June 2013 with June 2014 will come closer to the 53.17% calculated for 2014 than the 54.684% level.

From: Featherstone, Cary
Sent: Thursday, May 28, 2015 11:01 PM
To: 'Klote Ronald'; 'Rush Tim'
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Dottheim, Steve; Williams, Nathan
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

As a follow-up to the 2014 Annual Surveillance issue now before us, Company's response to Data Request 25S provided February 10, 2015, stated:

> **"There is no update at this time. The 2014 Annual Surveillance report for the period ending December 31, 2014 is not available until April 30, 2015."**
>
> [Tim Rush signed the data request February 9, 2015]

This gave us clear indication that the annual reporting that we have received in the past was going to be provided at the same time of the year as we have always received this information. The April 30, 2015 date is when the surveillance information has been available. The information KCPL supplied in the May 27, 2015 response to updated Data Request 25 was the MEEIA reporting for 2014 that was available much earlier than April 30, 2014. When KCPL supplied the February 10, 2015 response to Data Request 25, it wasn't planning on providing the MEEIA surveillance report but the "traditional" Annual Surveillance. That is how I took the response made in February.

From: Featherstone, Cary
Sent: Thursday, May 28, 2015 1:02 PM
To: 'Klote Ronald'
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Rush Tim; Dottheim, Steve; Williams, Nathan
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Thanks Ron for getting this to me.

As to the rest of the annual surveillance reporting which includes supporting work papers, multi-year comparisons, and year-end reports, that is the agreement reached in a Stipulation from Case Nos. EO-85-185 and EO-85-224, modified in Case NO. EO-93-143. To my knowledge, no discussion has taken place to amend or in any way modify the terms of this annual surveillance reporting requirement pursuant to the agreements reached with Kansas City Power & Light Company. No proposals to amend or modify the terms of these annual surveillance reporting requirement has been presented to Staff for its consideration. In fact, no discussions have taken place concerning the annual surveillance reporting.

In a prior meeting at KCPL headquarters, Tim Rush indicated a desire to discuss the annual surveillance reporting requirement but did not go into any details as to what the Company concerns were. Tim did say the Company planned to provide the this year's reporting for 2014, but said there needed to be discussion on future reporting in light of the MEEIA surveillance reporting requirements. I suggested the prehearing conference on April 29th (which, ironically is the date we normally received the annual surveillance reporting) would be a good time to discuss this matter with Bob Schallenberg while all of us were in Jefferson City. Bob and Steve Dottheim were instrumental in reaching agreement with KCPL many years ago regarding the annual surveillance reporting requirement. It was at that time, a suggestion from the Company to change its surveillance reporting requirements to a semi-annual reporting, and later modified, at the request of the Company, to an annual requirement. No similar approach has been taken to modify the reporting requirements per the Stipulations above.

From Staff's perspective, KCPL made no attempt to discuss this with us. The Company made a decision not to provide the annual surveillance reporting for 2014 on its own without informing Staff of this apparent decision.

Staff continues to expect that the full terms of the agreement to provide this reporting continue pursuant to the agreements reached in the Stipulations cited above until such time as those agreements are no longer valid through mutual agreement of the Company and Staff.

From: Klote Ronald [mailto:Ronald.Klote@kcpl.com]
Sent: Thursday, May 28, 2015 10:28 AM
To: Featherstone, Cary
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Rush Tim
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Cary,

Here is the rate model for the 2014 Surveillance Report for KCPL-MO as discussed.

We will need to have a discussion regarding the rest of the report. That will take some time to pull together as the workpapers have some significant data to gather. Thanks. Ron

---

From: Featherstone, Cary [mailto:cary.featherstone@psc.mo.gov]
Sent: Wednesday, May 27, 2015 7:09 PM
To: Klote Ronald
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Rush Tim
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

We didn't chance to discuss the annual surveillance report today. What is the status on this report?

From: Klote Ronald [mailto:Ronald.Klote@kcpl.com]
Sent: Tuesday, May 26, 2015 9:25 PM
To: Featherstone, Cary
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen; Rush Tim
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Yes. We can talk about it tomorrow. See you then.

