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

DIRECT TESTIMONY OF

DARRIN R. IVES

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

**IN THE MATTER OF THE APPLICATION OF
KANSAS CITY POWER & LIGHT COMPANY
TO MAKE CERTAIN CHANGES IN
ITS CHARGES FOR ELECTRIC SERVICE**

DOCKET NO. 18-KCPE-____-RTS

Q: Please state your name and business address.

A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri 64105.

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

A: I am employed by Kansas City Power & Light Company ("KCP&L" or "Company") as Vice President – Regulatory Affairs.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of KCP&L.

Q: What are your responsibilities?

A: My responsibilities include oversight of the Company's Regulatory Affairs Department, as well as all aspects of regulatory activities including cost of service, rate design, revenue requirements, regulatory reporting and tariff administration.

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

A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business Administration with majors in Accounting and Marketing. I received my Master of Business Administration degree from the University of Missouri-Kansas City in 2001. I am a Certified Public Accountant. From 1992 to 1996, I performed audit services for the public accounting firm Coopers & Lybrand L.L.P. I was first employed by KCP&L in 1996 and held positions of progressive responsibility in Accounting Services and was named Assistant Controller in 2007. I served as Assistant Controller until I was named Senior Director – Regulatory Affairs in April 2011. I have held my current position as Vice President – Regulatory Affairs since August 2013.

Q: Have you previously testified in a proceeding at the Kansas Corporation Commission ("KCC" or "Commission") or before any other utility regulatory agency?

A: Yes, I have testified before the KCC and the Missouri Public Service Commission. I have also provided written testimony to the Federal Energy Regulatory Commission and testified before Missouri legislative committees.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to:

1) Provide the KCC with an overview of KCP&L's operations;

2) Provide an overview of the Company's proposed rate increase including a description of the major drivers in the case;

3) Provide an overview of the merger of KCP&L's parent company, Great Plains Energy Incorporated ("GPE"), and Westar Energy, Inc. ("Westar") and describe what approval of the Settlement Agreement would mean for this case;

4) Discuss the impact of the federal Tax Cuts and Jobs Act of 2017 ("TCJA"), which was recently passed into law, on the revenue requirement calculation in this case; and

5) Discuss a number of Company initiatives in recent years, including its efforts to remain focused on customers and some of KCP&L's ongoing initiatives and future expectations.

OVERVIEW OF KCP&L

Q: Please discuss KCP&L's operations and history.

A: KCP&L was originally founded in 1882 and is recognized as one of the Midwest's most reliable energy suppliers. KCP&L is a wholly-owned subsidiary of GPE, and both GPE and KCP&L are headquartered in Kansas City, Missouri. Additionally, GPE announced an Amended and Restated Agreement and Plan of Merger dated July 9, 2017 ("Amended Merger Agreement") of Westar and GPE ("Applicants") which reconstitutes the transaction presented in 16-KCPE-593-ACQ. Upon close of the transaction, GPE will cease to exist and a new holding company ("Holdco") will be created. Holdco, which will have a new yet-to-be-determined name, will be the new parent of Westar and its subsidiaries, and KCP&L, KCP&L Greater Missouri Operations Company ("GMO") and GPE's other subsidiaries. Holdco will initially be owned by the shareholders who are now Westar's (approximately 52.5 percent) and GPE's (approximately 47.5 percent) shareholders. An order from the Commission on the merger application is expected in the second quarter of 2018.

Through its current regulated utility subsidiaries, GPE serves approximately 860,000 customers in 46 counties in Missouri and eastern Kansas including approximately 758,100 residences, 100,000 commercial firms, and 2,600 industrials, municipalities and other electric utilities. KCP&L alone serves approximately 537,700 customers, including approximately 475,100 residences, 60,700 commercial firms, and 2,000 industrials, municipalities and other electric utilities. KCP&L's electric service territory includes the Kansas City metropolitan area and surrounding cities.

KCP&L retail revenues – reflecting service provided to residences and businesses – averaged approximately 90 percent of its total operating revenues over the last three years. Wholesale firm power, bulk power sales and miscellaneous electric revenues accounted for the remainder of KCP&L's revenues. Like most electric utilities, KCP&L is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter.

