

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

**EVERGY MISSOURI METRO'S REPLY IN SUPPORT OF
THE LLPS STIPULATION AND AGREEMENT**

Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("EMM" or the "Company"), pursuant to 20 CSR 4240-2.080(13), files this Reply in Support of the October 5, 2026, LLPS Stipulation and Agreement between Google LLC ("Google") and the Company ("Stipulation"). Herein, the Company replies to the Staff Objection to LLPS Partial Stipulation and Agreement ("Staff Objection"), Public Counsel's Opposition to LLPS Settlement ("OPC Opposition"), and the MECG Response to Commission's Order Shortening Time to Object to Stipulation and Agreements ("MECG Response").¹ The Affidavit of Darrin R. Ives ("Ives Affidavit") is attached hereto as Attachment A. In support of this Reply, the Company states as follows:

I. INTRODUCTION

1. On October 5, 2026, the Company and Google filed the Stipulation.² The same day, the Commission shortened the time to object to the non-unanimous stipulations to midnight on October 7, 2026.³ Staff filed its objection on October 6, 2026, and OPC and MECG filed their responses on October 7, 2026.

¹ Staff Objection (Oct. 6, 2026) (EFIS Item No. 318); OPC Opposition (Oct. 7, 2026) (EFIS Item No. 324); MECG Response (Oct. 7, 2026) (EFIS Item No. 325).

² LLPS Stipulation and Agreement (Oct. 5, 2026) (EFIS Item Nos. 314 (Highly Confidential) and 317 (Public)).

³ Order Shortening Time to Object to Stipulation and Agreements, Ordered ¶ 1, In re: Evergy Metro, Inc. d/b/a Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service, No. ER-2026-0143 (Oct. 5, 2026).

2. As a result, the Stipulation is “a position of the signatory parties” and “[a]ll issues shall remain for determination after hearing.”⁴ The Company requests that the Commission resolve the issues in this case subject to the Stipulation (Issues 3.A, 5, 22.B through 22.D, 23.A, 23.D, 25, and 37, as they appear on the Amended Joint List of Issues filed October 5, 2026) by approving the Stipulation without modifications or conditions.

3. The Ives Affidavit, which the Company incorporates by reference, explains why the Stipulation is a reasonable resolution of such issues and results in just and reasonable rates, as well as responds to the objections.

4. The Company will accordingly present a mini opening during the October 13, 2026, on-the-record proceeding, make its witnesses available for cross-examination by parties, Commission questions, and re-direct examination, and cross-examine other parties’ witnesses as may be necessary.

II. THE STAFF OBJECTION

A. Earnings Review Surveillance

5. In its objection, Staff asks that, if the Commission adopts an earnings sharing mechanism, it “order the same mechanism approved by the Commission for Ameren Missouri in Case No. ET-2025-0184.”⁵ As the Ives Affidavit explains, the Earnings Review Surveillance (“ERS”) mechanism in the Stipulation follows that mechanism closely and differs from it in four principal respects that reflect EMM’s circumstances.⁶

⁴ 20 CSR 4240-2.115(2)(D).

⁵ Staff Objection ¶ 4.

⁶ See Stipulation, Exhibit D; Amended Non-Unanimous Global Stipulation and Agreement ¶ 46, In re: Application of Union Electric Company d/b/a Ameren Missouri for Approval of New Modified Tariffs for Service to Large Load Customers, No. ET-2025-0184 (filed Nov. 20, 2025); Ives Affidavit ¶¶ 16–17.

B. LLPS Billing Demand

6. Staff objects to “what it understands the LLPS billing calculation provisions to represent, which is not the proper calculation of the LLPS minimum bill,” and to the fact that it has not received the tariff redlines described in paragraph 5 of the Stipulation.⁷ As the Ives Affidavit explains, Paragraph 4 of the Stipulation clarifies how the existing Schedule LLPS applies, and the Company will include the redlines in its compliance tariffs if the Commission adopts that clarification.⁸

C. FAC Operation, Sharing, and Base Factor

7. Staff contends that the Stipulation fails to protect customers from the Fuel Adjustment Clause (“FAC”) effects of LLPS growth and allows the Company to “double-recover[]” LLPS energy expense, which Staff says, “results in unreasonable positive regulatory lag.”⁹ Not so. As the Ives Affidavit explains, LLPS revenues reduce what other customers pay in base rates, the FAC collects or returns *only* the difference between actual net energy costs and the base, and growth in LLPS revenues between rate cases is the circumstance the ERS addresses.¹⁰ Thus, there is no possibility of “double-recovery.”

