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Issue(s):	*Fuel Adjustment Clause*
Witness:	*Brooke Mastrogiannis*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
Case No.:	*ER-2026-0143*
Date Testimony Prepared:	*August 11, 2026*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

REBUTTAL TESTIMONY

OF

BROOKE MASTROGIANNIS

EVERGY METRO, INC. d/b/a EVERGY MISSOURI METRO

CASE NO. ER-2026-0143

Jefferson City, Missouri
August 2026

*** Denotes Highly Confidential Information ***

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EVERGY METRO, INC. d/b/a EVERGY MISSOURI METRO

CASE NO. ER-2026-0143

Q. Please state your name and business address.

A. My name is Brooke Mastrogiannis, and my business address is Missouri Public Service Commission, 200 Madison Street, Jefferson City, Missouri 65101.

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

A. I am employed by the Missouri Public Service Commission ("Commission") as a Regulatory Compliance Manager.

Q. Are you the same Brooke Mastrogiannis who previously provided testimony in this case?

A. Yes. I provided direct testimony in this case regarding cost of service on June 30, 2026. I also contributed to the Staff Class Cost of Service Report that was filed on July 14, 2026.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("EMM") witness Linda Nunn regarding long-term capacity costs and revenues included in the Fuel Adjustment Clause ("FAC"). I will also respond to the Office of the Public Counsel ("OPC") witness Angela Schaben over this same matter, and her proposal of having a separate FAC base factor for large load customers.

Lastly, I will respond to OPC witness Dr. Geoff Marke regarding his proposal for EMM's income-eligible weatherization program.

<u>FAC LONG-TERM CAPACITY CONTRACTS</u>

Q. EMM witness Linda Nunn proposes to include all purchased power capacity costs and revenues in the FAC, allowing EMM to include long-term capacity sales and purchase contracts in the FAC going forward. Do you agree?

A. No.

Q. Please explain.

A. The first point I would like to make is that EMM doesn't currently have any capacity purchases included in the test year or update period, so there is no activity currently in account 555006.[1] Therefore, there are currently no known and measurable capacity purchases to even include in the FAC base factor. In addition, the long-term capacity sales in the test year are fixed, are already included in base rates, and serve no need to be included in the FAC since there are no variable fluctuations between rate cases.

Q. Are there projected capacity purchases or sales beyond the true-up in this case?

A. Yes. EMM provided the projected increases in customer demand in the upcoming years in response to Staff data request 322.1, demonstrating a capacity need that will increase slightly starting in 2027, and increase more drastically by 2028.

[1] Data Request Response 322.1.

It appears a majority of the volume in capacity purchases is based on an estimate of what EMM expects to pay for capacity for the *** [redacted] . *** It appears[2] this is specific to large load customers, which is another reason why Staff does not agree to include it in the FAC because they are for specific contracts for large load customers and those customers should be paying for additional capacity they need.

Q. Is there a capacity agreement specific to large load customers from the large load tariff case?

A. Yes. In Case Number EO-2025-0154, the *Non-Unanimous Global Stipulation* includes the Interim Capacity provision of EMM's schedule LLPS, which includes a provision that if EMM determines that the customer's load cannot be served by EMM's existing system capabilities, EMM may enter into specific market contract agreements to provide the necessary capacity requirements of the customer until sufficient capacity may be supplied. The customer shall be subject to an additional demand charge calculated according to the terms of the Interim Capacity Agreement, with customer responsible for the full costs thereof and the terms of the Interim Capacity Agreement.

Q. Has Staff already written testimony on the Interim Capacity Agreement?

A. Yes, Staff witness Claire Eubanks provides direct testimony filed on June 30, 2026, which explains Staff's concerns. Ms. Eubanks proposes a

[2] *** [redacted] . ***

recommendation to require EMM to provide ESAs and capacity and demand forecasts with and without LLPS customers. The provision of this information would alleviate Staff's concern with being able to assess the application of the Interim Capacity provision going forward.

Q. If Ms. Eubanks' proposed recommendation was approved by the Commission, how would that help with Staff's concern of long-term capacity contracts in the FAC?

A. If Ms. Eubanks' proposed recommendation was approved, then it would help clarify whether EMM's capacity and demand forecasts required more capacity to serve its large load customers. If that information was available, and it illustrated EMM did not need the capacity ***but for*** large load customers, then an interim capacity agreement would be the best approach. Per P.S.C. MO No. 7 Original Sheet No. 77, EMM and a large load customer may enter into an interim capacity agreement; Staff's opinion is that if the additional projected capacity volumes are entered into specifically for the new large load customers, then the full costs of the contracts should be borne by those customers, as an interim capacity agreement would be treated that way.

