

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Evergy	)	
Metro, Inc. d/b/a Evergy Missouri Metro and	)	File No. EO-2025-0154
Evergy Missouri West, Inc. d/b/a Evergy Missouri	)	
West for Approval of New and Modified Tariffs for	)	
Service to Large Load Customers	)	

INITIAL BRIEF OF THE DATA CENTER COALITION

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ATTORNEYS FOR THE DATA CENTER
COALITION

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INITIAL BRIEF OF THE DATA CENTER COALITION

COMES NOW, the Data Center Coalition (DCC) and pursuant to the October 16, 2025 *Order Granting Extension of Time to File Briefs*,¹ respectfully submits this Initial Brief regarding the *Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West* (collectively, “Evergy”) *for Approval of New and Modified Tariffs for Service to Large Load Customers* (Application).

Large load customers, including data centers, present a significant opportunity for the state of Missouri. These customers are poised to make massive investments in the state, which will increase the tax base, create good paying jobs, and generate significant new revenues for utilities, allowing them to spread the fixed costs of their systems across a larger base.² At a high level, developing reasonable tariffs to attract these customers aligns well with statewide economic development priorities and builds upon ongoing efforts to foster economic resiliency.³

¹ Missouri Public Service Commission (PSC) File No. EO-2025-0154, *Order Granting Extension of Time to File Briefs* (Oct. 16, 2025).

² See Missouri PSC File No. EO-2025-0154, Transcript (Tr.) Vol. 2, pp. 64:21-25 – 65:1-4 (Sept. 30, 2025); *see also*, Missouri PSC File No. EO-2025-0154, Exh. 100: *Direct Testimony of Kevin Gunn*, pp. 10:14-18 – 11:1-13 (Feb. 14, 2025).

³ See, e.g., Missouri PSC File No. EO-2025-0154, Exh. 108: *Governor’s Press Release on SB4 Passage* (admitted Oct. 2, 2025) (explaining that “Missouri is well-positioned to attract new industry, support job growth, and maintain affordable, reliable energy...” and that “[t]his legislation strengthens our economic development opportunities...” and is “designed to respond to skyrocketing energy demand...”); *see also* Exh. 100 at 11:8-13, 12:4-14; Missouri PSC File No. EO-2025-0154, Exh. 700: *Surrebuttal Testimony of Robert B. Dixon on Behalf of Union Electric Company d/b/a Ameren Missouri*, pp. 10-14 (Sept. 12, 2025).

Notwithstanding the unprecedented economic development opportunities large loads present, it is reasonable for Evergy to establish reasonable protections in the event the Company invests substantially in infrastructure for a large load that does not ultimately materialize as expected. However, those protections must be just and reasonable and must not be so onerous as to stifle prospective customers' ability to invest in Evergy's service territory. The key is balance.⁴

Several utilities across the country are seeking to achieve this balance as they experience a surge of interest from large load customers. While there is no "one size fits all" solution to this issue, utilities, stakeholders, and regulators across the country have started to cohere around a set of common policies that mitigate the risk of stranded costs. These policies include long-term contracts, minimum demand charges, contract termination and capacity reduction fees, and financial security requirements, among others.

In this case, the Commission is faced with two competing proposals for addressing large load customers' increasing interest in Evergy's service territory. On one hand, a diverse group of parties to this proceeding has reached a Non-Unanimous Global Stipulation and Agreement (Stipulation and Agreement), resolving all outstanding issues in this case.⁵ The Stipulation and Agreement is generally aligned with the policies other utilities have adopted to mitigate the risk of stranded costs associated with large loads. It builds upon Evergy's initial Large Load Power Service (LLPS) Rate Plan proposal in its Application, incorporates modest refinements to that proposal, and positions Missouri well from a competitive standpoint in light of a substantially similar Unanimous Settlement Agreement pending before the Kansas Corporation Commission (KCC).⁶ Critically, the Stipulation and Agreement allows large load customers a reasonable

⁴ See Tr. Vol. 2 at 65:15-21; *see also* Exh. 400 at 8:5-7.

