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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2026-0143

REBUTTAL TESTIMONY

OF

LINDA J. NUNN

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri
August 2026

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REBUTTAL TESTIMONY

OF

LINDA J. NUNN

CASE NO. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Linda J. Nunn. My business address is 1200 Main, Kansas City, Missouri 64105.

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

A: I am employed by Evergy Metro, Inc. I serve as Senior. Manager - Regulatory Affairs for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("EMM" or the "Company"), 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 Linda J. Nunn 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.

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
Staff's Fuel Adjustment Clause (FAC) proposal for Large Load Power Service (LLPS) Option 1 and Option 2	Staff - Claire Eubanks, Sarah Lange, Brooke Mastrogiannis
FAC Regulatory Lag	Staff - Claire Eubanks, Sarah Lange, Brooke Mastrogiannis
Critical Peak Rate Proposal	Staff - Sarah Lange
FAC Base Factor	Staff - Sarah Lange, Brooke Mastrogiannis
FAC Tariff Clarifications	Staff - Stacy Henderson
Extraordinary Events and the FAC	Staff - Stacy Henderson
FAC Monthly Reporting Requirements	Staff - Stacy Henderson
Transmission Revenue and Expense	Staff - Antonija Nieto
FAC Policy and Governance	OPC - Angela Schaben
SPP Administration Fees and the FAC	OPC – Angela Schaben
Long-term Capacity Costs and the FAC	OPC – Angela Schaben
Treatment of LLPS Customers in the FAC	OPC – Angela Schaben

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. STAFF'S FAC PROPOSAL FOR LARGE LOAD POWER SERVICE

Q: What is the purpose of this section of your testimony?

A: In this section, I address Staff's recommendations regarding the treatment of Large Load Power Service ("LLPS") customers under the Company's Fuel Adjustment Clause ("FAC"). I begin by summarizing Staff's two proposed approaches, commonly referred to as Options 1 and 2. I then explain why the Company believes Option 1, with appropriate annualization of LLPS customers, preserves the existing operation of the FAC and is the preferable approach, while Option 2 is unacceptable as it is contradictory to the agreements made in the setting of the LLPS rates and would leave the Company with no way to recover the related net fuel costs.

III. STAFF'S TWO LLPS FAC OPTIONS

Q: Please summarize Staff witnesses' testimony regarding the two FAC options for LLPS customers.

A. Staff witnesses Claire Eubanks, Sarah Lange, and Brooke Mastrogiannis present two alternative approaches for addressing the treatment of LLPS customers under the Company's FAC. Ms. Eubanks introduces the two policy options and Staff's recommendation, Ms. Lange develops the methodologies associated with each option, and Ms. Mastrogiannis analyzes the resulting FAC base factor calculations. Together, their testimony addresses how the FAC base factor would be established in this rate case and how LLPS customers would participate in the FAC going forward.

Q: Please summarize Staff's Option 1 for the treatment of LLPS within the FAC.

A: Under Option 1, Staff recommends that customers taking service under the Company's LLPS tariff remain subject to the existing FAC. Staff further recommends that the FAC base factor established in this rate case be adjusted to reflect the annualized impact of Customers A and B by incorporating their projected net system input ("NSI") and net base energy costs ("NBEC") into the base factor calculation. Under this approach, LLPS customers would continue to participate in the Company's existing FAC in the same manner as the Company's other retail customers.

Q: Please summarize Staff's Option 2 for the treatment of LLPS within the FAC.

A: Under Option 2, Staff recommend that customers taking service under the Company's LLPS tariff no longer participate in the existing FAC. Instead, Staff proposes that the fuel and capacity costs associated with LLPS customers be excluded from the FAC. Under this approach, the Company's existing FAC would continue to apply only to its other bundled retail customers.

IV. COMPANY'S POSITION ON STAFF'S LLPS/FAC OPTIONS

Q: Does the Company support Staff's Option 1?

A: Yes, I am in agreement that the FAC base factor needs to be set at an appropriate level at true-up including an annualized level of usage and net costs for the LLPS customer. Both Staff and the Company plan to true-up revenues and costs associated with the LLPS customer. The Company will include in its true up analysis, an annualization for the ramp up period, will consider, as discussed by other Company witnesses, a potential sharing mechanism and will propose to set the FAC base rate at a representative level including the impact of all annualizations for the LLPS customer. The FAC will perform as it is intended, and there should be no out of period adjustments or elimination of customers from the mix.

