

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

DIRECT TESTIMONY

OF

ELIZABETH A. HERRINGTON

EVERGY KANSAS CENTRAL

DOCKET NO. 24-EKCE-XXX-ACA

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

2 **A.** Elizabeth A. Herrington, 1200 Main, Kansas City, Missouri 64105-2122.

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

4 **A.** I am employed by Evergy Metro, Inc. and serve as Senior Director, Power,
5 Energy and Revenue Accounting for Evergy Metro, Inc. d/b/a Evergy
6 Kansas Metro (“Evergy Kansas Metro”) and Evergy Missouri Metro
7 (“Evergy Missouri Metro”), Evergy Kansas Central, Inc. and Evergy South,
8 Inc., collectively d/b/a as Evergy Kansas Central (“Evergy Kansas
9 Central”), and Evergy Missouri West, Inc. d/b/a Evergy Missouri West
10 (“Evergy Missouri West”). They are the operating utilities of Evergy, Inc.
11 (“Evergy”).

12 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
13 **BUSINESS EXPERIENCE.**

1 **A.** I graduated from the University of Missouri-Columbia in May 1992 with a
2 Bachelor of Science in Accountancy. In October 1997, I joined the
3 Company as a staff accountant and have held several roles such as
4 Supervisor - Accounts Receivable, Supervisor - Regulatory Accounting,
5 Manager - Revenue and Fuel Accounting, Manager - Energy Accounting,
6 Senior Manager – Accounting, and Director of Energy and Revenue
7 Accounting before assuming my current role.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
9 **PROCEEDING?**

10 **A.** My testimony supports Evergy Kansas Central's request for Commission
11 approval of the 2024 ACA amount and associated true-up factor related to
12 the Company's Retail Energy Cost Adjustment ("RECA") tariff. I will
13 explain the actual revenues and expenses behind the 2023 RECA
14 mechanism and the resulting ACA true-up factor to be effective and
15 applied for 2024.

16 **Q. WERE THERE ANY CHANGES MADE TO THE RECA TARIFF IN 2023?**

17 **A.** Yes. As Ordered in Docket 23-EKCE-775-RTS, MKEC language was
18 removed from the WR factor, short-term capacity revenues and expenses
19 were added to the Purchased Power section, long-term capacity revenues
20 and expenses for contracts entered into after December 21, 2023 were
21 added to the Purchased Power section and the reference to Solar kWh
22 tariff in the non-requirements section was removed as the Solar kWh tariff
23 was cancelled.

1 **Q. IS THERE ANYTHING ELSE IMPACTING THIS ACA FILING THAT**
2 **SHOULD BE MENTIONED?**

3 **A.** Yes. As ordered by the Commission on June 23, 2022 in the Order
4 Approving Non-Unanimous Stipulation and Agreement in Docket 21-
5 EKME-329-GIE, the Company is collecting \$61,079,338 in this ACA filing,
6 which is the second half of the amount resulting from the mid-February
7 2021 cold weather event known as Winter Storm Uri.

8 **Q. ARE THERE ANY EXHIBITS FILED WITH EVERGY KANSAS**
9 **CENTRAL'S ACA APPLICATION PREPARED BY YOU OR PREPARED**
10 **UNDER YOUR DIRECT SUPERVISION?**

11 **A.** Yes. There are two exhibits, A and B.

12 **Q. PLEASE DESCRIBE THE EXHIBITS.**

13 **A.** Exhibit A summarizes components of the RECA calculation incurred by
14 Evergy Kansas Central during the ACA period beginning January 1, 2023
15 through December 31, 2023 used to derive the 2024 Annual Correction
16 Adjustment for Evergy Kansas Central. Exhibit B illustrates the same
17 information as Exhibit A but shows the individual monthly components for
18 the ACA period calculations.

19 **Q. DID EVERGY KANSAS CENTRAL HAVE AN (OVER)/UNDER**
20 **RECOVERY BALANCE AT THE END OF DECEMBER 2023?**

21 **A.** At the end of 2023 there was an under-recovery. As described in Exhibit
22 B, the under-recovery balance for the year January 2023 through
23 December 2023 is ** [REDACTED] **. In summary, Evergy Kansas Central

1 incurred ****[REDACTED]**** of fuel expense and purchased power less
2 certain offsets to provide electric service to non-requirements customers
3 and non-fuel delta. Evergy Kansas Central recovered ****[REDACTED]****
4 from retail customers through the RECA and wholesale customers during
5 the same time period.

