

Exhibit No.:  
Issue: Tracking Nucor operational events  
Witness: Darrin R. Ives  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Evergy Missouri West  
Case No.: ER-2023-0444  
Date Testimony Prepared: October 31, 2023

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2023-0444**

**DIRECT TESTIMONY**

**OF**

**DARRIN R. IVES**

**ON BEHALF OF**

**EVERGY MISSOURI WEST**

**Kansas City, Missouri  
October 2023**

**DIRECT TESTIMONY**

**OF**

**DARRIN R. IVES**

**CASE NO. ER-2023-0444**

1     **I.    INTRODUCTION**

2     **Q:    Please state your name and business address.**

3     A:    My name is Darrin R. Ives. My business address is 1200 Main Street, Kansas City,  
4           Missouri 64105.

5     **Q:    By whom you are employed and in what capacity.**

6     A:    I am employed by Evergy Metro, Inc. and serve as Vice President – Regulatory Affairs for  
7           Evergy Metro, Inc. d/b/a Evergy Kansas Metro (“Evergy Kansas Metro”), Evergy Kansas  
8           Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central (“Evergy  
9           Kansas Central”), Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy Missouri  
10          Metro”), and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri  
11          West”). They are the operating utilities of Evergy, Inc. (“Evergy”).

12    **Q:    On whose behalf are you testifying in this proceeding?**

13    A:    I am testifying on behalf of Evergy Missouri West, Inc. d/b/a Evergy Missouri West  
14          (“EMW” or “Company”).

15    **Q:    What are your responsibilities?**

16    A:    I serve as Vice President of Regulatory Affairs for Evergy. My responsibilities include  
17          oversight of Evergy’s Regulatory Affairs Department, as well as all aspects of regulatory  
18          activities including federal and state regulatory policy, cost of service, rate design, revenue  
19          requirements, regulatory reporting, and tariff administration.

1 **Q: Please briefly describe your education, professional experience and employment**  
2 **history.**

3 A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business  
4 Administration with majors in Accounting and Marketing. I received my Master of  
5 Business Administration degree from the University of Missouri-Kansas City in 2001. I  
6 am a Certified Public Accountant. From 1992 to 1996, I performed audit services for the  
7 public accounting firm Coopers & Lybrand L.L.P. I was first employed by Kansas City  
8 Power & Light Company in 1996 and held positions of progressive responsibility in  
9 Accounting Services and was named Assistant Controller in 2007. I served as Assistant  
10 Controller until I was named Senior Director – Regulatory Affairs in April 2011. I have  
11 held my current position as Vice President – Regulatory Affairs since August 2013.

12 **Q: Have you previously testified in a proceeding at the Missouri Public Service**  
13 **Commission (“Commission” or “PSC”) or before any other utility regulatory agency?**

14 A: Yes, I have testified before the Commission and the Kansas Corporation Commission  
15 (“KCC”). I have also provided written testimony to the Federal Energy Regulatory  
16 Commission (“FERC”) and testified before Missouri and Kansas legislative committees.

17 **Q: What is the purpose of your direct testimony?**

18 A: The purpose of my testimony is to respond to Staff’s recommendation in this case, and  
19 support Evergy’s approach to the calculation of the appropriate fuel adjustment rate  
20 (“FAR”) in this case. I will provide a summary of the issues, the background of the  
21 agreement to track Nucor costs and benefits so that ratepayers are held harmless from the  
22 existence of this customer, and explain how EMW’s approach is consistent with previous  
23 stipulations. Lisa Starkebaum’s direct testimony explains how EMW’s tracking

1 mechanism operates. John Carlson’s direct testimony explains how unplanned load  
2 changes by Nucor are addressed in the Stipulation and Agreement between the Company,  
3 Commission Staff and Nucor in File No. EO-2019-0244. In addition, Mr. Carlson discusses  
4 how the real-time (“RT”) and day-ahead (“DA”) SPP markets effect the balancing  
5 relationship as contemplated in the Stipulation.

6 **Q: Would you summarize the issues in this case?**

7 A: On June 30, 2023, the Company filed its initial testimony and tariff revisions in this Fuel  
8 Adjustment Clause (“FAC”) proceeding. On July 31, 2023, Staff (“Staff”) for the Missouri  
9 Public Service Commission (“Commission”) filed its Staff Recommendation For Rejection  
10 of Tariff Sheet (“Staff Recommendation”). The Staff Recommendation on page 3  
11 recommended the rejection of the FAC tariff sheet. Staff indicated that it did not agree with  
12 EMWs identification and calculation of operational events at Nucor. Staff calculated a  
13 \$48,018.52 adjustment to purchased power expense which is a result of Staff’s  
14 interpretation of the Nucor adjustment agreed to in previous cases.

15 **Q: What are the issues in this case?**

16 A: The issues in this case are the result of use by Staff of an inappropriate and asymmetrical  
17 methodology to track operational events at Nucor Steel Sedalia, LLC (“Nucor”). In  
18 addition to being an inappropriate and asymmetrical methodology, it reaches well beyond  
19 the hold harmless language and intent of the settlement agreements negotiated and entered.  
20 Nucor is served under Special Incremental Load (“SIL”) tariff which was established in  
21 Case No. EO-2019-0244. The following summarizes the issues:



1 I will address issues 1, 2 and 4 and Evergy witness Lisa Starkebaum will address  
2 issue 3. Evergy witness John Carlson will also address issue 2.

3 **Q: Would you summarize your concerns regarding the approach that the Staff is taking**  
4 **in this case?**

5 A: Yes. Staff is cherry picking the data so that non-Nucor customers always receive a benefit  
6 no matter the circumstances of Nucor's load. This is an unreasonable stretch from "hold  
7 harmless" to "must benefit." Staff's approach reduces the FAR by additional Southwest  
8 Power Pool ("SPP") costs incurred to serve Nucor when unplanned load changes in an  
9 identified event increase non-Nucor customer costs, but it does not recognize that Nucor's  
10 load may also benefit non-Nucor customers when they receive an SPP cost decrease from  
11 Nucor's unplanned load changes. The Company asserts the agreements clearly reflect that  
12 both amounts (i.e. positive and negative) should be netted so that non-Nucor customers  
13 will be held harmless, and not just penalize the Company when SPP costs increase from an  
14 identified Nucor unplanned load change. Staff's approach is simply one-sided and should  
15 be rejected by the Commission. My testimony in the proceeding clearly described this and  
16 it is the only outcome that makes sense to measure a hold harmless commitment over the  
17 life of the contract.

18 **Q: Are there previous cases that are relevant to the issues in this case?**

19 A: Yes. To understand the issues in this FAC case, it is important to understand the history  
20 and background related to the adoption of the SIL tariff related to the operations of Nucor  
21 Steel plant in Sedalia and a stipulation in a subsequent rate case, File No. ER-2022-0130.

1 **Q: Please explain the background of the Nucor case, File No. EO-2019-0244.**

2 A: On July 12, 2019, EMW, then known as KCP&L Greater Missouri Operations Company  
3 (“GMO”) filed an Application seeking authority from the Commission to implement a  
4 special incremental load rate for a steel production facility in Sedalia, Missouri. The  
5 Application explained that EMW and Nucor had signed a SIL Contract that established the  
6 rate and terms of service. Along with the Application, EMW filed a SIL Tariff to implement  
7 the agreed-upon rate for Nucor.

