Exhibit No.:
Issue: Class Cost of Service; Revenue Normalization
Witness: Lois J. Liechti
Type of Exhibit: Direct Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2006-____
Date Testimony Prepared: January 27, 2006

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2006-____

DIRECT TESTIMONY

OF

LOIS J. LIECHTI

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

Kansas City, Missouri
January 2006

"* **" Designates that "Highly Confidential" Information has been Removed from Certain Schedules Attached to this Testimony Designated ("HC") Pursuant to the Standard Protective Order.**

DIRECT TESTIMONY

OF

LOIS J. LIECHTI

Case No. ER-2006-____

Q: Please state your name and business address.

A: My name is Lois J. Liechti. My business address is 1201 Walnut, Kansas City, Missouri 64106-2124.

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

A: I am employed by Kansas City Power & Light Company ("KCPL" or "Company") as Manager, Regulatory Affairs.

Q: What are your responsibilities?

A: My responsibilities include the general supervision and leadership of KCPL's Regulatory Affairs staff and activities. KCPL's Regulatory Affairs Department is responsible for load research studies; regulatory reporting; the preparation of miscellaneous regulatory filings and activities related to the Company's Rules and Regulations, formal customer complaints, and data requests; and various regulatory studies including the class cost of service and the studies associated with the class cost of service.

Q: Please describe your education, experience and employment history.

A: I hold a Bachelor of Science degree in Engineering Technology from Missouri Western State University, and a Master of Business Administration degree from Northwest Missouri State University.

I have been employed by KCPL in my current position since August 2001. Prior to joining KCPL, I was employed by St. Joseph Light and Power Company for nearly

27 years. I held various positions at St. Joseph Light and Power Company, including Senior Engineering Technician-Distribution, Economic Research Analyst responsible for load research, Demand Side Management Analyst, and my final position was Supervisor, Pricing and Market Research.

I joined KCPL following the merger between Aquila and St. Joseph Light and Power Company.

Q: Have you previously testified in a proceeding at the Missouri Public Service Commission ("MPSC") or before any other utility regulatory agency?

A: Yes, I supplied testimony to the MPSC during the Aquila/St. Joseph Light and Power merger case, EM-2000-0292. I have also served as KCPL's spokesperson before the Kansas Corporation Commission ("KCC") during roundtable meetings, and testified before the Kansas House Utilities Committee.

Q: What is the purpose of your testimony?

A: Case No. EO-2005-0329 was established by the MPSC to investigate an experimental regulatory plan that addressed a number of issues facing KCPL in the next decade, including the construction of a large coal-fired power plant, environmental facilities, wind generation, and transmission and distribution facilities management and distribution automation equipment. It also included a number of customer programs directed at efficiency, affordability and demand response. EO-2005-0329 resulted in a negotiated and approved Stipulation and Agreement ("Regulatory Plan Stipulation and Agreement"), which included a requirement that KCPL file a formal rate case, along with a class cost of service ("CCOS") study on February 1, 2006. The purpose of my testimony in this case

is to present the results of the class cost of service study and support the revenue calculation.

I. CLASS COST OF SERVICE STUDY

Q: What is the purpose of the class cost of service study?

A: The purpose of the CCOS study is to determine the contribution that each customer class makes toward the Company's overall rate of return. The CCOS analysis strives to attribute costs in relationship to the cost-causing factors of demand, energy and customers.

Q: Would the CCOS study serve as the basis for the determination of increasing or decreasing overall revenue levels for KCPL?

A: No, not exactly. Different from a jurisdictional revenue requirement cost of service analysis, the data period selected (*i.e.*, test period) for the CCOS study was not adjusted to reflect adjustments made in the course of a normal rate proceeding before the MPSC. Typically, adjustments to annualize depreciation, rate base, expenses and other items, as well as adjustments to reflect known and measurable changes, are made to the Company's expenses, investments and revenues in rate proceedings. These kinds of adjustments are not reflected in the CCOS study. Rather, a simplified jurisdictional cost of service analysis was performed to provide the basis of the CCOS study.

Q: Has the Company performed the CCOS study?

