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

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| In the Matter of the Application of Evergy Metro, Inc. and for Approval of an Accounting Authority Order Allowing the Company to Defer and Track Cash Benefits From Nuclear Production Tax Credits and For Approval of its Production Tax Credit Tariff | ) ) ) ) ) ) ) | Docket No. 26-EKME-140-TAR |

**APPLICATION FOR ACCOUNTING AUTHORITY ORDER AND APPROVAL OF TARIFF**

COME NOW Evergy Metro, Inc. (referred to as "Evergy Kansas Metro" or "EKM") and requests the Commission to issue an accounting authority order ("AAO") allowing it to defer and track cash benefits associated with nuclear production tax credits ("PTCs") for the Wolf Creek Generating Station. EKM also requests approval of its Nuclear Production Tax Credit ("PTC") Tariff. In support of this Application, EKM states:

## I. Background and Proposed Tariff

1. The Inflation Reduction Act of 2022 created a new tax credit for electricity produced by nuclear facilities that is sold after December 31, 2023, and before December 31, 2032. The credit is intended to help support nuclear facilities that produce emission-free electricity, such as the Wolf Creek Generating Station of which EKM is a partial owner. There is currently some uncertainty regarding the value of these PTCs that is dependent on guidance needed from the US Treasury department. Depending on the guidance received, the value of the nuclear PTCs for Evergy Metro as a whole could range from approximately $60-70 million in PTC credits a year from 2024-2032 to a $0.00 value over the same period, with that amount to be split between Kansas and Missouri.

2. Because of this uncertainty in the value of credits, EKM requests approval of an accounting authority order allowing it to defer any cash benefits received as a result of the nuclear PTCs as a regulatory liability and a regulatory accounting tracker mechanism so that if a credit is received in the future, it will be deferred into the tracker and provided to retail customers as a line-item bill credit, consistent with the terms of the Tariff EKM is proposing in this filing.

3. Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (together as "EKC") is EKM's co-owner of the Wolf Creek Generating Station. In its most recent general rate case, EKC and the other parties in the docket included provisions related to the nuclear PTCs and a tracker mechanism in its Unanimous Settlement Agreement approved by the Commission on September 25, 2025, in Docket No. 25-EKCE-294-RTS.

4. EKC's request related to nuclear PTCs was addressed in the Unanimous Settlement Agreement filed in Docket No. 25-EKCE-294-RTS. Paragraphs 13 and 14 of that Unanimous Settlement Agreement provided:

> 13. The Parties agree that the EKC's request for approval of a nuclear PTC tracker with deferral to ensure all benefits related to the nuclear PTC are preserved and returned to customers should be approved. EKC will return the deferred benefits from the nuclear PTCs to customers as soon as reasonably practicable after the time EKC receivers a cash tax benefit for the credits by either using them to offset EKC's tax liability or selling them to a third party. The return of the deferred amount will be completed through a new line-item credit on customers' bills as follows:
>
> a. Within 60 days of EKC's initial receipt of a cash benefit for nuclear PTCs, EKC shall file its proposal for return of the already-deferred amounts related to the nuclear PTCs to retail customers through a line-item bill credit to be processed in EKC's normal billing cycle. EKC's proposal shall include the period of time over which the already-deferred amounts should be returned to customers through a bill credit and the allocation of such amounts to the customer classes. EKC's proposed line-item bill credit shall be

effective 30 days after its filing, subject to further review and audit by Commission Staff.

b. By April 30 following each calendar year after EKC's initial filing, EKC shall file an update to the line-item bill credit to reflect any additional cash benefits received during that calendar year related to nuclear PTCs. Each annual update shall be effective 30 days after its filing, subject to further review and audit by Commission Staff.

c. In the event that EKC receives a cash benefit from nuclear PTCs as a result of a sale to a third-party and the agreement with that third-party includes a provision that would require EKC to return the cash payment for the PTCs if they ultimately are not recognized by the IRS and EKC has already provided that cash benefit to retail customers, EKC will be entitled to recover the amount it has to return to the third-party from retail customers in the next annual update of the line-item bill credit.

