

Staff-4

FILED  
October 31, 2007  
Data Center  
Missouri Public  
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Kansas City Power & Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Implement its Regulatory Plan	) ) ) ) )	Case No. ER-2007-0291
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**RECONCILEMENT/RECONCILIATION**

Comes now the Staff of the Missouri Public Service Commission (Staff) and files the following Reconcilement/Reconciliation that the Commission directed in its April 5, 2007 Order Setting Procedural Schedule be filed on September 28, 2007. Those line items that are shown on the Reconcilement/Reconciliation with the designation "True-Up Difference" are items for which there is a revenue requirement difference between the Staff's case at March 31, 2007, and KCPL's case projected at September 30, 2007, for which the Staff believes there will not be a revenue requirement difference after the true-up as of September 30, 2007.

Respectfully submitted,

/s/ Steven Dottheim

Steven Dottheim  
Chief Deputy General Counsel  
Missouri Bar No. 29149

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-7489 (Telephone)  
(573) 751-9285 (Fax)  
steve.dottheim@psc.mo.gov

Exhibit No. 204  
Case No(s) ER-2007-0291  
Date 10/1/07 Rptr NV

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mail to all counsel of record this 28th day of September 2007.

/s/ Steven Dottheim

Kansas City Power and Light				
ER-2007-0291				
Revenue Requirement Reconciliation / Reconciliation				
Line No.				
1	Kansas City Power & Light Revenue Requirement		38,074,512	
2				
3	<b>Rate of Return &amp; Capital Structure</b>			
4	Value of Capital Structure Issue - Staff / Company	(56,905)		True-Up Difference
5	Capital Structure impact on Interest Expense Deduction	\$331,944		True-Up Difference
6	Return on Equity Issue - KCPL-11.25%, Staff - 9.72%	(\$18,546,824)		<b>Issue for Hearing</b>
7	Sub-Total Rate of Return and Capital Structure Differences		(\$18,271,785)	
8				
9	<b>Rate Base Issues :</b>			
10	Projection Change	3,038,247		True-Up Difference
11	Transfer Reg Plan Amortization	716,967		True-Up Difference
12	Plant not at Issue	(9,089,558)		True-Up Difference
13	Depreciation Reserve	3,896,103		True-Up Difference
14	Cash Working Capital	(227,329)		True-Up Difference
15	Materials and Supplies	5,033		True-Up Difference
16	Prepayments	(6,750)		True-Up Difference
17	Prepaid Pension Asset EO-2005-0329	58,986		True-Up Difference
18	Regulatory Asset Excess Actual FAS 87 vs Rate Recovery	269,072		True-Up Difference
19	Regulatory Asset Demand Side Management	0		
20	Fuel Inventory - Coal	(122,313)		True-Up Difference
21	Fuel Inventory - Oil	430,641		True-Up Difference
22	Fuel Inventory Lime/Limestone	10,027		True-Up Difference
23	Nuclear Fuel	(45,064)		True-Up Difference
24	Regulatory Asset - Regulatory Expense	(242,502)		<b>Issue for Hearing</b>
25	Deferred Costs-STB litigation	(191,927)		<b>Issue for Hearing</b>
26	Deferred Costs-LED-LDI project	0		
27	Deferred Costs-CORPDP-KCPL	0		
28	Customer Deposits	16,858		True-Up Difference
29	Contributions in Aid of Construction	(115)		True-Up Difference
30	Accumulated Deferred Income Tax	(585,778)		True-Up Difference
31	Accumulated Amortization for Depr. ER-207-0291	(716,967)		True-Up Difference
32	Regulatory Liability - Emission Allowance Sales	(79,407)		True-Up Difference
33				
34	Sub Total - Rate Base Issues		(\$2,865,775)	
35				
36	<b>Income Statement - Revenue Issues</b>			
37	Booked Revenue - Unadjusted	(\$156,613)		True-Up Difference
38	Annualize Customer Growth	\$206,223		True-Up Difference
39	Annualize Large Power Customers	(\$1,171,266)		True-Up Difference
40	Normalize Test Year for Weather	\$222,346		True-Up Difference
41	Annualize rate increase effective 1-1-07	\$621,533		True-Up Difference
42	To adjust Test Year to 365 Days	(\$188,461)		True-Up Difference
43	Adjust to Staff's revenue levels	(\$828,653)		True-Up Difference
44	<b>Non Firm Interchange - Net Margin</b>			
45	Off System Sales Margin	(\$4,934,626)		True-Up Difference
46	Off System Sales - Cost of Sales	\$123,053		True-Up Difference
47	Non Firm Off System Sales - Unadjusted	(\$342,698)		True-Up Difference
48	Sub-Total - Non Firm Off System Sales	(\$5,154,271)		True-Up Difference
49	To Adjust for Rate Switchers	\$1,138,278		True-Up Difference
50	To Reclassify Bulk Power Rev. as Transmission Revenue	\$57,291		True-Up Difference
51	To Annualize Firm Bulk Power - Energy Revenue	\$65,678		True-Up Difference
52	Firm Power - Other Misc	(\$1,896)		True-Up Difference
53	Firm Power - Remove H5 Subrogation	\$6,557		True-Up Difference
54	Normalize Transmission Revenue	(\$8,302)		True-Up Difference
55				
56	Sub Total - Revenue Issues		(\$5,191,556)	
57				
58	<b>Income Statement - Expense Issues</b>			
59	Total Oper. & Maint. Expense - Unadjusted		384,248	True-Up Difference
60	Annualize Purchased Power-Energy	2,256,400		True-Up Difference
61	Annualize Purchased Power-Demand	(1,174,644)		True-Up Difference
62	Annualize Fuel Costs	(5,544,107)		True-Up Difference
63	Fuel and Purchase Power-Energy and Demand Costs		(4,462,351)	True-Up Difference
64	Eliminate Dues and Donations		(71,164)	<b>Issue for Hearing</b>
65	Eliminate Amortization of AFUDC latan - Case No. ER-81-42		97,042	True-Up Difference
66	Bad Debts - Additional Adj. Pro-Forma "ASK"		(155,032)	True-Up Difference
67	Property Taxes		24,323	True-Up Difference
68	Annualize FAS 87 to reflect 2007 Expense, excl SERP		320,380	True-Up Difference
69	Reflect 5 yr amort - FAS 87/88 Regulatory Asset		66,900	True-Up Difference
70	Annualize 401k		(37,620)	True-Up Difference
71	Remove Long Term Incentive Compensation		(1,314,185)	<b>Issue for Hearing</b>
72	Remove KCPL's Washington DC Lobbyist		(49,899)	<b>Issue for Hearing</b>

