BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

INITIAL BRIEF OF THE MIDWEST ENERGY CONSUMERS GROUP

Danny Lyskowski, Mo. Bar No. 63986
Opitz Law Firm, LLC
308 E. High Street, Suite B101
Jefferson City, MO 65101
T: (573) 230-8526
danny.lyskowski@opitzlawfirm.com

ATTORNEY FOR MIDWEST
ENERGY CONSUMERS GROUP

November 6, 2026

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

INITIAL BRIEF OF MECG

COMES NOW the Midwest Energy Consumers Group ("MECG"), and for its Initial Brief respectfully states:

Overview

Prior to the evidentiary hearing in this case, the parties engaged in settlement negotiations that resulted in six separate Stipulation and Agreements. Three of the agreements received no objections from any of the parties and are therefore considered to be unanimous pursuant to Commission rule. Various parties objected to the remaining agreements. Under the Commission's rule, those agreements are now considered the positions of the signatories. In this Initial Brief, MECG addresses four issues:

1. Depreciation: Issue 17.A.
2. Large Load Power Service Revenues: Issues 3; 37
3. Revenue Apportionment: Issue 32.A.
4. Rate Design and Implementation: Issues 29.A.and B.; 30.A.i. and 32.C.

Below MECG asks the Commission to adopt MECG's positions. First, the Commission should order Evergy to extend certain facility retirement dates for its depreciation calculations. Evergy extended these dates in the context of making its formal resource planning determination but

willingly disregarded that same information when proposing depreciation rates. The extension of these dates would not harm the Company and would provide all ratepayers a rate reduction of $7.3 million annually. Second, the Commission should impute a minimum $60 million to the revenue requirement ordered in this case to reflect annualized revenues Evergy will receive from LLPS customers. In connection with the revenue imputation, the Commission should adopt MECG's proposed two-way revenue tracker to collect information about the actual LLPS net revenues. Third, the Commission should adopt the revenue apportionment proposal put forth by the Company and MECG as a reasonable compromise that falls within a range supported by the Company's cost of service study. Notably, the compromise position adopts a rate increase for the LPS and LGS classes where the study indicates these parties should receive an overall *decrease* in rates. Additionally, the proposal keeps the residential class rates equal with the overall system average increase. Fourth, the Commission should adopt the rate design proposal put forth by the Company and MECG that implements a number of changes to commercial and industrial rates. With these changes, many LPS and LGS customers will see an additional rate increase on top of the increase resulting from the revenue increase the Commission orders. MECG supports these changes as part of its agreement reached on other issues in this case that mitigate the impacts from the rate design changes. These issues are taken up below.

I. Depreciation

Which depreciation rates should be used? (Issue 17.A.)

The depreciation rates used should take into account the probable retirement dates of generating units. When selecting probable retirement dates, all reliable sources of information should be considered. Here, Evergy's 2026 Integrated Resource Plan Annual Update was filed in May 2026 and identifies that the Company now plans to continue operating several EMM

generation units for at least an additional five years beyond its current estimates—moving from 2040 to at least 2045. EMM's depreciation study in the rate case utilized 2040 as the probable retirement date

The Commission should order Evergy to extend the planned retirement dates of Iatan 1 and La Cygne 2 by five years until 2045 for purposes of depreciation calculations.[1] This would align the retirement dates of these units with Evergy's most recent statements in its 2026 Integrated Resource Plan Update ("2026 IRP Update").[2] Evergy submitted the 2026 IRP Update as required by law, and, in it, the Company appropriately documented its planned resource additions ***and retirements***.[3] Notably, at hearing Evergy relied on its 2024 IRP and subsequent updates as evidence of the Company's planned addition of new resources.[4] In pre-filed testimony however Evergy discounted the weight that should be assigned to retirement dates identified in IRP documents. Evergy should not be able to pick and choose when its planning documents are considered reliable evidence. The Commission should assign the same weight to the planned retirement dates listed in 2026 IRP Update as Evergy assigns to the listed additions, and accordingly order Evergy to extend the dates to 2045.

