CURB News

News from the Watchdog for Residential and Small Commercial Utility Consumers

THIRD QUARTER 2025

THE CITIZENS' UTILITY RATEPAYER BOARD OF KANSAS

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KCC Approves Evergy Kansas Central Rate Case Settlement

KCC Docket No. 25-EKCE-294-RTS

In January 2025, Evergy Kansas Central ("EKC") filed an application to adjust its electric rates. EKC initially requested an annual revenue increase of approx. $192.1 million. EKC pointed to several factors for the increase, including new infrastructure investment, cost of capital adjustments, expense true-ups, and other adjustments. EKC's request also proposed the Stay Connected Pilot program, a ratepayer-funded low-income program which would provide monthly bill credits to financially qualified customers.

In response to EKC's initial Application, CURB filed written testimony from five witnesses on June 6, 2025. CURB recommended an annual revenue increase of approx. $115.8 million. CURB's reduced revenue requirement was attributable to differences in capital structure and rate of return, along with several other adjustments which included significant reductions to the recoverable amount of employee incentive compensation. CURB also proposed several revisions to the Stay Connected Pilot program.

On July 16, 2025, a Unanimous Settlement Agreement was filed in the docket. CURB filed testimony supporting the agreement, finding it to be a reasonable compromise among all parties. This agreement was approved by the Kansas Corporation Commission ("KCC" or "Commission") on September 25, 2025. The Commission characterized it as "a balanced agreement that is fair to all the parties."

Key provisions of the approved Agreement include:

- EKC's overall annual revenue requirement increase is $128.0 million, inclusive of a rebase of property tax.
- EKC is authorized to use 8.45% as its pre-tax rate of return for regulatory accounting purposes.
- The agreed upon allocation percentages of the system average increase to the Residential and Small General Service customer classes are 105.2% and 95.2%, respectively.
- The customer charge component for all Residential customer classes is $15.25.
- EKC will implement a nuclear production tax credit tracker to ensure all benefits are returned to customers.

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- EKC will implement an Earnings Review Surveillance Report. For each calendar year until the effective date following its next general rate case, half of any earned return on equity beyond a threshold of 9.70% will be deferred and provided to customers in the subsequent general rate case.
- EKC is allowed to withdraw its Stay Connected Pilot program proposal.

EKC's new rates will take effect based on the customer's billing cycle date beginning on October 1, 2025. Based upon the average monthly usage of 900 kWh, the average residential customer will experience a net increase of approx. 6.6%.

KCC Approves Evergy Kansas Central Predetermination Request for Two Natural Gas-Fired Plants and a Solar Facility

KCC Docket No. 25-EKCE-207-PRE

In November 2024, Evergy Kansas Central ("EKC") filed a request for predetermination on the ratemaking treatment for the construction and ownership stake in the 159 MW Kansas Sky solar facility in Douglas County along with a combined 710 MW from half-ownership of the Viola combined cycle gas turbine ("CCGT") plant in Sumner County and the McNew CCGT plant near Hutchinson.

Two settlement agreements (one unanimous and one non-unanimous) were filed in this docket on April 16, 2025. The parties unanimously agreed that EKC's proposal to construct and own the Kansas Sky plant is prudent. Separately, KCC Staff, Evergy, and various industrial customers and utilities entered into a non-unanimous agreement supporting EKC's proposal for the McNew and Viola CCGT plants. The CCGT agreement included a provision allowing the Commission to re-review the CCGT projects if cost overruns equated to 115% of the definitive cost estimates.

CURB and several other parties opposed the CCGT agreement. CURB expressed concerns about committing to long-lived generation assets (approx. 40 years) 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.

On July 7, 2025, the Commission issued an order approving predetermination of ratemaking treatment for the solar facility and natural gas-fired plants. In support of the CCGT agreement, the Commission expressed that "the CCGTs will be extremely reliable, compared to other generation resource options," and noted that "[w]hile the Commission understands and shares concerns about the capital costs of new CCGTs, they will undoubtably improve the reliability of Evergy's generation fleet."

