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Witness:	Ann E. Bulkley
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Case No.:	ER-2026-0143
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2026-0143

DIRECT TESTIMONY

OF

ANN E. BULKLEY

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri

February 2026

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DIRECT TESTIMONY

OF

ANN E. BULKLEY

Case No. ER-2026-0143

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Ann E. Bulkley. I am a Principal at The Brattle Group ("Brattle"). My business address is One Beacon Street, Suite 2600, Boston, Massachusetts 02108.

Q. On whose behalf are you submitting this Prepared Direct Testimony?

A. I am submitting this testimony before the Missouri Public Service Commission ("Commission") on behalf of Evergy Metro, Inc. ("Evergy Metro") d/b/a Evergy Missouri Metro ("Evergy Missouri Metro" or the "Company"), a wholly-owned subsidiary of Evergy, Inc. ("Evergy").

Q. Please describe your education and experience.

A. I hold a Bachelor of Art degree in Economics and Finance from Simmons College and a Master of Science degree in Economics from Boston University, with over 30 years of experience consulting to the energy industry. I have advised numerous energy and utility clients on a wide range of financial and economic issues with primary concentrations in valuation and utility rate matters. Many of these assignments have included the determination of the cost of capital for valuation and ratemaking purposes. My qualifications are presented in more detail in Attachment A.

II. PURPOSE AND OVERVIEW OF TESTIMONY

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to present evidence and provide a recommendation regarding the appropriate return on equity ("ROE") and overall rate of return for the Company's electric operations in Missouri to be used for ratemaking purposes. I also provide an assessment for the reasonableness of the proposed capital structure to be used for ratemaking purposes that is discussed in the testimony of Company witness Geoffrey Ley.

Q. Are you sponsoring any schedules in support of your direct testimony?

A. Yes. My analyses and recommendations are supported by the data presented in Schedule AEB-1 through Schedule AEB-13, which were prepared by me or under my direction.

Q. Please provide a brief overview of the analyses that lead to your ROE recommendation.

A. I estimate the market-based cost of equity by applying traditional estimation methodologies to a proxy group of comparable utilities, including the constant growth form of the Discounted Cash Flow ("DCF") model, the Capital Asset Pricing Model ("CAPM"), the Empirical Capital Asset Pricing Model ("ECAPM"), and a Bond Yield Risk Premium ("BYRP" or "Risk Premium") analysis. My recommendation also considers the business and regulatory risk of Evergy Missouri Metro relative to the proxy group, and the Company's proposed capital structure as compared with the capital structures of the operating utilities of the proxy group companies. While I do not make specific adjustments

to my ROE recommendation for these factors, I consider them in the aggregate when determining where my recommended ROE falls within the range of the analytical results.

Q. How is the remainder of your testimony organized?

A. The remainder of my direct testimony is organized as follows:

- Section III provides a summary of my analyses and conclusions.
- Section IV reviews the regulatory guidelines pertinent to the development of the cost of capital.
- Section V discusses current and prospective capital market conditions and the effect of those conditions on the Company's cost of equity.
- Section VI explains my selection of a proxy group.
- Section VII describes my analyses and the basis for my recommendation regarding the appropriate ROE for the Company.
- Section VIII provides a discussion of specific regulatory, business, and financial risks that have a direct bearing on the ROE to be authorized for the Company in this proceeding.
- Section IX provides an assessment of the reasonableness of the Company's proposed capital structure and long-term cost of debt.
- Section X presents my conclusions and recommendations.

III. SUMMARY OF ANALYSES AND CONCLUSIONS

Q. Please summarize the key factors considered in your analyses and upon which you base your recommended ROE.

A. My analyses and recommendations consider the following:

- The United States ("U.S.") Supreme Court's *Hope* and *Bluefield* decisions,[1] which established the standards for determining a fair and reasonable authorized ROE for public utilities, including consistency of the authorized return with other businesses having similar risk, adequacy of the return to ensure access to capital and support credit quality, and the necessity for the end result to lead to just and reasonable rates.

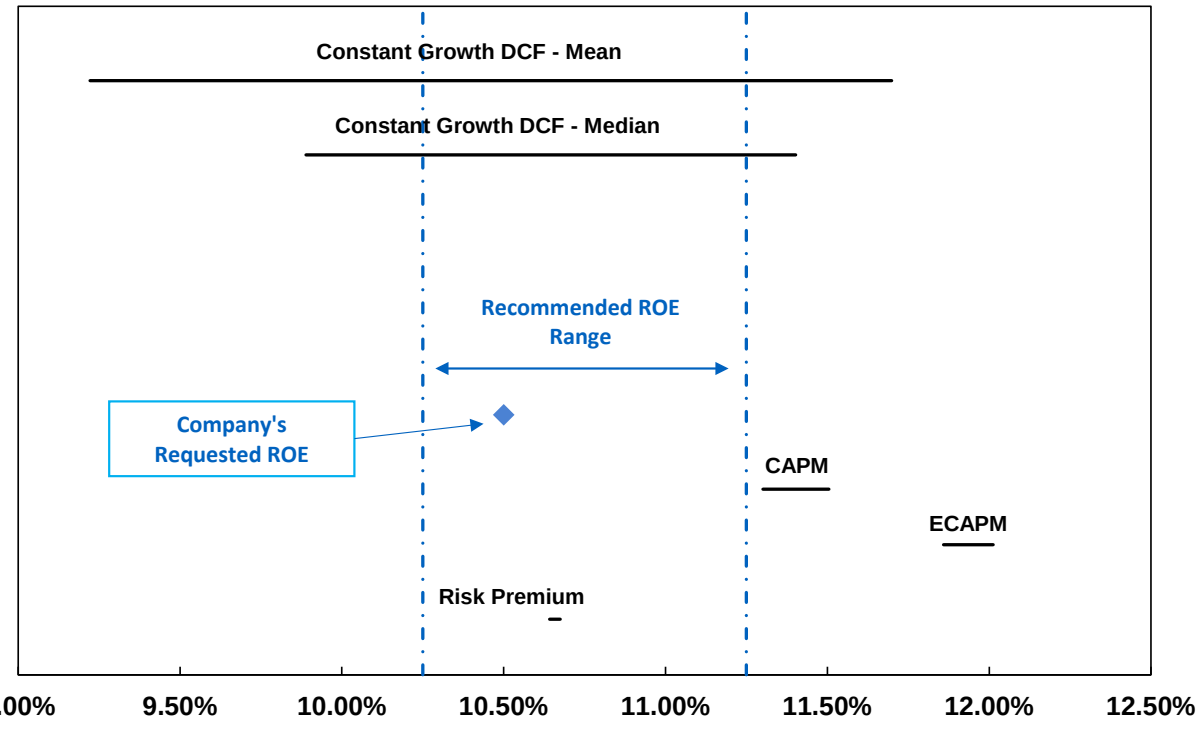
[1] *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591 (1944) ("*Hope*"); *Bluefield Waterworks & Improvement Co., v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923) ("*Bluefield*").

- The effect of current and prospective capital market conditions on the cost of equity estimation models and on investors' return requirements.
- The results of several analytical approaches that provide estimates of the Company's cost of equity. Because the Company's authorized ROE should be a forward-looking estimate over the period during which the rates will be in effect, these analyses rely on forward-looking inputs and assumptions (*e.g.*, projected analyst growth rates in the DCF model; forecasted risk-free rate and market risk premium in the CAPM analysis).
- Although the companies in my proxy group are generally comparable to Evergy Missouri Metro, each company is unique, and no two companies have the exact same business and financial risk profiles. Accordingly, I considered the Company's regulatory, business, and financial risks relative to the proxy group of comparable companies in determining where the Company's ROE should fall within the reasonable range of analytical results to appropriately account for any residual differences in risk.

Q. What are the results of the models that you have used to estimate the cost of equity for Evergy Missouri Metro?

A. Figure 1 summarizes the range of results produced by my cost of equity analyses based on market data through the end of November 2025.

Figure 1: Summary of Analytical Results



Q. What is your recommended ROE for the Company in this proceeding?

A. Considering the analytical results presented in Figure 1, current and prospective capital market conditions, as well as the level of regulatory, business, and financial risk faced by Evergy Missouri Metro's electric operations relative to the proxy group, I conclude that an ROE in the range of 10.25 percent to 11.25 percent is reasonable, and within that range, the Company is requesting an ROE of 10.50 percent which is reasonable, if not conservative.

Q. Is Evergy Missouri Metro's requested capital structure reasonable and appropriate?

A. Yes. The Company's proposed common equity ratio of 52.0749 percent for ratemaking purposes is well within the range of actual equity ratios of the utility operating subsidiaries for the proxy group companies.

Q. Is the Company's requested long-term cost of debt rate reasonable?

A. Yes. Evergy Missouri Metro's embedded cost of long-term cost of 4.5628 percent is consistent with the market cost of debt at the time of issuance and is thus reasonable.

IV. REGULATORY GUIDELINES

Q. Please describe the principles that guide the establishment of the cost of capital for a regulated utility.

A. The U.S. Supreme Court's precedent-setting *Hope* and *Bluefield* cases established the standards for determining the fairness or reasonableness of a utility's authorized ROE. Among the standards established by the Court in those cases are: (1) consistency with other businesses having similar or comparable risks; (2) adequacy of the return to support credit quality and access to capital; and (3) the principle that the specific means of arriving at a fair return are not important, as long as the end result leads to just and reasonable rates.[2]

Q. How did the court connect the achievement of a fair rate of return to the provision of utility service?

A. In *Bluefield*, a proper rate of return not only assures "confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit [but also] enable[s the utility] to raise the money necessary for the proper discharge of its public duties."[3] As the Court went on to explain in *Hope*, "[t]he rate-making process … involves balancing of the investor and consumer interests."[4]

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[2] *Bluefield*, 262 U.S. at 692-93; *Hope*, 320 U.S. at 603.

[3] *Bluefield*, 262 U.S. at 693.

[4] *Hope*, 320 U.S. at 603.

Q. Is a utility's ability to attract capital also affected by the ROEs that are authorized for other utilities?

A. Yes. Utilities compete directly for capital with other investments of similar risk, which include other electric, natural gas, and water utilities. Therefore, the ROE authorized for a utility sends an important signal to investors regarding whether there is regulatory support for financial integrity, dividends, growth, and fair compensation for business and financial risk. The cost of capital represents an opportunity cost to investors. If higher returns are available elsewhere for other investments of comparable risk over the same time period, investors have an incentive to direct their capital to those alternative investments. Thus, an authorized ROE significantly below authorized ROEs for other utilities can inhibit the utility's ability to attract capital for investment.

Q. Are you aware of any current risk factors for electric utilities that highlight the importance of regulatory outcomes that are viewed as credit supportive?

