

**PUBLIC VERSION**  
\*\*\* **\*\*\*** Designates that "Confidential"  
Information has been Removed from  
Certain Schedules Attached to this Testimony.

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

STATE CORPORATION COMMISSION

**DIRECT TESTIMONY OF**

JAN 31 2006

**LOIS J. LIECHTI**

 Docket  
Room

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

**IN THE MATTER OF THE APPLICATION OF  
KANSAS CITY POWER & LIGHT COMPANY  
TO MODIFY ITS TARIFFS TO BEGIN THE  
IMPLEMENTATION OF ITS REGULATORY PLAN**

**DOCKET NO. 06-KCPE-828-RTS**

- 1 **Q: Please state your name and business address.**
- 2 **A: My name is Lois J. Liechti. My business address is 1201 Walnut, Kansas City, Missouri**
- 3 **64106.**
- 4 **Q: By whom and in what capacity are you employed?**
- 5 **A: I am employed by Kansas City Power & Light Company ("KCPL" or "Company") as**
- 6 **Manager, Regulatory Affairs.**
- 7 **Q: What are your responsibilities?**
- 8 **A: My responsibilities include the general supervision and leadership of KCPL's Regulatory**
- 9 **Affairs staff and activities. KCPL's Regulatory Affairs is responsible for load research**
- 10 **studies; regulatory reporting; the preparation of miscellaneous regulatory filings and**

1 activities related to the Company's Rules and Regulations, formal customer complaints,  
2 and data requests; and various regulatory studies including the class cost of service and  
3 the studies associated with the class cost of service.

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

5 A: I hold a Bachelor of Science degree in Engineering Technology from Missouri Western  
6 State University, and a Master of Business Administration from Northwest Missouri State  
7 University.

8 I have been employed by KCPL in my current position since August 2001. Prior to  
9 joining KCPL, I was employed by St. Joseph Light and Power Company for nearly 27  
10 years. I held various positions at St. Joseph Light and Power Company, including Senior  
11 Engineering Technician-Distribution, Economic Research Analyst responsible for load  
12 research, Demand Side Management Analyst, and my final position was Supervisor,  
13 Pricing and Market Research.

14 I joined KCPL following the merger between Aquila and St. Joseph Light and Power  
15 Company.

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

18 A: Yes, I supplied testimony to the MPSC during the Aquila/St. Joseph Light and Power  
19 merger case, EM-2000-0292. I have also served as KCPL's spokesperson before the  
20 KCC during roundtable meetings, and testified before the Kansas House Utilities  
21 Committee.

22 **Q: What is the purpose of your testimony?**

1 A: KCC Docket No. 04-KCPE-1025-GIE was established by the KCC to investigate an  
2 experimental regulatory plan that addressed a number of issues facing KCPL in the next  
3 decade, including the construction of a large coal-fired power plant, environmental  
4 facilities, wind generation, and transmission and distribution facilities management and  
5 distribution automation equipment. It also included a number of customer programs  
6 directed at efficiency, affordability and demand response. The proceeding resulted in a  
7 negotiated and approved Stipulation and Agreement (“Regulatory Plan Stipulation and  
8 Agreement”), which included a requirement that KCPL file a formal rate case, along with  
9 a class cost of service (“CCOS”) study on or before February 1, 2006. The purpose of  
10 my testimony in this case is to present the results of the class cost of service study and  
11 support the revenue calculation.

#### 12 **I. CLASS COST OF SERVICE STUDY**

13 **Q: What is the purpose of the class cost of service?**

14 A: The purpose of the CCOS study is to determine the contribution that each customer class  
15 makes toward the Company’s overall rate of return. The CCOS analysis strives to  
16 attribute costs in relationship to the cost-causing factors of demand, energy and  
17 customers.

18 **Q: Would the CCOS study serve as the basis for the determination of increasing or  
19 decreasing overall revenue levels for KCPL?**

20 A: No, not exactly. Different from a jurisdictional revenue requirement cost of service  
21 analysis, the data period selected (*i.e.*, test period) for the CCOS study was not adjusted  
22 to reflect adjustments made in the course of a normal rate proceeding before the KCC.  
23 Typically, adjustments to annualize depreciation, rate base, expenses and other items, as

1 well as adjustments to reflect known and measurable changes, are made to the Company's  
2 expenses, investments and revenues in rate proceedings. These kinds of adjustments are  
3 not reflected in the CCOS study. Rather, a simplified jurisdictional cost of service  
4 analysis was performed to provide the basis of the CCOS study.

5 **Q: Has the Company performed the CCOS study?**

6 A: Yes, the Company used Management Applications Consulting's EXCEL Cost-of-Service  
7 software to conduct a CCOS study. The summary results of the Company's CCOS study  
8 are attached and marked as Schedule LJL-1 (**Confidential**).

