Exhibit No.:	
Issue:	Capital Structure & Cost of Debt
Witness:	Geoffry Ley
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

GEOFFREY LEY

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri

February 2026

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DIRECT TESTIMONY

OF

GEOFFREY LEY

Case No. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Geoffrey Ley. My business address is 1200 Main Street, Kansas City, Missouri.

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

A: I am employed by Evergy Metro, Inc. and serve as Senior Vice President, Corporate Planning and Treasurer for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro," "EMM," or the "Company"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West" or "EMW"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central"), which are the operating utilities of Evergy, Inc. ("Evergy").

Q: Who are you testifying for?

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

Q: What are your responsibilities?

A: As Senior Vice President of Corporate Planning and Treasurer, I am responsible for development and oversight of Evergy's and its subsidiaries' budget and long-term financial plans, which includes the development of capital investment plans. My responsibilities also include formulation and execution of financing strategies – inclusive of bank/credit facilities, long-term debt, equity, and hybrid financings – to fund the capital investment plans. As part of this, I manage and monitor liquidity, credit metrics, and rating agency relationships for Evergy and its subsidiaries.

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

A: I received a bachelor's degree from Purdue University in Chemical Engineering and a Master of Business Administration degree from Southern Methodist University. I joined Evergy in June 2021 as Vice President, Financial Planning & Analysis. In December 2022, my role expanded to include the treasury function at which time my title was changed to Vice President, Corporate Planning and Treasurer. In September 2025, my title was changed to Senior Vice President, Corporate Planning and Treasurer. Prior to joining Evergy, I was the Vice President and Chief Financial Officer of Hunt Refining Company in 2019-2021 where I was responsible for the accounting, information technology, supply chain, and treasury functions. From 2014 to 2019, I was Vice President, Financial Planning & Analysis and Treasurer for Hunt Utility Services, LLC, the management company for a transmission & distribution utility in Texas.

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

A: Yes. I have previously filed written testimony before the PSC and the Kansas Corporation Commission.

Q: Can you please describe the purpose of your testimony?

A: Yes. The purpose of my testimony is to discuss and support the Company's capital structure and cost of debt for calculating EMM's weighted average cost of capital ("WACC"). I also support the specific return on equity ("ROE") rate requested by the Company and the Company's requested WACC.

II. RETURN ON EQUITY

Q: What specific ROE rate is being requested by EMM?

A: EMM is requesting an ROE of 10.5 percent. This ROE is at the lower end of the range of 10.25 to 11.25 percent recommended by EMM witness Ann Bulkley. This ROE represents a reasonable but conservative ROE within the recommended range of the Company's cost of equity.

Q: Do you agree with the authorized ROE and risk analysis performed by Company witness Ann Bulkley?

A: Yes. In my role as Senior Vice President of Corporate Planning and Treasurer, I have had numerous discussions on these topics with credit rating agencies, as well as debt and equity investors. The assessment of the regulatory environment and comparisons of regulatory mechanisms across peers are paramount to a utility's ability to attract adequate capital at a reasonable cost. As such, I have reviewed EMM witness Ann Bulkley's assessment and comparisons to peer companies, and her analysis is very consistent with recent discussions I have personally had with credit rating agencies and investors. As discussed in Ms. Bulkley's testimony, the regulatory environment is specifically evaluated in both Standard and Poor's ("S&P") and Moody's Investor Service ("Moody's") rating methodologies. It is imperative that the Commission appropriately balance these risks in its deliberations and order. The analysis provided by Ms. Bulkley supports EMM's proposed 10.5% ROE in this case.

Q: Please elaborate on why EMM's requested ROE is just and reasonable.

