## THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Andrew J. French, Chairperson						
	Dwight D. I	Keen					
	Annie Kuet	her					
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In the Matter of the Application of F	Evergy	)					
Kansas Central, Inc. and Evergy Ka	nsas South,	)					
Inc., d/b/a Energy Kansas Central, f	or	)	Docket No. 25-EKCE-080-TAR				
Approval of its 2024 Energy Efficie	ncy Rider	)					
for Program Costs		)					

# ORDER ADOPTING STAFF'S REPORT AND RECOMMENDATION AND APPROVING ENERGY EFFICIENCY RIDER

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas ("Commission") for consideration and decision. Having reviewed the pleadings and filings in the above-captioned docket, the Commission makes the following findings and conclusions:

#### I. Background

- 1. On July 15, 2024, Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (together, "Evergy Kansas Central") filed an Application seeking approval of its 2024 Energy Efficiency Rider ("EER") in the amount of \$4,704,278. This amount represents unrecovered costs associated with Commission-approved energy efficiency programs of \$4,660,319 incurred by Evergy Kansas Central from the period of July 1, 2023, through June 30, 2024, and underrecovered costs of \$43,959 from the prior twelve-month period.
- 2. The Commission approved the usage of a rider recovery mechanism for Evergy Kansas Central's energy efficiency and demand-side programs in Docket No. 08-GIMX-441-GIV

<sup>&</sup>lt;sup>1</sup> Application for Evergy Central, Inc. and Evergy Kansas South, Inc. (July 15, 2024) (Application).

("the 08-441 Docket").<sup>2</sup> This mechanism has since been utilized by Evergy Kansas Central to recover deferred costs from Commission-approved Energy Efficiency and Demand Response Programs. These costs are deferred over a twelve-month period, ending in June of each year, plus any true-up amount from the previous period.

- 3. In Docket No. 08-GIMX-442-GIV ("the 08-442 Docket"), the Commission and stakeholders contemplated a threshold to offer utilities flexibility in the budget process for energy efficiency and demand-side programs. In the Commission findings, the Commission stated:
  - ... granting a utility flexibility to adjust a program's budget up to 10%, based on the program's initial budget (or a subsequent budget approved by the Commission in a two-year review or other proceeding) is appropriate as it should permit utilities to more quickly adjust to changing circumstances.<sup>3</sup>
- 4. Evergy Kansas Central has three specific energy efficiency and demand-side programs, listed as follows with their associated inception dockets:
  - WattSaver Air Conditioner Cycling Program, Docket No. 09-WSEE-636-TAR
  - Energy Efficiency Demand Response Program, Docket No. 10-WSEE-141-TAR
  - SimpleSavings Program Rider, Docket No. 10-WSEE-775-TAR
- 5. On July 16, 2024, the Citizen's Utility Ratepayer Board ("CURB") filed its Petition to Intervene and additionally moved for a Protective Order and Discovery Order to be issued in the docket.<sup>4</sup> The Commission granted CURB's Petition to Intervene and issued a Protective and Discovery Order as well as a Suspension Order on July 23, 2024.<sup>5</sup>

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<sup>&</sup>lt;sup>2</sup> See Final Order, 08-441 Docket, pp. 10-13, p. 37 (Nov. 14, 2008) ("08-441 Final Order"). At the time of the 08-441 Docket, Westar Energy Inc., which has since merged with Kansas City Power & Light Co. to form Evergy, Inc., was serving the territory now served by Evergy Kansas Central.

<sup>&</sup>lt;sup>3</sup> See Order Following Collaborative on Benefit-Cost Testing and Evaluation, Measurement, and Verification, ¶ 81, 08-442 Docket (Apr. 13, 2009) ("08-442 Final Order").

<sup>&</sup>lt;sup>4</sup> CURB Petition to Intervene and Motion for Protective Order, Discovery Order, and Order Assessing Cost (July 16, 2024) ("CURB PTI").