73	Amortize Deferred DSM Program	(215,235)	True-Up Difference
74	Normalize LTD, Life and AD&D Insurance Costs	10,156	True-Up Difference
75	Normalize Bad Debt Expense	(241,253)	True-Up Difference
76	Adjust Regular Severance Costs	(356,102)	Issue for Hearing
77	Adjust Talent Assessment Severance Costs	(1,195,784)	Issue for Hearing
78	Annualize PSC Assessment	(158,690)	True-Up Difference
79	Annualize Rate Case Expense	(487,793)	True-Up Difference
80	Remove Non-Regulated Charges from GPE to KCPL	5,082	True-Up Difference
81	Reflect normal level of SERP costs	(274,255)	Issue for Hearing
82	To Normalize Miscellaneous Employee Benefits	(441,439)	True-Up Difference
83	Annualized Cost for Accepting Credit Card Payments	(74,960)	True-Up Difference
84	Normalize Wolf Creek Employee Benefit Costs	(325,691)	True-Up Difference
85	Annualize FAS 106 Costs	(119,109)	True-Up Difference
86	Banking Fees on Accounts Receivable	(20,411)	True-Up Difference
87	Annualize Payroll Taxes (excl Talent Assessment)	(5,224)	True-Up Difference
88	Payroll Annualization	(417,445)	True-Up Difference
89	Amortize Deferred Surface Transportation Costs	138,436	True-Up Difference
90	Incentive Compensation	(677,327)	Issue for Hearing
91	Production Maintenance Expense	589,178	True-Up Difference
92	Advertising	(0)	
93	Remove 100% of Resource 378 and 845 Meals	(250,413)	Issue for Hearing
94	Allocation Factor Shift - Sept 30 True UP	(1,800,000)	True-Up Difference
95	Wolf Creek Outage - Refueling Outage	190,137	Issue for Hearing
96	New LaCygne 1 SCR - Annual Oper & Mtce Cost	(1,254,053)	True-Up Difference
97	Tran & Distr (T&D) & Gen Maint Exp, excl ice storm	(562,739)	True-Up Difference
98	Transmission Operation Expenses	(2,596,409)	True-Up Difference
99	Medical Dental & Vision Benefit Costs	(1,081,855)	True-Up Difference
100	Annualize Depreciation Expense	(2,183,666)	True-Up Difference
101	Annualize Amortization Expense	137,937	True-Up Difference
102	Hawthorn Subrogation Proceeds	(2,456,009)	Issue for Hearing
103	KC Earnings Tax-General Taxes A/C 408	(117,297)	True-Up Difference
104	Remove Prior Period Activity (See also Rev Adj-18)	(166,875)	True-Up Difference
105	Reconciliation Error - O&M Expense	54,679	True-Up Difference
106	Sub Total - Operations & Maintenance Expense Issues	(\$21,551,786)	
107			
108	Cost of Removal	(\$1,127,948)	Issue for Hearing
109	Other Current Income Tax Differences	\$2,887,837	True-Up Difference
110			
111	Deferred Income Tax Differences	(\$2,286,011)	True-Up Difference
112			
113	Difference in Tax Gross Up Factor	81,624	True-Up Difference
114			
115	Total Value of All Issues	(\$48,325,400)	
116			
117			
118	Staff Revenue Requirement at March 31, 2007 - Prior to True-Up	(\$10,250,888)	
119	Add Estimate for True-Up on Staff's Case	\$24,658,830	
120	Estimate of Staff's Revenue Requirement - After True-Up to 9/30/2007	14,407,942	
121	Office of the Public Counsel		
122	Return on Equity - 10.1%	\$ 5,690,503	Issue for Hearing
123	Capital Structure	\$ (6,936,281)	Issue for Hearing
124	Net Margin on Off System Sales - 40th Percentile	\$ (6,619,946)	Issue for Hearing
125	Office of the Public Counsel - Revenue Requirement	\$ 6,542,218	
126	United States Department of Energy		
127	Five Year Amortization of Research & Development Tax Credits	\$ (490,000)	Issue for Hearing
128	Deferral of Test Year Cost of Obtaining Tax Credits	\$ (398,520)	Issue for Hearing
129	Five Year Amortization of Obtaining Tax Credits	\$ 79,704	Issue for Hearing
130	United States Department of Energy - Revenue Requirement	\$ 13,599,126	