

**PUBLIC VERSION**

**“\*\*[REDACTED]\*\*” Designates Confidential Information.  
Certain Schedules Attached to this Testimony Designated  
“Confidential” Also Contain Confidential Information.  
All Such Information Should Be Treated Confidentially.**

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

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**DIRECT TESTIMONY OF**

**ELIZABETH A. HERRINGTON**

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

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**IN THE MATTER OF THE APPLICATION OF  
KANSAS CITY POWER & LIGHT COMPANY  
FOR APPROVAL OF 2016 ACTUAL COST ADJUSTMENT (“ACA”)**

**DOCKET NO. 17-KCPE-\_\_\_\_-ACA**

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

2   A:   My name is Elizabeth A. Herrington. My business address is 1200 Main, Kansas City,  
3       Missouri 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       Director, Energy and Revenue Accounting.

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

8   A:   As Director, Energy and Revenue Accounting, I have responsibility for leading the  
9       margin accounting team in support of the monthly close and external reporting processes.

1 The margin accounting team is responsible for the recording and analysis of all revenue,  
2 fuel, purchased power and transmission transactions including the calculation of all fuel  
3 clauses and the Energy Cost Adjustment.

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

5 A: I graduated from the University of Missouri-Columbia in May 1992 with a Bachelor of  
6 Science in Accountancy. In October 1997, I joined the Company as a staff accountant  
7 and have held several roles such as Supervisor - Accounts Receivable, Supervisor -  
8 Regulatory Accounting, Manager - Revenue and Fuel Accounting, Manager - Energy  
9 Accounting and Senior Manager - Accounting before assuming my current role last year.

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

13 A: I previously provided written testimony to the KCC for the 2015 ACA and provided both  
14 written and oral testimony before the Missouri Public Service Commission in KCP&L’s  
15 general rate case ER-2016-0285 on fuel clause issues.

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

17 A: My testimony supports KCP&L’s request for Commission approval of the 2016 ACA  
18 amount and associated true-up factor related to the Company’s Energy Cost Adjustment  
19 (“ECA”) tariff. I will describe the actual revenues and expenses behind KCP&L’s 2016  
20 ECA mechanism and the resulting ACA true-up factor to be effective and applied for the  
21 twelve-month period April 1, 2017 to March 31, 2018.

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 as an offset to expenses.

6 **Q: Were there any changes made to the ECA tariff in 2016?**

7 A: No.

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

9 A: Fuel, purchased power, emission allowances, renewable energy credits, and wholesale  
10 transmission expenses and fees. KCP&L uses the following Federal Energy Regulatory  
11 Commission ("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, 561.4, 561.8, 575.7, and  
17 928.

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 Additionally, retail transmission costs and fees were excluded from the ECA calculation  
21 beginning October 1, 2015.

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

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

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

2 A: As a result of discussions with KCC Staff and various rate case testimonies, KCP&L  
3 does not perform natural gas hedging activity on behalf of its Kansas customers.  
4 Therefore, all natural gas hedging premium payments and settlements are removed from  
5 the appropriate FERC accounts for the calculation of Kansas ECA Costs.

6 **Q: Please explain why retail transmission costs and fees are excluded.**

7 A: Effective October 1, 2015, KCP&L began collecting retail transmission costs and fees  
8 through its Transmission Delivery Charge (“TDC”) rider. At that time KCP&L removed  
9 retail transmission from the ECA calculation and included it in the TDC rider.

10 **Q: Why are there credits relating to retail transmission costs and fees in the 2016**  
11 **ACA?**

12 A: In 2016, KCP&L received a refund for Southwest Power Pool (“SPP”) administrative  
13 fees related to February 2014 through September 2015, which is before the TDC rider  
14 began in October 2015. Also in 2016, KCP&L received a refund for SPP Schedule  
15 Z2charges from March 2008 through June 2016), which is primarily related to when the  
16 ECA began in 2008 and before the TDC rider began in October 2015. As a result,  
17 KCP&L concluded it would be best to match these refunds to the tariff time period when  
18 the original charges were included.