A. Yes. Electric utilities face increased capital expenditure requirements over the near-term. For example, as I will discuss in Section VIII below, the Company is forecasting significant capital expenditures over the near-term, which Moody's has noted is elevated when compared to historical levels.[5] The elevated capital expenditure requirements are likely to put downward pressure on credit metrics and thus credit ratings and require external financing to fund. The increased need for external financing to fund the elevated capital expenditures requires electric utilities be able to have access to capital at reasonable terms. Therefore, it is imperative that the return authorized by the Commission in the current

[5] Moody's Ratings, Evergy Metro, Inc.: Update to Credit Analysis, January 17, 2025, at 4.

proceeding be commensurate with the returns on assets of similar risk as a return that is not considered comparable could affect Evergy Missouri Metro's ability to access capital at a time when the need to access the capital markets is heightened.

Q. What is the standard for setting the ROE in a jurisdiction?

A. The stand-alone ratemaking principle is the foundation of jurisdictional ratemaking. This principle requires that the rates that are charged in any operating jurisdiction be for the costs incurred in that jurisdiction. The stand-alone ratemaking principle ensures that customers in each jurisdiction only pay for the costs of the service provided in that jurisdiction, which is not influenced by the business operations in other operating companies. In order to maintain this principle, the cost of equity analysis is performed for an individual operating company as a stand-alone entity. As such, I have evaluated the investor-required return for the Company's electric utility operations in Missouri.

Q. Does the fact that the Company is owned by Evergy, a publicly traded company, affect your analysis?

A. No. In this proceeding, consistent with stand-alone ratemaking principles, it is appropriate to establish the cost of equity for Evergy Missouri Metro, not its publicly-traded parent, Evergy. More importantly, however, it is appropriate to establish a cost of equity and capital structure that provide Evergy Missouri Metro the ability to attract capital on reasonable terms on a stand-alone basis and within Evergy.

Q. Are the regulatory framework, the authorized ROE, and equity ratio important to the financial community?

A. Yes. The regulatory framework is one of the most important factors in investors' assessments of risk. Specifically, the authorized ROE and equity ratio for regulated utilities are very important for determining the degree of regulatory support for supporting a utility's creditworthiness and financial stability in the jurisdiction. To the extent that authorized returns in a jurisdiction are lower than the returns that have been authorized more broadly, such decisions are considered by both debt and equity investors in the overall risk assessment of the regulatory jurisdiction in which the company operates.

Q. What are your conclusions regarding regulatory guidelines?

A. The ratemaking process is premised on the principle that in order for investors and companies to commit the capital needed to provide safe and reliable utility services, a utility must have a reasonable opportunity to recover the return of, and the market-required return on, its invested capital. Accordingly, the Commission's order in this proceeding should establish rates that provide the Company with a reasonable opportunity to earn an ROE that is: (1) adequate to attract capital at reasonable terms; (2) sufficient to ensure its financial integrity; and (3) commensurate with returns on investments in enterprises with similar risk. It is important for the ROE authorized in this proceeding to take into consideration current and projected capital market conditions, as well as investors' expectations and requirements for both risks and returns. Because utility operations are capital-intensive, regulatory decisions should enable the utility to attract capital at reasonable terms under a variety of economic and financial market conditions. Providing

the opportunity to earn a market-based cost of capital supports the financial integrity of the Company, which is in the best interests of both customers and shareholders.

V. CAPITAL MARKET CONDITIONS

Q. Why is it important to analyze capital market conditions?

A. Capital market conditions influence cost of equity models by affecting inputs in the model at the time the analysis is performed. While the ROE that is established in a rate proceeding is intended to be forward-looking, the analyst uses current and projected market data, specifically stock prices, dividends, growth rates and interest rates, in the models to estimate the required return for the subject company.

Analysts and regulatory commissions recognize the importance of considering how these conditions impact cost of equity estimation models when determining the appropriate range and recommended ROE for a future period. If investors do not expect current market conditions to be sustained in the future, it is possible that the cost of equity estimation models will not provide an accurate estimate of investors' required return during that rate period. Therefore, it is important to consider projected market data to estimate the return of the forward-looking period.

Q. What has the level of inflation been over the past few years?

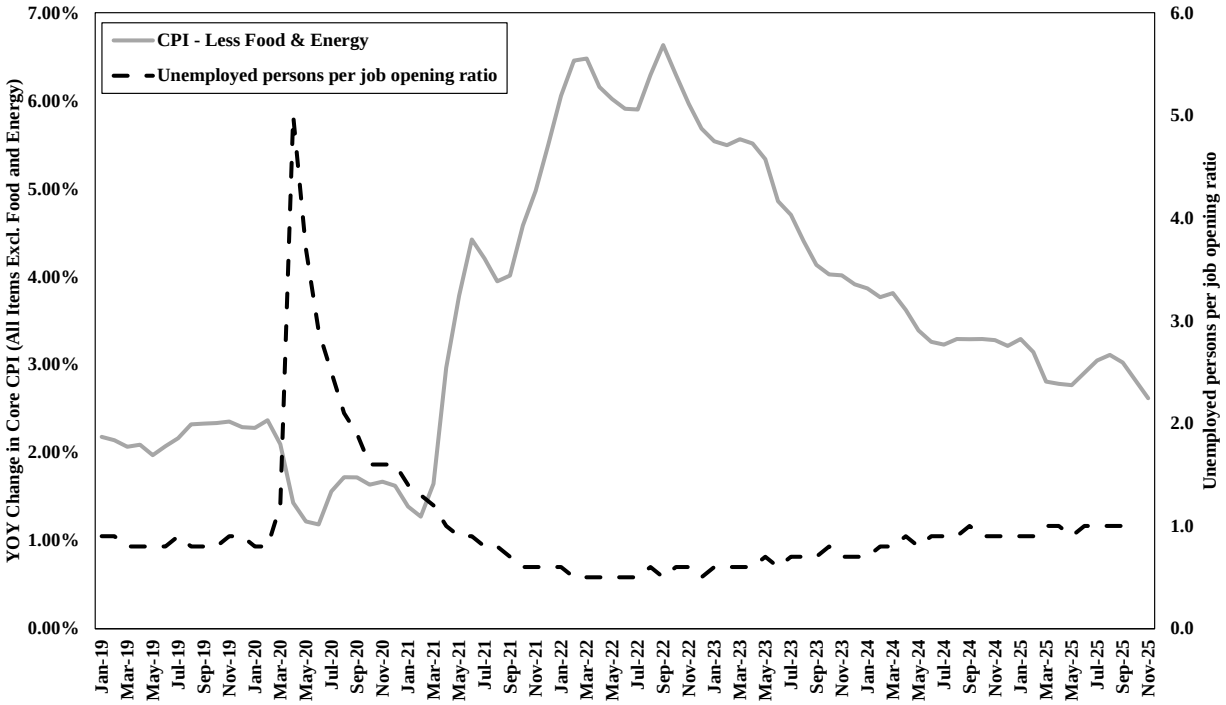
A. As shown in Figure 2, core inflation increased steadily beginning in early 2021, rising from 1.40 percent in January 2021 to a high of 6.64 percent in September 2022, which was the largest 12-month increase since 1982.[6] While core inflation has declined in response to

[6] Reade Pickert, "Core US Inflation Rises to 40-Year High, Securing Big Fed Hike", *Bloomberg*, October 13, 2022.

the Federal Reserve's monetary policy, it continues to remain above the Federal Reserve's target level of 2.00 percent.

Because the Federal Reserve's dual mandate is to promote stable prices and employment, considering employment data, in addition to inflation, is important. The ratio of unemployed persons per job opening was 1.0 in September 2025 (the most recent data available at the time of this testimony) and has been consistently at or below 1.00 since April 2021, suggesting a tighter labor market. The strength in the labor market has allowed the Federal Reserve to prioritize reducing inflation by pursuing the restrictive monetary policy needed to achieve its 2.00 percent target benchmark.

Figure 2: Core Inflation and Unemployed Persons-to-Job Openings, January 2019 to November 2025[7]



Q. What policy actions did the Federal Reserve enact to respond to increased inflation?

A. The dramatic increase in inflation prompted the Federal Reserve to pursue an aggressive normalization of monetary policy, removing the accommodative policy programs used to mitigate the economic effects of COVID-19. Between the March 2022 Federal Open Market Committee ("FOMC") meeting and the July 2023 FOMC meeting, the Federal Reserve increased the target federal funds rate through a series of increases from a range of 0.00 – 0.25 percent to a range of 5.25 percent to 5.50 percent.

[7] Bureau of Labor Statistics; reflects data available as of December 22, 2025. The data for Core Inflation was available through November 2025. The last month that was published for Unemployed persons to job openings was September 2025.

Q. How did yields on long-term government bonds respond to the Federal Reserve's normalization of monetary policy?

A. Since the Federal Reserve's December 2021 meeting, the yield on 10-year Treasury bonds has increased by over 350 basis points, increasing from 1.47 percent on December 15, 2021, to a peak of 4.98 percent on October 19, 2023. It currently remains well above 2021 levels (*i.e.*, 4.16 percent as of December 19, 2025).[8]

Q. Has the Federal Reserve reduced the federal funds rates?

A. Yes. The Federal Reserve reduced the federal funds rate by 50 basis points in September 2024, 25 basis points in November 2024, 25 basis points in December 2024, and more recently 25 basis points in September 2025, October 2025 and December 2025. While the Federal Reserve kept rates unchanged through the first five meetings in 2025, the Federal Reserve's decision to reduce the federal funds rate at the final three meetings in 2025 was due to an increase in the downside risk to employment in recent months.[9]

Q. What is the expected path of monetary policy over the near-term?

A. At the January 2026 FOMC meeting, Chairman Powell noted that inflation remains "somewhat elevated" and that "while job gains have remain low, the unemployment rate has shown signs of stabilization."[10] As a result, the FOMC decided to maintain the federal funds rate range of 3.50 percent to 3.75 percent.[11] Regarding the possible path of monetary policy, Chairman Powell indicated that the reductions since September have brought the

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8 *Bloomberg Professional*.