A: As discussed in detail by Ms. Bulkley, EMM's requested 10.5% ROE is supported by multiple forward-looking, market-based models that collectively produce a reasonable analytical range of 10.25%–11.25%, placing 10.5% at the conservative lower end of that range. The recommendation adheres to legal ROE standards by targeting a return that is commensurate with enterprises of similar risk, adequate to maintain financial integrity, and sufficient to attract capital on reasonable terms, thereby leading to just and reasonable rates. Current and expected capital market conditions—including elevated long-term Treasury yields and a correspondingly higher cost of capital—reinforce the need for a forward-looking ROE at this level to ensure continued market access during the rate-effective period. EMM also faces moderately higher business and regulatory risks than many peers—driven by substantial capital expenditures, partial and delayed recovery under Plant In Service Accounting, nuclear power operations, and fuel cost recovery that includes a 95% pass-through of the fuel adjustment clause, rather than full recovery. In particular, Ms. Bulkley identifies nuclear power operations as a relevant company risk.[1] Utilities with nuclear operations across the industry have historically been allowed higher ROEs. As shown in Figure 1 and Figure 2 below, the average authorized ROE across all states is approximately 9.67%, while a subset of states with nuclear operations in investor-owned, vertically integrated utilities report an average ROE of 10.04%. That 0.37% premium in average authorized ROE for states with nuclear operations is not surprising in light of the unique risks that credit rating agencies and investors recognize when it comes to utilities' ownership of nuclear generating assets. These factors support an ROE that fairly compensates investors while the Company nonetheless seeks the lower end of the supported range. Finally, the requested ROE is paired with a reasonable, peer-consistent equity ratio (about 52.07%) that credit analysts view as important to sustaining cash flow

[1] See A. Bulkley Direct Testimony at 48-50.

metrics and access to capital, ensuring the overall return meets investor requirements without exceeding what is necessary for financial stability.

Figure 1

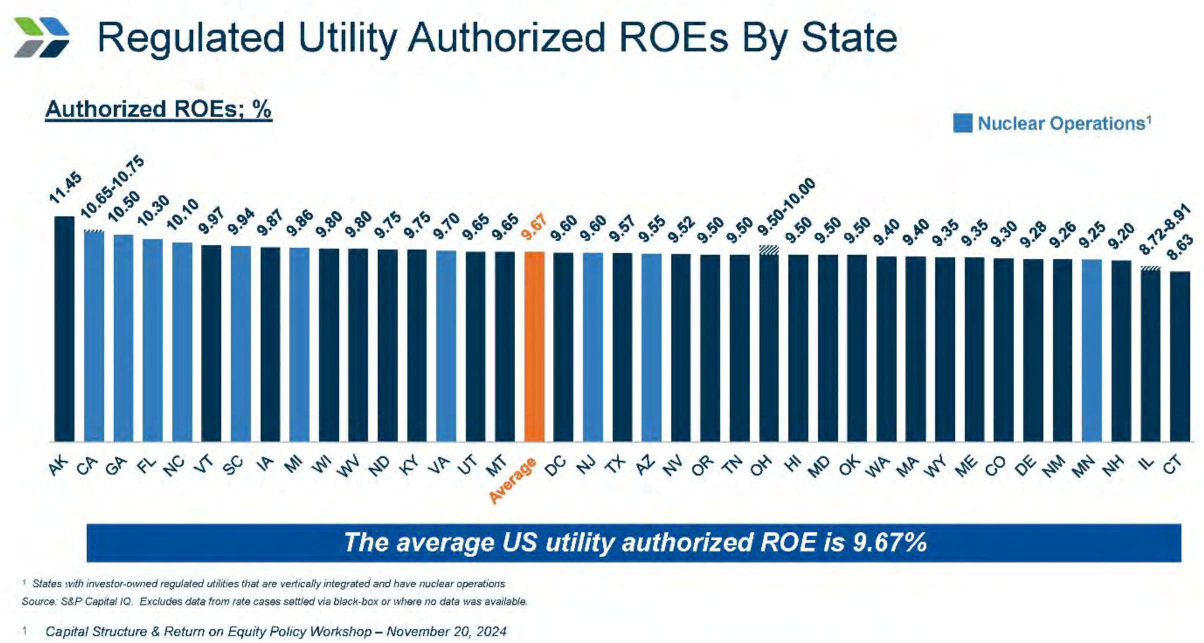
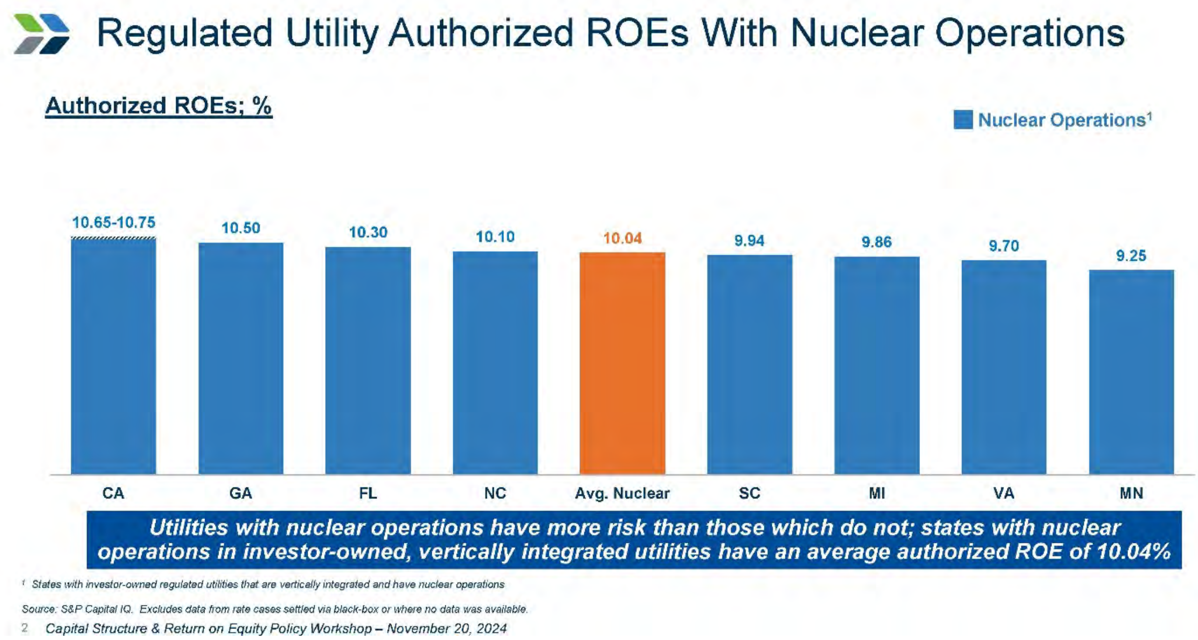


