

**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) **File No. ER-2026-0143**
Implement a General Rate Increase for Electric)
Service)

STAFF’S STATEMENT OF POSITIONS

COMES NOW, the Staff of the Missouri Public Service Commission (“Staff”) and for its *Statement of Positions* states:

1. Cost of Capital

A. What is the appropriate capital structure to use for ratemaking in this proceeding?

Staff Position: The most appropriate capital structure to use is Evergy Missouri Metro’s actual regulated electric operation standalone capital structure as of June 30, 2026, composed of 52.19% common equity, and 47.81% long-term debt.¹

B. What cost of debt should be used for determining rate of return?

Staff Position: Staff recommends an actual embedded cost of debt of 4.54% as of June 30, 2026.²

C. What return on common equity should be used for determining rate of return?

Staff Position: Staff recommends an authorized return on common equity of 9.73% in a range of reasonableness of 9.48% to 9.98%.³

D. What is the appropriate rate of return to use for ratemaking in this proceeding?

Staff Position: Staff recommends a rate of return of 7.25% in a range of reasonableness of 7.12% to 7.38%.⁴

2. Revenues and Billing Determinants

A. What level of billing units and normalized revenues should be used in calculating rates?

Staff Position: Staff’s rate revenue adjustments and billing determinants as filed in Staff’s Surrebuttal/True-up Direct.⁵

¹ Staff’s Schedule SJW-TD-2 in Seoung Joun Won’s True-up Direct Testimony

² Staff’s Schedule SJW-TD-2 in Seoung Joun Won’s True-up Direct Testimony

³ Staff’s Schedule SJW-TD-2 in Seoung Joun Won’s True-up Direct Testimony

⁴ Staff’s Schedule SJW-TD-2 in Seoung Joun Won’s True-up Direct Testimony

⁵ Surrebuttal/True-up Direct Testimony of Kim Cox, Schedule KC-td1. See also True-up Direct Testimony of Amanda Rucker, Schedule AR-td1.

i. What update period adjustment should be used in calculating normalized billing units, revenues, and rates?

Staff Position: Staff's update period adjustment should be used. Staff's update period adjustment is the difference of billed usage and revenue through December 31, 2025, compared to the billed usage and revenue through June 30, 2025.⁶

ii. What rate switcher and Large Power Service customer annualization adjustment should be used?

Staff Position: Staff's rate switcher adjustment that accounts for one large general service customer switching to large power service and two large power service customers switching to large general service should be used.⁷ Staff's large power service annualization adjustment is to account for the annualized billing determinants for two customers based on true-up period data.⁸

iii. What weather normalization adjustment should be applied?

Staff Position: Staff's weather normalization adjustment should be applied.⁹

iv. Should the blocking percentage for the actual blocks and the weather normalized blocks be the same?

Staff Position: No. If the percentage of usage in each block remains the same as the actual percent of usage, the revenue may be over or under collected.¹⁰

v. What 365-day adjustment should be used?

Staff Position: Staff's 365-day adjustment should be applied.¹¹

vi. What energy efficiency adjustment should be used?

Staff Position: Staff's true-up period energy efficiency adjustment should be applied.¹²

vii. What growth adjustment should be used, and what counts should be used to calculate normal use per customer and customer growth?

⁶ Direct Testimony of Kim Cox, Pg. 5, Lines 12-14; Randall Jennings, Pg. 9., and Direct Testimony of Amanda Rucker, Pg. 3, Lines 7-13.

⁷ Direct Testimony of Kim Cox, Pg. 5, Lines 15-19; Direct Testimony of Amanda Rucker, Pg. 3, Lines 14-18

⁸ True-up Direct Testimony of Amanda Rucker, Pg. 1, Line 16 through Pg. 3, Line 4.

⁹ Rebuttal Testimony of Michael Stahlman, Pgs. 2-3

¹⁰ Rebuttal Testimony of Kim Cox, Pg. 7, Lines 1-12; Rebuttal Testimony of Michael Stahlman, Pg. 3, Line 4 through Pg. 4, Line 7.

¹¹ Direct Testimony of Michael Stahlman, Pg. 3, Line 20 through Pg. 4, Line 8; Direct Testimony of Amanda Rucker Pg. 4, Line 7 through Pg. 5, Line 2

¹² True-Up Direct Testimony of Hari Poudel, Pg. 2, Lines 14-15.

Staff Position: Staff's growth adjustment that reflects the level of kWh sales, kW demand and rate revenue that would have occurred if the number of customers taking service at the end of June 2026 had existed throughout the entire 12 months ending June 2025 should be used. Staff's growth adjustment does not have rate codes combined, does not utilize the bill count to distribute the different level of customer charges, and includes 12 months of the new residential rate codes.¹³ Staff used bill counts to calculate the normal use per customer. The normal use per customer is then used to determine the weather normalized usage in each block. Staff used customer charge counts to calculate the customer growth. Staff has used these counts for rate cases since approximately 2016.¹⁴

viii. What non-Missouri kilowatt hour ("kWh") adjustment should be used in calculating normalized billing units?

Staff Position: Staff's adjusted usage that accounts for the update period, weather normalized, 365 days, and growth adjustment should be used.¹⁵

ix. Should the definitions of bill count and customer charge counts be added to EMM's tariff?

Staff Position: Yes. Evergy provided definitions and given the data and data request response provided by Evergy, the definitions should be added to Evergy's tariff.¹⁶

x. For normalization of retail revenues and billing determinants, should customer charge count or bill count be utilized?

Staff Position: Staff used bill counts to calculate the normal use per customer. The normal use per customer is then used to determine the weather normalized usage in each block. Staff used customer charge counts to calculate the customer growth. Staff has used these counts for rate cases since approximately 2016.¹⁷

xi. Should the Company be compelled to provide both bill count and customer charge count in future rate cases?

Staff Position: Yes. Staff has concerns about the accuracy of the data.¹⁸

xii. What is the normalized revenue and kWh for Large Power Service ("LPS") customers?

¹³ Rebuttal testimony of Kim Cox, Pg. 8, Line 10 through Pg. 12, Line 15; True-up Direct Testimony of Kim Cox, Pg. 4, Lines 1-5.

¹⁴ Rebuttal Testimony of Kim Cox, Pg. 4, Lines 17-19

¹⁵ Direct Testimony of Kim Cox, Pg. 7, Lines 12-16; Randall Jennings Pg. 9

¹⁶ Rebuttal Testimony of Kim Cox, Pg. 1, Line 15 through Pg. 4, Line 21.

¹⁷ Rebuttal Testimony of Kim Cox, Pg. 4, Lines 15-21.

¹⁸ Rebuttal Testimony of Kim Cox, Pg. 3, Line 9 through Pg. 4, Line 14.

Staff Position: Staff's rate revenue adjustments and billing determinants as filed in Staff's Surrebuttal/True-up Direct.¹⁹

xiii. What Economic Development Rider discount annualization should be applied?

Staff Position: Staff's economic development rider discount adjustment should be applied.²⁰

xiv. What amount of gross up for revenue requirement should be applied to Economic Development Rider discount amount.

Staff Position: Offsets to revenue caused by the Economic Development Incentive will be grossed-up consistent with the underlying increase to class revenue requirement.²¹

3. Other Revenues

A. What is the appropriate level of net revenue to reflect in the cost of service and other models for Large Load Power Service ("LLPS") and other large customers?

Staff Position: Staff has incorporated the revenue and determinants of "Customer B," at an annualized and normalized level into its LPS revenue and billing determinant quantifications, which incorporates all non-LLPS customer growth to the same extent as any other customer annualization.²² This portion of the issue is addressed above in 2.A.ii..

For Customer A net revenue, as of true-up, based on the contract demand level in place as of June 2026, of *** [REDACTED] *** MW, 12 months of revenue from the LLPS customer charge, grid charge, and demand charge will equal *** [REDACTED] ***, at current LLPS rates.²³ This amount does not include any energy revenues.

Staff's true-up recommendation is that the Commission assume that energy revenue and energy expense will effectively offset. Reliance on this assumption will reduce the complexity of the Commission's resolution of this case.²⁴ The average value of energy obtained to serve LLPS load, as modeled by Staff in this rate case, is *** [REDACTED] *** /kWh²⁵ and as modeled by EMM is *** [REDACTED] *** /kWh.²⁶ The currently-tariffed energy charge is \$0.02988/kWh.

Although these amounts are substantially similar, if LLPS energy loads are recognized in the cost of service, the energy-related cost of service will be jurisdictionally-allocated,

¹⁹ True-up Direct Testimony of Amanda Rucker, Schedule AR-td1.

²⁰ True-Up Direct Testimony of Hari Poudel, Pg. 3, Lines 15-17.

²¹ Staff CCOS Report, Pg. 6, Lines 8-16.

²² Sarah Lange True-up Direct, Pg. 34, Lines 3-8. See also, Amanda Rucker True-up Rebuttal in its entirety.

²³ Sarah Lange True-up Direct, Pg. 39, Lines 1-6.

²⁴ Sarah Lange True-up Direct, Pg. 37, Line 9 through Pg. 40, Line 3. Discussion begins on Page 35, Line 8.

²⁵ Sarah Lange True-up Direct, Pg. 35, Lines 9-16.

²⁶ Sarah Lange True-up Rebuttal, Footnote 1; Footnote 2; and Pg. 3, Lines 13 – 16.

while the energy-revenues will remain 100% Missouri jurisdictional. This would have the effect of *increasing the net margin* provided by LLPS customers.

For purposes of determining the net revenue that will be provided by Customer A, Staff does not object to EMM's filed position that large loads will not increase EMM's transmission expenses.²⁷

Adjusted for Staff's recommended increase in this case, the amount of Customer A revenues that will be provided to offset the otherwise applicable cost of service to non-LLPS Missouri ratepayers is *** [REDACTED] ***.²⁸

i. What is the appropriate revenue adjustment for expected future revenues from Schedule LLPS customers in the cost of service model?

Staff Position: Staff recommends the LLPS class be ordered an equal percentage increase by class and rate component. Staff's recommended iterative approach, with an example, is provided in Sarah Lange True-up direct testimony, at page 41 line 8, through page 42 line 16, and footnote 28.

B. What level of forfeited discount, commonly referred to as late payment revenue, should be included in the cost of service?

Staff Position: Staff's adjustment for forfeited discounts adjusts the test year to result in level of forfeited discounts that is consistent with Staff's annualized and normalized level of retail revenue. (Ferguson Direct Testimony page 3, lines 7-13.)

C. Should late payment fee revenue be increased by a proportionate amount of the revenue requirement increase authorized by the Commission in this case, commonly referred to as a "late payment fee factor-up"?

Staff Position: No, but if the Commission approves the bad debt factor up, then late payment fees should be also be factored-up. (Ferguson Rebuttal Testimony page 6, line 7 through page 7, line 12.)

4. Wholesale Transmission Revenue Credit

A. Should the Commission accept EMM's revenue reduction to adjust utility transmission revenues in its cost of service to reflect Commission-authorized versus Federal Energy Regulatory Commission ("FERC") authorized returns on equity?

Staff Position: No. EMM's adjustment is one-sided. EMM's recommendation reduces revenues below the actual amounts received but leaves expenses unadjusted although they were incurred with the same underlying influence of FERC's ratemaking approach.

