

Kansas City Power and Light Company

ER-2010-0355

Summary Revenue Requirement Reconciliation		Reconcile Staff June 10 Case with KCP&L Update Projected 2010			Comments
Line No.					
1	Kansas City Power & Light Revenue Requirement			87,432,057	\$122,057 higher than Model-Cur Pay taxes on pro-forma bad debt.
2					*Presentation difference between Reconciliation and Rev-Req. Model
3	Rate of Return & Capital Structure:				
4	Sub-Total Rate of Return and Capital Structure Differences			(\$28,840,902)	
5					
6	Rate Base Issues :				
7	Plant in Service - Proposed Disallowance		(9,448,366)		*See Highly Confidential Iatan Schedule
8	Depreciation Reserve - Hawthorn 5 Warranties		(616,838)		Hawthorn 5 - SCR \$2,800,000 (Total Company/Reserve) and Hawthorn 5 - Transformer \$6,465,985 (Total Company/Reserve)
9	Cash Working Capital		(2,349,524)		
10	Regulatory Asset Demand Side Management		(4,208,113)		Footnote (a)
11	Regulatory Asset - ERPP Programs		(33,785)		
12	Regulatory Asset - Iatan 1, 2 & Common Plant		(3,732,486)		
13					
14	Accumulated Deferred Income Tax		4,076,277		Footnote (c)
15	Rate Base - Timing and Non-Issues		(3,484,376)		
16	Rate Base - Allocations		(914,160)		
17	Sub Total - Rate Base Issues			(\$20,711,371)	
18					
19	Income Statement - Revenue Issues:				
20					
21	To annualize firm Bulk Sales-Energy		(\$4,717,548)		Net with row 29-Staff has MJMEUC in Revenues and Expenses
22	Return bulk margins-excess of 25th %, incl interest, over 10 yrs- (MO only)		\$741,475		Footnote (a)
23	Non-Firm OSS		(\$18,280,873)		
24	Income Statement Revenue - Timing and Non-		\$295,451		
25	Income Statement Revenue - Allocations		(\$277,581)		
26	Sub Total - Revenue Issues			(\$22,239,075)	
27					

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Line No.					
28	Income Statement - Expense Issues:				
29	Fuel and Purchase Power-Energy and Demand Costs		8,753,414		Net with row 21, MJMEUC contract-Fuel Difference due to partially timing and handling of MJMEUC
30	Normalize Severance Costs		(57,654)		
31	Adjust FAS 87 and FAS 88, FAS 158, and SERP pension expense		(385,706)		SERP Lump Sum payments-Only SERP not issue with FAS
32	To adjust allowed Connections program less amt		(184,418)		
33	Amortization of Iatan 1 & 2 Regulatory Assets		(826,889)		
34	Advertising - Institutional and Image, Excluding Connections		(45,922)		
35	Adj (Staff) or Reverse (KCPL) test year gen tax exp for KCMO Earnings Tax		55,832		Footnote (b)
36	Bad Debt Expense		(550,073)		
37	Amort of merger transition costs		(3,869,661)		
38	Misc. Disallowances (excl		(260,687)		Advanced Coal Credit litigation costs is the issue
39	Production Maintenance Normalization		(971,625)		
40	Amortize Talent Assessment Deferral		(968,103)		
41	Amortize DSM Deferral		(333,443)		Footnote (a)
42	REGULATORY EXPENSES-Rate Case Expense		(3,237,072)		Footnote (c)
43	REG LIABILITY STB LITIGATION - REPARATIONS NET OF LITIGATION COSTS		101,759		Footnote (a)
44	Depreciation Expense		(7,545,502)		Includes timing and Iatan 1&2 disallowance impact as well as true Depreciation difference, as well as \$232,775 (Total Company/Reserve) for the Transformer and \$293,580 (Total
45	Income Statement Expense - Timing and Non-		(3,860,744)		
46	Income Statement Expense - Allocations		240,577		
47	Reconcilement Error - O&M Expense		15,474		
48	Sub Total - Operations & Maintenance Expense			(\$13,930,444)	
49					
50	Income Tax Issues - Income Statement				
51	Total Income Tax Differences			(\$518,183)	
52	Difference in Tax Gross Up Factor			-	
53	Total Value of All Issues			(\$86,239,975)	
54	Unreconciled Difference/Rounding			1,527	