From: Featherstone, Cary [mailto:cary.featherstone@psc.mo.gov]
Sent: Tuesday, May 26, 2015 7:22 PM
To: Klote Ronald; Rush Tim
Cc: Schallenberg, Bob; Majors, Keith; Lyons, Karen
Subject: FW: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

This is an EXTERNAL EMAIL. Stop and think before clicking a link or opening attachments.

Tim and Ron—
We need to discuss the annual surveillance report for 2014 while we are in Jefferson City. We need to know the status of this report. I expected to see it by now and in time for surrebuttal. I haven't heard back from you on this request.

From: Featherstone, Cary
Sent: Thursday, May 21, 2015 4:10 PM
To: Klote Ronald (Ronald.Klote@kcpl.com); Nunn Linda
Cc: Lyons, Karen; Majors, Keith
Subject: RE: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Ron and Linda—

The Surveillance Report I was looking for is the 2014 annual surveillance report and supporting work papers KCPL has prepared over the years based on a Stipulation and Agreement reached between the Company and Staff in November 6, 1987 Joint Recommendation in Case No. EO-85-185 and EO-85-224, as modified in Case No. EO-93-143 (see attached letter transmittal for the 2008 surveillance report).

What is the status of this report?

Thank you for looking into this report.

From: Lyons, Karen
Sent: Thursday, May 21, 2015 3:56 PM
To: Featherstone, Cary
Subject: FW: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Karen Lyons
Regulatory Utility Auditor
Utility Services
Missouri Public Service Commission
Phone: (816)-889-3949
Email: Karen.lyons@psc.mo.gov

Confidentiality Statement: This electronic transmission may contain information that is confidential, privileged, and prohibited from disclosure and unauthorized use pursuant to applicable law. If you are not the intended recipient of this transmission, take notice that any viewing, use, dissemination, or copying of the information transmitted herewith is strictly prohibited. If you have received this transmission in error, please return it to the sender and delete all copies from your system.

From: Nunn Linda [mailto:Linda.Nunn@kcpl.com]
Sent: Thursday, May 21, 2015 2:28 PM
To: Lyons, Karen
Subject: FW: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

It would help if I could type. I guess you work for spc now.

Thank you,

Linda

From: Nunn Linda
Sent: Thursday, May 21, 2015 2:27 PM
To: 'cary.featherstone@psc.mo.gov'; 'karen.lyons@spc.mo.gov'
Cc: 'Rush Tim'
Subject: FW: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

Karen,

Please forward to Cary.

Cary,

You asked Ron about the KCP&L MO 2014 surveillance report. We are now required to file a quarterly surveillance report for KCP&L due to the MEEIA rules. We made that filing on March 16 in EFIS. I'm forwarding the service email that was sent along with the report.

Linda

From: Nunn Linda
Sent: Monday, March 16, 2015 4:39 PM
To: 'opcservice@ded.mo.gov'; 'staffcounselservice@psc.mo.gov'
Cc: Rush Tim; Klote Ronald; Starkebaum Lisa; Steiner Roger; Lomax Carla; Liechti Lois; Turner Mary; Lutz Brad; Miller Marisol; Dority Matthew; Sivils Carol; Winslow Kimberly; Foltz Mark
Subject: EO-2014-0095 Quarterly KCP&L MO Surveillance Report - Q4 2014

This shall serve as electronic service in the above-captioned matter. Please be advised that the attached contain **HIGHLY CONFIDENTIAL** information and should be handled accordingly.

Linda Nunn | KCP&L | Supervisor - Regulatory Affairs | 816-701-0512 | fax 816-556-2110 | linda.nunn@kcpl.com

