THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners: Andrew J. French, Chairperson

Dwight D. Keen Annie Kuether

In the Matter of the Joint Application of)	
Evergy Kansas Central, Inc., Evergy Kansas)	
South, Inc., and Evergy Metro, Inc. for)	Docket No. 23-EKCE-775-RTS
Approval to Make Certain Changes in their)	
Charges for Electric Service.)	

ORDER ADOPTING STAFF REPORT AND RECOMMENDATION AND APPROVING EVERGY'S APPLICATION TO UPDATE ITS RENEWABLE ENERGY PROGRAM RIDER

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

- 1. On April 25, 2023, Evergy Kansas Central, Inc., Evergy Kansas South, Inc., (collectively Evergy Central) and Evergy Metro, Inc. (Evergy Metro) filed a Joint Application to make certain changes in its charges for electric service.
- 2. After nine days of negotiation, on September 29, 2023, the Parties filed a Joint Motion for Approval of Unanimous Settlement Agreement (Settlement Agreement). Among the major elements of the settlement:
 - Evergy Central will receive a base rate revenue requirement increase of \$148.8 million (11.75%), or net increase of \$74 million (3.54%), including rate case expense which can be amortized over three years;¹

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¹ Unanimous Settlement Agreement, Sept. 29, 2023, № 9.

- Evergy Metro will receive a base revenue requirement decrease of \$22 million (3.89%), or net overall reduction of \$32.9 million (4.53%), including rate case expense which can be amortized over three years;²
- Evergy Central is authorized to use 6.8923% as its overall rate of return for regulatory accounting purposes,³ and Evergy Metro is authorized to use 6.8881% as its overall rate of return for regulatory accounting purposes; ⁴
- Persimmon Creek Wind Farm will be recovered by Evergy Central through a levelized revenue requirement approach;⁵
- The revenue requirement associated with Evergy Central's 8% interest in Jeffrey Energy Center (JEC) is included in Evergy Central's base rates;⁶
- Evergy Central will credit its customers \$96,530,380 after being grossed up for income taxes from the Company Owned Life Insurance (COLI). This credit will be paid to Evergy Central customers and amortized over three years, or \$32,176,793 per year;⁷
- For Evergy Metro, an average of 4 Coincident Peak (CP) and 12 CP demand allocators will be used for allocating capacity-related generation and transmission plant costs between Missouri and Kansas jurisdiction for everything but Wolf Creek and transmission, which will be based on a 12 CP demand allocator;8

² *Id.*, **₽** 58.

³ *Id.*, ℙ 21.

⁴ *Id.*, ℙ 60.

⁵ *Id.*, ℙ 11.

⁶ *Id.*, ₱ 16. ⁷ *Id.*, ℙ 18.

⁸ *Id.*, ℙ 62.

- Both Evergy Central and Evergy Metro are authorized a 9.4% ROE for use in their Transmission Delivery Charge (TDC);⁹
- The customer charge for all residential customer classes is \$14.25;¹⁰
- Evergy's pilot Time of Use (TOU) rate will be converted into a permanent voluntary rate with other changes to make Central's and Metro's TOU rates consistent with each other; 11
- Every Central's Residential Electric Vehicle Rate, Restricted Peak Management,
 and Residential Peak Efficiency Rate should be replaced by the new EKC
 Residential Demand Service Rate;¹²
- Evergy's residential battery energy storage (RBES) pilot will be adopted; 13 and
- Evergy Central may file an abbreviated rate case to update rates to include: (1)
 Panasonic Related Distribution Investment; (2) Wolf Creek Decommissioning
 Trust Adjustment; and (3) investment in a new renewable generating resource to
 address 2024-2026 resource requirements as supported by Evergy's Integrated
 Resource Plan (IRP).¹⁴
- 3. HF Sinclair, Streetlights Coalition, Walmart, Atmos, and Kansas Gas Service are not signatories to the Settlement Agreement, but did not object to the Settlement.¹⁵ Therefore, pursuant to K.A.R. 82-1-230a, the Settlement Agreement is considered a "unanimous settlement agreement."

⁹ *Id.*, **ℙℙ** 21, 60.

¹⁰ *Id.*, **№** 38, 77.

¹¹ *Id.*, **PP** 42, 78.

¹² *Id.*, **№** 46.

¹³ *Id.*, ₱₱ 50, 86.

¹⁴ *Id.*, ℙ 55.

¹⁵ *Id.*, p. 2.

