

Kansas City Power and Light Company
Case No. ER-2012-0174

Revenue Requirement Reconciliation		Reconcile Staff 3-31-12 Case with KCP&L 3-31-12 Cutoff			Reconcile Staff 3-31-12 Case with KCP&L 8-31-12 Projected Update				
Line No.									
1	Kansas City Power & Light Revenue Requirement Total Difference								
2									
3	Rate of Return & Capital Structure								
4	Value of Capital Structure Issue - Staff / Company		3,705,266						
5	Capital Structure impact on Interest Expense Deduction		7,746,240						
6	Return on Equity Issue - KCPL-10.4%, Staff - 9.00%		(24,561,635)						
7	Sub-Total Rate of Return and Capital Structure Differences				(13,109,128)				
8									
9	Rate Base Issues :								
10	Plant in Service:								
13	Retirement of General Plant not in Company's March case	(265,961)				146,337			timing
14	Distribution Field Intelligence Support	0				(56,705)			
17	Plant not at issue (Allocation Issue)	(3,328,641)				(8,882,596)			
18	Sub-Total - Plant in Service		(3,594,601)				(6,792,963)		
19									
20	Depreciation Reserve								
22	Acquisition detriment-premature retirements	(602,322)				(602,322)			
23	Retirement of General Plant not in Company's March case	265,951				(146,347)			
25	Depreciation Reserve (Allocation)	1,098,625				5,648,524			
26	Sub-Total - Depreciation Reserve		762,254				4,899,654		
27									
28	Add to Net Plant								
29	Cash Working Capital	1,680,836				1,546,744			Net with line 30,31 and 32
30	Federal Tax Offset	(164,300)				(164,300)			Net with line 29
31	State Tax Offset	(34,682)				(34,682)			Net with line 29
32	Interest Expense Offset	(1,229,690)				(1,229,690)			Net with line 29
34	Sub-Total - Cash Working Capital		252,163				118,071		timing
35	Materials and Supplies		(2,764)				(2,705)		allocation
36	Prepayments		2,843				2,853		allocation
37	Prepaid Pension Asset		0				616,064		timing
38	Regulatory Asset Excess Act FAS 87 vs Rate Recovery		0				(137,634)		timing
39	Regulatory Asset Demand Side Management		0				(462,173)		timing
40	Regulatory Asset (Liab) - OPEB's		0				30,978		timing
41	Regulatory Asset - Iatan 1, 2 & Common Plant		0				41,513		timing
42	Fuel Inventory - Coal	(42,001)				55,019			
43	Fuel Inventory - Oil	(9,844)				18,032			
44	Fuel Inventory Lime/Limestone/Ammonia	(11,395)				(14,828)			
45	Powder Activated Carbon (PAC)	11,509				11,509			
46	Sub-Total - Fossil Fuel Inventory		(51,731)				69,632		
47	Nuclear Fuel		10,690				(208,415)		timing
48	Renewable Energy Standards -100% MO		0				(902,964)		
49	Renewable Energy Standards -Allocated		(474,301)				(25,687)		
50	Subtract from Net Plant								
52	Deferred Gain on SO2 Emissions-100% MO		0				(119,275)		timing
53	Deferred Gain on SO2 Emissions-Allocated		(143)				2,434		timing
56	Accumulated Deferred Income Tax		(1,125,542)				2,424,792		
59									
60	Sub Total - Rate Base Issues				(4,221,153)			(2,440,575)	
61									
62	Income Statement - Revenue Issues								
63	Booked Revenue - Unadjusted		78,501				78,501		allocation
64									

