

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Sandra Milton
- Account No: 828009 Amort Exp Pol Ctl Bnd 01-2012
- Business Unit: POWER
- Allocation Basis:

Amort Exp Pol Ctl Bnd 01-2012 is expense from the pollution control bond for the Hawthorn power plant which is in the GENCO operating division. (acct 181321)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828010-828011 Amort Exp Pol Ctl 2015 & 2018
- Business Unit: POWER
- Allocation Basis:

Amort Exp Pol Ctl 2015 & 2018 are expenses from the pollution control bond for the Lacygne power plant which is in the GENCO operating division.
(acct 181324-181325)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828013 Amort Exp-Med Term-Series C
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Exp-Med Term-Series C is expense that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 181163)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828014 Amort Exp-Med Term-Series D
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Exp-Med Term-Series D is expense that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 181164)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828015 Amort Exp-Reacq Med Term C
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Exp-Reacq Med Term C is expense that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 181165)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828016 Amort Exp-Reacq Med Term D
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Exp-Reacq Med Term D is expense that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 181166)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828017 Amort Exp-Med Term Series E
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Exp-Med Term Series E is expense that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 181167)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828020 Amr Exp-Prf Sec-Sub Trst-TOPrS
- Business Unit: HOLDING CO
- Allocation Basis:

Amr Exp-Prf Sec-Sub Trst-TOPrS is related to TOPrS and is allocated to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828024-828027 Amort Exp-Envrnmntl Ser A&B 2015 and C& D 2017
- Business Unit: POWER
- Allocation Basis:

Amort Exp-Envrnmntl Ser A&B 2015 and C& D 2017 are expenses from the environmental improvement revenue refunding bonds for the Wolf Creek Nuclear Power plant which is in the WCNOB operating division. (acct 181308-181311)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828028 Amort Exp-Med Term Series F
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Exp-Med Term Series-F is expense that relates to the unsecured medium term note series F. (acct 181404) The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828101 Amort Loss Reacq 6% Bonds
- Business Unit: POWER
- Allocation Basis:

Amort Loss Reacq 6% Bonds is expense related to the pollution control bond for Lacygne power plant which is in the GENCO operating division. (acct 181405)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828102 Amort Loss Reacq 16-1/2% 11
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Loss Reacq 16-1/2% 11 is expense related to the \$50 million first mortgage bond. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 189104)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828103 Amort Loss Reacq 7 3/4% Bds
- Business Unit: POWER
- Allocation Basis:

Amort Loss Reacq 7 3/4% Bds is expense related to the pollution control bond for Lacygne power plant which is in the GENCO operating division. (acct 189101)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828105 Amort Exp Var Bonds 2013
- Business Unit: POWER
- Allocation Basis:

Amort Exp Var Bonds 2013 is expense related to the guaranty pollution control bond which is in the GENCO operating division. (acct 189103)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828106 Amort Loss Reacq Vr Bds-2014
- Business Unit: POWER
- Allocation Basis:

Amort Loss Reacq Vr Bds-2014 is expense related to the guaranty pollution control bond which is in the GENCO operating division. (acct 189106)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828107 Amt Exp-Vr Bonds-Ser B-2014
- Business Unit: POWER
- Allocation Basis:

Amt Exp-Vr Bonds-Ser B-2014 is expense related to the guaranty pollution control bond which is in the GENCO operating division. (acct 189107)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828108 Amort Loss Req 13% Bd-2013
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Loss Req 13% Bd-2013 is expense related to the \$60 million first mortgage bond. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 189108)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gregg Clizer
- Account No.: 828109 Amort Loss Reacq – 9 1/8% - 2000
- Business Unit: HOLDING CO
- Allocation Basis:

This debt was replaced with medium term series B notes issued in May 1992. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the capital allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828110 Amort Loss Reacq 9 1/4-2008
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Loss Reacq 9 1/4-2008 is expense related to the medium term series C. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 189110)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828111 Amort Loss Reacq 6 7/8-2008
- Business Unit: POWER
- Allocation Basis:

Amort Loss Reacq 6 7/8-2008 is expense related to the first mortgage bond which is in the GENCO operating division. (acct 189111)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828112 Amort Loss Reacq 8 7/8-2006
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Loss Reacq 8 7/8-2006 is expense related to the medium term series C. The expenses are from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 189112)