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Summary Revenue Requirement Reconciliation		Reconcile Staff June 10 Case with KCP&L Update Projected 2010			Comments
Line No.					
55				EMS	
56	Staff Revenue Requirement at September 30, 2008		\$1,193,609	\$960,876	Diff due to Recon treatment of KCMO earnings tax as an income tax item
57	Allowance for K&M Changes/True-Up Estimate		\$0		Can't change until both Staff & KCPL use same method-inc vs gen tax
58	Unreconciled Difference/Rounding		\$1,193,609	\$61,237,134	
59				per EMS	
60					
61	FOOTNOTES:				
62	a) There are multiple components of the DSM issue appearing in rows 10, 22, 41, and 43. When looked at in total, Staff's direct filing results in a lower revenue requirement than KCP&L's Update by \$5,166,649. If the KCP&L value was expressed as of Staff's June 2010 Cutoff date, the issue value would be \$3,270,755, indicating that \$1,895,894 of the issue is due to				
63	b) There are multiple components of the Kansas City MO Earnings Tax issue appearing in rows 35 and embedded in the rows related to Income tax Issues because Staff treated this as a general tax and KCPL treated it as an income tax. When looked at in total, Staff's direct filing results in a lower revenue requirement than KCP&L's by \$669,052 (\$724,884 income tax less \$55,832 general tax) including consideration of \$564,670 of earnings tax on the Company's requested revenue requirement in this case. If the authorized revenue requirement is lower than that requested by KCPL, the associated				
64	c) The above issue values do not reflect values for the possible disallowance of the rate base deferred income tax asset related to Regulatory Plan Additional Amortization in row 14 or to additional disallowances of rate case costs in row 42, both of which were identified in Staff's Rebuttal for possible inclusion in its True Up case.				
65	d) The above issue values do not reflect KCP&L's rebuttal position regarding recovery over two years of the costs of Renewable Energy Standards incurred during 2010.				

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Line No.					
1	Kansas City Power & Light Revenue Requirement			87,432,057	\$122,057 higher than Model-Cur Pay taxes on pro-forma bad debt.
2					
3	Rate of Return & Capital Structure				
4	Value of Capital Structure Issue - Staff / Company		(1,569,311)		
5	Capital Structure impact on Interest Expense Deduction		\$5,206,328		
6	Return on Equity Issue - KCPL-11.00%, Staff - 9.00%		(\$32,477,919)		
7	Sub-Total Rate of Return and Capital Structure Differences			(\$28,840,902)	
8					
9	Rate Base Issues :				
10	Plant in Service:				
11	0	0			
12	Proposed Iatan 1/2 Disallow & Trsf to Common	(9,448,366)			*See Highly Confidential Iatan Schedule
13	0	0			
14	Timing - Net Other Plant Adds-July -Dec 2010	(9,444,015)			Timing - Staff not incl July-Dec 10 plant adds except Wind and Iatan 2 (Sept)
15	0	0			
16	0	0			
17	Plant not at Issue (Allocation Issue)	(44,555)			Allocations -
18	Sub-Total - Plant in Service		(18,936,936)		
19					
20	Depreciation Reserve				
21	Hawthorn 5 Warranties	(616,838)			
22	Cumulative Depr - Case No. EO-94-199	4,822,587		See row 57	
23	Iatan 2	0			
24	Timing - Net Incr (Decr)-July-Dec 2010	4,116,109			Timing - Staff used 6-30-10 balances except for RWIP as of 9-30-10
25	Depreciation Reserve (excl addl amort) (Allocation)	(909,424)			Allocations -
26	Sub-Total - Depreciation Reserve		7,412,435	net with line 57	
27					
28	Add to Net Plant				
29	Cash Working Capital	(757,306)			
30	Federal Tax Offset	(78,058)			
31	State Tax Offset	(47,819)			

