# 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 Evergy Metro ) Docket No. 24-EKME-641-TAR Transmission Delivery Charge 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 20, 2024, Evergy Metro, Inc. ("Evergy Kansas Metro") 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. Evergy Kansas Metro sought to recover \$54,433,101 in TDC revenues and requested an effective date of May 1, 2024.
- 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, Discovery Order, and Order Assessing Costs in the above-captioned docket.
- 3. On April 16, 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 Metro's proposed TDC

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<sup>&</sup>lt;sup>1</sup> Evergy Kansas Metro Transmission Delivery Charge Tariff, Docket No. 24-EKME-641-TAR (March 20, 2024) ("Application").

<sup>&</sup>lt;sup>2</sup> Application, p. 1.

rates filed March 20, 2024, would become effective May 1, 2024, on a subject-to-refund basis while the Commission conducts its review of Evergy Metro's revised 2024 TDC.<sup>3</sup>

- 4. On April 2, 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 2024 TDC expense amount to be collected; (2) EKM's compliance with and the impact of HB 2225 on its non-NTC project costs; and (3) the proposed updated TDC rates calculated for each applicable retail customer class.<sup>4</sup>
- 5. Staff's audit identified one calculation error present within the calculation of the 2023 true-up which resulted in a revised true-up amount of \$668,414.<sup>5</sup> Staff's R&R ultimately recommended that the Commission approve a revised TDC revenue amount of \$54,418,396 consisting of: (1) EKM's requested 2024 TDC expense totaling \$53,749,982; and (2) Staff's revised 2023 true-up amount totaling \$668,414, subject to conditions contained in Staff's R&R and outlined in the order section below.<sup>6</sup> If approved, Evergy Metro's revised TDC would increase the average monthly customer bill by \$1.62.<sup>7</sup>

#### II. LEGAL STANDARDS

- 6. The Commission holds full power, authority, and jurisdiction to supervise and control Evergy Metro as an electric public utility, including its rates and terms of service.<sup>8</sup>
- 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

<sup>&</sup>lt;sup>3</sup> Order Acknowledging Effective Date of Transmission Delivery Charge Subject-to-Refund Pursuant to K.S.A. 66-1237, Docket No. 24-EKME-641-TAR, p. 4 (April 16, 2024).

<sup>&</sup>lt;sup>4</sup> Report and Recommendation, Utilities Division, Docket No. 24-EKME-641-TAR, p. 15 (April 2, 2025) ("Staff's R&R" or "R&R).

<sup>&</sup>lt;sup>5</sup> Staff's R&R, p. 10.

<sup>&</sup>lt;sup>6</sup> *Id.* at p. 15.

 $<sup>^{7}</sup>Id$ . at p. 2.

<sup>&</sup>lt;sup>8</sup> See K.S.A. 66-101; See also K.S.A. 66-101b.

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 Metro's TDC rates are based on Evergy Metro's Annual Transmission Revenue Requirement which is derived from Evergy Metro's annual Transmission Formula Rate approved by FERC.<sup>9</sup>

- 8. Since Evergy Metro's last TDC filing in Docket No. 23-EKME-666-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 changing its TDC. The Commission may then issue an order setting the TDC rates subject to refund, as was done in this instance. <sup>10</sup> 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. <sup>11</sup>

#### 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.<sup>12</sup>

<sup>&</sup>lt;sup>9</sup> Staff's R&R, p. 3.

<sup>&</sup>lt;sup>10</sup> See K.S.A. 66-1237(c).

<sup>11</sup> *Id* 

<sup>&</sup>lt;sup>12</sup> Communications between Counsel for CURB and Counsel for Staff are available upon request.

11. The Commission finds that the recommendations contained in Staff's April 1, 2025,

R&R are reasonable and hereby adopts the same.

12. The Commission finds that Evergy Metro's Application complies with the

requirements set forth in K.S.A. 66-1237 as amended by HB 2225 and therefore concludes that

Evergy Metro's Application is approved, subject to refund as contemplated by K.S.A 66-1237(c).

THEREFORE, THE COMMISSION ORDERS:

Evergy Metro shall be permitted to recover a revised 2024 TDC revenue amount of A.

\$54,418,396, consistent with the modifications contained in Staff's R&R.

В. Evergy Metro shall submit revised tariffs consistent with the rates presented in

Exhibit ANJ-2 to reflect Staff's recommended change.

Evergy Metro shall file future compliance filings in accordance with HB 2225 and C.

amendments to K.S.A. 66-1237 in the 24-253 Docket.

BY THE COMMISSION IT IS SO ORDERED.

French, Chair; Keen, Commissioner; Kuether, Commissioner

Dated: \_\_\_

Celeste Chaney-Tucker **Executive Director** 

MKH/CRM

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# **CERTIFICATE OF SERVICE**

## 24-EKME-641-TAR

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