

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

In the Matter of the Application of Evergy)
Metro, Inc., Evergy Kansas Central, Inc., and)
Evergy Kansas South, Inc. for Adjustment of) Docket No. 21-EKME-050-RTS
Base Rates to Comply with HB 2585)

NOTICE OF FILING OF STAFF'S REPORT AND RECOMMENDATION

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively), and files its Report and Recommendation regarding the Application of Evergy Kansas Metro, Inc., (Evergy Kansas Metro) Evergy Kansas Central, Inc., and Evergy Kansas South, Inc. (together, Evergy Kansas Central) (collectively, Evergy). Evergy requested approval of adjustments to its base rates for both Evergy Kansas Metro and Evergy Kansas Central to comply with House Bill No. 2585.

Staff recommends approval of Evergy Kansas Metro's rate reduction proposal of \$8,580,710, as filed. Staff recommends approval of Evergy Kansas Central's proposed rate reduction of \$21,629,594; but, concerning the three-phase implementation and credit distribution metrics of such rate reduction, Staff recommends a change in the order of the distribution of the credits.

WHEREFORE, Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Carly R. Masenthin

Carly R. Masenthin, #27944

Staff Attorney

1500 SW Arrowhead Rd

Topeka, KS 66604

Phone (785) 271-3361

Email: c.masenthin@kcc.ks.gov

Susan K. Duffy, Chair
Dwight D. Keen, Commissioner
Andrew J. French, Commissioner

Laura Kelly, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Chair Susan K. Duffy
Commissioner Dwight D. Keen
Commissioner Andrew J. French

FROM: Kristina Luke Fry, Managing Auditor
Andria Jackson, Deputy Chief of Revenue Requirements, Cost of Service and Finance
Lana Ellis, Deputy Chief of Economics and Rates
Justin Grady, Chief of Revenue Requirements, Cost of Service and Finance
Robert Glass, Chief of Economics and Rates
Jeff McClanahan, Director

DATE: September 18, 2020

SUBJECT: Docket No. 21-EKME-050-RTS: In the Matter of the Application of Evergy Metro, Inc., Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. for Adjustment of Base Rates to Comply with HB 2585.

EXECUTIVE SUMMARY:

Evergy Metro, Inc. (Evergy Kansas Metro), Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (the latter two d/b/a Evergy Kansas Central) (all three collectively referred to as Evergy) submitted an Application for approval of new base rates that reflect the elimination of Kansas state income taxes from their revenue requirement pursuant to House Bill No. 2585 (HB 2585). Staff has conducted an audit of Evergy's filing and recommends approval of the rate reduction proposal requested for Evergy Kansas Metro in the amount of \$8,580,710, as filed, and approval of the rate reduction proposal requested for Evergy Kansas Central in the amount of \$21,629,594, as modified by Staff. While Staff recommends approval of Evergy Kansas Central's proposed three-phase implementation and credit distribution metrics, Staff recommends a change in the order of the distribution of the credits with the flexibility to petition to smooth out the credits in the years 2022 and 2023, if needed.

BACKGROUND:

Senate Substitute for House Bill No. 2585 (Senate Sub. for HB 2585 or the "Bill") creates and amends the law relating to a tax exemption for the tracking and collection of state and federal income tax by certain public utilities, subject to rate regulation by the Kansas Corporation

Commission (Commission or KCC). The Bill was signed by the Governor on June 1, 2020, and became effective July 1, 2020.¹

Specifically, the newly amended law exempts every electric and natural gas utility, as defined by law and that is subject to rate regulation by the KCC, from paying Kansas income tax for tax years ending on or after January 1, 2021. Additionally, the Bill establishes a requirement for utilities to track changes to income tax collections and to file an application with the Commission for new retail rates reflecting adjusted income tax rates within 60 days of enactment of such change in state or federal law, if the adjustment results in an over-collection or under-collection of income tax expense that is equal to or exceeds .25% of a utility's base revenue level from the utility's most recent rate case.

On July 31, 2020, Evergy filed an Application for approval of new base rates that reflect the elimination of Kansas state income taxes from Evergy's revenue requirement in compliance with HB 2585.² In its Application, Evergy proposes to implement the following: (1) a total rate reduction for Evergy Kansas Metro of \$8,580,710 in one phase, effective January 1, 2021; and (2) a total rate reduction for Evergy Kansas Central of \$21,629,594 over three phases, with 25% of the total rate change effective on January 1, 2021, another 25% of the total change effective on January 1, 2022, and the total rate change effective on January 1, 2023.³ Supplemental to its filed request, Evergy enclosed redlined and clean copies of its tariffs reflecting the proposed changes. According to the procedural schedule, and consistent with the requirements set forth in the Bill which requires the Commission to act on the Application within 120 days of filing, a Commission Order is due in this matter on November 28, 2020.⁴

ANALYSIS:

Calculation of Evergy Kansas Metro's Base Rate Reduction

According to Evergy's Application, the impact of the exemption from Kansas income tax on Evergy Kansas Metro's revenue requirement is a decrease of \$8,580,710. This amount was derived by taking the final revenue requirement model from Evergy Kansas Metro's last general rate case and removing the state income tax percentage from the overall calculation. The resulting revenue requirement was then compared to the original revenue requirement with the difference being the impact of the state income tax change. Evergy is proposing to implement the rate reduction for Evergy Kansas Metro in one phase effective on January 1, 2021. Staff has reviewed and verified the calculation of Evergy Kansas Metro's rate reduction, as well as the proposed timeline of implementation, and has determined that Every Kansas Metro's request is consistent

¹ See Senate Substitute for H.B. 2585 (2020) http://www.kslegislature.org/li/b2019_20/measures/hb2585/.

