

Exhibit No.:
Issue: True-Up Adjustments
Witness: John P. Weisensee
Type of Exhibit: True-Up Direct Testimony
Sponsoring Party: KCP&L Greater Missouri Operations Company
Case No.: ER-2010-0356
Date Testimony Prepared: February 22, 2011

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2010-0356

TRUE-UP DIRECT TESTIMONY

OF

JOHN P. WEISENSEE

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

**Kansas City, Missouri
February 2011**

TRUE-UP DIRECT TESTIMONY

OF

JOHN P. WEISENSEE

Case No. ER-2010-0356

1 **Q: Please state your name and business address.**

2 A: My name is John P. Weisensee. My business address is 1200 Main Street, Kansas City,
3 Missouri, 64105.

4 **Q: Are you the same John P. Weisensee who prefiled direct, rebuttal and surrebuttal**
5 **testimony in this matter?**

6 A: Yes, I am.

7 **Q: What is the purpose of your true-up direct testimony?**

8 A: *The Order Approving Nonunanimous Stipulation and Agreement, Setting Procedural*
9 *Schedule, and Clarifying Order Regarding Construction and Prudence Audit*, issued by
10 the Commission on August 18, 2010 (“August 18 Order”), specified a true-up date of
11 December 31, 2010. The filing date for true-up testimony was set at February 22, 2011.
12 The purpose of my testimony is to provide the true-up adjustments and the resulting
13 revenue deficiency level.

14 **Q: Please describe KCP&L Greater Missouri Operations Company’s (“GMO” or the**
15 **“Company”) revenue deficiency based on the true-up through December 31, 2010.**

16 A: The revenue deficiency as calculated in the true-up is \$65.2 million for the MPS
17 jurisdiction and \$23.2 million for the L&P jurisdiction. The initial request as filed by the
18 Company on June 4, 2010 was \$75.8 million and \$22.1 million for the MPS and L&P
19 jurisdictions, respectively. The true-up deficiency amounts are set out in Schedule

1 JPW2010-9 through Schedule JPW2010-14 (for both the MPS and L&P jurisdictions).
2 These schedules include all adjustments to reflect the overall true-up case as of December
3 31, 2010.

4 **Q: How does the true-up deficiency compare to the reconciliation presented at the**
5 **hearings just concluded?**

6 A: The current revenue deficiencies provided in this true-up are lower than the \$71.4 million
7 and \$24.3 million deficiencies for the MPS and L&P jurisdictions, respectively, included
8 on the Staff's Reconciliation filed with the Commission on January 12, 2011.

9 **Q: Has the Commission provided guidance on the adjustments to consider for a true-**
10 **up?**

11 A: There has been no specific guidance for GMO. However, the Company has been guided
12 by the Stipulation and Agreement in Kansas City Power & Light Company's Regulatory
13 Plan (Case No. EO-2005-0329), page 41, wherein the Signatory Parties anticipated "that
14 the true-up will include, but not necessarily be limited to, revenues including off-system
15 sales, fuel prices and purchased power costs, payroll and payroll-related benefits, plant-
16 in-service, depreciation and other items typically included in true-up proceedings before
17 the Commission." The Company followed those guidelines in this true-up.

18 **Q: Please describe the process used to true up the rate base and capital structure/cost**
19 **of capital.**

20 A: All rate base items, including plant-related and non-plant items, were trued up to actual
21 December 31, 2010 balances, or in the case of rate base items for which a multi-month
22 average is used the averaging was updated to include periods through December 31,
23 2010. An exception was made for the Iatan 2 and Iatan Common balances, which were

1 cut off at October 31, 2010 per the August 18 Order. The capital structure/cost of capital
2 was updated through December 31, 2010, as discussed by Company witness Michael
3 Cline in his true-up direct testimony.

4 **Q: Please describe the process used to true up revenue and expenses.**

5 A: The following were the more significant revenue and expense true-up adjustments:

6 Retail Revenues- reflects customer growth through December 31, 2010.

7 Fuel and Purchased Power- reflects updated system load and unit availability,
8 with fuel prices updated through December 31, 2010. Company witness Burton
9 Crawford discusses this adjustment in more detail in his true-up direct testimony.