14. EKC will file a tariff outlining this process for calculating the line-item credit by October 2025.

5. EKM's proposal in this docket for deferral, tracking, and provision of benefits to retail customers is consistent with what was agreed to for EKC customers in Docket No. 25-EKCE-294-RTS. Because the nuclear PTCs for EKM are based on production from the same nuclear plant as EKC's nuclear PTCs and because both EKM and EKC are serving retail customers in Kansas, it is reasonable for the deferral and tracking of the credits and the terms of the Tariff outlining provision of the benefits to customers would be consistent.

6. Therefore, EKM is filing the attached Nuclear PTC Tariff for Commission approval, the terms of which are consistent with the Unanimous Settlement Agreement in EKC's general rate case and with the Tariff EKC is filing concurrently with this Application.

7. The Tariff would result in the return of deferred nuclear PTCs to customers over a five-year period, with the provision of interest at EKC's weighted average cost of capital. This is reasonable because the credits will accumulate over multiple years and should be provided to

customers over multiple years and because use of a five-year amortization period will help smooth rate volatility since the amount of credits will likely be different from year to year. Additionally, EKM is just beginning an investment cycle for generation and amortization of the nuclear PTCs over a five-year period would be beneficial to EKM with respect to its ability to manage cash flow and utilize the deferred unamortized nuclear PTC regulatory liability as an additional funding source. Given that EKM is still waiting on guidance from the US Treasury Department that will confirm the value of the nuclear PTCs, a five-year amortization period is reasonable because it helps manage the risk of uncertainty and of providing credits to customers and then having to reverse them.

## II. Procedural Matters and Service

8. In addition to undersigned counsel, all correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

Darrin R. Ives
Vice President, Regulatory Affairs
One Kansas City Place
1200 Main, 31st Floor
Kansas City, MO 64105
Telephone: (816) 556-2522
E-mail: darrin.ives@evergy.com

Ron Klote
Sr. Director – Regulatory Affairs
One Kansas City Place
1200 Main, 19th Floor
Kansas City, MO 64105
Telephone: 816-652-1298
E-mail: Ronald.Klote@evergy.com

Brad Lutz
Director – Regulatory Affairs
One Kansas City Place
1200 Main, 19th Floor
Kansas City, MO 64105
Telephone: 816-652-1287

Email: Brad.Lutz@evergy.com

Leslie Wines
Sr Executive Administrative Assistant
818 S. Kansas Ave.
Topeka KS 66612
Telephone: (785) 575-1584
E-mail: Leslie.wines@evergy.com

9. EKM also requests that the Commission's Discovery Order issued in this docket include a notification to all parties that data requests issued to EKM need to be served on EKM's regulatory affairs department at regulatory.affairs@evergy.com.

## III. Request for Expedited Approval

10. EKM anticipates the potential for the first receipt of a cash benefit to occur sometime in the first quarter of 2026. EKM would like to have authority for the deferral through the AAO and have its Tariff in place prior to that time so that the provision of related benefits to customers can occur timely and smoothly. Thus, EKM requests that the Commission issue an order approving the proposed Nuclear PTC Tariff within 60 days of the filing of this Joint Application.

WHEREFORE, EKM requests the Commission issue an Order approving an AAO as outlined above and approving its Nuclear PTC Tariff and for such other and further relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Cathryn Dinges

Cathryn J. Dinges (#20848)
Senior Director and Regulatory Affairs Counsel
818 South Kansas Avenue
Topeka, Kansas 66612
(785) 575-8344
Cathy.Dinges@evergy.com

Evergy Metro, Inc.

STATE OF KANSAS )
) ss:
COUNTY OF SHAWNEE )

## VERIFICATION

Cathy Dinges. being duly sworn upon his oath deposes and states that she is the Sr Director and Regulatory Affairs Counsel 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 his knowledge, information and belief.

