

Kansas City Power and Light
ER-2006-0314
Revenue Requirement Reconciliation

Line No.			
1	Kansas City Power & Light Revenue Requirement	See Footnote	41,903,896
	<u>Rate of Return & Capital Structure</u>		
2	Value of Capital Structure Issue - Staff / Company	Non Issue / True-Up	(54,409)
3	Capital Structure impact on Interest Expense Deduction	Non Issue / True-Up	1,974,970
4	Return on Equity Issue - KCPL-11.50%, Staff - 9.37%		(23,647,145)
5	Sub-Total Rate of Return and Capital Structure Differences		(21,726,585)
	<u>Rate Base Issues :</u>		
6	AFUDC on Hawthorn 5 rebuild		(899,421)
7	Eliminate Depr. Related to AFUDC Adj.		57,883
8	Plant Additions - September 30 True Up	Non Issue / True-Up	(14,276,257)
9	Depreciation Reserve	Non Issue / True-Up	2,151,487
10	Cash Working Capital	Non Issue / True-Up	(1,095,663)
11	Prepayments	Non Issue / True-Up	(119,304)
12	Prepaid Pension Asset EO-2005-0329	Non Issue / True-Up	696,772
13	Regulatory Asset Excess Actual FAS 87 vs Rate Recovery	Non Issue / True-Up	(477,855)
14	Regulatory Asset Demand Side Management	Non Issue / True-Up	(208,116)
15	Regulatory Asset - Regulatory Expense		(189,786)
16	January 2002 Ice Storm		(193,963)
17	Deferred Costs-STB litigation		(82,419)
18	Deferred Costs-LED-LDI project		(119,267)
19	Deferred Costs-CORPDP-KCPL		(106,337)
20	Customer Deposits	Non Issue / True-Up	(11,058)
21	Contributions in Aid of Construction	Non Issue / True-Up	2,882
22	Regulatory Liability - Emission Allowance Sales	Allocation Issue	403,152
23	Sub-Total - Rate Base Issues		(14,467,270)
	<u>Income Statement - Revenue Issues</u>		
24	Booked Revenue - Unadjusted	Allocation Issue	(\$25,506)
25	Annualize Customer Growth	Non Issue / True-Up	(\$1,792,705)
26	Normalize Test Year for Weather		(\$2,557,251)
27	To adjust for Large Power manual billing, PLCC credits	Non Issue / True-Up	(\$469,434)
28	Off-System Sales Margin		(\$14,369,774)
29	To Annualize Firm Power Demand Revenue	Non Issue / True-Up	\$2,860
30	To Annualize Firm Bulk Power - Energy Revenue	Non Issue / True-Up	\$64,205
31	Firm Power - Other Miscellaneous	Non Issue / True-Up	(\$208,723)
32	Transmission Revenue	Non Issue / True-Up	(\$629,706)
33	PLCC Reversal	Non Issue / True-Up	\$394,655
34	Sub Total - Revenue Issues		(\$19,591,379)
	<u>Income Statement - Expense Issues</u>		
35	Total Oper. & Maint. Expense - Unadjusted	Allocation Issue	(2,199,928)
36	Fuel and Purchase Power-Energy and Demand Costs	Non Issue / True-Up	12,066,428
37	Eliminate Amortization of AFUDC latan - Case No. ER-81-42	Non Issue / True-Up	(194,085)
38	Nuclear Decommissioning		1,022,592
39	Amortize costs charged to Project "CORDP-KCPL"	Non Issue / True-Up	1,727
40	Amortize costs charged to Project "LED-LDI"	Non Issue / True-Up	1,647
41	Property Taxes		(1,605,434)
42	Annulaize FAS 87 to reflect 2006 Expense		(382,654)
43	Reflect 5 yr amortization - FAS 87 Regulatory Asset		(512,490)
44	Annualize 401k	Non Issue / True-Up	78,161
45	Remove Long Term Incentive Compensation		(899,007)
46	Amortize Deferred DSM Program	Non Issue / True-Up	(163,163)
47	Normalize LTD, Life and AD&D Insurance Costs	Non Issue / True-Up	(5,885)

