Exhibit No.:	
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Witness:	Darcie G. Kramer
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Case No.:	ER-2026-0143
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2026-0143

REBUTTAL TESTIMONY

OF

DARCIE G. KRAMER

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri
August 2026

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REBUTAL TESTIMONY

OF

DARCIE G. KRAMER

Case No. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: Darcie G. Kramer. My business address is 1200 Main St., Kansas City, Missouri 64105.

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

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

Q: Are you the same Darcie G. Kramer who previously filed direct testimony in this case?

A: Yes.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of EMM ("Evergy" or the "Company").

Q: What is the purpose of your testimony?

A: The purpose of my rebuttal testimony is to respond to testimony from various witnesses from the Missouri Public Service Commission Staff ("Staff") and the Office of Public Counsel ("OPC"). Specifically, I respond to the following:

Topic	Witness
Bad Debt Expense / Forfeited Discounts	Staff – Sydney Ferguson
Rate Case Expense	Staff – Sydney Ferguson OPC – Manzell Payne
Dues and Donations	Staff – Nathan Bailey, CPA
Payroll	Staff – Nathan Bailey, CPA
Common-Use Billings	Staff – Matthew R. Young
Plant In Service Accounting (PISA)	Staff – Matthew R. Young

Please note that the Company has attempted to address all substantive issues raised by Staff, OPC, or other parties which the Company contests. If the Company inadvertently failed to address an issue raised by any party, the absence of a response does not constitute agreement by the Company with the party, and the Company may respond on the topic in subsequent testimony including at hearing.

II. BAD DEBT EXPENSE / FOREITED DISCOUNTS

Q: Please summarize Staff's positions on bad debt expense and forfeited discounts.

A: Staff witness Sydney Ferguson calculated both bad debt expense and forfeited discounts (late payment fees) using historical ratios based on actual experience. For bad debt expense, Staff applied a ratio of net bad debt expense to billed revenues to weather-normalized retail revenues. Similarly, for forfeited discounts, Staff applied a historical ratio of forfeited discounts to revenues to annualized weather-normalized revenues. Ms. Ferguson also indicates that these adjustments will be reviewed as part of Staff's true-up analysis.

Q: What is your response to Staff's evaluation of bad debt expense and forfeited discounts?

A: The Company generally agrees with Staff's methodology, as both parties use historical ratios to estimate these expenses and revenues. However, the Company also applies those ratios to the revenue requirement increase because bad debt expense and forfeited discounts are directly tied to customer billings. If customer billings increase as a result of rates authorized in this case, both bad debt expense and forfeited discounts are expected to increase as well. Staff's calculations do not reflect the impact of the revenue requirement increase, resulting in an understatement of these amounts. Staff witness Ferguson explains that both bad debt expense and forfeited discounts should be established using ratios based on historical relationships to retail revenues and then applied to a normalized level of revenues. The Company agrees with that principle. However, Staff has not applied those same relationships to the increase in retail revenues that would result from the rates ultimately authorized in this proceeding.

Bad debt expense is inherently revenue-sensitive because the amount of customer receivables outstanding increases as customer billings increase. Likewise, forfeited discounts are derived from customer billings and historically vary in relation to revenue levels. If the Commission adopts a revenue requirement increase in this case, it is reasonable to expect both bad debt expense and forfeited discount revenues to increase proportionately.

By excluding the effect of the revenue requirement increase, Staff applies its bad debt and forfeited discount ratios to only a portion of the revenues that will actually be billed under new rates. This creates an inconsistency between the level of revenues reflected in the revenue requirement and the level of revenue-sensitive expenses and offsets included in cost of service.

The Company's approach preserves the historical relationships relied upon by Staff while recognizing that those relationships should be applied to the full level of revenues expected under the rates established in this case. Accordingly, the Company's calculation provides a more accurate estimate of both ongoing bad debt expense and forfeited discount revenues.

Q: Why is it important to apply the bad debt and forfeited discount ratios to the final revenue requirement increase?

A: The objective of rate setting is to establish rates that reflect the costs and revenues expected under the rates that will actually be charged to customers. Because bad debt expense and forfeited discounts are driven by customer billings, those amounts should be based on the same revenue level used to establish the overall revenue requirement. Failing to reflect the impact of the authorized rate increase understates bad debt expense and forfeited discount revenues relative to the revenue level ultimately reflected in rates.

III. RATE CASE EXPENSE

Q: Please summarize Staff witness Sydney Ferguson's testimony with regards to Rate Case Expense.