To serve its customers, on a combined basis, KCP&L and GMO own approximately 4,000 mega-watts ("MW") of base load generating capacity and approximately 2,500 MW of peak load and wind generating capacity. This capacity is diversified with outright or joint ownership in six large coal-fired generating stations with a capacity share of almost 3,450 MW, the Wolf Creek nuclear power generating station with capacity of approximately 550 MW, approximately 2,350 MW of natural gas- and oil-fired capacity, approximately 150 MW of wind generating capacity located in Spearville, Kansas. KCP&L and GMO have approximately 1,240 MW of wind generating capacity under contract located in Missouri and Kansas. KCP&L and GMO own or have contracted for other renewable capacity including hydro, solar and landfill gas totaling 65 MW. In addition, GPE has contracted for an additional 444 MW of wind generation expected to become operational by the end of 2018 or early 2019. In April 2016, KCP&L retired its Montrose 1 generating unit from electric service.

On a combined basis, KCP&L and GMO operate and maintain approximately 22,900 circuit miles of distribution lines and approximately 3,600 circuit miles of transmission lines to serve customers across their service territory. KCP&L's share of lines is 12,200 miles of distribution lines and 1,800 miles of transmission lines.

KCP&L is one of the largest companies in the region, with just under 2,800 employees, including more than 1,700 union employees. These employees are active in the communities we serve, fulfilling our guiding corporate principle of "Improving Life in the Communities We Serve."

PURPOSE AND REASON FOR THIS FILING

Q: What is the Company asking for in this case and why?

A: This case is a request for authority to implement a general rate increase for electric service. The Company currently operates with a revenue deficiency. In the Company's last abbreviated rate proceeding rates were decreased approximately $3.5 million, in accordance with the Commission's order in Docket No. 17-KCPE-201-RTS ("2017 Abbreviated Rate Case"). This case seeks to increase rates to recover new investments made since the 2015 Rate Case Docket No. 15-KCPE-116-RTS which included the latest update to rates for investments other than the limited investment updates considered in the 2017 Abbreviated Rate Case as well as investments in progress to be included per

K.S.A. 66-128 in this case, reset cost of service based upon the test year for this case as updated in this case including the reflection of the impacts of TCJA. The case is necessary to provide the Company a reasonable opportunity to earn its Commission-authorized return while timely providing the benefits of the TCJA to customers.

KCP&L is committed to passing 100% of the benefit from the TCJA to customers. TCJA became effective January 1, 2018. The impact of TCJA associated with the tax rate change from 35% to 21% and the impact on excess accumulated deferred income taxes is reflected in the revenue requirement calculation in this rate case. In addition, I discuss later in my testimony the Company's proposal concerning TCJA regarding the period from January 1, 2018, the effective date of TCJA, to the effective date of rates from this rate case proceeding.

In addition to the items discussed above, the Company has also been experiencing periods in which the average use per customer is flattening out or even declining. From 2000 to 2007, KCP&L's average use per customer was increasing on average 1.2%, 0.2% and 1.1% per year for residential, commercial and industrial sectors. Since 2012 the average use per total customer base has declined on average (0.4%) for the KCP&L KS jurisdiction. This makes it difficult for the Company to offset any cost increases that are occurring in its cost of service.

Finally, the Company is making a number of rate design proposals including proposed pilot programs for the implementation of demand and Time of Use ("TOU") rates. The Company believes that taking a measured approach in order to analyze the impacts of demand and TOU pilot programs is the appropriate step to take at this time. In addition, the proposed Solar Subscription Pilot Rider and Renewable Energy Rider provide increased access to renewable energy for those customers who wish to participate. The Company is also proposing a new demand rate for residential distributed generation customers and a new Standby tariff for Commercial & Industrial customers utilizing their own generation sources. The Company is proposing to eliminate its obsolete Real-Time Pricing rate. Finally, the Company proposes changes to its electric vehicle charging tariff to better meet the needs of electric vehicle users, which are a growing mobile segment of KCP&L's customers.

CASE OVERVIEW

Q: Please briefly summarize the Company's case.