First, the Company's own planning documents identify 2045 as the earliest possible retirement dates for these units.[5] Evergy's testimony does not deny this. The Company's testimony is that the selection of retirement dates for computing depreciation should be "based on judgment and incorporate consideration of the age, use, size, nature of construction, management outlook

[1] Ex. 300, Andrews Direct, p. 27.
[2] *Id.* at p. 29.
[3] *See* 20 CSR 4240-22.020 (53) Definitions "Resource planning means the process by which an electric utility evaluates and chooses the appropriate mix and schedule of supply-side, demand-side, and distribution and transmission resource additions **and retirements** to provide the public with an adequate level, quality, and variety of end-use energy services."
[4] Evergy's witness testified that the new resource "has been in that IRP since 2024." Hearing Tr. Vol. 9, p. 97, ll. 19.
[5] Ex. 300, Andrews Direct, pp. 30-31.

and typical life spans experienced and used by other electric utilities for similar facilities."[6] Notwithstanding this seemingly nuanced and dynamic process Evergy claims it uses, the Company admitted that it did not conduct new analysis when making retirement date assumptions for depreciation in this case, rather they adopted dates that have been used for the past few rate cases.[7] While it may not be necessary for the Company to conduct completely new analyses for each rate case, the Company cannot simply *ignore* its own new information and analysis that indicates there has been a change in management outlook as to the retirement dates of units. Here that new information is the 2026 IRP Update. That information first became publicly available in May 2026, arriving a month before the deadline for intervenor testimony in this matter and within the window for true-up.[8] Moreover, since it is the party that maintains and files its IRP updates Evergy likely would have known this information well in advance of its May filing.

Second, Evergy's live testimony in this case identified the IRP as representative of the Company's position when it comes to resource additions. Evergy pointed to its recent IRP documents as a key line of evidence for the Company's business plans for the addition of generation resources.[9] Evergy's testimony correctly points out that its planning documents reflect the Company's plans for the addition of generating units. As the IRP process also embraces retirement of units, the Commission should determine that the 2026 IRP Update expresses the Company's plans.[10] For the foregoing reasons, the Commission should order the extension of the retirement dates of Iatan 1 and La Cygne 2 for five additional years.

---

[6] Ex. 79, Spanos Direct, p. 9.
[7] Ex. 303, Andrews Surrebuttal, p. 11.
[8] Ex. 303, Andrews Surrebuttal, pp. 10-11.
[9] Hearing Tr. Vol. 9, pp. 95-98. Evergy's testimony specifically related to the company's request for construction work in progress treatment for its proposal to build the Mullins Creek 2 gas plant. Nevertheless, the testimony is illustrative of the company's willingness to rely on the IRP when advantageous.
[10] Again, the regulatory definition of resource planning is the "…process by which an electric utility…chooses the appropriate mix [of]…resource additions and retirements…." 20 CSR 4240-22.020 (53).

Extending retirement dates correspondingly extends the timeframe over which depreciation expense is recovered which reduces the annual costs to ratepayers. Adopting the position advocated here results in a change to the revenue requirement of $7.3 million annually.[11]

II. Large Load Power Service Revenues

Should the Commission implement a mechanism to review or share earnings attributable to Schedule LLPS customers, and if so, how should it be designed? (Issue 37.A)

The Commission should adopt MECG's proposed two-way tracker for purposes of reviewing revenues attributable to large-load power service ("LLPS") customers. MECG's proposal simply measures the change in the LLPS revenues and does not allow for the consideration of other factors to offset that increase in revenues.

In direct, surrebuttal, and live testimony, MECG proposed a revenue tracking mechanism that would require Evergy to annually report LLPS revenues to the Commission.[12] The tracker would allow the isolation of the Company's net revenues received from LLPS activity. Importantly, the process to derive net revenues from gross revenues must include consideration of the existing captive customer base. Because there were no LLPS revenues included in the test year, Evergy's requested rate increase in this case already is structured to enable the Company to generally recover its costs, depreciation expenses, and earn a rate of return on its rate base *before* any inclusion of impacts from LLPS revenues.[13] Thus, the tracker would operate to only allow offsets to LLPS gross revenues for the true additional costs incurred to serve LLPS.

[11] Ex. 300, Andrews Direct, p. 31.
[12] *See* Ex. 301, Meyer Direct, pp. 9-11. Ex. 304, Meyer Surrebuttal, pp. 4-6. Hearing Tr. Vol. 7, pp. 168-170.
[13] *Id*.

MECG supports the tracker operating in both directions to allow the Company to record revenue both over and under that LLPS revenue amount.[14] MECG's approach has the advantage of being simpler and easier to administer. As the Commission Staff's Ms. Lange testified, MECG's proposal "is more easily implemented and is more straightforward."[15] The Commission should adopt MECG's mechanism.

