

FILED<sup>3</sup>

NOV 13 2006

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

Missouri Public  
Service Commission

In the Matter of the Application of Kansas )  
City Power and Light Company for )  
Approval to Make Certain Changes in its )  
Charges for Electric Service to Begin the )  
Implementation of its Regulatory Plan. )

Case No. ER-2006-0314

**RECONCILIATION AND  
MOTION FOR LEAVE TO FILE RECONCILIATION  
OUT-OF-TIME**

COMES NOW the Staff of the Missouri Public Service Commission, by and through the Commission's General Counsel, and hereby files the attached Reconciliation<sup>1</sup> in the above-styled case pursuant to the Commission's Procedural Schedule of March 29, 2006. Staff further prays that the Commission will accept the attached Reconciliation filed one day out-of-time. This late filing was unavoidable in that Staff necessarily is dependent upon other parties to provide many of the values used in calculating the Reconciliation and some of those parties, despite Staff's repeated urgings, were dilatory.

WHEREFORE, Staff prays that the Commission will accept the attached Reconciliation and allow Staff to file the same one day out-of-time.

<sup>1</sup> Termed a "Reconcilement" by its author, Steve Traxler.

KCP Exhibit No. 46  
Case No(s) ER-2006-0314  
Date 10-16-06 Rptr KF

Respectfully submitted,

/s/ Kevin A. Thompson  
KEVIN A. THOMPSON  
Mo. Bar No. 36288

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Missouri Public Service Commission  
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For the Staff of the Missouri Public  
Service Commission

**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was served on *all of the parties of record or their representatives* as set out on the attached service list on this **11<sup>th</sup> day of October, 2006**, either by hand delivery, electronic mail, facsimile transmission, or First Class United States Mail, postage prepaid.

/s/ Kevin A. Thompson

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

Line No.			
1	<b>Kansas City Power &amp; Light Revenue Requirement</b>	See Footnote	<b>41,903,896</b>
	<b>Rate of Return &amp; Capital Structure</b>		
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%		<u>(23,647,145)</u>
5	Sub-Total Rate of Return and Capital Structure Differences		(21,726,585)
	<b>Rate Base Issues :</b>		
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	<u>403,152</u>
23	Sub-Total - Rate Base Issues		(14,467,270)
	<b>Income Statement - Revenue Issues</b>		
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	<u>\$394,655</u>
34	Sub Total - Revenue Issues		(\$19,591,379)
	<b>Income Statement - Expense Issues</b>		
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 later - 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	Annualize 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)

<b>Income Statement - Expense Issues</b>			
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)
<b>Income Tax Issues - Income Statement</b>			
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
<b>Office of Public Counsel - Difference from Staff Position</b>			
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
<b>Department of Energy - Difference from Staff Position</b>			
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

<sup>(1)</sup> 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.