A: Staff witness Ferguson recommends a rate case expense allowance based on a two-case average of the actuals costs incurred in EMM's most recent rate cases, Case Nos. ER-2018-0145 and ER-2022-0129. Under her proposal, 100 percent of expenses associated with the depreciation study are included in the average, while 50 percent of the remaining rate case expenses, which Staff characterizes as discretionary, are included for recovery.

Q: Please summarize OPC Witness Manzell Payne's testimony with regard to Rate Case Expense

A: OPC witness Manzell Payne recommends 50 percent sharing of discretionary rate case expenses between shareholders and customers, normalization of the expenses from the current case and the prior two cases, ER-2018-0145 and ER-2022-0129, over a four-year period.

Q: Do you agree with the rate case expense adjustment made by the MPSC Staff and OPC?

A: The Company generally agrees with Staff and OPC's use of a multi-year case average to normalize rate case expense. Averaging costs across multiple rate cases appropriately recognizes that a significant portion of rate case expenses is often incurred and paid after the true-up for inclusion in the current proceeding. Therefore, the Company does agree with using an average of the expenses over the last two cases, to align with staff, but disagrees with taking 50% of those averaged costs. As stated below, rate case expenses are a necessary part of doing business as a regulated electric utility and should therefore be recovered in the utility's cost of service.

Q: Do you see this as an ongoing solution to valuing rate case expense?

A: It depends on the circumstances of each case. There could be issues in the future that are unique and significant that would cause us to look at cases on a more individualized basis.

Q: Why should rate case expense be fully recoverable in rates?

A: EMM's customers benefit from an accurately processed rate case proceeding as it ensures the establishment of just and reasonable rates. Rate case expenses are an inherent part of the cost of operating an electric utility, just as generation, transmission, and delivery costs are. Without the periodic execution of rate review proceeding the Commission would not have the opportunity to review the utilities financial performance in detail, and shareholders would be denied their rightful opportunity to earn a reasonable return on the investment they have made in the EMM power system. It would make no sense to automatically disallow, in the absence of any evidence or allegation of imprudence, costs which benefit both the shareholder and the customer.

Rate cases and the regulatory mechanisms approved in rate cases are necessary and provide a benefit to the customer by keeping the public utility financially healthy and in a position to provide the customers with safe and reliable service at just and reasonable rates. Under long-standing regulatory precedent, shareholders are expected to have a reasonable opportunity to earn returns authorized by the Commission. An arbitrary disallowance of rate case expenses is in direct opposition to providing the shareholders the opportunity that they are supposed to be afforded.

Staffing levels at the Company are not set to include all forms of expertise needed to file and support a complete and accurate case. Prudent financial management includes bringing in incremental support during periods when there is additional work load that is in excess of regular day to day operations. Staff augmentation through outside legal and consulting firms minimizes overall regulatory costs and these costs are rightfully included in the Company's cost of service.

IV. DUES AND DONATIONS

Q: Please summarize Staff witness Nathan Bailey's testimony regarding Dues and Donations.

A: Staff witness Nathan Bailey explains that Staff excluded certain dues and donations from the Company's cost of service, including dues paid to the Edison Electric Institute ("EEI"). Mr. Bailey states that the Commission has previously found that EEI membership provides benefits to both customers and shareholders and recommends that only the portion of EEI dues attributable to customer benefits be included in rates. Based on his review, Mr. Bailey recommends disallowing the portion of EEI dues that he believes primarily benefits shareholders.

Q: Do you agree with Mr. Bailey's recommendation to disallow a portion of the Company's EEI dues?

A: No. The EEI is the national association representing U.S. investor-owned electric companies. EEI provides its member utilities with a broad range of resources, including industry research, operational best practices, technical committees, training, emergency preparedness coordination, cybersecurity collaboration, regulatory and legislative analysis, and forums for sharing information on emerging issues affecting the electric utility industry. Evergy actively participates in these programs because they help the Company operate more safely, reliably, efficiently, and cost-effectively for the benefit of our customers.

The vast majority of the Company's EEI membership dues support these activities. Consistent with longstanding ratemaking practice, Evergy already excludes from recovery the portion of EEI dues associated with lobbying and other shareholder-related activities.

EEI annually identifies the portion of dues attributable to lobbying activities, and the Company records those amounts below the line so they are not recovered from customers.

Mr. Bailey's recommendation would disallow additional EEI dues beyond the lobbying-related amounts already excluded by the Company. I do not believe that additional disallowance is appropriate. The remaining dues support activities that directly assist Evergy in providing safe, reliable, and affordable electric service. Through EEI, the Company gains access to industry expertise and best practices related to system operations, wildfire mitigation, physical and cybersecurity, storm response and mutual assistance, reliability, environmental compliance, emerging technologies, workforce development, and other operational matters. These resources allow utilities to learn from one another, improve operations, and avoid duplicative efforts, all of which ultimately benefit customers.

