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**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: EO-2025-0154**

**DIRECT TESTIMONY**

**OF**

**JEFF MARTIN**

**ON BEHALF OF**

**EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST**

**Kansas City, Missouri  
February 2025**

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**DIRECT TESTIMONY**

**OF**

**JEFF MARTIN**

**CASE NO. EO-2025-0154**

1 **I. Introduction and Executive Summary**

2 **Q: Please state your name and business address.**

3 A: My name is Jeff Martin, and my business address is 818 South Kansas Avenue, Topeka,  
4 Kansas 66612.

5 **Q: By whom and in what capacity are you employed?**

6 A: I am employed by Evergy Metro, Inc. and serve as Vice President Large Customer Strategy  
7 for Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”), Evergy  
8 Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”), Evergy Metro,  
9 Inc. d/b/a Evergy Kansas Metro (“Evergy Kansas Metro”), and Evergy Kansas Central,  
10 Inc. and Evergy Kansas South, Inc., collectively d/b/a as Evergy Kansas Central (“Evergy  
11 Kansas Central” or “EKC”), the operating utilities of Evergy, Inc. (“Evergy”).

12 **Q: Who are you testifying for?**

13 A: I am testifying on behalf of Evergy Missouri West (“EMW”) and Evergy Missouri Metro  
14 (“EMM”) (collectively, “Applicants” or “the Company”).

15 **Q: What are your responsibilities?**

16 A: My responsibilities include coordinating all efforts that relate to the Company’s large  
17 customer strategy including, but not limited to, commercial negotiations, large customer  
18 outreach and engagement, generation and transmission capacity analysis, and  
19 interconnection process development.

1 **Q: Please describe your education, experience, and employment history.**

2 A: I have a Bachelor of Science in Electronic Engineering Technology degree from Pittsburg  
3 State University and a Master of Business Administration degree from Kansas State  
4 University. I have been with Evergy and its predecessor companies for over 31 years  
5 and have held various positions in Field Operations, Information Technology, Regulatory  
6 Affairs, and Customer Operations. My current title is Vice President, Large Customer  
7 Strategy.

8 **Q: Have you previously testified in a proceeding at the Missouri Public Service  
9 Commission (“Commission”) or before any other utility regulatory agency?**

10 A: Yes. I have testified in proceedings before the Missouri Public Service Commission and  
11 the Kansas Corporation Commission.

12 **Q: What is the purpose of your direct testimony?**

13 A: Throughout my Direct Testimony, I explain in detail the process and strategy the Company  
14 used to develop the Large Load Power Service (“LLPS”) Rate Plan and the stakeholder  
15 engagement and input Evergy considered. I describe the timeline from initial large load  
16 customer’s interest to the final interconnection known as “Path to Power.” I explain the  
17 Company’s generation procurement strategy for new Schedule LLPS customers that locate  
18 in the Company’s service territory, explaining both the short-term procurement strategy, as  
19 well as how the Company plans to account for new large load customers through its future  
20 integrated resource planning (“IRP”) process. Finally, I discuss the interrelationship  
21 between the large customer strategy and the Company’s Limited Large Customer  
22 Economic Development Rider (“EDR”).

1 **II. Background on LLPS Rate Plan Development and**  
2 **Stakeholder Engagement**

3 **Q: Please describe your responsibilities as Vice President of Large Customer Strategy.**

4 A: As Vice President of Large Customer Strategy, I am responsible for developing and  
5 overseeing the Company’s strategy and engagement with existing and prospective large  
6 customers. Prior to this role, I oversaw the Company’s economic development strategy,  
7 where I worked on developing and implementing the Company’s economic development  
8 rider (“EDR”) and helped shepherd qualifying prospective customers through the  
9 interconnection process. My current role was created in 2024 as the volume of large  
10 customer interest of locating in Evergy’s service territory increased, in line with national  
11 trends. After over a decade of relatively stable load growth, large customer interest has  
12 increased significantly, which led the Company to create my role. As part of this role, I  
13 have worked cross-functionally across the Company and with stakeholders to develop and  
14 refine the Company’s large customer strategy, which has most recently culminated with  
15 this LLPS Rate Plan filing.