8. Staff states that the 90 percent/10 percent sharing on the LLPS portion “does not provide real value for ratepayers.”¹¹ Staff’s own example shows otherwise, as the Ives Affidavit explains.¹²

9. Staff also argues that “[a]ll else being equal, the lower the FAC base factor, the higher future FAC charges will be,” and that paragraph 10 of the Stipulation misrepresents the

⁷ Staff Objection ¶¶ 6.

⁸ See Stipulation ¶¶ 4–5; Ives Affidavit ¶¶ 18–19.

⁹ Staff Objection ¶¶ 7–8.

¹⁰ See Stipulation ¶¶ 7, 9, 13; Nunn True-Up Rebuttal at pp. 4–5; Ives Affidavit ¶¶ 20, 25–27.

¹¹ Staff Objection ¶ 8(b).

¹² See *id.*; Ives Affidavit ¶¶ 20, 24.

base factor as coming from Staff.¹³ That paragraph states the base factor’s inputs, which are the net fuel costs in Staff’s true-up EMS run and the net system input in Staff’s FAC base rate calculation, and Staff’s own base factor calculation excludes LLPS energy and related energy expenses, as the Stipulation’s does.¹⁴ As the Ives Affidavit explains, whatever level the base factor is set at, the FAC collects or returns the difference between actual net energy costs and the base, subject to incentive sharing.¹⁵

D. Long-Term Capacity Subaccounts

10. Staff objects to the long-term capacity subaccounts in paragraph 11 of the Stipulation, stating that the Company’s long-term capacity sales will fall off and its long-term capacity purchases will be added after rates take effect, and it asserts that including long-term capacity in the FAC “will result in significant double-recovery for EMM.”¹⁶ As the Ives Affidavit explains, that paragraph adds both a subaccount for capacity purchases of more than one year in duration and a subaccount for capacity sales of more than one year in duration, and the Stipulation’s consistent treatment of long-term capacity in the FAC base and in the FAC accumulation periods prevents double recovery.¹⁷

11. Staff also states that, as the Company’s capacity sales to Evergy Missouri West taper off, LLPS customers will pay more for that capacity through their retail rates than the Company receives under the sale, and that “[t]he FAC was never contemplated for such use.”¹⁸ The Company’s existing FAC tariff already includes capacity charges for capacity purchases of one year or less in duration among its purchased power costs and capacity charges for capacity

¹³ Staff Objection ¶¶ 7, 9.

¹⁴ See Stipulation ¶¶ 9–10; Staff Objection ¶ 9.

¹⁵ See Ives Affidavit ¶¶ 20, 23–24.

¹⁶ Staff Objection ¶¶ 10–11.

¹⁷ See Stipulation ¶ 11; Ives Affidavit ¶ 30.

¹⁸ Staff Objection ¶ 12.

sales of one year or less in duration among its off-system sales revenues, and paragraph 11 of the Stipulation extends the same treatment to longer contracts.¹⁹ As the Ives Affidavit explains, Staff’s point about what LLPS customers pay for capacity is a point about LLPS revenues, which the Stipulation addresses directly.²⁰

E. Interim Capacity

12. Staff argues that, if LLPS rates are not sufficient to recover incremental capacity expense, the Company has the Schedule LLPS interim capacity charge available, and that if the Company “does not prudently pursue recovery” through that charge, the shortfall “should not be borne by EMM legacy ratepayers.”²¹ As the Ives Affidavit explains, Schedule LLPS makes the Interim Capacity provision available but does not require the Company to use it for every capacity contract.²²

F. LLPS Revenues in Paragraph 13 of the Stipulation

13. Staff objects that the LLPS revenue values in paragraph 13 “rely on improper bill calculation and unreasonably low kWh amounts,” and Staff relied instead on “known contract demand and EMM’s representation of expected load factor.”²³ The Ives Affidavit explains why annualized actual LLPS activity as of June 2026, the last month of the true-up period, rather than an operating level that has not yet been observed, is the appropriate basis for paragraph 13 of the Stipulation, and how the ERS protects customers if LLPS revenues exceed that level.²⁴

¹⁹ See Everygy Missouri Metro, P.S.C. MO. No. 7, Rider FAC, Sheet Nos. 50.21, 50.23 (Subaccount 555005, “capacity charges for capacity purchases one year or less in duration”), 50.24 (Subaccount 447012, “capacity charges for capacity sales one year or less in duration”); Stipulation ¶ 11.

²⁰ See Ives Affidavit ¶¶ 31–32.

²¹ Staff Objection ¶ 13.

²² See Schedule LLPS, Interim Capacity; Ives Affidavit ¶ 33.

²³ Staff Objection ¶ 14.

²⁴ See Stipulation ¶ 13 and Exhibit D; Ives Affidavit ¶¶ 10, 31, 34–35.

