

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	
2				
3	<b>Rate of Return &amp; Capital Structure</b>			
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		\$3,042,797	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		(\$27,261,578)	
8				
9	<b>Rate Base Issues :</b>			
10	<b>Plant in Service:</b>			
11	0	0		
12	Proposed Iatan 1/2 Disallow & Trsf to Common	(12,180,218)		Issue at Hearing - Revised disallowance amount
13	Proposed Spearville disallow - Schiff Harden	(163,316)		New issue
14	0	0		
15	0	0		
16	0	0		
17	Plant not at Issue (Allocation Issue)	3,007,019		allocation
18	Sub-Total - Plant in Service		(9,336,516)	
19				
20	<b>Depreciation Reserve</b>			
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
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	<b>Add to Net Plant</b>			
29	Cash Working Capital	1,535,687		
30	Federal Tax Offset	(78,802)		
31	State Tax Offset	(48,263)		
32	Interest Expense Offset	(1,480,924)		
33	City Tax Offset	0		
34	Sub-Total - Cash Working Capital		(72,303)	
35	Materials and Supplies		19,727	Need workpaper to analyze. Probably allocations
36	Prepayments		8,693	Need workpaper to analyze. Probably allocations
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		(329,808)	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	Need workpaper to analyze
47	Nuclear Fuel		(0)	
48	Regulatory Asset - Regulatory Expense		0	
49	<b>Subtract from Net Plant</b>			

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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.
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			(\$14,125,534)	
60					
61	<b>Income Statement - Revenue Issues</b>				
62	Booked Revenue - Unadjusted		(\$371,624)		allocation
63					
64	<b>Retail KWH Sales Revenue</b>				
65	To remove GRT from test year		(\$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. <b>Staff disallowed Load Reg of \$617k (Total Co).</b>
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 amo
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 year		(\$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 refund		(\$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					

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98	<b>Income Statement - Expense Issues</b>			
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
		7,913,431		
101	NORMALIZE PURCH POWER		(744,601)	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 receivables		(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
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 receivables		(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 deferred		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 injures 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		(70,306)	Staff did not incl \$37,656 amort for Iatan 1 Reg Asset and had slightly smaller I2/Com reg asse
128	Missouri Economic Relief Pilot Program (MO only)		2,205	Unknown minor adj difference
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 Tax		102	Unknown minor adj difference
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 Costs		(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 Deferral		-	
147	Amortize DSM Deferral		(1,392,906)	Footnote (a)

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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 amor
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	(851,584)			
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		(1,388,238)		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		Minor adj difference
167	To Normalize lease expense		9,892		Minor adj difference
168	To remove donations inappropriately recorded above the line		(1,215)		Minor adj difference, consistent with previous submittals
169		0	-		
170	Reconcilement Error - O&M Expense		(29)		
171	Sub Total - Operations & Maintenance Expense Issues			(122,800)	
172					
173	<b>Income Tax Issues - Income Statement</b>				
174	Annualized - Reg Plan Amortization		0		
175	Depr on Vehicles/Unit Trains cleared to O&M		(802,460)		
176	Book Amortization - Intangible Plt / Leaseholds		(34,633)		
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		(13,006)		
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)		10,414		
191	Tax Straight Line Depreciation IRS Deduct-Tax Depr		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			(\$314,005)	
202					
203	Difference in Tax Gross Up Factor			-	
204					
205	Total Value of All Issues			(\$52,054,329)	

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Line No.				
206				
207	Unreconciled Difference/Rounding		21,978	
208				EMS
209	<b>Staff Revenue Requirement at December 31, 2010</b>		<b>\$4,290,445</b>	<b>\$4,480,965</b>
210	Allowance for K&M Changes/True-Up Estimate		\$0	
211	Unreconciled Difference/Rounding		\$4,290,445	\$4,480,965
212				per EMS
213	<b>Footnotes</b>			
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 \$4,649,084.			
215	b)			
216	c)			
217	d)			
218	<b>Office of the Public Counsel</b>			
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	<b>Office of the Public Counsel - Revenue Requirement</b>		<b>\$ -</b>	<b>4,480,965</b>
225				
226	<b>United States Department of Energy</b>			
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	<b>United States Department of Energy - Revenue Requirement</b>		<b>\$ -</b>	<b>4,480,965</b>
236				
237	<b>Missouri Industrial Energy Consumers</b>			
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	<b>Missouri Industrial Energy Consumers- Revenue Requirement</b>		<b>\$ 1,366,337</b>	<b>5,847,302</b>

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Line No.		Included in	Incr (decr) Revenue Requirement	
				Net Staff rev Req over (under) KCPL
	<b>Support for Footnote (a)</b>			
	<b>Summary of DSM Issues Between KCPL and Staff at True Up</b>	<b>Line</b>	<b>Staff</b>	<b>KCPL</b>
	Return bulk margins-excess of 25th %, incl interest, over 10 yrs			(605,118)
	Reverse test year amortization of excess margins over 25% percentile		136,325	136,325
		77	136,325	(605,118)
				741,443
	Rev test yer amort of deferred advertising (0291 case)	108	(130,848)	(130,848)
				0
	Amortize transferred STB liability over 10 yrs (MO portion)			(303,912)
	Remove Test Year Impact of STB settlement		(202,153)	(202,153)
		156	(202,153)	(303,912)
				101,759
	Amortize transferred DSM advertising over 10 yrs (from 0089 case)			18,635
	Amortize transferred DSM advertising (Connections) over 10 yrs (from 0355 case)			(18,442)
	Amort of Deferred DSM Programs-MO			3,866,929
	<b>Amortize DSM Deferred costs and advertising expense, including return on unamort balance, offset by return of excess margins on OSS / STB reparations</b>		2,511,100	2,511,100
		147	2,511,100	3,904,006
				(1,392,906)
	<b>Total of DSM Issues Between KCPL and Staff for True Up - COS</b>		2,314,424	2,864,128
	<b>Return on Rate Base</b>	39		4,099,380
	<b>Total of DSM Issues Between KCPL and Staff at True Up</b>		2,314,424	6,963,508
				(4,649,084)