LLPS Revenue Imputation

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? (Issue 3.A.)

What is the appropriate revenue adjustment for expected future revenues from Schedule LLPS customers in the cost of service model? (Issue 3.A.i.)

MECG proposes the Commission adopt a revenue adjustment of $60 million. This amount is within the range of proposals put forth by the parties in testimony. Most of the parties involved in this case, including the Company, have taken positions supporting an adjustment to the Company's revenues to mimic the effects of LLPS customer revenue the Company began receiving during the course of the case. At the time MECG filed its direct testimony, the Company proposed including $25 million; at surrebuttal $43 million; then at the time of hearing the Company supported a stipulation and agreement to include $60 million in LLPS revenues.[16] Importantly, if the Commission adopts MECG's proposed two-way tracker as discussed above there is less immediate need to get the number exactly right. This is because the revenues would be tracked so that they can be applied to the benefit of customers in a future case. Adopting MECG's proposal in tandem with the amount of revenue the Commission determines to impute provides immediate

[14] Hearing Tr. Vol. 7, p. 169.
[15] Ex.138, Sarah Lange Rebuttal, p. 14, ll. 21-22.
[16] Hearing Tr. Vol. 7, p. 169.

customer benefit to mitigate the size of the pending rate increases while also allowing the Company, Commission, and other parties to have a meaningful opportunity at a later date to review actual usage and revenue data.

III. Revenue Allocation Among the Classes

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? (Issue 32.A.)

The Commission should adopt the positions of MECG and Evergy embodied in the Non-Unanimous Partial Settlement – Rate Design related to revenue responsibility apportionment among customer classes. The Commission should adopt the positions of the agreement because:

1. It provides a small but meaningful amount of movement in terms of aligning the costs of service to the appropriate customer classes while holding the rate increase for the residential class at the system average increase. For comparison, the Company's cost of service study shows the LGS and LPS classes would need a 10.4% and 23.4% rate *decrease*, respectively, while the residential class would need a 52.3% *increase* to reach cost of service.[17] Even so, the agreement gives LGS and LPS 94% of the system average increase and holds the increase to residential rates at 100% of the system average increase.
2. The LGS and LPS customer classes are additionally going to experience potential rate increases from the rate design changes proposed by the Company in this case. The increase to many customers that will result from the rate design change will be significant. Without the movement towards cost of service shown by the Company's own study, these rate changes should not be adopted. In the agreement, the allocation of revenue and these rate design changes balance the impact customers will see on their bills. The agreed upon

[17] Ex. 302, York Direct, pp. 10-11.

modest adjustment towards cost of service tempers the impact of the increases on the LGS and LPS customer classes and signals the Company and the Commission still believe rates should be based on cost of service.

3. The proposed revenue apportionment is within the range of positions presented by MECG and the Company in testimony and is supported by the record evidence.

Revenue Apportionment and the Company's Class Cost of Service Study

The Commission should adopt the revenue apportionment position put forth by MECG and the Company. Prior to analyzing the reasonableness of that position, it is imperative to first review how the parties reached this point.

The Company conducted two Class Cost of Service Studies ("CCOSS") as part of its case filing. As the Commission is aware, the purpose of a CCOSS is to examine the relative costs to serve each customer class compared against the revenues earned by the utility from each of those classes. It conducted two studies in this case specifically because of the rate design changes proposed for the commercial and industrial classes, with the study results showing the class cost of service based on current class composition and how those costs change under the restructured rates.[18]

As summarized on the following table, the results of these studies show that the classes are currently producing substantially varying rates of returns on Evergy's cost to serve.

[18] Ex. 33, Jaynes Direct, pp. 32-33.

TABLE JAY-3

Class Rate of Return at Present Rates

Line	Description	Current Class Structure[1] (1)	Proposed Class Structure[2] (2)
1	Residential	0.51%	0.51%
2	Small General Service	7.92%	5.96%
3	Medium General Service	8.43%	7.57%
4	Large General Service	10.08%	9.85%
5	Large Power Service	14.73%	15.89%
6	Lighting	3.73%	3.73%
7	CCN	-39.30%	-39.27%
8	Total	4.90%	4.90%

Sources:

[1] Graham Jaynes' Direct Testimony, Table 8.