**COST ALLOCATION MANUAL
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- Prepared by: Gregg Clizer
- Account No.: 828113 Unamtzd Loss – 7 3/4 - 2001
- Business Unit: HOLDING CO
- Allocation Basis:

This debt was replaced with medium term series D notes in March 1993. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828115 Amort Loss Reacq 7-5/8-2002
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Loss Reacq 7-5/8-2002 is expense related to the medium term series D . The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 189116)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828117 Amort Loss Reacq 8-1/8-2006
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Loss Reacq 8-1/8-2006 is expense related to the medium term series D . The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 189118)

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 828118 Amort Loss Reacq 8-1/2-2007
- Business Unit: HOLDING CO
- Allocation Basis:

Amort Loss Reacq 8-1/2-2007 is expense related to the medium term series C . The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 189119)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gregg Clizer
- Account No.: 828120 Amort Loss Reacq 12% - 2023
- Business Unit: POWER
- Allocation Basis:

This amortization of the loss on reacquired debt relates to debt that was replaced with the Burlington Series A & B \$79.48 million mortgage bonds pledged in support of pollution control bonds due 12-1-23. Since this relates to a Pollution Control Bond for the Wolf Creek plant it should be assigned to the GENCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gregg Clizer
- Account No.: 828121 Amort Loss Reacq 5-7/8% - 2007
- Business Unit: POWER
- Allocation Basis:

This amortization of the loss on reacquired debt relates to debt that was partially replaced with the Hawthorn Project \$12,366,000 mortgage bonds pledged in support of pollution control bonds due 1-2-12. Since this relates to a Pollution Control Bond it should be assigned to the GENCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gregg Clizer
- Account No.: 828122 Amort Loss Reacq 5-3/4% - 2015
- Business Unit: POWER
- Allocation Basis:

This amortization of the loss on reacquired debt relates to debt that was replaced with the LaCygne Project \$13,982,000 mortgage bonds pledged in support of pollution control bonds due 3-1-15. Since this relates to a Pollution Control Bond it should be assigned to the GENCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gregg Clizer
- Account No.: 828123 Amort Loss Reacq 5-7/8% - 2018
- Business Unit: POWER
- Allocation Basis:

This amortization of the loss on reacquired debt relates to debt that was replaced with the LaCygne Project \$21,940,000 mortgage bonds pledged in support of pollution control bonds due 3-1-18. Since this relates to a Pollution Control Bond it should be assigned to the GENCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gregg Clizer
- Account No.: 828124 Amort Loss Reacq Ser A 2015
828125 Amort Loss Reacq Ser B 2015
- Business Unit: POWER
- Allocation Basis:

This amortization of the loss on reacquired debt relates to Guaranty Pollution Control Bonds for the Wolf Creek Plant. The bonds were replaced with the Environmental Improvement Revenue Refunding Bonds due 9-1-15. Since this relates to a Pollution Control Bond for equipment at Wolf Creek it should be assigned to the GENCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gregg Clizer
- Account No.: 828126 Amort Loss Reacq Series A 2017
828127 Amort Loss Reacq Ser B 2017
- Business Unit: POWER
- Allocation Basis:

This amortization of the loss on reacquired debt relates to Guaranty Pollution Control Bonds for the Wolf Creek Plant. The bonds were replaced with the Environmental Improvement Revenue Refunding Bonds due 10-1-17. Since this relates to a Pollution Control Bond for equipment at Wolf Creek it should be assigned to the GENCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gregg Clizer
- Account No.: 829100 Amort Gain Reacq - All
- Business Unit: POWER
- Allocation Basis:

This amortization of the gain on reacquired debt relates to Guaranty Pollution Control Bonds issued 3-1-73 and due 3-1-03 that were replaced with bonds pledged in support of pollution control bonds. Since this relates to a Pollution Control Bond it should be assigned to the GENCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gregg Clizer
- Account No.: 831005 Int Agmt \$10M 052693-052696
- Business Unit: POWER
- Allocation Basis:

These Interest Rate Agreements (Swaps) are used as a hedge against interest rate risk for the variable rate (weekly reset) pollution control bonds issued through the State of Missouri for equipment at the Hawthorn, Iatan and LaCygne power plant. Since this relates to a Pollution Control Bond it should be assigned to the GENCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gregg Clizer
- Account No.: 831012 Int Agmt \$20M 060898-060801
831013 Int Agmt \$10M 060898-060801
- Business Unit: POWER
- Allocation Basis:

