

Kansas City Power and Light ER-2010-0355					
Revenue Requirement Reconciliation		Reconcile Staff 12-31-10 True Up Case with KCP&L True Up			
Line No.					
1	Kansas City Power & Light Revenue Requirement			55,820,267	Actual True-Up Request as presented - \$55,820,000.
	Revision of Lease Expense adjustment (CS-109)			(334,754)	
	Revision of Mass Allocation (CS-11)			(125,717)	
	Revision of Purchased Power Capacity contract (CS-25)			963,000	
1	REVISED Kansas City Power & Light Revenue Requirement			56,322,796	
	Sub-Total of Adjustments to KCP&L Revenue Requirement			9,783,534	
1	ADJUSTED REVISED Kansas City Power & Light Revenue Requirement			66,106,330	
2					
3	Rate of Return & Capital Structure				
4	Value of Capital Structure Issue - Staff / Company		(3,538,980)		Issue at Hearing - Cost of Equity Units - Diff of the weighted cost of 0.615%-KCPL vs 0.504%-Staff.
5	Capital Structure impact on Interest Expense Deduction		\$3,192,652		Issue at Hearing - Cost of Debt - Diff of 6.817%-KCPL vs 6.825%-Staff.
6	Return on Equity Issue - KCPL-10.75%, Staff - 9.00%		(\$26,765,395)		Issue at Hearing - ROE - Diff of KCPL 10.75% and Staff 9.00%.
7	Sub-Total Rate of Return and Capital Structure Differences			(\$27,111,722)	
8					
9	Rate Base Issues :				
10	Plant in Service:				
12	Proposed Iatan 1/2 Disallow & Trsf to Common	(12,613,635)			Issue at Hearing - Revised disallowance amount
13	Proposed Spearville disallow - Schiff Harden	(163,319)			New issue
18	Sub-Total - Plant in Service		(12,776,955)		
19					
20	Depreciation Reserve				
21	Hawthorn 5 Warranties	(607,956)			Issue at Hearing - No change in amount.
22	Adj for Res related to Iatan 1, 2 & Com Disalow	50,474			Issue at Hearing
26	Sub-Total - Depreciation Reserve		(557,482)		
27					
28	Add to Net Plant				
29	Cash Working Capital	1,535,642			
30	Federal Tax Offset	(84,672)			
31	State Tax Offset	(50,477)			
32	Interest Expense Offset	(1,507,624)			
34	Sub-Total - Cash Working Capital		(107,132)		
39	Regulatory Asset Demand Side Management		(4,099,380)		Footnote (a)
41	Regulatory Asset - Iatan 1, 2 & Common Plant		(331,216)		slightly lower value.
58					
59	Sub Total - Rate Base Issues			(\$17,872,165)	
60					
61	Income Statement - Revenue Issues				
63					
64	Retail KWH Sales Revenue				
77	Return bulk margins-excess of 25th %, incl interest, over 10 yrs- (MO only)		\$741,443		Footnote (a) Issue at Hearing - Staff reversed and put (\$709,942) and related carrying costs as offset to DMS amort
79	Non Firm OSS for SPP off-system charges	(\$347,125)			net with line 82
80	non firm OSS for Purchases for resale	\$997,768			net with line 82
81	Non-Firm OSS for Revenue neutrality uplift charges	\$131,056			net with line 82
82	Normalize Nonfirm Sales Margin	(\$11,471,151)			net w lines 79-81
84	Sub-Total - Non-Firm OSS		(\$10,689,452)		Issue at Hearing - Staff used 40th percentile.
89	Other Misc. & Adjustments		(\$1)		
96	Sub Total - Revenue Issues			(\$9,948,010)	
97					

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Revenue Requirement Reconciliation			
Line No.			
98	Income Statement - Expense Issues		
127	Amortization of Iatan 1, 2, & Common Regulatory Assets	(70,722)	
130	Advertising - Institutional and Image, Excluding Connections	(0)	
132	Interest on Customer Deposits	(1)	
140	Amort of merger transition costs	(3,868,804)	
141	Misc. Disallowances (excl dues/donations/advertising)-Issue is Arbitration Costs	(260,687)	
147	Amortize DSM Deferral	(1,366,344)	Footnote (a)
155	REGULATORY EXPENSES-Rate Case Expense	(427,608)	
156	REG LIABILITY STB LITIGATION - REPARATIONS NET OF LITIGATION COSTS	101,759	Footnote (a)
163	Sub-Total - Depreciation Expense	(1,577,083)	
164	O&M Maintenance Expense Adjustments	-	
171	Sub Total - Operations & Maintenance Expense Issues	(7,469,490)	
201	Total Income Tax Differences	(\$327,804)	
203	Difference in Tax Gross Up Factor	-	
205	Total Value of All Issues	(\$62,729,192)	
207	Unreconciled Difference/Rounding	21,978	
208			EMS
209	Staff Revenue Requirement at December 31, 2010	\$3,399,115	\$3,913,742
210	Allowance for K&M Changes/True-Up Estimate	\$0	
211	Unreconciled Difference/Rounding	\$3,399,115	\$3,913,742
212			
213	Footnotes		
214	a) There are multiple components of the DSM issue appearing in rows 39, 77, 108, 147 and 156. When looked at in total, Staff's direct filing results in a lower revenue requirement than KCP&L's Update by \$4,622,522.		