² *Application of Evergy Metro, Inc., Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. for Adjustment to Base Rates to Comply with HB 2585*, Docket No. 21-EKME-050-RTS (21-050 Docket) (Jul. 31, 2020).

³ Evergy's proposed implementation of Evergy Kansas Central's overall revenue requirement decrease of \$21,629,594 includes a reduction of \$5,407,399 effective on January 1, 2021, an additional reduction of \$5,407,399 effective on January 1, 2022, and a final reduction of \$10,814,797 effective on January 1, 2023.

⁴ *Order Adopting Procedural Schedule and Designating Presiding Officer*, 21- 050 Docket (Aug. 18, 2020).

with the guidelines set forth in the Bill. Therefore, Staff recommends approval of Evergy Kansas Metro's rate reduction proposal as requested.

Calculation of Evergy Kansas Central's Base Rate Reduction

The total impact of the exemption from Kansas income tax on Evergy Kansas Central's revenue requirement, as shown in the Application, is \$21,629,594. Evergy applied the same method to determine the revenue requirement impact for Evergy Kansas Central as was used for Evergy Kansas Metro. The final revenue requirement model from Evergy Kansas Central's last rate case was compared to the same model reflecting the removal of the state income tax with the difference being the total impact of the state income tax change. Staff has reviewed the calculation of Evergy Kansas Central's rate reduction and agrees with the total impact amount.

Instead of implementing the rate reduction in one phase, Evergy is proposing to implement the overall rate reduction for Evergy Kansas Central over three phases. More specifically, a rate decrease would occur every January for the next three years, with 25% of the total reduction effective on January 1, 2021, an additional 25% reduction beginning on January 1, 2022, and the final reduction of the remaining 50% occurring on January 1, 2023. In support of its proposed three-phase implementation, Evergy cites Section 3(d)(1) of the Bill which provides that the utility can request that the Commission give "due consideration to the common interests of the public utility and its customers, including, but not limited to, use of a two-year implementation of current period rate changes to maintain the credit quality of the utility by ensuring that any such change in retail rates will not cause the utility's credit metrics that are traditionally considered by the credit rating agencies to deteriorate to a level that could impair the utility's current credit rating."

The credit rating agencies that currently publish credit ratings for Evergy Kansas Central are Moody's Investor Services (Moody's) and S&P Global Ratings (S&P). In Evergy witness Lori Wright's testimony, Ms. Wright demonstrates how Moody's uses Evergy Kansas Central's Cash from Operations (CFO) Pre-working capital (Pre-WC) divided by Debt to determine Evergy's credit standing while S&P uses Funds from Operations (FFO) to debt to determine the likelihood of a company to service its debt obligations on time. On page 8 of her testimony, Ms. Wright discusses the factors that credit rating agencies list as factors that could lead to a rating downgrade stating that Moody's noted that "a downgrade could be considered if Kansas Central's CFO pre-WC to debt ratio remains below 18% on a sustained basis."⁵ Ms. Wright further states that S&P notes that if the FFO to debt is consistently below 15%, then S&P could lower the rating. Evergy Central focuses on Moody's CFO Pre-WC to debt credit metric as an indication of the potential impacts on credit quality because, based on experience, this metric is most sensitive to changes in Evergy's operating cash flows. Ms. Wright presents the pro forma impact on Evergy Kansas Central's CFO Pre-WC to Debt credit metric with a one-time decrease to retail rates and the phase-in the Company is requesting. Staff is supportive of Evergy Kansas Central's goal to keep the CFO Pre-WC to Debt ratio at 18% or higher to prevent the possible degradation of its credit rating. Pursuant to the requirements in the Bill, the Commission is required to *ensure* that any rate change will not cause the utility's credit metrics to deteriorate to a level that *could* impair the utility's

⁵ Direct Testimony of Lori A. Wright, 21-050 Docket, p. 8, lines 11-12 (Jul. 31, 2020).

credit rating. Based on the available guidance from Moody's, as discussed in Ms. Wright's testimony, Staff recommends that the Commission not approve a rate decrease that would push the CFO Pre-WC to Debt metric any lower than 18%.

In its review, Staff evaluated various scenarios to determine if there was a way to provide the rate reduction to customers at a faster rate without Evergy Kansas Central's credit metrics to deteriorate to an unacceptable level as discussed above. The different scenarios Staff analyzed included a one-year implementation of the rate reduction, an evenly split three-part phase-in of the rate reduction, and switching the proposed distribution of credits of the three-part phase-in from 25%/25%/50% to 25%/50%/25%, respectively. The results of Staff's analysis compared to Evergy's requested phase-in proposal are presented in the table below.