[2] Graham Jaynes' Direct Testimony, Table 9.

MECG witness Jessica York summarized Table 3:

> The LPS class produces a rate of return of 14.73%, or three times the system average [under the current rate structure]. The LGS class produces 10.08%, which is more than twice the system average. The MGS class produces 8.43% and the SGS class produces 7.92%. Meanwhile, the Residential class contributes only 0.51%, a fraction of the system average, and the CCN class produces a deeply subsidized negative rate of return of 39.30%. Under the Proposed Class Structure CCOSS, the LPS rate of return at current rates rises further to 15.89%, while the LGS rate of return at current rates is 9.85%.[19]

This overearning from the LPS class persists even with adjustments made to remove the illustrative "LLPS" customer that was included in the LPS class for purposes of CCOSS.[20]

[19] Table and excerpt. Ex. 302, York Direct, pp. 10-11.

[20] Ex. 302, York Direct, p. 12.

To achieve equalized rates of return, the Residential class would require a substantial rate increase while the LGS and LPS classes would require rate decreases as shown on the following table.

TABLE JAY-4

Change Required to Achieve Equalized Rate of Return by Class

Line	Description	Current Class Structure[1]	Proposed Class Structure[2]
		(1)	(2)
1	Residential	52.30%	52.30%
2	Small General Service	-1.30%	9.20%
3	Medium General Service	-3.70%	0.40%
4	Large General Service	-10.40%	-9.50%
5	Large Power Service	-23.40%	-26.90%
6	Lighting	25.10%	25.20%
7	CCN	369.70%	369.00%
8	Total	15.19%	15.19%

Sources:

[1] Graham Jaynes' Direct Testimony, Table 8.

[2] Graham Jaynes' Direct Testimony, Table 9.

Ms. York further summarized the results in Table 4:

> As shown in the table, to achieve equalized rates of return, the LPS class (as currently structured) would need a revenue requirement decrease of 23.4%, and the LGS class would need a decrease of 10.4%. The Residential class would require an increase of 52.3% or about 3.4 times the system average increase to reach cost of service.[21]

Against this backdrop, MECG and the Company adopted positions that would provide modest movement that showed progress in following the results of the CCOSS. Importantly,

[21] Table and excerpt. Ex. 302, York Direct, p. 11-12.

however, the parties' position **does not** make any changes to the relative share of revenue that should be allocated to the residential class as compared to the position filed by the Company in its direct case. Nor does it conflict with the Staff and OPC to the extent they argued for an equal % revenue spread to the classes. This despite results showing the residential class provides the second lowest rate of return and would need a greater than 50% rate increase to address the subsidy it receives according to the CCOS studies in the record in this case. Notably, the Company's study was largely unrebutted by any party. The position of MECG and Evergy would hold the residential class only to the system average increase. The following table appears in the stipulation between MECG and Evergy and depicts the apportionment as class-specific multipliers that would apply to the system average percentage increase determined by the Commission.

	Rev Shift
LPS *	94.00%
LGS	94.00%
SGS	112.44%
MGS	112.44%
RES	100.00%
EV	112.50%
Lighting **	112.50%

*LLPS Included as an LPS subclass
**LED to receive 25% of the class increase rate with remaining lighting to recover the remaining revenue deficiency.

Under this proposal, all customer classes will receive a rate increase; however, the LPS and LGS classes will receive a slightly smaller increase, 94% of the system average increase, based on the results of the CCOSS. It is a modest movement when considering that the credible CCOS studies in the record in this case show those classes should receive rate *decreases*.

Once again, the Commission Staff refuses to acknowledge that the Company created a reliable CCOSS based on generally accepted methods. Unsurprisingly Staff then says its does not agree there is any basis for the Commission to order anything other than equal percentage rate

increases for all customer classes. Staff's specific objection asserts that the CCOSS misallocates distribution and renewable generation costs, and Staff's testimony contends that the proposed rate design changes make it impossible to conduct a reliable CCOSS. Commission Staff did not conduct a CCOSS of its own, but Staff's own reruns of the Company's CCOSS using Staff's preferred allocators showed the same general patterns: LGS and LPS producing roughly two to three times the system average return and Residential earning a small fraction of it.[22] Notwithstanding that, Staff objected to the agreement between MECG and the Company that would have made small directional movements on aligning revenues with costs.

