

PUBLIC VERSION

“[REDACTED]**” Designates Confidential Information
Has Been Removed. Certain Schedules Attached to this
Testimony Designated “[REDACTED]” Also Contain
Confidential Information And Has Been Removed.**

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

DIRECT TESTIMONY OF

RYAN A. BRESETTE

**ON BEHALF OF
KANSAS CITY POWER & LIGHT COMPANY**

**IN THE MATTER OF THE APPLICATION OF
KANSAS CITY POWER & LIGHT COMPANY
FOR APPROVAL OF 2013 ACTUAL COST ADJUSTMENT (“ACA”)**

DOCKET NO. 14-KCPE-405-ACA

1 **Q: Please state your name and business address.**

2 A: My name is Ryan A. Bresette. My business address is 1200 Main, Kansas City, Missouri
3 64105-2122.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L” or “Company”) as
6 the Assistant Controller.

7 **Q: What are your responsibilities?**

8 A: As Assistant Controller, I have responsibility for leading the Company’s monthly
9 forecasting and annual budgeting process. In addition, I oversee margin accounting

1 (revenue, fuel, purchased power and transmission), the monthly accounting close process,
2 and external reporting.

3 **Q: Please describe your education, experience and employment history.**

4 A: I graduated from Rockhurst University in Kansas City, Missouri in December 1994 with
5 a Bachelor of Science in Business Administration with a major in Accounting. In 1997, I
6 passed the Certified Public Accountant's exam. In May 2010, I graduated from the
7 University of Missouri-Kansas City with a Masters in Business Administration. I have
8 previously worked with Sprint, Applebee's International and Interstate Bakeries
9 Corporation in a variety of accounting and finance roles prior to joining KCP&L in
10 December 2004. I joined the Company as an Accounting Policy Specialist and have also
11 held the positions of Manager Corporate Accounting, Director Revenue and Energy
12 Accounting and Director Accounting before assuming my current position in May 2011.

13 **Q: Have you previously testified in a proceeding before the Kansas Corporation**
14 **Commission ("KCC" or "Commission") or before any other utility regulatory**
15 **agency?**

16 A: Yes. I previously provided testimony to the KCC and the Missouri Public Service
17 Commission ("MPSC").

18 **Q: What is the purpose of your testimony in this proceeding?**

19 A: My testimony supports KCP&L's request for Commission approval of the 2013 ACA
20 amount and associated true-up factor related to our Energy Cost Adjustment ("ECA")
21 tariff. I will describe the actual revenues and expenses behind KCP&L's 2013 ECA
22 mechanism and the resulting ACA true-up factor to be effective and applied for the
23 12-month period April 2014 to March 2015.

1 **Q: What is the purpose of KCP&L’s ECA tariff?**

2 A: KCP&L’s ECA tariff is designed to capture fuel, purchased power and related expenses
3 for the current calendar year and provide approximate real-time recovery for these
4 expenses subject to an annual true-up. In addition, the Company includes the asset-based
5 off-system sales margin (“OSSM”) in the ECA tariff.

6 **Q: What expenses are used in the calculation of the ECA factors?**

7 A: Fuel, purchased power, emission allowances, renewable energy credits, transmission
8 costs and Regional Transmission Organization, Federal Energy Regulatory Commission
9 (“FERC”) and National Electric Reliability Council fees (collectively “ECA Costs”) are
10 the components of the calculation under the ECA tariff. KCP&L uses the following
11 FERC accounts, as described in the ECA tariff, to record these costs:

12 Fuel – FERC Accounts 501, 518 and 547;

13 Purchased Power – FERC Account 555;

14 Emission Allowances and Renewable Energy Credits (“REC”) – FERC Account
15 509; and

16 Transmission Costs and Fees – FERC Accounts 565, 560, 561.4, 561.8, 575.7,
17 and 928.

18 **Q: Are all expenses in these accounts included in the ECA factor calculation?**

19 A: No. KCP&L labor and natural gas hedging activity are not a part of the ECA calculation.

20 **Q: Please explain why KCP&L labor is excluded.**

21 A: KCP&L labor is recovered through base rates rather than through the ECA factors.

22 **Q: Please explain why natural gas hedging activity is excluded.**

23 A: As a result of discussions with KCC Staff and various rate case testimonies, KCP&L

1 does not perform natural gas hedging activity on behalf of its Kansas customers.
2 Therefore, all natural gas hedging premium payments and settlements are removed from
3 the appropriate FERC accounts for the calculation of Kansas ECA costs.