- 4. On October 9, 2023, the Commission held a hearing on the proposed Unanimous Settlement Agreement.
- 5. On November 21, 2023, the Commission issued an Order Approving Unanimous Settlement Agreement.
- 6. On November 4, 2024, Evergy filed an updated Renewable Energy Program Rider (RENEW) tariff, updating the Renewable Energy Charge pricing, and proposing two additional, minor changes to the tariff language.
- 7. On January 3, 2025, Commission Staff filed its Report and Recommendation recommending approval of Evergy Kansas Central's proposed changes to its RENEW tariff. Staff explains that the annual rates are decreasing from \$0.00378 per kWh to \$0.00255 per kWh for the renewable energy charge and that the administrative charge of \$0.00010 per kWh remains unchanged. Staff advises that it verified the data used by Evergy to determine the new rates and agrees that the data is reasonable and should be used to set the 2025 RENEW rates. 17
- 8. Additionally, Staff supports the revised tariff language because it clarifies the current minimum usage and billing increments, and corrects a typographical error in the tariff.¹⁸ The first revision amends the written formula used to calculate the final billed amount to be consistent with another tariff provision specifying customers are restricted to selecting subscriptions in 10% increments.¹⁹ Staff believes that the first revision will not adversely affect customers.²⁰ The second revision involves the annual update and notification process. Currently, under the tariff customers are notified of pricing updates in November and December. The revised

¹⁶ Staff Report and Recommendation, Jan. 3, 2025, p. 1.

¹⁷ Id.

¹⁸ Id.

¹⁹ *Id.*, p. 2.

 $^{^{20}}$ *Id*.

language would replace the "and" with "or". Staff agrees with Evergy that it is redundant and unnecessary to inform customers of pricing changes in two back-to-back months and that the original intent was always to inform customers of the changes in one month or the other.²¹

9. No responses to Staff's Report and Recommendation were filed.

10. The Commission agrees with Staff's recommendation. Accordingly, the Commission adopts Staff's uncontested recommendation to approve Evergy's proposed changes to the rates and tariff language in the RENEW tariff.

THEREFORE, THE COMMISSION ORDERS:

A. Staff's recommendation to approve Evergy's proposed changes to the rates and tariff language in the RENEW tariff is adopted.

B. The parties have 15 days from the date of electronic service of this Order to petition for reconsideration.²²

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: ____01/23/2025

Lynn M. Retz Executive Director

Lynn M. Ret

BGF

²¹ Id.

²² K.S.A. 66-118b; K.S.A. 77-529(a)(1).

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I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 01/23/2025

JOSEPH R. ASTRAB, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 joseph.astrab@ks.gov

DOROTHY BARNETT
CLIMATE & ENERGY PROJECT
PO BOX 1858
HUTCHINSON, KS 67504-1858
barnett@climateandenergy.org

MELISSA M. BUHRIG, EXEC. VICE PRESIDENT, GEN. COUNSEL & SECRETARY CVR REFINING CVL, LLC 2277 Plaza Dr., Ste. 500 Sugar Land, TX 77479 mmbuhrig@cvrenergy.com

GLENDA CAFER, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
gcafer@morrislaing.com

DEREK S. CASEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N. Rock Road, Suite 300
Wichita, KS 67226
dscasey@twgfirm.com

DAVID BANKS, CEM, CEP FLINT HILLS ENERGY CONSULTANT 117 S PARKRIDGE WICHITA, KS 67209 david@fheconsultants.net

SHELLY M BASS, SENIOR ATTORNEY ATMOS ENERGY CORPORATION 5430 LBJ FREEWAY 1800 THREE LINCOLN CENTRE DALLAS, TX 75240 shelly.bass@atmosenergy.com

DANIEL J BULLER, ATTORNEY FOULSTON SIEFKIN LLP 7500 COLLEGE BOULEVARD, STE 1400 OVERLAND PARK, KS 66201-4041 dbuller@foulston.com

FRANK A. CARO, JR., ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 fcaro@polsinelli.com

JOHN B. COFFMAN, ATTORNEY AT LAW JOHN B. COFFMAN 871 Tuxedo Blvd. St. Louis, MO 63119 john@johncoffman.net

23-EKCE-775-RTS

PAUL T. DAVIS
PAUL DAVIS LAW FIRM, LLC
932 Massachusetts St.
Suite 301
Lawrence, KS 66044

pdavis@pauldavislawfirm.com

ABIGAIL EMERY, PARALEGAL & GRANT SPECIALIST KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 abigail.emery@ks.gov

JAMES G. FLAHERTY, ATTORNEY ANDERSON & BYRD, L.L.P. 216 S HICKORY PO BOX 17 OTTAWA, KS 66067-0017 iflaherty@andersonbyrd.com

JASON T GRAY, ATTORNEY DUNCAN & ALLEN 1730 Rhode Island Ave., NW Suite 700 Washington, DC 20036 itg@duncanallen.com

ROBERT HORTON III TITUS LAW FIRM, LLC 7304 W. 130th St. Suite 190 Overland Park, KS 66213 trey@tituslawkc.com

ANDRIA JACKSON, DEPUTY CHIEF OF REVENUE REQ., COST OF SERVICE & FINANCE KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 andria.jackson@ks.gov

CATHRYN J. DINGES, SR DIRECTOR & REGULATORY AFFAIRS COUNSEL EVERGY KANSAS CENTRAL, INC 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 cathy.dinges@evergy.com

BRIAN G. FEDOTIN, GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 brian.fedotin@ks.gov

JUSTIN GRADY, CHIEF OF REVENUE REQUIREMENTS, COST OF SERVICE & FINANCE KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 justin.grady@ks.gov

