

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas City Power & Light Company to Modify Its Tariffs to Continue the Implementation of Its Regulatory Plan.)
) Docket No. 07-KCPE-905-RTS

STATE CORPORATION COMMISSION

AUG 03 2007

 Docket
Room

DIRECT STAFF TESTIMONY AND EXHIBITS

PREPARED BY

KAREN HULL

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

August 3, 2007

1 **I. INTRODUCTION**

2 **Q. Would you please state your name and business address?**

3 A. My name is Karen S. Hull and my business address is 1500 S.W. Arrowhead
4 Road, Topeka, Kansas 66604-4027.

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

6 A. I am employed by the Kansas Corporation Commission (KCC or Commission) as
7 a Senior Utility Regulatory Auditor.

8 **Q. What is your educational background and professional experience?**

9 A. I received a Bachelor of Science Degree in Accounting and Business in 1979 and
10 a Masters Degree in Business, with an emphasis in finance, in 1981 from the
11 University of Kansas. In 1989, I received a Masters Degree in Accounting from
12 Kansas State University. While working towards my graduate degrees, I was
13 employed as a graduate teaching assistant. I have been employed by Kansas State
14 University as an instructor of accounting and by Saint Mary College and Kansas
15 Wesleyan University as an assistant professor of accounting and business. I have
16 been employed by the KCC since 2002 and was promoted to my current position
17 in 2006. I am a Certified Public Accountant.

18 **Q. Have you testified in other dockets?**

19 A. Yes. I provided written testimony in several gas and electric dockets, applications
20 for rate changes, and in several telecommunications dockets, audits to determine
21 KUSF support.

22 **Q. What were your responsibilities in the review of the filing made by Kansas
23 City Power & Light Company (KCPL or Company) on March 1, 2007?**

1 A. My responsibilities were to analyze, audit, and provide recommendations
2 regarding KCPL's adjustments for defined benefit pensions and other
3 postretirement benefit expense and regulatory assets under the direction of George
4 Rohrer, Senior Managing Auditor and Jeff McClanahan, Chief of Accounting and
5 Financial Analysis. I am sponsoring Staff's Rate Base (RB) Adjustment 6 and
6 Income Statement (IS) Adjustments 30 and 31.

7 **Q. Is Staff proposing any adjustments to the Company's filed pension and other**
8 **postemployment benefits (OPEBs) costs?**

9 A. Yes, Staff is proposing several adjustments to the Company's filed position on
10 pension and OPEBs costs. Staff is recommending, on a Kansas jurisdictional
11 basis, a decrease in the Company's Prepaid Pension Asset Account of \$322,510, a
12 decrease of \$2,234,787 to the Regulatory Asset Account and a decrease of
13 \$608,805 to pension expense. Staff is also proposing a decrease, on a Kansas
14 jurisdictional basis, to the Company's filed OPEB expense in the amount of
15 \$497,850.

16 **II. PENSIONS**

17 **Q. Prior to discussing Staff's adjustments to defined benefit pension related**
18 **costs, please provide a background of the Company's calculations and**
19 **tracking mechanisms for pension costs.**

20 A. In Docket No. 04-KCPE-1025-GIE (1025 docket), the Commission approved the
21 Stipulation and Agreement (S&A) which outlined in Appendix C(E) the
22 methodology and regulatory accounting requirement for defined benefit pension
23 related transactions to ensure KCPL's recovery of appropriate pension costs and

1 adequate funding of pension trust assets. To accomplish these objectives,
2 Appendix C(E)2(b) of the S&A specified the calculations of the Company's
3 regulatory pension expense, a methodology different from the calculations
4 required under Financial Account Standards (FAS) 87. Appendix C(E)2(f) of the
5 S&A in the 1025 docket ensures KCPL's opportunity to collect through rates, the
6 amount of pension expense calculated under Appendix C(E)2(b) (FAS 87
7 Regulatory) with the establishment of a regulatory asset or liability to record the
8 difference between FAS 87 Regulatory pension expense and the amount of
9 pension expense recovered through rates. Pursuant to Appendix C(E)2(f), the
10 regulatory asset or liability is to be included in rate base and amortized over five
11 years at the next rate case.

12 In addition to establishing the Regulatory Asset account and the
13 amortization of the balance, KCPL is required to record in the Prepaid Pension
14 Asset account, initially established in the S&A in the 1025 docket with a balance
15 of \$63,658,444 (\$28,963,526 Kansas jurisdictional), the difference between the
16 FAS 87 Regulatory pension expense and the cash contributions to the pension
17 trust. Appendix C(E)2(c) of the S&A approved in the 1025 docket authorizes
18 KCPL to include this Prepaid Pension Asset as a component of KCPL's rate base.

19 **Q. The Kansas docket history of KCPL's pension calculations mentions FAS 87**
20 **and FAS 87 Regulatory pension. Please discuss FAS and how FAS can be**
21 **different from regulatory accounting.**

22 A. As previously noted, FAS is the abbreviation for Financial Accounting Standards.
23 Accounting standards are necessary to ensure the fair and comparable

1 presentation of companies' underlying economic performance in its financial
2 statements.

3 Without standards, users of financial statements would need to
4 learn the accounting rules of each company and comparisons
5 between companies would be difficult. Accounting standards used
6 today are referred to as Generally Accepted Accounting Principles
7 (GAAP). These principles are "generally accepted" because an
8 authoritative body has set them or the accounting profession
9 widely accepts them as appropriate.¹

10
11 FAS 87 references an accounting standard established by the Financial
12 Accounting Standards Board (FASB) that details the financial accounting rules to
13 fairly present defined benefit pension costs in a company's financial statements.

14 Regulatory accounting can be different from accounting for financial
15 statement presentation because of different objectives. The objective of
16 regulatory accounting is to establish rates that will generate sufficient revenues to
17 recover a regulated entity's allowable costs, including an adequate return on the
18 capital investments of the entity. Regulatory accounting may mandate the
19 capitalization or deferral of costs that would normally be expensed in the current
20 period for an entity following financial accounting standards in the determination
21 of the allowable costs for ratemaking. FAS 87 Regulatory pension costs define
22 the calculation of pension costs to be included in KCPL's allowable costs and is
23 different from the pension costs presented in the company's financial statements.

24 **Q. Has the Commission authorized other methodologies and requirements**
25 **affecting the calculation of pension expense and the corresponding balance of**
26 **the asset accounts?**

¹ <http://quickmba.com/accounting/fin/standards/>

1 A. Yes. In KCPL’s previous rate case, Docket No. 06-KCPE-828-RTS (828 docket),
2 the Commission authorized the Company to establish a regulatory asset or
3 liability to track the difference in FAS 88 defined benefit pension expense
4 recorded for financial reporting purposes and the amount of FAS 88 recovered in
5 rates. FAS 88 establish standards for the accounting and financial presentation of
6 employer’s settlement of defined pension obligations, for curtailment of a defined
7 benefit pension obligation, and for termination benefits. Unlike FAS 87, which
8 allows for the delayed recognition in net period pension cost of certain gains and
9 losses, FAS 88 requires immediate recognition of certain gains and losses arising
10 from settlements and curtailments of defined pension plans. The Company is
11 recording the FAS 88 difference to the Regulatory Asset account and amortizing
12 the balance over a five-year period.

13 Staff’s adjustment to pensions affect the Regulatory Asset account,
14 Prepaid Pension account and the regulatory pension expense as prescribed in the
15 S&As approved by the Commission in the 1025 and 828 dockets.

16 **Q. Please begin your discussion of Staff’s adjustments related to pensions.**

17 A. Staff’s adjustment for pensions is comprised of components related to the
18 calculation of FAS 87 Regulatory pension expense and the resulting balance of
19 the Regulatory Asset account and Prepaid Pension account established in the
20 S&A in the 1025 docket and the additional requirements outlined in the S&A
21 approved by the Commission in the 828 Docket related to FAS 88 pension costs.

22 Staff’s adjustment to pension costs involves changes to four input
23 variables used in determining the regulatory pension expense and the resulting

1 balances to the Regulatory Asset and Prepaid Pension Asset accounts. The inputs
2 adjusted by Staff in its derivation of its regulatory pension expense and balances
3 of the asset accounts are:

4 1. Updated FAS 87 Regulatory pension expense for Management,
5 Supplemental Executive Retirement Plans (SERP) and Wolf Creek and
6 KCPL's ERISA minimum cash contributions to reflect the latest actuarial
7 reports.

8 2. Employed a joint partner percentage of 6.99%, discussed in the
9 testimony of Staff Witness Justin Grady, rather than the Company joint
10 partner percentage of 6.41%.

11 3. Updated FAS 88 pension expense related to settlement and curtailment
12 of defined benefit plans to reflect the latest actuarial reports.

13 4. Adjusted the balances of the Regulatory Asset Account and the Prepaid
14 Pension Asset account to reflect Staff's adjustment to the regulatory
15 pension expense and to reflect the exclusion of the portion of the account
16 balances applicable to joint partners.

17 **Q. Please discuss Staff's adjustment to FAS 87 Regulatory pension expense.**

18 A. KCPL submitted a supplemental response to Staff's Data Request (DR) 71
19 (Exhibit KSH-1.1) which provided updated actuarial information on FAS 87
20 Regulatory pension expense. Additionally, Staff updated the required cash
21 contributions to the pension trust account, affecting the balance of the Prepaid
22 Pension Asset account. The Company, at the time of its filing, had projected the
23 amount of FAS 87 Regulatory pension expense for Wolf Creek. Staff utilized the

1 information provided in the latest actuarial report to update FAS 87 Regulatory
2 pension expense for Wolf Creek and the Management and SERP FAS 87
3 Regulatory pension expense.

4 **Q. Please discuss Staff’s adjustment to the joint partner percentage.**

5 A. Staff, in the calculation of its adjustment, employs two percentages for joint
6 partners. The first percentage, 6.99%, excludes the payroll for Wolf Creek and
7 the second percentage, 5.52%, includes the payroll for Wolf Creek. Staff adjusted
8 these percentages in its calculations of pension expense and the pension-related
9 asset balances. Staff Witness Justin Grady sponsors the changes to the joint
10 partner percentages and further discusses the changes in his testimony.

11 **Q. Please describe Staff’s adjustment to the Regulatory pension expense related**
12 **to FAS 88 settlement and curtailment pension costs.**

13 A. In the 828 docket, the Commission authorized KCPL to include in the Regulatory
14 Asset the annual difference between FAS 88 pension expense recorded for
15 financial purposes and the FAS 88 calculated for ratemaking purposes. The
16 Company has authority to record these differences in the Regulatory Asset
17 account and amortize the amounts over a five-year period, identical to the
18 treatment for the FAS 87 amounts recorded to the Regulatory Asset account.
19 Staff’s adjustment to FAS 88 pension costs is incorporated in Staff’s overall
20 adjustment for pension expense and pension related asset balances.

21 Staff’s adjustment to the Company’s calculation incorporated known FAS
22 88 costs related to the Company’s share of Wolf Creek costs. The Company’s
23 filed adjustment had projected the FAS 88 costs for Wolf Creek. Between the

1 time of the Company's filing and Staff's testimony, the actuaries were able to
2 issue known FAS 88 pension costs for Wolf Creek as illustrated in the Company's
3 response to CURB DR 95 (Exhibit KSH-1.2). The joint partner percentage of
4 6.99% is applicable to FAS 88 costs and was incorporated in Staff's adjustment.