Missouri Public Service Commission

Respond Data Request

Data Request No.	0025
Company Name	Kansas City Power & Light Company-Investor(Electric)
Case/Tracking No.	ER-2014-0370
Date Requested	11/3/2014
Issue	General Information & Miscellaneous - Company Information
Requested From	Lois J Liechti
Requested By	Nathan Williams
Brief Description	Return on Equity and Investment and Interest Coverage
Description	For Great Plains Energy (total Company) and each of its subsidiaries including the Kansas City Power & Light Company (Missouri, Kansas and FERC) and KCP&L Greater Missouri Operations (MPS electric and FERC and L&P electric and steam), 1a. please provide for each company's actual earned and budget/ projected returns on equity and investment (rate base) from the period 2000 to 2013 and 2014, when available b. provide budget/ projected returns on equity and investment (rate base) from the period 2015 to 2020. 2. For Great Plains Energy (total Company) and each of its subsidiaries including the Kansas City Power & Light Company and KCP&L Greater Missouri Operations (MPS electric and L&P electric and steam), please provide each company's pre-tax and post-tax interest coverage ratios for past three years and through December 31, 2013. Please provide the projected interest coverage's for 2014 and through 2020. (KCPL Case ER-2006-0314, DR 38; ER-2007-0291, DR 25; ER-2009-0089, DR 25; ER-2010-0355, DR 25; ER-2012-0174, DR 25) GMO ER-2010-356, DR 25; ER-2012-0175, DR 25. DR requested by Cary Featherstone (cary.featherstone@psc.mo.gov)
Response	Please see attached.
Objections	NA

The attached information provided to **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** if, during the pendency of Case No. **ER-2014-0370** 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 **Kansas City Power & Light Company-Investor(Electric)** 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-Investor(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security : Public
Rationale : NA

KCP&L
Case Name: 2014 KCPL Rate Case
Case Number: ER-2014-0370

Response to Williams Nathan Interrogatories - MPSC_20141103
Date of Response: 02/10/2015

Question:0025S

Supplemental - Please provide update for the period ending December 31, 2014

For Great Plains Energy (total Company) and each of its subsidiaries including the Kansas City Power & Light Company (Missouri, Kansas and FERC) and KCP&L Greater Missouri Operations (MPS electric and FERC and L&P electric and steam), 1a. please provide for each company's actual earned and budget/ projected returns on equity and investment (rate base) from the period 2000 to 2013 and 2014, when available b. provide budget/ projected returns on equity and investment (rate base) from the period 2015 to 2020. 2. For Great Plains Energy (total Company) and each of its subsidiaries including the Kansas City Power & Light Company and KCP&L Greater Missouri Operations (MPS electric and L&P electric and steam), please provide each company's pre-tax and post-tax interest coverage ratios for past three years and through December 31, 2013. Please provide the projected interest coverage's for 2014 and through 2020. (KCPL Case ER-2006-0314, DR 38; ER-2007-0291, DR 25; ER-2009-0089, DR 25; ER-2010-0355, DR 25; ER-2012-0174, DR 25) GMO ER-2010-356, DR 25; ER-2012-0175, DR 25. DR requested by Cary Featherstone (cary.featherstone@psc.mo.gov)

Response:

There is no update at this time. The 2014 Annual Surveillance report for the period ending December 31, 2014 is not available until April 30, 2015.

Information Provided By: Aron Branson
Attachment: Q0025S_Verification.pdf

Verification of Response

Kansas City Power & Light Company
AND
KCP&L Greater Missouri Operations

Docket No. ER-2014-0370

The response to Data Request #___0025S___ is true and accurate to the best of my knowledge and belief.

Signed: Tim Rush

Date: February 9, 2015

Kansas City Power & Light Company
Case No. ER-2014-0370

Kansas City Power & Light Company has deemed the following document labeled Schedule CGF-s1 as Not Highly Confidential.

Per June 3, 2015 e-mail correspondence by Ron Klote

KANSAS CITY POWER & LIGHT COMPANY
Missouri Jurisdictional
QUARTER ENDED DECEMBER 31, 2014
PER BOOKS $(000)

(HIGHLY CONFIDENTIAL)

Total Company Rate Base	Measurement Basis			December 31, 2014
Plant in Service				
Intangible	End of Period	157,546		
Production - Steam	End of Period	1,944,812		
Production - Nuclear	End of Period	942,760		
Production - Other	End of Period	151,033		
Transmission	End of Period	243,569		
Distribution	End of Period	1,147,159		
General	End of Period	194,159		
Total Plant in Service			$	4,781,037
Reserve for Depreciation				
Intangible	End of Period	95,882		
Production - Steam	End of Period	869,340		
Production - Nuclear	End of Period	471,530		
Production - Other	End of Period	47,692		
Transmission	End of Period	99,566		
Distribution	End of Period	405,231		
General	End of Period	47,489		
Total Reserve for Depreciation				2,036,731
Net Plant				2,744,306
Add				
Materials & Supplies	13 Mo Avg			59,194
Cash	From prior rate case including offsets	CWC		(47,755)
Fuel Inventory	13 Mo Avg			57,816
Prepayments	13 Mo Avg			8,414
Other Regulatory Assets	End of Period			99,814
Less				
Customer Deposits	13 Mo Avg			(3,730)
Customer Advances	13 Mo Avg			(629)
Accumulated Deferred Income Taxes	End of Period			(653,467)
Other Regulatory Liabilities	End of Period			(41,500)
Total Rate Base			**$**	**2,222,462**
Net Operating Income			**$**	**124,728**
Return on Rate Base				**5.61%**