4 **Q: Why is it important to identify expenses for retail sales versus wholesale sales?**

5 A: It is important because of the different allocation factors. Expenses in support of retail
6 sales are allocated to Kansas based on an energy allocator. This allocation is based on
7 the kWh usage by the retail customers. For example, if KCP&L bills out retail usage of
8 100 kWh, of which 47 kWh are Kansas retail usage and 53 kWh are Missouri retail
9 usage, then KCP&L would allocate 47% (47 kWh / 100 kWh) of the ECA costs to
10 Kansas retail.

11 Expenses in support of wholesale (off-system sales) are allocated to Kansas based
12 on the Unused Energy ("UE1") allocator, in accordance with the Stipulation and
13 Agreement in Docket No. 07-KCPE-905-RTS. Schedule RAB-1 contains the calculation
14 of the UE1 allocator for 2013.

15 **Q: How does KCP&L allocate costs between retail and wholesale?**

16 A: Through a post-analysis tool, KCP&L splits all sources of power (generation and
17 purchases) between retail and wholesale transactions. The post-analysis tool assigns
18 minimum load obligations for coal units, nuclear power and wind power (owned and
19 purchase power agreements) to its retail customers first. Once retail load has been
20 matched with the above sources of power, the post-analysis tool continues to assign cost
21 until all sales (retail and wholesale) are completed. Transmission and fees are allocated
22 to either retail or wholesale based on direct identification of which type of sale was

1 supported or allocated based on the percentage of kWh sales if direct identification
2 cannot be made.

3 **Q: What was the total amount of fuel, purchased power and related expenses for**
4 **KCP&L Kansas retail customers for 2013?**

5 A: Confidential Schedule RAB-2 contains the summary of actual costs for all KCP&L Retail
6 customers, Requirements Sales for Resale customers and Bulk Power Sales customers not
7 included in the asset-based OSSM from Bulk Power Sales. The total cost of fuel,
8 purchased power and related expenses to serve Kansas retail customers in 2013 was
9 **** [REDACTED] **.**

10 **Q: What is the asset-based OSSM from Bulk Power Sales?**

11 A: The asset-based OSSM is the revenue less cost from the sale of generated electricity not
12 used by retail customers. It is the margin made on sales to non-retail customers of
13 electricity that is tied to KCP&L's generating and/or transmission assets. The Kansas
14 portion of this margin is applied to the ECA Costs for the Kansas retail customer.

15 **Q: How is the OSSM component of the ECA tariff calculated?**

16 A: OSSM is the off-system sales revenue recorded in FERC Account 447 for the sale of
17 electricity to non-retail customers less associated costs related to generation, purchased
18 power and transmission of that electricity. The post-analysis tool results, described
19 previously, determine the cost of generating the power and purchased power positions to
20 serve these sales. The allocated portion of transmission expense and fees is also included
21 in the OSSM calculation.

1 **Q: How is the Kansas portion of the OSSM applied to Kansas retail customers?**

2 A: The Kansas portion of the OSSM is applied to the ECA Costs included in the ECA tariff
3 calculation. The actual Kansas portion of the OSSM for 2013 was a gain of
4 **[REDACTED]**.

5 **Q: How does KCP&L recover the ECA Costs from its Kansas retail customers?**

6 A: As described in the testimony of KCP&L witness Wm. Edward Blunk, KCP&L
7 calculates an ECA rate per kWh for each calendar month ("ECA factor") on a quarterly
8 basis. The ECA factors are submitted to the KCC on or before the 20th day of the month
9 preceding each calendar quarter. KCP&L bills its retail customers as a separate line item
10 based on the customers' kWh usage for each month.

11 **Q: How does KCP&L record revenue from its retail customers, including ECA**
12 **revenue?**

13 A: KCP&L records ECA revenue as a component of retail revenue in FERC Accounts 440,
14 442 and 444. In addition, KCP&L records retail revenue by rate jurisdiction based on
15 customer service address, which allows KCP&L to record retail usage by rate
16 jurisdiction.

