

Exhibit No.: _____
Issue: Income Tax Assignment
Witness: Philip Burright
Type of Exhibit: Direct Testimony
Sponsoring Party: KCPL
Case No.: EM-2000-753
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Missouri Public
Service Commission

Direct Testimony
of
Philip M. Burright
On Behalf of
Kansas City Power & Light Company

**DIRECT TESTIMONY
OF
PHILIP M. BURRIGHT
Manager of Income Tax
Kansas City Power & Light Company**

Case No. EM-2000-753

1 Q. **PLEASE STATE YOUR NAME AND ADDRESS.**

2 A. My name is Philip M. Burright. My business address is 1201 Walnut, Kansas
3 City, Missouri 64106.

4 Q. **BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Kansas City Power & Light Company ("KCPL") as Manager
6 of Income Tax.

7 Q. **STATE YOUR EDUCATIONAL BACKGROUND AND YOUR
8 PROFESSIONAL EXPERIENCE.**

9 A. I received a Bachelors of Business Administration degree from Wichita State
10 University. I am a Certified Public Accountant and a member of the American
11 Institute of Certified Public Accountants, Missouri Society of Certified Public
12 Accountants, Tax Executive Institute and the Edison Electric Institute
13 Taxation Committee. I joined KCPL in April 2000 as Manager of Income Tax.
14 My previous experience includes Senior Manager, Income Tax consulting,
15 Sprint Corporation; Director, Income Taxes, Harris Chemical Group; and Tax
16 Manager, Burns & McDonnell. I began my income tax career with Arthur
17 Andersen & Co.

18 Q. **WHAT ARE YOUR PRESENT RESPONSIBILITIES?**

19 A. I have the overall supervisory responsibility for KCPL's income tax function.

1 Q. **HAVE YOU PREVIOUSLY TESTIFIED BEFORE REGULATORY UTILITY**
2 **COMMISSIONS?**

3 A. No.

4 Q. **HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS**
5 **PROCEEDING ON BEHALF OF KCPL?**

6 A. No.

7 Q. **PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY IN THIS**
8 **PROCEEDING.**

9 A. The purpose of my testimony is to provide information regarding the
10 assignment of current income taxes and deferred income taxes among each
11 business unit (Power & Delivery) and each non-regulated Subsidiary
12 Company (collectively "members").

13 Q. **PLEASE DESCRIBE KCPL'S METHODOLOGY OF ASSIGNING CURRENT**
14 **INCOME TAXES.**

15 A. The current income tax liability before tax credits ("current income tax") of
16 KCPL's consolidated group will be assigned to each business unit and each
17 non-regulated Subsidiary Company with positive current taxable income on
18 the basis of their current taxable income to the total of all members with
19 positive current taxable income.

20 An additional amount of current income tax will be assigned to each
21 member equal to the excess, if any, of the current income tax that would have
22 been incurred had the member filed a separate tax return ("Separate Return

1 Basis") for the year over the current income tax allocated to them under the
2 previous paragraph.

3 The total amounts of current income tax assigned will be credited to
4 those members that had items of income, deductions, or credits ("benefits")
5 that serve to reduce the consolidated current taxable income or tax. Thus,
6 these members will be given the benefits of the resulting reduction in the
7 consolidated current taxable income or tax. Each member will receive the
8 benefits regardless of whether the member would be able to utilize such
9 benefits on a separate return basis.

10 In no event will any member be assigned a greater amount of current
11 income tax for any period than it would have been required to incur had it filed
12 a separate income tax return for the period.

13 **Q. PLEASE DESCRIBE KCPL'S METHODOLOGY OF ASSIGNING**
14 **DEFERRED INCOME TAXES.**

15 **A.** Deferred income tax is assigned to the business units based upon specific
16 identification of the underlying liability or asset that created the deferred
17 income tax liability or asset. More specifically, deferred taxes originating due
18 to depreciation differences, contributions in aid of construction, removal costs
19 and salvage will be assigned to the respective business unit based upon the
20 asset's guideline class.

21 The amortization of deferred investment tax credits will be assigned
22 based upon specific identification.

1 To the extent specific identification is not possible or feasible, an
2 assignment will be made upon business unit asset based factors which
3 closely represent the deferred tax asset or deferred tax liability. These factors
4 will result in ratios which will be applied to the deferred tax balances and
5 allocated to the related business unit.

6 For existing non-regulated subsidiaries, deferred taxes are already part
7 of the financial statements, and therefore, no additional assignment is
8 necessary.

9 Q. **DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

AFFIDAVIT


STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On the 5th day of December, 2000, before me appeared Philip M. Burright, to me personally known, who, being by me first duly sworn, states that he is the Manager of Income Tax for Kansas City Power & Light Company, and that he has participated in the preparation of the foregoing written testimony, in question and answer form, and believes that the statements therein are true and correct to the best of his knowledge, information and belief.



PHILIP M. BURRIGHT

Subscribed and sworn to before me this 5th day of December, 2000.



Notary Public

My Commission Expires:

SHELLEY HOLLINGSWORTH
NOTARY PUBLIC STATE OF MISSOURI
RAY COUNTY

MY COMMISSION EXP. JULY 6, 2004