⁵ Missouri PSC File No. EO-2025-0154, *Non-Unanimous Global Stipulation and Agreement* (Sept. 25, 2025).

⁶ See Missouri PSC File No. EO-2025-0154, Exh. 104: *Surrebuttal Testimony of Kevin D. Gunn on Behalf of Evergy Missouri Metro and Evergy Missouri West*, Schedule KDG-1 (Sept. 12, 2025).

opportunity to do business in Evergy's service territory, provides a reasonable level of flexibility, and preserves meaningful customer protections by guaranteeing significant minimum revenues from LLPS customers.⁷

In contrast, Staff of the Missouri Public Service Commission (Staff) has put forward its own large load tariff proposal for the Commission's consideration.⁸ Unlike Evergy's LLPS proposal and the outcome negotiated through the Stipulation and Agreement, Staff's proposal was developed in a silo, without seeking input from Missouri utilities and large load customers.⁹ The result is a proposed large load tariff that is materially flawed, overly complex, and substantially different than comparable large load tariff proposals nationwide.¹⁰ Importantly, the parties representing Missouri investor-owned utilities (IOUs) and large load customers unequivocally agree that Staff's proposal is unworkable and would have the effect of stifling economic development.¹¹

When faced with these two choices, the logical answer is clear: the Commission should approve the Stipulation and Agreement, which provides for just and reasonable terms, prevents cost shifting and mitigates risk for existing customers, and will open the door for unprecedented economic development opportunities within the state. Accordingly, DCC respectfully requests the Commission reject Staff's proposal and approve the Stipulation and Agreement in full.

⁷ Tr. Vol. 2 at 69:13-19.

⁸ See, e.g., Missouri PSC File No. EO-2025-0154, Exh. 201: *Staff Report and Recommendation* (Jul. 25, 2025).

⁹ See Tr. Vol. 2 at 213:5-125 – 214:1-17.

¹⁰ *Id.* at 19-23.

¹¹ See, e.g., Exhs. 103, 104, 105, 402, 403, 551, 700, 702, 704 (referring generally to the surrebuttal testimony submitted by witnesses for Evergy, DCC, Google, LLC, and Ameren Missouri. Note that while Nucor Steel Sedalia, LLC, Velvet Tech Services, LLC, and the Empire District Electric Company d/b/a Liberty Utilities did not submit testimony in this proceeding, these parties are signatories – or in the case of Liberty, do not object – to the Stipulation and Agreement).

I. LEGAL STANDARD

At a fundamental level, the Commission must ensure that rates are just and reasonable.¹² Moreover, utilities are prohibited from implementing unduly discriminatory rates, terms, and conditions upon a particular customer or group of customers.¹³ Building upon these foundational principles, SB 4, codified as Section 393.130.7, RSMo., requires the large IOUs to develop tariffs to serve customers with an annual peak demand at or above 100 megawatts (MW). Those tariffs must “reasonably ensure such customers’ rates will reflect the customers’ representative share of the costs incurred to serve the customers and prevent other customer classes’ rates from reflecting any unjust or unreasonable costs arising from service to such customers.”¹⁴

The Stipulation and Agreement appropriately satisfies these statutory mandates, providing just and reasonable terms, rates designed to recover LLPS customers’ cost of service, and implementation of strong customer protections to mitigate the risks associated with serving large load. Conversely, Staff’s proposal imposes unduly onerous and discriminatory requirements upon large load customers, is unguided by industry norms, and proposes an arbitrary premium on LLPS rates bearing no relation to the cost to serve these customers. DCC supports reasonable policies that accommodate load growth in a thoughtful and deliberate manner so as to mitigate the risk of stranded costs,¹⁵ and respectfully submits that the Stipulation and Agreement is the appropriate means by which the Commission can achieve this goal.

¹² Section 393.130.1, RSMo.

¹³ Section 393.130.3, RSMo.

¹⁴ Section 393.130.7, RSMo.

¹⁵ Tr. Vol. 2 at 66:22-25 – 67:1.

II. THE COMMISSION SHOULD ADOPT THE NON-UNANIMOUS STIPULATION AND AGREEMENT AS A BALANCED, JUST, AND REASONABLE RESOLUTION TO THIS PROCEEDING.

