Exhibit No.:	
Issue:	Accounting Adjustments
Witness:	Patrick Aron Branson
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Evergy Missouri Metro
Case No.:	ER-2026-0143
Date Testimony Prepared:	February 6, 2026

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2026-0143

DIRECT TESTIMONY

OF

PATRICK ARON BRANSON

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri
February 2026

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DIRECT TESTIMONY

OF

PATRICK ARON BRANSON

Case No. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: Patrick Aron Branson. My business address is 1200 Main, Kansas City, Missouri 64105.

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

A: I am employed by Evergy Metro, Inc. ("Evergy Metro") and serve as Manager - Regulatory Accounting for Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro," "EMM," or the "Company") and Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("EKM") (collectively, "Evergy Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW"), and Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("EKC"), the operating utilities of Evergy, Inc. ("Evergy").

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Missouri Metro.

Q: What are your responsibilities?

A: My responsibilities include the coordination, preparation, and review of financial information and schedules associated with rate case and other regulatory filings for EMM as well as for other operating utilities of Evergy, Inc.

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

A: I received a Bachelor of Science in Business Administration with a major in Accounting from Missouri State University and a Master of Business Administration from St. Louis University. I am a Certified Public Accountant holding a certificate in the State of Oklahoma. I was first employed by Kansas City Power & Light, a predecessor to Evergy, Inc., in 2002 as a Property Accountant and since then have held positions as a Regulatory Analyst and Regulatory Lead. I was promoted to my current position as Manager – Regulatory Accounting in February 2024.

Q: Have you previously testified in a proceeding before the Missouri Public Service Commission ("Commission" or "PSC") or before any other utility regulatory agency?

A: Yes. I filed written testimony with the Kansas Corporation Commission ("KCC").

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to explain certain accounting and other adjustments made to the test year for EMM including:

Accounting Category	Adjustments
Rate Base Adjustments	RB-20 Plant in Service RB-30 Accumulated Depreciation Reserve RB-50 Prepayments RB-70 Customer Deposits RB-71 Customer Advances RB-72 Materials & Supplies Inventory
Cost of Service Adjustments	CS-9/CS-78 KCREC Bank Fees CS-10/CS-76 Interest on Customer Deposits CS-37 Nuclear Decommissioning CS-85 Regulatory Assessments CS-109 Lease Expense CS-120 Depreciation Expense CS-121 Amortization Expense CS-122 Depreciation Study Amort Expense
Schedules	Cash Working Capital ("CWC")

II. RATE BASE ADJUSTMENTS

RB-20 Plant in Service

Q: Please explain Adjustment RB-20.

A: Adjustment RB-20 updates the plant balances from the test year ended June 30, 2025, to a projected balance for June 30, 2026. This is calculated using actual results through June 30, 2025, and budgeted capital additions for the period thereafter. Projected plant additions, net of projected retirements and reimbursements, were added to actual balances through June 2025 to arrive at projected balances at June 30, 2026. These projections will be replaced with actual capital investments for plant placed in service as of the true-up date. All plant balances reflect the changes as the result of FERC Order 898.

Q: What are some of the significant projects included in the projected capital additions through the true-up date of June 30, 2026?

A: Projected capital additions include new 161 kV transmission substations, nuclear transformer replacements, underground primary-secondary distribution lines and feeder replacements, transformer rewinds, and fiber transmission equipment installations.

Q: Briefly describe FERC Order 898.

A: In June 2023, FERC issued Order 898 to update the Uniform System of Accounts ("USOA") for certain categories of assets including solar and wind generation, energy storage, environmental credits, computer hardware, software, and communications equipment. The effective date of FERC Order 898 was January 1, 2025, with prospective application required. The impacts of FERC Order 898 are reflected in the revenue requirement model.

RB-30 Reserve for Depreciation

Q: Please explain Adjustment RB-30.

A: This adjustment rolls forward the Missouri-basis Reserve for Depreciation from June 30, 2025, to balances projected as of June 30, 2026.

Q: How was the reserve for depreciation roll-forward accomplished?

