Exhibit No.:	
Issue:	Financial Modeling; Accounts Receivable Sales Fees
Witness:	Michael W. Cline
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-____

FILED[3]

NOV 13 2006

Missouri Public Service Commission

DIRECT TESTIMONY

OF

MICHAEL W. CLINE

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

Kansas City, Missouri
January 2006

"[redacted]**" Designates that "Proprietary" Information has been Removed Pursuant To The Standard Protective Order**

KCPL Exhibit No. 23
Case No(s). ER-2006-0314
Date 10-16-06 Rptr XF

DIRECT TESTIMONY

OF

MICHAEL W. CLINE

Case No. EO-2005-0329

Q: Please state your name and business address.

A: My name is Michael W. Cline. 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 Great Plains Energy, the parent company of Kansas City Power & Light Company ("KCPL"), as Treasurer and Chief Risk Officer.

Q: What are your responsibilities?

A: My responsibilities include financing and investing activities, cash management, bank relations, rating agency relations, enterprise risk management, and insurance.

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

A: I graduated from Bradley University in 1983 with a B.S. in Finance, summa cum laude. I earned an MBA from Illinois State University in 1988. From 1984-1991, I was employed by Caterpillar Inc. in Peoria, Illinois and held a number of finance and treasury positions. From 1992-93, I was Manager, International Treasury at Sara Lee Corporation in Chicago, Illinois. From 1994-2000, I was employed by Sprint Corporation in Overland Park, Kansas, initially as Manager, Financial Risk Management and then as Director, Capital Markets. During most of 2001, I was Assistant Treasurer, Corporate Finance, at Corning Incorporated in Corning, New York. I joined Great Plains Energy in October

2001 as Director, Corporate Finance. I was promoted to Assistant Treasurer in November 2002. During 2004, I was assigned to lead the company's Sarbanes-Oxley Act compliance effort on a full-time basis, though I retained the Assistant Treasurer title during that time. I was promoted to Treasurer in April 2005 and added the title of Chief Risk Officer in July 2005.

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

A: Yes. In 2005, I testified before the MPSC and submitted testimony to the Kansas Corporation Commission concerning KCPL's Regulatory Plan.

Q: What is the purpose of your testimony?

A: My testimony is in two sections. In Section 1, I will do the following: (1) review the conceptual rationale for, and methodology for determining, additional amortization to maintain KCPL's financial ratios as outlined in the Stipulation and Agreement concerning KCPL's Regulatory Plan, which the MPSC approved in Case No. EO-2005-0329 ("Regulatory Plan Stipulation and Agreement"); and (2) describe the amount of additional amortization for which KCPL is filing in this case. In Section 2, I will support an adjustment related to accounts receivable sales fees as discussed in the direct testimony of KCPL witness Don A. Frerking.

SECTION 1

Q. What is the purpose of this section of your testimony?

A: In this section of testimony, I will do the following: (1) review the conceptual rationale for, and methodology for determining, additional amortization to maintain KCPL's financial ratios as outlined in the Regulatory Plan Stipulation and Agreement; and (2) describe the amount of additional amortization for which KCPL is filing in this case.

Q: **The Regulatory Plan Stipulation and Agreement discussed additional amortization to maintain financial ratios. Please explain the significance of this amortization and the maintenance of financial ratios for KCPL.**

A: The signatory parties to the Regulatory Plan Stipulation and Agreement agreed that it is desirable that KCPL maintain its debt at an investment grade rating during the implementation period of its Comprehensive Energy Plan (the "Plan"). For its part, KCPL acknowledged its responsibility and commitment to take prudent and reasonable actions to maintain its investment grade rating during this period. The non-KCPL signatory parties, in turn, agreed to support the "Additional Amortizations to Maintain Financial Ratios" (the "Additional Amortization"), as defined in the Regulatory Plan Stipulation and Agreement and related appendices, in KCPL general rate cases filed prior to June 1, 2010. The Signatory Parties agreed the Additional Amortization would be an element in any KCPL rate case only when the Missouri jurisdictional revenue requirement in that case fails to satisfy the financial ratios shown in Appendix E of the Regulatory Plan Stipulation and Agreement through the application of the process illustrated in Appendix F of the Regulatory Plan Stipulation and Agreement.