A. The Stipulation and Agreement Provides Meaningful Customer Protections While Balancing Needed Flexibility for Large Load Customers.

Long-term contracts, high minimum demand charges, exit fees, and collateral are complementary terms that work together to provide meaningful protections to non-large load customers, in the event a large load does not materialize as Evergy anticipates.¹⁶ The Stipulation and Agreement includes each of these policies, and other important customer protections. Together, these terms carry out the objective of Section 393.130.7, RSMo. by guaranteeing significant minimum revenues from large load customers in order to protect other customers from cost shifting and reasonably mitigating the risk of stranded assets.¹⁷ Through the course of negotiations, the signatories agreed upon several noteworthy modifications to Evergy's initial LLPS proposal, which, as a package, strike the key balance between implementing meaningful protections while not imposing terms so onerous as to stifle large load development in Evergy's service territory.

First, the Stipulation and Agreement provides for a 12-year contract term, with an optional ramp of up to five years.¹⁸ This term essentially aligns with Evergy's initial proposal of a 15-year contract term, inclusive of up to a five-year load ramp, but provides added flexibility for customers with a shorter load ramp period.¹⁹ This variation of Evergy's proposal places all LLPS customers on equal footing with a standard baseline contract term.²⁰ Notably, under the Stipulation and

¹⁶ See, e.g., Missouri PSC File No. EO-2025-0154, Exh. 401E: *Corrected Rebuttal Testimony of Shana Ramirez on Behalf of the Data Center Coalition*, p. 9:12-14 (Jul. 25, 2025) (explaining that financial assurances such as collateral work in tandem with other protections such as capacity reduction penalties and exit fees).

¹⁷ See, e.g., Tr. Vol. 2 at 69:13-19.

¹⁸ Exh. 106 at 7, Table 1.

¹⁹ Exh. 400 at 9:17-23 – 10:1-2.

²⁰ Exh. 400 at 10:2-5.

Agreement, customers electing a five-year load ramp will have a longer contract term than under Evergy's original proposal.

The Stipulation and Agreement provides for a minimum billing demand of 80%.²¹ Minimum billing demand requires that a customer pay a monthly charge for demand that is no less than a stated percentage of its contract capacity, irrespective of its actual metered demand in that month.²² In this way, the minimum demand charge provision functions as a “floor” for the amount of revenue Evergy will recover from LLPS customers.²³ As described in the Rebuttal Testimony of Kevin Higgins, the 80% minimum billing demand agreed to in the Stipulation and Agreement is on the higher end of comparable utility proposals in other jurisdictions.²⁴ Together, the cost of service-based initial pricing, the Cost Stabilization Rider (CSR) and premium demand charge (both discussed below), and the high minimum billing demand provision result in just and reasonable rates that ensure Schedule LLPS customers contribute revenues that cover more than their full cost of service.

In addition, the Stipulation and Agreement represents several key improvements upon Evergy's initial financial security proposal. Financial security provisions mitigate the risk of non-payment or stranded assets, helping ensure that the cost of service is recovered and not shifted to other customers.²⁵ The Stipulation and Agreement builds upon the collateral terms set forth in Evergy's initial Application to provide additional tiers of collateral exemptions for customers that demonstrate a higher degree of creditworthiness.²⁶ This adjustment helps to ensure that Evergy's collateral requirements are proportionate to the specific risks associated with each large load

²¹ Stipulation and Agreement at ¶ 16(i).

²² Exh. 400 at 10:19-21.

²³ *Id.* at 11:4-6.

²⁴ *Id.* at 11:20-22 – 12:1-6.

²⁵ Exh. 401E at 7:4-7.

