

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 930100 A&G Exp-General Advertising
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes KCPL advertising expense related to regulated business. 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.: 930101 General Adv-General Advertising
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes labor and miscellaneous expense of KCPL's general advertising related to regulated business. 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: 930201 Misc A&G-Board of Director Fees
- Business Unit: HOLDING CO
- Allocation Basis:

Costs incurred by the board of directors 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.

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- Prepared by: Ray West
- Account No.: 930211 Misc A&G-Maintain Corp Visibility
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes labor and other expense of maintaining KCPL's corporate visibility related to regulated business. 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.: 930212 Misc A&G-Maintain Corp Web Site
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes labor and other expense of maintaining KCPL's corporate internet web site related to regulated business. 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.

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- Prepared by: Ray West
- Account No.: 930220 Misc A&G-Environmental Expense
- Business Unit: POWER,HOLDING CO
- Allocation Basis:

This account includes KCPL expense for participation in various environmental programs including the EPRI/Utility Air Regulatory Group research into air pollution from generating stations. 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.: 930230 Misc A&G-Company Assoc Dues
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes KCPL expense for dues in DELIVERY,POWER,HOLDING CO associations including the Civic Council of Greater Kansas City. 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.: 930231 Misc A&G-Edison Elect Inst Due
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes KCPL company dues for Edison Electric Institute. 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.: 930232 Misc A&G-EPRI Research Subscription
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes Amortization of EPRI hardware and software costs. Costs are classified to an operating division based on the Project Code. Costs are then mechanically transferred to the correct business unit through direct billing. 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: 930233 Misc A&G-Local Research Subscription
- Business Unit: HOLDING CO
- Allocation Basis:

Payments to Kansas Electric Utility Research Program (KEURP) and other local programs for support of local industry 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: 930241 Misc A&G-Capital Stock Expense
- Business Unit: HOLDING CO
- Allocation Basis:

Fees to capital stock register agents for recording or transferring stock ownership and payment of dividends, etc, financial notices and other miscellaneous stock expenses *other than costs of issuing or refinancing stock issues* 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: 930242 Misc A&G-Bond Expense
- Business Unit: HOLDING CO
- Allocation Basis:

Fees to trustee to administer payment and handling of interest coupons, interest on registered bonds, bond transfers, etc, and other miscellaneous debt expenses other than costs of issuing or refinancing debt 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: 930251 Annual Stockholder Report
- Business Unit: HOLDING CO
- Allocation Basis:

Costs incurred in the preparation, printing and mailing of the Annual Report to Stockholders 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: 930252 Other Investor Report
- Business Unit: HOLDING CO
- Allocation Basis:

Costs incurred in the preparation and review of financial reports, other than the Annual Report, which will be provided to shareholders, the Securities Exchange Commission (SEC), potential investors and other interested partners 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: 930253 Shareholder Programs
- Business Unit: DELIVERY,HOLDING CO
- Allocation Basis:

Costs incurred to develop and maintain shareholder programs. These costs include, but are not limited to: DRIP, routine shareholder notification, maintenance of shareholder records, etc. These expense 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.: 930261 Misc A&G-Support Industry Prog
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes KCPL payroll and other miscellaneous expenses to support industry programs related to Distribution 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.: 930262 Misc A&G-Manage DOT Compliance
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes KCPL payroll and other miscellaneous expenses to meet DOT compliance related to Distribution 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
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- Prepared by: Gary Zimmerman
- Account No: 930280 Miscellaneous General Expense-WCNOC
- Business Unit: POWER
- Allocation Basis:

Wolf Creek miscellaneous general expense (advertising, dues, memberships, etc.) relating to the WCNOC operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 931001 A&G Rent Exp
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes rent expense. Costs are classified to an operating division based on the Department Code. Costs are then mechanically transferred to the correct business unit through direct billing. 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: 931002 A&G Rent Expense and Maintenance Equipment
- Business Unit: DELIVERY,HOLDING CO
- Allocation Basis:

Lease payments and related maintenance for general and administrative office equipment other than duplicating equipment 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.: 931003 A&G Rent Exp and Mtce Dup Eq
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes rent expense and maintenance of duplication equipment related to distribution and marketing 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.: 931004 A&G Rent Exp-Office Equipment
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes rent expense of office equipment related to distribution and marketing 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.: 931005 A&G Rent Exp-PC Hdw-General
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes rent expense of personal computers related to distribution and marketing 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: Tom Boyd
- Account No.: 933000 Fleet Unit/Equipment Expense
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Fleet charges. 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.: 933100 Transportation & O Series Allo
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes transportation and O Series car expenses related to *distribution and marketing 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.: 935000 A&G Mtce of General Plant
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes maintenance of general plant expense. Costs are classified to an operating division based on the Department Code. Costs are then mechanically transferred to the correct business unit through direct billing. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Ray West
- Account No.: 935200 A&G Mtce of Communication Equipment
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account includes maintenance of communication equipment. Costs are classified to an operating division based on the Department Code. Costs are then mechanically transferred to the correct business unit through direct billing. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 980100,980102,980200 and 980202 InterUnit Billing/Overhead Revenue and Expense
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

InterUnit Billing/Overhead Revenue and Expense are accounts that contain the revenue and expense activity that occurs when one operating division charges another. This process creates revenue for one operating division and expense for the other operating division involved in the transaction.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 980101 and 980201 Unbundled Revenues & Expenses
- Business Unit: DELIVERY,POWER
- Allocation Basis:

The Regulatory Services Department analyzed retail revenue to determine how much revenue is required to provide equal rates of return for the Delivery and Power operationing divisions. The analysis, a functionalization of adjusted 1999 data, showed that approximately 67.44% of revenue is related to Power and 32.46% is related to Delivery. We anticipate using this revenue split until it is changed in a subsequent rate proceeding.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 999990 KCPL Plant Suspense
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the suspense item occurred.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Tom Boyd
- Account No.: 999991 Inventory suspense
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Inventory suspense is allocated from HOLDING CO to the operating divisions using the labor allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Beth Walther
- Account No: 999992 Revenue Suspense
- Business Unit: DELIVERY
- Allocation Basis:

This account is used for CIS system outages. The balance should always be zero.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Bob Loft
- Account No: 999993 KCPL Payroll Suspense
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

Labor amounts charged to invalid accounts. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Tom Boyd
- Account No.: 999994 Fleet suspense
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Fleet suspense is allocated from HOLDING CO to the operating divisions using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Olen Gibson
- Account No.: 999999 Accounts Payable Suspense
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

A query within PeopleSoft calculates percentages for allocating dollars back to the operating division listed above. See explanation for account 232001.