9 Federal Reserve, Press Releases, September 17, 2025, October 29,2025 and December 10, 2025.

10 Federal Reserve, "Transcript of Jerome Powell's Press Conference," January 28, 2026.

11 *Id*.

federal funds rate "within a range of plausible estimates of [the] neutral" rate and therefore, the Federal Reserve is well positioned to rely on incoming economic data to determine the extent and timing of any additional changes in the federal funds rate.[12] While the FOMC did not publish a forecast of the federal funds rate at the January 2026 meeting, at the December 2025 meeting, the FOMC forecasted one rate cut in 2026 and one rate cut in 2027.[13]

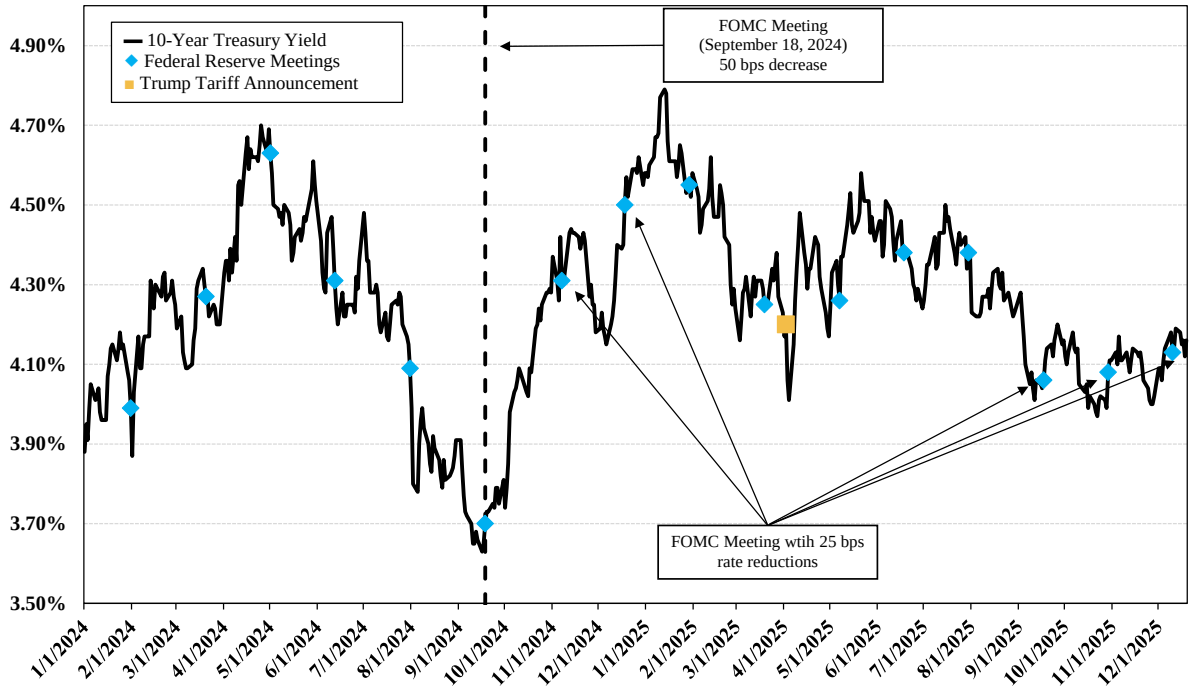
Q. What has happened to the yields on long-term government bonds since the FOMC reduced the Federal Funds Rate in September 2024?

A. As shown in Figure 3 below, while the yield on the 10-year treasury bond declined prior to the time of the first federal funds rate cut, the yield has generally increased since the September 2024 FOMC meeting. As of December 19, 2025, the 10-year Treasury bond yield was 4.16 percent, which is consistent with levels seen in July 2024, several months prior to the reductions in the federal funds rate.

[12] *Id.*

[13] Federal Reserve, Summary of Economic Projections, December 10, 2025, at 2.

Figure 3: 10-Year Treasury Bond Yield, Janaury 2025– December 19, 2025[14]



Q. Why have long-term interest rates increased since the Federal Reserve reduced the federal funds rate in September 2024?

A. Investors view key elements of President Trump's economic plan, such as tax cuts, immigration policy, and tariffs, as inflationary.[15] For example, since his inauguration in January 2025, President Trump announced several sets of tariffs on each of the U.S.'s trading partners including but not limited to his announcement on April 2, 2025 implementing a "baseline line" tariff of 10.00 percent on all imports, reciprocal tariffs on countries that failed to negotiate a trade deal that went into effect on August 7, 2025, as well as the 50.00 percent tariffs on steel, aluminum, and copper and 25.00 percent tariffs

[14] S&P Capital IQ Pro.

[15] The increase in long-term government bond yields was initially related to investors responding to an increasing probability of a Trump Administration in 2025 and has continued since President Trump's re-election and inauguration. (Davide Barbuscia and Lewis Krauskopf, "Bond rebound uncertain as Trump plans overshadow Fed rate cuts," *Reuters*, November 8, 2025).

on imported cars.[16] The implemented tariffs are largely viewed as inflationary. Inflation affects bonds, in particular long-term government bonds, because it erodes the value of future bonds payments. Therefore, in an inflationary environment, investors will demand higher returns on bonds to compensate for the added risk of inflation thus bond prices decline and the yields on bonds increase. The longer the duration of the bond, the greater the effect of inflation, which is why inflation risk is greater for long-term government bonds. The significant tariff policy increases the risk that inflation will remain elevated, which is why the yields on long-term bonds have not decreased and in fact have increased since the Federal Reserve first reduced the federal funds rate in September 2024. Further, the use of tariffs strains the relationship with trading partners, which could result in a reduction in the foreign demand for long-term U.S. government bonds and lead to additional upward pressure on long-term government bond yields.[17]

Q. What are expectations for the yields on long-term government bonds?

A. While the Federal Reserve is forecasting one cut to the federal funds rate in both 2026 and 2027, economists are still expecting elevated long-term interest rates. *Blue Chip Financial Forecasts* provides a forecast from economists on the 30-year Treasury bond. In the most recently published *Blue Chip Financial Forecasts* report, economists projected the 30-year treasury rate to remain relatively stable and decrease only slightly from 4.70 percent in Q4/2025 to 4.60 percent in Q1/2027.[18] Additionally, the consensus estimate over the

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16 Jennifer Clarke, "What Are Tariffs, How Do They Work and Why Is Trump Using Them?" *BBC News*, August 27, 2025.

17 Karishma Vanjani, "U.S. Treasury Bonds Sell Off as 30-Year Yield Rises Most Since 1982," *Barron's*, April 9, 2025.

18 *Blue Chip Financial Forecasts*, Vol. 44, No. 12, December 1, 2025, at 2.

longer-term (*i.e.*, 2027–2031) is 4.60 percent.[19] This is important because it means that long-term interest rates are expected to remain elevated during the period that the Company's rates will be in effect.

Q. What are your conclusions regarding the effect of current market conditions on the cost of equity for the Company?

A. It is important to consider current and projected market conditions in setting the forward-looking ROE due to its effect on the estimated cost of equity. While the FOMC reduced the federal funds rate at the September, October and December 2025 meetings, Chairman Powell has indicated that the Federal Reserve will continue to rely on incoming data to determine future adjustments to the federal funds rate. Further, long-term interest rates remain elevated and are expected to continue to remain elevated as a result of inflationary policies such as tariffs, immigration policy, and tax cuts. With long-term interest rates expected to remain relatively high, borrowing also remains relatively more expensive, and thus investors also demand a relatively high cost of capital, which means the cost of capital also remains relatively high.

VI. PROXY GROUP SELECTION

Q. Please provide a brief profile of Evergy Metro.

A. Evergy Metro is a wholly-owned subsidiary of Evergy, and provides regulated retail electric service to approximately 586,500 customers in western Missouri and eastern Kansas.[20] In Missouri, Evergy Missouri Metro supplies electricity to approximately

[19] *Blue Chip Financial Forecasts*, Vol. 44, No. 12, December 1, 2025, at 14.

[20] Evergy, Inc., Form 10-K for the Fiscal Year Ended December 31, 2024, at 15.

308,000 customers.[21] As of December 31, 2024, the Company's net utility electric plant in Missouri was approximately $4.16 billion.[22] Evergy Metro is currently rated A- (Outlook: Stable) by S&P and Baa1 (Outlook: Stable) by Moody's.[23]

Q. Why have you used a group of proxy companies to estimate the cost of equity for Evergy Missouri Metro?

A. One of the purposes of this proceeding is to estimate the cost of equity for Evergy Missouri Metro, a rate-regulated subsidiary of Evergy. Since the cost of equity is a market-based concept and given the fact that Evergy Missouri Metro's electric utility operations do not make up the entirety of a publicly-traded entity, it is necessary to establish a group of companies that is both publicly-traded and comparable to Evergy Missouri Metro in certain fundamental business and financial respects to serve as its "proxy" for purposes of estimating the cost of equity.

Even if Evergy Missouri Metro was a publicly-traded entity, it is possible that transitory events could bias its market value over a given period. A significant benefit of using a proxy group is that it mitigates the effects of anomalous events that may be associated with any one company. The proxy companies used in my analyses all possess a set of operating and financial risk characteristics that are substantially comparable to Evergy Missouri Metro, and, therefore, provide a reasonable basis to estimate the appropriate cost of equity for the Company.

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[21] Evergy Metro, Inc. 2024 Annual Report to the Missouri Public Service Commission at 3b.

[22] Data provided by the Company.

[23] S&P Capital IQ Pro; Moody's Investors Service, accessed December 22, 2025.

Q. How did you select the companies included in your proxy group?

A. I began with the group of 35 companies that *Value Line* classifies as Electric Utilities and applied the following screening criteria to select companies that:

- pay consistent quarterly cash dividends, since companies that do not cannot be analyzed using the constant growth DCF model;
- have investment grade long-term issuer ratings;
- have positive long-term earnings growth forecasts from at least two equity analysts;
- own regulated generation assets that are included in rate base;
- derive at least 40.00 percent of sales from company-owned generation;
- derive at least 60.00 percent of their operating income from regulated electric operations; and
- were not party to a merger or transformative transaction during the analytical period considered.

Q. Did you include Evergy in your analysis?

A. No. It is not appropriate to include Evergy in the proxy group used to determine the authorized ROE for Evergy Missouri Metro because of the circular logic that would occur. For example, in the current proceeding, the ROE for Evergy Missouri Metro is being determined, which in turn contributes to the ROE of its parent company, Evergy. If Evergy was included in the proxy group, Evergy would be used to determine its own subsidiary's ROE. Therefore, to avoid the circular logic, I have excluded Evergy from my proxy group for Evergy Missouri Metro.

Q. What is the composition of your proxy group?

A. The screening criteria just discussed results in a proxy group consisting of the companies shown in Figure 4 (as well as in Schedule AEB-2).

Figure 4: Proxy Group

Company	Ticker
Alliant Energy Corporation	LNT
Ameren Corporation	AEE
American Electric Power Company, Inc.	AEP
Avista Corporation	AVA
CMS Energy Corporation	CMS
Dominion Resources, Inc.	D
DTE Energy Company	DTE
Entergy Corporation	ETR
IDACORP, Inc.	IDA
NextEra Energy, Inc.	NEE
OGE Energy Corporation	OGE
Pinnacle West Capital Corporation	PNW
Portland General Electric Company	POR
PPL Corporation	PPL
Southern Company	SO
Xcel Energy Inc.	XEL

VII. COST OF EQUITY ESTIMATION

Q. Please briefly discuss the ROE in the context of the regulated rate of return.

A. The overall rate of return for a regulated utility is the weighted average cost of capital ("WACC") in which the costs of the individual sources of capital are weighted by their respective proportion in the utility's capital structure. The ROE is the cost rate applied to the equity capital in calculating the overall rate of return for ratemaking purposes. While the costs of debt and preferred stock can be directly observed, the cost of equity is market-based and, therefore, must be estimated based on observable market data.

Q. How is the required cost of equity determined?

A. The required cost of equity is estimated by using analytical techniques that rely on market-based data to quantify investor expectations regarding equity returns, adjusted for certain

incremental costs and risks. Informed judgment is then applied to determine where the company's cost of equity falls within the range of results produced by multiple analytical techniques. The key consideration in determining the cost of equity is to ensure that the methodologies employed reasonably reflect investors' views of the financial markets in general, as well as the subject company (in the context of the proxy group), in particular.

