

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

DIRECT TESTIMONY OF

ELIZABETH A. HERRINGTON

**ON BEHALF OF
EVERGY METRO, INC. d/b/a EVERGY KANSAS METRO**

**IN THE MATTER OF THE APPLICATION OF
EVERGY KANSAS METRO
FOR APPROVAL OF 2024 ACTUAL COST ADJUSTMENT (“ACA”)**

DOCKET NO. 25-EKME-333 -ACA

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

2 A: My name is Elizabeth A. Herrington. My business address is 1200 Main, Kansas City,
3 Missouri 64105-2122.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc. (“Company”) as Senior Director, Power, Energy
6 and Revenue Accounting.

7 **Q: What are your responsibilities?**

8 A: As Senior Director, Power, Energy and Revenue Accounting, I have responsibility for
9 leading the margin accounting team in support of the monthly close and external reporting
10 processes. The margin accounting team is responsible for the recording and analysis of
11 all revenue, fuel, purchased power and transmission transactions including the calculation
12 of all fuel clauses including the Energy Cost Adjustment.

1 **Q: Please describe your education, experience and employment history.**

2 A: I graduated from the University of Missouri-Columbia in May 1992 with a Bachelor of
3 Science in Accountancy. In October 1997, I joined the Company as a staff accountant
4 and have held several roles such as Supervisor - Accounts Receivable, Supervisor -
5 Regulatory Accounting, Manager - Revenue and Fuel Accounting, Manager - Energy
6 Accounting, Senior Manager – Accounting, and Director of Energy and Revenue
7 Accounting before assuming my current role.

8 **Q: Have you previously testified in a proceeding before the Kansas Corporation**
9 **Commission (“KCC” or “Commission”) or before any other utility regulatory**
10 **agency?**

11 A: Yes. I previously provided written testimony to the KCC for the 2015 through 2022 ACA
12 filings and provided both written and oral testimony before the Missouri Public Service
13 Commission in the Company’s general rate case ER-2016-0285 and ER-2018-0145 on
14 fuel clause issues.

15 **Q: What is the purpose of your testimony in this proceeding?**

16 A: My testimony supports Evergy Kansas Metro’s request for Commission approval of the
17 2024 ACA amount and associated true-up factor related to the Company’s Energy Cost
18 Adjustment (“ECA”) tariff. I will describe the actual revenues and expenses behind the
19 2024 ECA mechanism and the resulting ACA true-up factor to be effective and applied
20 for the twelve-month period April 1, 2025 to March 31, 2026.

21 **Q: What is the purpose of Evergy Kansas Metro’s ECA tariff?**

22 A: The ECA tariff is designed to capture fuel, purchased power and related expenses, net of
23 off system sales revenue for the current calendar year. In addition, the ECA tariff

1 provides approximate real-time recovery for the net ECA expenses subject to an annual
2 true-up.

3 **Q: Were there any changes made to the ECA tariff in 2024?**

4 A: Yes. In Docket No. 23-EKCE-775-RTS, effective December 21, 2023, the Company
5 removed the differentiation between on-system and off-system allocations to Kansas
6 customers by removing the Unused Energy (UE1) allocator and adopting an Energy
7 allocator. Also, the 2024 ACA includes a reduction to retail purchased power for the
8 unsubscribed portion from the Solar Subscription Rider tariff as ordered in Docket No.
9 18-KCPE-480-RTS.

10 **Q: What expenses are used in the calculation of the ECA factors?**

11 A: Fuel, purchased power, emission allowances, renewable energy credits, and wholesale
12 transmission expenses and fees are used in the calculation. The Company uses the
13 following Federal Energy Regulatory Commission (“FERC”) accounts, as described in
14 the ECA tariff, to record these costs:

15 Fuel – FERC Accounts 501, 518 and 547;

16 Purchased Power – FERC Account 555;

17 Emission Allowances and Renewable Energy Credits (“REC”) – FERC Accounts
18 509, 411.8, 411.9, 411.11 and 411.12; and

19 Transmission Costs and Fees – FERC Accounts 565, 561.4, 561.8, 575.7, and
20 928.

21 **Q: Are all expenses in these accounts included in the ECA factor calculation?**

22 A: No. Labor is not a part of the ECA calculation. Additionally, retail transmission costs
23 and fees were excluded from the ECA calculation beginning October 1, 2015.

