Exhibit No.:	
Issues:	Class Cost of Service Rate Design
Witness:	Janice Pyatte
Sponsoring Party:	MO PSC Staff
Type of Exhibit:	Rebuttal Testimony
Case No.:	ER-2006-0314
Date Testimony Prepared:	September 15, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

JANICE PYATTE

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2006-0314

Jefferson City, Missouri
September 2006

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas City Power & Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Begin the Implementation of Its Regulatory Plan	)))))	Case No. ER-2006-0314

AFFIDAVIT OF JANICE PYATTE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Janice Pyatte, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 18 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.

Janice Pyatte

Subscribed and sworn to before me this 15th day of September, 2006.

Dawn L. Hake
Notary Public

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

DAWN L. HAKE
My Commission Expires
March 16, 2009
Cole County
Commission #05407643

My commission expires _____

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REBUTTAL TESTIMONY

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Q. Are you the same Janice Pyatte who previously filed testimony on behalf of Staff of the Missouri Public Service Commission ("Staff") in this case?

A. Yes, I am. I filed direct testimony on the issues of class cost-of-service ("CCOS") and rate design on August 23, 2006.

EXECUTIVE SUMMARY

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony lays out the class cost-of-service and rate design issues among the parties to this case into three broad categories: (1) Class Cost of Service Study Issues; (2) Recommended Changes to Class Revenues; and (3) Rate Design Issues. Within each category, my rebuttal testimony addresses multiple specific issues. I present Schedule JP-8, a comparison of the results of the class cost-of-service studies submitted in this case by the various parties. I present Schedule JP-9, a comparison of each party's recommendation for changes to class revenues to better align class revenues with class costs. I also present, as Schedule JP-6 revised, a revised version of Staff's CCOS study that was filed as Schedule JP-6 in my August 23, 2006 direct testimony.

REVISIONS TO STAFF CLASS COST-OF-SERVICE STUDY

Q. What revisions have you made to Staff's class cost of service study?

A. Since my direct filing on August 23, I have made one minor modification to Staff's class cost-of-service study. I have re-computed the revenues generated by current rates for each class to more properly treat economic development credits and interruptible credits. This revision does not change overall rate revenues; it slightly changes each class' distribution of the total. This change to class rate revenues, in turn, changes the computation of class revenue deficiency (i.e., the comparison between the cost to serve each class (which remains the same) and current rate revenues). To maintain consistency with my direct testimony, I have numbered this schedule as Revised Schedule JP-6.

CLASS COST OF SERVICE STUDY ISSUES

Q. Which parties presented CCOS studies in this case?

A. Four parties filed CCOS studies in this case: Kansas City Power & Light Company ("KCP&L"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC"), and Ford Motor Company, Praxair, Inc. and Missouri Industrial Energy Consumers ("Industrials"). KCP&L and Staff each filed one study. OPC submitted the results of two studies. The Industrials submitted four studies.

Q. Would you please compare the results of the various CCOS studies?

A. A comparison of the results of the seven CCOS studies filed in this case is shown on Schedule JP-8. Since the use of a particular allocation method for attributing production (generation) capacity to classes is the main determinant of the overall study results, it is general practice to identify each study by the production-capacity allocation factor being used. My testimony and schedules follow this general practice. The CCOS studies and the witnesses sponsoring each one are identified as follows:

KCP&L A&P(1CP): An Average & Peak allocator that uses class contribution to average demand to allocate the average portion of production capacity cost to classes, and class contribution to the annual (1) system coincident peak (CP) to allocate the peak portion of production capacity cost to classes. [Lois J. Liechti, Tim M. Rush]

Staff A&P(12 Class Peaks): An Average & Peak allocator that uses class contribution to average demand to allocate the average portion of production capacity cost to classes, and class contribution to weighted monthly (12) class peak demands to allocate the peak portion of production capacity cost to classes. [Janice Pyatte, James A. Busch]

OPC 12NCD A&P: An Average & Peak allocator that uses class contribution to average demand to allocate the average portion of production capacity cost to classes, and class contribution to monthly (12) non-coincident peak demands (NCD) to allocate the peak portion of production capacity cost to classes. [Barbara A. Meisenheimer]

