

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 524100 Nuclear Generation-Decommissioning
- Business Unit: POWER
- Allocation Basis:

WCNOC Decommissioning Accrual in accordance with MPSC Case No. WO-9184, KCC Docket No. RC97-KCPE-527-Mis, and FERC Case No. ER86-273-001 & 002.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 524800 Nuclear Operation-Outage Accrual
- Business Unit: POWER
- Allocation Basis:

WCNOC Monthly accrual of anticipated operation expense in relation to future Wolf Creek scheduled outages.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 528000 Production-Nuclear Maintenance-Supervision & Engineering
- Business Unit: POWER
- Allocation Basis:

WCNOC Generation – Maintenance Supervision and Engineering

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 529000 Production-Nuclear Maintenance-Structure
- Business Unit: POWER
- Allocation Basis:

WCNOC Generation – Maintenance of Structure at Wolf Creek.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 530000 Production-Nuclear Maintenance-Reactor
- Business Unit: POWER
- Allocation Basis:

WCNOC Generation – Maintenance of Reactor at Wolf Creek.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Gary Zimmerman
- Account No: 530800 Nuclear Maintenance-Outage Expense Accrual
- Business Unit: POWER
- Allocation Basis:

WCNOC Monthly accrual of anticipated Maintenance expenditures for future Wolf Creek outages.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 531000 Production-Nuclear Maintenance-Electric Plant
- Business Unit: POWER
- Allocation Basis:

WCNOC Generation – Maintenance of Electric Plant

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Gary Zimmerman
- Account No: 532000 Production-Nuclear Maintenance-Miscellaneous Plant
- Business Unit: POWER
- Allocation Basis:

WCNOC Generation – Maintenance Miscellaneous Nuclear Plant expenditures.

**COST ALLOCATION MANUAL
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- Prepared by: Chris Stephens
- Account No.: 547001 - 547010 Oil and Gas Burned Expenses
- Business Unit: POWER
- Allocation Basis:

These accounts represent cost of oil and gas burned in turbine type generators at applicable generation stations and are reported in the GENCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 555000 Purchase Power-Energy & Capacity
- Business Unit: POWER
- Allocation Basis:

Bulk Power Capacity and Energy Purchases from various wholesale vendors and is assigned to the GENCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 555005 Purchase Power-Capacity Purchase-Gardner
- Business Unit: DELIVERY, POWER
- Allocation Basis:

Power Marketing bulk power purchases from various cities in the State of Kansas and Missouri

**COST ALLOCATION MANUAL
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- Prepared by: Gary D. Zimmerman
- Account No.: 555010 Purchase Power-Insurance Reimbursement
- Business Unit: POWER
- Allocation Basis:

This account was used to record the replacement power insurance reimbursement for the Hawthorn 5 boiler explosion which occurred on February 17, 1999 and is assigned to the GENCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Phil Anthony
- Account No.: 556000 through 557000 Other Production Expenses
- Business Unit: POWER
- Allocation Basis:

These accounts are Other Production expense accounts not directly related to the production of electricity. These expenses can be either power plant specific or general and are assigned to the GENCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Phil Anthony
- Account No.: 560000 through 572000 Transmission Expenses
- Business Unit: DELIVERY
- Allocation Basis:

These accounts are Transmission expense accounts directly related to the transmission of electricity and are assigned to the TRNCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 565000 Transmission Operation-Electric Transmission
- Business Unit: DELIVERY,POWER
- Allocation Basis:

Transmission and Bulk Power charges for Transmission of Electricity by Others and Mid-Continent Area Power Pool and Southwest Power Pool charges.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Phil Anthony
- Account No.: 580000 through 598000 Distribution Expenses
- Business Unit: DELIVERY
- Allocation Basis:

These accounts are Distribution expense accounts directly related to the distribution of electricity and are assigned to the DISCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 703001 Depr Elec Prod-Steam
- Business Unit: POWER
- Allocation Basis:

Based on business segment in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 703002 Depreciation Elec Trans
- Business Unit: DELIVERY
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 703003 Depreciation Elec Distr
- Business Unit: DELIVERY
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 703004 Depreciation Elec General
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 703005 EO-94-199 Unspecified Depr
- Business Unit: POWER
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 703006 Depr Other Elec Prod Plt
- Business Unit: POWER
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 703007 Depr Nucl Elec Prod Plt
- Business Unit: POWER
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 704000 *Amort-LTD Term Elec Plant*
- Business Unit: HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 705001 Amort-Elec Intangible Plant
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 705002 Amort-Ele Trans Land RT
- Business Unit: DELIVERY
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 705003 Amort-Ele Distr Land RT
- Business Unit: DELIVERY
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 707306 Amort-Unrecovered Iatan Costs
- Business Unit: POWER
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burright
- Account No.: 708101 State Capital Stock Tax-Electric
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account captures Missouri or Kansas franchise or capital stock tax expense. The Missouri franchise tax will be allocated based on total assets of each operating division, and their contribution to a single-factor formula of accounts receivable, land & fixed assets, and inventory. The Kansas tax is based on apportioned capital stock, up to a maximum of \$2,500.00. An allocation to each operating division is based on their fixed asset percentage. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Julie Stroud
- Account No.: 708103 Miscellaneous Occupational Taxes
- Business Unit: DELIVERY,POWER
- Allocation Basis:

This account contains miscellaneous occupational license fees expense for commercial, industrial and residential electric customers. These taxes are attributable to the operating division that is responsible for billing customers.

This account contains miscellaneous occupational license fees for Worry Free Service, Inc.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burrigh
- Account No.: 708110 Earnings Tax-Electric
- Business Unit: HOLDING CO
- Allocation Basis:

This account is used to capture the current Kansas City earnings tax expense. The tax is computed on a separate company basis and is based on earned income. Source documents are Excel based spreadsheets that estimate the company's liability.

Current earnings tax expense will be allocated to each operating division based on their projected taxable income, and their contribution to the Kansas City earnings tax three-factor allocation formula of property, payroll, and sales.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Bob Loft
- Account No: 708111 Other Tax Expense
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

Tax expense not elsewhere classified. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rick Stephens
- Account No.: 708120 Property Taxes-Non Wolf Creek
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

This account contains the non-capitalized ad valorem property taxes associated with KCPL's real and personal property located in Kansas and Missouri, other than Wolf Creek, fleet, unit train and non-utility property. The Kansas taxes are allocated first by direct assignment of the Kansas assessed value to the LaCygne generation station property (based on original cost) and then applying the applicable tax levy rates for the LaCygne location. All remaining Kansas assessed value is assigned to each business unit (based again on original cost) and a statewide effective tax levy rate is applied uniformly to all property in each operating division. In Missouri, all state-assessed value is allocated to each operating division (based on original cost) and then statewide effective tax levies are applied uniformly to the property in each operating division. Certain locally-assessed property is allocated directly to the applicable operating division if it specifically relates to that unit, otherwise an allocation based on original cost is utilized. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rick Stephens
- Account No.: 708121 Property Taxes-Wolf Creek
- Business Unit: POWER
- Allocation Basis:

This account contains the non-capitalized ad valorem property taxes associated with KCPL's investment in the real and personal property of the Wolf Creek Nuclear Generating Station located in Coffey County, Kansas and the related communications property located in various Kansas counties. These taxes are determined by applying the applicable tax levy rates by the amount of the total Kansas state assessed valuation (as determined by the Kansas Department of Revenue – Property Valuation Department) assigned to the Wolf Creek property. This allocation follows the Kansas statutory method of distributing the assessed value to each taxing jurisdiction where the property is located based on original cost.

