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DIRECT TESTIMONY OF
RONALD A. KLOTE
KANSAS CITY POWER & LIGHT COMPANY
DOCKET NO. 14-KCPE-272-RTS

Received
on

DEC 09 2013

by
State Corporation Commission
of Kansas

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BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

DIRECT TESTIMONY OF

RONALD A. KLOTE

ON BEHALF OF
KANSAS CITY POWER & LIGHT COMPANY

Received
on

DEC 09 2013

by
State Corporation Commission
of Kansas

IN THE MATTER OF THE APPLICATION OF
KANSAS CITY POWER & LIGHT COMPANY
TO MAKE CERTAIN CHANGES IN
ITS CHARGES FOR ELECTRIC SERVICE

DOCKET NO. 14-KCPE-272-RTS

1 I. INTRODUCTION

2 Q: Please state your name and business address.

3 A: My name is Ronald A. Klotz. My business address is 1200 Main Street, Kansas City,
4 Missouri 64105.

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

6 A: I am employed by Kansas City Power & Light Company ("KCP&L" or the "Company")
7 as Senior Manager – Regulatory Accounting.

8 Q: What are your responsibilities?

9 A: My responsibilities include the preparation and review of accounting exhibits and
10 schedules associated with KCP&L and KCP&L Greater Missouri Operations Company
11 regulatory filings. I also have responsibility for the completion and filing of certain
12 regulatory reports to the Federal Energy Regulatory Commission, Department of Energy
13 and state regulatory commissions, among others.

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

2 A: The purpose of my testimony is to: (i) describe the revenue requirement model and
3 schedules that are used to support the rate increase KCP&L is requesting in this
4 abbreviated proceeding (Schedules RAK-1 through RAK-3 attached to this testimony);
5 and (ii) support the limited accounting adjustments authorized for this abbreviated case
6 listed on the summary of adjustments (Schedules RAK-2 and RAK-4 attached to this
7 testimony). These adjustments support the expenditures associated with the
8 environmental equipment installation at the La Cygne Generating Facility (the “La Cygne
9 Environmental Project” or “Project”) and other amortizations discussed in KCP&L’s last
10 rate case, Docket No. 12-KCPE-764-RTS (the “764 Docket”).

11 **Q: What is the result of the revenue requirement model for this case?**

12 A: The revenue requirement model supports KCP&L’s requested rate increase of
13 \$12,113,071.

14 **Q: Before you present your discussion, please describe your education, experience and
15 employment history.**

16 A: In 1992, I received a Bachelor of Science Degree in Accountancy from the University of
17 Missouri-Columbia. I am a Certified Public Accountant holding a certificate in the State
18 of Missouri. In 1992, I joined Arthur Andersen, LLP holding various positions of
19 increasing responsibilities in the auditing division. I conducted and led various auditing
20 engagements of company financial statements. In 1995, I joined Water District No. 1 of
21 Johnson County as a Senior Accountant. This position involved operational and financial
22 analysis of water operations. In 1998, I joined Overland Consulting, Inc. as a Senior
23 Consultant. This position involved accounting and auditing projects in the electric, gas,

1 telecommunications and cable industries. In 2002, I joined Aquila, Inc. holding various
2 positions within the Regulatory department until 2004 when I became Director of
3 Regulatory Accounting Services. In this position I was primarily responsible for the
4 planning and preparation of all accounting adjustments associated with regulatory filings
5 in the electric jurisdictions. As a result of the acquisition of Aquila by KCP&L, I began
6 my employment with the Company as Senior Manager – Regulatory Accounting in July
7 2008.

8 **Q: Have you previously testified in a proceeding before the Kansas Corporation**
9 **Commission (“Commission” or “KCC”) or before any other utility regulatory**
10 **agency?**

11 A: Yes. I testified before the Commission in Docket No. 10-KCPE-415-RTS (the
12 “415 Docket”) and in the 764 Docket. I have also testified before the California Public
13 Utilities Commission, the Public Utilities Commission of Colorado, and the Missouri
14 Public Service Commission.

15 **II. REVENUE REQUIREMENT MODEL AND SCHEDULES**

16 **Q: What is the purpose of Schedules RAK-1 through RAK-3?**

17 A: These schedules represent the key outputs of the Company’s revenue requirement model
18 used to support the rate increase that KCP&L is requesting in this proceeding. Schedule
19 RAK-1 shows the revenue requirement calculation. Schedule RAK-2 lists the rate base
20 components which identify what rate base components are being adjusted in this
21 abbreviated rate case. Schedule RAK-3 is the adjusted income statement.