²⁷ Sarah Lange True-up Direct, Pg. 13, Line 17 through Pg. 14, Line 4 (Referencing JP Meitner Rebuttal Testimony, Pg. 9, Lines 14-20).

²⁸ Sarah Lange True-up Direct, Pg. 41, Lines 8-10; Pg. 42, Lines 1-2.

EMM's adjustment inequitably increases the revenue requirement. Staff recommends no adjustment to revenues.²⁹

5. Fuel and Purchased Power

A. What should be adopted as the variable fuel and purchased power cost for this case?

Staff Position: Staff recommends a total variable fuel and purchased power cost of \$268,858,956.³⁰

B. What fuel prices should be included in the cost of service?

Staff Position: For the development of variable fuel expense, the Commission should order natural gas prices to be based on historical, known and measurable natural gas prices. Staff recommends a 12-month weighted average ending June 30, 2026, of natural gas prices to be used (Nieto surrebuttal, page 5, lines 19-22, page 6, lines 1-2) Staff recommends coal and coal transportation based on the actual prices as of the 12-months ending June 30, 2026. (Nieto Direct, page 22, line 12, page 23, lines 1-6)

C. What normalized market prices should be used to determine the revenue requirement in this case?

Staff Position: Staff recommends a normalized ranked average of 2 years of shaped prices for the 12-month period ending June 30, 2026.³¹

D. What level of Transmission Congestion Rights ("TCR") revenue, not TCR margin, should be included in the cost of service?

Staff Position: Staff recommends a historical 12 month ending June 30, 2026, amount of transmission congestion rights margin to be used in development of revenue requirement. (Nieto, Surrebuttal/True Up Direct, page 8, line 22-28 and page 9, line 1-2)

6. Transmission Expense

A. Should the requirement for the Transource adjustment be discontinued?

Staff Position: Yes. There is no longer a material value to continuing the Transource adjustment, and the requirement for the adjustment should be discontinued. All intervenors involved in the dockets creating the requirement for the adjustment are also involved in this case but offered no responsive testimony.³²

7. Payroll, Benefits, and Incentive Compensation

A. What is the appropriate ratio of Operations and Maintenance ("O&M") expense to be used in calculating payroll, benefits, and payroll tax expense?

²⁹ Young Direct, Pg. 7, Line 20 through Pg. 8, Line 11.

³⁰ Brodrick Niemeier's True-Up Direct Testimony, Pg. 6, Lines 5-7.

³¹ Tevie Surrebuttal True-Up Direct, Pg. 3, Lines 4-16.

³² Young Rebuttal, Pg. 3, Lines 4-7.

Staff Position: Staff recommends an O&M rate using the latest 12-month data available as of the true-up. (Bailey Surrebuttal / True-Up Direct Testimony, page 21, lines 7-12)

B. What level, if any, of long-term stock-based incentive compensation should be included in the cost of service?

Staff Position: Staff recommends no amount of long-term incentive compensation be included in the cost of service. (Majors surrebuttal, page 8, lines 14-16)

C. What level of capitalized short-term incentive compensation based on earnings should be removed from plant in service?

Staff Position: Staff recommends removal of \$2,520,765 of capitalized short-term incentive compensation from plant in service. Staff recommends removing only the EMM allocated portion of net capitalized earnings-based short-term incentive compensation from plant in service based upon actuals provided by EMM. (Bailey Surrebuttal / True-Up Direct Testimony, p. 12, lines 4-8) Staff's methodology ensures that all annual cash payouts are multiplied by the appropriate period EPS percentage. (Bailey Surrebuttal / True-Up Direct Testimony, p. 14, lines 17-18) Staff agreed with the 5% change recommended in EMM Witness Branson's rebuttal testimony regarding composite depreciation rates for the adjustment related to short-term earnings compensation. (Bailey Surrebuttal / True-Up Direct Testimony, p. 15, lines 2-6)

D. What level of severance payments should be included in the cost of service?

Staff Position: Staff recommends removal of all severance expense allocated to EMM from the test year period. (Bailey Surrebuttal / True-Up Direct Testimony, p. 8, lines 9-10)

E. What level of pension and other post-employment benefit ("OPEB") expense should be included in the cost of service?

Staff Position: Staff recommends continuation of the pension tracker and OPEB trackers and has included the balances of the trackers and annualized expense as of the true-up ending June 30, 2026. (Majors direct, page 18, lines 5-6, page 19, lines 7-8, Majors true-up direct, page 16, lines 2-4)

F. What level of supplemental executive retirement plan ("SERP") expense should be included in the cost of service?

Staff Position: Staff recommends a normalized amount of SERP expense as of the true-up ending June 30, 2026) Majors true-up direct, page 16, lines 2-4)

8. Maintenance and Operating Expense

A. What level of meter replacement O&M costs should be included in the cost of service?

Staff Position: Staff recommends an annualized level of expense based upon the 12 months ending June 2026, the true-up date in this case. Staff's calculation utilizes the latest available, known and measurable per meter rate. Baily Direct Testimony, p. 2,

lines 11-16. Staff examined AMI meter counts through the true-up period to determine the appropriate costs, and Staff made corrections and updates to its calculations through the True-Up period for AMI Meters O&M. (Baily Direct Testimony, p. 2, lines 11-17 and Bailey Surrebuttal / True-Up Direct Testimony, p. 22, line 15, to p. 23, line 1)

B. What level of outside services expense should be included in the cost of service?

Staff Position: Staff has no adjustment or specific recommendation for this item at this time, but reserves the right to do so based upon the evidence presented at hearing.

C. What level of affiliate transaction expenses should be included in the cost of service?

Staff Position: Staff has no adjustment or specific recommendation for this item at this time, but reserves the right to do so based upon the evidence presented at hearing.

9. Amortizations and Expired Amortization Tracker

A. What level of Demand Side Management pre-MEEIA opt-out amortization should be included in the cost of service?

Staff Position: Staff recommends an annualized level as of the true-up should be included in the cost of service. The DSM Opt-out regulatory assets are not, and historically have not been, included in rate base. Bailey Direct Testimony, p. 23, lines 13-20.

B. What level of prospective tracking amortization should be included in the cost of service?

Staff Position: Staff recommends an annualized level of amortization of the regulatory liability of negative (\$4,016,566). Staff agrees with EMM on all included balances besides the amount to include for excess OSS margins amortization. Staff calculated its amount based upon the ending balance from Case No. ER-2022-0129 and applied the same interest rate as in that case. Bailey Direct Testimony, pages 25-28. Staff used the June 30, 2026, asset and liability balances of each legacy deferred cost, the true-up date. The balance is amortized over a four-year period. Bailey Direct Testimony, p. 25, line 11 to 16 & Bailey Direct Testimony, p. 27, line 9 to 12.

10. Advertising, Dues, and Donations

A. What level of Edison Electric Institute (“EEI”) dues should be included in the cost of service?

Staff Position: Staff recommends removal of all EEI dues from the cost of service. Bailey Surrebuttal / True-Up Direct Testimony, p. 19, lines 6-10.

11. Customer Accounts Expense

A. What level of bad debt expense, if any, should be included in the revenue requirement?

Staff Position: Staff has included a level of bad debts as a percentage of revenues for EMM at the true-up ending June 30, 2026. (Ferguson true-up direct, page 10.)

B. Should bad debt expense be increased by a proportionate amount of the revenue requirement increase authorized by the Commission in this case, commonly referred to as a “bad debt factor-up”?

Staff Position: No. (Ferguson Rebuttal Testimony, page 2, lines 7-11)

12. Regulatory Assessments, Rate Case Expense, and Local Taxes

A. What level of rate case expense, if any, should be allowed in the revenue requirement?

Staff Position: The amount of rate case expense to include in rates should be a full recovery of rate case expenses incurred to comply with statutory requirements and a 50/50 split of remaining discretionary rate case expense between ratepayers and shareholders with a normalization period of two years using the average of the past two EMM rate cases.³³

13. Common Use Billings

A. Should the Uplight software be billed to Evergy’s Kansas regulated entities?

Staff Position: Yes. Common Use Billings are charges between affiliates to assign costs to the beneficiaries of the service. Uplight is a software used by all regulated affiliates of EMM including regulated operations in Kansas, so it should be billed accordingly.³⁴

B. What Uplight costs, including plant, reserve, amortization expense, and common use billings, should be included in the revenue requirement, and how should those costs be allocated and recovered?

Staff Position: As of June 30, 2026, Staff’s schedules reflect EMM’s full investment in Uplight and an amortization expense based on a five-year book life. Uplight is a software used by all regulated affiliates of EMM, including regulated operations in Kansas, so the net rate base and amortization expense should be allocated accordingly.³⁵

14. Property Tax

A. What is the appropriate level of Missouri property tax to be included in rates?

Staff Position: Staff recommends the Commission adopt an annualized and jurisdictional level of Missouri property taxes of \$76,087,629 and implement a tax expense tracker for EMM using actual property taxes paid through June 30, 2026. Bailey Direct Testimony, p. 16, lines 15-22.

B. What base level of property taxes should the Commission approve for tracking purposes?

³³ Ferguson Surrebuttal/True-up Direct, Pg. 5, Line 9 through Pg. 6, Line 21.

³⁴ Young Direct, Pg. 3, Line 14 through Pg. 4, Line 2.

³⁵ Young Direct, Pg. 29, Lines 13-21.

Staff Position: Staff recommends the Commission adopt an annualized and jurisdictional level of Missouri property taxes of \$76,087,629 and implement a tax expense tracker for EMM using actual property taxes paid through June 30, 2026 as the base level of property taxes. Bailey Direct Testimony, p. 16, lines 15-22.

C. What level of property tax tracker rate base amount and amortization should be included in the cost of service?

Staff Position: Staff recommends a rate base amount of \$6,516,496, with an amortization of \$1,629,124 based upon property taxes actually incurred and paid. Staff included collections and payments for the period starting at the date of new rates for the most recent Case No. ER-2022-0129 and the true-up date in this case, January 9, 2023, through June 30, 2026.

15. Income Taxes

A. How much income tax expense should be included in rates?

i. Should income tax expense be reduced by a normalized disposition loss deduction?

Staff Position: No. Generally, the retirement of an asset does not change EMM's net rate base even though the retirement is used as a deduction for tax purposes. The difference between EMM's book basis and tax basis regarding a retired asset is accounted for in the ADIT deduction to rate base that effectively reduces EMM's rate of return until the temporary difference unwinds.³⁶

ii. What amount of research and development tax credits should be included in income tax expense?

Staff Position: Income tax expense should include a normalized amount of research and development tax credits based on actual credits earned in the four years of 2021 – 2024.³⁷

iii. What amount of ongoing nuclear production tax credit benefits realized should be included in income tax expense?

Staff Position: A normalized amount of approximately \$37 million (before the tax gross-up) should be included in the revenue requirement as ongoing nuclear PTC sales. If the Commission approves a level less than Staff's recommended amount, the Commission should also impose carrying costs on the deferred balance equal to EMM's weighted average cost of capital.³⁸

B. Should the Commission approve a tracker for Inflation Reduction Act tax benefits?

³⁶ Young Rebuttal, Pg.8, Lines 7-12.