218	Office of the Public Counsel		
219	Return on Equity - 10.3%	\$ -	
220	Capital Structure	\$ -	
221	Net Margin on Off System Sales - 40th Percentile		
222	Fleet Fuel Costs Expense	\$ -	
223	Rate Case Expense		
224	Office of the Public Counsel - Revenue Requirement	\$ -	3,399,115
225			
226	United States Department of Energy		
227	Injury and Damages Reserve (NNSA)-Mo. Juris	\$ -	
228	Additional Forfeited Discount	\$ -	
229	Transmission Maint. Exp	\$ -	
230	Distribution Maint. Exp	\$ -	
231	Hawthorn 5 Maint. Exp	\$ -	
232	Flo Accel. Compliance Cost	\$ -	
233	Bad Debt Expense	\$ -	
234	EEL Dues	\$ -	
235	United States Department of Energy - Revenue Requirement	\$ -	3,399,115
236			
237	Missouri Industrial Energy Consumers		
238	Allocation of Off-System Sales (OSS) Margins		
239	OSS at the 40%	\$ (8,004,000)	
240	SPP line loss change	\$ -	
241	Adjustments for Purchases for Resale	\$ -	
242	Iatan 2 life 50 year vs. 60 year	\$ -	
243	Cash Working Capital	\$ -	
244	Additional Amortization of Regulatory Plan	\$ -	
245	Cost of Capital-ROE 9.65%	\$ 9,370,337	
246	Missouri Industrial Energy Consumers- Revenue Requirement	\$ 1,366,337	4,765,452

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Revenue Requirement Reconciliation		Reconcile Staff 12-31-10 True Up Case with KCP&L True Up		
Line No.	Included in	Incr (decr) Revenue F		
	Line	Staff	KCPL	Net Staff rev Req over (under) KCPL
Support for Footnote (a)				
Summary of DSM Issues Between KCPL and Staff at True Up				
			(605,118)	605,118
		136,325		136,325
	77	136,325	(605,118)	741,443
	108	(130,848)	(130,848)	0
			(303,912)	303,912
		(202,153)		(202,153)
	156	(202,153)	(303,912)	101,759
			18,635	(18,635)
			18,442	(18,442)
			3,866,929	(3,866,929)
		2,537,662		2,537,662
	147	2,537,662	3,904,006	(1,366,344)
		2,340,986	2,864,128	(523,142)
	39		4,099,380	(4,099,380)
		2,340,986	6,963,508	(4,622,522)

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4	Value of Capital Structure Issue - Staff / Company		(3,538,980)	Issue at Hearing - Cost of Equity Units - Diff of the weighted cost of 0.615%-KCPL vs 0.504%-Staff.
5	Capital Structure impact on Interest Expense Deduction		\$3,192,652	Issue at Hearing - Cost of Debt - Diff of 6.817%-KCPL vs 6.825%-Staff.
6	Return on Equity Issue - KCPL-10.75%, Staff - 9.00%		(\$26,765,395)	Issue at Hearing - ROE - Diff of KCPL 10.75% and Staff 9.00%.