5 **Q. Does Staff have any recommendation about funding FAS 88 costs recovered**
6 **in rates?**

7 A. Yes. The Commission approved the Joint Motion for Stipulation and Agreement
8 in the 828 docket allowing the Company to recover in rates the difference
9 between the FAS 88 pension costs presented in the Company's financial
10 statements and the amount built into rates. This difference is to be recorded in the
11 Regulatory Asset account and amortized over a five-year period. However, the
12 S&A did not require mandatory funding of the amounts recovered through rates.
13 KCPL does not oppose the mandatory funding of FAS 88 pension costs recovered
14 in rates, as evidenced in its response to KCC DR 354 (Exhibit KSH-1.3). Staff
15 recommends that mandatory funding of FAS 88 costs recovered through rates be
16 formalized in the Commission order in this docket.

17 Staff's adjustments to the Company's filed FAS 87 Regulatory and FAS
18 88 pension costs carry forward to the calculation of the appropriate September 30,
19 2007 ending balance of the Prepaid Pension Asset account and Regulatory Asset
20 account.

21 **Q. Please discuss the adjustments Staff is proposing for the Prepaid Pension**
22 **Asset Account and Regulatory Asset.**

1 A. As stated previously, adjustments in the calculation of the FAS 87 Regulatory and
2 FAS 88 pension costs will affect the balance of these two asset accounts. The
3 difference between the FAS 87 Regulatory pension costs and the pension expense
4 established in rates and the difference between FAS 88 pension costs and the
5 amount collect through rates are recorded in the Regulatory Asset. Similarly, the
6 difference between the FAS 87 Regulatory pension expense and the cash
7 contributed to the pension trust is recorded in the Prepaid Pension Asset account.
8 Adjustments to the FAS 87 Regulatory pension, FAS 88 pension costs and
9 required cash contributions will affect the amounts recorded in the Prepaid
10 Pension Asset Account and Regulatory Asset; thereby affecting the September 30,
11 2007 balances of these accounts.

12 **Q. Is Staff proposing an adjustment to the pension asset accounts, Prepaid**
13 **Pension Asset and Regulatory Asset, other than the resulting balances for the**
14 **proposed adjustments to the FAS 87 Regulatory and FAS 88 pension costs?**

15 A. Yes. Staff is recommending an adjustment to both pension asset accounts. The
16 balances of the pension asset accounts included in KCPL's rate base include
17 amounts applicable to the joint partners. KCPL is currently receiving rate base
18 treatment for amounts that are the responsibility of other companies. The
19 Missouri Public Service Commission addressed this situation in Case No. ER-
20 2006-0314. In the Missouri Case, KCPL agreed to exclude the pension costs
21 applicable to joint partners in the calculation of the pension asset balances.

22 **Q. Has Staff discussed the exclusion of joint partner percentage from the**
23 **pension asset balances?**

1 A. Staff and KCPL have discussed this situation and KCPL has agreed with Staff's
2 recommended exclusion. KCPL submitted revised workpapers modifying the
3 Company's Adjustments 5 and 27 to reflect the exclusion of joint partner
4 percentages from the pension asset account balances.

5 **Q. Does Staff agree with KCPL's revised Adjustments 5 and 27?**

6 A. Staff agrees with the Company's calculation to revise the pension asset beginning
7 balances to exclude the percentage applicable to joint partners in prior periods.
8 As discussed previously, Staff is proposing adjustments to the current joint
9 partner percentage, 6.99% versus the Company's 6.41%, as discussed in the
10 testimony of Staff Witness Grady in addition to other Staff adjustments for FAS
11 87 Regulatory and FAS 88 pension costs.

12 **Q. Does the exclusion of the joint partner percentage change the calculation of
13 the FAS 87 Regulatory or FAS 88 pension costs?**

14 A. No. The FAS 87 Regulatory and FAS 88 pension expenses applicable to KCPL
15 have been calculated by subtracting the portion of pension expense attributable to
16 joint partners. An adjustment to remove the inclusion of the percentage for joint
17 partners is applicable only to the Company's asset accounts included in rate base.

18 **Q. Please summarize Staff's adjustment to the Company's Adjustments 5 and
19 27.**

20 A. In summary, Staff adopted the Company's methodology of calculating its pension
21 expense to be recovered through rates and the resulting balances of the pension
22 related asset accounts receiving rate base treatment. Staff's calculations

1 incorporated different input variables that affect the dollar amount of pension
2 expense and projected September 30, 2007 asset balances.

3 Staff's adjustment, IS 30, decreases pension expense by \$608,805 on a
4 Kansas jurisdictional basis and adjustment RB 6 decreases the Prepaid Pension
5 asset and Regulatory Asset by \$322,510 and \$2,234,787, respectively, on a
6 Kansas jurisdictional basis. Staff's calculations are detailed in Staff's
7 Workpapers contained in Exhibit KSH-1.

8 **III. OPEBs**

9 **Q. Please provide a brief description of OPEBs.**

10 A. OPEB is an acronym for postretirement benefits other than pensions. Although
11 it includes all forms of postretirement benefits, the primary focus is generally
12 towards health care benefits since health care benefits comprise the vast majority
13 of postretirement benefits.

14 **Q. Is Staff recommending an adjustment to the Company's filed position for**
15 **OPEB expense?**

16 A. Yes. Staff is recommending an adjustment to the OPEB expense to reflect known
17 and measurable information for the OPEB expense applicable to KCPL's
18 operations. Staff is recommending OPEB expense to be based upon the actuarial
19 report received between the time of the Company's filing and Staff's testimony
20 and provided in the Company's response to Missouri DR 210 (Exhibit KSH-2.1).

21 With the incorporation of Staff's joint partner percentage of 6.99%, Staff's
22 adjustment, IS 31, reduces the Company's filed OPEB expense by \$497,850 on a

Docket No. 07-KCPE-905-RTS

Hull – Direct

August 3, 2007

1 Kansas jurisdictional basis. Staff’s calculation of its adjustment is detailed in

2 Staff’s workpapers contained in Exhibit KSH-2.

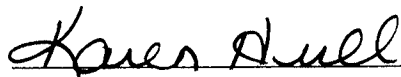
3 **Q. Does this conclude your testimony?**

4 **A. Yes.**

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

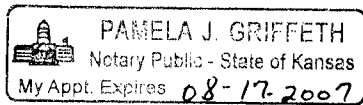
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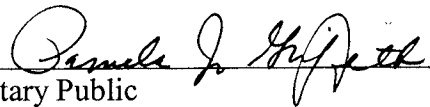
Karen Hull, being duly sworn upon her oath deposes and states that she is a Senior Regulatory Auditor in the Utilities Division of the State Corporation Commission of the State of Kansas, that she has read and is familiar with the foregoing Direct Testimony and that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Karen Hull
Regulatory Auditor
Utilities Division
Kansas Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 1st day of August, 2007.





Notary Public

My Appointment Expires: August 17, 2007

**KCP&L
 STAFF SUMMARY
 ADJUSTMENTS RB 6 AND IS 30
 PENSION EXPENSE AND PENSION REGULATORY ASSET**

Line No.	Description	KCPL	Staff	Ks. Jurisdictional	Total Co	Kansas Jurisdictional	Kansas Adjustment
*****	*****	*****	*****	*****	*****	*****	*****
1	Adjustment to Pension Expense (IS 30)	\$ 21,933,193	\$ 20,578,205	\$ (1,354,988)	44.9307%	\$ (608,805)	
2	Account 926						
3	Adjustment to Regulatory Asset (RB 6)	(5,393,036)	(7,683,133)	(2,290,097)	44.9307%	(1,028,957)	
4	FAS 87						
5	Adjustment to Regulatory Asset (RB 6)	2,612,681	(71,074)	(2,683,755)	44.9307%	(1,205,830)	
6	FAS 88						
7	Adjustment to Prepaid Pension Asset (RB 6)	(4,479,617)	(5,197,411)	(717,794)	44.9307%	(322,510)	

**KCP&L
 PENSION EXPENSE AND PENSION REGULATORY ASSETS**

	Projected Known & Measurable	2006 Book Amount	Adj 27 & 5
Increase pension expense to Staff FAS 87 amount excluding capital and joint partner's share:			
2006 Expense net of transfers:			
1 Pension expense	\$ 22,915,403		
2 Less transfers to joint owners	(1,260,394)		
3 Less transfers to construction	<u>(4,580,992)</u>		
4 Net pension expense		\$ 17,074,017	
2007 Expense net of transfers:			
5 Pension expense		40,101,040	
6 Less transfers to joint owners		(2,323,032)	
7 Less transfers to construction		(7,861,115)	
8 KCPL plans		<u>(573,680)</u>	
9 WCNOC plans			\$ 29,343,213
10 Net pension expense			
Increase pension expense for amortization of regulatory asset:			
11 2005 & 2006	\$ 5,131,377		
12 YTD 2007	\$ (264,561)		
Increase pension expense for amortization of FAS 88 expenses:			
13 Total Expense	<u>\$ 37,652,222</u>		
14 Adjustment	<u>\$ 17,074,017</u>	<u>\$ 20,578,205</u>	COS
15 Adj 2006 book regulatory asset (FAS 87) to 2006 total Company-KS basis			
	<u>\$ 34,154,537</u>	<u>\$ 35,217,706</u>	<u>\$ (1,063,169)</u> Rate Base
16 Adj 2006 KS Basis regulatory asset (FAS 87) for projected 2007 activity			
	<u>\$ 27,534,573</u>	<u>\$ 34,154,537</u>	<u>\$ (6,619,964)</u> Rate Base
17 Adj 2006 book regulatory asset (FAS 88) to 2006 total Company-KS basis			
	<u>\$ 21,116,533</u>	<u>\$ 22,673,747</u>	<u>\$ (1,557,214)</u> Rate Base
18 Adj 2006 KS Basis regulatory asset (FAS 88) for projected 2007 activity			
	<u>\$ 1,486,140</u>	<u>\$ -</u>	<u>\$ 1,486,140</u> Rate Base
19 Decrease prepaid pension asset in rate base for 2007 activity			
	<u>\$ 15,713,430</u>	<u>\$ 20,910,841</u>	<u>\$ (5,197,411)</u> Rate Base

KCP&L
Management Pension Plan & SERP Allocation

Line No.	Management				SERP
	FAS 87 Expense				
	Total (a)	KCPL (b)	GPES	Total	
1		91.9%	8.1%		
2	\$20,410,353	\$18,754,495	\$1,655,858	\$1,032,416	\$447,977
3	Per Month	1,562,875	137,988	48,703	37,331
					186,691
					Total
					\$2,240,297
					GPES to KCP&L (g)
					\$1,525,642
					127,137
	FAS 87 Regulatory Method				
	Total	KCPL	GPES	Total	
4		91.9%	8.1%		
5	\$12,684,078	\$11,656,668	\$1,027,410	\$836,488	\$363,036
6	Per Month	971,389	85,618	39,454	30,253
					Total
					\$1,500,862
					125,072
					GPES to KCP&L (g)
					\$1,022,087
					85,174

(a) FAS 87 Expense and allocation between KCP&L and GPES from Towers Perrin. FAS 87 Regulatory method allocated on FAS 87 expense percents.