16 **Q: How did the Company develop the LLPS Rate Plan?**

17 A: While Company witness Kevin Gunn provides a high-level background of the impetus for  
18 developing the LLPS Rate Plan, I detail the process and background Evergy followed to  
19 develop the LLPS Rate Plan as well as the Company’s stakeholder engagement efforts  
20 surrounding it. Until now, the Company has largely relied on enrolling large customers  
21 either through its existing Schedule Large Power Service (“LPS”) rate, its more recently  
22 approved Special High Load Factor Market Rate (Schedule MKT), or through negotiating

1 individual special contracts with large customers.<sup>1</sup> Under the special contract approach,  
2 which is further detailed through Company tariff,<sup>2</sup> the Company would negotiate and tailor  
3 each contract based on the unique needs and circumstances of each customer, with  
4 individual pricing, and rate structures negotiated on a case-by-case basis. All special  
5 contracts are filed and approved by the Commission individually.<sup>3</sup> While the special  
6 contracting approach has not been used for years, the approach is intended to allow the  
7 Company to meet specific competitive threats while preserving some contribution to  
8 margin through customer retention. Much of this purpose has been replaced by enhanced  
9 economic development riders. The special contract approaches could be useful with a more  
10 limited volume of interconnection requests. Given today's volume of large customers,  
11 relying on special contracts alone is inefficient and stands to result in asymmetric  
12 commercial approaches from customer to customer. In addition to being administratively  
13 burdensome, establishing a more uniform process with pre-established commercial terms  
14 will benefit existing customers by ensuring new large customers pay their fair share and do  
15 not expose existing and non-participating customers to undue risk. The LLPS Rate Plan is  
16 designed to consolidate and streamline the interconnection process, while also driving  
17 equity and transparency in rate offerings for new large load customers. Evergy has recently  
18 negotiated with three significant large load customers that include Google and Meta in  
19 Missouri and Panasonic in Kansas. It became apparent through the course of negotiating

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<sup>1</sup> See Mo. Rev. Stat. § 393.150.1 (referring to “any new form of contract or agreement”); § 393.355. All statutory references are to the Missouri Revised Statutes (2016), as amended, unless otherwise noted.

<sup>2</sup> EMW Special Contract Rate, Sheet 141 through 143 and EMM Special Contract Service, Schedule SCS, Sheet 29 through 29B.

<sup>3</sup> See Mo. Rev. Stat. § 393.150.1 (referring to “any new form of contract or agreement”); § 393.355. All statutory references are to the Missouri Revised Statutes (2016), as amended, unless otherwise noted.

1 those projects, and engaging with many other large load customers interested in locating  
2 in Evergy's jurisdictions, that today's large load customers require a shift in the Company's  
3 strategy to address their unique needs. The Company's experience to date also revealed  
4 that changes to the commercial and tariff strategy are needed to continue to attract and  
5 retain additional large load customers that will bring benefits to the State of Missouri. For  
6 example, managing the volume and sophistication of today's large load customers requires  
7 additional internal and external resources, and much more sophisticated analysis than  
8 historically required. To accomplish this, the Company assembled a cross-functional team  
9 including its regulatory, operations, resource planning (generation and transmission),  
10 customer relations, legal, and commercial negotiations teams to create a plan that would  
11 address today's large load customers and their unique needs, while ensuring non-  
12 participants are protected and do not bear unnecessary risk. As part of this effort, a steering  
13 committee of executives met regularly to consider possible iterations of a new rate plan  
14 tailored to large load customer needs. These efforts led to the LLPS Rate Plan. Among the  
15 various elements of the plan, my testimony focuses on the Path to Power. The Path to  
16 Power delineates the process from the initial assessment of the customer's project to the  
17 interconnection and service.