³⁷ Young True-up Direct, Pg. 38, Lines 5-8.

³⁸ Young Direct, Pg. 26, Lines 12-16; Young Surrebuttal, Pg. 30, Lines 6-14.

- i. If a tax tracker should be approved, should the differences between actual tax benefits and tax benefits included in income tax expense be subject to carrying costs, and if so, what is the appropriate carrying cost to accrue?

Staff Position: Yes. Ongoing inflation reduction act tax benefits are expected to be material. Also, some level of uncertainty exists regarding the future. A tracker will protect the utility and ratepayers from under or over recognition in rates. If the Commission approves a tracker, it should accept Staff's recommendation to include ongoing nuclear PTC sales as an offset to income tax expense. If the Commission does not accept Staff's normalized amount of PTC sales, it should order EMM to accrue carrying costs on tracked amounts using EMM's weighted average cost of capital.³⁹

- C. What amount of net operating loss deferred tax assets should be included in rate base?

Staff Position: EMM's ADIT book balance on June 30, 2026, should be reflected in rate base. This includes the unamortized balance of EMM's net operating loss carryforward (NOLC) that was remeasured with the implementation of the 2017 federal tax cut and jobs act. This approach reflects the unopposed stipulation and agreement reached in EMM's rate case, Case No. ER-2018-0145.⁴⁰

- D. Should an Accounting Authority Order ("AAO") be issued to defer the sale of tax benefits after the true-up date but prior to the effective date of rates?

Staff Position: Yes. An AAO will remove any ambiguity on how the sale of tax benefits prior to the effective date of rates should be accounted for.⁴¹

16. Income-Eligible Programs

- A. What level of Critical Medical Needs and Rehousing Programs expense should be included in the revenue requirement?

Staff Position: It is Staff's opinion there is no need to increase the funding level to \$2 million. Staff would like to see the outcome of the Low-Income Workshop before proceeding with any major changes to the current Low-Income programs, including allowing funding to be moved to other programs.⁴²

Staff has adjusted the test year to ensure the required amount of ratepayer funding of \$150,000 is included in rates for the Critical Medical Needs Program. Staff has adjusted the test year to ensure the requirement amount of ratepayer funding of \$125,000 is included in rates for the Rehousing Program.⁴³

³⁹ Young Surrebuttal, Pg. 27, Lines 3-5; Pg. 27, Line 21 through Pg. 28, Line 14.

⁴⁰ Young Rebuttal, Pg. 5, Line 7 through Pg. 6, Line 2.

⁴¹ Young Surrebuttal, Pg. 30, Line 6 through Pg. 31, Line 7.

⁴² Amy Eichholz Rebuttal Testimony, Pg. 3, Lines 7-11.

⁴³ Ferguson Direct Testimony, Pg. 6, Lines 1-13.

B. What level of economic relief pilot program (“ERPP”) expense, if any, should be included in the revenue requirement?

Staff Position: Staff has adjusted the test year to ensure the required amount of ratepayer funding of \$630,000 is included in rates.⁴⁴

C. Should the pilot designation be removed from EMM’s ERPP tariff?

Staff Position: Yes, as described in Staff witness Contessa King’s rebuttal testimony page 5, lines 1-7.

D. Should EMM be required to provide a summary of the Rehousing Program administration, reporting, and evaluation by email to Staff and the Office of the Public Counsel at the conclusion of each year of the Program as described in its currently approved tariff?

Staff Position: Yes. Staff is of the opinion that EMM’s current and proposed tariff requires reporting and evaluation at the conclusion of each year of the Program. Proposed EMM tariff sheet, PSC MO. No. 3, original sheet No. R-10.09 and current EMM tariff sheet, PSC MO. No. 2, Revised Sheet No. 2.38 requires EMM to provide customer participation information and updates on funding.

E. Should the Commission approve the creation of a low-income rate or assistance program that waives EMM’s customer charge for qualifying customers in this case, or should such a program continue to be developed in the Affordability Workshop?

Staff Position: Staff recommends that EMM, Staff, and other stakeholders continue to work together through the Affordability Docket (OW-2026-0085) to develop cost-effective and targeted approaches to the possible creation of low-income rates and/or assistance programs that benefit customers in need. Staff witness Tammy Huber is available upon request to address this specific sub-issue.

i. If such a program is approved, should late fees be waived for qualifying customers?

Staff Position: Staff is not opposed to an assistance program that would waive late fees. Staff requires the full details of a potential program to develop a position and would be happy to do so in the Affordability Docket.

ii. If such program is approved, how should the waived revenues be recovered?

Staff Position: Staff recommends that if a customer charge waiver is approved and the revenue shortfall associated with that waiver is approved to be recovered in this case, that recovery be treated similarly to the recovery for Economic Development Incentives (“EDI”), with the amount of avoided revenues to be incorporated into the revenues required from all classes, as an equal percentage

⁴⁴ Ferguson Direct Testimony, Pg. 6, Line 14 through Pg. 7, Line 4.

adjustment to the other-wise applicable class revenue requirement.⁴⁵ Alternatively, such avoided revenue could be treated as an expense, and because Staff does not recommend reliance on a CCOS for class revenue requirement calculations,⁴⁶ resolution of this issue would not be necessary.

F. Should EMM be required to file quarterly Rehousing Program reports in EFIS in addition to the existing year-end report?

Staff Position: Staff recommends that the Commission order EMM to file quarterly reports as a non-case related filing in the Commission's Electronic Filing and Information System ("EFIS") under the submission subtype Low-Income Bill Payment Programs Reports. The quarterly reports would be in addition to the year-end report currently required.

G. What changes, if any, should be made to the ERPP tariff to permit broader enrollment or to allow unused program funding to be transferred to other income-eligible programs?

Staff Position: Staff does not recommend any changes to the ERPP tariff. Staff would rather see EMM focus on increasing ERPP enrollment and fully spend program funds on an annual basis.

H. What level of Low-Income Weatherization Program expense, if any, should be included in the revenue requirement?

Staff Position: Staff likes the idea of having the Schedule Income Eligible Weatherization 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. Therefore, Staff would like to keep the annual funding level at \$573,888.⁴⁷ Staff has adjusted the test year to include the required level of funding of \$573,888.⁴⁸

17. Depreciation

A. Which depreciation rates should be used?

Staff Position: The Commission should order the use of the depreciation schedule attached to the direct testimony of Amanda Arandia as Schedule AA-d2 and the amortization schedule attached to the surrebuttal testimony of Amanda Arandia as Schedule AA-s1.

⁴⁵ Lange Rebuttal HC page 71 lines 7-10

⁴⁶ Lange Rebuttal HC page 71 lines 16-19

⁴⁷ Brooke Mastrogiannis Rebuttal testimony, page 15 lines 1 through 6.

⁴⁸ Ferguson Direct Testimony, Pg. 7, Lines 5-12.

B. Should terminal net salvage be included in depreciation rates?

Staff Position: The Commission should continue to exclude terminal net salvage. (Arandia Direct, Page 7, lines 3-18). Net salvage rates recommended by Staff in Schedule AA-d2 exclude terminal net salvage.

C. What general plant amortization reserve deficiency adjustment should be made?

Staff Position: The Commission should order the adjustments provided in Schedule AA-d3 of the direct testimony of Amanda Arandia.

D. Should rates reflect the ongoing amortization of a cost of removal asset?

Staff Position: Staff takes no position at this time but reserves the right to do so based upon the evidence presented at hearing.

E. Should EMM recover future retirement costs in current rates?

Staff Position: The Commission should continue to exclude terminal net salvage. (Arandia Direct, Page 7, lines 3-18). Net salvage rates recommended by Staff in Schedule AA-d2 exclude terminal net salvage.

18. Plant in Service Accounting

A. What projects should be reflected as eligible for plant in service accounting ("PISA")?

Staff Position: EMM's June 30, 2026, book balance of PISA deferrals should be adjusted to remove amounts tied to earnings-based incentive compensation, investments made for the subscribed portion of the Hawthorn Solar facility, and plant additions required to accommodate load from new large-load customers. Section 393.1400 (3), RSMo, excludes rate base additions that increase revenues by allowing service to new customer premises from PISA eligibility. EMM has completed several phases of projects to connect new customers to the grid as well as invested in the grid to respond to the new load. Both types of projects are needed to serve the new customers, so are not PISA eligible.⁴⁹

B. What amount of PISA deferral should be reflected in rate base?

Staff Position: Rate base should reflect a net asset of \$215,169,984.⁵⁰

C. What amount of PISA amortization should be included in expense?

Staff Position: The Commission-ordered PISA asset should be divided by 20 to amortize PISA over 20 years.⁵¹

⁴⁹ Young Surrebuttal, Pg. 8, Line 3 – Pg. 9, Line 5.

⁵⁰ Staff Accounting Schedules, Schedule 2.

⁵¹ Young Direct, Pg. 30, Lines 16-18.

D. Should EMM's plant-in-service reporting requirements be modified from those in the Stipulation and Agreement approved in Commission Case No. ER-2022-0129, and if so, what modifications should be made?

Staff Position: The Commission should order that Evergy Missouri Metro's plant-in-service reporting requirements be modified from those in the Stipulation and Agreement approved in Commission Case No. ER-2022-0129. The plant-in-service reporting requirements should be modified as follows:⁵²

Evergy Missouri Metro shall quarterly file the following information and documentation in its capital budget docket (Commission Case No. EO-2019-0047) for all projects (excluding projects that are part of a blanket project) with an Evergy Missouri Metro jurisdictional cost over \$1 million:

- a. Original project cost (total and EMM allocated),
- b. Final project cost (total and EMM allocated),
- c. In-service date,
- d. Project type,
- e. Project category,
- f. Project description,
- g. Project justification summary,
- h. Oversight reviews,
- i. Purchase orders
(including supporting, attached, and referenced documentation), and
- j. Change orders
(including supporting, attached, and referenced documentation).

19. Distribution Investment

A. What level of distribution capital investment should be reflected in rate base?

Staff Position: Staff takes no position at this time but reserves the right to do so based upon the evidence presented at hearing.

B. Is EMM's asset prioritization methodology a reasonable basis for the investment reflected in this case?

Staff Position: No. While Staff did not recommend a disallowance in this case (Bowman page 12, line 5-6), EMM uses the AssetLens analysis as its cost benefit analysis for the basis of these replacement projects but ** [REDACTED] ** this analysis is not available for Staff to review. (Bowman page 11, lines 8-10) EMM relies upon the AssetLens tool to create a benefit-cost ratio which EMM bases decisions on, but EMM does not retain these ratios. (Bowman page 12, lines 1-2)

C. Is EMM in compliance with the Commission's vegetation management rule, and if not, what should the Commission order?

⁵² Trevor Rucker True-Up Direct Testimony Page 12, line 10-Page 13, line 5.

Staff Position: Vegetation is one of EMM's leading causes for equipment failure and EMM is currently not in compliance with Commission rule 20 CSR 4240-23.030(9)(A)5¹. EMM should become compliant with Commission rule 20 CSR 4240-23.030(9)(A)5 and also conduct a cost-benefit analysis comparison for increasing vegetation management versus investing in additional funds in the lateral improvement program before investing additional dollars in its lateral improvement program.