KANSAS CITY POWER & LIGHT COMPANY
Missouri Jurisdictional
QUARTER ENDED DECEMBER 31, 2014
FINANCIAL SURVEILLANCE MONITORING REPORT
CAPITAL STRUCTURE AND RATE OF RETURN

(HIGHLY CONFIDENTIAL)

Overall Cost of Capital

	Amount ($ in 000's)	Percent	Cost	Weighted Cost
Long-Term Debt	$ 3,503,103	49.14%	5.55%	2.73%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	39,000	0.55%	4.29%	0.02%
Other	-	0.00%		0.00%
Common Equity	3,586,145	50.31%	9.70%	4.88%
Total Overall Cost of Capital	$ 7,128,248	100.00%		7.63%

Based on Rate Case Rate of Return on Equity

Actual Earned Return on Equity

	Amount ($ in 000's)	Percent	Cost	Weighted Cost
Long-Term Debt	$ 3,503,103	49.14%	5.55%	2.73%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	39,000	0.55%	4.29%	0.02%
Other	-	0.00%		0.00%
Common Equity	3,586,145	50.31%	5.69%	2.86%
Total Overall Cost of Capital	$ 7,128,248	100.00%		5.61%

Actual Rate of Return on Equity

KANSAS CITY POWER & LIGHT COMPANY
Missouri Jurisdictional
QUARTER ENDED DECEMBER 31, 2014
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
OPERATING INCOME STATEMENT

(HIGHLY CONFIDENTIAL)

	Quarter Ended As of Qtr 4			12 Months Ended As of December 31, 2014	
Operating Revenues:			[redacted]		
Sales to Residential, Commercial, & Industrial Customers					
Residential	$ 62,183			$ 300,894	
Commercial	93,218			410,988	
Industrial	23,630			105,896	
Gross Receipts Tax in MO Revenue	(13,344)			(60,256)	
Total of Sales to Residential, Commercial, & Industrial Customers		$ 165,687			$ 757,521
Other Sales to Ultimate Customers		1,739			6,928
Sales for Resale					
Off-System Sales		17,165			104,190
Other Sales for Resale		2,664			20,683
Provision for Refunds		-			-
Other Operating Revenues		2,700			10,090
Total Operating Revenues		$ 189,954			$ 899,412
Operating & Maintenance Expenses:					
Production Expenses					
Fuel Expense					
Native Load	31,135			137,977	
Off-System Sales	12,955			73,746	
Other Production-Operations	13,775			60,974	
Other Production-Maintenance	10,736			50,663	
Purchased Power-Energy					
Native Load	11,756			57,246	
Off-System Sales	(123)			2,846	
Purchased Power-Capacity	405			1,694	
Total Production Expenses		80,639			385,145
Transmission Expenses		9,634			38,414
Distribution Expenses		6,502			27,756
Customer Accounts Expense		3,533			14,081
Customer Service & Informational Expenses		6,107			14,840
Sales Expenses		72			213
Adminstrative & General Expenses		23,746			88,634
Total Operating & Maintenance Expenses		$ 130,234			$ 569,082
Depreciation & Amortization Expense:					
Depreciation Expense	26,906			106,393	
Amortization Expense	4,418			13,277	
Decommissioning Expense	-			-	
Other	-			-	
Total Depreciation & Amortization Expense		31,324			119,670
Taxes Other than Income Taxes		11,501			54,583
Operating Income Before Income Tax		16,896			156,077
Income Taxes		(656)			31,349
Net Operating Income		$ 17,552			$ 124,728
Actual Cooling Degree Days		438			1,266
Normal Cooling Degree Days		404			1,420
Actual Heating Degree Days		458			5,743
Normal Heating Degree Days		458			5,049