**Kansas City Power and Light Company
Case No. ER-2012-0174**

65	Retail KWH Sales Revenue						
67	Billing Adjustments	(568,658)				(568,658)	
69	Weather Adjustment	279,655				279,655	
70	Annualize Rate Change	88,774				88,774	
71	Annualize Large Power Service	(102,064)				(102,064)	
72	365 day Adjustment	(1,191,689)				(1,191,689)	
73	Growth Adjustment	(3,554,706)				(3,554,706)	
75	Eliminate test year tie to Revenue Rpt 1 - Note (b)	0				0	
77	Sub-Total - Retail KWH Sales Revenue		(6,048,668)				(5,048,668)
78							
79	To annualize firm Bulk Sales-Energy		(1,045,800)				(1,045,800)
80	Firm Bulk Sales Capacity & Fixed		(37,967)				(37,967)
81	Return bulk margins-excess of 25th %, incl interest, over 10 yrs- (MO only)		(9,873)				(8,049)
82	Non Firm Off System Sales - Unadjusted Margins	(166,006)				(166,006)	
83	Non Firm OSS for SPP off-system line losses	562,114			net with line 84	562,114	net with line 82
84	Non firm OSS for Purchases for resale	(1,048,618)			net with line 84	(1,048,618)	net with line 82
85	Non-Firm OSS for Revenue neutrality uplift charges	518,237			net with line 84	518,237	net with line 82
86	Normalize Nonfirm Sales Margin	(11,904,793)			net w lines 81-85	(5,502,701)	net w lines 79-81
87	Eliminate Cost of Bulk Power Sales	54,775				54,775	
88	Sub-Total - Non-Firm OSS		(11,984,292)				(5,582,189)
90	To adjust Late Payment Fees		(100,921)				(100,921)
93	Other Misc. & Adjustments		1,890,339				1,718,124
97	Rent from Property -MO -Iatan Site Lease		0				22,548
98	Sales recorded below the line on KCPL's books		(328,262)				(328,262)
99	Sub Total - Revenue Issues			(16,587,143)			(10,332,894)
100							
101	Income Statement - Expense Issues						
102	Total Oper. & Maint. Expense - Unadjusted, excluding depreciation		(1,305,649)				(1,302,919)
103	Annualize Fuel Expense	12,103,378				14,575,186	
104	Annualize Purchased Power Energy Charges	(18,433,973)				(17,682,970)	
105	Fuel and Purchase Power-Energy and Demand Costs		(6,330,594)				(3,107,784)
106	Annualize KCREC Bank Fees		(10)				(3,552)
108	Normalize Severance Costs (ORVS)		(969,796)				(969,796)
109	Normalize 401k costs		(42,907)				(42,907)
110	Adjust FAS 87 and FAS 88 and FAS 158 pension expense		(1,110,755)				(1,339,232)
111	Adjust SERP pension expense		(181,169)				(244,709)
112	Adjust OPEB's		(177,761)				(138,399)
114	Iatan 2 Common O&M - Ongoing level		(949,626)				(949,626)
115	Iatan 2/Common O&M - Amortization of Tracker		(4,182)				(136,204)
116	Annualize Customer Accts expense for credit card payment costs		(82,815)				(14,970)
122	CS-11 Adjustment Incl Equity Compensation		13,836				17,858
123	Annualized amount for injuries and damages		4,559				4,559
124	Annualize Injuries and Damages Insurance		797				(4,430)
126	Annualized Property Insurance Electric and Iatan 2		61,099				(188,908)
127	Property Tax Annualization		(137,723)				(563,891)
128	Annualize Renewable Energy Standards (100% MO)		332,625				(1,935,784)
130	2011 Flood Amortization		(1,272,809)				(3,374,753)
131	Adjust Outside Services AVC 923		(156,359)				(156,359)
132	Amortization of Iatan 1, 2, & Common Regulatory Assets		705				1,274
133	Missouri Economic Relief Pilot Program (ERPP) (MO only)		(462,030)				(1,403,067)
134	Transmission of Electricity by Others		35,569				(8,556,739)
135	Advertising - Institutional and Image, Excluding DSM		(78)				(78)
136	Adj (Staff) or Reverse (KCPL) test year gen tax exp for KCMO Earnings Tax		-		Footnote (a)		-
138	NORMALIZE BAD DEBT-Rate & Weather normalized revenues	46,399				109,096	
139	Add Incremental Bad Debt - Revenue Requirement	(784,183)				(1,011,179)	
142	Sub-Total - Bad Debt Expense		(737,764)				(902,083)
144	Amortization of SO2 Proceeds		(1)				4,144
145	Amortization of Merger Transition Costs		(3,868,803)				(3,868,803)