**COST ALLOCATION MANUAL
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- Prepared by: Julie Stroud
- Account No.: 708130 Gross Receipts Taxes
- Business Unit: DELIVERY
- Allocation Basis:

This account contains the gross receipts taxes expense for commercial, industrial and residential electric customers and is assigned to the DISCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Bob Loft
- Account No: 708140-708141 State & Federal Unemployment Taxes
- Business Unit: DELIVERY,HOLDING CO
- Allocation Basis:

Employer payroll taxes - State & Federal Unemployment Insurance. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Bob Loft
- Account No: 708142 F.I.C.A Taxes
- Business Unit: DELIVERY, HOLDING CO
- Allocation Basis:

Employer payroll taxes - Employer portion of FICA taxesEmployer. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 708143 Payroll Taxes-WCNOC
- Business Unit: POWER
- Allocation Basis:

Payroll related taxes for Wolf Creek

**COST ALLOCATION MANUAL
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- Prepared by: Bob Loft
- Account No: 708150-708151 Construction and O&M Payroll Tax-Contra
- Business Unit: HOLDING CO
- Allocation Basis:

Amounts transferred from O/M to CWIP for payroll tax loading and from payroll tax to other O/M accounts. The expenses in HOLDING CO are allocated to DELIVERY & POWER using the labor allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Philip M. Burrigh
- Account No.: 709101 Federal Income Tax Electric - Current
- Business Unit: HOLDING CO
- Allocation Basis:

This account is used to capture the current federal income tax expense or benefit. The balance sheet account is 236400. Current tax expense will be allocated based upon the projected taxable income of each operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Philip M. Burrigh
- Account No.: 709103 State Income Tax Electric - Current
- Business Unit: HOLDING CO
- Allocation Basis:

This account is used to capture the current state income tax expense or benefit. The balance sheet account is 236500. Current tax expense will be allocated based upon the projected taxable income of each operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Philip M. Burrigh
- Account No.: 710110 Provision Federal Deferred Income Tax - Electric
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures the deferred federal income tax expense relating to book/tax differences. The largest difference between book and tax is depreciation. The corresponding effect in book tax expense and "tax" expense is recorded in this account. Allocation to operating divisions will be based upon Tax Sharing Agreements between the Holding company and the operating companies. Allocations are made upon asset based factors which closely represent the deferred tax asset or deferred tax liability.

**COST ALLOCATION MANUAL
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- Prepared by: Philip M. Burrig
- Account No.: 710111 Provision State Deferred Income Tax - Electric
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures the deferred state income tax expense relating to book/tax differences. The largest difference between book and tax is depreciation. The corresponding effect in book tax expense and "tax" expense is recorded in this account. Allocation to operating divisions will be based upon Tax Sharing Agreements between the Holding company and the operating companies. Allocations are made upon asset based factors which closely represent the deferred tax asset or deferred tax liability.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burright
- Account No.: 711110 Amortization Federal Deferred Income Tax Electric
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures the reversal of federal deferred income taxes originally booked to a federal deferred liability account. This account will generally be a credit balance reflecting a reduction in the book tax provision. Allocation to operating divisions will be based upon Tax Sharing Agreements between the Holding company and the operating companies. Allocations are made upon asset based factors which closely represent the deferred tax asset or deferred tax liability.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burright
- Account No.: 711111 Amortization State Deferred Income Tax - Electric
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures the reversal of state deferred income taxes originally booked to a state deferred tax liability account. This will generally be a credit balance reflecting a reduction in the book tax provision. Allocation to operating divisions will be based upon Tax Sharing Agreements between the Holding Company and the operating companies. Allocations are made upon asset based factors which closely represent the deferred tax asset or deferred tax liability.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burright
- Account No.: 711410 Investment Tax Credit Adj Util Op - Electric
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures the income tax benefits relating to normalized investment tax credits associated to Wolf Creek and the non-nuclear power plants. Allocations are made upon asset based factors which closely represent the deferred investment tax credit or deferred tax liability.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 711600 Gains-Future Use Util Plt
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

The Business Unit is determined at the time of disposition of the property.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rick Stephens
- Account No.: 808202 Non-Utility Property Taxes
- Business Unit: HOLDING CO
- Allocation Basis:

This account contains the ad valorem property taxes associated with KCPL's real & personal non-utility property in FERC account 121 located in Kansas and Missouri. These taxes are determined by applying the applicable tax levies to the assessed valuation assigned to the property by the appropriate appraisers. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burright
- Account No.: 808203 Federal Environmental Tax-Other
- Business Unit: DELIVERY,HOLDING CO
- Allocation Basis:

This account tracks the franchise and income tax benefits of Missouri tax credits. Allocation to operating divisions will be based upon where the contributions to the qualified organizations were derived from. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Philip M. Burright
- Account No.: 809201 Federal Income Tax Other Income – Deductions
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures the federal income tax expense or benefit relating to non regulated transactions, mainly KCP&L's investment in KLT & subsidiaries. Current allocations are made upon asset based factors which closely represent the deferred tax asset or deferred tax liability.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Philip M. Burright
- Account No.: 809203 State Income Taxes Other Inc - Deductions
- Business Unit: HOLDING CO
- Allocation Basis:

This account captures the state income tax expense or benefit relating to non regulated transacting mainly KCP&L's investment in KLT & subsidiaries. Current allocations are made upon asset based factors which closely represent the deferred tax asset or deferred tax liability.

**COST ALLOCATION MANUAL
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- Prepared by: Sandra Milton
- Account No: 809300-809301 Income Tax Fed&State
- Business Unit: POWER,HOLDING CO
- Allocation Basis:

Income Tax Fed&State are the taxes related to the pension adjustment for the pension accounting change.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Suad Egal
- Account No: 817002 – 817006 Non Utility Revenue
- Business Unit: DELIVERY
- Allocation Basis:

817002- Rev-Non Util Commrc'l Heat/Cool:

Includes revenues related to non-utility commercial heating & cooling projects. These revenues are directly related to the non-utility projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

817003- Rev-Non Util Lighting Services

Includes revenues related to lighting services. These revenues are directly related to the non-utility projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

817004- Rev-Pwr Qual-Meter Treaters

Includes revenues related to the meter treaters operation. These revenues are directly related to the non-regulated consumer product projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

817005- Rev-Pwr Qual-Surge Protectors

Includes revenues related to consumer product projects. These revenues are directly related to the non-regulated consumer product projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

817006- Rev-Gas Energy Revenue

Includes revenues related to natural gas energy. These revenues are directly related to the non-regulated natural gas projects that are owned by the Marketing group. Consequently, these revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Suad Egal
- Account No: 817007 – 817009 Non Utility Revenue
- Business Unit: DELIVERY
- Allocation Basis:

817007- Rev-Gas Transport Revenue

Includes revenues related to gas transportation services. These revenues are directly related to the non-regulated natural gas projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

817008- Rev-Gas Mgmt Fee Revenue

Includes revenues related to gas management fees. These revenues are directly related to the natural gas projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

817009- Rev-Gas Misc. Service Revenue

Includes revenues related to natural gas miscellaneous services. These revenues are directly related to the non-regulated natural gas projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Suad Egal
- Account No: 817010-817011 Non Utility Revenue
- Business Unit: DELIVERY
- Allocation Basis:

817010- Westar-Installation Rev

Includes revenues related to consumer product projects. These revenues are directly related to the non-regulated consumer product projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

817011- Westar-Monitoring Rev

Includes revenues related to consumer product projects. These revenues are directly related to the non-regulated consumer product projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Suad Egal
- Account No: 817012 Non Utility Revenue
- Business Unit: DELIVERY
- Allocation Basis:

817012- Revenue-Engineering Services

Includes revenues related to engineering services projects. These revenues are directly related to the non-regulated projects that are owned by the Transmission group. Consequently, the revenues are reported directly to the same operating division as the project owner, which is the DISCO operating division.