A: Yes, the Company used Management Applications Consulting's EXCEL Cost-of-Service software to conduct a CCOS study. A summary of the results of the Company's CCOS study is attached and marked as Schedule LJL-1 **(HC)**.

Q: What classes were selected as a basis for this CCOS study?

A: The classes the Company used in its analysis are Residential, Small General Service, Medium General Service, Large General Service, Large Power Service, and Lighting, as set out in the Regulatory Plan Stipulation and Agreement.

Q: Do these classes conform to the current electric rate tariffs?

A: Generally, they do. The Residential class has several rate classifications available to it that include general use, one-meter general use and heat, and a two-meter rate with general use on one meter and a separate meter for space heating. The Small General Service, Medium General Service and Large General Service classes also have general usage rates and all electric rates, plus they can be specific to the voltage level at which the customer receives service. The Large Power Service class is distinguished by the specific voltage at which the customer receives service. In total, the Company has five (5) general categories of service (plus Lighting), but has over 100 rate categories to meet the specific needs of the customer and reporting and billing requirements.

Q: What test year was used for the CCOS study?

A: The test period for the CCOS study is the historical period 12 months ending September 2005.

Q: Please provide an outline of the CCOS study as you are using it in this case.

A: In the context of this proceeding, KCPL has set out to perform an analysis of the expenses, investments and revenues for the historical 12-month period ending September 2005 as determined from the Company's books and records. These expenses, investments and revenues were evaluated to identify their relation to providing service to various classes of customers and to determine their relative returns on rate base. The result of this analysis is the CCOS study.

Q: What general categories of cost were examined and considered in the development of the CCOS study?

A: An analysis was made of all elements of investment (rate base) and expense (cost of service) for the purpose of allocating these items to the customer classes. The first step in this process was to functionalize costs.

Q: Please explain what you mean by "functionalize costs".

A: In order to make the appropriate assignment of costs to the appropriate class of customer, it is necessary to first group the costs according to their function. The functions used in the CCOS study were production, transmission, distribution, and other costs.

Q: Were these costs then assigned to the customer classes?

A: No. After making the functional assignments of costs, the next step was to classify the costs.

Q: Please explain what you mean by "classify costs".

A: Functionalized costs are examined to determine if they are customer-related, energy-related, or demand-related.

Q: What do you mean by customer-related, energy-related and demand-related?

A: Customer-related costs are those costs necessary to provide electric service to the customer. Some examples of these costs include meter reading, customer accounting, billing and some investment in plant equipment such as the meter, service line and other minimal distribution facilities necessary to make service available. Portions of the distribution facility are separated between the customer costs and the demand costs. Energy-related costs are directly related to the consumption of energy and consist of such things as fuel and purchased power.

Demand-related costs relate to the investment and expenses associated with the Company's facilities necessary to supply the customer's energy and load requirements at various load levels. The majority of demand-related costs consist of generation, transmission and the non-customer portion of distribution plant.

Q: Did the Company perform any special cost studies in order to determine the customer, energy and demand components when the investments or expense were within the same account?

A: Yes. As set out in Appendix I of the Regulatory Plan Stipulation and Agreement, KCPL prepared studies of:

a) Primary/secondary split of distribution investment contained in Federal Energy Regulatory Commission ("FERC") accounts #364 through #367;

b) Customer/demand split of distribution investment contained in FERC accounts #364 through #368;

c) Meter costs (typical installed meter and associated replacement cost);

d) Service line costs (typical installed service line and associated replacement cost);

e) Meter reading;

f) Billing; and

g) Losses (load and no load).

Q: With the above classification of plant investment and operating costs into customer-, energy- and demand-related components, what was the next step in the CCOS study?

A: The next step was to allocate each of the three categories of cost to each customer class utilizing allocation factors appropriate for each of the above categories of cost.

Q: How are the allocation factors for customer-related costs generally determined?

A: Customer-related costs are generally allocated on the basis of the number of customers within each class. Data for the development of the customer-related allocation factors came from Company billing and accounting records. Some of the customer-related accounts were allocated based on a weighted number of customers to reflect the weighting associated with serving those customers.

Q: How are the allocation factors for the energy-related costs generally determined?