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Detailed Revenue Requirement Reconciliation		Reconcile Staff June 10 Case with KCP&L Update Projected 2010			Comments
Line No.					
32	Interest Expense Offset	(1,466,342)			
33	City Tax Offset	0			
34	Sub-Total - Cash Working Capital		(2,349,524)		
35	Materials and Supplies		12,771		Allocations -
36	Prepayments		27,047		Allocations -
37	Prepaid Pension Asset EO-2005-0329		0		
38	Reg Asset Excess Act FAS 87 vs Rate Recovery		(88,794)		Timing - 6-30 vs 12-31
39	Regulatory Asset Demand Side Management		(4,208,113)		Footnote (a)
40	Regulatory Asset - ERPP Programs		(33,785)		
41	Regulatory Asset - Iatan 1, 2 & Common Plant		(3,732,486)		
42	Fuel Inventory - Coal	231,702			Non-Issue
43	Fuel Inventory - Oil	125,134			Non-Issue
44	Fuel Inventory Lime/Limestone/Ammonia	(10,084)			Non-Issue
45	Powder Activated Carbon (PAC)	6,289			Non-Issue
46	Sub-Total - Fossil Fuel Inventory		353,041		
47	Nuclear Fuel		(314,700)		Timing - 6-30 vs 12-31
48	Regulatory Asset - Regulatory Expense		0		
49	Subtract from Net Plant				
50	Deferred Gain - SO2 Allowances		0		
51	Deferred Gain on SO2 Emissions			net with line 52	Timing - 6-30 vs 12-31 and Staff posted as combined amt to single line
52	Deferred Gain on SO2 Emissions		(126,653)	net with line 51	Timing -
53	Customer Deposits		0		
54	Customer Advances		0		
55	Accumulated Deferred Income Tax		4,076,277		Footnote (c)
56	Regulatory Plan Additional Amort-MO		1,858,606		Timing - KCPL to 4-30-11, Staff to 12-31-10
57	\$3.5 million Amortization Case No. EO-94-199		(4,822,587)	net with line 26	Non-Issue
58					
59	Sub Total - Rate Base Issues			(\$20,711,371)	
60					
61	Income Statement - Revenue Issues				
62	Booked Revenue - Unadjusted		(\$279,810)		Allocations - Per Books allocations issues
63					
64	Retail KWH Sales Revenue				
65	To remove GRT from test year	(\$0)			
66	Billing Adjustments	\$81,066,864			

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Line No.					
67	Large Customer Rate Switch Adjustment	\$3,864,456			
68	Weather Adjst Rate Switching	(\$15,479,458)			
69	Annualize Rate Change	(\$68,263,111)			
70	Large Power Load Changes and New Customers	(\$1,099,260)			
71	365 day Adjustment	\$2,458,422			
72	Growth Adjustment	(\$2,308,716)			
73	Normalize Kansas Retail Revenue (KS only)	\$0			
74	Sub-Total - Retail KWH Sales Revenue		\$239,197		
75					
76	To annualize firm Bulk Sales-Energy		(\$4,717,548)		Net with line 102
77	Return bulk margins-excess of 25th %, incl interest, over 10 yrs- (MO only)		\$741,475		Footnote (a)
78	Non Firm Off System Sales - Unadjusted	(\$925,423)			
79	Non Firm OSS for SPP off-system charges	(\$453,477)			net with line 82
80	non firm OSS for Purchases for resale'	\$1,105,696			net with line 82
81	Non-Firm OSS for Revenue neutrality uplift charges	\$390,368			net with line 82
82	Normalize Nonfirm Sales Margin	(\$18,368,340)			net with lines 79-81
83	Eliminate Cost of Bulk Power Sales	(\$29,697)			
84	Sub-Total - Non-Firm OSS		(\$18,280,873)		
85	To remove GRT from test year		(\$0)		
86	To adjust Late Payment Fees		\$82,893		Timing -
87	Forfeited Discounts for adj 49a-KS only		\$0		
88	To include In-Field Service Fees		\$0		
89	Other Misc. & Adjustments		\$2,229		Allocations -
90	0		\$0		
91	Reverse test year provision for rate refund		(\$26,638)		No issue - Staff allocated test yr and then reversed MO juris balance
92	0		\$0		
93	0		\$0		
94	0		\$0		
95	0		\$0		
96	Sub Total - Revenue Issues			(\$22,239,075)	
97					