**COST ALLOCATION MANUAL
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- Prepared by: Suad Egal
- Account No: 817014 Non Utility Revenue
- Business Unit: DELIVERY & POWER
- Allocation Basis:

817014- Rev-Non-Util-Sales & Mktg-Othr

Includes revenues related to non-utility sales & marketing. These revenues are directly related to the non-utility projects that are owned by the Marketing group. Consequently, the revenues are reported directly to the same operating division as the project owner, which are the DISCO & GENCO operating divisions.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Suad Egal
- Account No: 817100, 817190 Non Utility Expenses
- Business Unit: DELIVERY,HOLDING CO
- Allocation Basis:

817100- Nonutility operations

Includes expenses related to the engineering services projects. These expenses are directly related to the non-regulated projects that are owned by the Transmission group. Consequently, the expenses are reported directly to the same operating division as the project owner, which is the DISCO operating division. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

817190- Default Procur Card-Non-Util

Includes expenses related to the non-regulated operations procurement card. These expenses are directly related to the non-regulated projects that are owned by the Marketing group. Consequently, the expenses are reported directly to the same operating division as the project owner, which is the DISCO operating division. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 818002 Rev From Lease-Non-Util Prop
- Business Unit: DELIVERY, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Steve Connelly
- Account No.: 818101 Income of WYMO Fuels Inc
- Business Unit: POWER
- Allocation Basis:

818101 is a revenue account that records income from WYMO Fuels. This account is appropriately reported in the GENCO operating division.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Darrin Ives for Steve Connelly
- Account No.: 818102 and 818103 Income of KLT Inc and Home Services Solution
- Business Unit: SUBSIDIARY
- Allocation Basis:

818102 and 818103 are used by KCPL to record the income (loss) from its , wholly owned subsidiaries, KLT and HSS, respectively. Amounts recorded by KCPL directly related to the wholly owned subsidiaries are recorded in the SUBSIDIARY business unit as they have no correlation with the electric business.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 818201 Oper Office Facilities-Non-Utility
- Business Unit: HOLDING CO
- Allocation Basis:

Costs incurred to operate non-utility company facilities. These costs include, but are not limited to: trash removal, utilities, inspections. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 818202 Depr NonUtility Property
- Business Unit: DELIVERY, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 819001 Dividend Revenue
- Business Unit: HOLDING CO
- Allocation Basis:

Dividend Revenue is temporary investment income. The revenue is allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 819002 Int from Other Sources
- Business Unit: DELIVERY,POWER
- Allocation Basis:

Int from Other Sources reflects interest from short-term investments held by KCPL when there are excess funds which are in HOLDING CO. The interest is allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- *Prepared by:* Rob Basinger
- *Account No.:* 819101 AFDC-Equity Funds-CWIP
- *Business Unit:* DELIVERY, POWER, HOLDING CO
- *Allocation Basis:*

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 819102 AFDC-Equity Funds-N Fuel
- Business Unit: POWER
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
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- Prepared by: Philip M. Burright
- Account No.: 820001 Amortization Investment Tax Credit – KEPCO Gain
- Business Unit: POWER
- Allocation Basis:

This account captures the amortization of normalized investment tax credits relating to the sale of KCP&L's 3% interest in Wolf Creek.

**COST ALLOCATION MANUAL
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- Prepared by: Philip M. Burright
- Account No.: 820002 Amortization of Investment Tax Credit - Iatan
- Business Unit: POWER
- Allocation Basis:

This account tracks the income tax benefit of investment tax credits relating to the sale of excess capacity at the Iatan plant. Allocation to operating divisions will be based upon Tax Sharing Agreements between the holding company and the operating companies. Allocations are made upon asset based factors which closely represent the deferred investment tax credit.

**COST ALLOCATION MANUAL
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- Prepared by: Gary Zimmerman
- Account No: 821001 Miscellaneous Nonoperating Revenue
- Business Unit: DELIVERY, HOLDING CO
- Allocation Basis:

Monthly cost to the City of Gardner, Kansas for oil inventory procurement and carry costs. KCP&L Management Payroll adjustments due to bank encoding errors is allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Rob Basinger
- Account No.: 821002 Profit Margin Revenue
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

The Business Unit is determined at the time of billing based on the activity being billed.

