BEFORE THE CORPORATION COMMISSION

OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION	]	
OF KANSAS CITY POWER COMPANY	]	KCC Docket No. 15-KCPE-116-RTS
TO MAKE CERTAIN CHANGES IN ITS	]	
CHARGES FOR ELECTRIC SERVICE	]	

DIRECT TESTIMONY OF

ANDREA C. CRANE

RE: REVENUE REQUIREMENTS

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

May 11, 2015

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I. STATEMENT OF QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Andrea C. Crane and my business address is PO Box 810, Georgetown, CT 06829.

Q. By whom are you employed and in what capacity?

A. I am President of The Columbia Group, Inc., a financial consulting firm that specializes in utility regulation. In this capacity, I analyze rate filings, prepare expert testimony, and undertake various studies relating to utility rates and regulatory policy. I have held several positions of increasing responsibility since I joined The Columbia Group, Inc. in January 1989. I have been President of the firm since 2008.

Q. Please summarize your professional experience in the utility industry.

A. Prior to my association with The Columbia Group, Inc., I held the position of Economic Policy and Analysis Staff Manager for GTE Service Corporation, from December 1987 to January 1989. From June 1982 to September 1987, I was employed by various Bell Atlantic (now Verizon) subsidiaries. While at Bell Atlantic, I held assignments in the Product Management, Treasury, and Regulatory Departments.

Q. Have you previously testified in regulatory proceedings?

A. Yes, since joining The Columbia Group, Inc., I have testified in over 350 regulatory proceedings in the states of Arizona, Arkansas, Connecticut, Delaware, Hawaii, Kansas, Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Vermont, Washington, West Virginia and the District of Columbia. These proceedings involved electric, gas, water, wastewater, telephone, solid waste, cable television, and navigation utilities. A list of dockets in which I have filed testimony since January 2008 is included in Appendix A.

Q. What is your educational background?

A. I received a Master of Business Administration degree, with a concentration in Finance, from Temple University in Philadelphia, Pennsylvania. My undergraduate degree is a B.A. in Chemistry from Temple University.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. On or about January 1, 2015, Kansas City Power & Light Company ("KCP&L" or "Company") filed an Application with the Kansas Corporation Commission ("KCC" or "Commission") seeking a rate increase of $67.3 million, or approximately 12.5%. After adjusting for the proposed implementation of a separate Transmission Delivery

Charge ("TDC") and rebasing of certain Ad Valorem Property Taxes, the Company is requesting a net Kansas-jurisdictional distribution rate increase of $56.278 million. The Company's filing is based on a Test Year ending June 30, 2014, with pro forma adjustments extending through March 31, 2015.

The Columbia Group, Inc. was engaged by The State of Kansas, Citizens' Utility Ratepayer Board ("CURB") to review the Company's Application and to provide recommendations to the KCC regarding the Company's revenue requirement claims. Dr. J. Randall Woolridge is filing testimony on behalf of CURB addressing cost of capital and capital structure issues. In addition, Brian Kalcic is filing testimony on behalf of CURB addressing rate design issues and Stacy Harden is filing testimony regarding certain CURB policy issues impacting rate design.

Q. What are the most significant issues in this rate proceeding?

A. The most significant issues in the Company's filing are a) post-test year increases in utility plant-in-service, especially plant additions related to environmental upgrades at the La Cygne Generating Station ("La Cygne") and plant additions at the Wolf Creek Nuclear Generating Station ("Wolf Creek"); b) proposed new depreciation rates for certain plant accounts; c) proposed increases in salaries and wages and other benefits expenses; d) weather-normalization of Test Year sales; and e) the Company's request for a return on equity of 10.3%.

Q. In addition to the proposed revenue increase, has the Company included other ratemaking proposals in its filing?

A. Yes, in addition to the proposed rate increase, the Company is also proposing a number of other ratemaking initiatives. KCP&L is seeking to establish a TDC to recover costs associated with transmission activities. The Company is also proposing to establish two trackers, one to recover costs related to vegetation management costs and one to recover certain cyber-security costs. In its filing, KCP&L also proposed to establish an Economic Relief Pilot Program ("ERPP") to provide credits to low income customers. The Company subsequently withdrew its request to implement the ERPP program. Finally, the Company is requesting authorization to file an abbreviated case within 12 months of an Order in this case, to true-up certain cost estimates and to address certain amortizations that will be expiring.

III. SUMMARY OF CONCLUSIONS

Q. What are your conclusions concerning the Company's revenue requirement and its need for rate relief?

A. Based on my analysis of the Company's filing and other documentation in this case, my conclusions are as follows:

1. The twelve months ending June 30, 2014 is an appropriate Test Year to use in this case to evaluate the reasonableness of the Company's claim.

2. As discussed by Dr. Woolridge, the Company has a cost of equity of 8.55% and an overall cost of capital of 7.06% (see Schedule ACC-3).[1]

3. KCP&L has a pro forma Kansas-jurisdictional Test Year rate base of $2,072,500,820 (see Schedule ACC-3).

4. At present rates, the Company has pro forma Kansas-jurisdictional operating income of $136,201,306 (see Schedule ACC-7).

5. KCP&L has a pro forma revenue deficiency of $16,889,734 (see Schedule ACC-1). This is in contrast to the Company's claimed revenue requirement deficiency of $56,278,815.

6. The KCC should approve the Company's request to establish a TDC, subject to the adjustments discussed in this testimony.

7. The KCC should reject the Company's request to implement a tracker mechanism for vegetation management costs.

8. The KCC should reject the Company's request to implement a tracker mechanism for cyber security costs. Once the Company has a firm implementation plan and cost estimate, it can request deferral of these costs through a request for an accounting order.

9. The KCC should approve the Company's request to file an abbreviated case within twelve months of an Order in this case.

[1] Schedules ACC-1, ACC-25, and ACC-26 are summary schedules, Schedule ACC-2 is a cost of capital schedule, Schedules ACC-3 to ACC-6 are rate base schedules, and Schedules ACC-7 to ACC-24 are operating income schedules.

IV. OVERVIEW OF POLICY ISSUES

Q. Are there some general policy issues that you would like to address?

A. Yes, there two related issues that I would like to address prior to discussing the details of my revenue requirement recommendations. These are the Company's attempt to shift risk from shareholders to ratepayers and the use of post-test year adjustments through March 31, 2015.

With regard to the shifting of risk, the Company is seeking to establish new tracking mechanisms for vegetative management costs and cyber-security costs. In addition, in this case the Company is seeking recovery of undepreciated meter costs and of costs related to obsolete inventory at La Cygne.

Regulation is supposed to be substitute for competition. In a competitive market, companies have no guarantee that they will earn a profit or recover their costs. Similarly, shareholders of utilities should not expect to receive guarantees of profits or cost recovery. There is risk involved in being a shareholder of a utility – or at least there should be. For that reason, returns awarded to utility companies by regulatory commissions are higher than risk-free Treasury rates and rates paid to a utility's bondholders.

However, over the past few years, there has been a continual reduction in the risk taken by utility shareholders. The first significant shift in risk occurred in the 1970s, when many utility companies implemented fuel clauses to assure recovery of fluctuating and rapidly-increasing fuel costs. More recently, utility companies have argued that clauses and/or tracking mechanisms should be implemented for a wide variety of costs. Kansas utilities have line-item surcharges and/or tracking mechanisms that guarantee recovery of fuel costs, property taxes, pension expenses, energy efficiency costs, some capital expenditures, and others. Over this same period, utility executive compensation has increased significantly, meaning that utility management is being paid more to manage less.

In this case, the utility is seeking to implement two new tracking mechanisms for distribution-related costs. Thus, two additional components of its revenue requirement would be subject to deferral and true-up, further mitigating the risk of recovery by shareholders. In addition, KCP&L is proposing to establish a TDC rider, which would also include a true-up mechanism and reduce shareholder risk for under-recovery of transmission-related costs. The KCC must determine which type of regulation is appropriate for Kansas. Should all costs simply be trued-up each year, providing shareholders with a guaranteed return? Or should the utility and its management continue to have incentives to provide service at the lowest reasonable cost, with shareholders taking the risk of cost recovery and earning the rewards when the job is well done. It is ironic that utilities in Kansas and elsewhere are spending a fair amount of time justifying incentive compensation costs while at the same time they are seeking to limit the impact of management decisions on utility earnings.

A second, but related, issue is the use of post-test year data to support claims for recovery of costs incurred after the end of the Test Year. The KCC had traditionally used an historic Test Year to set rates, and I am unaware of any statutory or rule change that requires the Commission to approve forecasted costs. However, over the past few years, that is exactly what has evolved in Kansas. Utilities have not only increased the time frame over which they have included post-test year adjustments, but they have also eroded the standard that requires supporting claims for post-test year costs on "known and measurable" changes, by providing the Commission budgeted data and other forecasted data, neither of which is known or measurable.

In this case, while KCP&L contends that its filing is based on the Test Year ending June 30, 2014, the Company generally included adjustments through March 31, 2015 in its filing. Given the fact that the KCC has permitted companies to extend the Test Year in recent cases, I have accepted the use of a March 31, 2015 date for purposes of determining the Company's revenue requirement.

Q. Did the Company update its filing to reflect actual results at March 31, 2015?

A. No, it did not. The Company did respond to Staff discovery that requested updated monthly data for many of its revenue requirement components. However, the Company did not formally update its request.

Q. Did you attempt to update the Company's entire case to reflect data provided in data request responses?

A. For the most part, I did not. The Company did not begin to provide data request responses containing actual results through March 31, 2015, or containing revised adjustments based on the March 31, 2015 data until April 10, 2015. In addition, well after April 10, 2015, Staff was still sending the Company data requests asking for updated data for certain accounts. In many cases, data request responses provided to Staff were not provided to CURB until several days later and/or there were significant delays in posting responses (especially attachments) to the electronic collaboration. More importantly, the data request responses in many cases raised additional questions that simply could not be addressed within the confines of the current procedural schedule. Data requests propounded by CURB and Staff during the first four months of our review were largely based on the Company's filing, meaning that we would have needed to start our review over again if we had attempted to evaluate and incorporate the data request responses containing actual March 31, 2015 data.

In addition, since the Company itself did not update its claim, CURB would have needed to update the claim itself if we chose to utilize all of the March 31, 2015 updated data. Given CURB's resources, it was simply not possible to update the Company's claim and conduct a complete reevaluation of KCP&L's accounting adjustments within the procedural schedule adopted in this case.[2] The parties to this case knew that the procedural schedule would be challenging, given the fact that Staff and CURB are also in the process of evaluating the base rate case filed by Westar Energy in March 2015. Given these limitations, we did not attempt to completely update the Company's claim or to incorporate new data received shortly before the filing date of our testimony.

V. COST OF CAPITAL AND CAPITAL STRUCTURE

Q. What is the cost of capital and capital structure that the Company is requesting in this case?

A. As shown in Section 7 of the Company's filing, KCPL's claim is composed of the following:

	Percent	Cost Rate	Weighted Cost
Common Equity	50.48%	10.30%	5.20%
Preferred Stock	0.55%	4.29%	0.02%
Long Term Debt	48.97%	5.55%	2.72%
Total	100.00%		7.94%

2 The Company's filing included 14 rate base adjustments, 4 revenue adjustment, and 46 operating income adjustments.

Q. Is CURB recommending any adjustments to this capital structure or cost of capital?

A. CURB is not recommending any adjustment to the capital structure or cost of debt claimed by KCP&L. However, as discussed in the testimony of Dr. Woolridge, CURB is recommending that the KCC authorize a return on equity of 8.55% for KCP&L.

Q. What is the overall cost of capital that CURB is recommending for KCP&L?

A. As shown on Schedule ACC-2, CURB is recommending an overall cost of capital for KCPL of 7.06%, based on the following capital structure and cost rates:

	Percentage	Cost	Weighted Cost
Common Equity	50.48%	8.55%	4.32%
Preferred Stock	0.55%	4.29%	0.02%
Long-Term Debt	48.97%	5.55%	2.72%
Total	100.00%		7.06%

Please see the testimony of Dr. Woolridge for a detailed discussion of CURB's cost of capital recommendation.

VI. RATE BASE ISSUES

A. Utility Plant-in-Service

Q. What Test Year did the Company utilize to develop its rate base claim in this proceeding?

A. The Company selected the Test Year ending June 30, 2014. However, the Company included adjustments to update certain rate base elements to reflect costs through March 30, 2015.

Q. How did the Company develop its plant-in-service claim in this case?

A. KCP&L generally included net projected plant additions through March 30, 2015 in its rate base claim, with the exception of costs for the La Cygne Environmental Project and certain plant additions associated with Wolf Creek. KCP&L included budgeted capital expenditures associated with the La Cygne Environmental Project, even though not all of this plant was projected to be in-service by March 31, 2015. In addition, the Company included budgeted capital expenditures associated with three projects at Wolf Creek. These three projects will be undertaken during the current Wolf Creek refueling outage, which is expected to be completed in the spring of 2015.[3]

3 The refueling outage was expected to occur between February 28, 2015 and April 21, 2015, according to the response to KCC-128.

Q. **Why did the Company include budgeted capital expenditures past March 31, 2015 for the La Cygne Environmental Project and for Wolf Creek in its filing?**

A. The timing of this case is being driven largely by the completion of the environmental upgrades at La Cygne, which is owned jointly by KCP&L and Westar Energy.[4] In KCC Docket No. 11-KCPE-581-PRE, the KCC preapproved certain environmental upgrades for La Cygne, and approved costs of up to $1.23 billion for the project. Construction of the project began in September 2011 and the project is anticipated to be operational by June 2015.

Given the scope of the project, both KCP&L and Westar planned to file base rate cases in order to implement new rates that included the costs for the project as soon as possible. The companies expressed a concern that the allowance for funds used during construction ("AFUDC") would cease once the project went into service, and therefore, any delay in recovery of the return on, and the return of, the project costs could jeopardize the utilities' financial integrity. The KCC Staff and CURB were concerned, however, that their agencies would not have sufficient resources to analyze two large base rate cases at the same time. Accordingly, the parties agreed on a process that would stagger the two base rate cases without resulting in undue delay for the utilities. Specifically, the parties agreed that KCP&L would file its base rate case on January 1, 2015, and would reflect all budgeted capital expenditures related

4 Westar's share is actually owned by Kansas Gas and Electric Company, which is a wholly-owned subsidiary of Westar.

to the La Cygne Environmental Project in its rate base claim. The agreement also provided that KCP&L would be permitted to defer depreciation expense associated with plant expenditures that had actually been made through March 31, 2015, from the time that these expenditures go into service until the effective date of new rates. The agreement was approved by the KCC in KCC Docket No. 15-GIME-025-MIS ("025 Docket"). The KCC also approved the use of budgeted capital expenditures for three projects planned to be completed at Wolf Creek during the spring 2015 refueling outage, although no depreciation deferral was approved for the Wolf Creek additions. The Order in KCC Docket No. 15-GIME-025-MIS also authorized the filing of an abbreviated rate case within 12 months of the rate case Order, to true-up the amounts included in rates related to the projected La Cygne and Wolf Creek capital expenditures, including amounts related to the KCP&L depreciation deferral.

Q. Please quantify the post-test year additions included in the Company's initial filing.

A. As shown in the workpapers to RB-20 and the response to CURB-95, KCP&L included $585,263,276 of post-test year additions related to the La Cygne Environmental Project, and $53,660,704 related to Wolf Creek. In addition, the Company included other post-test year additions of $45,719,066, partially offset by $10,287,261 of retirements.

Q. Are you recommending any adjustments to the Company's claim for utility plant-in-service?

A. Yes, I am recommending one adjustment. I am recommending eliminating from the Company's rate base claim amounts relating to a proposed electric vehicle charging program. On February 4, 2015, the Company filed a Petition to Open General Investigation Docket ("Petition to Open") to address issues relating to a proposed network of electric vehicle charging stations. On February 9, 2015, KCP&L filed a Motion for Leave to File Supplemental Direct Testimony ("Motion for Leave"), requesting authorization to file supplemental testimony in support of the proposed electric vehicle charging program. While there was no discussion of, or reference to, an electric vehicle charging program in its initial rate case filing, in the Motion for Leave the Company indicated that its initial filing had included projected capital costs of $4 million to $5 million and projected operating costs of $385,947 relating to the proposed electric vehicle charging station program.

Staff and CURB subsequently filed objections to the Petition to Open and to the Motion for Leave. Both parties argued that supplemental testimony on the electric vehicle charging station project introduced a complex policy issue into the rate case proceeding and that the introduction of this issue so late in the procedural schedule would prejudice their ability to fully address the issue in this case. The KCC agreed with Staff and CURB. On March 31, 2015, the KCC issued an Order denying the Company's request to file supplemental testimony regarding the electric vehicle charging station program. The KCC found that "it is not in the public interest to allow KCP&L to amend its Application by filing supplemental direct testimony regarding the charging station network."[5] Moreover, the KCC also found that the Company's request for a general investigation was "premature and should be delayed until the conclusion of the rate case."[6]

Q. What do you recommend?

A. I recommend reducing the Company's utility plant-in-service claim to eliminate the capital costs associated with the electric vehicle charging station program. This program has not been authorized by the KCC and the Commission should not require ratepayers to pay any of costs of this program at this time. As noted by the KCC in its Order, "the proposed network constitutes a new program that creates a host of new issues, including rate design and cross subsidization concerns."[7] Ratepayers should not be required to pay for this program and the Commission should not require them to do so until, and unless, the parties have had a full opportunity for review and analysis of the costs versus the benefits of the program. As acknowledged in the KCC's order, neither Staff nor CURB has the resources to conduct such an investigation at this time. Accordingly, the Commission should deny

5 Order in KCC Docket No. 15-KCPE-116-RTS and KCC Docket No. 15-GIME-345-GIE, March 31, 2015, paragraph 17. On April 15, 2015, KCP&L filed a Petition for Reconsideration of the KCC's decision not to allow the Company to file Supplemental Testimony concerning the electric vehicle charging station program. As of this writing, the KCC's Final Order is pending.
6 Id., paragraph 19.

the Company's request to include capital costs associated with the electric vehicle charging program in rate base.