Date of Rates Effective	Without Phase-In		Evergy's Proposed Phase-In		Evenly Split Rate Reduction		Adjust When \$10.8M Reduction	
	Rate Reduction	CFO Pre-WC to Debt	Rate Reduction	CFO Pre-WC to Debt	Rate Reduction	CFO Pre-WC to Debt	Rate Reduction	CFO Pre-WC to Debt
January 2021	\$21.6M	17.7%	\$5.4M	18.1%	\$7.2M	18.0%	\$5.4M	18.1%
January 2022	\$0M	18.3%	\$5.4M	18.6%	\$7.2M	18.6%	\$10.8M	18.5%
January 2023	\$0M	18.2%	\$10.8M	18.3%	\$7.2M	18.3%	\$5.4M	18.3%

As shown in the table above, the results of implementing the full \$21.6 million in January 2021 will likely cause Evergy Kansas Central's credit metrics to decrease to a level that *could* lead to the degradation of its credit rating (CFO Pre-WC to Debt below 18%). Ultimately, Staff is not comfortable recommending a one-phase implementation due to the Commission's responsibility under Section 3(d)(1) of the Bill to ensure the credit metrics would not be impaired by the rate reduction. Furthermore, the even-split option Staff examined puts the CFO Pre-WC/Debt metric right at the 18% level that Moody's lists in its guidance. Given the uncertainty in the current economic environment and the unknown ultimate impact of the COVID-19 pandemic, Staff contends that this option doesn't leave enough cushion in this credit metric. That leaves Evergy's proposal and Staff's scenario where rates are reduced by \$10.8 million in 2022, instead of 2023 proposed by Evergy. Staff prefers to reduce rates for customers as quick as possible while remaining consistent with the Commission responsibilities under the Bill. In order to balance the interests of ratepayers and the Company, Staff is recommending to reduce rates by crediting 50%, or \$10.8 million, in 2022 and two 25% credits in 2021 and 2023. As depicted in the table above, reducing rates by \$10.8 million in 2022 results in a CFO Pre-WC to Debt ratio of 18.5%, which is just 10 basis points below Evergy's requested cushion, and is more than 40 basis points higher cushion than the projections for 2021. This gives Staff comfort that any unforeseen events that could negatively affect Evergy Kansas Central's CFO Pre-WC to Debt ratio should not cause the ratio to be reduced to less than 18%.

While Staff and the Company cannot ensure that Evergy Kansas Central's credit rating will not be downgraded, there are other factors to consider that could negatively affect the CFO Pre-WC to

Debt ratio. Knowing this, Staff would be open to adjusting the \$10.8 million decrease in January 2022 if over the next year the Company's financial projections change to a point where the CFO Pre-WC to Debt ratio fall below the 18% level. Staff recommends that the Commission provide an explicit statement in its Order that Evergy is free to petition the Commission for a revision to the rate credits scheduled for 2022 and 2023 (shifting some of the rate reduction from 2022 into 2023) in the event that additional financial data from 2021 is able to demonstrate that such flexibility is necessary in order to avoid a degradation of Evergy's credit metrics.

Calculation of the Base Rate Reductions for Each Retail Rate Schedule

Evergy's reduced revenue collection requirement (because of the elimination of the Kansas Income Taxes) was accomplished by adjusting existing retail customer rates with "new retail rates reflecting the adjusted income taxation rates."⁶ Evergy used the same method for adjusting existing rates in both Evergy Kansas Metro and Evergy Central.

First, the billing determinants from the last rate case for each company were used to allocate the revenue reduction among rate classes. The revenue reduction was allocated based on class revenue requirement as a percentage of total company revenue requirement. This method was used for two reasons; (1) it preserves the revenue allocation among classes that resulted from the last rate case; (2) this is the same method used to allocate the income tax credits to rate classes from the Federal reduction in Corporate Income Tax rates.

Table 2 below has the rate class allocation for Evergy Kansas Metro.

Table 2

Evergy Kansas Metro			
Rate Class Allocation of Decrease in Income Tax Expense			
KANSAS RATE GROUP	Retail Rate Revenue		Decrease In Revenue
Residential	\$	294,422,435	\$ (4,401,456)
Small General Service	\$	43,430,698	\$ (649,265)
Medium General Service	\$	68,592,262	\$ (1,025,417)
Large General Service	\$	160,776,826	\$ (2,403,526)
Lighting	\$	6,759,116	\$ (101,045)
TOTAL	\$	573,981,337	\$ (8,580,710)

⁶ HB 2585, Section 3 (b).

Table 3 has the rate class allocation for Evergy Central. Unlike Evergy Kansas Metro which reduced revenue in one phase, Evergy Central has a three-phase process for allocating the revenue decrease. Phase 1 rate adjustments begin January 1, 2021, Phase 2 rate adjustments begin January 1, 2022, and Phase 3 rate adjustments begin January 1, 2023. As explained above, Phase 1 and 3 each have 25% of the total rate adjustment, and Phase 2 has 50% of the rate adjustment.