OPC TOU: Time-of-use allocator based upon class contribution to hourly production costs. [Barbara A. Meisenheimer]

Industrials A&E(3 NCP): An Average & Excess allocator that uses class contribution to average demand to allocate the average portion of costs and class contribution to excess demand to allocate the remaining cost to classes. Excess is defined to be the difference between the sum of the non-coincident peak demand (NCP) for the 3 highest summer months and average demand for each class. [Maurice Brubaker]

Industrials: 1CP: Total production capacity cost is allocated to classes based upon class contribution to the annual (1) system coincident peak (CP). [Maurice Brubaker]

Industrials: 3CP: Total production capacity cost is allocated to classes based upon class contribution to the monthly system coincident peaks (CP) of three (3) highest summer months. [Maurice Brubaker]

Industrials: 4CP: Total production capacity cost is allocated to classes based upon class contribution to the monthly system coincident peaks (CP) of four (4) summer months. [Maurice Brubaker]

More details regarding these allocation factors can be found in the direct testimony of the relevant witness for each party.

Q. What are the CCOS issues among the parties?

A. The CCOS issues that I have identified are:

- Recognition of Line Losses
- Allocation of Production Capacity Costs and Transmission Costs to Classes
- Allocation of the Costs of Distribution Substations to Classes
- Split of the Distribution Costs Associated with Primary Lines into a Customer-related Component and a Demand-related Component
- Allocation of the Demand-Related Portion of Primary and Secondary Lines
- Treatment of Income Taxes
- Allocation of Administrative and General Expenses
- Margin (Profits) from Off-System Sales

Q. What is the issue regarding the recognition of line losses?

A. KCP&L failed to recognize line losses when computing coincident peak demands and class peak demands for use in its allocation factors. Customer maximum demands were done correctly.

Staff's CCOS study correctly recognized line losses when calculating coincident peak demands and class peak demands. According to the testimony of Industrial witness Maurice Brubaker, he also correctly recognized line losses when calculating coincident and class peak demands.

Q. What is the issue regarding the allocation of production capacity costs and transmission costs to classes?

A. The method used to allocate production capacity costs and transmission costs to classes is the most important determinant of the outcome of a CCOS study because those costs constitute more than 40% of total cost. Staff witness James A. Busch is submitting rebuttal testimony on behalf of Staff on this issue.

Q. What is the issue regarding the allocation of the costs of distribution substations to classes?

A. The issue is what type of demand is the most appropriate to use when allocating these costs. KCP&L's position is that the costs associated with distribution substations should be allocated to classes based upon class contribution to customer maximum demand. Staff, OPC, and Industrials believe that the use of class contribution to class peak demand is more appropriate.

The difference between the two measures of demand is the degree of diversity between class loads. The greater the diversity, the more that facilities can be shared, and the smaller the total amount of facilities that are required. Class peak demands exhibit a

considerable amount of diversity between classes. Customer maximum demand is, by definition, a measure of demand that allows no sharing of facilities by customers or classes. The use of customer maximum demand to allocate the costs of distribution substations is clearly unreasonable because it reflects a no-diversity situation that is not characteristic of distribution substations.

Q. What is the issue regarding the split of the distribution costs associated with primary lines into a customer-related component and a demand-related component?

A. KCP&L's special distribution study of the costs in FERC account #364 (distribution lines) determined what proportion of total costs are demand-related and what proportion are customer-related. KCP&L, Staff, and Industrials utilized the results of the Company's special study of the costs of primary distribution lines. OPC's CCOS studies considered all costs to be demand-related. Despite the KCP&L special distribution cost study, OPC assumes that there is no customer-related component of primary lines.

Q. What is the issue regarding the allocation of the demand-related costs of primary and secondary distribution lines?

A. The issue is what type of demand is the most appropriate to use when allocating these costs. Described another way, the question is: given the various measures of class demands that were developed in this case, which measure most closely approximates the proper amount of diversity for the facilities being allocated? The table below shows the various demand measures, the amount of diversity in each of the demand measures and which party used the various demand measures to allocate primary and secondary lines.