Q. What methods have you used to estimate Evergy Missouri Metro's cost of equity?

A. I considered the results of the constant growth DCF model, the CAPM, the ECAPM, and the BYRP analysis.

Q. Is it important to use more than one analytical approach to estimate the cost of equity?

A. Yes. A reasonable cost of equity estimate appropriately considers alternative methodologies and the reasonableness of their individual and collective results. Because the cost of equity is not directly observable, it must be estimated based on both quantitative and qualitative information. When faced with the task of estimating the cost of equity, analysts and investors are inclined to gather and evaluate as much relevant data as reasonably can be analyzed. Several models have been developed to estimate the cost of equity, and I use multiple approaches to estimate the cost of equity. As a practical matter, however, all the models available for estimating the cost of equity are subject to limiting assumptions or other methodological constraints. Consequently, many well-regarded finance texts recommend using multiple approaches when estimating the cost of

equity. For example, Copeland, Koller, and Murrin[24] suggest using the CAPM and Arbitrage Pricing Theory model, while Brigham and Gapenski[25] recommend the CAPM, DCF, and BYRP approaches.

Q. Has the Commission recognized that it is important to consider the results of multiple cost of equity estimation models?

A. Yes. For example, in 2018 the Commission stated:

> In order to set a fair rate of return for Spire, the Commission must determine the weighted cost of each component of the utility's capital structure. One component at issue in this case is the estimated cost of common equity, or the return on equity. Based on the competent and substantial evidence in the record, on its analysis of the expert testimony offered by the parties, and on its balancing of the interests of the company's ratepayers and shareholders, as fully explained in its findings of fact and conclusions of law, the Commission finds that 9.8 percent is a fair and reasonable return on equity for Spire Missouri. That rate is nearly the midpoint of all the experts' recommendations and is consistent with the national average, the growing economy, and the anticipated increasing interest rates. The Commission finds that this rate of return will allow Spire Missouri to compete in the capital market for the funds needed to maintain its financial health.[26]

Thus, the Commission recognized the importance of considering: (1) the results of each model presented in the rate case, which included the DCF, CAPM and Risk Premium analyses; (2) capital market conditions since changes in market conditions can affect the model results and; (3) the returns awarded to comparable utilities in other jurisdictions across the United States.

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[24] Tom Copeland, Tim Koller and Jack Murrin, *Valuation: Measuring and Managing the Value of Companies*, 3rd Ed. (New York: McKinsey & Company, Inc., 2000), at 214.

[25] Eugene Brigham, Louis Gapenski, *Financial Management: Theory and Practice*, 7th Ed. (Orlando: Dryden Press, 1994), at 341.

[26] In re Laclede Gas Co., No. GR-2017-0215, Report and Order at 35 (March 7, 2018).

A. Constant Growth DCF Model

Q. Please describe the DCF approach.

A. The DCF approach is based on the theory that a stock's current price represents the present value of all expected future cash flows. In its most general form, the DCF model is expressed as follows:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \cdots + \frac{D_\infty}{(1+k)^\infty} \qquad [1]$$

Where P_0 represents the current stock price, $D_1 \ldots D_\infty$ are all expected future dividends, and k is the discount rate, or required ROE. Equation [1] is a standard present value calculation that can be simplified and rearranged into the following form:

$$k = \frac{D_0(1+g)}{P_0} + g \qquad [2]$$

Equation [2] is often referred to as the constant growth DCF model in which the first term is the expected dividend yield and the second term is the expected long-term growth rate.

Q. What assumptions are required for the constant growth DCF model?

A. The constant growth DCF model requires the following four assumptions: (1) a constant growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant price-to-earnings ratio; and (4) a discount rate greater than the expected growth rate. To the extent that any of these assumptions are violated, considered judgment and/or specific adjustments should be applied to the results.

Q. What market data do you use to calculate the dividend yield in your constant growth DCF model?

A. The dividend yield in my constant growth DCF model is based on the proxy group companies' current annual dividend and average closing stock prices over the 30-, 90-, and 180-trading days ended November 28, 2025.

Q. Why do you use 30-, 90-, and 180-day averaging periods?

A. I use an average of recent trading days to calculate the term P_0 in the DCF model to reflect current market data while also ensuring that the result of the model is not skewed by anomalous events that may affect stock prices on any given trading day.

Q. Do you make any adjustments to the dividend yield to account for periodic growth in dividends?

A. Yes. Because utility companies tend to increase their quarterly dividends at different times throughout the year, it is reasonable to assume that dividend increases will be evenly distributed over calendar quarters. Given that assumption, it is reasonable to apply one-half of the expected annual dividend growth rate for purposes of calculating the expected dividend yield component of the DCF model. This adjustment ensures that the expected first-year dividend yield is, on average, representative of the coming twelve-month period, and does not overstate the aggregated dividends to be paid during that time.

Q. Why is it important to select appropriate measures of long-term growth in applying the DCF model?

A. In its constant growth form, the DCF model (*i.e.*, Equation [2] shown previously) assumes a single long-term growth rate in perpetuity. In order to reduce the long-term growth rate

to a single measure, one must assume that the dividend payout ratio remains constant and that earnings per share ("EPS"), dividends per share, and book value per share all grow at the same constant rate. However, over the long run, dividend growth can only be sustained by earnings growth, meaning earnings are the fundamental driver of a company's ability to pay dividends. Therefore, projected EPS growth is the appropriate measure of a company's long-term growth. In contrast, changes in a company's dividend payments are based on management decisions related to cash management and other factors. For example, a company may decide to retain earnings rather than pay out a portion of those earnings to shareholders through dividends. Therefore, dividend growth rates are less likely than earnings growth rates to accurately reflect investor perceptions of a company's growth prospects. Accordingly, I have incorporated a number of sources of long-term EPS growth rates into the constant growth DCF model.

Q. What sources of long-term EPS growth rates do you use in your DCF analysis?

A. My constant growth DCF incorporate three sources of long-term earnings per share ("EPS") growth rates: (1) *Zacks Investment Research* ("*Zacks*"); (2) *S&P Capital IQ Pro*; and (3) *Value Line*.

Q. Have you previously relied on projected EPS growth rate provided by *Yahoo! Finance*?

A. Yes, I have; however, *Yahoo! Finance* no longer reports consensus projected 3 to 5-year EPS growth rates. As a result, I have replaced the *Yahoo!Finance* growth rates with the consensus projected 3 to 5-year EPS growth rates reported by *S&P Capital IQ Pro*.

Q. How do you calculate the range of results for the constant growth DCF models?

A. I calculate the low-end result for the constant growth DCF model using the minimum growth rate of the three sources (*i.e.*, the lowest of the *Zacks*, *S&P Capital IQ*, and *Value Line* projected EPS growth rates) for each of the proxy group companies. I use a similar approach to calculate a high-end result, using the maximum growth rate of the three sources for each proxy group company. Lastly, I also calculate results using the average EPS growth rate from all three sources for each proxy group company.

Q. What are the results of your DCF analyses?

A. Figure 5 (see also Schedule AEB-3) summarizes the results of my DCF analyses.

Figure 5: Summary of DCF Results

	Minimum Growth Rate	Average Growth Rate	Maximum Growth Rate
Mean Results:			
30-Day Avg. Stock Price	9.12%	10.47%	11.59%
90-Day Avg. Stock Price	9.22%	10.57%	11.70%
180-Day Avg. Stock Price	9.33%	10.69%	11.81%
Average	**9.22%**	**10.58%**	**11.70%**
Median Results:			
30-Day Avg. Stock Price	9.80%	10.51%	11.26%
90-Day Avg. Stock Price	9.87%	10.55%	11.41%
180-Day Avg. Stock Price	10.00%	10.63%	11.54%
Average	**9.89%**	**10.56%**	**11.40%**

B. CAPM and ECAPM Analysis

Q. Please briefly describe the Capital Asset Pricing Model ("CAPM").

A. The CAPM is a risk premium approach that estimates the cost of equity for a given security as a function of a risk-free return plus a risk premium to compensate investors for the non-

diversifiable or "systematic" risk of that security.[27] This second component is the product of the market risk premium and the beta coefficient, which measures the relative riskiness of the security being evaluated.

The CAPM is defined by four components:

$$K_e = r_f + \beta(r_m - r_f) \quad [3]$$

Where:

K_e = the required market-based cost of equity of an individual security;

β = beta coefficient of an individual security;

r_f = the risk-free rate of return; and

r_m = the required return on the market as a whole.

In this specification, the term $(r_m - r_f)$ represents the market risk premium. According to the theory underlying the CAPM, because unsystematic risk can be diversified away, investors should only be concerned with systematic or non-diversifiable risk. Systematic risk is measured by beta, which is a measure of the volatility of a security as compared to the overall market. Beta is defined as:

$$\beta = \frac{Covariance(r_e, r_m)}{Variance(r_m)} \quad [4]$$

Variance (r_m) represents the variance of the market return, which is a measure of the uncertainty of the general market. *Covariance* (r_e, r_m) represents the covariance between the return on a specific security and the general market, which reflects the extent to which the return on that security will respond to a given change in the general market return. Thus, beta represents the risk of the security relative to the general market.

[27] Systematic risk is the risk inherent in the entire market or market segment, which cannot be diversified away using a portfolio of assets. Unsystematic risk is the risk of a specific company that can, theoretically, be mitigated through portfolio diversification.

Q. What risk-free rate do you use in your CAPM analysis?

A. I use three estimates of the yield on Treasury bonds: (1) the current 30-day average yield on 30-year Treasury bonds (4.66 percent);[28] (2) the projected 30-year Treasury yield for Q1 2026 through Q1 2027 (4.60 percent);[29] and (3) the projected 30-year Treasury yield for the period 2027-2031 (4.60 percent).[30]

Q. What beta coefficients do you use in your CAPM analysis?

A. As shown on Schedule AEB-4, I use the beta coefficients for the proxy group companies as reported by *Value Line*, which are based on five years of weekly returns relative to the New York Stock Exchange Composite Index. Additionally, as shown on Schedule AEB-4, I consider another CAPM analysis that relies on the long-term average beta coefficient for the companies in my proxy group, which is calculated as an average of the *Value Line* beta coefficients for the companies in my proxy group from 2013 through 2024.

Q. How do you estimate the market risk premium in the CAPM?

A. I estimate the market risk premium as the difference between the implied expected equity market return and the risk-free rate. As shown on Schedule AEB-6, the expected market return is calculated using the constant growth DCF model discussed previously as applied to the companies in the S&P 500 Index. Based on an estimated market capitalization-weighted dividend yield of 1.27 percent and a weighted long-term growth rate of 12.18 percent, the estimated required market return for the S&P 500 Index as of November 28, 2025, is 13.53 percent.

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[28] *Bloomberg Professional*; as of November 28, 2025.