22 **Q: What is the purpose of Schedule RAK-4?**

23 A: Schedule RAK-4 is a summary of cost of service adjustments.

1 **Q: Were the schedules prepared either by you or under your direction?**

2 A: Yes, they were.

3 **Q: What adjustments is the Company requesting the Commission consider in this case?**

4 A: As discussed in the Direct Testimony of KCP&L witness Mr. Darrin R. Ives, this docket
5 is an abbreviated rate case and KCP&L's request is limited to those items approved by
6 the Commission in the 764 Docket for consideration in this abbreviated rate case.

7 **Q: Please explain.**

8 A: Section III.10.F. in the Partial Settlement Agreement dated September 28, 2012 and
9 approved by the Commission in the 764 Docket ("764 Settlement"), allowed for an
10 abbreviated rate proceeding relating to the Company's La Cygne Environmental Project.

11 **Q: What specific guidelines were given in the 764 Settlement?**

12 A: The 764 Settlement stated the following:

13 The Signatory Parties agree not to contest KCP&L's request for
14 Commission pre-approval for KCP&L to file an abbreviated rate
15 proceeding in accordance with K.A.R. 82-1-231(b)(3). Items for
16 consideration in such an abbreviated proceeding include: CWIP for the
17 LaCygne environmental project and the two regulatory asset items noted
18 at the end of Bill Baldry's testimony. [764 Settlement, at pp. 7-8.]

19 **Q: Which two regulatory asset items were discussed in Mr. Baldry's testimony in the
20 764 Docket?**

21 A: Mr. Baldry discusses in his Direct Testimony the amortization of (1) the FAS 158¹
22 pension and Other Post-Employment Benefits ("OPEB") deferrals which will be fully
23 amortized by July 31, 2014, and (2) rate case expense approved in the 415 Docket which
24 will be fully amortized by the end of January 2015. Mr. Baldry's testimony suggests that
25 the amortization amounts for pension and OPEB be removed from the cost of service.

1 **Q: How does the abbreviated and limited nature of this rate case impact the process**
2 **used to determine the requested rate increase?**

3 A: Instead of using an historical test year, the Company has set as its base a revenue
4 requirement model that ties to the accounting schedules that support the increase
5 authorized in the 764 Docket on a total Company basis. The Company has frozen the
6 capital structure, certain rate base components and jurisdictional allocations within the
7 model. From there, a limited number of adjustments were made as will be described
8 below. Only the adjustments associated with those items identified in the 764 Settlement
9 discussed above were included.

10 **Q: Please describe the rest of the ratemaking process.**

11 A: KCP&L then allocated the adjusted balances from the Order in the 764 Docket
12 (“764 Order”) to arrive at operating revenues, operating expenses, and rate base
13 applicable to the Kansas jurisdiction based upon the allocation percentages approved in
14 the 764 Docket. Operating expenses were subtracted from operating revenues to arrive at
15 operating income. The net original cost of rate base was then multiplied times the rate of
16 return authorized in the 764 Docket to determine the net operating income requirement.
17 This was compared with the net operating income available to determine the additional
18 net operating income before income taxes that would be needed to achieve the authorized
19 rate of return. Additional current income taxes were then added to arrive at the gross
20 revenue requirement. This requested rate increase is the amount necessary for KCP&L to
21 recover its prudently incurred costs.

¹ Financial Accounting Standards (FAS) 158, Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans-An Amendment of FASB Statements No. 87, 88, 106, and 132(R).

1 **III. ACCOUNTING ADJUSTMENTS**

2 **Q: What adjustments does the Company propose for this case?**

3 A: Based upon the 764 Settlement referenced above, the Company has made the following
4 adjustments to the revenue requirement model:

5	RB-20	Plant in Service
6	RB-21	Construction Work in Progress – Rate Base
7	RB-30	Accumulated Depreciation Reserve
8	RB-125	Accumulated Deferred Income Taxes
9	CS-61	OPEB Employer Share
10	CS-65	Annualized Pension Expense
11	CS-80	Rate Case Expense-Amortization of Regulatory Asset
12	CS-120	Depreciation Expense
13	CS-125	Income Taxes

14 **ADJUSTMENT RB-20 – PLANT IN SERVICE**

15 **Q: Please explain adjustment RB-20.**

16 A: KCP&L rolled forward the Commission-approved Kansas-basis plant balances relating to
17 the La Cygne Environmental Project to February 28, 2014, by using the Company’s
18 actual Project plant additions through October 31, 2013 as well as Company projections
19 for plant additions for November 2013 through February 2014.