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

20 A: It is important because of the different allocation factors. Expenses in support of retail  
21 sales are allocated to Kansas based on an energy allocator. This allocation is based on  
22 the kilowatt-hour (“kWh”) usage by the retail customers. For example, if KCP&L bills  
23 out retail usage of 100 kWh, of which 47 kWh are Kansas retail usage and 53 kWh are

1 Missouri retail usage, then KCP&L would allocate 47% (47 kWh / 100 kWh) of the ECA  
2 Costs to Kansas retail.

3 Expenses in support of wholesale (*e.g.*, off-system sales) are allocated to Kansas  
4 based on the Unused Energy (“UE1”) allocator, in accordance with the Stipulation and  
5 Agreement in KCP&L’s 2007 rate case, Docket No. 07-KCPE-905-RTS. Schedule  
6 EAH-1 contains the calculation of the UE1 allocator for 2016.

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

8 A: Through a post-analysis tool, KCP&L splits all sources of power (generation and  
9 purchases) between retail and wholesale transactions. The post-analysis tool assigns  
10 minimum load obligations for coal units, nuclear power and wind power (owned and  
11 purchase power agreements) to its retail customers first. Once retail load has been  
12 matched with the above sources of power, the post-analysis tool continues to assign cost  
13 until all sales (retail and wholesale) are completed. Transmission costs and fees are  
14 allocated to either retail or wholesale based on direct identification of which type of sale  
15 was supported or allocated based on the percentage of kWh sales if direct identification  
16 cannot be made.

17 **Q: What was the total amount of fuel, purchased power and related expenses for**  
18 **KCP&L Kansas retail customers for 2016?**

19 A: Confidential Schedule EAH-2 contains the summary of actual costs for all KCP&L Retail  
20 customers, Requirements Sales for Resale customers and Bulk Power Sales customers not  
21 included in the asset-based OSSM from Bulk Power Sales. The total cost of fuel,  
22 purchased power and related expenses to serve Kansas retail customers in 2016 was

23 **\*\* [REDACTED] \*\*.**

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

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

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

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

13 **Q: Why is transmission expense included in the OSSM calculation of the ECA tariff**  
14 **when KCP&L has a TDC rider?**

15 A: The TDC rider is designed to capture and recover transmission expense associated with  
16 *retail* service. The OSSM calculation is designed to capture the margin associated with  
17 off-system sales. Therefore, transmission expense associated with off-system sales must  
18 be included in the calculation to determine OSSM.

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

20 A: The Kansas portion of the OSSM is applied to the ECA Costs included in the ECA tariff  
21 calculation. The actual Kansas portion of the OSSM for 2016 was a loss of  
22 **\*\* [REDACTED] \*\***.

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

2 A: As described in the testimony of KCP&L witness James W. Okenfuss, KCP&L calculates  
3 an ECA rate per kWh for each calendar month (“ECA factor”) on a quarterly basis. The  
4 ECA factors are submitted to the Commission on or before the 20<sup>th</sup> day of the month  
5 preceding each calendar quarter. KCP&L bills its retail customers as a separate line item  
6 based on the customers’ kWh usage for each month.

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

9 A: KCP&L records ECA revenue as a component of retail revenue in FERC Accounts 440,  
10 442 and 444. In addition, KCP&L records retail revenue by rate jurisdiction based on  
11 customer service address, which allows KCP&L to record retail usage by rate  
12 jurisdiction.

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

15 A: Each month, the KCP&L accounting department calculates the ECA revenue over- or  
16 under-collection in accordance with KCP&L’s ECA tariff. The ECA revenue received is  
17 compared to the Kansas retail allocation of the actual fuel, purchased power, less the  
18 Kansas allocation of OSSM.

