



December 30, 2021

Jeff McClanahan  
Director of Utilities  
Kansas Corporation Commission  
1500 SW Arrowhead Rd.  
Topeka, Kansas 66604-4027

22-EKCE-273-TAR

RE: Property Tax Surcharge

Dear Mr. McClanahan:

Evergy Kansas Central, Inc. and Evergy Kansas South, Inc both doing business as Evergy Kansas Central hereby submits the updated property tax surcharge tariff. This tariff has been adjusted to reflect the actual county assessments as received through December 29, 2021.

This surcharge is in accordance with K.S.A. 66-117a(f) which provided for a utility to collect increases in ad valorem taxes.

Enclosed is clean and red-lined copy of the proposed property tax surcharge tariff for Evergy Kansas Central. Also provided are supporting work papers for the calculation. The price change will be effective February 1, 2022, upon approval of the Commission.

Please call me at 785-508-2568 with any questions concerning this surcharge change.

Sincerely,

A handwritten signature in blue ink that reads 'Robin Allacher'.

Robin Allacher  
Regulatory Affairs

Enc.

Cc: Lisa Starkebaum  
Ron Klote

Evergy Kansas Central  
PTS Tariff

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**THE STATE CORPORATION COMMISSION OF KANSAS**

EVERGY KANSAS CENTRAL, INC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVERGY KANSAS CENTRAL SCHEDULE \_\_\_\_\_ PTS \_\_\_\_\_

(Name of Issuing Utility)

Replacing Schedule \_\_\_\_\_ PTS \_\_\_\_\_ Sheet \_\_\_\_\_ 1 \_\_\_\_\_

EVERGY KANSAS CENTRAL RATE AREA

(Territory to which schedule is applicable)  
~~2021 December 31, 2019~~

which was filed January 26,

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

**PROPERTY TAX SURCHARGE**

**APPLICABLE:**

This Property Tax (PT) Surcharge (Schedule PTS) shall be applicable to every bill for electric service rendered by the Company, except those rendered specifically for electric power and energy sales for resale by other utilities under rates which are subject to the jurisdiction of the Federal Energy Regulatory Commission. This PT Surcharge will be effective February 1, 202~~1~~4.

**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 202~~0~~1 was determined in Docket No 18-WSEE-328-RTS, effective September 27, 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

Issued \_\_\_\_\_  
Month Day Year

Effective February 01 202~~1~~  
Month Day Year

By \_\_\_\_\_  
Darrin Ives, Vice President

**THE STATE CORPORATION COMMISSION OF KANSAS**

EVERGY KANSAS CENTRAL, INC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVERGY KANSAS CENTRAL SCHEDULE \_\_\_\_\_ PTS \_\_\_\_\_

(Name of Issuing Utility)

Replacing Schedule PTS Sheet 2

EVERGY KANSAS CENTRAL RATE AREA

(Territory to which schedule is applicable)  
~~2021 December 31, 2019~~

which was filed January 26,

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 2 Sheets

determined annually as follows:

**PROPERTY TAX SURCHARGE**

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

Where:

PTS factor = Property Tax Surcharge factor expressed in dollars per kWh

PTA<sub>n</sub> = Actual current amount of the Company's Ad Valorem Taxes incurred during the applicable calendar year (n). For the PT Surcharge applicable February 1, 202~~2~~<sup>4</sup> through January 31, 202~~3~~<sup>2</sup>, n equals calendar year 202~~0~~<sup>1</sup>.

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 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.

TRUE<sub>n-1</sub> = 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<sub>n-1</sub> - 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.

Issued \_\_\_\_\_  
 Month Day Year

Effective February 01 202~~2~~<sup>4</sup>  
 Month Day Year

By \_\_\_\_\_  
 Darrin Ives, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

EVERGY KANSAS CENTRAL, INC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVERGY KANSAS CENTRAL SCHEDULE \_\_\_\_\_ PTS \_\_\_\_\_

(Name of Issuing Utility)

Replacing Schedule PTS Sheet 3

EVERGY KANSAS CENTRAL RATE AREA

(Territory to which schedule is applicable)  
2021 December 31, 2019

which was filed January 26,

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 3 of 2 Sheets

**PROPERTY TAX SURCHARGE**

$TRUE_{n-2}$  = 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 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 (PTAn-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 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.
3. Company for the purposes of this rate schedule or rider is defined as Evergy Kansas Central, Inc. and Evergy Kansas South, Inc.

