

**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 Joint Application of Evergy)
Kansas Central, Inc. and Evergy Kansas South,) Docket No. 23-EKCE-668-ACA
Inc. for Approval of their Annual Energy Cost)
Correction Adjustment Factor.)

ORDER APPROVING ANNUAL COST ADJUSTMENT FACTOR

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, 2023, Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. f/k/a Westar Energy, Inc. and Kansas Gas and Electric Company (collectively, referred to as “Evergy Central”) filed a Joint Application in the above-captioned docket seeking approval of its respective Annual Cost Adjustment (“ACA”) factors under the Retail Energy Cost Adjustment (“RECA”) clause for the RECA year ending December 31, 2022.¹ Evergy Central’s Joint Application requests to collect an ACA factor of \$0.004993 per kWh from its Kansas customers based upon an under-recovered ACA amount of \$97,865,616.² This ACA factor was applied as a surcharge on Evergy Central residential customer bills on an interim basis over the period of April 1, 2023 and March 31, 2024, and is now subject to Commission approval in the above-captioned docket.³

¹ Application for Evergy, Docket No. 23-EKCE-668-ACA (March 20, 2023) (“Joint Application”).

² *Id.* at p. 3.

³ *Id.* at p. 1.

2. Accompanying Evergy Central's Joint Application were the testimonies of Evergy Central witnesses Elizabeth A. Herrington and Jessica L. Tucker. Ms. Tucker addressed Evergy Central's fuel procurement and planning practices during the year 2022.⁴ Additionally, Ms. Tucker discussed Evergy Central's cost of resources for the year 2022 compared to 2021 and how the Southwest Power Pool ("SPP") Integrated Marketplace ("IM") impacted Evergy Central's cost of serving its customers.⁵ Ms. Herrington discussed the actual revenues and expenses behind the 2022 RECA mechanism and the resulting ACA true-up factor to be effective and applied for 2023.⁶

3. On March 28, 2023, the Commission granted the Petition of the Citizens' Utility Ratepayer Board ("CURB") to Intervene and Motion for Protective and Discovery Order in the above-captioned docket.

4. On March 27, 2025, Commission Staff ("Staff") filed its Report and Recommendation ("R&R") in the above-captioned docket.⁷ Staff's R&R detailed the audit it conducted of Evergy Central's Application and analyzed whether its request for approval of its 2022 ACA factor and the energy costs requested for recovery were reasonable. Staff also analyzed Evergy Central's controls, procedures, and performance related to its participation in the SPP IM. Staff ultimately recommended that the Commission approve Evergy Central's Joint Application as filed.⁸

⁴ See Application, p. 2. See also Direct Testimony of Jessica Tucker on Behalf of Evergy Kansas Central, p. 4 (March 20, 2023) ("Tucker Direct").

⁵ See Tucker Direct, p. 4.

⁶ See Application, p. 2. See also Corrected Direct Testimony of Beth Herrington on Behalf of Evergy Kansas Central, p. 2 (March 21, 2023).

⁷ Report and Recommendation, Utilities Division, Docket No. 23-EKCE-668-ACA (March 27, 2025) ("Staff's R&R" or "R&R").

⁸ *Id.* at p. 21.

II. LEGAL STANDARDS

5. The Commission holds full power, authority, and jurisdiction to supervise and control Evergy Central as an electric public utility.⁹ All of Evergy Central's rates pertaining to jurisdictional service must be approved by the Commission.¹⁰ All rates charged by Evergy Central must be just and reasonable and must not be unreasonably discriminatory or unduly preferential.¹¹

6. In Docket No. 05-WSEE-981-RTS, the Commission approved Evergy Central's ACA mechanism.¹² The Commission approved a regulatory framework involving the reporting of RECA prices (i.e., the costs of fuel used to generate power) to Staff through the RECA year, and at the close of the year, a Commission prudence review of the proposed ACA factor for the next RECA year.¹³ Evergy Central's ACA factor is applied on an interim basis each year and the final ACA factor is subject to Commission approval. Staff analyzes whether the costs as reported by Evergy Central are reasonable.

III. FINDINGS AND CONCLUSIONS

7. 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.¹⁴

8. The Commission hereby adopts Staff's March 27, 2025, R&R findings and incorporates those findings herein.

9. The Commission concludes the recommendations set forth in Staff's March 27, 2025, R&R and are just and reasonable.

⁹ See K.S.A. 66-101.

¹⁰ See K.S.A. 66-117.

¹¹ See K.S.A. 66-101b.

¹² Order on Rate Applications, pp. 20-21, Docket No. 05-WSEE-981-RTS (Dec. 28, 2005) ("05-981 Docket").

¹³ See Direct Testimony of John Cita, Ph.D. on Behalf of KCC (Sep. 9, 2005).

¹⁴ Communications between Counsel for CURB and Counsel for Staff are available upon request.

10. Evergy Central's Joint Application resulted in a just and reasonable ACA factor of \$0.004993 per kWh, and the application should be approved. The Commission does not find the need for any corrections to Evergy Central's joint filing and therefore concludes that Evergy Central's Joint Application is approved as filed.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Evergy Central's 2022 ACA factor of \$0.004993 per kWh, which resulted in a recovery of \$97,865,616 from retail customers for the RECA year ending December 31, 2022, is approved.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 04/17/2025



Celeste Chaney-Tucker
Executive Director

MKH/CRM

CERTIFICATE OF SERVICE

23-EKCE-668-ACA

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 04/17/2025.

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/S/ KCC Docket Room

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