8 **Q: Did you file testimony in File No. EO-2019-0244 which explained the Company’s**  
9 **intentions with regard to the Nucor contract and tracking its operations?**

10 A: Yes. I testified at a hearing held on October 17, 2019 at which time I explained Evergy’s  
11 intentions with regard to the Nucor contract and how the Company intended to track the  
12 costs and benefits related to Nucor’s operation on EMW’s system. I testified that the Nucor  
13 contract was expected to cover its costs over the entirety of the ten-year term of the  
14 contract.<sup>1</sup> I also explained that there was a potential, based upon wind performance or  
15 Nucor performance that in any given test year leading into a general rate case, there could  
16 be revenues in excess of the costs, or alternatively, there could be costs in excess of the  
17 revenues associated with the Nucor contract.<sup>2</sup> The Company expected the situations in  
18 which costs exceed revenues to be rare and not representative of the ten-year term of the  
19 contract. Overall, Evergy believes the Nucor contract to be beneficial to non-Nucor  
20 customers over the life of the contract.<sup>3</sup>

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<sup>1</sup> Tr. 120, 122, 128, 124, 146-47, File No. EO-2019-0244.

<sup>2</sup> Id. at 116.

<sup>3</sup> Id. at 30, 38, 118.

1 **Q: Was EMW able to reach a settlement with Nucor and Staff in File No. EO-2019-0244?**

2 A: Yes. EMW, the Staff of the Commission, and Nucor filed a non-unanimous stipulation and  
3 agreement (“Nucor Stipulation”) on September 19, 2019. The Nucor Stipulation resolved  
4 all pending issues and recommended approval of the contract between EMW and Nucor,  
5 as well as an amended SIL Tariff. After an evidentiary hearing, the Commission approved  
6 the Nucor Stipulation on November 13, 2019. The Nucor Stipulation is attached to my  
7 testimony as Schedule DRI-1.

8 **Q: What portion of the Nucor Stipulation is most relevant to this case?**

9 A: The Nucor Stipulation included a section related to the handling of Nucor-related costs in  
10 the EMW’s FAC calculations. Section 7 stated in part as follows:

11 7.c. GMO will modify its Fuel Adjustment Clause (“FAC”) accounting to  
12 ensure Nucor-related costs are not included in the FAC charge recovered  
13 from other customers. . .

14 7.d. GMO will monitor Nucor operations and will identify additional SPP  
15 related costs resulting from unexpected operational events. If actual Nucor  
16 load experiences a 25% deviation from the expected Nucor load for more  
17 than 4 hours and that load change is not reflected in the GMO day-ahead  
18 commitments, GMO will quantify the balancing relationship between the  
19 hourly and day-ahead prices to identify the effect of the unplanned load  
20 change to apportion any additional SPP balancing charges and will  
21 incorporate the effect attributed to Nucor into the tracking of Nucor costs.  
22 If the effect of this relationship increases costs to non-Nucor customers, the  
23 amount will be reflected in a subsequent FAC rate change filing and the  
24 portion attributed to Nucor will be identified with supporting work papers  
25 and removed from the Actual Net Energy Cost prior to the calculation of the  
26 FAC rates.

27 **Q: Did the Commission address the purpose of this section of the Nucor Stipulation in its**  
28 **Report and Order?**

29 A: Yes. The Report and Order on pages 7-8 describes the purpose of this section of the  
30 Stipulation as follows:



1 17. The stipulation and agreement also includes provisions to protect  
2 EMW's other customers from any adverse effects from the special rate  
3 being provided to Nucor. EMW expects that the overall aggregate revenues  
4 it receives from Nucor over the ten-year period of the special contract and  
5 rate will exceed the company's incremental cost to provide that service.  
6 However, EMW acknowledges that on a month-to-month view, conditions  
7 could fluctuate enough to produce an under-recovery of incremental costs  
8 in a specific month or months of the test year used to establish rates in a  
9 future rate case. The stipulation and agreement addresses that possibility by  
10 providing that no such revenue deficiency would be reflected in EMW's  
11 cost of service during the ten-year term of the special contract and rate. In  
12 other words, EMW's shareholders would be responsible for any such  
13 revenue shortfall, not ratepayers. (footnotes omitted). (emphasis added)

14 **Q: Would you explain in more detail why Staff's approach in this case is not consistent**  
15 **with the SIL tariff and the Nucor Stipulation?**

16 A: Yes. As I mentioned and also discussed in the direct testimony of Company witness John  
17 Carlson, Staff is selectively using pieces of the Nucor data so that non-Nucor customers  
18 always receive reductions in FAC charges if there is a deviation in Nucor load. Staff's  
19 approach does not review both positive and negative impacts of identified unplanned load  
20 changes over the entirety of the contract, each FAR accumulation period or even monthly  
21 to determine the overall impact of the Nucor contract on non-Nucor customers. Instead,  
22 Staff gives the benefit to the non-Nucor customers when identified unplanned load change  
23 events increase Nucor assigned costs, but penalizes the Company by artificially reducing  
24 the FAR in any given month and ignoring identified unplanned load changes that decrease  
25 Nucor assigned costs. The Staff's approach is short-sighted and inconsistent with the terms  
26 of the Nucor Stipulation. Under the Company's balanced approach, the positive impact of  
27 the Nucor contract is netted against any negative impact during the accumulation periods  
28 over the term of the contract so that non-Nucor customers are held harmless. Staff's  
29 approach is one-sided and should not be adopted by the Commission.

1 **Q: What occurred regarding Nucor tracking in EMW’s last rate case (ER-2022-0130)?**

2 A: The Company and Staff entered into a Stipulation and Agreement (“Rate Case Stipulation”)  
3 August 30, 2022, in File No. ER-2022-0130 which further refined how the tracking of  
4 Nucor costs and revenues in the FAC process would ensure that non-Nucor customers were  
5 held harmless as a result of Nucor operations. In the Nucor Stipulation, the Nucor-related  
6 purchased power costs are identified currently in an overall average hourly load price  
7 calculation. In the Rate Case Stipulation, the Company agreed to identify additional Nucor  
8 related purchased power costs with a load balancing adjustment and subsequent adjustment  
9 restating the overall average hourly load price calculation. The Rate Case Stipulation  
10 provides on pages 3-4:

11 Everygy shall identify additional SPP related costs resulting from unexpected  
12 operational events that meet the criteria set forth in paragraph 7.d. of the  
13 EO-2019-0244 Stipulation . . .

14 e. Everygy shall quantify the balancing relationship between the real-time  
15 (“RT”) and DA prices to identify the effect of unplanned load changes that  
16 are not included in EMW’s DA commitments to apportion any additional  
17 SPP balancing charges;

18 f. Everygy shall incorporate the effect of DA and RT imbalances attributed to  
19 differences between actual Nucor operations and expected Nucor operations  
20 included in EMW’s SPP DA commitments into the tracking of Nucor costs.