7	Sub-Total Rate of Return and Capital Structure Differences		(\$27,111,722)	
8				
9	Rate Base Issues :			
10	Plant in Service:			
11	0	0		
12	Proposed Iatan 1/2 Disallow & Trsf to Common	(12,613,635)		Issue at Hearing - Revised disallowance amount
13	Proposed Spearville disallow - Schiff Harder	(163,319)		New issue
14	0	0		
15	0	0		
16	0	0		
17	Plant not at Issue (Allocation Issue)	2,611,989		allocation
18	Sub-Total - Plant in Service		(10,164,966)	
19				
20	Depreciation Reserve			
21	Hawthorn 5 Warranties	(607,956)		Issue at Hearing - No change in amount.
22	Adj for Res related to Iatan 1, 2 & Com Disallow	50,474		Issue at Hearing
23	0	0		
24	0	0		
25	Depreciation Reserve (excl addl amort) (Allocation)	(636,845)		allocation
26	Sub-Total - Depreciation Reserve		(1,194,327)	
27				
28	Add to Net Plant			
29	Cash Working Capital	1,535,642		
30	Federal Tax Offset	(84,672)		
31	State Tax Offset	(50,477)		
32	Interest Expense Offset	(1,507,624)		
33	City Tax Offset	0		
34	Sub-Total - Cash Working Capital		(107,132)	
35	Materials and Supplies		19,727	
36	Prepayments		8,693	
37	Prepaid Pension Asset EO-2005-0329		0	
38	Reg Asset Excess Act FAS 87 vs Rate Recovery		(5,486)	allocation
39	Regulatory Asset Demand Side Management		(4,099,380)	Footnote (a)
40	Regulatory Asset - ERPP Programs		0	
41	Regulatory Asset - Iatan 1, 2 & Common Plant		(331,216)	Issue at Hearing re Iatan 1 not included by Staff. Staff added amount for Iatan 2/Common at slightly lower value.
42	Fuel Inventory - Coal	47,240		
43	Fuel Inventory - Oil	(3)		
44	Fuel Inventory Lime/Limestone/Ammonia	(5,133)		
45	Powder Activated Carbon (PAC)	11,704		
46	Sub-Total - Fossil Fuel Inventory		53,808	
47	Nuclear Fuel		(0)	
48	Regulatory Asset - Regulatory Expense		0	
49	Subtract from Net Plant			
50	Deferred Gain - SO2 Allowances		0	
51	Deferred Gain on SO2 Emissions		157,169	net with line 52 Allocation
52	Deferred Gain on SO2 Emissions		(125,236)	net with line 51 Allocation
53	Customer Deposits		0	
54	Customer Advances		0	
55	Accumulated Deferred Income Tax		798,127	Fallout amt. Staff eliminated ADIT on amts omitted from case.

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Line No.				
56	Regulatory Plan Additional Amort-MO		0	
57	\$3.5 million Amortization Case No. EO-94-199		0	
58				
59	Sub Total - Rate Base Issues			(\$14,990,220)
60				
61	Income Statement - Revenue Issues			
62	Booked Revenue - Unadjusted		(\$371,624)	allocation
63				
64	Retail KWH Sales Revenue			
65	To remove GRT from test yea		(\$0)	
66	Billing Adjustments	\$75,296,083		
67	Large Customer Rate Switch Adjustment	\$3,864,456		
68	Weather Adjst Rate Switching	(\$15,479,457)		
69	Annualize Rate Change	(\$68,011,705)		
70	Large Power Load Changes and New Customers	(\$1,559,802)		
71	365 day Adjustment	\$2,439,943		
72	Growth Adjustment	(\$835,980)		
73	Remove Unbilled Revenues from Missouri Retail Rate Revenue	\$3,565,585		
74	Sub-Total - Retail KWH Sales Revenue		(\$720,877)	
75				
76	To annualize firm Bulk Sales-Energy		\$763,905	Staff used actual 2010, KCPL used higher projected volumes and prices. Staff disallowed Load Reg of \$617k (Total Co).
77	Return bulk margins-excess of 25th %, incl interest, over 10 yrs- (MO only)		\$741,443	Footnote (a) Issue at Hearing - Staff reversed and put (\$709,942) and related carrying costs as offset to DMS amort