Q: Does the Company support Staff's Option 2?

A: No. The Company does not support removing LLPS customers from the existing FAC. The Company believes the existing FAC already provides an appropriate mechanism for recovering and reconciling fuel and purchased power costs for all bundled retail customers, including customers taking service under the LLPS tariff.

Option 2 is flawed and unacceptable as it is contradictory to the agreements made in the setting of the LLPS rates and would leave the Company with no way to recover the related net fuel costs.

V. COMPANY SUPPORT FOR STAFF'S OPTION 1

Q: Why does the Company support Staff's Option 1?

A: The Company supports Option 1 because it preserves the existing structure and operation of the FAC while appropriately recognizing the annualized impact of LLPS customers. Option 1 allows the FAC to continue functioning as it was designed, reconciling actual eligible fuel and purchased power costs with the costs reflected in base rates, without requiring the creation of a separate and complex accounting and reconciliation mechanism for individual customers.

Q: Why is it appropriate for LLPS customers to remain in the existing FAC?

A: Electricity is produced and delivered through an integrated generation and transmission system. The Company dispatches its generating resources and procures energy through the Southwest Power Pool ("SPP") to serve the combined requirements of all bundled retail customers. Individual generating units and purchased power transactions are not dedicated to individual customers. Accordingly, the existing FAC appropriately reconciles system-wide energy costs incurred to serve all bundled customers, including customers taking service under the LLPS tariff.

Q: Does the existing FAC contain a mechanism to reconcile forecasted and actual energy costs?

A: Yes. During a general rate case, the Commission establishes a base level of net energy costs that is reflected in base rates through the FAC base factor. After rates become effective, the FAC compares those forecasted net energy costs to the Company's actual eligible net energy costs incurred during each accumulation period. The difference between actual and forecasted costs is then recovered from, or returned to, customers through the Fuel Adjustment Rate ("FAR") in accordance with the FAC tariff.

Accordingly, the existing FAC already provides the Commission-approved mechanism for reconciling forecasted and actual net energy costs. Under Staff's Option 1, that same reconciliation process would continue to operate for all bundled retail customers, including customers taking service under the LLPS tariff.. Please see additional discussion in the Regulatory Lag section below.

VI. COMPANY OPPOSITION TO STAFF OPTION 2

Q: Why does the Company oppose Staff's Option 2?

A: The Company believes Option 2 would fundamentally change the operation of the existing FAC without demonstrating that such changes are necessary. As discussed previously, the Company agrees that the FAC base factor should reflect the annualized impact of Customers A and B. Staff's Option 1 accomplishes that objective while preserving the existing FAC framework. By contrast, Option 2 would remove LLPS customers from the existing FAC and require the development of a separate methodology for calculating and reconciling their energy costs.

Q: What is the premise under which the Commission Staff claims that the FAC is not needed for LLPS customers?

A: Although Staff witnesses Ms. Eubanks, Ms. Mastrogiannis, and Ms. Lange state that they are not seeking to relitigate LLPS Tariff Case No. EO-2025-0154, in which the framework for serving large load customers was established, their testimony advances interpretations that are inconsistent with the outcome and intent of that proceeding. Specifically, their proposals would alter the treatment of LLPS customers established in that case by reexamining issues that were previously addressed through the approved tariff structure.

Q: Do you agree with their proposals and interpretations?

A: No. The Company did not expect wholesale change to the FAC and its processes to incorporate large loads. We designed the LLPS tariff based on our understanding of the current FAC methods with the explicit acknowledgement that the LLPS customers would be fully subject to the FAC and other generally available riders. Implementing a drastic change like Option 2 to the operation of the FAC could conflict with our intentions of the LLPS design and how we explained the LLPS design to the parties supporting the LLPS Rate Plan stipulation.

Q: What is the significance of removing LLPS customers from the FAC and not proposing a replacement mechanism for reconciling LLPS net energy cost incurred?

A: The existing FAC is more than a method for calculating energy costs. It is the Commission-approved mechanism that reconciles the net energy costs reflected in base rates with the Company's actual eligible costs incurred after rates become effective. While Staff proposes a methodology for estimating the costs to be excluded from the existing FAC, I did not identify a corresponding proposal explaining how that same reconciliation process would operate for LLPS customers after they are removed from the FAC. Without such a mechanism, it is unclear how the Company's actual fuel and purchased power costs associated with LLPS customers would be reconciled over time. Company witness Ms. Foo also discusses at a deeper

Q: Additional issues that should be addressed related to Staff's proposed option 2?