21 **Q: Did the Company perform this analysis in the FAC Accumulation Period at dispute**  
22 **in this Docket?**

23 A: Yes. EMW performed this analysis. This approach is discussed in the direct testimony of  
24 Company witnesses John Carlson and Lisa Starkebaum.

1 **Q: Please further explain the reason EMW believes the Staff’s approach is not consistent**  
2 **with the terms of the Nucor Stipulation.**

3 A: The objective of the tracking agreed to in the Nucor Stipulation is to capture the overall  
4 impact of the Nucor contract and ensure that it does not adversely impact non-Nucor  
5 customers. The terms of the Nucor Stipulation must also be construed in light of my  
6 supporting testimony in the Nucor case, and the Report and Order’s description of the  
7 purpose of the Nucor Stipulation. Both my supporting testimony and the Report and Order  
8 itself describe the purpose of the tracking as ensuring that non-Nucor customers are not  
9 negatively impacted (i.e.: held harmless) by the operations of Nucor over the life of the  
10 ten-year contract. Under the Staff’s approach, identified unplanned Nucor load change  
11 events which increase SPP costs to non-Nucor customers are paid by EMW through the  
12 Staff’s proposed FAR adjustments, even though the overall impact of the Nucor events to  
13 non-Nucor customers is a benefit when analyzed over the entire contract. Thus by not  
14 tracking the positive and negative impacts of Nucor events on SPP costs, Staff’s approach  
15 penalizes the Company even though non-Nucor customers have not paid any additional  
16 SPP costs due to Nucor load change events. This result is far outside the bounds of a hold  
17 harmless treatment, is imbalanced and asymmetrical treatment that is unfair and wholly  
18 inconsistent with the agreements and the order discussing the Nucor contract and results in  
19 a must benefit standard rather than a hold harmless standard. Staff’s approach should be  
20 denied and the Commission should make clear that hold harmless treatment should not be  
21 relitigated under such a position as advanced by Staff at any future time.

22 The Nucor Stipulation was intended to take a balanced view both positive and  
23 negative of the overall impact of the Nucor contract on non-Nucor customers, and this goal

1 is not accomplished by utilizing the Staff's one-sided approach of reducing the FAR to  
2 account for only certain unplanned load change events.

3 **Q: Please explain the second issue related to the interpretation of the Nucor Stipulation**  
4 **related to when the tracking begins and how any adjustment is calculated?**

5 A: Under the Nucor Stipulation, the triggering event for calculating an event under the Nucor  
6 tracking mechanism spelled out: "If actual Nucor load experiences a 25% deviation from  
7 the expected Nucor load for more than 4 hours and that load change is not reflected in the  
8 GMO day-ahead commitments, then EMW quantifies the balancing relationship between  
9 the hourly and day-ahead prices to identify the effect of the unplanned load change to  
10 apportion any additional SPP balancing charges and will incorporate the effect attributed  
11 to Nucor into the tracking of Nucor costs." Under the Nucor Stipulation, the load may vary  
12 by as much as 25% before it is necessary to recognize an event and quantify the impact of  
13 the Nucor operations on non-Nucor customers. This provision acts as a grace period since  
14 the very nature of Nucor operations will cause there to be variability from its forecasted  
15 load.

16 **Q: How has Staff's approach treated this 4-hour grace deviation provision for purposes**  
17 **of the tracking adjustment?**

18 A: Staff's approach calculates any disallowance adjustment from the first hour once the trigger  
19 point has occurred. This approach eviscerates the grace period and doesn't recognize the  
20 nature of Nucor's operations. EMW believes that approach was not the contemplated  
21 approach under the Nucor stipulation. EMW witness John Carlson provides more  
22 discussion on this issue.

1 **Q: Should the impact of the identified events be tracked over the remaining life of the**  
2 **Nucor contract and any subsequent Nucor contracts?**

3 A: Absolutely. This was the whole point of the Nucor Stipulation. EMW agreed to track and  
4 review the impact of the Nucor contract on other non-Nucor customers over the life of the  
5 Nucor contract, including subsequent Nucor contracts. EMW did not agree to absorb SPP  
6 costs where the unplanned Nucor load changes increase SPP costs to non-Nucor customers  
7 if those same customers receive benefits (lower SPP costs) from Nucor load changes over  
8 the life of the Nucor contract.

9 **Q: Does this conclude your testimony?**

10 A: Yes, it does.



**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
KCP&L Greater Missouri Operations Company )  
For Approval of a Special Rate for a Facility ) File No. EO-2019-0244  
Whose Primary Industry is the Production or )  
Fabrication of Steel in or Around Sedalia, Missouri. )

**NON-UNANIMOUS STIPULATION AND AGREEMENT**

COME NOW KCP&L Greater Missouri Operations Company (“GMO” or “Company”), the Staff (“Staff”) for the Missouri Public Service Commission (“Commission”), Nucor Steel Sedalia, LLC (“Nucor”), (collectively, “Signatories”) by and through their respective counsel, and for their Non-Unanimous Stipulation and Agreement (“Stipulation”), respectfully state to the Commission:

**BACKGROUND**

1. On July 12, 2019, GMO filed its Application requesting Commission authority for a special incremental load rate for a steel production facility in Sedalia, Missouri, along with direct testimony in support.
2. On July 22, 2019, Midwest Energy Consumers Group (“MECG”) intervened.
3. On July 31, 2019, Nucor Steel Sedalia, LLC (“Nucor”) intervened.
4. The Signatories agree to the following terms and conditions regarding the Application and the approval of the special incremental load rate.

**AGREEMENTS**

5. **Contract** – The Signatories agree that the Commission should approve the Contract between GMO and Nucor, attached to the Direct Testimony of Darrin Ives as Confidential Schedule DRI-2.

6. **Special Incremental Load Tariff** – The Signatories agree that the Special Incremental Load (“SIL”) tariff attached to the Direct testimony of Darrin Ives as DRI-2, as modified and attached as Exhibit 4 to this Stipulation, should be approved by the Commission and become effective no later than January 1, 2020. Service under the SIL tariff has a term of no greater than 10 years. If an extension to the service of Nucor pursuant to the SIL tariff is not approved by the Commission, the Company will request Commission approval to serve all of GMO’s retail customers with the associated wind energy used to serve Nucor and for the related costs for that wind to be recovered by the Company through its Fuel Adjustment Clause, or sell the associated wind energy to a customer or customers who wish to purchase the renewable energy resource directly. This agreement is not evidence of the prudence of GMO’s or an affiliate’s entry into any PPA.

