CURB News

News from the Watchdog for Residential and Small Commercial Utility Consumers

SECOND QUARTER 2025



THE CITIZENS' UTILITY RATEPAYER BOARD OF KANSAS

Update on Evergy Kansas Central Rate Case KCC Docket No. 25-EKCE-294-RTS

In January 2025, Evergy Kansas Central ("EKC") filed an application to adjust its electric rates. EKC is requesting an annual revenue increase of approx. \$192.1 million. The Company points to several factors for the increase, including new infrastructure investment, cost of capital adjustments, expense true-ups, and other adjustments. If the Commission were to approve the full amount requested, the average residential bill (baseline 900 kWh monthly usage) would increase by approx. \$13.05 per month.

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CURB Position

In June 2025, CURB filed direct testimony and cross-answering testimony in this docket, laying out its position on Evergy's proposal. CURB recommends an annual revenue increase of approx. \$115.8 million. Compared to the Company's request, CURB's reduced revenue increase is attributable to differences in capital structure and rate of return, along with several other adjustments which include significant reductions to the recoverable amount of employee incentive compensation.

Proposed Capital Structure and Rate of Return Comparison

	EKC		CURB	
	Ratio	Rate	Ratio	Rate
Long-Term Debt	48.03%	4.64%	44.94%	4.38%
Holding Company Debt			6.36%	5.03%
Common Equity	51.97%	10.50%	48.70%	9.50%

One aspect of the rate design where CURB and the Company differ is the fixed "customer charge" component of the monthly bill for residential and small commercial customers. CURB recommends maintaining the current customer charge amounts of \$14.25 for Residential and \$25.29 for Small Commercial, meaning the revenue increase would be fully applied to the volumetric energy charge. The Company is proposing to increase the customer charges to \$16.38 for Residential and \$28.49 for Small Commercial.

Another subject CURB addressed in testimony is EKC's proposed Stay Connected Pilot program ("SCP") which is designed to help income-eligible customers avoid disconnection by offering monthly bill credits. The proposed term for the initial pilot phase of the program is three years. As proposed, the

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\$1.6 million budget would be fully funded by residential ratepayers. CURB is supportive of the general intent of the program but has several recommended modifications. Most notably:

- The income eligibility requirement should be 200% of the Federal Poverty Level, rather than 250% as proposed.
- The amount of the monthly bill credit should be limited to 50% of the participant's monthly bill, capped at \$100. Under the Company's proposal, the monthly credit is based upon 12-month average usage and could potentially cover the entirety of the bill.
- Participants should be required to enroll in the Average Payment Plan, which smooths out the customer's monthly bill over time.
- Shareholders should fund the administrative costs of the SCP in order that all program funds can be distributed as bill credits.
- The Company should not financially benefit from the SCP. Reductions to bad debt and increases in revenue caused by the SCP should be accounted for.

Additionally, CURB supports KCC Staff's recommendation to defer sales margins and costs associated with the new Panasonic facility that were not included in this case. The deferred sales margin revenues would be returned to customers in EKC's next rate case.

Public Comments

The KCC facilitated two live public hearings for this docket on June 11 (Wichita) and June 16 (Topeka). These public hearings were recorded and can be viewed on the KCC's YouTube channel.

The public comment period for this docket is open through July 14, 2025. Comments can be submitted to KCC Public Affairs via mail, email (kcc.public.affairs@ks.gov), phone (1.800.662.0027), or online (https://www.kcc.ks.gov/your-opinion-matters).

As of June 16, the KCC's Public Affairs division has received 732 comments. The first batch of comments was compiled and posted in the docket on June 24. Comments received between June 17–July 14 will be compiled and posted on July 18.

Next Steps

The Company will submit rebuttal testimony responding to intervenor testimony by July 3. A settlement conference is scheduled July 8–9 to determine whether parties can reach agreement. If necessary, an evidentiary hearing is scheduled for the week of July 21. The Commission's Order is due in this docket on September 29, 2025.

Update on Evergy Kansas Central Predetermination Request for Natural Gas and Solar Generation Facilities

KCC Docket No. 25-EKCE-207-PRE

In November 2024, Evergy Kansas Central ("EKC") filed a request for predetermination on the rate-making treatment for the construction and ownership stake in two combined cycle natural gas turbine ("CCGT") plants and one solar farm.

EKC intends to own 50% interest in a 710 MW CCGT near its Viola substation in Sumner County ("Viola plant") and a 50% interest in a separate 710 MW CCGT near Hutchinson ("McNew plant"). The Viola plant is expected to be in service in 2029 and the McNew plant is expected in 2030.

The solar facility ("Kansas Sky plant") located in Douglas County will provide approximately 200 MW of capacity. The Kansas Sky plant is expected to go into commercial use in December 2026.

Settlement Negotiations and Evidentiary Hearing

Parties engaged in settlement negotiations during the week of April 9. However, the parties were unable to reach full agreement. Instead, parties, including CURB, drafted and signed a partial unanimous settlement agreement to approve the Kansas Sky solar facility. Separately, KCC Staff, the Company, and various industrial customers and utilities entered into a nonunanimous agreement to approve the natural gas facilities, including an additional provision to review the projects if cost overruns equated to 115% of the definitive cost estimates.

