

KCC questions Evergy's finances

(KAIR)--The Kansas Corporation Commission has ordered energy provider Evergy to explain a \$1.2 billion increase in the company's capital spending plan filed this year compared to projections shared when the company presented its Sustainability Transformation Plan last year.

According to a release from KCC, Thursday's order requires that a workshop to discuss the matter be scheduled by September 28 and take place before December 1, 2022. During the workshop, which can be viewed by the public on the KCC YouTube channel, Evergy will have the opportunity to explain the necessity and impact of the proposed capital spending and answer questions from Commissioners, Commission Staff, and the Citizens Utility Ratepayer Board.

Prior to the workshop, Evergy is required to file updated and comprehensive financial modeling showing expected retail rate changes resulting from the continued increases in projected capital expenditures.

Evergy is required to file a Capital Investment Plan with the KCC annually.

A report filed by Commission Staff in response to the 2022 report expressed concern that the expenditures outlined exceeded those reported in the STP by 21.82%. The 2022 five-year Capital Investment plan was \$1 billion higher than the 2021 five-year plan, and this increased spending projection was on top of a previously announced \$1 billion increase between Evergy's 2020 and 2021 five-year plan.

The Commission echoed the Staff's concerns regarding the dramatic capital expenditure increases projections and whether that trend will undermine the goal of achieving regionally competitive rates and reliable electric service, especially with rising inflation.

The Order states, "Evergy's Capital Improvement Plan affects the majority of Kansans and thus requires public scrutiny."

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