

**KANSAS CITY POWER & LIGHT COMPANY**

1330 BALTIMORE AVENUE

P. O. BOX 418679

KANSAS CITY, MISSOURI 64141-9679

**L. C. RASMUSSEN**  
VICE CHAIRMAN

July 10, 1989

Mr. Harvey G. Hubbs  
Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

RE: Case No. HM-90-4; Kansas City Power & Light Company

Dear Mr. Hubbs:

As required by Section 393.190, RSMo 1986, Kansas City Power & Light Company (KCPL) submits the following statement as to the impact the proposed sale of its downtown Kansas City, Missouri, central station steam distribution system to Trigen-Kansas City District Energy Corporation (Trigen-Kansas City) will have on the tax revenues of the affected political subdivisions.

The impact of the proposed sale on gross receipts tax revenues is unknown and unknowable at this time. These tax revenues depend upon the tax rates and the gross steam sale revenues of Trigen-Kansas City. The City of Kansas City, Missouri, has recently amended its gross receipts tax ordinance applicable to steam sales, effective as of January 1, 1990. This amendment provides for an aggregate gross receipts tax rate of 4%, compared with the present 10% aggregate rate. The application of Trigen-Kansas City for a certificate of public convenience and necessity is pending before the Commission, and thus the authorized level of steam revenues for Trigen-Kansas City has not yet been set. Since the gross receipts tax revenues are directly related to the actual revenues of Trigen-Kansas City, the level of tax revenues cannot be determined until Trigen-Kansas City commences public utility steam service.

Similarly, the impact of the proposed sale on property tax revenues is unknown and unknowable. Currently, the property tax value of the steam system is set at the purchase price of \$6 million. However, it is not known whether or to what extent the property tax value of the steam system will be changed after the sale.

**FILED**

JUL 10 1989

  
L. C. Rasmussen

**PUBLIC SERVICE COMMISSION**

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