78	Non Firm Off System Sales - Unadjusted	\$0		
79	Non Firm OSS for SPP off-system charges	(\$347,125)		net with line 82
80	non firm OSS for Purchases for resale	\$997,768		net with line 82
81	Non-Firm OSS for Revenue neutrality uplift charges	\$131,056		net with line 82
82	Normalize Nonfirm Sales Margin	(\$11,471,151)		net w lines 79-81 Issue at Hearing - Staff used 40th percentile.
83	Eliminate Cost of Bulk Power Sales	(\$0)		
84	Sub-Total - Non-Firm OSS		(\$10,689,452)	
85	To remove GRT from test yea		(\$0)	
86	To adjust Late Payment Fees		\$72,832	Staff has higher level of retail revenues
87	Forfeited Discounts for adj 49a-KS only		\$0	
88	To include In-Field Service Fees		\$0	
89	Other Misc. & Adjustments		(\$1)	
90	0		\$0	
91	Reverse test year provision for rate refunc		(\$26,638)	ok. Balance reversed in allocation of test year amou
92	0		\$0	
93	0		\$0	
94	0		\$0	
95	0		\$0	
96	Sub Total - Revenue Issues			(\$10,230,413)
97				
98	Income Statement - Expense Issues			
99	Total Oper.& Maint. Expense - Unadjusted, excluding depreciation		(289,684)	Allocation
100	Annualize Fuel Expense			Modeling Diff - Staff Coal expense is \$2.0M (MO juris) higher than Co and Staff's Unit Trains expense is \$5.4M (MO juris) higher. Surrebuttal Issue - Staff included \$1.5M (MO juris) SSGCP Transport expense and \$51k (MO juris) MGE expense. Could not identify source of exp. Modeling Diff - remaining diff is due to unreconciled price and volume differences used in Fuel models
101	NORMALIZE PURCH POWER	7,913,431		Staff made no adjustment to add Missouri Solar REC's of \$30k (100MO) Modeling Diff - (\$714k) (MO juris)
102	Fuel and Purchase Power-Energy and Demand Costs		7,168,830	
103	Include test year KCREC bank fees related to sale of receivable:		(0)	
104	0		-	
105	Normalize Severence Costs		104	Allocation
106	Normalize 401k costs		(129)	Allocation
107	Adjust FAS 87 and FAS 88, FAS 158, and SERP pension expense		(23,872)	Allocation

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Line No.			
108	Amortize Advertising MO regulatory asset (0291 case per Graham Vessley)	-	Footnote (a)
109	Iatan 2 Oper and Maint.	(0)	
110	Annualize KCREC bank fees related to sale of receivable:	(0)	
111	Annualize Customer Accts expense for credit card payment costs	(67,718)	Staff used 2010 actuals. KCPL annualized Dec 2010
112	To adjust allowed Connections program less amt deferrerc	0	
113	Amortize DOE refund KS regulatory liability	-	
114	Amortize R&D tax credit consulting fee MO regulatory asset	-	
115	Amortize Employment Augmentation regulatory asset (KS only)	-	
116	Remove Gross Receipts Tax Rev (MO only)	-	
117	CS-11 Adjustment Excl Equity Compensation	(1,410)	Allocation
118	Annualized amount for injuires and damages	(4,717)	Allocation
119	Annualize Injuries and Damages Insurance	2,165	Allocation
120	Annualize Property Insurance	-	
121	Annualized Property Insurance Electric and Iatan 2	(24)	Allocation
122	Property Tax Annualization	124,306	Allocation
123	Annualize Renewable Energy Standards	(0)	
124	Amortization of Legal Fee Reimbursement	0	
125	To annualize Fuel Expense-DOE Refund (Dupl - See line 12)	-	
126	Miscellaneous Issues Settlement Offset	-	
127	Amortization of Iatan 1, 2, & Common Regulatory Assets	(70,722)	Staff did not incl \$37,656 amort for Iatan 1 Reg Asset and had slightly smaller I2/Com reg asset