9 **Q: What classes were selected as a basis for this CCOS study?**

10 A: The classes the Company used in its analysis are Residential, Small General Service,  
11 Medium General Service, Large General Service, Large Power Service, Off-Peak  
12 Lighting and Other Lighting.

13 **Q: Do these classes conform to the current electric rate tariffs?**

14 A: Generally, they do. The Residential class has several rate classifications available to it  
15 that include general use, one-meter general use and heat, and a two-meter with general  
16 use on one meter and a separate meter for space heating. The Small General Service,  
17 Medium General Service and Large General Service classes also have general usage rates  
18 and all electric rates, plus they can be specific to the voltage level at which the customer  
19 receives service. The Large Power Service class is distinguished by the specific voltage  
20 at which the customer receives service. In total, the Company has five (5) general  
21 categories of service (plus Lighting), but has over 100 rate categories to meet the specific  
22 needs of the customer and reporting and billing requirements.

23 **Q: What test year was used for the CCOS study?**

1 A: The test period for the CCOS study is the historical period 12 months ending September  
2 2005.

3 **Q: Please provide an outline of the CCOS study as you are using it in this case.**

4 A: In the context of this proceeding, KCPL has set out to perform an analysis of the  
5 expenses, investments and revenues for the historical 12-month period ending September  
6 2005 as determined from the Company's books and records. These expenses,  
7 investments and revenues were evaluated to identify their relation to providing service to  
8 various classes of customers and to determine their relative returns on rate base. The  
9 result of this analysis is the CCOS study.

10 **Q: What general categories of cost were examined and considered in the development**  
11 **of the CCOS study?**

12 A: An analysis was made of all elements of investment (rate base) and expense (cost of  
13 service) for the purpose of allocating these items to the customer classes. The first step in  
14 this process was to functionalize costs.

15 **Q: Please explain what you mean by “functionalize costs”.**

16 A: In order to make the appropriate assignment of costs to the appropriate class of customer,  
17 it is necessary to first group the costs according to their function. The functions used in  
18 the CCOS study were production, transmission, distribution, and other costs.

19 **Q: Where these costs then assigned to the customer classes?**

20 A: No. After making the functional assignments of costs, the next step was to classify the  
21 costs.

22 **Q: Please explain what you mean by “classify costs”.**

1 A: Functionalized costs are examined to determine if they are customer-related, energy-  
2 related, or demand-related.

3 **Q: What do you mean by customer-related, energy-related and demand-related?**

4 A: Customer-related costs are those costs necessary to provide electric service to the  
5 customer. Some examples of these costs include meter reading, customer accounting,  
6 billing and some investment in plant equipment such as the meter, service line and other  
7 minimal distribution facilities necessary to make service available. Portions of the  
8 distribution facility are separated between the customer costs and the demand costs.  
9 Energy-related costs are directly related to the consumption of energy and consist of such  
10 things as fuel and purchased power.

11 Demand-related costs relate to the investment and expenses associated with the  
12 Company's facilities necessary to supply the customer's energy and load requirements at  
13 various load levels. The majority of demand-related costs consist of generation,  
14 transmission and the non-customer portion of distribution plant.

15 **Q: Did the Company perform any special cost studies in order to determine the**  
16 **customer, energy and demand components when the investments or expense were**  
17 **within the same account?**

18 A: Yes. KCPL prepared studies of:

- 19 a) Primary/secondary split of distribution investment contained in Federal Energy  
20 Regulatory Commission ("FERC") accounts #364 through #367;
- 21 b) Customer/demand split of distribution investment contained in FERC accounts #364  
22 through #368;
- 23 c) Meter cost study (typical installed meter and associated replacement cost);

- 1 d) Service line costs study (typical installed service line and associated replacement  
2 cost);  
3 e) Meter reading;  
4 f) Billing; and  
5 g) Losses (load and no load).

6 **Q: With the above classification of plant investment and operating costs into customer-,  
7 energy- and demand-related components, what was the next step in the CCOS  
8 study?**

9 A: The next step was to allocate each of the three categories of cost to each customer class  
10 utilizing allocation factors appropriate for each of the above categories of cost.

11 **Q: How are the allocation factors for customer-related costs generally determined?**

12 A: Customer-related costs are generally allocated on the basis of the number of customers  
13 within each class. Data for the development of the customer-related allocation factors  
14 came from Company billing and accounting records. Some of the customer-related  
15 accounts were allocated based on a weighted number of customers to reflect the  
16 weighting associated with serving those customers.

