

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

Before the Commissioners: Susan K. Duffy, Chair
Dwight D. Keen
Andrew J. French

In the Matter of the Application of Evergy)
Metro, Inc., Evergy Kansas Central, Inc., and)
Evergy Kansas South, Inc., for an Accounting) Docket No. 20-EKME-454-ACT
Authority Order Allowing Companies to)
Record and Preserve Costs and Lost Revenues)
Related to the COVID-19 Virus.)

ORDER ON REQUEST FOR CLARIFICATION OF REPORTING DEADLINE

This matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and decision. Having reviewed the pleadings and record, the Commission find and concludes the following:

1. On May 6, 2020, Evergy Metro Inc. and Evergy Kansas Central, Inc. (together Evergy) filed an application with the Commission requesting an Accounting Authority Order (AAO) to defer to a regulatory asset all incremental costs and lost revenues, plus carrying costs, as a result of the COVID-19 pandemic. Evergy also requested authorization to record carrying charges on the balance of those recorded amounts and proposed to file an annual report that details these costs and lost revenues incurred as a result of the pandemic. Lastly, Evergy stated its intentions to request the Commission make decisions on the recovery of these amounts through rates and the appropriate amortization period in their next rate case.

2. On May 20, 2020, Commission Staff (Staff) filed a Notice of Filing of Staff’s Report and Recommendation (R&R), in which Staff recommended the Commission approve Evergy’s AAO request. Staff recommended the Commission approve Evergy’s request for an AAO, authorizing Evergy to defer to a regulatory asset all incremental costs (net of any cost

decreases) and lost revenues associated with the COVID-19 pandemic. Staff stated the deferrals are for accounting purposes only and should continue until Evergy's next general rate case or the official end of the COVID-19 pandemic. Staff recommended that all deferred costs and lost revenue be reviewed for prudence and reasonableness, with any ratepayer recovery being decided in Evergy's next general rate case. Additionally, Staff recommended Evergy file certain reports tracking costs and lost revenue as long as Evergy continues to record entries to the regulatory asset. Finally, Staff recommended the Commission defer ruling on what rate Evergy should be allowed to accumulate carrying charges on the balance of the AAO deferral, if any, until the next general rate case.¹

3. On May 27, 2020, CURB filed a Response to Staff's R&R supporting Staff's recommendations.² CURB also requested Evergy report any federal or state assistance it receives related to COVID-19 relief.³

4. On May 27, 2020, the Kansas Industrial Consumers Group, Inc. (KIC) and Kansans for Lower Electric Rates, Inc. (KLER) filed an Application for Intervention in the instant docket.

5. On June 25, 2020, the Commission issued its Order Granting Petition to Intervene of KIC and KLER and Designating Presiding Officer.⁴

6. On July 9, 2020, the Commission issued its Order Approving Application for Accounting Authority Order. The Commission granted Evergy's requested AAO while also setting deadlines for submission of particular information. The Commission stated the information

¹ Notice of Filing of Staff's Report and Recommendation, pg. 6-7 (May 20, 2020).

² CURB's Response to Staff's Report and Recommendation, ¶ 9 (May 27, 2020).

³ See *id.*, ¶ 9.

⁴ Order Granting Petition to Intervene of KIC and KLER and Designating Presiding Officer (June 25, 2020).

contained in paragraph 2 on page 5 of Staff's R&R shall be due fifteen (15) days after the completion of every quarter.⁵

7. On July 14, 2020, Evergy filed a Request for Clarification of Reporting Deadline. Although presented as a request for clarification, Evergy's pleading requested the reporting deadlines in the Commission's July 9, 2020 Order be revised to "15 calendar days after the date of the Company's internal closing of the books for each quarter which occurs no sooner than six business days after the end of the quarter."⁶ According to Evergy, if the reporting deadlines in the July 9th Order remain unchanged, "Evergy is concerned that it will not have the required data available to provide to Staff by the deadline because Evergy does not close its internal books for each quarter until sometime after the end of the quarter and the data requested by Staff is not available until after the internal closing for the quarter occurs."⁷ Evergy stated it has discussed the request(s) with Staff and Staff indicated it supports the deadline proposed by Evergy.⁸

8. Evergy provides retail electric service to customers in the State of Kansas and is a certificated electric public utility subject to the regulatory jurisdiction of the Commission. The requested AAO may affect the cost of electricity to Kansas customers. The Commission concludes it has jurisdiction over Evergy and this matter under K.S.A. 66-101, K.S.A. 66-101b, K.S.A. 66-101g, K.S.A. 66-104, and K.S.A. 66-117.

9. Evergy's requested deadlines are indefinite and subject to variation, with no fixed time limit stipulating when the company will provide Staff the requested information. To ensure timely compliance, the Commission finds firm deadlines are necessary. Therefore, the

⁵ Order Approving Application for Accounting Authority Order, Ordering Clause A, pg. 5-6 (Jul. 9, 2020).

⁶ Request for Clarification of Reporting Deadline, ¶ 4; "close its internal books" is a term of art in accounting meaning the balancing of all accounts and quantification of the economic impact of business activity for a particular time frame.

⁷ See *id.*, ¶ 3.

⁸ See *id.*, ¶ 6.

Commission orders Evergy to file quarterly and monthly reports no later than 25 calendar days following the end of the applicable month or quarter. The Commission believes 25 days allows Evergy time to close their books of account and provide Staff and the Commission with the desired information in a timely manner.

THEREFORE, THE COMMISSION ORDERS:

A. Evergy shall file monthly and quarterly reports no later than 25 calendar days following the end of the applicable month or quarter.

BY THE COMMISSION IT IS SO ORDERED.

Duffy, Chair; Keen, Commissioner; French, Commissioner

Dated: 08/06/2020



Lynn M. Retz
Executive Director

PZA

CERTIFICATE OF SERVICE

20-EKME-454-ACT

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 08/06/2020.

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

PHOENIX ANSHUTZ, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3354
p.anshutz@kcc.ks.gov

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

TERRI PEMBERTON, CHIEF LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3354
t.pemberton@kcc.ks.gov

ROBERT E. VINCENT, ATTORNEY AT LAW
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
robert@smizak-law.com

CERTIFICATE OF SERVICE

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JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
jim@smizak-law.com

TOM POWELL, GENERAL COUNSEL-USD 259
TOM POWELL
903 S. Edgemoor
Wichita, KS 67218
tpowell@usd259.net

AMY FELLOWS CLINE, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK RD STE 300
WICHITA, KS 67226
Fax: 316-630-8101
amycline@twgfirm.com

TIMOTHY E. MCKEE, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK RD STE 300
WICHITA, KS 67226
Fax: 316-630-8101
temckee@twgfirm.com

/S/ DeeAnn Shupe
DeeAnn Shupe