**PTS FACTOR APPLICABLE TO FEBRUARY 1, 202~~4~~<sup>2</sup> THROUGH JANUARY 31, 202~~2~~<sup>3</sup> USAGE:**

All Rate Classes                      \$0.001~~6323~~ / kWh

Issued \_\_\_\_\_  
Month                      Day                      Year

Effective February 01 202~~2~~<sup>1</sup>  
Month                      Day                      Year

By \_\_\_\_\_  
Darrin Ives, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

EVERGY KANSAS CENTRAL, INC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVERGY KANSAS CENTRAL

SCHEDULE \_\_\_\_\_ PTS \_\_\_\_\_

(Name of Issuing Utility)

Replacing Schedule \_\_\_\_\_ PTS \_\_\_\_\_ Sheet \_\_\_\_\_ 1 \_\_\_\_\_

EVERGY KANSAS CENTRAL RATE AREA

(Territory to which schedule is applicable)

which was filed \_\_\_\_\_ January 26, 2021 \_\_\_\_\_

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Sheet 1 of 2 Sheets

**PROPERTY TAX SURCHARGE**

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**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 2021 was determined in Docket No 18-WSEE-328-RTS, effective September 27, 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.

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Issued \_\_\_\_\_  
Month Day Year

Effective February 01 2022  
Month Day Year

By   
Darrin Ives, Vice President

**THE STATE CORPORATION COMMISSION OF KANSAS**

EVERGY KANSAS CENTRAL, INC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVERGY KANSAS CENTRAL SCHEDULE \_\_\_\_\_ PTS \_\_\_\_\_  
 \_\_\_\_\_  
 (Name of Issuing Utility)

Replacing Schedule \_\_\_\_\_ PTS \_\_\_\_\_ Sheet \_\_\_\_\_ 2 \_\_\_\_\_

EVERGY KANSAS CENTRAL RATE AREA

(Territory to which schedule is applicable)

which was filed January 26, 2021

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 2 Sheets

**PROPERTY TAX SURCHARGE**

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Where:

PTS factor = Property Tax Surcharge factor expressed in dollars per kWh

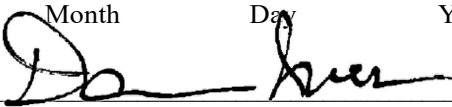
PTA<sub>n</sub> = Actual current amount of the Company's Ad Valorem Taxes incurred during the applicable calendar year (n). For the PT Surcharge applicable February 1, 2022 through January 31, 2023, n equals calendar year 2021.

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 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.

TRUE<sub>n-1</sub> = 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<sub>n-1</sub> - 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.

Issued \_\_\_\_\_  
 \_\_\_\_\_  
 Month Day Year

Effective February 01 2022  
 \_\_\_\_\_  
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By   
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**THE STATE CORPORATION COMMISSION OF KANSAS**

EVERGY KANSAS CENTRAL, INC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVERGY KANSAS CENTRAL SCHEDULE \_\_\_\_\_ PTS \_\_\_\_\_  
(Name of Issuing Utility)

EVERGY KANSAS CENTRAL RATE AREA Replacing Schedule \_\_\_\_\_ PTS \_\_\_\_\_ Sheet \_\_\_\_\_ 3 \_\_\_\_\_  
(Territory to which schedule is applicable) which was filed \_\_\_\_\_ January 26, 2021 \_\_\_\_\_

No supplement or separate understanding shall modify the tariff as shown hereon. Sheet 3 of 2 Sheets

**PROPERTY TAX SURCHARGE**

**TRUE<sub>n-2</sub>** = 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 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 (PTAn-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<sub>n+1</sub>** = Projected annual kWh to be delivered to all retail customers during the applicable time period (n+1) for all classes.

**NOTES TO THE TARIFF:**

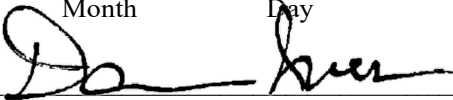
1. The PTS Factor will be expressed in dollars per kilowatt-hour rounded to five decimal places.
2. In years where the calculated PTS factor rounds to zero for the current year filing, any increase/decrease of Ad Valorem Taxes will be carried over as an adjustment in the subsequent True-up calculation.
3. Company for the purposes of this rate schedule or rider is defined as Evergy Kansas Central, Inc. and Evergy Kansas South, Inc.