17 **Q: How are the allocation factors for the energy-related costs generally determined?**

18 A: Energy-related allocation factors were derived on the basis of each customer classes'  
19 respective energy (kilowatt hour) requirements. Kilowatt-hour sales to each customer  
20 class were available from Company records. The sales data was adjusted to reflect  
21 normal weather, system losses and unaccounted for, in order to assign the Company's  
22 total system output. Company witness George M. McCollister describes this process in  
23 his direct testimony.

1 **Q: Was the data for the development of class demand allocation factors also available**  
2 **from Company billing records?**

3 A: No. The data necessary to develop class demand allocation factors (production and  
4 transmission) were derived from the Company's load research data. Such data consisted  
5 of the hour-by-hour use of electricity by each customer class throughout the study period.  
6 Consideration of system losses, unaccounted for and sampling error was taken into  
7 account in determining the class demands. Company witness George M. McCollister  
8 describes this process in his direct testimony. Company witness Laura Becker provides  
9 an overview of the Company's load research in her direct testimony.

10 **Q: Was KCPL's load research data used to develop any other allocators?**

11 A: Yes, it was used to develop distribution plant allocators based on customer's non-  
12 coincident loads within each class.

13 **Q: Are any costs assigned directly to classes?**

14 A: Yes. In those instances where the costs are clearly attributable to a specific class, they  
15 are directly assigned to that class.

16 **Q: After the determination of customer, energy and demand allocation factors for the**  
17 **various elements of the Company's costs, what is the next step in the completion of a**  
18 **CCOS study?**

19 A: The next step is to apply the determined allocation factors to each element of rate base  
20 and expense in the CCOS study.

21 **Q: Would you describe the various allocation factors and how they were applied to**  
22 **each account?**



1 A: Yes. In fairly simple terms, the Company used an allocation method called the Average  
2 and Peak method to allocate production and transmission plant. This gives classes  
3 recognition for both usage and contribution to peak load. The demand portion of the  
4 distribution plant and related expense was allocated on two types of non-coincident  
5 demands (“NCD”). Substation related equipment and expense were allocated on class  
6 NCD allocators, while delivery equipment and expense were allocated on customer NCD  
7 allocators. The customer portion of the distribution plant and related expense was  
8 allocated based on the weighted number of customers. General and intangible plant were  
9 allocated based on the sum of combinations of production, transmission and distribution  
10 plant accounts. For example, if no production-related plant was in the account, it was  
11 allocated based on an allocator that included only transmission and distribution plant.

12 **Q: What is the next step in the CCOS study once the allocations are applied to the**  
13 **various rate base, revenue and expense accounts?**

14 A: The next step is to determine the relative return on rate base for each of the classes in the  
15 study. The ratio of class revenues less expenses (net operating income) divided by class  
16 rate base will indicate the rate of return being earned by the Company that is attributable  
17 to a particular class. It is necessary to keep in mind that this is a snapshot in time. The  
18 results of the CCOS study will most likely vary over time. The results of the study will  
19 also vary if you apply different allocation factors to the study. By applying different  
20 methods to the allocation process, you can change the outcome of the CCOS study.

21 **Q: What are the results of your CCOS study that you prepared and are submitting in**  
22 **this case?**

1 A: Schedule LJL-1 (**Confidential**), is a summary of revenue and expenses, net operating  
 2 income, rate base and rate of return for the total Company and the classes used in this  
 3 study. Page 1 of Schedule LJL-1 (**Confidential**) reflects returns as they occurred during  
 4 the test period. Page 2 reflects equalized return on equity for all classes and the resulting  
 5 revenue adjustments that would be required if all classes provided the same rate of return.

6 **Q: What conclusions have you made from the results of the CCOS study?**

7 A: The individual classes' rate of returns at current rates vary, and are shown in the  
 8 following table.

<b>Class Rate of Return at Current Rates</b>						
Residential	Small General Service	Medium General Service	Large General Service	Large Power Service	Off-Peak Lighting	Other Lighting
7.0%	8.3%	11.1%	9.3%	8.1%	9.3%	1.7%

9 **Q: If rates were changed so that KCPL earned the same rate of return from each**  
 10 **customer class, how much would each class's rates need to change?**

11 A: By the percentages in the table below.

<b>Change Required to Equalize Returns</b>						
Residential	Small General Service	Medium General Service	Large General Service	Large Power Service	Off-Peak Lighting	Other Lighting
4.4%	-1.4%	-11.4%	-4.9%	-0.6%	-4.1%	45.3%

12 **Q: How are the results of this CCOS study reflected in the Company's proposed rate**  
 13 **design in this case?**

14 A: Company witness Tim M. Rush addresses the use of the CCOS study in his direct  
 15 testimony regarding rate design.