A: The depreciation/amortization provision component was calculated in two steps: (i) the June 2025 depreciation provision was multiplied by twelve months to approximate the provision that will be charged to the Reserve for Depreciation from July 2025 through June 2026 for the existing plant as of June 30, 2025; and (ii) by estimating the depreciation/amortization through June 30, 2026, attributable to projected net plant additions from July 2025 through June 2026. In the second step, EMM assumed the net plant additions occurred ratably over this period. This amount will be replaced with actuals at the true-up date of June 30, 2026.

Q: Was the impact of retirements included in the roll-forward?

A: Yes. The projected retirements for the period July 2025 through June 2026 were based on actual test year retirements adjusted for one-time retirements that occurred during the test period, representing a level that is most representative of historical retirements for Evergy Metro. In addition, the Company removed retirements that occurred during the test period for the General Plant Amortization accounts. For the General Plant Amortization accounts, the Company used the actual amount of retirements that are expected to occur in December 2025 as the value is already known.

RB-50 Prepayments

Q: Please explain Adjustment RB-50.

A: The Company normalized this rate base item based on a 13-month average of prepayment balances during the period of June 2024 through June 2025. Prepayments can vary during the course of the year. Thus, the averaging method used minimizes these fluctuations.

RB-70 Customer Deposits

Q: Please explain Adjustment RB-70.

A: The Company examined customer deposit balances for Missouri customers for the 13-month period from June 2024 to June 2025. The analysis disclosed decreasing balances during this period. Therefore, the Company chose to use the test year, June 30, 2025, ending balance for customer deposits for inclusion as rate base offset.

RB-71 Customer Advances

Q: Please explain Adjustment RB-71.

A: The Company examined customer advancement balances for Missouri customers based on the 13-month period from June 2024 to June 2025. The analysis disclosed slightly fluctuating balances during this period. Therefore, the Company chose to use the 13-month average of customer advances for inclusion as rate base offset.

RB-72 Materials & Supplies Inventory

Q: Please explain Adjustment RB-72.

A: The Company reviewed the individual materials and supplies category balances based on the 13-month period of June 2024 through June 2025 to determine if there was a discernible trend, either upward or downward. If a trend was present, the test year-end balance was not adjusted, otherwise, a 13-month average was used. This resulting balance is included in rate base.

III. COST OF SERVICE ADJUSTMENTS

CS-9/CS-78 Accounts Receivable Sales Fees

Q: Please explain Adjustments CS-9 and CS-78.

A: The test year level of total bank fees is first included in cost of service through adjustment CS-9, wherein fees recorded during the test year on Evergy Metro Receivable Company's books are moved to the income statement in the revenue requirement model. EMM used the actual accounts receivable facility fees for the test period in adjustment CS-78 and added in the annual facility fee to arrive at the annual amount. This annual amount of accounts receivable facility fees was compared to test year bank fee amounts ending June 2025, as reflected in adjustment CS-9, to produce the adjustment to the test year. However, after the revenue requirement was prepared, the Company identified that the annual facility fee was not annual but rather for a 3-year period. Therefore, the Company overstated CS-78 and revenue requirements by $44,983 MO Jurisdictional and will correct in the Company's true-up.

CS-10/CS-76 Interest on Customer Deposits

Q: Please explain Adjustment CS-10.

A: This adjustment is necessary to include test year customer deposit interest from Missouri customers in cost of service by moving customer deposit interest expense above the line on the income statement.

Q: Please explain Adjustment CS-76.

A: The Company annualized customer deposit interest expense in accordance with the Company's tariff, which states that the interest rate established for each year for Missouri customer deposits will be based on the December 1 prime rate published in the Wall Street Journal, plus 100 basis points ("bps"). The rate used in this adjustment for Missouri deposits was the prime rate of 7.75% on Monday, December 2, 2024, plus 100 bps to equal 8.75%.

Q: What customer deposit balance was the interest rate applied to?

A: The interest rate was applied to the customer deposit balance determined in Adjustment RB-70.

<u>CS-37 Nuclear Decommissioning Expense</u>

Q: Please explain Adjustment CS-37.