A: Energy-related allocation factors were derived on the basis of each customer classes' respective energy (kilowatt hour) requirements. Kilowatt-hour sales to each customer class were available from Company records. The sales data was adjusted to reflect normal weather, system losses and unaccounted for, in order to assign the Company's total system output. Company witness George M. McCollister describes this process in his direct testimony.

Q: Was the data for the development of class demand allocation factors also available from Company billing records?

A: No. The data necessary to develop class demand allocation factors (production and transmission) were derived from the Company's load research data. Such data consisted of the hour-by-hour use of electricity by each customer class throughout the study period. Consideration of system losses, unaccounted for and sampling error was taken into account in determining the class demands. Company witness George M. McCollister describes this process in his direct testimony. Company witness Laura Becker provides an overview of the Company's load research in her direct testimony.

Q: Was KCPL's load research data used to develop any other allocators?

A: Yes, it was used to develop distribution plant allocators based on customer's non-coincident loads within each class.

Q: Are any costs assigned directly to classes?

A: Yes. In those instances where the costs are clearly attributable to a specific class, they are directly assigned to that class.

Q: After the determination of customer, energy and demand allocation factors for the various elements of the Company's costs, what is the next step in the completion of a CCOS study?

A: The next step is to apply the determined allocation factors to each element of rate base and expense in the CCOS study.

Q: Would you describe the various allocations factors and how they were applied to each account?

A: Yes. In fairly simple terms, the Company used an allocation method called the Average and Peak method to allocate production and transmission plant. This gives classes recognition for both usage and contribution to peak load. The demand portion of the distribution plant and related expense was allocated on two types of non-coincident demands ("NCD"). Substation related equipment and expense were allocated on class NCD allocators, while delivery equipment and expense were allocated on customer NCD allocators. The customer portion of the distribution plant and related expense was allocated based on the weighted number of customers. General and intangible plant were allocated based on the sum of combinations of production, transmission and distribution plant accounts. For example, if no production-related plant was in the account, it was allocated based on an allocator that included only transmission and distribution plant.

Q: What is the next step in the CCOS study once the allocations are applied to the various rate base, revenue and expense accounts?

A: The next step is to determine the relative return on rate base for each of the classes in the study. The ratio of class revenues less expenses (net operating income) divided by class rate base will indicate the rate of return being earned by the Company that is attributable to a particular class. It is necessary to keep in mind that this is a snapshot in time. The results of the CCOS study will most likely vary over time. The results of the study will also vary if you apply different allocation factors to the study. By applying different methods to the allocation process, you can change the outcome of the CCOS study.

Q: What are the results of your CCOS study that you prepared and are submitting in this case?

A: Schedule LJL-1 **(HC)** is a summary of revenue and expenses, net operating income, rate base and rate of return for the total Company and the classes used in this study. Page 1 of Schedule LJL-1 **(HC)** reflects returns as they occurred during the test period. Page 2 of Schedule LJL-1 **(HC)** reflects equalized return on equity for all classes and the resulting revenue adjustments that would be required if all classes provided the same rate of return.

Q: What conclusions have you made from the results of the CCOS study?

A: The individual classes' rates of return at current rates vary, and are shown in the following table.

Residential	Small General Service	Medium General Service	Large General Service	Large Power Service	Other Lighting
5.5%	8.3%	10.4%	9.0%	8.3%	2.9%

Q: If rates were changed so that KCPL earned the same rate of return from each customer class, how much would each class's rates need to change?

A: By the percentages in the table below.

Residential	Small General Service	Medium General Service	Large General Service	Large Power Service	Other Lighting
7.5%	-3.0%	-9.0%	-4.6%	-2.3%	10.3%

Q: How are the results of this CCOS study reflected in the Company's proposed rate design in this case?

A: Company witness Tim M. Rush addresses the use of the CCOS study in his direct testimony regarding rate design.

II. REVENUE NORMALIZATION

Q: How was retail revenue normalized for this case?

A: There were two discreet retail revenue normalizations done for this case. This case includes a jurisdictional revenue requirement cost of service, based on a historical test year ending December 31, 2005 (initially filed with nine (9) months actual and three (3) months budget data), with updates for known and measurable changes, as of June 30, 2006, and with a true-up through September 30, 2006. This case also includes a jurisdictional class cost of service based on a historical test year ending September 30, 2005. Normalizations were performed for each distinct test year.

