

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,

Robin Allacher Regulatory Affairs

Enc.

Cc: Lisa Starkebaum Ron Klote

Evergy Kansas Central PTS Tariff

	CORRORATION				Ind	ex		
	CORPORATION (OF KANSAS TH, INC., d.b.a. EVERGY	K ANSAS CENTRAI	SCHEDIII	E	PTS	
		ssuing Utility)	111, 11vc., d.o.a. E vERG 1		SCHEDCE	.E	115	
EVEI	RGY KANSAS CE		AREA	Replacing S	Schedule	PTS	Sheet	1
(T	Cerritory to which so 021 December 31, 20	hedule is applicab		which was	filed	<u>January</u>	<u>7 26,</u>	
No supplement of shall modify the	or separate understandir tariff as shown hereon	g			Sheet	1 of 2 Shee	ts	
		PRO	PERTY TAX SU	JRCHARGE				
APPLIC	CABLE:							
rend for re	ered by the Cor esale by other ເ	mpany, excep utilities under	t those rendered rates which are	shall be applicated specifically for subject to the just effective Febr	electric purisdiction	ower an of the F	d energ	y sales
<u>PURPO</u>	<u>SE:</u>							
adju: abov Corp	stment on its c re/below amour poration Commis	ustomers' bills nts included i ssion. The Co	s for any increa n the utility's re mpany's author	A. 66-117(f) whi ses/decreases i evenue requiren ized annual reve :8-RTS, effective	n its ann nent auth enue requ	ual Ad \ norized b iirement	Valorem by the I in effect	Taxes Kansas
BASIS:								
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Issued	Month	Day	Year					
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ERGT IN HOLIS CENTRE	(Name of Issuing Utility)		ELITORIS CENTRALE SC		115	
EVERGY K	ANSAS CENTRAL RATE	AREA	Replacing Sch	edule PTS	Sheet	2
	to which schedule is applica		which was file	d <u>Janı</u>	ary 26,	
2021 Dece	mber 31, 2019					
supplement or separate all modify the tariff as s	understanding hown hereon.			Sheet 2 of 2 Sl	heets	
determined	annually as follows:					
		PROPERTY TAX	SURCHARGE			
	(PT	A _n – PTRR) + TR	UE _{n-1} + TRUE _{n-2}			
	P15 factor =	kWh _{n+}	-1			
Where:						
PTS factor	= Property Tax Surc	harge factor expr	essed in dollars pe	r kWh		
PTA _n =	Actual current am applicable calenda through January 3	ar year (n). For t	he PT Surcharge	applicable F		
PTRR =	Total amount of the inclusion in the Corepresents the Barappropriate for each approved changes requirements.	ompany's revenue ase Level. Such ch annual PTS fac	e requirement in its n Base Level will stor calculation to in	last rate ca be updated clude any fu	se. This a (or rebas ture Comm	amoui ed) a nissior
TRUE _{n-1} =	subsequent PTS f between the amou	ofiling the next and factor calculation. Int of PT Surcharg food (PTAn-1 – Pool of the collected during the colle	nnual PT Surcharg The true-up amo e revenue approve TRR) and the estir g the prior PT Sur	je, and to be ount will refle d for collection mated PT So	e applied i ect any diff on during th urcharge re	n suc erenc ne pric evenu
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	(Name of Issuing Utility)						Replacing	Schedule_	PTS	Sheet_	3
	ERGY KAN						1.1	C1 1		26	
	(Territory to v 2021 Decemb			cable)			which was	s filed	<u>Janua</u>	<u>iry 26,</u>	
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		positive	e or negat	ive.							
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	/h _{n+1} = <u>S TO THE</u>	Projecto time pe	ed annua riod (n+1	ıl kWh t		vered to	all retail	custom	ers durin	g the app	olicab
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THE STATE CORPORATION COMMISSION OF KANSAS		
EVERGY KANSAS CENTRAL, INC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVERGY F	ANSAS CENTRAL SCHEDULE	PTS
(Name of Issuing Utility)	Replacing Schedule PTS	Sheet1
EVERGY KANSAS CENTRAL RATE AREA	1 5	
(Territory to which schedule is applicable)	which was filed Januar	ry 26, 2021
No cumplement or cenarate understanding		

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, 2022.

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.

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:

Issued			
	Month	Day	Year
Effective	February	01	2022
Litective	Month	Pay	Year
Ву	Da	_ Dies	
•	Darrin Ives.	Vice President	