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Line No.					
98	Income Statement - Expense Issues				
99	Total Oper.& Maint. Expense - Unadjusted, excluding depreciation		249,147		Allocations - EMS Per Books allocation errors
100	Annualize Fuel Expense	6,694,140			
101	NORMALIZE PURCH POWER	2,059,274			
102	Fuel and Purchase Power-Energy and Demand Costs		8,753,414		Net with line 76 MJMEUC Contract
103	Include test year KCREC bank fees related to sale of receivables		(0)		
104	0		-		
105	Normalize Severance Costs		(57,654)		
106	Normalize 401k costs		10,512		Allocations -
107	Adjust FAS 87 and FAS 88, FAS 158, and SERP pension expense		(385,706)		SERP Lump Sum payments
108	Amortize Advertising MO regulatory asset (0291 case per Graham Vessley)		-		Footnote (a)
109	latan 2 Oper and Maint.		1,142,133		Timing - Staff used Direct Filing; KCPL
110	Annualize KCREC bank fees related to sale of receivables		10,942		Timing -
111	Annualize Customer Accts expense for credit card payment costs		(13,254)		Timing -
112	To adjust allowed Connections program less amt deferred		(184,418)		
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 Adjustments Excl Equity Compensation		(814,123)		Timing - Staff excl Mass formula, adjusting Payroll allocation between affiliates
118	Annualized amount for injuries and damages		(1,278)		Allocations -
119	Annualize Injuries and Damages Insurance		10,308		Allocations -
120	Annualize Property Insurance		-		
121	Annualized Property Insurance Electric and Iatan 2		(31,491)		Allocations -

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Line No.					
122	Property Tax Annualization		2,483,123		Non-Issue -
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	0		-		
127	Amortization of Iatan 1 & 2 Regulatory Assets		(826,889)		
128	Missouri Economic Relief Pilot Program (MO only)		0		
129	Transmission of Electricity by Others		(5,294,072)		Timing
130	Advertising - Institutional and Image, Excluding Connections		(45,922)		
131	Adj (Staff) or Reverse (KCPL) test year gen tax exp for KCMO Earnings Tax		55,832		Footnote (b)
132	Interest on Customer Deposits		(1)		
133	NORMALIZE BAD DEBT-Test YR	3,983,081			
134	NORMALIZE BAD DEBT-WEATHER NORMALIZED RETAIL ADJ	(452,020)			
135	ADD INCREMENTAL BAD DEBT - REVENUE REQUIREMENT PER ORDER	(481,733)			
136	Bad Debt Expense -Reflect Test Yr Actual from KCREC	(3,599,400)			
137	Sub-Total - Bad Debt Expense		(550,073)		
138	Hawthorn SCR Settlement		-		
139	Amortization of SO2 Proceeds		142,990		Timing of balance for Staff. KCPL/MPSC=21-yr, OPC=5-yr,
140	Amort of merger transition costs		(3,869,661)		
141	Misc. Disallowances (excl dues/donations/advertising)		(260,687)		Advanced Coal Credit litigation costs
142	Payroll Annualization		388,631		Timing - Staff omitted Mass Allocation formula correction but included here
143	Incentive Compensation - Value Link and Equity Comp		(19,538)		No-Issue -
144	Normalize Relocation Expense		(7,456)		Timing - KCPL to exclude in True-Up
145	Production Maintenance Normalization		(971,625)		
146	Amortize Talent Assessment Deferral		(968,103)		
147	Amortize DSM Deferral		(333,443)		Footnote (a)