A: For a broader discussion of the policy considerations underlying the FAC, the implications of removing specific customers from the FAC framework, and the rationale for eliminating the 5% sharing mechanism that has been applied to Missouri electric utilities since the FAC's inception, I refer to the rebuttal testimony of Company witness Kevin Gunn. Mr. Gunn addresses the foundational principles that support the FAC's design, the importance of maintaining broad customer participation in the mechanism, and the customer benefits associated with removing the 5% sharing provision. His testimony provides important context for evaluating Staff's proposed Option 2 and its potential impacts on both customers and the operation of the FAC. Further, Company witness Mr. Ives discusses the outdated nature of the 5% sharing mechanism and explains why it no longer serves its original purpose in today's regulatory and operating environment.

Q: Are there other items that should be considered related to LLPS customers and the associated recovery mechanisms?

A: Yes. It is important to note that three LLPS-related riders currently flow their net revenues (revenues less associated costs) as offsets to the FAC: the Alternative Energy Credit Rider, Renewable Energy Program Rider, and Green Solution Connections Rider. These riders were approved in Case No. EO-2025-0154. The Company's proposed FAC tariff includes provisions to return the revenue offsets generated by these riders to customers through the FAC. However, the tariff should also provide for recovery of the associated program costs, including software fees required to administer the programs and any North American Renewables Registry (NAR) fees associated with the retirement of Renewable Energy Credits (RECs) on behalf of LLPS customers. These costs will be recorded in a dedicated FERC Account 908 separated by jurisdiction to ensure that the related expenses appropriately offset the corresponding rider revenues. Notably, the fact that these special LLPS riders specifically utilize the FAC to share revenues with all customers demonstrates that LLPS customers were intended to be included in the FAC from the outset. In addition, the Demand Response and Local Generation Rider, which was also approved as part of the LLPS proceeding, is now effective. Costs incurred to implement this rider will likewise be recorded in a dedicated FERC Account 908. Accordingly, these costs should either be included as recoverable items within the FAC tariff or be authorized for deferral and future amortization in a subsequent rate proceeding to ensure appropriate cost recovery.

VII. FAC REGULATORY LAG

Q. What claims have Staff witnesses made regarding positive regulatory lag under Option 1?

A. Staff witnesses Claire Eubanks, Sarah Lange, and Brooke Mastrogiannis each discuss the potential for positive regulatory lag under Staff's Option 1. In particular, Ms. Lange and Ms. Mastrogiannis present estimates of the potential magnitude of such regulatory lag based on assumptions regarding future LLPS customer growth and other projected market conditions.

Q. Please summarize Staff witnesses' testimony regarding regulatory lag.

A. Ms. Mastrogiannis, together with Ms. Lange, projects the potential impacts of continued LLPS customer growth on non-LLPS customers. Based on those projections, they conclude that retaining LLPS customers within the existing FAC could result in positive regulatory lag for the Company as additional LLPS load is added between general rate cases.

Q. Does the Company agree with Staff's conclusions regarding regulatory lag?

A. Not entirely. I agree that the amount of load reflected in the FAC base factor can affect future FAC true-up balances. In fact, that is one of the reasons the Company supports reflecting the annualized impact of LLPS customers in the FAC base factor established in each rate case. However, I do not believe the projections presented by Ms. Mastrogiannis and Ms. Lange should be viewed as reliable estimates of future regulatory lag because they depend on numerous assumptions regarding future LLPS customer growth, wholesale energy costs, market prices, and other variables that are inherently uncertain and extend several years beyond the scope of this proceeding.

Q. Does the potential for future regulatory lag justify removing LLPS customers from the existing FAC?

A. No. The existing FAC already contains a mechanism designed to reconcile differences between the Company's forecasted and actual net energy costs. By appropriately annualizing LLPS customer load in the FAC base factor, Staff's Option 1 addresses the primary concern identified by Staff while preserving the existing FAC framework. In my view, the possibility of future changes in LLPS customer load does not justify the creation of a separate accounting and reconciliation mechanism for a single customer class.

Q: Staff witness Ms. Lange also suggests that retaining LLPS customers in the FAC could harm non-LLPS customers because future LLPS load growth may increase FAC recoveries between rate cases. Do you agree with that conclusion?