Demand Measure	Amount of Diversity	Allocator for Primary Lines	Allocator for Secondary Lines
Coincident Peaks	High		
Class Peaks	Moderate to High	OPC, Industrials	OPC
Diversified Demand	Low to Moderate	Staff	Staff
Customer Max Demand	None	KCP&L	KCP&L, Industrials

This table shows that there is considerable disagreement among the parties about which demand measure is most appropriate to use when allocating the demand-related costs of primary and secondary distribution lines.

Rather than be limited to the choice of class peak demand (moderate to high diversity) or customer maximum demand (no diversity), Staff created a separate demand measure called diversified demand that represents low to moderate diversity. Diversified demand was computed as the weighted average of each class' customer maximum demand and annual class peak demand, where the weighting factors were based on the average number of customers in each class that share a transformer. Staff allocated both the demand-related portion of primary and secondary lines on the basis of class contribution to diversified demand.

Q. What is the issue regarding the treatment of income taxes?

A. Mr. Brubaker criticizes KCP&L for allocating income taxes based upon each class' taxable income rather than allocating it on the basis of total rate base.

While I agree with Mr. Brubaker that using rate base is the proper way to treat income taxes, I disagree with his characterization of KCP&L's method. In the process of replicating KCP&L's CCOS study, I became convinced that, despite KCP&L's initial allocation of income taxes based upon class taxable income, the additional income tax re-allocation made to equalize class rates of return (Schedule LJL-1, p. 2 of 3, line 0770 of KCP&L witness Lois J. Liechti's direct testimony) results in an overall allocation of income taxes that is very similar to what would result from a single allocation based upon rate base.

Q. What is the issue regarding the allocation of administrative and general ("A&G") expenses?

A. Mr. Brubaker's direct testimony points out that KCP&L's allocation of selected A&G expenses on class contribution to energy is inappropriate, and that the use of salaries and wages would be a better choice. Staff concurs.

Q. What is the issue regarding the margin (profits) from off-system sales?

A. In keeping with the original plan to separate CCOS and rate design issues from revenue requirement issues, Staff's CCOS study has used KCP&L's numbers for Missouri revenues and/or margin from off-system sales of electricity for the CCOS study period. This revenue amount does not affect each party's computation of the cost to serve each class. However it does affect the computation of the dollar amount of any increase or decrease required to equalize class rates of return.

The controversy over the amount of Missouri revenues and/or margin from off-system sales of electricity that is taking place in the revenue requirement section of this case leads me to believe that the dollar amount of revenues from off-system sales that I used in Staff's

CCOS study is unlikely to be correct. If the outcome of this controversy significantly changes Staff's CCOS results, I will file an updated study at True-up.

RECOMMENDED CHANGES TO CLASS REVENUES

Q. Which parties presented recommendations on how and when to change class revenues to better align class revenues with class costs?

A. Five parties filed recommendations for changing class revenues: KCP&L, Staff, OPC, Industrials, and The Department of Energy – National Nuclear Security Administration ("DOE").

Q. What are the issues among the parties regarding changes in class revenues?

A. The issues that I have identified are:

- Should Revenue Shifts among Classes be made in this Case?
- What is the Recommended Direction of any Revenue-Neutral Class Revenue Shifts?
- Should Any Revenue Shifts among Non-Residential Classes be Applied Uniformly or Non-Uniformly?
- Should Any Revenue Shifts among Classes Determined in this Case be Phased-In over Multiple Years?
- How Should Any Increase in the Revenue Requirement Be Accomplished?

Q. How have various parties answered the question: Should Revenue Shifts Among Classes be Made in this Case?

A. The table below is a simplified comparison of each party's recommendation for changing class revenues to re-align them with class costs. (See Schedule JP-9 for a

detailed comparison.) Two scenarios are shown below: the first is whether class revenue shifts should be made if no increase in overall revenue requirement ("Rev Req") results from this case. The second scenario is each party's recommendation if this case results in an overall revenue requirement increase.