Q: **Why is it important for KCPL to maintain investment grade ratings during the implementation of the Plan?**

A: Maintaining high credit quality at KCPL is vital to debt and equity investors, banks, and rating agencies for three primary reasons. First, KCPL and its parent, Great Plains Energy, will rely extensively on the capital markets for financing over the next several years. Total capital expenditures (including Plan-related expenditures and "normal course" capital expenditures) over the 2006-2010 period are expected to exceed **[redacted]**. KCPL estimates that approximately **[redacted]** of this amount will need to be raised through issuance of equity and debt. Investors will need to have confidence in KCPL's credit strength and financial wherewithal to feel comfortable making this capital available to KCPL on attractive terms, particularly given the number of investment alternatives otherwise available to them. This is especially important in today's environment of enhanced scrutiny by the rating agencies and government regulators since the corporate scandals at Enron and other corporations, the passage of the Sarbanes-Oxley Act, and the unpredictable nature of the energy industry. Second, in addition to new funding required for the Regulatory Plan, KCPL will have a significant amount of debt subject to refinancing during the period of the Plan. KCPL has $225 million of senior notes maturing in March 2007; further, KCPL has $257 million of tax-exempt debt that is either subject to remarketing during the Regulatory Plan period or is in a weekly or monthly "auction" mode and essentially refinanced at those intervals. KCPL's ability to refinance its debt efficiently, effectively, and on favorable terms will be heavily dependent on bondholder and rating agency views of KCPL's creditworthiness. Finally, equity investor views of KCPL's financial strength and credit quality will be a major influence on the Great Plains Energy stock (NYSE ticker: GXP) price for the next several years. Clearly, a number of other factors will also impact the performance of GXP; however, because KCPL constituted **[redacted]** of Great Plains Energy's core earnings and approximately **[redacted]** of Great Plains Energy's assets in 2005, assurance of KCPL's continued strength is, and will remain, essential to GXP investors.

Q: What is the purpose of the Additional Amortization?

A: During negotiation of the terms of the Regulatory Plan Stipulation and Agreement, the signatory parties had a number of opportunities to gain insight from the rating agency Standard & Poor's ("S&P") into the credit ratios it deemed most important in determining a company's credit quality. These three ratios are: (i) Total Debt to Total Capitalization; (ii) Funds from Operations ("FFO") Interest Coverage; and (iii) FFO as a Percentage of Average Total Debt. The fundamental purpose of the Additional Amortization is to ensure that KCPL achieves an amount of FFO sufficient to sustain levels of ratios (ii) and (iii) above that are consistent with the low end of the top third of the range for BBB-rated companies, per the guidelines published by S&P in 2004. S&P's ranges for, and definitions of, these ratios are shown in the attached Schedule MWC-1. Schedule MWC-1 is identical to Appendix E of the Regulatory Plan Stipulation and Agreement.

Q: How does the Additional Amortization mechanism work?

A: An illustration of the calculation of Additional Amortization is attached as Schedule MWC-2. Schedule MWC-2 is identical to Appendix F of the Regulatory Plan Stipulation and Agreement. The mechanism results in an Additional Amortization amount being added to KCPL's cost of service in a rate case when the projected cash flows resulting from KCPL's Missouri jurisdictional operations, as determined by the MPSC, fail to meet or exceed the Missouri jurisdictional portion of the low end of the top third of the BBB range shown in Schedule MWC-1 for the FFO Interest Coverage and FFO as a Percentage of Average Total Debt ratios. The amount of Additional Amortization is the amount needed to achieve that threshold. Any Additional Amortization granted to KCPL results in an offset to rate base, which results in lower rates, in any future KCPL rate proceedings, beginning with the first rate case after the 2006 Rate Case, which is this proceeding.

Q: What is the actual amount of Additional Amortization for which KCPL is filing in this rate case?

A: Zero. Based on the components of KCPL's case, as described in the testimony of numerous witnesses from the Company and experts testifying on the Company's behalf, KCPL estimates that cash flow will be adequate to achieve the thresholds for the two key credit metrics previously discussed without the need for Additional Amortization.

Q: Does the fact that KCPL is not filing for Additional Amortization in this case indicate that the mechanism is no longer needed?