G. Matters the Stipulation Does Not Address

14. Staff objects that the Stipulation does not address additional reporting, enforcement of the minimum bill and contract demand provisions, exemption of the LLPS class from the FAC charge, and an equal percentage increase for the LLPS class.²⁵ However, the Stipulation is a partial settlement that identifies the issues it resolves, and it addresses the FAC exemption by keeping LLPS customers in the FAC, as the Ives Affidavit explains.²⁶ Again, the Commission's rule provides that in cases involving non-unanimous stipulations and agreements, "[a]ll issues shall remain for determination after hearing."²⁷ The Company otherwise has witnesses and evidence supporting its positions for each of the issues in this case not covered by the Stipulation.

III. THE OPC OPPOSITION

15. OPC opposes every term of the Stipulation except the transmission percentage in paragraph 12.²⁸ Several of its objections repeat Staff's, others restate positions OPC has taken in this case, including its recommendations to lower the Schedule LLPS threshold, raise the minimum demand, adopt Staff's FAC Option 2, and establish separate FAC base factors, and its objection to paragraph 13 of the Stipulation does not explain its disagreement. The Ives Affidavit responds to these objections, and the Company's testimony already responds to the positions OPC states.²⁹

16. OPC opposes paragraph 3 of the Stipulation because it adopts the methodology the Kansas Corporation Commission.³⁰ That description is inaccurate, because the ERS substantially follows the Ameren Missouri mechanism, as the Ives Affidavit explains.³¹ Indeed, OPC's own

²⁵ Staff Objection ¶ 15.

²⁶ See Stipulation, pp. 4–5; Ives Affidavit ¶¶ 20, 36.

²⁷ 20 CSR 4240-2.115(2)(D).

²⁸ OPC Opposition ¶¶ 8, 12.

²⁹ See OPC Opposition ¶¶ 1–2, 4, 6–7, 9–10, 13; Ives Affidavit ¶¶ 38–41.

³⁰ OPC Opposition ¶ 3.

³¹ See Ives Affidavit ¶¶ 16–17, 39.

statement of positions, as its alternative to its primary recommendation, proposed “a mechanism modeled on the Earnings Review Surveillance approved for Ameren Missouri in Case No. ET-2025-0184.”³²

17. OPC opposes paragraph 11 of the Stipulation because, in its view, neither long-term capacity purchases nor long-term capacity sales “are fuel and power purchase costs eligible to flow through a FAC.”³³ Section 386.266.1, RSMo, authorizes periodic rate adjustments to reflect increases and decreases in an electrical corporation’s “prudently incurred fuel and purchased-power costs, including transportation.”³⁴ Capacity purchased from others is purchased power, as the Company’s existing FAC already recognizes for capacity purchased under contracts of one year or less, and paragraph 11 of the Stipulation extends that treatment to longer contracts, consistent with Ms. Nunn’s testimony that prudently incurred long-term capacity costs and revenues should be eligible for FAC treatment.³⁵

IV. THE MECG RESPONSE

18. MECG objects to the Stipulation “[t]o the extent it is necessary to preserve its ability to take a position on these issues within its post-hearing briefs based on the testimony and evidence at hearing,” and it does not identify any term of the Stipulation that it contends is unreasonable.³⁶ Under the Commission’s rule, the issues the Stipulation covers remain for determination after hearing in any event.³⁷

³² Public Counsel’s Positions on Listed Issues (Sept. 25, 2026), Issue 37.A.

³³ OPC Opposition ¶ 11.

³⁴ Section 386.266.1, RSMo.

³⁵ See Evergny Missouri Metro, P.S.C. MO. No. 7, Rider FAC, Sheet No. 50.23; Nunn True-Up Rebuttal at p. 9; Ives Affidavit ¶¶ 32, 40.

³⁶ MECG Response ¶ 2.

³⁷ See 20 CSR 4240-2.115(2)(D).

V. CONCLUSION

19. For the reasons stated above and in the Ives Affidavit, the terms of the Stipulation are a reasonable resolution of the issues they address and will result in just and reasonable rates.³⁸

WHEREFORE, Evergy Missouri Metro respectfully requests that the Commission resolve Issues 3.A, 5, 22.B through 22.D, 23.A, 23.D, 25, and 37, as they appear on the Amended Joint List of Issues filed October 5, 2026, by approving the Stipulation without conditions or modifications; admit the Ives Affidavit into this case's evidentiary record; and grant such other and further relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Roger W. Steiner

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³⁸ See Ives Affidavit ¶¶ 13–14, 42.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail on counsel of record in this proceeding on this 9th day of October 2026.

/s/ Roger W. Steiner

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