Q: Was the process used to normalize these two test periods similar?

A: Yes, regarding weather normalizations. But otherwise there are two exceptions. First, the data used for the normalizations came from different periods. Second, the normalization for the jurisdictional revenue requirement cost of service included an adjustment for growth in number of customers, but the class cost of service did not.

Q: Please describe the process.

A: The retail revenue normalization is based on billing information extracted from the Company's customer information system ("CIS"). The extracted data is queried to produce a summary of the billing determinants by month, by rate grouping.

Q: How is this summarized billing information used?

A: This summarized billing information is used to create bill frequencies by rate schedule.

Q: What are "bill frequencies by rate schedule"?

A: A "bill frequency by rate schedule" is a summary of all of the billing determinants associated with a specific rate. The billing determinants are then used to calculate the revenue generated by that rate. This calculated retail revenue is then compared to reported revenue, thereby "proving the revenue". This provides a method to adjust retail revenues for weather and customer annualization, and provides normalized retail revenue. The weather and customer adjustments are described in the direct testimony of Company witness George M. McCollister.

Q: Was retail revenue adjusted using the bill frequency billing determinants as adjusted to reflect normal weather?

A: Yes, the retail revenue used in the jurisdictional revenue requirement cost of service was adjusted for normal weather. The adjustment is provided in the direct testimony of Don A. Frerking in Schedule DAF-2.

Q: What was the retail revenue adjusted using the bill frequency billing determinants as adjusted for customer annualization?

A: Yes, the retail revenue used in the jurisdictional revenue requirement cost of service was adjusted for customer annualization. The adjustment is provided in the direct testimony of Don A. Frerking in Schedule DAF-2.

Q: Was the retail revenue used in the class cost of service adjusted in the same manner as that used in the jurisdictional revenue requirement class cost of service?

A: Yes, the retail revenue used in the class cost of service was adjusted for normal weather. It was not, however adjusted for customer annualization.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas City Power & Light Company to Modify Its Tariffs to Begin the Implementation of Its Regulatory Plan	)))	Case No. ER-2006-____

AFFIDAVIT OF LOIS J. LIECHTI

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Lois J. Liechti, being first duly sworn on her oath, states:

1. My name is Lois J. Liechti. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Manager, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of twelve (12) pages and Schedule LJL-1, all of which having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Lois J. Liechti

Subscribed and sworn before me this 27th day of January 2006.

Notary Public

My commission expires: _____

CAROL SIVILS
NOTARY SEAL
NOTARY PUBLIC
STATE OF MISSOURI

CAROL SIVILS
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires: June 15, 2007

KANSAS CITY POWER & LIGHT COMPANY
CASE NO. _____
CLASS COST OF SERVICE FOR MISSOURI CUSTOMERS
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2005