19 **Q: For the ECA components described above, how much did KCP&L record in 2016 in**  
20 **ECA revenue, ECA Costs and OSSM?**

21 A: KCP&L received ECA revenue from its Kansas retail customers of \$119,090,232  
22 applicable to the 2016 ECA year. As explained above, actual ECA Costs were  
23 **\*\* [REDACTED] \*\*** and the OSSM component was a loss of **\*\* [REDACTED] \*\***. The sum

1 of these numbers: revenue of \$119,090,232 less the Kansas portion of costs  
2 \*\* [REDACTED] \*\* less the loss of the Kansas portion of OSSM \*\* [REDACTED] \*\* or  
3 (\$15,587,304) represents the amount KCP&L has under-recovered from its Kansas retail  
4 customers.

5 **Q: Has KCP&L collected the 2014 under-recovery of \$9,859,413 from Kansas retail**  
6 **customers?**

7 A: In accordance with the ECA tariff, KCP&L collected \$9,645,169, which is \$214,244 less  
8 than the 2014 under-recovery of \$9,859,413, between April 1, 2015 through March 31,  
9 2016, from its Kansas retail customers.

10 **Q: Is KCP&L including any amount in this 2016 filing related to the 2014 under-**  
11 **recovery?**

12 A: Yes. Since the collection period is complete and in accordance with the ECA tariff,  
13 KCP&L is including a true-up amount in this filing to be recovered from KCP&L's  
14 Kansas retail customers over a twelve-month period beginning April 1, 2017. KCP&L  
15 received \$9,645,169 from its Kansas retail customers for the 2014 under-recovery of  
16 \$9,859,413. Therefore, KCP&L will add the difference of \$214,244, (\$9,859,413 -  
17 \$9,645,169) to the 2016 total under-collection to be recovered from Kansas retail  
18 customers through the ACA factor between April 2017 through March 2018.

19 **Q: What is the total under-recovery for the 2016 ECA year and the true-up from the**  
20 **2014 ECA year?**

21 A: The total under collection for 2016 is \$15,801,548 (\$15,587,304 + \$214,244).



1 **Q: What is KCP&L recommending for the under-recovery of \$15,801,548?**

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, 2017 in accordance with the Company's ECA tariff. As shown in Confidential  
5 Schedule EAH-2, this under-collection results in an ACA factor of \$0.00245 per kWh  
6 which would be added to the ECA factors for each month beginning April 2017 through  
7 March 2018.

8 **Q: Has KCP&L been reimbursed by the Kansas retail customers for the 2015 under-**  
9 **recovery of \$6,704,445?**

10 A: In accordance with the ECA tariff, KCP&L is being reimbursed for the under-recovery as  
11 part of the ACA true-up factor applicable from April 1, 2016 through March 31, 2017.

12 **Q: Is KCP&L including any amount in this 2016 filing related to the 2015 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 2015 under-recovery in its March 1, 2018 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 EAH-3 contains the detailed ECA calculation for 2016.


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

21 A: Yes, it does.

**In the Matter of the Application of Kansas  
City Power & Light Company for approval of  
2016 Actual Cost Adjustment (“ACA”)** )  
 )  
 ) **Docket No. 17-KCPE-\_\_\_\_-ACA**  
 )  
 )

**STATE OF MISSOURI            )**  
**) ss**  
**COUNTY OF JACKSON          )**

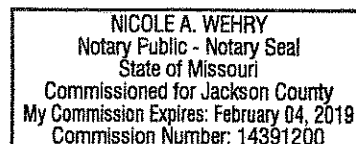
1. My name is Elizabeth A. Herrington. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Director, Energy and Revenue Accounting.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of nine (9) 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.

  
Elizabeth A. Herrington

Subscribed and sworn before me this 1<sup>st</sup> day of March 2017.