18 **Q: Did the Company retain a consultant to assist with developing the LLPS Rate Plan?**

19 **A:** Yes, the Company retained the Brattle Group, an industry-leading energy consulting firm,  
20 to assess the national landscape on tariff offerings for large load customers. Brattle  
21 conducted a thorough review of other utilities' offerings allowing the Company to assess  
22 which strategies would best be suited for Evergy and the region. As Company witness Mr.  
23 Gunn mentions in his Direct Testimony, large load customers often "shop" across utilities



1 and jurisdictions searching for key focus areas including: transparency and experience with  
2 large load interconnections; speed to market and availability of energy and capacity;  
3 commercial competitiveness and economic development incentives; ease and efficiency of  
4 the regulatory process; renewable and clean energy offerings and ability to support the  
5 customer’s decarbonization goals; availability of bill credits for participating in demand  
6 response programs; and, the overall “business friendliness” of a jurisdiction. Given today’s  
7 landscape, the Company determined a comprehensive review of what other jurisdictions  
8 offer was essential to developing the most attractive large load plan.

9 **Q: Did the Company engage with existing and potential large load customers to develop**  
10 **the LLPS Rate Plan?**

11 A: Yes, the Company engaged with existing and potential large load customers to understand  
12 their expectations. Through its engagement with large load customers, the Company  
13 identified the various objectives I mentioned above as being some of the most important  
14 aspects of any offering the Company created.

15 **Q: Did the Company engage with other stakeholders for their input on the LLPS Rate**  
16 **Plan?**

17 A: Yes, the Company also engaged with the Commission Staff in both Missouri and Kansas,  
18 the Citizens’ Utility Ratepayer Board (“CURB”), and the Missouri Office of the Public  
19 Counsel to get their input on a new rate offering for large load customers. In addition to  
20 considering large load customer interests, the Company spent significant time evaluating  
21 the interests and needs of existing customers and non-participants to ensure any new  
22 program protects and mitigates potential risks for existing customers and non-participants.

1                                    **III. “Path to Power” Interconnection Process for New Large Load**

2    **Q:    What do you discuss in this section of your testimony?**

3    A:    In this section of my testimony, I explain the “Path to Power” interconnection process the  
4            Company has developed. This process includes the key milestones, including payments,  
5            studies, and contract negotiations, which will occur to support the interconnection of a new  
6            large customer.

7    **Q:    Is the Company planning to implement changes to the process it uses currently to  
8            evaluate new prospective load?**

9    A:    Yes. Historically, growth on the system occurred in smaller increments and at a slower pace  
10           where the Company had the ability to evaluate new prospective customers on an  
11           individualized basis. That has changed. The scale and pace of growth in large load has  
12           required the Company to transition from individually evaluating new large customers to  
13           implementing a more streamlined and holistic study process called the “Path to Power.”  
14           The Path to Power process should not only drive efficiencies to help with speed to market,  
15           but also facilitate a better system planning process.

16                    At a high-level, the Path to Power strategy revolves around three core components:

- 17                    ■            Standardize and streamline the customer intake and evaluation process to  
18                               create an efficient evaluation and site study process;
- 19                    ■            Leverage the resources of new large customers to meet interim generation  
20                               capacity needs while new generation is evaluated and brought online  
21                               through the existing IRP process; and,

- 1           ▪       Work collaboratively with prospective customers to identify existing  
2                    capacity and infrastructure with transfer capability and/or that provides the  
3                    most optimal interconnection location for that customer.

4 **Q:   Please explain how the Path to Power will work under the Company’s LLPS Rate**  
5 **Plan.**

6 A:   The Path to Power will apply to new loads of 25 MW or greater. Going forward, the  
7       Company will study new loads in a “cluster” basis with up to four projects at a time known  
8       as the active queue. This will not only help create administrative efficiencies but will also  
9       help to better identify system needs on a more holistic basis. The figure below reflects the  
10      various stages of the study process the Company plans to complete for each cluster of  
11      projects from its queue:

# The Path to Power



## Initial Evaluation

During this typically two-to-four-week phase, the Company provides an assessment of the customer's project in relation to the system based on anticipated load ramp. The Company explains its study and interconnection process, then advises on next steps. The Company provides no formal cost estimates at this phase.