1 **Q: Please explain why labor is excluded.**

2 A: Labor is recovered through base rates rather than through the ECA factors.

3 **Q: Please explain why retail transmission costs and fees are excluded.**

4 A: Effective October 1, 2015, the Company began collecting retail transmission costs and
5 fees through its Transmission Delivery Charge (“TDC”) rider. At that time the Company
6 removed retail transmission from the ECA calculation and included it in the TDC rider.

7 **Q: Are there any revenues included in the calculation of the ECA factors?**

8 A: Yes, off system sales or sales for resale are credited to customers as an offset to the above
9 expenses. These revenues are in FERC account 447- Sales for Resale.

10 **Q: What was the total amount of ECA expenses net of offsystem sales revenue for**
11 **Evergy Kansas Metro retail customers for 2024?**

12 A: The total cost of fuel, purchased power and related expenses less off-system sales revenue
13 to serve Kansas retail customers in 2024 was \$118,162,366. Confidential Schedule EAH-
14 1 provides a summary of these net ECA expenses.

15 **Q: How does the Company recover the ECA Costs from its Kansas retail customers?**

16 A: As described in the testimony of Ms. Jessica Tucker, Evergy Kansas Metro calculates an
17 ECA rate per kWh for each calendar month (“ECA factor”) on a quarterly basis. The
18 ECA factors are submitted to the Commission on or before the 20th day of the month
19 preceding each calendar quarter. The Company bills its retail customers as a separate
20 line item based on the customers’ kWh usage for each month.

21 **Q: How does the Company record revenue from its retail customers, including ECA**

1 **revenue?**

2 A: Evergy Kansas Metro records ECA revenue as a component of retail revenue in FERC
3 Accounts 440, 442 and 444. In addition, the Company records retail revenue by rate
4 jurisdiction based on customer service address, which allows the Company to record retail
5 usage by rate jurisdiction.

6 **Q: How does Evergy Kansas Metro compare the amount of ECA revenue billed to**
7 **actual net ECA expenses incurred?**

8 A: Each month, the Company's accounting department calculates the ECA revenue over- or
9 under-collection in accordance with Evergy Kansas Metro's ECA tariff. The ECA
10 revenue billed is compared to the Kansas allocation of the actual fuel, purchased power
11 and related expenses less off-system sales revenue .

12 **Q: For the ECA components described above, how much did the Company record in**
13 **2024 in ECA revenue and in net ECA expense?**

14 A: Evergy Kansas Metro billed ECA revenue for its Kansas retail customers of \$120,835,457
15 applicable to the 2024 ECA year. As explained above, the actual Kansas portion of net
16 ECA expense was \$118,162,366. The sum of these amounts: customer revenue of
17 \$120,835,457 less net ECA expense of \$118,162,366 or (\$2,673,091), represents the
18 amount the Company has over-recovered from its Kansas retail customers for the 2024
19 ECA year.

20 **Q: Has the Company returned the 2022 ACA over recovery of \$26,756,144 to Kansas**
21 **retail customers?**

22 A: In accordance with the ECA tariff, Evergy Kansas Metro returned \$24,493,554, after
23 which a balance of \$2,262,590 remains to be returned to customers.

1 **Q: Is the Company including any amount in this 2024 ACA filing related to the 2022**
2 **ACA remaining balance?**

3 A: Yes. Since the reimbursement period of April 2023 through March 2024 for the 2022
4 ACA is complete and in accordance with the ECA tariff, the Company will add the above
5 mentioned 2022 ACA remaining credit balance of \$2,262,590 to the 2024 ACA total.