A: This adjustment annualizes the expense associated with decommissioning the Wolf Creek nuclear generating station.

Q: What is the annualized nuclear decommissioning expense the Company seeks in this case?

A: The Company seeks to continue its annualized amount of $1,281,264 (Missouri jurisdictional). Since the test year cost of service reflects this amortization, net operating income is properly stated and requires no adjustment.

Q: Is the requested annualized amount the same as that requested in the Evergy Missouri Metro's 2022 rate case, No. ER-2022-0129?

A: Yes.

Q: Why is the amount the same?

A: The annual expense/accrual level is based on a cost study conducted every three years. The most recent study, conducted by TLG Services, Inc., was filed with the Commission on September 1, 2023, in Case No. EO-2024-0056 along with an analysis prepared by Evergy of funding levels necessary to defray the decommissioning cost estimated in the study. The Commission recently approved the continuation of the annual accrual at the current level and found that the current decommissioning costs for Wolf Creek are included in EMM's current Missouri cost of service and are reflected in its current Missouri retail rates for ratemaking purposes.

CS-85 Regulatory Assessments

Q: Please explain Adjustment CS-85.

A: EMM annualized Missouri regulatory assessments based on PSC quarterly assessments projected to June 20, 2026. FERC regulatory assessments were based on the projected July 2025 through June 2026 budget for FERC Schedule 12 fees. The Office of the Public Counsel's ("OPC") regulatory assessments were also estimated and included in CS-85 due to the passing of Missouri Senate Bill 4 ("S.B. 4"), codified as Section 386.720,[1] which states that the OPC will charge assessment fees to each public utility on or before July 1st of each year to be paid in full by July 15th, or in four equal installments no later than July 15th, October 15th, January 15th, and April 15th. The director of revenue shall remit such payments to the state treasurer.

[1] All citations are to the Revised Statutes of Missouri (2016), as amended, unless otherwise noted.

Q: Please explain how the OPC amount was determined?

A: OPC assessments were estimated by applying a percentage of PSC fees, calculated using the maximum rate as stated within Section 386.720. Specifically, OPC's maximum rate of 0.00057% (57/1000) represents 13% of the PSC's maximum rate of 0.00450% (450/1000). This percentage was then multiplied by projected PSC assessments to calculate estimated OPC assessment fees.

CS-109 Lease Expense

Q: Please explain Adjustment CS-109.

A: An annualized level of lease expense was included in revenue requirement based on the actual amount of lease expense for June 2025, multiplied by 12 to reflect a full year of activity at the most current cost. This approach included a review of leases that were in effect during the test period.

CS-120 Depreciation Expense

Q: Please explain Adjustment CS-120.

A: EMM calculated annualized depreciation expense by applying the proposed jurisdictional depreciation rates to adjusted plant in service balances. The jurisdictional rates used in the annualization were those included in the depreciation study sponsored and described by Company witness John J. Spanos of Gannett Fleming.

Q: What specific action does the Company request in regard to depreciation expense?

A: EMM requests that the Commission authorize the use of depreciation rates proposed by Company witness John J. Spanos which are used to compute total depreciation expense in this rate case proceeding.

Q: Are there any additional depreciation rate requests?

A: No. However, the company recently filed a Depreciation Authority Order (File No. EO-2026-0185) requesting the approval of a number of depreciation rates to use until depreciation rates are approved in this docket.

<u>CS-121 Amortization Expense</u>

Q: Please explain Adjustment CS-121.

A: EMM annualized the amortization expense applicable to certain plant including computer software, leasehold improvements, land rights, and other intangibles, by multiplying an adjusted June 2025 amortization expense by twelve. Before annualizing, the June 2025 amortization amount was adjusted to exclude any software amortization expected to be fully amortized by the true-up date. Additionally, the Company incorporated an annualized amortization amount for the projected intangible plant additions anticipated from July 2025 through June 2026.

Q: What amortization periods were used to amortize intangible assets?

