



December 21, 2018

Ms. Lynn Retz
Secretary to the Commission
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, Kansas 66604-4024

19-KCPE-243-TAR

RE: Property Tax Surcharge Tariff – Schedule No. 10

Dear Ms. Retz:

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, 2019. The calculated Property Tax Surcharge factor is based on estimates of property tax assessments received through December 21, 2018. These amounts may be adjusted to be consistent with the Commission Staff's audit prior to the effective date of February 1, 2019.

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 through December 19, 2018 was determined in Docket No. 15-KCPE-116-RTS with a new base level set in KCP&L's most recent rate case, Docket No. 18-KCPE-480-RTS which became effective on December 20, 2018.

Included in this submittal are:

- PTS tariff Schedule 10 Sheet 1 and Schedule 10 Sheet 2, clean and red-line versions
- 2019 PTS calculation

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

Respectfully,

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

Lisa Starkebaum
Manager, Regulatory Affairs

Enclosures

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 12/15/2017No 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, 2019.

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 2018 was determined in Docket No. 15-KCPE-116-RTS for January 1, 2018 through December 19, 2018 and in Docket No. 18-KCPE-480-RTS for December 20, 2018 through December 31, 2018.

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, 2019 through January 31, 2020, n equals calendar year 2018.

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 21, 2018
Month Day Year

Effective: February 1, 2019
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 12/15/2017No 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, 2019 THROUGH JANUARY 31, 2020 USAGE:

All Rate Classes \$0.00138 / kWh

Issued: December 21, 2018
Month Day YearEffective: February 1, 2019
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 ~~12/20/2016~~ 12/15/2017No 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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PURPOSE:

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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~~ December 21, 2018
Month Day Year

Effective: February 1, ~~2018~~ 2019
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 12/20/2016 12/15/2017No 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)**

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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~~ 2019 THROUGH JANUARY 31, ~~2019~~ 2020 USAGE:All Rate Classes \$0.00098 \$0.00138 / kWhIssued: December 15, 2017 December 21, 2018
Month Day YearEffective: February 1, 2018 2019
Month Day YearBy: Darrin Ives VP-Regulatory
Title

FILED

THE STATE CORPORATION COMMISSION OF
KANSASBy: _____
Secretary

Kansas City Power & Light Company
2019 KS Property Tax Surcharge

		Total Company KCP&L	Total Company Wolf Creek	Total Company non-Wolf Creek	Kansas Jurisdiction
2018 Estimated Property Tax (excluding PILOT)		\$ 107,606,592			
Less:	Vehicle Property Taxes Charged to Clearing Accounts	916,192			
	Capitalized Property Taxes	643,876			
	Unit Train Property Taxes Charged to Fuel Inventory	35,186			
	Non-Utility Property Taxes	271,314			
2018 Estimated O&M Property Taxes - Excluding PILOTs		105,740,024	19,715,853	86,024,171	
Payment in Lieu of Taxes (PILOT) on Wind Energy		917,275	0	917,275	
2018 Estimated O&M Property Taxes		106,657,299	19,715,853	86,941,446	
<u>True-up adjustment of prior year O&M Property Taxes:</u>					
	2017 Estimated O&M Property Taxes, as audited by KCC	100,541,528			
	less 2017 Actual O&M Property Taxes	<u>100,541,528</u>			
	True-up of 2017 O&M Taxes	<u>-</u>	0	0	0
Adjusted 2018 Property Taxes		106,657,299	19,715,853	86,941,446	
 2016 BASE					
	KS Allocator per Docket No. 15-KCPE-116-RTS		<u>46.2293000%</u>	<u>45.7369000%</u>	
	KS Jurisdictional - Estimated 2018 Property Taxes		9,114,501	39,764,322	\$ 48,878,823
	BASE LEVEL Property Tax from Docket No. 15-KCPE-116-RTS				<u>\$ 39,775,094</u>
	Increase (Decrease) in Property Tax				\$ 9,103,729
	No. of Days - Effective 1/1/2018 - 12/19/2018				353 \$ 8,804,428
 2018 BASE					
(Effective 12-20-18)					
	KS Allocator per Docket No. 18-KCPE-480-RTS		<u>47.0659000%</u>	<u>46.1234584%</u>	
	KS Jurisdictional - Estimated 2018 Property Taxes		9,279,444	40,100,402	\$ 49,379,845
	BASE LEVEL Property Tax from Docket No. 18-KCPE-480-RTS				<u>\$ 46,558,678</u>
	Increase (Decrease) in Property Tax				\$ 2,821,168
	No. of Days - Effective 12/20/2018 - 12/31/2018				12 \$ 92,751
	Increase (Decrease) in Property Tax				<u>\$ 8,897,179</u>
 True-up					
	Year n-1 Proposed recovery	February 2018 - January 2019	2018 PTS rate 0.00098	Total	\$ 6,291,465
	Year n-1 Actual recovery	February 2018 - November 2018			5,274,256
	Year n-1 Estimated recovery	December 2018 - January 2019			<u>1,088,879</u>
		ESTIMATED True-up - Year n-1			(71,670)
	Year n-2 Estimated recovery	December 2017 - January 2018	2017 PTS rate 0.00047		\$ 540,724
	Year n-2 Actual recovery	December 2017 - January 2018			<u>527,688</u>
		FINAL True-up - Year n-2			13,036
	Total Increase (Decrease) in Property Tax - True-up				<u>(58,634)</u> (58,634)
Total 2019 Property Tax Surcharge Increase (Decrease)					<u><u>\$ 8,838,545</u></u>
Kansas 2019 Projected kWh					6,400,968,180
2019 PTS Rate					<u><u>\$ 0.00138</u></u>