²⁶ Exh. 106 at 8, Table 1.

project, consistent with industry best practices.²⁷ Further, the Stipulation and Agreement expands and clarifies the scope of entities eligible to provide guarantees, and provides for additional exemptions for LLPS customers satisfying their collateral obligation with cash.²⁸ These modifications facilitate a more flexible approach, accommodating the diversity of potential large load customers with varying corporate structures.²⁹

Finally, the Stipulation and Agreement provides additional flexibility for customers seeking capacity reductions. Under the Stipulation and Agreement, an LLPS customer may reduce its maximum contract capacity by up to 10% or 25 MW, whichever is lower, after five years with 24 months' prior notice (as compared to Evergy's initial proposal of 36 months' notice).³⁰ This compromise allows known changes in contract demand to move forward more efficiently so that resources can be freed up to serve other system needs.³¹

Together, the suite of customer protections set forth in the Stipulation and Agreement reflect similar protections established by utilities in other states experiencing a surge in interest from large load customers. Further, the specific level of each customer protection in the Stipulation and Agreement is reasonably in line with the levels proposed or adopted in other jurisdictions. Table 1 below provides a side-by-side comparison of consumer protections adopted or proposed across several utility jurisdictions.

²⁷ See Exh. 401E at 9:19-21.

²⁸ Exh. 106 at 8, Table 1.

²⁹ Exh. 401E at 32:1-6.

³⁰ See Exh. 106 at 8, Table 1.

³¹ See Exh. 400 at 13:7-11.

Table 1: Comparison of Key Consumer Protection Terms Across Various Utility Jurisdictions³²

	Evergy Missouri Stipulation and Agreement	Evergy Kansas Unanimous Settlement Agreement	Indiana Michigan Power	AEP Ohio	Consumers Energy Michigan (Proposed)	Dominion Energy Virginia (Proposed)
Contract Term	12-year contract term, plus load ramp of up to 5 years	12-year contract term, plus load ramp of up to 5 years	12-year contract term, plus load ramp of up to 5 years	8-year contract term, plus load ramp of up to 4 years	15-year contract term, in addition to a load ramp of 5 years	14-year contract term, inclusive of a 4-year ramp period
Minimum Billing Demand	80% of contract capacity	80% of contract capacity	80% of contract capacity	Not to exceed 85% of contract capacity	80% of contract capacity	60% of contracted demand for generation, 85% for transmission and distribution
Collateral Requirement	Equal to 2 years of Minimum Monthly Bills	Equal to 2 years of Minimum Monthly Bills	24 x max monthly bill	Equal to 50% of the customer's minimum charges under the ESA	Negotiated; up to 100% of projected cost	\$1.5 M/MW
Exit Fee	Equal to the nominal value of the Minimum Monthly Bill x the number of months remaining in the Term, or 12 months, whichever is greater	Equal to the nominal value of the Minimum Monthly Bill x the number of months remaining in the Term, or 12 months, whichever is greater	Exit fee period between 1-5 years. Year 1 fee equal to nominal value of the remaining Minimum Charge for the terminated capacity in excess of the 20% allowed reduction. Year 2-5 fees subtract certain contributions to the Minimum Charge from the calculation	Minimum of three years' minimum charges	Minimum billing demand x the number of months remaining in the term as of the date the customer ceases service	Customer is responsible for any outstanding minimum charges over the remaining contract duration

With the inclusion of these key customer protections, the Stipulation and Agreement “adequately insulates Evergy from stranded asset risk and provides a framework for large load customers to mitigate the costs that they cause on Evergy's system.”³³ Accordingly, the Stipulation

and Agreement complies with the SB 4 mandate that Evergy's large load tariffs prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to LLPS customers.³⁴

B. The Non-Unanimous Stipulation and Agreement Results in Just and Reasonable Rates, Ensuring That LLPS Customers Cover their Cost of Service.

