

**KANSAS CITY POWER & LIGHT COMPANY**  
**KANSAS REVENUE REQUIREMENT**  
**2006 TEST YEAR INCL KNOWN & MEASURABLE CHANGES TO 9-30-07**  
**SUMMARY OF ADJUSTMENTS (1)**

**PUBLIC VERSION**

		<b>Total Company Adjustments Incr (Decr)</b>
<b>JURISDICTIONAL COST OF SERVICE</b>		
<b>OPERATING REVENUE</b>		
<b>Retail Sales - Schedule 1, line 1-010</b>		
Adj-1	Remove Gross Receipts Tax from revenues	(39,735,592)
Adj-49a	Normalize revenues for weather - KS	(2,687,814)
Adj-49a	Normalize revenues for weather- MO	418,680
Adj-49b	Annualize revenues for other adjustments through Sept 2007 - KS	4,445,653
Adj-49b	Annualize revenues for other adjustments through Sept 2007 - MO	4,593,757
Adj-49c	Annualize revenues for rate increase effective 1/1/2007- KS	29,601,738
Adj-49c	Annualize revenues for rate increase effective 1/1/2007- MO	52,079,051
		<u>48,715,473</u>
<b>Miscellaneous Revenue - Schedule 1, line 1-011</b>		
Adj-48	Reflect annualized revenues related to LaCygne-Gardner transmission line upgrade	109,386
		<u>109,386</u>
<b>Bulk Power Sales - Schedule 1, line 1-012</b>		
Adj-18	Remove effects of 2006 Hawthorn subrogation settlement	(2,528,765)
Adj-39	Normalize Bulk Power Sales	(61,715,928)
		<u>(64,244,693)</u>
Operating Revenue - Schedule 1, line 1-014		<u>(15,419,834)</u>
<b>OPERATING EXPENSES</b>		
<b>Fuel - Schedule 1, line 1-017</b>		
Adj- 11	**	**
Adj-11	Adjust 2006 expenses for Wolf Creek nuclear fuel refund recorded in 2006 related to prior years	427,150
Adj-12	Adjust book depreciation expense to jurisdictional rates- unit trains	110,030
Adj- 18	Remove effects of 2006 Hawthorn subrogation settlement	3,678,204
Adj-20	Annualize salaries and wages payroll costs for changes in staffing levels and base pay rates	5,658,097
Adj-20a	Reverse actual salaries and wages payroll costs incurred for actual staffing levels at base pay rates	(5,171,150)
Adj-38	Annualize Fuel Expense at contract prices for net system input normalized for weather	(50,183,557)
Adj-52	Adjust for fuel additive expenses related to new LaCygne SCR	1,931,700
Adj-62	**	**
Adj-97	Reverse all previous depreciation adjustments- unit trains	(110,030)
Adj-98	Annualize depreciation expense based on jurisdictional depreciation rates applied to Jurisdictional Plant in Service at 9-2007	1,008,203
Fuel - Schedule 1, line 1-017		<u>(41,317,622)</u>
<b>Purchased Power - Schedule 1, line 1-018</b>		
Adj- 18	Remove effects of Sept 2006 Hawthorn subrogation settlement	10,804,723
Adj-40	Annualize Purchased Power Expense for net system input normalized for weather	8,419,359
		<u>19,224,082</u>
<b>Other Operations &amp; Maintenance Expenses - Schedule 1, line 1-019</b>		
Adj-4	Transfer KCREC Bad Debt Expense to KCPL A/C 904	4,513,695
Adj-9	Adjust for current period bank fees paid by KCREC related to sale of receivables	3,822,431
Adj-11	Adjust 2006 expenses for 2005 advertising costs reclassified to CWIP in 2006 (MO only)	60,895
Adj-11	Adjust 2006 expenses for 2005 Leadership Development Initiative (LED-LEDI) costs reclassified to regulatory asset in 2006 (MO only)	867,870
Adj-11	Adjust 2006 expenses for 2005 Corporate Development/Planning ( CORPDP-KCPL) costs reclassified to regulatory asset in 2006 (MO only)	879,112
Adj-11	Adjust 2006 expenses for 2005 Talent Assessment costs reclassified to regulatory asset in 2006 (KS only)	216,771
Adj-11	Adjust 2006 expenses for 2005 MSC0140, KCPL Strategic Initiatives costs reclassified to CWIP in 2006 (MO only)	1,155,665
Adj-11	Adjust 2006 expenses for 2005 FERC assessment reversed in 2006	131,079
Adj-16	**	**
Adj-18	Remove effects of 2006 Hawthorn subrogation settlement	(122,410)
Adj-20	Annualize salaries and wages payroll costs for changes in staffing levels and base pay rates	150,732,764
Adj-20a	Reverse actual salaries and wages payroll costs incurred for actual staffing levels at base pay rates	(137,760,407)
Adj-20b	Adjust severance payroll costs to normalized amount	248,873
Adj-20c	Adjust Talent Assessment severance payroll costs to amortized amount	(6,957,387)
Adj-20d	Adjust incentive compensation- Power Marketing payroll costs to normalized amount	(33,327)
Adj-20e	Adjust incentive compensation- Value Link payroll costs to normalized amount	(1,558,730)
Adj-26a	Normalize Generation maintenance expense	6,784,745