Figure 2



III. CAPITAL STRUCTURE AND COST OF DEBT

Q: Please summarize EMM's requested capital structure and overall rate of return.

A: The requested capital structure components and resulting rate of return are presented in Table 1 below:

Table 1: Summary of Overall Rate of Return

Capital Components	Ratio	Cost	Weighted Cost
Long-Term Debt	47.9251%	4.5628%	2.1867%
Common Equity	52.0749%	10.5000%	5.4679%
Total	**100.00%**		7.6546%

Q: What is the basis for the Company's requested capital structure?

A: The Company's requested capital structure is based on EMM's projected capital structure as of June 30, 2026, which we plan to update to reflect EMM's actual capital structure as of that date. The data supporting the requested capital structure is presented in Schedules

GL-1 and GL-2. Schedule GL-1 shows EMM's actual capital structure as of the June 30, 2025 test year, and Schedule GL-2 shows EMM's projected capital structure expected at the June 30, 2026 true-up update based on forecasted long-term debt issuances, long-term debt maturities, earnings, and dividends between June 30, 2025 and June 30, 2026.

Q: Is EMM's requested capital structure reasonable and sufficient to support the Company's financial metrics and investment plan?

A: Yes. As discussed in Ms. Bulkley's direct testimony, the Company's requested capital structure is reasonable and in the range of peer utilities' capital structures. Additionally, given EMM's need to maintain strong financial metrics in the years after rates become effective in this case, I am confident that the requested capital structure and ROE are appropriate and sufficient to support the Company's future investment plans.

Q: How does the Company's capital structure affect the cost of equity?

A: Capital structure is related to financial risk, which is a function of the percentage of debt relative to equity and is often referred to as financial leverage. As financial leverage increases, so do the fixed obligations for the repayment of debt and the associated interest payments and, therefore, the risk that cash flows may not be sufficient to meet these obligations on a timely basis. Since the capital structure can affect a company's overall level of risk, it is an important consideration in establishing a just and reasonable rate of return. Therefore, it is important to consider the capital structure in light of industry practice and investor requirements. An appropriately designed capital structure should enable the Company to maintain and enhance its financial integrity, thereby providing access to capital at competitive rates under a variety of economic and financial market conditions.

Q: What is the basis of the Company's cost of debt?

A: As discussed by Company witness Ms. Bulkley, the basis for the Company's cost of debt is its embedded, weighted-average cost of long-term debt projected to be outstanding at the June 30, 2026 true-up date. This cost, which is 4.5628%, is calculated from the actual terms of EMM's existing and forecasted long-term debt issuances that fund its regulated operations. It represents the composite interest rate on the Company's portfolio of debt instruments, such as First Mortgage Bonds, which have various maturities and coupon rates.