6 **Q. PLEASE DESCRIBE THE COMPONENTS OF THE 2023 UNDER**
7 **RECOVERY.**

8 **A.** The 2023 under recovery is made up of fuel expense and purchased
9 power ****([REDACTED])****
10 offset by certain costs to provide electric service to non-requirements
11 customers ****([REDACTED])**** and the lost
12 revenue from the expiration of the purchased power contract with Mid
13 Kansas Electric Company of \$40,256,498. As shown in Exhibit A, these
14 amounts are offset with the collection of fuel revenues from customers of
15 ****[REDACTED]****. This totals the ****[REDACTED]**** under-recovery as
16 shown above ****([REDACTED])****
17 ****([REDACTED])****.

18 **Q: ARE THERE ANY ADDITIONAL AMOUNTS TO ADD TO THE 2023**
19 **UNDER RECOVERY?**

20 **A:** Yes. As mentioned above, the amount related to the extraordinary
21 weather event in February 2021 referred to as Winter Storm Uri of
22 \$61,079,338 is included per the order approving the Non-Unanimous
23 Stipulation and Agreement in 21-EKME-329-GIE.

1 **Q. IS THERE ALSO AN OVER-RECOVERY FOR THE 2022 ACA?**

2 **A.** Yes. The amount over-recovered from the previous ACA year is
3 ****[REDACTED]****. This amount will be subtracted from the 2023 under
4 recovered components described above and results in a total ACA amount
5 of \$89,110,165 ****([REDACTED])**** as shown in
6 Exhibit A.

7 **Q. WAS THERE A WESTERN PLAINS WIND FARM EXCESS OR**
8 **DEFICIENCY FOR THE THREE-YEAR ROLLING AVERAGE 2021 TO**
9 **2023?**

10 **A.** In the 18-WSEE-328-RTS Non-Unanimous Stipulation and Agreement,
11 parties agreed that if the Western Plains Wind Farm has a capacity factor
12 of greater than 48.57%, producing more than 1,193,878 MWhs in any
13 calendar year, based on a rolling three-year average, beginning with the
14 three-year period ending December 2020, Evergy Kansas Central will be
15 allowed to include a charge in the ACA filing to the benefit of Evergy
16 Kansas Central that equates to the difference between the actual
17 production and the 1,193,878 MWhs, multiplied by \$20.70/MWh. In the
18 event that the Western Plains Wind Farm has a capacity factor of less
19 than 44.57%, producing less than 1,095,556 MWh's in any calendar year,
20 based on a rolling three-year average beginning in 2020 and using the
21 three-year average for 2018-2020, there will be a credit in the ACA filings
22 to return to ratepayers any shortfall in MWh's from 1,095,556 MWhs,
23 multiplied by \$20.70/MWh. The three-year rolling average for 2021

1 through 2023 was 45.22%, which falls between the lower end cap of
2 44.57% and the upper cap of 48.57%. Therefore, there is no adjustment
3 for the Western Plains Wind Farm in this ACA filing.

4 **Q: WHAT ACTION IS THE COMPANY REQUESTING FROM THE**
5 **COMMISSION FOR THE PORTION OF THE UNDER-RECOVERY IT**
6 **PROPOSES TO RECOVER THROUGH THIS ACA FILING?**

7 **A:** Evergy Kansas Central recommends that the Commission approve its
8 ACA factor that will result in Kansas retail customers reimbursing the
9 under-recovery amount over a twelve-month period beginning April 1,
10 2024 in accordance with the Company's RECA tariff. As shown in Exhibit
11 A, this under-collection results in an ACA factor of \$0.4714 cents per kWh
12 which would be added to the RECA factors for each month beginning April
13 1, 2024.

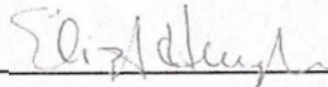
14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 **A.** Yes.

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

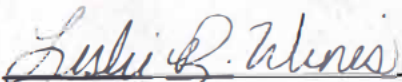
VERIFICATION

Elizabeth Herrington, being duly sworn upon her oath deposes and states that she is the Sr. Director, Power Energy and Revenue Accounting, for Evergy, Inc., that she has read and is familiar with the foregoing Direct Testimony, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.



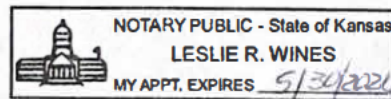
Elizabeth Herrington

Subscribed and sworn to before me this 20th day of March, 2024.