10 Payroll and Payroll-related Benefits- reflects December 31, 2010 employee
11 complements and pay levels.

12 Pensions- reflects the 2010 actuarial information. The adjustments were made
13 consistent with the *Non-Unanimous Stipulation and Agreement Regarding*
14 *Pensions* in Case No. ER-2009-0090 (“2009 Case”).

15 Other Benefits- reflects the actual costs incurred during the twelve-month period
16 ending December 31, 2010.

17 Depreciation and Amortization- reflects December 31, 2010 plant balances,
18 except October 31, 2010 Iatan 2 and Iatan Common balances as discussed above,
19 and depreciation rates included in the *Non-Unanimous Stipulation and Agreement*
20 *regarding Depreciation and Accumulated Additional Amortizations*
21 (“Depreciation Settlement”) filed with the Commission on February 2, 2011.

22 Rate Case Expense- reflects actual rate case expense through December 31, 2010,
23 with corresponding amortization of such costs over a two-year period beginning

1 with the effective date of new rates in this case, consistent with the amortization
2 period ordered by the Commission in the 2009 Case.

3 Transmission Expense- reflects the actual costs incurred during the twelve-month
4 period ending December 31, 2010.

5 Demand Side Management/Customer Programs- the rate base component reflects
6 actual costs through December 31, 2010, and net operating income reflects a
7 corresponding amortization of such costs over 10 years, consistent with the *Non-*
8 *Unanimous Stipulation and Agreement* in the 2009 Case, page 9. An exception is
9 for Vintage 4 costs which are being amortized over 6 years, as discussed by
10 Company witness Tim Rush in his rebuttal testimony in this case.

11 Property Tax Expense- calculated consistent with the method used by Staff as
12 agreed to in the surrebuttal testimony of Company witness Melissa Hardesty.

13 Stipulated Issues- reflects the ratemaking treatment for various issues agreed to by
14 the Company, Staff and certain other parties in the *Non-Unanimous Stipulation*
15 *and Agreement As To Miscellaneous Issues*, filed with the Commission on
16 February 3, 2011, and the Depreciation Settlement discussed above. Kansas City,
17 Missouri Earnings Tax has been reflected as a general tax at the \$0 level agreed to
18 with Staff for both the MPS and L&P jurisdictions.

19 Income taxes- Income tax expense and accumulated deferred income taxes were
20 adjusted to reflect the income tax impacts of the various true up adjustments
21 discussed above.

22 **Q: Were any adjustments made to reflect other anticipated increases in costs beyond**
23 **the December 31, 2010, true-up period that are known and measurable?**

1 A: No. While various cost increases are known and measurable after December 31, 2010,
2 including certain labor rates, contractor costs and material costs, none of these cost
3 increases occurring after December 31, 2010 were included in the true-up.

4 **Q: You mentioned above that rate case costs for this case were cut off as of the true up**
5 **date. How does the Company propose that rate case costs incurred beyond that**
6 **date be recovered?**

7 A: Consistent with 2009 Case, GMO proposes that such costs be carried forward to the next
8 rate case for inclusion in rates in that case, subject of course to a review from the Staff
9 and other parties. As such, the Company requests of the Commission in this case
10 authorization to charge to a regulatory asset rate case costs for the current case recorded
11 subsequent to December 31, 2010, with the ratemaking treatment of those deferred costs
12 to be determined in GMO's next rate case.

13 **Q: Does the Company propose a mechanism to ensure that rate case costs for this rate**
14 **case, or for any prior rate case, are not "over-recovered"?**

15 A: Yes, as in the 2009 Case, GMO proposes that in any instance in which rate case expense
16 amortization exceeds rate case cost that the excess ("over-recovery") be reflected as a
17 reduction in the amount of allowable rate case expense in the next rate case.

18 **Q: One of the reasons for the timing of this rate case was to coincide with the addition**
19 **of the Iatan 2 generating station. Is that project completed and in service?**

20 A: Yes. The project achieved in-service designation on August 26, 2010.

21 **Q: Are all of the bills associated with the Iatan 2 project now paid?**

22 A: No. As with any large construction project there are punch list items that need to be
23 completed before final payment can be made to the contractors. GMO plans to seek

1 recovery of all remaining costs not included in the October 31, 2010 balance in its next
2 rate filing.