A: The Company is requesting an increase of $26.2 million or 4.53%, excluding property tax re-basing. Including property tax re-basing the Company's requested increase is $32.9 million. The increase is based on a current Kansas jurisdictional base retail revenue of $577.9 million. This revenue requirement calculation is also based on calculations which include the impacts of TCJA. The estimated impact of TCJA reduced the revenue requirement request in this case by $34.5 million.

The revenue requirement schedules are based on a historical test year of the twelve months ending September 30, 2017, with known and measurable changes projected through June 30, 2018 and inclusion of investments in progress consistent with K.S.A. 66-128. Below is a graphical depiction of the case, including case drivers, significant elements of the case and other high-level facts.

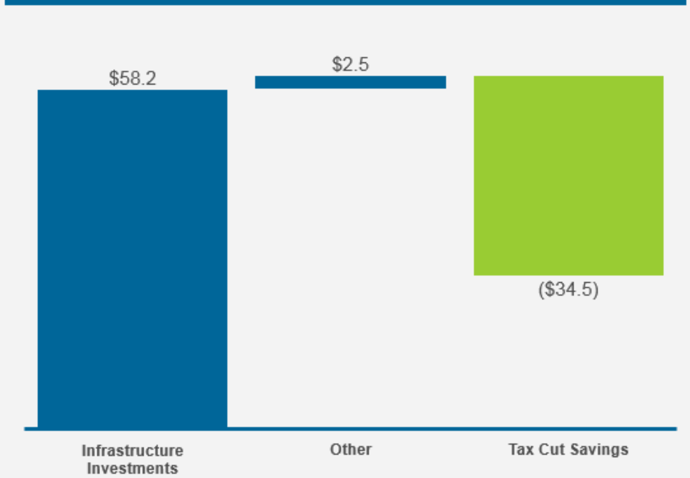
KCP&L – KANSAS GENERAL RATE REVIEW SUMMARY

General Rate Review Drivers:

- Federal corporate tax cut savings resulting from Tax Cuts and Jobs Act of 2017
- New customer information system and infrastructure investments, and cost of service true-up since rates were last set

Case Attributes	
Filed	5/1/2018
Revenue Increase (in millions)[1,2]	$26.2
Percent Increase[1,2]	4.53%
Rate Base (in millions)	$2,329
ROE[3]	9.85%
KCP&L Cost of Debt[4]	4.94%
KCP&L Common Equity Ratio	49.8%
KCP&L Rate of Return[4]	7.38%
Test Year	9/30/2017
Proposed Up-Date Period	6/30/2018
Anticipated Effective Date of New Retail Rates	12/27/2018
Case Number	[ ]

$26.2 Million Revenue Increase Request[1,2]



1. Excludes property taxes that flow through the property tax surcharge recovery mechanism. Total requested increase including the rebasing of property taxes is $32.9 million.
2. In the case of merger settlement approval and merger close, embedded transition costs and merger savings will be adjusted to reflect terms of the merger settlement agreement. In addition, bill credits associated with the Tax Cuts and Jobs Act of 2017 that started Jan. 1, 2018 will be provided to customers without offset under terms of the merger settlement agreement.
3. ROE request is based on stand-alone view. In the case of merger settlement approval and merger close, KCP&L has agreed to recommend an ROE of 9.3% be approved.
4. Estimated amount to be updated at June 30, 2018.

GREAT PLAINS ENERGY

This summary of the requested increase clearly depicts the rate case drivers associated with this request which include the additional infrastructure investments, including the expected CIS project completion. In addition, TCJA is reflected in the revenue requirement calculation offsetting some of the impact of the infrastructure investments.

Company witness Ronald A. Klote's Direct Testimony supports the cost of service and revenue requirement determination, which is included in his Exhibits RAK-1 through RAK-3.

Q: What is the effective date of the Company's proposed tariffs filed in this case?

A: The tariffs bear an issue date of May 1, 2018. The Commission can suspend these tariffs up to 240 days. This would place the expected effective date of new rates on or about December 27, 2018.

Q: What is the return on equity ("ROE") KCP&L is requesting in this case?

