

## **MEDIA RELEASE**

**Media Contact:**

Jim Zakoura

President of Kansas Industrial Consumers Group & Kansans for Lower Electric Rates

(913) 253-2142 | jzakoura@foulston.com

### **Energy consumers file motion to dismiss Evergy Metro rate increase request or limit rate case expenses**

*Rate case expenses could be greater than any rate increase award*

OVERLAND PARK, Kan. (July 19, 2023) – Kansas Industrial Consumers Group (KIC), a group of large-volume energy users, filed a motion today with the Kansas Corporation Commission (KCC) asking the KCC to dismiss Evergy Kansas Metro’s (former KCP&L) current rate increase request as unjust and unreasonable given recent disclosures by Evergy.

Evergy filed the rate increase request on April 25. On July 7, counsel for Evergy notified parties to the case that Evergy would no longer be seeking recovery of lost revenues from Covid-19. Those costs, deemed highly controversial by most parties, totaled \$7.8 million, or approximately 55 percent of the total \$14.2 million requested.

The majority of the remaining rate increase request is associated with Evergy’s request for higher earnings for its shareholders. Evergy is requesting a boost in its “return on equity” (ROE) from its current 9.3 percent to 10.25 percent. The potential increase, if granted in its entirety, amounts to less than a 1 percent increase.

Absent an award of the requested ROE, Evergy is likely to face a rate decrease. However, a rate decrease could be compromised by rate case expenses that are greater than the decrease if the KCC doesn’t limit rate case expenses.

“Given the size of the case and its central request to increase shareholder returns, it just doesn’t make any sense for customers,” Jim Zakoura, president of KIC. “Customers shouldn’t have to pay expenses for Evergy lawyers and consultants to build a rate case over this single issue.”

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In addition to expenses from Evergy, customers also pay the rate case expenses of the KCC and the Citizen’s Utility Ratepayer Board (CURB). Customers do not pay expenses for KIC or other intervenors.

“We’ve asked that the KCC either dismiss this case or in the alternative, restrict rate case expenses. It’s the only logical path for consumers,” Zakoura said.

KIC and others have been active for the last several years highlighting the need for regionally competitive electric rates in Kansas. Currently, Evergy has higher rates than its investor-owned utility peers in St. Louis, Des Moines, Oklahoma City, Tulsa, and Little Rock. Even many cooperative utilities in Western Kansas have rates materially lower than Evergy.

“Another rate increase will make it much more difficult to achieve regionally competitive rates and will directly add unnecessary operational costs to businesses and organizations, and of course, thousands of residential customers are already struggling with their bills,” said Zakoura.

Evergy Kansas Central (former Westar Energy) also has a pending rate increase request of roughly \$204 million/year, or a 9.77 percent average system increase.

The case is 23-EKCE-775-RTS and can be accessed on the KCC’s website: [www.kcc.ks.gov](http://www.kcc.ks.gov).

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*About: The Kansas Industrial Consumers Group (KIC) is a coalition of large-volume energy users in Kansas. The members collectively represent billions of dollars of investment in the State and employ thousands of Kansans. Kansans for Lower Electric Rates (KLER) is an advocacy project of KIC with members of all sizes. We believe high energy costs are negatively impacting residential consumers, schools, hospitals, and large and small businesses.*  
[www.kansasenergyproblem.com](http://www.kansasenergyproblem.com)