Nicole A. King  
Notary Public

My commission expires: Feb 4 2019



KANSAS CITY POWER & LIGHT COMPANY  
ENERGY COST ADJUSTMENT (SCHEDULE ECA)  
UNUSED ENERGY ALLOCATOR FOR KANSAS (UE1)

ACTUAL FOR 2016

Unused Energy Allocator					
Calculated using 12 months ended December, 2016					
		Missouri	Kansas	FERC	Total
<b>Demand Allocator (D1) - 12CP</b>					
2612.7 Load (MW)		1,383.7	1,225.0	4.0	2,612.7
Demand Allocator	D1	52.96%	46.89%	0.15%	100.00%
<b>Energy w/ Losses Allocator (E1)</b>					
Energy Used (MWH)		8,972,738	6,823,551	27,732	15,824,021
Energy w/ Losses Allocator	E1	56.70%	43.12%	0.18%	100.00%
<b>Unused Energy w/ Losses Allocator (UE1)</b>					
Available Capacity (MW)					4,609.4
Demand Allocator (D1)		52.96%	46.89%	0.15%	100.00%
Max Total Peak Allocated Using D1 Factors (MW)	Days	2,441.2	2,161.2	7.1	4,609.4
x Hours in Year (leap year = 366)	366	8784	8784	8784	8784
Available Energy (MWH)		21,443,379	18,983,985	61,989	40,489,353
- Energy Used (MWH)		8,972,738	6,823,551	27,732	15,824,021
Unused Energy (MWH)		12,470,642	12,160,434	34,256	24,665,332
<b>Unused Energy w/ Losses Allocator</b>	<b>UE1</b>	<b>50.5594%</b>	<b>49.3017%</b>	<b>0.1389%</b>	<b>100.0000%</b>

Demand Allocators				
<b>Coincident Peaks</b> Includes Losses; Includes DSM (MW)				
	CoinMOPeak	CoinKSPeak	CoinResale	System Peak
Jan-16	1,287	1,113	3	2,403
Feb-16	1,212	1,043	3	2,258
Mar-16	1,072	958	3	2,033
Apr-16	1,073	791	2	1,866
May-16	1,206	1,062	3	2,271
Jun-16	1,754	1,627	5	3,386
Jul-16	1,777	1,634	6	3,416
Aug-16	1,836	1,681	6	3,524
Sep-16	1,632	1,451	6	3,088
Oct-16	1,289	1,194	3	2,486
Nov-16	1,116	916	3	2,035
Dec-16	1,350	1,233	4	2,587
MAX	1,836	1,681	6	3,524
TOTAL	16,604	14,700	48	31,353
Average	1,383.7	1,225.0	4.0	2,612.8

Jurisdictional COS for Revenue

Production and Transmission Demand Allocators (D1, D2)

Jurisdiction	12-CP Loads	D1, D2 Allocator
Missouri	1,383.7	52.96%
Kansas	1,225.0	46.89%
SFR	4.0	0.15%
Total	2,612.7	100.0000%

Energy Allocators		
<b>12 Months Ending December 2016 Actual</b> <b>ENERGY WITH LOSSES (E1)</b>		
	MWH	E1 Allocator
Missouri	8,972,738	56.7033%
Kansas	6,823,551	43.1215%
Sales for Resale	27,732	0.1753%
TOTAL	15,824,021	100.0000%
MO Retail loss %	6.6830%	
KS Retail loss %	7.3300%	
MO/KS SFR loss %	8.1991%	
<b>ENERGY WITHOUT LOSSES (E2)</b>		
	MWH	E2 Allocator
Missouri	8,435,167	56.8749%
Kansas	6,370,266	42.9521%
Sales for Resale	25,647	0.1729%
TOTAL	14,831,081	100.0000%