A: KCP&L is requesting an ROE of 9.85%. KCP&L witness Robert B. Hevert presents in his Direct Testimony his cost of capital study results and recommendations in support of an ROE range of 9.75-10.50%. Mr. Hevert's recommended ROE range and the Company's specific 9.85% ROE recommendation reflects analytical results based on a proxy group of electric utilities, and takes into consideration the Company's risk profile, including the regulatory environment in which the Company operates and its generation portfolio. As will be discussed later in my testimony, the Company will modify its ROE request to 9.3% upon Commission approval of the Settlement Agreement reached in the GPE-Westar merger proceeding, Docket No. 18-KCPE-095-MER and closing of the Merger.

Q: What is the equity ratio in the capital structure KCP&L is requesting in this case?

A: KCP&L is requesting a capital structure comprised of 50.84% common equity based on the projected KCP&L capital structure as of June 30, 2018. KCP&L witness Robert Hevert presents in his Direct Testimony his cost of capital study results and recommendations based on the Company's requested capital structure.

Q: What is the cost of debt in the capital structure KCP&L is requesting in this case?

A: The cost of debt in this case is 4.96%, which is 59 basis points less than the final ordered cost of debt percentage in KCP&L's last rate case and is addressed by KCP&L witness Robert Hevert in his Direct Testimony.

Q: With the cost of equity and capital structure described above, what is the resulting rate of return?

A: The requested rate of return in this rate case is 7.39%.

IMPACT OF THE WESTAR MERGER

Q: Is there any request in this case related to GPE's announcement of its agreement to merge with Westar Energy, Inc. ("Westar")?

A: GPE announced an Amended and Restated Agreement and Plan of Merger dated July 9, 2017 between Westar and GPE. Efficiency savings associated with labor and benefit costs will be reflected in this case, as the Merger is anticipated to close prior to the proposed Update date in this case. In anticipation of the proposed Merger and the combining of the two companies, employee positions have been held open in order to meet the reduced headcount needs of the combined organization. This reduced headcount will be reflected in the results of this case which will provide efficiency savings resulting from the Merger immediately to customers when rates are effective from this rate case. As discussed in the Merger Application, the ability to deliver cost efficiencies is facilitated by the incurrence of transition costs. Consistent with the Merger Application, KCP&L is requesting the ability to defer transition costs incurred through the proposed Update date in this case, and recover the deferred transition costs over five years. As included in the Merger Application, KCP&L will demonstrate that the cost efficiencies I just discussed exceed the requested recovery of the transition costs demonstrating benefits to KCP&L's customers. See additional discussion of Merger cost efficiencies and transition costs in the Direct Testimony of Ronald Klote.

Q: How will the requested rate increase be reduced if the Commission approves the Settlement Agreement in the GPE-Westar merger proceeding?

A: On March 7, 2018, KCP&L, Westar, Staff, CURB and various other parties filed a Non-Unanimous Settlement Agreement ("Settlement Agreement") in Docket No. 18-KCPE-095-MER. The Settlement Agreement contains a number of provisions that, if approved by the Commission, will, among other things: (1) provide bill credits to KCP&L customers; and (2) reduce rates of KCP&L customers by approximately $18,320,668 on an annual basis. See Exhibit DRI-1 for the above amounts which I will explain below.

Q: Please explain the bill credit provisions of the Settlement Agreement.

A: Paragraph 31 of the Settlement Agreement (Condition 18 in Attachment 1 to the Settlement Agreement) provides for $7,514,220 of upfront bill credits for KCP&L retail electric customers as soon as practicable after the closing of the Merger with the understanding that the data needed to effectuate the inter-class allocation of bill credit amounts would not be available until near the end of this rate case.

Paragraph 32.iv.5. of the Settlement Agreement provides that KCP&L agrees to forego its ability to demonstrate under-earnings at the time TCJA took effect as an offset to benefits otherwise due to customers from January 1, 2018 through the effective date of new retail rates as a result of this rate case.