A: No. As described earlier, maintaining credit quality is of critical importance to KCPL during the period of the Plan. The Additional Amortization mechanism is an effective tool to support KCPL in achieving this objective. Although KCPL's current projections do not indicate the need for Additional Amortization in 2007, the company cannot predict whether the same will be true in periods covered by future rate cases during the term of the Plan. Therefore, KCPL must preserve the right to implement the Additional Amortization mechanism as the level of cash flow may require. Furthermore, an Additional Amortization may be required to achieve the thresholds in this proceeding if the MPSC does not approve or substantially modifies KCPL's requested rates.

SECTION 2

Q: What is the purpose of this section of your testimony?

A: In this section of testimony, I will support an adjustment related to accounts receivable sales fees as discussed in the direct testimony of KCPL witness Don A. Frerking at page 2 of Schedule DAF-2.

Q: Briefly explain how the sale of KCPL's accounts receivables is structured.

A: The sale of KCPL's receivables is structured as follows: (i) KCPL sells all of its electric receivables at a discount to Kansas City Power & Light Receivables Company ("KCREC"), a wholly-owned subsidiary of KCPL; (ii) KCREC sells the receivables to a bank entity ("Bank"), up to a maximum commitment of $100 million; (iii) the Bank issues commercial paper to generate cash to pay KCREC for the receivables it buys; (iv) KCREC uses the cash it receives from the Bank to pay KCPL for a portion of the receivables it purchased; (v) KCREC issues a note to KCPL for the difference between the cash it pays to KCPL and the total receivables purchased; and (vi) KCREC pays the Bank sales fees on the amount of Commercial Paper it issued and pays KCPL interest on the note.

Q: How are the Accounts Receivable sales fees calculated?

A: KCREC pays (i) the weighted average interest rate on the commercial paper issued by the Bank, plus 30 basis points multiplied by (ii) the average amount of commercial paper outstanding during each calendar month, divided by 360 times the number of days in a month. KCREC also pays 15 basis points on the average of the difference between the maximum commitment by the Bank and the actual amount of receivables purchased by the Bank.

Q: **Why is an adjustment necessary?**

A: Accounts receivables sales fees are recorded on the books of KCREC. Test year expenses in this case were based on nine months of actual and three months of budgeted data for KCPL, excluding KCREC. Therefore, this adjustment is necessary so that these fees can be included in cost of service.

Q: **How was the adjustment determined?**

A: The adjustment was determined by estimating commercial paper rates by month for 2006, adding 30 basis points, and applying this total rate to the maximum possible advance under the accounts receivable facility for each month. The maximum advance is estimated at $70 million for the months of November through May and $100 million for the months of June through October.

Q: **What is the amount of the adjustment?**

A: The adjustment is for $3,931,861 and is shown as Adj-54 on the summary of adjustments attached to the direct testimony of KCPL witness Don A. Frerking as Schedule DAF-2.

Q: **Does this 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 MICHAEL W. CLINE

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Michael W. Cline, being first duly sworn on his oath, states:

1. My name is Michael W. Cline. I work in Kansas City, Missouri, and I am employed by Great Plains Energy, the parent company of Kansas City Power & Light Company, as Treasurer and Chief Risk Officer.

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 eight (8) pages and Schedules MWC-1 and MWC-2, 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.

Michael W. Cline

Michael W. Cline

Subscribed and sworn before me this 26th day of January 2006.

Nicole A. Wehry

Notary Public

My commission expires: Feb. 4, 2007

NICOLE A. WEHRY
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: Feb. 4, 2007

Credit Ratio Ranges & Definitions

	AA		A		BBB			BB	
	Min.	Max.	Min.	Max.	Min.	Top 1/3	Max.	Min.	Max.
Total Debt to Total Capitalization (1)	32%	40%	40%	48%	48%	51%	58%	58%	62%
Funds From Operations Interest Coverage (2)	5.2x	6.0x	4.2x	5.2x	3.0x	3.8x	4.2x	2.0x	3.0x
Funds From Operations as a % of Average Total Debt (3)	35%	45%	28%	35%	18%	25%	28%	12%	18%

Ratio Definitions:

(1) "Total Debt to Total Capitalization" is calculated as Total Debt ÷ Total Capitalization where Total Debt and Total Capitalization are defined as below:
- Total Debt is calculated as:
  - Notes Payable + Current Maturities of Long-Term Debt + Current Capitalized Lease Obligations + Long-Term Debt + Capitalized Lease Obligations + Total Off-Balance Sheet Debt
    - "Total Off-Balance Sheet Debt" includes off-balance sheet financings such as:
      - Operating and synthetic leases, accounts receivable securitizations, contingent liabilities and other potential off-balance sheet obligations
- Total Capitalization includes:
  - Total Debt + Minority Interest + Total Preferred and Preference Stock + Common Stock Equity

(2) "Funds From Operations Interest Coverage" is calculated as (Funds From Operations + Gross Interest Expense) ÷ Gross Interest Expense where Funds From Operations and Gross Interest Expense are defined as below:
- Funds From Operations is calculated as:
  - Cash From Operations – Working Capital
- Gross Interest Expense is calculated as:
  - Interest Expense (net) + Allowance For Borrowed Funds Used During Construction + Interest on Off-Balance Sheet Debt

(3) "Funds From Operations as a % of Average Total Debt" is calculated as Funds From Operations ÷ Average Total Debt where Funds From Operations and Average Total Debt are defined as below:
- Funds From Operations
  - As defined above
- Average Total Debt is calculated as:
  - The average total debt over the period subject to analysis

Adjustment of Amortization Amounts
Illustration

Illustration of the Method Used to Determine the Adjustment to Amortization Amounts Required for KCPL to Meet Iinvestment Grade Credit Guidelines.

Method:

For the purpose of this example, the base financial information, provided by KCPL in its 2003 surveillance report and other KCPL financial statements, was used. KCPL made adjustments to this base financial information to include certain off balance sheet items. These adjustments were to conform with rating agency methods for balance sheet statement. KCPL identified these accounting adjustments, such as the equivalent debt treatment of operating leases and capacity contracts. The equivalent debt treatment of these off balance sheet items was determined by calculating the net present value of the future stream of lease or contract payments. The base 2003 financial information was then adjusted by the equivalent debt balances and the interest expense associated with the equivalent debt balances. From this adjusted information, KCPL then calculated the three guideline ratios defined in Appendix E allocated to the Missouri jurisdiction. If any of the operational guideline metrics fell below the required criteria, then KCPL would determine the amount of additional funds from operations that would be required for KCPL to meet the operational guideline.

Current guidelines for top third of BBB category for a business profile 6 (equivalent business profile to KCPL) company:

a. 51% Total debt to total capital
b. 3.8x Funds from operations interest coverage (an operational guideline)
c. 25% Funds from operations as a percentage of average total debt(an operational guideline)

Explanation of Attachment 1 to Appendix F: Additional Amortization Required

This illustration is based on KCPL financial information consisting of information from its 2003 surveillance report and other KCPL financial statements. This illustration assumes that the Commission has found all expenditures to be prudent and reasonable. For this illustration, KCPL statements were placed on a jurisdictional basis by applying an allocation factor to the KCPL balances. This illustration assumes that the Commission has accepted the jurisdictional amounts used in these calculations. The base jurisdictional information was used to calculate the three (3) rating agency guidelines. In this illustration, the Missouri jurisdictional funds from operations (FFO) as a percent of average debt was found to be 23.3%, which is below the guideline criteria of 25%. In order for the guideline to be achieved, $12,006,000 of additional FFO would be needed from Missouri. The additional FFO was then studied to determine if there would be any additional tax impacts on cash flow resulting from the additional FFO. This illustration assumes that the entire additional FFO would have negative tax cash flow impacts, thereby resulting in an additional amortization of $19,569,000 needed in order to meet the guideline level. The Signatory Parties have not agreed to a methodology to determine the tax impacts related to additional FFO. In this illustration, the revenue requirement amount equals the amortization amount. The overall impact on Missouri customers would be a 4.2% increase in revenue requirement.

Explanation of Additional Financial Information Shown on Lines 43 and 50 through 52 of Attachment 1 to Appendix F.

Line 43 – Capital Lease Obligations – Costs recorded as a capital lease for KCPL's obligations related to the 345 KV Missouri-Iowa-Nebraska Transmission line under a coordination agreement with seven regional utilities.