3 **Q: Does that conclude your testimony?**

4 A: Yes, it does.

KCP&L Greater Missouri Operations Company
For All Territories Served As MPS
Test Year 12-2009 with Known & Measurable Changes to 12-31-2010
ER-2010-0356 - True-Up Dec 2010

Revenue Requirement

Line No.	Description	8.735% Return
(a)	(b)	(c)
1	Net Orig Cost of Rate Base (Sch 2)	\$ 1,428,065,404
2	Rate of Return	<u>8.735%</u>
3	Net Operating Income Requirement	\$ 124,734,373
4	Net Income Available (Sch 7)	<u>\$ 84,584,272</u>
5	Additional NOIBT Needed	40,150,101
6	Additional Current Tax Required	<u>\$ 25,017,929</u>
7	Gross Revenue Requirement	<u><u>65,168,030</u></u>

KCP&L Greater Missouri Operations Company
For All Territories Served As MPS
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Rate Base

Line No.	Description	Amount	Adj No.
(a)	(b)	(c)	(d)
Total Plant :			
1	Total Plant in Service-MPS Only (Sch 3)	2,026,240,881	RB-20
2	Total Plant in Service-MPS' Share of Corp (Sch 3a)	<u>286,751,466</u>	RB-20
	Total Plant	2,312,992,347	
Subtract from Total Plant:			
3	Depr Reserve-MPS & Corp Share (Sch 5)	744,317,905	RB-30
4	Depr Reserve-MPS' Share of ECORP (Sch 5a)	<u>(5,063,847)</u>	RB-30
	Total Depreciation Reserve	739,254,058	
	Net (Plant in Service)	<u>1,573,738,290</u>	
Add to Net Plant:			
5	Cash Working Capital	(25,263,708)	Model
6	Materials and Supplies	27,993,196	RB-72
7	SO2 Emission Allowances	2,911,132	RB-55
8	Prepayments	1,696,393	RB-50
9	Fuel Inventory - Oil	7,821,519	RB-74
10	Fuel Inventory - Coal	17,683,589	RB-74
11	Fuel Inventory - Other	323,385	RB-74
12	AAO Def Sibley Rebuild & Western Coal 1990	25,852	RB-40
13	AAO Def Sibley Rebuild & Western Coal 1992	364,421	RB-40
14	DSM/EE Deferral	13,149,282	RB-100
15	ERPP	0	RB-44
16	Iatan 1 Regulatory Asset	2,568,639	RB-25
17	Iatan 2 Regulatory Asset	4,712,346	RB-26
18	Regulatory Asset - ERISA Minimum Tracker	10,578,992	RB-63
Subtract from Net Plant:			
19	Customer Advances for Construction	4,249,557	RB-71
20	Customer Deposits	5,328,298	RB-70
21	Deferred Income Taxes	200,510,244	RB-125
22	Deferred Income Taxes - AAO	149,826	RB-127
	Total Rate Base	<u>1,428,065,404</u>	

KCP&L Greater Missouri Operations Company
For All Territories Served As MPS
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Income Statement

Line No.	Description	Total Electric	Electric Non-Juris	Electric Jurisdictional	Adjustment	Jurisdictional As Adjusted
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Operating Revenue	511,948,917	1,699,567	510,249,350	6,120,927	516,370,277
2	Operating & Maintenance Expenses:					
3	Production	247,603,082	1,291,688	246,311,394	(34,935,584)	211,375,810
4	Transmission	17,874,651	91,874	17,782,777	(2,889,525)	14,893,252
5	Distribution	23,626,878	105,851	23,521,027	756,129	24,277,156
6	Customer Accounting	12,098,836	1	12,098,835	1,285,169	13,384,004
7	Customer Services	1,080,737	1	1,080,736	2,587,701	3,668,437
8	Sales	380,336	-	380,336	31,869	412,205
9	A & G Expenses	47,252,676	215,227	47,037,449	11,342,125	58,379,574
10	Total O & M Expenses	349,917,195	1,704,641	348,212,554	(21,822,115)	326,390,439
11	Depreciation Expense	57,082,531	277,992	56,804,539	7,010,668	63,815,207
12	Amortization Expense	391,797	1,908	389,889	527,700	917,589
13	Taxes other than Income Tax	15,606,560	75,875	15,530,685	4,715,524	20,246,209
14	Net Operating Income before Tax	88,950,835	(360,848)	89,311,683	15,689,151	105,000,834
15	Income Taxes	(40,172,421)	0	(40,172,421)	38,772,807	(1,399,614)
16	Income Taxes Deferred	44,702,194	217,700	44,484,494	(21,953,061)	22,531,433
17	Investment Tax Credit	(718,758)	(3,500)	(715,258)	-	(715,258)
18	Total Taxes	3,811,015	214,200	3,596,815	16,819,746	20,416,561
19	Total Net Operating Income	85,139,820	(575,048)	85,714,868	(1,130,596)	84,584,272