Q. How did you quantify your adjustment?

A. To quantify my adjustment, I eliminated the Kansas-jurisdictional share of $5.0 million (total Company) in utility plant-in-service from the Company's rate base claim. This was based on its representation that the original filing contained between $4.0 and $5.0 million in utility plant related to the electric vehicle charging station program. In CURB-140, I asked the Company to itemize all rate base components included in its original claim relating to the program. In its response, the Company provided the actual amount of plant that was in-service by March 31, 2015, but did not identify the utility plant included in its original claim. Nor did it identify other rate base components included in the original claim relating to the program. Therefore, I have removed $5.0 million of utility plant, based on the best information available to me at this time. My adjustment is shown in Schedule ACC-3.

B. Fossil Fuel Inventory

Q. How did the Company develop its claim for fossil fuel inventory?

A. As described on page 15 of Mr. Blunk's testimony, inventory values for ammonia, lime, limestone PAC, and oil were calculated using the average end-of-month

7 Id.

inventory balances for the 13-month period ending September 2014, multiplied by the projected March 2015 per-unit value. Coal inventory was determined based on a Utility Fuel Inventory Model ("UFIM") that attempts to identify the level of inventory resulting in the lowest expected overall cost.

Q. Are you recommending any adjustment to the Company's claim?

A. Yes, I am recommending an adjustment to the quantity of coal inventory. The Company's quantity of coal in inventory is based on a theoretical model, not on actual results during the Test Year. Actual inventory levels at the end of 2014 were significantly lower than the targeted inventory levels included in the Company's claim.[8] As discussed in the Company's testimony, coal supplies have been impacted by rail disruptions due to flooding, rail shortages due to congestion and other factors. While I agree that the current inventory does not represent a normal level of coal inventory, the use of coal inventory targets is entirely speculative and does not meet the standard for a known and measurable change. Moreover, as described in Mr. Blunk's testimony, the Company's model presumes that as its authorized rate of return declines, KCP&L will increase its inventory levels. However, inventory levels should be driven by the quality of service and reliability standards imposed by the KCC, and should not be driven by profit motives. Therefore, I recommend that the

8 The Company considers details of actual and projected inventory levels, as well as projected unit costs, to be confidential. Therefore, my discussion does not include specific numerical details. Workpapers will be provided to the Company as well as to other parties who have signed a confidentiality agreement.

KCC reject the speculative coal inventory levels proposed by the Company in this case, which are dramatically higher than actual Test Year inventory levels.

Q. What level of coal inventory do you recommend adopting in the Company's rate base?

A. I am recommending that the KCC adopt the coal inventory level that was proposed by KCP&L in KCC Docket No. 12-KCPE-764-RTS ("764 Docket"), which was the Company's last base rate case prior to the significant disruptions discussed by Mr. Blunk. While this level was also based on the UFIM, the resulting claim closely mirrored actual historic inventory balances. In addition, the level of inventory claimed by the Company in the 764 Docket was very close to the actual coal inventory during calendar year 2013.

CURB accepted the Company's claim in the 764 Docket, although the parties subsequently agreed in a Partial Stipulation to reflect inventory balances that were slightly less than those included by KCP&L in the 764 Docket filing. Nevertheless, I believe that the coal inventory level requested in the 764 Docket is more reflective of normal operating results than either the very low levels that the Company had on hand when it filed its testimony in this case or the speculative high inventory levels now being claimed by KCP&L. Accordingly, I recommend that the KCC reflect in rate base the inventory levels proposed by the Company in the 764 Docket.

Q. Are you recommending any adjustment to the unit price for coal included in the Company's inventory claim?

A. No, I am not. Most of the Company's coal contracts include a fixed price or a price that has known price adjustments. In addition, I have reviewed recent actual coal price data provided in discovery. Based on the nature of the Company's contracts and my review of recent coal prices, I have accepted the per-unit coal prices included in the Company's filing. I have applied these prices to the coal inventory balances filed in the 764 Docket for each generating station in order to develop my proposed fossil fuel inventory adjustment. My adjustment is shown in Schedule ACC-4.

C. Regulatory Asset - Unrecovered Meters

Q. Please explain the Company's rate base adjustment relating to unrecovered meter costs.

A. KCP&L is proposing to replace its Automated Meter Reading ("AMR") meters with Advanced Metering Infrastructure ("AMI") technology by the end of 2015. Mr. Heidtbrink refers to this as a two-year "refresh project to upgrade the existing automated meter reading infrastructure in the legacy KCP&L territory and meters that were deployed in the mid-1990s." He goes on to state that "The objective of this project is to replace the network technology and approximately 500,000 meters that are nearing the end of their useful lives." However, while Mr. Heidtbrink claims that these meters are nearing the end of their useful lives, the Company is claiming unrecovered meter costs of $10,686,239 at March 31, 2015. KCP&L is seeking to recover these costs over a ten-year period. In addition, the Company is seeking to continue to earn a return on these unrecovered costs and has included the full $10,686,239 in rate base as a regulatory asset.

Q. Are you recommending any adjustment to the Company's claim?

A. Yes, I am. Utility rates should reflect costs that are necessary for the provision of safe and reliable utility service. It is a basic tenet of utility regulation that investment included in rate base should be used and useful in providing service. Clearly, the meters that are being retired no longer meet these criteria.

Moreover, as previously discussed, the Company's proposal to recover both a return of, and a return on, these retired meters is an attempt to shift risk from shareholders to ratepayers. Shareholders are never guaranteed recovery of the underlying cost of their investment. Nor are they guaranteed recovery of a return on their investment. If recovery of all investment was assured, shareholders would not be incurring any risk and therefore there would be no reason to set rates using an equity return that included any risk premium. Instead, shareholder returns would more closely match bondholder returns, which in this case are 5.55%.

Q. Do shareholders benefit from the replacement of the AMR meters?

A. Yes, they do. By undertaking this replacement, KCP&L is significantly increasing the investment on which shareholders will be able to earn a return. In addition, by increasing investment, and therefore depreciation expense, the Company is also able to increase its cash flow. KCP&L included $53.70 million (total company) of AMI meters in its rate base claim, including $35.26 million that it anticipated would be added between June 30, 2014—the end of the Test Year in this case—and March 13, 2015. While I am not recommending any adjustment to the Company's claim for new AMI meters, it would be unreasonable to ask ratepayers to continue to pay both a return on, and a return of, meters that are no longer providing them with utility service.

Q. What do you recommend?

A. I recommend that the KCC deny the Company's request to include the unrecovered meter costs in rate base. However, I have included the amortization expense associated with recovery of these costs in my recommended revenue requirement. Therefore, I am recommending that the KCC authorize a return <u>of</u> this investment to shareholders. At the same time, I recommend that the KCC deny the Company's request to continue earning a return <u>on</u> these costs. I believe that this recommendation achieves a reasonable balance of the interests of ratepayers and shareholders. My adjustment is shown in Schedule ACC-6.

D. Summary of Rate Base Issues

Q. What is the impact of all of your rate base adjustments?

A. My recommended adjustments reduce the Company's rate base claim from $2,087,480,331, as reflected in its filing, to $2,072,500,820, as summarized on Schedule ACC-3.

VII. OPERATING INCOME ISSUES

A. Pro Forma Revenues

Q. How did the Company develop its pro forma revenue claim in this case?

A. As described by Mr. Lutz on page 4 of his testimony, the Company's pro forma revenue claim generally reflects Test Year retail revenues billed by the Company, adjusted to reflect normal weather. To determine normal weather, the Company normalized its Test Year using a thirty-year period to determine normal weather conditions.

Q. Are you recommending any adjustment to the Company's revenue claim?

A. Yes, I am recommending one adjustment. As discussed elsewhere in my testimony, KCP&L's revenue requirement claim in this case reflects adjustments through March 31, 2015, nine months after the end of the Test Year. In that regard, the Company utilized projected utility plant-in-service additions and, in many instances, other projected rate base balances. In fact, with regard to the La Cygne Environmental

Project and certain Wolf Creek additions, the Company's filing reflects costs that extend even beyond March 31, 2015. KCP&L also included adjustments through March 31, 2015 relating to many of its operating expense claims, including salaries and wages, medical benefits expenses, pension and other post-employment benefit ("OPEB") costs, insurance premiums, depreciation expenses, and others. The one notable area where the Company did not reflect activity at March 31, 2015 was in its calculation of pro forma revenues. While the Company normalized consumption per customer to reflect "normal" weather conditions, it did not update its pro forma revenues to reflect customer growth through March 31, 2015.

Q. Does the Company's methodology result in a mismatch of its revenue requirement components?

A. Yes, it does. If the KCC is going to permit the Company to essentially extend the Test Year by nine months with the inclusion of projected utility plant-in-service and, in many cases, projected operating expenses, then it should also recognize the growth in the number of customers during the Test Year. According to the response to CURB-71, customer counts have increased every year since at least 2009, as shown below:

Year	Residential	Commercial
2014	217,295	27,869
2013	215,103	27,373
2012	213,783	27,024
2011	212,707	26,847
2010	211,867	26,627
2009	211,289	26,432

The customer counts shown in this response are a computed average of annual customers. Assuming that customer additions are evenly distributed during the year, the 2014 customer count would reflect, on average, customers at June 30, 2014, or the end of the Test Year, while 2013 customer counts would reflect, on average, customers at July 1, 2013, the beginning of the Test Year. Therefore, during the Test Year, residential customers increased by approximately 1.02% while commercial customers increased by approximately 1.81%. However, since the Company did not include an adjustment to annualize revenues to reflect customer growth during the Test Year, on average only one-half of this growth is reflected in the Company's pro forma revenue claim. Moreover, not only did the Company fail to reflect actual customers during the Test Year, but it also failed to reflect any growth subsequent to the end of the Test Year.

Q. What do you recommend?

A. Given the fact that the Company's claim is based on projections through March 31, 2015, I recommend also updating the pro forma revenue to reflect additional customer growth. While the KCC may decide that pro forma revenue should reflect annualized customers at March 31, 2015, I have conservatively included growth only through September 30, 2014. This would reflect the midpoint of a twelve-month period ending March 31, 2015. Since, on average, the Company's claim includes customers at the midpoint of its Test Year, or December 31, 2013, I have made an adjustment to reflect nine months of customer growth, assuming the actual growth rate realized in the Test Year. In quantifying my adjustment, I also reflected the impact of these additional revenues on the Company's forfeited revenues and on its uncollectible expense. My adjustment is shown in Schedule ACC-8.

B. Salary and Wage Expense

Q. How did the Company determine its salary and wage expense claim?

A. KCP&L annualized payroll costs based on a consolidated Great Plains Energy ("GPE") headcount as of June 30, 2014. Payroll costs for these employees were adjusted to reflect payroll increases effective through April 1, 2015. The Company then made an adjustment to remove labor associated with the implementation of the energy efficiency rider in the Missouri jurisdiction and to remove labor costs billed to Joint Partners. Out of the resulting payroll costs of $238.5 million, 67.72% or $161.5 million was then allocated to KCP&L. The Company then added overtime costs, based on a 3.5 year average of such costs, and applied an expense ratio of 69.9% to reflect only those costs that are expensed on its books and records of account. (The remaining labor costs are capitalized). Additional adjustments were made to include labor costs at Wolf Creek, to include costs for temporary and summer employees, and to include certain other labor adjustments related to premium, step-up, and rest period wages. The resulting payroll costs total $176,992,758, as shown in the workpapers to CS-50.

Q. Are you recommending any adjustments to the Company's claim?

A. Yes, I am recommending two adjustments. First, I have updated the Company's salary and wage claim to reflect actual employees at March 31, 2015. The Company's filing was based on 2,959 employees, while actual employees totaled only 2,933 at the end of March 2015. Therefore, in Schedule ACC-9, I have made an adjustment to update Adjustment CS-50 with the most recent number of employees. In quantifying my adjustment, I reflected the Missouri energy efficiency adjustment included in the Company's original filing. In addition, I utilized the allocation factors and capitalization rates included in the original filing. My adjustment is shown in Schedule ACC-9.

Q. Did you reduce your adjustment to reflect the allocation of salary and wages to the TDC?

A. Yes, I did. Based on the Company's salary and wage distribution and on its TDC adjustment (CS-82), I calculated that approximately 1.66% of labor costs were allocated to the TDC. Therefore, at Schedule ACC-9, I have reduced my adjustment to reflect the portion of labor costs that would be allocated to the TDC.

Q. What is your second proposed adjustment to salaries and wages?

A. In quantifying its salary and wage claim, the Company eliminated the actual amounts billed to the Joint Partners in the Test Year. However, the actual Test Year billings to Joint Partners were based on the salary and wage rates in effect during the Test Year. As noted above, the Company included several post-Test Year salary and wage adjustments in its filing, in some cases to recognize increases effective April 1, 2015. Therefore, the amounts billed to Joint Partners should also be adjusted to reflect the impact of these salary and wage increases.

Q. How did you quantify your adjustment to the amount billed to Joint Partners?

A. To quantify my adjustment, I first calculated the average overall payroll increase included by the Company in its claim. KCP&L reflected increases ranging from 2.75% to 3.0%, depending on labor category. In addition, it reflected a flat hourly rate increase for its Local 412 union employees. The net effect of these adjustments was an average salary and wage increase of 2.89%. Therefore, I made an adjustment to increase the Test Year amount billed to Joint Partners by 2.89%. My adjustment is shown in Schedule ACC-10.

Q. In addition to regular salary and wage costs, does the Company also have several incentive compensation plans?

A. Yes, it does. KCP&L provides an annual incentive plan, Value-Link, to its non-union employees. Officers participate in both the Annual Incentive Plan ("AIP") and in the Long-Term Incentive Plan ("LTIP"). According to the response to KCC-63, the LTIP "...may also be used to recognize key management employees, or be used to pay bonus shares to employees, including non-officers, as defined by the Plan documents."

Q. Have you recommended adjustments to utilities' claims for incentive compensation costs in prior cases?

A. Yes, I have. In prior cases, I have generally recommended an adjustment to incentive compensation costs. I am especially concerned about incentive compensation that is tied to earnings and/or shareholder return, or to other benchmarks that may provide little or no benefit to ratepayers. I am also concerned about the increasing use of compensation surveys to justify incentive compensation. Use of these studies results in ever-spiraling compensation increases. Companies below the 50% threshold generally argue that their compensation needs to be increased in order to attract qualified personnel. Such increases result in an overall increase to the 50% threshold and generally drive all compensation costs higher. It is no surprise that executive compensation has increased significantly over the past few years as the use of such surveys has proliferated.

Q. Are you recommending any adjustments to the Company's claims for incentive compensation costs in this case?

A. No, I am not. The Company eliminated a significant portion of its incentive compensation costs in its original filing. As stated by Mr. Klote on page 31 of his testimony, the Company made adjustments "to remove all incentive compensation that was associated with metrics tied to earnings per share." In its filing, KCP&L removed 50% of the costs of the Value-Link Plan and 50% of the AIP costs in CS-51, on the basis that 50% of the awards were based on earnings per share criteria. The LTIP includes both performance shares and restricted stock. In CS-11, the Company eliminated 50% of the equity compensation associated with performance shares and 100% of Performance-based equity awards from its claim in this case. Given the significant adjustments made by the Company in its original filing, I am not recommending any further reduction to KCP&L's incentive compensation claim at this time.

Q. Do you have any other comments regarding incentive compensation?

A. Yes. In the past, KCP&L has argued that incentive compensation is a critical component of total compensation and is necessary to attract and retain qualified personnel. However, as noted in the response to KCC-65, the Company eliminated its

Rewards Plan effective January 1, 2013. The Rewards Plan was the incentive compensation plan previously available to union employees. I presume that KCP&L is still able to attract and retain qualified union personnel. Therefore, in the future, it may be appropriate for both the Company and the KCC to reevaluate whether any incentive compensation program is necessary for other KCP&L employees or officers.

C. 401 K Expense

Q. How did the Company determine its claim for 401K costs?

A. As shown in the workpapers to CS-52, the Company utilized the average matching percentage factor for the Test Year of 3.623% and applied that factor to its proposed salary and wage adjustment. In addition, it made a separate adjustment to reflect a 4.0% contribution for new non-union employees hired after January 1, 2014. These employees are no longer eligible to participate in the Company-sponsored pension plan.

Q. Are you recommending any adjustment to the Company's claim for 401K costs?

A. Yes, since I am recommending two adjustments to the Company's salary and wage claim, it is necessary to make a corresponding adjustment to its 401K costs. Therefore, at Schedule ACC-11, I have made an adjustment to reduce the pro forma 401K costs by applying the Company's proposed matching rate of 3.623% to my recommended salary and wage expense adjustments. I have not made any adjustment to the Company's claim for additional 401K costs related to new hires, since I assume that individuals hired after January 1, 2014 are still employed. To the extent that this is not the case, an additional adjustment to the Company's claimed 401K costs may be appropriate.

D. Payroll Tax Expense

Q. Have you also made an adjustment to the Company's payroll tax expense claim?

A. Yes, I have made an adjustment to eliminate the payroll taxes associated with my two adjustments relating to salary and wage expense. To quantify this adjustment, I utilized the Company's average Social Security and Medicare tax rate of 6.72%, which was provided in the workpapers to Adjustment CS-53, and applied that rate to my two recommended expense adjustments for salaries and wages. My payroll tax expense adjustment is shown in Schedule ACC-12.

E. Other Benefits Expense

Q. How did the Company determine its other benefits expense claim in this case?

A. According to page 33 of Mr. Klote's Testimony, the Company "annualized other benefit costs based on the projected costs included in the Company's 2015 budget." Other benefit costs include medical expense costs, educational assistance, long-term disability costs, and group and accident insurance costs. Medical costs accounts for the vast majority of costs included in Other Benefits Expense.

KCP&L is self-insured for its health care costs. The health insurance plans are funded through contributions by both KCP&L and its employees, and actual costs depend on the number and magnitude of claims made during the year. In its filing, the Company included projected 2015 costs of approximately $24.34 million, including its share of costs for employees at Wolf Creek. This claim reflects an increase of approximately 14.9% over the actual Test Year costs of $21.18 million.

Q. Did the Company demonstrate that its adjustment was based on known and measurable changes to the test year?

A. No, it did not. The Company's claim was based on budgeted 2015 costs. The use of budgeted data does not meet the known and measurable standard that should be utilized for post-test year adjustments. As noted, the Company is self-insured for a large portion of its medical benefit costs. Therefore, to a large extent, actual costs will depend upon the level of services required in any given year and the unit cost of those services. The actual amount of claims paid will not only be impacted by the general level of health care costs, but it will also be impacted by the degree to which employees seek medical care and the severity of the illnesses experienced by employees. For these reasons, the Company's post-test year claim does not represent a known and measurable change to the test year.