20 **Q: Will the projections used be updated for actual expenditures?**

21 A: Yes. Historically, the Company has projected various cost of capital, rate base and net
22 operating income components out to a date when the KCC Staff (“Staff”) would be
23 performing their audit work in preparation for their filings. We have continued with the

1 established practice of anticipating a cut-off date. Based on the filing date of this rate
2 case, use of the February cut-off date for inclusion of actual costs is consistent with cut-
3 off dates used in recent KCP&L and Westar rate cases.²

4 **Q: Please identify the impact of adjustment RB-20.**

5 A: Adjustment RB-20 increase to plant in-service can be found on Schedule RAK-2.

6 **ADJUSTMENT RB-21 – CONSTRUCTION WORK IN PROGRESS**

7 **Q: Please explain adjustment RB-21.**

8 A: As allowed by K.S.A. 66-128, KCP&L has included in its rate base request the
9 anticipated February 28, 2014 Construction Work in Progress (“CWIP”) balance for the
10 La Cygne Environmental Project. KCP&L witness Mr. Robert N. Bell discusses the
11 status of the La Cygne Environmental Project in his Direct Testimony.

12 **Q: How was the February 28, 2014 anticipated CWIP balance derived?**

13 A: KCP&L rolled forward the June 30, 2012 CWIP balance for the La Cygne Environmental
14 Project included in the 764 Docket to the actual CWIP balance for the Project on the
15 accounting books as of October 31, 2013. Projections were then added for the period
16 covering November 2013 to February 2014. In addition, anticipated plant in-service
17 additions expected to close between November 2013 and February 2014 were removed
18 from the CWIP balances as they were considered in adjustment RB-20.

19 **Q: Will the projections be updated with the actual expenditures?**

20 A: Yes, as with the La Cygne plant in-service amounts, the Company anticipates the actual
21 February 28, 2014 Project CWIP balance will replace the budgeted February 28, 2014
22 amount.

² See Docket No. 12-KCPE-764-RTS; and Docket No. 13-WSEE-629-RTS,.

1 **Q: Please identify the impact of adjustment RB-21.**

2 A: Adjustment RB-21 increase to CWIP's inclusion in rate base can be found on Schedule
3 RAK-2.

4 **ADJUSTMENT RB-30 – RESERVE FOR DEPRECIATION**

5 **Q: Please explain adjustment RB-30.**

6 A: As described below, KCP&L rolled forward the June 30, 2012 depreciation reserve
7 balance in two steps for the La Cygne Environmental Project included in the 764 Docket
8 to balances projected as of February 28, 2014.

9 **Q: How was this roll-forward accomplished?**

10 A: The depreciation provision component was calculated in two steps: (i) first, an estimate
11 of depreciation expenses through February 28, 2014 attributable to actual La Cygne
12 Environmental Project plant through October 31, 2013 was calculated. The estimated
13 provision for actual plant in-service was based on the in-service date and when charges
14 were unitized to plant; and (ii) second, an estimate of depreciation expense through
15 February 28, 2014 attributable to projected La Cygne Environmental Project plant
16 additions from November 2013 through February 2014 was calculated. In the second
17 step, because the only additional La Cygne Environmental Project plant additions that are
18 projected to go in-service occur in December 2013, the projected depreciation provision
19 represents only two and one-half months.

20 **Q: Please identify the impact of adjustment RB-30.**

21 A: Adjustment RB-30 increase to reserve for depreciation can be found on Schedule RAK-2.

1 **ADJUSTMENT RB-125 – ACCUMULATED DEFERRED INCOME TAXES**

2 **Q: Please explain adjustment RB-125.**

3 A: Deferred income taxes represent the tax on timing differences for deductions and income
4 reported on KCP&L’s income tax returns compared to what is reported for book
5 purposes. Accumulated Deferred Income Taxes (“ADIT”) represent the accumulated
6 balance of those income tax timing differences at a point in time. KCP&L used the
7 ADIT balance as approved in the 764 Docket as its beginning balance. Adjustment
8 RB-125 adjusts this amount for the impact of the La Cygne Environmental Project plant
9 additions as included in this case.