A: No. I believe that conclusion overlooks several important considerations. First, Staff's analysis focuses primarily on one aspect of the FAC while giving insufficient weight to the substantial net revenues that LLPS customers provide under the rates established in this proceeding. As discussed elsewhere in Staff's testimony, the addition of these customers produces significant revenues in excess of the estimated incremental fuel and transmission costs associated with serving them. Those revenues reduce the amount of revenue requirement that would otherwise be recovered from other customers. While Staff identifies the possibility of future FAC recoveries associated with additional LLPS growth, its analysis also reflects that LLPS customers provide substantial overall benefits to the Company's customer base.

Q: Are there additional concerns with Staff's analysis?

A: Yes. Staff's estimates rely on assumptions regarding future customer ramp rates, future energy market prices, future transmission costs, future customer usage patterns, and future operating conditions extending several years beyond the true-up period in this case. Actual outcomes may differ significantly from those assumptions. For that reason, I do not believe these projections should be viewed as reliable estimates of future impacts on customers or used as the basis for fundamentally changing the operation of the Company's FAC.

In addition, Staff's analysis does not fully account for the fact that increases in net fuel and purchased power costs are generally accompanied by increases in associated energy sales. As LLPS customers contribute incremental load, they also contribute additional kilowatt-hour sales that are reflected in future rate proceedings. To the extent net fuel costs increase as a result of serving additional LLPS load, the corresponding increase in energy sales also contributes to the recovery of those costs and supports future base rate revenues.

Further, Staff's analysis appears to attribute increases in net fuel costs primarily to LLPS customers without fully recognizing that changes in net fuel costs are driven by total system load and overall operating conditions. Any variation in FAC balances reflects the collective impact of all customer usage and system costs, not solely the contribution of LLPS customers. As a result, Staff's analysis overstates the extent to which LLPS customers alone could adversely affect FAC recoveries for other customers.

Q: Does the Company believe there are safeguards available if the Commission remains concerned about the impacts of future LLPS growth?

A: Yes. As discussed in the testimony of Company witnesses Kevin Gunn and Ron Klote, the Company is willing to consider a sharing mechanism associated with growth in revenues that may be contributed to by LLPS customers. Such an approach would provide an additional level of customer protection while preserving the existing FAC framework and the Commission-approved treatment of bundled retail customers. If adopted, a sharing mechanism would further mitigate concerns regarding the allocation of benefits associated with future LLPS growth between rate cases.

Q: Has Staff proposed any other changes to the FAC you'd like to address?

A: Yes. Staff witness Ms. Lange has proposed a Critical Peak Rate that would impose additional charges on customers who are unable or unwilling to curtail usage during certain peak demand or extreme weather events. I refer the Commission to the rebuttal testimony of Company witnesses Mr. Lutz and Mr. Jaynes for a detailed discussion of the numerous concerns associated with this proposal, including its underlying assumptions, implementation challenges, and potential customer impacts.

In my view, Staff has not demonstrated that this proposal is justified or appropriate for implementation. Because the proposal itself has not been shown to be reasonable, necessary, or beneficial to customers, any discussion regarding its potential impact on the FAC is speculative and premature. Accordingly, I do not believe it is appropriate to consider FAC-related implications of the proposal unless and until the merits of the underlying rate design have first been established.

VIII. FAC BASE FACTOR

Q: Please summarize Staff witness Brooke Mastrogiannis' testimony regarding FAC Staff's Base Factor with True-Up for large customers.

A: Witness Mastrogiannis explains that Staff's expected FAC base factor at true-up incorporates the adjustments developed by Staff witness Sarah Lange to reflect the annualized load of Customer A and Customer B expected as of the June 30, 2026 true-up cutoff. Specifically, Staff increases both NBEC and NSI to reflect the additional energy usage, purchased power costs, transmission costs, and retail sales associated with those customers. Based on those adjustments, Ms. Mastrogiannis estimates that the FAC base factor will increase from the preliminary value of $0.02008 per kWh to approximately $0.02172 per kWh at true-up. She explains that this adjustment better aligns the FAC base factor with the level of energy costs reflected in permanent rates while recognizing that additional LLPS load growth after the true-up period could still result in future FAC under-recoveries.

Q: Does the Company agree with Staff's adjusted FAC base factor?

A: The Company agrees that the annualized load, energy costs, and transmission costs associated with Customer A and Customer B should be reflected in the FAC base factor established in this proceeding. Including those customers in the calculation better aligns the FAC base factor with the level of costs reflected in permanent base rates and helps reduce unnecessary FAC over- or under-recoveries.