D. Should EMM be required to compare the benefit of increased vegetation management against additional investment in its lateral improvement program?

Staff Position: Yes. EMM should conduct a cost-benefit analysis comparison for increasing vegetation management versus investing in additional funds in the lateral improvement program before investing additional dollars in its lateral improvement program. (Bowman page 14, lines 8-11)

20. Rate Base Components

A. What level of EEI prepayments should be included in rate base?

Staff Position: Staff recommends removal of all EEI dues from the cost of service, including any prepaid amounts from rate base. (Bailey Surrebuttal / True-Up Direct Testimony, p. 19, lines 6-10)

B. What amount of construction work in progress is appropriate to reflect in rate base?

Staff Position: The Commission should not include CWIP in rate base. The statutes authorizing the Commission to include CWIP require the Commission to establish limitations in a CCN case before it can include CWIP in base rates. Due to the timing of EMM's CCN in Case No. EA-2026-0154 and the current rate case, the Commission does not have the opportunity to approve the inclusion of CWIP. If the Commission disagrees, Staff recommends excluding the amounts of unsupported affiliate transactions from base rates. (Young direct page 41, lines 1 – 10. Young true-up rebuttal page 3, line 20 – page 4, line 5.

C. How much of EMM's current rate base has been retired, and should a rate of return be applied to this amount?

Staff Position: Between June 1, 2022, and June 30, 2026, EMM retired \$160 million (Missouri jurisdictional) of mass property which left a net \$50 million of rate base value as of the true-up date. It is not equitable to charge ratepayers a rate of return on plant that no longer provides electric service. The Commission should adopt Staff's adjustment to remove retired plant from the rate of return calculation. (Young surrebuttal page 9, lines 7 – 14)

D. What treatment should apply to the pension asset in rate base?

Staff Position: Staff recommends continuation of the pension tracker and OPEB trackers and has included the balances of the trackers and annualized expense as

of the true-up ending June 30, 2026. (Majors direct, page 18, lines 5-6, page 19, lines 7-8, Majors true-up direct, page 16, lines 2-4)

E. If construction work in progress is included in rate base, what rate of return should be applied to it?

Staff Position: If construction work in progress is included in rate base, it should be subject to the overall rate of return ordered by the Commission. (Staff Accounting Schedules, Schedule 1)

F. What amount of transmission investment since EMM's last rate case should be included in rate base?

Staff Position: Staff takes no position at this time but reserves the right to do so based upon the evidence presented at hearing.

G. What level of coal inventory should be included in rate base?

Staff Position: Staff recommends coal and coal transportation based on the actual prices as of the 12-months ending June 30, 2026, and consequently the coal inventory be based on the target amount of days-burn based on the annualized amount. (Nieto Direct, page 22, line 12, page 23, lines 1-6)

H. Should rate base be reduced to remove Evergy Kansas Central's investment in transmission to serve Panasonic allocated to EMM?

Staff Position: Staff takes no position at this time, but reserves the right to do so based upon the evidence presented at hearing.

21. Jurisdictional Allocations

A. What jurisdictional demand and energy allocation factors should be used?

Staff Position: Staff recommends using the demand and energy allocation factors as illustrated and explained in the Direct Testimony of Alan J. Bax – Jurisdictional Allocations – which begins on Page 4, Line 21 and continuing through to Page 12, Line 8.

Demand Allocation Factors⁵³:

Missouri Retail Jurisdiction:	0.5320
Kansas Retail Jurisdiction:	0.4666
Wholesale Jurisdiction:	0.0014
Total:	1.0000

Energy Allocation Factors⁵⁴:

Missouri Retail Jurisdiction:	0.5693
Kansas Retail Jurisdiction:	0.4293
Wholesale Jurisdiction:	0.0014
Total:	1.0000

⁵³ Bax Direct, Page 10 – Lines 19-22

⁵⁴ Bax Direct, Page 12 – Lines 2-5

B. How should the allocations be determined for the various elements of the cost of service?

Staff Position: In addition, Staff utilized the demand and energy allocators to calculate the secondary allocators in the cost of service. (Majors direct, page 15, lines 8-9)

C. Should a portion of plant, reserve, and depreciation expense of the Greenwood solar facility be allocated to EMM?

Staff Position: Yes. The Commission's approval of the Greenwood CCN in Case No. EA-2015-0256 was predicated on sharing the cost of Greenwood among multiple business units, including EMM. Since the CCN case, Staff has consistently allocated a portion of the Greenwood rate base and depreciation to EMM based on actual customer counts of each business unit. Young direct page 6, lines 9 – 15.

22. Fuel Adjustment Clause — Structure and Base Factor

A. Should the Commission authorize EMM to continue its FAC?

Staff Position: Staff recommends that the Commission approve, with modifications, the continuation of EMM's FAC. This is demonstrated in the charts and discussion, EMM's ANEC continues to be relatively large and volatile. See Stacy Henderson direct testimony, page 7 lines 1-3.

B. Should the general construct of EMM's FAC be changed?

Staff Position: No. Commission Rule 20 CSR 4240-20.090(2) states: "An electric utility may only file a request with the Commission to establish, continue, or modify a RAM in a general rate proceeding and must rebase base energy costs in each general rate proceeding in which the FAC is continued or modified. The electric utility shall file the following supporting information, in electronic format, where available, with all links and formulas intact, as part of, or in addition to, its direct testimony." Subparts 1 through 19 are further stated on pages 5 through 7 of Surrebuttal testimony of Brooke Mastrogiannis. EMM has violated these rules as it did not provide information for subparts 1 through 19 in its direct testimony to support its position to change the FAC.⁵⁵ Due to the inherent deficiencies of EMM's recommendation to change the construct of its FAC, their recommendation should be disregarded.⁵⁶ See Brooke Mastrogiannis Surrebuttal/True-up Direct pages 5 through 7.

C. What value should the FAC base factor be set at the conclusion of this case?

Staff Position: Staff calculated the true-up base factor rate for FAC Option 1 of \$0.02030 per kWh; this reflects the addition of Customer A. Staff calculated the true-up base factor rate for FAC Option 2 of \$0.01901 per kWh; this does not reflect Customer A. See Brooke Mastrogiannis Surrebuttal/True-Up Direct Testimony, page 18 line 14 through page 19, line 13.

⁵⁵ Brooke Mastrogiannis Surrebutal Testimony, Pg. 7, Lines 10-12.

⁵⁶ Brooke Mastrogiannis Surrebuttal Testimony, Pg. 7, Line 21-22.

D. What sharing ratio between EMM and its customers should the Commission order as an incentive mechanism in EMM's FAC?

Staff Position: Staff recommends the incentive sharing mechanism in EMM's FAC be 95%/5%. Commission Rule 20 CSR 4240-20.090(14)(B) states: "Any incentive mechanism or performance-based program shall be structured to align the interest of the electric utility's customers and shareholders." It is very clear to Staff that if the FAC sharing mechanism was set at 100%/0% that would not align the interest of the customers and shareholders. In addition, EMM would have little or no risk to make any conscious decisions about any of the costs or revenues that are included for recovery in the FAC, because 100% would be passed through regardless. Without a sharing mechanism, there is no incentive to EMM to work hard to hedge fuel costs against price movements that could be detrimental to consumers. With the 95%/5% in place, Staff believes that forces the utility to have skin in the game and be more cognizant of its decisions.⁵⁷ The Commission has not approved any other sharing mechanism for any other utility in Missouri, and there are several other states described within the Surrebuttal testimony pages 10 through 12 of Brooke Mastrogiannis that have different sharing mechanisms. Lastly, Staff recognizes there are framework tools EMM can utilize to try and manage its fuel and purchased power costs. These tools are explained in a recent Rocky Mountain Institute ("RMI") report, which explains that utilities retain substantially greater discretion over their overall fuel costs, which reflect not only prevailing market prices but also hedging practices, fuel contract structure and duration, procurement timing, storage management, and the assumptions embedded in long-term planning and resource portfolios. Although spot market prices themselves are uncontrollable, fuel cost outcomes reflect a combination of external conditions and utility risk management choices.⁵⁸ See Brooke Mastrogiannis Surrebuttal/ True-up Direct pages 8 through 14.

23. Fuel Adjustment Clause — Included Costs

A. What SPP transmission costs should be included in the FAC?

Staff Position: The revised calculated pass-through percentage of SPP transmission costs in the FAC is 31.8%. See Brooke Mastrogiannis Surrebuttal/True-Up Direct Testimony, page 20 lines 1 through 2.

B. What SPP charge types should be included in the FAC?

Staff Position: Staff does not oppose the following SPP charge types as they have already been included in prior "notice of adding new SPP charge types" filed in Case No. ER 2022-0129. These charge types can be found in Stacy Henderson rebuttal testimony, Page 2, line 18 through page 3, line 17. Staff does oppose SPP charge types related to SPP administrative fees, and subaccount 555070. Staff's position is that the costs for these SPP charge types are not fluctuating fuel and purchased power costs, but instead are administrative costs, and should not flow through the FAC. This is

⁵⁷ Brooke Mastrogiannis Surrebuttal Testimony, Pg. 9, Lines 9-21.

⁵⁸ Brooke Mastrogiannis Surrebuttal Testimony, Pg. 14, Lines 1-12.

consistent with the Commission's treatment of SPP administrative fees in past rate cases for Evergy Missouri Metro and Evergy Missouri West and for other electric utilities. See Stacy Henderson Rebuttal testimony page 2 lines 6 through 11.

C. What FAC subaccounts should be included in the FAC?

Staff Position: Staff does not oppose the new subaccount 501310 for glycol additives or including the additional language for storage and transportation in account 501000. Additional information can be found in Stacy Henderson Rebuttal testimony, Page 4, line 9 through 18. Staff does oppose FAC subaccounts 447016 and 555006, see FAC long term capacity sales and purchases, issue 25(D) below. Staff also opposes FAC subaccount 555070, explained above in issue 23(B).

D. Should EMM include long-term capacity purchases and sales for recovery in its FAC?

Staff Position: No. There are currently no known and measurable capacity purchases to include in the FAC base factor. EMM provided projected increases in customer demand through 2028. It appears a majority of the volume in capacity purchases is based on an estimate of what EMM expects to pay for capacity specific to large load customers. Staff does not agree to include it in the FAC because this capacity is for specific contracts for large load customers and those customers should be paying for additional capacity they need; the large load tariff case includes a provision for Interim Capacity that addresses this.⁵⁹ This provision is used if EMM determines that the customer's load cannot be served by EMM's existing system capabilities, then they may enter into specific market contract agreements to provide the necessary capacity requirements of the customer until sufficient capacity may be supplied. The provision also states that the customer shall be subject to an additional demand charge calculated according to the terms of the Interim Capacity Agreement, with the customer responsible for the full costs thereof and the terms of the Interim Capacity Agreement.⁶⁰ If Ms. Eubanks' recommendation to require EMM to provide ESAs and capacity and demand forecasts with and without LLPS customers was approved by the Commission, then it would help clarify whether EMM's capacity and demand forecasts required more capacity to serve its large load customers. 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.⁶¹ Staff's recommendation is consistent with the approach of other utilities as well. See Brooke Mastrogianis Rebuttal Testimony pages 2 through 4. Further, inclusion of long term capacity contracts in the FAC related to load growth will result in double-recovery through the existing rates for service.⁶²

⁵⁹ Brooke Mastrogianis Rebuttal Testimony, Pg. 2, Line 9 through Pg. 3, Line 3.

