

Evergy seeks \$196 million rate increase for central Kansas customers

By **Brad Cooper** - February 2, 2025



Photo credit: Tony Boon

Evergy is asking state regulators to approve a \$196 million rate increase for customers in its central service area to help cover the cost of spending to improve reliability for customers and serve new economic development seeking to locate in Kansas.

In a [filing](#) made late Friday afternoon with the Kansas Corporation Commission, Evergy said it was seeking a rate increase partly to recover the cost of infrastructure investments in the system to enhance reliability and customer service.

The latest proposed rate increase [comes less than two years after the KCC approved](#) a net \$74 million rate increase for Evergy's central service area that meant about a 4% increase for residential customers, or an estimated \$4.64 a month.

The new rate increase would affect roughly 735,000 customers in Topeka, Pittsburg, Wichita and other communities Evergy serves in the eastern third of Kansas. It does not affect most of metro Kansas City.

If the commission approves the full amount requested, the average residential bill would increase about \$13.05, or 10.36% per month – assuming the average residential household

usage of about 900 kilowatt hours per month.

The company stressed in its filings that the rate increase is not related to investments for the Panasonic plant in De Soto, Kansas.

The company also said the increase is not related to the [two proposed natural gas plants](#) and solar facility that are now being considered by the KCC in a separate case.

However, construction of the new plants is expected to increase rates for electric customers to cover the cost of their construction, but not until 2029 and 2030 at the earliest.

“The rate adjustments represent fair and reasonable amounts necessary to maintain a financially healthy Kansas utility that will be well-positioned to continue the investments necessary to maintain reliability for...existing customers and advance the investments necessary to support the current historic economic development opportunity in Kansas,” the company said in its application to the KCC.

Since Evergy’s last rate case in 2023, the company said it has invested nearly \$1 billion in infrastructure that serves customers in its central service area.

The investments include technology upgrades and grid improvements to replace aging equipment and create a more resilient power grid that is more reliable and efficient for customers, the company said.

The company said grid investments were focused on outage prevention and response, including automation and sensor technology used to better identify outages and isolate outages to fewer customers.



Dave Campbell

In 2024, Evergy said it completed the installation of an advanced distribution management system, a new software platform that will allow Evergy to optimize its distribution network and increase automation of outage restoration.

“I want to stress that the investments we seek recovery for in this case are historical investments we made to ensure reliable service for our existing customers and do not relate to any potential new large load customers that might locate on our system in the future,” said David Campbell, president and chief executive officer for Evergy.



“In order to serve both existing customers and any new customers that choose to locate in (the central service area), new investments in generation assets and transmission and distribution assets will be required to maintain reliability, comply with environmental rules and meet system reserve margins,” Campbell said in [testimony](#) filed with regulators.



The request drew skepticism from the Kansas Industrial Consumers Group and Kansans for Lower Electric Rates, which are made up of large volume users including manufacturers, mid-sized businesses and some school districts.



Jim Zakoura

Overland Park energy lawyer Jim Zakoura, who represents those groups, said they were “alarmed” by the request.

“In our opinion, the amount and pace of these retail electric rate increases are unreasonable and unaffordable for many Kansas businesses, schools, and residences – and far outpace inflation in other products,” he said in an email Sunday.

“It is our hope that (Eversource central’s) 731,289 retail electric customers – in Wichita, Topeka, Lawrence, Manhattan, Hutchinson, Pittsburg, Emporia, and throughout Kansas – will make their views known at the KCC on these proposed retail rate increase,” he said.

Campbell addressed that issue in the testimony provided to the KCC.

After the impact of the requested rate increases in this case is included, he said, rates in Eversource’s central area will have increased by 16.5% since 2017.

“This is still lower than the average increase in residential rates for our regional peers from 2017 through October 2024 of 16.9%,” he said.

“Of course, EKC is not the only utility in the region with requested or planned rate increases over the next year,” he said in testimony.

“We know that many of our peers in Colorado, Indiana, Minnesota, Missouri, North Dakota, Oklahoma, and Texas have rate cases pending today,” he said.

From 2017 to October 2024, the Campbell said Eversource’s residential rates for the central service area have increased 5.6%, while the average increase for other states in the region

has been about 17% over the same time period.

He said Oklahoma's residential rates increased 15.4% and Texas' residential rates have risen 34.2%.

The consumer price index for the period, by comparison, increased by 25.7%, the company said.

"Achieving regional rate competitiveness has been and continues to be a fundamentally important objective" for Evergy, Campbell said.

"This is an objective we share with the commission, our customers, and the state and we have worked hard to continue to advance this objective," he said.

"The result is that EKC's regional rate competitiveness has continued to improve significantly," he said.

Since 2017, Evergy central's rates have increased by a cumulative 9%, well below the increases experienced in Colorado, Minnesota, Texas, Arkansas, and Oklahoma, he said.

The company also is asking regulators to approve a new three-year pilot program to help qualified income-eligible Kansas customers remain current on their account and avoid potential disconnection.

The program would offer monthly bill credits and help income-eligible Kansas residents remain current on their account.

In this rate case, the company is requesting a return on equity of 10.5%.

That's higher than the 9.3% that was authorized by the commission in an Evergy central rate case from 2018 and higher than the 9.4% authorized in 2023 for the purpose of the transmission delivery charge.

The requested return on equity of 10.5% is, however, based upon a comprehensive review of capital market conditions, industry business risks and recent regulatory decisions, the company said.

Evergy said in its filing that it "has the right to have an opportunity to earn a reasonable return commensurate with returns earned by investors in other enterprises having similar risks.

"It is important to recognize that an authorized return is simply a permission, not a guarantee," the company said.

"The returns for investors are residual – investors receive only what is left over after all other costs are paid; costs which for decades have been rising between rate cases, and



which further reduce the likelihood of EKC ever being able to earn its authorized rate of return.”



Brad Cooper

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