ASHOK GUPTA, EXPERT
NATIONAL RESOURCES DEFENSE COUNCIL
20 N WACKER DRIVE SUITE 1600
CHICAGO, IL 60606
agupta@nrdc.org

DARRIN R. IVES, V.P. REGULATORY AFFAIRS EVERGY METRO, INC D/B/A EVERGY KANSAS METRO One Kansas City Place 1200 Main St., 19th Floor Kansas City, MO 64105 darrin.ives@evergy.com

JARED R. JEVONS, ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 jjevons@polsinelli.com

23-EKCE-775-RTS

RONALD A. KLOTE, DIRECTOR, REGULATORY AFFAIRS EVERGY METRO, INC D/B/A EVERGY KANSAS METRO ONE KANSAS CITY PLACE 1200 MAIN, 19TH FLOOR KANSAS CITY, MO 64105 ronald.klote@evergy.com KEVIN K. LACHANCE, CONTRACT LAW ATTORNEY UNITED STATES DEPARTMENT OF DEFENSE ADMIN & CIVIL LAW DIVISION OFFICE OF STAFF JUDGE ADVOCATE FORT RILEY, KS 66442 kevin.k.lachance.civ@army.mil

AHSAN LATIF, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ahsan.latif@ks.gov TIMOTHY J LAUGHLIN, ATTORNEY SCHOONOVER & MORIARTY, LLC 130 N. CHERRY STREET, STE 300 OLATHE, KS 66061 tlaughlin@schoonoverlawfirm.com

DAN LAWRENCE, GENERAL COUNSEL - USD 259 UNIFIED SCHOOL DISTRICT 259 903 S EDGEMOOR RM 113 WICHITA, KS 67218 dlawrence@usd259.net TODD E. LOVE, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 todd.love@ks.gov

RITA LOWE, PARALEGAL
MORRIS LAING EVANS BROCK & KENNEDY CHTD
300 N MEAD STE 200
WICHITA, KS 67202-2745
rlowe@morrislaing.com

KRISTINA LUKE-FRY, MANAGING AUDITOR KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 kristina.luke-fry@ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 carly.masenthin@ks.gov

KACEY S MAYES, ATTORNEY TRIPLETT, WOOLF & GARRETSON, LLC 2959 N ROCK RD STE 300 WICHITA, KS 67226 ksmayes@twgfirm.com

TIMOTHY E. MCKEE, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK RD STE 300
WICHITA, KS 67226
temckee@twgfirm.com

JOHN J. MCNUTT, GENERAL ATTORNEY U.S. ARMY LEGAL SERVICES AGENCY REGULATORY LAW OFFICE 9275 GUNSTON RD., STE. 1300 FORT BELVOIR, VA 22060-5546 john.j.mcnutt.civ@army.mil

23-EKCE-775-RTS

TIM OPITZ
OPITZ LAW FIRM, LLC
308 E. HIGH STREET
SUITE B101
JEFFERSON CITY, MO 65101
tim.opitz@opitzlawfirm.com

SARAH C. OTTO FOULSTON SIEFKIN LLP 7500 COLLEGE BOULEVARD, STE 1400 OVERLAND PARK, KS 66201-4041 sotto@foulston.com

SHONDA RABB CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 shonda.rabb@ks.gov DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
della.smith@ks.gov

VALERIE SMITH, ADMINISTRATIVE ASSISTANT MORRIS LAING EVANS BROCK & KENNEDY 800 SW JACKSON SUITE 1310 TOPEKA, KS 66612-1216 vsmith@morrislaing.com

LEE M SMITHYMAN, ATTORNEY FOULSTON SIEFKIN LLP 7500 COLLEGE BOULEVARD, STE 1400 OVERLAND PARK, KS 66201-4041 Ismithyman@foulston.com

CONNOR A THOMPSON, ATTORNEY FOULSTON SIEFKIN LLP 7500 COLLEGE BOULEVARD, STE 1400 OVERLAND PARK, KS 66201-4041 cthompson@foulston.com ROBERT R. TITUS TITUS LAW FIRM, LLC 7304 W. 130th St. Suite 190 Overland Park, KS 66213 rob@tituslawkc.com

ROBERT E. VINCENT, MANAGING ATTORNEY KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC. 7421 W. 129TH STREET OVERLAND PARK, KS 66213 robert.vincent@onegas.com C. EDWARD WATSON, ATTORNEY FOULSTON SIEFKIN LLP 1551 N. Waterfront Parkway Suite 100 Wichita, KS 67206 cewatson@foulston.com

LESLIE R WINES, SR EXECUTIVE ADMIN ASSISTANT EVERGY METRO, INC D/B/A EVERGY KANSAS METRO One Kansas City Place 1200 Main St., 19th Floor Kansas City, MO 64105 leslie.wines@evergy.com

TREVOR WOHLFORD, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
twohlford@morrislaing.com

23-EKCE-775-RTS

WILL B. WOHLFORD, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY CHTD
300 N MEAD STE 200
WICHITA, KS 67202-2745
wwohlford@morrislaing.com

JAMES P ZAKOURA, ATTORNEY FOULSTON SIEFKIN LLP 7500 COLLEGE BOULEVARD, STE 1400 OVERLAND PARK, KS 66201-4041 jzakoura@foulston.com

/S/ KCC Docket Room

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