

December 15, 2017

Ms. Amy L. Green Secretary to the Commission Kansas Corporation Commission 1500 SW Arrowhead Rd. Topeka, Kansas 66604-4024

18-KCPE-258-TAR

RE:

Property Tax Surcharge Tariff - Schedule No. 10

Dear Ms. Green:

Pursuant to Kansas City Power & Light Company's (KCP&L) tariff Schedule 10, KCP&L hereby files an updated Property Tax Surcharge (PTS) tariff to be effective February 1, 2018. The calculated Property Tax Surcharge factor is based on estimates of property tax assessments received through December 15, 2017. These amounts may be adjusted to be consistent with the Commission Staff's audit prior to the effective date of February 1, 2018.

This filing is in accordance with K.S.A. 66-117(f) which allows a utility to reflect an adjustment on its customers' bills for any increases/decreases in its annual Ad Valorem Taxes above/below amounts included in the utility's revenue requirement authorized by the Kansas Corporation Commission. The Company's authorized annual revenue requirement in effect during 2017 was determined in Docket No. 15-KCPE-116-RTS.

Included in this submittal are:

PTS tariff Schedule 10 Sheet 1 and Schedule 10 Sheet 2, clean and red-line versions

2018 PTS calculation

Please feel free to call me at (816) 556-2209 with any questions concerning this filing.

Respectfully,

Lisa Starkebaum

Supervisor, Regulatory Affairs

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By:

Darrin Ives

		SCHEDULE10			10			
	POWER & LIGHT COMPANY	D 1 1 2 1 1 1	4.0	,	~ 1			
	ne of Issuing Utility)	Replacing Schedule	10		Sheet 1			
Rate Areas No. 2	which schedule is applicable)	which was filed	1	2/20/2016				
	separate understanding	which was filed	1	2/20/2010				
	ariff as shown hereon.	Sheet	1 0	of 2	Sheets			
			-					
APPLICABILITY	PROPERTY TAX Schedu							
APPLICABILITY: This Property Tax (PT) Surcharge (Schedule PTS) shall be applicable to all Kansas Retail Rate Schedules for the Company. This PT Surcharge will be effective February 1, 2018.								
customers' t the utility's	charge is in accordance with K.S.A. 66-1 bills for any increases/decreases in its and revenue requirement authorized by the annual revenue requirement in effect dur	nual Ad Valorem Taxes e Kansas Corporation	above/belo Commissi	w amounts on. The	s included in Company's			
BASIS: Annual increases/decreases of Ad Valorem Taxes will be recovered using a PTS factor applied to each customer's bill. The PTS factor will be calculated annually and applied to a customer's usage on a kilowatt-hour (kWh) basis. The PTS factor will be expressed in the form of dollars per kWh. Retail customer charges for increases/decreases of Ad Valorem Taxes will be determined by multiplying the kilowatt-hours of electricity billed by the corresponding PTS factor. The customer charges associated with this PT Surcharge will be identified and shown as a separate line on the customer's bill.								
PROPERTY TAX SURCHARGE AMOUNT CALCULATION: A single PTS factor will be used across all customer classes. The PTS factor will be calculated annually to recover over a specified twelve (12) month period (the PT Surcharge period) any increases/decreases in Ad Valorem Taxes for the preceding calendar year plus any applicable true-up amount (positive or negative) from the prior PT Surcharge period. The PTS factor will be determined annually as follows:								
$(PTA_n - PTRR) + TRUE_{n-1} + TRUE_{n-2}$								
	PTS factor =							
Where:	kWh _{n+1}							
where.								
PTS factor =	Property Tax Surcharge factor expresse	d in dollars per kWh.						
PTA _n =	PTA _n = Actual current amount of the Company's Ad Valorem Taxes on a Kansas jurisdictional basis incurred during the applicable calendar year (n). For the PT Surcharge applicable February 1, 2018 through January 31, 2019, n equals calendar year 2017.							
PTRR =	PTRR = Total amount of the Company's Ad Valorem Taxes approved by the Commission for inclusion in the Company's revenue requirement in its last Kansas rate case. This amount represents the Base Level. Such Base Level will be updated (or rebased) as appropriate for each annual PTS factor calculation to include any future Commission-approved changes to the Company's Ad Valorem Taxes included in its revenue requirements.							
Issued:	December 15, 2017		FILED					
Effective:	Month Day Year February 1, 2018	THE STATE (CORPORATI KANSA		AISSION OF			
By: Darrin	Month Day Year VP—Regulatory	Bv·						

By:

Secretary

			SCHE	EDULE 10				
	POWER & LIGHT	COMPANY	5	10 01				
	ne of Issuing Utility)		Replacing Schedule	10 Sheet			heet _	2
Rate Areas No. 2	which schedule is applic	cable)	which was filed	12/20/2016				
	separate understand		winen was med		12/20	72010		
	ariff as shown hereo		Sheet	2	of	2	Sheet	S
PROPERTY TA TRUE _{n-1} =	X SURCHARGE AT The annual true-uprior to filing the necessity calculation. The true-uperiod. Such true-uprior to filing the necessity to filing the necessity calculation. The true-uproved	PROPERTY T. Scheo AMOUNT CALCULAT p amount for the prior ext annual PT Surcha rue-up amount will ref for collection during t charge revenue that w -up amount may be po p amount for the prior ext annual PT Surcha rue-up amount will ref for collection during t	AX SURCHARGE dule PTS FION: (continued) PT Surcharge period (n-1) rge, and to be applied in sulect any difference between the prior PT Surcharge perion actually be collected dur	, to be uch sub the ar od (PT ing the , to be the such the ar od (PT	determosequer mount of A _{n-1} – F prior P determosubsec mount of A _{n-2} – F	nined ent PTS of PT S PTRR) T Surd nined ent For S PTRR)	(continuation (c	ar ge e ar ctor
$kWh_{n+1} = F$	Projected annual koperiod (n+1) for all		all Kansas Retail custome	rs durir	ng the a	pplica	ble time	е
1. The	PTS factor will be	expressed in dollars	per kilowatt-hour rounded t	to five	decimal	l place:	S.	
 In years where the calculated PTS factor rounds to zero for the current year filing, any increase/decrease of Ad Valorem Taxes will be carried over as an adjustment in the subsequent True- up calculation. 								
PTS FACTOR A	APPLICABLE TO	FEBRUARY 1, 2018 [.]	THROUGH JANUARY 31,	2019 l	JSAGE	:		
All Rate Cla	sses	\$0.00098 / kWh						
Issued:	December Month	er 15, 2017 Day Year		ILED				
Effective:	Februa Month	ary 1, 2018 Day Year	THE STATE CC	RPOR KAN		COMM	IISSIO	N OF
By: Darrin	Ives	VP-Regulator	y By:				Sacratary	

			SCHEDULE			10			
	POWER & LIGHT COMPANY	r	1	10		c	714	1	
Rate Areas No. 2	me of Issuing Utility) $\mathcal{L} \mathcal{L} \Delta$	ĸ	Leplacing Schedule	10			Sheet _	1	
(Territory to	o which schedule is applicable)	V	hich was filed		01/14/201	612/20/2	2016		
	r separate understanding ariff as shown hereon.		Sheet	1	of	2	Shee	ts	
	So Y: ty Tax (PT) Surcharge (Schedule PT	chedule P	e applicable to all	Kan	sas Retail	Rate So	chedul	es for	
the Compar	ny. This PT Surcharge will be effect	tive Febru	ary 1, 2017 <u>2018</u> .						
customers' the utility's	rcharge is in accordance with K.S.A. bills for any increases/decreases in i revenue requirement authorized I annual revenue requirement in effec	its annual by the K	Ad Valorem Taxes ansas Corporation	abo Co	ve/below a	amounts The	includ Comp	ded in any's	
customer's hour (kWh) for increase billed by th	reases/decreases of Ad Valorem T bill. The PTS factor will be calculat basis. The PTS factor will be expre- ss/decreases of Ad Valorem Taxes we e corresponding PTS factor. The and shown as a separate line on the co	ted annua ssed in th vill be dete customer	Ily and applied to a e form of dollars p ermined by multiply charges associate	a cu: er k\ ing t	stomer's u Wh. Reta he kilowat	sage or I custor t-hours	n a kild mer ch of elec	owatt- arges ctricity	
A single PT recover ove Valorem Ta	X SURCHARGE AMOUNT CALCU S factor will be used across all custor a specified twelve (12) month perioder to the preceding calendar year Surcharge period. The PTS factor of the	stomer cla iod (the P plus any a will be det	T Surcharge perio	d) ai amoi is fol	ny increas unt (positiv lows:	es/decr	eases	in Ad	
	PTS factor =								
Where:			kWh _{n+1}						
PTS factor	= Property Tax Surcharge factor exp	ressed in	dollars per kWh.						
PTA _n =	Actual current amount of the Company's Ad Valorem Taxes on a Kansas jurisdictional basis incurred during the applicable calendar year (n). For the PT Surcharge applicable February 1, 2017-2018 through January 31, 2018/2019, n equals calendar year 2016/2017.								
PTRR =	PTRR = Total amount of the Company's Ad Valorem Taxes approved by the Commission for inclusion in the Company's revenue requirement in its last Kansas rate case. This amount represents the Base Level. Such Base Level will be updated (or rebased) as appropriate for each annual PTS factor calculation to include any future Commission-approved changes to the Company's Ad Valorem Taxes included in its revenue requirements.								
Issued:	December 20, 2016 December 15, 201	7		FILE	ED				
	Month Day Year		THE STATE (-	I COMM	/ISSIO	N OF	
Effective:	February 1, 2017 2018 Month Day Year				KANSAS				
By: Darrin	, IID D	ılatory	By:						