Q. How does the Company's claim compare with its claim for other benefits expense in its last base rate case?

A. It is interesting to note that the Company's claim in this case is almost identical to its claim in the last case. As noted in my testimony in the 764 Docket, the Company claimed Other Benefits Expenses of $24.9 million in that case, even though the actual Test Year costs were only $21.6 million. In this case, it is claiming $24.3 million of costs, while actual Test Year costs totaled only $21.2 million. Clearly, the Company has overestimated its Other Benefits Expense in prior cases.

Q. What do you recommend?

A. Since the Company is largely self-insured, the 2015 budgeted costs included by KCP&L in its claim are speculative and do not represent known and measurable changes to the test year. Therefore, I recommend that the KCC include only actual Other Benefits costs in the Company's revenue requirement in this case. At Schedule ACC-13, I have made an adjustment to reflect the most recent twelve-months of actual costs for Other Benefits Expense.

Q. Did the KCC accept a similar adjustment recommended by CURB in prior cases?

A. Yes, it did. In KCC Docket No. 10-KCPE-415-RTS ("415 Docket"), the Company used a projection for its Other Benefits Expense claim that was similar to the methodology utilized in this case. In its Order in the 415 Docket, the KCC found that "The health care portion of Other Benefits Expense is hard to predict and depends upon the level of services needed for KCPL's employees. The Commission finds KCPL's proposed adjustment is speculative and not based on known and measurable expenses."[9] This issue was also raised in the 764 Docket and was resolved with an adjustment reflected in the Partial Stipulation in that case. The KCC should make a similar finding in this case and reject the Company's speculative adjustment to Other Benefits Expense.[10]

F. **Bad Debt Expense**

Q. How did the Company quantify its bad debt expense claim in this case?

A. As discussed in the testimony of Mr. Klote at pages 25-26, the Company calculated its bad debt expense claim by applying a state-specific net bad debt write-off factor to its pro forma jurisdictional revenue claim. To determine its bad debt factor, the Company used the net bad debt write-offs (accounts written off less recoveries of accounts previously written off) for the Test Year and the retail revenues for the period January 2013 to December 2013. The Company also included a pro forma adjustment at proposed rates to reflect incremental bad debts associated with the incremental revenues it is seeking as a result of this base rate case.

9 A similar adjustment was included in the Partial Stipulation in the 764 Docket.
10 It should be noted that while Mr. Klote stated on page 33 of his testimony that "This adjustment will be trued up to actual costs in the update phase of this rate case", no actual update has been filed by the

Q. Are you recommending any adjustment to the Company's claimed bad debt ratio?

A. No, I am not. In prior cases, I have recommended basing the bad debt factor on actual revenues received during the Test Year, instead of revenues received for a lagging twelve-month period. However, in this case, the methodology used by KCP&L does not produce a materially different result than the methodology I have recommended in prior cases. Therefore, I am not recommending any adjustment to the Company's claimed bad debt ratio.

Q. Did you make an adjustment to bad debt expense associated with the Company's proposed rate increase?

A. Yes, I did. In addition to its adjustment relating to the bad debt ratio, the Company also made an adjustment to include bad debts associated with the full rate increase that it is requesting in this case. It quantified this adjustment by applying the bad debt ratio of 0.3616% to the $56.3 million revenue increase that it is seeking in this case. At Schedule ACC-14, I have eliminated bad debt expense associated with the Company's proposed rate increase. I am recommending a rate increase that is significantly lower than the rate increase proposed by KCP&L and it is unlikely that the KCC will approve the full increase being requested by the Company. Therefore, including a bad debt expense allowance based on the Company's request is likely to

Company.

overstate its prospective bad debt expense and the Company's adjustment should therefore be rejected.

Q. How did you account for bad debt expense associated with your proposed rate increase?

A. In order to account for bad debt expense associated with my proposed rate increase, I have included a bad debt expense factor in my revenue multiplier. Thus, the bad debt expense included in my recommendation is matched to the overall level of the rate increase that I am recommending in this case.

G. <u>Vegetation Management Expense</u>

Q. Please describe the Company's claim for vegetation management costs.

A. The Company is seeking three additions to its Vegetation Management program. First, KCP&L has included $185,618 in costs related to the implementation of an ash tree mitigation plan due to Emerald Ash Borer ("EAB") infestation. Second, the Company has included $543,684 of additional costs related to a triplex circuit tree trimming program. Third, the Company has included $1,103,061 of additional costs related to accelerating the rural tree trimming cycle from six years to four years. In addition to these three programs, the Company is also requesting that the KCC authorize a tracking mechanism that would allow KCP&L to track and true-up its vegetation management costs relative to amounts collected in base rates. The

Company's proposed tracking mechanism is addressed later in my testimony.

Q. Are you recommending any adjustment to the Company's claim?

A. Yes, I am recommending one adjustment. While I have not recommended any adjustment to the Company's claims for increased costs related to mitigation of EAB infestation or the triplex circuit tree trimming program, I am recommending that the Company's request for additional costs relating to acceleration of the rural trimming cycle be rejected. The Company's vegetation management claim reflects an increase of 11.3% over its actual Test Year costs. While the Company hopes and expects that its three proposed programs will reduce the number of outages in its service territory, there is no guarantee that these measures will result in fewer outages, or will reduce outages to any specific level.

Although the Company is unable to guarantee results related to the EAB mitigation and triplex circuit tree trimming programs, at least these two programs are being undertaken in response to specific issues that have been identified by KCP&L. On the other hand, the Company has not provided any compelling support for its proposal to accelerate the rural tree trimming cycle. While Mr. Keily states on page 7 of his testimony that acceleration of the rural tree trimming cycle from 6 years to 4 years would "allow KCP&L to address specific areas of concern on a more frequent and timely basis", no cost/benefit analysis or other quantitative support has been provided for this adjustment. Mr. Keily went on to state that acceleration of the rural tree trimming cycle would increase the visibility of the vegetation management program in rural communities. However, in the response to KCC-150, the Company acknowledged that such visibility "may not benefit system performance or rates." In addition, in the response to KCC-149, the Company acknowledged that there are no specific issues in the rural areas of its service territory that are driving this proposed change.

As stated on page 9 of Mr. Heidtbrink's testimony, KCP&L has had the highest reliability rating of any utility in its region for each of the past eight years. Therefore, not only has KCPL&L failed to identify any specific problems that necessitate an increase in its rural tree trimming cycle, but the utility's rating demonstrates that its performance is good and that it has a high degree of reliability. While additional vegetation management efforts would be expected to further reduce the number of outages, resources are not unlimited. KCP&L has not shown that the additional $1.1 million required to accelerate the rural tree trimming cycle would result in net benefits to ratepayers. Accordingly, I recommend that the KCC deny the Company's request for an additional $1.1 million to accelerate the rural tree trimming cycle. My adjustment is shown in Schedule ACC-15.

Q. Should the KCC restrict the use of the additional funds to EAB mitigation and the triplex circuit tree trimming program proposed by KCP&L?

A. No. While my recommendation includes vegetation management costs for these two new programs, ultimately the Company should have the flexibility to determine the best use for these additional funds. It is likely that the needs of the service territory will vary from year-to-year. The Company should have the flexibility to respond to changing conditions within the parameters of the revenue requirement approved by the KCC. Ultimately, it is the Company's responsibility to provide service that meets the reliability standards established by the KCC. The specifics of meeting these standards should be left to the Company's discretion. The KCC Staff and CURB have the ability to review the Company's performance between base rate cases and to recommend that the KCC take remedial action, if necessary. Therefore, I am not recommending that the KCC restrict expenditures of these additional revenues to the Company's proposed EAB mitigation and triplex circuit tree trimming programs.

H. Infrastructure Technology ("IT") Expense

Q. Please describe the Company's proposed adjustments relating to IT operating and maintenance expenses.

A. As described in the testimony of Mr. Klote, the Company included an adjustment to the Company's IT expenses to reflect increases in four areas: 1) IT Roadmap Applications and Infrastructure; 2) operations maintenance including software and systems maintenance; 3) cyber security; and 4) ongoing operating and maintenance ("O&M") costs. These costs are in addition to IT capital costs that were included in the Company's rate base claim. The Company also requested the implementation of a

Cyber Security Tracker that would allow KCP&L to track cyber security costs and seek recovery of additional amounts in future cases if cyber security costs exceed the amounts approved in this base rate case. The Company's request for the cyber security tracking mechanism will be discussed in Section IX of my testimony.

Q. How did the Company develop its projected IT expense claim in this case?

A. The Company's claim was based on actual data from April to June, 2014, on forecasted data for July 2014 to December 2014, and on budgeted data from January 2015 to March 2015. According to the Company's workpapers, at least a portion of the claim was based on the "2015 Budget data, first draft". Thus, nine months of the claim was based on speculative projections that do not even necessarily represent approved budgeted data.

Q. Is the use of budgeted data appropriate for determining KCP&L's rates in this case?

A. No, it is not. The budgeted data included by KCP&L in its filing, along with the 2014 forecasted data, is speculative and does not represent a known and measurable change to the Test Year. The Company has included an increase of over 35% to its IT operating and maintenance costs but has failed to provide sufficient support for this dramatic increase. In CURB-123, the Company was asked to "describe fully the reason for the significant increase in costs relative to the test year...". In response, KCP&L generally discussed increases in cyber threats and the need for IT upgrades, but did not specifically address the 35% increase that it is requesting in this case. A good example is its response relating to Ongoing O&M, which is the IT expense component with the largest projected cost increase, approximately 65% over the actual Test Year costs. KCP&L stated that "...ongoing costs have increased in order to maintain a highly trained, skilled, and informed organization." That response is not sufficient to justify a cost increase of this magnitude.

Q. What do you recommend?

A. I recommend including actual IT operating and maintenance costs through March 31, 2015 in the Company's revenue requirement, in place of the speculative projections included by KCP&L in its filing. Therefore, I have updated each of the four IT components with actual data for the twelve months ending March 31, 2015. My recommendation recognizes that there have been changes in the scope of some of the Company's IT initiatives, and is more reasonable than the speculative projections included by KCP&L in its claim. My adjustment is shown in Schedule ACC-16.

I. <u>Economic Relief Pilot Program ("ERPP") Expense</u>

Q. Please describe your expense adjustment relating to the Economic Relief Pilot Program.

A. In its original filing, KCP&L included an expense claim of $400,000 related to the

ERPP. Specifically, the Company proposed to implement a program to provide a fixed monthly credit of up to $65 per month for up to 1,000 eligible low-income customers. The Company estimated that the total cost of the ERPP would be $800,000. KCP&L proposed treating the costs of the EPRR as charitable contributions for ratemaking purposes. Since charitable contributions traditionally have been shared between ratepayers and shareholders on a 50/50 basis, the Company included 50% of the annual costs, or $400,000, in its Kansas-jurisdictional claim.

Q. Did Staff subsequently question the legality of the EPRR?

A. Yes, it did. Staff filed a Motion on April 16, 2015, questioning the legality of the EPRR as proposed by the Company. In addition, Staff's position was that the ratemaking treatment proposed for the EPRR by the Company was inappropriate since the EPRR did not meet the statutory definition of a charitable organization.

Q. What was the Company's response to Staff's Motion?

A. On April 27, 2015, KCP&L filed a Motion requesting that the issue of the EPRR be withdrawn from this proceeding. The Company noted the concerns raised by Staff and stated that,

> It was KCP&L's goal to develop a low-income assistance program that would meet parameters acceptable to Staff. It is clear from Staff's Memorandum that modifications will be needed to the program in order for KCP&L to meet that goal. At this point in the proceeding, there is not time to conduct

> discussions with Staff and other interested parties to develop such a program.[11]

While the Company took no position in its Motion on the legal arguments raised by Staff, it believed that a low-income program would be "better implemented with the support of Staff, and as such, may meet with Staff and the Citizen's Utility Ratepayers Board ("CURB") in the future to discuss a program to assist low-income customers....".[12] The Company asked the KCC to permit it to withdraw the proposal for the ERPP from this proceeding so that the parties could focus on the numerous other issues in this case.

Q. Did you make an adjustment as a result of KCP&L's withdrawal of the proposal?

Yes. Given the Company's request to remove this issue from this proceeding[13], I have made an adjustment to eliminate the $400,000 in EPRR costs from the Company's revenue requirement. My adjustment is shown in Schedule ACC-17.

J. <u>Electric Vehicle Charging Station Program Expense</u>

Q. Have you made an adjustment to remove costs associated with electric vehicle charging stations from the Company's revenue requirement?

11 KCP&L's Motion, paragraph 5.
12 KCP&L's Motion, paragraph 6.
13 The KCC granted the Company's request to withdraw this issue from the proceeding on May 4, 2015.

A. Yes, I have. As discussed earlier in my testimony, on February 5, 2015, the Company filed a Petition to investigate issues relating to electric vehicle charging stations. On February 9, 2015, KCP&L filed a Motion for Leave, seeking to provide supplemental testimony describing a proposed electric vehicle charging station program. In the Motion for Leave, KCP&L stated that it had originally included costs associated with a program to provide electric vehicle charging stations in its revenue requirement claim. Those costs were not specifically identified as such in the filing. Instead, the operating costs included in the filing were found in Adjustment CS-49, which was simply identified as "Miscellaneous O&M".

Staff and CURB both opposed the Petition and the Motion for Leave. The KCC subsequently denied the Company's requests, finding that an investigation of electric vehicle charging stations was premature. The KCC indicated that it was willing to reexamine the merits of conducting a general investigation on this issue at the conclusion of KCP&L's rate case. Therefore, at Schedule ACC-18, I have made an adjustment to remove the "Miscellaneous O&M" costs included in the Company's filing. The corresponding rate base adjustment was shown in Schedule ACC-4.

K. Flood Insurance Reimbursement Amortization

Q. Please describe the Company's adjustment relating to amortization of flood insurance reimbursements.

A. In its filing, KCP&L included an adjustment to return to customers certain insurance proceeds that it received related to flooding at the Iatan Generating Station in 2011. The Company included insurance proceeds of $1,650,911 received in March and August 2013. It proposed to amortize these proceeds over a three-year period.

Q. Are you recommending any adjustment to the Company's claim?

A. Yes, I am recommending one adjustment. In the response to KCC-193, the Company indicated that the amounts included in its original filing were total insurance proceeds, before allocation to Joint Partners. Therefore, the credits included by the Company to its cost of service were overstated. At Schedule ACC-19, I have made an adjustment to reduce the pro forma credits to reflect the allocation of a portion of the insurance proceeds to the Joint Partners.

L. La Cygne Obsolete Inventory Amortization

Q. Please describe the Company's claim associated with obsolete inventory.

A. As described on page 53 of Mr. Klote's testimony, the Company has included an amortization adjustment to reflect the recovery, over five years, of inventory that will no longer be needed once the La Cygne Environmental Project is complete. As noted by Mr. Klote, "[i]tems not used prior to the units returning to service will be considered obsolete by the Company since the parts cannot serve as spares for new equipment or systems being installed." The Company estimates that there will be almost $1 million of obsolete inventory and it is proposing to recover this inventory over five years. KCP&L has included an annual amortization expense of $197,009 in its revenue requirement claim associated with recovery of this inventory.

Q. Do you believe that ratepayers should be responsible for these costs?

A. No, I do not. This adjustment represents another attempt by the Company to shift risks from shareholders to ratepayers. Shareholders are not guaranteed a return of their investment and the KCC should not guarantee shareholders a return of these inventory costs in this case. Moreover, it is the Company that is responsible for managing its inventory levels. The La Cygne Environmental Project has been ongoing for several years now; it was the Company's responsibility to manage inventory during this period. Ratepayers should not be put in the position of having to pay for items that are not providing them with utility service and which will clearly never be used in the provision of such service. Accordingly, I recommend denying the Company's request for recovery of obsolete inventory. My adjustment is shown in Schedule ACC-20.

Q. Why are you recommending denial of the Company's request for recovery of the costs for obsolete inventory, while earlier in your testimony, you recommended including a return <u>of</u> costs for unrecovered meters?

A. I have made a distinction between unrecovered meter costs and the obsolete inventory costs, for three reasons. First, the AMR meters discussed earlier were used in the provision of utility service for many years, unlike the obsolete inventory that is the subject of this adjustment. Second, the Company had several years to manage its inventory in anticipation of the completion of the La Cygne Environmental Project. Third, the unrecovered meter costs are approximately 10 times the amount of the obsolete inventory and therefore are of greater materiality than the Company's claim for obsolete inventory. For all these reasons, I believe that it is appropriate to distinguish between recovery of unamortized meter costs and recovery of costs for obsolete inventory.

Q. Was this obsolete inventory included in the Company's rate base claim?

A. No, it was not. KCP&L removed this inventory from rate base. This is appropriate since the inventory level included in rate base should be based on a normal, ongoing level of required materials and supplies. Obviously, this inventory will not be needed prospectively and it should therefore not be included in rate base.

M. <u>Depreciation Expense</u>

Q. Is the Company proposing new depreciation rates in this case?

A. Yes, it is. The Company has included new depreciation rates in its filing for a few accounts, based on a study by Dane Watson. The new rates are related to the La Cygne Environmental Project additions (Accounts 312 and 315) and the new AMR meters (Account 370). The net effect of the new depreciation rates is a depreciation expense increase of approximately $12.7 million (total company).

Q. Have you made any adjustments relating to the new depreciation rates recommended by Mr. Watson?

A. No, I have not. I was not engaged to examine the proposed new depreciation rates. Therefore, my revenue requirement recommendation includes the new depreciation rates proposed by Mr. Watson. However, I understand that CURB will be reviewing testimony on this issue that may be filed by other parties and may support proposals from other parties relating to depreciation rates, if appropriate. Therefore, the fact that I have not made a depreciation rate adjustment should not be interpreted as support for the new depreciation rates proposed by Mr. Watson.

Q. Are you recommending any adjustment relating to depreciation expense?

A. Yes. As discussed previously, I am recommending an adjustment to utility plant-in-service associated with a proposed electric vehicle charging station program that was included in the Company's initial claim. Therefore, I have made a corresponding adjustment to exclude annual depreciation expense associated with my recommended plant disallowance. In CURB-140, I asked the Company to quantify the depreciation expense included in its claim related to the program. However, in its response, the Company did not quantify the depreciation expense included in its original filing. Therefore, I used the Company's composite depreciation rate of 2.27% to quantify my adjustment. I applied this composite rate to my recommended utility plant-in-service adjustment to determine my pro forma depreciation expense adjustment. My adjustment is shown in Schedule ACC-21.

