

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

In the Matter of the Evergy Kansas Central, )  
Inc. and Evergy Kansas South, Inc. updated ) Docket No. 22-EKCE-407-TAR  
Transmission Delivery Charge Tariff )

**RESPONSE OF EVERGY KANSAS CENTRAL, INC. AND EVERGY KANSAS SOUTH,  
INC. TO KIC SUPPLEMENTAL INTERVENTION**

COME NOW Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (collectively referred to as “Evergy Kansas Central”) and file their Response to the Amended and Supplemental Application for Intervention of Kansas Industrial Consumers Group, Inc., Spirit Aerosystems, Occidental Chemical Corporation, and Associated Purchasing Service Corporation (collectively as “KIC”). In support of this Response, Evergy Kansas Central states:

1. Evergy Kansas Central made its annual transmission delivery charge (“TDC”) filing in the above-captioned docket on February 17, 2022. On March 14, 2022, KIC submitted its initial request for intervention in the docket. Then, just two days later on March 16, 2022, KIC submitted its Amended and Supplemental Application for Intervention, including an extensive, inappropriate, and misleading discussion of allegations regarding regional rate competitiveness and changes in the TDC over time. On March 17, 2022, the Commission issued an Order in the above-captioned docket recognizing the effective date for the updated TDC rate of April 1, 2022.

2. While Evergy Kansas Central does not object to KIC’s intervention in this docket, Evergy Kansas Central does object to the “testimony like” arguments made in KIC’s supplemental intervention filing, which are wholly inappropriate and irrelevant to a docket where the process and Commission’s role is strictly defined by statute.

3. The prudence of transmission investment and related operations and maintenance costs have always been the jurisdiction of the Federal Energy Regulatory Commission (“FERC”)

and its predecessors. The KCC role has always been to ensure these investments and related costs are appropriately reflected in Kansas customer bills. This was done prior to 2007 at the time of each general rate review. In 2003, the Kansas legislature, like many other states, created a TDC law that allowed for a more efficient process for incorporating these FERC jurisdictional costs in to retail rates. Evergy Kansas Central's TDC tariff as it exists today became effective in 2008. The TDC statute, K.S.A. 66-1237, allows Evergy to periodically adjust and recover any transmission charges approved by FERC. Specifically, K.S.A. 66-1237 provides: "All transmission-related costs incurred by an electric utility and resulting from any order of a regulatory authority having legal jurisdiction over transmission matters, including orders setting rates on a subject-to-refund basis, shall be conclusively presumed prudent for purposes of the transmission delivery charge and an electric utility may change its transmission delivery charge whenever there is a change in transmission-related costs resulting from such an order."

4. The question before the Commission in this docket is simply whether the costs included in Evergy's TDC were authorized by FERC through Evergy's transmission formula rate and whether Evergy has properly calculated the resulting TDC. While the Kansas Commission does not have jurisdiction to review the transmission investments for prudence, Evergy Kansas Central's transmission costs are extensively regulated by FERC and transmission customers and Kansas Commission Staff have extensive opportunities to ask questions and review data during the annual review process for the transmission formula rate.

5. KIC's discussion of regional rate competitiveness and presentation of inaccurate facts about Evergy's rates are completely irrelevant to the issue before the Commission in this docket and should be wholly disregarded and removed from the record. Furthermore, KIC's

Supplemental Intervention is really more in the vein of testimony or even propaganda than supporting a request to formally participate in the docket.

6. In addition to being irrelevant, KIC’s presentation of alleged facts regarding Evergy’s regional rate competitiveness and rate changes over time is completely inaccurate and misleading.

7. First, KIC’s summary of the TDC rate changes since 2007 shown in paragraph 5 of their Supplemental Intervention is inaccurate. Their pleading discusses rate changes since the merger between Westar and KCP&L and the approval of the base rate moratorium effective May 24, 2018, but then includes a chart that shows TDC changes that occurred beginning in April 2018, prior to the merger. KIC also leaves out a \$20 million decrease that occurred in the TDC in October 2018 from its calculation. The table below reflects a more accurate reflection of the changes that have occurred in Evergy Kansas Central’s TDC since the merger.

<b>Date</b>	<b>Docket</b>	<b>Increase or Decrease</b>
Oct-18	18-WSEE-355-TAR	\$ (20,178,144)
Apr-19	19-WSEE-327-TAR	\$ (7,697,764)
Apr-20	20-EKCE-360-TAR	\$ 3,478,797
Apr-21	21-EKCE-308-TAR	\$ 37,932,444
Apr-22	22-EKCE-407-TAR	\$ 20,400,559
		\$ 33,935,891

8. Second, KIC cherry picks numbers to support its narrative without considering their relevancy or the bigger picture. Because investment in transmission results in increased reliability, increased import and export capabilities (including growing amounts of clean energy preferred by customers), and helps avoid curtailments, it has an impact on other costs paid by customers, which are recovered by Evergy Kansas Central through the RECA and base rates. The better way to see

a truer picture of the impact of transmission investment on customers' rates is to look at Evergy Kansas Central's overall rates over a period of time, not just at the TDC rate in isolation. KIC ignores the facts with respect to Evergy Kansas Central's overall rates because they are very positive, showing an overall decrease in rates since 2017, and not conducive to the narrative KIC wants to tell.

9. For example, although electric costs in neighboring states have increased since 2017, Evergy's electric rates declined from 2017 through 2021. Specifically, between 2017 and 2021, Evergy Kansas Central's rates have decreased by 4.4%. Since 2018, five out of eight of Evergy Kansas Central's TDC and fuel adjustments have been rate decreases and the adjustments made to rates outside of base rates (e.g., RECA, TDC, EER, PTS) are a total decrease of \$104.6 million for Evergy Kansas Central. Staff itself has confirmed that Evergy's residential customer bills have grown less than inflation (CPI) over the last ten years and that industrial customers saw a rate decrease in 2020.<sup>1</sup>

10. In conclusion, while EKC does not object to KIC's intervention in this docket, the Commission should reject KIC's supplemental intervention request in its entirety because it is more in the vein of testimony and also irrelevant, inaccurate, and misleading.

WHEREFORE, Evergy Kansas Central requests that the Commission disregard KIC's Amended Supplemental Application for Intervention in its entirety and issue an order approving the proposed TDC after Staff has completed its audit of the filing.

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<sup>1</sup> Kansas Corporation Commission Staff Presentation to House Energy, Utilities, and Telecommunications Committee of the Kansas Legislature, March 1, 2022.

Respectfully submitted,

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STATE OF KANSAS                    )  
                                                  ) ss:  
COUNTY OF SHAWNEE            )

**VERIFICATION**

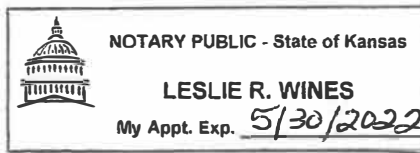
Cathy Dinges, being duly sworn upon his oath deposes and states that she is the Sr Director and Regulatory Affairs Counsel for Evergy Inc., that she has read and is familiar with the foregoing Direct Testimony and attests that the statements contained therein are true and correct to the best of his knowledge,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

Cathryn Dinges  
Cathryn J. Dinges

Subscribed and sworn to before me this 28<sup>th</sup> day of March, 2022.

Leslie R. Wines  
Notary Public

My Appointment Expires:  
May 30, 2022



## CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed, this 28<sup>th</sup> day of March 2022, to all parties of record as listed below:

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