10 **Q: Why would the change in plant balance included in rate base impact the ADIT**
11 **balance?**

12 A: ADIT liabilities such as accelerated depreciation are considered a cost-free source of
13 financing for ratemaking purposes. Ratepayers should not be required to provide for a
14 return on plant in-service that has been funded by the government in the form of reduced
15 (albeit temporarily) taxes. As a result, ADIT liabilities are reflected as a rate base offset
16 (reduction in rate base). Thus the increase in plant in-service included in this case would
17 cause an increase in the ADIT reduction to rate base.

18 **Q: Please identify the impact of adjustment RB-125.**

19 A: Adjustment RB-125 increase to accumulated deferred income taxes (decrease to rate
20 base) can be found on Schedule RAK-2.

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ADJUSTMENT CS-61 – OTHER POST-EMPLOYMENT BENEFITS

Q: Please explain the adjustment related to OPEB.

A: The OPEB-related FAS 158 regulatory asset was established as \$1,985,626 at December 31, 2008 (\$875,222 Kansas jurisdictional share), after allocation to joint owners. Amortization included in rates at August 1, 2009, after amounts capitalized, was \$296,851 per year (\$130,846 per year Kansas jurisdictional share). The Company was authorized to amortize this asset over five (5) years beginning August 1, 2009. Given that the OPEB FAS 158 regulatory asset will be fully amortized as of July 31, 2014, Adjustment CS-61 removes the amortization amount from the cost of service.

Q: Please identify the impact of adjustment CS-61.

A: Adjustment CS-61 impact can be found on Schedule RAK-4.

ADJUSTMENT CS-65 – PENSIONS

Q: Please explain the adjustment related to pensions.

A: The pension-related FAS 158 regulatory asset was established as \$7,393,362 at December 31, 2008 (\$3,258,839 Kansas jurisdictional share), after allocation to joint owners. Amortization included in rates at August 1, 2009, after amounts capitalized, was \$1,122,805 per year (\$494,909 per year Kansas jurisdictional share). The Company was authorized to amortize this asset over five (5) years beginning August 1, 2009. Given that the pension FAS 158 regulatory asset will be fully amortized as of July 31, 2014, Adjustment CS-65 removes the amortization amount from the cost of service.

Q: Please identify the impact of adjustment CS-65.

A: Adjustment CS-65 impact can be found on Schedule RAK-4.

1 **ADJUSTMENT CS-80 – RATE CASE EXPENSE-AMORTIZATION OF REG ASSET**

2 **Q: Please explain the adjustment related to rate case expense.**

3 A: First, this adjustment impacts the rate case expense amortizations received for cases prior
4 to the 764 Docket which are scheduled to be fully amortized by the end of January 2015.
5 For the cases prior to the 764 Docket which will have relatively small outstanding
6 deferrals and only a few months remaining of amortization expense at August 2014, this
7 adjustment re-computes the remaining months to amortize the remaining deferred amount
8 to more closely match the anticipated timing of future rate changes that will occur
9 associated with the conclusion of the La Cygne Environmental Project. The amortization
10 time period has been extended to 18 months on the remaining deferred balances at
11 August of 2014. Secondly, for the amortization level associated with the approved rate
12 case expense for the 764 Docket, no adjustment has been made as the amortization period
13 is set to end at approximately the same time as the expected effective date of new rates in
14 the next filed rate case.

15 **Q: Please identify the impact of adjustment CS-80.**

16 A: Adjustment CS-80 impact can be found on Schedule RAK-4.

17 **ADJUSTMENT CS-120 – DEPRECIATION**

18 **Q: Please explain adjustment CS-120.**

19 A: KCP&L annualized depreciation expense by applying the jurisdictional depreciation rates
20 used in the 764 Docket to adjusted plant in-service balances associated with the La Cygne
21 Environmental Project plant in-service additions as of February 28, 2014.

22 **Q: Please identify the impact of adjustment CS-120.**

23 A: Adjustment CS-120 impact can be found on Schedule RAK-4.

ADJUSTMENT CS-125 – INCOME TAXES

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Q: Please explain adjustment CS-125.