Cathryn Dinges
Cathryn J. Dinges

Subscribed and sworn to before me this 31st day of October 2025.

Leslie R. Wines
Notary Public

My Appointment Expires May 30, 2026

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

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THE STATE CORPORATION COMMISSION OF KANSAS

EVERGY METRO, INC., d.b.a. EVERGY KANSAS METRO
(Name of Issuing Utility)

EVERGY KANSAS METRO RATE AREA
(Territory to which schedule is applicable)

SCHEDULE NPTC

Replacing Schedule Initial Sheet 1

which was filed ____________________

No supplement or separate understanding shall modify the tariff as shown hereon.



## NUCLEAR PRODUCTION TAX CREDIT REFUND RIDER

### APPLICABILITY

The purpose of this rider is to define a method to ensure benefits related to nuclear production tax credits ("Nuclear PTCs") are returned to customers.

### BASIS OF ADJUSTMENT

The Company will return the deferred benefits from the Nuclear PTCs to customers as soon as reasonably practicable after the time the Company receives a cash tax benefit for the credits by either using them to offset the Company's tax liability or selling them to a third party. Allocation of the Nuclear PTCs to the jurisdiction will follow methods used to allocate nuclear energy production.

### INITIAL NUCLEAR PTC CREDIT

Within 60 days of the Company's initial receipt of a cash benefit for Nuclear PTCs, the Company shall file its proposal for return of the already-deferred amounts related to the Nuclear PTCs to retail customers through a line-item bill credit to be processed in the Company's normal billing cycle. The cash benefit of the Nuclear PTCs shall be applied over five years, inclusive of carrying costs, and payable though an annual line-item bill credit. The Company's line-item bill credit shall be effective 30 days after its filing, subject to further review and audit by Commission Staff.

### SUBSEQUENT ANNUAL NUCLEAR PTC CREDIT

By April 30 following each calendar year after the Company's initial filing, the Company shall file an update to the line-item bill credit to reflect any carried over amount and additional cash benefits received during that calendar year related to Nuclear PTCs. Additional cash benefits received shall be applied over five years, inclusive of carrying costs. Each annual update shall be effective 30 days after its filing, subject to further review and audit by Commission Staff.

In the event that the Company receives a cash benefit from Nuclear PTCs as a result of a sale to a third-party and the agreement with that third-party includes a provision that would require the Company to return the cash payment for the Nuclear PTCs if they ultimately are not recognized by the Internal Revenue Service and the Company has already provided that cash benefit to customers, the Company will be entitled to recover the amount it has to return to the third-party from customers in the next annual update of the line-item bill credit.

Issued ____________________
Month Day Year

Effective ____________________
Month Day Year

By____________________
Darrin Ives, Vice President

## NUCLEAR PRODUCTION TAX CREDIT REFUND RIDER

### METHOD OF REFUND

The return of the deferred amount will be completed through a new line-item credit on customers' monthly bills.

The Nuclear PTC credit amount for the applicable annual period shall be allocated among the customer classes and subclasses based on the total class energy sales (kWh) from the latest Company rate case. Once allocated between classes, the residential and lighting class Nuclear PTC credits shall be divided by the number of customers for each class to establish the monthly credit. The commercial and industrial class Nuclear PTC credits shall be divided by the commercial and industrial energy sales (kWh) to establish a per kWh credit. Any amount over or underapplied to customer bills will be carried over to the next annual credit.

Should the Nuclear PTC credits end or be fully monetized, any remaining underapplied amount will be provided to Dollar-Aide, the program that provides emergency assistance on energy costs to people with a severe disability, older adults, and income-eligible households, equal to the underapplied amount, through a one-time payment.

### DEFINITIONS AND CONDITIONS

Service under this rider is subject to the Company’s General Rules and Regulations presently on file with the State Corporation Commission of Kansas and any modifications subsequently approved.

All provisions of this rider are subject to changes made by order of the regulatory authority having jurisdiction.