Pursuant to this provision, assuming the Commission approves the Settlement Agreement and the merger closes, KCP&L proposes that its retail electric customers will receive either the benefit of an amortization or a bill credit for the accrued revenue balance attributable to TCJA for the period of January 1, 2018 to December 27, 2018. If rates go into effect on December 27, 2018, this accrued revenue balance is projected to be $31,331,395.

Paragraph 33 of the Settlement Agreement (Condition 18 in Attachment 1 of the Settlement Agreement) provides for annual bill credits for KCP&L retail electric customers of $2,817,832 in each year of 2019-2022.

Q: Please explain how Commission approval of the Settlement Agreement would reduce revenue requirement and rates in this case.

A: Paragraph 32 of the Settlement Agreement (Condition 24 in Attachment 1 to the Settlement Agreement) provides for a five-year base rate moratorium. As part of this moratorium, the Signatories agreed to recommend a 9.3% ROE in this rate case. As discussed below, absent the Settlement Agreement, the Company's ROE financing needs are met by an ROE of 9.85%. The reduction in the Company's requested ROE (9.85%-9.3%) is worth approximately $8,803,164 in annual revenue requirement and customer rates and this reduction will be in effect for the rate moratorium period assuming the Settlement Agreement is approved.

Paragraph 32iv.3. provides for the inclusion in revenue requirement and rates of all Merger-related savings achieved at the Update date in this rate case. This savings amount is guaranteed to be no less than $7,468,874 million and will also be in effect throughout the rate moratorium.

The above amounts ($8,803,164 and $7,468,874) are offset by an annual transition cost recovery by KCP&L of $769,202 as specified in paragraph 35 of the

Settlement Agreement (Condition 19 in Attachment 1 to the Settlement Agreement). The filed revenue requirement includes $1,372,150 of annual transition cost recovery so the transition costs adjustment to annual recovery of $769,202 will reduce the requested annual revenue requirement by $602,984 upon approval of the Settlement Agreement and close of the Merger.

MAJOR CASE DRIVERS

Q: Please elaborate on the major drivers underlying KCP&L's proposed rate increase?

A: There are three primary drivers underlying this rate increase request.

First, since March 31, 2015, the update period in KCP&L's last full general rate case and February 28, 2017, the update period in KCP&L's last abbreviated rate case the Company has made infrastructure investments in its works and systems to ensure the reliability, security, and service customers require and expect. While electricity is still delivered via poles and wires much as it has been for decades, the service customers expect has become in large part a function of technology, requiring significant investments in both new systems and upgrades/maintenance of existing systems. The Company is investing in its systems to maintain high levels of customer service and reliability as evidenced by its current upgrade to the customer information and billing systems including system enhancements to be compliant with CIP/cyber and upgrades to its Meter Data Management systems. See the Direct Testimony of Company witnesses Charles Caisley and Forrest Archibald for more explanation on the customer information system enhancements.

Second, KCP&L based on the Order received in Docket No. 08-GIMX-1142-GIV is required to file a Depreciation Study every five to seven years and file the study concurrently or just before a general rate case. The last time KCPL filed a full depreciation study was in Docket No. 12-KCPE-764-RTS which covered the plant balance period of December 31, 2011. As such, KCP&L has conducted a full Depreciation Study in conjunction with this rate case filing. Company witness Dane Watson's Direct Testimony includes the results of the Depreciation Study.

Third, the estimated impact of TCJA has significantly decreased the revenue requirement calculated in this case. In early January 2018, KCP&L provided assurance that customers would experience the full benefits of this new tax law.

TAX CUTS AND JOBS ACT OF 2017

Q: Please provide a brief history of the legislation.

A: On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act of 2017.

Q: Please list the different components of the bill impacting the revenue requirement calculation.

A: The reduction of the federal tax rate to 21% from 35% effective on January 1, 2018 is the primary component of the legislation that impacts the revenue requirement model. There is also an impact for the amortization of excess deferred income taxes that is reflected in the revenue requirement calculation.

Q: Please explain how the revenue requirements model reflects the effects of TCJA.