KCP&L Greater Missouri Operations Company
For All Territories Served As MPS
Test Year 12-2009 with Known & Measurable Changes to 12-31-2010
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Summary of Adjustments

Adj No. (a)	Description (b)	Increase (Decrease) (c)
R-20	Revenue Normalization	\$ 12,768,423
R-21	Forfeited Discounts	\$ 14,380
R-30	Eliminate Inter-company Off-System Revenue	\$ (11,823,972)
R-35	Off-System Sales Revenue	\$ 5,162,096
CS-11	Out-of-Period Items - Cost of Service	\$ (2,381,766)
CS-18	KCMO Earnings Tax	\$ (100,879)
CS-20	Bad Debt	\$ 206,108
CS-22	Amortization of SO2 Proceeds	\$ (32,931)
CS-24	Fuel & PP Energy (On-system)	\$ (25,713,250)
CS-25	Purchased Power (Capacity)	\$ (1,422,373)
CS-30	Eliminate Inter-company Off-System Sales Costs	\$ (11,823,972)
CS-34	Pipeline Reservation Charges	\$ 373,991
CS-40	Transmission Maintenance	\$ 4,844
CS-41	Distribution Maintenance	\$ 290,204
CS-42	Generation Maintenance	\$ 1,030,594
CS-43	Major Maintenance	\$ -
CS-44	ERPP	\$ 285,866
CS-45	Transmission of Electricity by Others	\$ (3,891,963)
CS-48	Iatan II O&M	\$ 1,748,837
CS-50	Payroll	\$ 4,382,209

KCP&L Greater Missouri Operations Company
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Summary of Adjustments

Adj No. (a)	Description (b)	Increase (Decrease) (c)
CS-51	Incentive	\$ (1,744,696)
CS-52	401(k)	\$ 56,911
CS-53	Payroll Taxes	\$ 182,698
CS-54	Relocation	\$ -
CS-55	Severance	\$ (18,175)
CS-60	Other Benefits	\$ (251,258)
CS-61	OPEB	\$ (279,167)
CS-62	SERP	\$ (5,896)
CS-65	Pension Expense	\$ 6,906,792
CS-70	Insurance	\$ (848,459)
CS-71	Injuries and Damages	\$ 1,693,070
CS-76	Customer Deposit - Interest	\$ 226,453
CS-77	Credit Card & Electronic Check Fee Expense	\$ 310,393
CS-79	Outsourced Meter Reading Expense	\$ 115,528
CS-80	Rate Case Expense Regulatory Assets	\$ 901,923
CS-85	Regulatory Assessment	\$ 22,581
CS-86	SPP Schedule 1A Admin Fees	\$ 833,500
CS-90	Advertising	\$ (51,212)
CS-91	DSM Advertising Costs	\$ 11,750

KCP&L Greater Missouri Operations Company
For All Territories Served As MPS
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Summary of Adjustments

Adj No. (a)	Description (b)	Increase (Decrease) (c)
CS-92	Dues and Donations	\$ (65,926)
CS-95	Amortization of Merger Transition Costs	\$ 3,545,473
CS-99	St. Joe Merger Transition Costs	\$ 375,099
CS-100	DSM/EE	\$ 2,122,584
CS-106	Sibley AAO Amortization	\$ 67,112
CS-109	Lease Expense	\$ (438,371)
CS-110	Misc Issues Settlement	\$ 1,700,000
CS-111	Amort Iatan I Reg Asset	\$ 95,135
CS-112	Amort Iatan II Reg Asset	\$ 99,275
CS-116	Renewable Energy Standard	\$ 182,273
CS-120	Depreciation	\$ 7,095,934
CS-122	Amortization of Unrecovered Reserve - General Plant	\$ -
CS-125	Income Taxes	\$ 16,819,746
CS-126	Property Taxes	\$ 4,634,934
	Total Impact on Net Operating Income	\$ (1,130,596)