16 **II. Revenue Normalization**

17 **Q: How was retail revenue normalized for this case?**

1 A: There were two discreet retail revenue normalizations done for this case. This case  
2 includes a jurisdictional revenue requirement cost of service, based on a historical test  
3 year ending December 31, 2005 (initially filed with nine (9) months actual and three (3)  
4 months budget data), with updates for known and measurable changes. This case also  
5 includes a jurisdictional class cost of service based on a historical test year ending  
6 September 30, 2005. Normalizations were performed for each distinct test year.

7 **Q: Was the process used to normalize these two test periods similar?**

8 A: Yes, regarding weather normalizations. But otherwise there are two exceptions. First,  
9 the data used for the normalizations came from different periods. Second, the  
10 normalization for the jurisdictional revenue requirement cost of service included an  
11 adjustment for growth in number of customers, but the class cost of service did not.

12 **Q: Please describe the process.**

13 A: The retail revenue normalization is based on billing information extracted from the  
14 Company's customer information system ("CIS"). The extracted data is queried to  
15 produce a summary of the billing determinants by month, by rate grouping.

16 **Q: How is this summarized billing information used?**

17 A: This summarized billing information is used to create bill frequencies by rate schedule.

18 **Q: What are "bill frequencies by rate schedule"?**

19 A: A "bill frequency by rate schedule" is a summary of all of the billing determinants  
20 associated with a specific rate. The billing determinants are then used to calculate the  
21 revenue generated by that rate. This calculated retail revenue is then compared to  
22 reported revenue, thereby "proving the revenue". This provides a method to adjust retail  
23 revenues for weather and customer annualization, and provides normalized retail revenue.

1 The weather and customer adjustments are described in the direct testimony of Company  
2 witness George M. McCollister.

3 **Q: Was retail revenue adjusted using the bill frequency billing determinants as**  
4 **adjusted to reflect normal weather?**

5 A: Yes, the retail revenue used in the jurisdictional revenue requirement cost of service was  
6 adjusted for normal weather. The adjustment is provided in the direct testimony of Don  
7 A. Frerking in Schedule DAF-2.

8 **Q: What was the retail revenue adjusted using the bill frequency billing determinants**  
9 **as adjusted for customer annualization?**

10 A: Yes, the retail revenue used in the jurisdictional revenue requirement cost of service was  
11 adjusted for customer annualization. The adjustment is provided in the direct testimony  
12 of Don A. Frerking in Schedule DAF-2.

13 **Q: Was the retail revenue used in the class cost of service adjusted in the same manner**  
14 **as that used in the jurisdictional revenue requirement class cost of service?**

15 A: Yes, the retail revenue used in the class cost of service was adjusted for normal weather.  
16 It was not, however adjusted for customer annualization.

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

18 A: Yes, it does.

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

In the Matter of the Application of Kansas City            )  
Power & Light Company to Modify Its Tariffs to         ) Docket No. 06-KCPE-\_\_\_\_ -\_\_\_\_  
Begin the Implementation of Its Regulatory Plan         )

**AFFIDAVIT OF LOIS J. LIECHTI**

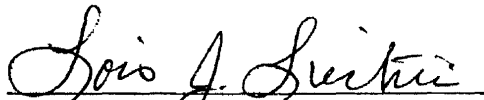
STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF JACKSON )

Lois J. Liechti, being first duly sworn on her oath, states:

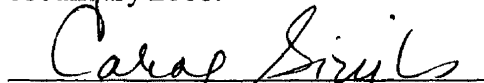
1. My name is Lois J. Liechti. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Manager, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of twelve (12) pages and Schedule LJL-1, all of which having been prepared in written form for introduction into evidence in the above-captioned docket.

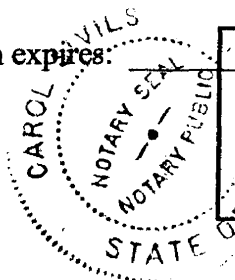
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
Lois J. Liechti

Subscribed and sworn before me this 27<sup>th</sup> day of January 2006.

  
Notary Public

My commission expires.