17 **Q: How does KCP&L compare the amount of ECA revenue billed to actual ECA Costs**
18 **incurred?**

19 A: Each month, the KCP&L accounting department calculates the ECA revenue over- or
20 under-collection in accordance with KCP&L's ECA tariff. The ECA revenue received is
21 compared to the Kansas retail allocation of the actual fuel, purchased power, transmission
22 costs and fees, less the Kansas allocation of off-system sales margins.

1 **Q: For the ECA components described above, how much did KCP&L record in 2013 in**
2 **ECA revenue, ECA Costs and OSSM?**

3 A: KCP&L received ECA revenue from its Kansas retail customers of \$118,601,870
4 applicable to the 2013 ECA year. As explained above, actual ECA Costs were
5 **[REDACTED]** and the OSSM component was **[REDACTED]**. These numbers
6 (\$118,601,870 less **[REDACTED]** plus **[REDACTED]**) or \$9,466,917 represent the
7 amount KCP&L has under-recovered from its Kansas retail customers.

8 **Q: Has KCP&L collected the 2011 under-recovery of \$12,161,916 from Kansas retail**
9 **customers?**

10 A: In accordance with the ECA tariff, KCP&L collected the under-recovery from April 1,
11 2012 through March 31, 2013. During this time period, KCP&L collected \$12,358,790
12 from its Kansas retail customers.

13 **Q: Is KCP&L including any amount in this 2013 filing related to the 2011 under-**
14 **recovery?**

15 A: Yes. Since the collection period is complete and in accordance with the ACA tariff,
16 KCP&L is including a true-up amount in this filing to be returned to KCP&L's Kansas
17 retail customers over a twelve-month period beginning April 1, 2014. KCP&L received
18 \$12,358,790 from its Kansas retail customers for the 2011 under-recovery of
19 \$12,161,916. Therefore, KCP&L will return \$196,874 (\$12,358,790 - \$12,161,916) to its
20 Kansas retail customers through the ACA factor.

21 **Q: What is the total under-recovery for the 2013 ECA year and the true-up from the**
22 **2011 ECA year?**

23 A: The total of both amounts is \$9,270,043 (\$9,466,917 - \$196,874).

1 **Q: What is KCP&L recommending for the under-recovery of \$9,270,043?**

2 A: KCP&L is recommending that the Commission approve for KCP&L's Kansas retail
3 customers to reimburse the under-recovery amount over a twelve-month period beginning
4 April 1, 2014 in accordance with the ECA tariff. As shown in Confidential
5 Schedule RAB-2, this under-collection results in an ACA factor of \$0.00146 per kWh
6 which would be added to the ECA factors for each month beginning April 2014 through
7 March 2015.

8 **Q: Has KCP&L been reimbursed by the Kansas retail customers for the 2012 under-**
9 **recovery of \$5,781,852?**

10 A: In accordance with the ECA tariff, KCP&L is being reimbursed for the under-recovery as
11 part of the true-up factor applicable from April 1, 2013 through March 31, 2014.

12 **Q: Is KCP&L including any amount in this 2013 filing related to the 2012 under-**
13 **recovery?**

14 A: No. Since the reimbursement period is not completed at the time of this filing, KCP&L is
15 not including a true-up amount in this filing. KCP&L intends to include any true-up to
16 the 2012 under-recovery in its March 1, 2015 filing.

17 **Q: Are there any additional exhibits filed with this ACA Application prepared by you**
18 **or prepared under your direct supervision?**

19 A: Yes, Confidential Schedule RAB-3 contains the detailed ECA calculation for 2013.

20 **Q: Does that conclude your testimony?**

21 A: Yes, it does.

Unused Energy Allocator
12 months ended December, 2013

		Missouri	Kansas	FERC	Total
Demand Allocator (D1) - 12CP					
2662.2 Load (MW)		1,440.6	1,215.7	5.9	2,662.2
Demand Allocator	D1	54.11%	45.67%	0.22%	100.00%
Energy w/ Losses Allocator (E1)					
Energy Used (MWH)		9,067,459	6,692,988	37,363	15,797,810
Energy w/ Losses Allocator	E1	57.40%	42.37%	0.24%	100.00%
Unused Energy w/ Losses Allocator (UE1)					
Available Capacity (MW)					4,526.8
Demand Allocator (D1)		54.11%	45.67%	0.22%	100.00%
Max Total Peak Allocated Using D1 Factors (MW)		2,449.6	2,067.2	10.0	4,526.8
x Hours in Year		8760	8760	8760	8760
Available Energy (MWH)		21,458,345	18,108,365	87,883	39,654,593
- Energy Used (MWH)		9,067,459	6,692,988	37,363	15,797,810
Unused Energy (MWH)		12,390,886	11,415,377	50,520	23,856,783
Unused Energy w/ Losses Allocator	UE1	51.9386%	47.8496%	0.2118%	100.0000%