<sup>&</sup>lt;sup>5</sup> Order Granting CURB's Petition to Intervene; Protective and Discovery Order (July 23, 2024).

6. On October 16, 2024, Commission Staff ("Staff") filed its Report and Recommendation ("R&R"). Staff calculated that Evergy Kansas Central's proposed EER factor would result in a monthly charge to residential customers of approximately \$0.23.6 This is an increase of approximately \$0.06 monthly, or \$0.72 annually, to the average residential customer. Staff recommended that the Commission approve Evergy Kansas Central's EER amount of \$4,704,278 with the condition that Evergy Kansas Central shall file its next EER in July 2025 to include costs for Commission approved programs recorded from July 2024 through June 2025.

- 7. On October 17, 2024, Evergy Kansas Central filed a response to Staff's R&R, noting Staff's condition that the next EER filing include costs for Commission-approved programs recorded from July 2024 to July 2025. Evergy is in the process of moving away from legacy Energy Efficiency Programs to the Kansas Energy Efficiency Investment Act ("KEEIA") 2024-2028 Demand Side Management ("DSM") Portfolio as approved in Docket No. 22-EKME-254-TAR ("the 22-254 Docket"). 10
- 8. In its response to Staff, Evergy Kansas Central clarified that the instant Energy Efficiency Demand Response ("EEDR") Program budgets were recorded from July 2023 to June 2024 and the WattSaver expenses are from the timeframe of July 2023 to February 2024. The Commission-approved tariffs associated with the 22-254 Docket set forth that Evergy Kansas Central would file energy efficiency costs incurred from July 2023 through February 2024 in the instant filing and would true-up the costs recorded from March 2024 to December 2024 in the

<sup>&</sup>lt;sup>6</sup> See Staff's R&R, p. 1.

<sup>&</sup>lt;sup>7</sup> See id. ("Evergy's residential impact calculations for the reduction in the EER charge are based on an average residential usage of 900 kWh per month").

<sup>&</sup>lt;sup>8</sup> Notice of Filing of Staff's Report and Recommendation (Oct. 17, 2024) (R&R).

<sup>&</sup>lt;sup>9</sup> Evergy Response to Staff's R&R, p. 1 (Oct. 17, 2024) ("Evergy Response").

<sup>&</sup>lt;sup>10</sup> See id.

<sup>&</sup>lt;sup>11</sup> See id.

KEEIA program year one recovery filing, anticipated in July 2025.<sup>12</sup> The tariff states that Evergy Kansas Central shall continue to recover the EEDR as ordered in previous Commission dockets.<sup>13</sup> As such, Evergy is planning to include the EEDR costs from July 2024 through December 2024 in its July 16, 2025 KEEIA filing.<sup>14</sup>

9. The Commission notes that Evergy Kansas Central's instant filing is in accordance with the directives set forth in the 22-254 Docket. The Commission intends for Evergy Kansas Central to recover costs through the EER consistent with the tariff approved in the 22-254 Docket.

#### II. Jurisdiction and Authority

- 10. The Commission holds full power, authority, and jurisdiction to regulate Evergy Kansas Central and an electric public utility doing business in Kansas and is empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction. The Commission is empowered to require all electric public utilities to establish and maintain just and reasonable rates when the same are reasonably necessary in order to maintain reasonably sufficient and efficient service from such public utilities.
- 11. No public utility governed by the Commission shall make effective any changed rate, joint rate, toll, charge, or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of a such public utility without filing the same with the Commission at least thirty days prior to the proposed effective date of such change. <sup>17</sup> In accordance with the Commission's authority pursuant to K.S.A. 66-117(c), the Commission suspended

<sup>&</sup>lt;sup>12</sup> See Evergy Response, pp. 1-2. The July 2025 filing will include energy efficiency costs from March 2024 to December 2024.

<sup>&</sup>lt;sup>13</sup> See id. Dockets No. 10-WSEE-141-TAR and 18-KG&E-303-CON.

<sup>&</sup>lt;sup>14</sup> Evergy Response, p. 2.

<sup>&</sup>lt;sup>15</sup> See K.S.A. 66-101.

<sup>&</sup>lt;sup>16</sup> See K.S.A. 66-101b.

<sup>&</sup>lt;sup>17</sup> See K.S.A. 66-117(a). Evergy filed its Application on July 15, 2024, and requested an effective date of November 1, 2024.

resolution of this matter until March 12, 2025, to allow Staff adequate time to analyze the Application and proposed changes to Evergy Kansas Central's EER.<sup>18</sup>

### III. Analysis and Findings

12. Staff performed an audit of Evergy Kansas Central's EER Application. Staff requested and received workpapers to support Evergy Kansas Central's Application, including invoices for a sample of projects that make up the 2023 program costs and general ledger support for the 2023 program costs.<sup>19</sup> Staff confirmed that the costs for these programs were properly recorded by Evergy Kansas Central.<sup>20</sup> Staff did not discover any improper or unnecessary costs in its audit.<sup>21</sup>

13. Staff analyzed the annual expenditures in the current filing in each of Evergy Kansas Central's energy efficiency programs compared to their respective annual program budgets.<sup>22</sup> Staff found that Evergy Kansas Central's expenditures in each of its energy efficiency and demand-side programs to be reasonable because they are within the 10% threshold for its budget expenditures, as authorized by the 08-442 Docket.<sup>23</sup> Staff also found that the expenditures were related to the scope and purpose of the programs.<sup>24</sup>

14. After examination of the expenditures associated with Evergy Kansas Central's energy efficiency and demand-side programs, Staff found the EER rate calculations to be reasonable and accurate.<sup>25</sup>

<sup>&</sup>lt;sup>18</sup> Suspension Order: March 12, 2025 (Jul. 23, 2024).

<sup>&</sup>lt;sup>19</sup> See Staff's R&R, p. 2.

<sup>&</sup>lt;sup>20</sup> See Staff's R&R, p. 2.

<sup>&</sup>lt;sup>21</sup> See id.

<sup>&</sup>lt;sup>22</sup> See id., p. 3.

<sup>&</sup>lt;sup>23</sup> See id.

<sup>&</sup>lt;sup>24</sup> See id., p. 4.

<sup>&</sup>lt;sup>25</sup> See Staff's R&R. p. 4.

15. CURB has represented that it has had the opportunity to review the filings in this

docket and has no objections to the approval of Evergy Kansas Central's Application as filed.<sup>26</sup>

16. Upon review of Evergy Kansas Central's Application, Staff's R&R, and Evergy

Kansas Central's Response to Staff's R&R, the Commission hereby adopts Staff's R&R, attached

hereto as Attachment A and incorporated by reference, and approves Evergy Kansas Central's

request to recover \$4,704,278, with the condition that Evergy Kansas Central shall file its next

EER in July 2025 to include costs for Commission approved programs in a manner consistent with

the Commission-approved tariff in Docket No. 22-EKME-254-TAR.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Evergy Kansas Central's proposed 2024 Energy Efficiency Rider is approved.

Any party may file and serve a petition for reconsideration pursuant to the В.

requirements and time limits established by K.S.A. 77-529(a)(1).<sup>27</sup>

BY THE COMMISSION IT IS SO ORDERED.

Fr	ench,	C	Chairperson;	Keen,	(	commissioner;	K	Luether,	(	Commissioner.
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10/31/2024 Dated:

Lynn M. Retz

**Executive Director** 

Lynn M. Reg

CRM/MKH

<sup>&</sup>lt;sup>26</sup> Electronic communications between counsel for CURB and Commission Staff available upon request.

<sup>&</sup>lt;sup>27</sup> K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

#### **CERTIFICATE OF SERVICE**

#### 25-EKCE-080-TAR

l, the undersigned, certi	y that a true copy	of the attached	Order has bee	n served to the	following by me	ans of
electronic service on	10/31/2024					

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