Table 3

Evergy Central Three Phase Rate Class Allocation of Decrease in Income Tax Expense					
	Existing Retail Rate Revenue	January 1, 2021 Phase 1 Decrease	January 1, 2022 Phase 2 Decrease	January 1, 2023 Phase 3 Decrease	Proposed Retail Rate Revenue
Annual Revenue Decline		\$ (5,407,399)	\$ (10,814,797)	\$ (5,407,399)	
RATE CLASS					
Residential	\$ 568,138,087	\$ (2,377,164)	\$ (4,754,329)	\$ (2,377,164)	\$ 558,629,430
Residential Distrib. Generation	\$ 165,068	\$ (691)	\$ (1,381)	\$ (691)	\$ 162,306
Small General Service	\$ 271,692,703	\$ (1,136,798)	\$ (2,273,596)	\$ (1,136,798)	\$ 267,145,511
Medium General Service	\$ 152,911,189	\$ (639,800)	\$ (1,279,598)	\$ (639,800)	\$ 150,351,991
Large General Service	\$ 174,989,402	\$ (732,178)	\$ (1,464,369)	\$ (732,180)	\$ 172,060,674
Industrial and Large Power	\$ 24,769,258	\$ (103,638)	\$ (207,263)	\$ (103,633)	\$ 24,354,724
Large Tire Manufacturer	\$ 4,386,216	\$ (18,353)	\$ (36,707)	\$ (18,354)	\$ 4,312,803
Interruptible Contract Service	\$ 743,962	\$ (3,113)	\$ (6,226)	\$ (3,113)	\$ 731,511
Special Contracts	\$ 33,658,845	\$ (140,833)	\$ (281,666)	\$ (140,834)	\$ 33,095,512
Churches	\$ 1,214,934	\$ (5,083)	\$ (10,167)	\$ (5,083)	\$ 1,194,600
Schools	\$ 34,585,006	\$ (144,708)	\$ (289,416)	\$ (144,708)	\$ 34,006,174
Standby Service Rider	\$ 17,652	\$ -	\$ -	\$ -	\$ 17,652
RENEW	\$ 217,954	\$ -	\$ -	\$ -	\$ 217,954
Lighting	\$ 25,104,282	\$ (105,040)	\$ (210,079)	\$ (105,041)	\$ 24,684,122
TOTAL	\$ 1,292,594,558	\$ (5,407,399)	\$ (10,814,797)	\$ (5,407,399)	\$ 1,270,964,964

Second, the retail rates for each rate class were adjusted to reduce the revenue collection allocated to each rate class. The Settlement rate changes in the last rate cases, 18-KCPE-480-RTS and 18-WSEE-328-RTS, were used as guides for the reduction in rates due to the elimination of the Kansas Income Tax. For example, in both settlements, for the Residential class only the energy charge was reduced. Using that as a guide, Evergy only reduced the energy charge to adjust for the reduced revenue collection. However, in the 18-WSEE-328-RTS, the Medium General Service, Large General Service, and the Industrial and Large Power rate classes had changes in the service fee, the demand charges, and the energy charge. Thus, Staff believes all of these charges were available for adjustment.

Staff's proposed new rate design for Evergy Central are attached as an exhibit to this Report and Recommendation. Staff's proposed rate design for Evergy Kansas Metro is the same as that proposed by Evergy which is attached to the Direct Testimony of Brad Lutz. Evergy's proposed rate design for Evergy Central is different from Staff's proposed rate design because of the order of the three-phase revenue allocation and the use of the fixed charges, as well as the energy charge to make the rate adjustments.

RECOMMENDATION:

Staff recommends approval of Evergy Kansas Metro's proposal to reduce base rates by \$8,580,710 in one phase effective on January 1, 2021. Staff recommends approval of Evergy Kansas Central's total revenue requirement decrease of \$21,629,594 to be implemented over a two-year period in three phases including a reduction of \$5,407,399 effective on January 1, 2021, an additional reduction of \$10,814,797 effective on January 1, 2022, and an additional reduction of \$5,407,399 effective on January 1, 2023. Furthermore, Staff recommends its modifications to Evergy Kansas Central's proposal contingent upon future flexibility that in the event that Evergy Kansas Central's CFO Pre-WC to Debt ratio falls below 18%, the Company can request a change in Staff's filed position for the years 2022 and 2023.

**Exhibit – Evergy Central Rate Design
Public**

Residential Class

Residential Standard Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy - Winter						
0 to 900 kWh	\$ 0.073512	\$ 0.073131	\$ 0.072368	\$ 0.071987	-2.1%	
Over 900 kWh	\$ 0.060089	\$ 0.059777	\$ 0.059153	\$ 0.058841	-2.1%	
Energy - Summer						
0 to 900 kWh	\$ 0.073512	\$ 0.073131	\$ 0.072368	\$ 0.071987	-2.1%	
Over 900 kWh	\$ 0.081088	\$ 0.080667	\$ 0.079826	\$ 0.079405	-2.1%	
Basic Service Fee	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50		
NOTE: The following rate classes have the same rates as Residential Standard Service: Residential Conservation Service, Residential Multi Dwelling Service, and Residential Multi Dwelling-Space Heat Service.						

Residential Standard Distributed Generation						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
All Energy - Winter & Summer	\$ 0.045840	\$ 0.045480	\$ 0.044760	\$ 0.044400	-3.1%	
Demand -Winter	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00		
Demand - Summer	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00		
Basic Service Fee	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50		

Residential Peak Efficiency					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
All Energy - Winter & Summer	\$ 0.045840	\$ 0.045602	\$ 0.045126	\$ 0.044888	-2.1%
Demand -Winter	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	
Demand - Summer	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	
Basic Service Fee	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	
NOTE: The Residential Electric Vehicle has the same rates as the Residential Peak Efficiency class.					