7. **Cost and Revenue Tracking** – GMO will monitor and report to Staff and OPC whether the revenues received under the special contract rate cover the incremental cost of providing service to Nucor. This reporting will be submitted quarterly for the first year following the effective date of the SIL tariff and the associated contract with Nucor, bi-annually for the second and third year, and annually thereafter. The Company will solicit feedback from Staff and the Office of Public Counsel up to and including meetings to evaluate and assess the content of the reports and any changes that may be needed to Exhibit 1 as a result of that feedback. The reporting will be submitted within 15 days after each of Evergy’s SEC 10-Q or 10-K filings are made and will detail Nucor-related transactions on a rolling twelve-month basis. GMO will uniquely identify and track for reporting and general rate case purposes all incremental costs



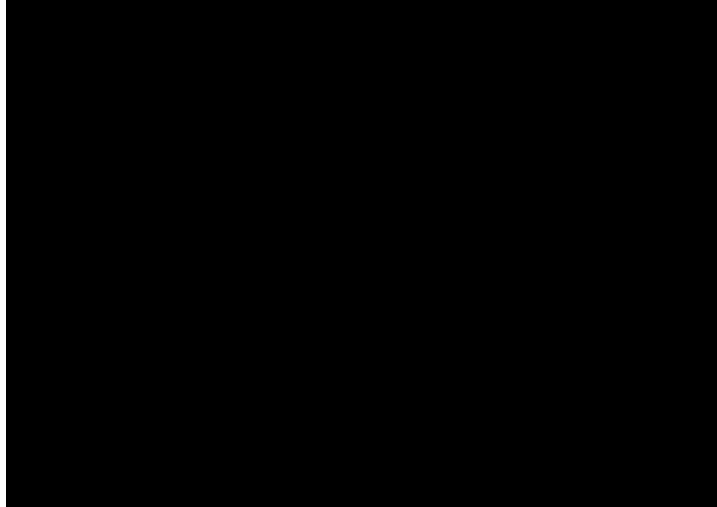
associated with serving Nucor<sup>1</sup>. An example of the anticipated reporting format is provided in Exhibit 1 to this Stipulation.

- a. GMO will identify and isolate the plant costs to provide service to Nucor.
- b. GMO will identify and isolate supply costs attributable to Nucor. At this time these costs are expected to consist of:
  - i. energy as obtained through the SPP integrated marketplace including applicable ancillary services and transmission costs, and all transactions associated with the renewable supply source obtained via a Power Purchase Agreement (“PPA”).
  - ii. Incremental capacity costs acquired from third parties, including affiliates, will be determined annually in the assessment of GMO capacity requirements. The portion of GMO capacity acquired attributable to Nucor will be separately identified for inclusion in Exhibit 1. Similarly, if GMO constructs or acquires capacity during the term of the contract rather than purchasing capacity, or otherwise modifies its capacity source, capacity costs to Nucor will be calculated annually using prices as follows and be separately identified for inclusion in Exhibit 1. The accredited capacity attributable to Nucor’s share of the PPA, will be netted against the capacity requirements of the Nucor load, including the SPP reserve margin requirements, prior to pricing as described above for inclusion in Exhibit 1.

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<sup>1</sup> As provided for in Exhibit 1.

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- c. GMO will modify its Fuel Adjustment Clause (“FAC”) accounting to ensure Nucor-related costs are not included in the FAC charge recovered from other customers. Exhibit 2 to this Stipulation details the expected modifications, including:
- i. **Power Purchase Agreement Cost** – Costs to follow conventional PPA accounting, with Nucor portion tracked separately from other PPA transactions completed by the Company. Costs to be recorded to a SIL-specific 555 subaccount and identifiable to Nucor. These costs will be specifically identified in the FAC monthly reports submitted to the Commission.
  - ii. **Production Market Cost** – Revenue from the sale of the energy from the PPA will be tracked in a separate SIL-specific 447 subaccount and identifiable to Nucor. These revenues will be specifically identified in the FAC monthly reports submitted to the Commission. The net effect of the sale of PPA purchase and the

Nucor load are to be recorded within the SIL-specific 447 and 555 subaccounts and identifiable to Nucor.

- iii. **Transmission Market Cost** – If occurring, costs would accompany the associated Southwest Power Pool (“SPP”) sale or purchase transactions and are to be recorded within SIL-specific 561, 565, and 575 subaccounts and identifiable to Nucor and created for the purpose of tracking these costs. These costs will be specifically identified in the FAC monthly reports submitted to the Commission.

Load purchased for Nucor will be calculated at the five minute level, aggregated to the hour as demonstrated in Exhibit 3. Based upon GMO load node locational marginal price.

- d. GMO will monitor Nucor operations and will identify additional SPP-related costs resulting from unexpected operational events. If actual Nucor load experiences a 25% deviation from the expected Nucor load for more than 4 hours and that load change is not reflected in the GMO day-ahead commitments, GMO will quantify the balancing relationship between the hourly and day-ahead prices to identify the effect of the unplanned load change to apportion any additional SPP balancing charges and will incorporate the effect attributed to Nucor into the tracking of Nucor costs. If the effect of this relationship increases costs to non-Nucor customers, the amount will be reflected in a subsequent FAC rate change filing and the portion attributed to Nucor will be identified with supporting work papers

and removed from the Actual Net Energy Cost prior to the calculation of the FAC rates.

For any incremental Nucor costs not specifically listed in Exhibit 1, including GMO internal costs attributable to Nucor, the costs will be uniquely recorded after they are incurred consistent with the cause of the cost and identified as contingency cost category within Exhibit 1.

8. **Ratemaking Treatment** – At the time of a general rate proceeding the portion of GMO’s revenue requirement associated with the incremental costs net of PPA net revenues to serve Nucor consistent with Exhibit 1 shall be assigned to Nucor. Nucor’s rate revenues shall be reflected in GMO’s net revenue requirement. If Nucor’s revenues do not exceed Nucor’s costs as reflected in the revenue requirement calculation through the true-up period, GMO will make an additional revenue adjustment covering the shortfall to the revenue requirement calculation through the true-up period, to ensure that non-Nucor GMO customers will be held harmless from such effects from the Nucor service. In no event shall any revenue deficiency (that is, a greater amount of Nucor incremental costs compared to Nucor revenues) be reflected in GMO’s cost of service in each general rate proceeding for the duration of Nucor service during the terms of the contract between GMO and Nucor (Confidential Schedule DRI-2 of GMO witness Darrin Ives).

9. **Section 393.1655 RSMo. treatment** – The Signatories agree that because Nucor’s rate will be fixed for ten years and because the incremental cost to serve Nucor will be excluded from the revenue requirement of other customers: (1) Nucor’s average rate and kilowatt hours usage shall not be included in the rate limitation calculations performed under section 393.1655 RSMo.; (2) Nucor’s rate shall not be affected by the rate limitation provisions of 393.1655

RSMo.; and (3) Nucor shall not be considered to be, in whole or in part, a member of GMO's large power service rate class under section 393.1655.7(4) RSMo.

10. **Operational Communications** – Under the terms of the contract between GMO and Nucor (Confidential Schedule DRI-2), Nucor is obligated to notify GMO of planned outages, including maintenance outages, to a designated representative (section 4.3). Nucor is also obligated under the contract to notify GMO of any changes or additions of equipment or operations that would result in a material changes to the Nucor facility's peak demand that could impact GMO's transmission system (section 4.4). GMO has designated and will retain for the duration of service to Nucor a Customer Solutions Manager to Nucor to receive these notices. Nucor commits to providing the above notifications and coordinating with GMO to execute planned outages to minimize the impact on the GMO system.