	KCP&L	Staff	OPC	Industrials	DOE
No Increase to Rev Req	No	Yes	No	Yes	Yes
Increase to Rev Req	No	Yes	Yes	Yes	Yes

Q. What is your response to those parties who take the position that no changes should be made in this case?

A. KCP&L witness Tim M. Rush's recommendation that inter-class revenue realignment should be postponed until after Iatan 2 is in service is mainly based upon the argument that the combined impact of a revenue shift from CCOS and a substantial increase in revenue requirement places an undue burden on customers. [Rush, direct, page 6].

As this case has progressed, it has become clear that the likelihood of KCP&L being granted the double-digit percentage increase in revenue requirement that it requested has substantially diminished. So too has its argument that the impact on customers would be too great. Staff's position is that some movement towards CCOS should be made in this case because our analysis indicates that changes are warranted and the opportunity exists to do so.

Another reason that Staff believes that shifts should be made is that the direction that any movement towards CCOS should take is well defined, even if the magnitude of the movement is not. All of the CCOS studies filed in this case show that residential class revenues are below the Company's cost of providing service to that class. All CCOS studies

show that the general service ("GS") classes (Small GS, Medium GS, and Large GS) revenues are above the Company's cost of providing service. All but OPC's studies show that the Large Power Service ("LPS") class is paying more than its costs. None of the studies showed that shifts should not be made.

The third reason that changes should be made in this case rather than postponing them is that KCP&L's future capacity additions will compound, rather than ameliorate, any current misalignments between class costs and class revenues. It is possible that, when Iatan 2 is placed into rate base in 2010, the situation of too large a revenue requirement impact on customers to justify making additional CCOS revenue shifts that is being described today by Mr. Rush may indeed be upon us. Modest changes between now and then will be helpful, not hurtful.

Q. How have various parties answered the question: What is the Recommended Direction of any Revenue-Neutral Class Revenue Shifts?

A. The table below is a simplified comparison of the direction (increase, decrease, no change) that each party is recommending for changing class revenues to re-align them with class costs.

	Staff	Industrials	DOE
Residential Class	Increase	Increase	Increase
General Service Classes	Decrease	Decrease	Decrease
Large Power Class	Decrease	Decrease	Decrease
Lighting	No Change	Decrease	Increase

KCP&L and OPC are excluded from the above table because neither party is proposing any changes to class revenues on a revenue-neutral basis.

Q. What comments do you wish to make about the recommended direction of revenue-neutral class revenue shifts?

A. It appears that, with the exception of the lighting class, there is agreement among Staff, Industrials, and DOE that, on a revenue-neutral basis, residential revenues need to be increased and non-residential (GS and LPS) class revenues need to be decreased.

Q. How have the various parties addressed the question: Should Any Revenue Shifts among Non-Residential Classes be Applied Uniformly or Non-Uniformly?

A. Only Staff's recommendation explicitly addresses this question in its direct testimony. We have recommended that all non-residential rate schedules be changed by a uniform percentage to preserve rate continuity. Presumably other parties will weigh in on this issue in rebuttal to Staff.

I believe strongly that equating class revenues with class costs, as measured by a CCOS study, is only one of a number of objectives to be pursued when designing the rates that are to be charged actual customers. CCOS studies provide useful information about the average cost associated with the average customer. Beyond that, additional analyses need to be performed before one can design the rate values and rate structures that recover the right costs and send the proper price signals to individual customers.

As I described in my direct testimony, KCP&L's current general service and large power service rate schedules were designed over a multi-year period. My analysis shows that the relationships between the various rate schedules, which I call rate continuity, are still

functioning as the designers intended. The way to maintain rate continuity between rate schedules is to apply any increase or decrease as a uniform percentage.

Q. How have the parties addressed the question: Should Any Revenue Shifts among Classes Determined in this Case be Phased-In over Multiple Years?

A. DOE witness Gary C. Price has proposed that any misalignments between class revenues and class costs be eliminated over a four-year phase-in period, using this case as year 1. He illustrates his formulistic approach, using the results of KCP&L's CCOS study, in his direct testimony. I am not aware that any other party has explicitly addressed this issue.