The Company does, however, differ somewhat from Staff with respect to the methodology used to develop the adjustment. Staff witness Sarah Lange estimated the incremental effects of Customer A and Customer B by developing separate adjustments to NBEC and NSI, which were then incorporated into Ms. Mastrogiannis' calculation. While that is a reasonable approach to use as a proxy given the timing of Staff's Direct filed case in relation to the true-up dates used in this rate case proceeding, the Company's recommends that for the true-up process Staff should incorporate Customer A and Customer B directly into the underlying production cost modeling and NSI analysis. By modeling the additional load as part of an integrated system study, all related changes in energy production, purchased power, transmission costs, and system sales would be captured holistically rather than through separate incremental adjustments.

Accordingly, while the Company agrees with the objective of reflecting Customer A and Customer B in the FAC base factor, it believes the most accurate methodology is to incorporate those customers directly into the underlying production cost and NSI analyses rather than relying on incremental adjustments.

Q: How does Staff intend to incorporate the annualization of Customers A and B in its true-up calculation?

A: It is currently unclear how Staff intends to reflect the annualization of Customers A and B in its true-up calculation. The Company has issued a data request seeking clarification regarding Staff's proposed methodology and the manner in which these customers will be treated for purposes of the true-up. Until Staff provides a response, it is not possible to fully evaluate the impact of its proposal or determine whether the calculation appropriately reflects the annualized revenues, costs, and load associated with these customers.

IX. FAC TARIFF CLARIFICATIONS (STAFF WITNESS STACY HENDERSON)

Q: Please summarize Staff witness Stacy Henderson's testimony regarding proposed changes to the Company's FAC tariff.

A: Ms. Henderson recommends several modifications to the Company's proposed FAC tariff. Specifically, she recommends revisions to the definition of fuel residual costs included in Subaccount 501400, proposes tariff language addressing the recovery of extraordinary fuel and purchased power costs resulting from extraordinary events, and recommends continuing the Company's existing FAC reporting requirements.

X. FUEL COST DEFINITION

Q: Please summarize Ms. Henderson's recommendation regarding the definition of fuel residual costs.

A: Ms. Henderson recommends modifying the Company's proposed FAC tariff language related to the definition of fuel residual costs included in Subaccount 501400. Specifically, she recommends removing the phrase "other miscellaneous expenses" because she believes it is too vague and not specifically related to fuel residual costs.

Q: Does the Company agree with Ms. Henderson's recommendation?

A: No. I believe the Company's proposed tariff language is appropriate. The phrase "other miscellaneous expenses" is intended to capture minor costs directly associated with the handling and disposal of combustion byproducts that may not fit neatly within a more specific category. Removing that language could inadvertently exclude legitimate fuel residual costs from recovery through the FAC. The Company's tariff already limits recovery under Subaccount 501400 to costs and revenues associated with combustion byproducts, slag, and ash disposal. Accordingly, the phrase "other miscellaneous expenses" should be read in that context and does not provide authority to recover unrelated costs. In addition, through the prudence review process Staff has every opportunity to exam costs included in the FAC’s accumulation periods and provide their analysis at that time. For that reason, I do not believe the modification proposed by Ms. Henderson is necessary.

XI. EXTRAORDINARY EVENTS AND THE FAC

Q: Please summarize Staff witness Stacy Henderson's testimony regarding FAC Proposed Change for Extraordinary Events.

A: Ms. Henderson proposes to add additional language to the FAC tariff in anticipation of future largely impactful natural events in order to mitigate potential large rate shock for customers.

Q: Do you agree with Ms. Henderson's proposal?

A: The Company agrees that proactively addressing how extraordinary events should be handled under the FAC is a reasonable policy objective. I intend to include language similar to Ameren Missouri's FAC tariff in EMM's FAC tariff to be reviewed in this case.

XII. FAC REPORTING REQUIREMENTS

Q: Please summarize Ms. Henderson's recommendation regarding FAC reporting requirements.

A: Ms. Henderson recommends continuing the Company's existing monthly FAC reporting requirements. She does not propose any changes to those reporting requirements.

Q: Does the Company agree with Ms. Henderson's recommendation?

A: Yes. The Company agrees to continue the existing monthly FAC reporting requirements.

XIII. TRANSMISSION REVENUE AND EXPENSE

Q: Do you agree with Staff witness Antonija Nieto's analysis of transmission revenues and expense?