⁶⁰ Brooke Mastrogianis Rebuttal Testimony, Pg. 3, Lines 8-16.

⁶¹ Brooke Mastrogianis Rebuttal Testimony, Pg. 4, Lines 8-17.

⁶² See Sarah Lange rebuttal, page 24 line 11 – page 26 line 18.

24. Fuel Adjustment Clause — Tariff Language

A. Should EMM include a new definition in the FAC tariff sheets for retail revenue and accounts 440 through 444?

Staff Position: Staff does not oppose including this new definition for retail revenues and accounts 440-444, because these accounts have been approved by the commission to be included in the FAC in a prior Stipulation and Agreement from Case No. EO-2025-0154, service to Large Load Customers. Additional information can be found in Stacy Henderson Rebuttal testimony, Page 3, line 29 through Page 4, line 5.

B. Should the definition of fuel residuals under FERC subaccount 501400 in the FAC tariff sheets be changed?

Staff Position: Staff recommend changing some minor wording in the definition of fuel cost, specifically for account 501400. The current wording “other miscellaneous expenses” is too vague and is not specifically related to fuel residuals. See Stacy Henderson Surrebuttal Testimony, page 2, line 6 – 13.

C. Should the extraordinary costs language proposed by Staff be reflected in EMM’s FAC tariff?

Staff Position: Staff proposed to include language to the FAC tariff sheet in anticipating another big winter storm and to mitigate potential large rate shock for customers. This language can found in Stacy Henderson Direct Testimony, Page 8, lines 8 through 21.

D. Should EMM change the Emissions definition Factor R to Emissions and Environmental credit accounts, subaccounts 411.8, 411.9, 411.12 and 411.13?

Staff Position: Staff agrees with the proposed updates to the FAC tariff. These updates to EMM are consistent with what was approved by the Commission in the most recent Evergy Missouri West general rate case, ER-2024-0189. Additional information can be found in Stacy Henderson Rebuttal Testimony, Page 3, line 21 through line 25.

E. Should language be added to the FAC tariff sheets to address fuel hedging?

Staff Position: With reference to a previous Evergy Missouri West Commission Order and general practice in the energy resources market, this natural gas supply plan may have potential to mitigate the market risk of price volatility. However, staff will evaluate fuel supply plan strategies such hedging as a “cost stabilization, but not a profit maximization”. Staff does not oppose the proposed hedging language in the FAC tariff sheets to attempt to mitigate the market volatility. Hedging is a safeguard measure to mitigate risk. Staff recommends the Commission order EMM to provide an annual report which includes the details of the proposed hedging plan with calculations/projections of hedge ratio, expected variability assumed in price structure of gas/electricity, including but not limited to a time-series projectile of a price symbol, especially during summer peak and winter peak. See Krishna Poudel Rebuttal testimony.

25. Fuel Adjustment Clause — Large Load Power Service

A. Should changes be made to the FAC to address LLPS customers?

Staff Position: Staff recommends the Commission consider two options for FAC treatment of LLPS customers:

Option 1) Use the FAC base factor adjusted to reflect Customer A at *** [REDACTED] [REDACTED] ***, which insulates non-large load customers from that level of load growth, and keeps LLPS customers in the FAC, or

Option 2) Use the 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, to remove LLPS customers from the FAC.¹¹

B. What, if any, new FAC reporting requirements should the Commission order?

Staff Position: Staff recommends EMM provide the total LLPS customer energy per calendar month, the total EMM Missouri jurisdictional energy per calendar month, and the total SPP charges to EMM that were calculated based on EMM's energy usage in a month, without regard to generation sold by EMM. Additionally, EMM should provide the LLPS customer demand for each calendar month coincident with the total EMM Missouri jurisdictional demand per calendar month, and the total EMM Missouri jurisdictional demand per calendar month, and the total SPP charges to EMM that were calculated based on EMM's demand in a month, without regard to generation sold by EMM.⁶³ Staff recommends all SPP costs related to future CHILLS customers should be tracked separately and provided to Staff in additional reporting requirements on a monthly basis. Additionally, if any of EMM's customers become CHILLS, Staff recommends that the Commission order that EMM must notify Staff within three business days, and provide Staff with a copy of its filing to SPP or FERC.⁶⁴ Staff recommends EMM include additional reporting in its FAC monthly reports, tab 5(K) 2, for specific details associated with the *** [REDACTED] *** contract, similar to the specific information that is provided for all the other PPAs on tab 5(K) 2.⁶⁵ Staff recommends the Commission order EMM to provide an annual report which includes the details of the proposed hedging plan with calculations/projects of hedge ratio, expected variability assumed in price structure of gas/electricity, including but not limited to a time-series projectile of a price symbol, especially during summer peak and winter peak.⁶⁶

C. Should EMM have a separate FAC base factor for LLPS customers?

⁶³ Brooke Mastrogianis Direct Testimony, Pg. 11, Lines 12-25.

⁶⁴ Staff Rate Design Report, Pg. 49, Lines 16-20.

⁶⁵ Brooke Mastrogianis Rebuttal Testimony, Pg.12, Lines 9-12.

⁶⁶ Krishna Poudel Rebuttal Testimony, Pg. 6, Line 16 through Pg. 7, Line 1.

Staff Position: Staff recommends the Commission consider two options for FAC treatment of LLPS customers.⁶⁷ If, instead, the Commission does order an LLPS base factor for a separate LLPS FAC, that calculation should not include fuel expense or revenue produced from the sale of energy generated by EMM. In Staff's opinion, a reasonable LLPS-only FAC base factor, if ordered by the Commission, would include only LLPS energy expenses, and a reasonable proration of FAC-recoverable transmission expenses.⁶⁸

26. Rules and Regulations Tariff

A. Should the Commission approve EMM's proposed tariff changes regarding its Rules and Regulations?

Staff Position: EMM should file revised tariff sheets reflecting the changes Staff has agreed upon including changes listed in Staff testimony and any additional changes contained within the "error log."⁶⁹

27. Estimated Billing and Interval Data

A. What updates, if any, to EMM's tariffs should occur to address energy interval estimation?

Staff Position: EMM should file revised tariff language accurately describing the estimation methodology in use and show that the methodology is reasonable for ratepayers. See Randall Jennings Surrebuttal Testimony, Page 12, Lines 10-13.

B. What interval estimation threshold is appropriate for designation of an estimated bill and how should intervals be estimated?

Staff Position: EMM's estimation thresholds should be modeled to mirror those currently in use by Ameren Missouri. See Randall Jennings Surrebuttal Testimony, Page 13, Lines 6-9. For any interval estimation adjustment based upon differences in scalar reads and summed interval reads, Evergy shall apply the adjustment proportionate with the number of intervals estimated by specified rate time period. EMM should continue attempting to obtain missing interval data and adjust customer bills as needed when actual data becomes available. See Randall Jennings Testimony, Page 12, Lines 14-15.

C. What records should be retained for missing or estimated interval data?

Staff Position: EMM should maintain records of missing intervals, inserted estimated usage, and the data supporting each estimate. In compliance with 4 CSR 240-13.020, EMM should also maintain accurate records of the reasons for each estimated bill and

⁶⁷ Sarah Lange COS Direct, Pg. 42, Line 5 through Pg. 49, Line 8. (Same options provided by Brooke Mastrogiannis COS Direct, Pg. 10, Lines 3 – 10.)

⁶⁸ Sarah Lange Rebuttal, Pg. 27, Line 14 through Pg. 28, Line 28.

⁶⁹ Randall Jennings Rebuttal Testimony, Pg. 11-12; Schedule RJ-r3. See also Tammy Huber Rebuttal Testimony, Pg. 7, Line 17 through Pg. 12, Line 11.

all efforts made to secure actual readings. See Randall Jennings Testimony, Page 12, Lines 16-18.

D. What reporting requirements should be implemented for missing or estimated interval data?

Staff Position: EMM should identify bills containing estimated usage and report to the Commission and Staff the level of estimated usage (kWh) and the resulting revenue impact at the time of a rate case filing for the period of the test year and update period. See Randall Jennings Testimony, Page 12, Lines 19-20.

E. Should EMM's estimation procedure include thresholds for automated and manual reviews of estimations?

Staff Position: Yes, EMM's estimation thresholds should be modeled to mirror those currently in use by Ameren Missouri. See Randall Jennings Surrebuttal Testimony, Page 13, Lines 6-9. For any interval estimation adjustment based upon differences in scalar reads and summed interval reads, Evergy shall apply the adjustment proportionate with the number of intervals estimated by specified rate time period.

28. Residential Rate Design

A. What should the residential customer charge be set at in this case?

Staff Position: "Staff recommends retaining the existing residential customer charge of \$12.00." ⁷⁰ Staff reviewed the cost of service that varies with the addition of a residential customer, and while all information necessary to determine the exact cost of service was unavailable, Staff concluded that the cost of service is below the existing \$12 amount, and so no increase is needed at this time.

B. Should EMM be required to inform customers on specified Time-of-Use rate schedules of billing issues and remove customers from such specified rate schedules if EMM has estimated their monthly billing?

Staff Position: Yes. Staff recommends that for any customer participating in the Residential Time of Use – Three Period (RTOU), Residential High Differential Time of Use (RTOU-3), the Separately Metered Electric Vehicle Time of Use schedule (RTOU-EV), Residential Time of Use – Two Period (RTOU-2), and Residential Time of Day Service (RTOD) rate schedules, for which EMM estimates interval data necessary for billing for three or more months in any twelve-month period, the Commission should order EMM to provide a notice to each effected customer, informing each customer that "Evergy is unable to ensure accurate billing for you due to the programing of the Evergy billing system. For this reason, you are no longer eligible to participate in your selected rate. If Evergy successfully obtains your meter reads for the next twelve months, an Evergy representative will contact you and discuss your rate plan options at that time."

⁷⁰ Staff Rate Design Report, page 18 lines 3 – 4. Discussion page 14 line 1 – page 14 line 4.

A new tariff sheet should be included in EMM's compliance tariffs in this case to effectuate this recommendation as ordered.⁷¹

29. Non-Residential Rate Design

A. Should the rates of the non-residential non-lighting customers be restructured in this case?

Staff Position: Yes, as described and implemented below:

i. What are the appropriate periods for each time-related element?