Q. What is Staff's rebuttal to DOE's phase-in proposal?

A. While Staff is advocating for a movement towards class cost of service in this case and may do so in future KCP&L cases, I have reservations about DOE's phase-in plan. Mr. Price's testimony seems to imply that there really is a single, unambiguous quantification of the cost to serve each class and, once it is known, reaching it is the sole objective of ratemaking. I believe that CCOS is only one of a number of important ratemaking objectives that need to be considered.

In addition, the idea that revenue-neutral changes to class revenues can be pre-determined in this case and then set on automatic pilot over the next four years does not seem very practical. Some parties may object to revenue-neutral changes to rates (i.e., increases for the residential customers at the same time as decreases to some or all of the non-residential customers) in those years when KCP&L opts not to make a rate case filing (filings in years 2 and 3 are optional). Some parties may be reluctant to give up their ability to temper their CCOS recommendations to reflect the impact of a concurrent change in revenue requirement.

If there are different intervenors in each KCP&L rate case filing, it is not clear how the parties to this case can preclude them from proposing rate design changes in a future case.

Q. How have the parties addressed the issue: How Should Any Increase in the Revenue Requirement Be Implemented?

A. Schedule JP-9 compares the parties' recommendations for overall class revenue changes in the situation where the overall revenue requirement increases by 0% (no change), 5%, and 10%.

RATE DESIGN ISSUES

Q. What are the rate design issues among the parties?

A. The rate design issues that I have identified are:

- Timing Of A Future Rate Design Case
- General Service Customer Charges
- Separately-Metered Space Heating and All-Electric Rates

Q. Please comment on the Company's proposal for a future rate design case.

A. KCP&L witness Tim M. Rush proposes that an investigation that focuses solely on class cost-of-service and rate design issues be scheduled after the conclusion of the Regulatory Plan and the in-service date of Iatan 2, the pending baseload coal plant.

Staff agrees that an analysis of class cost of service and rate design would be appropriate after the addition of Iatan 2 to rate base, which is currently scheduled to be in the 2009-2010 time-frame. A large capacity addition, such as a coal plant, will likely widen any existing CCOS imbalances between the residential class and the general service classes. Even if movements towards CCOS made in this and subsequent rate cases were to completely

eliminate all disparities, there will likely be a need to re-align class revenues with class costs after such a large capacity addition.

Conducting a CCOS and rate design investigation after the Commission has determined the prudently incurred costs of Iatan 2 and KCP&L's other investments seems reasonable. However, at this point in time, Staff does not have an opinion about whether such an investigation should be done in a stand-alone, rate design docket or be part of the first KCP&L rate case filing after Iatan 2 is placed into rate base.

Q. Does Staff have any issues with any party regarding KCP&L's proposed customer charges?

A. Yes, with regard to KCP&L's general service customer charges. Those charges are unique in that they are based upon customer size (measured as maximum demand) rather than by rate schedule. This particular design was implemented in the last rate design case to ensure that large, low-load factor customers who choose service on a smaller customer rate schedule (e.g., a LGS customer who switches to the MGS tariff) continue to make a contribution to fixed costs that recognize that the customer is larger-than-typical-for-the-class.

I oppose KCPL's proposed modifications to this pattern of customer charges because they under-cut the intent of this policy.

Q. What issues have been raised relating to the separately-metered space heating and all-electric rates?

A. There appear to be four issues that relate to separately-metered space heating and/or all-electric rates:

- Should Separate Rates for General Service All-Electric Usage Continue?

- Should the Existing Discount between All-Electric Rates and the General Application Rates be Reduced?
- Should the Availability of the Existing All-Electric Rates be Broadened to Include Additional Customers?
- What Changes Should be Made to Separately-Metered Space Heating Rates?

The only witnesses who addressed these issues in direct testimony are KCP&L witness Tim M. Rush and Trigen-Kansas City witness Joseph A. Herz.

Q. What is the relationship between KCP&L's general application rate schedules and its all-electric rate schedules?

A. Each of KCP&L's current general application rate schedules (SGS, MGS, LGS) has a corresponding all-electric rate schedule (SGSA, MGSA, LGSA). The main difference between the two companion schedules is the restricted availability and lower rate values in the non-summer billing season on the all-electric schedule.

