

Table 4

Line No.	EXPENSE, TAXES & REVENUE REQUIREMENTS CALCULATION (1)	Reference/Notes (2)	Total (3)	Allocator (4)	Total		Difference Transmission Ref
					Transmission (5)	Transmission (6)	
69	OPERATION & MAINTENANCE EXPENSE						
70	Transmission	WP_C-1 Line 31	61,732,925				
71	Less Total Account 561	WP_C-1 Lines 2 through 9	(7,174,197)				
72	Add Back Account 561.4	WP_C-1 Line 5	-				
73	Add Back Account 561.5	WP_C-1 Line 6	633,838				
74	Add Back Account 561.6	WP_C-1 Line 7	453,310				
75	Add Back Account 561.7	WP_C-1 Line 8	(26,455)				
76	Add Back Account 561.8	WP_C-1 Line 9	1,905,235				
77	Less Total Account 565 (Note H)	WP_C-1 Line 13	(22,961,754)				
78	Add Back Account 565.25- System Integration Costs	WP_C-1 Line 34	211,102				
79	Transmission Subtotal	Sum Lines 69 through 78	34,774,004	TP 96.41%	33,525,965	32,943,418	582,546
80							
81	Administrative and General (Note I)	WP_C-2 Line 15	152,982,320				
82	Less: Acc. 924, Property Insurance	WP_C-2 Line 5	(5,454,918)				
83	Balance of A & G	Sum Lines 81 through 82	147,527,402	W/S 10.49%	15,478,575	14,474,294	1,004,281
84	Plus: Account 924, Property Insurance	Line 82	5,454,918	NP 17.51%	955,345	1,059,674	(104,329)
85	Account 928 - Transmission Specific	WP_C-4 Line 11	1,202,566	DA 100.00%	1,202,566	2,271,048	(1,068,482)
86	A & G Subtotal	Sum Lines 81 through 85	154,184,886		17,636,486	17,805,016	(168,530)
87							
88	TOTAL O & M EXPENSE	Line 79 plus Line 86	188,958,890		51,162,451	60,748,434	414,016
89							
90	DEPRECIATION AND AMORTIZATION EXPENSE						
91	Transmission	WP_B-1 Line 24	26,427,137	DA 100.00%	26,427,137	27,508,195	(1,081,058)
92	Plus: Pre-Funded AFUDC Amortization (Note E)	WP_B-7 Col (f), Line 16	-	DA 100.00%	-	-	-
93	Plus: Recovery of Abandoned Incentive Plant (Note E)	WP_B-Inputs Act. Line 142	-	DA 100.00%	-	-	-
94	Plus: Recovery of Extraordinary Property Loss (Note E)	WP_B-Inputs Act. Line 142	-	DA 100.00%	-	-	-
95	General	WP_B-1 Line 25	4,870,459	W/S 10.49%	511,009	944,951	(433,942)
97	Intangible	WP_B-1 Line 27	3,098,595	W/S 10.49%	325,105	381,980	(56,875)
98	Common Intangible	WP_B-1 Line 28	9,523,576	CE 7.21%	686,652	1,257,232	(570,580)
99	Common General	WP_B-1 Line 29	17,457,679	CE 7.21%	1,258,702	1,980,682	(721,980)
100	Acquisition Adjustment Amortization (Note F)	WP_B-4 Line 15	96,515	DA 100.00%	96,515	96,504	11
101	TOTAL DEPRECIATION AND AMORTIZATION	Sum Lines 92 through 100	61,473,961		29,305,120	32,169,544	(2,864,424)
102							
103	TAXES OTHER THAN INCOME	(Note J)					
104	Labor Related	WP_D-1 Line 5	13,016,760	W/S 10.49%	1,365,717	1,298,070	67,647
105	Plant Related	WP_D-1 Line 9	118,334,178	NP 17.51%	20,724,412	17,158,732	3,565,680
106	Miscellaneous	WP_D-1 Line 11	-	NA 0.00%	-	-	-
107	TOTAL OTHER TAXES	Sum Lines 104 through 106	131,350,928		22,090,130	18,456,802	3,633,328
108							
109	INCOME TAXES	(Note K)					
110	$T=1 - ((1 - \text{SIT}) * (1 - \text{FIT})) / (1 - \text{SIT} * \text{FIT} * p) =$		38.01%				
111	$\text{CIT}=(T/1-T) * (1-(\text{WCLTD}/R)) =$		45.40%				
112	where WCLTD=(line 153) and R=(line 156)						
113	and FIT, SIT & p are as given in Note K.						
114	$1 / (1 - T) =$ (from ln 110)		1.6132				
115	Amortized Investment Tax Credit (enter negative)	FF1 266.8.f	(2,599,434)				
116							
117	Income Tax Calculation	Line 68 times Line 111	204,747,706		35,265,977	37,204,524	(1,938,547)
118	ITC adjustment	Line 114 times Line 115	(4,193,407)	NP 17.51%	(734,411)	(744,168)	9,758
119	TOTAL INCOME TAXES	Sum Lines 117 through 118	200,554,299		34,531,566	36,460,356	(1,928,789)
120							
121							
122	REVENUE CREDITS	(Note L)					
123	Account No. 454 (Rent from Transmission Facilities)	WP_E-1 Line 4	2,868,769	DA 100%	2,868,769	2,184,020	684,749
124	Account No. 421.1 (Gain From Disposition of Utility Plant)	WP_E-1 Line 9	1,878,516	WS 10.49%	197,094	240,750	(43,656)
125	Account No. 456.1 (Revenue from Trans. of Elect. of Others)	WP_F-1 Line 37 Col. (b)	294,013	DA 100%	294,013	1,898,057	(1,604,044)
126	Account No. 456.1 (Revenue from Trans. of Elect. of Others)	WP_F-1 Line 38 Col. (c)	2,182,185	DA 100%	2,182,185	224,400	1,957,785
127	Settlement Credit	Note P	726,905	DA 100%	726,905	-	726,905
128	Total Revenue Credits		7,950,389		6,268,966	4,547,227	1,721,739
129							
130	REVENUE REQUIREMENT		1,025,373,825		208,498,664	215,056,093	(6,557,430)