Q. Is Staff's recommendation regarding interim capacity agreements consistent with the approach of other utilities?

A. Yes, while Staff will respond and address individual recommendations with Ameren in that case, Ameren's approach regarding interim capacity agreements is consistent with Staff's recommendation. In Case No. ER-2026-0291, Ameren witness Andrew Meyer states:

> In the large load tariff case, File No. ET-2025-0184, the Stipulation and Agreement approved by the Commission called for changes to be made in the Company's next general rate case to exclude capacity transactions from the FAC where those transactions are undertaken as a result of two specific types of circumstances that may arise under the large load customer tariff and the related large load customers' ESAs. **The exclusion of these transactions from the FAC will eliminate the potential to double-count the transactions in a manner that could result in existing customers paying costs or receiving benefits that are solely tied to large load transactions.** The tariff provisions being added to the FAC in this case are being included in compliance with that order. However, the Company is proposing some clarifications to the language that was included in the illustrative FAC tariff attached to that Stipulation and Agreement in order to more clearly define the specific types of contractual arrangements that will give rise to capacity transactions that are to be excluded from the FAC.
>
> The first change excludes from the determination of the FAR any capacity sales revenues that arise from capacity that is available for sale as a result of a large load customer termination or capacity reduction, and for which the Company is providing capacity sales revenue to the large load that terminated or reduced its contract demand as a mitigation of the termination or capacity reduction fees. All customers will have benefited from the termination or capacity reduction fee revenues, and therefore the large load customer itself will receive the market revenues from the capacity that it has "paid for" as a mitigation of the charges it incurred. This treatment is expressly provided for in the large load customer tariff.
>
> The next change relates to a provision in the Company's large load tariff that contemplates that large load customers will pay for capacity that the Company's then existing system capabilities cannot meet (due to the customer's new entry onto the system) for an interim period until the Company is able to increase its own system capacity to serve them on an ongoing basis. It is necessary to exclude the costs of that interim capacity, including purchases made through the MISO PRA as well as bilateral purchases, along with the net settlement of those purchases and the load

> obligation being served, from the FAC, so that only the large load customers pay for it. **Under the large load tariff, the cost of interim capacity is to be paid by the large load customer pursuant to an additional demand charge as part of their electric service bill, and including those same costs in the FAC would negatively impact existing customers and result in the double recovery of capacity costs.** [emphasis added]

Q. Will including long-term capacity contracts in the FAC result in double recovery?

A. Yes.

Q. Will EMM need additional capacity to serve new LLPS customers or additional demand from Customer A?[3]

A. Yes.

Q. Will buying or building additional capacity to serve new LLPS customers or additional demand from Customer A increase EMM's total cost of service?

A. Yes.

Q. Does EMM need to include that additional capacity cost in the FAC to be made whole?

A. No.

Q. Why not?

A. At the conclusion of this case, EMM's rates will be set to recover the cost of service of its existing generation based on selling the amount of energy and demand that is included in the normalized determinants in this case. If EMM's system demands increase from the level reflected in normalized determinants, that means EMM is selling

[3] Customer A is *** [redacted] *** and as further defined in the direct testimony of Sarah Lange.

more energy to its customers and experiencing higher customer demands. If EMM needs a new capacity contract, it is because EMM has increased customer demand. If EMM has increased customer demand, that means EMM has increased revenues. Staff witness Ms. Sarah Lange provides additional testimony illustrating this concept.

Q. What if the new revenues from the LLPS demand charges do not fully offset the cost of capacity to serve new LLPS load?

A. Staff has two responses – the first is that a Missouri utility is not guaranteed a given return, and if EMM finds it necessary to file a rate case, it may do so, or it may continue to balance the negative and positive regulatory lags as it determines is appropriate. The second is that the EMM LLPS tariff provides EMM with the ability to bill LLPS customers for Interim Capacity. If the LLPS revenue from the LLPS rates are insufficient for the cost of long term capacity contracts to serve new LLPS loads, then the appropriate mechanism for EMM's recovery of those expenses is through a charge to LLPS customers for Interim Capacity, not through the FAC.

Q. OPC witness Angela Schaben proposes not to include long-term capacity contracts in the FAC, do you agree?

A. Yes.

Q. Please explain.

A. OPC points out that the Commission has already ruled on including demand costs in the FAC in a prior Report and Order from Case No. ER-2007-0004. In that Report and Order, the Commission concluded that it would be improper to allow Evergy Missouri Metro (at the time Aquila), to flow demand costs through its FAC, and it should only be allowed to flow variable fuel and purchased power costs through its FAC. As I explained above in my response to EMM witness Ms. Nunn, Staff agrees with OPC witness Ms. Schaben, that demand charges are fixed costs, and the FAC is only designed to recovery variable fuel and purchased power costs that are difficult to forecast between rate cases.