The Company conducted two CCOS studies in this case: the first on the current class conditions and class compositions and the second on the classes following the restructuring of rates and the movement of some parties between classes. **Both** studies utilized generally accepted approaches that are used in the industry and accepted by Missouri law, Revised Statutes of Missouri Section 393.1620. **Both** studies showed a substantial overcontribution of revenue by the LGS and LPS classes relative to the Company's costs to provide service and significant under contribution by the Residential class. MECG and the Company reached a compromise based on tested methodologies and sound studies, and it should be approved.

IV. Commercial and Industrial Rate Design and Implementation

MECG and Evergy entered into an agreement relating to commercial and industrial rate design that included the following issues:

> Implementation - Rate design will take effect in alignment with new effective rates from the rate increase by bill cycle.
>
> Default non-LLPS rates
> - Adopt Company's proposed demand thresholds.
> - Adopt Company's proposed transition from 30-minute to 15-minute billing demand measurement.

[22] Ex.138, Sarah Lange Rebuttal. pp. 33-34

- Adopt the elimination of the Hours Use rate structure effective in this case, as modified:
    - Winter demand on-peak - 7:00 a.m. to 7:00 p.m.
    - Demand component to increase 1.25 times class average assigned to LPS / LGS, Energy to increase 0.75 with the remainder of the class rev. requirement recovered from the remaining rate elements.
- Reactive Demand will be removed from Medium and Large General Service.
- The Company agrees to review voltage differentiated rates in the next EMM general rate case to appropriately reflect voltage cost differences.

Optional Time of Use
- Adopt Company's proposal, as modified:
    - Incorporating the resolving items from the standard rate

All Electric Rates
- C&I All Electric Rates will be eliminated.

TRP Rate
- TRP rate should be frozen for current customers using this rate in the non-residential classes.
    - In this case, the components of this rate will increase 1.1 times the system average rate increase.

MECG addresses rate design as the final issue within this brief because MECG's acceptance of the Company's proposal is only possible because the Company and MECG reached agreement on other issues as explained above. As discussed above, the rate design changes carry their own additional rate impacts well-above the overall increase that many LGS and LPS customers would face under an equal percent allocation of the increase. MECG supports and agreed to the rate design changes of the Company in conjunction with the mitigation for LPS and LGS customers through movement towards cost of service when apportioning the revenue increase among classes. Due to the number of rate design issues still live, MECG addresses them, in turn, below.

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

The Commission should adopt the rate design changes contained in the rate design stipulation between the Company and MECG. Those changes include:

- The maximum demand thresholds that, when combined with the existing minimum billing demand criteria, form "bright lines" for purposes of defining the composition of classes based on demand.[23] Commission Staff does not object to the adoption of these measures.[24]

- Moving billing demand measurement periods from 30-minutes to 15-minutes.[25] Commission Staff does not object to the adoption of these measures.[26]

- Elimination of the 'hours-use' billing structure that billed energy costs based on usage applied against declining price blocks. In its place will be a time-of-use energy charge with an on-peak demand charge.[27] Commission Staff does not object to the adoption of these measures.[28]

- Creation of an optional time-of-use rate that is structured to provide customers who opt-in the ability to shift usage away from on-peak hours.[29]

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

The Commission should adopt the Company's proposed time periods for each time-related element with one change to modify the winter demand period to go from 7:00 a.m. – 7:00 p.m. as embodied in the rate design position of the Company and MECG. This time-related element prices a customer's demand charge based on an individual customer's demand measured during a system peak. Adopting a 7:00 a.m. – 7:00 p.m. period captures all of the true winter peaks observed

[23] Ex. 302, York Dirct, pp. 15-16.
[24] Hearing Tr. Vol. 6 p 30, ll. 15-19. EFIS Item No. 322. *Staff Objection to Non-Unanimous Partial Settlement – Rate Design*.
[25] Ex. 302, York Direct, p. 18.
[26] Hearing Tr. Vol. 6 p 30, ll. 15-19. EFIS Item No. 322. *Staff Objection to Non-Unanimous Partial Settlement – Rate Design.*
[27] Ex. 302, York Direct, p. 19.
[28] Hearing Tr. Vol. 6 p 30, ll. 15-19. EFIS Item No. 322. *Staff Objection to Non-Unanimous Partial Settlement – Rate Design.*
[29] Ex. 302, York Direct, p. 25.

