

PUBLIC

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

In the Matter of Evergy Kansas Central, Inc.’s and)
Evergy Kansas Metro, Inc.’s Request for Authority)
to Implement Proposed Forward Natural Gas and) 23-EKCE- 846 - TAR
Power Hedging Policy and to Permit All Costs and)
Benefits to Flow Through Retail Energy Cost)
Adjustment Tariff)

APPLICATION

COME NOW Evergy Kansas Metro, Inc. (“Evergy Kansas Metro”), Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (together as “Evergy Kansas Central”) (collectively, “Evergy”), pursuant to K.S.A. 66-117, and file this Application with the Kansas Corporation Commission (“Commission”) for an order approving Evergy’s request for authority to implement its proposed Forward Natural Gas and Power Hedging Policy (“Hedge Program”) and to permit all costs and benefits to flow through Evergy Kansas Central’s Retail Energy Cost Adjustment (“RECA”) tariff and Evergy Kansas Metro’s Energy Cost Adjustment (“ECA”) tariff to its retail customers. In support of the Application, Evergy states as follows:

1. Evergy is a jurisdictional public utility as defined by K.S.A. 66-104 and provides electric utility service in Kansas pursuant to grants of authority from the Commission.
2. Over the past two years there has been significant volatility in both the natural gas and power markets. Although a hedging program will not completely remove the open price exposure to volatility, it can help smooth the exposure over time by procuring power or natural gas (physical or financial) prior to liquidation at prevailing market prices to help diversify the open fuel and purchased power price exposure. Without a hedging program, all forward open price exposure is settled at one price at the time of day ahead or real time liquidation.

3. Evergy's Hedge Program proposed in this docket and attached as Exhibit 1 is designed to limit the volatility of fuel prices on realized fuel and purchased power costs used to serve retail load. The Hedge Program's magnitude is limited to approximately ** [REDACTED] [REDACTED] ** The Hedge Program provides specific details on objectives, strategy, and timing and provides a cost cap.

4. Evergy's Hedge Program is structured to allow Evergy to pursue the best mitigation strategy for each unique jurisdictional customer base. Accordingly, Evergy respectfully submits that approval of its Application is in the public interest.

5. Evergy estimates the annual cost of its Hedge Program to be no more than 5% of the jurisdictional actual annual total fuel and purchased power costs, which includes all premiums, transaction costs, margin requirements, and expenses. Actual program costs and benefits will be dependent upon market conditions and will pass through Evergy Kansas Central and Evergy Kansas Metro's Annual Cost Adjustment ("ACA") factor. Staff will have the opportunity to review these costs and benefits each year when it conducts its audit of Evergy's ACA filings.

6. Evergy will retain all information and records necessary to review and verify transactions performed consistent with Evergy's record retention policy. Retention of these records will assist the Commission Staff in the performance of an audit of those transactions.

7. Evergy submits the Direct Testimony of James Meitner, Director, Market Operations for Evergy in support of its Application. Mr. Meitner's testimony describes the Hedge Program components, the factors influencing Evergy's hedging strategy, and controls used in the execution of the Hedge Program. The Company anticipates that these costs would be recorded to the general ledger in accounts already included for recovery through the RECA, ECA, and ACA calculations.

8. WHEREFORE, Evergy requests the Commission: (a) find its Hedge Program to be in the public interest; (b) issue an Order permitting Evergy to recover certain expenditures to establish and maintain its Hedge Program; and (c) approve Evergy's proposed cost recovery mechanism will be through the RECA and ECA; and (d) order such further relief as the Commission deems appropriate.

Respectfully submitted,

/s/ Cathryn Dinges

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**ATTORNEY FOR EVERGY KANSAS METRO
AND EVERGY KANSAS CENTRAL**

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

VERIFICATION

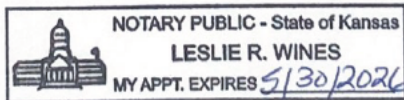
Cathy Dinges, being duly sworn upon his oath deposes and states that she is the Sr Director and Regulatory Affairs Counsel for Every Inc., that she has read and is familiar with the foregoing application and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Cathryn Dinges
Cathryn J. Dinges

Subscribed and sworn to before me this 25th day of May, 2023.

Leslie R. Wines
Notary Public

My Appointment Expires: May 30, 2026



CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the above was electronically served, hand-delivered or mailed, postage prepaid, this 26th day of May 2023 to:

TERRI PEMBERTON, CHIEF LITIGATION COUNSEL
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/s/ Cathryn J. Dinges

ITS ATTORNEY



EVERGY ENERGY PARTNERS

Policy

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