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**PUBLIC VERSION**

		<b>Total Company Adjustments Incr (Decr)</b>
Adj-26b	Normalize Transmission maintenance expense	1,990,000
Adj-26b	Normalize Distribution maintenance expense	(462,002)
Adj-26b	Normalize Information Technology maintenance expense	1,118,982
Adj-27	Adjust FAS 87 and FAS 88 pension expense, including amortization of pension regulatory asset	21,933,193
Adj-30	** _____	**
Adj-31	Reflect amortization of regulatory asset related to deferred Affordability, Efficiency and Demand Response Programs costs	1,078,417
Adj-32a	Reflect amortization of regulatory asset related to deferred incremental rate case expenses for 2007 filing	779,510
Adj-32b	Reflect amortization of regulatory asset related to deferred incremental rate case expenses for 2006 filing	1,020,789
Adj-41	Normalize bad debt expense related to actual 2006 revenues	(116,927)
Adj-42	Adjust amortization expense for Wolf Creek refueling outage deferral	757,217
Adj-44	Adjust Nuclear decommissioning expense	1,936
Adj-45	Adjust benefit expense for Other Post Employment Benefits (OPEB), 401K, and for other benefits relating to active employees	5,510,397
Adj-48	Adjust transmission expense for expansion projects of SPP members	1,230,000
Adj-49a	Adjust bad debt expense related to normalization of revenues for weather	(5,761)
Adj-49b	Adjust bad debt expense related to other revenue adjustments	43,144
Adj-49c	Adjust bad debt expense related to annualization of revenues for the rate increase effective 1/1/07	423,943
Adj-52	Adjust O&M expenses for new LaCygne SCR	292,462
Adj-54	Adjust current period actual bank fees paid by KCREC related to sale of receivables to projected amounts	244,875
Adj-56	Adjust Customer Accounts expense for costs associated with accepting credit card payments	563,490
Adj-60	Amortize deferred project costs for Leadership Dvlp Initiative (LED-LDI) (MO only)	223,717
Adj-61	Amortize deferred project costs for Corporate Dvlp/Plan (CORPDP-KCPL) (MO only)	176,116
Adj-63	Amortize deferred project costs for Talent Assessment (KS only)	21,677
	Other Oper & Mtce Expenses - Schedule 1, line 1-019	<u>62,025,280</u>
<b>Depreciation Expense - Schedule 1, line 1-020</b>		
Adj-12	Adjust book depreciation expense to jurisdictional rates	(8,518,675)
Adj-97	Reverse all previous depreciation adjustments	8,518,675
Adj-98	Annualize depreciation expense based on jurisdictional depreciation rates applied to Jurisdictional Plant in Service at 9-2007	4,507,021
	Depreciation Expense - Schedule 1, line 1-020	<u>4,507,021</u>
<b>Amortization Expense - Schedule 1, line 1-021</b>		
Adj-12	Adjust book amortization expense to jurisdictional basis	(349,430)
Adj-25	Reflect pre-tax payment on plant included in Kansas Docket No. 06-KCPE-828-RTS and Missouri Case No. ER-2006-0314	25,679,061
Adj-97	Reverse all previous amortization adjustments, excluding Adj-25	349,430
Adj-98	Annualize amortization expense based on jurisdictional amortization rates applied to jurisdictional Plant in Service at 9-2007	(461,918)
	Amortization Expense - Schedule 1, line 1-021	<u>25,217,143</u>
<b>Interest on Customer Deposits - Missouri - Schedule 1, line 1-022</b>		
Adj-10	Transfer interest on customer deposits above the line	438,857
<b>Interest on Customer Deposits - Kansas - Schedule 1, line 1-023</b>		
Adj-10	Transfer interest on customer deposits above the line	78,796
<b>Taxes Other than Income - Schedule 1, line 1-024</b>		
Adj-1	Remove Gross Receipts Tax	(39,812,079)
Adj-11	Adjust 2006 expenses for reversal of capital stock reserves due to favorable ruling by the MO Dept of Rev on the use of a tax basis balance sheet vs. GAAP balance sheet for the computation of the MO franchise tax since 2000	1,036,305
Adj-20c	Adjust Talent Assessment FICA payroll taxes consistent with Talent Assessment severance adjustment	(520,230)
Adj-20g	Adjust FICA payroll taxes consistent with annualized payroll adjustment	901,368
Adj-33b	Adjust property taxes for increased assessed values and levy rates	2,816,808
Multiple	Adjust Kansas City Earnings Tax for impact of other adjustments	(27,429)
	Taxes Other than Income - Schedule 1, line 1-024	<u>(35,605,257)</u>