Table 4

Line No.	SUPPORTING CALCULATIONS (1)	Reference/Notes (2)	Total (3)	Allocator (4)	Total		Difference Transmission	Ref
					Transmission (5)	Transmission (5)		
131	TRANSMISSION PLANT INCLUDED IN THE ATRR	(Note M)						
132	Transmission plant	WP_B-1 Col (a), Line 3			1,676,556,342	1,736,774,457	(60,218,115)	
133	Transmission related Acquisition Adjustment	WP_B-4 Col. (c), Line 15			5,308,257	5,308,257	-	
134	Total Transmission Plant	Sum Lines 131 through 132			1,681,864,599	1,742,082,714	(60,218,115)	
135	Eliminate Generator Step-up facilities	WP_B-Inputs Act. Line 117			(60,359,259)	(56,828,273)	(3,530,987)	
136	Transmission plant included in OATT Trans Rate	Sum Lines 133 through 134			1,621,505,340	1,685,254,441	(63,749,102)	
137	Percent of Transmission Plant in the ATRR	Line 136 divided by Line 134		TP=	96.41%	96.74%	-0.33%	
138								
139	WAGES & SALARY ALLOCATOR (W/S)							
140	Production	FF1_354.20.b	72,276,095	NA	0.00%	-	-	-
141	Transmission	WP_C-1 Line 31	15,475,566	TP	96.41%	14,920,147	14,950,558	(30,411)
142	Regional Market	FF1_354.22.b	251,907	NA	0.00%	-	-	-
143	Distribution	FF1_354.23.b	40,101,423	NA	0.00%	-	-	-
144	Other	FF1_354.24.b	14,106,512	NA	0.00%	-	-	-
145	Total	Sum Lines 140 through 144	142,210,903			14,920,147	14,950,558	(30,411)
146								
147	W/S Allocator	Line 145, Col. (5) divided by Col. (3)		W/S=	10.49%	9.88%	0.61%	
148								
149	Common to Electric Transmission Allocator	FF1_356				72.95%	73.65%	-0.70%
150		W/S Allocator, Line 147				9.88%	9.88%	0.00%
151		Line 149 times Line 150		CE=	7.21%	7.28%	-0.07%	
152								
153								
154	RETURN	(Note N)						
155	Long Term Debt	WP_G-1 Line 4	\$ 3,646,807,692	% 43.79%	Cost 4.62%	Weighted 0.0202	Weighted 0.0203	-0.0001
156	Preferred Stock	WP_G-1 Line 6	-	0.00%	0.00%	0.0000	0.0000	0.0000
157	Common Stock	WP_G-1 Line 12	4,680,830,143	56.21%	10.25%	0.0576	0.0584	-0.0008
158	Total	Sum Lines 155 through 157	8,327,637,835		ROR=	0.0778	0.0787	-0.0009
159								
160								
161	PREPAYMENTS ALLOCATION FACTOR TO ELECTRIC							
162								
163	Total Electric Plant in Service	207, Ln.100, Col. (g)	10,315,540,652					
164	Common PIS Allocated to Electric	356	451,843,544					
165	Electric Plant Held for Future Use	214, Ln. 47, Col. (d)	32,130,829					
166	Electric Construction Work in Progress	216, Ln. 43, Col. (b)	790,021,737					
167	Common CWIP Allocated to Electric	356	44,716,350					
168	Total Electric Plant	Sum Lines 163 through 167	11,634,253,112					
169	Total Utility Plant	110, Ln. 4, Col. (c), plus Ln. 16, Col. (c)	14,943,880,211					
170								
171	Electric Plant to Total Plant Allocation Factor	Line 168 divided by Line 169				77.85%		