		Index			
THE STATE CORPORA	ATION COMMISSION OF KANSAS				
EVERGY KANSAS CENTRAL, I	NC., & EVERGY KANSAS SOUTH, INC., d.b.a. EVER	GY KANSAS CENTRAL SCHEDULE PTS			
(1	Name of Issuing Utility)	Replacing Schedule PTS Sheet 2			
EVERGY KAN	SAS CENTRAL RATE AREA				
(Territory to v	which schedule is applicable)	which was filed January 26, 2021			
No supplement or separate un- shall modify the tariff as show	derstanding vn hereon.	Sheet 2 of 2 Sheets			
	PROPERTY T	AX SURCHARGE			
	(PTA _n – PTRR) +	TRUE _{n-1} + TRUE _{n-2}			
	PTS factor =				
	KVV	h_{n+1}			
Where:					
PTS factor =	Property Tax Surcharge factor ex	pressed in dollars per kWh			
PTA _n =		ompany's Ad Valorem Taxes incurred during the or the PT Surcharge applicable February 1, 2022 als calendar year 2021.			
PTRR =	Total amount of the Company's Ad Valorem Taxes approved by the Commission front 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) 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 _{n-1} =	each year prior to filing the nex subsequent PTS factor calculati- between the amount of PT Surcharge period (PTAn-1 –	e prior PT Surcharge period (n-1), to be determined annual PT Surcharge, and to be applied in such on. The true-up amount will reflect any difference arge revenue approved for collection during the prior PTRR) and the estimated PT Surcharge revenue ring the prior PT Surcharge period. Such true-up ive.			
IssuedMonth	n Day Year				

Effective February 01 2022

Month Day Year

By

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EVERGY KANS				SOUTH, INC., d.b	o.a. EVERGY KANSA	AS CENTRAL	SCHEDUL	E	PTS	
	(1	Name of Issui	ng Utility)			Replacing	g Schedule	PTS	Sheet	3
EV	ERGY KAN	SAS CENT	TRAL RAT	TE AREA		1 6	_		_	
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No supplement shall modify to	nt or separate und the tariff as show	derstanding vn hereon.					Sheet	3 of 2 Shee	ets	
				<u>PROPEI</u>	RTY TAX SU	RCHARGE	Ī			
TR	TRUE _{n-2} = The annual true-up amount for the each year prior to filing the next subsequent PTS factor calculation between the amount of PT Surchat PT Surcharge period (PTAn-2 – Pth collected during such prior PT Suppositive or negative.			e next annua lculation. Th Surcharge re n-2 – PTRR)	al PT Surc ne true-up venue appr and the ac	harge, an amount w roved for c ctual PT S	id to be vill reflect collection urcharge	applied in a splied in any differ the during the revenue in application application in a spling in a s	n such erence ne prior	
kV	kWh _{n+1} = Projected annual kWh to be time period (n+1) for all classe					to all retail	custome	rs durinç	g the app	licable
<u>NOTE</u>	S TO THE	TARIFF:								
1.	The PTS	Factor wi	ll be exp	ressed in c	lollars per kil	owatt-hour	rounded t	to five de	ecimal pla	ices.
2.	,	decrease	of Ad Va	ılorem Tax	tor rounds to es will be car			,	· ,	
3.	3. Company for the purposes of this rate schedule or rider is defined as Evergy Kansas Central, Inc. and Evergy Kansas South, Inc.							ntral,		
PTS F	ACTOR AF	PPLICAB	LE TO F	EBRUARY	′ 1, 2022 THF	ROUGH JA	NUARY 3	31, 2023	USAGE:	
All	Rate Class	ses	\$(0.00163 / k	κWh					
Issued										
	Month		Day	Yea	ar					
Effective _	Februa Mont		01 Day	202 Ye						

By_

Evergy 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 EKSouth	\$	16,352		
Add:	Spring Creek/Ottawa Co Okla.	\$	377,402		
Add:	JEC 8% Related Property Taxes	\$	(108,388)		
	Total 2021 Property Tax	\$	196,458,371		
Less:	Transmission Allocation -21.7101%	\$	(42,651,363)		
	2021 Property Tax W/O Transmission	\$	153,807,008		PTA _n
	KCC Jurisdictional Property Tax from 18-WSEE-328-RTS	\$	122,359,118		
	Total Property Tax Recovered in Base Rates and ACA	\$	122,359,118		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>\$</u> \$	3,119,049		
	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>\$</u> \$	2,628,025		
	2020 True-up for Billing Estimate	\$	491,025	(B)	TRUE _{n-2}
	Total 2021 Property Tax Surcharge	\$	23,702,901		
	Less 2021 <u>Actual</u> Recovery February - November	\$	20,030,265		
	Less 2021 Actual Solar Recovery February- November	\$	2,393		
	Less 2021 Estimated Recovery December - January	\$	3,989,210		
	Less 2021 Estimated Solar Recovery December - January	\$	302		
	2021 True-up for Billing and Estimate	\$	(319,268)	(C)	TRUE _{n-1}
	Total 2022 Property Tax Surcharge	\$	31,619,647	D=(A+B+C)	
	2022 budgeted kWh's		19,383,198,050	(E)	kWh _{n+1}
	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		monthly	m	onthly	
		<u>rate</u>	<u>usage</u>	<u>c</u>	narge_
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 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Aug-16 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Sep-16 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Oct-16 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Nov-16 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Dec-16 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Jan-17 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Feb-17 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Mar-17 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Apr-17 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	May-17 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 198,854.56	Jun-17 Based upon final 2015 Numbers (\$97,701,225 x .024424 = \$2,386,254.72/12 = \$198,854.56/month)
\$ 564,865.62	2015 True-up in July 2016
\$ 2,951,120.34	

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."