These Interest Rate Agreements (Swaps) are used as a hedge against interest rate risk for the variable rate (weekly reset) pollution control bonds issued through the State of Missouri for equipment at the Hawthorn, Iatan and LaCygne power plant. Since this relates to a Pollution Control Bond it should be assigned to the GENCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gregg Clizer
- Account No.: 831015 Commitment Exp – S T Loans
- Business Unit: HOLDING CO
- Basis for Business Unit Allocation from the source document:

This account relates to the expense associated with the bank lines of credit used as liquidity support for the company's unsecured commercial notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 831016 Interest on Unsecured Notes
- Business Unit: HOLDING CO
- Allocation Basis:

Interest on Unsecured Notes reflects interest on commercial paper . The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Beth Walther
- Account No.: 831017 Interest on Customer Deposits
- Business Unit: DELIVERY
- Allocation Basis:

This account is used to record the interest expense for interest that has been earned by the company's customers on deposits held in account 235000.

**COST ALLOCATION MANUAL
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- Prepared by: Bob Loft
- Account No: 831018 Interest on Miscellaneous Accounts
- Business Unit: DELIVERY,POWER,SUBSIDIARY,HOLDING CO
- Allocation Basis:

Interest expense on deferred officer salaries and Director's fees. The expenses in HOLDING CO are allocated to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 831019 Interest Expense-WCNOC
- Business Unit: POWER
- Allocation Basis:

WCNOC other interest and deferred compensation

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burright
- Account No.: 831021 Interest Expense-IRS Settlement
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures any interest expense relating to an IRS settlement. Interest expense is allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 831022 Interest Expense-TOPrS
- Business Unit: HOLDING CO
- Allocation Basis:

This account is allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gregg Clizer
- Account No.: 831024 Int Agmt \$100M 032000-032002
831025 Int Agmt \$75M 032000-032002
831026 Int Agmt \$25M 032000-032002
- Business Unit: HOLDING CO
- Allocation Basis:

These Interest Rate Agreements (Caps) are used as a hedge against interest rate risk for the variable rate Series F medium term notes. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the capital allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 832001 AFDC-Borrowed Funds-CWIP
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 832002 AFDC-Borrowed Funds-N Fuel
- Business Unit: POWER
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Sandra Milton
- Account No: 834000 Extraordinary Item-Income
- Business Unit: POWER,HOLDING CO
- Allocation Basis:

This account is income related to the pension adjustment for the pension accounting change. The income is allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Chris Stephens
- Account No.: 901000 – 916022 Customer and Sales Expenses
- Business Unit: DELIVERY
- Allocation Basis:

These accounts represent customer and sales expenses derived from servicing electric customers in the DISCO operating division. However, Account 912060-Sales Exp-Sales Promo-Fly Ash is directly assigned to the GENCO operating division because sales of fly ash are tied to the Generation Stations.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 920000 Admin & General Misc Labor Exp
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes costs related to managing KCPL's A&G operations and related expenses. Costs are classified to an operating division based on the Department Code. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 920010 A&G-Western Resources Merger Activity
- Business Unit: DELIVERY,HOLDING CO
- Allocation Basis:

Internal labor costs relating to the merger between KCPL and Western Resources are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 920020-920022 A&G Claims-Property/Personal/Work Comp
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

Property, Personal and Workman Compensation expenses incurred to investigate and resolve claims due to personal injury, workmen's compensation and damage to company property. These expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 920030 Administrative and General Salaries-WCNOC
- Business Unit: POWER
- Allocation Basis:
WCNOC Administrative and General (A&G) salaries related to Wolf Creek.