N. **Interest Synchronization and Taxes**

Q. Have you adjusted the Company's pro forma interest expense for income tax purposes?

A. Yes, I have made this adjustment at Schedule ACC-22. It is consistent (synchronized) with CURB's recommended rate base, capital structure, and cost of capital recommendations. I am recommending a lower rate base than the rate base included in the Company's filing. This recommendation results in a lower pro forma interest expense for the Company. This lower interest expense, which is an income tax deduction for state and federal tax purposes, will result in an increase to the Company's income tax liability under my recommendations. Therefore, my recommendations result in an interest synchronization adjustment that reflects a higher income tax burden for the Company, and a decrease to pro forma income at present rates.

Q. What income tax factors have you used to quantify your adjustments?

A. As shown on Schedule ACC-23, I have used a composite income tax factor of 39.55%, which includes a state income tax rate of 7.00% and a federal income tax rate of 35%. These are the state and federal income tax rates contained in the Company's filing. My revenue multiplier, which is shown in Schedule ACC-24, reflects these same income tax rates. In addition, the revenue multiplier includes uncollectible costs at a rate of 0.3616%.

Q. Have you made any other adjustment to the revenue multiplier?

A. Yes, I have made one additional adjustment. Specifically, I have included a forfeited discount rate of 0.2361%, which is the rate claimed by the Company.

Q. What are forfeited discounts?

A. Forfeited discounts are amounts that the Company earns from ratepayers for late payment of utility charges. According to Schedule 1.25 of the Company's Rules and Regulations, KCP&L charges customers a late payment charge of 2% when a bill becomes delinquent. Non-residential customers may request a 14-day extension of the date upon which an unpaid bill becomes delinquent. In that case, a 1% monthly charge will be applied to the non-residential customer's bill.

Q. How did the Company determine its pro forma revenue claim for forfeited discounts?

A. As discussed on page 24 of Mr. Klote's testimony, the Company developed its claim for forfeited discounts by computing a Kansas-specific forfeited discount factor and applying that factor to its weather-normalized revenues. The forfeited discount factor was based on actual experience during the Test Year. The Company used a forfeited discount factor of 0.2361%.

Q. If you are not recommending any adjustment to the Company's forfeited discount rate, then why did you make an adjustment to the revenue multiplier?

A. KCP&L included an adjustment to synchronize forfeited discounts with its pro forma revenue claim. However, the Company did not include a further adjustment to reflect the additional forfeited discount revenue that it will receive as a result of its proposed rate increase. In order to capture the impact of the additional forfeited discount revenue that will be realized by any rate increase that is ultimately approved by the KCC, it is necessary to adjust the revenue multiplier to include forfeited discounts. Accordingly, I have included the Company's proposed rate for forfeited discounts in my revenue multiplier, as shown in Schedule ACC-24. This has the effect of adjusting my revenue requirement recommendation to reflect the fact that forfeited discount revenue will increase as sales revenue increases.

VIII. REVENUE REQUIREMENT SUMMARY

Q. What is the result of the recommendations contained in this testimony?

A. My adjustments show that KCP&L has a revenue deficiency at present rates of $16,889,734, as summarized on Schedule ACC-1. CURB's recommendations result in revenue requirement adjustments of $39,389,081 to the Company's requested revenue requirement increase of $56,278,815.

Q. Have you quantified the revenue requirement impact of each of your recommendations?

A. Yes, at Schedule ACC-25, I have quantified the revenue requirement impact of the rate of return, rate base, and expense recommendations contained in this testimony.

Q. Have you developed a pro forma income statement?

A. Yes, Schedule ACC-26 contains a pro forma income statement, showing utility operating income under several scenarios, including the Company's claimed operating income at present rates, my recommended operating income at present rates, and operating income under my proposed rate increase. My recommendations will produce the overall return on rate base of 7.06%, as recommended by Dr. Woolridge.

IX. <u>OTHER RATEMAKING ISSUES</u>

Q. In addition to the revenue increase, what other issues did KCP&L raise in its filing?

A. In addition to its requested increase, KCP&L requested the implementation of a TDC Rider, a Vegetation Management Tracker, and a Cyber Security Tracker. In addition, the Company requested that the KCC authorize an Abbreviated Rate Case, to be filed within twelve months of an Order in this case.

A. Implementation of TDC Rider

Q. Please describe the Company's proposed TDC Rider.

A. As discussed on pages 23-32 of Mr. Ives' Testimony, KCP&L is proposing to implement a TDC to recover costs associated with transmission activities. The Company currently recovers a portion of its transmission-related costs through base rates and a portion through the Energy Cost Adjustment ("ECA") rider. KCP&L is proposing to remove transmission-related costs from both its base distribution rates and its ECA, and to combine these costs in a TDC.

The TDC rider will serve as a pass-through mechanism for transmission costs related to retail service. The Company plans to update the TDC at least annually. The TDC will be updated based on the Annual Transmission Revenue Requirement ("ATRR") determined pursuant to the Federal Energy Regulatory Commission Transmission Formula Rate ("FERC TFR"). In addition, the Company is proposing a mechanism to true-up TDC rider recovery revenue to actual costs.

Q. Do other Kansas utilities have a TDC Rider?

A. Yes, Mr. Ives notes that Westar Energy has a TDC Rider. In addition, Midwest Energy, Inc. has a TDC Rider that was approved by the KCC, but it is no longer regulated by the KCC, having opted to deregulate under the state's opt-out provision for cooperatives.

Q. What are you recommending with regard to the Company's request for a TDC Rider?

A. It is my understanding that a utility may implement a TDC Rider pursuant to Kansas law, so KCP&L has the statutory right to implement the rider. In addition, the KCC has already approved a TDC Rider for Westar Energy and Midwest Energy. Therefore, I am not opposed to the establishment of a TDC Rider. However, I am recommending that the Commission reject the true-up mechanism proposed by KCP&L.

Q. Why are you opposed to the proposed true-up mechanism?

A. I am opposed for several reasons. First, the proposed true-up mechanism will shift the risk for recovery from shareholders to ratepayers. As noted throughout this testimony, the Company is continually seeking to remove risk from its shareholders while at the same time promoting incentive compensation plans that are supposed to provide incentives for superior management. While the Kansas legislature has given utilities the right to implement a TDC Rider, there is no requirement that the risk of recovery be placed entirely on ratepayers.

In addition, it appears that the Company has the right to update the TDC

Rider more frequently than once each year, with 30 days' notice to the KCC, as discussed on page 31 of Ives' testimony. While the Company has stated that it expects to update the TDC annually, it has noted that it "could update more frequently in certain circumstances as discussed above." Therefore, the Company would have the ability to revise the level of the rider if the TDC Rider is no longer covering its costs.

Third, I understand that the true-up mechanism proposed by KCP&L is a departure from the TDC Rider approved for Westar Energy. For all these reasons, I recommend that the KCC authorize a TDC Rider for the Company that does not include the proposed true-up mechanism.

Q. Do you have any other concerns with authorizing a true-up mechanism?

A. Beyond the policy reasons that support denying KCP&L's request for a true-up of the TDC rider, I have been advised by CURB that there may also be legal issues with regard to the proposed true-up. These legal issues will be addressed by CURB in their post-hearing briefs, along with a further discussion of the Kansas statute that authorized the TDC rider.

Q. Are you recommending any adjustments to the costs that KCP&L proposes to include in the TDC Rider?

A. I am not recommending any specific adjustments to the categories of costs or allocation factors proposed by KCP&L. However, to the extent that I have made recommendations in this testimony regarding the level of specific rate base or operating income components, then these adjustments would similarly apply to the amounts subject to TDC allocation. Therefore, the KCC should flow-through the revenue requirement adjustments adopted for base distribution rates to the TDC revenue requirement as well. I have attempted to identify in my supporting schedules any allocation of my recommended adjustments to the TDC Rider.

B. Vegetation Management Tracker

Q. Please describe the Company's request for implementation of a Vegetation Management Tracker.

A. The Company is seeking to establish a Vegetation Management Tracker to track its actual annual vegetation management costs relative to the vegetation management costs included in base rates. Variances between actual costs and the amounts reflected in base rates would be recorded as a regulatory asset or liability. In addition, KCP&L is proposing to apply carrying costs on any deferrals at the monthly short-term interest rate. The Company proposes that the regulatory asset or liability be amortized in rates in the next base rate case over the same period of time during which the costs were accumulated.

Q. What rationale does the Company give for proposing a Vegetation Management Tracker?

A. As discussed on page 33 of Mr. Ives' testimony, KCP&L states that it has a single vegetation management program that covers all three service jurisdictions, and that the tracker "will enable the Company to schedule and perform this work in the most efficient manner across all three jurisdictions."

Q. Do you support the Company's request for a Vegetation Management Tracker?

A. No, I do not. Vegetation Management is an integral part of the Company's commitment to provide safe and reliable utility service to Kansas ratepayers. Vegetation management costs are also directly under the Company's control. As such, these costs should be recovered through the normal ratemaking process and not provided with special ratemaking treatment.

Moreover, the fact that the vegetation management functions are provided on a consolidated basis is no reason why KCP&L needs to implement a tracking and true-up mechanism. Most of KCP&L's utility functions are provided on a consolidated basis. In some cases, costs are first allocated among various subsidiaries of GPE, including KCP&L. In most cases, KCP&L's costs are allocated between the Kansas and Missouri jurisdictions. KCP&L's revenue requirement also includes costs that must be allocated among various owners, such as costs to operate Wolf Creek. Mr. Ives states that "[a] VM tracker would allow the Company to move its vegetation management resources around efficiently and cost-effectively…", but KCP&L is currently managing its vegetation management program without the use of a tracking mechanism. Moreover, given the high level of reliability discussed earlier, the Company has been fairly successful with managing these programs.

KCP&L has not demonstrated that a tracking mechanism for vegetative management costs is either necessary or desirable. The proposed mechanism is just one more example of the Company's attempt to limit the risk placed on shareholders of the utility. Accordingly, I recommend that the KCC deny the Company's request for a Vegetation Management Tracker.

C. Cyber Security Tracker

Q. Please describe the Cyber Security Tracker proposed by KCP&L.

A. As discussed on pages 35-36 of Mr. Ives' testimony, the Company is seeking approval for a Cyber Security Tracker "to ensure recovery of the costs necessary to address the government mandated requirements regarding security of cyber assets essential to the reliable operation of the electric grid." Mr. Ives notes that FERC has designated the North American Electric Reliability Corporation ("NERC") as the organization responsible for Critical Infrastructure Protection Standards ("CIPS"), which address the security of the cyber assets. The Company is currently implementing Version 5 of the CIPS, which becomes effective April 1, 2016.

KCP&L is seeking authorization to track CIPS and cyber security costs that exceed the amounts included in base rates in this case. The Company is also seeking carrying costs on deferred costs, calculated at the monthly short-term interest rate. The Company proposes that the regulatory asset be amortized in the Company's next base rate proceeding over a five-year period and that the base amount of cyber security costs be reset in the next base rate case.

Q. Has the Company provided an estimate for these costs?

A. No, it has not. Mr. Ives states on page 37 that "[t]he cost to comply is undefined at this time, but will be substantial." He goes on to state that "the government-mandated requirements have a cost to them, but that cost is currently undefined."

Q. Do you recommend that the Commission approve the Cyber Security Tracker, as proposed by KCP&L?

A. No, I do not. The Company has stated that it is currently implementing CIPS Version 5 and that this standard is effective April 1, 2016. Nevertheless, KCP&L has not provided a detailed implementation plan or cost estimate related to implementation of these cyber security measures. Moreover, according to the response to CURB-47, CIPS Version 6 has already been proposed and CIPS Version 7 is already being contemplated. Thus, CIPS compliance is, and will continue to be, an integral part of the Company's mandate to provide safe and reliable utility service. Moreover, KCP&L has not provided any reason why these costs should be treated differently from other costs necessary to provide safe and reliable utility service.

CIPS and cyber security costs incurred through March 31, 2015 are reflected in the Information Technology adjustment discussed previously. In addition, my revenue requirement recommendation includes costs for any personnel hired by March 31, 2015 related to CIPS or cyber security activities. In the absence of a definite implementation plan and cost estimate, the Commission should deny the Company's request for a Cyber Security Tracker, which would guarantee recovery of costs, plus interest.

Q. If the Company finds that increases in cyber security costs jeopardize its financial integrity, what options does it have?

A. It should be noted that actual Information Technology costs for the twelve months ending March 31, 2015 were considerably less than the amount projected by the Company in its initial filing. Therefore, these costs may not be as significant as suggested by KCP&L. However, if the Company finds that actual cyber security costs are jeopardizing its financial integrity, it always has the option to ask the KCC to issue an accounting order permitting the Company to defer costs, and to examine potential rate recovery in a future base rate case.

There are several benefits of requiring KCP&L to file for an accounting order, rather than approving a tracking mechanism in this case. First, it is likely that the Company would not file for an accounting order until it had a firm implementation plan in place and had a better cost estimate related to cyber security upgrades. At that time, the parties could review the Company's supporting documentation and determine whether deferral of cyber security costs was appropriate. Second, any accounting order would be limited to costs incurred over a specific period of time and for a specific purpose, while the Cyber Security Tracker proposed by KCP&L is ill-defined and would represent a permanent change in the ratemaking treatment for these costs. Third, cost deferral through an accounting order would allow the KCC to determine whether these costs should eventually be recovered and over what time period, based on the level of costs incurred and the specific cyber security requirements. The Company's proposal would lock the KCC into guaranteeing recovery of costs, plus interest, over a subsequent five-year period. For all these reasons, I believe that the Commission should deny the Company's request for a Cyber Security Tracker. Once the Company has a firm implementation plan and cost estimate, it can request deferred accounting for these costs and recovery in a future rate case, if appropriate.

D. Request for Abbreviated Case

Q. Has the Company received KCC approval to file an abbreviated rate case within twelve months of an Order in this case?

A. Yes, it has. The KCC approved the filing of an abbreviated rate case in its Order in the 025 Docket. That Order permitted the filing of an abbreviated rate case to address the budgeted La Cygne Environmental Project expenditures, including deferred depreciation expense, and post-test year Wolf Creek capital expenditures that the parties agreed would be included in this base rate case.

In addition to these items, KCP&L is also proposing to utilize the abbreviated rate case to remove certain costs related to amortizations that will terminate between the effective date of rates in this case and the effective date of rates in the abbreviated case. These include amortizations related to pre-existing Financial Accounting Standard ("FAS" 87) regulatory assets, prior rate case costs, Kansas Merger Transition costs, Talent Assessment costs, and reimbursement of a certain legal fees. These are described in the testimony of Mr. Ives on pages 60-61. In anticipation of removing these amortizations in the abbreviated rate case, KCP&L has reflected an 18-month amortization for the remaining costs associated with these expenditures.

Q. Do you agree with the issues that KCP&L proposes to address in the abbreviated rate case?

A. Yes, I do. In addition, I have accepted the Company's adjustments in this case to reflect an 18 month amortization of the remaining costs associated with these items.

Q. Does this conclude your testimony?

A. Yes, it does.

VERIFICATION

STATE OF CONNECTICUT)

COUNTY OF FAIRFIELD) ss:

Andrea C. Crane, being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board, that she has read and is familiar with the foregoing Testimony, and that the statements made herein are true to the best of her knowledge, information and belief

Andrea C. Crane

Andrea C. Crane

Subscribed and sworn before me this 8th day of May, 2015.

Notary Public Benjamin D. Cotton

BENJAMIN D COTTON
Notary Public-Connecticut
My Commission Expires
June 30, 2017

My Commission Expires: ______________

The Columbia Group, Inc., Testimonies of Andrea C. Crane

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Kansas City Power and Light Company	E	Kansas	15-KCPE-116-RTS	5/15	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast Cable Communications	C	New Jersey	CR14101099-1120	4/15	Cable Rates (Form 1240)	Division of Rate Counsel
Liberty Utilities (Pine Buff Water)	W	Arkansas	14-020-U	1/15	Revenue Requirements	Office of Attorney General
Public Service Electric and Gas Co.	E/G	New Jersey	EO14080897	11/14	Energy Efficiency Program Extension II	Division of Rate Counsel
Black Hills/Kansas Gas Utility Company	G	Kansas	14-BHCG-502-RTS	9/14	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	14-00158-UT	9/14	Renewable Energy Rider	Office of Attorney General
Public Service Company of New Mexico	E	New Mexico	13-00390-UT	8/14	Abandonment of San Juan Units 2 and 3	Office of Attorney General
Atmos Energy Company	G	Kansas	14-ATMG-320-RTS	5/14	Revenue Requirements	Citizens' Utility Ratepayer Board
Rockland Electric Company	E	New Jersey	ER13111135	5/14	Revenue Requirements	Division of Rate Counsel
Kansas City Power and Light Company	E	Kansas	14-KCPE-272-RTS	4/14	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Comcast Cable Communications	C	New Jersey	CR13100885-906	3/14	Cable Rates	Division of Rate Counsel
New Mexico Gas Company	G	New Mexico	13-00231-UT	2/14	Merger Policy	Office of Attorney General
Water Service Corporation (Kentucky)	W	Kentucky	2013-00237	2/14	Revenue Requirements	Office of Attorney General
Oneok, Inc. and Kansas Gas Service	G	Kansas	14-KGSG-100-MIS	12/13	Plan of Reorganization	Citizens' Utility Ratepayer Board
Public Service Electric & Gas Company	E/G	New Jersey	EO13020155 GO13020156	10/13	Energy Strong Program	Division of Rate Counsel
Southwestern Public Service Company	E	New Mexico	12-00350-UT	8/13	Cost of Capital, RPS Rider, Gain on Sale, Allocations	New Mexico Office of Attorney General
Westar Energy, Inc.	E	Kansas	13-WSEE-629-RTS	8/13	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	13-115	8/13	Revenue Requirements	Division of the Public Advocate
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-447-MIS	8/13	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Jersey Central Power & Light Company	E	New Jersey	ER12111052	6/13	Reliability Cost Recovery Consolidated Income Taxes	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	13-MKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-452-MIS	5/13	Formula Rates	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	12-450F	3/13	Gas Sales Rates	Attorney General
Public Service Electric and Gas Co.	E	New Jersey	EO12080721	1/13	Solar 4 All - Extension Program	Division of Rate Counsel
Public Service Electric and Gas Co.	E	New Jersey	EO12080726	1/13	Solar Loan III Program	Division of Rate Counsel