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Line No.					
148	SPP Schedule 1 Admin Fees		168,136		Timing - Staff used 12 mth end 6/30/2010 vs KCPL use of 12/31/2010 projection
149	BENEFITS		(448,055)		Timing - Staff used 12 mth end 6/30/2010 vs KCPL use of TYD 6/2010 * 2
150	WC REFUEL OUTAGE		4,594		Allocations -
151	TRANS MTC NORMALIZATION (See line 62)		-		
152	DISTR MTC NORMALIZATION (See line 62)		-		
153	ANNUALIZE COMM ASSESS		(160,712)		Timing - Staff used 12ME 6/30/2010 for FERC and MPSC assessments
154	Annualize Regulatory Plan Amortization		-		
155	REGULATORY EXPENSES-Rate Case Expense		(3,237,072)		Footnote (c)
156	REG LIABILITY STB LITIGATION - REPARATIONS NET OF LITIGATION COSTS		101,759		Footnote (a)
157	REMOVE PREV DEPR ADJ (Other than CS-120, CS-121 and CS-38)	(4,291,172)			
158	MO Basis Depreciation & Amort -Test Year (Reversed in CS-97)	4,291,172			
159	Annualize Depreciation Expense	(5,221,216)			
160	Annualize Depreciation Charged to O&M (Unit Trains and Vehicles)	(1,563,100)			
161	Total Oper.& Maint. Expense - Unadjusted Depreciation	1,080,917			Includes timing impact/Allocations (Per Books used Different Allocation Factor)
162	Amortization of Unrecovered Reserve - General Plant	(1,842,103)			
163	Sub-Total - Depreciation Expense		(7,545,502)		
164	O&M Maintenance Expense Adjustments		-		
165	Amortization - Limited Term Plant		(1,359,159)		Timing - \$10 million of software added in July-Aug 10
166	Annualize Payroll Tax		32,201		Timing -
167	To Normalize lease expense		(112,532)		Timing - Staff updated Massachusetts Allocation formula to 2010
168	To remove donations inappropriately recorded above the line		(1,215)		Allocations -
169		0	-		
170	Reconcilement Error - O&M Expense		15,474		

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Line No.					
171	Sub Total - Operations & Maintenance Expense Issues			(13,930,444)	
172					
173	Income Tax Issues - Income Statement				
174	Annualized - Reg Plan Amortization		0		
175	Depr on Vehicles/Unit Trains cleared to O&M		(725,865)		
176	Book Amortization - Intangible Plt / Leaseholds		(2,540,219)		
177	Meals & Entertainment		(18,373)		
178	0		0		
179	Nuclear Fuel Amortization - Add Back Book		36,867		
180	Tax Depreciation in Excess of S/L Tax Depr (DON'T NEED)		0		
181	0		0		
182	IRS Deduction - Amortization - Intangible Plant		4,930		
183	IRS Deduction - Nuclear Fuel		(5)		
184	Production Income Deduction		0		
185	Impact of Wind/R&D Credits (Need to iterate)		(8)		
186	Tax Depreciation in Excess of S/L - Regular		2,510,536		Tax basis of plant differences, incl disallowance and 2nd half of 2010 adds
187	Tax Amortiz.- Intang Plt. - Excess over S/L Amortization		(4,846)		
188	Tax Amortz.-Nuclear Fuel - Excess over S/L Nuclear		(1)		
189	Reg Plan Additional Amortization		0		
190	Annualized Depreciation Expense (Book)		(2,623,691)		Tax basis of plant differences, incl disallowance and 2nd half of 2010 adds
191	Tax Straight Line Depreciation IRS Deduct-Tax Depr		(67)		
192	Amortization of Excess Deferred Tax		(78,966)		
193	Investment Tax Credit		289,976		
194	Amortization of Prior Deferred Taxes		968,558		Allocation issue - Staff uses 59% for ARAM turn around. KCPL uses 53.8%
195	Amort of Cost of Removal -Settlement ER 2007-0291		0		