**PTS FACTOR APPLICABLE TO FEBRUARY 1, 2022 THROUGH JANUARY 31, 2023 USAGE:**

All Rate Classes                      \$0.00163 / kWh

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Month                      Day                      Year

By   
Darrin Ives, Vice President



Energy Kansas Central  
PTS Work Papers

**Evergy Kansas Central**  
**Ad Valorem Tax Surcharge Calculation with final statements**

	2021 Property Tax - North	\$	127,108,722		
	2021 Property Tax - South	\$	68,630,036		
Add:	PILOT Payments - Central Plains	\$	307,002		
Add:	PILOT Payments - Flat Ridge	\$	127,246		
Add:	Railcars EKCentral and EKSouthern	\$	16,352		
Add:	Spring Creek/Ottawa Co Okla.	\$	377,402		
Add:	JEC 8% Related Property Taxes	\$	<u>(108,388)</u>		
	Total 2021 Property Tax	\$	196,458,371		
Less:	Transmission Allocation -21.7101%	\$	<u>(42,651,363)</u>		
	2021 Property Tax W/O Transmission	\$	153,807,008		PTA <sub>n</sub>
	KCC Jurisdictional Property Tax from 18-WSEE-328-RTS	\$	122,359,118		
	Total Property Tax Recovered in Base Rates and ACA	\$	<u>122,359,118</u>		PTRR
	Increase (Decrease) in Property Tax		31,447,890	(A)	
True-Up:	2020 Estimated Recovery December 2020 - January 2021	\$	3,118,812		
	2020 Estimated Solar Recovery December 2020 - January 2021	\$	237		
	Total	\$	<u>3,119,049</u>		
	2020 <u>Actual</u> Recovery December 2020 - January 2021	\$	2,627,789		
	2020 <u>Actual</u> Solar Recovery December 2020 - January 2021	\$	236		
	Total	\$	<u>2,628,025</u>		
	2020 True-up for Billing Estimate	\$	491,025	(B)	TRUE <sub>n-2</sub>
	Total 2021 Property Tax Surcharge	\$	23,702,901		
	Less -- 2021 <u>Actual</u> Recovery February - November	\$	20,030,265		
	Less -- 2021 <u>Actual</u> Solar Recovery February- November	\$	2,393		
	Less -- 2021 Estimated Recovery December - January	\$	3,989,210		
	Less -- 2021 Estimated Solar Recovery December - January	\$	<u>302</u>		
	2021 True-up for Billing and Estimate	\$	<u>(319,268)</u>	(C)	TRUE <sub>n-1</sub>
	Total 2022 Property Tax Surcharge	\$	31,619,647	D=(A+B+C)	
	2022 budgeted kWh's		19,383,198,050	(E)	kWh <sub>n+1</sub>
	2022 PTS rate (Feb 2022 to Jan 2023)	\$	0.00163	F=(D/E)	PTS Factor
	Total 2021 Property Tax Surcharge	\$	23,702,901		
	Increase (Decrease) in Property Tax Surcharge from 2021 to 2022	\$	7,916,746		

Residential Average Rate Impact

	<u>rate</u>	monthly <u>usage</u>	monthly <u>charge</u>
Current Property Tax Surcharge	\$ 0.001230	900 kWh	\$ 1.11
Proposed Property Tax Surcharge	\$ 0.001630	900 kWh	\$ 1.47
Monthly increase to average residential customer			\$ 0.36
Annual increase to average residential customer			\$ 4.32

Property Tax Included in Base Rates as agreed upon in 18-WSEE-328-RTS is:

**\$122,359,118**

This amount already has the transmission related piece subtracted out.

This amount does account for the MKEC piece

The property Taxes Billed to MKEC for the TEST Year are as follows:

\$	198,854.56	Jul-16 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Aug-16 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Sep-16 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Oct-16 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Nov-16 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Dec-16 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Jan-17 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Feb-17 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Mar-17 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Apr-17 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	May-17 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	198,854.56	Jun-17 Based upon final 2015 Numbers ( $\$97,701,225 \times .024424 = \$2,386,254.72/12 = \$198,854.56/\text{month}$ )
\$	<u>564,865.62</u>	2015 True-up in July 2016
\$	<b>2,951,120.34</b>	

The amount of MKEC Property Taxes in the Test Year is currently recovered in the RECA ACA per the S&A in Docket 18-WSEE-328-RTS.

This began in April of 2020.

Per Staff's R&R in December 2019, "beginning in April 2020, Evergy will begin recovering this amount through its Retail Energy Cost Adjustment (RECA) to reflect the expiration of the MKEC PPA on January 3, 2019. Therefore, in next year's Ad Valorem surcharge filing, Evergy will need to prorate the amount subtracted from total property tax expense in base rates to account for the nine months in 2020 during which the lost revenue credit (and related offset to property tax) will be recovered through the RECA. This proration should be based on budgeted MWh energy sales from April through December 2020 compared to total budgeted MWh energy sales for the entire year of 2020. **In the 2021 Ad Valorem surcharge filing, the revenue credit (and related offset to property taxes) will no longer be reflected as an offset to the amount of property taxes being collected in base rates.**"