The rate design and initial pricing set forth in the Stipulation and Agreement are derived from the rate design and initial pricing set forth in Evergy's Application. That initial proposal, in turn, utilized Evergy's existing Schedule LPS as a baseline, was informed by industry benchmarking, and was grounded in Class Cost of Service (CCOS) Study analyses.³⁵ The resulting LLPS rate design and initial pricing was reasonable, improved upon the existing Schedule LPS rate design through increased simplicity,³⁶ and aligned more closely with the cost of service for large load customers.³⁷

The Stipulation and Agreement provides for modest refinements that materially improve Evergy's proposal. In particular, the Stipulation and Agreement removes the System Support Rider (SSR) concept. As proposed, the SSR consisted of two components: the cost recovery component (intended to offset economic development discounts) and the acceleration component (intended to add an additional demand charge to LLPS rates to account for "acceleration" of costs incurred to serve LLPS customers).³⁸ DCC did not object to the intention behind the cost recovery component.³⁹ However, the acceleration component was deeply flawed in that it: 1) fundamentally mischaracterized the impacts of load growth on Evergy's resource portfolio, 2) sought to collect

³⁴ See Section 393.130.7, RSMo.

³⁵ See Missouri PSC File No. EO-2025-0154, Exh. 101: *Direct Testimony of Brad Lutz*, pp. 22:15-17, 23-28 (Feb. 14, 2025); see also Exh. 400 at 8:22-23.

³⁶ Exh. 400 at 9:1-4.

³⁷ Exh. 101 at 23:20-21 – 24:1-2.

³⁸ See Exh. 400 at 14:18-22 – 15:1-2.

³⁹ Exh. 402 at 15:4-5.

revenues from customers with no specific costs to be recovered, and 3) failed to consider the benefit in the form of revenues that LLPS customers would provide.⁴⁰ Thus, adoption of the SSR concept would have produced an unjust and unreasonable result.

In lieu of the SSR, the Stipulation and Agreement offers two reasonable means to ensure LLPS customers cover their cost of service. These include the CSR, which offsets any Economic Development Rider discount to ensure proper recovery of costs and prevent potential cost shifts.⁴¹ Further, the Stipulation and Agreement provides for a substantially higher demand charge for LLPS customers as compared to Evergy's initial pricing proposal.⁴²

With these modifications in place, the Stipulation and Agreement sets forth reasonable initial LLPS pricing that makes certain LLPS customers will pay for costs *above* the current embedded cost to serve them.⁴³ Thus, the Stipulation and Agreement easily meets SB 4's requirement that Evergy's LLPS tariffs reasonably ensure LLPS customers' rates will reflect the customers' representative share of the costs incurred to serve them.⁴⁴ Pursuant to the terms of the Stipulation and Agreement, the Commission can and will revisit pricing for the LLPS customer class in Evergy's next general rate case that includes at least one LLPS customer.⁴⁵

C. The Non-Unanimous Stipulation and Agreement is the Result of Extensive Negotiation Between Knowledgeable Parties and Builds Upon Consensus in Evergy's Kansas Service Territories.

The Stipulation and Agreement is a product of the signatories' extensive discussions and negotiations over the course of this proceeding. Importantly, the Stipulation and Agreement is supported by a diverse array of knowledgeable parties, including Missouri IOUs, representatives

⁴⁰ *Id.* at 17:15-16, 18:5-9, 20:3-5.

⁴¹ Stipulation and Agreement at ¶ 17; Exh. 106 at 10:16-19.

⁴² *Compare* Stipulation and Agreement at Exhibit A *with* Exh. 101 at 29, Table 6.

⁴³ Missouri PSC File No. EO-2025-0154, Exh. 106: *Testimony in Support of Stipulation and Agreement of Kevin D. Gunn on Behalf of Evergy Missouri Metro and Evergy Missouri West*, p. 18:12-14 (Sept. 29, 2025) (emphasis added).

⁴⁴ *See* Section 393.130.7, RSMo.

⁴⁵ Stipulation and Agreement at ¶ 14(ii).

from the data center industry, a large industrial customer, and environmental advocates.⁴⁶ The Stipulation and Agreement, which is more stringent in many aspects than DCC's recommendations in testimony, reflects compromise on several complex terms, ultimately facilitating a just and reasonable outcome.