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Detailed Revenue Requirement Reconciliation		Reconcile Staff June 10 Case with KCP&L Update Projected 2010				Comments
Line No.						
196	Amortiz.of R&D Tax Credits - Settlement ER2007-0291		0			
197	Tax amort in excess of SL-Unrecovered Reserve		1,147,773			
198	Tax amort in excess of SL-Iatan 1 & 2 Reg Assets		515,216			
199		0	0			
200						
201	Total Income Tax Differences			(\$518,183)		
202						
203	Difference in Tax Gross Up Factor			-		
204						
205	Total Value of All Issues			(\$86,239,975)		
206						
207	Unreconciled Difference/Rounding			1,527		
208					EMS	
209	Staff Revenue Requirement at September 30, 2008			\$1,193,609	\$960,876	Diff due to Recon treatment of KCMO earnings tax as an income tax item
210	Allowance for K&M Changes/True-Up Estimate			\$0		Can't change until both Staff & KCPL use same method-inc vs gen tax
211	Unreconciled Difference/Rounding			\$1,193,609	\$61,237,134	
212					per EMS	
213	Footnotes					
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 \$5,166,649. If the KCP&L value was expressed as of Staff's June 2010 Cutoff date, the issue value would be \$3,270,755, indicating that \$1,895,894 of the issue is due to timing.					
215	b) There are multiple components of the Kansas City MO Earnings Tax issue appearing in rows 131 and embedded in the rows related to Income tax Issues because Staff treated this as a general tax and KCPL treated it as an income tax. When looked at in total, Staff's direct filing results in a lower revenue requirement than KCP&L's by \$669,052 (\$724,884 income tax less \$55,832 general tax) including consideration of \$564,670 of earnings tax on the Company's requested revenue requirement in this case. If the authorized revenue requirement is lower than that requested by KCPL, the associated earnings tax would decrease proportionately.					
216	c) The above issue values do not reflect values for the possible disallowance of the rate base deferred income tax asset related to Regulatory Plan Additional Amortization in row 55 or to additional disallowances of rate case costs in row 155, both of which were identified in Staff's Rebuttal for possible inclusion in its True Up case.					
217	d) The above issue values do not reflect KCP&L's rebuttal position regarding recovery over two years of the costs of Renewable Energy Standards incurred during 2010.					
218						

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Line No.					
219	Office of the Public Counsel				
220	Return on Equity - 10.3%		\$	-	
221	Capital Structure		\$	-	
222	Net Margin on Off System Sales - 40th Percentile				
223	Fleet Fuel Costs Expense		\$	-	
224	Rate Case Expense				
225	Office of the Public Counsel - Revenue Requirement		\$	-	1,193,609
226					
227	United States Department of Energy				
228	Injury and Damages Reserve (NNSA)-Mo. Juris		\$	-	
229	Additional Forfeited Discount		\$	-	
230	Transmission Maint. Exp		\$	-	
231	Distribution Maint. Exp		\$	-	
232	Hawthorn 5 Maint. Exp		\$	-	
233	Flo Accel. Compliance Cost		\$	-	
234	Bad Debt Expense		\$	-	
235	EEl Dues		\$	-	
236	United States Department of Energy - Revenue Requirement		\$	-	1,193,609
237					
238					
	Missouri Industrial Energy Consumers				
239	Allocation of Off-System Sales (OSS) Margins		\$	(2,542,000)	
240	OSS at the 40%		\$	(13,357,000)	
241	SPP line loss change		\$	(574,000)	
242	Adjustments for Purchases for Resale		\$	(1,005,000)	
243	latan 2 life 50 year vs. 60 year		\$	-	
244	Cash Working Capital		\$	(1,287,000)	
245	Additional Amortization of Regulatory Plan		\$	(11,260,000)	
246	Cost of Capital-ROE 9.5%		\$	9,525,775	
247	Missouri Industrial Energy Consumers- Revenue Requirement		\$	(20,499,225)	(19,305,616)

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Support for Footnote (a)	Included in	Incr (decr) Revenue Requirement		
Summary of DSM Issues Between KCPL (Update) and Staff	Line	Staff	KCPL	Net Staff rev Req over (under) KCPL
Return bulk margins-excess of 25th %, incl interest, over 10 yrs			(605,150)	605,150
Reverse test year amortization of excess margins over 25% percentile		136,325		136,325
	77	<u>136,325</u>	<u>(605,150)</u>	<u>741,475</u>
Rev test yer amort of deferred advertising (0291 case)	108	<u>(130,848)</u>	<u>(130,848)</u>	<u>0</u>
Amortize transferred STB liability over 10 yrs (MO portion)			(303,912)	303,912
Remove Test Year Impact of STB settlement		(202,153)		(202,153)
	156	<u>(202,153)</u>	<u>(303,912)</u>	<u>101,759</u>
Amortize transferred DSM advertising over 10 yrs (from 0089 case)			18,635	(18,635)
Amort of Deferred DSM Programs-MO			2,546,364	(2,546,364)
Amortize DSM Deferred costs and advertising expense, including return on unamort balance, offset by return of excess margins on OSS / STB reparations		2,231,556		2,231,556
	147	<u>2,231,556</u>	<u>2,564,999</u>	<u>(333,443)</u>
Total of DSM Issues Between KCPL Update and Staff Direct (June Cutoff) - COS		2,034,880	1,525,089	509,791
Return on Rate Base	39		4,208,113	(4,208,113)
Total of DSM Issues Between KCPL Update and Staff Direct (June Cutoff)		2,034,880	5,733,202	(3,698,322)

Kansas City Power and Light Company

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Detailed Revenue Requirement Reconciliation	Reconcile Staff June 10 Case with KCP&L Update Projected 2010	Comments
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Changes in KCPL Rebuttal

In Update, KCPL cut off DSM V3 at 4-09. In Rebuttal, accepted Staff's cutoff of 9-08, trsf \$3.1M to V4.

In Update, KCPL used 10-yr amort for all DSM vintages. In Rebuttal, moved to 6-yr amort for Vintage 4.

1,468,327 (1,468,327) *Will be shown in KCP&L's True-Up, currently not shown in this Reconciliation

Total of DSM Issues Between KCPL Update (incl Rebuttal) and Staff Direct (June Cutoff)

	2,034,880	7,201,529	(5,166,649)	
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*Still a timing issue with this amount-Staff June to KCPL December

Included in Incr (decr) Revenue Requirement

Summary of DSM Issues Between KCPL (Cutoff) and Staff

Return bulk margins-excess of 25th %, incl interest, over 10 yrs
Reverse test year amortization of excess margins over 25% percentile

	Line	Staff	KCPL		Net Staff rev Req over (under) KCPL
			(376,834)		376,834
		136,325			136,325
	77	136,325	(376,834)		513,159

Rev test yer amort of deferred advertising (0291 case)

	108	(130,848)	(130,848)		0
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Adjust amortization of STB Settlement for net reparations
Remove Test Year Impact of STB settlement

			(303,912)		303,912
		(202,153)			(202,153)
	156	(202,153)	(303,912)		101,759

Amortize transferred DSM advertising over 10 yrs (from 0089 case)
Amort of Deferred DSM Programs-MO

18,635 (18,635)
1,797,424 (1,797,424)

Kansas City Power and Light Company

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Detailed Revenue Requirement Reconciliation	Reconcile Staff June 10 Case with KCP&L Update Projected 2010			Comments
<p>Amortize DSM Deferred costs and advertising expense, including return on unamort balance, offset by return of excess margins on OSS / STB reparations</p>	<p align="right">147</p>	<p align="right">2,231,556</p> <hr/> <p align="right">2,231,556</p>	<p align="right">1,816,059</p> <hr/> <p align="right">415,497</p>	<p align="right">2,231,556</p> <hr/> <p align="right">2,231,556</p>
<p>Total of DSM Issues Between KCPL Update and Staff Direct (June Cutoff) - COS</p> <p>Return on Rate Base</p>	<p align="right">39</p>	<p align="right">2,034,880</p> <hr/> <p align="right">2,034,880</p>	<p align="right">1,004,465</p> <hr/> <p align="right">3,332,136</p>	<p align="right">1,030,415</p> <hr/> <p align="right">(3,332,136)</p>
<p>Total of DSM Issues Between KCPL Update and Staff Direct (June Cutoff)</p>		<p align="right">2,034,880</p>	<p align="right">4,336,601</p>	<p align="right">(2,301,721)</p>
<p>Changes in KCPL Rebuttal In Update, KCPL cut off DSM V3 at 4-09. In Rebuttal, accepted Staff's cutoff of 9-08, trsf \$3.1M to V4. In Update, KCPL used 10-yr amort for all DSM vintages. In Rebuttal, moved to 6-yr amort for Vintage 4.</p>			<p align="right">969,034</p>	<p align="right">(969,034)</p>
<p>Total of DSM Issues Between KCPL Update (incl Rebuttal) and Staff Direct (June Cutoff)</p>		<p align="right">2,034,880</p> <hr/> <p align="right">2,034,880</p>	<p align="right">5,305,635</p> <hr/> <p align="right">5,305,635</p>	<p align="right">(3,270,755)</p> <hr/> <p align="right">(3,270,755)</p>
<p>Impact of Timing (Update vs Cutoff) on issue value</p>				<p align="right">(1,895,894)</p> <hr/> <p align="right">(1,895,894)</p>

*Issue Value if Staff-Staff June to KCPL June