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Lane Scott Electric Cooperative	E	Kansas	12-MKEE-410-RTS	11/12	Acquisition Premium, Policy Issues	Citizens' Utility Ratepayer Board
Kansas Gas Service	G	Kansas	12-KGSG-835-RTS	9/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	12-KCPE-764-RTS	8/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Woonsocket Water Division	W	Rhode Island	4320	7/12	Revenue Requirements	Division of Public Utilities and Carriers
Atmos Energy Company	G	Kansas	12-ATMG-564-RTS	6/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	110258	5/12	Cost of Capital	Division of the Public Advocate
Mid-Kansas Electric Company (Western)	E	Kansas	12-MKEE-491-RTS	5/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atlantic City Electric Company	E	New Jersey	ER11080469	4/12	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	12-MKEE-380-RTS	4/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	11-381F	2/12	Gas Cost Rates	Division of the Public Advocate
Atlantic City Electric Company	E	New Jersey	EO11110650	2/12	Infrastructure Investment Program (IIP-2)	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	11-384F	2/12	Gas Service Rates	Division of the Public Advocate
New Jersey American Water Co.	W/WW	New Jersey	WR11070460	1/12	Consolidated Income Taxes Cash Working Capital	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	12-WSEE-112-RTS	1/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Puget Sound Energy, Inc.	E/G	Washington	UE-111048 UG-111049	12/11	Conservation Incentive Program and Others	Public Counsel
Puget Sound Energy, Inc.	G	Washington	UG-110723	10/11	Pipeline Replacement Tracker	Public Counsel
Empire District Electric Company	E	Kansas	11-EPDE-856-RTS	10/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR11030116-117	9/11	Forms 1240 and 1205	Division of Rate Counsel
Artesian Water Company	W	Delaware	11-207	9/11	Revenue Requirements Cost of Capital	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS (Remand)	7/11	Rate Case Costs	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	11-MDWE-609-RTS	7/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power & Light Company	E	Kansas	11-KCPE-581-PRE	6/11	Pre-Determination of Ratemaking Principles	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	10-421	5/11	Revenue Requirements Cost of Capital	Division of the Public Advocate

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Mid-Kansas Electric Company	E	Kansas	11-MKEE-439-RTS	4/11	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
South Jersey Gas Company	G	New Jersey	GR10060378-79	3/11	BGSS / CIP	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	10-296F	3/11	Gas Service Rates	Division of the Public Advocate
Westar Energy, Inc.	E	Kansas	11-WSEE-377-PRE	2/11	Pre-Determination of Wind Investment	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	10-295F	2/11	Gas Cost Rates	Attorney General
Delmarva Power and Light Company	G	Delaware	10-237	10/10	Revenue Requirements Cost of Capital	Division of the Public Advocate
Pawtucket Water Supply Board	W	Rhode Island	4171	7/10	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey Natural Gas Company	G	New Jersey	GR10030225	7/10	RGGI Programs and Cost Recovery	Division of Rate Counsel
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atmos Energy Corp.	G	Kansas	10-ATMG-495-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	10-EPDE-314-RTS	3/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	09-414 and 09-276T	2/10	Cost of Capital Rate Design Policy Issues	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	09-385F	2/10	Gas Cost Rates	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	09-398F	1/10	Gas Service Rates	Division of the Public Advocate
Public Service Electric and Gas Company	E	New Jersey	ER09020113	11/09	Societal Benefit Charge Non-Utility Generation Charge	Division of Rate Counsel
Delmarva Power and Light Company	G	Delaware	09-277T	11/09	Rate Design	Division of the Public Advocate
Public Service Electric and Gas Company	E/G	New Jersey	GR09050422	11/09	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	09-MKEE-969-RTS	10/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Westar Energy, Inc.	E	Kansas	09-WSEE-925-RTS	9/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08050326 EO08080542	8/09	Demand Response Programs	Division of Rate Counsel
Public Service Electric and Gas Company	E	New Jersey	EO09030249	7/09	Solar Loan II Program	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	09-MDWE-792-RTS	7/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Westar Energy and KG&E	E	Kansas	09-WSEE-641-GIE	6/09	Rate Consolidation	Citizens' Utility Ratepayer Board

Company	Utility	State	Docket	Date	Topic	On Behalf Of
United Water Delaware, Inc.	W	Delaware	09-60	6/09	Cost of Capital	Division of the Public Advocate
Rockland Electric Company	E	New Jersey	GO09020097	6/09	SREC-Based Financing Program	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	09-29	6/09	Revenue Requirements Cost of Capital	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	08-269F	3/09	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	08-266F	2/09	Gas Cost Rates	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	09-KCPE-246-RTS	2/09	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08090840	1/09	Solar Financing Program	Division of Rate Counsel
Atlantic City Electric Company	E	New Jersey	EO06100744 EO08100875	1/09	Solar Financing Program	Division of Rate Counsel
West Virginia-American Water Company	W	West Virginia	08-0900-W-42T	11/08	Revenue Requirements	The Consumer Advocate Division of the PSC
Westar Energy, Inc.	E	Kansas	08-WSEE-1041-RTS	9/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Artesian Water Company	W	Delaware	08-96	9/08	Cost of Capital, Revenue, New Headquarters	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR08020113	9/08	Form 1205 Equipment & Installation Rates	Division of Rate Counsel
Pawtucket Water Supply Board	W	Rhode Island	3945	7/08	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey American Water Co.	W/WW	New Jersey	WR08010020	7/08	Consolidated Income Taxes	Division of Rate Counsel
New Jersey Natural Gas Company	G	New Jersey	GR07110889	5/08	Revenue Requirements	Division of Rate Counsel
Kansas Electric Power Cooperative, Inc.	E	Kansas	08-KEPE-597-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	EX02060363 EA02060366	5/08	Deferred Balances Audit	Division of Rate Counsel
Cablevision Systems Corporation	C	New Jersey	CR07110894, et al..	5/08	Forms 1240 and 1205	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	08-MDWE-594-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	07-246F	4/08	Gas Service Rates	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR07100717-946	3/08	Form 1240	Division of Rate Counsel
Generic Commission Investigation	G	New Mexico	07-00340-UT	3/08	Weather Normalization	New Mexico Office of Attorney General
Southwestern Public Service Company	E	New Mexico	07-00319-UT	3/08	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Delmarva Power and Light Company	G	Delaware	07-239F	2/08	Gas Cost Rates	Division of the Public Advocate

Company	Utility	State	Docket	Date	Topic	On Behalf Of
Atmos Energy Corp.	G	Kansas	08-ATMG-280-RTS	1/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board

APPENDIX B

Supporting Schedules

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

REVENUE REQUIREMENT SUMMARY

	Company Claim	Recommended Adjustment	Recommended Position	
	(A)			
1. Pro Forma Rate Base	$2,087,480,331	($14,979,511)	$2,072,500,820	(B)
2. Required Cost of Capital	7.94%	-0.88%	7.06%	(C)
3. Required Return	$165,812,738	($19,413,870)	$146,398,867	
4. Operating Income @ Present Rates	131,792,200	4,409,636	136,201,836	(D)
5. Operating Income Deficiency	$34,020,538	($23,823,507)	$10,197,031	
6. Revenue Multiplier	1.6543	0.0021	1.6563	(E)
7. Revenue Requirement Increase	**$56,278,815**	**($39,389,081)**	**$16,889,734**	

Sources:
(A) Company Filing, Section 3 (i), Schedule 1.
(B) Schedule ACC-3.
(C) Schedule ACC-2.
(D) Schedule ACC-7 .
(E) Schedule ACC-24.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

REQUIRED COST OF CAPITAL

	Capital Structure (A)	Cost Rate (A)	Weighted Cost
1. Common Equity	50.48%	8.55%	4.32%
2. Long Term Debt	48.97%	5.55%	2.72%
3. Preferred Stock	0.55%	4.29%	0.03%
4. Total	100.00%		**7.06%**

Sources:
(A) Testimony of Dr. Woolridge, Schedule JRW-1.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

RATE BASE SUMMARY

	Company Claim (A)	Recommended Adjustment		Recommended Position
1. Utility Plant in Service	$4,003,308,477	($2,291,498)	(B)	$4,001,016,979
Less:				
2. Accumulated Depreciation	(1,515,104,344)	0		(1,515,104,344)
3. Net Utility Plant	$2,488,204,133	($2,291,498)		$2,485,912,635
Plus:				
4. Cash Working Capital	(34,433,521)	$0		(34,433,521)
5. Fuel Inventory - Oil	3,132,053	0		3,132,053
6. Fuel Inventory - Coal	21,585,615	(2,001,775)	(C)	19,583,840
7. Fuel Inventory - Additives	378,550	0		378,550
8. Fuel Inventory - Nuclear	31,038,128	0		31,038,128
9. Materials and Supplies	47,761,222	0		47,761,222
10. Prepayments	5,500,262	0		5,500,262
11 Regulatory Asset - Iatan I and Common	3,191,963	0		3,191,963
12. Regulatory Asset - La Cygne Environ	2,751,328	0		2,751,328
13. Regulatory Asset - Meter Replacement	10,686,239	(10,686,239)	(D)	0
Less:				
14. Customer Advances For Construction	($1,369,132)	$0		(1,369,132)
15. Customer Deposits	(1,459,734)	0		(1,459,734)
16. Deferred Income Taxes	(459,767,757)	0		(459,767,757)
17. Def. Gain on SO2 Emission Allowances	(29,701,868)	0		(29,701,868)
18. Deferred Gain Em. Allow- Allocated	(17,150)	0		(17,150)
19. Total Rate Base	**$2,087,480,331**	**($14,979,511)**		**$2,072,500,820**

Sources:
(A) Company Filing, Section 3(i).
(B) Schedule ACC-4.
(C) Schedule ACC-5.
(D) Schedule ACC-6.

Schedule ACC-4

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

UTILITY PLANT-IN-SERVICE

1. Recommended Adjustment	($5,000,000)	(A)
2. Allocation to Kansas (%)	45.83%	(B)
3. Allocation to Kansas ($)	**($2,291,498)**	

Sources:
(A) Motion for Leave to File Supplemental Direct Testimony, February 9, 2015.
(B) Based on gross plant allocation per Company Filing, Section 3(i).

Schedule ACC-5

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

FOSSIL FUEL INVENTORY - COAL

1. Based on Approved Inventory	$46,059,467	(A)
2. Company Claim	50,767,465	(B)
3. Recommended Adjustment	($4,707,998)	
4. Allocation to Kansas (%)	42.52%	(C)
5. Allocation to Kansas ($)	**($2,001,775)**	

Sources:
(A) Derived from inventory levels claimed in KCC Docket No. 12-KCPE-764-RTS.
(B) Company Filing, Schedule 3(i).
(C) Derived from Company Filing,Schedule 3(i).

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

REGULATORY ASSET - METER REPLACEMENT

1. Company Claim	$10,686,239	(A)
2. Recommended Adjustment	**($10,686,239)**	

Sources:
(A) Company Filing, Schedule 3(i).

Schedule ACC-7

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

OPERATING INCOME SUMMARY

			Schedule No.
1.	Company Claim	$131,792,200	1
2.	Pro Forma Revenue	2,117,392	8
3.	Salary and Wage Expense - Employees	175,733	9
4.	Salary and Wage Expense - Joint Partners	62,410	10
5.	401K Expense	8,628	11
6.	Payroll Tax Expense	16,003	12
7.	Other Benefits Expense	496,368	13
8.	Bad Debt Expense	181,456	14
9.	Vegetative Management Expense	298,529	15
10.	Information Technology Expense	858,210	16
11.	Economic Relief Pilot Program Expense	241,800	17
12.	Electric Vehicle Charging Station Program Expense	104,293	18
13.	Flood Insurance Reimbursement Amortization	(58,847)	19
14.	La Cygne Obsolete Inventory Amortization	55,055	20
15.	Depreciation Expense	31,494	21
16.	Interest Synchronization	(178,890)	22
17.	Net Operating Income	$136,201,836	

Schedule ACC-8

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

PRO FORMA REVENUES

	Revenues (A)	Growth (B)	Adjustment	
1. Residential	$272,644,285	0.76%	$2,083,779	
2. Small General Service	38,414,821	1.36%	522,059	
3. Medium General Service	66,319,203	1.36%	901,280	
4. Total Revenue Adjustment			$3,507,118	
5. Uncollectibles @		0.36%	(12,682)	(C)
6. Forfeited Discounts @		0.24%	8,280	(C)
7. Net Revenue Adjustment			$3,502,717	
8. Income Taxes @		39.55%	1,385,325	
9. Operating Income Impact			**$2,117,392**	

Sources:
(A) Company Filing, Revenue Workpapers.
(B) Reflects nine months of Test Year growth, per the response to CURB-71.
(C) Rates per Schedule ACC-24.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

SALARY AND WAGE EXPENSE - EMPLOYEES

	Claimed Payroll Costs	Claimed Headcount	Average Cost Per Employee	Actual Employees at 3/31/15	Recommended Adjustment	
	(A)	(A)	(B)	(C)	(D)	
1. Management	$110,299,389	1,097	$100,546	1,102	($502,732)	
2. Union Local 412	$67,740,067	822	$82,409	807	1,236,133	
3. Union Local 1464	$52,672,512	641	$82,172	644	(246,517)	
4. Union Local 1613	$24,567,623	399	$61,573	380	1,169,887	
5. Total Recommended Adjustment		2,959		2,933	$1,656,770	
6. Adjustment Included In Workpapers					(295,000)	(A)
7. Recommended CURB Adjustment					$1,361,770	
8. KCPL Allocation					67.72%	(A)
9. KCPL Adjustment					$922,191	
10. Percentage to Expense					69.90%	(A)
11. Expense Adjustment					$644,611	
12. Kansas Allocation (%)					45.86%	(E)
13. Kansas Allocation ($)					$295,625	
14. TDC Allocation @		1.66%			4,916	(F)
15. Kansas Distribution Adjustment					$290,709	
16. Income Taxes @		39.55%			114,975	
17. Operating Income Impact					$175,733	

Sources:
(A) Company Filing, Workpapers to Adjustment CS-50.
(B) Payroll costs / headcount.
(C) Reflects actual employees at 3/31/15 per the response to KCC-275.
(D) Change in headcount X Average Cost Per Employee
(E) Reflects labor allocator.
(F) Based on payroll allocations per Adjustment CS-50 and TDC allocations per Adjustment CS-82.

Schedule ACC-10

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

SALARY AND WAGE EXPENSE - JOINT PARTNERS

1. Test Year Allocation to Joint Partners		$16,438,696	(A)
2. Average Salary and Wage Adjustment		2.89%	(B)
3. Recommended CURB Adjustment		$475,578	
4 KCPL Allocation		67.72%	(A)
5. KCPL Adjustment		$322,062	
6. Percentage to Expense		69.90%	(A)
7. Expense Adjustment		$225,121	
8. Kansas Allocation (%)		45.86%	(A)
9. Kansas Allocation ($)		$103,243	
10. Income Taxes @	39.55%	40,833	
11. Operating Income Impact		**$62,410**	

Sources:
(A) Company Filing, Workpapers to Adjustment CS-50.
(B) Derived from Company Filing, Workpapers to Adjustment CS-50.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

401K EXPENSE

1. Payroll Expense Adjustments		$393,952	(A)
2. Matching Rate		3.623%	(B)
3. Recommended Adjustment		$14,273	
4. Income Taxes @	39.55%	5,645	
5. Operating Income		**$8,628**	

Sources:
(A) Schedule ACC-9 and Schedule ACC-10 .
(B) Company Filing, Workpapers to Adjustment CS-52.

Schedule ACC-12

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

PAYROLL TAX EXPENSE

1. Pro Forma Salary and Wage Adjustment		$393,952	(A)
2. Payroll Taxes @ 6.72%		$26,474	(B)
3. Income Taxes @	39.55%	10,470	
4. Operating Income Impact		**$16,003**	

Sources:
(A) Schedules ACC-9 and ACC-10.
(B) Reflects average actual rate per Workpapers to Adjustment CS-53.

Schedule ACC-13

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

OTHER BENEFITS EXPENSE

1. Benefit Costs 12 Months Ending 3/3/1/15		$39,408,734		(A)
2. Expense Ratio		71.07%		(B)
3. Benefits Expense 12 Months Ending 3/31/15		$28,007,787		
4. Allocation to Joint Partners @	6.63%	1,856,916		(B)
5. Benefits Expense After Allocation			$26,150,871	
6. Wolf Creek Costs 12 Months Ending 3/31/15		$7,621,782		(A)
7. Expense Ratio		93.19%		(B)
8. Benefits Expense 12 Months Ending 3/31/15			7,102,739	
9. Total Benefits Expense Including Wolf Creek			$33,253,610	
10. Allocation to KCPL @	67.72%		22,519,344	(B)
11. Company Claim			24,344,132	
12. Recommended KCPL Adjustment			$1,824,788	
13. Allocation to Kansas @	45.86%		836,866	(C)
14. TDC Allocation @	1.88%		15,744	(D)
15. Kansas Distribution Adjustment			$821,122	
16. Income Taxes @	39.55%		324,754	
17. Operating Income Impact			**$496,368**	

Sources:
(A) Derived from response to KCC-272.
(B) Company Filing, Workpapers to Adjustment CS-60.
(C) Allocation Factor for Account 926 based on Company Filing.
(D) TDC Allocation Factor for Account 926 based on Company Filing.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

BAD DEBT EXPENSE

1. Recommended Adjustment		$300,176	(A)
2. Income Taxes @	39.55%	118,720	
3. Operating Income Impact		**$181,456**	

Sources:
(A) Company Filing, Workpapers to Adjustment CS-20b.