FAC CORRECTIONS

Q. Does Staff have any corrections to make for the calculation of the FAC base factor?

A. Yes. Staff witness Ms. Sarah Lange's rebuttal testimony on page 26 explains there was an error in calculating the transmission expense to remove SPP Schedule 1A-1, 1A-2, 1A-3, 1A-4, and 12 from Customer A and Customer B's load. Those revised amounts provide the level of incremental transmission expense to include in the applicable FAC base factor. Now that the calculation has been corrected, it updates the FAC base factor at the time of true-up to be $0.021676 per kWh. This is for Option 1 and includes information for Customer A at *** [redacted] *** demand and Customer B at *** [redacted] *** demand.

LARGE LOAD BASE FACTOR OPTIONS

Q. Does OPC witness Ms. Schaben have any other FAC recommendations?

A. Yes. Ms. Schaben recommends LLPS customers be excluded from EMM's current FAC. And alternatively, if EMM and LLPS customers are of the opinion that both EMM and LLPS customers would benefit from a FAC, then establishing a separate FAC base factor for LLPS customers.

Q. Is this recommendation similar to the one Staff made in direct testimony in this case?

A. Somewhat. Staff recommended two options for the Commission to consider:

Option 1) Use the FAC base factor adjusted to reflect Customer A at *** [redacted] *** and Customer B at *** [redacted] ***, which insulates non-large load customers from only the adverse FAC impact of the level of load captured in this rate case, and keeps LLPS customers in the FAC.

Option 2). Use Staff's preliminary FAC base factor, as adjusted to reflect only the difference between Customer B load at the update cut off and Customer B load at true-up cut off, and modify the FAC as discussed below, to remove LLPS customers from the FAC.

Staff's recommended Option 2 removes LLPS customers from the FAC, similar to what OPC also recommended. Staff did not recommend another option to establish a separate FAC base factor for LLPS customers. However, Staff does not oppose having two separate FACs as Ms. Schaben has recommended. To do so, Staff will continue to recommend the additional reporting requirements in my direct testimony that was filed on June 30, 2026, on page 11.

With OPC's recommendation of the LLPS customers having a separate FAC base factor, Staff has calculated that separate base factor to be $0.030965. See Staff witness Ms. Sarah Lange's rebuttal testimony pages 26 and 27 for more detail.

ADDITIONAL FAC CONCERNS

Q. Has Staff recently become aware of a capacity and energy contract that EMM has entered into?

A. Yes. EMM has provided, in response to DR 453, a Confirmation of Transaction regarding a capacity and energy contract that EMM signed with *** [redacted] *** with EMM as the buyer. The contract terms are *** [redacted]. ***

Q. Are these prices comparable to other capacity or energy purchase contracts you see in the FAC?

A. If the capacity price is based on accredited capacity, then it is similar to other long-term contracts I have seen. But, if the price is based on nameplate capacity, then that represents a higher price than other long-term contracts and a significant reallocation of risk between the contracted parties, relative to the accreditation of capacity in a given season. If that is the case, Staff has significant concerns about the capacity price. Staff is waiting on discovery to better understand the capacity price. In addition, the energy price is roughly *** [redacted] *** than any other *** [redacted] *** PPA that I have seen or am aware of. EMM indicated in its response to DR 0453.1 that *** [redacted]

[redacted]. ***

In addition, SPP's 2025 day-ahead ("DA") average locational marginal price ("LMP") is $34.40 per MWh,[4] which is again significantly lower than the energy price of this contract. Staff is using the SPP DA LMP average as a tool for simple comparison purposes. Staff may review other comparison options once that data becomes available. Staff is waiting on discovery to better understand the energy and capacity price.

In evaluating prudence, Staff reviews whether a reasonable person making the same decision would find both the information the decision-maker relied on and the process the decision-maker employed to be reasonable based on the circumstances at the time the decision was made, i.e., without the benefit of hindsight. If either the information relied upon or the decision-making process employed was imprudent, then Staff examines whether the imprudent decision caused any harm to customers. Only if an imprudent decision resulted in harm to customers, will Staff recommend a disallowance. However, if an imprudent decision did not result in harm to the Company's customers, then Staff may further evaluate the decision-making process, and may recommend changes to the Company's business practice going forward.