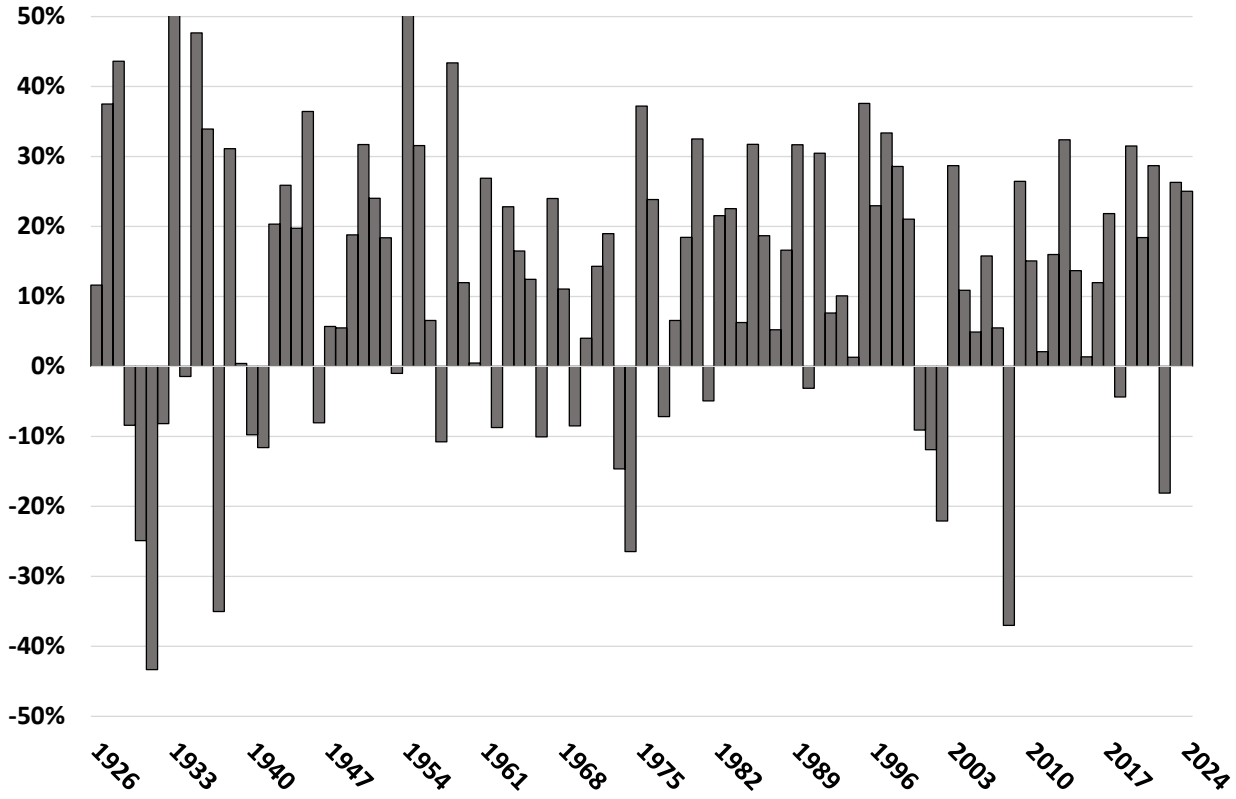
[29] *Blue Chip Financial Forecasts*, Vol. 44, No. 12, December 1, 2025, at 2.

[30] *Blue Chip Financial Forecasts*, Vol. 44, No. 12, December 1, 2025, at 14.

Q. How does the current expected market return you have calculated compare to observed historical market returns?

A. As shown in Figure 6, given the range of annual equity returns that have been observed over the past century, the current expected return is not unreasonable. In 51 out of the past 99 years (or roughly 52 percent of observations), the realized equity return was at least 13.53 percent or greater.

Figure 6: Realized U.S. equity market returns (1926-2024) [31]



[31] Depicts total annual returns on large company stocks, as reported in the 2023 *Kroll* SBBI Yearbook for 1926-2022 and from S&P Capital IQ Pro for 2023-2024.

Q. Do you also consider another form of the CAPM in your analysis?

A. Yes. I have also considered the results of an ECAPM in estimating the cost of equity for the Company.[32] The ECAPM calculates the product of the adjusted beta coefficient and the market risk premium and applies a weight of 75.00 percent to that result. The model then applies a 25.00 percent weight to the market risk premium without any effect from the beta coefficient. The results of the two calculations are summed, along with the risk-free rate, to produce the ECAPM result, as noted in Equation [5] below:

$$k_e = r_f + 0.75\beta(r_m - r_f) + 0.25(r_m - r_f) \qquad [5]$$

Where:

k_e = the required market-based cost of equity of an individual security;
β = beta coefficient of an individual security;
rf = the risk-free rate of return; and
r_m = the required return on the market as a whole.

The ECAPM addresses the tendency of the "traditional" CAPM to underestimate the cost of equity for companies with low beta coefficients such as regulated utilities. In that regard, the ECAPM is not redundant to the use of adjusted betas in the traditional CAPM; rather, it recognizes the results of academic research indicating that the risk-return relationship is different (in essence, flatter) than estimated by the CAPM, meaning that the CAPM underestimates the cost of equity for companies with a beta less than 1.0 and overestimates the cost of equity for companies with a beta greater than 1.0.[33]

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[32] *See, e.g.*, Roger A. Morin, *New Regulatory Finance*. Public Utilities Reports, Inc., 2006, at 189.

[33] *Id*. at 191.

Consistent with my CAPM, my application of the ECAPM uses the same three yields on the 30-year Treasury bonds as the risk-free rate, forward-looking market risk premium estimates, and beta coefficients.

Q. What are the results of your CAPM and ECAPM analyses?

A. The results of my CAPM and ECAPM analyses are summarized in Figure 7, as well as presented in Schedule AEB-4.

Figure 7: Summary of CAPM and ECAPM Results

	30-Year Treasury Bond Yield		
	Current 30-Day Avg	Near-Term Projected	Longer-Term Projected
CAPM:			
Current *Value Line* Beta	11.31%	11.30%	11.30%
Long-term Avg. *Value Line* Beta	11.50%	11.49%	11.49%
ECAPM:			
Current *Value Line* Beta	11.87%	11.86%	11.86%
Long-term Avg. *Value Line* Beta	12.01%	12.00%	12.00%

C. BYRP Analysis

Q. Please describe the BYRP analysis.

A. This approach is based on the fundamental principle that equity investors bear the residual risk associated with equity ownership and therefore require a premium over the return they would have earned as a bondholder. Because returns to equity holders have greater risk than returns to bondholders, equity holders require higher return for that incremental risk. Risk premium approaches, therefore, estimate the cost of equity as the sum of the equity risk premium and the yield on a particular class of bonds. In my analysis, I use actual

authorized returns for vertically-integrated utility companies as the historical measure of the cost of equity to determine the risk premium.

Q. What is the fundamental relationship between the equity risk premium and interest rates?

A. Both academic literature and market evidence indicate that the equity risk premium (as used in this approach) is inversely related to the level of interest rates. That is, as interest rates increase, the equity risk premium decreases, and vice versa. Consequently, it is important to develop an analysis that: (1) reflects the inverse relationship between interest rates and the equity risk premium; and (2) relies on recent and expected market conditions. The analysis presented on Schedule AEB-7 establishes that relationship using a regression of the risk premium as a function of U.S. Treasury bond yields. When the authorized ROEs serve as the measure of required equity returns and the long-term Treasury bond yield is defined as the relevant measure of interest rates, the risk premium is the difference between those two points.[34]

Q. Is the BYRP analysis relevant to investors?

A. Yes. Investors are aware of authorized ROEs in other jurisdictions, and they consider those authorizations as a benchmark for a reasonable level of equity returns for utilities of comparable risk operating in other jurisdictions. Because my Bond Yield Plus Risk Premium analysis is based on authorized ROEs for utility companies relative to

[34] *See e.g.*, S. Keith Berry, "Interest Rate Risk and Utility Risk Premia during 1982-93," *Managerial and Decision Economics*, Vol. 19, No. 2, March 1998 (the author used a similar methodology, including using authorized ROEs as the relevant data source, and came to similar conclusions regarding the inverse relationship between risk premia and interest rates). *See also*, Robert S. Harris, "Using Analysts' Growth Forecasts to Estimate Shareholders Required Rates of Return," *Financial Management*, Spring 1986, at 66.

corresponding Treasury yields, it provides relevant information to assess the return expectations of investors.

Q. What does your BYRP analysis reveal?

A. As shown in Figure 8, from 1980 through November 2025, there was a strong negative relationship between risk premia and interest rates. To estimate that relationship, I have conducted a regression analysis using the following equation:

$$RP = a + b(T) \qquad [6]$$

Where:

RP = Risk Premium (difference between authorized ROEs and the yield on 30-year Treasury bonds)

a = intercept term

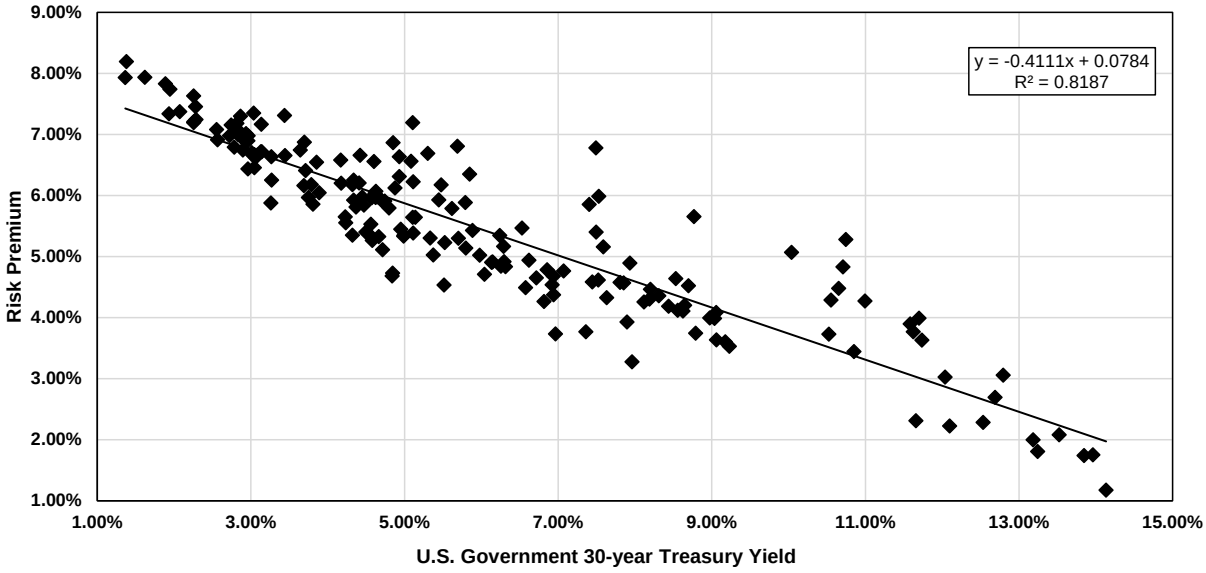
b = slope term

T = 30-year Treasury bond yield

Data regarding authorized ROEs were derived from all of the vertically-integrated electric utility rate cases over this period as reported by Regulatory Research Associates ("RRA").[35] The equation's coefficients are statistically significant at the 99.00 percent level.