(b) Percent allocated from GPES to KCP&L: 68.1% (g)
 Source-Wkp-20, Annualized Payroll June Update

Source: KCPL Supplemental Response to KCC Staff DR 71
 Company revised workpapers to Adjustments 5 and 27

KCP&L
FAS 87 Pension Expense and Deferrals

Line No.	2007 Projections	FAS 87 Financial Reporting Expense-Account 926041 & 926200 (a)				FAS 87 Regulatory Expense (b)				Difference to Reg Asset Account 182361 (d)	Amount In Rates (c)	Total Reg Asset (d)	Reg Asset In Rate Base (Excl. JT Partner) 94.48%	Reg Asset No Rate Base (JT Partner) 5.52%	Prepaid Pension in Rate Base (Excl. JT Partners) 94.48%	Prepaid Pension No Rate Base (JT Partners) 5.52%	
		Beginning	Mgmt	Bargaining	SERP	WCNOC	GPESS	Total	Allocated from GPESS								
1	Jan	\$1,563,093	\$2,447,374	\$37,331	\$629,274	\$126,988	\$4,804,060	\$971,389	\$1,739,777	\$30,257	\$515,158	\$85,174	\$3,341,754	\$3,341,754	\$1,462,306	\$1,462,306	\$1,146,062
2	Feb	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	(184,465)
3	March	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	(107,372)
4	April	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	130,549
5	May	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	(184,465)
6	June	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	123,338
7	July	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	130,549
8	Aug	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	(145,549)
9	Sept	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	(125,343)
10	Oct	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	130,549
11	Nov	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	(184,465)
12	Dec	1,563,093	2,447,374	37,331	629,274	126,988	4,804,060	971,389	1,739,777	30,257	515,158	85,174	3,341,754	3,341,754	1,462,306	1,462,306	(125,342)
13	2007 Total	18,757,114	28,368,488	447,276	7,551,285	1,523,856	57,648,719	11,659,688	20,877,320	363,079	6,181,892	1,022,088	40,101,040	40,101,040	17,547,679	17,547,679	7,366,595

(a) Source: Towers Perrin adjusted for KCP&L percent
(b) Difference in FAS 87 for financial reporting and FAS 87 for regulatory treatment. Offset in account 926201. Account 182361 is not included in rate base.
(c) Per KS rate order-#42,586,121 total.
(d) Difference in FAS 87 regulatory expense and amount in rates. Offset in expense account 506202. Account 182362 is included in rate base except for joint partner portion.
(e) Difference in FAS 87 regulatory expense and contributions. Not recorded in general ledger, but for tracking purposes only. Included in rate base except for joint partner portion.

FAS 87 Regulatory Expense Transfers to Joint Partners and Construction Transfer to Joint Partners:

Management Plan	11,656,688
Bargaining Plan	20,877,320
KCP&L Share of GPESS Mgt Plan	696,696
Joint Partner Rate-Wkg 20-Payroll Annualization	33,233,654
	(2,325,052)
Total	66,333,006

Transfer to Construction-KCP&L, Incl share of GPESS:

Management Plan	11,656,688
Bargaining	20,877,320
SERP	963,079
KCP&L share of GPESS	1,022,088
Less Partners Shares	(33,919,155)
Construction Rate-Wkg 20-Payroll Annualization	31,596,173
Transfer to Construction	(7,261,153)
Total	24,605,036

Summary of Rate Base Activity

Jan-Sept Activity	33,861,117
100% of 2007	31,806,635
100% of 2008	1,854,482
Total	66,522,234

Summary of Rate Base Activity

Big Bal 1-1-07	34,154,537
Activity YTD 9-07	(1,760,922)
Amort YTD 9-07 05/06	(5,123,811)
Amort YTD 9-07 2007	264,138
Rate Base at 9-07	27,534,942

Summary of Rate Base Activity

Big Bal 1-1-07	19,687,008
Activity YTD 9-07	(3,674,478)
Rate Base at 9-07	15,712,530

Source: Company supplemental response to Staff DR 71.
Company revised worksheets to Adjustments 5 and 27

KCP&L
 Reclassification of Joint Partner Beginning Balance

Line No.	FAS 87 Financial Reporting Expense-Account 92601 & 92620 (1)				FAS 87 Regulatory Expense (1)				Reg Asset Act 182361 No Rate Base(2)	Amount in Rates (3)	Total Reg Asset (4) in Rate Base (b-c)	Reg Asset Act 182362 in Rate Base (Excl Jt Partner)	Reg Asset No Rate Base (Jt Pt) 5.51%	Contributions (d)	Prepaid Pension Asset Total (5)	Prepaid Pension Asset in Rate Base (Excl Jt Partner)	Prepaid Pension Asset (Jt Pt) 5.51%							
	Wght	Beginning	SERP	WCNOC	Wght	Beginning	SERP	WCNOC										Allocated from GPES	Allocated from GPES	(a-b)	(c)	(b-c)	(d)	(b-d)
1	2005	\$8,826,522	\$16,931,561	\$295,224	\$5,737,827	\$2,783,035	\$36,574,189	\$10,129,557	\$18,759,125	\$254,565	\$5,272,666	\$3,144,142	\$37,560,065	\$22,000,000	\$15,560,065	\$14,702,705	\$857,360	\$13,849,096	\$67,370,561	\$43,659,592	\$83,658,444	\$41,253,948	\$3,712,118	\$2,405,644
2	2006	16,191,602	27,359,292	437,148	7,088,879	1,518,877	52,576,798	12,078,085	22,653,043	347,913	6,347,691	1,159,395	42,596,127	22,000,000	36,146,192	34,154,537	1,991,655	19,762,505	20,835,970	19,667,908	19,667,908	1,146,062		

(1) Source-Towers Perm adjusted for KCP&L percents
 (2) Difference in FAS 87 for financial reporting and FAS 87 for regulatory treatment. Offset in account 926201. Account 182361 is not included in rate base.
 (3) \$2M per rate order.
 (4) Difference in FAS 87 regulatory expense and amount in rates. Offset in expense account 926202. Account 182362 is included in rate base except for joint partners' portion of 5.51%
 (5) Difference in FAS 87 regulatory expense and contributions. Not recorded in general ledger, but for tracking purposes only. Included in rate base except for joint partners' portion of 5.51%.

Source: Company revised worksheets to Adjustments 5 and 27

KCP&L
KS Rate Base adjusted for Joint Partners

Line No.		\$
	Regulatory Asset FAS 87	
1	Projected 12-31-06 balance excl Jt Partners	34,154,537
2	Jan-Sept 2007 activity	(1,760,922)
	Amortizations	
3	2005 & 2006	(5,123,181)
4	YTD 2007	264,138
5	Projected 9-30-07 Balance	<u>27,534,573</u>
	Prepaid Pension Asset	
6	Projected 12-31-06 balance excl Jt Partners	19,687,908
7	Jan-Sept 2007 activity	(3,974,478)
8	Projected 9-30-07 Balance	<u>15,713,430</u>
	Regulatory Asset FAS 88	
9	Projected 12-31-06 balance excl Jt Partners	21,116,533
10	Jan-Sept 2007 activity	1,486,140
11	Projected 9-30-07 Balance	<u>22,602,673</u>

Source: Company revised workpapers to Adjustments 5 and 27

KCP&L
Amortization of Regulatory Asset

Line No.	Total (a)	2007 Amortization (b)	Amortization to Capital (d) 24.88%	Amortization to expense
1	\$14,702,705	\$2,940,541	\$731,607	\$2,208,934
2	19,451,832	3,890,366	967,923	2,922,443
3	34,154,537	6,830,907	1,699,530	5,131,377

(a) Account 182362 activity
 (b) Amortize over 5 years
 Jan-Sept change in rate base
 (6,830,907 * 9/12) \$ (5,123,181)

Line No.	Total (a)	2008 Amortization (b)	Amortization to Capital (d) 24.88%	Amortization to expense
4	Sept YTD 2008 (\$1,760,922)	(\$352,184)	(\$87,623)	(\$264,561)

(a) Account 182362 Jan-Sept 2007 activity
 (b) Amortize over 5 years

Source: Company revised workpapers to Adjustments 5 and 27

KCP&L
 FAS 88 Allocations

Line No.	Total	KCP&L (f)	GPES (g)	GPES (h)	Total KCP&L	Projected 09-2007 Reg Asset Acct 182xxx In Rate Base	Reg Asset-182xxx In Rate Base (Excl Jt. Partner) (3) 93.01%	Reg Asset-182xxx Not in Rate Base (Jt Partner) (3) 6.99%	Amortization per Year (5 Yr Amort)	Amortization to Capital (2)	Amortization to expense
1	Management										
2	FAS 88 settlement costs	\$11,118,000	\$1,182,000	\$855,024	\$11,973,024						
3	FAS 88 transition costs	76,000	-	-	76,000	12,049,024	11,206,797	842,227	2,241,359	557,650	1,683,709
4	Total Management	11,194,000	1,182,000	855,024	12,049,024	10,624,723	9,882,055	742,668	1,976,411	491,731	1,484,680
5	Joint Trusteed-settlement	10,624,723	-	-	10,624,723	27,681	27,681	-	5,536	1,377	4,159
6	SERP-settlement (1)	36,600	14,720	22,080	27,681	22,701,428	21,116,533	1,584,895	4,223,307	1,050,758	3,172,549
7	Vintages through 2006	23,037,523	21,833,443	1,204,080	22,701,428	1,486,140	1,486,140	-	297,228	27,583	269,645
8	WCNOC	1,486,140	-	-	1,486,140	24,187,568	22,602,673	1,584,895	4,520,535	1,078,341	3,442,194
	Total	24,523,663	23,319,583	1,204,080	24,187,568						

(1) SERP is not billed to joint partners.

(2) Percents to Capital
 KCP&L 24.88% (l)
 WCNOC 9.28% (k)

(3) Percents are based on KCP&L & GPES only.

Source: Company response to CURB DR 95
 Company revised workpapers for Adjustments 5 and 27

**KCP&L
 2007 Pension Contributions**

Line No.	Bargaining Plan	
1	Jan 2007	\$5,706,765
2	April 2007	5,706,765
3	June 2007	4,505,080
4	July 2007	5,706,765
5	Oct 2007	<u>5,706,765</u>
6		<u>\$27,332,140</u>

WCNOC Contributions			
		100%	47%
7	March 2007	\$2,971,523	\$1,396,616
8	June 2007	2,278,839	1,071,054
9	Aug 2007	1,500,000	705,000
10	Sept 2007	2,278,839	1,071,054
11	Dec 2007	<u>2,278,839</u>	<u>1,071,054</u>
12	Total	<u>11,308,040</u>	<u>5,314,778</u>

13 2007 Contributions \$32,646,918

Source:

Company Supplemental Response to DR 71
 Company revised workpapers to Adjustments 5 and 27

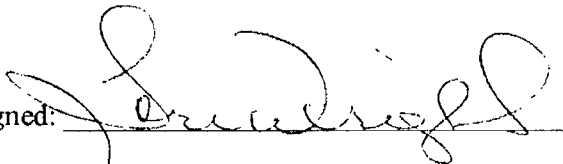
Verification of Response

Kansas City Power & Light Company

Docket No. 07-KCPE-905-RTS

The response to KCC Data Request# 715, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: 

Title: Controller

Date: 5-15-07

Great Plains Energy
Impact of Public Service Commission Stipulations
Differences in Expense Methodology

Exhibit 1

	GPE's FAS 87 Expense	PSC Expense
Asset smoothing for market related value of assets	None; market related value is equal to fair value of assets	Starting fiscal 2005, future asset gains/losses are smoothed over a five year period.
Amortization of unrecognized gains/losses	Amortization equals one-fifth of the the average unrecognized net gain/loss from the last five years	Amortization equals one-tenth of the net unrecognized gain/loss

Notes

- Exhibit shows the differences between the current FAS 87 expense methodology used by GPE for accounting and the Public Service Commission expense methodology.
- Public Service Commission stipulations also specify that no corridor is to be used in amortizing the unrecognized gain/loss. This is consistent with GPE's current FAS 87 expense methodology and is, therefore, not shown as a difference.
- All other assumptions and methods used are consistent with the FAS 87 assumptions and methods for each plan, as documented in the annual valuation reports.

