

Greater Missouri Operations - L&P Electric
ER-2010-0356

Revenue Requirement Reconciliation - ISSUE SUMMARY SHEET

Line No.

1	GMO - Missouri Public Service Gross Revenue Requirement		24,319,268
2			
3	Rate of Return & Capital Structure		
4	Value of Capital Structure Issue - Staff / Company	658,636	
5	Capital Structure Impact on Interest Expense Deduction	(1,605,350)	
6	Return on Equity Issue - MPS 11.00%, Staff - 9.00%	(6,458,532)	
7	Sub-Total Rate of Return and Capital Structure Differences		(7,405,246)
8			
9	Rate Base Issues		
10	latan 2 Allocation MPS vs L&P	17,244,492	
11	latan 1, 2, & Common Disallowances(a)	(3,909,951)	
12	latan 1 Regulatory Asset	(308,389)	
13	latan 2 Regulatory Asset	(409,163)	
14	ERPP	(8,262)	
15	Cash Working Capital/Tax Offset	(922,454)	
16	Deferred Income Taxes	551,047	
17	Rate Base Timing & Other	(2,815,397)	
18	Sub Total - Rate Base Issues		9,421,923
19			
20	Fuel Rebase Issue		(\$2,411,814)
21			
22	Revenue Timing & Other		740,540
23			
24	Income Statement - Expense Issues		
25	Purchased Power (Capacity)	(1,345,000)	
26	Bad Debt Expense	(181,481)	
27	Rate Case Expense	(966,150)	
28	Amortization of Merger Transition Costs	(890,692)	
29	Amortization of latan 1 Regulatory Asset	(88,218)	
30	Amortization of latan 2 Regulatory Asset	(63,204)	
31	DSM/EE Adjustment (b)	(46,665)	
32	To reflect I2 reallocation to 100 MW L&P and 53 MPS O&M Exp	1,286,592	
33	Severance	(6,645)	
34	SERP	(94,215)	
35	Advertising	(44,469)	
36	Renewable Energy Standards(c)	(37,843)	
37	Normalized KC Earnings Tax	6,082	
38	Accounts Receivable Bank Fees	98,663	
39	Depreciation Expense	(1,722,455)	
40	Expense Timing & Other	(9,833)	
41	Sub Total - Operations & Maintenance Expense Issues		(4,105,534)
42			
43	Income Tax Issues		184,766
44			
45	Difference in Tax Gross Up Factor		(485,748)
46			
47	Total Value of All Issues		(4,061,113)
48			
49	Unreconciled Differences		-
50			
51	Staff Revenue Requirement at June 30, 2010		20,258,155
52			

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53	Industrial Intervenors		
54	Return on Equity - Staff 9.0%, Industrials - 9.5%		\$ 1,834,426
55	Capital Structure Effect on Return		\$ (520,336)
56	latan 2 Life Projection for Depreciation		\$ 42,000
57	Cash Working Capital		\$ 75,000
56	Industrials - Revenue Requirement		\$ 21,689,246
57			
58			
59	Footnotes:		
60	(a) See attached detail for latan issues.		
61	(b) The issue value does not include the difference between a 10 year (Staff) vs 6 year (Company)		
62	amortization of deferred DSM/EE costs.		
63	(c) The issue value does not include the 2 year amortization of costs accumulated through 12/31/10.		

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Line No.				Comments
1	GMO - Missouri Public Service Gross Revenue Requirement		24,319,268	
2				
3	Rate of Return & Capital Structure			
4	Value of Capital Structure Issue - Staff / Company	658,636		Issue/Timing
5	Capital Structure Impact on Interest Expense Deduction	(1,605,350)		Issue
6	Return on Equity Issue - MPS 11.00%, Staff - 9.00%	(6,458,532)		Issue
7	Sub-Total Rate of Return and Capital Structure Differences		(7,405,246)	
8				
9	Rate Base Issues			
10				
11	L&P Share of Iatan Common	1,999,498		Issue
12	Iatan 1 AQCS Prudence Review Construction Audit Adjustments (a)	(2,010,125)		Issue
13	Iatan 2 Prudence Review Construction Audit Adjustments (a)	(2,091,532)		Issue
14	Iatan 2 GMO Allocation SJLP-41 MW, Staff 100 MW	15,244,994		Issue
15	Iatan Common Prudence Review Construction Audit Adjustments (a)	191,706		Issue
16	Unadjusted Plant	236,872		Timing
17	Capital Additions - excluding Iatan 2	(3,319,755)		Timing
18	L&P Share of Iatan Common Reserve	(55,970)		Timing
19	Iatan 2 Reserve	(54,367)		Timing
20	6 month addition to Reserve - Common Reserve	171,853		Timing
21	Unadjusted Depreciation Reserve	834,258		Timing
22	Cash Working Capital	(487,871)		Issue
23	Materials and Supplies	(383)		Timing
24	Prepayments - SJLP Pensions	180,870		Timing
25	Fuel Inventory- Oil	16,557		Timing
26	Fuel Inventory - Coal	(824,588)		Timing
27	Fuel Inventory - Propane, Tires, Biofuel	(16,556)		Timing
28	DSM/EE Deferral	(58,430)		Timing
29	ERPP	(8,262)		Issue
30	Iatan 1 Regulatory Asset	(308,389)		Issue
31	Iatan 2 Regulatory Asset	(409,163)		Issue
32	Regulatory Asset - ERISA Minimum Tracker	74,242		Timing
33	Deferred Income Taxes	551,047		Issue/Timing
34	Federal Tax Offset - STAFF ONLY	(44,506)		Issue/Timing
35	State Tax Offset - STAFF ONLY	(6,994)		Issue/Timing
36	Interest Expense Offset - STAFF ONLY	(383,084)		Issue/Timing
37				
38	Sub Total - Rate Base Issues		9,421,923	
39				
40	Income Statement - Revenue Issues			
41	FAC Offset	19,436,057		Issue
42	Forfeited Discounts	33,942		Timing
43	Billing Adjustment	58,931		Timing
44	Weather Rate Switch Adjustments(Wells)	(37,740)		Timing
45	Revenue Adjustments for Excess Facilities(Wells)	79,394		Timing
46	Other Revenue Adjustments for Excess Facilities(Wells)	(79,394)		Timing
47	Large Customer Rate Switch Adjustment(Wells)	(220,782)		Timing
48	Annualize for 2009 rate change(Wells)	(45,606)		Timing
49	Large Power New Customer Accounts(Wells)	339,915		Timing
50	365 Days Adjustment(Wells)	802,187		Timing
51	Misc Per Book Adj	161,162		Timing
52	Growth Adjustment(Wells)	(351,468)		Timing
53	To annualize off system sales	1,025,235		Issue
54				
55	Sub Total - Revenue Issues		21,201,832	
56				