Staff Position: Staff recommends basing billing demand on the minimum demand applicable to a given service classification, or the highest 15-minute demand occurring in summer billing months between 10:00 AM and Midnight, and in non-summer billing months between the hours of 6:00 AM and Midnight.⁷² Staff recommends that an additional charge be applied to each kWh of energy consumed in both summer and non-summer billing months beginning at 3:00 PM until 9:00 PM, with an additional period in non-summer billing months from 7:00 AM until noon. Staff recommends that a credit be applied against the otherwise applicable charge per kWh for energy consumed in summer billing months beginning at Midnight and continuing until 10:00 AM, and in non-summer billing months from midnight and continuing until 6:00 AM.⁷³

These periods are appropriate to mitigate the likelihood of creation of a new 2:00 pm peak hour,⁷⁴ and to address the distinct dual peaks which occur during non-summer months.⁷⁵ It is readily observed that 7:00 am and 8:00 am are frequently peak-setting hours in non-summer months. EMM requests that winter demand be measured between the hours of 9:00 am and 9:00 pm, which would not include the hours in which the most monthly peaks have occurred in the winter billing months. For summer billing months, EMM ends what it terms, "super off peak," at 6:00 am, and this period continues until 3:00 pm. However, the 1:00 – 2:00 hours are heavily loaded and experience high prices. Staff is concerned that with the long lapse of time from the end of the super-off peak period to the 3:00 pm on peak period, that customers will not be able to realistically shift load from after 3:00 pm to before 6:00 am. While customers may seek to avoid on-peak pricing, the customer's outcome is financially the same whether they shift load that would otherwise occur during the 3:00 pm hour to either the 2:00 pm hour or the 6:00 pm hour. Staff recommends extending the very low-priced overnight period as far into the midday as is reasonable to facilitate

⁷¹ Staff Rate Design Report, page 19 line 6 – page 20 line 13.

⁷² Page 30 lines 19 – 22, discussion continues through page 32, line 19, and Schedule 4 to Staff Rate Design Report.

⁷³ Page 31 lines 1 – 7, discussion continues through page 32, line 19, and Schedule 4 to Staff Rate Design Report.

⁷⁴ Lange rebuttal page 64 lines 8-11.

⁷⁵ Lange rebuttal page 64 lines 20-22

load shifting from after 3:00 pm to earlier in the day, and to mitigate the likelihood of creation of a new 2:00 pm peak hour. Also during summer billing months, the 7:00 pm and 8:00 pm hours have high loading. Staff is concerned that EMM's decision to end the peak pricing time at 6:00 pm would result in a rebound that will create new peaks in those hours, which are already relatively high cost from an energy pricing perspective. Similarly, the very short demand period selected for summer months is easily avoided entirely by some customers, and doing so is likely to drive additional peaks immediately prior to and immediately after the selected period, in hours with already high energy prices and high levels of system loading. Finally, EMM's energy prices do not address the distinct dual peaks which occur during non-summer months. Staff recommends some recognition of those peaks in the energy rate design.⁷⁶

- ii. Should the Large General Service ("LGS") and Medium General Service ("MGS") classes be subject to reactive demand charges?

Staff Position: Yes.⁷⁷

- iii. What are the appropriate charges for each rate element for each class?

Staff Position: Staff recommends completion of an appropriate billing determinants study,⁷⁸ with the results to be incorporated consistent with the rate development procedures and relative values recommended in its testimony for Demand Rates,⁷⁹ Reactive Demand rates,⁸⁰ Facilities Demand Rates,⁸¹ Peak Differentials,⁸² and Energy Rates.⁸³

- iv. Should EMM be ordered to promptly conduct a billing determinants and customer impact study?

Staff Position: Yes. Staff supports the general rate structure proposed by EMM, but with modifications. Staff is not opposed to EMM's recommended "Bright Lines" thresholds of 31 MW, 250 MW, and 3,000 MW. Staff recommends that customer migrations be established using the highest 15-minute interval

⁷⁶ Sarah Lange rebuttal page 60, line 8 – 64 line 22.

⁷⁷ Staff Rate Design Report, page 33 lines 8-11. Discussion continues through page 34, lines 2-6 and lines 13-17.

⁷⁸ Staff Rate Design Report, page 24 line 8 – page 25 line 30. Discussion continues in Gonzales Rebuttal page 3 lines 18-20 and page 4 lines 1-20, as well as Gonzales Surrebuttal page 2 lines 4-5.

⁷⁹ Staff Rate Design Report, page 32 line 24 – page 33 line 5.

⁸⁰ Staff Rate Design Report, page 33 lines 8-11. Discussion continues through page 34, lines 2-6 and lines 13-17.

⁸¹ Staff Rate Design Report page 34 lines 20-24. Discussion continues through page 35 lines 1-2, 9-11, and 14-17.

⁸² Staff Rate Design Report page 36 lines 2-6.

⁸³ Staff Rate Design Report page 38 lines 9-13, page 39 lines 1-11.

demand of the customers as it coincides with the on-peak demand period that is representative of EMM's system load.⁸⁴

A reasonable sequence of a customer migration and determinants study is set out below.

1. Identify the applicable on-peak time interval and the applicable "Bright Lines".
 - a. Staff recommends the use of the demand occurring in summer billing months between 10:00 AM and Midnight, and in non-summer billing months between the hours of 6:00 AM and Midnight.
 - b. Staff does not oppose EMM's selection of the 31 MW, 250 MW, and 3,000 MW as reasonable "Bright Lines."
2. Find the 15-minute on-peak demand of each customer for each of the 12 historic billing months. Determine which restructured rate class the customer should be served under based on that customer's 15-minute on-peak demand and the selected "Bright Lines."
3. For each restructured class, calculate the monthly determinants for each charge, as the sum of the determinants of the customers migrated to that restructured class based on 15-minute on-peak demand:
 - a. Customer charge determinants,
 - b. 15-minute facilities demand, by service voltage, and as applicable, billing block,
 - c. 15-minute on peak billing demand, including minimum demands, by service voltage,
 - d. Reactive demand,
 - e. Total energy, by service voltage, and
 - f. Energy by time period, by service voltage.
 - i. Staff recommends that an additional charge be applied to each kWh of energy consumed in both summer and non-summer billing months beginning at 3:00 PM until 9:00 PM, with an additional period in non-summer billing months from 7:00 AM until noon.
 - ii. Staff recommends that a credit be applied against the otherwise applicable charge per kWh for energy consumed in summer billing months beginning at Midnight and continuing until 10:00 AM, and in non-summer billing months from midnight and continuing until 6:00 AM.

v. What customer education is appropriate?

⁸⁴ Staff Rate Design Report, page 24 line 8 – page 25 line 30. Discussion continues in Gonzales Rebuttal page 3 lines 18-20 and page 4 lines 1-20, as well as Gonzales Surrebuttal page 2 lines 4-5.

Staff Position: Staff recommends that EMM inform its non-residential customers of the restructured rates and provide reasonable education to those customers.

⁸⁵ This should include a statement of the rate schedule the customer has been billed on, the rate schedule the customer will be billed on, simple and clear education concerning the time-based periods ordered in this case, an explanation of the recommended delay in restructuring until November 2027, and a one-time report of the following:

1. A statement of the total energy and 30-minute demand for 12 historic billing months,
2. A statement of the total energy, energy by time-based period, 15-minute NCP demand, and 15 minute on-peak demand for the same 12 historic billing months,
3. A calculation of the bill the customer would owe for the usage and demand for those 12 historic months on the increased non-restructured rates that are ordered in this case, and
4. A calculation of the bill the customer would owe for the usage and demand for those 12 historic months on the restructured rates that are ordered in this case and effectuate the rate increase.

The Commission should also order EMM to test its billing system's ability to accurately bill the restructured rates, and to inform the Commission and the parties of any shortcomings or delays in its ability to bill through a filing in this docket.

vi. What date should restructured rates take effect?

Staff Position: The restructured rates should not take effect until after the Summer 2027 billing season. ⁸⁶ Staff recommends that EMM perform the customer migration and determinants study promptly upon the filing of this testimony, so that rates can be calculated swiftly upon the entering of the Commission's order in this case. Preferably, the customer migration and determinants study should be performed using actual customer data for the period July 1, 2025 – June 30, 2026, to coincide with the billing determinants developed for true-up. These determinants must be scaled on the basis of existing classes' determinants and revenues, and that process will require extensive cooperation and collaboration.

Concerning the rates applicable to SGS, MGS, LGS, LPS, and related standby rate schedules, Staff recommends that the Commission order EMM as follows:

1. File one set of tariff sheets as currently numbered and paginated, with each rate increased, and with a heading indicating that the rates are applicable to

⁸⁵ Staff Rate Design Report, page 27 line 15 – page 28 line 9. Discussion continues through page 30 line 9.

⁸⁶ Staff Rate Design Report, page 26 line 2 – page 27 line 12.

service prior to November 1, 2027, including the frozen “All Electric” SGA, MGA, and LGA rate schedules, and the “Large Power Service Off-Peak Rider.”⁸⁷

2. File additional tariff sheets on new tariff sheet numbers, setting out restructured rates as recommended above, which are denominated as applicable to service on and after November 1, 2027.⁸⁸

3. Staff does not recommend creation of highly-differentiated time-based non-residential rate schedules at this time.

4. Staff recommends that LLPS, Clean Charge Network, Electric Vehicle Charging rates, Lighting, and Time Related Pricing rates each be increased by the applicable 3.64% increase, without limitations on the timing of applicability, and without revision on November 1, 2027.

5. For standby rate schedules for service on and after November 1, 2027, Staff recommends the following:

a. Alignment of paragraph 11, “Standby Service Demand,” with the 15-minute demands, demand bright lines, and peak demand periods established for the SGS, MGS, LGS, and LPS restructured schedules.

b. Alignment of the rates for service structures and rates with those established for the SGS, MGS, LGS, and LPS restructured schedules.

The effect of these staggered effective dates not only provides time and opportunity for EMM to educate and prepare its customers, but for customers to begin to facilitate preparations for actions or equipment changes that will be economically efficient under the rates which will be taking effect in November of 2027. For example, customers may determine it is appropriate to adjust shift start times, or the timing of certain processes, or to purchase and install thermostats or HVAC equipment that supports precooling or preheating conditioned air.⁸⁹

B. Should the non-residential non-lighting opt-in time based rates proposed by EMM be implemented?

Staff Position: No. Staff does not support highly differentiated opt-in rates that allow customers to avoid revenue responsibility for reasonably allocated costs of service. Similar to Staff’s concerns with the restructured rates, Staff also opposes the manner in which EMM has modified the relative pricing elements of the Brattle-recommended rates.⁹⁰

⁸⁷ This transition will also effectively eliminate end-use special rates such as currently-tariffed all electric rates after the restructuring takes effect, which will smooth the transition for effected customers.

⁸⁸ This will effectively eliminate the availability of the “All Electric” SGA, MGA, and LGA rate schedules for service after November 1, 2027. This will also effectively eliminate the availability of the Large Power Service Off peak Rider for service after November 1, 2027, which will become functionally obsolete through the rate restructuring.

⁸⁹ Staff does not recommend promulgation of time-based rates except for those described above.

⁹⁰ Sarah Lange Rebuttal page 69 lines 4- 9.

Staff recommends interested parties work together to develop a replacement rate plan under which customers opt-in to billing at the price of the EMM DA-LMP, and pay reasonable demand and other charges to reflect the other costs of service incurred for these customers.⁹¹

C. How should standby service rates be restructured, if applicable?

Staff Position: For standby rate schedules for service on and after November 1, 2027, Staff recommends alignment of paragraph 11, “Standby Service Demand,” with the 15-minute demands, demand bright lines, and peak demand periods established for the SGS, MGS, LGS, and LPS restructured schedules, and alignment of the rates for service structures and rates with those established for the SGS, MGS, LGS, and LPS restructured schedules.⁹²

30. Other Rate Schedules

A. How should all other applicable rates in this case be increased, including lighting, Large Load Power Service, Electric Vehicle Charging, and Time Related Pricing, if applicable?