Great Plains Energy
Impact of Public Service Commission Stipulations
Reconciliation of Funded Status for Fiscal 2007 (Beginning of Year)

Exhibit 2

	GPE's FAS 87 Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Projected Benefit Obligation	(184,925,086)	(3,558,065)	(241,170,289)	(164,202,526)	(5,245,202)	(599,101,168)
Fair Value of Assets	<u>171,117,287</u>	-	<u>145,553,201</u>	<u>101,847,626</u>	-	<u>418,518,114</u>
Funded Status	(13,807,799)	(3,558,065)	(95,617,088)	(62,354,900)	(5,245,202)	(180,583,054)
Contributions After Measurement Date	-	-	-	-	-	-
Unrecognized Transition Obligation	-	-	-	604,800	-	604,800
Unrecognized Prior Service Cost	16,133,271	853,542	11,085,898	357,902	142,611	28,573,224
Unrecognized Net Actuarial Loss	<u>55,296,766</u>	<u>342,934</u>	<u>71,104,031</u>	<u>38,813,903</u>	<u>470,995</u>	<u>166,028,629</u>
Prepaid (accrued) Pension Cost	57,622,238	(2,361,589)	(13,427,159)	(22,578,295)	(4,631,596)	14,623,599

	Public Service Commission Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Projected Benefit Obligation	(184,925,086)	(3,558,065)	(241,170,289)	(164,202,526)	(5,245,202)	(599,101,168)
Fair Value of Assets	<u>171,117,287</u>	-	<u>145,553,201</u>	<u>101,847,626</u>	-	<u>418,518,114</u>
Funded Status	(13,807,799)	(3,558,065)	(95,617,088)	(62,354,900)	(5,245,202)	(180,583,054)
Contributions After Measurement Date	-	-	-	-	-	-
Unrecognized Transition Obligation	-	-	-	604,800	-	604,800
Unrecognized Prior Service Cost	16,133,271	853,542	11,085,898	357,902	142,611	28,573,224
Unrecognized Net Actuarial Loss	<u>58,091,782</u>	<u>693,587</u>	<u>75,988,974</u>	<u>40,248,165</u>	<u>1,260,542</u>	<u>176,283,050</u>
Prepaid (accrued) Pension Cost	60,417,254	(2,010,936)	(8,542,216)	(21,144,033)	(3,842,049)	24,878,020

Notes

- Exhibit shows the reconciliation of funded status for GPE's pension plans under GPE's current FAS 87 methodology and the Public Service Commission methodology.
- GPE uses measurement dates (e.g., September 30) in advance of its fiscal year end (December 31). Numbers shown are as of the prior measurement date, which were included in GPE's fiscal 2006 footnote disclosures.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.

Great Plains Energy
Impact of Public Service Commission Stipulations
Fiscal 2007 Pension Expense

Exhibit 3

GPE's FAS 87 Expense Methodology						
	<u>Management</u>	<u>SERP</u>	<u>Trusteed</u>	<u>Wolf Creek</u>	<u>WC SERP</u>	<u>Total</u>
Service Cost	6,133,481	419,833	8,377,135	7,189,174	121,321	22,240,944
Interest Cost	10,785,352	225,105	14,129,146	9,696,205	294,732	35,130,540
Expected Return on Assets	(13,439,848)	-	(11,935,100)	(8,824,919)	-	(34,199,867)
Amortization of:						
Transition Obligation	-	-	-	120,960	-	120,960
Prior Service Cost	2,488,328	122,291	1,669,512	63,864	57,167	4,401,162
(Gain)/Loss	<u>14,443,040</u>	<u>265,187</u>	<u>17,127,800</u>	<u>6,877,064</u>	<u>470,995</u>	<u>39,184,086</u>
Pension Expense	20,410,353	1,032,416	29,368,493	15,122,348	944,215	66,877,825

Public Service Commission Expense Methodology						
	<u>Management</u>	<u>SERP</u>	<u>Trusteed</u>	<u>Wolf Creek</u>	<u>WC SERP</u>	<u>Total</u>
Service Cost	6,133,481	419,833	8,377,135	7,189,174	121,321	22,240,944
Interest Cost	10,785,352	225,105	14,129,146	9,696,205	294,732	35,130,540
Expected Return on Assets	(13,029,569)	-	(11,465,989)	(8,696,722)	-	(33,192,280)
Amortization of:						
Transition Obligation	-	-	-	120,960	-	120,960
Prior Service Cost	2,488,328	122,291	1,669,512	63,864	57,167	4,401,162
(Gain)/Loss	<u>6,306,486</u>	<u>69,359</u>	<u>8,167,516</u>	<u>4,180,206</u>	<u>126,054</u>	<u>18,849,621</u>
Pension Expense	12,684,078	836,588	20,877,320	12,553,687	599,274	47,550,947

Notes

- Exhibit shows the annual expense for GPE's pension plans under GPE's FAS 87 expense methodology and the Public Service Commission expense methodology (PSC expense).
- Documentation of each plan's expense under the current FAS 87 method is included in the annual valuation reports.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.
- Any excess/shortfall in expense of PSC expense method and the Rate Reimbursable Expense is set up as a regulatory asset/liability. This asset is include in rate base and is amortized over 5 years at the next rate case.
- Any excess/shortfall in expense of GPE's FAS 87 expense method and the PSC expense method is also set up as a regulatory asset/liability. This asset/liability is recovered through rates over the life of the pension plans.

Great Plains Energy
Impact of Public Service Commission Stipulations
Reconciliation of Prepaid/(Accrued) Pension Costs for Fiscal 2006

Exhibit 4

	GPE's FAS 87 Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Prepaid (accrued) Pension Cost 1/1	87,776,127	(2,109,674)	10,519,320	(17,901,211)	(4,402,487)	73,882,075
Fiscal 2006 (Expense)/Income	(17,777,889)	(1,087,192)	(27,359,296)	(14,381,595)	(633,569)	(61,239,541)
Employer Contributions	-	872,077	14,037,540	9,704,511	404,460	25,018,588
Effects of FAS 88 Events	(12,376,000)	(36,800)	(10,624,723)	-	-	(23,037,523)
Other Adjustments	-	-	-	-	-	-
Prepaid (accrued) Pension Cost 12/31	57,622,238	(2,361,589)	(13,427,159)	(22,578,295)	(4,631,596)	14,623,599

	Public Service Commission Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Prepaid (accrued) Pension Cost 1/1	86,051,306	(1,980,763)	10,698,010	(17,770,590)	(3,818,738)	73,179,225
Fiscal 2006 (Expense)/Income	(13,258,052)	(865,450)	(22,653,043)	(13,077,954)	(427,771)	(50,282,270)
Employer Contributions	-	872,077	14,037,540	9,704,511	404,460	25,018,588
Effects of FAS 88 Events	(12,376,000)	(36,800)	(10,624,723)	-	-	(23,037,523)
Other Adjustments	-	-	-	-	-	-
Prepaid (accrued) Pension Cost 12/31	60,417,254	(2,010,936)	(8,542,216)	(21,144,033)	(3,842,049)	24,878,020

Notes

- Exhibit shows the reconciliation of prepaid/(accrued) pension costs for GPE's pension plans under GPE's current FAS 87 methodology and the Public Service Commission methodology.
- GPE uses measurement dates (e.g., September 30) in advance of its fiscal year end (December 31). Numbers shown are as of the prior measurement date, which were included in GPE's fiscal 2005 footnote disclosures.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.
- The effect of FAS 88 events is included above as it is part of GPE's corporate accounting, although it is treated separately for regulatory accounting.

Great Plains Energy
Impact of Public Service Commission Stipulations
Development of Gain/Loss Amortization

Exhibit 5

	GPE's FAS 87 Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Unrecognized (Gain)/Loss from:						
Fiscal 2006	55,296,766	342,934	71,104,031	38,813,903	470,995	
Fiscal 2005	77,903,131	740,858	95,793,028	44,452,027	-	
Fiscal 2004	83,569,025	1,523,581	95,183,782	34,213,159	-	
Fiscal 2003	76,837,300	2,169,138	91,102,992	28,497,554	-	
Fiscal 2002	<u>67,469,785</u>	<u>1,853,155</u>	<u>75,011,166</u>	<u>25,949,956</u>	-	
5-year average	72,215,201	1,325,933	85,639,000	34,385,320	470,995	
Amortization over 5 years	14,443,040	265,187	17,127,800	6,877,064	470,995	39,184,086

	Public Service Commission Expense Methodology					
	Management	SERP	Trusteed	Wolf Creek	WC SERP	WC SERP
Unrecognized (Gain)/Loss as of 9/30/2006	58,091,782	693,587	75,988,974	40,248,165	1,260,542	176,283,050
Deferred Asset Gain/(Loss) as of 9/30/2006	<u>4,973,073</u>	-	<u>5,686,190</u>	<u>1,553,899</u>	-	<u>12,213,162</u>
Net (Gain)/Loss as of 9/30/2006	63,064,855	693,587	81,675,164	41,802,064	1,260,542	188,496,212
Amortization Corridor	-	-	-	-	-	-
(Gain)/Loss to be Amortized	63,064,855	693,587	81,675,164	41,802,064	1,260,542	188,496,212
Amortization Period (years)	10.00	10.00	10.00	10.00	10.00	
Amortization	6,306,486	69,359	8,167,516	4,180,206	126,054	18,849,621

Notes

- Exhibit shows the annual expense for GPE's pension plans under GPE's current FAS 87 methodology and the new Public Service Commission methodology.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Wolf Creek SERP recognizes gains/losses immediately under the current FAS 87 method.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.

Great Plains Energy
Impact of Public Service Commission Stipulations
Asset Summary for Fiscal 2007 (Beginning of Year)

Exhibit 6

	GPE's FAS 87 Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Fair Value of Assets	171,117,287	-	145,553,201	101,847,626	-	418,518,114
Unrecognized (Gain)/Loss	-	-	-	-	-	-
Market Related Value of Assets	171,117,287	-	145,553,201	101,847,626	-	418,518,114

	Public Service Commission Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Fair Value of Assets	171,117,287	-	145,553,201	101,847,626	-	418,518,114
Investment (Gain)/Loss by Year						
Fiscal 2006	(1,153,010)	-	(621,655)	(1,982,616)	-	(3,757,281)
Fiscal 2005	(6,751,108)	-	(8,648,110)	53,657	-	(15,345,561)
Fiscal 2004	-	-	-	-	-	-
Fiscal 2003	-	-	-	-	-	-
Fiscal 2002	-	-	-	-	-	-
Total	(7,904,118)	-	(9,269,765)	(1,928,959)	-	(19,102,842)
Unrecognized (Gain)/Loss	(4,973,073)	-	(5,686,190)	(1,553,899)	-	(12,213,162)
Market Related Value of Assets	166,144,214	-	139,867,011	100,293,727	-	406,304,952

Notes

- Exhibit shows the annual expense for GPE's pension plans under GPE's current FAS 87 methodology and the new Public Service Commission methodology.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.

Verification of Response

Kansas City Power & Light Company

Docket No. 07-KCPE-905-RTS

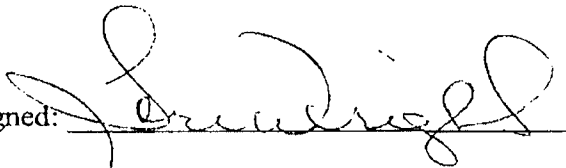
The response to CURB Data Request# 95, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: _____

Title: _____

Date: _____



Controller

6/8/07

DATA REQUEST– Set CURB_20070524
Case: 07-KCPE-905-RTS
Date of Response: 06/08/2007
Information Provided By: Lori Wright
Requested by: Springe David

Question No. : 95

Please describe fully the factors giving rise to the Company's FAS 88 costs (pension curtailments, terminations, etc.).