A: Although Staff and Company proposed different methodologies in their respective direct filings, each has agreed that the review of these issues will need to be trued up through June 30, 2026. Additionally, an adjustment will need to be made to coincide with the annualization of two large customers who are currently in the ramp up phase. Staff witnesses Luebbert and Lange both discuss the need to adjust not only retail revenues and net fuel costs, but all transmission-related items. This will be addressed in True-up Direct Testimony.

XIV. OPC FAC POLICY ISSUES

Q: What is the purpose of this section of your testimony?

A: In this section of my testimony, I respond to the recommendations of OPC witness Angela Schaben regarding the operation and scope of the Company's FAC. Specifically, I address her recommendations regarding FAC policy and governance, the recovery of SPP administrative fees and long-term capacity costs, the treatment of customers taking service under the Company's LLPS tariff, and proposed modifications to the FAC. Throughout this section, I explain why the Company believes its proposed FAC appropriately reflects today's wholesale electric markets, provides for the timely recovery of eligible energy-related costs, and continues to protect customers through the Commission's established review and true-up process.

XIV. GENERAL FAC RECOMMENDATIONS

Q: Please summarize OPC witness Angela Schaben's general recommendations regarding the FAC.

A: Ms. Schaben recommends that the Commission continue to apply a conservative approach to the FAC and limit recovery through the FAC to costs that she believes satisfy the Commission's historical FAC criteria. Consistent with that position, she recommends clarifying certain provisions of the Company's proposed FAC tariff, continuing to exclude long-term capacity costs from the FAC, and limiting the scope of eligible costs recoverable through the FAC.

Q: Does the Company agree with Ms. Schaben's general recommendations?

A: Not entirely. The Company agrees that the FAC should continue to recover only prudently incurred costs that are appropriately included within the FAC and remain subject to Commission oversight through the existing review and true-up process. However, I disagree with Ms. Schaben's recommendation to continue excluding long-term capacity costs from the FAC and with certain of her recommendations regarding the scope of recoverable costs. As I explain below, today's wholesale electric markets differ significantly from those that existed when many of the Commission's earlier FAC decisions were issued, and the Company's proposal appropriately reflects those changes while preserving the established operation of the FAC.

XV. FAC POLICY

Q: Please summarize Ms. Schaben's testimony regarding FAC policy.

A: Ms. Schaben relies on the Commission's decisions in the 2007 Ameren Missouri and 2014 KCPL rate cases as the policy framework for evaluating the Company's proposed FAC modifications. She concludes those decisions support continuing to limit the scope of costs eligible for recovery through the FAC, including excluding long-term capacity costs.

Q: Does the Company agree with Ms. Schaben's interpretation of those Commission decisions?

A: Not entirely. While those decisions provide important historical context, the Commission has continued to refine and update FACs as wholesale electric markets have evolved. The Company's proposal should be evaluated based on today's operating environment, including changes in organized wholesale markets, transmission operations, and resource adequacy requirements, rather than solely on Commission decisions issued many years ago.

Q: Why is that distinction important?

A: The Commission's discussion in the 2007 Ameren case occurred before the SPP Integrated Marketplace ("IM") became operational in 2014. Since then, wholesale electric markets and the manner in which Missouri utilities procure energy has changed significantly. Accordingly, I believe the Commission should evaluate the Company's proposed FAC modifications in the context of today's market conditions. In particular, please note my additional Rebuttal testimony below addressing inclusion of long-term capacity in the FAC. The more stringent SPP reserve margin requirements and generation accreditation standards have combined with load growth from new customers and electrification to substantially shift electric utility generation positions from being long generation to the market. These changes have placed increased emphasis on the need to be able to add capacity from third parties in order to meet market and load requirements. This need is much more real time and dynamic than historically and warrants extension of ST capacity purchases in FAC to capture multi-year agreements. This change offers the best procurement flexibility to the utility providing equal regulatory recovery treatment to capacity and energy supply options providing optimal negotiation flexibility in pursuing least cost options to meet customer needs.

XVI. SPP ADMINISTRATIVE FEES

Q: Please summarize Ms. Schaben's recommendation regarding SPP administrative fees.

A: Ms. Schaben recommends that SPP administrative fees continue to be excluded from recovery through the Company's FAC because she does not believe they satisfy the criteria for inclusion in the FAC.

Q. Does the Company agree with Ms. Schaben's recommendation?

A. No. The Company disagrees with Ms. Schaben's recommendation and maintains that the identified SPP administrative fees are appropriately recovered through the FAC.