## Project Details Phase

During this typically two-to-three-month phase, the customer submits necessary information and requirements including proof of land rights. The customer signs an Letter of Agreement and remits a \$200,000 deposit. After executive approval, Evergy provides an indicative price estimate and a construction timeline.

## AQ Study Phase

Once details including the prospective customer's forecasted load ramp are finalized, the customer signs an Initial Project Activities agreement and Evergy submits the project to the Southwest Power Pool for an Area Qualification study. This phase typically takes 90 days to complete.

## Completion of Project Phase

This phase may run parallel with the AQ study phase and takes two to six months. In this phase, the Company works with the customer to negotiate and execute project agreements needed to support the project including Interconnection Agreements, Right-of-way Agreements and Facilities Extension Agreements.

## SPP Submittal and Evaluation Phase

During this stage, the Company submits the formal load request to SPP reflecting the new load and its ramp schedule.

1

2 **Q: Does the Company plan to evaluate multiple projects/interconnection requests at a**  
3 **time?**

4 **A:** Yes. The Company anticipates it may study and negotiate new large load projects in  
5 groupings of up to four projects at a time. These groupings may include projects across  
6 any of Evergy's Missouri or Kansas jurisdictions, and individual project costs will be

1 allocated on a project-by-project basis. The rationale for evaluating and negotiating  
2 projects in groups is to drive administrative efficiencies, while also helping the Company  
3 and Southwest Power Pool (“SPP”) better understand the broader system implications of  
4 new large customer load.

5 **Q: Please explain the Initial Evaluation Phase.**

6 A: This is the first phase that occurs once a customer expresses interest in locating in the  
7 service territory. During this stage, Evergy personnel provide a high-level assessment of  
8 the customer’s project in relation to the system based on the anticipated load ramp for the  
9 facility. This typically takes two to four weeks to complete but may take longer for projects  
10 with multiple sites. During this phase, the Company intakes as much information as  
11 possible about the project and provides the customer with an explanation of its study and  
12 interconnection process, then advises on next steps. While the Company may provide  
13 indicative pricing, it does not provide formal cost estimates during this phase.

14 **Q: Please explain the Project Details Phase.**

15 A: To proceed to this phase, a project must formally submit details about the project and make  
16 a \$200,000 deposit to cover the study costs. Among other things, the customer must provide  
17 proof of land rights/acquisition, submit a site plan, and sign a Letter of Agreement  
18 (“LOA”). As part of this phase, the Company also gathers all necessary information to  
19 submit the project to the SPP for review. Once the necessary information is provided, the  
20 LOA is executed and if there is a space available, the project formally enters the active  
21 queue. From this point forward, the Company tracks and charges all study costs to a  
22 specific project Work Identification (“ID”), with all time and costs associated with studying  
23 a particular project billed to the Work ID. To the extent Company costs associated with

1 studying a project surpass the deposit, it will require additional deposit(s) in \$200,000  
2 increments. At the end of this phase, Evergy will provide an indicative price estimate for  
3 dedicated facilities that may be needed to serve the customer and construction timeline.

4 **Q: Please explain the Area Qualification (“AQ”)<sup>4</sup> Study Phase.**

5 A: Once the final details have been provided and agreed to and the Initial Project Activities  
6 agreement (“IPA”) has been executed, the project will be submitted to SPP for an AQ study  
7 consistent with SPP’s standard process. The AQ study determines if new load can be  
8 reliably connected to the grid and identifies any potential transmission upgrades that may  
9 be needed to reliably interconnect the facility. This process typically includes a Load  
10 Connection Study and Detailed Power Flow Network Study to analyze the impact of the  
11 new load on the system. The AQ study takes approximately 90 days to complete.