[35] The data was screened to eliminate limited issue rider cases, transmission cases, electric distribution-only (*i.e.*, no generation) cases, and cases that were silent with respect to the authorized ROE.

Figure 8: Risk Premium Regression Analysis



Q. What are the results of your BYRP analysis?

A. Figure 9 presents the results of my BYRP analysis, which are also presented in more detail in Schedule AEB-7.

Figure 9: Summary of BYRP Results

	30-Year Treasury Bond Yield		
	Current 30-Day Avg	Near-Term Projected	Longer-Term Projected
Bond Yield Risk Premium Result	10.67%	10.64%	10.64%

VIII. BUSINESS AND REGULATORY RISKS

Q. Please explain how you use the results of the cost of equity models in estimating the Company's cost of equity.

A. The results of the cost of equity models provide a range for the appropriate estimate of the Company's cost of equity. There are several additional factors that must be taken into

consideration when determining where the Company's cost of equity falls within the range of results. These factors, which are discussed below, should be considered with respect to their overall effect on the Company's risk profile.

A. Capital Expenditures

Q. Is it important for electric utilities such as the Company to have access to capital at reasonable terms?

A. Yes. Electric utilities are one of the most capital-intensive sectors of the S&P 500. To fund the significant capital expenditures needed to maintain, expand, and modernize existing infrastructure, electric utilities require sufficient internally generated cash flow and ongoing access to investor-supplied capital. The authorized return is a driver of both internally generated cash flow and the ability to access capital at reasonable terms. Therefore, it is critically important that regulation provide predictable, adequate, and achievable allowed returns that support the financial integrity of the utility.

Q. Please summarize the Company's capital expenditure requirements.

A. The Company's current projection of capital expenditures for 2026 through 2029 totals approximately $2.28 billion, which represents approximately 54.75 percent of the Company's approximate $4.16 billion net utility plant as of December 31, 2024.[36]

Q. How do the Company's capital expenditure requirements compare to those of the proxy group companies?

A. As shown on Schedule AEB-8, I have calculated the ratio of expected capital expenditures to net utility plant for Evergy Missouri Metro and each of the companies in the proxy group

[36] Data provided by the Company.

by dividing each company's projected capital expenditures for the period from 2026 through 2029 by its total net utility plant as of December 31, 2024. As shown, the Company's ratio of capital expenditures as a percentage of net utility plant of 54.62 percent is greater than the median for the proxy group companies of approximately 48.22 percent.

Q. How is the Company's risk profile affected by its substantial capital expenditure requirements?

A. As with any utility faced with substantial capital expenditure requirements, the Company's risk profile may be adversely affected in two significant and related ways: (1) the heightened level of investment increases the risk of under-recovery or delayed recovery of the invested capital; and (2) an inadequate return would put downward pressure on key credit metrics.

Q. Do credit rating agencies recognize the risks associated with elevated levels of capital expenditures?

A. Yes. From a credit perspective, the additional pressure on cash flows associated with high levels of capital expenditures exerts corresponding pressure on credit metrics and, therefore, credit ratings. To that point, S&P explains the importance of regulatory support for a significant amount of capital projects:

> When applicable, a jurisdiction's willingness to support large capital projects with cash during construction is an important aspect of our analysis. This is especially true when the project represents a major addition to rate base and entails long lead times and technological risks that make it susceptible to construction delays. Broad support for all capital spending is the most credit-sustaining. Support for only specific types of capital spending, such as specific environmental projects or system integrity plans, is less so, but still favorable for creditors. Allowance of a cash return on construction work-in-progress or similar ratemaking methods historically were extraordinary measures for use in unusual circumstances, but when

> construction costs are rising, cash flow support could be crucial to maintain credit quality through the spending program. Even more favorable are those jurisdictions that present an opportunity for a higher return on capital projects as an incentive to investors.[37]

Recently, S&P evaluated the capital expenditure trends in the utility sector, noting that the balance between operating with negative discretionary cash flow from operations offset by reliable access to capital markets for financing may be tested through ever-increasing capital expenditure requirements as a result of the transformation of the energy sector through the focus on low/no carbon generation, electrification, and the replacement of aging infrastructure:

> We expect rising capital spending and increasing cash flow deficits that are not sufficiently funded in a credit-supportive manner will continue to pressure the industry's financial performance. Its average funds from operations (FFO) to debt was about 15% in 2021 and has gradually fallen to about 13.5%, primarily reflecting rising leverage (see chart 20). Given our expectations for continued increasing capital spending over the next decade, we expect financial performance and credit quality will continue to be pressured.[38]

Therefore, to the extent that Evergy Missouri Metro's rates do not continue to permit recovery of its capital investments on a regular basis, the Company would face increased recovery risk and thus increased pressure on its credit metrics.

Q. Does the Company have cost recovery mechanisms in place to recover the costs associated with its capital expenditures plan between rate cases?

A. Yes. Evergy Missouri Metro has implemented Plant-In-Service Accounting ("PISA"), which was established in 2018 through Senate Bill 564 and amended by Senate Bill 745 in

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[37] S&P Global Ratings, "Assessing U.S. Investor-Owned Utility Regulatory Environments," August 10, 2016, at 7.

[38] S&P Global Ratings, "Industry Credit Outlook 2025, North American Regulated Utilities: Capex and climate change pressures credit quality," January 14, 2025, at 10.

2022. PISA provides for the deferral of 85.00 percent of the depreciation and return on capital investment between rate cases. Specifically, Section 393.1400.2(1) provides that utilities who elect to use PISA shall:

> [D]efer to a regulatory asset eighty-five percent of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility's books …. In each general rate proceeding concluded after [the effective date of this section], the balance of the regulatory asset as of the rate base cutoff date shall be included in the electrical corporation's rate base without any offset, reduction, or adjustment based upon consideration of any other factor .... [39]

Thus, the PISA permits the Company to defer and recover 85.00 percent of the depreciation expense and earn a return at the applicable weighted average cost of capital on investments in certain property, plant, and equipment placed in service and not included in base rates. The regulatory asset for accumulated PISA deferrals also earns a return at the applicable WACC, with all approved PISA deferrals added to rate base prospectively and recovered over a period of 20 years following a regulatory rate review.

Q. What are the limitations of PISA?

A. The amended statute governing PISA has an expiration date on the deferrals of December 31, 2028, after which time regulatory approval for continuance through December 31, 2033 is required, and even if extended, the mechanism is set to permanently expire at the end of 2033.

There is also an annual cap on the impact to rates and the revenue requirement under PISA. Specifically, the revenue requirement impact of PISA deferrals is limited by

[39] Mo. Rev. Stat. § 393.1400.2(1). Subsection 2(2) states that "regulatory asset balances under this section shall be adjusted by any prudence disallowances ordered by the commission."

a cap that increases by 2.50 percent per year between rate reviews.[40] For example, if two years pass between reviews, the cumulative cap on PISA deferrals would be 5.00 percent.

Q. Have credit rating agencies commented on the Company's ability to recover capital expenditures through PISA?

A. Yes. Moody's recently noted that while it views capital trackers as credit positive, the PISA is only viewed as "slightly favorable" because of the limitations on capital cost recovery:

> Under PISA, Evergy Metro can track depreciation and a return on investment for plant placed in service between rate cases and apply for recovery in a future rate case proceeding. We generally view capital trackers as a credit positive but, in the case of the PISA, it is only slightly favorable because of its restrictive elements. The PISA permits the company to book depreciation cost and a rate base-like return as a regulatory asset, a credit positive, but at only 85% of the value. In addition, the law stipulates that the utility must recover the regulatory asset over a 20-year period, which is rather long, although the unamortized regulatory asset balance does earn a rate base-like return. [41]

Q. Does the implementation of PISA reduce Evergy Missouri Metro's cost of equity?

A. No. It is important to recognize that the estimation of the cost of equity includes a comparative analysis of the risks and returns of the subject company and the proxy group of publicly traded utilities that are relied on in the cost of equity estimation models, including their utility operating subsidiaries. Therefore, the threshold question is not whether PISA reduces the risk of Evergy Missouri Metro, but rather is whether Evergy Missouri Metro's risk is reduced below that of the proxy group. As shown in Schedule AEB-9, the majority of the operating utilities of the proxy group companies (*i.e.*,

[40] Evergy, Form 10-K for the Fiscal Year Ended December 31, 2024, at 16.

[41] Moody's Investors Service, Credit Opinion, Evergy Metro, Inc., January 17, 2025, at 3.

approximately 80.82 percent) also have some form of a capital cost recovery mechanism. Thus, Evergy Missouri Metro is similar to the proxy group with respect to the recovery of capital investments, and the use of PISA does not reduce the Company's regulatory risk relative to its peers. Rather, the implementation of PISA means the Company's risk profile is more consistent with the operating utilities of the proxy group companies. As noted, however, it is important to recognize that while the PISA has provided for certain cost recovery, it remains subject to an annual cap and thus could limit the recovery of capital on a forward-looking basis.

Q. Is regulatory lag eliminated by PISA?

A. No. While PISA helps mitigate regulatory lag, as noted previously, PISA is not applied to all of the depreciation and return for certain qualified investment. Although PISA provides for the deferral of the depreciation and return on 85.00 percent of the eligible investment, the utility's net income is negatively impacted between rate cases because the equity portion of that return cannot be included in the utility's reported earnings. Moreover, the return associated with the remaining 15.00 percent of investment not included in the PISA recovery mechanism is foregone until rates are reset in the next rate proceeding.

Q. What are your conclusions regarding the effect of the Company's capital spending requirements on its risk profile and cost of capital?

A. The Company's capital expenditure requirements as a percentage of net utility plant are significant relative to the proxy group and will continue over the next few years. While Evergy Missouri Metro has PISA to recover certain qualifying capital costs, PISA does not provide for timely recovery of all the Company's capital expenditures between rate cases.

As a result, the Company has moderately greater risk of timely cost recovery and earnings potential relative to the proxy group companies.

B. Regulatory Risk

Q. How does the regulatory environment affect investors' risk assessments?

A. The ratemaking process is premised on the principle that, for investors and companies to commit the capital needed to provide safe and reliable utility service, the subject utility must have the opportunity to recover the return of, and the market-required return on, invested capital. Regulatory commissions recognize that because utility operations are capital intensive, their decisions should enable the utility to attract capital at reasonable terms, and that doing so balances the long-term interests of investors and customers. Utilities must finance their operations and thus require the opportunity to earn a reasonable return on their invested capital to maintain their financial profiles. The Company is no exception. Therefore, the regulatory environment is one of the most important factors considered in both debt and equity investors' risk assessments.