Line 50 – Operating Lease Debt Equivalent – Present value of future lease payments for various operating leases including railcars, the 345 KV line from Wolf Creek to LaCygne and facilities for 1201 Walnut and 801 Charlotte.

Line 51 – Purchase Power Debt Equivalent – Present value of purchased power capacity obligation.

Line 52 – Accounts Receivable Sale - Maximum amount of borrowing under a receivables securitization agreement.

Transactions included in the amounts above are subject to review by the Commission for prudence. Amounts determined to be not prudent will not be included in the calculation of the financial ratios for purposes of adjusting the amortization amount. The prudence and reasonableness of these transactions will be determined in KCPL's next general rate case.

The illustration does not include the effect of SO2 sales on cash flow because currently these sales have not occurred. To the extent actual SO2 sales occur, these sales will be included as cash flow for purposes of Appendix F and whether the resulting projected cash flow meets the ratio values.

Attachment 1 to Appendix F

Line			Total Company	Jurisdictional Allocation	Jurisdictional Adjustments	Jurisdictional Proforma
	Information from the Company's annual Surveillance Report					
7	Rate Base	Surveillance Report Schedule 1, Column 603 & 604, Line 0260	2,214,828	1,182,807		
8	Jurisdictional Allocator for Capital	Jurisdictional Rate Base / Total Company Rate Base		53.4%		
9						
10	Total Capital	Surveillance Report Capitalization Worksheet	2,237,339	1,194,021	-	1,194,021
11	Equity	Surveillance Report Capitalization Worksheet	1,109,125	591,917	-	591,917
12	Preferred	Surveillance Report Capitalization Worksheet	0	0		0
13	Long-term Debt	Surveillance Report Capitalization Worksheet	1,128,214	602,104		602,104
14	Cost of Debt	Surveillance Report Capitalization Worksheet	5.68%	5.68%		5.68%
15	Interest Expense	Line 13 * Line 14	64,058	34,185	-	34,185
16						
17	Retail Sales Revenue	Surveillance Report Schedule 2, Line 0040	882,788	470,668	19,569	490,237
18	Other Revenue	Line 19 - Line 17	172,134	91,212		91,212
19	Operating Revenue	Surveillance Report Schedule 1, Line 0010	1,054,900	561,880	19,569	581,449
20						
21	Operating & Maintenance Expenses	Surveillance Report Schedule 1, Line 0040	537,391	312,380		312,380
22	Depreciation	Surveillance Report Schedule 1, Line 0050	134,782	75,744		75,744
23	Amortization	Surveillance Report Schedule 1, Line 0060	11,533	6,340	19,569	25,909
24	Interest on Customer Deposits	Surveillance Report Schedule 1, Line 0065	8	379		379
25	Taxes other than income taxes	Surveillance Report Schedule 1, Line 0070	95,496	31,009		31,009
26	Federal and State income taxes	Surveillance Report Schedule 1, Line 0080	86,606	38,689	0	38,689
27	Gains on disposition of plant	Surveillance Report Schedule 1, Line 0085	34	0		0
28	Total Electric Operating Expenses	Sum of Lines 21 to 27	885,851	464,520	19,569	484,089
29						
30	Operating Income	Surveillance Report Schedule 1, Line 0120	169,049	97,360	0	97,360
31	less Interest Expense	- Line 15	(64,058)	(34,185)	-	(34,185)
32	Depreciation	Surveillance Report Schedule 1, Line 0050	134,782	75,744	-	75,744
33	Amortization	Surveillance Report Schedule 1, Line 0060	11,533	6,340	19,569	25,909
34	Deferred Taxes	Surveillance Report Schedule 7, Column 601, Line 0550	50,823	16,503	(7,562)	8,941
35	Funds from Operations (FFO)	Sum of Lines 30 to 34	302,241	161,762	12,006	173,768
36						
37	Net Income	Line 30 + Line 31	124,993	63,175	-	63,175
