

Public Version

Exhibit No.:

Issue: Finance; Ownership Structure

Witness: John M. Grace

Type of Exhibit: Supplemental Direct Testimony

Sponsoring Party: Evergy Missouri West and Evergy Missouri  
Metro

Case No.: EA-2025-0075

Date Testimony Prepared: February 19, 2025

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: EA-2025-0075**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**JOHN M. GRACE**

**ON BEHALF OF**

**EVERGY MISSOURI WEST AND EVERGY MISSOURI METRO**

**Kansas City, Missouri**

**February 2025**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**JOHN M. GRACE**

**CASE NO.: EA-2025-0075**

1           **I. INTRODUCTION AND EXECUTIVE SUMMARY**

2   **Q: Are you the same John M. Grace who filed direct testimony in this case on**  
3   **November 15, 2024?**

4   A: Yes. I previously submitted direct testimony on behalf of Evergy Missouri West,  
5   Inc. d/b/a Evergy Missouri West (“Evergy Missouri West,” “EMW” or “West”)  
6   and Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro,”  
7   “EMM” or “Metro”). The Companies, along with Evergy Kansas Central, Inc. and  
8   Evergy Kansas South, Inc. (“Evergy Kansas Central” or “EKC”), are the operating  
9   utilities of Evergy, Inc. (“Evergy”).

10 **Q: What is the purpose of your Supplemental Direct Testimony?**

11 A: The purpose of my testimony is to confirm my direct testimony regarding Evergy  
12 Missouri West’s plan to finance the construction of the 50% share of the McNew  
13 Generating Station (“McNew”) that will be allocated to EMW, consistent with the  
14 analysis and results of Evergy’s “CCN Supplemental Direct” modeling analysis.  
15 This will include an affirmation of EMW’s current investment grade credit ratings,  
16 available liquidity, and access to capital markets during the construction, as well as  
17 on-going operations and maintenance of McNew. I will also provide updates to  
18 anticipated project costs and confirm the manner of how EMW will finance the  
19 construction of its 50% share of the Viola Generation Station (“Viola”), its 100%

1 interest in the Mullin Creek #1 generating unit (“Mullin Creek # 1”), and 50% share  
2 of McNew.

3 **II. FINANCIAL ABILITY**

4 **Q: Please provide an update to the anticipated total project costs excluding**  
5 **AFUDC.**

6 A: The Viola Generating Station which will be co-owned by EMW and EKC (each  
7 with a 50% ownership share) has an updated anticipated total project cost excluding  
8 allowance for funds used during construction (“AFUDC”) of \*\* [REDACTED] \*\*. The  
9 McNew Generation Station to be located in Hutchison, Kansas and co-owned  
10 by EMW and EKC (each with a 50% ownership share) has an updated anticipated  
11 total project cost excluding AFUDC of \*\* [REDACTED] \*\*. The Mullin Creek #1  
12 Generating Station, which will be owned 100% by EMW, has an updated total  
13 project cost excluding AFUDC of \*\* [REDACTED] \*\*. Company witness, Kyle  
14 Olson describes the updated cost estimates in more detail.

15 **Q: Does Evergy Missouri West have the financial ability to acquire, construct,**  
16 **install, own, manage, maintain, and control the Viola, McNew, and Mullin**  
17 **Creek generation facilities?**

18 A: Yes. As explained in my direct testimony, EMW has proven experience financing  
19 the purchase, construction, and operation of generating assets that serve Missouri  
20 customers. EMW currently owns or contracts for 2,587 MW of generating capacity.  
21 This includes the recently acquired 143 MW of the natural gas combined-cycle  
22 Dogwood Energy Facility.

1 **Q: Does EMW have the financial ability to construct, operate, and own its**  
2 **allocated 50% share in McNew, its 50% share in Viola, its 100% share in**  
3 **Mullin Creek # 1?**

4 A: Yes, as I discussed in my direct testimony on pages 3-6, EMW has adequate short-  
5 term liquidity, access to the capital markets to raise long-term debt capital, and  
6 access to the equity markets through Evergy, Inc., to raise additional equity to  
7 finance these projects.

8 **Q: Has EMW's plan to finance Viola, Mullin Creek # 1, and its allocated 50%**  
9 **share in McNew changed since filing your direct testimony?**

10 A: No. EMW's plan to finance its ownership share of each project remains the same  
11 as I describe on page 6 of my direct testimony. EMW will finance its ownership  
12 share of these projects in a responsible manner as it does with any other investment;  
13 balancing liquidity, open windows in the capital markets, and maintaining a capital  
14 structure indicative of its current credit ratings. In addition, as Evergy, Inc. has  
15 publicly announced, the Company plans on issuing common equity to maintain  
16 investment grade credit ratings at the operating utilities and at the consolidated  
17 Evergy, Inc. level.

18 **Q: Has EMW's credit rating at Standard and Poor's ("S&P") and Moody's**  
19 **changed since your November Direct Testimony?**

20 A: No.

21 **Q: Does this conclude your testimony?**

22 A: Yes.



**Evergy Metro, Inc. d/b/a Evergy Missouri Metro and  
Evergy Missouri West, Inc. d/b/a Evergy Missouri West**

Docket No.: EA-2025-0075

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Document/Page	Reason for Confidentiality from List Below
Supplemental Direct, p. 2, Ins. 8, 11, and 13	3, 4, 5, and 6

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