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**PUBLIC VERSION**

		<b>Total Company Adjustments Incr (Decr)</b>
<b>Federal and State Income Taxes- Schedule 1, line 025</b>		
multiple	Reflect adjustments to Schedule 7, Allocation of Current and Deferred Income Taxes	(26,566,473)
Adj-99	Reflect the tax deduction for interest synchronization, the tax impact of which is included in the Schedule 7 adjustments above	-
	Fed and State Income Taxes - Schedule 1, line 1-025	<u>(26,566,473)</u>
	<b>Total Electric Operating Exp - Schedule 1, line 1-027</b>	<u>8,001,827</u>
	<b>Net Electric Operating Income - Schedule 1, line 1-029</b>	<u>(23,421,661)</u>
<b>RATE BASE</b>		
<b>Total Electric Plant - Schedule 1, line 1-032</b>		
Adj-3	Adjust Wolf Creek disallowance to 100% jurisdictional basis	14,337,965
Adj-21	Increase Plant in Service for projected additions and retirements for the period January-September, 2007	174,321,299
	Total Electric Plant - Schedule 1, line 1-032	<u>188,659,264</u>
<b>Accumulated Depreciation &amp; Amortization - Schedule 1, line 1-033</b>		
Adj-13	Adjust book Depreciation Reserve to 100% basis at jurisdictional depreciation rates at December 2006	(16,391,659)
Adj-53a	Adjust Depreciation Reserve for annualized depreciation provision for January 2007 through September 2007	116,878,216
Adj-53b	Adjust Depreciation Reserve for projected retirements and net salvage expenditures from January 2007 through September 2007	(47,368,094)
	Accumulated Depr & Amort - Schedule 1, line 1-033	<u>53,118,463</u>
	Net Plant - Schedule 1, line 1-034	<u>135,540,801</u>
<b>Working Capital - Schedule 1, line 1-036</b>		
Adj-50	Adjust Prepayments to 13-Month average	2,518,160
Adj-51	Adjust Fossil inventories to required levels and adjust Nuclear inventory to 18-month average	1,497,090
Various	Impact of other adjustments on Cash Working Capital	(861,954)
	Working Capital - Schedule 1, line 1-036	<u>3,153,296</u>
<b>Prior Net Pre-paid Pension Asset - MO - Schedule 1, line 1-037</b>		
Adj-27	Reduce Net Prepaid Pension Asset for excess of FAS 87 pension cost over contributions (54.5%)	(2,441,391)
<b>Prior Net Pre-paid Pension Asset - KS - Schedule 1, line 1-038</b>		
Adj-27	Reduce Net Prepaid Pension Asset for excess of FAS 87 pension cost over contributions (44.3%)	(1,984,470)
<b>Prior Net Pre-paid Pension Asset - WS - Schedule 1, line 1-039</b>		
Adj-27	Reduce Net Prepaid Pension Asset for excess of FAS 87 pension cost over contributions (1.2%)	(53,755)
<b>Pension Regulatory Asset - Schedule 1, line 1-040</b>		
Adj-5	Adj 2006 FAS 87 book regulatory asset to 2006 total Company-Kansas Basis	928,487
Adj-27	Decrease Regulatory Asset to 9-30-07 amount	(6,321,523)
	Pension Regulatory Asset - Schedule 1, line 1-040	<u>(5,393,036)</u>
<b>Pension Regulatory Asset - Schedule 1, line 1-041</b>		
Adj-5	Adj 2006 FAS 88 book regulatory asset to 2006 total Company-Kansas Basis	27,681
Adj-27	Increase Regulatory Asset to 9-30-07 amount	2,585,000