Losses to allocate	992,940
	15,824,021

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

SCHEDULE ECA ACTUAL VALUES		Actual Jan-16	Actual Feb-16	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Actual 2016 Total
<b>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:</b>														
1. Actual cost nuclear and fossil fuel	<b>F<sub>A</sub></b>													
Account 501 Coal														
Account 518 Nuclear														
Account 547 Gas / Oil														
2. Actual cost purchased power	<b>P<sub>A</sub></b>													
Account 555 Purchased Power														
including RTO Participation														
3. Actual cost emission allowances	<b>E<sub>A</sub></b>													
4. Actual transmission cost	<b>T<sub>A</sub></b>													
Account 565 Transmission by Others														
Accts 561, 575, 928 Fees														
5. Actual Revenue not in OSSM	<b>BPR<sub>A</sub></b>													
5a. Actual cost for non-asset based sales to Bulk Power Customers	<b>NABPC<sub>A</sub></b>													
<b>6. Total (Lines 1+2+3+4-5-5a)</b>														
7. Actual kWhs to be delivered to all KCPL Retail and Requirements Sales for Resale Customers	<b>S<sub>AT</sub></b>	1,287,424,019	1,112,892,858	1,064,388,733	997,064,524	1,131,180,588	1,429,873,248	1,606,448,863	1,524,083,089	1,275,956,856	1,107,239,863	1,078,699,749	1,274,000,788	14,889,253,178
8. Actual annual kWhs to be delivered to all Kansas Retail Customers	<b>S<sub>AK</sub></b>	549,602,428	465,139,881	439,318,096	417,258,878	484,152,602	633,188,178	710,733,682	670,350,959	556,525,734	465,931,261	452,289,083	547,973,765	6,392,464,547
9. Kansas Energy Allocation (Line 8 / Line 7)		0.42690	0.41800	0.41270	0.41850	0.42800	0.44280	0.44240	0.43980	0.43620	0.42080	0.41930	0.43010	
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		49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	
13. Actual Kansas allocation of OSSM (Line 11 x Line 12)	<b>OSSM<sub>A</sub></b>													
14. Net Kansas Cost (Line 10 - Line 13)		\$ 10,093,460	\$ 10,251,863	\$ 10,375,840	\$ 8,208,870	\$ 9,633,268	\$ 9,773,226	\$ 12,874,200	\$ 11,812,516	\$ 14,206,782	\$ 12,820,974	\$ 12,075,313	\$ 12,551,226	\$ 134,677,536
15. ECA Revenue Collected excluding True-up		\$9,618,141	\$7,967,967	\$7,420,155	\$7,130,976	\$8,356,547	\$11,017,628	\$14,491,939	\$13,353,461	\$11,303,130	\$10,320,415	\$8,991,547	\$9,118,325	\$ 119,090,232
16. <b>Over (Under) Collected</b> (Line 15 - Line 14)		\$ (475,318)	\$ (2,283,896)	\$ (2,955,685)	\$ (1,077,893)	\$ (1,276,721)	\$ 1,244,403	\$ 1,617,739	\$ 1,540,945	\$ (2,903,652)	\$ (2,500,558)	\$ (3,083,766)	\$ (3,432,901)	\$ (15,587,304)
17. True-up Amt Previous ECA year	<b>TRUE<sub>PRIOR</sub></b>													(214,244)
18. True-up Amt Total (Line 16 + Line 17 + Line 18)	<b>TRUE<sub>A</sub></b>													\$ (15,801,548)
19. True-up kWhs	<b>S<sub>TRUE</sub></b>													
20. True-up Component of the ECA (\$/kWh) (- Line 15 / Line 16)														\$ 0.00245

Kansas City Power & Light Company  
ENERGY COST ADJUSTMENT

ECA <sub>A</sub>	Component	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Cost of Fuel for: (1) KCP&L Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
F <sub>A</sub> 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 KCP&L labor)													
Account 518													
+ Production Fuel													
+ Fuel Additives													
+ Fuel Residuals													
+ Non-labor Fuel Handling													
+ Total 518 (excluding KCP&L labor)													
Account 547													
+ Production Fuel													
+ Fuel Additives													
+ Fuel Residuals													
+ Non-labor Fuel Handling													
+ Natural Gas Option Premiums													
+ Natural Gas Hedge Settlement													
+ Total 547 (excluding KCP&L labor)													
Total F <sub>A</sub> =													
Cost of Purchased Power & RTO for: (1) KCP&L Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
P <sub>A</sub> Account 555													
Capacity Demand Purchases													
+ Associated Electric Cooperative, Inc.													
+ Higginsville													
+ Chanute													
+ Morgan Stanley Capital Group													
+ Dogwood													
+ Total Capacity Demand Purchases													
Energy Purchases													
+ Border Customers													
+ Capacity Energy													
+ KMEA and/or Ancillary Services													
+ Muni. Capacity Energy													
+ Parallel Generation (Co-generators)													
+ Hampton Biofuel													
+ Non-Firm (excl SPP Netting)													
+ SPP Netting													
+ 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													
x 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													
* KCP&L Retail, RSIR, BPS (MWh)													
+ Revenue Neutrality Uplift													
Total P <sub>A</sub> =													