KCP&L Greater Missouri Operations Company
For All Territories Served As MPS
Test Year 12-2009 with Known & Measurable Changes to 12-31-201
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Cash Working Capital

Line No.	Account Description (A)	(Elec-Juris)	Revenue	Expense	Net	Factor	CWC Req
		Test Year Expenses (B)	Lag (C)	Lead (D)	(Lead)/Lag (C) - (D) (E)	(Col E/365) (F)	(B) X (F) (G)
<u>Operations & Maintenance Expense</u>							
1	Cash Vouchers	115,871,156	24.5	30.0	(5.6)	(0.0)	(1,761,876)
2	Federal Income Tax Withheld	6,285,311	24.5	13.6	10.8	0.0	186,321
3	State Income Tax Withheld	1,782,537	24.5	13.6	10.8	0.0	52,841
4	FICA Taxes Withheld - Employee	2,223,781	24.5	13.8	10.7	0.0	65,068
5	Net Payroll	30,932,289	24.5	13.9	10.6	0.0	898,308
6	Accrued Vacation	2,662,458	24.5	344.8	(320.4)	(0.9)	(2,336,982)
7	Injuries & Damages	1,965,664	24.5	44.3	(19.8)	(0.1)	(106,738)
8	Pension Expense	9,455,761	24.5	51.7	(27.3)	(0.1)	(706,980)
9	OPEBs	3,753,672	24.5	178.4	(154.0)	(0.4)	(1,583,638)
10	Purchased Gas & Oil	5,230,628	24.5	39.8	(15.4)	(0.0)	(220,465)
11	Purchased Power	56,489,493	24.5	34.5	(10.1)	(0.0)	(1,555,396)
12	Sibley - Coal & Freight	53,931,269	24.5	17.4	7.1	0.0	1,043,031
13	Jeffrey - Coal	23,580,413	24.5	16.6	7.8	0.0	504,356
14	Iatan 2 - Coal	12,226,006	24.5	43.7	(19.2)	(0.1)	(644,126)
Total Operation & Maintenance Expense		326,390,439					(6,166,277)
<hr/>							
15	Interest Expense	51,357,516	24.5	86.6	(62.1)	(0.2)	(8,737,813)
<hr/>							
<u>Taxes other than Income Taxes</u>							
16	Ad Valorem/Property Taxes	16,060,023	24.5	188.4	(163.9)	(0.4)	(7,212,050)
17	FICA Taxes - Employer's	2,223,781	24.5	16.5	8.0	0.0	48,436
18	Corporate Franchise Taxes	822,703	24.5	(77.5)	102.0	0.3	229,793
19	City Franchise Taxes - 6%	3,491,315	7.3	68.3	(61.0)	(0.2)	(583,863)
20	City Franchise Taxes - 4%	1,193,688	7.3	36.6	(29.4)	(0.1)	(95,986)
21	City Franchise Taxes - Other Cities	21,933,676	7.3	45.9	(38.7)	(0.1)	(2,323,768)
22	Sales Taxes	12,456,941	7.3	22.0	(14.8)	(0.0)	(503,397)
Total Taxes other than Income Taxes		58,182,127					(10,440,834)
<hr/>							
<u>Income Taxes</u>							
23	Current Income Taxes-Federal	(1,175,676)	24.5	45.6	(21.2)	(0.1)	68,221
24	Current Income Taxes-State	(223,938)	24.5	45.6	(21.2)	(0.1)	12,995
Total Income Taxes		(1,399,614)					81,216
<hr/>							
Total Cash Working Capital Requirement		434,530,467					(25,263,708)

KCP&L Greater Missouri Operations Company
For All Territories Served As MPS
Test Year 12-2009 with Known & Measurable Changes to 12-31-2010
ER-2010-0356 - True-Up Dec 2010