<p><b>CAROL SIVILS</b> Notary Public - Notary Seal STATE OF MISSOURI Clay County My Commission Expires: June 15, 2007</p>
---

**KANSAS CITY POWER & LIGHT COMPANY**  
**DOCKET NO. \_\_\_\_\_**  
**CLASS COST OF SERVICE FOR KANSAS CUSTOMERS**  
**FOR THE TEST YEAR ENDED SEPTEMBER 30, 2005**

SCHEDULE 1  
PAGE 1 OF 3

LINE NO.	DESCRIPTION	ALLOCATION BASIS	KANSAS RETAIL COL. 601	RESIDENTIAL COL. 602	SMALL GEN. SERVICE COL. 603	MEDIUM GEN. SERVICE COL. 604	LARGE GEN. SERVICE COL. 605	LARGE PWR SERVICE COL. 606	OFF-PEAK LIGHTING COL. 607	OTHER LIGHTING COL. 608	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
0010	<b>SCHEDULE 1 - SUMMARY OF OPERATING INC &amp; RATE BASE</b>										
0020											
0030	OPERATING REVENUE	TSFR 2 870	481,216,011	237,434,677	32,253,321	57,100,258	109,805,406	37,595,324	1,620,739	5,406,286	
0040											
0050	<b>OPERATING EXPENSES</b>										
0060	FUEL	TSFR 4 3940	89,073,436	39,359,367	4,628,342	10,077,490	24,446,000	9,798,181	439,034	325,022	
0070	PURCHASED POWER	TSFR 4 3950	28,814,281	12,912,227	1,494,874	3,250,846	7,814,173	3,108,103	134,384	99,675	
0080	OTHER OPERATION & MAINTENANCE EXPENSES	TSFR 4 3960	160,809,478	85,999,906	10,579,533	16,587,528	32,960,394	11,456,082	454,467	2,771,568	
0090	DEPRECIATION EXPENSES (NET OF CLEARINGS)	TSFR 5 1420	60,271,472	31,550,635	4,551,378	6,567,572	12,158,584	3,983,837	151,422	1,308,044	
0100	AMORTIZATION EXPENSES	TSFR 5 1650	3,699,656	2,434,875	306,872	279,401	496,960	154,006	16,138	11,404	
0110	INTEREST ON CUSTOMER DEPOSITS	CUST21	38,307	1,609	28,362	5,175	1,372	72	1,717	0	
0120	TAXES OTHER THAN INCOME TAXES	TSFR 6 560	29,160,721	15,390,374	2,086,979	3,149,274	6,004,940	1,998,455	75,743	454,956	
0130	FEDERAL AND STATE INCOME TAXES	TSFR 7 870	33,027,139	14,275,939	2,685,634	5,674,848	8,118,989	2,121,269	112,953	37,507	
0140	GAINS ON DISPOSITION OF PLANT	NETPLANT	0	0	0	0	0	0	0	0	
0150											
0160	TOTAL ELECTRIC OPERATING EXPENSES		404,894,490	201,924,933	26,361,974	45,592,134	92,001,411	32,620,004	1,385,857	5,008,175	
0170											
0180	NET ELECTRIC OPERATING INCOME		76,321,521	35,509,743	5,891,346	11,508,124	17,803,995	4,975,320	234,883	398,110	
0190											
0200	<b>RATE BASE</b>										
0210	TOTAL ELECTRIC PLANT	TSFR 10 230	2,195,541,433	1,158,593,309	160,016,171	238,252,967	450,295,241	148,739,382	5,696,833	33,947,530	
0220	LESS: ACCUM. PROV. FOR DEPREC	TSFR 10 310	1,027,560,190	540,992,102	72,353,229	112,151,711	217,475,617	73,889,745	2,587,839	8,109,947	
0230	NET PLANT		1,167,981,243	617,601,207	87,662,942	126,101,255	232,819,624	74,849,637	3,108,995	25,837,584	
0240	<b>PLUS:</b>										
0250	WORKING CAPITAL	TSFR 15 380	23,457,106	10,913,801	976,059	2,482,174	6,444,011	2,606,633	92,684	(58,256)	
0260	PRIOR NET PREPAID PENSION ASSET	SALWAGES	21,511,616	11,398,867	1,368,245	2,240,419	4,504,043	1,565,295	56,825	377,924	
0270	PENSION REGULATORY ASSET	SALWAGES	5,236,059	2,774,554	333,039	545,332	1,096,312	381,002	13,831	91,989	
0280	***										
0290	REG ASSET - DSM PROGRAMS	DEM1	10,378	5,242	531	1,141	2,506	917	23	18	
0300	REG ASSET - REGULATORY EXPENSE	CLAIMEDREV	10,053	5,016	711	1,098	2,208	793	35	193	
0310	JANUARY 2002 ICE STORM	DISTPLANT	0	0	0	0	0	0	0	0	
0320	<b>LESS:</b>										
0330	ACCUM. DEFERRED TAXES	TSFR 8 580	229,138,629	120,528,590	16,089,049	25,011,062	47,851,578	15,906,343	546,521	3,205,487	
0340	***										
0350	CUST. ADVANCES FOR CONSTRUCTION	DISTPLANT	3,779,181	2,139,542	448,422	406,557	501,347	98,815	12,012	172,487	
0360	CUSTOMER DEPOSITS	CUST21	1,909,460	80,224	1,413,736	257,941	68,397	3,578	85,584	0	
0370											
0380											
0390											
0400	TOTAL RATE BASE		962,042,444	510,518,272	71,281,183	103,280,889	190,589,977	61,055,472	2,523,063	22,793,587	
0410											
0420	RATE OF RETURN		7.93328%	6.95563%	8.26494%	11.14255%	9.34152%	8.14885%	9.30942%	1.74659%	
0430	RELATIVE RATE OF RETURN		1.00	0.88	1.04	1.40	1.18	1.03	1.17	0.22	
0440											