12 **Q: Please explain the Completion of Projects Phase.**

13 A: During this phase, which may run in parallel with the AQ study phase, the Company works  
14 with the customer to negotiate and execute the project agreements needed to support the  
15 project. Typically, these agreements include an Interconnection (substation) Agreement,  
16 Right-of-way (easement) Agreement, and Facilities Extension (distribution) Agreement  
17 depending on the specific needs of each customer. This step typically takes two to six  
18 months. The Company relies on relatively standardized terms and conditions as part of  
19 these agreements. Additionally, there are commercial terms that require the customer to  
20 pay all costs associated with dedicated facilities along with corresponding financial

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<sup>4</sup> Southwest Power Pool, *Attachment AQ Delivery Point Assessment Process – Attachment AQ Section 1*, Open Access Transmission Tariff, Sixth Rev. Vol. 1 (June 1, 2022).

1 guarantees that enable the Company to recoup costs from the entity or a guarantor should  
2 the customer later decide not to move forward with the project.

3 **Q: Please explain the SPP Submittal and Evaluation Phase.**

4 A: During this stage, Evergy submits the formal load request to SPP, reflecting the new load  
5 and its ramp schedule, as well as the necessary technical information related to the project.  
6 This ensures SPP can account for the new load in its planning processes. At this stage, SPP  
7 will also provide any applicable notices to construct to impacted Transmission Owners.

8 **Q: Please explain what occurs after the SPP Submittal and Evaluation Phase.**

9 A: After the SPP Submittal and Evaluation stage, the necessary facilities are constructed. Once  
10 all necessary facilities are in-service, the customer will start taking service under all  
11 applicable rates (*i.e.*, Schedule LLPS tariff).

12 **Q: Is the Company proposing any tariff changes to implement the Path to Power?**

13 A: Yes, the Company is proposing to memorialize key milestones of the Path to Power process  
14 in the Company General Rules & Regulations, as reflected in an attachment to Company  
15 witness Brad Lutz's Direct Testimony. Company witness Mr. Lutz also discusses the  
16 proposed tariff changes in more detail in his Direct Testimony.

17 **Q: Is the Company proposing any unique provisions to support particular types of  
18 customer projects?**

19 A: Yes, the Company plans to implement several modifications to its queue management  
20 process to more efficiently study, negotiate, and manage its large load queue. The Company  
21 also plans to prioritize "Community Interest Projects" that are expected to bring unique  
22 community and economic development benefits and therefore warrant more expedited  
23 review.

1 **Q: What is a “Community Interest Project”?**

2 A: For purposes of the LLPS Rate Plan, the Company defines a Community Interest Project  
3 as one that is part of a competitive search process where the Company is competing against  
4 at least one other location for the project. Additionally, the customer demonstrates the  
5 project will employ at least 250 permanent, full-time employees, and has certification from  
6 an accredited state or regional economic development organization indicating that the  
7 absence of a deposit and expedited timing are critical to winning the project. The Company  
8 also plans to waive the initial deposit requirement for Community Interest Projects.

9 **Q: What is the Company’s rationale for prioritizing Community Interest Projects?**

10 A: Large load Community Interest Projects can bring numerous benefits to the State of  
11 Missouri – most notably in terms of job creation and other economic development benefits,  
12 such as increased tax base. Often, the state’s economic development agencies or  
13 organizations are working tirelessly to attract and incentivize these large employers to  
14 Missouri through competitive site selection processes where any advantage can hinge on  
15 whether the customer chooses to locate in Evergy’s service territory. By prioritizing these  
16 unique projects in the queue and offering to waive the initial deposit, the Company can  
17 help make the State of Missouri a more attractive destination to locate, in line with  
18 Missouri’s economic development objectives.

19 **IV. LLPS Rate Plan Generation Procurement Strategy**

20 **Q: Please summarize how the Company plans to accommodate new large load customers**  
21 **from a generation planning and procurement strategy.**

22 A: Under Schedule LLPS, the customer is obligated to pay the costs of any interim capacity  
23 that the Company procures to serve the customer. The Company will not procure any



1 capacity until it has a signed LLPS Service Agreement with the customer. In the meantime,  
2 the Company will leverage its existing IRP process to identify any new generation  
3 procurements that will be needed to serve the customer and update its IRP load forecasts  
4 as appropriate.