11. **Future Commission proceedings** – Neither the Commission, Staff, OPC nor any other party shall be prejudiced, bound by, or in any way limited in litigating the allocation, tracking, or treatment of costs or revenues associated with serving Nucor under this Stipulation and Agreement in future FAC filings and general rate proceedings before the Commission. See section 13 in General Provisions below.

### **GENERAL PROVISIONS**

12. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the testimony of their witnesses, and the witnesses of the parties who do not oppose this Stipulation, on the issues that are resolved by this Stipulation.

13. This Stipulation is being entered into solely for the purpose of settling the issues/adjustments in this case explicitly set forth above. Unless otherwise explicitly provided

herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, method of cost determination or cost allocation or revenue-related methodology.

14. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same. No Signatory shall assert the terms of this agreement as a precedent in any future proceeding.

15. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

16. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

17. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

18. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this

Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

19. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

**WHEREFORE**, the Signatories respectfully request the Commission to issue an order in this case approving the Stipulation subject to the specific terms and conditions contained therein.

Respectfully submitted,

*/s/ Roger W. Steiner*

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Roger W. Steiner, #39586  
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**ATTORNEYS FOR KCP&L GREATER  
MISSOURI OPERATIONS COMPANY**

*/s/ Michael K. Lavanga*

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*/s/ Stephanie S. Bell*

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**ATTORNEYS FOR NUCOR STEEL  
SEDALIA, LLC**

*/s/ Nicole Mers*

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 19<sup>th</sup> day of September 2019.

*/s/ Roger W. Steiner*

\_\_\_\_\_  
Roger W. Steiner

Exhibit 1

Evergy Missouri West				
NUCOR				
Tracking Report				
Period Ending March 31, 2020				
<b>CONFIDENTIAL</b>				
<u>Rate Base:</u>				
Plant in Service	End of Period	XX,XXX,XXX		
Less: Reserve for Depreciation	End of Period	X,XXX		
Net Plant in Service			XX,XXX,XXX	
Less:				
Accumulated Deferred Income Taxes	End of Period		XX,XXX	
NUCOR Rate Base			XX,XXX	
Current Month Rate of Return			X.XX%	
Rate of Return on Rate Base				XX,XXX
<u>Net Cost of Service:</u> Rolling 12 Months				
Purchased Power			XXX,XXX	
Customer Event Balancing			XX,XXX	
Other Sales for Resale			(XXX,XXX)	
Transmission Costs			XX,XXX	
Net Capacity Costs			XX,XXX	
Administration Costs			X,XXX	
Other Contingency Costs:				
REC Fees			XXX	
Maintenance/Other O&M			XXX	
Depreciation			XXX	
X			XXX	
Y			XXX	
Z			XXX	
Net Cost of Service				XXX,XXX
Total Cost - NUCOR				XXX,XXX
NUCOR Revenue				(XXX,XXX)
(Over)/Under Recovered				XXX,XXX
<b>Overall Cost of Capital (Evergy Missouri West)</b>				
	Amount ('\$ in 000's)	Percent	Cost	Weighted Cost
Long Term Debt	X,XXX,XXX	XX.XX%	X.XX%	X.XX%
Common Equity	X,XXX,XXX	XX.XX%	9.50%	X.XX%
Total Overall Capital	X,XXX,XXX	100.00%		X.XX%
Note: The indicated ROE value of 9.50% will be fixed until GMO's next general rate case. All other amounts will represent GMO's actual costs associated with service to Nucor.				

## Exhibit 2

Kansas City Power & Light Company - GMO			
FAC Calculation			
Before Wind Farm			
All numbers are hypothetical for illustration purposes only			
Account	GMO		
Total Production Fuel (Fuel Operations)	7,341,235.78		
Less: Fuel Handling	332,128.39		
Less: 557100	2,591,314.70		
Less: Labor Residuals 501420	-		
Less: Labor in Residuals 501400	1,076.52		
Less: Steam Operations 501700 (501730-501734)	568,940.68		
Less: Natural Gas Demand 501000 RES 6025 (501228)	17,943.06		
Less: Natural Gas Demand 547027	285,842.34		
Less: Landfill Gas 547000 RES 6036	-		
Less: Unit Train BIT 501000 RES 6003 (501028)	-		
Less: Unit Train PRB 501000 RES 6008 (501029)	71,919.20		
Less: Book 11 Fuel 501033	-		
Less: RECs 509000 RES 6070 (509500)	-		
Plus: RECs sold 509000 RES 6174 (509500)	-		
Less: Book 11 Fuel 547033	-		
<b>Total Fuel and Emissions (FC + EC)</b>	<b>3,472,070.89</b>		
Total Purchased Power	12,132,424.20		
Less: Purchased Power -Nucor	487,667.11		
Less: Capacity 555005	2,578.13		
Plus: Short Term Capacity (Query)	-		
Less: Book 11 555032	-		
<b>Total Purchased Power (PP)</b>	<b>11,642,178.96</b>		
Total Transmission (565)	2,796,351.19		
Less: Historical Z2 (Query)	-		
Less: Non-recoverable SPP schedules	-		
Less: Crossroads (Query)	777,654.84		
Less: 52.80% of SPP Transmission	1,016,554.41		
<b>Total Transmission (TC)</b>	<b>1,002,141.94</b>		
		SPP Transmission (Query)	1,978,923.08
		Less: Transmission -Nucor	53,630.64
		Eligible SPP Transmission	1,925,292.44
		47.20% of SPP Transmission	908,738.03
<b>Total Wholesale Sales</b>	(2,036,337.39)		1,016,554.41
Other Sales for Resale-Nucor	-		
Other Sales for Resale-Municipals 447103	(68,857.76)		
Other Sales for Resale-Private Utilities 447101	(921.53)		
Less: Book 11 Sales 447031	-		
Less: Book 11 Sales 447032	-		
Less: Book 11 Sales 447034	-		
<b>Total Off System Sales Revenue (OSSR)</b>	<b>(1,966,558.10)</b>		
<b>TEC (FC+EC+PP-OSSR)</b>	<b>14,149,833.69</b>		
Retail Sales	596,523,014.03		
Other Sales for Resale-Municipals	1,147,431.00		
Sales -Nucor	(20,311,000.00)		
Other Sales for Resale-Border	37,288.02		
Estimated Losses	40,326,288.56		
Est. Losses - Prior Period Corr.	(4,379,103.00)		
Unaccounted for kWh	-		
Used by Company	1,377,081.00		
<b>kWh Net System Input</b>	<b>614,720,999.61</b>		
Base Energy Cost	0.0224		
<b>Total Base Energy Cost</b>	<b>13,769,750.39</b>		
(TEC - B)	380,083.30		
(TEC - B) * 5%	19,004.17		
(TEC - B) * 95%	361,079.14		
Revenue Mwh	596,523,014.03		
Residential	215,695,533.01	0.37	
Commercial	219,250,635.14	0.38	
Industrial (less Nucor)	139,549,922.56	0.24	
Streightights	1,715,923.32	0.00	Industrial 159,860,922.56
Govt-Other	-	-	Nucor 20,311,000.00
Total CIS+	576,212,014.03		
Municipals	1,147,431.00	0.00	
Total	577,359,445.03	1.00	
Residential	134,895.45		
Commercial	137,118.79		
Industrial	87,274.17		
Streightights	1,073.13		
Govt-Other	-		
Total CIS+	360,361.54		
Municipals	717.80		
Total	361,079.14		