between 2022-2026 for the Company.[30] Commission Staff does not object to the adoption of these time periods.[31]

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

The Commission should adopt the method of determining the charges of each rate element according to the terms in the stipulation between MECG and Evergy. Starting from the Company's proposed rates, when allocating the appropriate level of revenue the Commission should apply 1.25 times the class average percent increase to demand charges and 0.75 times to energy charges. MECG testimony is illustrative for background on this issue:

> [T]he Company's CCOSS with the proposed class structure, shows that energy costs represent around 30% of the total cost of service for the LPS class, yet the Company's proposed LPS energy rates recover about 65% of the revenue requirement allocated to the LPS class. Thus, the energy rates are recovering a significant portion of fixed demand-related costs. The LGS class has a similar issue, as about 60% of the allocated revenue requirement is recovered through energy charges, despite only about 25% of the cost of service being energy-related.[32]

This approach places more of the increase on the fixed rate components and will improve the pricing signal to customers because current demand charges are under-recovering fixed costs and instead forcing more to be included in energy rates. Furthermore, this approach aligns with the cost of service studies' results in this case. MECG provided information supporting movement in this direction—though with slightly different numbers of 1.50 times demand and 0.50 times energy—in its direct, rebuttal and surrebuttal testimony that would have moved the rates towards properly reflecting costs at a faster pace.[33] In joining the stipulation on rate design with Evergy, MECG accepts the more gradual movement toward cost.

---

[30] Ex. 305, York Surrebuttal, pp. 17-23.
[31] EFIS Item No. 322. *Staff Objection to Non-Unanimous Partial Settlement – Rate Design*.
[32] Ex. 302, York Direct, pp. 29-30.
[33] Ex. 302, York Direct, pp. 29-30; Ex. 306, York Rebuttal, pp. 16-17; Ex. 305, York Surrebuttal, pp. 23-24.

Staff's filed objection to MECG's and the Company's agreement claims the 1.25/0.75 relationship is arbitrary and may produce unreasonably low energy rates.[34] It is neither. The relationship moderates the 1.50/0.5 relationship supported by MECG's cost analysis. Energy rates still increase under Evergy's and MECG's agreement, though by less than demand rates, and they remain well above the energy unit costs of about $0.022 to $0.023 per kWh. By contrast, Staff describes its own 15% demand recovery target as a "simple approximation" of current demand recovery.[35] The MECG and Evergy agreement aligns with record evidence and it should be approved.

vi. What date should restructured rates take effect?

As agreed to in the stipulation between MECG and Evergy, the rates should take effect by customer bill cycle following the effective date of new rates. MECG is sympathetic to the position of other parties that customers should have notice of these changes and expects the Company to work to educate customers about the coming changes once the Commission issues an order given the multiple changes at issue. However, rate changes after a rate case are not a new phenomenon. Delaying the change without movement towards cost of service on revenue allocation and on the design of the new rates does little to improve the outcome for customers. Instead, customers will be better off with the negotiated changes to revenue allocation and rate designs contained in the MECG and Company stipulation than in adopting worse alternative proposals in the hope of achieving delayed implementation.

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

[34] EFIS Item No. 322. *Staff Objection to Non-Unanimous Partial Settlement – Rate Design*.
[35] Ex. 305, York Surrebuttal, pp. 23-24.

Yes, as agreed to in the stipulation between MECG and the Company, the non-residential non-lighting opt-in time-based rates should be implemented. As MECG witness Ms. York testified:

> The optional TOU rate features a facilities charge to recover distribution costs, a demand charge for generation cost recovery, and a TOU energy charge that varies by on-peak, off-peak, and super off-peak periods. The rate is designed to provide customers with the opportunity to reduce their bills by shifting usage away from on-peak hours, while also providing more granular price signals that reflect the time-varying cost of electric service.
> …
>
> It mirrors the Optional TOU rate structure designed with input from stakeholders in Evergy Kansas Central's service territory. In addition, TOU pricing is more consistent with the time-varying nature of generation costs than flat energy charges, and it provides customers with an opportunity to both benefit the system and manage their bills by shifting load away from high cost periods. Making the TOU rate optional is appropriate because it allows customers who can benefit from load shifting to choose the rate that rewards that flexibility, while customers who cannot easily shift their load are not compelled to adopt a pricing structure that may not suit their operational constraints.[36]

As mentioned in relation to Issue 29.A.i. above the stipulation between MECG and the Company modified one of the time periods for purposes of the pricing compared to the Company's direct filing. Instead, the winter demand charge would be calculated based on demand measurements occurring between 7:00 a.m. and 7:00 p.m. This time-related element prices a customer's demand charge based on an individual customer's demand measured during a system peak. Adopting a 7:00 a.m. – 7:00 p.m. period captures over 95% of all peaks observed between 2022-2026 for the Company.[37]

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?