KANSAS CITY POWER & LIGHT COMPANY
Missouri Jurisdictional
QUARTER ENDED DECEMBER 31, 2014
FINANCIAL SURVEILLANCE MONITORING REPORT
MISSOURI JURISDICTIONAL ALLOCATION FACTORS

(HIGHLY CONFIDENTIAL)

Description	Jurisdictional Allocation Factor
Plant in Service	
Intangible	100.000%
Production - Steam	100.000%
Production - Nuclear	100.000%
Production - Other	100.000%
Transmission	100.000%
Distribution	100.000%
General	100.000%
Total Plant in Service	100.000%
Reserve for Depreciation	
Intangible	100.000%
Production - Steam	100.000%
Production - Nuclear	100.000%
Production - Other	100.000%
Transmission	100.000%
Distribution	100.000%
General	100.000%
Total Reserve for Depreciation	100.000%
Net Plant	
Materials & Supplies	100.000%
Cash	100.000%
Fuel Inventory	100.000%
Prepayments	100.000%
Other Regulatory Assets	100.000%
Customer Deposits	100.000%
Customer Advances	100.000%
Accumulated Deferred Income Taxes	100.000%
Other Regulatory Liabilities	100.000%
Operating Revenues	100.000%
Production Expenses	
Fuel Expense	100.000%
Native Load	100.000%
Off System Sales	100.000%
Other Production Operations	100.000%
Other Production Maintenance	100.000%
Purchased Power-Energy	100.000%
Native Load	100.000%
Off System Sales	100.000%
Purchased Power-Capacity	100.000%
Transmission Expenses	100.000%
Distribution Expenses	100.000%
Customer Accounts Expense	100.000%
Customer Serv & Info Expense	100.000%
Sales Expense	100.000%
Administrative & General Expense	100.000%
Depreciation Expense	
Depreciation Expense	100.000%
Amortization Expense	100.000%
Taxes Other than Income Taxes	100.000%
Income Taxes	100.000%
Other Items	100.000%

KANSAS CITY POWER & LIGHT COMPANY
Missouri Jurisdictional
12 MONTHS ENDED
PER BOOKS AT OCTOBER 31, 2014
FINANCIAL SURVEILLANCE MONITORING REPORT

NOTES TO FINANCIAL SURVEILLANCE REPORT

(HIGHLY CONFIDENTIAL)

Kansas City Power & Light Company
Quarter Ended, Year to Date and Cumulative Total Ended December 31, 2014
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of Demand-Side Programs and Demand-Side Programs Investment Mechanism

DSM Program Name	Start Date	Planned End Date	Actual End Date
Air Conditioning Upgrade Rebate	07/06/2014	12/31/2015	
Building Operator Certification	07/06/2014	12/31/2015	
Business Energy Analyzer	07/06/2014	12/31/2015	
Business Energy Efficiency Rebates - Custom	07/06/2014	12/31/2015	
Business Energy Efficiency Rebates - Standard	07/06/2014	12/31/2015	
Home Lighting Rebate	07/06/2014	12/31/2015	
Home Appliance Recycling Rebate	07/06/2014	12/31/2015	
Home Energy Analyzer	07/06/2014	12/31/2015	
Home Energy Report	07/06/2014	12/31/2015	
Home Energy Report Income Eligible	07/06/2014	12/31/2015	
Income-Eligible Weatherization	07/06/2014	12/31/2015	
Programmable Thermostat	07/06/2014	12/31/2015	