Accordingly, I believe the Company's current treatment of EEI dues is appropriate, and I do not support Staff's proposed adjustment.

Q: Do you agree with any portion of Staff's adjustment for dues?

A: Yes. The Company agrees to remove membership fees paid to Natural Gas and Electric Association of Oklahoma (NGEAO) and also dues paid to the Rotary Club of Andover.

V. PAYROLL

Q: Did Staff propose an adjustment related to payroll costs included in the Company's revenue requirement calculation?

A: Yes. Staff witness Nathan Bailey explains that Staff annualized the allocated amount of payroll to EMM based on base salary levels as of the end of the update period, December

31, 2025. In addition, Staff included a capitalization ratio using the 12 months ended December 31, 2025.

Q: Do you agree with Staff's proposed adjustment?

A: I do not. Staff's recommended adjustment departs from EMM's proposal in large part due to a difference in capitalization ratio.

Q: What does the capitalization ratio represent?

A: The capitalization ratio is a calculation that examines total payroll costs and develops a ratio of the amount of payroll costs that have been charged to operation and maintenance expense versus the amount that has been charged to capital accounts. This amount can fluctuate from year to year based on the amount of internal labor support that is provided to capital expenditures.

Q: What capitalization ratio has the Staff included in its payroll annualization?

A: Staff has chosen to use the time period of the 12 months ending December 2025 for EMM. The capitalization rate for O&M that Staff included for expense recorded to O&M is 57.39%, which is the lowest point in many years.

Q: What is EMM's position regarding the capitalization ratio calculation?

A: The Company believes that a multi-year average should be used to smooth out periods that are higher and lower over historical norms. EMM has historically applied a three-year average, very similar to how other payroll items like overtime and temp labor are calculated.

Q: Why is a multi-year average important in this case?

A: The Company's capitalization rate has fluctuated from year to year. This is simply an effect of varying levels of labor that support capital projects on a year over year basis. The capitalization rate has trended up (less labor recorded to O&M expense) in recent years and the 3-year average included in the Company's revenue requirement is reflective of this trend. Internal labor can be impacted by a variety of factors like the availability of internal labor considering work required for storm restoration and other unexpected maintenance work year-to-year. Additionally, much of our capital work is supported heavily by contractors. The availability of contractors year-to-year can impact the use of internal resources on capital projects (positively and negatively). These externalities, among others, support the use of a multi-year average to normalize the capitalization ratio included in this rate case. Setting a capitalization rate for O&M expense at a low point would artificially lower the cost of service in this rate case. That is precisely why in historical cases and in this case the Company has proposed a multi-year average.

Q: What capitalization ratio does the Company propose to use in this case?

A: The Company believes that a capitalization ratio should be built on multiple-years and not just a single period as proposed by Staff. The capitalization rate does increase and decrease over time. The Company proposes to include the latest period available through the true-up of June 30, 2026 and include a multi-year average covering the period from 12-months ending December 31, 2023, 12-months ending December 31, 2024, and the True-Up period 12-months ending June 30, 2026. The resulting capitalization ratio that the Company proposes for the True-Up using this methodology is 57.34%.

Q: If the Commission does not agree with adopting a three-year average is there another option that would be acceptable to the Company?

A: Although the Company believes that a three-year average would be the superior calculation to use in this rate case proceeding, the Company would agree with a two-year average that would include the 12 months ending June 2025 and the 12 months ending June 2026. This would include both the test year and the true-up period in this rate case period which are the exact periods in which costs are being reviewed in this rate case proceeding. This would provide the Commission an averaging calculation over 2 years instead of relying on a low point period as Staff has done in its direct testimony.

Q: What is the Capitalization rate if the two-year period referred to above is used in place of a three-year average?

A: The resulting two-year average calculation would be 57.14%. In addition, any update to the capitalization rate will also impact the payroll tax, incentive and benefits adjustments.

VI. COMMON USE BILLINGS

Q: Do you agree with Staff's proposed common use billing adjustment?

A: Generally, yes. I support the common use billing adjustment prepared by Witness Young, however I do disagree with the portion of Staff's adjustment related to Uplight software.

Q: Why do you disagree with Staff's proposed Uplight common use adjustment?

