

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

REBUTTAL TESTIMONY OF

PATRICK ARON BRANSON

**ON BEHALF OF EVERGY KANSAS
CENTRAL, INC. AND EVERGY KANSAS SOUTH, INC.**

**IN THE MATTER OF THE APPLICATION OF
EVERGY KANSAS CENTRAL, INC. AND
EVERGY KANSAS SOUTH, INC. FOR APPROVAL TO MAKE
CERTAIN CHANGES IN THEIR CHARGES FOR ELECTRIC SERVICE
PURSUANT TO K.S.A. 66-117.**

Docket No. 25-EKCE-294-RTS

July 3, 2025

1 **I. INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: Patrick Aron Branson. My business address is 1200 Main, Kansas City, Missouri 64105.

4 **Q: Are you the same Aron Branson who prefiled direct testimony in this docket?**

5 A: Yes.

6 **Q: On whose behalf are you filing this rebuttal testimony?**

7 A: I am testifying on behalf of Evergy Kansas Central (“EKC” or “Company”).

8 **Q: What is the purpose of your rebuttal testimony?**

9 A: The purpose of my rebuttal testimony is to respond to the Kansas Corporation Commission Staff
10 (“Staff”) and intervenor testimony on the following issues:

- 11 • Customer Deposits
12 • Construction Work in Progress (“CWIP”);
13 • Cash Working Capital (“CWC”)

14 Specifically, I will be addressing the direct testimonies of Staff witnesses Joseph Nilges and Tim
15 Rehagen, and the direct testimony of Citizens’ Utility Ratepayer Board (“CURB”) witness Mark
16 Garrett.

17 **II. RESPONSE TO STAFF AND INTERVENOR ADJUSTMENTS**

18 (1) Customer Deposits

19 **Q: Do you agree with Staff’s proposed adjustment for customer deposits?**

20 A. Yes. Staff witness Joseph Nilges describes Staff Adjustment 6 to adjust rate base for customer
21 deposits. He endorses the Company’s use of a month-ending customer deposit balance and
22 updates it for the account balance as of March 31, 2025. I agree with Staff’s methodology and
23 adjustment.

24 **Q: What is CURB’s position on customer deposits?**

1 A: CURB witness Mark Garrett proposes to include customer deposits based on the 13-month
2 average of this account, reducing rate base and increasing customer deposit interest expense.¹

3 **Q: What is your response to CURB?**

4 A: As explained in the direct testimony of Company witness Darcie Kramer, EKC examined
5 customer deposit balances for the 13 months ending June 30, 2024. EKC does not assess
6 customer deposits for new service activations or for any triggering events like returned
7 checks, broken payment arrangements, or non-payment disconnections. However, deposits
8 are assessed in cases of service theft and bankruptcies (if permitted by the court).
9 Consequently, when customers discontinue service, their existing deposits are either applied
10 to their accounts or refunded as appropriate, leading to a decrease in deposits. The refund
11 activity has consistently offset collections from June of 2023 through March of 2025, as
12 shown in the workpaper for Adjustment RB-70. The only exception was a slight increase in
13 one month at the end of 2023. Accordingly, the Company chose to use the month ending
14 March 31, 2025, because of this declining balance. Staff endorsed this methodology in their
15 direct testimony.

16 **Q: How was CURB's customer deposit interest expense calculated?**

17 A: Mr. Garrett uses the same 13-month average methodology used in CURB's rate base
18 adjustment for customer deposits. He then applies the authorized 2025 interest rate
19 percentage, consistent with EKC's adjustment, to calculate the associated customer deposit
20 interest expense.

21 **Q: What is your response to CURB?**

22 A: Although the interest rate should be applied to the same customer deposit balance included in
23 rate base, the Company has determined that using the month end balance as of March 31, 2025,
24 more accurately reflects the downward trend in customer deposits, a position which Staff

1 concurs. Therefore, CURB's use of the 13-month average balance to calculate the interest
2 expense adjustment, using the authorized interest rate, should be rejected.

3 (2) Construction Work in Process

4 **Q: Please summarize Staff's and CURB's position regarding CWIP.**

5 A: Staff witness Mr. Rehagen recommends removing all General, Distribution and Intangible
6 Plant from EKC's CWIP projects, contending that inclusion of these projects is inconsistent
7 with K.S.A. 66-128(b)(2) because they are not generation plant or it cannot be verified that
8 they will be in service as of June 30, 2025. In cross-answering testimony, Mr. Garrett agreed
9 with Staff's adjustment stating that, to meet the in-service exceptions of the statute, the
10 CWIP must be either generation plant or transmission plant that will connect to generation
11 plant, so distribution plant, general plant, and intangible plant cannot be considered "used
12 and required to be used" under the statute.

13 **Q: How do you respond to Staff and CURB's position regarding CWIP?**

14 A: Although I am not an attorney, I believe Staff's and CURB's position is not consistent with
15 the CWIP Statute. Subsection (a) of K.S.A. 66-128 instructs the Commission to determine
16 what facilities of the utility are "used and required to be used" so as to include them in rate
17 base. Subsection (b)(1) provides that property of a public utility which has not been
18 completed and dedicated to commercial service is not considered "used and required to be
19 used" in providing service, so would not be included in rate base unless it meets one of the
20 exceptions in subsection (b)(2). Subsection (b)(2) states:

21 Any public utility property described in subsection (b)(1) shall be deemed to
22 be completed and dedicated to commercial service if: (A) Construction of the
23 property will be commenced and completed in one year or less; (B) the
24 property is an electric generation facility that converts wind, solar, biomass,
25 landfill gas or any other renewable source of energy; (C) the property is an
26 electric generation facility or addition to an electric generation facility; **or**
27 (D) the property is an electric transmission line, including all towers, poles

1 and other necessary appurtenances to such lines, which will be connected to
2 an electric generation facility.”
3

4 (Emphasis added). The use of the word “or” as opposed to “and” in subsection (b)(2)
5 indicates that satisfying any of the exceptions in (A) through (D) are sufficient independently
6 to allow the property to be included in rate base as CWIP. The CWIP excluded by Staff and
7 CURB represents property that will be commenced and completed in one year or less from
8 the end of the test year – by June 30, 2025. EKC does not find support for the interpretation
9 advanced by CURB and Staff that excludes all Intangible, Distribution and General Plant
10 from the definition of CWIP under the CWIP Statute. Therefore, EKC’s inclusion of these
11 projects is appropriate.

12 (3) Cash Working Capital

13 **Q: Do you agree with Staff and CURB’s CWC recommendation?**

14 A: Yes, the Company agrees with Staff and CURB’s CWC approach in principle; however, the
15 calculation is impacted by other adjustments within the revenue requirement model. As those
16 adjustments are updated through settlement or revisions, the CWC calculation should also be
17 updated to remain aligned.¹

18 **Q: Does this conclude your testimony?**

19 A: Yes, it does.

¹ See the Direct Testimony of CURB witness Mark Garrett, p. 45.

STATE OF KANSAS
COUNTY OF SHAWNEE

VERIFICATION

Aron Branson, being duly sworn upon his oath deposes and states that he is the Manager, Regulatory Accounting, for Evergy, Inc., that he has read and is familiar with the foregoing Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Dr. Brown

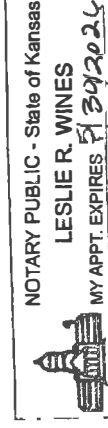
Aron Branson

Subscribed and sworn to before me this 3rd day of July 2025.

Deborah L. Jones
Notary Public

My Appointment Expires:

May 30, 2026



CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed, this 3rd day of July 2025, to all parties of record as listed below:

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