Notary Public

My Appointment Expires: May 30, 2026



ANNUAL CORRECTION ADJUSTMENT

Public

Annual Correction Factor for the ACA Year Ending 2023

(a)	(b)	(c)	(d) Cost	(e) kWh
Annual Correction Adjustment Factor				
1 Actual Fuel Costs		$F_A =$		
<u>Fuel</u>	<u>Actual Costs</u>			
2 Account 501				
3 Account 518				
4 Account 547				
5 Total Fuel Costs				
6 Actual Purchased Power Energy Costs		$P_A =$		
7 Winter Weather Storm Uri Fuel Costs			\$ 61,079,338	
8 Actual Emission Cost/Revenue		$E_A =$		
9 Actual Cost to Achieve to Non - Requirements Customers		$NRCA_A =$		
10 Actual Fuel Revenues Collected for ACA Year		$FAR_A =$		
11 Wholesale Non-Fuel Delta		$WR =$		
12 Western Plains Wind Farm Excess (after year 2020)		$WPWF_E =$		
13 Western Plains Wind Farm Deficiency (after year 2020)		$WPWF_D =$		
14 Actual ACA Remaining from the previous ACA year		$ACAB =$		
15 Total $(F_A + P_A + E_A - NRCA_A - FAR_A + / - WR + WPWF_E - WPWF_D) + ACAB$			\$ 89,110,165	
16 kWhs delivered to all Requirement Customers during the billing year				$SA =$ <u>18,903,864,380 kWh</u>
17 Projected Annual Correction Adjustment Factor		$ACAF_P = \frac{(F_A + P_A + E_A - NRCA_A - FAR_A + / - WR + WPWF_E - WPWF_D) + ACAB}{.01 \times S_A}$		<u>0.4714 ¢/kWh</u>

Line #	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	YTD 2023
1	F _A Component of the RECA Tariff - Fuel Costs												
2													
3	Account 501												
4	Account 518												
5	Account 547												
6	Total Fuel Costs F _A Component (line 3 + line 4 + line 5)												
7													
8	P _A Component of the RECA Tariff - Purchased Power Costs												
9													
10	Purchased Power												
11	Gain/Loss on Sales of Renewable Energy Credits												
12	Renewable Energy Revenues												
13	Total Fuel Costs P _A Component (line 10 + line 11 + line 12)												
14													
15	E _A Component of the RECA Tariff - Emission Allowances												
16													
17	Total Emission Cost/(Revenue) - E _A Component												
18													
19	NRCA _A Component of the RECA Tariff - Cost to Achieve Non-Requirements												
20													
21	Actual Cost to Achieve to Non-Requirements Customers - NRCA _A Component												
22													
23													
24	FAR _A Component of the RECA Tariff - Actual Fuel Adjustment Revenues												
25													
26	Wholesale Customer Fuel Revenues (GFR)												
27	Retail Fuel Revenues												
28	DRPS Wind Farm Revenues												
29	Uncollected for Previous Month												
30	Uncollected for Current Month												
31	Total Fuel Adjustment Revenues - FAR _A (line 26 + line 27+ line 28 + line 29 + line 30)												
32													
33	WR Component Wholesale Non-fuel in Base Rates vs. 2018 Actual												
34													
35	Demand Difference												
36	VOM Difference												
37	MKEC - Lost Revenue												
38	Total Wholesale Non-Fuel Difference (Line 35 + Line 36 + Line 37) \$ (40,256,498)												
39													
40	Total Costs (line 6 + line 13 + line 17 - line 21 - line 38)												
41													
42	RECA (Over)/Under Recovery for 2022 (line 40 - line 31)												
43													
44	ACAB Component of the RECA Tariff - Actual ACA Balance From Previous ACA Year												
45													
46	Actual ACA Recovery from Prior Year												
47	ACA Amount from Previous Year's Filing												
48	Total Actual ACA Remaining From the Previous ACA Year												
49													
50	Total (F _A +P _A +E _A -NRCA _A -FAR _A +/-WR+WPWF _E -WPWF _D)+ACAB												
51													
52	Winter Storm Uri First Half Installment per Docket 21-EKME-329-GIE \$ 61,079,338												
53													
54	TOTAL \$ 89,110,165												
55													
56	S _A Component of the RECA Tariff - kWh Delivered to Company's Requirements Customers												
57													
58	Total kWhs delivered to Company's Requirements Customers 18,903,864,380												
59													
60	RECA Factor for 2023 before ACA (line 40/line 56) - cents/kWh												
	2.3431	2.3696	2.0296	2.5737	0.6426	2.9036	2.3693	2.5122	1.5482	2.5816	2.4424	2.5756	2.2509