Q: Is the Company's requested cost of debt reasonable?

A: Yes. The cost of debt is a result of market issuances over time entered directly by the Company in support of its regulated operations. I would also refer to the Commission to Ms. Bulkley's direct testimony where she performed an analysis to determine the reasonableness of EMM's embedded cost of long-term debt. Her review and analysis demonstrate that the Company's 4.5628% cost of debt is reasonable.

IV. CONCLUSION

Q: Please summarize your testimony.

A: Evergy Missouri Metro requests an authorized ROE of 10.5%, the lower end of the 10.25%–11.25% range supported by Ms. Bulkley's risk and peer analyses and consistent with credit rating agency considerations. The proposed capital structure consists of 52.0749% common equity and 47.9251% long-term debt, with an embedded debt cost of 4.5628% (2.1867% weighted) and an equity cost of 10.5% (5.4679% weighted). Together, these components produce a weighted average cost of capital of 7.6546%, based on EMM's projected capitalization. The Company's embedded cost of debt is reasonable, given the market issuances that support its regulated operations. Finally, the proposed capital structure is both appropriate and essential to preserve Evergy Missouri Metro’s financial integrity and its access to capital under varying market conditions.

Q: Does that 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 GEOFFREY LEY

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Geoffrey Ley, being first duly sworn on his oath, states:

1. My name is Geoffrey Ley. I work in Kansas City, Missouri and I am employed by Evergy Metro, Inc. as Senior Vice President, Corporate Planning and Treasurer.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro consisting of nine (9) 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.

Geoffrey Ley

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 Metro

Capital Structure and Rate of Return

as of 6/30/2025

Summary

	Balance	Weight	Rate	Rate of Return
Long-term Debt*	3,224,619,074	48.70%	4.392%	2.139%
Common Equity	3,396,944,657	51.30%	10.500%	5.387%
Total Capitalization	**6,621,563,731**	**100.00%**		**7.526%**

*Includes unamortized debt expenses and discounts and current maturities.

Long-Term Debt

Description	Date of Settlement	Date of Maturity	Interest Rate	Principal Amount of Issue	Net Proceeds	Yield to Maturity	Outstanding Debt Capital	Cost of Debt	Net Premium, Discount & Expense	Net Proceeds Percent of Original Issue
2015 Sr. Notes 3.65% Due 2025	08/18/15	08/15/25	3.6500%	350,000,000	345,790,906	3.7957%	350,000,000	13,284,994	4,209,094	98.797402%
2020 GMB 2.25% Due 2030	05/26/20	06/01/30	2.2500%	400,000,000	396,180,825	2.3576%	400,000,000	9,430,220	3,819,175	99.045206%
2005 La Cygne EIRR Bonds 4.650% Due 2035	09/01/05	09/01/35	4.6500%	21,940,000	21,379,303	4.8118%	21,940,000	1,055,717	560,697	97.444407%
2005 Burlington EIRR Bonds 4.650% Due 2035	09/01/05	09/01/35	4.6500%	50,000,000	48,662,914	4.8195%	50,000,000	2,409,748	1,337,086	97.325828%
2007A Burlington EIRR Variable Due 2035	09/19/07	09/01/35	2.7290%	73,250,000	72,288,211	2.7970%	73,250,000	2,048,785	961,789	98.686977%
2007B Burlington EIRR Variable Due 2035	09/19/07	09/01/35	2.7290%	73,250,000	72,280,711	2.7975%	73,250,000	2,049,176	969,289	98.676739%
2005 Sr. Notes Series B 6.05% Due 2035	11/17/05	11/15/35	6.0500%	250,000,000	246,235,946	6.1607%	250,000,000	15,401,637	3,764,054	98.494378%
2008 Missouri EIRR 3.50% Due 2038	05/22/08	05/01/38	3.5000%	23,400,000	22,514,017	3.7104%	23,400,000	868,235	885,983	96.213746%
2011 Sr. Notes 5.30% Due 2041	09/20/11	10/01/41	5.3000%	400,000,000	393,432,638	5.4111%	400,000,000	21,644,342	6,567,362	98.358160%
2017 Sr. Notes 4.20% Due 2047	06/15/17	06/15/47	4.2000%	300,000,000	296,153,141	4.2763%	300,000,000	12,828,796	3,846,859	98.717714%
2018 Sr. Notes 4.20% Due 2048	03/01/18	03/15/48	4.2000%	300,000,000	296,442,890	4.2703%	300,000,000	12,810,996	3,557,110	98.814297%
2019 GMB 4.125% Due 2049	03/27/19	04/01/49	4.1250%	400,000,000	393,655,190	4.2186%	400,000,000	16,874,558	6,344,810	98.413797%
2023 FMB 4.95% Due 2033	04/06/23	04/15/33	4.9500%	300,000,000	297,028,427	5.0771%	300,000,000	15,231,334	2,971,573	99.009476%
2023 Burlington A&B EIRR Bond 4.30% Due 2045	12/01/23	03/01/45	4.3000%	79,480,000	78,252,145	4.4123%	79,480,000	3,506,933	1,227,855	98.455140%
2024 FMB 5.40% Due 2034	04/05/24	04/01/34	5.4000%	300,000,000	296,789,968	5.5408%	300,000,000	16,622,458	3,210,032	98.929989%
Miscellaneous loss on reacquired debt (c)								511,577		
Put/call option settlement (d)								(397,575)		
Tax-exempt Debt Repurchased							(71,940,000)	(3,465,465)		
Total				**3,321,320,000**	**3,277,087,232**		**3,249,380,000**	**142,716,467**	**44,232,768**	