Residential Restricted Conservation					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
All Energy - Winter & Summer	\$ 0.049653	\$ 0.049385	\$ 0.048874	\$ 0.048606	-2.1%
Basic Service Fee	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	

Residential Time Of Use Service					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
Energy - Winter					
On Peak	\$ 0.087590	\$ 0.087136	\$ 0.086230	\$ 0.085766	-2.1%
Off Peak	\$ 0.054167	\$ 0.053886	\$ 0.053327	\$ 0.053036	-2.1%
Energy - Summer					
On Peak	\$ 0.148575	\$ 0.147804	\$ 0.146265	\$ 0.145484	-2.1%
Mid Peak	\$ 0.103062	\$ 0.102527	\$ 0.101461	\$ 0.100916	-2.1%
Off Peak	\$ 0.065891	\$ 0.065549	\$ 0.064868	\$ 0.064516	-2.1%
Basic Service Fee	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	

Small General Service Class

Small General Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
0 to 1,200 kWh	\$ 0.067079	\$ 0.066671	\$ 0.065855	\$ 0.065447	-2.4%	
Over 1,200 kWh	\$ 0.048818	\$ 0.048521	\$ 0.047928	\$ 0.047631	-2.4%	
Demand - Winter						
0 to 5 kW	\$ -	\$ -	\$ -	\$ -		
Over 5 kW	\$ 4.43	\$ 4.43	\$ 4.43	\$ 4.43		
Demand - Summer						
0 to 5 kW	\$ -	\$ -	\$ -	\$ -		
Over 5 kW	\$ 8.56	\$ 8.56	\$ 8.56	\$ 8.56		
Basic Service Fee	\$ 22.73	\$ 22.73	\$ 22.73	\$ 22.73		

Small General Service - Recreational Lighting					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
Energy Winter & Summer	\$ 0.084920	\$ 0.084404	\$ 0.083372	\$ 0.082856	-2.4%
Basic Service Fee	\$ 22.73	\$ 22.73	\$ 22.73	\$ 22.73	

Small General Service - Unmetered service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
0 to 1,200 kWh	\$ 0.067079	\$ 0.066671	\$ 0.065855	\$ 0.065447	-2.4%	
Over 1,200 kWh	\$ 0.048818	\$ 0.048521	\$ 0.047928	\$ 0.047631	-2.4%	
Basic Service Fee	\$ 22.73	\$ 22.73	\$ 22.73	\$ 22.73		

Small General Service - Church Option						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
0 to 1,200 kWh	\$ 0.067079	\$ 0.066671	\$ 0.065855	\$ 0.065447	-2.4%	
Over 1,200 kWh	\$ 0.048818	\$ 0.048521	\$ 0.047928	\$ 0.047631	-2.4%	
Demand - Winter						
0 to 5 kW						
Over 5 kW	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37		
Demand - Summer						
0 to 5 kW						
Over 5 kW	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50		
Basic Service Fee	\$ 22.73	\$ 22.73	\$ 22.73	\$ 22.73		

Short Term Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
All Energy - Winter & Summer						
	\$ 0.067079	\$ 0.066671	\$ 0.065855	\$ 0.065447	-2.4%	
Demand - Winter						
0 to 5 kW	\$ -	\$ -	\$ -	\$ -		
Over 5 kW	\$ 4.43	\$ 4.43	\$ 4.43	\$ 4.43		
Demand - Summer						
0 to 5 kW	\$ -	\$ -	\$ -	\$ -		
Over 5 kW	\$ 8.56	\$ 8.56	\$ 8.56	\$ 8.56		
Basic Service Fee	\$ 22.73	\$ 22.73	\$ 22.73	\$ 22.73		

Generation Substitution Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
First 70 kWh per kW	\$ 0.054397	\$ 0.054086	\$ 0.053417	\$ 0.053105	-2.4%	
Next 160 kWh per kW	\$ 0.046654	\$ 0.046390	\$ 0.045815	\$ 0.045550	-2.4%	
Additional kWh	\$ 0.039911	\$ 0.039688	\$ 0.039195	\$ 0.038971	-2.4%	
Basic Service Fee	\$ 51.00	\$ 51.00	\$ 51.00	\$ 51.00		

Off Peak Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
All Energy - Winter & Summer						
	\$ 0.019570	\$ 0.019471	\$ 0.019225	\$ 0.019125	-2.3%	
Demand						
On Peak	\$ 12.06	\$ 12.060000	\$ 12.06	\$ 12.06		
Off-Peak	\$ 2.37	\$ 2.37	\$ 2.37	\$ 2.37		
Excess Capacity	\$ 43.29	\$ 43.29	\$ 43.29	\$ 43.29		
Basic Service Fee	\$ 128.00	\$ 128.00	\$ 128.00	\$ 128.00		

Dedicated Off-Peak Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
First 85 kWh per kW	\$ 0.046115	\$ 0.045865	\$ 0.045296	\$ 0.045026	-2.4%	
Next 170 kWh per kW	\$ 0.037213	\$ 0.037017	\$ 0.036556	\$ 0.036340	-2.3%	
Additional kWh	\$ 0.018869	\$ 0.018784	\$ 0.018546	\$ 0.018441	-2.3%	
Basic Service Fee	\$ 22.73	\$ 22.73	\$ 22.73	\$ 22.73		