Kansas City Power & Light Company  
ENERGY COST ADJUSTMENT

ECA <sub>A</sub>	Component	Jan-16 Actual	Feb-16 Actual	Mar-16 Actual	Apr-16 Actual	May-16 Actual	Jun-16 Actual	Jul-16 Actual	Aug-16 Actual	Sep-16 Actual	Oct-16 Actual	Nov-16 Actual	Dec-16 Actual	2016 Actual
	Cost of Emission Allowances for: (1) KCP&L Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
	E <sub>A</sub> Account 509													
	+ SO2 Allowances													
	+ NOx Allowances													
	+ NOx Seasonal Allowances													
	+ Wind & Solar Renewable Energy Credits													
	Total E <sub>A</sub> =													
	Cost of Transmission + RTO, FERC, NERC for: (1) KCP&L Retail, (2) Requirements Sales for Resale, (3) Bulk Power Sales not in OSSM													
	T <sub>A</sub> 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 Dvlpmnt Svcs													
	+ Long-Term Reliability Planning and Standards Development Services													
	+ Total 561 RTO fees													
	+ SPP RTO refund included in ECA (A/C 561xxx)													
	+ Total Account 561													
	Account 565													
	RTO & Transmission Costs													
	+ 565 RTO - SPP Transmission Base Plan Funding and Z2 Reimbursements (as allocated)													
	Transmission Costs to be recorded in 565 for KCP&L Retail, Requirements Sales for Resale, and Bulk Power Sales not in OSSM													
	+ 565 Other Transmission Costs													
	+ Reconciliation to General Ledger	(0)	0	-	0	(0)	0	(0)	(0)	0	(0)	(0)	(0)	0
	+ 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													
	+ SPP RTO refund included in ECA (A/C 575xxx)													
	+ Total Account 575													
	Account 928													
	RTO													
	+ 928 RTO													
	FERC													
	FERC Assessment													
	+ Total MWh													
	928 FERC \$/MWh													
	x KCP&L Retail, RS/R, BPS (MWh)													
	+ 928 FERC													
	+ Total Account 928													
	Total T <sub>A</sub> = + Total Cost of Transmission & RTO, FERC, and NERC													