6 **Q: Is the Company including any other adjustments in this 2024 ACA filing?**

7 No.

8 **Q: What is the total true-up amount for the 2024 ACA year?**

9 A: The total true up for the 2024 ACA has two components. The 2024 over recovery of
10 \$2,673,091 plus the credit balance from the 2022 ACA of \$2,262,590 for a total true up
11 credit of \$4,935,681.

12 **Q: What is the Company recommending for the 2024 true-up credit of \$4,935,681?**

13 A: Evergy Kansas Metro is recommending that the Commission approve returning this
14 amount to Kansas retail customers over a twelve-month period beginning April 1, 2025,
15 in accordance with the Company's ECA tariff. As shown in Confidential Schedule EAH-
16 1, this 2024 true-up results in an ACA credit factor of (\$0.00075) per kWh which would
17 reduce the ECA factors for each month beginning April 2025 through March 2026.

18 **Q: Is the Company including any amount in this 2024 ACA filing related to the 2023**
19 **ACA?**

20 A: No. Since the collection period of April 2024 through March 2025 for the 2023 ACA is
21 not completed at the time of this filing, the Company is not including a true-up amount
22 in this filing. Evergy Kansas Metro intends to include any true-up to the 2023 ACA in
23 its March 1, 2026 filing for the 2025 ACA.

1 **Q: Are there any additional exhibits filed with this ACA Application prepared by you**
2 **or prepared under your direct supervision?**

3 A: Yes, Confidential Schedule EAH-2 contains the detailed ECA calculation for 2024.

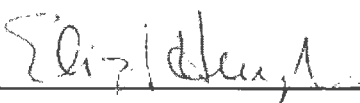
4 **Q: Does that conclude your testimony?**

5 A: Yes, it does.

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)


VERIFICATION

Elizabeth Herrington, being duly sworn upon her oath deposes and states that she is the Sr. Director, Power, Energy and Revenue Accounting, for Evergy, Inc., that she has read and is familiar with the foregoing Direct Testimony, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Elizabeth Herrington

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



Notary Public

My Appointment Expires May 30, 2026



**EVERGY KANSAS METRO
ENERGY COST ADJUSTMENT (SCHEDULE ECA)
SUMMARY TOTAL VALUES**

	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Actual Jul-24	Actual Aug-24	Actual Sep-24	Actual Oct-24	Actual Nov-24	Actual Dec-24	2024 Total	
SCHEDULE ECA ACTUAL VALUES														
1. Actual cost nuclear and fossil fuel	[REDACTED]													
Account 501 Coal														
Account 518 Nuclear														
Account 547 Gas / Oil														
2. Actual cost purchased power														
3. Actual cost emission allowances	[REDACTED]													
4. Actual transmission cost														
5. Actual Off-System Sales Revenue														
6. Net ECA Expense Total (Lines 1+2+3+4-5)														
7. Actual kWhs delivered to all Eversky Metro Retail & Requirement Sales for Resale Customers														S_{AT}
8. Actual kWhs delivered to all Eversky Kansas Metro Retail Customers	S_{AK}	539,658,169	425,400,088	406,353,068	400,928,916	470,702,968	582,487,150	636,977,118	596,380,403	513,696,126	424,812,098	425,067,752	498,965,794	
9. Kansas Energy Allocation (Line 8 / Line 7)		41.80%	40.50%	40.06%	41.04%	41.92%	43.07%	43.42%	43.17%	42.40%	40.63%	40.60%	41.54%	
10. Kansas Portion of Net Expense (Line 6 x Line 9)	\$	23,656,487	\$ 7,164,679	\$ 5,180,925	\$ 9,289,454	\$ 1,725,897	\$ 11,469,889	\$ 14,564,289	\$ 12,211,928	\$ 7,529,653	\$ 6,735,195	\$ 8,139,979	\$ 10,493,991	\$ 118,162,366
11. ECA Revenue Collected excluding True-Up	\$	10,891,496	\$ 9,017,237	\$ 8,630,787	\$ 8,027,866	\$ 8,918,416	\$ 10,794,830	\$ 13,366,284	\$ 12,453,240	\$ 10,116,237	\$ 9,862,206	\$ 9,223,956	\$ 9,532,902	\$ 120,835,457
12. 2024 Over/(Under) Collected (Line 11 - Line 10)	\$	(12,764,991)	\$ 1,852,558	\$ 3,449,862	\$ (1,261,588)	\$ 7,192,520	\$ (675,059)	\$ (1,198,005)	\$ 241,312	\$ 2,586,584	\$ 3,127,010	\$ 1,083,977	\$ (961,089)	\$ 2,673,091
13. 2022 ECA Remaining Balance Over/(Under)	TRUE_{PRIOR}													\$ 2,262,590
14. True-up Amount Total (Lines 12 + 13)	TRUE_A													\$ 4,935,681
15. Projected kWh for Kansas Retail Customers for April 2025 - March 2026	S_{TRUE}													6,557,921,733
16. True-up Component of the ECA (\$/kWh) (Line 14 / Line 15)														<u>\$ (0.00075)</u>