Schedule ACC-15

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

VEGETATION MANAGEMENT EXPENSE

1. Recommended Adjustment		$1,103,061	(A)
2. Kansas Jurisdictional		44.77%	(B)
3. Kansas Adjustment		$493,844	
4. Income Taxes @	39.55%	195,315	
5. Operating Income Impact		**$298,529**	

Sources:
(A) Company Filing, Workpapers to Adjustment CS-43.
(B) Company Filing, Allocation for Account 593.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

INFORMATION TECHNOLOGY EXPENSE

		Account 921	Account 935	Total	
1. Actual Costs Through March 31, 2015		$4,899,043	$5,190,904	$10,089,947	(A)
2. Company Claim		7,630,843	5,813,693	13,444,536	(B)
3. Recommended Adjustment		2,731,800	622,789	3,354,589	
4. Kansas Allocation (%)		42.52%	45.82%		(C)
5. Kansas Allocation ($)		$1,161,561	$285,362	$1,446,923	
6. TDC Allocation @	1.88%			27,222	(D)
7. Kansas Distribution Adjustment				$1,419,702	
8. Income Taxes @	39.55%			561,492	
9. Operating Income Impact				**$858,210**	

Sources:
(A) Response to KCC-334A.
(B) Company Filing, Workpaers to Adjustment CS-87.
(C) Company Filing, Allocators for Accounts 921 and 935.
(D) TDC Allocation based on Company Filing, Workpapers to Adjustment CS-82.

Schedule ACC-17

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

ECONOMIC RELIEF PILOT PROGRAM EXPENSE

1. Company Claim		$400,000	(A)
2. Income Taxes @	39.55%	158,200	
3. Operating Income Impact		**$241,800**	

Sources:
(A) Company Filing, Workpaper to Adjustment CS-49.

Schedule ACC-18

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

ELECTRIC VEHICLE CHARGING STATION PROGRAM EXPENSE

1. Company Claim		**$385,947**	(A)
2. Allocation to Kansas (%)		44.70%	(B)
3. Allocation to Kansas ($)		$172,528	
4. Income Taxes @	39.55%	68,235	
5. Operating Income Impact		**$104,293**	

Sources:
(A) Company Filing, Workpapers to CS-49.
(B) Company Filing, Allocator for Account 588.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

FLOOD INSURANCE REIMBURSEMENT AMORTIZATION

		Account 500	Account 921	Total	
1. Insurance Proceeds After Allocation to Joint Partners		$937,672	$76,813	$1,014,485	(A)
2. Amortization Period		3	3	3	(B)
3. Annualized Flood Reimbursement		$312,557	$25,604	$338,162	
4 Company Claim		508,637	41,667	550,304	(B)
5 Recommended Adjustment		($196,080)	($16,063)	($212,142)	
6. Allocation to Kansas (%)		46.23%	42.52%		(C)
7. Kansas Expense Adjustment ($)		($90,646)	($6,830)	(97,476)	
8. TDC Allocation @	1.88%	0	(128)	(128)	(D)
9. Kansas Distribution Adjustment		($90,646)	($6,701)	($97,347)	
10. Income Taxes @	39.55%			(38,501)	
11. Operating Income Impact				**($58,847)**	

Sources:
(A) Response to KCC-193.
(B) Company Workpapers, Adjustment to CS-99.
(C) Company Filing, Allocators for Account 500 and Account 921.
(D) TDC allocation only applies to Account 921. Allocation reflects Company Filing, Workpaper to Adjustment CS-82.

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

LA CYGNE OBSOLETE INVENTORY AMORTIZATION

1. Recommended Adjustment		$197,009	(A)
2. Kansas Allocation		46.23%	(B)
3. Kansas Adjustment		$91,076	
4. Income Taxes @	39.55%	36,021	
5. Operating Income Impact		**$55,055**	

Sources:
(A) Company Filing, Workpapers to Adjustment CS-114.
(B) Company Filing, Allocator for Account 512.

Schedule ACC-21

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

DEPRECIATION EXPENSE

1. Recommended Plant Adjustments		$2,291,498	(A)
2. Composite Depreciation Rate		2.27%	(B)
3. Depreciation Expense Adjustment		$52,099	
4. Income Taxes @	39.55%	20,605	
5. Operating Income Impact		**$31,494**	

Sources:
(A) Schedule ACC-4.
(B) Composite rate derived from Company Rate Model, Schedule 5.

Schedule ACC-22

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

INTEREST SYNCHRONIZATION

1. Pro Forma Rate Base		$2,072,500,820	(A)
2. Weighted Cost of Debt		2.72%	(B)
3. Total Pro Forma Interest		$56,327,153	
4. Company Claim		56,779,465	(C)
5. Decrease in Taxable Income		($452,312)	
6. Income Taxes @	39.55%	**($178,890)**	

Sources:
(A) Schedule ACC-3.
(B) Schedule ACC-2.
(C) Company Filing, Section 11 (ii), (iii) and (iv).

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

INCOME TAX FACTOR

1. Revenue	100.00%	
2. State Income Tax Rate	7.00%	(A)
3. Federal Taxable Income	93.00%	
4. Income Taxes @ 35%	32.55%	(A)
5. Operating Income	60.45%	
6. Total Tax Rate	**39.55%**	(B)

Sources:
(A) Tax rates per Company Filing, Section 11, (ii), (iii), and (iv).
(B) Line 2 + Line 4.

Schedule ACC-24

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

REVENUE MULTIPLIER

1. Revenue	100.00%	
2. Forfeited Discounts	-0.24%	(A)
3. Uncollectibles	0.36%	(B)
4. Net Revenue	99.87%	
5. State Income Taxes @ 7.00%	6.99%	(C)
6. Federal Taxable Income	92.88%	
7. Income Taxes @ 35%	32.51%	(C)
8. Operating Income	60.37%	
9. Revenue Multiplier	**1.65634**	(D)

Sources:
(A) Rate per Company Workpapers, Adjustment R-21.
(B) Rate per Company Workpapers, Adjustment CS-20a.
(C) Tax rates per Company Filing, Section 11, (ii), (iii), and (Iv).
(D) Line 1 / Line 8.

Schedule ACC-25

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

REVENUE REQUIREMENT IMPACT OF ADJUSTMENTS

1. Rate of Return	($30,403,312)
Rate Base Adjustments:	
2. Utility Plant in Service	($268,109)
3. Fuel Inventory - Coal	(234,211)
4. Regulatory Asset - Meter Replacement	(1,250,308)
Operating Income Adjustments	
5. Pro Forma Revenue	($3,507,118)
6. Salary and Wage Expense - Employees	(291,074)
7. Salary and Wage Expense - Joint Partners	(103,373)
8. 401K Expense	(14,291)
9. Payroll Tax Expense	(26,507)
10. Other Benefits Expense	(822,153)
11. Bad Debt Expense	(300,553)
12. Economic Relief Pilot Program Expense	(400,503)
13. Vegetative Management Expense	(494,464)
14. Information Technology Expense	(1,421,486)
15. Flood Insurance Reimbursement Amortization	97,470
16. La Cygne Obsolete Inventory Amortization	(91,190)
17. Electric Vehicle Charging Station Program Expense	(172,745)
18. Depreciation Expense	(52,165)
19. Interest Synchronization	296,302
20. Revenue Multiplier	70,709
21. Total Recommended Adjustments	($39,389,081)
22. Company Claim	56,278,815
23. Revenue Requirement Deficiency	**$16,889,734**

KANSAS CITY POWER AND LIGHT COMPANY

TEST YEAR ENDING JUNE 30, 2014

PRO FORMA INCOME STATEMENT

		Per Company	Recommended Adjustments	Pro Forma Present Rates	Recommended Rate Adjustment*	Pro Forma Proposed Rates
1. Operating Revenues		$734,693,151	$3,502,717	$738,195,868	$16,889,734	$755,085,602
2. Operating Expenses		$411,057,933	($4,009,324)	$407,048,609	$21,197	$407,069,806
3. Depreciation and Amortization		104,185,291	(52,099)	104,133,192	0	104,133,192
4. Taxes Other Than Income		43,382,850	(26,474)	43,356,376	0	43,356,376
5. Taxable Income Before Interest Expenses		$176,067,077	$7,590,614	$183,657,691	$16,868,537	$200,526,228
6. Interest Expense		56,779,465	(452,312)	56,327,153	0	56,327,153
7. Taxable Income		$119,287,612	$8,042,926	$127,330,538	$16,868,537	$144,199,075
8. Income Taxes @	39.55%	44,274,876	3,180,977	47,455,853	6,671,507	54,127,360
9. Operating Income**		$131,792,201	$4,409,636	$136,201,837	$10,197,031	$146,398,868
10. Rate Base		$2,087,480,331		$2,072,500,820		$2,072,500,820
11. Rate of Return		6.31%		6.57%		7.06%

* Includes incremental forfeited discount revenue.
** Line 5 - Line 8.

APPENDIX C

Referenced Data Requests:

CURB-47
CURB-71*
CURB-95
CURB-123*
CURB-140

KCC-63 (Partial)
KCC- 65 (Partial)
KCC-128
KCC-149
KCC-150
KCC-193 (Partial)
KCC-272 (Partial)
KCC-275 (Partial)
KCC-334A (Partial)

*** Confidential Data Not Included**

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Springe David Interrogatories - CURB_20150116
Date of Response: 04/06/2015

Question:CURB-47

Please provide the starting date when each of the technology projects outlined on pages 11-12 of Mr. Heidtbrink's testimony were begun, if applicable, and provide the estimated completion date.

Number of Attachments:

Response:

AMI – Project began 4Q 2013 with a projected completion date of 4Q 2015.

MDM – Project began 1Q 2014 and to be completed in two Phases. The first phase was completed November 2014 with the second phase projected to be completed first half of 2015.

OMS – Project began 4Q 2013 and to be completed in two Phases. The first phase was completed October 2014 with the second phase projected to be completed first half of 2015.

CIPS – Version 1 – Approved in FERC Order 706 on Jan. 18, 2008, took effect on July 1, 2008.
Version 2 & 3 – Minor changes to address issues raised by FERC. Effective dates of Sep. 30, 2010 and Oct. 1, 2010, respectively
Version 4 – Approved, then later superseded by V5. Never went into effect.
Version 5 – Approved in FERC Order 791 on Nov. 26, 2013. Takes effect beginning on April 1, 2016
Version 6 – Proposed version currently undergoing industry ballot
Version 7 – Possible next version to further address FERC directives from Order 791

Cyber – No clear start date, ongoing project

CC&B – The pre-planning phase of the project began in October 2013. The kickoff for the project is scheduled for 2Q 2015 with a projected completion date of 2018.

Attachment: QCURB-47_Verification.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Springe David Interrogatories - CURB_20150116
Date of Response: 04/06/2015

Question:CURB-95

Regarding the workpaper to RB-20, please separately identify the amount of additions associated with a) the La Cygne Environmental upgrade and b) the Wolf Creek upgrades.

Number of Attachments:

Response:

Both La Cygne Environmental Project and the Wolf Creek Outage Additions are separately identified on RB-20 under the column heading "La Cygne Environmental & WC Outage". The La Cygne Environmental projected additions in the amount of $585,263,276 is reflected in the Steam Production Plant. The Wolf Creek Outage projected additions in the amount of $53,660,704 is reflected in the Nuclear Production Plant.

Attachment: QCURB-95_Verification.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Springe David Interrogatories - CURB_20150407
Date of Response: 04/15/2015

Question:CURB-140

Please itemize all rate base components (plant-in-service, accumulated depreciation, accumulated deferred income taxes, etc.) included in the Company's original claim relating to the electric vehicle charging program.

Number of Attachments:

Response:

KCP&L included a budgeted amount for all capital additions in its RB-20 Plant in-service adjustment. At the time of the Direct filing, the plant accounts to be used were still being discussed.

Actual plant related to the charging stations that are in-service at March 31, 2015 is $1,402,229 total company ($1,109,628 KS Situs) to plant accounts 367, 369 and 371. See KCP&L's response to CURB Data Request No. 141 for breakout by account. KCP&L's rate case adjustment RB-20 for the "Update" will be provided by April 13, 2015, and these costs will be included in the accounts referenced.

Attachment: QCURB-140_Verification.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Finger Andria Interrogatories - KCC_20141202
Date of Response: 04/06/2015

Question:63

1. A complete list of titles that are eligible to receive bonuses or incentive pay under the management or executive incentive plan.

2. Information on how an individual becomes eligible for the plan.

3. Comprehensive written description of the plan including when established.

Number of Attachments:

Response:

KCP&L has two groups of employees that are eligible for incentive pay:

1. Management, non-officer employees are eligible for the short-term annual incentive plan entitled ValueLink Incentive Plan (or "ValueLink").
2. Officers (executives) are eligible for a short-term or annual (or "AIP") and Long-Term Incentive Plan (or "LTIP"). LTIP grants may also be used to recognize key management employees, or be used to pay bonus shares to employees, including non-officers, as defined by the Plan document.

As requested, this response only addresses management (non-union) and officer plans. The attachment, Q0063_Eligible Titles Incentive Plans-2013.xls, lists all titles that were eligible for the management, annual incentive and/or long-term incentive plans as of 12/31/2013. Management positions that existed but are not currently occupied are included on the eligibility list.

Management Incentive Plan - ValueLink

All non-union, non-officer positions are eligible for ValueLink as defined within the plan document. The attachment Q0063_2013 ValueLink Incentive Plan.pdf was approved on April 1, 2013.

Management and Officer Long-Term Incentive Plan

Officers and other employees, as more specifically defined within the Plan, are eligible for the Long-Term Incentive Plan, which is amended from time to time.

There were three Plan documents in effect during the test year governing currently-outstanding grants. They are listed below:

3. Q0063_LTIP Plan Document (May 2007).pdf
4. Q0063_LTIP Plan Document (May 2011).pdf
5. Q0063_LTIP Plan Document (January 2014).pdf

One of the types of long-term incentive awards is the performance share grant. three tranches of which were in place during the test year. However. the Company is not seeking recovery for those costs. so the awards standards and performance criteria documents are not provided in this response.

Officer Plan

All officers (as approved by the Board of Directors) are eligible for the officer short-term plan. The short-term incentive plan in place during the test year was the Annual Incentive Plan. Amended effective as of January 1. 2013, for the period January 1, 2013 through December 31. 2013. which paid out in March 2014. See Q0063_Annual Incentive Plan 2013.pdf.

Attachments:

Q0063_Eligible Titles Incentive Plans-2013.xls
Q0063_2013 ValueLink Incentive Plan.pdf
Q0063_AIP Awards Standards and Perf Criteria 2013.pdf
Q0063_LTIP Plan Document (May 2007).pdf
Q0063_LTIP Plan Document (May 2011).pdf
Q0063_LTIP Plan Document (January 2014).pdf
Q0063_KCC_Verification_ Hatteberg.pdf
Q0063_KCC_Verification_ Humphrey.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Finger Andria Interrogatories - KCC_20141202
Date of Response: 04/06/2015

Question:65

Please identify any changes in incentive compensation programs that have taken place over the past five years or that are projected for the future.

Number of Attachments:

Response:

Long-Term Incentive Plan ("LTIP")

1. In 2010, for the 2010-2012 period the restricted stock component ("RS") was 25% and performance share component ("PS") was 75%, compared to 2009 where the RS and PS were weighted equally at 50% each.
2. In 2011, for the 2011-2013 period the RS and PS were weighted equally at 50% each. The LTIP was amended and approved by shareholders. The amendments were, in large part, intended to increase the scope of individuals potentially eligible for grants, to increase the number of authorized shares to accommodate this increased scope, extend the term of the LTIP from May 1, 2017 to May 1, 2021, and to make other changes. A bulleted listing of the changes, as well as a full summary, can be found on pages 68 to 78 of the 2011 proxy statement, a PDF of which is attached to this response.
3. In 2012, for the 2012-2014 period the RS and PS remained equally weighted at 50% each.
4. In 2013, for the 2013-2015 period the RS was 25% and PS was 75%. Amendments to the LTIP were approved by the Company's Board of Directors, effective January 1, 2014, to allow non-employee directors a broader range of options in terms of the deferral and subsequent payout of their Director Deferred Share Units. No shareholder approval was required for these amendments. Employee directors became eligible for LTIP grants through the Director Benefits Program based on the same criteria as the officer program.
5. In 2014, for the 2014-2016 period the RS remained at 25% and PS remained at 75%.
6. Specific changes to the Long Term Performance Awards include the following:
    1. In 2009, performance awards for the 2009-2011 period were based equally on the 2011 Funds from Operations ("FFO") to Total Adjusted Debt and Earnings per Share ("EPS").
    2. In 2010, performance awards for the 2010-2012 period were based on the 2012 FFO to Total Adjusted Debt (33%), three-year Total Shareholder

Return ("TSR") (34%), and Equivalent Availability Factor ("EAF")-Coal and Nuclear in 2012 (33%).

3. In 2011, performance awards for the 2011-2013 period were based equally on 2013 FFO to Total Adjusted Debt and three-year TSR.
4. In 2012, performance awards for the 2012-2014 period were based equally on the 2014 FFO to Total Adjusted Debt and three-year TSR.
5. In 2013, performance awards for the 2013-2015 period were based equally on the Three-year Average FFO to Total Adjusted Debt and three-year TSR.
6. In 2014, there was no change to the performance criteria, except they related to the 2014-2016 period.

7. As to the future, the Compensation and Development Committee of the Board has regular discussions on long-term incentive plan design, and is currently discussing the performance objectives for the 2015-2017 measurement period. Until final approval is given by the Board, it is impossible to predict with any certainty what changes, if any, will be made for the 2015-2017 performance period and any future periods.

Annual Incentive Plan ("AIP") - See attached schedule. Q0065_AIP Objectives-Weightings 2010-2014.

8. In 2010, components of the plan were weighted as follows: Company Financial (40%), Company Operational (40%) and Individual (20%). There were no structural changes made to the Annual Incentive Plan in 2010 from those in 2009, except that a new "stretch" target of 150% was added.
9. In 2011, total Company Financial weighting remained at 40%. However, Non-fuel Operations and Maintenance ("NFOM") and Base Capital Expense were added, each weighted at 10%. The weighting for EPS was reduced from 40% to 20%. Total Company Operational weighting remained at 40%. However, Cumulative Synergy Savings and Comprehensive Energy Plan Progress were eliminated and the weightings for System Average Interruption Duration Index ("SAIDI") and the JD Power Residential Customer Satisfaction Index ("Customer Satisfaction") were increased from 5% to 10%.
10. In 2012, the NFOM and Base Capital Expense criteria were eliminated and Cash Flow from Operations less Capital Expenditures was added to Company Financial at a 20% weighting. For Company Operational, % EAF-coal and nuclear was split into two measures - % EAF (Coal Units, Peak Months Only-June, July, August) and % EAF (Nuclear Only), each weighted at 5%.
11. In 2013, Cash Flow from Operations Less Capital Expenditures was eliminated and EPS became the sole measure for the Company Financial with its weighting increased from 40% to 50%. The Company Operational weighting decreased from 40% to 30%. Days Away, Restricted or Transferred (DART) replaced the Occupational Safety & Health Administration ("OSHA") Incident Rate. The weightings for SAIDI and Customer Satisfaction decreased from 10% to 5%.
12. In 2014, the safety component remained at 10%, but was split equally at 5% between DART and a new Safety Audits measure.