Explanations:

- The major contributing factor to the decrease in Net Plant is related to 3 major projects that the actuals were significantly different than the budget. Project # 11080489- Pawnee Smoky Hill 345kV- this was budgeted to be in-service in January for \$45M, however it was actually placed in-service in August for \$56M. Project # 11082552 Pawnee-Smoky Hill 345kV Sub Trans- this project was budgeted to be in-service in January for \$39M, however it was actually placed in-service in June for \$14M. Project # 11176599 Missile Site 345kV Switching Stat.- this was budgeted to be in-service in January for \$13.8M, however it was actually placed in-service in August for \$155K.
- ADIT decreased \$18.5M, which increases Rate Base. FERC Account 190 increased \$7.2M due to an increase in the NOL and an increase in the FAS 106 ADIT amounts. FERC Account 282 decreased \$7.4M which is an increase in rate base. The change is driven by changes in plant related deferred taxes.
- The 2013 budgeted property tax amount included the retail deferral, this deferral should not be included, thus the property tax amount increased.
- The increase in Revenue Credits (reduces the revenue requirements) is related to the inclusion of the settlement credit (\$726k) which was agreed to after the 2013 estimate was put together. Rental revenue increased \$884k.

Line No.	Description	FERC	2013 Actuals		2013 Estimated		% Change	Explain (Increases) (a)	Explain (Decreases) (a)	Ref
			Total Electric	Total Electric	\$ Change	% Change				
1	OPERATION									
2	Supervision and Engineering	560	7,941,051	8,145,256	(204,205)	-2.51%	NO	NO		
3	Load Dispatching - Reliability	561.1	7,977	45,579	(37,602)	-82.50%	NO	NO		
4	Load Dispatching - Monitor & Operate Transmission System	561.2	4,134,742	2,345,786	1,788,956	76.26%	YES	NO	1	
5	Load Dispatching - Transmission Service & Scheduling	561.3	65,550	820,415	(754,865)	-92.01%	NO	YES	2	
6	Scheduling, System Control & Dispatch Services	561.4	-	-	-	0.00%	NO	NO		
7	Reliability, Planning and Standards Development	561.5	633,838	583,681	50,157	8.59%	NO	NO		
8	Transmission Service Studies	561.6	(455,458)	759,431	(1,214,889)	-159.97%	NO	YES	3	
9	Generation Interconnection Studies	561.7	(26,455)	673,493	(699,948)	-103.93%	NO	YES	4	
10	Reliability, Planning & Standards Development Services	561.8	1,905,235	118,205	1,787,030	1511.81%	YES	NO	5	
11	Station Expenses	562	976,555	1,096,791	(120,236)	-10.96%	NO	NO		
12	Overhead Line Expenses	563	2,380,126	2,343,798	36,328	1.55%	NO	NO		
13	Underground Lines Expense	564	71,166	-	71,166	0.00%	NO	NO		
14	Transmission of Electricity by Others	565	22,961,754	35,547,515	(12,585,761)	-35.41%	NO	NO		
15	Miscellaneous Transmission Expenses	566	3,539,602	3,264,217	275,385	8.44%	NO	NO		
16	Rents	567	2,160,387	2,064,871	95,516	4.63%	NO	NO		
17	Total Operation		46,296,070	57,809,036						
18										
19	MAINTENANCE									
20	Supervision and Engineering	568	62,979	60,451	2,528	4.18%	NO	NO		
21	Structures	569	-	-	-	0.00%	NO	NO		
22	Computer Hardware	569.1	-	-	-	0.00%	NO	NO		
23	Computer Software	569.2	-	-	-	0.00%	NO	NO		
24	Communication Equipment	569.3	-	-	-	0.00%	NO	NO		
25	Miscellaneous Regional Transmission Plant	569.4	-	-	-	0.00%	NO	NO		
26	Station Equipment	570	5,148,430	4,414,525	733,905	16.62%	YES	NO	6	
27	Overhead Lines	571	9,996,004	10,529,549	(533,545)	-5.07%	NO	YES	7	
28	Underground Lines	572	51,022	-	51,022	0.00%	NO	NO		
29	Miscellaneous Transmission Plant	573	17,019	-	17,019	0.00%	NO	NO		
30	Total Maintenance		15,275,454	15,004,526						
31										
32	TOTAL TRANSMISSION		61,571,524	72,813,563						

Note (a): Per the Implementation Procedures Section 4.a.(vi) Variance Analysis- explanations are need when an "expense or revenue component, when trued-up is both 5% and \$500,000 above or below the projected value."