From the perspective of debt investors, the authorized return should enable the utility to generate the cash flow needed to meet its near-term financial obligations, make the capital investments needed to maintain and expand its systems, and maintain the necessary levels of liquidity to fund unexpected events. This financial liquidity must be derived not only from internally generated funds, but also by efficient access to capital markets. Moreover, because fixed income investors have many investment alternatives, even within a given market sector, the utility's financial profile must be adequate on a relative basis to ensure its ability to attract capital under a variety of economic and financial market conditions.

Equity investors require that the authorized return be adequate to provide a risk-comparable return on the equity portion of the utility's capital investments. Because equity investors are the residual claimants on the utility's cash flows (which is to say that the equity return is subordinate to interest payments), they are particularly concerned with the strength of regulatory support and its effect on future cash flows.

Q. How do credit rating agencies consider regulatory risk in establishing a company's credit rating?

A. Both S&P and Moody's consider the overall regulatory framework in establishing credit ratings. Moody's establishes credit ratings based on four key factors: (1) regulatory framework; (2) the ability to recover costs and earn returns; (3) diversification; and (4) financial strength, liquidity and key financial metrics. Of these criteria, regulatory framework and the ability to recover costs and earn returns are each given a broad rating factor of 25.00 percent. Therefore, Moody's assigns regulatory risk a 50.00 percent weighting in the overall assessment of business and financial risk for regulated utilities.[42]

S&P also identifies the regulatory framework as an important factor in credit ratings for regulated utilities, stating: "we assess regulatory advantage because the influence of the regulatory framework and regime is of critical importance. It defines the environment in which a utility operates and has a significant bearing on a utility's financial performance."[43] S&P identifies four specific factors that it uses to assess the credit implications of the regulatory environment in which investor-owned regulated utilities operate: (1) regulatory

[42] Moody's Investors Service, Rating Methodology: Regulated Electric and Gas Utilities, August 6, 2024, at 2.

[43] Standard & Poor's Global Ratings, "Sector-Specific Corporate Methodology," April 4, 2024, at 147.

stability; (2) tariff-setting procedures and design; (3) financial stability; and (4) regulatory independence and insulation.[44]

Q. How does the regulatory environment in which a utility operates affect its access to and cost of capital?

A. The regulatory environment can significantly affect both the access to and cost of capital in several ways. First, the proportion and cost of debt capital available to utility companies are influenced by the rating agencies' assessment of the regulatory environment. As noted by Moody's, "[u]tility rates are set in a political/regulatory process rather than a competitive or free-market process; thus, the regulatory framework is a key determinant of the credit quality of a utility."[45] Moody's further highlighted the relevance of a stable and predictable regulatory environment to a utility's credit quality, noting: "[t]he regulatory framework is important because it provides the basis for decisions that affect utilities, including rate-setting as well as the consistency and predictability of regulatory decision-making."[46]

Q. Have you conducted any analysis of the regulatory framework in Missouri relative to the jurisdictions in which the companies in your proxy group operate?

A. Yes. I have evaluated the regulatory framework in Missouri considering five factors that are important in terms of providing a regulated utility a reasonable opportunity to earn its authorized ROE: (1) the test year convention (*i.e.*, forecast vs. historical) for ratemaking; (2) the use of rate design or other mechanisms that mitigate volumetric risk and stabilize

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[44] *Id.*

[45] Moody's Investors Service, "Rating Methodology: Regulated Electric and Gas Utilities," August 6, 2024, at 8.

[46] *Id*.

revenue; (3) the ability to recover capital costs between rate cases; (4) the ability to recover fuel and purchased power costs; and (5) the ability to recover changes in property tax expenses between rate cases. The results of this regulatory risk assessment are shown on Schedule AEB-9 and are summarized below:

Test Year Convention: Evergy Missouri Metro uses a historical test year with limited "known and measurable" changes through a true-up period, while approximately 56.16 percent of the utility operating subsidiaries of the proxy group companies use a partially or fully forecast test year. Forecast test years have been relied on for many years and produce cost estimates that are more reflective of future costs, which results in more accurate recovery of incurred costs and mitigates the regulatory lag associated with historical test years.

Volumetric Risk: Evergy Missouri Metro has partial protection against volumetric risk in Missouri through a Demand Side Investment Mechanism ("DSIM") Rider. However, this charge only allows the Company to recover the costs associated with the effect of energy efficiency on sales and does not address other volumetric risk. Approximately 63.01 percent of the operating companies held by the proxy group have some form of protection against volumetric risk through either decoupling, formula-based rates, and/or straight-fixed variable rate design that allow them to break the link between customer usage and revenues.

Capital Cost Recovery: Evergy Missouri Metro has PISA to recover capital investment costs between rate cases, although, as discussed previously, capital cost recovery through the PISA is subject to a 2.50 percent annual rate increase cap. As shown in Schedule AEB-9, approximately 80.82 percent of the operating

companies held by the proxy group have some form of capital cost recovery mechanism.

Fuel Cost Recovery: Evergy Missouri Metro has a Fuel and Purchased Power Cost Tracking Adjustment Mechanism to recover electric fuel and purchased power costs. However, while traditional fuel cost recovery mechanisms allow all variances between projected fuel costs and actual fuel costs to be recovered from or refunded to customers, the Fuel and Purchased Power Cost Tracking Adjustment Mechanism for Evergy Missouri Metro requires the Company to absorb some portion of the variation in power costs. Specifically, Evergy Missouri Metro's Fuel and Purchased Power Cost Tracking Adjustment Mechanism allows the Company to defer and recover only 95.00 percent of the difference between the actual net energy costs and net base energy costs in rates without the need for a time-consuming and costly rate proceeding. [47] As a result, the Fuel and Purchased Power Cost Tracking Adjustment Mechanism does not fully mitigate the power cost risk for Evergy Missouri Metro. Conversely, approximately 90.41 percent of the operating companies held by the proxy group are allowed to pass through fuel costs and purchased power costs directly to customers, without deadbands, sharing bands and earnings tests.

Property Tax Cost Recovery: Evergy Missouri Metro has a property tax tracker under section 393.400 RSMo which became effective on August 28, 2022. There are at least 11 jurisdictions (Arizona, Arkansas, Colorado, Kansas,

[47] Evergy Missouri Metro Tariff, Fuel Adjustment Clause, Original Sheet 50.32 through 50.42. Current Sheets 50 through 50.10.

Minnesota, Montana, New Hampshire, Oregon, Pennsylvania, South Dakota, and Washington) that also have approved alternative property tax expense recovery mechanisms similar to the mechanism that approved for the Company including. There are three other jurisdictions (Alabama, Indiana, and Massachusetts) that have approved broader cost recovery mechanisms that include the recovery of property tax expenses.[48]

Q. Have you conducted any additional analyses to evaluate the regulatory environment in Missouri as compared to the jurisdictions in which the companies in the proxy group operate?

A. Yes, I have conducted two additional analyses to compare the regulatory framework of Missouri to the jurisdictions in which the companies in the proxy group operate. Specifically, I considered two different rankings: (1) the Regulatory Research Associates ("RRA") ranking of regulatory jurisdictions; and (2) S&P's ranking of the credit supportiveness of regulatory jurisdictions.

Q. Please explain how RRA evaluates the regulatory environment in each jurisdiction.

A. RRA evaluates the regulatory environment from an investor perspective, considering the relative regulatory risk associated with ownership of securities issued by the companies that are regulated in each jurisdiction. RRA considers several factors that affect the regulatory process including gubernatorial, legislative and court activity, rate case

[48] Direct Testimony of Michael Adams, Missouri Public Service Commission File Nos. ER-2022-0129 & ER-2022-0130, January 7, 2022, at 18-24.

decisions and other regulatory decisions, and information obtained through contact with commissioners, staff, companies, and government outreach.

Q. How do you use the RRA ratings to compare the regulatory jurisdictions of the proxy group companies with the Company's regulatory jurisdiction?

A. RRA assigns a ranking for each regulatory jurisdiction as "Above Average", "Average" or "Below Average", and then within each of those categories, a numeric ranking from 1 to 3. Thus, there are a total of nine RRA rankings, with the rankings for each jurisdiction ranging from "Above Average/1", which is considered the most supportive, to "Below Average/3," which is the least supportive. I have applied a numeric ranking system to the RRA rankings with "Above Average/1" assigned the highest ranking (*i.e.*, a "1") and "Below Average/3" assigned the lowest ranking (*i.e.*, a "9"). As shown on Schedule AEB-10, the Missouri jurisdictional ranking is "Average / 2" (*i.e.*, a "5"), which is slightly below the proxy group average ranking of between "Average/1" and "Average/2" (*i.e.*, a "4.72").

Q. How do you conduct your analysis of the S&P credit supportiveness ranking?

A. For credit supportiveness, S&P classifies each regulatory jurisdiction into five categories that range from "Most Credit Supportive" down to "Credit Supportive." My analysis of the credit supportiveness of the regulatory jurisdictions in which the proxy companies operate as compared to the Company's regulatory jurisdiction is similar to the analysis of the RRA overall regulatory ranking discussed above. Specifically, I have assigned a numerical ranking to each category, from Most Credit Supportive (*i.e.*, a "1") to Credit Supportive (*i.e.*, a "5"). As shown on Schedule AEB-11, the Missouri jurisdictional classification of "Highly Credit Supportive" (*i.e.*, a "2") is slightly higher than the proxy

group average ranking, which is classified between "Highly Credit Supportive" and "Very Credit Supportive" (*i.e.*, a "2.41").

Q. What are your conclusions regarding the regulatory risks related to the Missouri regulatory environment?

A. Both Moody's and S&P have identified the supportiveness of the regulatory environment as an important consideration in developing their overall credit ratings for regulated utilities. Based on my analysis, the Company's regulatory risk and the ability to timely recover its prudently incurred costs is generally consistent with the operating utilities of the proxy group, albeit moderately higher given the lack of full fuel cost recovery, and the limitations on capital cost recovery associated with PISA.

C. Nuclear Generation Ownership

Q: How does the ownership of a nuclear generation facility affect the business risk of a vertically integrated electric utility?

A. The ownership of a nuclear generation facility increases the business risk of a vertically integrated electric utility. This is due to: (1) the increased operational risk as financial costs for the utility could be significant if an incident were to occur; and (2) the long-term storage risk associated with spent nuclear fuel. Further, given the environmental concerns associated with nuclear generating facilities, substantial capital investments could be required to meet changes in environmental regulations.

Q: Does Evergy Metro own a nuclear generation facility?

A. Yes. Evergy Metro has a 47.00 percent ownership interest in the Wolf Creek Generating Station ("Wolf Creek").[49]

Q: Have the credit rating agencies considered the risk of owning a nuclear generation facility in the determination of the Company's credit rating?

A: Yes. Moody's recently noted that the Company is exposed to pollution risk as a result of Evergy Missouri Metro's nuclear generation as well as risk with respect to "responsible production."[50] Similarly, S&P recently stated that the Company faces operational risks as well as "long-term fuel storage concerns" due to Evergy Missouri Metro's ownership of nuclear generation.[51]

Q: Do each of the companies in your proxy group own nuclear generation?