LINE NO.	DESCRIPTION	ALLOCATION BASIS	MISSOURI RETAIL COL. 601	RESIDENTIAL COL. 602	SMALL GEN. SERVICE COL. 603	MEDIUM GEN. SERVICE COL. 604	LARGE GEN. SERVICE COL. 605	LARGE PWR SERVICE COL. 606	OFF-PEAK LIGHTING COL. 607	OTHER LIGHTING COL. 608
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
0010	**SCHEDULE 1 - SUMMARY OF OPERATING INC & RATE BASE**									
0020										
0030	OPERATING REVENUE	TSFR 2 870	585,398,988	214,112,406	41,684,881	73,557,303	131,189,523	118,206,818	0	6,648,057
0040										
0050	OPERATING EXPENSES									
0060	FUEL	TSFR 4 3940	122,457,486	36,405,541	6,649,809	14,312,588	31,096,192	32,809,204	0	1,184,153
0070	PURCHASED POWER	TSFR 4 3950	39,105,175	11,834,153	2,123,273	4,572,654	9,863,759	10,348,387	0	362,950
0080	OTHER OPERATION & MAINTENANCE EXPENSES	TSFR 4 3960	200,336,663	85,997,928	13,978,302	21,987,305	39,924,456	35,459,661	0	2,989,010
0090	DEPRECIATION EXPENSES (AFTER CLEARINGS)	TSFR 5 1420	64,993,330	26,603,608	5,098,020	7,668,741	13,155,114	11,325,268	0	1,142,579
0100	AMORTIZATION EXPENSES	TSFR 5 1650	4,804,934	2,745,764	414,170	404,015	664,990	556,377	0	19,617
0110	INTEREST ON CUSTOMER DEPOSITS	CUST21	468,601	262,570	171,366	28,763	4,926	976	0	0
0120	TAXES OTHER THAN INCOME TAXES	TSFR 6 560	35,236,348	14,607,055	2,655,703	4,170,439	7,248,510	6,209,425	0	345,216
0130	FEDERAL AND STATE INCOME TAXES	TSFR 7 870	31,074,804	7,710,793	3,106,007	6,113,002	8,132,814	5,678,066	0	334,123
0140	GAINS ON DISPOSITION OF PLANT	NETPLANT	0	0	0	0	0	0	0	0
0150										
0160	TOTAL ELECTRIC OPERATING EXPENSES		498,477,341	186,167,413	34,196,650	59,257,507	110,090,761	102,387,363	0	6,377,648
0170										
0180	NET ELECTRIC OPERATING INCOME		86,921,647	27,944,993	7,488,231	14,299,797	21,098,762	15,819,455	0	270,409
0190										
0200	RATE BASE									
0210	TOTAL ELECTRIC PLANT	TSFR 10 230	2,647,509,528	1,104,440,254	200,237,764	311,063,746	542,435,301	465,391,281	0	23,941,183
0220	LESS: ACCUM. PROV. FOR DEPREC	TSFR 10 310	1,209,960,751	486,644,794	87,782,398	141,584,662	253,496,885	227,942,250	0	12,509,762
0230	NET PLANT		1,437,548,777	617,795,460	112,455,366	169,479,084	288,938,415	237,449,031	0	11,431,421
0240	PLUS:									
0250	WORKING CAPITAL	TSFR 15 380	31,898,339	9,945,759	1,380,100	3,515,474	8,110,662	8,742,578	0	203,766
0260	PRIOR NET PREPAID PENSION ASSET	SALWAGES	26,466,765	11,072,792	1,781,149	2,945,576	5,425,185	4,855,133	0	386,930
0270	PENSION REGULATORY ASSET	SALWAGES	6,288,279	2,630,802	423,186	699,844	1,288,978	1,153,538	0	91,931
0280	***									***
0290	REG ASSET - DSM PROGRAMS	DEM1	8,602	3,085	466	1,011	2,016	1,979	0	45
0300	REG ASSET - REGULATORY EXPENSE	CLAIMEDREV	10,158	3,935	742	1,172	2,157	2,011	0	142
0310	JANUARY 2002 ICE STORM	DISTPLANT	6,082,669	3,284,045	754,461	728,744	863,866	340,367	0	111,186
0320	LESS:									
0330	ACCUM. DEFERRED TAXES	TSFR 8 580	295,465,964	122,662,695	22,111,555	34,971,532	60,944,927	52,188,990	0	2,586,266
0340	***									***
0350	CUST. ADVANCES FOR CONSTRUCTION	DISTPLANT	247,945	133,866	30,754	29,705	35,213	13,874	0	4,532
0360	CUSTOMER DEPOSITS	CUST21	5,689,560	3,188,020	2,080,655	349,225	59,814	11,846	0	0
0370										
0380										
0390										
0400	TOTAL RATE BASE		1,172,031,373	508,385,167	90,679,029	137,945,052	234,736,930	190,987,752	0	9,297,443
0410										
0420	RATE OF RETURN		7.416%	5.497%	8.258%	10.366%	8.988%	8.283%	0.000%	2.908%
0430	RELATIVE RATE OF RETURN		1.00	0.74	1.11	1.40	1.21	1.12	0.00	0.39
0440										

KANSAS CITY POWER & LIGHT COMPANY
CASE NO. _____
CLASS COST OF SERVICE FOR MISSOURI CUSTOMERS
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2005

LINE NO.	DESCRIPTION	ALLOCATION BASIS	MISSOURI RETAIL COL. 601	RESIDENTIAL COL. 602	SMALL GEN. SERVICE COL. 603	MEDIUM GEN. SERVICE COL. 604	LARGE GEN. SERVICE COL. 605	LARGE PWR SERVICE COL. 606	OFF-PEAK LIGHTING COL. 607	OTHER LIGHTING COL. 608
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
0450	**SCHEDULE 1 - SUMMARY AT EQUILIZED CLAIMED RATE OF RETURN**									
0460										
0470	RATE BASE									
0480	TOTAL ELECTRIC PLANT	TSFR 10 230	2,647,509,528	1,104,440,254	200,237,764	311,063,746	542,435,301	465,391,281	0	23,941,183
0490	LESS: ACCUM. PROV. FOR DEPREC	TSFR 10 310	1,209,960,751	486,644,794	87,782,398	141,584,662	253,496,885	227,942,250	0	12,509,762
0500	NET PLANT		1,437,548,777	617,795,460	112,455,366	169,479,084	288,938,415	237,449,031	0	11,431,421
0510	ADD: WORKING CAPITAL	TSFR 15 380	31,898,339	9,945,759	1,380,100	3,515,474	8,110,662	8,742,578	0	203,766
0520	PROFORMA CWC	TSFR 16 2160	(0)	(345,016)	26,983	143,873	130,458	58,520	0	(14,818)
0530	PRIOR NET PREPAID PENSION ASSET	TSFR 1 260	26,466,765	11,072,792	1,781,149	2,945,576	5,425,185	4,855,133	0	386,930
0540	PENSION REGULATORY ASSET	TSFR 1 270	6,288,279	2,630,802	423,186	699,844	1,288,978	1,153,538	0	91,931
0550	***									***
0560	REG ASSET - DSM PROGRAMS	TSFR 1 290	8,602	3,085	466	1,011	2,016	1,979	0	45
0570	REG ASSET - REGULATORY EXPENSE	TSFR 1 300	10,158	3,935	742	1,172	2,157	2,011	0	142
0580	JANUARY 2002 ICE STORM	TSFR 1 310	6,082,669	3,284,045	754,461	728,744	863,866	340,367	0	111,186
0590	LESS:									
0600	ACCUM. DEFERRED TAXES	TSFR 8 580	295,465,964	122,662,695	22,111,555	34,971,532	60,944,927	52,188,990	0	2,586,266
0610	***									***
0620	CUST. ADVANCES FOR CONSTRUCTION	TSFR 1 350	247,945	133,866	30,754	29,705	35,213	13,874	0	4,532
0630	CUSTOMER DEPOSITS	TSFR 1 360	5,689,560	3,188,020	2,080,655	349,225	59,814	11,846	0	0
0640	TOTAL RATE BASE		1,172,031,373	508,040,151	90,706,012	138,088,926	234,867,388	191,046,272	0	9,282,624
0650	OPERATING INCOME @ 7.416% ROR		86,921,647	37,677,905	6,727,052	10,241,122	17,418,527	14,168,611	0	688,430
0660										
0670	OPERATING EXPENSES									
0680	FUEL	TSFR 4 3940	122,457,486	36,405,541	6,649,809	14,312,588	31,096,192	32,809,204	0	1,184,153
0690	PURCHASED POWER	TSFR 4 3950	39,105,175	11,834,153	2,123,273	4,572,654	9,863,759	10,348,387	0	362,950
0700	OTHER OPERATION & MAINTENANCE EXPENSES	TSFR 4 3960	200,336,663	85,997,928	13,978,302	21,987,305	39,924,456	35,459,661	0	2,989,010
0710	DEPRECIATION EXPENSES	TSFR 5 1420	64,993,330	26,603,608	5,098,020	7,668,741	13,155,114	11,325,268	0	1,142,579
0720	AMORTIZATION EXPENSES	TSFR 5 1650	4,804,934	2,745,764	414,170	404,015	664,990	556,377	0	19,617
0730	INTEREST ON CUSTOMER DEPOSITS	TSFR 1 110	468,601	262,570	171,366	28,763	4,926	976	0	0
0740	TAXES OTHER THAN INCOME TAXES	TSFR 6 560	35,236,348	14,607,055	2,655,703	4,170,439	7,248,510	6,209,425	0	345,216
0750	PLUS: CHANGE IN TAXES OTHER THAN INCOME TAXES		0	140,277	(10,971)	(58,496)	(53,042)	(23,793)	0	6,025
0760	FEDERAL AND STATE INCOME TAXES	TSFR 7 870	31,074,804	7,710,793	3,106,007	6,113,002	8,132,814	5,678,066	0	334,123
0770	PLUS: CHANGE IN FEDERAL AND STATE INCOME TAXES		0	6,075,026	(475,108)	(2,533,317)	(2,297,105)	(1,030,414)	0	260,917
0780	GAINS ON DISPOSITION OF PLANT	TSFR 1 140	0	0	0	0	0	0	0	0
0790	TOTAL ELECTRIC OPERATING EXPENSES		498,477,341	192,382,715	33,710,572	56,665,694	107,740,614	101,333,156	0	6,644,590
0800										
0810	COST OF SERVICE		585,398,988	230,060,620	40,437,624	66,906,816	125,159,141	115,501,767	0	7,333,020
0820	LESS: PRESENT OTHER REVENUE		102,025,420	42,987,548	5,155,442	11,216,288	22,170,060	19,895,379	0	600,703
0830	INCREASE IN 451-MISC SERVICE REVENUE	TSFR 1 920	0	0	0	0	0	0	0	0
0840	INCREASE OTHER	TSFR 1 930	0	0	0	0	0	0	0	0
0850	SALES REVENUE		483,373,568	187,073,072	35,282,182	55,690,528	102,989,082	95,606,388	0	6,732,317
0860										
0870	TOTAL REVENUE ADJUSTMENT		0	15,948,214	(1,247,257)	(6,650,487)	(6,030,381)	(2,705,051)	0	684,963
0880	PERCENT CHANGE		0.00%	7.45%	-2.99%	-9.04%	-4.60%	-2.29%	0.00%	10.30%

KANSAS CITY POWER & LIGHT COMPANY
CASE NO. _____
CLASS COST OF SERVICE FOR MISSOURI CUSTOMERS
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2005

LINE NO.	DESCRIPTION	ALLOCATION BASIS	MISSOURI RETAIL COL. 601	RESIDENTIAL COL. 602	SMALL GEN. SERVICE COL. 603	MEDIUM GEN. SERVICE COL. 604	LARGE GEN. SERVICE COL. 605	LARGE PWR SERVICE COL. 606	OFF-PEAK LIGHTING COL. 607	OTHER LIGHTING COL. 608
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
0890	**SCHEDULE 1 - SUMMARY AT PROPOSED RATES**									
0900	PROPOSED SALES REVENUE		483,373,568	171,124,858	36,529,439	62,341,015	109,019,463	98,311,439	0	6,047,354
0910	PLUS: OTHER REVENUE		102,025,420	42,987,548	5,155,442	11,216,288	22,170,060	19,895,379	0	600,703
0920	INCREASE IN 451-MISC SERVICE REVENUE	DISTPLANT	0	0	0	0	0	0	0	0
0930	INCREASE OTHER	DISTPLANT	0	0	0	0	0	0	0	0
0940	TOTAL OPERATING REVENUE		585,398,988	214,112,406	41,684,881	73,557,303	131,189,523	118,206,818	0	6,648,057
0950										
0960	OPERATING EXPENSES									
0970	FUEL	TSFR 4 3940	122,457,486	36,405,541	6,649,809	14,312,588	31,096,192	32,809,204	0	1,184,153
0980	PURCHASED POWER	TSFR 4 3950	39,105,175	11,834,153	2,123,273	4,572,654	9,863,759	10,348,387	0	362,950
0990	OTHER OPERATION & MAINTENANCE EXPENSES	TSFR 4 3960	200,336,663	85,997,928	13,978,302	21,987,305	39,924,456	35,459,661	0	2,989,010
1000	DEPRECIATION EXPENSES	TSFR 5 1420	64,993,330	26,603,608	5,098,020	7,668,741	13,155,114	11,325,268	0	1,142,579
1010	AMORTIZATION EXPENSES	TSFR 5 1650	4,804,934	2,745,764	414,170	404,015	664,990	556,377	0	19,617
1020	INTEREST ON CUSTOMER DEPOSITS	TSFR 1 110	468,601	262,570	171,366	28,763	4,926	976	0	0
1030	TAXES OTHER THAN INCOME TAXES	TSFR 6 560	35,236,348	14,607,055	2,655,703	4,170,439	7,248,510	6,209,425	0	345,216
1040	PLUS: CHANGE IN TAXES OTHER THAN INCOME TAXES		0	85	(7)	(35)	(32)	(14)	0	4
1050	FEDERAL AND STATE INCOME TAXES	TSFR 7 870	31,074,804	7,710,793	3,106,007	6,113,002	8,132,814	5,678,066	0	334,123
1060	PLUS: CHANGE IN FEDERAL AND STATE INCOME TAXES		0	3,665	(287)	(1,528)	(1,386)	(622)	0	157
1070	GAINS ON DISPOSITION OF PLANT	TSFR 1 140	0	0	0	0	0	0	0	0
1080	TOTAL ELECTRIC OPERATING EXPENSES		498,477,341	186,171,162	34,196,357	59,255,943	110,089,344	102,386,727	0	6,377,809
1090										
1100	RATE BASE									
1110	TOTAL ELECTRIC PLANT	TSFR 10 230	2,647,509,528	1,104,440,254	200,237,764	311,063,746	542,435,301	465,391,281	0	23,941,183
1120	LESS: ACCUM. PROV. FOR DEPREC	TSFR 10 310	1,209,960,751	486,644,794	87,782,398	141,584,662	253,496,885	227,942,250	0	12,509,762
1130	NET PLANT		1,437,548,777	617,795,460	112,455,366	169,479,084	288,938,415	237,449,031	0	11,431,421
1140	ADD: WORKING CAPITAL	TSFR 15 380	31,898,339	9,945,759	1,380,100	3,515,474	8,110,662	8,742,578	0	203,766
1150	PROFORMA CWC	TSFR 16 2160	(0)	(345,016)	26,983	143,873	130,458	58,520	0	(14,818)
1160	PRIOR NET PREPAID PENSION ASSET	TSFR 1 260	26,466,765	11,072,792	1,781,149	2,945,576	5,425,185	4,855,133	0	386,930
1170	PENSION REGULATORY ASSET	TSFR 1 270	6,288,279	2,630,802	423,186	699,844	1,288,978	1,153,538	0	91,931
1180	***									***
1190	REG ASSET - DSM PROGRAMS	TSFR 1 290	8,602	3,085	466	1,011	2,016	1,979	0	45
1200	REG ASSET - REGULATORY EXPENSE	TSFR 1 300	10,158	3,935	742	1,172	2,157	2,011	0	142
1210	JANUARY 2002 ICE STORM	TSFR 1 310	6,082,669	3,284,045	754,461	728,744	863,866	340,367	0	111,186
1220	LESS:									
1230	ACCUM. DEFERRED TAXES	TSFR 8 580	295,465,964	122,662,695	22,111,555	34,971,532	60,944,927	52,188,990	0	2,586,266
1240	***									***
1250	CUST. ADVANCES FOR CONSTRUCTION	TSFR 1 350	247,945	133,866	30,754	29,705	35,213	13,874	0	4,532
1260	CUSTOMER DEPOSITS	TSFR 1 360	5,689,560	3,188,020	2,080,655	349,225	59,814	11,846	0	0
1270	TOTAL RATE BASE		1,172,031,373	508,040,151	90,706,012	138,088,926	234,867,388	191,046,272	0	9,282,624
1280										
1290	OPERATING INCOME		86,921,647	27,941,244	7,488,524	14,301,360	21,100,179	15,820,091	0	270,248
1300										
1310	RATE OF RETURN		7.416%	5.500%	8.256%	10.357%	8.984%	8.281%	0.000%	2.911%
1320	RELATIVE RATE OF RETURN		1.0000	0.7416	1.1132	1.3965	1.2114	1.1166	0.0000	0.3926