Notably, the Stipulation and Agreement is broadly aligned with the Unanimous Settlement Agreement reached between Evergy and the parties in its parallel KCC proceeding, docket number 25-EKME-315-TAR.⁴⁷ The Unanimous Settlement Agreement in that proceeding was supported by an even broader group of seventeen parties, including a coalition of industrial customers, the consumer advocate, and Staff of the KCC.⁴⁸ Parties as diverse as DCC and the Sierra Club joined both settlements. The consistencies between the Stipulation and Agreement in the instant proceeding and the Unanimous Settlement Agreement pending before the KCC provide potential customers with a clear platform for comparison, and ensure that Missouri is positioned competitively in relation to its number one competitor for economic development.⁴⁹

III. THE COMMISSION SHOULD REJECT STAFF'S UNPRECEDENTED AND UNREASONABLE LARGE LOAD TARIFF PROPOSAL.

Multiple parties in this proceeding have noted that Staff's large load tariff proposal is substantially different and more complex than the approach taken to any other large load tariff nationwide.⁵⁰ Indeed, Staff's proposal was not developed with any input from real customers, and

⁴⁶ See *id.* at 1 (note that the Empire District Electric Company d/b/a Liberty Utilities did not join, but also did not object to the Stipulation and Agreement).

⁴⁷ See Missouri PSC File No. EO-2025-0154, Exh. 104: *Surrebuttal Testimony of Kevin D. Gunn on Behalf of Evergy Missouri Metro and Evergy Missouri West*, Schedule KDG-1 (Sept. 12, 2025).

⁴⁸ Exh. 104 at Schedule KDG 1; see also Tr. Vol. 2 at 58:7-20, 278:18-25 – 279:1-24, 280:2-6.

⁴⁹ Tr. Vol. 3 at 128:21-23 (Oct. 1, 2025).

⁵⁰ Tr. Vol. 2 at 20:2-6, 58:21-22, 70:19-23; Missouri PSC File No. EO-2025-0154, Exh. 105: *Surrebuttal Testimony of Bradley Lutz*, p. 30:1-3 (Sept. 12, 2025); Missouri PSC File No. EO-2025-0154, Exh. 704: *Surrebuttal Testimony of Steven M. Wills on Behalf of Union Electric Company d/b/a Ameren Missouri*, p. 12:13-22 (Sept. 12, 2025).

was similarly not informed by thorough analysis of comparable tariffs from other jurisdictions.⁵¹ The result is an unjust and unreasonable proposal biased toward overcharging large load customers, coupled with an array of unduly onerous terms and conditions.⁵² In order to avoid closing the door on large load economic development opportunities in the state, the Commission must reject this proposal.

A. Staff's Pricing Proposal Constitutes an Arbitrary Markup for LLPS Customer Rates.

The premise underlying Staff's rate calculation is that "the LLPS rate will be set to essentially the floor for economic development discounts established by Section 393.1640, RSMo..."⁵³ Section 393.1640, RSMo. sets forth the circumstances under which certain new or expanding large customers may receive discounted rates as a policy mechanism supporting economic development. In essence, Section 393.1640 sets a "floor" for economic development discount recipients by requiring a rate that recovers 120% of the variable costs to serve them.⁵⁴ This floor ensures that customers receiving a discounted rate still meaningfully contribute to cost recovery. However, the statute does not authorize the use of this floor as the basis for establishing non-discounted standard service tariffs.

Notwithstanding that important detail, Staff indicates that its large load rate design proposal was intended to accomplish a 20% contribution to fixed costs recovery, and that to account for income tax, it must multiply bill components by 24.77% to achieve this goal.⁵⁵ This approach is fundamentally flawed. While Section 393.1640 contemplates a rate that recovers 120% of variable

⁵¹ Tr. Vol. 2 at 20:7-11, 213:5-25 – 214:1-17; Missouri PSC File No. EO-2025-0154, Exh. 551: *Surrebuttal Testimony of Dr. Carloyn A. Berry on Behalf of Google, LLC*, p. 7:9-15 (Sept. 12, 2025).

⁵² See, e.g., Exh. 704 at 29:20-21 – 30:1-3 and Exh. 402 at 5:9-15 (describing Staff's proposed premium on LLPS rates); see also Exh. 402 at 12-14 and Exh 403 at 2 (describing several of the burdensome terms set forth in the Staff proposal).

⁵³ Exh. 201 at 58:2-5.