Kansas City Power and Light Company

Schedule RAB-1

**Coincident Peaks for 2013
Includes Losses
(MW)**

	CoinMOPeak	CoinKSPeak	CoinResale	SystemPeak
Jan-13	1,275	1,137	5	2,418
Feb-13	1,276	1,109	5	2,390
Mar-13	1,166	946	4	2,116
Apr-13	1,106	874	4	1,984
May-13	1,332	1,118	5	2,455
Jun-13	1,852	1,414	8	3,274
Jul-13	1,829	1,545	8	3,382
Aug-13	1,854	1,520	8	3,382
Sep-13	1,737	1,514	8	3,258
Oct-13	1,353	1,210	6	2,569
Nov-13	1,152	1,010	5	2,167
Dec-13	1,356	1,190	6	2,552
MAX Jan13-Dec13	1,854	1,545	8	3,382
TOTAL	17,288	14,588	71	31,947
Average	1,440.6	1,215.7	5.9	2,662.3

**Demand Allocator
Jurisdictional COS for Revenue**

Production and Transmission Demand Allocators (D1, D2)

<u>Jurisdiction</u>	<u>12-CP Loads</u>	<u>D1, D2 Allocator</u>
Missouri	1,440.6	54.1131%
Kansas	1,215.7	45.6652%
SFR	5.9	0.2216%
Total	2,662.2	100.0000%

Kansas City Power and Light Company

Schedule RAB-1

Energy Allocators

Source: Report 1A

Year to Date December 2013

ENERGY WITH LOSSES (E1)

	<u>MWH</u>	<u>E1 Allocator</u>
MISSOURI	9,067,459	57.3969%
KANSAS	6,692,988	42.3666%
SALES FOR RESALE	<u>37,363</u>	<u>0.2365%</u>
TOTAL	15,797,810	100.0000%

losses to be allocated (OR) 911,834 -

**ENERGY WITHOUT LOSSES (E2)
from Report 1A**

	<u>MWH</u>	<u>E2 Allocator</u>
MISSOURI	8,562,163	57.5183%
KANSAS	6,289,214	42.2493%
SALES FOR RESALE	<u>34,599</u>	<u>0.2324%</u>
TOTAL	14,885,976	100.0000%

KANSAS CITY POWER & LIGHT COMPANY
ENERGY COST ADJUSTMENT (SCHEDULE ECA)