## Exhibit 2 (continued)

Kansas City Power & Light Company - GMO			
FAC Calculation			
After Wind Farm			
All numbers are hypothetical for illustration purposes only			
Account	GMO		
Total Production Fuel (Fuel Operations)	7,341,235.78		
Less: Fuel Handling	332,128.39		
Less: 557100	2,591,314.70		
Less: Labor Residuals 501420	-		
Less: Labor in Residuals 501400	1,076.52		
Less: Steam Operations 501700 (501730-501734)	568,940.68		
Less: Natural Gas Demand 501000 RES 6025 (501228)	17,943.06		
Less: Natural Gas Demand 547027	285,842.34		
Less: Landfill Gas 547000 RES 6036	-		
Less: Unit Train BIT 501000 RES 6003 (501028)	-		
Less: Unit Train PRB 501000 RES 6008 (501029)	71,919.20		
Less: Book 11 Fuel 501033	-		
Less: RECs 509000 RES 6070 (509500)	-		
Plus: RECs sold 509000 RES 6174 (509500)	-		
Less: Book 11 Fuel 547033	-		
<b>Total Fuel and Emissions (FC + EC)</b>	<b>3,472,070.89</b>		
Total Purchased Power	11,930,945.92		
Less: Purchased Power -Nucor	286,188.83		
Less: Capacity 555005	2,578.13		
Plus: Short Term Capacity (Query)	-		
Less: Book 11 555032	-		
<b>Total Purchased Power (PP)</b>	<b>11,642,178.96</b>		
Total Transmission (565)	2,796,351.19		
Less: Historical Z2 (Query)	-		
Less: Non-recoverable SPP schedules	-		
Less: Crossroads (Query)	777,654.84		
Less: 52.80% of SPP Transmission	1,016,554.41		
<b>Total Transmission (TC)</b>	<b>1,002,141.94</b>		
		SPP Transmission (Query)	1,978,923.08
		Less: Transmission -Nucor	53,630.64
		Eligible SPP Transmission	1,925,292.44
		47.20% of SPP Transmission	908,738.03
<b>Total Wholesale Sales</b>	(2,036,337.39)		1,016,554.41
Other Sales for Resale-Nucor	-		
Other Sales for Resale-Municipals 447103	(68,857.76)		
Other Sales for Resale-Private Utilities 447101	(921.53)		
Less: Book 11 Sales 447031	-		
Less: Book 11 Sales 447032	-		
Less: Book 11 Sales 447034	-		
<b>Total Off System Sales Revenue (OSSR)</b>	<b>(1,966,558.10)</b>		
<b>TEC (FC+EC+PP-OSSR)</b>	<b>14,149,833.69</b>		
Retail Sales	596,523,014.03		
Other Sales for Resale-Municipals	1,147,431.00		
Sales -Nucor	(20,311,000.00)		
Other Sales for Resale-Border	37,288.02		
Estimated Losses	40,326,288.56		
Est. Losses - Prior Period Corr.	(4,379,103.00)		
Unaccounted for kWh	-		
Used by Company	1,377,081.00		
<b>kWh Net System Input</b>	<b>614,720,999.61</b>		
Base Energy Cost	0.0224		
<b>Total Base Energy Cost</b>	<b>13,769,750.39</b>		
(TEC - B)	380,083.30		
(TEC - B) * 5%	19,004.17		
(TEC - B) * 95%	361,079.14		
Revenue Mwh	596,523,014.03		
Residential	215,695,533.01	0.37	
Commercial	219,250,635.14	0.38	
Industrial (less Nucor)	139,549,922.56	0.24	
Streetlights	1,715,923.32	0.00	Industrial 159,860,922.56
Govt-Other	-	-	Nucor 20,311,000.00
Total CIS+	576,212,014.03		
Municipals	1,147,431.00	0.00	
Total	577,359,445.03	1.00	
Residential	134,895.45		
Commercial	137,118.79		
Industrial	87,274.17		
Streetlights	1,073.13		
Govt-Other	-		
Total CIS+	360,361.54		
Municipals	717.60		
Total	361,079.14		

## Exhibit 2 (continued)

Scenario A (After Wind Farm)	Scenario B (Before Wind Farm)		
<b>All numbers are hypothetical for illustration purposes only</b>			
<b>Inputs:</b>	<b>Inputs:</b>		
Wind Farm Purchase (MWh) 26,828	Wind Farm Purchase (MWh) 0		
Nucor Load Purchases (MWh) 20,311	Nucor Load Purchases (MWh) 20,311		
Wind Farm Contract Price \$ 16.50	Wind Farm Contract Price \$ 16.50		
GMO Load Purchase Price \$ 24.01	GMO Load Purchase Price \$ 24.01		
Nucor Retail Rate \$ 35.00	Nucor Retail Rate \$ 35.00		
<hr/>			
<b>Hourly Energy Calculations</b>	<b>Hourly Energy Calculations</b>		
<b>Wind Farm Purchase by GMO to Developer</b>			
Wind Farm Purchase (MWh) 26,828	Dr. 555xxx 442,662		
Wind Farm Contract Price \$ 16.50	Cr. 232xxx (442,662)		
\$ 442,662			
<b>GMO sells wind MWH to SPP at load node (BSS)</b>			
SPP BSS Settlement (MWh) (26,828)	Dr. 143xxx 644,140		
Load node Price \$ 24.01	Cr. 447xxx (644,140)		
\$ (644,140)	SPP Netting FERC Order 668		
	Dr. 447xxx 644,140		
	Cr. 555xxx (644,140)		
<b>GMO purchases all Load from SPP (including Nucor)</b>			
Nucor Load Purchases (MWh) 20,311	Dr. 555xxx 487,667		
GMO Purchase Price \$ 24.01	Cr. 232xxx (487,667)		
487,667			
<b>GMO Retail Transactions</b>			
Nucor Load Purchases (MWh) 20,311	Dr. 142xxx 710,885		
Retail Rate \$ 35.00	Cr. 442xxx (710,885)		
\$ 710,885			
<hr/>			
<b>Monthly Calculations</b>	<b>Monthly Calculations</b>		
<b>Example:</b>			
GMO load for May (MWh) 635,032	GMO load for May (MWh) 635,032		
Nucor monthly usage (MWh) 20,311	Nucor monthly usage (MWh) 20,311		
Nucor's Percentage of Load 0.032	Nucor's Percentage of Load 0.032		
GMO monthly load (Mw) 2,179	GMO monthly load (Mw) 2,179		
Nucor monthly load (Mw) 59	Nucor monthly load (Mw) 59		
Nucor's Percentage of Load 0.027	Nucor's Percentage of Load 0.027		
<b>SPP Transmission charges driven by load</b>			
Fee Type	Admin	Sched 11	Sched 12
Fee Amount \$	461,693	\$ 1,974,154	\$ 65,382
Ratio	0.032	0.027	0.032
Nucor Share \$	14,774	\$ 53,500	\$ 1,772
Eligible to include in FAC \$	-	\$ 1,920,654	\$ -
FAC%	47.2%	47.2%	47.2%
Included in FAC \$	-	\$ 906,549	\$ -
			Z2
			4,096
			0.032
			131
			3,965
			47.2%
			1,872
<hr/>		<hr/>	
Wind farm purchase is at GMO load node so no TCRs or ARRs or network service is required.		Wind farm purchase is at GMO load node so no TCRs or ARRs or network service is required.	

