

# CURB News

News from the Watchdog for Residential and Small Commercial Utility Consumers

FOURTH QUARTER 2025



## THE CITIZENS' UTILITY RATEPAYER BOARD OF KANSAS

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### KCC Approves Large Load Rate Plan for Evergy

#### KCC Docket No. 25-EKME-315-TAR

On November 6, 2025, the Kansas Corporation Commission ("KCC") approved a unanimous settlement agreement which created a new rate plan for future large load (greater than 75 MW peak demand) from new customers and expansion projects in Evergy's Kansas Central and Kansas Metro service territories. The Large Load Power Service ("LLPS") rate plan aims to address the advent of new large customer loads (particularly data centers) and their impact on the electric grid.

The projected magnitude of LLPS customers' demand imposes significant risks on other ratepayer classes if usage does not materialize as expected. Therefore, the LLPS rate plan includes several provisions designed to protect other ratepayers from costs associated with potential stranded or under-utilized generation assets constructed to meet the projected energy needs of LLPS customers.

From CURB's perspective, 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:** 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 Fee:** 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

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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.

- Demand Charge: The Demand Charge component of the LLPS rates considers 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.

The LLPS rate plan became effective November 6, 2025. Detailed tariff documents can be viewed on [Evergy's website](#), segmented by service territory.

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## Update on Atmos Gas Rate Case

### KCC Docket No. 26-ATMG-026-RTS

#### Case Background

On July 25, 2025, Atmos Energy Corporation ("Atmos") filed an application with the KCC requesting a revenue requirement increase of \$19,068,321 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.

In addition to the net revenue increase and ROR, Atmos is proposing to increase the monthly residential customer charge from \$19.75 to \$25.00 and increase the monthly small commercial customer charge from \$50.00 to \$62.00. Atmos is proposing to increase the monthly volumetric residential charge from \$0.17110 per CCF to \$0.22914 per CCF and an increase in the monthly small commercial charge from \$0.15382 to

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\$0.19593. If Atmos' proposal is approved, the average residential customer using approximately 67 CCF per month would experience a monthly bill increase of \$9.12 or an 11.20% increase.

Atmos is also requesting new accounting treatment for cloud computing assets; the implementation of a Corporate Alternative Minimum Tax & Other Tax Rider tariff to account for the tax changes arising from the Tax Act of 2022 and any other tax changes; and approval of a follow-up abbreviated rate case. Atmos is requesting the abbreviated rate case include: 1) the "true-up" of plant investments through March 31, 2026; 2) a request for recovery for plant-in service through June 30, 2025; and 3) address other items that may arise during this rate case.

#### Update

On December 8, 2025, CURB filed direct testimony recommending a net revenue increase of \$15,030,263. CURB also recommends reducing the residential customer charge to \$17.75 per month. Additionally, CURB recommends the Commission reject Atmos's request for an abbreviated rate case for several reasons which are detailed in direct testimony.

On December 15, 2025, CURB filed cross-answering testimony presenting several different scenarios. KCC Staff completed a rate of return study, a depreciation study, and made a few operating income adjustments that CURB did not calculate. If CURB incorporated these specific studies and adjustments into its revenue requirement model, this would further reduce CURB's recommended revenue requirement to \$9,449,179.

These scenarios among other issues will be debated in settlement discussions with Atmos, KCC Staff, and other intervenors on January 6, 2026. A Commission order is due March 24, 2026.

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## **Southern Pioneer Requests to Continue its Formula-Based Rate Plan**

**KCC Docket No. 26-SPEE-099-RTS**

On September 17, 2025, Southern Pioneer filed an application for continuation of its Formula-Based Rate ("FBR") Plan.

From a regulatory perspective, Southern Pioneer is a unique utility. It is a not-for-profit electric utility regulated by the KCC. Yet, it is a subsidiary of Pioneer Electric Cooperative, which is not subject to KCC regulation for ratemaking purposes. Therefore, Southern Pioneer does not file typical rate cases before the KCC like regulated, investor-owned public utilities in Kansas do. Rather, under the FBR plan, Southern Pioneer annually files a rate adjustment calculation of its revenue requirement, based upon an established formula, to keep revenue at a level to achieve a Debt Service Coverage target ratio for services provided to its customers. Every five years, Southern Pioneer Electric Company ("Southern Pioneer") files a request to either continue or discontinue its FBR Plan.

Southern Pioneer is requesting approval from the Commission to continue its FBR Plan for the purpose of setting its rates. Southern Pioneer also requests Commission approval to remove the equity cap that is part of the FBR template and how a revenue adjustment determined by the FBR Plan in an annual update filing is implemented in retail rate design.

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CURB recommends continuation of Southern Pioneer's FBR Plan for another five years. However, CURB recommends the FBR Plan retain the existing equity test, including the 15% equity cap.

A Commission order on this matter is due May 8, 2026.

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### **Southern Pioneer Requests to Update its Parallel Generation and Net Metering Tariffs**

**KCC Docket No. 26-SPEE-092-TAR**

On September 11, 2025, Southern Pioneer Electric Company ("Southern Pioneer") filed an application requesting approval of changes to its Parallel Generation ("PG") Rider and Net Metering ("NM") Rider to align with the amendments made by the Kansas legislature in K.S.A. 66-1,184 ("the PG Statute").

PG and NM are both distributed generation ("DG") services that involve connecting customer-owned power generation (e.g., solar) to the utility's electric grid. PG pays separately metered customer-owned generation at an incremental cost rate, whereas NM credits energy from customer-owned generation to offset the customer's usage. Southern Pioneer is statutorily required to provide PG service, but it is not statutorily required to provide NM service.

The proposed changes to the PG Rider predominately pertain to payment structure for excess generation (amount and methodology) and overall utility limit on availability (as a percentage of retail peak demand).

Regarding PG payment structure, the substantive change is adding the option for Southern Pioneer to pay for PG services based on locational marginal price, as provided under the new statute.

Regarding PG availability, under the prior statute, renewable energy resources of residential and commercial customers were limited to certain peak KW levels. Those limits per customer have been removed. Additionally, under the updated tariff, PG services will be available to customers on a first-come, first-served basis until the following system-wide limits are reached:

- Commencing on July 1, 2025, limits are 6% of the utility's historic peak demand;
- Commencing on July 1, 2026, limits are 7% of the utility's historic peak demand;
- Commencing on July 1, 2027, and thereafter, the limits are 8% of the utility's historic peak demand.

The proposed changes to the NM Rider are not overly substantive but were made to align the PG Rider and NM Rider for administrative consistency between the two DG services.

KCC Staff filed its Report and Recommendation ("R&R") regarding Southern Pioneer's proposal on December 19, 2025. KCC Staff finds Southern Pioneer's proposed revisions to be consistent with the amendments to the PG statute and, therefore, recommends approval of Southern Pioneer's request.

Responses to KCC Staff's R&R from Southern Pioneer and CURB are due by January 9, 2026. The procedural schedule for this docket reserves dates for a settlement conference, an evidentiary hearing, and briefs, if necessary. The Commission's order is due May 11, 2026.

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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.

# The Citizens' Utility Ratepayer Board



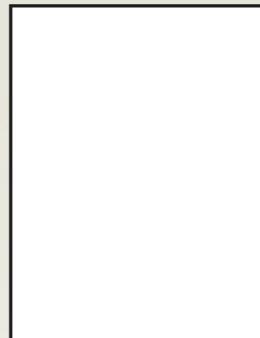
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