A: The revenue requirement model has been updated to include the reduction of the overall income tax rate (including state income taxes) used to compute income tax expense in cost of service from 39.55% to 26.53%. This results in a significant reduction in income tax expense. Secondly, the income tax expense has also been adjusted for an estimated amount of excess accumulated deferred income taxes ("ADIT") amortized back to customers. This amortization represents a portion of ADIT previously recovered from customers but not yet paid to the Internal Revenue Service ("IRS"). Since these taxes will now not be paid to the IRS, they will be given back to customers over the appropriate time period. The estimated annual amount of excess ADIT related to plant temporary differences has been computed using the normalization rules required by TCJA. Amortization of other excess ADIT related to non-plant temporary differences has been computed using various periods depending on the item it relates to. Please see the testimony of KCP&L witness Ronald Klote for more details.

Q: Please provide an estimate of the impact of TCJA on the revenue requirement model.

A: TCJA decreased our requested revenue requirement by an estimated $34.5 million.

Q: Will customers receive the benefit of TCJA for the period January 1, 2018 through rates effective date of December 27, 2018?

A: Yes. The Commission opened Docket No. 18-GIMX-248-GIV Order Opening General Investigation and Issuing Accounting Authority Order Regarding Federal Tax Reform which requested public utilities in the State of Kansas to calculate and defer the difference in its cost of service since their last rate case by reflecting the change in the corporate tax rate from 35% to 21%. As discussed earlier in my testimony, KCP&L has complied with this Order and is currently deferring this amount in its accounting books and records. In addition, KCP&L proposes the amount from January 1, 2018 to the effective date of new rates from this case be returned to customers through either an amortization or a bill credit if the Merger Settlement Agreement is approved by the Commission and the Merger with Westar is completed. If the Merger Settlement

Agreement is not approved by this Commission, then KCP&L will work with the parties of this case to determine the actual impact of the tax cuts beginning January 1, 2018 after considering the review of all costs in this case to serve customers. The Company still proposes to utilize either an amortization or provide a bill credit for the amount, if applicable, that is determined after considering all cost of service impacts.

Q: Why do you believe it is appropriate to offset the TCJA impact in 2018 with other costs to serve customers in 2018?

A: First, I believe anything other than a full review of costs to serve customers in 2018 would constitute single-issue ratemaking and would not be a rational approach to determine the amount of benefit from the TCJA in 2018 to return to customers. I also rely upon the relevant parts of paragraph 11 of the Commission's January 18, 2018 Order in Docket No. 18-GIMX-248-GIV which states:

> Second, Staff's recommendation does not contravene existing law regarding the RLECs reasonable opportunity to recover all their costs. ***Any affected utility that believes that other components of their cost of service have more than offset the decrease in its income tax expenses will have the ability to file such information and supporting data with the Commission, to be considered on a case-by-case basis. The Commission's intention here is not to materially impact regulated utilities' profitability, but rather, ensure that the affected utilities are neither positively or negatively impacted by the passage of federal income tax reform.*** (excerpt)

However, in the event the Merger Settlement Agreement is approved by the Commission and the Merger closes, the Company has agreed to forego its ability to demonstrate under-earnings at the time of the effective date of the TCJA as an offset to benefits otherwise due customers from January 1, 2018 through the effective date of new rates from this case.

RECENT KCP&L INITIATIVES

Q: Has KCP&L undertaken initiatives in recent years that demonstrate its focus on serving customers?

A: Yes. KCP&L has been, and remains, focused on meeting its customers' needs. KCP&L has implemented renewable energy resources as well as maintaining a highly reliable system, in order to meet customers' needs in both the near-term and the long-term. KCP&L has made substantial progress on installation of Advanced Meter Infrastructure ("AMI", also known as smart meter) technology. Also, more than 25 years ago KCP&L played a major role in the development of some of the first commercially available automated capacitor controls. As the life expectancy of these controls neared, KCP&L sought out the most recent capacitor control technology to simplify operations and improve communications. The application of this capacitor automation technology is a proven approach to improve distribution system voltages and power factor, reducing generation demand while achieving significant energy savings and improving customer power quality.[1]

As I discussed earlier, the Company is currently implementing a new Customer Information System ("CIS") which will provide a more robust customer experience with more self-service options and enhance the customer care and billing operations of the Company. See the testimony of Company witnesses Forrest Archibald and Charles Caisley for more explanation of the CIS implementation.