Response:

The FAS 88 pension costs included in the case relate to settlement and termination charges incurred in 2006 and projected termination charges for 2007.

In 2006, KCP&L incurred settlement charges of \$22,625,428 including \$11,973,024 and \$27,681 for the skill set realignment program under the Management and SERP plans, respectively, and \$10,624,723 for other retirements under the Joint Trusteed plan. Under the Company's pension plans, employees may choose a lump-sum payment or future periodic pension payments. Due to the number of employees choosing the lump-sum option, settlement accounting was triggered under FAS 88 for each of the plans.

Also in 2006, KCP&L incurred termination charges of \$76,000 under the Management plan as a result of the skill set realignment. The charges were related to providing extra benefits to transition certain employees that had not reached retirement age.

In 2007, the WCNOC pension plan was projected to incur \$2,585,000 in pension termination charges related to an early retirement program. The amount is now expected to be \$1,486,140.

Prepared by: Joyce Swope, Accounting

Attachment: Q95CURB_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 07-KCPE-905-RTS

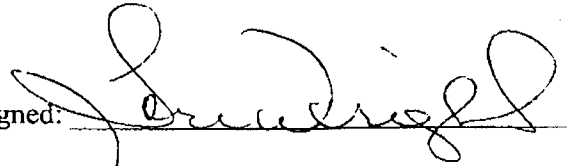
The response to KCC Data Request# 354, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: _____

Title: _____

Date: _____



Controller

7/12/07

DATA REQUEST– Set KCC_20070703
Case: 07-KCPE-905-RTS
Date of Response: 07/12/2007
Information Provided By: Lori Wright
Requested by: Hull Karen

Question No. : 354

RE: FAS 88 Funding pursuant to the Nonunanimous S&A in Missouri docket, ER-2006-0314, "KCPL will be required to fund all FAS 88 pension costs it collects in rates". (Page 5, 13(c) of the Nonunanimous S&A) which was approved by the Missouri Commission in the Report and Order dated December 21, 2006. Given KCPL's similarity of regulatory plans in both the Kansas and Missouri jurisdictions, is KCPL willing to maintain the consistency of its Missouri FAS 88 funding in its Kansas jurisdiction, specifically in the current Kansas rate application? If not, provide a detailed explanation why KCPL does not desire to keep its FAS 88 funding consistent with both jurisdictions.

Response:

KCP&L is willing to maintain this consistency in FAS 88 funding in which KCP&L would fund its Kansas FAS 88 pension costs as these costs are collected in rates.

Prepared by: Joyce Swope, Accounting

Attachment: Q354KCC_Verification.pdf

**KCP&L
 Adjustment for OPEB's**

Line No.	Description	Company	Staff	Total Company Kansas Jurisdictional	Kansas Jurisdictional	Kansas Adjustment
1	Adjustment for FAS 106 costs Account 926	\$ 3,147,361	\$ 2,039,321	(1,108,040)	44.9307%	\$(497,850)

**KCP&L
 OPEB Adjustment**

Line No.	Account	Actual 2006	Projected	Adjustments	Joint Partners 6.99%	Adjustment after Joint Partners	Construction 24.88%	WCNOC Construction 9.28%	Net Adjustment
1	Account 926401-WCNOC	\$913,674	\$1,176,316	\$262,642		\$262,642		\$24,373	\$238,269
2	Account 926402-KCPL	4,487,558	7,065,310	2,577,752	180,185	2,397,567	596,515		1,801,052
3	Total	5,401,232	8,241,626	2,840,394	180,185	2,660,209	596,515	24,373	2,039,321

Source: Company workpaper to Adjustment 45

**KCP&L
 OPEB Allocation**

Line No.	FAS 106	KCPL	GPES	68.10%		Total KCPL
				GPES to KCPL	KCPL	
1	\$ 1,176,316	1,176,316			\$	1,176,316
2	6,817,461	6,386,359	431,104	293,582		6,679,941
3	385,369	385,369				385,369
4	Total 926402					<u>7,065,310</u>
5	Total				\$	<u>8,241,626</u>

Source: Company response to Missouri DR 210
 Company workpapers for Adjustment 45

DATA REQUEST– Set MPSC_20070611

Case: ER-2007-0291

Date of Response: 06/29/2007

Information Provided By: Lori Wright

Requested by: Traxler Steve

Question No. : 0210

1) Provide a complete copy of the Actuarial Reports for 2006 and 2007, when available, supporting KCPL's requested level of pension and OPEB benefit cost in this case. 2) Confirm that the FAS 87 actuarial reports conform with the ratemaking treatment agreed to in Case No. EO-2005-0329. 3) If the 2007 Actuarial Reports are not available, provide the expected date when they will be available. 4) Provide a copy of each and every calculation and document from KCPL's actuary which support the 2007 accrued costs for FAS 87 (Mo. Method), FAS 106 and FAS 88. 5) Provide each and every document supporting the amount of FAS 88 cost deferred in 2006 in accordance with the Nonunanimous Stipulation and Agreement regarding Pension Issues in Case No. ER 2006-0314.

Response:

1. Attached are the actuarial reports for the pension FAS 87 regulatory method and postretirement costs used in the case. The management postretirement plan was amended effective January 1, 2007 and an additional attachment from the actuary is provided detailing the change and revised 2007 expense.
2. The FAS 87 regulatory reports were prepared in conformity with Case No. EO-2005-0329.
3. The 2007 reports are available.
4. Attached are copies of the actuarial supporting documentation for FAS 87 (Mo. Method) and FAS 106 used in the case. See question 5 for FAS 88 supporting schedules.
5. Attached is the supporting documentation for FAS 88 costs deferred in 2006 and 2007.

Prepared by: Joyce Swope, Accounting

Attachments:

1. Q0210_FAS 87 Regulatory Method.pdf
Q0210_FAS106 Mngt Amendment.pdf
Q0210_OPEB Mngt Plan.pdf
Q0210_OPEB Bargaining Plan.pdf
Q0210_OPEB WCNOG.pdf
4. Q0210_FAS87.pdf
Q0210_FAS106.pdf
5. Q0210_FAS88.pdf

PERSONAL AND CONFIDENTIAL

April 13, 2007

Ms. Lori A. Wright
Controller
Great Plains Energy
1201 Walnut St.
Kansas City, MO 64106-2149

Dear Lori:

**FINAL FISCAL 2007 PENSION EXPENSE UNDER PUBLIC SERVICE COMMISSION
STIPULATIONS**

In 2005, Great Plains Energy agreed to stipulations with the Public Service Commissions of Kansas and Missouri. These stipulations require special accounting to track GPE's annual pension expense. This revised letter documents the key components of GPE's pension expense for fiscal 2007 in order to help GPE track the regulatory assets and liabilities described in the stipulations.

Summary of Stipulations

The PSC stipulations define three different expense numbers for each fiscal year:

1. GPE's FAS 87 Expense: Current expense method used by GPE for its accounting
2. PSC Expense: Special expense methodology used only for PSC accounting
3. Rate Reimbursable Expense: Flat annual expense during a rate period.

The enclosed Exhibit 1 outlines the differences between the three expense methods.

The stipulations state that the annual pension expense included in rates is equal to the Rate Reimbursable Expense. To whatever degree the PSC Expense differs from the Rate Reimbursable Expense, a regulatory asset / liability is set up and included in rate base. This regulatory asset / liability will be recovered through rates directly after the next rate case, where it is to be reflected in rates through a five-year amortization.

Ms. Lori A. Wright
April 13, 2007
Page 2.


**TOWERS
PERRIN**
HR SERVICES

The stipulations also call for a separate regulatory asset / liability to be set up to reflect the difference between GPE's FAS 87 Expense and the PSC Expense. This asset / liability is recovered through rates over the life of the pension plans (i.e., this asset / liability will be recovered indirectly over time). Since this regulatory asset / liability is a non-cash item, it is our understanding that it will not be included in rate base.

Fiscal 2007 Expense Results

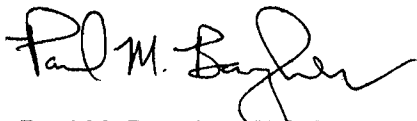
Exhibits 2 - 6 document our expense calculations for fiscal 2007. In summary, GPE's fiscal 2007 calculated expense is as follows:

Expense Method	Fiscal 2007 Expense
GPE's FAS 87 Expense	\$66,877,825
PSC Expense	\$47,550,947

GPE recognized additional costs during fiscal 2006 in accordance with FAS 88. These amounts are addressed separately for regulatory purposes and, as such, are not presented in the enclosed exhibits except where they impact GPE's corporate accounting (e.g., Exhibit 4).

Please call if you have any questions.

Sincerely,



Paul M. Baugher, F.S.A.
Associate

PMB:slp
29063:C.2007:P-1.800

Enclosure

cc: Ms. Joyce Swope — Great Plains Energy

Great Plains Energy
Impact of Public Service Commission Stipulations
Differences in Expense Methodology

Exhibit 1

	GPE's FAS 87 Expense	PSC Expense
Asset smoothing for market related value of assets	None; market related value is equal to fair value of assets	Starting fiscal 2005, future asset gains/losses are smoothed over a five year period.
Amortization of unrecognized gains/losses	Amortization equals one-fifth of the the average unrecognized net gain/loss from the last five years	Amortization equals one-tenth of the net unrecognized gain/loss

Notes

- Exhibit shows the differences between the current FAS 87 expense methodology used by GPE for accounting and the Public Service Commission expense methodology.
- Public Service Commission stipulations also specify that no corridor is to be used in amortizing the unrecognized gain/loss. This is consistent with GPE's current FAS 87 expense methodology and is, therefore, not shown as a difference.
- All other assumptions and methods used are consistent with the FAS 87 assumptions and methods for each plan, as documented in the annual valuation reports.

Great Plains Energy
Impact of Public Service Commission Stipulations
Reconciliation of Funded Status for Fiscal 2007 (Beginning of Year)

Exhibit 2

	GPE's FAS 87 Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Projected Benefit Obligation	(184,925,086)	(3,558,065)	(241,170,289)	(164,202,526)	(5,245,202)	(599,101,168)
Fair Value of Assets	<u>171,117,287</u>	-	<u>145,553,201</u>	<u>101,847,626</u>	-	<u>418,518,114</u>
Funded Status	(13,807,799)	(3,558,065)	(95,617,088)	(62,354,900)	(5,245,202)	(180,583,054)
Contributions After Measurement Date	-	-	-	-	-	-
Unrecognized Transition Obligation	-	-	-	604,800	-	604,800
Unrecognized Prior Service Cost	16,133,271	853,542	11,085,898	357,902	142,611	28,573,224
Unrecognized Net Actuarial Loss	<u>55,296,766</u>	<u>342,934</u>	<u>71,104,031</u>	<u>38,813,903</u>	<u>470,995</u>	<u>166,028,629</u>
Prepaid (accrued) Pension Cost	57,622,238	(2,361,589)	(13,427,159)	(22,578,295)	(4,631,596)	14,623,599

	Public Service Commission Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Projected Benefit Obligation	(184,925,086)	(3,558,065)	(241,170,289)	(164,202,526)	(5,245,202)	(599,101,168)
Fair Value of Assets	<u>171,117,287</u>	-	<u>145,553,201</u>	<u>101,847,626</u>	-	<u>418,518,114</u>
Funded Status	(13,807,799)	(3,558,065)	(95,617,088)	(62,354,900)	(5,245,202)	(180,583,054)
Contributions After Measurement Date	-	-	-	-	-	-
Unrecognized Transition Obligation	-	-	-	604,800	-	604,800
Unrecognized Prior Service Cost	16,133,271	853,542	11,085,898	357,902	142,611	28,573,224
Unrecognized Net Actuarial Loss	<u>58,091,782</u>	<u>693,587</u>	<u>75,988,974</u>	<u>40,248,165</u>	<u>1,260,542</u>	<u>176,283,050</u>
Prepaid (accrued) Pension Cost	60,417,254	(2,010,936)	(8,542,216)	(21,144,033)	(3,842,049)	24,878,020

Notes

- Exhibit shows the reconciliation of funded status for GPE's pension plans under GPE's current FAS 87 methodology and the Public Service Commission methodology.
- GPE uses measurement dates (e.g., September 30) in advance of its fiscal year end (December 31). Numbers shown are as of the prior measurement date, which were included in GPE's fiscal 2006 footnote disclosures.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.