**KANSAS CITY POWER & LIGHT COMPANY**  
**DOCKET NO. \_\_\_\_\_**  
**CLASS COST OF SERVICE FOR KANSAS CUSTOMERS**  
**FOR THE TEST YEAR ENDED SEPTEMBER 30, 2005**

SCHEDULE 1  
PAGE 2 OF 3

LINE NO.	DESCRIPTION	ALLOCATION BASIS	KANSAS RETAIL COL. 601	RESIDENTIAL COL. 602	SMALL GEN. SERVICE COL. 603	MEDIUM GEN. SERVICE COL. 604	LARGE GEN. SERVICE COL. 605	LARGE PWR SERVICE COL. 606	OFF-PEAK LIGHTING COL. 607	OTHER LIGHTING COL. 608	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
0450	<b>SCHEDULE 1 - SUMMARY AT EQUALIZED CLAIMED RATE OF RETURN</b>										
0460											
0470	<b>RATE BASE</b>										
0480	TOTAL ELECTRIC PLANT	TSFR 10 230	2,195,541,433	1,158,593,309	160,016,171	238,252,967	450,295,241	148,739,382	5,696,833	33,947,530	
0490	LESS: ACCUM. PROV. FOR DEPREC	TSFR 10 310	1,027,560,190	540,992,102	72,353,229	112,151,711	217,475,617	73,889,745	2,587,839	8,109,947	
0500	NET PLANT		1,167,981,243	617,601,207	87,662,942	126,101,255	232,819,624	74,849,637	3,108,995	25,837,584	
0510	ADD: WORKING CAPITAL	TSFR 15 380	23,457,106	10,913,801	976,059	2,482,174	6,444,011	2,606,633	92,684	(58,256)	
0520	PROFORMA CWC	TSFR 16 2160	(0)	(183,394)	8,687	121,791	98,620	4,836	1,276	(51,816)	
0530	PRIOR NET PREPAID PENSION ASSET	TSFR 1 260	21,511,616	11,398,867	1,368,245	2,240,419	4,504,043	1,565,295	56,825	377,924	
0540	PENSION REGULATORY ASSET	TSFR 1 270	5,236,059	2,774,554	333,039	545,332	1,096,312	381,002	13,831	91,989	
0550	***									***	
0560	REG ASSET - DSM PROGRAMS	TSFR 1 290	10,378	5,242	531	1,141	2,506	917	23	18	
0570	REG ASSET - REGULATORY EXPENSE	TSFR 1 300	10,053	5,016	711	1,098	2,208	793	35	193	
0580	JANUARY 2002 ICE STORM	TSFR 1 310	0	0	0	0	0	0	0	0	
0590	LESS:										
0600	ACCUM. DEFERRED TAXES	TSFR 8 580	229,138,629	120,528,590	16,089,049	25,011,062	47,851,578	15,906,343	546,521	3,205,487	
0610	***									***	
0620	CUST. ADVANCES FOR CONSTRUCTION	TSFR 1 350	3,779,181	2,139,542	448,422	406,557	501,347	98,815	12,012	172,487	
0630	CUSTOMER DEPOSITS	TSFR 1 360	1,909,460	80,224	1,413,736	257,941	68,397	3,578	85,584	0	
0640	TOTAL RATE BASE		962,042,444	510,334,878	71,289,870	103,402,680	190,688,597	61,060,309	2,524,339	22,741,772	