**COST ALLOCATION MANUAL
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- Prepared by: Phil Anthony
- Account No.: 920040 Unknown Distribution-Net Accruals
- Business Unit: HOLDING CO
- Allocation Basis:

This account is for the SUPPT operating division accruals that do not have a valid accounting distribution. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Phil Anthony
- Account No.: 920042 Default Procurement Card
- Business Unit: HOLDING CO
- Allocation Basis:

This account is for the SUPPT operating division credit card purchases. Other credit card purchases have their own operating division assigned account number. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 920090 A&G-Discounts Lost
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes cost of discounts lost on A&G related purchases because invoices were not paid until after the discount period had expired. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 920100 Admin & General Supervision
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes costs related to supervising KCPL's A&G operations and related expenses. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 920200 Admin & General Bldg Operation
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes cost of building operations related to A&G activities. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 920300 Admin & General Other Expense
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes cost of office supplies and other miscellaneous expenses related to A&G operations. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 920400 Admin & General Training & Seminars
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes cost to attend seminars and create, present and attend training programs. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 921000 A&G Exp-Oper-Office Exp
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes postage and miscellaneous expenses related to A&G operations. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 921001 Non-Labor Trans
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes cost of office supplies and other miscellaneous expenses related to A&G operations. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 921100 Administrative and General Expenses-WCNOC
- Business Unit: POWER
- Allocation Basis:

Wolf Creek office supplies and expenses are assigned to the WCNOC operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 921201-921202 A&G Allocation to Subsidiaries & Partners
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

Administrative and General expenses transferred are directly assigned to the DISCO operating division for customer related expenses and to the GENCO operating division for the partners' share of production related expenses. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- *Prepared by:* Ray West
- *Account No.:* 922000 A&G Exp-Oper-Exp Trf-Cr
- *Business Unit:* DELIVERY,POWER,HOLDING CO
- *Allocation Basis:*

This account includes credits for A&G capitalized expense in Journal 510. Costs are classified to an operating division based on the Department Code. The expenses in *HOLDING CO* are allocated to *DELIVERY & POWER* using the *labor allocator*. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from *HOLDING CO* to *DELIVERY, POWER* and *SUBSIDIARY* using the *Massachusetts allocator*.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 923000 A&G Exp-Oper-O/S Services
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense for outside legal fees related to litigation. Costs are classified to an operating division based on the Department Code.

The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 924000 Property Insurance
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

The costs of insurance to protect against losses and damages to owned and leased property used in utility operations. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 924100 Property Insurance-WCNOC
- Business Unit: POWER
- Allocation Basis:

Wolf Creek property insurance which is assigned to the WCNOC operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 925001-925050 Injury & Damages
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

The cost of insurance for liability, medical and workmen's compensation. The provision account (925030) is directly assigned to DELIVERY. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 925100 Injury & Damages-WCNOC
- Business Unit: POWER
- Allocation Basis:

Wolf Creek injuries and damages (Capital, employee, other) which are assigned to the WCNOC operating division .

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926001 Emp Ben-Admin Benefit Pack
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expenses related to employee's benefit package. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926002 Emp Ben-Cost of Ed Assist Prgm
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense related to education assistance for employees. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926003 Emp Ben-Recreational Activities
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense related to employee recreational activities. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926004 Emp Ben-Cost of Misc Benefits
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense related to miscellaneous benefits. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926006 Emp Ben-Admin ESP (401K)
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense to administer the Employee Savings Plan. Cost is *classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.*

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926007 Emp Ben-Admin Group Ins Claims
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense to administer group insurance claims. Cost is classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926009 Emp Ben-Empl Purch-Major Electr-R
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense from employee heat pump sales. Costs are classified to an operating division based on the Department Code.

The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Ray West
- Account No.: 926010 Emp Ben-Fin Empl Purch-Maj Ele
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense from employee electrical appliance sales. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926011 Emp Ben-Survivor's Benefit
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense expense of survivor's benefit payments. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926013 Emp Ben-Employee Organizations
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense labor and miscellaneous expense to administer company organizations. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926014 Emp Ben-Employee Publications
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense labor and miscellaneous expense to produce and publish employee publications. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926015 Emp Ben-Company Wide Empl Comm
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense labor and miscellaneous expense to administer employee communication programs. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926016 Emp Ben-Physical Examinations
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense labor and miscellaneous expense to conduct employee physical examinations. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Gary Zimmerman
- Account No: 926019 Employee Benefits-Miscellaneous Related to WCNO
- Business Unit: POWER
- Allocation Basis:

Wolf Creek miscellaneous employee benefits which are assigned to the WCNO
operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 926020-926030 Employee Benefits-Severance Pay/401K
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