Kansas City Power & Light Company  
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ECA <sub>A</sub>	Component	Jan-16 Actual	Feb-16 Actual	Mar-16 Actual	Apr-16 Actual	May-16 Actual	Jun-16 Actual	Jul-16 Actual	Aug-16 Actual	Sep-16 Actual	Oct-16 Actual	Nov-16 Actual	Dec-16 Actual	2016 Actual
	Revenue from Asset-based Bulk Power Sales not in OSSM													-
	BPR <sub>A</sub> Account 447													-
	Capacity Demand Sales													-
	+ INDN Capacity Demand Exchange													
	+ Springfield													
	+ Chanute													
	+ Total Capacity Demand Sales													-
	Energy Sales													-
	+ Capacity Energy Exchange [City of Independence]													
	+ Independence Load Regulation													
	+ KMEA Load Following													
	+ SPP IM Real-Time													
	+ Springfield Energy Capacity													
	+ Chanute Energy Sales Revenue													
	+ Non-Firm (excl SPP Netting)													
	+ SPP Netting													
	+ Reconciliation to General Ledger													
	+ Total Energy Sales													-
	Miscellaneous													-
	+ Independence													
	+ GMO OPTION (reclassify in July 2014)													
	+ Chanute Fixed Costs Revenue													
	+ Total Miscellaneous													-
	SPP Loss Revenues													-
	+ Total SPP Loss Revenues													-
	Total BPR <sub>A</sub> = Revenue from Asset-based Bulk Power Sales not in OSSM													-
	Cost of Non-Asset based Sales to Bulk Power customers													-
	NABPC <sub>A</sub> Account 555													-
	Q Expenses													-
	Total NABPC <sub>A</sub> =													-
	kWh for all KCP&L Retail and Requirements Sales for Resale Customers													-
	S <sub>AK</sub> Kansas kWh	549,602,428	465,139,881	439,318,096	417,258,878	484,152,602	633,188,178	710,733,682	670,350,959	556,525,734	465,931,261	452,289,083	547,973,765	6,392,464,547
	S <sub>AT</sub> Total kWh	1,287,424,019	1,112,892,858	1,064,388,733	997,064,524	1,131,180,588	1,429,873,248	1,606,448,863	1,524,083,089	1,275,956,856	1,107,239,863	1,078,699,749	1,274,000,788	14,889,253,178
														-
	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, S'ville to KMEA													
	+ Eudora Misc. Fixed Costs													
	+ SPP Netting													
	+ Border Customers Energy Sales													
	+ MIDAS Bulk Power Sales													
	+ Sales of Purchases for Resale													
	- Total OSSM Revenue													-
	Expense													-
	Fuel Expense - Accounts 501, 518, and 547													-
	Account 501													-
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Total 501 (excluding KCP&L labor)													-
	Account 518													-
	+ Production Fuel													
	+ Fuel Additives													
	+ Fuel Residuals													
	+ Non-labor Fuel Handling													
	+ Total 518 (excluding KCP&L labor)													-
														-

ECA<sub>A</sub>      Component

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>Account 547</b>													-
+ Production Fuel													
+ Fuel Additives													
+ Fuel Residuals													
+ Non-labor Fuel Handling													
+ Total 547 (excluding KCP&L labor)													
<b>+ Total Fuel Expense</b>													-
													-
													-
													-
<b>Purchased Power Expense - Account 555</b>													-
Energy Purchases													-
+ Firm Capacity Energy													
+ Energy Purchases for Term Deals													
<b>+ Total Energy Purchases</b>													-
													-
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)													-
<b>+ SPP Loss Charges (BPS in OSSM)</b>													-
													-
<b>Purchases: Purchases for Resale</b>													-
													-
<b>SPP Netting</b>													-
													-
RTO Charges/(Credits)													-
Total Revenue Neutrality Uplift													-
+ Total MWh													-
RNU \$/MWh													-
+ Sales MWh													-
<b>+ Revenue Neutrality Uplift</b>													-
													-
<b>BookOuts (B's, BF's, and QF's)</b>													-
													-
<b>+ Total Purchased Power</b>													-
													-
													-
													-
<b>Emission Allowances - Account 509</b>													-
+ SO2 Allowances													-
+ NOx Allowances													-
+ NOx Seasonal Allowances													-
<b>+ Total Emission Allowances</b>													-
													-
													-
<b>Cost of Transmission &amp; RTO, FERC, and NERC - Accounts 561, 565, 575, and 928</b>													-
<b>Account 561</b>													-
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 & Stds Dvlpmnt Svcs													-
+ Long-Term Reliability Planning and Standards Development Svcs													-
													-
<b>+ Total Account 561</b>													-
													-
<b>Account 565</b>													-
RTO fees													-
+ 565 RTO - SPP Transmission Base Plan Funding and Z2 Reimbursements (as allocated)													-
													-
													-
+ Total of Other Transmission costs to be recorded in 565													-
													-
<b>+ Total Account 565</b>													-
													-
<b>Account 575</b>													-
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													-
													-
<b>+ Total Account 575</b>													-
													-
<b>Account 928</b>													-
													-