13. As to the future, the Compensation and Development Committee of the Board has regular discussions on annual incentive plan design, and is currently discussing the performance objectives for the 2015 performance period. Until final approval is given by the Board, it is impossible to predict with any certainty what changes, if any, will be made at future dates.

ValueLink Plan (Non-Union)

1. ValueLink has been in effect each of the last 5 years.
2. In 2010, the components included Company at 40%, Division at 40% and Individual at 20%. The individual component of ValueLink was updated to reflect the company and divisional average, supervisor assignment of individual achievement, and all employees averaging to 100%.
3. In 2011, the components of ValueLink included Company Financial at 40%, Company Operational at 20%, Divisional at 20% and Individual at 20%. The Plan was updated to reflect that payouts under the plan could be made in cash, GPE stock, or a combination of cash and stock. Cumulative Synergy savings was removed from the corporate scorecard. The company and divisional average multiplier were removed from the individual component.
4. In 2012, the components of ValueLink included Company Financial at 20%, Company Operational at 40%, and the Division and Individual components at 20% each. The EAF goal in the Company Operational component was updated to reflect achievement of Coal Units in peak months only (June, July and August).
5. In 2013, the weightings in ValueLink included Company Financial at 50%, Company Operational at 15%, Divisional at 15% and Individual at 20%. The Company financial component was measured by EPS. The safety component of the Company Operational measure was updated to use Day Away, Restricted or Transferred (DART). The EAF goal in the Company Operational component was updated to reflect achievement of Coal Units in peak months only (January, February, June, July and August).
6. In 2014, the components and weightings of ValueLink were updated to 50% Company Financial, Company Operational at 25%, and individual at 25%. A company operational metric related to completion of safety audits was added. The Divisional component was removed. The Individual component was updated to reflect a multiplier of the weighted average of Company Financial and Company Operational achievement.

Rewards Plan (Union)

7. In 2010, the payout at target moved from 1.3% of average pay of all eligible employees to 1.2% of average pay.
8. In 2011, Rewards weightings moved from 50% Company and 50% Division in 2010 to 50% Company Financial, 25% Company Operational, and 25% Divisional in 2011. The Company Financial component was based on Non-Fuel O&M. The Company Operational component included SAIDI, Customer

Satisfaction. OSHA Incidence Rate and Safety Meeting Attendance replaced Cumulative Synergy Savings.

9. In 2012. Rewards weightings included Company Financial at 20%. Company Operational at 60% and Divisional at 20%. The company metric related to Safety meeting attendance was removed.
10. The Rewards plan (for union employees) was discontinued effective January 1. 2013.

Incentive programs are evaluated each year. There are no plans to eliminate any of the existing incentive programs at this time.

Attachments:

Q0065_2011 Proxy Statement.pdf
Q0065_AIP Objectives-Weightings 2010-2014
Q0065_KCC_Verification_Humphrey.pdf
Q0065_KCC_Verification_Hatteberg.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Baldry Bill Interrogatories - KCC_20150206
Date of Response: 04/06/2015

Question:128

On pages 10 - 11, Mr. Heidtbrink mentions a refueling outage.

1. When does KCPL expect the Wolf Creek nuclear refueling to begin and end in 2015?

2. a. Please explain how KCPL accounts for a nuclear refueling. For exmple, are all of the nulcear refueling costs capitalized?

b. If the costs are capitalized, please provide the account numbers and related estimated dollar amounts the 2015 refueling capitalized costs will be recorded in.

3. a. If some of the costs are not expected to be capitalized, how did KCPL account for the estimated expenses in its cost of service?

b. For example, are the estimated refueling expenses averaged over a period of time and the average is included in the cost of service or does KCPL make an adjustment to omit part or all of the expenses?

c. If some of the estimated costs are expensed, please provide the account numbers and related dollar amounts the expensed amounts will be recorded in.

d. If KCPL omits part or all of the refueling expenses from the cost of service, please provide the account numbers and estimated related dollar amounts that comprise the adjustment to omit part or all of the refueling expenses.

Number of Attachments:

Response:

1. Refueling Outage 20 is expected to begin February 28, 2015 and end April 21, 2015.

2. a & b. All O&M costs related to refueling outages are deferred to account 174500 ACCR ASSET CUR DEFDR WCNOC OUT during the outage and then amortized equally over 18 months until the start of the next refueling outage. KCP&L's portion of the budgeted O&M costs related to refueling Outage 20 that will be deferred in 2015 is $22,684,550.

3. a-c. All O&M outage costs are deferred to account 174500 ACCR ASSET CUR DEFDR WCNOC OUT during the outage and then amortized equally over 18 months until the start of the next refueling outage. The amortization is recorded

in accounts 524900 and 530900 by labor versus non-labor. The company did not make any adjustments in the cost of service in this rate case filing related to the refueling outages. The test year includes the amortization expense of refueling Outage 19.

d. The company did not make any adjustments in the cost of service in this rate case filing related to the refueling outages.

Attachment: Q128_Verification.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Fry Andy Interrogatories - KCC_20150206
Date of Response: 04/06/2015

Question:149

On page 7, line 8 Mr. Kiely describes KCP&L wishes to change it's 6 year rural cycles to 4 year. Have there been substantial issues with vegetation management in the rural areas that call for this treatment other then what was listed in the bullet points of line 10 and 13?

Number of Attachments:

Response:

No specific substantial issue with vegetation management in rural areas has been targeted by this change: however, as noted in testimony, more frequent patrol of our rural lines will allow KCP&L to address on a more frequent and timely basis specific areas of concern that arise.

Attachment: Q149_Verification.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Fry Andy Interrogatories - KCC_20150206
Date of Response: 04/06/2015

Question:150

Referring to page 7, line 13, how does "increased visibility of [KCP&L's] VM program in rural communitites" benefit system performance or rates to customers?

Number of Attachments:

Response:

Increased visibility, or more frequent visits to, rural communities may not benefit system performance or rates; however, it may lead to higher customer satisfaction and increased confidence in the Vegetation Management program.

Attachment: Q150_Verification.pdf

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Baldry Bill Interrogatories - KCC_20150305
Date of Response: 04/06/2015

Question:193

Adjustment CS - 99 Flood Reimbursement

1. Please explain the purpose of this adjustment.

2. Is KCPL still amortizing the flooding expense from Docket No. 12-KCPE-764-RTS as discussed in Justin Grady's testimony on page 27?

3. Are the reimbursed amounts of $1,525,911 and $125,000 the total amounts of the reimbursement or are they the unamortized balances as of June 30, 2014?

4. Please provide a copy of the reimbursements from the insurance companies that support the $1,525,911 recorded in account 500000 and the $125,000 recorded in account 921000.

Number of Attachments:

Response:

1. In the last rate case, Docket No. 12-KCPE-764-RTS, KCP&L was allowed to defer non-fuel O&M costs related to the Iatan flood event that occurred during the summer of 2011. These costs were deferred to a regulatory asset account and are being amortized over a 10-year period. Since then the Company has received two reimbursements for the flood damages from their insurance carriers. therefore. this adjustment proposes to give those proceeds back to customers over a three-year period.

2. Yes. these costs are being amortized over a 10-year period in account 182515 beginning in December 2012.

3. The total amounts of the reimbursements are:

March 2013	$1,250,000.00
August 2013	$1,496,839.53

The $1,525,911 and $125,000. respectively. are the Total Company KCP&L O&M amounts only. The rest of the proceeds were recorded to Capital. Also. note that these amounts are at gross (they do not include any billings to joint partners). See the attached spreadsheet "Q193 Iatan flood reimbursement – net of JP Billings.xls" for the actual amounts recorded to the general ledger for Total Company KCP&L. The O&M amounts net of Joint Partner billings are highlighted in the spreadsheet in yellow.

Regarding adjustment CS-99, an error was made in the direct filing because the gross amounts were included. The net amounts are the correct numbers to pull in the first line titled 2011 Flood Costs Reimbursed – Total KCPL.

4. See the attached files for proof of loss statements from the insurance carriers.

Attachments:
Q193 Iatan Flood – Proofs of Loss for 1.25M.pdf
Q193 Iatan Flood – Proofs of Loss for Final Pymt.pdf
Q193 Iatan flood reimbursement – net of JP Billings.xls
QKCC-193_Verification.pdf

CS-99 - 2011 Flood Reimbursement Amortization
Account 500000, 921000

Flood Insurance Proceeds

Total Received	**2,746,839.53**							
Received in March 2013 (Per Tammy Parish)	(1,250,000.00)				(1,650,910.61)	Total before Joint Partner Billings		
Received in August 2013 (Per Tammy Parish)	(1,496,839.53)							
	-							
JE Id 202KCP0808 - August 2013	**1,347,155.58**				**1,347,155.58**			
Acctg String				Acctg String				
107000-10900-922- 05-00052	41.800%			500000-10900-922	58.200%			
	(563,111.03)				(784,044.55)			(1,347,155.58)
	(67,573.32)	12.000%	empire		(94,085.35)	12.000%	empire	
	(11,093.29)	1.970%	KEPCO		(15,445.68)	1.970%	KEPCO	
	(37,052.71)	6.580%	MJMEUC		(51,590.13)	6.580%	MJMEUC	
	(101,359.99)	18.000%	GMO		(141,128.02)	18.000%	GMO	
	(217,079.30)				(302,249.17)			
	(346,031.73)		KCPL		(481,795.37)		KCPL	
	(563,111.03)				(784,044.55)			
JE Id 202KCP0731 - August 2013	**149,683.95**				**149,683.95**			
Acctg String				Acctg String				
107000-10900-922- 05-00052	41.800%			500000-10100-922	58.200%			
	(62,567.89)				(87,116.06)			(149,683.95)
	(7,508.15)	12.000%	empire		(10,453.93)	12.000%	empire	
	(1,232.59)	1.970%	KEPCO		(1,716.19)	1.970%	KEPCO	
	(4,116.97)	6.580%	MJMEUC		(5,732.24)	6.580%	MJMEUC	
	(11,262.22)	18.000%	GMO		(15,680.89)	18.000%	GMO	
	(24,119.92)				(33,583.24)			
	(38,447.97)		KCPL		(53,532.82)		KCPL	
	(62,567.89)				(87,116.06)			
JE Id 202KCP0331 - March 2013	**1,000,000.00**				**1,000,000.00**			
Acctg String				Acctg String				
107000-10900-922- 05-00052	41.800%			500000-10100-922	58.200%			
	(418,000.00)				(582,000.00)			(1,000,000.00)
	(50,160.00)	12.000%	empire		(69,840.00)	12.000%	empire	
	(8,234.60)	1.970%	KEPCO		(11,465.40)	1.970%	KEPCO	
	(27,504.40)	6.580%	MJMEUC		(38,295.60)	6.580%	MJMEUC	
	(75,240.00)	18.000%	GMO		(104,760.00)	18.000%	GMO	
	(161,139.00)				(224,361.00)			
	(256,861.00)		KCPL		(357,639.00)		KCPL	
	(418,000.00)				(582,000.00)			
JE Id 202KCP0404 - March 2013	**125,000.00**				**125,000.00**			
Acctg String				Acctg String				
107000-10900-922- 05-00052	41.800%			500000-10100-922	58.200%			
	(52,250.00)				(72,750.00)			(125,000.00)
	(6,270.00)	12.000%	empire		(8,730.00)	12.000%	empire	
	(1,029.33)	1.970%	KEPCO		(1,433.18)	1.970%	KEPCO	
	(3,438.05)	6.580%	MJMEUC		(4,786.95)	6.580%	MJMEUC	
	(9,405.00)	18.000%	GMO		(13,095.00)	18.000%	GMO	
	(20,142.38)				(28,045.13)			
	(32,107.63)		KCPL		(44,704.88)		KCPL	
	(52,250.00)				(72,750.00)			
JE Id 202KCP0225 - March 2013	**125,000.00**				**125,000.00**			
Acctg String				Acctg String				
107000-10900-922- 05-00052				921000-10100-920	100.000%			
	-				(125,000.00)			(125,000.00)
	-	12.000%	empire		(15,000.00)	12.000%	empire	
	-	1.970%	KEPCO		(2,462.50)	1.970%	KEPCO	
	-	6.580%	MJMEUC		(8,225.00)	6.580%	MJMEUC	
	-	18.000%	GMO		(22,500.00)	18.000%	GMO	

		-				(48,187.50)			
		-		KCPL		(76,812.50)		KCPL	
		-				(125,000.00)			
Amt per Joint Owner									
		(131,511.47)		empire		(198,109.27)		empire	(329,620.74)
		(21,589.80)		KEPCO		(32,522.94)		KEPCO	(54,112.74)
		(72,112.12)		MJMEUC		(108,629.92)		MJMEUC	(180,742.04)
		(197,267.21)		GMO		(297,163.91)		GMO	(494,431.12)
		(422,480.60)				(636,426.04)			(1,058,906.64)
Actual JE Made In March									
	400RECLAS2 3/31/13	(60,192.00)	12.000%	empire	400RECLAS3 3/31/13	(83,808.00)	12.000%	empire	
		(9,881.52)	1.970%	KEPCO		(13,758.48)	1.970%	KEPCO	
		(33,005.28)	6.580%	MJMEUC		(45,954.72)	6.580%	MJMEUC	
		(90,288.00)	18.000%	GMO		(125,712.00)	18.000%	GMO	
		(193,366.80)				(269,233.20)			(462,600.00)
Less Actual JE Made in March									
		(71,319.47)		empire		(114,301.27)		empire	
		(11,708.28)		KEPCO		(18,764.46)		KEPCO	
		(39,106.84)		MJMEUC		(62,675.20)		MJMEUC	
		(106,979.21)		GMO		(171,451.91)		GMO	
		(229,113.80)				(367,192.84)			(596,306.64)

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Finger Andria Interrogatories - KCC_20150401
Date of Response: 04/10/2015

Question:272

1. Please provide a detailed description of each expense specifically related to the following accounts (other benefits).

926000 - Employee Benefits - Educational Assistance

926000 - Employee Benefits - Survivor's Benefit

926000 - Employee Benefits -Long Term Disability Insurance

926000 - Medical Coverage

926000 - Employee Benefits- Dental Insurance

926000 - Group Life and Accidental Insurance

926019 - Flex and Other

926040 - Employee Benefits-Life Acc Hospital Costs & Other - W/C

2. Please provide the actual expense for KCPL for the accounts listed in Part 1 above by month for the periods July 1, 2013 through June 30, 2014, and July 1, 2014 through March 31, 2015.

Number of Attachments:

Response:

1. Below are descriptions of the various benefit expenses:

Employee Benefits-Educational Assistance is the cost to provide employees with business or company related educational courses.

Employee Benefits-Survivor's Benefit is the cost to provide a one-time benefit to an employee's survivor.

Employee Benefits-Long-term Disability Insurance is the cost to provide employees long-term disability insurance coverage.

Medical Coverage is the cost to provide employees group hospitalization and medical insurance.

Employee Benefits-Dental Insurance is the cost to provide employees with dental insurance coverage.

Group Life and Accidental Insurance is the cost to provide employees with group life and accident insurance.

Flex and Other is the cost to provide employees with various elective benefits and other miscellaneous benefits such as uniforms or relocation expenses.

Employee Benefits-Life Acc Hospital Costs & Other-WC is the cost for WCNOC to provide life. medical and hospitalization. and other misc. benefits to their employees.

2. Attached are the expenses listed in Part 1 by month for the periods July 2013 through June 2014 and July 2014 through March 2015.

   Also attached is CS-60 Other Benefits for the 3-31-2015 Update.