Exhibit 3

SPP hourly load purchases													Load purchased for Nucor will be calculated at the 5 minute level, aggregated to the hour per the example below.	
GMO Load Hub														
All numbers are hypothetical for illustration purposes only														
GMO Load Point	Year	Month	Day	HE	DA Load (MWh)	DA LMP (\$/MWh)	DA Charges Load (\$)	RT Meter Load (MWh)	RT LMP (\$/MWh)	RT Charges Load (\$)	RT Load MWh	Load \$	Load \$/MWh	
MPS_MPS	2019	May	1	1	713	\$24.97	(\$17,807)	689.7541667	\$18.33	\$448	689.75	\$ 17,358.62	25.166	
MPS_MPS	2019	May	1	2	684	\$22.47	(\$15,370)	668.5195833	\$19.84	\$307	668.52	\$ 15,063.71	22.533	
MPS_MPS	2019	May	1	3	669	\$22.98	(\$15,374)	655.59425	\$18.62	\$250	655.59	\$ 15,123.86	23.069	
MPS_MPS	2019	May	1	4	664	\$23.08	(\$15,326)	657.6149167	\$19.35	\$123	657.61	\$ 15,202.98	23.118	
MPS_MPS	2019	May	1	5	680	\$24.59	(\$16,722)	682.0743333	\$19.32	(\$43)	682.07	\$ 16,765.28	24.580	
MPS_MPS	2019	May	1	6	733	\$28.55	(\$20,925)	720.4675833	\$44.02	(\$97)	720.47	\$ 21,021.52	29.178	
MPS_MPS	2019	May	1	7	814	\$36.38	(\$29,616)	803.52725	\$40.66	\$881	803.53	\$ 28,735.48	35.762	
MPS_MPS	2019	May	1	8	857	\$38.84	(\$33,288)	842.016	\$23.55	\$354	842.02	\$ 32,934.08	39.113	
MPS_MPS	2019	May	1	9	873	\$41.43	(\$36,169)	844.2758333	\$23.53	\$676	844.28	\$ 35,493.34	42.040	
MPS_MPS	2019	May	1	10	880	\$42.30	(\$37,226)	850.3253333	\$25.82	\$763	850.33	\$ 36,463.12	42.881	
MPS_MPS	2019	May	1	11	887	\$43.34	(\$38,444)	847.0004167	\$26.69	\$1,068	847.00	\$ 37,375.81	44.127	
MPS_MPS	2019	May	1	12	887	\$43.48	(\$38,567)	839.5871667	\$27.17	\$1,283	839.59	\$ 37,284.13	44.408	
MPS_MPS	2019	May	1	13	867	\$44.49	(\$38,575)	833.6218333	\$26.60	\$886	833.62	\$ 37,689.18	45.211	
MPS_MPS	2019	May	1	14	846	\$44.12	(\$37,326)	835.8728333	\$27.03	\$271	835.87	\$ 37,055.64	44.332	
MPS_MPS	2019	May	1	15	849	\$41.33	(\$35,089)	831.39175	\$25.77	\$454	831.39	\$ 34,634.83	41.659	
MPS_MPS	2019	May	1	16	861	\$40.59	(\$34,945)	831.0279167	\$28.49	\$855	831.03	\$ 34,089.56	41.021	
MPS_MPS	2019	May	1	17	875	\$40.08	(\$35,071)	839.6754167	\$24.48	\$865	839.68	\$ 34,206.18	40.737	
MPS_MPS	2019	May	1	18	908	\$36.13	(\$32,804)	847.0579167	\$21.29	\$1,296	847.06	\$ 31,508.40	37.197	
MPS_MPS	2019	May	1	19	911	\$33.42	(\$30,445)	850.9856667	\$21.22	\$1,273	850.99	\$ 29,171.83	34.280	
MPS_MPS	2019	May	1	20	970	\$35.95	(\$34,874)	854.0291667	\$26.16	\$3,027	854.03	\$ 31,846.86	37.290	
MPS_MPS	2019	May	1	21	969	\$39.00	(\$37,786)	874.2036667	\$26.42	\$2,504	874.20	\$ 35,282.00	40.359	
MPS_MPS	2019	May	1	22	931	\$32.46	(\$30,217)	842.4994167	\$21.92	\$1,866	842.50	\$ 28,350.24	33.650	
MPS_MPS	2019	May	1	23	846	\$27.08	(\$22,907)	771.5226667	\$22.89	\$1,686	771.52	\$ 21,220.81	27.505	
MPS_MPS	2019	May	1	24	763	\$20.81	(\$15,877)	711.3428333	\$15.68	\$844	711.34	\$ 15,032.43	21.132	
SPP 5 minute load purchases													Load purchased for Nucor will be calculated at the 5 minute level, aggregated to the hour per the example below.	
GMO Load Hub														
All numbers are hypothetical for illustration purposes only														
ReportingID	Year	Month	Day	HE	Minutes	DA Charges Load (\$)	DA Load (MWh)	RT Meter Load (MWh)	RT Charges Load (\$)					
MPS_MPS	2019	May	1	1	0	(\$17,807)	713	705	\$14					
MPS_MPS	2019	May	1	1	5	\$0	713	704	\$4					
MPS_MPS	2019	May	1	1	10	\$0	713	697	\$20					
MPS_MPS	2019	May	1	1	15	\$0	713	696	\$27					
MPS_MPS	2019	May	1	1	20	\$0	713	696	\$28					
MPS_MPS	2019	May	1	1	25	\$0	713	687	\$46					
MPS_MPS	2019	May	1	1	30	\$0	713	688	\$40					
MPS_MPS	2019	May	1	1	35	\$0	713	684	\$49					
MPS_MPS	2019	May	1	1	40	\$0	713	682	\$52					
MPS_MPS	2019	May	1	1	45	\$0	713	679	\$58					
MPS_MPS	2019	May	1	1	50	\$0	713	679	\$56					
MPS_MPS	2019	May	1	1	55	\$0	713	680	\$54					
									\$448					

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

P.S.C. MO. No. 1 Original Sheet No. 157  
Canceling P.S.C. MO. No. 1 Original Sheet No. \_\_\_\_\_

For Missouri Retail Service Area

**Special Rate for Incremental Load Service  
Schedule SIL**

**PURPOSE:**

This rate schedule is designed to provide certain Customers with new or incremental increases in load access to a special rate that is not based on the Company's cost of service like generally available tariff rates, but is designed to recover no less than the incremental costs of serving the new load. The Customer load will be served primarily by renewable energy resources separate from energy resources used to serve general customers of the Company.