A: I disagree with Staff's proposed adjustment for the same reasons discussed by Aron Branson regarding the allocation of Uplight software costs. Staff's common use billing adjustment relies on the same premise that Uplight Phase 1 should be allocated across all Evergy jurisdictions. As explained in Aron Branson's testimony, Phase 1 of the Uplight platform was developed and implemented to serve Missouri customers and was appropriately assigned to Missouri operations. Accordingly, I do not support Staff's proposed reallocation through the common use billing process to all Evergy jurisdictions.

VII. PISA

Q: Did Staff propose an adjustment to rate base due to differences in approach to plant in service accounting ("PISA")?

A: Yes. Staff witness Matthew Young recommends removing the following from the PISA regulatory asset: (i) earning per share ("EPS")-based incentive compensation; (ii) the solar subscription portion of the Hawthorn solar facility; and (iii) deferrals of depreciation and carrying costs for projects Staff claims were put in service to serve new large load customers.

Q: Does the Company agree with Staff's proposed adjustment?

A: Upon review of Staff's recommendations concerning both the earning per share component of incentive compensation and the solar subscription portion of the Hawthorn solar facility, the Company can agree to these calculations and will remove these amounts in its true-up revenue requirement calculations in this rate case. The Company is not in agreement with Staff's proposal on large-load projects.

Q: What did Mr. Young recommend regarding projects serving new large-load customers?

A: Witness Young recommends removing deferrals of depreciation and carrying costs for projects to serve new large-load customers from the PISA regulatory asset. His stated rationale is that those projects were done to serve new customers, which he identifies as non-qualifying plant for PISA deferrals under § 393.1400(1)(3), RSMo.

Q: Does Evergy agree that an adjustment is appropriate for direct-assigned large-load customer costs?

A: Yes. Evergy agrees that costs identified as direct-assigned costs for large-load customers should be adjusted and removed from the PISA regulatory asset. That treatment is consistent with the principle that costs directly assigned to a particular large-load customer should not be recovered through the PISA regulatory asset from all customers. It has always been the Company's intent to exclude direct-assigned large load customers' costs from PISA treatment. In responding to discovery in this proceeding, the Company identified certain amounts that had inadvertently included in the PISA regulatory asset and has since corrected those discrepancies.

Q: Does Evergy agree that all costs that Staff identified as associated with large-load customer service should be removed from PISA?

A: No. Evergy does not agree that all costs associated in some way with large-load service should be removed from PISA. The appropriate distinction is between costs that are properly identified as direct-assigned costs for large-load customers and costs that are associated with broader system or SPP requirements and are not directly assignable to those customers.

Q: What amount does Evergy contend should be removed from the PISA regulatory asset?

A: Per the table below, Evergy has identified $8,751 that Company and Staff are in agreement on that are not eligible for PISA regulatory treatment. These amounts were identified by the Company during the discovery process and removed from the PISA regulatory asset. The projects identified within this non -PISA eligible amount are also the same projects identified Witness Young's Plant In Service, Infrastructure for Large Load adjustment

	Depreciation Accumulated	Return Accumulated	Total
PISA eligible	107,223	411,347	518,571
Non-PISA eligible	2,056	6,696	8,751
Total	109,279	418,043	527,322

Q: Does staff need to make this same proposal for the $8,751 both parties are in agreement on, at true up?

A: No. In responding to discovery requests in this proceeding, the Company identified certain direct-assigned large-load customer costs that had been inadvertently included in the PISA regulatory asset. The Company has since posted correcting entries to the PISA regulatory asset support and general ledger. As a result, Staff's proposed adjustment will no longer be necessary during the preparation of their true-up revenue requirement.

Q: What amount does Evergy contend should <u>not</u> be removed from the PISA regulatory asset?

A: Evergy has identified that $518,571 of Staff's proposed adjustment should not be removed from the PISA regulatory asset. The amount represents costs associated with SPP Schedule requirements that are not directly assignable to the large-load customers and therefore remain PISA-eligible.

Q: Why should those SPP Schedule-related costs remain PISA-eligible?

A: Those costs should remain PISA-eligible because they are not direct-assigned facilities constructed solely for the benefit of a particular large-load customer. Rather, they are associated with SPP requirements and broader system cost responsibilities. Because they are not directly assignable to the large-load customers, they should not be swept into the same adjustment as the direct-assigned large-load customer infrastructure costs.

Q: Does this conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

AFFIDAVIT OF DARCIE G. KRAMER

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

Darcie G. Kramer, being first duly sworn on his oath, states:

1. My name is Darcie G. Kramer. I work in Kansas City, Missouri and I am employed by Evergy Metro, Inc. as Sr. Manager – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Evergy Missouri Metro consisting of fifteen (15) 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.

Darcie G. Kramer

Subscribed and sworn before me this 11th day of August 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