Staff has some concerns that may affect future FAC prudence review periods regarding the signed contract between EMM and *** [redacted] *** with EMM as the buyer. Although the effective date of the contract is outside of this current rate case test year or true-up period, Staff is stating its concerns now as Staff has learned about this contract during

[4] https://www.spp.org/documents/76798/2025_annual_state_of_the_market_report.pdf

this rate case. At first blush, EMM's choice to enter into this contract appears questionable; in the future Staff will closely scrutinize the energy and capacity purchases in EMM's FAC associated with this contract, once those transactions are included beginning *** [redacted] ***. Staff has sent follow-up DRs to get more information for this contract, and those responses are due by August 10, 2026. Staff will continue to review its position once those DR responses are provided.

Q. Does Staff recommend any additional reporting requirements now that Staff is aware of this contract?

A. Yes. Staff recommends EMM include additional reporting in its FAC monthly reports, tab 5(K) 2, for specific details associated with this *** [redacted] *** contract, similar to the specific information that is provided for all the other PPAs on tab 5(K) 2.

<u>RESPONSE TO DR. MARKE ON INCOME-ELIGIBLE WEATHERIZATION</u>

Q. What is the income-eligible weatherization program?

A. The income-eligible weatherization ("Schedule IEW") program is a voluntary program that is intended to assist residential customers in reducing their energy usage by weatherizing the homes of qualified customers. The program is administered by any Missouri-based Social Service Agency that is directly involved in qualifying and assisting customers.

Q. What is EMM's proposal for the Schedule IEW program?

A. EMM stated in response to Data Request 302 that they have not proposed any changes to any of the current low-income programs or its customer eligibility requirements and has recommended to continue the programs currently in effect as part of this case.

Q. What is the current budget for the Schedule IEW program for EMM?

A. The current budget for EMM is $573,888.[5]

Q. What is OPC's proposal on the Schedule IEW program?

A. Dr. Marke proposes to allocate $2 million with a 50/50 sharing for income-eligible weatherization. He also states the tariff should be drafted to allow for funding to be directed to health and safety remediation to allow for weatherization of homes that would be otherwise "passed over" due to health and safety concerns, with particular emphasis on roofs and replacement of knob-and-tube wiring. He also states the tariff should be drafted to allow for Community Action Agency flexibility in terms of retaining salaried employees and outreach, and that the tariff should allow for carryover to emphasize spending of federal funds first. [6]

Q. Are there other programs similar to Schedule IEW?

A. Yes. In addition to this program, under the current Missouri Energy Efficiency Investment Act ("MEEIA") Cycle 4, there is an income eligible program, classified under single family/weatherization ready. This program promotes efficiency improvements to housing for low-income single-family customers. In this MEEIA program, EMM is to work with local resources from the Kansas City Low Income Leadership Assistance Collaborative ("KC-LILAC") to provide home repairs and/or

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[5] *Stipulation and Agreement* in Case No. ER-2022-0129, filed on August 30, 2022.
[6] Direct Testimony of Dr. Geoff Marke, in Case No. ER-2026-0143, filed on July 14, 2026, page 55.

Missouri community action agencies' deferred customers to remove barriers to proceed through the standard Weatherization Assistance Program for home efficiency improvements. The barriers vary by home but may include foundation issues, roof repairs, mold mitigation, etc.

Q. What are the differences between the Schedule IEW program versus the MEEIA income eligible single family/weatherization ready program?

A. They appear to be very similar programs, but there are three main differences that I see. The program Dr. Marke is proposing is outside of MEEIA, and has a 50/50 sharing. This means if the program is approved to have $2 million in funding, ratepayers are only paying $1 million. If the program is through MEEIA, the program will be fully funded by ratepayers. In addition, if the program is through MEEIA, EMM gets to earn an additional 15% earnings opportunity on the incentives spent and receive a throughput disincentive on lost sales. Lastly, it appears the IEW program funds cannot be used for administrative costs except those incurred by the Social Service Agency that are directly related to qualifying and assisting customers under the program, and the total amount of reimbursable fees, including administrative fees and program direct service fees, and those administrative fees shall not exceed 30% of the total program funds that are utilized by the Social Service Agency within a program year. If the program is through MEEIA, the administrative fees are not limited to a certain cap.

Q. What is Staff's response to Dr. Marke's recommended Schedule IEW program?

A. Staff likes the idea of having the Schedule IEW program being 50/50 sharing between ratepayers and shareholders and limiting the amount of administrative costs being spent. However, while Staff doesn't oppose a program that is less burdensome on ratepayers, currently, there is a low-income workshop in Case No. OW-2026-0085. Staff would like to see the outcome of the workshop and get Commission guidance before proceeding with any substantial changes to the current low-income programs.

Q. Does this conclude your rebuttal 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 BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Brooke Mastrogiannis*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Brooke Mastrogiannis

BROOKE MASTROGIANNIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 6th day of August 2026.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2029
Commission Number: 12412070

D Suzie Mankin
Notary Public