EVERGY KANSAS METRO
ENERGY COST ADJUSTMENT
 For application to all Evergy Kansas Metro Retail Rate Schedules

ACA	Component	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual

Cost of Fuel

F_A Accounts 501, 518, and 547

- Fuel - Steam Generation (Coal)
 - Production Fuel
 - Non-labor Fuel Handling
 - Natural Gas Option Premiums
 - Natural Gas Hedge Settlement
 - Total Coal

- Fuel - Nuclear Generation
 - Production Fuel
 - Non-labor Fuel Handling
 - Total Nuclear

- Fuel - Other Generation (Oil / Gas)
 - Production Fuel
 - Non-labor Fuel Handling
 - Natural Gas Option Premiums
 - Natural Gas Hedge Settlement
 - Total Oil/Gas

Total F_A =

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Cost of Purchased Power

P_A Account 555

- Capacity Demand Purchases
- Energy Purchases
- RER Subscribed
- SPP Market Participants Admin Fees
- Kansas Solar Unsubscribed
- CNPPID Hydro PPA Premium

Total P_A =

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Cost of Emission Allowances and Renewable Energy Credits

E_A Accounts 509 and 411

- Kansas SO2 Amortization
- SO2 NOx Allowances
- Kansas Wind & Solar RECs & Sales

Total E_A =

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Cost of Transmission not recovered through Transmission Delivery Charge

T_A Accounts 561, 565, 575 and 928

- Administrative Fees on Point to Point
- Transmission Base Plan Funding Point to Point
- Other Transmission costs
- FERC Assessment fees

Total T_A =

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Off-System Sales Revenue

OSSR_A Account 447

- Capacity Demand Sales
- Energy Sales

Total OSSR_A =

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EVERGY KANSAS METRO
ENERGY COST ADJUSTMENT
 For application to all Evergy Kansas Metro Retail Rate Schedules

ACA	Component	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual

kWh for all Retail and Requirements Sales for Resale

S_{Kansas} Kansas kWh	539,658,169	425,400,088	406,353,068	400,928,916	470,702,968	582,487,150	636,977,118	596,380,403	513,696,126	424,812,098	425,067,752	498,965,794	5,921,429,649
S_{AT} Total kWh	1,291,069,319	1,050,270,394	1,014,443,184	977,020,715	1,122,939,526	1,352,265,874	1,467,012,796	1,381,335,060	1,211,597,183	1,045,635,412	1,046,990,593	1,201,139,495	14,161,719,550
S_{AT}/S_{Kansas} Kansas Energy Allocator	41.80%	40.50%	40.06%	41.04%	41.92%	43.07%	43.42%	43.17%	42.40%	40.63%	40.60%	41.54%	