The costs of severance allowances and termination payments either in a lump sum or in monthly payments and the cost of the company's contribution to the employee savings plan-401K Plan in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Gary Zimmerman
- Account No: 926040 Employee Benefits-Life Accident Hospital Costs-WCNOC
- Business Unit: POWER
- Allocation Basis:

Wolf Creek employee benefits (life, accident, hospital costs) which are assigned to the WCNOC operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 926041 Employee Benefits-Pensions Costs-WCNOC
- Business Unit: POWER
- Allocation Basis:

Wolf Creek employee benefits (Pension Costs) which are assigned to the WCNOC operating division.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Ray West
- Account No.: 926050 Emp Ben-Capital Accum Plan
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense of employee capital accumulation plan. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926060 Emp Ben-LTD Insurance
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense of insurance premiums related to long term disability of employees. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926061 Emp Ben-Dental Insurance
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense of KCPL's insurance premium related to employee dental insurance. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 926062 Emp Ben-Vision Insurance
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes expense of KCPL's insurance premium related to employee vision insurance. Costs are classified to an operating division based on the Department Code. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 926100 Group Life & Accident Insurance
- Business Unit: HOLDING CO
- Allocation Basis:

The cost of group life and accident insurance. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 926200 Pension Expense
- Business Unit: HOLDING CO
- Allocation Basis:

Pension cost expense recorded in compliance with FAS 87. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 926300 Medical Coverage
- Business Unit: DELIVERY,HOLDING CO
- Allocation Basis:

Cost of group hospitalization and medical insurance. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Sandra Milton.
- Account No: 926401 Post-Retirement-WCNOC
- Business Unit: POWER
- Allocation Basis:

Accrued expense for Wolf Creek's employee post-retirement and life insurance.
These costs are directly assigned to the WCNOC operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 926402 Post-Retirement-Health & Welfare
- Business Unit: HOLDING CO
- Allocation Basis:

Accrued expense for employee post-retirement and life insurance. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 926501 Group Insurance Transferred-WC
926502 Post Retired Health & Welfare Transfer
926510 Group Insurance-Pension Transfer-Capital and O&M
926511 O&M Benefits-Contra
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

These accounts represent the transfer of company benefits to the various operational areas by using a loading % established by the Budget Department. This process allows the benefit costs of employees, reflected in accounts 926001-926062, to follow the labor costs. The primary purpose of this procedure is to achieve fully allocated costs to the identifiable activities. The expense associated with Wolf Creek are assigned to the WCNOG operating division. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator. However, when the expenses are associated with a department that is indirectly involved with the subsidiaries, those expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the Massachusetts allocator.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Ray West
- Account No.: 928001 Reg Comm Exp-MPSC Assessment
- Business Unit: DELIVERY
- Allocation Basis:

This account includes expense of KCPL assessments related to regulated business. Costs are assigned to the DISCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 928002 Reg Comm Exp-KCC Assessment
- Business Unit: DELIVERY
- Allocation Basis:

Reg Comm Exp-KCC Assessment - Includes expense of KCPL assessments related to regulated business. Costs are assigned to the DISCO operating division.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Sandra Milton
- Account No: 928003 Regulatory Commission Expense-Ferc Assessment
- Business Unit: DELIVERY
- Allocation Basis:

Reg Comm Exp-FERC Assessment-Includes expense of FERC assessments related to regulated business. The expenses are directly assigned to the DISCO operating division.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Ray West
- Account No.: 928011 Reg Comm Exp-Mo Proceeding Exp
- Business Unit: DELIVERY
- Allocation Basis:

This account includes KCPL expense of proceedings with the Missouri Commission related to regulated business. Costs are assigned to the DISCO operating division.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Ray West
- Account No.: 928012 Reg Comm Exp-Ks Proceeding Exp
- Business Unit: DELIVERY
- Allocation Basis:

Reg Comm Exp-Ks Proceeding Exp - Includes KCPL expense of proceedings with the Kansas Corporation Commission related to regulated business. Costs are assigned to the DISCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 928021 Regulatory Commission Expense-MPSC Rate Design
- Business Unit: DELIVERY
- Allocation Basis:

These are costs incurred in connection with electric rate design cases before the Missouri Public Service Commission. The expenses are directly assigned to the DISCO operating division.