Q. What are the requirements for a customer to qualify for service under one of KCP&L's all-electric rate schedules?

A. As its name implies, all-electric customers must exclusively use electricity for "…all lighting, cooking, water heating, comfort space heating (except aesthetic fireplaces), comfort cooling, general purposes, and any other purposes requiring energy…" [KCP&L rate schedule MGA, PSC MO No. 7, Sheet 18].

KCPL's all-electric rate schedules currently provide an approximate 20% discount in the non-summer billing season when compared to the general application (non-space heating) rates.

Q. How have the parties addressed the issue: Should Separate Rates for General Service All-Electric Usage Continue?

A. Trigen's position is that the existing all-electric rate schedules for general service customers should be eliminated. If doing so now is not feasible, then the availability of these rates should be limited to existing customers ("frozen") until a special cost study is done and the issue decided in the next KCP&L rate case. Trigen also argues that KCP&L's Affordability, Energy Efficiency and Demand Response programs are a better alternative for building winter load than discounted all-electric rates..

KCP&L's position is that all-electric rate schedules have existed for a very long time and there is no reason to eliminate them.

Q. What is Staff's position on continuing or eliminating general service all-electric rates in this case?

A. Staff opposes the elimination of KCP&L's general service all-electric rates in this case as proposed by Trigen because no cost analysis or study of impacts on customers has been done. Staff is willing to study the issue in the context of a comprehensive CCOS and rate design investigation and/or a cost-effectiveness study of the Affordability, Energy Efficiency and Demand Response programs.

Q. How have the parties addressed the issue: Should the Existing Discount between All-Electric Rates and General Application Rates be Reduced?

A. KCP&L has proposed to increase all-electric rates by 5% more than the increase to the general application rates. This proposal is equivalent to reducing the existing space heating discount by 5%. Trigen's proposal to do away entirely with all-electric rates could also be accomplished by totally reducing the existing discount.

Q. What is Staff's position on reducing the magnitude of the all-electric rate discount?

A. Staff is not opposed to KCP&L's recommendation.

Q. How have the parties addressed the issue: Should the Availability of the Existing General Service All-Electric Rates be Broadened to Include Additional Customers?

A. KCP&L is proposing to broaden the availability of the existing all-electric rates to include general service customers who predominantly, but not exclusively, use electricity for space heating. Trigen is opposed to the KCP&L proposal to allow more customers to receive service under these rates.

Q. What is Staff's opinion of the KCP&L proposal to broaden the availability of its general service all-electric rates?

A. Staff is not opposed to broadening the availability of KCP&L's general service all-electric rates, particularly if the percentage discount from the general application rates is reduced. However, the Company-proposed tariff language is too vague. Tariffs should be specific about who is and who is not allowed service on each rate schedule.

Q. How have the parties addressed the issue: What Changes Should be Made to Separately-Metered Space Heating Rates?

A. KCP&L has proposed to freeze the residential separately-metered space heating rates and to eliminate altogether the primary voltage, separately-metered space heating option. Staff does not object to either proposal.

Q. Does this conclude your testimony?

A. Yes, it does.

MOPSC STAFF FUNCTIONAL CLASS COST OF SERVICE STUDY - SUMMARY OF RESULTS
KANSAS CITY POWER & LIGHT COMPANY - 12 MONTHS ENDING SEPTEMBER 30, 2005
MOPSC CASE NO. ER-2006-0314