The approved definitive cost estimates and projected dates of commercial operation for the plants are as follows: $228.1 million for Kansas Sky solar facility est. December 2026, $788.75 million for EKC's share of the Viola CCGT est. January 2029, and $880.519 million for EKC's share of the McNew CCGT est. January 2030.

The Commission added some stipulations to its approval of the CCGT plants. It proclaimed firm natural gas transportation and supply arrangements to be "absolutely paramount to the reliability of the CCGTs" and,

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therefore, EKC must submit assurances that it has obtained such arrangements prior to beginning CCGT construction. The Commission also directed EKC to evaluate the possibility of repurposing the unused space at generation sites (e.g. Lawrence Energy Center) as interconnection locations for battery storage units in future resource planning.

Settlement Proposed for Evergy's Large Load Service Rate Plan

KCC Docket No. 25-EKME-315-TAR

On February 11, 2025, Evergy filed an application requesting approval of tariffs designed for new large load customers in its Kansas Central and Kansas Metro territories. The Large Load Power Service ("LLPS") rate plan aims to address the advent of new large customer loads (in particular, data centers) and their impact on the electric grid. Such customers are projected to operate at capacities far exceeding the demand of Evergy's largest current customers.

The magnitude of large customers' demand imposes significant risks on other ratepayer classes. Evergy will likely seek to construct new generation assets to meet the energy needs of these new customers. Without fair safeguards, a significant reduction to large customers' energy demand could result in stranded or under-utilized generation assets, leaving other customers on the hook to pay for those resources for decades.

Over several months, CURB met with Evergy, regulators, industrial and commercial representatives, and various stakeholder groups to discuss the technical aspects of the tariff design and provisions. On August 18, 2025, a unanimous settlement agreement was filed in this docket. From CURB's perspective, the key provisions in the Agreement are as follows:

- Path to Power: Customers seeking service for new loads of 25 MW or higher will be evaluated by Evergy prior to receiving service, with up to four projects at a time moving through the active queue (termed "Path to Power").

- Applicability: Schedule LLPS rates will be applicable for new facilities with a peak demand forecast of 75 MW or higher and existing customers whose monthly maximum demand is expected to expand by at least 75 MW.

- Minimum Term: Schedule LLPS customers must take service for a minimum initial term of up to five years of load ramp plus twelve years of operations at steady-state contract capacity. Thus, the full initial term will be between 12–17 years, inclusive of any ramp.

- Capacity Reduction: After the first five years of the term, Evergy will allow for reduction of contract capacity by 25 MW or 10% of contract capacity (whichever is lesser) without charge for such reduction if provided 24 months prior notification. Reductions beyond the permissible parameters will require 36 months prior notice and be subject to a Capacity Reduction Fee.

- Collateral Requirements: Evergy will require the customer to post sufficient collateral to cover two years of Minimum Monthly Bills. The collateral amount may be reduced depending upon the customer's creditworthiness. Cash collateral is eligible for a discounted rate in exchange for the use of the proceeds towards offsetting costs incurred by other ratepayers associated with the customer's service.

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- Demand Charge: The Demand Charge component of Schedule LLPS rates for both EKC and EKM was significantly increased to address the accelerated resource investment required to serve large loads.

- Clean Energy Rider ("Schedule CER"): Schedule CER provides the opportunity for eligible customers to sponsor modifications to the Evergy's Preferred Resource Plan. Possible modifications would include additional renewable generation resources or distributed energy resources such as demand-side management and energy efficiency; customers can also support the replacement (i.e., retirement) of identified existing resources. Evergy will engage with the requesting customer to understand their desired modifications, will study the alternative resource scenarios, and may then develop a Clean Energy Preferred Resource Plan. The customer would execute an agreement detailing their support and willingness to pay all actual costs associated with the cost differential between the Preferred Resource Plan and the Clean Energy Preferred Resource Plan.