Staff Position: Staff recommends an equal percentage increase to the classes as currently constituted, subject to adjustment for finalization of the impacts of economic development incentives and the offset of new net revenue from large loads. This adjustment is not applicable to revenues from charges such as solar block charges, and net metering credits. This approach is reasonable given the inability of any party to perform a meaningful CCOS study in this case, and it is also consistent with the interest of minimizing the “moving pieces,” while restructuring the non-residential classes.⁹³

i. Should the TRP (Time Related Pricing) rate schedule be eliminated?

Staff Position: Staff recommends freezing the current TRP schedule to new customers and new premises. Staff recommends interested parties work together to develop a replacement rate plan under which customers opt-in to billing at the price of the EMM DA-LMP, and pay reasonable demand and other charges to reflect the other costs of service incurred for these customers.⁹⁴

ii. Should Schedule LLPS rates be increased in this proceeding, and if so, by how much?

Staff Position: Yes. Staff recommends an equal percentage increase to the classes and rate elements except as specified.⁹⁵

B. Should obsolete residential rate schedules and the Underutilized Infrastructure Rider be removed from the EMM tariff book?

⁹¹ Sarah Lange Rebuttal page 69 line 15 – page 70 line 2.

⁹² Staff Rate Design Report, pg. 26, line 24 - pg. 27, line 5.

⁹³ Staff Rate Design Report, page 4 line 13 – page 5 line 8.

⁹⁴ Sarah Lange Rebuttal page 69 line 15 – page 70 line 2.

⁹⁵ Staff Rate Design Report, page 4 line 13 – page 5 line 8.

Staff Position: Yes. Staff recommends that obsolete end-use rates “RESIDENTIAL GENERAL USE AND SPACE HEAT - ONE METER, 1RS6A (FROZEN),” and “RESIDENTIAL GENERAL USE AND SPACE HEAT - 2 METERS 1RS2A (FROZEN),” be removed from EMM’s residential rate schedules. No customers are served on these rate schedules.⁹⁶ Staff also recommends that the currently frozen rate plan, “Residential Time of Day Service (RTOD)” be removed from the EMM tariff. Staff is not aware of any customers currently taking service on this schedule, which has been superseded by other available rate schedules.⁹⁷ Staff recommends elimination of the Underutilized Infrastructure tariff.⁹⁸

31. Large Load Power Service Tariff and Reporting

A. What tariff changes or clarifications, if any, should be made to the Large Load Power Service tariff?

Staff Position: The tariff should be clarified to make clear that the ramp period includes provision of construction power. Without this clarification, the effective ramp period could extend in excess of the five years contemplated by the Commission in approving the LLPS tariffs.⁹⁹

Language should be included to explicitly state that: (1) exceedance of the contract demand is not allowed and that EMM should take reasonable steps to ensure that the contract demand is not exceeded, including during the ramp period, (2) if the contract demand is exceeded that non-LLPS ratepayers will be held harmless from any and all costs associated with that exceedance, and (3) if the contract demand is exceeded, that level of demand is the new basis for calculation of the minimum demand charge.¹⁰⁰

The Commission should clarify that the LLPS minimum bill is calculated using 80% of the contract demand, without deduction for the energy charge amount or any other amount.¹⁰¹ ***

B. What reporting requirements are appropriate concerning new large loads and load growth?

Staff Position: Staff recommends the Commission order new LLPS Reporting¹⁰²

(1) Annual Reporting, consistent with paragraph 37 of the Ameren Stipulation, Staff recommends EMM, OPC, Staff, and other interested parties in this case, meet to determine the contents and confidentiality of an annual compliance report to be provided to the Commission. At a minimum, this report should contain information

⁹⁶ Staff Rate Design Report, page 13 lines 7 - 10.

⁹⁷ Staff Rate Design Report, page 13 lines 11 - 14.

⁹⁸ Staff Rate Design Report, page 39 lines 13 – 20.

⁹⁹ Sarah Lange CCOS Direct page 6 lines 5 – 9.

¹⁰⁰ Sarah Lange CCOS Direct page 7 line 18 – page 8 line 8.

¹⁰¹ Sarah Lange Rebuttal page 9 line 14 – page 12 line 2.

¹⁰² Claire Eubanks COS Direct, page 16 line 1 – page 20, line 2.

regarding: (i) the number of new or expanded customers that are taking LLPS and (ii) the total estimated load taking LLPS. Energy usage information will be provided on a confidential and anonymized basis.¹⁰³

(2) Customer Agreement and information : Staff recommends, consistent with the Ameren Stipulation, paragraph 51, that the Commission order EMM to provide Staff executed agreement(s) with LLPS customers and certain related information. Specifically, Staff recommends the Commission order that:

Within 30 days after the execution of any agreement relating to LLPS with a LLPS customer, EMM will provide to the Staff the executed agreement(s) and the following information with a level of confidentiality commensurate with the confidentiality provisions in place in this docket: a) An updated capacity and demand forecast without the new LLPS customer. b) An updated capacity and demand forecast with the new LLPS customer. c) The boundary of EMM's facilities serving the LLPS customer in a format supported by the State's geographic information system (GIS) software. d) Evidence that EMM has completed all internal engineering studies supporting the interconnection, a description of all interconnection upgrades and interconnection facilities needed for the LLPS customer, and a complete copy of the interconnection study. EMM will also provide a copy of the construction agreement documenting all estimated costs related to interconnection of the LLPS customer and provide how those costs will be recorded on EMM's books and records. e) To the extent known to EMM, the LLPS customer's full corporate name and registration information, and that of any and all parent companies."¹⁰⁴

(3) Rate Case information: Consistent with paragraph 52 of the Ameren Stipulation, Staff recommends the Commission order the following: In each rate case after a LLPS customer begins taking permanent service (which will occur when the ramp period begins), the EMM will provide as part of its direct case workpapers actual customer load, by hour, starting with the later of the month following the month the customer began taking permanent service or the end of the test year of a previous rate case in which the customer's load was reported through the test year used in the rate case. EMM will provide updated information through a date mutually agreed upon between EMM and the Staff (and if agreement is not reached, as ordered by the Commission) through which Staff intends to calculate billing units for its initial filing in response to the EMM's rate case filing, and will in any event provide updated information through the true-up cutoff date as part of its provision of true-up data in the case. EMM will provide such load data hourly and at 15-minute demand intervals upon request. Such information will be provided with a level of confidentiality commensurate with the confidentiality provisions in place in this docket.¹⁰⁵

¹⁰³ Claire Eubanks COS Direct, page 16 lines 10 – 15.

¹⁰⁴ Claire Eubanks COS Direct, page 17 line 31 – page 18, line 2.

¹⁰⁵ Claire Eubanks COS Direct, page 18 line 16 – page 19, line 9.

The Commission should order EMM to continue to include LLPS hourly loads in its monthly reporting under 20 CSR 4240-3.190, separate from LPS hourly loads.¹⁰⁶

32. Revenue Apportionment and Implementation

A. How should revenue responsibility, including any net revenues from LLPS customers and any reduction to revenues from any income-eligible customer discounts, be apportioned among the customer classes, if at all?

Staff Position: It is not feasible in this case to conduct a reliable Class Cost of Service study due to EMM's class restructuring, and due to the incorporation of new load, capacity requirements, and revenue associated with large customers. A robust CCOS study is a useful tool for consideration in developing reasonable rates for customer classes. However, a CCOS study is only as reliable as the data it evaluates. In this case, it is not possible for any party to produce a useful CCOS study due to movement of customers between classes as a consequence of class restructuring and the incorporation of significant new load without information concerning that load's usage profile.¹⁰⁷

Any CCOS study bears the liability of being of a snapshot in time. However, of particular concern in this case are (1) distortions caused by LLPS treatments in the CCOS, (2) distortions caused by the customer migration sequencing and the inapplicability of CCOSs submitted to customer classes going forward, (3) concern with the reliability of the demands relied upon in the study due to concerns with the thoroughness of interval data caused by EMM's inability to obtain all meter reads of all customers for a given interval to be summed, (4) the failure to reasonably study the cost efficiency of programs such as the Clean Charge Network, or the Renewable Solutions Program, and (5) specific concerns with allocation and classification decisions of EMM and reflected in the derivative studies.¹⁰⁸

Staff recommends an equal percentage increase to the classes as currently constituted, subject to adjustment for finalization of the impacts of economic development incentives and the offset of new net revenue from large loads. This adjustment is not applicable to revenues from charges such as solar block charges, and net metering credits. This approach is reasonable given the inability of any party to perform a meaningful CCOS study in this case, and it is also consistent with the interest of minimizing the "moving pieces," while restructuring the non-residential classes.¹⁰⁹

¹⁰⁶ Lange Surrebuttal page 8 lines 1-5.

¹⁰⁷ Sarah Lange CCOS Direct page 2 lines 11 - 20

¹⁰⁸ Srah Lange Rebuttal page 29 line 11 – 26.

¹⁰⁹ Staff Rate Design Report, page 4 line 13 – page 5 line 8.

i.What is the appropriate classification of customer-classified distribution system cost of service for any class cost of service study relied upon in this case?

Staff Position: The EMM and derivative CCOS studies do not reasonably classify and allocate distribution-related cost of service for several reasons.¹¹⁰ This relates to (1) the distribution classification and allocation of PISA cost of service(2) the manner in which EMM applies the customer-related classification of the distribution accounts consistent with the NARUC Manual (EMM’s approach does not rely on the infrastructure that would serve the minimum load of a typical Residential or SGS customer; instead, it considers a “minimum” system that operates at primary voltage. It also improperly includes switches and other devices, relies on unreasonable count information, and improperly adjusts the rate base associated with infrastructure by a pricing index). (3) Although EMM used assets that operate at primary voltage for its minimum system calculation, it did not follow the instruction at page 95 of the NARUC Manual to recognize that the system used in the minimum system study has load-carrying capability. (4) EMM has not relied on embedded cost for subfunctionalization of the distribution system and application of the MCEG-requested shift in responsibility for single phase primary distribution assets. (5) EMM chose to perform that subfunctionalization in a way which is suboptimal and that distorts the expected relationship between the actual investment EMM has made in infrastructure that operates at primary voltage and infrastructure that operates at secondary voltage which exaggerates the amount of investment that EMM has made in secondary-voltage infrastructure, and shifts cost responsibility for the distribution system as a whole to classes made up of customers served at secondary voltage and understates the contribution required from classes made up of customers served at higher voltages for distribution system upgrades encouraged by PISA policy, and (6) Additional issues with the subfunctionalization and single phase primary treatment.

ii.What is the appropriate allocation of production-related cost of service for any class cost of service study relied upon in this case?

Staff Position: Appropriate allocation of production related cost of service requires, among other things, an appropriate relationship between the allocated cost of owning and operating generating facilities, and the allocated revenues produced by those facilities. The EMM and derivative CCOS studies do not reasonably allocate production and energy-related cost of service for several reasons.¹¹¹ First, these studies allocate all the cost of owning all generation facilities using a four coincident peak average and excess approach, and then allocate the fuel expense and revenues produced by these plants to the classes on the basis of the energy consumed by the classes. The result is that in the EMM and derivative studies the MGS, SGS, and Residential customers pay for approximately 68% of the cost of renewable generation, while LGS and LPS customers are credited with 44% of the value of the energy generated by renewable generation.