Kansas City Power & Light Company  
ENERGY COST ADJUSTMENT

ECA <sub>A</sub>	Component	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual														
	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	0												-														
Median OSSM	=	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%															
	OSSMK x Unused Energy (UE1) Allocator	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	49.3017%	0														
Total OSSMK	=																											
	S <sub>AK</sub> Kansas kWh													-														
	Total S <sub>AK</sub> =	549,602,428	465,139,881	439,318,096	417,258,878	484,152,602	633,188,178	710,733,682	670,350,959	556,525,734	465,931,261	452,289,083	547,973,765	6,392,464,547														
ECA <sub>A</sub> Calculation														-														
	F <sub>A</sub> Fuel																											
	P <sub>A</sub> Purchased Power																											
	E <sub>A</sub> Emission Allowances																											
	T <sub>A</sub> Transmission																											
	(F <sub>A</sub> + P <sub>A</sub> + E <sub>A</sub> + T <sub>A</sub> )																											
	BPR <sub>A</sub> Bulk Power Revenue																											
	NABPC <sub>A</sub> Non-asset Based Costs																											
	((F <sub>A</sub> + P <sub>A</sub> + E <sub>A</sub> + T <sub>A</sub> ) - BPR <sub>A</sub> ) - NABPC <sub>A</sub>																											
	S <sub>A</sub> Retail + Requirements Sales kWhs																											
	((F <sub>A</sub> + P <sub>A</sub> + E <sub>A</sub> + T <sub>A</sub> ) - BPR <sub>A</sub> - NABPC <sub>A</sub> ) / S <sub>A</sub>													-														
	Kansas portion of Cost																											
	less Kansas portion of OSSM																											
	Net Kansas Cost	\$	10,093,460	\$	10,251,863	\$	10,375,840	\$	8,208,870	\$	9,633,268	\$	9,773,226	\$	12,874,200	\$	11,812,516	\$	14,206,782	\$	12,820,974	\$	12,075,313	\$	12,551,226	\$	134,677,536	
	Projected Fuel Cost Component																											
	Projected OSSM Component																											
	True-up Factor		0.00156		0.00156		0.00156		0.00105		0.00105		0.00105		0.00105		0.00105		0.00105		0.00105		0.00105		0.00105			
ECA <sub>A</sub>	Factors in Rates	\$	0.01906	\$	0.01869	\$	0.01845	\$	0.01814	\$	0.01831	\$	0.01845	\$	0.02144	\$	0.02097	\$	0.02136	\$	0.02320	\$	0.02093	\$	0.01769			
	Retail Cost Collected (Fuel Component)																											
	Rounding Adjustment																											
	OSSM Given Back																											
	Revenue excluding True-up Amount	\$	9,618,141	\$	7,967,967	\$	7,420,155	\$	7,130,976	\$	8,356,547	\$	11,017,628	\$	14,491,939	\$	13,353,461	\$	11,303,130	\$	10,320,415	\$	8,991,547	\$	9,118,325	\$	119,090,232	
	True-up Revenue (estimated)		857,380		725,618		685,336		438,122		508,360		664,848		746,270		703,869		584,352		489,228		474,904		575,372		7,453,659	
ECAREV <sub>A</sub>		\$	10,475,521	\$	8,693,585	\$	8,105,491	\$	7,569,098	\$	8,864,907	\$	11,682,476	\$	15,238,209	\$	14,057,330	\$	11,887,482	\$	10,809,643	\$	9,466,451	\$	9,693,698	\$	126,543,891	
	2016 Over (Under) Collection	\$	(475,318)	\$	(2,283,896)	\$	(2,955,685)	\$	(1,077,893)	\$	(1,276,721)	\$	1,244,403	\$	1,617,739	\$	1,540,945	\$	(2,903,652)	\$	(2,500,558)	\$	(3,083,766)	\$	(3,432,901)	\$	(15,587,304)	
	2014 Remaining Balance - Over (Under) Collection																										(214,244)	
TRUE <sub>A</sub>																											\$	(15,801,548)
S <sub>TRUE</sub>	Projected kWhs for Kansas Retail customers for April 2017 - March 2018																											
-TRUE <sub>A</sub> / S <sub>TRUE</sub>	Factor to add																										\$	0.00245