Category	Descriptor		Quarter Ended December 31, 2014	YTD December 31, 2014	Cumulative Total Ended
Total Programs' Costs ($)	Planned	(1)	$ 3,445,884	$ 7,073,141	$ 7,073,141
Total Programs' Costs ($)	Actual	(6)	$ 3,977,268	$ 6,313,962	$ 6,313,962
Total Programs' Costs ($)	Variance		$ (531,384)	$ 759,180	$ 759,180
Total Programs' Costs ($)	Billed		$ 3,158,363	$ 4,834,760	$ 4,834,760
Total Programs' Costs ($)	Actual	(6)	$ 3,977,268	$ 6,313,962	$ 6,313,962
Total Programs' Costs ($)	Variance		$ (818,905)	$ (1,479,201)	$ (1,479,201)
Total Programs' Costs ($)	Interest		$ (2,943)	$ (5,562)	$ (5,562)
Energy Savings (kWh)	Planned	(2)	16,880,124	33,872,024	33,872,024
Energy Savings (kWh)	Actual	(7)	32,006,023	41,540,029	41,540,029
Energy Savings (kWh)	Variance		(15,125,899)	(7,668,005)	(7,668,005)
Demand Savings (kW)	Planned	(3)	12,059	24,342	24,342
Demand Savings (kW)	Actual	(7)	3,404	23,213	23,213
Demand Savings (kW)	Variance		8,655	1,129	1,129
Net Benefits ($)	Planned	(4)	$ 5,083,997	$ 9,782,889	$ 9,782,889
Net Benefits ($)	Estimated		$ 7,218,396	$ 10,904,547	$ 10,904,547
Net Benefits ($)	Variance		$ (2,134,398)	$ (1,121,658)	$ (1,121,658)
Company TD-NSB Share ($)	Planned	(5)	$ 1,969,843	$ 4,008,399	$ 4,008,399
Company TD-NSB Share ($)	Disincentive	(8)	$ 1,902,589	$ 2,874,439	$ 2,874,439
Company TD-NSB Share ($)	Variance		$ 67,254	$ 1,133,961	$ 1,133,961
Company TD-NSB Share ($)	Billed		$ 1,785,113	$ 2,737,956	$ 2,737,956
Company TD-NSB Share ($)	Disincentive	(8)	$ 1,902,589	$ 2,874,439	$ 2,874,439
Company TD-NSB Share ($)	Variance		$ (117,476)	$ (136,482)	$ (136,482)
Company TD-NSB Share ($)	Interest		$ 839	$ (117)	$ (117)

Footnotes:

(1) Total planned program costs reflect $7,073,141 for program year 1and $12,102,701 for program year 2.
(2) Total planned energy savings (kWh) are based on 33,872,024 annual 2014 kWh savings.
(3) Total planned demand savings (kW) are based on 24,342 annual 2014 kW savings.
(4) Total 2014 planned net benefits of $9,782,889 allocated to the third and fourth quarters based on kWh savings.
(5) Company TD-NSB Share ($) of $4,008,399 allocated to the third and fourth quarters based on kWh savings.
(7) Actual demand and energy savings are reported at the meter.
(8) Disincentive amounts reflect the 26.36% share applied to the Net Shared Benefits @ 100%.

Notes for Descriptors:

1. Planned = amounts which are consistent with and included in the Company's Commission-approved MEEIA Plan
2. Billed = amounts billed to customers for recovery of Programs' Costs or Company TD-NSB Share
3. Actual = amounts (prior to evaluation, measurement and verification (EM&V)) used to determine Estimated Net Benefits
4. Estimated = net benefits amounts calculated monthly using DSMore model and prior to EM&V
5. Disincentive = Commission-approved percentage of pre-tax Estimated Net Benefits calculated using a combined federal/state tax rate specified in the utility's Commission-approved DSIM
6. Variance = Planned less Actual, Billed less Actual, Planned less Estimated, Planned less Disincentive, or Billed less Disincentive
7. Interest = amounts of interest determined through the methodology specified in the utility's Commission-approved DSIM

AFFIDAVIT OF RONALD A. KLOTE

County of Jackson)
) ss
State of Missouri)

Ronald A. Klote, being duly sworn, deposes and says that the information accompanying the attached "Financial Surveillance Monitoring Report Filing – Kansas City Power & Light Company, Missouri Jurisdiction," was prepared by him or under his direction and supervision, and that the information is true and correct to the best of his knowledge, information, and belief.

Ronald A Klote

Ronald A. Klote

Subscribed and sworn to before me this 16th day of March, 2015.

Karen M. Smith

Notary Public

NOTARY SEAL NOTARY PUBLIC STATE OF MISSOURI
KAREN M. SMITH
My Commission Expires
April 16, 2016
Jackson County
Commission #12446957

My Commission expires:

April 16, 2016