**AVAILABILITY:**

This special rate is available to customers with new, incremental load who:

- Have a facility whose primary industry is the smelting of aluminum and primary metals, (Standard Industrial Classification Code 3334) or
- Have a facility whose primary industry is the production or fabrication of steel (North American Industrial Classification System 331110) or
- Operate a facility with an increase in load equal to or in excess of a monthly demand of fifty megawatts

Each customer must demonstrate the new, incremental load can:

- Show a competitive need, documenting the facility would not commence operations absent the special rate,
- Show the special rate is in the interest of the state of Missouri when considering the interests of the customers of the Company, considering the incremental cost of serving the facility to receive the special rate, and the interests of the citizens of the state generally in promoting economic development, improving the tax base, providing employment opportunities in the state, and promoting such other benefits to the state as the commission may determine are created by approval of the special rate

This rate is not available for standby, breakdown, supplementary, maintenance or resale service except as noted below. Sub-metering or the reselling of electricity is prohibited.

Availability of service under this tariff may be limited by the Company due to constraints with, or protection for, Company generation resources or the transmission grid.

Service under this tariff may not be combined with service under an Economic Development Rider, an Economic Redevelopment Rider, , the Renewable Energy Rider, Community Solar program, service as a Special Contract, or be eligible for participation in programs offered pursuant to the Missouri Energy Efficiency Investment Act, or for participation in programs related to demand response or off-peak discounts, unless otherwise ordered by the Commission when approving a contract for service under this tariff.

Service under this tariff shall be excluded from projected energy calculations used to establish charges under Riders FAC and RESRAM, and programs offered pursuant to the Missouri Energy Efficiency Investment Act, unless otherwise ordered by the Commission when approving a contract for service under this tariff.

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

P.S.C. MO. No. 1 Original Sheet No. 157.1  
Canceling P.S.C. MO. No. 1 Original Sheet No. \_\_\_\_\_

For Missouri Retail Service Area

**Special Rate for Incremental Load Service  
Schedule SIL**

**TERMS & CONDITIONS:**

Service under this rate schedule requires a written contract between the Company and the Customer. Each Special Incremental Load Rate Contract shall collect at least the incremental cost incurred by the Company to serve the Customer. Incremental costs shall be calculated, and profitability must be demonstrated at the time the contract is approved to confirm that revenues to be received from Customers under this Schedule are expected to be sufficient to cover the Company's increased costs to offer service pursuant to each Special Incremental Load Rate Contract. All charges for service under this rate schedule shall be limited to the charges contained in the contract between the Company and the Customer.

**CONTRACT DOCUMENTATION:**

At least 60 days prior to the effective date of the Special Incremental Load Rate Contract, the Company will file the individual Special Incremental Load Rate Contract and supporting documentation with the Commission for approval. The supporting documentation will include the following items:

1. Customer Needs: Company shall provide a narrative description of the reasons why the Special Incremental Load Rate is necessary for this Customer.
2. Customer Alternatives: Company shall describe competitive alternatives available to the Customer.
3. Incremental Costs: Company shall quantify the expected incremental cost associated with the Special Incremental Load Rate Contract Customer.
4. Profitability: Company shall quantify the expected profitability of the Special Incremental Load Rate Contract as the difference between the revenues expected to be generated from the pricing provisions in the Special Incremental Load Rate Contract compared to Company's expected incremental costs. All significant assumptions shall be identified that affect this quantification.
5. Other Ratepayer Benefits: Company shall quantify the benefits that it believes will accrue to other ratepayers from the Special Incremental Load Rate Contract. All significant assumptions shall be identified that affect this quantification.
6. Other Economic Benefits to the Area: the Company and/or local economic development agency shall quantify the economic benefits to the state, metropolitan area, and/or local area that Company projects to be realized as a result of the Special Incremental Load Rate Contract. The Company will also file an affidavit from the state, metropolitan area and/or local area economic development agency that is also providing benefits to the customer.



**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**P.S.C. MO. No.** 1                      Original Sheet No. 157.2

Canceling P.S.C. MO. No. 1                      Original Sheet No.                     

For Missouri Retail Service Area

**Special Rate for Incremental Load Service  
Schedule SIL**

**TERM:**

The initial term may vary for each customer served under this rate schedule but in no instance, should the term be greater than ten (10) years. Prior to the end of the term, the Company and Customer will work together to evaluate an extension of the term and if mutually appropriate, work together to secure any required approvals for an extension of the term. Each subsequent extension shall not exceed an additional ten (10) years.

**SPECIAL RATE, PROVISIONS, AND TERMS:**

1. The Special Incremental Load Rate will be determined for each Customer based on expected loads and the renewable energy resource planned to serve the Customer. Details about the rate including all terms and conditions related to the Special Incremental Load Rate will be documented through a Special Incremental Load Rate Contract.
2. The Special Incremental Load Rate will be designed to recover no less than the incremental cost to serve the Customer over the term of the Special Incremental Load Rate Contract. Non-participating customers shall be held harmless from any deficit in revenues provided by any customer served under this tariff.
3. All Special Incremental Load Rate Contracts executed under this tariff will include the following provisions:
  - a. Special Rate – details about the structure and rate to be paid by the Customer.
  - b. Agreement Term – clear identification of the dates associated with the Special Rate, particularly the start date for contract term.
  - c. Confidentiality – terms to establish protections needed to protect data under competitive conditions.
  - d. Operational Parameters – details about the expected operation of the facility to be served.
4. The Company will make provisions to uniquely identify the costs and revenues for each respective Special Incremental Load Rate Contract within its books and records. This information will be available to support periodic reporting as ordered by the Commission. At the time of a general rate proceeding the portion of the Company’s revenue requirement associated with the incremental costs net of PPA net revenues to serve the Customer shall be assigned to the Customer. The Customer’s rate revenues shall be reflected in Company’s net revenue requirement. If the Customer’s rate revenues do not exceed the incremental cost to serve the Customer as reflected in the revenue requirement calculation, the Company shall make an additional revenue adjustment covering the shortfall to the revenue requirement calculation through the true-up period, to ensure that non-Schedule SIL customers will be held harmless from such effects from the service under Schedule SIL. In no event shall any revenue deficiency (that is, a greater amount of the Customer’s incremental costs compared to the Customer’s revenues) be reflected in the Company’s cost of service in each general rate proceeding for the duration of service to the Customer(s) during the terms of the contract between Company and Customer served under this tariff.

**REGULATIONS:**

Subject to Rules and Regulations filed with the State Regulatory Commission.

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

P.S.C. MO. No. 1 Original Sheet No. 157.3  
Canceling P.S.C. MO. No. 1 Original Sheet No. \_\_\_\_\_

For Missouri Retail Service Area

<b>Special Rate for Incremental Load Service Schedule SIL</b>
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**SPECIAL INCREMENTAL LOAD RATE CONTRACTS:**

Start Date of Special Incremental Load Rate Contract	Name of Customer	Address	Term of Special Incremental Rate
January 1, 2020	Nucor Steel Sedalia, LLC	500 Rebar Rd, Sedalia, MO	10 years