5 **Q: Please explain how Company plans to evaluate, price, and initiate generation**  
6 **procurement within the Path to Power process.**

7 A: The Company plans to rely on cross-functional teams to execute the LLPS Rate Plan, as  
8 well as the Path to Power process. This means the resource planning team will maintain  
9 direct line of sight into the Path to Power queue. As part of its continual and ongoing load  
10 forecasting and risk assessment process, the Company's resource planning team will  
11 consider the Company's overall queue as it develops various load forecasting scenarios  
12 and sensitivities. However, it will not begin to procure any energy or capacity until (at the  
13 earliest) the SPP Submittal (*i.e.* Network Integration Transmission Service Agreement  
14 ("NITSA")) has occurred. More specifically, beginning with the Initial Evaluation Phase,  
15 the Company's resource planning team will start to evaluate the potential resource needs  
16 to serve a particular customer and/or cluster of customers. The resource planning team will  
17 also be included in ongoing discussions with the prospective customers regarding any clean  
18 energy program offerings the customer is interested in enrolling in. As Company witness  
19 Mr. Lutz explains, under Schedule LLPS, if the Company cannot accommodate a new  
20 customer's load within a desired timeframe, it may procure interim market capacity for that  
21 particular customer. The interim capacity will be directly charged to the customer through  
22 an Interim Capacity Charge on the customer's bill. This mechanism will enable the  
23 Company to serve a customer as soon as they are ready but will also provide time to

1 incorporate the customer's load into the existing IRP process. The Interim Capacity Charge  
2 will cover any gap in time for which the Company needs to procure or construct new  
3 generation resources to serve its IRP load forecast.

4 **Q: How does this process compare to how the Company has historically planned for and**  
5 **procured new generation to serve load growth?**

6 A: Generally, the Company has included an economic development component to the IRP  
7 planning process that was based on historical load growth. However, due to the size of  
8 Evergy's potential load growth, the Company is considering how to integrate new Schedule  
9 LLPS load in future IRP planning process.

10 **Q: Please explain how and when the Company will incorporate new large load into its**  
11 **existing IRP process.**

12 A: As a rate-regulated utility, the Company has an obligation to serve its customers, so the  
13 appropriate question is not whether the Company will serve new large load, but how. As  
14 the Company evaluates potential load growth through the Path to Power process, the  
15 resource planning team will compare the new load ramps to the overall generation capacity  
16 to understand how it can most cost-effectively serve its customers. Ultimately, the AQ  
17 process and the inclusion of the load through the SPP NITSA process will inform how the  
18 IRP planning process incorporates the generation needed to serve these customers. In  
19 addition to leveraging the existing IRP process, to the extent new generation is in fact  
20 needed, the Company will follow other appropriate regulatory processes, such as  
21 Certificates of Convenience and Necessity ("CCN").<sup>5</sup>

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<sup>5</sup> 20 CSR 4240-20.045 ("CCN Rule").

1 **Q: Why is the Company not proposing to direct assign generation costs to new large load**  
2 **customers?**

3 A: Historically, the grid has always been treated as a shared resource as any new generation  
4 that is procured to serve new load will be used and shared by all customers, and because  
5 the Company has an obligation to serve. However, in situations where customers have  
6 unique generation preferences, the Company has crafted a tariff-based approach. This  
7 approach enables customer choice and comports with the applicable SPP planning process,  
8 while ensuring those customers pay their fair share of the added and accelerated cost of  
9 any such resources. That said, Evergy's long-standing resource planning process includes  
10 multiple opportunities for stakeholder and Commission oversight and engagement.  
11 Recently, the Company has built this process out to include broad stakeholder engagement  
12 as part of its resource plan development and execution. Other existing regulatory processes  
13 for interested stakeholders to provide feedback include CCNs and general rate proceedings.  
14 Combined, these regulatory processes will ensure substantial stakeholder and regulator  
15 engagement and oversight, thus providing additional assurances that investments are  
16 prudently incurred and are fair and reasonably recovered from all customers receiving  
17 service. Direct assignment and negotiated arrangements have the potential to result in  
18 suboptimal portfolio utilization and create the potential for investment and recovery risks  
19 for all parties. Company witness Mr. Lutz discusses some of the ratemaking and potential  
20 rate mitigation benefits to all customers that will result from the addition of a new large  
21 load, particularly a large load with higher load factors.