0650	OPERATING INCOME @ 7.933% ROR		76,321,521	40,486,295	5,655,625	8,203,224	15,127,860	4,844,085	200,263	1,804,168	
0660											
0670	<b>OPERATING EXPENSES</b>										
0680	FUEL	TSFR 4 3940	89,073,436	39,359,367	4,628,342	10,077,490	24,446,000	9,798,181	439,034	325,022	
0690	PURCHASED POWER	TSFR 4 3950	28,814,281	12,912,227	1,494,874	3,250,846	7,814,173	3,108,103	134,384	99,675	
0700	OTHER OPERATION & MAINTENANCE EXPENSES	TSFR 4 3960	160,809,478	85,999,906	10,579,533	16,587,528	32,960,394	11,456,082	454,467	2,771,568	
0710	DEPRECIATION EXPENSES	TSFR 5 1420	60,271,472	31,550,635	4,551,378	6,567,572	12,158,584	3,983,837	151,422	1,308,044	
0720	AMORTIZATION EXPENSES	TSFR 5 1650	3,699,656	2,434,875	306,872	279,401	496,960	154,006	16,138	11,404	
0730	INTEREST ON CUSTOMER DEPOSITS	TSFR 1 110	38,307	1,609	28,362	5,175	1,372	72	1,717	0	
0740	TAXES OTHER THAN INCOME TAXES	TSFR 6 560	29,160,721	15,390,374	2,086,979	3,149,274	6,004,940	1,998,455	75,743	454,956	
0750	PLUS: CHANGE IN TAXES OTHER THAN INCOME TAXES		0	0	0	0	0	0	0	0	
0760	FEDERAL AND STATE INCOME TAXES	TSFR 7 870	33,027,139	14,275,939	2,685,634	5,674,848	8,118,989	2,121,269	112,953	37,507	
0770	PLUS: CHANGE IN FEDERAL AND STATE INCOME TAXES		0	3,290,437	(155,856)	(2,185,160)	(1,769,428)	(86,771)	(22,890)	929,669	
0780	GAINS ON DISPOSITION OF PLANT	TSFR 1 140	0	0	0	0	0	0	0	0	
0790	TOTAL ELECTRIC OPERATING EXPENSES		404,894,490	205,215,370	26,206,118	43,406,974	90,231,983	32,533,234	1,362,966	5,937,844	
0800											
0810	<b>COST OF SERVICE</b>										
0820	LESS: PRESENT OTHER REVENUE		481,216,011	245,701,665	31,861,743	51,610,198	105,359,843	37,377,319	1,563,229	7,742,013	
0830	INCREASE IN 451-MISC SERVICE REVENUE	TSFR 1 920	90,024,359	50,648,333	4,219,042	8,936,593	19,500,454	6,257,516	210,579	251,842	
0840	INCREASE OTHER	TSFR 1 930	0	0	0	0	0	0	0	0	
0850	SALES REVENUE		391,191,652	195,053,332	27,642,702	42,673,604	85,859,390	31,119,803	1,352,650	7,490,171	
0860											
0870	TOTAL REVENUE ADJUSTMENT		0	8,266,988	(391,577)	(5,490,061)	(4,445,562)	(218,005)	(57,510)	2,335,727	
0880	PERCENT CHANGE (RATE SCHEDULES)		0.00000%	4.42591%	-1.39678%	-11.39876%	-4.92283%	-0.57987%	-4.07826%	45.31482%	