A: For purposes of this abbreviated case, only the income tax components directly related to the adjustments identified in the 764 Settlement discussed above will be taken into consideration for the income tax calculation. This includes updating the straight line tax depreciation computation for changes in the straight line book basis to tax basis ratio for the additional La Cygne Environmental Project plant in-service.

Q: Please identify the impact of adjustment CS-125.

A: Adjustment CS-125 impact can be found on Schedule RAK-4.

Q: Does that conclude your testimony?

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) Docket No.: 14-KCPE-____-RTS
to Make Certain Changes in)
Its Charges for Electric Service)

AFFIDAVIT OF RONALD A. KLOTE

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Ronald A. Klote, being first duly sworn on his oath, states:

1. My name is Ronald A. Klote. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Senior Manager – Regulatory Accounting.

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, having been prepared in written form for introduction into evidence in the above-captioned docket.

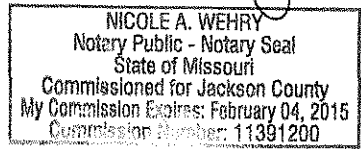
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Ronald A. Klote
Ronald A. Klote

Subscribed and sworn before me this 9th day of December, 2013.

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4, 2015



Kansas City Power & Light Company
2013 KS Abbreviated RATE CASE - Direct Filing
Kansas Jurisdiction; Update 2/28/14

2012 Order updated for La Cygne Env & Reg Asset Amortiz for Rate Case Exp and FAS158 (Pension & OPEB)

Revenue Requirement

Line No.	Description A	8.005% Return B
1	Net Orig Cost of Rate Base (Sch 2)	\$ 1,921,029,620
2	Rate of Return	<u>8.005%</u>
3	Net Operating Income Requirement	\$ 153,786,105
4	Net Income Available (Sch 9)	<u>146,463,755</u>
5	Additional NOIBT Needed	7,322,350
6	Additional Current Tax Required	4,790,721
7	Gross Revenue Requirement	<u><u>\$ 12,113,071</u></u>

Kansas City Power & Light Company
2013 KS Abbreviated RATE CASE - Direct Filing
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Rate Base

Line No.	Description	Adj #	Total Company	Adjustment	Adjusted Total Company	Adjusted Jurisdictional
	A	B	C	D	E	F
1	Total Plant :					
2	Total Plant in Service - Schedule 3	RB-20	7,779,197,114	40,348,474	7,819,545,588	3,541,441,536
3	Subtract from Total Plant:					
4	Depreciation Reserve - Schedule 6	RB-30	3,138,646,214	583,316	3,139,229,530	1,453,619,341
5	Net (Plant in Service)		<u>4,640,550,900</u>	<u>39,765,158</u>	<u>4,680,316,058</u>	<u>2,087,822,195</u>
6	Add to Net Plant:					
7	Cash Working Capital - Schedule 8		(30,626,755)		(30,626,755)	(30,626,755)
8	Materials and Supplies - Schedule 12		99,951,177		99,951,177	45,307,490
9	Prepayments - Schedule 12		10,411,934		10,411,934	4,713,751
10	Fuel Inventory - Oil - Schedule 12		7,377,377		7,377,377	20,927,794
11	Fuel Inventory - Coal - Schedule 12		49,591,458		49,591,458	3,113,283
12	Fuel Inventory - Additives - Schedule 12		674,228		674,228	284,527
13	Fuel Inventory - Nuclear - Schedule 12		65,095,499		65,095,499	27,470,561
14	Regulatory Asset - Iatan 1 and Com-KS		3,390,680		3,390,680	3,390,680
15	CWIP - La Cygne Environmental	RB-21	156,256,450	243,202,229	399,458,679	180,679,555
16	Subtract from Net Plant:					
17	Cust Advances for Construction-KS		1,221,065		1,221,065	1,221,065
18	Customer Deposits-KS		1,723,719		1,723,719	1,723,719
19	Deferred Income Taxes - Schedule 13	RB-125	837,738,063	12,029,206	849,767,269	384,781,830
20	Def Gain on SO2 Emissions Allowances-KS		34,325,272		34,325,272	34,325,272
21	Def Gain (Loss) Emissions Allow-Allocated		3,728		3,728	1,573
22	Total Rate Base		<u>4,127,661,102</u>	<u>270,938,181</u>	<u>4,398,599,282</u>	<u>1,921,029,620</u>

Footnote: All schedules identified above are schedules included in the Revenue Requirement Model.