1 **V. Economic Development Considerations**

2 **Q: Please summarize the Company’s existing economic development program.**

3 A: Missouri law requires the Company to offer its EDR to qualifying customers.<sup>6</sup> The purpose  
4 of the EDR is to encourage industrial and commercial business development in Missouri.  
5 To be eligible for the EDR, a customer must, among other things, add new, incremental  
6 load to Evergy’s system through new or expanded facilities.

7 **Q: Please explain the directives in Section 393.1640 concerning economic development  
8 rate discounts the Company must offer.**

9 A: Section 393.1640 directs the Commission to authorize electric public utilities to implement  
10 an economic development discount rate for new or expanded facilities of certain industrial  
11 or commercial customers. The economic development discount rate is available to  
12 customers with certain new load projections. The statute also outlines how the rate must be  
13 calculated. Importantly, Section 393.1640 mandates that the difference between the  
14 revenues resulting from the discounted rates and revenues that would have been generated  
15 without the discounts are not recoverable in a utility’s revenue requirement in a rate case.  
16 Additionally, the economic development discount rate is not available to customers that  
17 receive contract rates or customers enrolled in Schedule MKT.

18 **Q: Will LLPS customers be eligible to enroll in the EDR program?**

19 A: Yes, if the customer meets the requirements of Section 393.1640.

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<sup>6</sup> § 393.1640.

1 **Q: Has the Company identified any challenges with its current approach to economic**  
2 **development rates considering the current volume of large customer load interested**  
3 **in locating in its service territory?**

4 A: Yes. The EDR does not contemplate the size of the potential customer growth, nor the  
5 significance of system investments in response to the large customer load growth that  
6 Evergy is currently witnessing. In effect, the EDR, as designed, could create a shortfall in  
7 recovery from the full cost to serve a customer taking service under the EDR discount that  
8 could burden existing customers in future rate cases based on the size of these economic  
9 development projects. The effect of such a shortfall will be exacerbated by the impacts to  
10 the system and all customers of the significant new system investments expected to be  
11 required to support higher loads on the system. If the EDR were applied without  
12 consideration of the shortfall in recovery of the incremental cost to serve the new large load  
13 customer or the impact of accelerated system investments on existing customers, the new  
14 large load would likely result in an unreasonable subsidy.

15 **Q: How has the Company crafted the LLPS Rate Plan to ensure it is compliant with**  
16 **Section 393.1640 and also to protect existing customers?**

17 A: As I indicated above, if a customer qualifies under Section 393.1640, the EDR will be  
18 available to Schedule LLPS customers. To mitigate the potential for cross-subsidization  
19 issues I mentioned above, the Company has crafted a minimum bill requirement and a non-  
20 bypassable System Support Rider. Combined, these ensure that eligible customers can  
21 participate in the Company's EDR program, while also mitigating cross-subsidization  
22 concerns. Notably, by making the System Support Rider a non-bypassable charge, the  
23 Company will avoid a scenario where a Schedule LLPS customer substantially underpays

1           their cost of service. This ensures Schedule LLPS customers are substantially covering the  
2           cost to serve them in their tariffed rates before consideration of any acceleration of system  
3           investment impacts on existing customers, or any other voluntary riders the LLPS customer  
4           enrolls in.

5   **Q:    Does this conclude your Direct Testimony?**

6   A:    Yes.