Schedule RAB-2

SCHEDULE ECA ACTUAL VALUES		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	2013 Total	
Actual Costs for all KCPL Retail, Requirements Sales for Resale, and Bulk Power Sales Customers not included in the asset-based Off-System Sales Margin from Bulk Power Sales:															
1. Actual cost nuclear and fossil fuel	F _A														
Account 501 Coal															
Account 518 Nuclear															
Account 547 Gas / Oil															
2. Actual cost purchased power	P _A														
Account 555 Purchased Power															
including RTO Participation															
3. Actual cost emission allowances	E _A														
4. Actual transmission cost	T _A														
Account 565 Transmsn by Others															
Accts 561, 575, 928 Fees															
5. Actual Revenue not in OSSM	BPR _A														
5a. Actual cost for non-asset based sales	NABPC _A														
Bulk Power Customers															
6. Total (Lines 1+2+3+4-5-5a)															
7. Actual kWhs to be delivered to all KCPL Retail and Requirements Sales for Resale Customers	S _{AT}	1,257,055,694	1,116,136,119	1,177,241,733	1,056,851,333	1,132,823,995	1,303,064,481	1,468,911,941	1,449,187,940	1,289,917,998	1,100,558,952	1,134,985,292	1,320,465,971	14,807,201,447	
8. Actual annual kWhs to be delivered to all Kansas Retail Customers	S _{AK}	531,129,858	465,386,888	492,965,018	438,221,303	479,271,678	561,876,679	640,397,554	620,684,142	557,492,673	456,046,939	472,603,505	567,041,380	6,283,117,617	
9. Kansas Energy Allocation (Line 8 / Line 7)		0.4225	0.4170	0.4187	0.4146	0.4231	0.4312	0.4360	0.4283	0.4322	0.4144	0.4164	0.4294	0.4243	
10. Kansas Portion of Costs (Line 6 x Line 9)															
11. Actual asset-based Off-System Sales Margin from Bulk Power Sales (OSSM)															
12. Actual Unused Energy Allocator for Kansas UE1		47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%		
13. Actual Kansas allocation of OSSM (Line 11 x Line 12)	OSSM _A														
14. Net Kansas Cost (Line 10 - Line 13)		\$ 9,449,305	\$ 12,175,207	\$ 13,629,159	\$ 10,478,680	\$ 10,983,310	\$ 10,609,530	\$ 11,252,421	\$ 11,402,284	\$ 11,285,392	\$ 7,985,483	\$ 7,087,159	\$ 11,730,857	\$ 128,068,788	
15. ECA Revenue Collected excluding True-up		\$ 9,714,431	\$ 10,517,824	\$ 11,219,947	\$ 8,843,363	\$ 8,852,221	\$ 10,574,653	\$ 12,161,245	\$ 11,731,024	\$ 10,079,709	\$ 7,378,946	\$ 7,741,333	\$ 9,787,173	\$ 118,601,870	
16. Over (Under) Collected (Line 15 - Line 14)		\$ 265,126	\$ (1,657,383)	\$ (2,409,212)	\$ (1,635,316)	\$ (2,131,089)	\$ (34,876)	\$ 908,824	\$ 328,739	\$ (1,205,684)	\$ (606,536)	\$ 654,174	\$ (1,943,684)	\$ (9,466,917)	
17. True-up Amt Previous ECA year	TRUE _{PREV}														\$ 196,874
18. True-up Amt Total (Line 16 + Line 17)	TRUE _A														\$ (9,270,043)
19. Actual True-up kWhs	S _{TRUE}														
20. True-up Component of the ECA (\$/kWh) (- Line 15 / Line 16)															\$ 0.00146

Kansas City Power & Light Company
ENERGY COST ADJUSTMENT - for Budgeting Purposes
For application to all Kansas Retail Rate Schedules for KCPL

Schedule RAB-3

ECA _A	Component	Jan-13 Actual	Feb-13 Actual	Mar-13 Actual	Apr-13 Actual	May-13 Actual	Jun-13 Actual	Jul-13 Actual	Aug-13 Actual	Sep-13 Actual	Oct-13 Actual	Nov-13 Actual	Dec-13 Actual	2013
	Cost of Fuel for: (1) KCPL Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
	F_p Accounts 501, 518, and 547													
	Account 501													
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Natural Gas Option Premiums													
	+ Natural Gas Hedge Settlement													
	+ Total 501 (excluding KCPL labor)													
	Account 518													
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Total 518 (excluding KCPL labor)													
	Account 547													
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Natural Gas Option Premiums													
	+ Natural Gas Hedge Settlement													
	+ Total 547 (excluding KCPL labor)													
	Total F_p =													
	Cost of Purchased Power & RTO for: (1) KCPL Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
	F_p Account 555													
	Capacity Purchases													
	+ Associated Electric Cooperative, Inc.													
	+ Higgsinsville													
	+ Chanute													
	+ Morgan Stanley Capital Group													
	+ Dogwood													
	+ Total Capacity Purchases													
	Energy Purchases													
	+ Border Customers													
	+ Capacity													
	+ KMEA													
	+ Muni. Capacity													
	+ Parallel Generation (Co-generators)													
	+ Hampton Biofuel													
	+ Non-Firm													
	+ Reconciliation to General Ledger													
	+ Energy Purchases for Term Deals included above													
	+ Total Energy Purchases													
	SPP Loss Charges													
	Independence Bulk Power Sales not in OSSM (MWh)													
	÷ Total Wholesale Energy Sales (MWh) + Indep BPS													
	Percent of Indep BPS to Wholesale Energy Sales + Indep BPS													
	× SPP Loss Charges (Total)													
	+ SPP Loss Charges (Independence BPS not in OSSM)													
	Purchases: Purchases for Resale													
	+ PURCHASES: Purchases for Resale (BPS not in OSSM)													
	= Non-Firm Energy PURCHASES													
	RTO Charges/Credits													
	Total Revenue Neutrality Uplift													
	÷ Total MWh													
	RNU \$/MWh													
	+ KCPL Retail, RS/R, BPS (MWh)													
	+ Revenue Neutrality Uplift													
	Total P_p =													