	Pension Regulatory Asset - Schedule 1, line 1-041	<u>2,612,681</u>
<b>**Regulatory Asset-Security-KS - Schedule 1, line 1-042**</b>		
Adj-30	**	**
<b>Regulatory Asset-Demand Side Mgmt Prog-MO - Schedule 1, line 1-043</b>		
Adj-31	Increase Regulatory Asset to projected 9-30-2007 amount	2,232,921
<b>Regulatory Asset-Demand Side Mgmt Prog-KS - Schedule 1, line 1-044</b>		
Adj-31	Increase Regulatory Asset to projected 9-30-2007 amount	2,424,789
<b>Regulatory Asset-Regulatory Expenses-MO- Schedule 1, line 1-045</b>		
Adj-32a/b	Increase Regulatory Asset to projected 9-30-2007 amount	344,761
<b>Regulatory Asset-STB Litigation-MO - Schedule 1, line 1-046</b>		
Adj-62	**	**
<b>Regulatory Asset-2002 Ice Storm- MO- Schedule 1, line 1-047</b>		
Adj- 29	Decrease Regulatory Asset to projected 9-30-2007 amount	(380,167)
<b>Accumulated Deferred Income Taxes - Schedule 1, line1-049</b>		
Adj-14	Adjust Deferred Income Tax Reserves to 100% jurisdictional basis	(2,736,684)
Adj-33a	Adjust Deferred Income Tax Reserves for proforma impact of additional straight line tax depreciation on January through September 2007 plant additions and adjustments to deferred Regulatory assets and liabilities	4,800,045
	Accumulated Deferred Income Taxes - Schedule 1, line1-049	<u>2,063,361</u>
<b>Deferred Gain on Emission Allowance Sales - Schedule 1, line 1-050</b>		
Adj-28	**	**
<b>Deferred Gain on Emission Allowance Sales - MO- Schedule 1, line 1-051</b>		
Adj-28	**	**

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SUMMARY OF ADJUSTMENTS (1)

## PUBLIC VERSION

	<b>Total Company Adjustments Incr (Decr)</b>
<b>RATE BASE - Schedule 1, line 1-057</b>	134,630,269
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<b>PRO FORMA ADJUSTMENTS</b>	
<b>OPERATING REVENUE</b>	
<b>Retail Sales - Schedule 1, line 1-010</b>	
Reflect proposed rate increase	34,220,000
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<b>OPERATING EXPENSES</b>	
<b>Other Operations &amp; Maintenance Expenses - Schedule 1, line 1-019</b>	
Adjust bad debt expense related to proposed rate increase	217,605
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<b>Federal and State Income Taxes- Schedule 1, line 025</b>	
Adjust income tax expense for impact of proposed rate increase, net of additional amortization to maintain credit ratios	13,531,773
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<b>Total Electric Operating Exp - Schedule 1, line 1-027</b>	13,749,378
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<b>Net Electric Operating Income - Schedule 1, line 1-029</b>	20,470,622
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<b>RATE BASE</b>	
<b>Working Capital - Schedule 1, line 1-036</b>	
Adjust cash working capital for impact of proposed rate increase	(589,395)
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<b>RATE BASE - Schedule 1, line 1-057</b>	(589,395)
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(1) All amounts are total company; if an adjustment is applicable to only KS or MO it is so indicated