A. No. As shown in Figure 10 below, only approximately 56 percent of the proxy group companies own nuclear generation.

Figure 10: Owned Nuclear Generation – Proxy Group[52]

Company	Own Nuclear Generation
Alliant Energy Corporation	No
Ameren Corporation	Yes
American Electric Power Company, Inc.	Yes
Avista Corporation	No
CMS Energy Corporation	No
Dominion Resources, Inc.	Yes
DTE Energy Company	Yes
Entergy Corporation	Yes

[49] Evergy, Form 10-K for the Fiscal Year Ended December 31, 2024, at 24.

[50] Moody's Ratings, Evergy Metro, Inc.: Update to Credit Analysis, January 17, 2025, at 5.

[51] S&P Global Ratings, Evergy Metro, Inc., December 2, 2025, at 5.

[52] S&P Capital IQ Pro.

IDACORP, Inc.	No
NextEra Energy, Inc.	Yes
OGE Energy Corporation	No
Pinnacle West Capital Corporation	Yes
Portland General Electric Company	No
PPL Corporation	No
Southern Company	Yes
Xcel Energy Inc.	Yes
Own Nuclear Generation	**9**
Total Companies	**16**
Percent of Owned Nuclear Generation	**56%**

Q: What are your conclusions regarding the effect of nuclear generation risk on the Company's business risk profile and cost of equity?

A. Credit rating agencies have identified the ownership of nuclear generation as increasing the business risk of a utility due to operational and environmental risks. While Evergy Missouri Metro owns a nuclear generation facility, as shown in Figure 10 above, there are several proxy group companies that do not own nuclear generation. Thus, all else equal, Evergy Missouri Metro has greater risk than the proxy group companies when considering the risk of nuclear ownership.

IX. CAPITAL STRUCTURE, COST OF DEBT, RATE OF RETURN

A. Capital Structure

Q. Is the capital structure of the Company an important consideration in the determination of the appropriate ROE?

A. Yes. The equity ratio is the primary indicator of financial risk for a regulated utility such as the Company. All else equal, a higher debt ratio increases the risk to equity investors. For debt holders, higher debt ratios result in a greater portion of the available cash flow being required to meet debt service, thereby increasing the risk associated with the

payments on debt. The result of increased risk is a higher interest rate. The incremental risk of a higher debt ratio is more significant for common equity shareholders, whose claim on the cash flow of the Company is secondary to debt holders. Therefore, the greater the debt service requirement, the less cash flow is available for common equity holders. To the extent the equity ratio is reduced, it is necessary to increase the authorized ROE to compensate investors for the greater financial risk associated with a lower equity ratio.

Q. What is the Company's proposed capital structure?

A. The Company proposes to establish a projected capital structure of 52.0749 percent common equity and 47.9251 percent long-term debt, which per Geoffrey Ley's direct testimony, is the actual capital structure that EMM forecasts at the June 30, 2026 update.

Q. Did you conduct any analysis to determine if the requested equity ratio was reasonable?

A. Yes. I have compared the Company's proposed capital structure relative to the actual capital structures of the utility operating subsidiaries of the companies in the proxy group. The cost of equity is estimated based on the return that is derived from companies in the proxy group that are deemed to be comparable in risk to the Company; however, those companies must be publicly traded in order to apply the cost of equity models. The operating utility subsidiaries of the proxy group companies are most risk-comparable to the Company, and thus it is important to look to the average capital structure of the operating utilities of the proxy group to benchmark the equity ratios for the Company. Specifically, I have calculated the average proportion of common equity, long-term debt, and preferred equity for the most recent eight quarters for each of the utility operating

subsidiaries of the proxy group companies. As shown in Schedule AEB-12, the equity ratios for the utility operating subsidiaries of the proxy group range from 44.83 percent to 60.14 percent, with an average of 51.98 percent. Therefore, Evergy Missouri Metro's proposed equity ratio is well within the range of equity ratios for the utility operating subsidiaries of the proxy group companies and is therefore reasonable.

Q. Are there other factors to be considered in setting the Company's capital structure?

A. Yes, there are other factors that should be considered in setting the Company's capital structure, namely the challenges that the credit rating agencies have highlighted as placing pressure on the credit metrics for utilities.

For example, Moody's recently maintained its "stable" outlook for 2026 for the regulated gas and electric utilities sector based on the expectation of continued regulatory support in "most states." [53] Moody's makes clear that constructive regulatory outcomes that promote timely cost recovery is the key factor in supporting utility credit quality as Moody's has identified that utilities could be exposed to a number of credit negative factors over the next 12 to 18 months. Specifically, Moody's noted the following factors: (1) macroeconomic factors are expected to be modestly credit negative due to upward pressure on natural gas prices and elevated inflation; and (2) increased power demand due to "the development of new data centers, electrification of transportation and buildings, manufacturing customers and underlying population growth" will increase power prices

[53] Moody's Investors Service, Outlook. "Outlook Stable; supportive regulation to offset modestly negative macro factors." October 31, 2025.

which, when coupled with inflation and elevated capital spending, increases utilities' exposure to affordability concerns.[54]

S&P continues to maintain a negative outlook for the utility industry, noting that downgrades have outpaced upgrades for the fifth consecutive year and the most common investor-owned utility credit rating is a "BBB+".[55] S&P expects the industry to have increased cash flow deficits as a result of significant capital spending.[56] Weak common equity issuance contributes pressure to the industry's financial health. The utility industry will need ongoing access to capital markets to fund the capital expenditures. Furthermore, S&P also notes that there is a significantly increased physical risk due to climate change and elevated wildfire risk.

Fitch Ratings ("Fitch") has a "neutral" outlook for the utility industry, noting that moderation in inflation and "subdued" commodity costs have eased pressures on customer bills. However, Fitch cautions that utility capital expenditures are expected to grow at a "double-digit rate" and, thus, rate case outcomes will be key to watch as regulators balance rate requests and customer bill pressures.[57]

The credit ratings agencies' continued concerns over increased capital expenditures underscore the importance of maintaining adequate cash flow metrics for the Company in the context of this proceeding. A reasonable capital structure is key to maintaining supportive cash flow.

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[54] *Id.*

[55] S&P Global Ratings. Industry Credit Outlook 2025, "North American Regulated Utilities: Capex and climate change pressure credit quality," January 14, 2025.

[56] *Id*.

[57] Fitch Ratings, "North American Utilities, Power & Gas Outlook 2025," December 5, 2024, at 1.

Q. Will the capital structure and ROE authorized in this proceeding affect the Company's access to capital at reasonable rates?

A. Yes. The level of earnings authorized by the Commission directly affects the Company's ability to fund its operations with internally generated funds. Both bond investors and rating agencies expect a significant portion of ongoing capital investments to be financed with internally generated funds.

It also is important to realize that because a utility's investment horizon is very long, investors require the assurance of a sufficiently high return to satisfy the long-run financing requirements of the assets placed into service. Those assurances, which often are measured by the relationship between internally generated cash flows and debt (or interest expense), depend quite heavily on the capital structure. Consequently, both the ROE and capital structure are very important to debt and equity investors, particularly given the capital market conditions discussed previously.

Q. What is your conclusion regarding an appropriate equity ratio for the Company?

A. Considering the actual capital structures of the proxy group operating companies, I believe that the Company's common equity ratio of 52.0749 percent is reasonable. The proposed equity ratio is well within the range of equity ratios established by the capital structures of the utility operating subsidiaries of the proxy companies.

B. <u>Cost of Long-term Debt</u>

Q. What is Evergy Missouri Metro's proposed cost of long-term debt?

A. The Company is proposing a weighted-average cost of long-term debt of 4.5628 percent.

Q. Have you evaluated the Company's proposed cost of long-term debt?

A. Yes. At the time of each issuance, I evaluated the embedded cost of the Company's long-term debt as compared to the cost of long-term debt in the market, as reflected by the yield on the Moody's A-rated and Baa-rated utility bond indices. As shown in Schedule AEB-13, the Company's embedded cost of long-term debt is reasonable when comparing the actual utility bond yields to the Company's actual coupon rates at the time of issuance.

C. Overall Rate Of Return

Q. Based on the Company's proposed capital structure, long-term debt cost and requested ROE, what is the overall rate of return?

A. As shown in Figure 11, the overall rate of return is 7.6546%.

Figure 11: Overall Rate of Return

	Capital Structure	Cost Rate	Rate of Return
Long-term Debt	47.9251%	4.5628%	2.1867%
Common Equity	52.0749%	10.5000%	5.4679%
Wgtd. Avg. Cost of Capital			7.6546%

X. CONCLUSIONS AND RECOMMENDATIONS

Q. What is your conclusion regarding a fair ROE for Evergy Missouri Metro?

A. Based on the various quantitative analyses summarized in Figure 12, a reasonable range for the Company's ROE is from 10.25 percent to 11.25 percent. Considering the qualitative analyses presented in my direct testimony, and the Company's specific risk factors, an ROE of 10.50 percent within that range is reasonable.

Figure 12: Summary of Analytical Results

Constant Growth DCF

	Minimum Growth Rate	Average Growth Rate	Maximum Growth Rate
Mean Results:			
30-Day Avg. Stock Price	9.12%	10.47%	11.59%
90-Day Avg. Stock Price	9.22%	10.57%	11.70%
180-Day Avg. Stock Price	9.33%	10.69%	11.81%
Average	9.22%	10.58%	11.70%
Median Results:			
30-Day Avg. Stock Price	9.80%	10.51%	11.26%
90-Day Avg. Stock Price	9.87%	10.55%	11.41%
180-Day Avg. Stock Price	10.00%	10.63%	11.54%
Average	9.89%	10.56%	11.40%

CAPM / ECAPM / Bond Yield Risk Premium

	30-Year Treasury Bond Yield		
	Current 30-Day Avg	Near-Term Projected	Longer-Term Projected
CAPM:			
Current *Value Line* Beta	11.31%	11.30%	11.30%
Long-term Avg. *Value Line* Beta	11.50%	11.49%	11.49%
ECAPM:			
Current *Value Line* Beta	11.87%	11.86%	11.86%
Long-term Avg. *Value Line* Beta	12.01%	12.00%	12.00%
Bond Yield Risk Premium	10.67%	10.64%	10.64%

Q. What is your conclusion with respect to Evergy Missouri Metro's proposed capital structure?

A. Evergy Missouri Metro's requested capital structure consisting of 52.0749 percent common equity and 47.9251 percent long-term debt is within the range established by the operating subsidiaries of the proxy group companies. As such, the Company's requested capital structure is reasonable.

Q. Does this conclude your direct testimony?

A. Yes.

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 ANN E. BULKLEY

COMMONWEALTH OF MASSACHUSETTS)
) ss
COUNTY OF SUFFOLK)

Ann E. Bulkley, being first duly sworn on his oath, states:

1. My name is Ann E. Bulkley. I work in Boston, Massachusetts, and I am employed by The Brattle Group, Inc. as Principal.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro consisting of fifty-seven (57) 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.

Ann E. Bulkley

Subscribed and sworn before me this 28th day of January 2026.

Notary Public

My commission expires: 6/30/2028

GERARD M. ROONEY
My Commission Expires
6/30/2028
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS