

In the Matter of the Revenue Effects)
Upon Missouri Utilities of the Tax Cuts) File No. AW-2018-0174
And Jobs Act of 2017)

e. Please calculate the first-year approximate annual Missouri jurisdictional change in cost of service for each utility that is projected to result from implementation of the *Tax Cuts and Job Acts of 2017* (all other things being equal) and provide supporting workpapers for this calculation.)

RESPONSE: See attached estimates¹ in **Exhibits A (KCP&L-MO) and B (GMO)**. These estimates were filed on January 30, 2018 in KCP&L's and GMO's rate cases. These estimates will be trued-up in the rate cases.

Respectfully submitted,

/s/ Roger W. Steiner

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¹ The estimates do not include any changes to the cost of service for GMO's heating company. GMO estimates the impact to be approximately \$500,000 based on a high level review of surveillance data. GMO can provide a more detailed estimate at a later date.

CERTIFICATE OF SERVICE

I do hereby certify that on the 31st day of January 2018, I electronically filed via the Electronic Filing Information System (EFIS), a true and correct copy of the above and foregoing with a copy emailed to counsel for all parties of record.

/s/ Roger W. Steiner

**COUNSEL FOR KANSAS CITY POWER &
LIGHT COMPANY AND KCP&L GREATER
MISSOURI OPERATIONS COMPANY**

Revenue Requirements - TAX REFORM Impact Summary for KCPL-MO

	Before Tax Reform	After Tax Reform	Tax Reform Impact	
Net Taxable Income	137,706,034	137,437,705		
Deduct State Income Tax @ 100.0%	7,266,991	7,826,323		
Federal Taxable Income	130,439,043	129,611,382		
Federal Tax Rate	35%	21%		
Federal Tax Before Tax Credits	45,653,665	27,218,390		
Less Tax Credits:	(2,785,306)	(2,785,306)		
Total Federal Tax	42,868,359	24,433,084	(18,435,275)	(1)
Net Taxable Income	137,706,034	137,437,705		
Deduct Federal Income Tax @ 50.0%	21,434,180	12,216,542		
State Jurisdictional Taxable Income	116,271,854	125,221,163		
State Tax Rate	6.25%	6.25%		
Total State Tax	7,266,991	7,826,323	559,332	(2)
Deferred Income Tax Expense	7,242,986	2,449,517	(4,793,469)	(3)
Net Income Available Change			(22,669,413)	
Total Rate Base (chg in ADIT)	2,611,134,251	2,626,773,107		
Rate of Return	7.45%	7.45%		
Return On	194,639,169	195,804,921	1,165,752	(4)
Additional NOIBT Needed			(21,503,661)	
Tax Gross-Up	21,079,345	4,164,460	(16,914,885)	(5)
Gross Revenue Requirement Change - TAX Reform			(38,418,546)	

(1) Federal Tax Chg due to Federal Rate Chg from 35% to 21%

(2) State Tax Chg due to change in the amount of Federal Tax Deducted from the Federal Rate Chg

(3) Deferred Tax Exp Chg due to Effective Tax Rate Chg from 38.39% to 25.45% and Amortiz of Excess
Deferred Taxes:

Deferred Tax Exp - Eff Tax Rate Change			(2,594,235)
ARAM	(231,554)	(9,099,962)	(8,868,408)
NOL (5 Yr Amortiz)	0	7,512,946	7,512,946
MISC (10 Yr Amortiz)	0	(843,773)	(843,773)
			(2,199,235)
		Total	(4,793,469)

(4) Rate Base increased due to the decrease in property related ADIT and CWC Chg

(5) Tax Gross-Up needed decreased due to changes 1 through 4

Revenue Requirements - TAX REFORM Impact Summary GMO

	Before Tax Reform	After Tax Reform	Tax Reform Impact	
Net Taxable Income	115,960,918	116,026,399		
Deduct State Income Tax @ 100.0%	6,049,494	6,537,220		
Federal Taxable Income	109,911,424	109,489,179		
Federal Tax Rate	35%	21%		
Federal Tax Before Tax Credits	38,468,998	22,992,728		
Less Tax Credits:	(130,978)	(130,978)		
Total Federal Tax	38,338,020	22,861,750	(15,476,271)	(1)
Net Taxable Income	115,960,918	116,026,399		
Deduct Federal Income Tax @ 50.0%	19,169,010	11,430,875		
State Jurisdictional Taxable Income	96,791,908	104,595,525		
State Tax Rate	6.25%	6.25%		
Total State Tax	6,049,494	6,537,220	487,726	(2)
Deferred Income Tax Expense	1,683,109	1,184,313	(498,796)	(3)
Net Income Available Change			(15,487,341)	
Total Rate Base (chg in ADIT)	1,906,923,356	1,907,881,169		
Rate of Return	7.66%	7.66%		
Return On	146,156,141	146,229,552	73,412	(4)
Additional NOIBT Needed			(15,413,929)	
Tax Gross-Up	18,627,804	4,913,614	(13,714,190)	(5)
Gross Revenue Requirement Change - TAX Reform			(29,128,119)	

(1) Federal Tax Chg due to Federal Rate Chg from 35% to 21%

(2) State Tax Chg due to change in the amount of Federal Tax Deducted from the Federal Rate Chg

(3) Deferred Tax Exp Chg due to Effective Tax Rate Chg from 38.39% to 25.45% and Amortiz of Excess
Deferred Taxes:

Deferred Tax Exp - Eff Tax Rate Change			(683,817)
ARAM	(104,094)	(7,312,312)	(7,208,218)
NOL (5 Yr Amortiz)	0	8,963,789	8,963,789
MISC (10 Yr Amortiz)	0	(1,570,550)	(1,570,550)
			185,021
Total			(498,796)

(4) Rate Base increased due to the CWC Chg. Immaterial property related ADIT chg was not included

(5) Tax Gross-Up needed decreased due to changes 1 through 4