128	Missouri Economic Relief Pilot Program (MO only)	2,205	
129	Transmission of Electricity by Others	-	
130	Advertising - Institutional and Image, Excluding Connections	(0)	
131	Adj (Staff) or Reverse (KCPL) test year gen tax exp for KCMO Earnings Ta.	102	
132	Interest on Customer Deposits	(1)	
133	NORMALIZE BAD DEBT-Test YR	4,143,392	
134	NORMALIZE BAD DEBT-WEATHER NORMALIZED RETAIL ADJ	(505,396)	
135	ADD INCREMENTAL BAD DEBT - REVENUE REQUIREMENT PER ORDER	0	
136	Bad Debt Expense -Reflect Test Yr Actual from KCREC	(3,599,400)	
137	Sub-Total - Bad Debt Expense	38,596	Staff has higher revenues subject to bad debts.
138	Hawthorn SCR Settlement	-	
139	Amortization of SO2 Proceeds	142,724	Allocation - Staff allocated on Demand whereas Company allocated on Energy
140	Amort of merger transition costs	(3,868,804)	Issue at Hearing - Staff excluded
141	Misc. Disallowances (excl dues/donations/advertising)-Issue is Arbitration Cost:	(260,687)	Issue at Hearing - Staff disallowed advance coal credit litigation costs
142	Payroll Annualization	16,965	Minor adj difference (Staff higher) plus allocation impacts
143	Incentive Compensation - Value Link and Equity Comp	19,927	allocation
144	Normalize Relocation Expense	-	
145	Production Maintenance Normalization	-	
146	Amortize Talent Assessment Deferra	-	
147	Amortize DSM Deferral	(1,366,344)	Footnote (a)
148	SPP Schedule 1 Admin Fees	42,742	Allocation
149	BENEFITS	(1,612)	Minor adj difference plus allocation impact
150	WC REFUEL OUTAGE	-	
151	TRANS MTC NORMALIZATION (See line 62)	-	
152	DISTR MTC NORMALIZATION (See line 62)	-	
153	ANNUALIZE COMM ASSESS	(1,905)	Allocation & minor adj difference
154	Annualize Regulatory Plan Amortization	-	
155	REGULATORY EXPENSES-Rate Case Expense	(427,608)	True Up issue
156	REG LIABILITY STB LITIGATION - REPARATIONS NET OF LITIGATION COSTS	101,759	Footnote (a) Staff reversed and put (\$101,759) and related carrying costs as offset to DMS amort
157	REMOVE PREV DEPR ADJ (Other than CS-120, CS-121 and CS-38)	(4,301,757)	
158	MO Basis Depreciation & Amort -Test Year (Reversed in CS-97)	4,301,757	
159	Annualize Depreciation Expense	(1,040,429)	
160	Annualize Depreciation Charged to O&M (Unit Trains and Vehicles)	(1,404,953)	
161	Total Oper.& Maint. Expense - Unadjusted Depreciation	868,298	
162	Amortization of Unrecovered Reserve - General Plant	0	
163	Sub-Total - Depreciation Expense	(1,577,083)	Multiple, incl elimination of depr on disallowances.
164	O&M Maintenance Expense Adjustments	-	
165	Amortization - Limited Term Plant	2,708	allocation
166	Annualize Payroll Tax	5,044	
167	To Normalize lease expense	9,892	

Revenue Requirement Reconciliation		Reconcile Staff 12-31-10 True Up Case with KCP&L True Up			
Line No.					
168	To remove donations inappropriately recorded above the line		(1,215)		
169		0	-		
170	Reconcilement Error - O&M Expense		(29)		
171	Sub Total - Operations & Maintenance Expense Issues			(285,499)	
172					
173	Income Tax Issues - Income Statement				
174	Annualized - Reg Plan Amortization		0		
175	Depr on Vehicles/Unit Trains cleared to O&M		(802,460)		
176	Book Amortization - Intangible Plt / Leaseholds		(34,892)		
177	Meals & Entertainment		(18,661)		
178		0	0		
179	Nuclear Fuel Amortization - Add Back Book		(1)		
180	Tax Depreciation in Excess of S/L Tax Depr (DON'T NEED		0		
181		0	0		
182	IRS Deduction - Amortization - Intangible Plant		201,637		
183	IRS Deduction - Nuclear Fuel		(5,544)		
184	Production Income Deduction		0		
185	Impact of Wind/R&D Credits (Need to iterate)		(170,869)		
186	Tax Depreciation in Excess of S/L - Regular		91,119		
187	Tax Amortiz. - Intang Plt. - Excess over S/L Amortization		(198,737)		
188	Tax Amortiz. - Nuclear Fuel - Excess over S/L Nuclear		(626)		
189	Reg Plan Additional Amortization		0		
190	Annualized Depreciation Expense (Book)		(107,250)		
191	Tax Straight Line Depreciation IRS Deduct-Tax Dep		190,220		
192	Amortization of Excess Deferred Tax		0		
193	Investment Tax Credit		484,191		
194	Amortization of Prior Deferred Taxes		2		
195	Amort of Cost of Removal -Settlement ER 2007-0291		0		
196	Amortiz. of R&D Tax Credits - Settlement ER2007-0291		0		
197	Tax amort in excess of SL-Unrecovered Reserve		0		
198	Tax amort in excess of SL-latan 1 & 2 Reg Assets		44,065		
199		0	0		
200					
201	Total Income Tax Differences			(\$327,804)	
202					
203	Difference in Tax Gross Up Factor			-	
204					
205	Total Value of All Issues			(\$52,945,658)	
206					
207	Unreconciled Difference/Rounding			21,978	
208					EMS
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210	Allowance for K&M Changes/True-Up Estimate			\$0	
211	Unreconciled Difference/Rounding			\$3,399,115	\$3,913,742
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215	b)				
216	c)				
217	d)				
218	Office of the Public Counsel				
219	Return on Equity - 10.3%			\$ -	
220	Capital Structure			\$ -	
221	Net Margin on Off System Sales - 40th Percentile			\$ -	
222	Fleet Fuel Costs Expense			\$ -	
223	Rate Case Expense			\$ -	
224	Office of the Public Counsel - Revenue Requirement			\$ -	3,399,115
225					