A: Computer software, the most significant intangible asset, is amortized over three, five, ten, or fifteen-year amortization periods, depending on the nature of the asset, consistent with the Company's past practice. Amortization of individual leasehold improvements are based on length of the lease. Cost of land rights is amortized using rates that vary by function, consistent with the Company's past practice. Accumulated amortization is maintained by each individual intangible asset, other than land rights, which is maintained in total by account. Amortization stops when the net book value of the asset reaches zero.

Q: Are there any new amortization rate requests in this case?

A: No. However, the Company recently filed a Depreciation Authority Order No. EO-2026-0185 requesting the approval of one amortization rate for the new "Miscellaneous

Intangible Wolf Creek" plant account 303000. The Company proposed a 20-year life or 5% amortization rate. The Department of Energy granted a new 20-year operating license extension for Wolf Creek in March 2025.

CS-122 Depreciation Study Amortization Expense

Q: Please explain Adjustment CS-122.

A: Adjustment CS-122 reflects the amortization needed to adjust the reserve for the general plant amortization accounts 391000, 391001, 393000, 394000, 395000, 397010, 397030 and 398000 related to the implementation of amortization accounting. The reserve adjustment is included in the depreciation study sponsored and described by Company witness John J. Spanos of Gannett Fleming.

Q: Over what period will the Reserve Adjustment be amortized?

A: The Company proposes a 5-year amortization as provided in the proposed depreciation study in this case.

IV. CASH WORKING CAPITAL

Q: Please discuss Cash Working Capital ("CWC").

A: CWC is included in rate base as summarized on Schedule PAB-1.

Q: Why is it necessary to calculate an amount of CWC?

A: CWC is the amount of cash required by a utility to pay the day-to-day expenses incurred to provide utility service to its customers. A lead/lag study is generally used to analyze the cash inflows from payments received by the Company and the cash outflows for disbursements paid by the Company. When the utility receives payment from its retail customers for utility service less quickly than it makes the disbursements for utility expenses, then the Company has a positive CWC requirement. Conversely, when the utility receives payment from its retail customers for utility service more quickly than it makes the disbursements for utility expenses it has a negative CWC requirement.

Q: How did you determine the amount of CWC for this rate case?

A: EMM relied upon the lead lag study prepared for our last rate case No. ER-2022-0129. However, payroll taxes were separated from payroll and reflected on a separate line in the CWC calculation and lines were added for bad debt expense and PSC assessments. These changes are consistent with how Staff reflected these issues on Staff's final EMS model in the 2022 rate case, using the same lead lags for these items. The Company applied the lead/lag factors from the last study to the appropriate cost of service amounts. The application of the individual lead/lag factors to applicable amounts are shown on Schedule PAB-1.

Q: Were any of the factors updated from those used in the 2022 rate case, No. ER-2022-0129?

A: Yes, the Company updated the retail revenue lag factor.

Q: Please explain why the retail revenue lag factor was updated.

A: EMM updated the retail revenue lag factor to reflect the appropriate collection lag during the test period. The retail revenue factor used by the Company in this case was 23.91 days, made up of four components: service period lag, billing lag, collection lag, and the payment processing lag. The billing and payment processing lags remained the same as the last rate case. However, the Company updated the collection lag from 7.21 days in the 2022 rate case to 6.34 days in this case. This resulted in a total retail revenue lag of 23.91 days in the current rate case.

Q: Why was it necessary to update the collection lag?

A: The collection lag is a weighted value of two components: 1) the percentage of receivables sold under Evergy Metro's accounts receivable program and (2) an average number of days outstanding for the percentage that is not sold. The percentage of receivables sold in the test period was revised from 75.52% in the 2022 rate case to 77.58% in the current rate case. The average number of days that bills are outstanding was recalculated for the period July 1, 2024, to June 30, 2025, resulting in a revision from 29.46 days in the 2022 rate case to 28.27 days in the current rate case.

V. CONCLUSION

Q: Please summarize your testimony.

A: This testimony presents accounting adjustments designed to normalize and annualize Evergy Missouri Metro's rate base and cost of service, reflecting projected conditions through June 30, 2026, and incorporating FERC Order 898. Adjustments to rate base update plant in service and reserves, while normalizing prepayments and materials and supplies. The Company's cost of service is annualized for various expenses and cash working capital is calculated using the prior lead/lag study with updates for current collection experience, ensuring reasonable ongoing cash requirements for service delivery.