⁵⁴ Section 393.1640.1, RSMo.; see also Exh. 402 at 5:2-4.

⁵⁵ Exh. 201 at 58, 89; Exh. 402 at 4:6-26.

costs alone, Staff's proposal charges LLPS customers 124.77% of the sum of variable and fixed costs.⁵⁶ Thus, Staff's rate proposal bears no genuine resemblance to the floor for economic development discount recipients as set forth in Section 393.1640.⁵⁷ Lacking any tie to the economic development discount floor or other cost basis, Staff's pricing proposal amounts simply to an arbitrary mark up over Staff's calculated variable and fixed costs.⁵⁸

Beyond this fundamental flaw, the record demonstrates numerous technical errors and unreasonable aspects of Staff's rate calculation. For example, in calculating its proposed LLPS rate, Staff makes an adjustment to add labor expense to operations and maintenance expense.⁵⁹ However, Staff's adjustment erroneously double counts this expense, as labor expense is already included in the Federal Energy Regulatory Commission account data which is the source of Staff's cost calculation.⁶⁰ This error is material – removal of this double count reduces Staff's proposed transmission demand charge by \$0.11/kW-month and \$0.9/kW-month in Evergy's Missouri Metro and Missouri West territories, respectively.⁶¹ Moreover, this correction reduces Staff's average LLPS rate by \$0.0019/kWh in the Missouri Metro territory and \$0.0005/kWh in the Missouri West territory *prior* to applying the proposed 24.77% premium.⁶²

In addition, in calculating the fixed cost responsibility Staff assigns to LLPS customers, Staff excludes Accumulated Deferred Income Taxes (ADIT) from rate base.⁶³ ADIT generally functions as a credit against rate base, providing a benefit to customers by displacing the need for some amount of utility capital and its associated cost.⁶⁴ By excluding ADIT prior to its proposed

⁵⁶ Exh. 402 at 5:9-12.

⁵⁷ *Id.* at 5:10-12.

⁵⁸ *Id.* at 5:12-15; Exh. 704 at 29:18-21 – 31:1-16.

⁵⁹ Exh. 402 at 6:16-18.

⁶⁰ *Id.* at 6:18-21.

⁶¹ *Id.* at 8:11-14.

⁶² *Id.* at 8:15-17.

⁶³ *Id.* at 8:20-21; Exh. 704 at 21:16-18.

⁶⁴ Exh. 402 at 8:21-23; Exh. 704 at 21:19 – 22:1-2.

markup, Staff arbitrarily increases the fixed costs that are assigned to the LLPS rate – an adjustment made to the purposeful detriment of LLPS customers.⁶⁵

Further, Staff’s proposed tax gross up (*i.e.*, its adjustment up to 24.77% in order to achieve a 20% contribution to fixed cost recovery) lacks a rational basis. As explained in the Surrebuttal Testimony of DCC witness Kevin Higgins, the general purpose of grossing up a revenue requirement adjustment for taxes is to ensure that the utility retains a targeted revenue increase as part of its after-tax income.⁶⁶ As Staff’s proposed premium of 20% is an administratively determined rate, there is no equivalent purpose to apply a tax gross up in this instance.⁶⁷

Finally, Staff proposes to tie recovery of LLPS energy expense to Southwest Power Pool (SPP) nodal prices at LLPS interconnections, and then to apply the premium of 24.77% to those prices.⁶⁸ To calculate the underlying energy rates, Staff averaged weighted load locational marginal prices from 2016-2024 prior to applying its premium, incorporating an inflation adjustment to escalate historical prices.⁶⁹ This methodology is conceptually flawed. Energy (commodity) prices are market-based and determined by the interaction between supply and demand.⁷⁰ There is no practicable or conceptually valid “inflation adjustment” that can be applied to dynamic, market-based pricing.⁷¹ Moreover, Staff’s reliance on a backward-looking, multi-year average of SPP prices is inconsistent with its purported goal of setting LLPS energy rates based on current market prices.⁷²

⁶⁵ Exh. 402 at 8:21-23, 9:8-15.

⁶⁶ *Id.* at 10:21-23.