Kansas City Power and Light Company
Case No. ER-2012-0174

146	Misc. Disallowances (excl dues/donations/advertising)	(53,686)			(53,686)		timing
147	Payroll Annualization	(1,353,436)			(1,353,435)		
148	Incentive Comp-Value Link (See CS-11 for Equity Comp)	(154,330)			(154,330)		timing
152	Amortize DSM Deferral (excl DSM advertising)	-			(860,636)		timing
153	SPP Schedule 1 Admin Fees	(2,995)			(899,109)		
154	Other Miscellaneous Benefits	(1,042,754)			(1,042,754)		timing
155	Wolf Creek Refueling Outage	(265,841)			(265,841)		timing
156	Distribution Field Intelligence Support	-			(547,180)		
158	Annualize Commission Assessment	(22,765)			(225,038)		timing
160	REGULATORY EXPENSES-Rate Case Expense	117,718			(423,429)		
164	Annualize Depreciation Expense	1,489,550			563,321		
165	Annualize Depreciation Charged to O&M (Unit Trains and Vehicles)	(1,634,801)			(1,640,725)		
166	Total Oper. & Maint. Expense - Unadjusted Depreciation	(94,659)			(97,369)		
168	Sub-Total - Depreciation Expense	(239,910)			(1,174,772)		timing
170	O&M Maintenance Expense Adjustments - Nuclear	(715,868)			(715,868)		timing
171	O&M Maintenance Expense Adjustments - Transmission	29,556			29,556		timing
172	O&M Maintenance Expense Adjustments - Distribution	(286,573)			(286,573)		timing
173	Amortization - Limited Term Plant	2,563			(1,096,835)		timing
174	Annualize Payroll Tax	(76,285)			(76,285)		timing
175	To Normalize lease expense	(11,056)			(18,013)		timing
176	Adjust Dues & Donations	(28,633)			(28,633)		timing
178	Reconciliation Error - O&M Expense	106			44		
179	Sub Total - Operations & Maintenance Expense Issues	(21,445,839)			(38,369,985)		
180							
181	Income Tax Issues - Income Statement						
183	Annualized Depreciation Expense (Book)	889,123	Net with 184		290,324		timing
184	Depreciation on Vehicles/Unit Trains cleared to O&M	(818,671)	Net with 183		(822,252)		timing
185	Book Amortization - Intangible Plant / Leaseholds	(29,136)			(713,887)		timing
186	Meals & Entertainment	(234,842)			(173,790)		timing
188	Nuclear Fuel Amortization - Add Back Book	178,233			178,233		timing
191	IRS Deduction - Amortization - Intangible Plant	0			525,091		timing
192	IRS Deduction - Nuclear Fuel	(14,814)			(14,814)		timing
193	Production Income Deduction	0			0		
194	Employee 401-K ESOP deduction	(940,211)			(940,211)		timing
195	Impact of Wind/R&D Credits	(66,883)			(398,056)		timing
196	Impact of Fuel/New Hire Credits	(81,256)			(81,256)		timing
197	Tax Depreciation in Excess of S/L - Regular	(703,715)			(2,283,784)		timing
198	Tax Amortization - Intangible Plant - Excess over S/L Amortization	23,243			182,954		timing
199	Tax Amortization-Nuclear Fuel - Excess over S/L Nuclear	(147,793)			(147,793)		timing
201	Tax Straight Line Depreciation IRS Deduct-Tax Depreciation	0			2,033,338		timing
202	Amortization of Excess Deferred Tax	0			18,753		timing
203	Investment Tax Credit	(1,144,369)			(1,144,422)		
204	Amortization of Prior Deferred Taxes	0			(654,380)		timing
210							
211	Total Income Tax Differences	(33,111,091)			(34,145,954)		
212							
213	Difference in Tax Gross Up Factor	(565,977)	Footnote (a)		(734,496)	Footnote (a)	
214							
215	Total Value of All Issues	(\$59,040,331)			(\$85,183,019)		
216							
217	Unreconciled Difference/Rounding	(225,157)			(200,373)		
218			EMS			EMS	
219	Staff Revenue Requirement at March 31, 2012	\$27,164,523	\$27,164,523		\$27,164,523	27,164,523	
221	Unreconciled Difference/Rounding		(\$0)			(0)	
222			diff from EMS			diff from EMS	

**Kansas City Power and Light Company
Case No. ER-2012-0174**

223	Footnotes				
224					
225	a) There are multiple components of the Kansas City MO Earnings Tax issue embedded in the rows related to rate base and 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 \$ 566,000 at 3-31-12 and \$734,000 at Projected 8-31-12, including consideration of earnings tax on the Company's requested revenue requirement in this case and as reduced by the impact of the difference between Staff and Company rate base and ROR. If the authorized revenue requirement is different from that proposed by either Staff or Company, the associated earnings tax impact would also change.				
226	b) Through discussions with the Company both Staff and Company realized there is an issue with General Ledger Revenues. The Company has filed surrebuttal testimony. The value of the issue is not yet quantified.				
227	c) Staff's adjustment for the arbitration settlement referenced in Staff's rebuttal testimony was not included in Staff's March 31, 2012 accounting schedules.				
228	Office of the Public Counsel				
229	Return on Equity - 9.1%			\$ 1,499,721	
230	Value of Capital Structure Issue - OPC/Staff			\$ (699,870)	
231	Capital Structure impact on Interest Expense Deduction			\$ (7,011,011)	
232	Rate Case Expense			\$ (473,893)	
233					
234	Office of the Public Counsel - Revenue Requirement			\$ (6,685,053)	20,479,470
235					
236	United States Department of Energy				
237	Return on Equity - 9.5%			\$ 8,765,034	
238	Value of Capital Structure Issue - DOE/Staff			\$ 6,598,771	
239	Capital Structure impact on Interest Expense Deduction			\$ (1,803,928)	
240					
241	United States Department of Energy - Revenue Requirement			\$ 13,558,876	40,724,399
242					
243	Missouri Industrial Energy Consumers				
244	Renewable Energy Standard Costs			\$ (2,072,871)	
245	OVRS			\$ (1,004,885)	
246	Bad Debt Expense			\$ (2,843,757)	
247	Overtime			\$ (809,807)	
248	SPP Line Loss Charges			\$ (775,347)	
249	Adjustment for purchase for resale			\$ (520,903)	
250	SPP RNU charges			Note 2	
251	Flood Cost Amortization-Lost OSS revenues			Note 1	
252	Mutual Assistance			\$ (468,000)	
253	Fuel Costs			\$ (812,000)	
254	Off System Sales Revenues			\$ (17,710,000)	
255	Transmission Revenues			Note 1	
256	Interim Energy Charge			Note 2	
257	Renewable Energy Standard Cost Tracker			Note 2	
258	Property Tax Tracker			Note 2	
259	Missouri Industrial Energy Consumers- Revenue Requirement			\$ (27,017,570)	146,953

Note 1: Annualization and identification of the amount performed at True-Up
Note 2: No Revenue Requirement Value in the current case.