Q: Does this conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2026-0143

AFFIDAVIT OF PATRICK ARON BRANSON

STATE OF MISSOURI)) ss COUNTY OF JACKSON)

Patrick Aron Branson, being first duly sworn on his oath, states:

1. My name is Patrick Aron Branson. I work in Kansas City, Missouri and I am employed by Evergy Metro, Inc. as Manager – Regulatory Accounting.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro consisting of thirteen (13) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Patrick Aron Branson
____
Patrick Aron Branson

Subscribed and sworn before me this 6th day of February 2026.

____
Notary Public

My commission expires: April 26, 2029

ANTHONY R WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2029
PLATTE COUNTY
COMMISSION #17279952

Evergy
2026 RATE CASE - MO METRO -Direct
TY 6/30/25; Cut-Off 12/31/25; True-Up 6/30/26

Cash Working Capital

Line No.	Account Description	Jurisdictional Test Year Expenses	Revenue Lag	Expense Lead	Net (Lead)/Lag (C) - (D)	Factor (Col E/366)	CWC Req (B) X (F)
	A	B	C	D	E	F	G
1	**Operations & Maintenance Expense**						
2	Gross Payroll with Taxes excl Accrued Vac	73,936,482	23.91	13.21	10.70	0.0293	2,167,453
3	Accrued Vacation	2,864,465	23.91	365.00	(341.09)	-0.9345	(2,676,823)
4	Purchased Coal & Freight	112,823,734	23.91	12.42	11.49	0.0315	3,551,629
5	Purchased Gas	15,926,547	23.91	38.00	(14.09)	-0.0386	(614,808)
6	Purchased Oil	9,132,540	23.91	12.13	11.78	0.0323	294,743
7	Purchased Power	65,520,444	23.91	37.45	(13.54)	-0.0371	(2,430,539)
8	Pension Expense	2,281,145	23.91	42.25	(18.34)	-0.0502	(114,620)
9	Employee Benefits	10,859,315	23.91	13.29	10.62	0.0291	315,961
10	Incentive Compensation	4,868,603	23.91	257.50	(233.59)	-0.6400	(3,115,773)
11	Bad Debt Expense	6,285,384	0.00	0.00	0.00	0.0000	0
12	PSC Assessment	2,496,855	23.91	(30.50)	54.41	0.1491	372,202
13	Cash Vouchers	119,449,642	23.91	35.15	(11.24)	-0.0308	(3,678,394)
14	Total Operation & Maintenance Expense	426,445,156					(5,928,968)
15	**Taxes other than Income Taxes**						
16	City Franchise Taxes - 6%, 4% & Other GRT - MO	69,954,772	8.70	48.89	(40.19)	-0.1101	(7,702,691)
17	FICA	5,656,154	23.91	13.21	10.70	0.0293	165,811
18	FUTA / SUTA	22,544	23.91	76.38	(52.47)	-0.1438	(3,241)
19	Ad Valorem / Property Taxes	76,049,534	23.91	227.12	(203.21)	-0.5567	(42,339,797)
20	Sales & Use Tax- MO and Fuel, Heavy Vehicle Taxe	26,744,949	8.70	7.94	0.76	0.0021	55,688
21	**Total Taxes other than Income Taxes**	178,427,953					(49,824,230)
22	**Tax Offset From Rate Base**						
23	Current Income Taxes-Federal Offset	38,940,344	23.91	38.00	(14.09)	-0.0386	(1,503,204)
24	Current Income Taxes-State Offset	8,750,769	23.91	38.00	(14.09)	-0.0386	(337,804)
25	Interest Expense Offset	84,828,729	23.91	91.50	(67.59)	-0.1852	(15,708,421)
26	**Total Offset From Rate Base**	132,519,842					(17,549,429)
27	**Total Cash Working Capital Requirement**	737,392,951					(73,302,627)