Kansas City Power & Light Company
ENERGY COST ADJUSTMENT - for Budgeting Purposes
For application to all Kansas Retail Rate Schedules for KCPL

Schedule RAB-3

ECA _A	Component	Jan-13 Actual	Feb-13 Actual	Mar-13 Actual	Apr-13 Actual	May-13 Actual	Jun-13 Actual	Jul-13 Actual	Aug-13 Actual	Sep-13 Actual	Oct-13 Actual	Nov-13 Actual	Dec-13 Actual	2013
	Cost of Emission Allowances for: (1) KCPL Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
	E_r Account 509													
	+ SO2 Allowances													
	+ NOx Allowances													
	+ NOx Seasonal Allowances													
	+ Wind & Solar Renewable Energy Credits													
	Total E_r =													
	Cost of Transmission + RTO, FERC, NERC for: (1) KCPL Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
	T_r Accounts 561, 565, 575, and 928													
	Account 561													
	NERC Assessment and SPP Region Assessment													
	+ NERC Assessment and SPP Region Assessment Fees													
	RTO fees													
	Total SPP RTO Administrative Fees on Retail Load													
	x Percent allocated to Scheduling, System Control, and Dispatch Svcs													
	+ Scheduling, System Control and Dispatch Services													
	Total SPP RTO Administrative Fees on Retail Load													
	x Percent allocated to LT Reliability Planning & Standards Development Svcs													
	+ Long-Term Reliability Planning and Standards Development Services													
	+ Total 561 RTO fees													
	+ Total Account 561													
	Account 565													
	RTO													
	+ 565 RTO - SPP Transmission Base Plan Funding													
	Transmission Costs													
	Transmission Costs to be recorded in 565 for KCPL Retail, Requirements Sales for Resale, and Bulk Power Sales not in OSSM													
	+ 565 Transmission Costs													
	+ Reconciliation to General Ledger													
	+ Total Account 565													
	Account 575													
	RTO													
	Total SPP RTO Administrative Fees on Retail Load													
	x Percent allocated to Market Facilitation, Monitoring & Compliance Svcs													
	+ Market Facilitation, Monitoring and Compliance Services													
	+ Total Account 575													
	Account 928													
	RTO													
	+ 928 RTO													
	FERC													
	FERC Assessment													
	+ Total MWh													
	928 FERC \$/MWh													
	x KCPL Retail, RSIR, BPS (MWh)													
	+ 928 FERC													
	+ Total Account 928													

Kansas City Power & Light Company
ENERGY COST ADJUSTMENT - for Budgeting Purposes
For application to all Kansas Retail Rate Schedules for KCPL

Schedule RAB-3

ECA _A	Component	Jan-13 Actual	Feb-13 Actual	Mar-13 Actual	Apr-13 Actual	May-13 Actual	Jun-13 Actual	Jul-13 Actual	Aug-13 Actual	Sep-13 Actual	Oct-13 Actual	Nov-13 Actual	Dec-13 Actual	2013
	Total T_P =													
	Revenue from Asset-based Bulk Power Sales not in OSSM													
	BPR, Account 447													
	Capacity Sales													
	+ INDN Capacity Exchange													
	+ Springfield													
	+ Chanute													
	+ Total Capacity Sales													
	Energy Sales													
	+ Capacity Exchange [City of Independence]													
	+ Independence Load Regulation													
	+ KMEA Load Following													
	+ Springfield Capacity													
	+ Chanute Energy Sales Revenue													
	+ Reconciliation to General Ledger													
	+ Non-Firm (FERC required netting of sales and purchases and other)													
	+ Total Energy Sales													
	Miscellaneous													
	+ Independence													
	+ Eudora													
	+ Chanute Fixed Costs Revenue													
	+ Total Miscellaneous													
	SPP Loss Revenues													
	+ Total SPP Loss Revenues													
	Total BPR_P =													
	Cost of Non-Asset based Sales to Bulk Power customers													
	NABPC, Account 555													
	Q Expenses													
	Total NABPC_A =													
	kWh for all KCPL Retail and Requirements Sales for Resale													
	S _K Kansas kWh	531,129,858	465,386,888	492,965,018	438,221,303	479,271,678	561,876,679	640,397,554	620,684,142	557,492,673	456,046,939	472,603,505	567,041,380	6,283,117,617