The FAC is designed to recover variable energy-related costs that are largely outside the Company's control, while also protecting customers through the FAC true-up process, which returns any over-recovery and recovers any under-recovery. The SPP administrative fees at issue share these same characteristics. Specifically, the following Integrated Marketplace Administrative Services charges are associated with purchased power and are appropriately recorded in Federal Energy Regulatory Commission ("FERC") Account 555, Purchased Power:

- Integrated Marketplace Clearing Administrative Service
- Integrated Marketplace Facilitation Administrative Service

The Integrated Marketplace Clearing and Facilitation charges are assessed on a $/MWh basis and apply to injections into and withdrawals from the SPP market. These charges are used to fund core Regional Transmission Organization ("RTO") functions and are allocated to market participants based on their level of market activity.

Because these charges are tied to market transactions, the quantities upon which they are assessed can vary significantly from month to month and year to year. As a result, the associated costs are inherently variable and are not within the Company's ability to control. Their treatment is consistent with both SPP guidance and the FERC Uniform System of Accounts, which classify these costs as purchased power expenses recorded in Account 555.

Accordingly, the Company believes these SPP administrative charges meet the criteria for inclusion in the FAC and should be recovered through that mechanism. It is important to note that these are only the SPP administrative costs that FERC has identified as purchased-power-related costs and recorded in Account 555. The Company is not seeking recovery through the FAC of administrative costs that are recorded outside of Account 555. To correct the current exclusion of these eligible costs from FAC recovery, the tariff language should be revised to specifically include Account 555070, thereby ensuring that all qualifying SPP administrative charges recorded in Account 555 are properly recoverable through the FAC.

XVII. LONG TERM CAPACITY

Q: Please summarize Ms. Schaben's testimony regarding long-term capacity.

A: Ms. Schaben acknowledges that the Company may need to acquire additional long-term capacity to serve growing customer load, including customers taking service under the Company's LLPS tariff. However, she concludes that the costs of long-term capacity contracts should continue to be excluded from the FAC. She also notes that certain LLPS customers may elect to procure their own capacity resources and recommends that capacity contracted by or for LLPS customers should not be recovered through the Company's FAC.

Q: Why does the Company believe long-term capacity is needed?

A: The Company has an obligation to maintain sufficient capacity to reliably serve all customers that rely on the Company for capacity service. As I explained in my direct testimony, resource adequacy requirements within the Southwest Power Pool continue to evolve, the regional capacity market has become increasingly constrained, and long-term capacity contracts are becoming a more common tool for maintaining reliable electric service between rate cases. While certain LLPS customers may elect to procure their own capacity resources, such arrangements are not mandatory. Consequently, the Company remains responsible for acquiring whatever capacity resources are necessary to satisfy its planning reserve and resource adequacy obligations.

Q: Why does the Company recommend recovering long-term capacity costs through the FAC?

A: Long-term capacity procurements can represent significant financial commitments, and the timing of those purchases is driven by reliability needs and SPP requirements rather than the timing of the Company's next general rate case. Including long-term capacity costs in the FAC better aligns cost recovery with the period in which those costs are incurred while preserving the Commission's existing review and prudence process.

Q: Is recovery of purchased capacity costs through an adjustment mechanism unusual?

A: No. A number of electric utilities recover purchased capacity costs through Commission-approved adjustment mechanisms. For example, Xcel Energy Colorado and Black Hills Colorado recover purchased capacity costs through capacity cost adjustment riders. Similarly, Florida Power & Light Company, Duke Energy Florida, and Tampa Electric Company recover purchased capacity costs through Commission-approved capacity recovery mechanisms. Entergy Arkansas and AES Indiana also recover purchased capacity costs through adjustment clauses approved by their respective regulatory commissions. These examples demonstrate that recovering purchased capacity costs outside of base rates is an accepted regulatory practice when those costs are significant, variable, and prudently incurred.

Q: Why does the Company propose recovering long-term capacity costs through the existing FAC rather than creating a separate rider?

A: The Company's proposal builds upon an existing Commission-approved mechanism rather than creating an entirely new adjustment clause. The FAC already provides an established process for tracking eligible costs, Commission review, prudence determinations, periodic true-ups, and customer refunds or recoveries. Because long-term capacity costs are closely related to the Company's fuel, purchased power, and transmission costs and are incurred to satisfy the Company's obligation to serve customers, the Company believes it is more efficient, transparent, and administratively practical to recover those costs through the existing FAC than to establish a separate rider dedicated solely to purchased capacity costs.