   Attachments:
   Q272_Othe Benefits July 13-June 14
   Q272_Other Benefits July 14-Mar 15
   Q272 CS- 60 Other Benefits KCPL-KS 3-31-2015 Update
   Q272_Verification.pdf

Kansas City Power & Light
Case 15-KCPE-116-RTS
Question 272
Other Benefits July 2013-June 2014

Sum of Amount			Month Number								
Account	Resource CF1	Resource CF1 Description	201307	201308	201309	201310	201311	201312	201401	201402	201403
926000	1744	BENEFITS EDUC ASSIST & TUITION	11,075.57	21,617.33	8,926.57	10,051.65	6,479.84	39,938.25	47,147.72	9,669.50	24,171.25
	1746	BENEFITS SURVIVOR'S BENEFIT	3,502.00	3,502.00	3,502.00	(7,004.00)	10,506.00	-	14,008.00	(17,510.00)	14,008.00
	1749	BENEFITS LTD INSURANCE	69,408.90	69,602.41	69,154.53	68,778.00	68,727.74	68,493.89	69,347.67	69,850.25	70,428.42
	1750	BENEFITS MEDICAL COVERAGE	2,782,153.50	2,642,323.85	1,945,645.92	2,445,404.46	2,416,436.12	2,075,783.21	2,451,854.10	2,442,867.39	1,258,304.87
	1751	BENEFITS DENTAL	75,300.83	74,962.90	72,753.40	73,084.44	70,542.86	71,694.48	77,723.51	77,084.17	77,799.63
	1753	BENEFITS GROUPLIFE ACCIDNT INS	51,740.46	51,699.66	50,033.43	50,356.37	50,006.73	49,830.28	51,650.88	51,507.03	210,088.83
926000 Total			2,993,181.26	2,863,708.15	2,150,015.85	2,640,670.92	2,622,699.29	2,305,740.11	2,711,731.88	2,633,468.34	1,654,801.00
926400	4100	WOLF CREEK	645,861.34	730,473.59	493,129.77	624,168.27	565,192.25	546,930.43	593,137.43	592,817.34	651,144.57
926400 Total			645,861.34	730,473.59	493,129.77	624,168.27	565,192.25	546,930.43	593,137.43	592,817.34	651,144.57
Grand Total			3,639,042.60	3,594,181.74	2,643,145.62	3,264,839.19	3,187,891.54	2,852,670.54	3,304,869.31	3,226,285.68	2,305,945.57

FLEX & OTHER

Sum of Amount			Month Number								
Account	Resource CF1	Resource CF1 Description	201307	201308	201309	201310	201311	201312	201401	201402	201403
926000	1001	LABOR STRAIGHT TIME NON UNION			(330.37)			53.07		1,829.23	5,519.40
	1005	LABOR STRAIGHT TIME UNION	428.51	727.75	78.86	4,561.46	12,661.31	358.19			
	1015	LABOR OVERTIME UNION		73.22					-		
	1035	INCENTIVE COMP PROGRAM							125.55		
	1040	ADDITIONAL COMPENSATION	18,727.20	1,145.13						574.83	(618.69)
	1099	LABOR OTHER	7.76	(114.26)	(0.00)	(66.50)	0.00	(0.00)	(0.00)	163,527.59	131,323.08
	1310	BENEFIT/PAYROLL ADMIN FEES	3,129.30	1,043.10	1,043.10	10,153.10	-	17,538.42	13,170.75		1,043.10
	1320	CONSULTING FEES				1,756.14					
	1355	LEGAL FEES							537.91		
	1399	OTHER OUTSIDE SERVICES	644.37	(245.14)	5,455.70	12,858.64	9,955.70	9,741.62	18,298.66	18,701.22	19,768.76
	1625	CONTRACTORS LABOR						1,661.24	-	-	14.75
	1710	EMPLOYEE GIFTS & AWARDS	7,010.79	6,639.14	39,341.04	(1,863.21)	4,404.29	11,698.98	1,164.47	15,095.36	5,863.65
	1715	FINANCIAL PLANNING ALLOWANCE		476.15	3,529.25	1,755.34		1,099.58		111,319.76	
	1740	BENEFITS UNIFORMS	(179.64)		(70.51)	(411.53)	(836.34)	(1,040.43)	(1,336.25)	(2,443.84)	(2,641.03)
	1741	BENEFITS WELLNESS REIMBURSEMNT	3,070.00	4,593.59	2,000.90	5,185.00	4,635.00	9,700.21	8,913.18	5,216.00	4,843.17
	1742	BENEFITS RELOCATION/MOVING EXP		535.35		3,838.98	69.35	263.52	22,155.43	9,190.65	2,485.70
	1743	BENEFITS FUNERALMEMORIALCONTRI		39.64	80.63		1,150.00	1,510.14	39.64	751.40	561.15
	1745	BENEFITS RECREATIONAL ACTIV	204.50	(8,890.26)	12.11	1,277.80	6,752.45	(4,622.56)	2,892.66	302.47	
	1747	BENEFITS PHYSICAL EXAMINATIONS	2,146.70			1,704.98	1,278.15				
	1752	BENEFITS VISION	(208.53)	216.68	(30.82)	(54.45)	(345.02)	(90.23)	(97.36)	32.29	(55.91)
	1755	BENEFITS FLEX		140,937.95	281,998.88	280,540.24	280,151.62	284,113.27	288,019.12	289,067.70	287,333.47
	1799	EMP BENEFITS OTHER	21,909.41	115,072.05	27,302.84	25,202.18	22,812.68	24,378.72	7,558.02	26,473.77	56,435.57
	3410	REIMB SVC ALTER NONTAXABLE							(12.71)	(59.09)	
	3445	SALVAGE PROP DAMAGE RECOVERY		(91.11)		48.42					
	3599	TAXES OTHER						3.78			
	9140	PRLD COMPENSATED ABSENCES	112.75	262.36	(85.44)	13.58	163.52	8,999.40		402.86	330.55
	9200	FLEET LOADS	28.12	103.96	2.74	(87.06)		2.94		95.68	196.03
	XX99	DEFAULT FOR WMS-DO NOT USE		(10,763.07)							
926000 Total			57,031.24	251,762.23	360,320.91	346,413.11	342,852.71	365,369.86	361,429.27	640,157.88	512,402.75
Grand Total			57,031.24	251,762.23	360,320.91	346,413.11	342,852.71	365,369.86	361,429.27	640,157.88	512,402.75

201404	201405	201406	Grand Total
6,780.88	34,127.68	6,728.75	226,714.99
(10,506.00)		14,104.00	28,112.00
70,358.05	70,310.14	70,191.86	834,651.86
2,442,357.63	2,429,889.65	2,919,790.15	28,252,810.85
79,286.46	75,754.66	77,614.36	903,601.70
57,099.87	57,051.33	57,008.60	788,073.47
2,645,376.89	2,667,133.46	3,145,437.72	31,033,964.87
814,370.03	446,490.96	418,687.25	7,122,403.23
814,370.03	446,490.96	418,687.25	7,122,403.23
3,459,746.92	3,113,624.42	3,564,124.97	38,156,368.10

201404	201405	201406	Grand Total
1,537.58	3,414.47	2,513.66	14,529.04
-		87.18	18,903.26
			73.22
			125.55
	383.76		20,212.23
521.55	(130,465.28)	0.00	164,733.94
			47,120.87
1,977.94			3,734.08
			537.91
14,702.67	16,008.49	13,098.19	138,988.88
(131.74)	-	(1,544.23)	0.02
9,941.65	9,021.49	8,629.09	116,946.74
			118,180.08
(1,675.71)	(952.10)	(224.13)	(11,811.51)
2,730.65	2,756.00	4,869.00	58,512.70
		5,480.54	44,019.52
258.62		660.36	5,051.58
461.34	209.91	(2,038.94)	(3,356.32)
			5,129.83
197.99	(80.06)	114.27	(401.15)
286,273.02	285,979.90	286,234.01	2,990,649.18
59,768.04	54,698.87	17,688.82	459,300.97
		(159.46)	(231.26)
			(42.69)
			3.78
522.58	1,318.63	460.77	12,501.56
130.46	210.86	131.87	815.60
			(10,763.07)
377,216.64	242,504.94	336,001.00	4,193,462.54
377,216.64	242,504.94	336,001.00	4,193,462.54

Kansas City Power & Light
Case 15-KCPE-116-RTS
Question 272
Other Benefits July 2014-March 2015

Sum of Amount			Month Number					
Account	Resource CF1	Resource CF1 Description	201407	201408	201409	201410	201411	201412
926000	1744	BENEFITS EDUC ASSIST & TUITION	6,417.35	8,712.06	8,186.61	3,117.00	6,038.75	39,757.23
	1746	BENEFITS SURVIVOR'S BENEFIT	(4,104.00)	13,526.00	16,474.00	13,526.00	3,526.00	3,526.00
	1749	BENEFITS LTD INSURANCE	70,156.14	70,409.02	70,408.50	70,553.02	70,062.26	70,075.14
	1750	BENEFITS MEDICAL COVERAGE	2,428,442.82	2,440,371.66	2,313,023.14	2,438,496.70	2,429,191.54	2,895,323.25
	1751	BENEFITS DENTAL	77,051.76	36,164.22	118,739.41	77,333.64	77,462.34	77,121.92
	1753	BENEFITS GROUPLIFE ACCIDNT INS	56,166.85	56,988.74	56,924.07	56,959.64	57,115.01	56,663.34
926000 Total			2,634,130.92	2,626,171.70	2,583,755.73	2,659,986.00	2,643,395.90	3,142,466.88
926400	4100	WOLF CREEK/JEC OTHER	306,782.96	621,070.49	606,614.67	583,054.18	742,724.36	809,349.75
926400 Total			306,782.96	621,070.49	606,614.67	583,054.18	742,724.36	809,349.75
Grand Total			2,940,913.88	3,247,242.19	3,190,370.40	3,243,040.18	3,386,120.26	3,951,816.63

FLEX & OTHER

Sum of Amount			Month Number					
Account	Resource CF1	Resource CF1 Description	201407	201408	201409	201410	201411	201412
926000	1001	LABOR STRAIGHT TIME NON UNION	1,261.36	6,993.73	6,646.62	6,023.86	6,191.75	5,434.10
	1005	LABOR STRAIGHT TIME UNION	88.44		132.66	-	2,904.91	152.25
	1040	ADDITIONAL COMPENSATION						
	1099	LABOR OTHER	746.92	0.00	0.00	0.00	(0.00)	0.00
	1310	BENEFIT/PAYROLL ADMIN FEES	1,106.10			11,392.80		
	1399	OTHER OUTSIDE SERVICES	11,851.06	11,521.73	17,990.88	15,202.46	13,388.46	13,163.95
	1705	EMPLOYEE EVENT MEAL				49,308.79	10,874.23	608.39
	1710	EMPLOYEE GIFTS & AWARDS	6,242.40	8,041.14	7,369.94	6,499.02	7,755.54	6,203.43
	1715	FINANCIAL PLANNING ALLOWANCE	2,238.86	1,635.63			3,859.39	607.39
	1740	BENEFITS UNIFORMS	(95.24)	(702.93)	(774.55)	(204.91)	(301.09)	(2,389.53)
	1741	BENEFITS WELLNESS REIMBURSEMNT	3,205.06	3,256.54	1,523.62	3,392.00	5,419.25	10,767.56
	1742	BENEFITS RELOCATION/MOVING EXP	2,113.44	344.82				10,637.47
	1743	BENEFITS FUNERALMEMORIALCONTRI	568.51	40.23		247.93	289.22	4,447.20
	1745	BENEFITS RECREATIONAL ACTIV	1,764.42		224.41	56.35	(1,587.90)	104.96
	1747	BENEFITS PHYSICAL EXAMINATIONS	2,295.72					2,783.97
	1752	BENEFITS VISION	(146.18)	114,884.44	(114,925.44)	(36.16)	29.93	38.35
	1754	BENEFITS EMPL ASSISTANCE PROG						10,911.40
	1755	BENEFITS FLEX	285,717.09	285,016.48	284,631.75	284,643.82	284,381.49	165,093.40
	1756	BENEFITS CO CONTRIB HSA						
	1799	EMP BENEFITS OTHER	19,362.03	17,648.31	29,527.99	19,650.18	14,160.57	45,215.24
	3410	REIMB SVC ALTER NONTAXABLE		(12.08)			(12.84)	
	9100	PRLD TAXES						
	9140	PRLD COMPENSATED ABSENCES	173.72	615.22	867.94	745.30	2,008.96	1,122.93
	9200	FLEET LOADS	69.96	144.40	190.05	162.58	93.48	91.69
926000 Total			338,563.67	449,427.66	233,405.87	397,084.02	349,455.35	274,994.15
Grand Total			338,563.67	449,427.66	233,405.87	397,084.02	349,455.35	274,994.15

201501	201502	201503	Grand Total
9,019.11	7,023.99	9,442.55	97,714.65
(5,578.00)	3,526.00	25,867.00	70,289.00
76,203.03	76,435.34	77,203.59	651,506.04
2,728,230.90	2,711,861.01	2,884,127.84	23,269,068.86
197,537.36	181,200.35	127,273.70	969,884.70
108,179.41	858.84	57,767.63	507,623.53
3,113,591.81	2,980,905.53	3,181,682.31	25,566,086.78
797,755.82	676,929.22	797,952.82	5,942,234.27
797,755.82	676,929.22	797,952.82	5,942,234.27
3,911,347.63	3,657,834.75	3,979,635.13	31,508,321.05

201501	201502	201503	Grand Total
960.38	385.19	1,206.56	35,103.55
-			3,278.26
-			-
(0.00)	150,147.38	(0.00)	150,894.30
995.10		995.10	14,489.10
2,848.94	12,871.90	15,491.57	114,330.95
			60,791.41
7,980.51	5,262.72	5,808.04	61,162.74
	109,953.40	8,512.12	126,806.79
(3,507.13)	(3,236.78)	(2,619.30)	(13,831.46)
7,915.17	4,148.67	4,520.98	44,148.85
		12,791.94	25,887.67
4,013.57	5,369.85	378.14	15,354.65
3,439.73	(2,504.67)	475.00	1,972.30
			5,079.69
198.20	(230.26)	210.96	23.84
			10,911.40
34,186.57	37,723.74	36,854.33	1,698,248.67
1,830,000.00		(160.84)	1,829,839.16
6,376.04	47,469.39	40,750.27	240,160.02
		(25.19)	(50.11)
		(2,615.22)	(2,615.22)
194.80	79.87	350.86	6,159.60
54.19	19.12	5.54	831.01
1,895,656.07	367,459.52	122,930.86	4,428,977.17
1,895,656.07	367,459.52	122,930.86	4,428,977.17

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Finger Andria Interrogatories - KCC_20150401
Date of Response: 04/10/2015

Question:275

Regarding the workpapers provided in support of Adjustment No. CS-50 (Payroll) on the worksheet entitled "Sal & Wages Adj By AC CS-50," please provide the following:

1. Please update the worksheet to reflect payroll expense for the twelve months ending March 31, 2015.

2. Using the format shown in this worksheet, please provide the payroll expense for the calendar years 2012, 2013, and 2014.

Number of Attachments:

Response:

1. See the attached file "Q275 CS-50 Payroll Annualization KCPL-KS Update.xls" for the workpapers in support of adjustment CS-50 updated at March 31, 2015. Also, see the attached file "Q275 KCPL COSCLAS Report 12-mo ending March 2015.xls" for payroll expense for the 12-months ended March 31, 2015.

2. See the attached files "Q275 KCPL COSCLAS Report 12-mo ending December 2012.xls", "Q275 KCPL COSCLAS Report 12-mo ending December 2013.xls", and "Q275 KCPL COSCLAS Report 12-mo ending December 2014.xls" for payroll expense for the calendar years requested.

Attachments:
Q275 CS-50 Payroll Annualization KCPL-KS Update.xls
Q275 KCPL COSCLAS Report 12-mo ending March 2015.xls
Q275 KCPL COSCLAS Report 12-mo ending December 2012.xls
Q275 KCPL COSCLAS Report 12-mo ending December 2013.xls
Q275 KCPL COSCLAS Report 12-mo ending December 2014.xls
QKCC-275_Verification.pdf

KCC_20150401-275-Att-Q275 CS-50 Payroll Annualization KCPL-KS Update (1)
KCPL Summary

Kansas City Power & Light Company
2015 Rate Case - KCP&L-KS Update
TY 6/30/14, Udpate 3/31/15

CS-50 Payroll Annualization
Account - Various (Identified below)

				As of 3/31/2015		
				Headcount	Total	Total incl. merit
KCPL	Non-Union - Mgmt	tab - 03-31-15 Base Salary		1,102	110,928,062	110,928,062
	Union - Local 412	tab - 03-31-15 Base Salary		807	66,855,194	66,855,194
	Union - Local 1464	tab - 03-31-15 Base Salary		644	52,645,944	52,645,944
	Union - Local 1613	tab - 03-31-15 Base Salary		380	23,093,212	23,093,212
	Annualized KCPL Payroll - including Iatan			2,933	253,522,412	253,522,412
	Energy Solutions Headcount - removal of MEEIA positions	Impact of KCPL-MO MEEIA (10.5 positions)		-10.5		(1,010,377)
	Annualized Payroll			2,923		252,512,035
	Less Payroll Billed to Joint Owners - 12-mos ended 3-31-15	tab - Partners Sheet Mar-15				(17,078,035)
Sub Total - Annualized Regular Payroll - KCPL Share before Capitalized						235,434,000
	Allocation between KCPL-GMO	tab - Alloc % Summary Mar-15	**KCPL**		67.95%	159,973,137
			MOPUB		21.88%	51,514,776
			SJLP		9.92%	23,360,081
			GPE & Non-Reg		0.25%	586,005
					100.00%	235,434,000
Overtime Payroll Adjustment						
	KCPL Overtime Payroll	tab - KCPL OT (3.5-yr avg 2011, 2012, 2013, 6-mo ended Jun 2014)				22,419,592
	Total KCPL, net of Partners, excluding Wolf Creek					182,392,729
	Percent to O&M Expense	tab - KCPL Transf% Jun-2014				69.90%
	KCPL Payroll to Expense					127,492,517
Wolf Creek (KCPL Share)						
	Annualized WCNOC Payroll - KCPL Share	tab - WCNOC YTD Payroll Mar-15				49,470,285
	Percent to O&M Expense	tab - WCNOC Transf%				90.95%
	Wolf Creek Payroll to Expense					44,994,420
	Wolf Creek Overtime Payroll (O&M Only) (excl outage)	tab - WCNOC OT Sheet (3.5-yr avg 2011, 2012,2013, 6-mo ended Jun 2014)				3,694,809
	Wolf Creek, including Overtime Payroll (O&M Only)					48,689,229
Salaries & Wages to O&M Expense						176,181,746
	Temp/Summer Employees (O&M Only)	tab - Temp(Summer) (3.5-yr avg 2011, 2012, 2013, 6-mo ended Jun 2014)				110,012
	Premium, Step Up, and Rest Period Wages (O&M Only)	tab - Prem,StepUp,Rest 3-31-15				1,560,432
O&M Salaries and Wages						177,852,190

KCPL KS
Case Name: 2015 Kansas Rate Case
Case Number: 15-KCPE-116-RTS

Response to Unrein Chad Interrogatories - KCC_20150402
Date of Response: 04/20/2015

Question:334A

Amended:

For CS-87 IT Roadmap O&M KCPL-KS Direct Workpaper, please provide an update to IT expenditures in the same format as is shown in the CS-87 Workpaper for the twelve months ending March 2015.

Response:

This response amends/corrects the response to KCC Staff Data Request No. 334.

Please see the attached file "Q334A CS-87 IT Roadmap – KCPL-KS Update.xls" for the amended workpapers to support CS-87 updated for the 12-months ended March 31, 2015.

Attachments:
Q334A CS-87 IT Roadmap – KCPL-KS Update.xls
Q334A_Verification.pdf

Kansas City Power & Light Company
2015 Rate Case - KCP&L-KS Update
TY 6/30/14, Udpate 3/31/15

CS-87 - IT Roadmap O&M
Account Various (see below)

debit (credit) expense accounts

	Ongoing O&M	IT Roadmap	Cyber Security	Operational Maint	Total
Actuals at March 31, 2015 - Total Company	1,407,268	2,813,189	678,586	5,190,904	10,089,948
Per Books @ 6/30/14 KCPL Total Company	2,059,615	2,543,939	239,049	5,086,317	9,928,920
Adjustment	(652,347)	269,251	439,537	104,587	161,028
	CS-87	CS-87	CS-87	CS-87	CS-87
	921000	921000	921000	935000	

CERTIFICATE OF SERVICE

15-KCPE-116-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 11th day of May, 2015, to the following parties:

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