Allocation Factors

Line No.	Jurisdiction Factors	2009		Total
		Retail	Wholesale	
(a)	(b)	(c)	(d)	(e)
1	Jurisdictional-100%	100.000%	0.000%	100.000%
2	Non-jurisdictional-100%	0.000%	100.000%	100.000%
3	Demand (Capacity) Factor	99.486%	0.514%	100.000%
4	Energy Factor	99.477%	0.523%	100.000%
5	Distribution Factor	99.552%	0.448%	100.000%
6	Payroll Factor	99.510%	0.490%	100.000%
7	Plant Factor	99.513%	0.487%	100.000%
8	Transmission Factor	99.486%	0.514%	100.000%

KCP&L Greater Missouri Operations Company
For All Territories Served As L&P Electric
Test Year 12-2009 with Known & Measurable Changes to 12-31-2010
ER-2010-0356 - True-Up Dec 2010

Revenue Requirement

Line No.	Description	8.735% Return
(a)	(b)	(c)
1	Net Orig Cost of Rate Base (Sch 2)	\$ 396,277,154
2	Rate of Return	<u>8.735%</u>
3	Net Operating Income Requirement	\$ 34,612,828
4	Net Income Available (Sch 7)	<u>\$ 20,336,229</u>
5	Additional NOIBT Needed	14,276,599
6	Additional Current Tax Required	<u>8,895,749</u>
7	Gross Revenue Requirement	<u><u>23,172,348</u></u>

KCP&L Greater Missouri Operations Company
For All Territories Served As L&P Electric
Best Year 12-2009 with Known & Measurable Changes to 12-31-201
ER-2010-0356 - True-Up Dec 2010

Rate Base

Line No.	Description	Amount	Adj No.
(a)	(b)	(c)	(d)
Total Plant :			
1	Total Plant in Service-MPS Only (Sch 3)	525,057,399	RB-20
2	Total Plant in Service-MPS' Share of Corp (Sch 3a)	<u>101,694,915</u>	RB-20
	Total Plant	626,752,313	
Subtract from Total Plant:			
3	Depr Reserve-MPS & Corp Share (Sch 5)	221,676,959	RB-30
4	Depr Reserve-MPS' Share of ECORP (Sch 5a)	<u>(1,356,989)</u>	RB-30
	Total Depreciation Reserve	220,319,970	
	Net (Plant in Service)	<u>406,432,343</u>	
Add to Net Plant:			
5	Cash Working Capital	(7,988,886)	Model
6	Materials and Supplies	11,023,023	RB-72
7	SO2 Emission Allowances	5,392,194	RB-55
8	Prepayments	375,998	RB-50
9	Prepayments - Pensions	7,180,456	RB-51
10	Fuel Inventory - Oil	1,595,627	RB-74
11	Fuel Inventory - Coal	11,777,381	RB-74
12	Fuel Inventory - Other	124,635	RB-74
13	Deferral of DSM/EE Costs	2,411,510	RB-100
14	ERPP	0	RB-44
15	Iatan 1 Regulatory Asset	1,759,187	RB-25
16	Iatan 2 Regulatory Asset	1,733,497	RB-26
17	Regulatory Asset - ERISA Minimum Tracker	1,380,521	RB-63
Subtract from Net Plant:			
18	Customer Advances for Construction	274,350	RB-71
19	Customer Deposits	1,227,369	RB-70
20	Deferred Income Taxes	45,418,613	RB-125
	Total Rate Base	<u><u>396,277,154</u></u>	

KCP&L Greater Missouri Operations Company
For All Territories Served As L&P Electric
Test Year 12-2009 with Known & Measurable Changes to 12-31-2010
ER-2010-0356 - True-Up Dec 2010