XVIII. TREATMENT OF LLPS CUSTOMERS IN THE FAC

Q: Please summarize Ms. Schaben's recommendations regarding the treatment of LLPS customers under the FAC.

A: Ms. Schaben recommends that customers taking service under the Company's LLPS tariff not participate in the Company's existing FAC because she believes doing so could result in non-LLPS customers subsidizing the fuel, purchased power, and capacity costs associated with serving LLPS customers. She recommends that, if the Commission determines LLPS customers should be subject to a fuel adjustment mechanism, it should establish either a separate FAC or a separate LLPS section within the existing FAC using a customer-specific base factor.

Q: Does the Company agree with Ms. Schaben's recommendation?

A: No. The Company believes customers taking service under the LLPS tariff should continue to participate in the Company's existing FAC. As discussed earlier in my testimony regarding Staff's FAC proposals, the FAC is a system-wide reconciliation mechanism designed to compare the Company's actual eligible net energy costs with the level of those costs reflected in base rates. It has historically applied to all customers taking bundled electric service, and I see no reason to establish a separate FAC mechanism for a single customer class.

Q: Why is it appropriate for LLPS customers to remain in the existing FAC?

A: The Company incurs fuel, purchased power, transmission, and capacity costs through an integrated generation and transmission system operated to serve the combined requirements of all bundled retail customers. Individual generating units and wholesale energy purchases are not dedicated to particular customer classes, and those costs are not naturally incurred or tracked on a customer-specific basis. Accordingly, the existing FAC appropriately reconciles those system-wide costs for all bundled customers, including customers taking service under the LLPS tariff.

Q: Does including LLPS customers in the existing FAC result in cross-subsidization?

A: No. The Company's proposed LLPS tariffs are specifically designed to ensure LLPS customers pay their cost of service. As discussed by other Company witnesses, those customers are subject to minimum contract terms, minimum billing provisions, financial security requirements, and other tariff provisions intended to ensure that the costs of serving LLPS customers are appropriately borne by those customers. Participation in the existing FAC does not change those protections. Rather, the FAC simply provides the established mechanism for reconciling actual eligible net energy costs incurred to serve all bundled retail customers.

Q: Why does the Company oppose establishing a separate FAC for LLPS customers?

A: The Company does not believe a separate FAC is necessary or appropriate. As discussed earlier in my testimony, the existing FAC already provides a well-established mechanism for recovering and reconciling system-wide fuel, purchased power, transmission, and other eligible energy-related costs. Establishing a separate FAC or customer-specific reconciliation mechanism for LLPS customers would add unnecessary administrative complexity without improving the operation of the FAC or better aligning cost recovery with the Company's actual cost incurrence.

Q. Please summarize the conclusions of your rebuttal testimony.

A. The Company supports Staff's Option 1 for treating LLPS customers under the FAC, which retains those customers in the existing FAC and updates the base factor to reflect their annualized impact, and opposes Option 2, which is contradictory to the agreements made in setting LLPS rates and would leave the Company with no way to recover the related net fuel costs. The Company does not agree with Staff's conclusions on regulatory lag, because the projections rely on numerous uncertain, long-term assumptions, and future regulatory lag does not justify removing LLPS customers from the FAC. The Company agrees the base factor should reflect the annualized load of Customers A and B but prefers incorporating them directly into production cost modeling rather than through Staff's incremental adjustments.

On Ms. Henderson's tariff proposals, the Company opposes removing "other miscellaneous expenses" from Subaccount 501400, supports addressing extraordinary events using language similar to Ameren Missouri's tariff, and agrees to continue existing monthly reporting. On transmission revenue and expense, the parties agree that these issues will be trued up through June 30, 2026, and addressed in True-Up Direct Testimony.

The Company disagrees with several of Ms. Schaben's recommendations: it opposes excluding SPP administrative fees, which it believes qualify as variable purchased-power costs under FERC Account 555; it opposes excluding long-term capacity costs, which it believes are appropriately recovered through the FAC rather than a separate rider; and it opposes excluding LLPS customers from the FAC or creating a separate FAC for them, because the Company's LLPS tariffs already ensure those customers pay their cost of service.

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 LINDA J. NUNN

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

Linda J. Nunn, being first duly sworn on his oath, states:

1. My name is Linda J. Nunn. 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 twenty-eight (28) 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.

Linda J. Nunn

Linda J. Nunn

Subscribed and sworn before me this 11th day of August 2026.

Anthony R Westenkirchner

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