

FILED³

NOV 13 2007

Missouri Public
Service Commission

Public Counsel
Exhibit No. 213
Case No(s). EP-2007-0091
Date 11/9/07 Rptr PF

Staff 9/30 EMS Run - 6.1% Discount Rate for Off Balance Sheet Obligations

Line		Total Company	Jurisdictional Allocation	Jurisdictional Adjustments	Jurisdictional Proforma
1	Additional net Assets on KCPL's balance sheet		30,810,117		
2	Rate Base	NA	1,251,517,071		
3	Net Assets supported by LTD & Equity		1,282,327,188		
4	Jurisdictional Allocator for Capital	Jurisdictional Rate Base / Total Company Rate Base	54.17%		
5					
6	Total Capital	Barnes Schedule 9	2,555,657,000	1,282,327,188	1,282,327,188
7	Equity	Barnes Schedule 9	1,372,092,000	53.69%	688,461,275
8	Preferred	Barnes Schedule 9	39,000,000	1.53%	19,568,651
9	Long-term Debt	Barnes Schedule 9	1,144,565,000	44.79%	574,297,262
10	Cost of Debt	Barnes Schedule 10	6.21%	#####	6.21%
11	Interest Expense	Line 13 * Line 14	71,077,487	35,663,860	35,663,860
12					
13	Retail Sales Revenue	Staff Accounting Schedule 9-1 plus Revenue Requirement	0	455,309,562	64,390,644
14	Other Revenue	Staff Accounting Schedule 9-1	0	125,268,142	125,268,142
15	Operating Revenue	Staff Accounting Schedule 9-1	0	580,577,704	64,390,644
16					
17	Operating & Maintenance Expenses	Staff Accounting Schedule 9-3 - Less Customer Deposit Interest		351,796,054	351,796,054
18	Depreciation	Staff Accounting Schedule 9-3		58,010,526	58,010,526
19	Amortization	Staff Accounting Schedule 9-3		4,421,356	64,390,644
20	Interest on Customer Deposits				0
21	Taxes other than income taxes	Staff Accounting Schedule 9-3		36,022,094	36,022,094
22	Federal and State income taxes	Staff Accounting Schedule 9-4		31,708,129	31,708,129
23	Gains on disposition of plant			0	0
24	Total Electric Operating Expenses	Sum of Lines 21 to 27	0	481,956,158	64,390,644
25					546,348,803
26	Operating Income	Staff Accounting Schedule 1-1 Line 3	0	98,619,545	0
27	less Interest Expense	- Line 15	-	(35,663,860)	-
28	Depreciation	Staff Accounting Schedule 9-3		58,010,526	58,010,526
29	Amortization	Staff Accounting Schedule 9-3		4,421,356	64,390,644
30	Deferred Taxes	Staff Accounting Schedule 9-4		14,034,622	(24,964,253)
31	Funds from Operations (FFO)	Sum of Lines 30 to 34	-	139,422,189	39,426,391
32					178,848,580
33	Net Income	Line 30 + Line 31	-	62,955,685	-
34	Return on Equity	Line 37 / Line 11	0.0%	9.1%	0.0%
35	Unadjusted Equity Ratio	Line 11 / Line 10	53.7%	53.7%	0.0%

Additional financial information needed for the calculation of ratios

36	Capitalized Lease Obligations	KCPL Trial Balance accts 227100 & 243100	2,304,485	1,248,289	1,248,289
37	Short-term Debt Balance	KCPL Trial Balance accts 231xxx	80,600,000	43,659,267	43,659,267
38	Short-term Debt Interest	KCPL T.B. accts 831014, 831015, 831016	6,713,072	3,636,325	3,636,325

Adjustments made by Rating Agencies for Off-Balance Sheet Obligations

39	Debt Adjustments for Off-Balance Sheet Obligations				
40	Operating Lease Debt Equivalent	Present Value of Operating Lease Obligations discounted @ 6.1%	86,834,678	47,036,456	47,036,456
41	Purchase Power Debt Equivalent	Present Value of Purchase Power Obligations discounted @ 6.1%	20,742,147	11,235,570	11,235,570
42	Accounts Receivable Sale	KCPL Trial Balance account 142011	70,000,000	37,917,477	37,917,477
43	Total OBS Debt Adjustment	Sum of Lines 50 to 52	177,576,825	96,189,503	96,189,503
44					
45	Interest Adjustments for Off-Balance Sheet Obligations				
46	Present Value of Operating Leases	Line 50 * 6.10%	5,296,915	2,869,224	-
47	Purchase Power Debt Equivalent	Line 51 * 6.10%	1,265,271	685,370	-
48	Accounts Receivable Sale	Line 52 * 5%	3,500,000	1,895,874	-
49	Total OBS Interest Adjustment	Sum of Lines 56 to 58	10,062,186	5,450,467	-

Ratio Calculations

50	Adjusted Interest Expense	Line 15 + Line 45 + Line 59	87,852,745	44,750,652	-
51	Adjusted Total Debt	Line 13 + Line 43 + Line 44 + Line 53	1,405,046,310	715,394,321	-
52	Adjusted Total Capital	Line 10 + Line 43 + Line 44 + Line 53	2,816,138,310	1,423,424,247	-
53					
54	FFO Interest Coverage	(Line 35 + Line 63) / Line 63	1.00	4.12	0.88
55	FFO as a % of Average Total Debt	Line 35 / Line 64	0.0%	19.5%	5.5%
56	Total Debt to Total Capital	Line 64 / Line 65	49.9%	50.3%	0.0%

Changes required to meet ratio targets

57	FFO Interest Coverage Target		3.80	3.80	0.00
58	FFO adjustment to meet target	(Line 73 - Line 67) * Line 63	245,987,686	(14,120,362)	(39,426,391)
59	Interest adjustment to meet target	Line 35 * (1 / (Line 73 - 1) - 1 / (Line 67 - 1))	#DIV/0!		#VALUE!
60					
61	FFO as a % of Average Total Debt Target		25%	25%	0%
62	FFO adjustment to meet target	(Line 77 - Line 68) * Line 64	351,261,578	39,426,391	(39,426,391)
63	Debt adjustment to meet target	Line 35 * (1 / Line 77 - 1 / Line 68)	#DIV/0!	(157,705,565)	157,705,565
64					
65	Total Debt to Total Capital Target		51%	51%	0%
66	Debt adjustment to meet target	(Line 81 - Line 69) * Line 65	31,184,228	10,552,045	-
67	Total Capital adjustment to meet target	Line 64 / Line 81 - Line 65	(61,145,545)	(20,690,284)	-

Amortization and Revenue needed to meet targeted ratios

68	FFO adjustment needed to meet target ratios	Maximum of Line 74, Line 78, or Zero	351,261,578	39,426,391	(39,426,391)
69	Effective income tax rate	Accounting Schedule 11	38.77%	38.77%	38.77%
70	Deferred income taxes *	- Line 87 * Line 88 / (1 - Line 86)	(222,414,035)	(24,964,253)	24,964,253
71	Total amortization required for the FFO adjustment	Line 87 - Line 89	573,675,612	64,390,644	(64,390,644)
72					
73	Retail Sales Revenue Adjustment	Adjustment = Sum(Line 21 to Line 25) * Line 27 - Line 18 - Line 31 + (Line 11 * Line 38) / (1 - Line 88)		455,309,562	64,390,644
74	Percent increase in retail sales revenue	Line 92 Jurisdictional Adjustments / Line 92 Jurisdictional			14.1%

* Adjusted for known and measurable changes including changes related to new plant in-service

Exhibit Marking

Schedule 3