BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Kansas Metro for Approval of its 2024 Actual Cost Adjustment ("ACA").

Docket No. 25-EKME-333-ACA

<u>APPLICATION FOR APPROVAL OF 2024 ACTUAL COST ADJUSTMENT</u> ("ACA") FILING AND MOTION FOR PROTECTIVE ORDER

COMES NOW, Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro" or "Company"), and files this Application with the State Corporation Commission of the State of Kansas ("Commission" or "KCC") for approval of its Actual Cost Adjustment ("ACA") filing, which sets forth the annual true-up reconciliation for the preceding Energy Cost Adjustment ("ECA") year ending December 31, 2024. In support of its Application, Evergy Kansas Metro states as follows:

1. Evergy Kansas Metro is a vertically integrated electric public utility company under the jurisdiction of the Commission that is engaged in the production, transmission, delivery and furnishing of power within the meaning of K.S.A. 66-104, in legally designated areas of Kansas. Evergy Kansas Metro holds a certificate of convenience and authority issued by the Commission, authorizing the Company to engage in such utility business. Evergy Kansas Metro has previously filed with the Commission certified copies of its Articles of Incorporation under which it was organized, its Certificate of Registration as a Foreign Corporation authorized to do business in Kansas, and all amendments thereto and restatements thereof, and the same are incorporated herein by reference.

2. In addition to the undersigned, all correspondence, pleadings, orders,

decisions and communications regarding this proceeding should be sent to:

Linda J. Nunn Manager - Regulatory Affairs Evergy, Inc. 1200 Main Street – 19th Floor Kansas City, Missouri 64105 Phone: (816) 652-1292 Fax: (816) 556-2110 Email: linda.nunn@evergy.com

Leslie R. Wines Senior Executive Administrative Assistant Evergy, Inc. 818 S Kansas Ave. Topeka, Kansas 66612 Phone: (785) 575-1584 Email: leslie.wines@evergy.com

3. For each ECA year, all components of Evergy Kansas Metro's ECA mechanism, including fuel and purchased power costs, off-system sales revenues, and other components of the ECA tariff are forecasted pursuant to the ECA Tariff. On or before December 20 each year, the Company is required to provide Staff with its forecasted ECA factors and supporting documentation for each of the twelve months of the following ECA year. The factors for January-March of the ECA year are required to be based upon this forecast. On a quarterly basis, the Company is required to then re-forecast monthly factors for each remaining month of the ECA year and provide such factors and supporting documentation to Staff on or before March 20, June 20, and September 20.

4. Evergy Kansas Metro has complied with the above requirements by filing the reports required by the ECA tariff and providing the same to Staff. In Docket No. 08-

KCPE-677-CPL, a compliance docket set up specifically for the ECA tariff filings, the Company made compliance filings on December 20, 2023, March 20, 2024, June 20, 2024 and September 20, 2024 for the 2024 ECA year.

5. Pursuant to Evergy Kansas Metro's ECA tariff, the Company must file an annual report each year by March 1st. Evergy Kansas Metro has filed this Application to comply with the annual reporting requirement and to provide a true-up reconciliation for the 2024 ECA year, otherwise known as the ACA. This Application and all supporting testimony and schedules comprise the required annual report.

6. Along with this Application, two witnesses are filing supporting testimony on behalf of Evergy Kansas Metro. This testimony discusses in detail the components of the calculation of the over-recovery of energy costs for the ACA year ending December 31, 2024. The Company believes that the fuel and energy costs that were passed through the 2024 ACA year were just and reasonable, in accordance with the terms of its Commissionapproved ECA tariff, and consistent with industry standards.

7. Ms. Elizabeth A. Herrington, Director, Power, Energy and Revenue Accounting, is submitting testimony regarding the data and calculations used to develop the ACA factor, including the components of ECA revenue received compared to the Kansas allocation of actual fuel, purchased power and related expenses less off-system sales revenue for the calendar year.

8. Ms. Jessica L. Tucker, Senior Manager, Fuels and Emissions is submitting testimony regarding multiple issues, including: (1) a summary of the information that was provided by Evergy Kansas Metro in the quarterly 2024 ECA submittals and the determination of the ACA factor to be contained in Evergy Kansas Metro's rates; (2) a

comparison of Evergy Kansas Metro's projected 2024 ECA to the 2024 ACA; (3) a discussion of the Company's fuel procurement planning and practices and why its fuel costs are reasonable and prudent, and (4) a summary of the cost effects on one part of the Southwest Power Pool ("SPP") Integrated Market ("IM"), namely the impact on consumer power prices due to the combined balancing authority of the IM.

9. Witness Ms. Elizabeth Herrington provides additional details in her testimony on the variances. As detailed in Confidential Schedules EAH-1 and EAH-2, the annual calculation of the ACA resulted in an over-recovery of \$4,935,681. This total trueup has two components. The 2024 ACA over-recovery of \$2,673,091 plus the 2022 ACA remaining credit balance of \$2,262,590 for a total of \$4,935,681. This results in a proposed ACA credit factor of (\$0.00075) per kWh, which will reduce the ECA factors for each month beginning April 2025 through March 2026. The average monthly impact to a Residential customer using 1,013 kWh per month is a credit of \$0.76, or a decrease of \$1.82 per month compared to the prior ACA.

10. The majority of the information included in Schedules EAH-1, EAH-2, JLT-1 and JLT-2 is confidential and the Company requests that it be treated as such by the Commission and Staff pursuant to K.S.A. 66-1220a and K.A.R. 82-1-221a. K.S.A. 66-1220a limits the disclosure of trade secrets or confidential commercial information of regulated entities. K.A.R. 82-1-221a also provides standards for the safekeeping of a regulated entity's confidential commercial information. The information contained in the Schedules and submitted to Staff is confidential because it contains information that has not been disclosed to the public and, if disclosed, could place the Company at a competitive disadvantage in negotiating future fuel contracts. As such, Evergy Kansas Metro hereby requests that the Commission issue a Protective Order in this docket to govern the disclosure and dissemination of confidential information.

WHEREFORE, the Company requests that the Commission: (1) approve its ACA, as detailed in the Schedules filed concurrently herewith, which set forth the annual true-up reconciliation for the preceding ECA year ended December 31, 2024; (2) approve the ACA factor as detailed in paragraph 9 above and in the Schedules filed concurrently herewith; and (3) issue a Protective Order in this docket to govern the disclosure and dissemination of confidential information.

Respectfully submitted,

|s| Cathryn 9. Dinges

Cathryn J. Dinges, #20848 Sr Director and Regulatory Affairs Counsel 818 South Kansas Avenue Topeka, Kansas 66612 Telephone: (785) 575-8344 Email: <u>cathy.dinges@evergy.com</u>

COUNSEL FOR EVERGY KANSAS METRO

STATE OF KANSAS)) ss: COUNTY OF SHAWNEE ١

VERIFICATION

Linda Nunn, being duly sworn upon her oath deposes and states that she is the Manager Regulatory Affairs, for Evergy, Inc., that she has read and is familiar with the foregoing application, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.

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Subscribed and sworn to before me this 28th day of February 2025.

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My Appointment Expires Mary 30, 2026

NOTARY PUBLIC - State of Kansas LESLIE R. WINES MAPPT. EXPIRES 5/30 2026