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Line No.			Comments
57	Income Statement - Expense Issues		
58	Purchased Power (Capacity)	(1,345,000)	Issue
59	Bad Debt Expense	(181,481)	Issue
60	Economic Relief Pilot Program	-	No issue
61	Rate Case Expense	(966,150)	Issue
62	DSM/EE Adjustment	(46,665)	Issue
63	Transmission of Elec by Others/Acct	(151,506)	Timing
64	Payroll Taxes	70,157	Timing
65	Credit Card and Electronic Check Fee Expense	(972)	No issue
66	Property Taxes	(578,505)	Timing
67	Amortization of Iatan 1 Regulatory Asset	(88,218)	Issue
68	Amortization of Merger Transition Costs	(890,692)	Issue
69	Amortization of Unrecovered Reserve - General Plant	(237,224)	Issue
70	Accounts Receivable Bank Fees	98,663	Issue
71	Incentive	(7,192)	Timing
72	Severance	(6,645)	Issue
73	Relocation	785	No issue
74	Insurance	46,992	Timing
75	Major Maintenance	(26,342)	Timing
76	SPP Schedule 1A Admin Fees	85,874	Timing
77	Normalized KC Earnings Tax	6,082	Issue
78	Payroll Annualization	975,149	Timing
79	Fuel/P.P. (Energy)/Fuel Adders	(22,873,106)	Issue
80	Maintenance Expense	130,002	Timing
81	Other Benefits	(77,202)	Timing
82	Pension	86,472	Timing
83	401 k	17,564	Timing
84	SERP	(94,215)	Issue
85	Amortization of Iatan 2 Regulatory Asset	(63,204)	Issue/Timing
86	Advertising	(44,469)	Issue
87	Regulatory Assessments	(421,501)	Timing
88	Normalize Lease Expense	(17,716)	No issue
89	Misc. Test Year Adjustments	(141,893)	Timing
90	Renewable Energy Standards	(37,843)	Issue
91	L&P Share of Iatan 2 Maint thru 6/30	968,478	Issue
92	Iatan 2 Ownership Reallocation (100 MW L&P 50 MW MPS)	318,114	Issue
93	Depreciation Amortization Adj (Rice)	(2,627,500)	Issue - Depreciation
94	Annualize Depreciation Expense	1,534,755	Issue - Depreciation
95	Eliminate O&M Depreciation Expense	(392,486)	Issue - Depreciation
96			
97	Sub Total - Operations & Maintenance Expense Issues		(26,978,640)
98			
99	Depreciation Adjustments - Income Tax Effects		
100			
101	Annualize Depreciation Expense	(1,109,560)	
102	Straight Line Tax Depreciation Difference	246,010	
103			
104	Sub Total - Depreciation Issues - Income Taxes		(\$863,550)
105			

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Line No.				Comments
106	Income Tax Issues - Income Statement			
107	Book Amorization		990,341	
108	Transportation Depreciation - Clearing Accts.		(232,251)	
109	Tax Depreciation in Excess of S/L Depr		(910,060)	
110	Tax Depreciation in Excess of S/L - Deferred Income Tax		910,060	
111	Deferred Income Tax Difference		506,551	
112	Investment Tax Credit		(216,325)	
113				
114	Sub Total - Income Tax Issues - Income Statement		\$1,048,316	
115				
116	Difference in Tax Gross Up Factor And Income Tax Effects		(485,748)	
117				
118	Total Value of All Issues		(4,061,113)	
119				
120	Unreconciled Differences		-	
121				
122	Staff Revenue Requirement at June 30, 2010		20,258,155	
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127	Capital Structure Effect on Return		\$ (520,336)	
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