Great Plains Energy
Impact of Public Service Commission Stipulations
Fiscal 2007 Pension Expense

Exhibit 3

GPE's FAS 87 Expense Methodology

	<u>Management</u>	<u>SERP</u>	<u>Trusteed</u>	<u>Wolf Creek</u>	<u>WC SERP</u>	<u>Total</u>
Service Cost	6,133,481	419,833	8,377,135	7,189,174	121,321	22,240,944
Interest Cost	10,785,352	225,105	14,129,146	9,696,205	294,732	35,130,540
Expected Return on Assets	(13,439,848)	-	(11,935,100)	(8,824,919)	-	(34,199,867)
Amortization of:						
Transition Obligation	-	-	-	120,960	-	120,960
Prior Service Cost	2,488,328	122,291	1,669,512	63,864	57,167	4,401,162
(Gain)/Loss	<u>14,443,040</u>	<u>265,187</u>	<u>17,127,800</u>	<u>6,877,064</u>	<u>470,995</u>	<u>39,184,086</u>
Pension Expense	20,410,353	1,032,416	29,368,493	15,122,348	944,215	66,877,825

Public Service Commission Expense Methodology

	<u>Management</u>	<u>SERP</u>	<u>Trusteed</u>	<u>Wolf Creek</u>	<u>WC SERP</u>	<u>Total</u>
Service Cost	6,133,481	419,833	8,377,135	7,189,174	121,321	22,240,944
Interest Cost	10,785,352	225,105	14,129,146	9,696,205	294,732	35,130,540
Expected Return on Assets	(13,029,569)	-	(11,465,989)	(8,696,722)	-	(33,192,280)
Amortization of:						
Transition Obligation	-	-	-	120,960	-	120,960
Prior Service Cost	2,488,328	122,291	1,669,512	63,864	57,167	4,401,162
(Gain)/Loss	<u>6,306,486</u>	<u>69,359</u>	<u>8,167,516</u>	<u>4,180,206</u>	<u>126,054</u>	<u>18,849,621</u>
Pension Expense	12,684,078	836,588	20,877,320	12,553,687	599,274	47,550,947

Notes

- Exhibit shows the annual expense for GPE's pension plans under GPE's FAS 87 expense methodology and the Public Service Commission expense methodology (PSC expense).
- Documentation of each plan's expense under the current FAS 87 method is included in the annual valuation reports.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.
- Any excess/shortfall in expense of PSC expense method and the Rate Reimbursable Expense is set up as a regulatory asset/liability. This asset is include in rate base and is amortized over 5 years at the next rate case.
- Any excess/shortfall in expense of GPE's FAS 87 expense method and the PSC expense method is also set up as a regulatory asset/liability. This asset/liability is recovered through rates over the life of the pension plans.

4/13/2007

Great Plains Energy

Exhibit 4

**Impact of Public Service Commission Stipulations
Reconciliation of Prepaid/(Accrued) Pension Costs for Fiscal 2006**

	GPE's FAS 87 Expense Methodology					
	Management	SERP	Trusteed	Wolf Creek	WC SERP	Total
Prepaid (accrued) Pension Cost 1/1	87,776,127	(2,109,674)	10,519,320	(17,901,211)	(4,402,487)	73,882,075
Fiscal 2006 (Expense)/Income	(17,777,889)	(1,087,192)	(27,359,296)	(14,381,595)	(633,569)	(61,239,541)
Employer Contributions	-	872,077	14,037,540	9,704,511	404,460	25,018,588
Effects of FAS 88 Events	(12,376,000)	(36,800)	(10,624,723)	-	-	(23,037,523)
Other Adjustments	-	-	-	-	-	-
Prepaid (accrued) Pension Cost 12/31	57,622,238	(2,361,589)	(13,427,159)	(22,578,295)	(4,631,596)	14,623,599

	Public Service Commission Expense Methodology					
	Management	SERP	Trusteed	Wolf Creek	WC SERP	Total
Prepaid (accrued) Pension Cost 1/1	86,051,306	(1,980,763)	10,698,010	(17,770,590)	(3,818,738)	73,179,225
Fiscal 2006 (Expense)/Income	(13,258,052)	(865,450)	(22,653,043)	(13,077,954)	(427,771)	(50,282,270)
Employer Contributions	-	872,077	14,037,540	9,704,511	404,460	25,018,588
Effects of FAS 88 Events	(12,376,000)	(36,800)	(10,624,723)	-	-	(23,037,523)
Other Adjustments	-	-	-	-	-	-
Prepaid (accrued) Pension Cost 12/31	60,417,254	(2,010,936)	(8,542,216)	(21,144,033)	(3,842,049)	24,878,020

Notes

- Exhibit shows the reconciliation of prepaid/(accrued) pension costs for GPE's pension plans under GPE's current FAS 87 methodology and the Public Service Commission methodology.
- GPE uses measurement dates (e.g., September 30) in advance of its fiscal year end (December 31). Numbers shown are as of the prior measurement date, which were included in GPE's fiscal 2005 footnote disclosures.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.
- The effect of FAS 88 events is included above as it is part of GPE's corporate accounting, although it is treated separately for regulatory accounting.

Great Plains Energy
Impact of Public Service Commission Stipulations
Development of Gain/Loss Amortization

Exhibit 5

	GPE's FAS 87 Expense Methodology					Total
	Management	SERP	Trusteed	Wolf Creek	WC SERP	
Unrecognized (Gain)/Loss from:						
Fiscal 2006	55,296,766	342,934	71,104,031	38,813,903	470,995	
Fiscal 2005	77,903,131	740,858	95,793,028	44,452,027	-	
Fiscal 2004	83,569,025	1,523,581	95,183,782	34,213,159	-	
Fiscal 2003	76,837,300	2,169,138	91,102,992	28,497,554	-	
Fiscal 2002	<u>67,469,785</u>	<u>1,853,155</u>	<u>75,011,166</u>	<u>25,949,956</u>	<u>-</u>	
5-year average	72,215,201	1,325,933	85,639,000	34,385,320	470,995	
Amortization over 5 years	14,443,040	265,187	17,127,800	6,877,064	470,995	39,184,086

	Public Service Commission Expense Methodology					
	Management	SERP	Trusteed	Wolf Creek	WC SERP	WC SERP
Unrecognized (Gain)/Loss as of 9/30/2006	58,091,782	693,587	75,988,974	40,248,165	1,260,542	176,283,050
Deferred Asset Gain/(Loss) as of 9/30/2006	<u>4,973,073</u>	-	<u>5,686,190</u>	<u>1,553,899</u>	-	<u>12,213,162</u>
Net (Gain)/Loss as of 9/30/2006	63,064,855	693,587	81,675,164	41,802,064	1,260,542	188,496,212
Amortization Corridor	-	-	-	-	-	-
(Gain)/Loss to be Amortized	63,064,855	693,587	81,675,164	41,802,064	1,260,542	188,496,212
Amortization Period (years)	10.00	10.00	10.00	10.00	10.00	
Amortization	6,306,486	69,359	8,167,516	4,180,206	126,054	18,849,621

Notes

- Exhibit shows the annual expense for GPE's pension plans under GPE's current FAS 87 methodology and the new Public Service Commission methodology.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Wolf Creek SERP recognizes gains/losses immediately under the current FAS 87 method.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.

Great Plains Energy
Impact of Public Service Commission Stipulations
Asset Summary for Fiscal 2007 (Beginning of Year)

Exhibit 6

	GPE's FAS 87 Expense Methodology					
	Management	SERP	Trusteed	Wolf Creek	WC SERP	Total
Fair Value of Assets	171,117,287	-	145,553,201	101,847,626	-	418,518,114
Unrecognized (Gain)/Loss	-	-	-	-	-	-
Market Related Value of Assets	171,117,287	-	145,553,201	101,847,626	-	418,518,114

	Public Service Commission Expense Methodology					
	Management	SERP	Trusteed	Wolf Creek	WC SERP	Total
Fair Value of Assets	171,117,287	-	145,553,201	101,847,626	-	418,518,114
Investment (Gain)/Loss by Year						
Fiscal 2006	(1,153,010)	-	(621,655)	(1,982,616)	-	(3,757,281)
Fiscal 2005	(6,751,108)	-	(8,648,110)	53,657	-	(15,345,561)
Fiscal 2004	-	-	-	-	-	-
Fiscal 2003	-	-	-	-	-	-
Fiscal 2002	-	-	-	-	-	-
Total	(7,904,118)	-	(9,269,765)	(1,928,959)	-	(19,102,842)
Unrecognized (Gain)/Loss	(4,973,073)	-	(5,686,190)	(1,553,899)	-	(12,213,162)
Market Related Value of Assets	166,144,214	-	139,867,011	100,293,727	-	406,304,952

Notes

- Exhibit shows the annual expense for GPE's pension plans under GPE's current FAS 87 methodology and the new Public Service Commission methodology.
- GPE is a 47% owner of Wolf Creek. The numbers shown reflect Wolf Creek in its entirety.
- Values for the Trusteed Plan were taken from the valuation report produced by The Cottonwood Group.

PRIVATE & CONFIDENTIAL

June 14, 2007

Ms. Lori A. Wright
Controller
Great Plains Energy
1201 Walnut St.
Kansas City, MO 64106-2149

Dear Lori:

**SUPPLEMENT TO MANAGEMENT POSTRETIREMENT WELFARE PLAN REPORT
FOR FISCAL 2007**

This letter and the attached exhibits document the revised expense calculated for the Great Plains Energy Postretirement Welfare Plan for fiscal 2007 based on plan changes effective January 1, 2007. This information supplements the actuarial valuation report for the plan previously provided.

CHANGES FROM VALUATION REPORT

The following plan changes were effective January 1, 2007:

- Pre-65 retiree medical contributions were changed to reflect a 60% employee / 40% employer cost sharing arrangement.
- Post-65 employer contributions for retiree medical coverage are limited to a maximum of \$3,600 per year for retirees and \$2,500 per year for spouses. The maximums are prorated for service less than 30 years at retirement, and the maximums are indexed annually by 2%.
- Because of the significant enhancement in post-65 retiree medical coverage, Great Plains Energy will qualify for the government subsidy available under Medicare Part D for the foreseeable future.

Please note that these plan changes were not reflected in the footnote disclosure information for fiscal 2006 because the changes had not been finalized and communicated to participants by the 9/30/2006 measurement date. However, the plan changes must be reflected in the calculation of the fiscal 2007 FAS 106 cost due to the significant impact of the changes on the ongoing obligations and costs of the plan.