Income Statement

Line No.	Description	Total Electric	Electric Non-Juris	Electric Jurisdictional	Adjustment	Jurisdictional As Adjusted
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Operating Revenue	149,708,220	16,025,637	133,682,583	23,399,368	157,081,951
2	Operating & Maintenance Expenses:					
3	Production	81,147,179	11,709,922	69,437,257	3,415,340	72,852,597
4	Transmission	4,813,867	-	4,813,867	523,629	5,337,496
5	Distribution	7,124,737	140,578	6,984,159	439,778	7,423,937
6	Customer Accounting	3,100,201	-	3,100,201	254,738	3,354,939
7	Customer Services	308,018	-	308,018	491,766	799,784
8	Sales	102,214	-	102,214	9,638	111,852
9	A & G Expenses	18,990,585	1,671,085	17,319,500	1,635,306	18,954,807
10	Total O & M Expenses	115,586,802	13,521,585	102,065,218	6,770,195	108,835,413
11	Depreciation Expense	13,426,938	116,726	13,310,212	2,518,189	15,828,401
12	Amortization Expense	957,639	-	957,639	733,293	1,690,932
13	Taxes other than Income Tax	4,981,687	-	4,981,687	2,370,750	7,352,437
14	Net Operating Income before Tax	14,755,153	2,387,326	12,367,827	11,006,941	23,374,768
15	Income Taxes	6,636,364	-	6,636,364	(11,099,509)	(4,463,145)
16	Income Taxes Deferred	6,171,696	-	6,171,696	1,406,506	7,578,203
17	Investment Tax Credit	(76,519)	-	(76,519)	-	(76,519)
18	Total Taxes	12,731,541	-	12,731,541	(9,693,003)	3,038,539
19	Total Net Operating Income	2,023,612	2,387,326	(363,715)	20,699,944	20,336,229

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Summary of Adjustments

Adj No. (a)	Description (b)	Increase (Decrease) (c)
R-20	Revenue Normalization	\$ 22,529,150
R-21	Forfeited Discounts	\$ 23,509
R-30	Eliminate Inter-company Off-System Revenue	\$ (2,034,979)
R-35	Off-System Sales Revenue	\$ 2,881,688
CS-11	Out-of-Period Items - Cost of Service	\$ (72,674)
CS-18	KCMO Earnings Tax	\$ (13,823)
CS-20	Bad Debt	\$ (100,761)
CS-22	Amortization of SO2 Proceeds	\$ (2,326)
CS-24	Fuel & PP Energy (On-system)	\$ 11,756,237
CS-25	Purchased Power (Capacity)	\$ (8,688,000)
CS-30	Eliminate Inter-company Off-System Sales Costs	\$ (2,034,978)
CS-40	Transmission Maintenance	\$ 119,689
CS-41	Distribution Maintenance	\$ -
CS-42	Generation Maintenance	\$ 778,026
CS-43	Major Maintenance	\$ -
CS-44	ERPP	\$ 96,767
CS-45	Transmission of Electricity by Others	\$ 292,542
CS-48	Iatan II O&M	\$ 640,285
CS-50	Payroll	\$ 1,981,031
CS-51	Incentive	\$ 258,558

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Summary of Adjustments

Adj No. (a)	Description (b)	Increase (Decrease) (c)
CS-52	401(k)	\$ 76,981
CS-53	Payroll Taxes	\$ 183,934
CS-54	Relocation	\$ -
CS-55	Severance	\$ (4,930)
CS-60	Other Benefits	\$ (81,836)
CS-61	OPEB	\$ 56,226
CS-62	SERP	\$ (308,626)
CS-65	Pension Expense	\$ 158,858
CS-70	Insurance	\$ (301,239)
CS-71	Injuries and Damages	\$ 247,463
CS-76	Customer Deposit - Interest	\$ 52,163
CS-77	Credit Card & Electronic Check Fee Expense	\$ 87,740
CS-80	Rate Case Expense Regulatory Assets	\$ 607,649
CS-85	Regulatory Assessment	\$ (93,452)
CS-86	SPP Schedule 1A Admin Fees	\$ 45,756
CS-90	Advertising	\$ (15,562)
CS-91	DSM Advertising Costs	\$ 3,550
CS-92	Dues and Donations	\$ (18,251)
CS-95	Amortization of Merger Transition Costs	\$ 890,494

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Summary of Adjustments

Adj No. (a)	Description (b)	Increase (Decrease) (c)
CS-99	St. Joe Merger Transition Costs	\$ 119,032
CS-100	DSM/EE	\$ 378,028
CS-107	L&P Ice Storm AAO	\$ -
CS-109	Lease Expense	\$ (160,971)
CS-110	Misc Issues Settlement	\$ 600,000
CS-111	Amort Iatan I Reg Asset	\$ 65,155
CS-112	Amort Iatan II Reg Asset	\$ 36,342
CS-116	Renewable Energy Standard	\$ -
CS-120	Depreciation	\$ 2,556,317
CS-122	Amortization of Unrecovered Reserve - General Plant	\$ -
CS-125	Income Taxes	\$ (9,693,003)
CS-126	Property Taxes	\$ 2,201,033
	Total Impact on Net Operating Income	\$ 20,699,944