Kansas City Power & Light Company
ENERGY COST ADJUSTMENT - for Budgeting Purposes
For application to all Kansas Retail Rate Schedules for KCPL

Schedule RAB-3

ECA ₄	Component	Jan-13 Actual	Feb-13 Actual	Mar-13 Actual	Apr-13 Actual	May-13 Actual	Jun-13 Actual	Jul-13 Actual	Aug-13 Actual	Sep-13 Actual	Oct-13 Actual	Nov-13 Actual	Dec-13 Actual	2013
	S ₇ Total kWh	1,257,055,694	1,116,136,119	1,177,241,733	1,056,851,333	1,132,823,995	1,303,064,481	1,468,911,941	1,449,187,940	1,289,917,998	1,100,558,952	1,134,985,292	1,320,465,971	14,807,201,447
	Asset-based Off-System Sales Margin from Bulk Power Sales													
	OSSM Total OSSM Revenue and Expense													
	Revenue - Account 447													
	+ Post Analysis Total Sales													
	+ SPP Loss Revenues													
	+ BookOuts (B's, BF's, and QF's)													
	+ Capacity Sales Demand - Eudora from Chanute, MPS/SJLP													
	Expense													
	Fuel Expense - Accounts 501, 518, and 547													
	Account 501													
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Total 501 (excluding KCPL labor)													
	Account 518													
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Total 518 (excluding KCPL labor)													
	Account 547													
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Total 547 (excluding KCPL labor)													
	+ Total Fuel Expense													
	Purchased Power Expense - Account 555													
	Energy Purchases													
	+ Firm Capacity													
	+ Energy Purchases for Term Deals													
	+ Total Energy Purchases													
	SPP Loss Charges													
	Bulk Power Sales in OSSM (MWh)													
	+ Total Wholesale Energy Sales (MWh) + Indep BPS													
	Percentage of BPS in OSSM to Total Wholesale Energy Sales													
	x SPP Loss Charges (Total)													
	+ SPP Loss Charges (BPS in OSSM)													
	Purchases: Purchases for Resale													
	SPP Netting													
	RTO Charges/(Credits)													
	Total Revenue Neutrality Uplift													
	+ Total MWh													
	RNU \$/MWh													
	* Sales MWh													

Kansas City Power & Light Company
ENERGY COST ADJUSTMENT - for Budgeting Purposes
For application to all Kansas Retail Rate Schedules for KCPL

Schedule RAB-3

ECA _A	Component	Jan-13 Actual	Feb-13 Actual	Mar-13 Actual	Apr-13 Actual	May-13 Actual	Jun-13 Actual	Jul-13 Actual	Aug-13 Actual	Sep-13 Actual	Oct-13 Actual	Nov-13 Actual	Dec-13 Actual	2013
	+ Revenue Neutrality Uplift													
	BookOuts (B's, BF's, and QF's)													
	+ Total Purchased Power													
	Emission Allowances - Account 509													
	+ SO ₂ Allowances													
	+ NO _x Allowances													
	+ NO _x Seasonal Allowances													
	+ Total Emission Allowances													
	Cost of Transmission & RTO, FERC, and NERC - Accounts 561, 565, 575, and 928													
	Account 561													
	RTO fees													
	Total SPP RTO Administrative Fees on Point to Point													
	x Percent allocated to Scheduling, System Ctrl & Dispatch Svcs													
	+ Scheduling, System Control and Dispatch Services													
	Total SPP RTO Administrative Fees on Point to Point													
	x Percent allocated to LT Reliability Planning & Sds Dvlpmnt Svcs													
	+ Long-Term Reliability Planning and Standards Development Svcs													
	+ Total Account 561													
	Account 565													
	RTO fees													
	+ 565 RTO - SPP Base Plan Funding													
	Transmission													
	+ Total Transmission costs to be recorded in 565													
	+ Total Account 565													
	Account 575													
	RTO fees													
	Total SPP RTO Administrative Fees on Point to Point													
	x Percent allocated to Mkt Facilitation, Monitoring & Compliance Svcs													
	+ Market Facilitation, Monitoring and Compliance Services													
	+ Total Account 575													
	Account 928													
	FERC fees													
	FERC Assessment													
	+ Total MWh													
	FERC fee \$/MWh													
	x MIDAS Non-Firm Sales (MWh)													
	+ 928 FERC													
	+ Total Account 928													
	+ Total Cost of Transmission & RTO, FERC, and NERC													
	- Total OSSM Expense													
	Total OSSM													
	x Mean to Median Adjustment Factor	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Median OSSM =													