ECA_A Calculation

- F_A Fuel
- P_A Purchased Power
- E_A Emission Allowances
- T_A Transmission
- (F_A + P_A + E_A + T_A)
- OSSR_A Off-System Sales Revenue
- ((F_A + P_A + E_A + T_A) - OSSR_A)
- S_{AT} Retail + Requirements Sales kWhs
- ((F_A + P_A + E_A + T_A) - OSSR_A)/S_{AT}

F _A Fuel													
P _A Purchased Power													
E _A Emission Allowances													
T _A Transmission													
(F _A + P _A + E _A + T _A)													
OSSR _A Off-System Sales Revenue													
((F _A + P _A + E _A + T _A) - OSSR _A)													
S _{AT} Retail + Requirements Sales kWhs													
((F _A + P _A + E _A + T _A) - OSSR _A)/S _{AT}													

Kansas Net ECA Expense	\$ 23,656,487	\$ 7,164,679	\$ 5,180,925	\$ 9,289,454	\$ 1,725,897	\$ 11,469,889	\$ 14,564,289	\$ 12,211,928	\$ 7,529,653	\$ 6,735,195	\$ 8,139,979	\$ 10,493,991	\$ 118,162,366
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ECA _p Projected Factors	\$0.02092	\$0.02034	\$0.02131	\$0.02317	\$0.00367	\$0.01969	\$0.02286	\$0.02048	\$0.01466	\$0.01585	\$0.01915	\$0.02103	
ECA _{TRUE} True Up Factor for 4/2023 - 3/2024	(0.00415)	(0.00415)	(0.00415)										
ECA _{TRUE} True Up Factor for 4/2024 - 3/2025				0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	0.00105	
Total Customer ECA Factor	\$0.01677	\$0.01619	\$0.01716	\$0.02422	\$0.00472	\$0.02074	\$0.02391	\$0.02153	\$0.01571	\$0.01690	\$0.02020	\$0.02208	

ECAREV _A ECA Revenue Collected excluding True-Up	\$ 10,891,496	\$ 9,017,237	\$ 8,630,787	\$ 8,027,866	\$ 8,918,416	\$ 10,794,830	\$ 13,366,284	\$ 12,453,240	\$ 10,116,237	\$ 9,862,206	\$ 9,223,956	\$ 9,532,902	\$ 120,835,457
True-up Revenue (estimated)	(2,239,581)	(1,765,410)	(1,686,365)	420,975	494,238	611,612	668,826	626,199	539,381	446,053	446,321	523,914	(913,838)
Total Revenue	\$ 8,651,914	\$ 7,251,827	\$ 6,944,422	\$ 8,448,841	\$ 9,412,655	\$ 11,406,442	\$ 14,035,110	\$ 13,079,439	\$ 10,655,618	\$ 10,308,259	\$ 9,670,277	\$ 10,056,816	\$ 119,921,620

ACA FACTOR

													2024 ACA	
2024 Over/(Under) Collection	\$ (12,764,991)	\$ 1,852,558	\$ 3,449,862	\$ (1,261,588)	\$ 7,192,520	\$ (675,059)	\$ (1,198,005)	\$ 241,312	\$ 2,586,584	\$ 3,127,010	\$ 1,083,977	\$ (961,089)	\$ 2,673,091	
2022 Remaining Balance Over/(Under) Collection													\$ 2,262,590	
TRUE_A True-up Amount Total													\$ 4,935,681	
S_{TRUE} Projected kWh for Kansas Retail Customers for April 2025 - March 2026													6,557,921,733	
-TRUE_A/S_{TRUE} Factor to add													\$ (0.00075)	
													Residential kWh	1,013
													Residential Monthly	\$ (0.76)
													Residential Impact	\$ (1.82)