



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,

A handwritten signature in blue ink that reads "Lisa Starkebaum".

Lisa Starkebaum
Supervisor, Regulatory Affairs

KANSAS CITY POWER & LIGHT COMPANY

(Name of Issuing Utility)

Replacing Schedule 10 Sheet 1Rate Areas No. 2 & 4

(Territory to which schedule is applicable)

which was filed 12/20/2016No supplement or separate understanding
shall modify the tariff as shown hereon.Sheet 1 of 2 Sheets**PROPERTY TAX SURCHARGE****Schedule PTS****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.

PURPOSE:

This PT Surcharge 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.

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:

$$\text{PTS factor} = \frac{(\text{PTA}_n - \text{PTRR}) + \text{TRUE}_{n-1} + \text{TRUE}_{n-2}}{\text{kWh}_{n+1}}$$

Where:

PTS factor = Property Tax Surcharge factor expressed 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, 2018 through January 31, 2019, n equals calendar year 2017.

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
Month Day Year

Effective: February 1, 2018
Month Day Year

By: Darrin Ives VP-Regulatory
Title

FILED

THE STATE CORPORATION COMMISSION OF
KANSAS

By: _____
Secretary

KANSAS CITY POWER & LIGHT COMPANY

(Name of Issuing Utility)

Replacing Schedule 10 Sheet 2Rate Areas No. 2 & 4

(Territory to which schedule is applicable)

which was filed 12/20/2016No supplement or separate understanding
shall modify the tariff as shown hereon.Sheet 2 of 2 Sheets**PROPERTY TAX SURCHARGE****Schedule PTS****(continued)****PROPERTY TAX SURCHARGE AMOUNT CALCULATION: (continued)**

$TRUE_{n-1}$ = The annual true-up amount for the prior PT Surcharge period (n-1), to be determined each year prior to filing the next annual PT Surcharge, and to be applied in such subsequent PTS factor calculation. The true-up amount will reflect any difference between the amount of PT Surcharge revenue approved for collection during the prior PT Surcharge period ($PTA_{n-1} - PTRR$) and the estimated PT Surcharge revenue that will actually be collected during the prior PT Surcharge period. Such true-up amount may be positive or negative.

$TRUE_{n-2}$ = The annual true-up amount for the prior PT Surcharge period (n-2), to be determined each year prior to filing the next annual PT Surcharge, and to be applied in the such subsequent PTS factor calculation. The true-up amount will reflect any difference between the amount of PT Surcharge revenue approved for collection during the prior PT Surcharge period ($PTA_{n-2} - PTRR$) and the actual PT Surcharge revenue collected during such prior PT Surcharge period. Such true-up amount may be positive or negative.

kWh_{n+1} = Projected annual kWh to be delivered to all Kansas Retail customers during the applicable time period (n+1) for all classes.

NOTES TO THE TARIFF:

1. The PTS factor will be expressed in dollars per kilowatt-hour rounded to five decimal places.
2. 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, 2018 THROUGH JANUARY 31, 2019 USAGE:All Rate Classes \$0.00098 / kWhIssued: December 15, 2017
Month Day YearEffective: February 1, 2018
Month Day YearBy: Darrin Ives VP-Regulatory
Title

FILED

THE STATE CORPORATION COMMISSION OF
KANSASBy: _____
Secretary

KANSAS CITY POWER & LIGHT COMPANY

(Name of Issuing Utility)

Replacing Schedule 10 Sheet 1

Rate Areas No. 2 & 4

(Territory to which schedule is applicable)

which was filed ~~01/14/2016~~ 12/20/2016No supplement or separate understanding
shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

PROPERTY TAX SURCHARGE**Schedule PTS****APPLICABILITY:**

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Issued: ~~December 20, 2016~~ December 15, 2017
Month Day Year

Effective: February 1, ~~2017~~ 2018
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By: Darrin Ives VP-Regulatory
Title

FILED

THE STATE CORPORATION COMMISSION OF
KANSAS

By: Secretary

KANSAS CITY POWER & LIGHT COMPANY

(Name of Issuing Utility)

Replacing Schedule 10 Sheet 2Rate Areas No. 2 & 4

(Territory to which schedule is applicable)

which was filed 01/14/2016 12/20/2016No supplement or separate understanding
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PTS FACTOR APPLICABLE TO FEBRUARY 1, 2017-2018 THROUGH JANUARY 31, 2018-2019 USAGE:All Rate Classes \$0.00047-\$0.00098 / kWhIssued: December 20, 2016 December 15, 2017
Month Day YearEffective: February 1, 2017 2018
Month Day YearBy: Darrin Ives VP-Regulatory
Title

FILED

THE STATE CORPORATION COMMISSION OF
KANSASBy: _____
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	842,766			
	Capitalized Property Taxes	834,360			
	Unit Train Property Taxes Charged to Fuel Inventory	44,286			
	Non-Utility Property Taxes	85,268			
2017 Estimated O&M Property Taxes - Excluding PILOTs		99,648,045	19,677,370	79,970,675	
Payment in Lieu of Taxes (PILOT) on Wind Energy		893,483	0	893,483	
2017 Estimated O&M Property Taxes		100,541,528	19,677,370	80,864,158	
<u>True-up adjustment of prior year O&M Property Taxes:</u>					
	2016 Estimated O&M Property Taxes, as audited by KCC	93,248,586			
	less 2016 Actual O&M Property Taxes	93,248,586			
	True-up of 2016 O&M Taxes	-	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		46.2293%	45.7369%	
	KS Jurisdictional - Estimated 2017 Property Taxes		9,096,710	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 Surcharge	2017 PTS rate .00047		Total	
	Year n-1 Actual Recovery - Feb 1, 2017 to Nov 30, 2017 - Actual			\$ 3,025,182	
	Year n-1 Estimated Recovery - Dec 1, 2017 to Jan 31, 2018 - Estimate			2,519,938	
	ESTIMATED True-up - Year n-1			540,724	
				(35,480)	
	Year n-2 Estimated Recovery - Dec 1, 2016 to Jan 31, 2017 - Estimate	2016 PTS rate .00098		\$ 1,109,130	
	Year n-2 Actual Recovery - Dec 1, 2016 to Jan 31, 2017 - Actual			1,088,560	
	FINAL True-up - Year n-2			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 Projected kWh					6,434,639,728
2018 PTS Rate					\$ 0.00098