FUNCTIONAL CATEGORY	MISSOURI RETAIL	RESIDENTIAL	SMALL GENERAL SERVICE	MEDIUM GENERAL SERVICE	LARGE GENERAL SERVICE	LARGE POWER SERVICE	LIGHTING
Production-Capacity	$217,406,900	$73,296,551	$12,261,753	$25,840,459	$53,375,957	$52,632,180	$0
Production-Energy	$161,960,634	$48,619,394	$8,880,906	$19,114,535	$41,528,981	$43,816,817	$0
Transmission	$22,457,045	$7,571,167	$1,266,578	$2,669,190	$5,513,469	$5,436,641	$0
Distribution Substations	$9,945,346	$4,371,840	$575,882	$1,179,271	$2,050,386	$1,767,967	$0
OH/UG Lines							
Pri-Customer Related	$14,648,988	$7,689,620	$2,547,488	$2,297,196	$1,808,593	$306,091	$0
Sec-Customer Related	$8,197,783	$4,410,867	$1,459,632	$1,310,621	$960,026	$56,638	$0
Pri-Demand Related	$31,031,435	$14,358,975	$2,216,676	$3,609,328	$7,086,815	$3,759,643	$0
Sec-Demand Related	$14,115,863	$7,445,682	$1,146,325	$1,854,852	$3,233,350	$435,654	$0
Line Transformers							
Sec-Customer Related	$5,886,637	$3,167,340	$1,048,128	$941,126	$689,372	$40,671	$0
Sec-Demand Related	$5,490,706	$3,493,205	$420,168	$552,928	$902,769	$121,637	$0
Services	$3,423,384	$1,817,375	$1,167,079	$322,945	$114,204	$1,780	$0
Meters & Recorders	$5,693,974	$3,249,775	$1,059,865	$723,381	$354,838	$306,115	$0
Company-Owned Lighting	$3,691,809	$0	$0	$0	$0	$0	$3,691,809
Meter Reading	$4,373,305	$3,732,156	$393,764	$82,953	$30,718	$133,714	$0
Customer Records & Collection	$10,200,785	$8,098,954	$1,181,363	$508,060	$410,928	$1,479	$0
Customer Assistance	$1,116,892	$269,897	$84,412	$120,796	$352,792	$288,995	$0
Sales Exp	$926,869	$486,537	$161,184	$145,348	$114,433	$19,367	$0
Uncollectible	$3,456,580	$2,998,237	$343,584	$114,758	$0	$0	$0
Other Cust Service	$4,336,006	$2,276,078	$754,040	$679,955	$535,332	$90,601	$0
Customer Deposits	$46,645	$26,136	$17,058	$2,863	$490	$97	$0
Sales-Related A&G Expenses	$16,298,282	$4,855,953	$887,040	$1,909,482	$4,159,921	$4,485,886	$0
Miscellaneous Assignments	$2,456,020	$1,395,749	$165,906	$209,937	$401,449	$282,979	$0
Income Taxes	$38,237,098	$16,956,426	$3,186,533	$4,495,701	$7,484,835	$6,113,603	$0
	$585,398,985	$220,587,916	$41,225,363	$68,685,685	$131,109,658	$120,098,554	$3,691,809
Reallocate Lighting Costs	$0	$1,399,963	$261,637	$435,914	$832,088	$762,206	($3,691,809)
TOTAL COST OF SERVICE	**$585,398,985**	**$221,987,879**	**$41,487,000**	**$69,121,600**	**$131,941,746**	**$120,860,760**	**$0**
CCOS %	100.00%	37.92%	7.09%	11.81%	22.54%	20.65%	0.00%
RATE REVENUE	$483,655,953	$171,390,326	$36,585,812	$62,431,139	$108,727,991	$98,463,950	$6,056,735
Reallocation of Lighting Revenues	$0	$2,296,761	$429,238	$715,155	$1,365,114	$1,250,466	($6,056,735)
TOTAL RATE REVENUE	**$483,655,953**	**$173,687,087**	**$37,015,051**	**$63,146,294**	**$110,093,104**	**$99,714,417**	**$0**
Revenue from Off-System Sales	$92,895,816	$31,318,891	$5,239,326	$11,041,372	$22,807,018	$22,489,209	$0
Miscellaneous Revenue	$8,847,217	$3,707,411	$779,455	$1,087,944	$1,831,730	$1,440,676	$0
TOTAL OPERATING REVENUE	**$585,398,986**	**$208,713,389**	**$43,033,831**	**$75,275,611**	**$134,731,853**	**$123,644,302**	**$0**
RATE REVENUE DEFICIENCY	**($1)**	**$13,274,490**	**($1,546,831)**	**($6,154,011)**	**($2,790,106)**	**($2,783,542)**	**$0**
Required % Change to rate revenue	**0.00%**	**7.64%**	**-4.18%**	**-9.75%**	**-2.53%**	**-2.79%**	**0.00%**

