

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

Before Commissioners: Andrew J. French, Chair
 Dwight D. Keen
 Annie Kuether

In the Matter of the Application of Evergy)
Kansas Central, Inc. and Evergy Kansas South,)
Inc. Filing of its 2024 Transmission Delivery) Docket No. 24-EKCE-629-TAR
Charge and 2023 Transmission Delivery)
Charge True-Up Tariff.)

ORDER GRANTING APPLICATION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

I. BACKGROUND

1. On March 15, 2024, Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (collectively, “Evergy Kansas Central”) filed an Application in the above-captioned docket requesting Commission approval of its 2024 Transmission Delivery Charge (“TDC”) Tariff update pursuant to K.S.A. 66-1237.¹ Evergy Kansas Central’s Application sought to recover \$367,878,217 in TDC revenues with an effective date of May 1, 2024.²

2. On March 28, 2024, the Commission issued an Order granting the Petition of the Citizens’ Utility Ratepayer Board (“CURB”) to Intervene and Motion for Protective Order and Discovery Order in the above-captioned docket.

¹ Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. Filing 2024 Transmission Delivery Charge, Docket No. 24-EKCE-629-TAR (March 15, 2024) (“Application”).

² Application, p. 1.

3. On April 11, 2024, the Commission issued an Order Acknowledging Effective Date of Transmission Delivery Charge Subject-to-Refund Pursuant to K.S.A. 66-1237 in the above-captioned docket. In that Order, the Commission concluded that Evergy Kansas Central's proposed TDC rates filed March 15, 2024, would become effective May 1, 2024, on a subject-to-refund basis while the Commission conducts its review of Evergy Kansas Central's revised 2024 TDC.³

4. On April 3, 2025, Commission Staff ("Staff") filed its Report and Recommendation ("R&R") in the above-captioned docket detailing the audit it performed of (1) the requested TDC expense amount to be collected; (2) the Company's implementation of its newly enacted TDC true-up mechanism detailed in its recently revised TDC tariff; (3) EKC's compliance with and the impact of HB 2225 on its non-NTC project costs; and (4) the proposed updated TDC rates calculated for each applicable retail customer class.⁴ Staff's R&R ultimately recommended that the Commission approve a 2024 TDC expense totaling \$366,769,536, subject to conditions contained in Staff's R&R and outlined in the order section below.⁵ If approved, Evergy Kansas Central's revised TDC would increase the average monthly customer bill by \$4.98.⁶

5. The TDC expense that Staff recommended the Commission approve is \$1,108,681 less than the amount requested by Evergy Kansas Central, due to Staff removing the true-up component of the requested TDC from the amount to be recovered in the instant docket.⁷ Staff noted that, while the true-up component of EKC's request appears to be presented and calculated to align its 2023 TDC costs with the cost terms defined in the revised TDC tariff approved in Evergy's last general rate case, Docket No. 23-EKCE-775-RTS, the differences between the old

³ Order Acknowledging Effective Date of Transmission Delivery Charge Subject-to-Refund Pursuant to K.S.A. 66-1237, Docket No. 24-EKCE-629, p. 4 (April 11, 2024).

⁴ Report and Recommendation, Utilities Division, Docket No. 24-EKCE-629-TAR, p. 2 (April 3, 2025) ("Staff's R&R" or "R&R").

⁵ *Id.* at p. 21.

⁶ *Id.* at p. 2.

⁷ *Id.* at p. 16.

and new tariffs do not allow for a transition of the annual costs without error. Staff argued the true-up was premature and should be implemented beginning with the 2025 TDC filing, when a true level of actual annual costs and revenues can be reflected.

II. LEGAL STANDARDS

6. The Commission holds full power, authority, and jurisdiction to supervise and control Evergy Kansas Central as an electric public utility, including its rates and terms of service.⁸

7. K.S.A. 66-1237(a) provides that regulated electric public utilities may seek to recover costs associated with the transmission of electric power through a separate transmission delivery charge included in customers' bills, so long as such recovery is done in a manner consistent with the determination of transmission-related costs from an order of a regulatory authority having legal jurisdiction over such transmission costs. In this case, that regulatory authority is the Federal Energy Regulatory Commission ("FERC"). Here, Evergy Kansas Central's TDC rates are based primarily on Evergy Kansas Central's Annual Transmission Revenue Requirement, which is derived from Evergy Kansas Central's annual Transmission Formula Rate approved by FERC.⁹

8. Since Evergy Kansas Central's last TDC filing in Docket No. 23-EKCE-665-TAR, House Bill 2225 ("HB 2225") was signed into law. HB 2225 amends K.S.A. 66-1237 to, amongst other things, revise the return on equity portion of the TDC for any local transmission project that was not the result of a notice to construct from a regional transmission organization or independent system operator that is regulated by FERC.

9. K.S.A. 66-1237(c) provides for a process by which an electric public utility submits a report to the Commission a minimum of 30 business days prior to the electric public utility

⁸ See K.S.A. 66-101; *See also* K.S.A. 66-101b.

⁹ See Staff's R&R, p. 3.

changing its TDC. The Commission may then issue an order setting the TDC rates subject to refund, as was done in this instance.¹⁰ If the Commission subsequently determines that all or part of the TDC rate does not comply with K.S.A. 66-1237, the Commission may require changes in the TDC and impose appropriate remedies, including refunds.¹¹

III. FINDINGS AND CONCLUSIONS

10. Counsel for CURB represented that it had the opportunity to review Staff's R&R, and that CURB does not intend to submit a response in the above-captioned docket.¹²

11. The Commission agrees that it is most appropriate to implement the true-up component be implemented for the first time in the 2025 TDC filing. The Commission finds that the recommendations contained in Staff's April 3, 2025, R&R are reasonable and hereby adopts the same.

12. The Commission finds that Evergy Kansas Central's Application complies with the requirements set forth in K.S.A. 66-1237 as amended by HB 2225 and therefore concludes that Evergy Kansas Central's Application is approved, subject to refund as contemplated by K.S.A. 66-1237(c).

THEREFORE, THE COMMISSION ORDERS:

A. Evergy Kansas Central shall be permitted to recover a revised TDC revenue requirement of \$366,769,536, consistent with the modifications contained in Staff's R&R.

B. Evergy Kansas Central shall submit revised tariffs consistent with the rates presented in Exhibit ANJ-1 to reflect Staff's recommended change.

¹⁰ See K.S.A. 66-1237(c).

¹¹ *Id.*

¹² Communications between Counsel for Staff and Counsel for CURB are available upon request.

C. Everygy Kansas Central shall file future compliance filings in accordance with HB 2225 and amendments to K.S.A. 66-1237 in Docket No. 24-EKCE-254-CPL.

BY THE COMMISSION IT IS SO ORDERED.

French, Chair; Keen, Commissioner; Kuether, Commissioner

Dated: 04/24/2025



Celeste Chaney-Tucker
Executive Director

MKH/CRM

CERTIFICATE OF SERVICE

24-EKCE-629-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 04/24/2025.

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