38	Return on Equity	Line 37 / Line 11	11.3%	10.7%	0.0%	10.7%
39	Unadjusted Equity Ratio	Line 11 / Line 10	49.6%	49.6%	0.0%	49.6%
	Additional financial information needed for the calculation of ratios					
43	Capitalized Lease Obligations	KCPL Trial Balance accts 227180 & 243100	2,402	1,282		1,282
44	Short-term Debt Balance	KCPL Trial Balance accts 231xxx	-	-		-
45	Short-term Debt Interest	KCPL T.B. accts 831014, 831015, 831016	580	298		298
	Adjustments made by Rating Agencies for Off-Balance Sheet Obligations					
49	Debt Adjustments for Off-Balance Sheet Obligations					
50	Operating Lease Debt Equivalent	Present Value of Operating Lease Obligations discounted @ 10%	76,800	40,987		40,987
51	Purchase Power Debt Equivalent	Present Value of Purchase Power Obligations discounted @ 10%	25,000	13,342		13,342
52	Accounts Receivable Sale	KCPL Trial Balance account 142011	70,000	37,359		37,359
53	Total OBS Debt Adjustment	Sum of Lines 50 to 52	171,800	91,688	-	91,688
54						
55	Interest Adjustments for Off-Balance Sheet Obligations					
56	Present Value of Operating Leases	Line 50 * 10%	7,680	4,099	-	4,099
57	Purchase Power Debt Equivalent	Line 51 * 10%	2,500	1,334	-	1,334
58	Accounts Receivable Sale	Line 52 * 5%	3,500	1,868	-	1,868
59	Total OBS Interest Adjustment	Sum of Lines 56 to 58	13,680	7,301	-	7,301
	Ratio Calculations					
63	Adjusted Interest Expense	Line 15 + Line 45 + Line 59	78,286	41,785	-	41,785
64	Adjusted Total Debt	Line13 + Line 43 + Line 44 + Line 53	1,302,416	695,072	-	695,072
65	Adjusted Total Capital	Line 10 + Line 43 + Line 44 + Line 53	2,411,541	1,286,909	-	1,286,909
66						
67	FFO Interest Coverage	(Line 35 + Line 63) / Line 63	4.88	4.87	0.29	5.16
68	FFO as a % of Average Total Debt	Line 35 / Line 64	23.2%	23.3%	1.7%	25.0%
69	Total Debt to Total Capital	Line 64 / Line 65	54.0%	54.0%	0.0%	54.0%
	Changes required to meet ratio targets					
73	FFO Interest Coverage Target		3.80	3.80	0.00	3.80
74	FFO adjustment to meet target	(Line 73 - Line 67) * Line 63	(83,912)	(44,764)	(12,006)	(56,770)
75	Interest adjustment to meet target	Line 35 * (1 / (Line 73 - 1) - 1 / (Line 67 - 1))	29,647	15,987	4,288	20,275
76						
77	FFO as a % of Average Total Debt Target		25%	25%	0%	25%
78	FFO adjustment to meet target	(Line 77 - Line 68) * Line 64	23,383	12,808	(12,808)	(0)
79	Debt adjustment to meet target	Line 35 * (1 / Line 77 - 1 / Line 68)	(93,452)	(49,028)	49,028	0
80						
81	Total Debt to Total Capital Target		51%	51%	0%	51%
82	Debt adjustment to meet target	(Line 81 - Line 69) * Line 65	(72,530)	(38,708)	-	(38,708)
83	Total Capital adjustment to meet target	Line 64 / Line 81 - Line 65	142,218	75,898	-	75,898
	Amortization and Revenue needed to meet targeted ratios					
87	FFO adjustment needed to meet target ratios	Maximum of Line 74, Line 78, or Zero	23,383	12,806	(12,006)	-
88	Effective income tax rate	Surveillance Report Schedule 7, Line 0370 / Line 0160	38.57%	38.64%	38.64%	38.64%
89	Deferred income taxes *	- Line 87 * Line 88 / (1 - Line 88)	(14,670)	(7,562)	7,562	-
90	Total amortization required for the FFO adjustment	Line 87 - Line 89	38,053	19,569	(19,569)	-
91						
92	Retail Sales Revenue Adjustment	Adjustment =Sum(Line 21 to Line 25)+Line 27-Line 19-Line 31+(Line 11*Line 38)/(1-Line 88)		470,668	19,569	490,237
93	Percent increase in retail sales revenue	Line 92 Jurisdictional Adjustments / Line 92 Jurisdictional			4.2%	
	* Adjusted for known and measurable changes including changes related to new plant in-service					