**KANSAS CITY POWER & LIGHT COMPANY**  
**DOCKET NO. \_\_\_\_\_**  
**CLASS COST OF SERVICE FOR KANSAS CUSTOMERS**  
**FOR THE TEST YEAR ENDED SEPTEMBER 30, 2005**

SCHEDULE 1  
PAGE 3 OF 3

LINE NO.	DESCRIPTION	ALLOCATION BASIS	KANSAS RETAIL COL. 601	RESIDENTIAL COL. 602	SMALL GEN. SERVICE COL. 603	MEDIUM GEN. SERVICE COL. 604	LARGE GEN. SERVICE COL. 605	LARGE PWR SERVICE COL. 606	OFF-PEAK LIGHTING COL. 607	OTHER LIGHTING COL. 608	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
0890	<b>SCHEDULE 1 - SUMMARY AT PROPOSED RATES</b>										
0900	PROPOSED SALES REVENUE		391,191,652	186,786,344	28,034,279	48,163,665	90,304,952	31,337,808	1,410,160	5,154,444	
0910	PLUS: OTHER REVENUE		90,024,359	50,648,333	4,219,042	8,936,593	19,500,454	6,257,516	210,579	251,842	
0920	INCREASE IN 451-MISC SERVICE REVENUE	DISTPLANT	0	0	0	0	0	0	0	0	
0930	INCREASE OTHER	DISTPLANT	0	0	0	0	0	0	0	0	
0940	TOTAL OPERATING REVENUE		481,216,011	237,434,677	32,253,321	57,100,258	109,805,406	37,595,324	1,620,739	5,406,286	
0950											
0960	<b>OPERATING EXPENSES</b>										
0970	FUEL	TSFR 4 3940	89,073,436	39,359,367	4,628,342	10,077,490	24,446,000	9,798,181	439,034	325,022	
0980	PURCHASED POWER	TSFR 4 3950	28,814,281	12,912,227	1,494,874	3,250,846	7,814,173	3,108,103	134,384	99,675	
0990	OTHER OPERATION & MAINTENANCE EXPENSES	TSFR 4 3960	160,809,478	85,999,906	10,579,533	16,587,528	32,960,394	11,456,082	454,467	2,771,568	
1000	DEPRECIATION EXPENSES	TSFR 5 1420	60,271,472	31,550,635	4,551,378	6,567,572	12,158,584	3,983,837	151,422	1,308,044	
1010	AMORTIZATION EXPENSES	TSFR 5 1650	3,699,656	2,434,875	306,872	279,401	496,960	154,006	16,138	11,404	
1020	INTEREST ON CUSTOMER DEPOSITS	TSFR 1 110	38,307	1,609	28,362	5,175	1,372	72	1,717	0	
1030	TAXES OTHER THAN INCOME TAXES	TSFR 6 560	29,160,721	15,390,374	2,086,979	3,149,274	6,004,940	1,998,455	75,743	454,956	
1040	PLUS: CHANGE IN TAXES OTHER THAN INCOME TAXES		0	0	0	0	0	0	0	0	
1050	FEDERAL AND STATE INCOME TAXES	TSFR 7 870	33,027,139	14,275,939	2,685,634	5,674,848	8,118,989	2,121,269	112,953	37,507	
1060	PLUS: CHANGE IN FEDERAL AND STATE INCOME TAXES		0	2,035	(96)	(1,352)	(1,094)	(54)	(14)	575	
1070	GAINS ON DISPOSITION OF PLANT	TSFR 1 140	0	0	0	0	0	0	0	0	
1080	TOTAL ELECTRIC OPERATING EXPENSES		404,894,490	201,926,969	26,361,878	45,590,783	92,000,317	32,619,951	1,385,843	5,008,750	
1090											
1100	<b>RATE BASE</b>										
1110	TOTAL ELECTRIC PLANT	TSFR 10 230	2,195,541,433	1,158,593,309	160,016,171	238,252,967	450,295,241	148,739,382	5,696,833	33,947,530	
1120	LESS: ACCUM. PROV. FOR DEPREC	TSFR 10 310	1,027,560,190	540,992,102	72,353,229	112,151,711	217,475,617	73,889,745	2,587,839	8,109,947	
1130	NET PLANT		1,167,981,243	617,601,207	87,662,942	126,101,255	232,819,624	74,849,637	3,108,995	25,837,584	
1140	ADD: WORKING CAPITAL	TSFR 15 380	23,457,106	10,913,801	976,059	2,482,174	6,444,011	2,606,633	92,684	(58,256)	
1150	PROFORMA CWC	TSFR 16 2160	(0)	(183,394)	8,687	121,791	98,620	4,836	1,276	(51,816)	
1160	PRIOR NET PREPAID PENSION ASSET	TSFR 1 260	21,511,616	11,398,867	1,368,245	2,240,419	4,504,043	1,565,295	56,825	377,924	
1170	PENSION REGULATORY ASSET	TSFR 1 270	5,236,059	2,774,554	333,039	545,332	1,096,312	381,002	13,831	91,989	
1180	***									***	
1190	REG ASSET - DSM PROGRAMS	TSFR 1 290	10,378	5,242	531	1,141	2,506	917	23	18	
1200	REG ASSET - REGULATORY EXPENSE	TSFR 1 300	10,053	5,016	711	1,098	2,208	793	35	193	
1210	JANUARY 2002 ICE STORM	TSFR 1 310	0	0	0	0	0	0	0	0	
1220	LESS:										
1230	ACCUM. DEFERRED TAXES	TSFR 8 580	229,138,629	120,528,590	16,089,049	25,011,062	47,851,578	15,906,343	546,521	3,205,487	
1240	***									***	
1250	CUST. ADVANCES FOR CONSTRUCTION	TSFR 1 350	3,779,181	2,139,542	448,422	406,557	501,347	98,815	12,012	172,487	
1260	CUSTOMER DEPOSITS	TSFR 1 360	1,909,460	80,224	1,413,736	257,941	68,397	3,578	85,584	0	
1270	TOTAL RATE BASE		962,042,444	510,334,878	71,289,870	103,402,680	190,688,597	61,060,309	2,524,339	22,741,772	
1280											
1290	OPERATING INCOME		76,321,521	35,507,708	5,891,443	11,509,476	17,805,089	4,975,373	234,897	397,535	
1300											
1310	RATE OF RETURN		7.93328%	6.95773%	8.26407%	11.13073%	9.33726%	8.14829%	9.30528%	1.74804%	
1320	RELATIVE RATE OF RETURN		1.0000	0.8770	1.0417	1.4030	1.1770	1.0271	1.1729	0.2203	