⁶⁷ *Id.* at 10:18-23 – 11:1-3.

⁶⁸ *Id.* at 11:5-6.

⁶⁹ *Id.* at 11:6-10.

⁷⁰ *Id.* at 11:15-18.

⁷¹ *Id.*

⁷² *Id.* at 12:4-8.

Each of these errors and analytical flaws highlight the fundamental unreasonableness of Staff's proposed large load rates. In contrast, the Stipulation and Agreement sets forth reasonable and far less complex rates that nearly all parties agree will ensure that LLPS customers appropriately cover their cost of service. Accordingly, the Commission should reject Staff's pricing proposal.

B. Staff's Proposal Deviates from Industry Norms and Proposes Unduly Onerous Terms for Large Load Customers.

Compounding upon its unreasonable pricing proposal, Staff's large load tariff includes several terms and conditions that sharply deviate from emerging industry norms and the reasonable terms reflected in the Stipulation and Agreement. Collectively, these terms would impose unnecessary rigidity upon LLPS customers with no demonstrable benefit.

Staff's proposed Demand Deviation and Energy Imbalance charges illustrate this problem. Rather than employing an industry standard minimum demand charge to ensure stable cost recovery, Staff proposes to penalize customers when their contract capacity changes above a narrow tolerance band, or in any month in which actual demand diverges at all from contract demand.⁷³ Under Staff's approach, an LLPS customer would have to hit its updated contract capacity *exactly* each month to avoid triggering the Energy Imbalance charge.⁷⁴ These charges, which bear no clear relationship to the actual incremental costs that Evergy would incur from serving new large loads, are precisely the novel and rigid terms likely to deter large load customers from siting in Evergy's service territory.⁷⁵

Staff further proposes that if an LLPS customer's monthly kWh load is 50% or less of its updated contract load for three consecutive months, it would essentially trigger an exit fee for the

⁷³ *Id.* at 12:11-19.

⁷⁴ *Id.* at 13:10-11.

⁷⁵ *Id.* at 13:5-6.

remainder of the customer's contract term.⁷⁶ This proposal ignores the fact that even at reduced usage, a reasonable minimum demand charge would ensure customers continue to make substantial contributions to fixed cost recovery.⁷⁷ With this tested and well-established protection as a readily available option, forcing a customer to liquidate its contract and pay an exit fee when the customer did not intend to do so is both unnecessary and overly punitive.⁷⁸

Lastly, Staff proposes that the LLPS participants provide a pledge of collateral or other security equal to or greater than the exit fee.⁷⁹ This proposal is untied to Evergy's actual risk exposure and imposes an unnecessary barrier, even for the most credit-worthy customers.⁸⁰ Such an excessive collateral term is just another piece of Staff's extensive proposal that negatively impacts the viability of Evergy's service territory as a siting option for large load customers.⁸¹

In sum, Staff has proposed an unprecedented and senselessly complex large load tariff that is an outlier among emerging industry best practices. Its proposed rates, which are subject to an arbitrary and unreasonable markup, are anchored in analytical flaws and technical errors. Adoption of Staff's rigid terms and conditions will undoubtedly deter large load development within Evergy's territory, leaving behind the economic development benefits the state has worked to secure. The Commission should therefore reject Staff's proposal in its entirety, and approve the Stipulation and Agreement as a reasonable resolution for serving new large load customers.

⁷⁶ *Id.* at 13:15-17.

⁷⁷ *Id.* at 13:19-21.

⁷⁸ *Id.* at 13:21 – 14:1-3.

⁷⁹ Exh. 201 at 35.

⁸⁰ Exh. 403 at 2:10-14.

⁸¹ *Id.* at 2:12-14.

IV. CONCLUSION

For the reasons described herein, DCC respectfully requests that the Commission approve the Stipulation and Agreement in full.

Respectfully submitted,

/s/ Nikhil Vijaykar

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ATTORNEYS FOR THE DATA CENTER
COALITION

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served upon all counsel of record by email, this October 29th, 2025.

/s/ Nikhil Vijaykar

Nikhil Vijaykar