¹¹⁰ Sarah Lange Rebuttal page 35 line 12 – page 51 line 15

¹¹¹ Sarah Lange Rebuttal page 30 line 1 – page 35 line 12

Second, the A&E-4CP allocator relied upon by EMM is not recognized in the 1992 NARUC Cost Allocation Manual and is characterized as a “mistake.”

Also, the EMM and derivative study does not account for the market value of energy or variations in the market value of energy. Also, in the EMM study, Residential and SGS customers are overallocated the cost of service for generation that provides Renewable Energy Credits required for RES compliance, while LPS and LGS customers are underallocated that responsibility. Additional issues with production allocation relate to the inconsistent treatment of LLPS allocations, and the application of the results to migrated customer classes, or alternatively, the reliance on results applicable to improperly-migrated customer classes.

B. How should customer affordability, including for low- and moderate-income households, be reflected in the rates ordered in this case?

Staff Position: Please refer to Staff’s position provided for Issue 16.E.ii.

C. Should EMM’s surrebuttal proposal to implement the rate increase by bill cycle in this case be permitted?

Staff Position: EMM did not present this request until surrebuttal and no party has had an opportunity to respond. Staff reserves the right to adduce evidence at hearing related to how this proposal will interact with riders, regulatory trackers, tariff mechanisms including, but not limited to the FAC and MEEIA,

D. How should revenue responsibility for construction work in progress be assigned or allocated among the customer classes?

Staff Position: Because Staff does not recommend reliance on CCOS in this case and recommends equal percentage increases to all classes (including LLPS rates), it is not necessary to address this issue. (See generally, Staff Report and testimonies of Sarah Lange)

33. Critical Peak Rate

A. Should the Critical Peak Rate recommended by Staff be implemented?

Staff Position: Yes. Staff recommends the Commission order EMM to implement a Critical Peak Rate (“CPR”) tariff. Staff recommends that the CPR tariffs include a provision that the CPR tariff will not be applicable to service prior to November 1, 2027”, to accommodate billing system programming testing and customer education.¹¹² Staff set out two options for the Commission’s consideration, one with a higher rate and shorter duration, and one with a lower rate and longer duration.¹¹³ Staff recommends that the Commission select an option for initial implementation, and in the future the other option may also be introduced at an appropriate level.

¹¹² Staff Rate Design Report, Pg. 3, Lines 17-21 through Pg. 40, Lines 1-4.

¹¹³ Staff Rate Design Report Pg. 41, Lines 14-17.

1. A CPR event is only for 6 hours of a day, and the applicable rate is \$0.10 per kWh.
2. A CPR event is all day, and the applicable rate is \$0.025 per kWh.

“Staff recommends the tariff include the following language to trigger a CPR event:

If the DA-LMP has exceeded \$100 in each hour of a given operating day and is \$100 or more in each hour of the subsequent operating day, EMM shall issue a CPR notice.

Under Option 1, staff recommends the following tariff language:

If the DA-LMP has exceeded \$100 in each hour of a given operating day and is \$100 or more in each hour of the subsequent operating day, EMM shall issue a CPR notice for the 6 consecutive hours with the highest DA-LMP in that subsequent operating day. The CPR will be \$0.10 per kWh.

Under Option 2, staff recommends the following tariff language:

If the DA-LMP has exceeded \$100 in each hour of a given operating day and is \$100 or more in each hour of the subsequent operating day, EMM shall issue a CPR notice for that next day, for all hours in that day. The CPR will be \$0.025 per kWh.”¹¹⁴ Staff recommends alerts for CPR events be issued across social media, local media, and the customer’s preferred communication channel in a non-alarmist, impartial manner.¹¹⁵

The following customers should be exempted from paying the CPR:

1. Critical medical needs registered customers,
2. Customer with Registered Medical Equipment,
3. Economic Relief Pilot Program customers, and
4. Customers meeting income eligible criteria the Commission may establish in this case.¹¹⁶

To account for the AMI opt-out provisions of 20 CSR 4240-10.035, any residential customer not metered with AMI metering should be billed \$3.00 per event day, under either Option 1 or Option 2. Appropriate tariff language would be, “in the event a residential customer has opted-out of AMI metering, the CPR rate applicable to such customer is \$3.00 per event day.”¹¹⁷

i.If not implemented, are other accommodations needed to address high market cost events and establish offsetting revenues to be applied through the FAC?

Staff Position: Staff takes no position at this time but reserves the right to do so based upon the evidence presented at hearing.

¹¹⁴ Staff Rate Design Report, Pg. 42, Lines 7-10 through Pg. 44, Lines 12-16; Pg. 45, Lines 17-20. See also Sarah Lange Surrebuttal Pg. 45, Line 12.

¹¹⁵ Staff Rate Design Report, Pg. 46, Lines 20-21.

¹¹⁶ Staff Rate Design Report, Pg. 47, Lines 2-7.

¹¹⁷ Sarah Lange Rebuttal, Pg. 29, Line 4 – 9.

B. Should EMM have a separate line on its fuel adjustment rate tariff to account for critical peak pricing?

Staff Position: Yes. Staff recommends the Commission order EMM to implement a CPR tariff to mitigate significant and ongoing FAC rate impacts of severe weather events such as Winter Storm Uri and the recent Winter Storm Fern. Staff recommends including a new line in the proposed 5th Revised Sheet No. 50.10, with a line description of “Critical Peak Rate Revenue”. Staff recommends this line would be below the current line 10 “Prudence Adjustment Amount” and above the current line 11, “Fuel and Purchased Power Adjustment”. These revenues will come from an accumulated revenues balance from the CPR tariff, which allows for a separate rate during winter storms. These revenues can then be distributed and socialized to all customers in EMM’s next FAR filing, with the intention to mitigate the bill impact for customers after a large winter storm.¹¹⁸

34. Storm Reserve

A. Should a storm reserve be established in this case?

Staff Position: No. (Majors rebuttal, page 4, lines 13-16)

B. If approved, how much should be included in the cost of service?

Staff Position: Staff does not recommend any level of storm reserve. (Majors rebuttal, page 4, lines 13-16)

35. Injuries and Damages

A. Should an injuries and damages reserve be established in this case?

Staff Position: No. (Majors rebuttal, page 10, lines 5-11)

B. If approved, how much should be included in the cost of service?

Staff Position: Staff does not recommend any level of injuries and damages reserve. (Majors rebuttal, page 10, lines 5-11)

36. Critical Infrastructure Protection and Cyber Security

A. What level of critical infrastructure protection (“CIP”) and cyber security expense should be included in the revenue requirement?

Staff Position: Staff included the test year amount of these costs as cybersecurity costs have not fluctuated significantly in recent years. (Majors surrebuttal, page 15, lines 1-7)

B. Should EMM implement a tracker for CIP and cyber security costs?

Staff Position: No. These costs have not fluctuated significantly in recent years. (Lyons rebuttal, page 11, lines 11-16)

¹¹⁸ See Staff Rate Design Report, Pg. 47 - 49.

37. Revenue Sharing

A. Should the Commission implement a mechanism to review or share earnings attributable to Schedule LLPS customers, and if so, how should it be designed?

Staff Position: Staff recommends the Commission design the earning sharing mechanism to be identical to the earning sharing mechanism established in Case No. ET-2025-0184 for Ameren Missouri.¹¹⁹

38. Energy Burden Analysis

A. Should the Commission order a 3rd party energy burden analysis for Evergy Metro that does not exceed \$150K in costs?

Staff Position: Staff takes no position at this time but reserves the right to do so based upon the evidence presented at hearing.

39. Green Button Connect

A. Should the Commission order EMM to implement Green Button Connect (“GBC”) in this rate case?

Staff Position: No. implementation of GBC needed to obtain that certification could still be technically difficult and costly, and those challenges need to be thoughtfully considered before moving forward with GBC.¹²⁰

B. If the Commission orders EMM to implement GBC, should the Commission order the tariff proposed by Renew Missouri related to GBC?

Staff Position: No. Renew Missouri’s proposed tariff is premature, even if the Commission orders EMM to adopt GBC in this case. Additionally, Renew Missouri’s tariff language could both tie the hands of EMM in the event a bad actor infiltrates their systems through the GBC interface, as well as put the Commission in regulating the activities of third-parties outside its jurisdiction.¹²¹

C. If the Commission orders EMM to implement GBC, should the Commission adopt Renew Missouri’s revenue requirement recommendation?

Staff Position: No. The revenue requirement proposed by Renew Missouri is based on flawed estimates rather than known and measurable changes to actual expenses and should not be ordered.¹²²

D. If the Commission orders EMM to implement GBC, should Renew Missouri’s recommended revenue requirement for studying a regional data hub be ordered by the Commission?

Staff Position: No. There is not enough information available to set a meaningful revenue requirement should the Commission decide EMM should pursue GBC.¹²³

¹¹⁹ Kim Bolin Surrebuttal, Pg. 3, Lines 1-3.

¹²⁰ Rebuttal Testimony of Shawn E. Lange, Pg. 5, Line 18 through Pg. 7, Line 11.

¹²¹ Rebuttal Testimony of Shawn E. Lange, Pg. 7, Line 12 through Pg. 8, Line 17.

¹²² Rebuttal Testimony of Shawn E. Lange, Pg. 8, Line 18 through Pg. 9, Line 12.

¹²³ Rebuttal Testimony of Shawn E. Lange, Pg. 9, Lines 5-12.

40. Customer Battery Programs

A. Should the Commission order the adoption of Renew Missouri's proposed battery programs?

Staff Position: Staff does not oppose the concept of a customer battery program, but the details of any such program could change that. Staff has two main areas of concern regarding any potential battery pilot program. First, only a subset of EMM's customers would be eligible under these proposed programs. The second concern is the cost.¹²⁴

41. Income-Eligible Solar Program

A. Should the Commission order the adoption of Renew Missouri's proposed evaluation and expansion of the Income-Eligible solar program?

Staff Position: Staff takes no position at this time but reserves the right to do so based upon the evidence presented at hearing.

42. MEEIA Margin Rates

A. What methodology should be used to calculate the net marginal rate for each rate class?

Staff Position: Staff do not oppose Company's MEEIA Margin Rates analysis methodology in this rate case. EMM provided Net Marginal Rate (NMR) analysis in its direct filing because the Commission approved a Unanimous Stipulation and Agreement on October 2, 2024, in Case No. ER-2024-0189 that EMM shall provide NMR calculations in its direct filing. The NMRs should be recalculated based upon final rates in this case consistent with the methodology utilized by Evergy in its direct filing. Staff witness Hari Poudel is available upon request to address this issue.

WHEREFORE, Staff respectfully submits its *Statement of Positions*.

Respectfully submitted,

/s/ Tracy D. Johnson

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¹²⁴ Rebuttal Testimony of Shawn E. Lange, Pg. 1, Line 20 through Pg. 4, Line 22

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record on this 25th day of September 2026.

/s/ Tracy D. Johnson