The other plan provisions, participant data and actuarial assumptions utilized in these calculations are the same as those used to perform our prior calculations. Please see the previously provided actuarial valuation report for documentation of these items.

RESULTS EXHIBITS

The revised actuarial valuation results are shown in the following exhibits:

- Exhibit 1 details the plan obligations, assets, and the reconciliation of funded status as of October 1, 2006. Results under both the prior plan (as documented in the actuarial valuation report) and the revised plan are shown.
- Exhibit 2 provides the components of the fiscal 2007 FAS 106 cost under the prior and revised plans, as well as an allocation of the cost between subgroups. As we discussed, expense should be based on the prior plan for the first quarter and the new plan for the last three quarters of fiscal 2007.
- Exhibit 3 summarizes the impact of the Medicare Part D subsidy on the FAS 106 liabilities and cost for fiscal 2007.

ACTUARIAL CERTIFICATION

Great Plains Energy retained Towers Perrin to perform a valuation of its postretirement welfare plan for the purpose of determining its postretirement welfare cost in accordance with FAS 106. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Prescribed Statements of Actuarial Opinions" relating to postretirement welfare plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants, and plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the postretirement welfare cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 106 requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report are reasonable actuarial results. However, a different set of results could also be considered reasonable actuarial results, since the Actuarial Standards of Practice describe a "best-estimate range" for each assumption, rather than a single best-estimate value. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

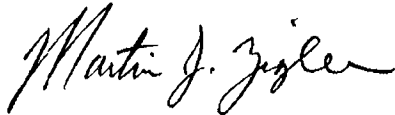
Ms. Lori A. Wright
June 14, 2007
Page 3.


**TOWERS
PERRIN**
HR SERVICES

The information contained in this report was prepared for the internal use of Great Plains Energy Inc. and its auditors in connection with our actuarial valuation of the plan. It is neither intended nor necessarily suitable for other purposes. GPE may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require GPE to provide them with this report, in which case GPE will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.

Please call if you have any questions.

Sincerely,



Martin J. Zigler F.S.A., M.A.A.A.
Principal



Donald D. Schisler, Jr. A.S.A., M.A.A.A.
Consultant

DDS:paw
29063: A-1.2007.001: C-2007

Attachments

cc: Mr. Paul M. Baugher — Towers Perrin
Ms. Joyce Swope — Great Plains Energy
Mr. Paul Van Dyne — Great Plains Energy
Mr. Wayne Wride — Towers Perrin

Basic Results for FAS 106 Cost as of October 1, 2006

	Prior Plan	Revised Plan	Change in Balance Sheet Liability / Reg Asset *
A. Obligations			
Accumulated postretirement benefit obligation (APBO)			
Active employees fully eligible for benefits	\$ 8,902,393	\$ 14,421,181	
Other active employees	5,362,627	10,944,970	
Current retirees	24,956,622	33,391,385	
Total	\$ 39,221,642	\$ 58,757,536	
B. Assets			
Fair value (FV)	\$ 10,355,954	\$ 10,355,954	
Unrecognized investment losses (gains)	24,879	24,879	
Market-related value (MRV)	\$ 10,380,833	\$ 10,380,833	
C. Reconciliation of Funded Status			
APBO (in excess of) less than fair value of assets	\$ (28,865,688)	\$ (48,401,582)	
Unrecognized amounts:			
Transition obligation (asset)	6,385,963	6,385,963	
Prior service cost	376,837	19,912,731	
Net loss (gain)	7,616,830	7,616,830	
Prepaid (accrued) pension cost	\$ (14,486,058)	\$ (14,486,058)	
Change in balance sheet liability at end of second quarter		\$	18,895,499
D. Key Economic Assumptions			
Discount rate	5.90%	5.90%	
Salary increase rate	3.90%	3.90%	
Health care cost trend			
Current	8.00%	8.00%	
Ultimate	5.00%	5.00%	
Ultimate fiscal year	2010	2010	

* Notes: (1) Change in balance sheet liability is shown on a pre-tax basis. The company needs to tax-adjust this amount. It is our understanding that this adjustment should be based on the unfunded APBO without regard to the Medicare Part D subsidy, as shown in Exhibit 3. GPE should consult their auditors regarding the tax adjustment of the balance sheet liability.
(2) Amount shown is the total increase in APBO reduced by the amount amortized during the second quarter of fiscal 2007.

	Prior Plan		Revised Plan		Total FY07 Expense by Component \$
	Annual	Quarterly Expense for Q1	Annual	Quarterly Expense for Q2-4	
Service cost	\$ 552,320	\$ 138,080	\$ 931,528	\$ 232,882	\$ 836,726
Interest cost	2,275,686	568,922	3,433,092	858,273	3,143,741
Expected return on assets	(491,477)	(122,869)	(479,501)	(119,875)	(482,495)
Amortization of:					
Transitional obligation (asset)	1,064,328	266,082	1,064,328	266,082	1,064,328
Prior service cost	116,308	29,077	2,677,888	669,472	2,037,493
Losses (gains)	362,332	90,583	169,447	42,362	217,668
Total	1,542,968	385,742	3,911,663	977,916	3,319,489
FAS 106 cost	\$ 3,879,497	\$ 969,875	\$ 7,796,782	\$ 1,949,196	\$ 6,817,461

B. Allocation of Expense	Quarterly Expense for Q1		Quarterly Expense for Q2-4	
	KCPL	GPES	Total	Total
Fiscal 2007 expense		\$ 969,875	\$ 969,875	\$ 1,949,196
Active employee count	637	43	680	680
Expense allocated by counts	\$ 908,545	\$ 61,330	\$ 969,875	\$ 1,825,938
			\$ 1,825,938	\$ 1,949,196

C. Key Economic Assumptions

Discount rate	5.90%	5.90%
Rate of return on assets (after tax)	4.00%	4.00%
Salary increase rate	3.90%	3.90%
Health care cost trend		
Current	8.00%	8.00%
Ultimate	5.00%	5.00%
Ultimate fiscal year	2010	2010

6/14/2007

Impact of Medicare Part D on Revised Plan Results

A. Obligations (as of October 1, 2006)

Accumulated postretirement benefit obligation (APBO)

	Including Medicare Part D	Excluding Medicare Part D
Active employees fully eligible for benefits	\$ (14,421,181)	\$ (17,972,202)
Other active employees	(10,944,970)	(14,080,693)
Current retirees	<u>(33,391,385)</u>	<u>(41,753,179)</u>
Total	\$ (58,757,536)	\$ (73,806,074)
Fair value of plan assets	<u>10,355,954</u>	<u>10,355,954</u>
Funded status	\$ (48,401,582)	\$ (63,450,120)

B. Expected Annual Disbursements (as of October 1, 2006)

Gross employer disbursements	\$ 3,444,450	\$ 3,444,450
Medicare Part D subsidy	<u>(398,666)</u>	<u>-</u>
Net employer disbursements	\$ 3,045,784	\$ 3,444,450

C. FAS 106 Cost (FY07 Cost)

Service cost	\$ 836,726	\$ 1,086,717
Interest cost	3,143,741	3,815,694
Expected return on assets	(482,495)	(476,573)
Amortization of:		
Transitional obligation (asset)	1,064,328	1,064,328
Prior service cost	2,037,493	3,517,385
Losses (gains)	<u>217,668</u>	<u>106,233</u>
Total	3,319,489	4,687,946
FAS 106 cost	\$ 6,817,461	\$ 9,113,784

Kansas City Power & Light
 FAS 106 OPEB
 Rate Adj-45

March 2007 Update

	Actual 2006		3 Months Actual March 2007		9 Months Projected December 2007		Projected 2007		Adjustments		Jnt Partners 6.41%		Adj net of Partners		Construction 24.53%		WCNOC Construction 8.14%		Net Adjustment		
Account 926401-WCNOC (1)	\$	813,674	A1	\$	487,954	A3	\$	888,362	\$	1,176,316	B1	\$	262,642	\$	262,642	\$	21,379	\$	21,379	\$	241,263
Account 926402-KCPL (2)	\$	4,487,558	A2	\$	1,047,970	A4	\$	6,013,675	\$	7,051,645	B2	\$	2,574,087	\$	2,409,088	\$	590,949	\$	590,949	\$	1,818,139
	\$	5,401,232		\$	1,535,924		\$	6,702,037	\$	8,237,961		\$	2,836,729	\$	2,671,730	\$	590,949	\$	2,059,401	\$	2,059,401
																					Adj-45

(1) WCNOC 3 months ended includes \$258,500 of FAS 88 termination charges.

Kansas City Power & Light
March Update Projected 2007 FAS 106 Expense

	Total Expense	KCPL	GPES	Portion of GPES to KCP&L	Total KCP&L
Account 926401					
WCNOC (a)	\$ 1,176,316	\$ 1,176,316			\$ 1,176,316 B1
Account 926402					
Management (b)	6,817,461 (3)	6,386,359	431,104	289,917	6,676,276
Bargaining (c)	385,369 (4)	385,369	-	-	385,369
Total 926402	7,202,830	6,771,728	431,104	289,917	7,061,645 B2
Total	\$ 8,379,146	\$ 7,948,044	\$ 431,104	\$ 289,917	\$ 8,237,961

(a) Source-Towers Perrin. Based on KCP&L 47% of \$1,952,799 plus \$258,500 of FAS 88 termination charges.

(b) Source-Towers Perrin

Percent allocated from GPES to KCP&L: 67.25%
Based on March Update Wkp-20-Payroll Annualization

(c) Source: Cottonwood
All bargaining employees are with KCP&L.

Postretirement Welfare Cost

	Fiscal 2007	Fiscal 2006
Postretirement Welfare Cost		
Service cost	\$ 498,462	\$ 527,300
Interest cost	925,031	877,338
Expected return on assets	0	0
Amortization:		
▶ Transition obligation	122,500	122,500
▶ Prior service cost (credit)	47,270 0	0
▶ Net loss (gain)	406,806	416,850
Postretirement welfare cost	\$ 1,952,799	\$ 1,943,988
Percent of covered pay	2.4%	2.5%
Per active participant	\$ 1,896	\$ 1,862

Change in Postretirement Welfare Cost

Postretirement welfare cost for fiscal 2006	\$ 1,943,988
Change from fiscal 2006 to fiscal 2007:	
▶ Expected based on prior valuation	4,025
▶ Loss (gain) from noninvestment experience	11,426
▶ Loss (gain) from asset experience	0
▶ Assumption changes	(6,640)
▶ Changes in benefits valued	0
Postretirement welfare cost for fiscal 2006	\$ 1,952,799

Total Projected WENOC

FAS 106

FAS 88

917,816

258,500 (Attached)

1,176,316 B1

Swope Joyce

From: Jason Benbow [jason.benbow@towersperrin.com]
Sent: Monday, April 02, 2007 5:10 PM
To: Swope Joyce
Subject: Re: WCNOF FAS 88 Costs

Joyce-

The total FAS 88 costs for Wolf Creek are as follows (for the Retirement Incentive in 2007):

Pension: \$3,162,000
OPEB: \$550,000 x 47% = 258,500

Total: \$3,712,000

You may want to double-check these amounts with them, but they are consistent with what I have provided them as well. Note these are 100% Wolf Creek amounts.

Let me know if you have any questions.

Jason Benbow
Towers Perrin
(314) 719-5811
(314) 719-5853 fax

Swope Joyce <Joyce.Swope@kc pl.com>	Jason Benbow/Towers Perrin@TP	To
04/02/2007 03:32 PM	WCNOF FAS 88 Costs	cc
		Subject

Jason, Can you provide me with the year-to-date March 07 FAS 88 charges for the WCNOF plan?