Revised Schedule JP-6

A COMPARISON OF THE RESULTS OF THE FILED CLASS COST OF SERVICE STUDIES
THE CHANGE IN CLASS REVENUES REQUIRED TO EQUALIZE CLASS RATES OF RETURN
(IN THOUSANDS OF DOLLARS)

	MO Retail	Residential	Small GS	Medium GS	Large GS	Large Power	Lighting	SC [2]
KCP&L: A&P	$0	$15,948	($1,247)	($6,650)	($6,030)	($2,705)	$685	
Staff: A&P	($0)	$13,274	($1,547)	($6,154)	($2,790)	($2,784)	$0	
OPC: A&P [1]	$0	$8,877	($5,655)	($8,216)	($2,173)	$7,006	$85	$76
OPC: TOU [1]	$0	$3,618	($5,981)	($8,228)	($644)	$11,525	($359)	$70
Industrials: A&E	$0	$39,315	($1,293)	($6,137)	($13,749)	($16,865)	($1,271)	
Industrials: 1CP	$0	$43,173	($2,134)	($6,260)	($13,894)	($19,614)	($1,271)	
Industrials: 3CP	$0	$41,288	($2,797)	($7,109)	($12,882)	($17,229)	($1,271)	
Industrials: 4CP	$0	$43,085	($2,883)	($7,418)	($14,143)	($17,370)	($1,271)	

[1] OPC considers their two studies to constitute a range of reasonable outcomes.
[2] Special Contract

A COMPARISON OF THE RECOMMENDED PERCENTAGE CHANGES TO CLASS REVENUES AT VARIOUS INCREASES IN MISSOURI RETAIL REVENUE REQUIREMENT

RECOMMENDED CHANGES IF REVENUE REQUIREMENT REMAINS THE SAME

	MO Retail	Residential	Small GS	Medium GS	Large GS	Large Power	Lighting	SC [2]
KCP&L	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Staff	0.00%	4.52%	-2.53%	-2.53%	-2.53%	-2.53%	0.00%	
OPC: A&P [1]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPC: TOU [1]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Industrials	0.00%	10.00%	-1.54%	-4.29%	-5.51%	-7.47%	-9.15%	
DOE [3]	0.00%	4.43%	-0.86%	-2.97%	-2.33%	-2.99%	1.22%	

RECOMMENDED CHANGES IF REVENUE REQUIREMENT INCREASES BY 5.0%

	MO Retail	Residential	Small GS	Medium GS	Large GS	Large Power	Lighting	SC [2]
KCP&L	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Staff	5.00%	9.75%	2.34%	2.34%	2.34%	2.34%	5.00%	
OPC: A&P [1]	5.00%	7.03%	0.00%	0.00%	3.65%	8.12%	5.30%	24.25%
OPC: TOU [1]	5.00%	5.55%	0.00%	0.00%	4.28%	10.33%	1.55%	22.54%
Industrials	5.00%	12.50%	3.84%	1.79%	0.87%	-0.60%	-1.86%	
DOE [3]	5.00%	9.65%	4.10%	1.88%	2.55%	1.86%	6.28%	

RECOMMENDED CHANGES IF REVENUE REQUIREMENT INCREASES BY 10.0%

	MO Retail	Residential	Small GS	Medium GS	Large GS	Large Power	Lighting	SC [2]
KCP&L	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Staff	10.00%	14.98%	7.21%	7.21%	7.21%	7.21%	10.00%	
OPC: A&P [1]	10.00%	12.79%	1.72%	2.94%	8.93%	14.03%	10.82%	32.45%
OPC: TOU [1]	10.00%	11.14%	1.24%	2.93%	9.68%	16.64%	6.55%	30.68%
Industrials	10.00%	15.00%	9.23%	7.86%	7.24%	6.27%	5.43%	
DOE [3]	10.00%	14.87%	9.06%	6.73%	7.43%	6.71%	11.34%	

[1] OPC considers their two studies to constitute a range of reasonable outcomes.
[2] Special Contract
[3] Year 1 of four-year phase-in plan