[36] Ex. 302, York Direct pp 25-26 (internal citation omitted).
[37] Ex. 305, York Surrebuttal, pp. 17-23.

The rates in this case should be increased based on the apportionment spread discussed earlier in this brief. For the commercial Time Related Pricing rate, it should be increased by 1.1 times the system average.

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

As agreed to in the stipulation between MECG and the Company, the TRP rate schedule should not be eliminated but should be frozen for current customers. "TRP customers receive energy charges that vary by time period, reflecting a form of time-differentiated pricing similar in concept to TOU, but with a different rate structure."[38] Staff does not object to the freezing of the TRP rate.[39]

The proposed elimination of the TRP rate would increase enrolled customer bills by a median rate of 15%.[40] This impact is in addition to the bill impact that will occur as a result of the overall rate increase—meaning that the case as filed would have resulted in a total median rate increase that would exceed 30%. Freezing the rate would provide impacted customers the opportunity—after the rate case concludes—to assess the potential impact to their rates and make an informed decision about selected a new rate and/or modifying usage. Commission Staff does not object to freezing the TRP rate. In addition, allocating this class slightly higher than the system average increase (1.1x) makes movement to bring the rate into alignment with cost without unduly burdening those customers with a more than 30% increase.

V. Conclusion

There are four main areas in this case where MECG asks the Commission to make rulings on the issues. First, for purposes of depreciation calculations the Commission should order Evergy

[38] Ex. 302, York Direct, p 26.
[39] EFIS Item No. 322. *Staff Objection to Non-Unanimous Partial Settlement – Rate Design.*
[40] Ex. 33, Jaynes Direct, p. 29.

to change its selected retirement dates for Iatan 1 and La Cygne 2 from 2040 until at least 2045 to properly reflect the decisions made within Evergy's 2026 IRP Update. Simply put: IRP documents must consider additions and retirements of facilities; Evergy relies heavily on its IRP documents to support its requested plant additions; the Commission should assign the same weight to identified retirement dates.

Second, the Commission should impute $60 million of additional revenue to this case to reflect the current annualized activity of the LLPS customer. To address some of the uncertainty of the exact amount of LLPS revenues Evergy will receive, the Commission should adopt MECG's two-way revenue tracker that measures the change in the LLPS revenues. Compared to other proposals relating to these revenues, the two-way tracker is far simpler to implement and limits the number of offsets to the gross revenues.

Third, when allocating the revenue requirement among the customer classes the Commission should take steps to bring rates for all classes closer to their cost of service-based levels. Here, Evergy's costs of service studies show that LGS and LPS provide a rate of return significantly above the cost-of-service level for the class. The Commission should take steps to address this subsidy – just as it has done in the past – by adopting MECG's and the Company's revenue allocation position.

Fourth, the Commission should adopt the rate design changes for the commercial and industrial classes with a goal that the rates should reflect recovery based on how the costs are incurred. This principle applies to MECG's positions in this case. Demand charges should adequately recover demand costs, and energy charges should not result in over recovery relative to energy costs. "Bright lines" and interval-measured billing increments should have a basis in

costs. Moreover, billing components intended to be tied to system peaks should be targeted to the timeframes where the system experiences true peaks.

Adopting the foregoing positions of MECG ensures that rates from this case make progress towards cost of service, progress towards rate design that reflects costs causation, and will result in just and reasonable rates.

WHEREFORE, MECG submits this Initial Brief.

Respectfully,

/s/ Danny Lyskowski

Danny Lyskowski, Mo. Bar No. 63986
Opitz Law Firm, LLC
308 E. High Street, Suite B101
Jefferson City, MO 65101
T: (573) 230-8526
danny.lyskowski@opitzlawfirm.com

ATTORNEY FOR MIDWEST ENERGY CONSUMERS GROUP

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served upon the parties listed on the official service list by email, this 6th day of November 2026.

/s/ Danny Lyskowski
Danny Lyskowski