Electric Transit Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
Off Peak	\$ 0.020847	\$ 0.020720	\$ 0.020467	\$ 0.020340	-2.4%	
On Peak	\$ 0.142257	\$ 0.141392	\$ 0.139663	\$ 0.138798	-2.4%	
Basic Service Fee	\$ 29.00	\$ 29.00	\$ 29.00	\$ 29.00		

Public Electric Vehicle Charging Station						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
Level 2 Charging	\$ 0.087588	\$ 0.087056	\$ 0.085991	\$ 0.085459	-2.4%	
Level 3 Charging	\$ 0.105106	\$ 0.104467	\$ 0.103189	\$ 0.102550	-2.4%	
EV Charging Station Session Charge (Per hour): \$0.00 - \$6.00						

Medium General Service Class

Medium General Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
Winter	\$ 0.011839	\$ 0.011626	\$ 0.011199	\$ 0.010987	-7.2%	
Summer	\$ 0.015590	\$ 0.015310	\$ 0.014752	\$ 0.014471	-7.2%	
Demand	\$ 16.15	\$ 16.15	\$ 16.15	\$ 16.15		
Basic Service Fee	\$ 118.40	\$ 118.40	\$ 118.42	\$ 118.42	0.0%	

Large General Service Class

Large General Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
Secondary distribution	\$ 0.014325	\$ 0.014133	\$ 0.013749	\$ 0.013556	-5.4%	
Primary distribution	\$ 0.013295	\$ 0.013103	\$ 0.012719	\$ 0.012526	-5.8%	
Transmission	\$ 0.012605	\$ 0.012413	\$ 0.012029	\$ 0.011836	-6.1%	
Demand						
Secondary distribution	\$ 15.206611	\$ 15.206451	\$ 15.206141	\$ 15.206401	0.0%	
Primary distribution	\$ 14.199799	\$ 14.199639	\$ 14.199329	\$ 14.199589	0.0%	
Transmission	\$ 12.117061	\$ 12.116901	\$ 12.116591	\$ 12.116851	0.0%	
Basic Service Fee	\$ 320.00	\$ 320.00	\$ 320.00	\$ 320.00		

Industrial and Large Power Class

Industrial and Large Power						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
Secondary distribution	\$ 0.014424	\$ 0.014270	\$ 0.013961	\$ 0.013805	-4.3%	
Primary distribution	\$ 0.014424	\$ 0.014270	\$ 0.013961	\$ 0.013805	-4.3%	
Transmission	\$ 0.013734	\$ 0.013580	\$ 0.013271	\$ 0.013115	-4.5%	
Demand						
Secondary distribution	\$ 15.206611	\$ 15.206451	\$ 15.206141	\$ 15.206401	0.0%	
Primary distribution	\$ 14.199799	\$ 14.199639	\$ 14.199329	\$ 14.199589	0.0%	
Transmission	\$ 11.538250	\$ 11.538090	\$ 11.537780	\$ 11.538040	0.0%	
Basic Service Fee	\$ 320.00	\$ 320.00	\$ 320.00	\$ 325.00		

Large Tire Manufacturing Class

Large Tire Manufacturing					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
Exc & Summer	\$ 0.019570	\$ 0.019471	\$ 0.019225	\$ 0.019125	-2.3%
Base demand with energy per kVA	\$ 15.59	\$ 15.521262	\$ 15.39	\$ 15.33	-1.7%
Facility charge	\$ 3,794.74	\$ 3,794.74	\$ 3,794.74	\$ 3,794.74	

Interruptible Contract Service Class

Interruptible Contract Service					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
Energy Winter & Summer	\$ 0.041490	\$ 0.041316	\$ 0.040969	\$ 0.040795	-1.7%
Basic Service Fee	\$ 128.00	\$ 128.00	\$ 128.00	\$ 128.00	

Special Contracts Class (Confidential)

CONFIDENTIAL

Church and Schools Class

Restricted Institution Time of Day						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy - Winter						
First 10 Kwh	\$ 1.949303	\$ 1.941147	\$ 1.924835	\$ 1.916679	-1.7%	
Weekday Use	\$ 0.072512	\$ 0.072209	\$ 0.071602	\$ 0.071299	-1.7%	
Weekday Evening Use	\$ 0.072512	\$ 0.072209	\$ 0.071602	\$ 0.071299	-1.7%	
Night and Weekend Use	\$ 0.048881	\$ 0.048676	\$ 0.048267	\$ 0.048062	-1.7%	
Energy - Summer						
First 10 Kwh	\$ 1.949303	\$ 1.941147	\$ 1.924835	\$ 1.916679	-1.7%	
Weekday Use	\$ 0.179686	\$ 0.178934	\$ 0.177430	\$ 0.176678	-1.7%	
Weekday Evening Use	\$ 0.072512	\$ 0.072209	\$ 0.071602	\$ 0.071299	-1.7%	
Night and Weekend Use	\$ 0.048881	\$ 0.048676	\$ 0.048267	\$ 0.048062	-1.7%	

Restricted Total Electric - School and Church					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
Energy - Winter	\$ 0.053214	\$ 0.052950	\$ 0.052422	\$ 0.052158	-2.0%
Ene Transmission	\$ 0.064665	\$ 0.064344	\$ 0.063703	\$ 0.063382	-2.0%