**COST ALLOCATION MANUAL
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- Prepared by: Rob Basinger
- Account No.: 821003 Amort of CIAC Tax Grossup
- Business Unit: DELIVERY
- Allocation Basis:

This account relates to the DISCO operating division.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Tom Boyd
- Account No.: 821004 Profit Margin Revenue-KLT
- Business Unit: HOLDING CO
- Allocation Basis:

Record 15% profit margin on loaded labor dollars per KLT subsidiary agreement.
This agreement was replaced January 1, 1999 by new service agreements

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Rob Basinger
- Account No.: 821100 Gain Disposition of Prop
- Business Unit: DELIVERY, POWER, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Rob Basinger
- Account No.: 821200 Loss Disposition of Prop
- Business Unit: DELIVERY, HOLDING CO
- Allocation Basis:

Assigned to the operating division in which the assets are being used.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 826101-826104 Charitable Contributions
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

Community Service,Community Investment,Charitable Contributions and Urban Youth Employment are charitable contributions. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Gary Zimmerman
- Account No: 826201 Life Insurance-WCNOC COLI
- Business Unit: POWER
- Allocation Basis:

Monthly costs for Corporate Owned Life Insurance (COLI) for Wolf Creek and is assigned to the WCNOC operating division.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 826203-826206 Life Insurance
- Business Unit: HOLDING CO
- Allocation Basis:

Lf Ins-KCPL Coli Int&AD Fee,Csv Incrse,Death Benefit and Int Income are life insurance expenses and income for employees at KCPL . The expenses are *allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.*

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Ray West
- Account No.: 826301 Penalties
- Business Unit: HOLDING CO
- Allocation Basis:

Penalties - includes cost of penalties for late payment of franchise and other tax payments. The costs are related to HOLDING CO operations and are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 826401-826403 Civ&Pol-Grass Roots,Fed/State and Local Lobbying
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

Civ&Pol-Grass Roots,Fed/State and Local Lobbying are expenses incurred for the purpose of influencing public opinion,federal and state officials and local officials regarding elections, legislation or ordinances . The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 826404 Admin Exp Political Act Com
- Business Unit: POWER,HOLDING CO
- Allocation Basis:

Admin Exp Political Act Com are expenses incurred to establish and administer political action committees . The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Ray West
- Account No.: 826500 Miscellaneous Income Deductions
- Business Unit: DELIVERY, POWER,HOLDING CO
- Allocation Basis:

*Miscellaneous Income Deductions – includes expense of non-utility operations.
Costs are classified to an operating division based on the Department Code.*

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 826501 Western Resources Merger Proposal
- Business Unit: HOLDING CO
- Allocation Basis:

Costs associated with analysis of and response to the Western Resources merger proposal. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 826503 Employee Service Club Activities
- Business Unit: DELIVERY,POWER,HOLDING CO
- Allocation Basis:

Labor and other costs incurred by employees in service clubs such as Rotary, Kiwanis and Lions, including club dues paid by the company. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the labor allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Darrin Ives for Steve Connelly
- Account No.: 826505 Service Satisfaction
- Business Unit: DELIVERY
- Allocation Basis:

Service Satisfaction relates to payments made for the Promise Program. These expenses are incurred as a result of KCPL not meeting the service standards set forth in the Promise Program. These payments are made to electric customers. As this relates directly to the electric customers these expenses need to be reported to the same operating division as the customers, which is DISCO.

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Bob Loft
- Account No: 826506 Miscellaneous Non-Operating Deductions
- Business Unit: HOLDING CO
- Allocation Basis:

Miscellaneous non operating expenses . The expenses in HOLDING CO are *allocated to DELIVERY & POWER using the labor allocator.*

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Gregg Clizer
- Account No.: 827004 Int Series A 2017
827005 Int Series B 2017
- Business Unit: POWER
- Allocation Basis:

Accrued interest on Environmental Improvement Revenue Refunding Bonds issued through the City of Burlington, Kansas for pollution control equipment at the Wolf Creek Nuclear Power facility.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 826600 Admin Fees-A/R Sale
- Business Unit: DELIVERY
- Allocation Basis:

Admin Fees-A/R Sale includes bad debt expense and fees related to the accounts receivable sale. These items are directly related to the electric customers and therefore need to be reported to the same operating division as the customers and the related receivables, which is DELIVERY.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 827006 Pldg Bond Ser 1992 Var 2017
- Business Unit: POWER
- Allocation Basis:

Pldg Bond Ser 1992 Var 2017 is interest from the pollution control bond for Lacygne and latan power plants which are in the GENCO operating division. (acct 237320)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 827015 M-T Nt 7.55% Due 01-04-00
- Business Unit: HOLDING CO
- Allocation Basis:

M-T Nt 7.55% Due 01-04-00 is interest that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 237161)

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Sandra Milton
- Account No: 827016-827021 M-T Nt Series C
- Business Unit: HOLDING CO
- Allocation Basis:

M-T Nt 7.95 Series C 062507
M-T Nt 7.85 Series C 070204
M-T Nt 7.35 Series C 080804
M-T Nt 7.35 Series C 080304
M-T Nt 7.35 Series C 080404
M-T Nt Series C-Remaining

These are interests that relate to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator.
(acct 237163)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 827022 M-T Nt- Series D
- Business Unit: HOLDING CO
- Allocation Basis:

M-T Nt- Series D-All is interest that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 237164)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 827023 M-T Nt- Series E
- Business Unit: HOLDING CO
- Allocation Basis:

M-T Nt- Series E-All is interest that relates to the medium term notes. The expenses are allocated from HOLDING CO to DELIVERY, POWER and SUBSIDIARY using the capital allocator. (acct 237165)

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Gregg Clizer
- Account No.: 827024 M-T-Nt – Series F - All
- Business Unit: HOLDING CO
- Basis for Business Unit Allocation from the source document:

This account relates to interest expense on the Series F medium term notes issued 3/20/00 by the company and should be allocated between all the operating divisions. The expenses are allocated from HOLDING CO to DELIVERY & POWER using the capital allocator.

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 827025 Int Poll Ctl Bond 01-2012
- Business Unit: POWER
- Allocation Basis:

Int Poll Ctl Bond 01-2012 is interest from the pollution control bond for Hawthorn power plant which is in the GENCO operating division. (acct 237321)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 827026 & 827027 Int Poll Ctl Ser A 12-2023 & B 12-2023
- Business Unit: POWER
- Allocation Basis:

Int Poll Ctl Ser A 12-2023 & B 12-2023 are interest from the pollution control bond for Wolf Creek Nuclear Power facility which is in the WCNCO operating division.
(acct 237322&237323)

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Sandra Milton
- Account No: 827028 & 827029 Int Poll Ctl 02-2015 and 02-2018
- Business Unit: POWER
- Allocation Basis:

Int Poll Ctl 02-2015 and 02-2018 are interest from the pollution control bond for Lacygne power plant which is in the GENCO operating division.
(acct 237324&237325)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 827032-827035 Int Series A&B 2015 and C&D 2017
- Business Unit: POWER
- Allocation Basis:

Int Series A&B 2015 and C&D 2017 are interests from the environmental improvement revenue refunding bonds for Wolf Creek which is in the WCNOG operating division. (acct 237308-237311)

COST ALLOCATION MANUAL FOR MPSC AND KCC

- Prepared by: Sandra Milton
- Account No: 828005 Amort Exp Ser 1992 Var-2017
- Business Unit: POWER
- Allocation Basis:

Amort Exp Ser 1992 Var-2017 is expense from the pollution control bond for the Lacygne and latan power plants which are in the GENCO operating division.
(acct 181320)

**COST ALLOCATION MANUAL
FOR MPSC AND KCC**

- Prepared by: Sandra Milton
- Account No: 828007-828008 Amort Exp Poll Ctl A&B 2023
- Business Unit: POWER
- Allocation Basis:

Amort Exp Poll Ctl A&B 2023 are expenses from the pollution control bond for the WCNOG Nuclear Power facility which is in the WCNOG operating division.
(acct 181322-181323)