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[1] KCP&L Modernizes Capacitor Bank Controls, T&D World, January 2018.

Q: Can you provide additional examples of how KCP&L maintains focus on meeting the needs of its customer base?

A: Yes. Although all the things we do in this regard are too numerous to discuss comprehensively here, the following are examples:

- We continually monitor the reliability of our service via several metrics, including System Average Interruption Frequency Index ("SAIFI"), System Average Interruption Duration Index ("SAIDI"), and Customer Average Interruption Duration Index ("CAIDI"). SAIFI measures the average frequency of outages that customers on our system may experience in a year. We have several programs aimed at reducing the frequency of outages our customers experience including our vegetation and tree trimming program and our worst performing circuit program. CAIDI measures the average duration of outages that impact customers. We study this metric to adjust staffing levels at our service centers seasonally and we incentivize certain workgroups based on the Company's performance in this metric. SAIDI is a measure that combines both frequency and duration for a 'total picture' view of our reliability. This metric and its trends are studied to determine how our reliability is performing over time as a company. It is also used to track storm impacts and helps the Company identify business processes that minimize the effect of outages on our customers.

- We also know that contact center performance is important to our customers and monitor that performance using statistics including Abandon Rate, Average Speed of Answer and Service Level (i.e., percentage of calls answered within 20 seconds). The Company's contact center has consistently provided quality service and performance over the past several years.

CONCLUSION

Q: Do you have concluding remarks for the Commission's consideration?

A: Yes. In this case, the Company is asking for recovery of costs necessary to provide long-term, safe and reliable energy to the customers of KCP&L. Many of these costs are federal and state-mandated and outside the control of the Company as well as costs incurred to continue to provide the quality of service that KCP&L's customers need and expect.

The Company is making a number of rate design proposals and has proposed certain pilot program tariffs intended to provide customers the ability to participate more directly in renewable energy if they wish and to provide customers the ability to have more direct control over their electricity bill through participation in the pilot rate designs.

Finally, and importantly for customers, this rate case serves as the appropriate vehicle to provide the benefit of the Tax Cuts and Jobs Act of 2017 back to customers. Although there have been costs significantly increasing in some areas of the Company, the impact of the federal tax decreases has mitigated the impact of those increases in this rate request. KCP&L believes it is appropriate to provide these tax cut benefits back to customers through the rate case process.

The Company therefore requests the Commission approve its Application as supported by the direct testimony of its witnesses, including its rate design proposals designed to offer customers more direct control over their electricity bill and to provide customers the opportunity to participate more directly in renewable energy if they wish.

The Company acknowledges that Commission approval of the Merger Settlement Agreement and close of the Merger will require updates to certain requests made in its Application in this proceeding and will work with Staff and parties in the course of this proceeding to ensure all adjustments required under the Merger Settlement Agreement are appropriately reflected in the Update to this case if the Commission approves the GPE and Westar Merger as contemplated by the Settlement Agreement and the Merger closes.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in Its Charge for Electric Service	))))	**Docket No. 18-KCPE-____-RTS**

AFFIDAVIT OF DARRIN R. IVES

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Darrin R. Ives, being first duly sworn on his oath, states:

1. My name is Darrin R. Ives. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of twenty (20) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Darrin R. Ives

Subscribed and sworn before me this 1st day of May 2018.

Notary Public

My commission expires: 4/26/2021

ANTHONY R WESTENKIRCHNER
Notary Public, Notary Seal
State of Missouri
Platte County
Commission # 17279952
My Commission Expires April 26, 2021

Merger Impacts

Kansas City Power & Light - Kansas

Annual Impact:	
ROE	($ 8,803,164)
Labor Savings	($ 7,468,874)
Guaranteed Annual Bill Credits	($ 2,817,832)
Transition Costs	$ 769,202
Annual Total	($18,320,668)
One-time Impact:	
Income Tax –	
Stub Period (1-1-18 to 12-27-18)	($31,331,395)
Upfront Bill Credits	($ 7,514,220)
One-time Total	($39,280,774)