

**Generation Formula Rate (GFR) Template
Worksheet J, Refunds and Surcharges
Contract Year Beginning 06/01/2024**

GFR Adjustments, Evergy Kansas Central (EKC) and Evergy Kansas South (EKS)

A. Settlement agreement for Docket No. ER22-1657 and ER23-1762

Parties agreed to a black box settlement in Docket No. ER22-1657 and ER23-1762 amounting to the recovery of \$2,841,549 to be included annually in Worksheet J, without interest, through 2028 (6-year amortization period).

B. Refunds and surcharges relating to resolution of issues raised in the Informal Challenge to the 2023 Annual Update (2022 calendar year)

1) KEPCo Informal Challenge Issue No. 1a.

Wrksht. A (EKC) and Wrksht. B (EKS), Evergy agrees that Reserves should be allocated based on the underlying expense allocator and that ADIT should use that same allocator. Other Reserves and Account 190: Software Development & CC G31 Software, removed from Plant Related column and included in Labor Related column.

2) KEPCo Informal Challenge Issue No. 1b.

Wrksht. A (EKC) and Wrksht. B (EKS), KEPCo 2.3.5 and 2.3.9, Evergy agrees that Reserves should be allocated based on the underlying expense allocator and that ADIT should use that same allocator. Other Reserves and Account 190: Capitalized Software in CWIP, removed from Plant Related column and included in Labor Related column.

3) KEPCo Informal Challenge Issue No. 2a

Item 3, Rate Base, consistent with retail ratemaking by EKC in its most recent general rate proceeding (Docket No. 23-EKCE-775-RTS), EKC removed the prepayments related to COLI insurance premiums. This adjustment reflects the removal of all COLI-related expense from Prepaid account, from both beginning (2022) and ending (2022) balances amounting to \$225K (EKC) and \$961K (EKS), and \$264K (EKC) and \$1.402 million (EKS); respectively. Removal of all COLI prepayments from both the beginning and ending balance for Contract Year effective June 1, 2023 based on calendar year 2022 data.

4) KEPCo Informal Challenge Issue No. 3a

Wrksht A (EKC) & Wrksht B (EKS), KEPCo 2.6.8, Evergy erroneously excluded a balance it recorded to FERC Account No. 228.2 Accumulated Provision for Injuries and Damages, subaccount 228200 – Inj and Dmges Bal Fwd. This adjustment added \$6,479,305.27 to account 228200 Inj and Dmges Bal Fwd (EKC). Account 228200 Inj and Dmges Bal Fwd did not have a balance for EKS.

5) KEPCo Informal Challenge Issue No. 4a

Wrksht O (EKC) & Form 1 Inputs, KEPCo 2.1.4, 2.1.8, and 2.1.12 reference the 818 S. Kansas Avenue lease in which Evergy purchased in September 2021. EKC agreed with KEPCo that

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following the expiration of the lease and the purchase of 818 S. Kansas Avenue, the building should have been accounted for as depreciable plant. Adjustments were made on Worksheet O to reduce the current year amortization by \$1,390,472.79 and current year retirements of leasehold improvements by \$13,808,007.46. On the Form 1 Inputs tab, reductions were made to both Total General Plant and Total Electric Plant in Service by \$13,808,007.46 (EKC). Additionally, Evergy adjusted both General Electric Plant in Service and Total Accumulated Depreciation by \$33,636.25 (EKC). Finally, Evergy adjusted General Plant expense with a reduction of current year amortization expense of \$1,390,472.79 offset by a slight increase in the calculation of depreciation expense amounting to \$33,636.25(EKC).

6) KEPCo Informal Challenge Issue No. 5a

Item 4, Dem Rel Exp & Form 1 Inputs, KEPCo 5.2.5, it was identified that three months of amortization expense related to the pilot prepay service program, from KCC Docket No. 14-WSEE-148-TAR, was recorded to account 923 rather than account 910 that is excluded from the GFR template. On the Form 1 Inputs tab, Evergy reduced both Outside Services Employed and Total A&G related O&M by \$2,078.19 (EKC) and \$6,370.56 (EKS) which flow through to Item 4, Dm Rel Exp.

7) KEPCo Informal Challenge Issue No. 5c.

Item 4, Dem Rel Exp & Form 1 Inputs, KEPCo DRs 5.2.3 and 5.2.4, it was determined that some work performed by one of Evergy's contactors was related to technical diligence of Persimmon Creek and should have been included in FERC Account 183, Preliminary Survey and Investigation Charges. An adjustment was made to reflect the removal of \$76,226.31 (EKC) recorded to Account 923 Outside Services Employed related to Wind RFP costs that should have been charged to Account 183 Preliminary Survey and Investigation Charges which flow through to Item 4, Dm Rel Exp.

C. Removal of EPRI Dues

Item 2, Demand Chg Calc and Item 4, Demand Related O&M Expenses -

- Adjustments were made to the Form 1 Inputs tab in both Miscellaneous General expense and Total A&G related O&M line items for \$474,835 (EKS) to remove current year EPRI dues for the 2023 calendar year. This amounted to a net adjustment of \$353,530 to the Revenue Requirement.
- Per email communication dated November 11, 2022, Evergy agrees to reduce the amounts recorded in Account 930.2 EPRI expenses. Because this is a current-year modification, no interest is owed.

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D. Removal of COLI

Item 3, Rate Base -

- Consistent with retail ratemaking by EKC in its most recent general rate proceeding (Docket No. 23-EKCE-775-RTS), EKC removed the prepayments related to COLI insurance premiums. This adjustment reflects the removal of all COLI-related expense from the Prepaid account, from both beginning (2023) and ending (2023) balances amounting to \$264K (EKC) and \$1.402 million (EKS), and \$266K (EKC) and \$1.410 million (EKS); respectively. Removal of all COLI prepayments from both the beginning and ending balance for Contract Year effective June 1, 2024 based on calendar year 2023 data.
- This adjustment is a current-year modification, no interest is owed.