- Customer Capacity Rider ("Schedule CCR"): Schedule CCR is an optional rider designed to allow large load customers who own generating resources to contract that capacity to Evergy and have that capacity apply to the customer's metrics.

- Demand Response & Local Generation Rider ("Schedule DRLR"): Schedule DRLR provides a new rider option for Schedule LLPS customers to be compensated for utilizing load flexibility or local generation to provide demand response services to the Evergy when needed.

CURB supports the agreement as a reasonable compromise between all parties. It includes many safeguards for other ratepayers, including an extended minimum term; minimum monthly bill provisions; fees for early exit and capacity reduction; and collateral requirements. This agreement is also supported by prospective large load customers, such as the Data Center Coalition and Google, which is a clear indicator that the agreement aligns with state and federal public policies encouraging economic and technological development.

The Commission will hold a settlement hearing on this matter on October 8, 2025. The Commission's order is due November 25, 2025.

Atmos Energy Files Rate Case Application

KCC Docket No. 26-ATMG-026-RTS

On July 25, 2025, Atmos Energy filed an Application with the KCC requesting a revenue requirement increase of approximately $19.1 million for its natural gas operations in Kansas.

Approximately 30.97% of the requested revenue requirement increase is based on an overall rate of return (ROR) of 8.20%, including a 10.80% return on equity (ROE), 4.13% cost of debt, and a capital structure of 61.06% equity and 38.94% debt.

Regarding rate design, Atmos is requesting to increase the monthly residential customer charge from $19.75 to $25.00 and increase the volumetric charge from $0.17110 per CCF to $0.22914 per CCF. If Atmos' proposal is approved, the average residential customer using approximately 67 CCFs per month would experience a monthly bill increase of $9.12 or an 11.20% increase.

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Atmos is also requesting KCC approval of an abbreviated rate case to true-up plant investments through March 31, 2026, and to seek recovery for plant in service through December 31, 2025.

CURB is currently reviewing the Application and associated materials and preparing written Direct Testimony which will be filed in the docket on December 8, 2025.

The public comment period for this docket is open now through January 20, 2026. 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).

A live public hearing for this docket will be held on Tuesday, December 2, 2025, at the KU Edwards Campus-Regnier Hall, 12610 Quivira Road, Overland Park, Kansas 66213 from 6:00p.m.–8:00p.m. Attendees may participate in person or virtually via Zoom. Individuals wishing to make a public comment during the hearing via Zoom must register in advance to receive login information. A live video stream and recording of the public hearing will be available on the KCC's YouTube channel.

The Commission's Order is due in this docket on March 24, 2026.

KCC Approves Black Hills Rate Case Settlement

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 requested a net revenue increase of approx. $17.2 million. Black Hills pointed to two major factors driving the proposed increase: decreasing residential usage per customer and investments in infrastructure to enhance safety, reliability, and operating efficiency. As part of its proposed rate design, Black Hills requested to raise the Residential customer charge from $18.50 to $31.50 and the Small Commercial customer charge from $28.00 to $49.50.

In response to Black Hills' Application, CURB filed written testimony from four witnesses on May 9, 2025. CURB's ultimate recommendation was a net revenue increase of approximately $12.4 million. CURB's reduced revenue increase was attributable to differences in capital structure and rate of return, along with several other adjustments which included significant reductions to the recoverable amount of employee incentive compensation. CURB also proposed significant reductions to the proposed Residential and Small commercial fixed customer charges in proportion to the volumetric energy charge.

The parties were able to reach a unanimous settlement agreement, which was filed on June 13, 2025, and was approved by the Commission on July 24, 2025. The agreement results in a net revenue increase of approx. $10.8 million. The settlement amount was a "black box" value, so there is no specified capital structure or rate of return. The monthly Residential customer charge is now $21.00, and the Small Commercial customer charge is $32.00. The Gas System Reliability Surcharge ("GSRS") was rebased, and the monthly surcharge was reset to $0.00.

The Commission also granted Black Hills' request to follow up 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.

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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, cost-effective, and equitably provided to all Kansas utility consumers at just prices.