Weighted Average Cost of Debt Capital:	**4.392%**

Unamortized Debt Expense	**(19,286,677)**
Unamortized Discount	**(5,474,249)**
	(24,760,926)

Evergy Metro

Capital Structure and Rate of Return

Projected 6/30/2026

Summary

	Balance	Weight	Rate	Rate of Return
Long-term Debt*	3,272,776,895	47.93%	4.563%	2.187%
Common Equity	3,556,166,680	52.07%	10.500%	5.468%
Total Capitalization	**6,828,943,575**	**100.00%**		**7.655%**

*Includes unamortized debt expenses and discounts and current maturities.

Long-Term Debt

Description	Date of Settlement	Date of Maturity	Interest Rate	Principal Amount of Issue	Net Proceeds	Yield to Maturity	Outstanding Debt Capital	Cost of Debt	Net Premium, Discount & Expense	Net Proceeds Percent of Original Issue
2020 GMB 2.25% Due 2030	05/26/20	06/01/30	2.2500%	400,000,000	396,180,825	2.3576%	400,000,000	9,430,220	3,819,175	99.045206%
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2005 Burlington EIRR Bonds 4.650% Due 2035	09/01/05	09/01/35	4.6500%	50,000,000	48,662,914	4.8195%	50,000,000	2,409,748	1,337,086	97.325828%
2007A Burlington EIRR Variable Due 2035	09/19/07	09/01/35	2.6950%	73,250,000	72,288,211	2.7627%	73,250,000	2,023,671	961,789	98.686977%
2007B Burlington EIRR Variable Due 2035	09/19/07	09/01/35	2.6950%	73,250,000	72,280,711	2.7632%	73,250,000	2,024,061	969,289	98.676739%
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2008 Missouri EIRR 4.05% Due 2038	05/22/08	05/01/38	4.0500%	23,400,000	22,211,768	4.3550%	23,400,000	1,019,071	1,188,232	94.922088%
2011 Sr. Notes 5.30% Due 2041	09/20/11	10/01/41	5.3000%	400,000,000	393,432,638	5.4111%	400,000,000	21,644,342	6,567,362	98.358160%
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2025 FMB 5.125% Due 2035	08/15/25	08/15/35	5.1250%	400,000,000	396,054,336	5.2531%	400,000,000	21,012,276	3,945,664	99.013584%
Miscellaneous loss on reacquired debt (c)								511,577		
Put/call option settlement (d)								(397,575)		
Tax-exempt Debt Repurchased							(71,940,000)	(3,465,465)		
Total				**3,371,320,000**	**3,327,048,413**		**3,299,380,000**	**150,544,357**	**44,271,587**	

Weighted Average Cost of Debt Capital: 4.563%

Unamortized Debt Expense	**(21,082,488)**
Unamortized Discount	**(5,520,617)**
	(26,603,105)

Projected Change in Equity: Earnings + Investments - Dividends for 3Q 2025 - 2Q 2026 **159,222,023**