CURB is opposed to the agreement regarding the natural gas facilities. CURB expressed concerns about approving two new natural gas facilities while potentially cheaper and more adaptable alternatives, such as solar plus battery storage, are available to meet capacity requirements in the short term and allow for additional time and analysis to determine energy needs in the future.

During the week of April 21, the Commission hosted an evidentiary hearing regarding the two settlement agreements which was primarily focused on the natural gas facilities.

Public Comments

The KCC facilitated a virtual public hearing for this docket on March 5. This public hearing was recorded and can be viewed on the KCC's YouTube channel.

The public comment period for this docket has closed. The KCC's Public Affairs division received 520 comments. The comments were compiled and posted in the docket on April 16.

Next Steps

The Commission's Order is due in this docket on July 7, 2025.

Update on Black Hills Rate Case

KCC Docket No. 25-BHCG-298-RTS

In February 2025, Black Hills filed an application to make changes to its rates for natural gas service. Black Hills initially requested a net revenue increase of approx. \$17.2 million. If the Commission were to approve the full amount requested, the average residential bill (baseline 50 therms monthly usage) would increase by approx. \$11.07.

<u>Settlement Agreement</u>

The parties to this case were able to reach a unanimous settlement agreement, which was filed on June 13, 2025. The agreement results in a net revenue increase of approx. \$10.8 million. The settlement amount is a "black box" value, so there is no specified capital structure or rate of return. If the agreement is approved, the average residential bill would increase by approx. \$5.54 per month.

In the agreed upon rate design, the monthly Residential customer charge is \$21.00 and the Small Commercial customer charge is \$32.00. This issue was a key point of contention for CURB, as Black Hills initially proposed raising the Residential customer charge to \$49.50.

The parties agree Black Hills should be allowed to follow up on this docket with an abbreviated rate case to true-up plant investments through September 30, 2025, and seek recovery for plant in service through December 31, 2025.

On June 30, 2025, the Commission held an evidentiary hearing to examine witnesses regarding approval of the unanimous agreement.

Public Comments

The KCC facilitated a live public hearing for this docket in Wichita on April 29. This public hearing was recorded and can be viewed on the KCC's YouTube channel.

The public comment period for this docket has closed. The KCC's Public Affairs division received 210 comments. The comments were compiled and posted in the docket on June 25.

Next Steps

The Commission's Order is due in this docket on August 29, 2025.

2025-2026 Kansas Legislative Session

During the 2025-2026 Kansas Legislative session, several bill proposals regarding utility matters were brought forward. Primarily, these bills originate through two committees: either the House Committee on Energy, Utilities, and Telecommunications or the Senate Committee on Utilities.

The intent of this article is to provide an overview of the utility-related bills that were enacted during the 2025-2026 session. (There were other utility-related bills, not detailed below, that were proposed but not enacted into law during the session.)

Senate Bill (SB) 98 provides a sales tax exemption for construction and other specified costs pertaining to qualified data centers. One of the criteria for a firm to be eligible for the sales tax exemption is a commitment that the qualified data center will purchase electricity from the applicable public utility for 10 years. Additionally, SB 98 prohibits public utilities from providing discounted economic development rates for data center facilities.

House Bill (HB) 2040 extends the time in which the state corporation commission must make a final order on a transmission line siting application from 120 to 180 days. CURB filed proponent testimony in both chambers stating that the regulatory process on this important issue can benefit greatly with more time to analyze landowner concerns and questions after the public hearing date. Furthermore, extending the deadline for an order from 120 days to 180 days allows for better management of schedules in other dockets competing for limited Commission time.

HB 2107 provides parameters for economic damages resulting from wildfires caused by an electric public utility, specifying recovery for such damages, and requiring the Commission to provide training on wildfire risk and mitigation.

HB 2109 requires public utilities and law enforcement agencies to enter into utility pole attachment agreements for the installation of law enforcement equipment on structures located in the public right-of-way. CURB filed neutral testimony on this bill.

HB 2110 eliminates the requirement that the state 911 board contract with a local collection point administrator for services and makes changes to the 911 operations fund.

HB 2149 establishes consumer protection for distributed energy customers and amends law related to parallel generation service contracts and net metering including the removal of renewable generator capacity limits and permitting the use of locational marginal pricing. The bill establishes a formula for determining the appropriate size for electrical loads and establishes the customer's right to repair.

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We're on the Web!

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ABOUT THE CITIZENS' UTILITY RATEPAYER BOARD

Established in 1988, the Citizens' Utility Ratepayer Board (CURB) is an agency focused on advocacy for residential and small commercial utility consumers in Kansas. The Board is composed of five (5) appointed volunteer members representing the four congressional districts in Kansas and one at-large member. CURB was initially founded by the Chairman of the Kansas Corporation Commission upon a perceived need for a stronger consumer advocate. CURB has evolved into an independent agency, currently employing a consumer counsel, two supporting attorneys, three analysts, and two administrative staff.

OUR MISSION: To zealously protect the interests of residential and small commercial utility ratepayers before the Kansas Corporation Commission and the Kansas legislature.

OUR VISION: To protect Kansas residential and small commercial utility ratepayers by promoting the delivery of optimal utility services—being safe, reliable and technically robust, environmentally sensible, costeffective, and equitably provided to all Kansas utility consumers at just prices.

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