Thanks,
Joyce Swope
Kansas City Power & Light
(816) 556-2984

Great Plains Energy Inc.
Postretirement Welfare Plan
FAS 106 Cost for Fiscal 2007

	Prior Plan		Revised Plan		Total FY07 Expense by Component \$ 836,726
	Annual	Quarterly Expense for Q1	Annual	Quarterly Expense for Q2-4	
Service cost	\$ 552,320	\$ 138,080	\$ 931,528	\$ 232,882	
Interest cost	2,275,686	568,922	3,433,092	858,273	3,143,741
Expected return on assets	(491,477)	(122,869)	(479,501)	(119,875)	(482,495)
Amortization of:					
Transitional obligation (asset)	1,064,328	266,082	1,064,328	266,082	1,064,328
Prior service cost	116,308	29,077	2,677,888	669,472	2,037,493
Losses (gains)	362,332	90,583	169,447	42,362	217,668
Total	1,542,968	385,742	3,911,663	977,916	3,319,489
FAS 106 cost	\$ 3,879,497	\$ 969,875	\$ 7,796,782	\$ 1,949,196	\$ 6,817,461 (3)

B. Allocation of Expense	Quarterly Expense for Q1		Quarterly Expense for Q2-4	
	KCPL	GPES	KCPL	GPES
Fiscal 2007 expense		\$ 969,875	\$ 1,949,196	
Active employee count	637	43	637	43
Expense allocated by counts	\$ 908,545	\$ 61,330	\$ 1,825,938	\$ 123,258
		\$ 969,875	\$ 1,949,196	

KCPL 908,545
1st Qtr
5,417,814
2-4th Qtr
6,386,359

C. Key Economic Assumptions

Discount rate	5.90%	5.90%
Rate of return on assets (after tax)	4.00%	4.00%
Salary increase rate	3.90%	3.90%
Health care cost trend		
Current	8.00%	8.00%
Ultimate	5.00%	5.00%
Ultimate fiscal year	2010	2010

GPES
1st Qtr
269,774
2-4th Qtr
431,104

Sandra Towers Parrish

BARGAINING UNIT PLAN FOR RETIREES OF GREAT PLAINS ENERGY INCORPORATED

Estimated Net Periodic Postretirement Benefit Cost for 2007

Fiscal Year Ending	12/31/07
Discount Rate for Net Periodic Postretirement Benefit Cost	5.90%
Net Periodic Postretirement Benefit Cost**	
Service Cost	82,022
Interest Cost	296,135
Expected Return on Plan Assets	(167,776)
Amortization of Transition Obligation/(Asset)	52,512
Amortization of Prior Service Cost	43,352
Recognized Net Actuarial (Gain)/Loss	<u>79,124</u>
Total	385,369 (6)

**The amount shown above is based on the data used for determining the 2006 net periodic postretirement benefit cost (NPPBC). It will be revised to reflect more current participant data once the calculation of the 2007 NPPBC is completed.

Source - Cottonwood

Kansas City Power & Light Co.
 FAS 88 Allocations
 MO Jurisdiction

	Total	KCPL(e)	GPES (f)	GPES Billed to KCPL (g)	Total KCPL	Projected 09-2007 Total Reg Asset Acct 182xxx Not In Rate Base	Reg Asset Acct 182xxx Not In Rate Base (Excl. Jt Partner) 93.59%	Reg Asset Acct 182xxx Not In Rate Base (Jt Partner) 6.41%	Amortization per Year (5 Yr. Amort)	Amortization to Capital (I&J)	Amortization to expense
Management											
FAS 88 settlement costs	12,300,000 (a)	11,118,000	1,182,000	855,024	11,973,024						
FAS 88 transition costs	76,000 (b)	76,000	-	-	76,000						
Total Management	<u>12,376,000</u>	<u>11,194,000</u>	<u>1,182,000</u>	<u>855,024</u>	<u>12,049,024</u>	12,049,024	11,276,682	772,342	2,255,336	553,234	1,702,102
Joint Trusteed-settlement	10,624,723 (c)	10,624,723	-	-	10,624,723	10,624,723	9,943,678	681,045	1,988,736	487,837	1,500,899
WCNOC-2007 termination	1,486,140 (d)	1,486,140	-	-	1,486,140	1,486,140	1,486,140	-	297,228	24,194	273,034
Total	<u>24,486,863</u>	<u>23,304,863</u>	<u>1,182,000</u>	<u>855,024</u>	<u>24,159,887</u>	<u>24,159,887</u>	<u>22,706,500</u>	<u>1,453,387</u>	<u>4,541,300</u>	<u>1,065,265</u>	<u>3,476,035</u>

COS - Adj 27

Funding required beg 1-1-08

% to Capital-KCPL 24.53% (I)
 % to Capital-WCNOC 8.14% (J)

Fiscal 2006

Development of Prepaid Accrued Pension Cost as of September 30, 2006

Prepaid (accrued) pension cost, as of September 30, 2005	\$ 87,776,127	
Change during fiscal 2006:		
▶ Income (cost) recognized	(17,777,889)	
▶ Employer contributions	0	
▶ Effect of curtailments, settlements, and termination benefits	<u>(12,376,000)</u>	(a + b)
Prepaid (accrued) pension cost, as of September 30, 2006	\$ 57,622,238	

	October 1, 2006	October 1, 2005
--	------------------------	------------------------

Reconciliation of Funded Status

Funded status [FV – PBO]	\$ (13,807,799)	\$ (8,699,677)
Unrecognized net actuarial loss (gain)	55,296,766	77,903,131
Unrecognized prior service cost (credit)	16,133,271	18,572,673
Unrecognized transition obligation (asset)	<u>0</u>	<u>0</u>
Prepaid (accrued) pension cost	\$ 57,622,238	\$ 87,776,127

Balance Sheet Effects

Prepaid pension cost	\$ 57,622,238	\$ 87,776,127
Accrued pension cost	0	0
Additional minimum liability	0	0
Intangible asset	0	0
Accumulated other comprehensive income	<u>0</u>	<u>0</u>
Balance sheet effect	\$ 57,622,238	\$ 87,776,127

The accumulated other comprehensive income has not been tax effected. Any tax effect should be separately recognized.

Great Plains Energy
Estimated Fiscal 2006 FAS88 Accounting
Management Pension Plan
(\$ millions)

	<u>10/1/2005 Valuation</u>	<u>Before Settlement</u>	<u>10/1/2006 Estimate</u>	
			<u>Estimated Settlement</u>	<u>After Settlement</u>
PBO	(216.8)	(219.3)	46.9	(172.4)
Fair Value of Assets	208.1	215.7	(46.9)	168.8
Funded Status	(8.7)	(3.6)	-	(3.6)
Unrecognized PSC	18.6	16.1	-	16.1
Unrecognized TO	-	-	-	-
Unrecognized Net Loss/(Gain)	77.9	57.5	(42.3)	45.2
End of Year Prepaid Pension Cost	87.8	70.0	(12.3)	57.7

Notes:

- The actual 10/1/2005 valuation results make use of a 5.60% discount rate.
- The 10/1/2006 estimates were generated based upon:
 - A rollforward of the previous years liabilities with an adjustment of the discount rate to 5.90%
 - An annual asset return of 8.25% based upon a comparable portfolio of assets
 - Actual lump sums paid 10/1/2005 - 9/30/2006 of \$46.9 million
- Threshold for FAS 88 accounting is the fiscal year service cost plus interest cost, which equals \$18.5 million.
- The estimated settlement shows a settlement charge of \$12.3 million through the end of the year. The settlement charge is an immediate immediate recognition of the plan's unrecognized net loss for these participants; \$12.3 = (\$46.9 / \$219.3) x \$57.5
- The FAS 88 settlement charge for lump sums paid through 6/30/2006 (\$36.3 million) was estimated to be \$9.5 million under this same assumption basis.

Source - TP

Swope Joyce

From: Paul Baugher [paul.baugher@towersperrin.com]
Sent: Wednesday, November 29, 2006 1:55 PM
To: Joyce.Swope@kcpl.com
Cc: Ken Vogl; Don D Schisler III
Subject: FAS88 charge for special termination benefits

Joyce,

As we discussed, there was a change made to the Management Pension plan as part of the "window" process to provide extra benefits to certain participants (those over age 53) who took the window. Five participants qualified for this extra benefit. The value of the extra benefits provided is ~~\$4,000~~ (b) Under FAS 88, the value of these extra benefits should be recorded as a one-time charge due to special termination benefits.

If you have any questions or would like to discuss further, please feel free to contact me.

Paul

100% KEPL employees per J. Highfill

Paul Baugher
Towers Perrin
(314) 719-5908

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Great Plains Energy Incorporated Joint Trusteed Retirement Plan

Effect of Settlement Per FAS88

	10/01/06 Before Settlement	Effect of Settlement	10/01/06 After Settlement
Pension Benefit Obligation	(277,207,170)	36,036,881	(241,170,289)
Fair Value of Assets	<u>181,590,082</u>	<u>(36,036,881)</u>	<u>145,553,201</u>
Funded Status	(95,617,088)	0	(95,617,088)
Unrecognized Transition Obligation	0	0	0
Unrecognized Prior Service Cost	11,085,898	(c) 0	11,085,898
Unrecognized Actuarial (Gain)/Loss	<u>81,728,754</u>	<u>(10,624,723)</u>	<u>71,104,031</u>
(Accrued)/Prepaid	(2,802,436)	(10,624,723) <i>loss</i>	(13,427,159)

*Source - Dan Nichols
Cottonwood Group
12-20-06*

Jason Benbow [mailto:jason.benbow@towersperrin.com]
: Monday, April 02, 2007 5:10 PM
: Swope Joyce
Subject: Re: WCNOC FAS 88 Costs

Joyce-

The total FAS 88 costs for Wolf Creek are as follows (for the Retirement Incentive in 2007):

Pension: \$3,162,000 + 47% = 1,484,140 d
OPEB: \$550,000

Total: \$3,712,000

You may want to double-check these amounts with them, but they are consistent with what I have provided them as well. Note these are 100% Wolf Creek amounts.

Let me know if you have any questions.

Jason Benbow
Towers Perrin
(314) 719-5811
(314) 719-5853 fax

Swope Joyce <Joyce.Swope@kc pl.com>	Jason Benbow/Towers Perrin@TP	To
04/02/2007 03:32 PM	WCNOC FAS 88 Costs	cc
		Subject

Jason, Can you provide me with the year-to-date March 07 FAS 88 charges for the WCNOC plan?

Thanks,
Joyce Swope
Kansas City Power & Light
(816) 556-2984

NOTICE: This communication may contain confidential, proprietary or legally privileged

CERTIFICATE OF SERVICE

07-KCPE-905-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Direct Testimony and Exhibits was placed in the United States mail, postage prepaid, or hand-delivered this 3rd day of August, 2007, to the following:

NIKI CHRISTOPHER, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
n.christopher@kcc.state.ks.us
**** Hand Deliver ****

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CITIZENS' UTILITY RATEPAYER BOARD
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d.springe@kcc.state.ks.us
**** Hand Deliver ****

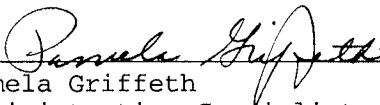
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bill.riggins@kcpl.com

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SMITHYMAN & ZAKOURA, CHTD.
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OVERLAND PARK, KS 66210
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Pamela Griffeth
Administrative Specialist