Kansas City Power & Light Company
2013 KS Abbreviated RATE CASE - Direct Filing
Kansas Jurisdiction; Update 2/28/14

2012 Order updated for La Cygne Env & Reg Asset Amortiz for Rate Case Exp and FAS158 (Pension & OPEB)

Income Statement

Line No.	Description	Adj #	Total Company	Adjustment	Adjusted Total Company	Adjusted Jurisdictional
	A	B	C	D	E	F
1	Operating Revenue		1,549,353,561	-	1,549,353,561	730,558,054
2	Operating & Maintenance Expenses:					
3	Production		628,265,354	-	628,265,354	271,865,978
4	Transmission		46,775,355	-	46,775,355	21,573,933
5	Distribution		47,788,526	-	47,788,526	22,109,664
6	Customer Accounting		28,933,669	-	28,933,669	11,870,309
7	Customer Services		18,778,395	-	18,778,395	7,723,577
8	Sales		463,480	-	463,480	218,293
9	A & G Expenses	CS-61, 65, 80	165,230,824	(2,909,972)	162,320,852	72,143,168
10	Total O & M Expenses		936,235,604	(2,909,972)	933,325,632	407,504,923
11	Depreciation Expense	Model Sch 5 & 9	165,624,400	1,002,209	166,626,609	75,949,571
12	Amortization Expense		14,643,688	-	14,643,688	7,891,760
13	Taxes other than Income Tax		86,003,487	-	86,003,487	38,943,525
14	Net Operating Income before Tax		346,846,381	1,907,763	348,754,144	200,268,276
15	Income Taxes Current	CS-125	48,523,887	(2,134,714)	46,389,173	39,503,495
16	Income Taxes Deferred	CS-125	34,019,067	(377,460)	33,641,607	14,816,337
17	Investment Tax Credit		(1,137,933)	-	(1,137,933)	(515,311)
18	Total Taxes		81,405,021	(2,512,174)	78,892,847	53,804,520
19	Total Net Operating Income		265,441,360	4,419,937	269,861,297	146,463,755

Kansas City Power & Light Company
2013 KS Abbreviated RATE CASE - Direct Filing
Kansas Jurisdiction; Update 2/28/14

2012 Order updated for La Cygne Env & Reg Asset Amortiz for Rate Case Exp and FAS158 (Pension & OPEB)

Summary of COS Adjustments

Line No.	Adj No.	Description	Witness	Increase (Decrease)			
				D	E	F	G
1		JURISDICTIONAL COST OF SERVICE		<u>Total Adjustments</u>	<u>Allocated Adjs</u>	<u>100% MO & Whsl Adjs</u>	<u>100% KS Adjs</u>
				Incr (Decr)	Incr (Decr)	Incr (Decr)	Incr (Decr)
2		Operating Expenses					
3	CS-61	OPEB expense	Klote	(296,851)	(296,851)	0	
4	CS-65	Pension Expense	Klote	(1,122,805)	(1,122,805)		
5	CS-80	Amortize Rate Case Expenses	Klote	(1,490,316)		0	(1,490,316)
6				<u>(2,909,972)</u>	<u>(1,419,656)</u>	<u>0</u>	<u>(1,490,316)</u>
7		Depreciation Expense					
8	CS-120	Annualize depreciation expense based on jurisdictional depreciation rates applied to jurisdictional plant-in-service at indicated period	Klote	1,002,209	1,002,209		
9				<u>1,002,209</u>	<u>1,002,209</u>	<u>0</u>	<u>0</u>
10		Income Tax Expense					
11	CS-125	Reflect adjustments to Schedule 9, Allocation of Current and Deferred Income Taxes	Klote	(2,512,174)	(2,512,174)		
12				<u>(2,512,174)</u>	<u>(2,512,174)</u>	<u>0</u>	<u>0</u>
13		Total Electric Oper. Expenses		<u>(4,419,937)</u>	<u>(2,929,621)</u>	<u>0</u>	<u>(1,490,316)</u>
14		Net Electric Operating Income		<u>4,419,937</u>	<u>2,929,621</u>	<u>0</u>	<u>1,490,316</u>
				<u>0</u>	<u>0</u>		

(1) All amounts are total company; if an adjustment is applicable to only KS or MO it is so indicated