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ECA _A	Component	Jan-13 Actual	Feb-13 Actual	Mar-13 Actual	Apr-13 Actual	May-13 Actual	Jun-13 Actual	Jul-13 Actual	Aug-13 Actual	Sep-13 Actual	Oct-13 Actual	Nov-13 Actual	Dec-13 Actual	2013
	OSSM _A x Unused Energy (UE1) Allocator	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%	47.8496%
	Total OSSM _A =													
	S _K Kansas kWh													
	Total S _K =	531,129,858	465,386,888	492,965,018	438,221,303	479,271,678	561,876,679	640,397,554	620,684,142	557,492,673	456,046,939	472,603,505	567,041,380	6,283,117,617
ECAP Calculation														
	F _r Fuel													
	P _r Purchased Power													
	E _r Emission Allowances													
	T _r Transmission													
	(F _r + P _r + E _r + T _r)													
	BPR _r Bulk Power Revenue													
	NABPC _A Non-asset Based Costs													
	((F _r + P _r + E _r + T _r) - BPR _r) - NABPC _A													
	S _r Retail + Requirements Sales kWhs													
	((F _r + P _r + E _r + T _r) - BPR _r - NABPC _A) / S _r													
	Kansas portion of Cost													
	Kansas portion of OSSM													
	Net Kansas Cost	\$ 9,449,305	\$ 12,175,207	\$ 13,629,159	\$ 10,478,680	\$ 10,983,310	\$ 10,609,530	\$ 11,252,421	\$ 11,402,284	\$ 11,285,392	\$ 7,985,483	\$ 7,087,159	\$ 11,730,857	\$ 128,068,787
	Projected Fuel Cost Component													
	Projected OSSM Component													
ECA _A	True-up Factor	0.00193	0.00193	0.00193	0.00092	0.00092	0.00092	0.00092	0.00092	0.00092	0.00092	0.00092	0.00092	
	Factors in Rates	0.02022	0.02453	0.02469	0.02110	0.01939	0.01974	0.01991	0.01982	0.01900	0.01710	0.01730	0.01818	
	Retail Cost Collected													
	Rounding Adjustment													
	OSSM Given Back													
	Revenue excluding True-up Amount	\$ 9,714,431	\$ 10,517,824	\$ 11,219,947	\$ 8,843,363	\$ 8,852,221	\$ 10,574,653	\$ 12,161,245	\$ 11,731,024	\$ 10,079,709	\$ 7,378,946	\$ 7,741,333	\$ 9,787,173	\$ 118,601,870
	True-up Revenue (estimated)	1,025,081	898,197	951,422	403,164	440,930	516,927	589,166	571,029	512,893	419,563	434,795	521,678	7,284,845
ECAREV _A		\$ 10,739,511	\$ 11,416,021	\$ 12,171,370	\$ 9,246,527	\$ 9,293,151	\$ 11,091,580	\$ 12,750,411	\$ 12,302,053	\$ 10,592,602	\$ 7,798,510	\$ 8,176,128	\$ 10,308,851	\$ 125,886,715
	2013 Over (Under) Collection	\$ 265,126	\$ (1,657,383)	\$ (2,409,212)	\$ (1,635,316)	\$ (2,131,089)	\$ (34,876)	\$ 908,824	\$ 328,739	\$ (1,205,684)	\$ (606,536)	\$ 654,174	\$ (1,943,684)	\$ (9,466,917)
	2011 Remaining Under Collection													196,874
TRUE _A														\$ (9,270,043)
S _{TRUE}	Projected kWhs for Kansas Retail customers for April 2014 - March 2015													
-TRUE _A / S _{TRUE}	Factor to add													\$ 0.00146