Income Statement - Expense Issues

48	Normalize Bad Debt Expense		(146,023)	
49	Remove Severance Costs		(481,817)	
50	Annualize Customer Deposit Interest	Non Issue / True-Up	38,427	
51	Annualize Rate Case Expense		(587,708)	
52	Surface Transportation Board Complaint Case Costs	Non Issue / True-Up	(1,235)	
53	Adjust Bad Debt Expense for Weather Normalization Adj.	Non Issue / True-Up	52,726	
54	Annualized Cost for Accepting Credit Card Payments	Non Issue / True-Up	(1,338)	
55	Normalize Wolf Creek Employee Benefit Costs		105,940	
56	AAO Amortization-Ice Storm		(1,900,833)	
57	Annualize FAS 106 Costs	Non Issue / True-Up	(4,685)	
58	Banking Fees on Accounts Receivable	Non Issue / True-Up	(36,905)	
59	Annualize Payroll Taxes	Non Issue / True-Up	(131,171)	
60	Payroll Annualization		(2,033,634)	
61	Reflect Staff's Capitalization Ratio - A&G Payroll		(2,482,748)	
62	Incentive Compensation		(3,028,308)	
63	Production Maintenance Expense		(717,519)	
64	EEL Dues		(345,335)	
65	Advertising	Non Issue / True-Up	3,191	
66	Injuries & Damages		(585,151)	
67	Wolf Creek Outage - Maintenance Accrual	Non Issue / True-Up	(4,525)	
68	New Wind Generation - Annual Maintenance Cost	Non Issue / True-Up	(1,085,776)	
69	Supplemental Executive Retirement Plan Costs (SERP)		315,610	
70	Transmission and Distribution (T&D) Maint Expense		(915,474)	
71	Medical Dental & Vision Benefit Costs		(462,762)	
72	Annualize Depreciation Expense		(15,965,862)	
73	Annualize Depreciation Expense - Plant Additions at September 30	Non Issue / True-Up	(5,000,000)	
74	Annualize Amortization Expense	Non Issue / True-Up	44,123	
75	Amortize Costs Charged to Project "MSC 0140"	Non Issue / True-Up	34,792	
76	Lobbying Adjustment	Non Issue / True-Up	1,074	
77	Charitable Contributions Adjustment	Non Issue / True-Up	1,134	
78	KCPL Reconciliation Error - O&M Expense	Non Issue / True-Up	159,423	
79	Sub Total - Operations & Maintenance Expense Issues			(27,954,460)

Income Tax Issues - Income Statement

80	Miscellaneous Tax Timing Differences	Non Issue / True-Up	195,819	
81	Wind Production Tax Credit - True Up Adjustment	Non Issue / True-Up	7,099,535	
				7,295,354
82	Staff Revenue Requirement - Prior to Regulatory Plan Amortization			(34,540,444)
83	Regulatory Plan Amortization - Book Depreciation Increase			86,237,537
84	Staff Revenue Requirement After Regulatory Plan Amortization			51,697,092

Office of Public Counsel - Difference from Staff Position

85	OPC - Off-System Sales Margin		(5,163,054)	
86	OPC - Return on Equity - 9.90 %		5,340,797	
87	OPC - Capital Structure		953,714	
88	OPC - Eliminate Surface Transportation Complaint Case Costs		(160,307)	
89	OPC - SO2 Liability - Offset to Rate Base		99,654	
90	Revenue Requirement - OPC			52,767,896

Department of Energy - Difference from Staff Position

91	DOE - Off System Sales Margin		(5,163,054)	
92	DOE - Return on Equity - 9.00 %		(4,185,335)	
93	DOE - Eliminate Amortization of Ice Storm AAO		(2,661,169)	
94	Revenue Requirement - Department of Energy			39,687,534

⁽¹⁾ KCPL's Revenue Requirement of \$ 41,903,896 does not include the actual Known & Measurable Changes that relate to the September 30, 2006 true-up proceeding. KCPL expects its Revenue Requirement at the conclusion of the true-up proceeding to be in excess of its proposed revenue increase of \$ 55.8 million.