Explanations:

- 1 Load Dispatch-Monitor and Operate Transmission System (FERC 561.2) increased due to reassignment of labor costs from FERC 561.3 (\$773K), and FERC 560 (\$572K) to more accurately align with the business area function of the Control Center. The remaining increase of \$536K was due to additional employee turnover requiring operator overtime during apprenticeship.
- 2 Load Dispatch Trans Service & Scheduling (FERC 561.3) decreased due to the Control Center labor expense charging to FERC 561.2 to more accurately align with the business area function totaling \$733K as documented above.
- 3 Customer requested transmission service studies were lower than expected due to the anticipated cancellation of protective tax credits (PTC's) effective. 12/31/13 totaling \$504K.
- 4 Customer requested transmission interconnection studies were lower than expected due to the anticipated cancellation of production tax credits (PTC's) effective. 12/31/2013 totaling \$519K.
- 5 NERC fees are paid under FERC 561.8, but were budgeted under FERC 928, which had a (\$1.2M) variance to budget.
- 6 Substations increased over-time and contract labor to address six transformer failures in October 2013, as well as warranty work and oil leak repairs totaling \$581K.
- 7 Transmission construction labor and expenses of \$314K were charged to FERC account 566. In addition, reclassified Tri-State payment per direction from Joint Venture Accounting from revenue to misc. other in the amount of \$248K.

Line No.	FERC	Account Description	2013 Actuals Total Electric	2013 Estimated Total Electric	\$ Change	% Change	Explain (Increases) (a)	Explain (Decreases) (a)	Ref
1	920	Administrative and general salaries	37,696,702	37,835,784	(139,082)	-0.37%	NO	NO	
2	921	Office supplies and expenses	29,421,951	28,827,753	594,198	2.06%	NO	NO	
3	922	Administrative expenses transferred-- Credit	(32,695,086)	(34,392,363)	1,697,277	-4.94%	NO	NO	
4	923	Outside services employed	15,257,421	10,090,207	5,167,214	51.21%	YES	NO	1
5	924	Property insurance	5,454,918	5,983,194	(528,276)	-8.83%	NO	YES	2
6	925	Injuries and damages	9,392,939	9,319,088	73,851	0.79%	NO	NO	
7	926	Employee pensions and benefits	65,273,921	68,932,796	(3,658,875)	-5.31%	NO	YES	3
8	927	Franchise requirements	-	-	-	0.00%	NO	NO	
9	928	Regulatory commission expenses	9,017,207	10,187,146	(1,169,939)	-11.48%	NO	NO	
10	929	Duplicate charges--Credit	(2,512,996)	(2,296,112)	(216,884)	9.45%	NO	NO	
11	930.1	General Advertising Expenses	3,818,139	2,121,722	1,696,417	79.95%	YES	NO	4
12	930.2	Miscellaneous general expenses	6,381,602	8,314,346	(1,932,744)	-23.25%	NO	YES	5
13	931	Rents	19,998,588	20,487,475	(488,887)	-2.39%	NO	NO	
14	935	Maintenance of general plant	495,226	342,794	152,432	44.47%	NO	NO	
15		Subtotal	\$ 167,000,532	\$ 165,753,830	1,246,702	0.75%			

Note (a): Per the Implementation Procedures Section 4.a.(vi) Variance Analysis- explanations are need when an "expense or revenue component, when tried-up is both 5% and \$500,000 above or below the projected value."

Explanations:

- The significant component for the increase in outside services employed was primarily related to additional project O&M associated with the capital portfolio including General Ledger and Work in Asset Management and additional consulting to establish the Enterprise Transformation Office processes. In addition, there was an increase in consulting and outside vendor expenses for new customer experience programs in the Marketing area.
- Property insurance policy renewals were less than expected with favorable loss history as well as adjustments to operating company allocations by valuations totaling \$373K. In addition, we had favorable auto liability renewals with allocations based on valuations and loss history totaling \$153K.
- Due to lower active health care (7,580K) and retiree medical (1,574K) costs, offset by higher qualified pension 3,118K and life and Long-Term Disability insurance 2,537K.
- The increase was primarily due to Corporate advertising campaign which was a planned conversation message then shifted to brand image (offset with FERC 909) totaling \$1.2M.
- Joint owned plant costs not incurred as expected and a portion charged to other FERC accounts by Tri State Craig plant and Comanche totaling \$1.7M.