Restricted Service To Schools						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy						
0 to 12,500 kWh	\$ 0.069313	\$ 0.068969	\$ 0.068282	\$ 0.067939	-2.0%	
Over 12,500 kWh	\$ 0.051260	\$ 0.051006	\$ 0.050498	\$ 0.050245	-2.0%	
Separately metered heat	\$ 0.051260	\$ 0.051006	\$ 0.050498	\$ 0.050245	-2.0%	
Basic Service Fee	\$ 29.00	\$ 29.00	\$ 29.00	\$ 29.00		

Restricted Educational Institution Service						
	Existing Rate	Proposed Rate			Percent Decrease	
		Phase 1	Phase 2	Phase 3		
Energy - Winter						
0 - 70,000 kWh	\$ 0.053583	\$ 0.053317	\$ 0.052786	\$ 0.052520	-2.0%	
70,001 - 250,000 kWh	\$ 0.042146	\$ 0.041937	\$ 0.041519	\$ 0.041310	-2.0%	
Additional kWh	\$ 0.030563	\$ 0.030411	\$ 0.030108	\$ 0.029956	-2.0%	
Energy - Summer						
0 - 70,000 kWh	\$ 0.053583	\$ 0.053317	\$ 0.052786	\$ 0.052520	-2.0%	
70,001 - 250,000 kWh	\$ 0.060566	\$ 0.060266	\$ 0.059665	\$ 0.059365	-2.0%	
Additional kWh	\$ 0.062489	\$ 0.062179	\$ 0.061559	\$ 0.061249	-2.0%	
Basic Service Fee	\$ 29.00	\$ 29.00	\$ 29.00	\$ 29.00		

Standard Educational Service					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
Energy	\$ 0.025184	\$ 0.025059	\$ 0.024809	\$ 0.024684	-2.0%
Demand	\$ 8.42	\$ 8.42	\$ 8.42	\$ 8.42	
Basic Service Fee	\$ 29.00	\$ 29.00	\$ 29.00	\$ 29.00	

Lighting Class

Traffic Signals					
	Existing Rate	Proposed Rate			Percent Decrease
		Phase 1	Phase 2	Phase 3	
All Energy	\$ 0.094732	\$ 0.094317	\$ 0.093488	\$ 0.093073	-1.8%
Minimum bill	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	

Security Area Lighting							
Types of Lights		Existing Rate	Proposed Rate			Percent Decrease	
Lumen	Wattage		Phase 1	Phase 2	Phase 3		
LED Lamps							
Class A _{low}		\$ 12.05	\$ 11.95	\$ 11.81	\$ 11.73	-2.7%	
Class A _{high}		\$ 18.26	\$ 18.13	\$ 17.94	\$ 17.83	-2.4%	
Class B		\$ 19.27	\$ 19.14	\$ 18.94	\$ 18.84	-2.2%	
Class C		\$ 42.41	\$ 42.17	\$ 41.77	\$ 41.56	-2.0%	
Class D		\$ 44.93	\$ 44.69	\$ 44.30	\$ 44.07	-1.9%	
Class E		\$ 44.93	\$ 44.69	\$ 44.30	\$ 44.07	-1.9%	
High Pressure Sodium Lamps							
5,700	70	\$ 11.96	\$ 11.91	\$ 11.81	\$ 11.76	-1.7%	
14,500	150	\$ 17.99	\$ 17.91	\$ 17.75	\$ 17.67	-1.8%	
14,500	150	\$ 19.02	\$ 18.94	\$ 18.77	\$ 18.69	-1.7%	
45,000	400	\$ 41.83	\$ 41.65	\$ 41.28	\$ 41.10	-1.7%	
45,000	400	\$ 44.92	\$ 44.72	\$ 44.33	\$ 44.13	-1.8%	
Metal Halide Lamps							
13,500	250	\$ 33.91	\$ 33.76	\$ 33.46	\$ 33.31	-1.8%	
24,000	400	\$ 46.33	\$ 46.13	\$ 45.72	\$ 45.52	-1.7%	
Mercury Vapor							
7,000	175	\$ 10.28	\$ 10.24	\$ 10.15	\$ 10.10	-1.8%	
20,000	400	\$ 18.83	\$ 18.75	\$ 18.59	\$ 18.51	-1.7%	
20,000	400	\$ 24.55	\$ 24.44	\$ 24.23	\$ 24.12	-1.8%	
52,000	1000	\$ 35.43	\$ 35.27	\$ 34.96	\$ 34.80	-1.8%	
59,000	1000	\$ 44.90	\$ 44.70	\$ 44.31	\$ 44.11	-1.8%	
Filament Lamps							
4,000	300	\$ 14.38	\$ 14.32	\$ 14.19	\$ 14.13	-1.7%	
Fluorescent Lamps							
6,900	110	\$ 13.63	\$ 13.57	\$ 13.45	\$ 13.39	-1.8%	

Street Lighting							
Types of Lights		Existing Rate	Proposed Rate			Percent Decrease	
Lumen	Wattage		Phase 1	Phase 2	Phase 3		
LED Lamps							
Class A _{low}		\$ 7.86	\$ 7.83	\$ 7.75	\$ 7.72	\$ (0.03)	
Class A _{high}		\$ 10.50	\$ 10.45	\$ 10.35	\$ 10.30	\$ (0.05)	
Class B		\$ 13.13	\$ 13.05	\$ 12.91	\$ 12.85	\$ (0.06)	
Class C		\$ 18.06	\$ 17.98	\$ 22.99	\$ 22.89	\$ (0.10)	
Class C (setback)		\$ 23.29	\$ 23.19	\$ 17.82	\$ 17.74	\$ (0.08)	
Class D		\$ 24.00	\$ 23.89	\$ 23.68	\$ 23.57	\$ (0.11)	
Class E		\$ 24.00	\$ 23.89	\$ 23.68	\$ 23.57	\$ (0.11)	
High Pressure Sodium Lamps							
5,700	70	\$ 7.86	\$ 7.83	\$ 7.76	\$ 7.73	\$ (0.03)	
8,500	100	\$ 10.50	\$ 10.45	\$ 10.36	\$ 10.31	\$ (0.05)	
14,500	150	\$ 13.22	\$ 13.16	\$ 13.04	\$ 12.98	\$ (0.06)	
25,600	250	\$ 18.35	\$ 18.27	\$ 18.11	\$ 18.03	\$ (0.08)	
25,600	250	\$ 23.03	\$ 22.92	\$ 22.69	\$ 22.59	\$ (0.10)	
45,000	400	\$ 24.25	\$ 24.14	\$ 23.93	\$ 23.82	\$ (0.11)	
High Pressure Sodium Lamps							
8,500	100	\$ 15.91	\$ 15.83	\$ 15.66	\$ 15.59	\$ (0.07)	
13,500	150	\$ 10.74	\$ 10.69	\$ 10.60	\$ 10.55	\$ (0.05)	
13,500	150	\$ 16.06	\$ 15.96	\$ 15.79	\$ 15.69	\$ (0.10)	
14,500	150	\$ 16.86	\$ 16.79	\$ 16.64	\$ 16.57	\$ (0.07)	
20,700	215	\$ 12.13	\$ 12.08	\$ 11.97	\$ 11.92	\$ (0.05)	
20,700	215	\$ 17.19	\$ 17.11	\$ 16.96	\$ 16.88	\$ (0.08)	
25,600	250	\$ 21.50	\$ 21.41	\$ 21.22	\$ 21.13	\$ (0.09)	
40,500	360	\$ 16.82	\$ 16.75	\$ 16.60	\$ 16.53	\$ (0.07)	
40,500	360	\$ 21.80	\$ 21.70	\$ 21.51	\$ 21.41	\$ (0.10)	
45,000	400	\$ 27.77	\$ 27.65	\$ 27.41	\$ 27.29	\$ (0.12)	
Metal Halide Lamp							
8,800	175	\$ 28.22	\$ 28.10	\$ 27.85	\$ 27.73	\$ (0.12)	
13,500	250	\$ 34.90	\$ 34.75	\$ 34.44	\$ 34.29	\$ (0.15)	
24,000	400	\$ 40.80	\$ 40.62	\$ 40.26	\$ 40.08	\$ (0.18)	
Metal Halide Lamps							
33,000	400	\$ 29.19	\$ 29.06	\$ 28.80	\$ 28.67	\$ (0.13)	
2 at 33,000	400	\$ 52.22	\$ 51.99	\$ 51.53	\$ 51.30	\$ (0.23)	
90,000	1000	\$ 39.55	\$ 39.38	\$ 39.03	\$ 38.86	\$ (0.17)	
Tower 6 Lamp Fixture		\$ 191.69	\$ 190.85	\$ 189.17	\$ 188.33	\$ (0.84)	
Mercury Vapor Lamp							
7,000	175	\$ 7.28	\$ 7.25	\$ 7.19	\$ 7.16	\$ (0.03)	
10,000	250	\$ 8.31	\$ 8.27	\$ 8.20	\$ 8.16	\$ (0.04)	
11,000	250	\$ 10.55	\$ 10.50	\$ 10.41	\$ 10.36	\$ (0.05)	
11,000	250	\$ 15.96	\$ 15.89	\$ 15.75	\$ 15.68	\$ (0.07)	
20,000	400	\$ 14.72	\$ 14.66	\$ 14.53	\$ 14.47	\$ (0.06)	
20,000	400	\$ 21.04	\$ 20.95	\$ 20.77	\$ 20.68	\$ (0.09)	
52,000	1000	\$ 15.61	\$ 15.54	\$ 15.40	\$ 15.33	\$ (0.07)	
Filament Lamp (No longer available)							
10,000	227	\$ 11.99	\$ 11.94	\$ 11.84	\$ 11.79	\$ (0.05)	

CERTIFICATE OF SERVICE

21-EKME-050-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was served electronically this 18th day of September, 2020, to the following:

JOSEPH R. ASTRAB, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
j.astrab@curb.kansas.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.nickel@curb.kansas.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rabb@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov

CATHRYN J. DINGES, CORPORATE COUNSEL
EVERGY KANSAS CENTRAL, INC
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@evergy.com

LAUREN LAUSHMAN, OFFICE OF GENERAL COUNSEL
ATTORNEY
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3354
l.laushman@kcc.ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3354
c.masenthin@kcc.ks.gov

/s/ Vicki Jacobsen

Vicki Jacobsen