Title

Secretary

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KANSAS CITY POWER & LIGHT COMP.	<u>ANY</u>							
(Name of Issuing Utility)		Replacing Schedule	10	Sheet	2			
Rate Areas No. 2 & 4 (Territory to which schedule is applicable)		which was filed	01/14/2016	12/20/2016				
No supplement or separate understanding		which was filed	01/14/2010	12/20/2010				
shall modify the tariff as shown hereon.		Sheet	2 of	2 Sheet	S			
	PROPERTY TAX Schedule			(contir	ued)			
PROPERTY TAX SURCHARGE AMOUNTED TRUE _{n-1} = The annual true-up amon prior to filing the next and calculation. The true-up revenue approved for conceptimated PT Surcharge period. Such true-up among	unt for the prior PT nual PT Surcharge amount will reflect lection during the prevenue that will a	Surcharge period (n-1), and to be applied in si any difference between prior PT Surcharge periotually be collected dur	uch subsequer n the amount c lod (PTA _{n-1} – F	nt PTS factor of PT Surchar PTRR) and the	ge			
TRUE _{n-2} = The annual true-up amore prior to filing the next and calculation. The true-up revenue approved for conactual PT Surcharge revenue amount may be positive.	nual PT Surcharge amount will reflect lection during the penue collected duri	, and to be applied in the any difference between prior PT Surcharge per	ne such subsect on the amount of fod (PTA _{n-2} – F	quent PTS fac of PT Surchar PTRR) and the	ctor ge			
kWh _{n+1} = Projected annual kWh to period (n+1) for all classe		Kansas Retail custome	rs during the a	pplicable time	е			
NOTES TO THE TARIFF:								
The PTS factor will be expre	ssed in dollars per	kilowatt-hour rounded	to five decimal	places.				
 In years where the calculated PTS factor rounds to zero for the current year filing, any increase/decrease of Ad Valorem Taxes will be carried over as an adjustment in the subsequent True- up calculation. 								
PTS FACTOR APPLICABLE TO FEBRUARY 1, 2017-2018 THROUGH JANUARY 31, 2018-2019 USAGE:								
All Rate Classes \$0.00)047 _ <u>\$0.00098</u> / kV	Vh						
Issued: December 20, 2016 December 20, 2016		F	ILED					
Effective: February 1, 201	Year 7 <u>2018</u> Year	THE STATE CO	ORPORATION KANSAS	COMMISSIO	N OF			
By: Darrin Ives	VP-Regulatory	By:						
1	TC:41			Secretary				

Kansas City Power & Light Company 2018 KS Property Tax Surcharge

		Total Company KCP&L	Total Company Wolf Creek	Total Company non-Wolf Creek	Kansas Jurisdiction		
2017 Estimated Property Tax (excluding PILOT)		\$ 101,454,725					
Less:	Vehicle Property Taxes Charged to Clearing Accounts Capitalized Property Taxes Unit Train Property Taxes Charged to Fuel Inventory Non-Utility Property Taxes	842,766 834,360 44,286 85,268					
2017 Estimated O&M Property	/ Taxes - Excluding PILOTs	99,648,045	19,677,370	79,970,675			
Payment in Lieu of T	axes (PILOT) on Wind Energy	893,483	0	893,483			
2017 Estimated O&M Property	/ Taxes	100,541,528	19,677,370	80,864,158			
True-up adjustment of prior ye 2016 Estimated O&N less 2016 Actual O&	M Property Taxes, as audited by KCC 93,2	48,586 48,586 0	0	0			
Adjusted 2017 Property Taxes		100,541,528	19,677,370	80,864,158			
2017 BASE	KS Allocator per Docket No. 15-KCPE-116-RTS KS Jurisdictional - Estimated 2017 Property Taxes		46.2293% 9,096,710	45.7369% 36,984,759	\$ 46,081,469	-	
	BASE LEVEL Property Tax from Docket No. 15-KCPE-116-RTS				\$ 39,775,094	-	
	Increase (Decrease) in Property Tax					\$	6,306,375
True-up	Year n-1 Proposed Recovery - Feb 1, 2017 to Jan 31, 2018 Surcharg Year n-1 Actual Recovery - Feb 1, 2017 to Nov 30, 2017 - Actual Year n-1 Estimated Recovery - Dec 1, 2017 to Jan 31, 2018 - Estimated Recovery - True-up - Year n-1		00047		Total \$ 3,025,182 2,519,938 540,724 (35,480)	-	
	Year n-2 Estimated Recovery - Dec 1, 2016 to Jan 31, 2017 - Estimated Recovery - Dec 1, 2016 to Jan 31, 2017 - Actual FINAL True-up - Year n-2	ate 2016 PTS rate .	00098		\$ 1,109,130 1,088,560 20,570	-	
	Total Increase (Decrease) in Property Tax - True-up				(14,910)	• •	(14,910)
Total 2017 Property Tax Surcharge Increase (Decrease)						\$	6,291,465
		Kansas 2018 Pr	ojected kWh			6,	434,639,728
		2018 PTS Rate				\$	0.00098