**KCP&L Greater Missouri Operations Company
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Cash Working Capital

Line No.	Account Description (A)	(Elec-Juris)	Revenue	Expense	Net	Factor	CWC Req
		Test Year Expenses (B)	Lag (C)	Lead (D)	(Lead)/Lag (C) - (D) (E)	(Col E/365) (F)	(B) X (F) (G)
<u>Operations & Maintenance Expense</u>							
1	Cash Vouchers	31,492,696	24	30	(5.5500)	(0.0152)	(478,862)
2	Federal Income Tax Withheld	2,172,522	24	14	10.8200	0.0296	64,402
3	State Income Tax Withheld	616,135	24	14	10.8200	0.0296	18,265
4	FICA Taxes Withheld - Employee	1,054,703	24	14	10.6800	0.0293	30,861
5	Net Payroll	13,613,132	24	14	10.5960	0.0290	395,191
6	Accrued Vacation	920,434	24	345	(320.5800)	(0.8783)	(808,418)
7	Injuries & Damages	265,866	24	31	(7.2000)	(0.0197)	(5,244)
8	Pension Expense	3,806,843	24	52	(27.4900)	(0.0753)	(286,713)
9	OPEB Expense	1,133,423	24	178	(153.9900)	(0.4219)	(478,180)
10	Purchased Gas and Oil	2,291,335	24	40	(15.5843)	(0.0427)	(97,832)
11	Purchased Power	18,745,200	24	35	(10.2500)	(0.0281)	(526,406)
12	Lake Road - Coal & Freight	13,789,058	24	20	3.8800	0.0106	146,580
13	Iatan - Coal	18,934,066	24	44	(19.2366)	(0.0527)	(997,882)
Total Operation & Maintenance Expense		108,835,413					(3,024,240)
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14	Interest Expense	14,251,315	24	87	(62)	(0)	(2,424,676)
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<u>Taxes other than Income Taxes</u>							
15	Ad Valorem/Property Taxes	5,589,600	24	182	(157.6200)	(0.4318)	(2,413,788)
16	FICA Taxes - Employer's	1,054,703	24	14	10.8200	0.0296	31,265
17	Corporate Franchise Taxes	112,732	24	(76)	100.4500	0.2752	31,024
18	City Franchise Taxes	3,701,301	7	39	(31.3800)	(0.0860)	(318,210)
19	Sales Taxes	3,198,288	7	22	(14.7500)	(0.0404)	(129,246)
Total Taxes other than Income Taxes		13,656,624					(2,798,955)
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<u>Income Taxes</u>							
20	Current Income Taxes-Federal	(3,786,911)	24	46	(21.1800)	(0.0580)	219,745
21	Current Income Taxes-State	(676,234)	24	46	(21.1800)	(0.0580)	39,240
Total Income Taxes		(4,463,145)					258,985
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Total Cash Working Capital Requirement		132,280,207					(7,988,886)

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Allocation Factors

		12/31/09		
		Electric	Steam	Total
<u>Electric/Steam Allocation Factors</u>				
1	Electric - 100%	100.000 %	0.000 %	100.000 %
2	Steam - 100%	0.000 %	100.000 %	100.000 %
3	Allocated Plant Base Factor	95.163 %	4.837 %	100.000 %
4	Land Factor	80.348 %	19.652 %	100.000 %
5	Structures Factor	80.348 %	19.652 %	100.000 %
6	Boiler Plant Factor	70.581 %	29.419 %	100.000 %
7	Turbogenerators Factor	99.957 %	0.043 %	100.000 %
8	Access Elec Eqpt Factor	80.348 %	19.652 %	100.000 %
9	Misc Steam Gen Eqpt Factor	58.200 %	41.800 %	100.000 %
10	Electric/Steam Plant Factor	80.348 %	19.652 %	100.000 %
11	900 lb Steam Demand Factor	58.200 %	41.800 %	100.000 %
12	Total Coal Burned Factor	77.745 %	22.255 %	100.000 %
<u>Income Statement Allocation Factors (Elec/Steam)</u>				
13	Electric After Steam Alloc (O&M)	84.942%	15.058%	100.000%
14	Electric After Steam Alloc (A&G)	91.685%	8.315%	100.000%