Exhibit No.:	
Issue(s):	*Revenue Requirement Overview,*
	Border Customers,
	Capitalized Overheads,
	Common-Use Billings,
	Revenue Adjustments,
	Off-System Sales,
	PAYS®, Income Taxes
Witness:	*Matthew R. Young*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Direct Testimony*
Case No.:	*ER-2024-0189*
Date Testimony Prepared:	*June 27, 2024*

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

AUDITING DEPARTMENT

DIRECT TESTIMONY

OF

MATTHEW R. YOUNG

EVERGY MISSOURI WEST, INC.,
d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Jefferson City, Missouri
June 27, 2024

****** Denotes Confidential Information ******

TABLE OF CONTENTS OF

DIRECT TESTIMONY OF

MATTHEW R. YOUNG

EVERGY MISSOURI WEST, INC.,
d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

DIRECT TESTIMONY

OF

MATTHEW R. YOUNG

EVERGY MISSOURI WEST, INC.,
d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Q. Please state your name and business address.

A. My name is Matthew R. Young. My business address is 615 E. 13th Street, Kansas City, Missouri, 64105.

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

A. I am a Utility Regulatory Audit Supervisor on the Staff of the Missouri Public Service Commission ("Staff").

Q. Please describe your educational background and experience.

A. A summary of my education and experience is attached to this testimony as Schedule MRY-d1.

<u>SUMMARY</u>

Q. What is the purpose of your direct testimony?

A. I am sponsoring Staff's Direct Accounting Schedules that are being filed concurrently with this direct testimony. Staff's recommendation of the amount of the rate revenue increase for Evergy Missouri West ("EMW") operations are based on actual historical information through the update period ending December 31, 2023. In order to reflect what Staff currently expects the revenue requirement will be once the true-up is complete, Staff has included a true-up allowance. The true-up allowance is an estimate of the projected rate revenue increase for material true-up items. Staff will revise its recommended revenue requirement increase for Evergy Missouri West based on known and measurable amounts for the true-up period ending June 30, 2024, when that information becomes available.

I also present an overview of the results of Staff's recommended revenue requirement for Evergy Missouri West. Several members of Staff participated in Staff's examination of EMW's books and records for all the relevant and material components that make up the revenue requirement calculation. These components can be broadly defined as (1) capital structure and return on investment, (2) rate base investment, and (3) income statement results, including revenues, operating and maintenance expenses, depreciation and amortization expense, and the taxes related to net income.

Q. Through this testimony, do you provide any recommendations for the level of rate base and/or expense to be reflected in the revenue requirement ordered in this case?

A. Yes. I recommend annualized or normalized amounts to include in the revenue requirement for the following items: the rate base amounts for the Pay As You Save® ("PAYS®") program and accumulated deferred income taxes, as well as the revenue and expense amounts for border customers, common use plant billings, income taxes, off system sales, and miscellaneous revenues.

<u>STAFF'S REVENUE REQUIREMENT DIRECT TESTIMONY</u>

Q. Briefly describe the revenue requirement direct testimony Staff has filed for this rate case.

A. Each Commission Staff member's direct testimony is organized by their sponsored issues, providing an explanation or description of each specific area and providing an appropriate recommendation. The following table shows the subject matter of each Staff witness' direct testimony:

Evergy Missouri West Case No. ER-2024-0189
Staff Direct Testimony

Staff Witness	**Issue Responsibility**
Alan J. Bax	Jurisdictional Allocation Factors, System Energy Loss Factor, Right of Way Expansion
Amanda Coffer	Depreciation Rates, Continuing Property Record
Antonija Nieto	Bad Debt Expense, Depreciation Clearings, Forfeited Discounts, Information Technology Software Maintenance, Pensions, Other Post-Employment Benefits, Supplemental Executive Retirement Plan, Plant-in-service, Accumulated Depreciation Reserve, Severance Costs, Transmission Expense and Revenue, Southwest Power Pool Administrative Fees
Brodrick Niemeier	Fuel Modeling
Claire M. Eubanks, PE	In-Service Criteria
Contessa King	Economic Relief Pilot Program
Francisco Del Pozo	Lighting Revenues, Weather Normalization
Hari K. Poudel, PhD	Economic Development Riders, Missouri Energy Efficiency Investment Act, Rate Cap Compliance, Net Margin Rates,
Jared Giacone	Time of Use Customer Education Costs, Amortization of Transition Costs, Greenwood Solar, Edison Electric Institute, Plant in Service Accounting, Fuel Prices, Fuel Inventory, Fuel Expense Adjustments, Purchased Power
Justin Tevie	Schedule Special Incremental Load Revenues, Market Prices
Karen Lyons	COVID Accounting Authority Order, Property Tax Expense and Tracker, Transmission Congestion Charges, Ancillary Services, Revenue Uplift Charges, MINT Line Losses
Keith Majors	Crossroads, Dogwood, Hedging, Iatan Regulatory Assets, Plant Amortization, Regulatory Asset & Liability Amortizations, Prospective Tracking, Sibley Accounting Authority Order, Transource
Kim Cox	Retail Revenue
Lindsey Smith	Advertising Expense, Credit Card Fees, Critical Needs Program Costs, Miscellaneous Adjustments, Incentive Compensation, Income Eligible Program Costs, Meter Replacement Costs, Rate Case Expense
Marina Stever	Large Power Revenue
Matthew R. Young	Border Customers, Common Use Billings, Income Taxes, Off System Sales, Miscellaneous Revenues, PAYS® Program Costs, Capitalized Overheads
Michael L. Stahlman	Weather Normalization, Revenue Adjustments
Nathan Bailey, CPA	Account Receivable Fees, Cash Working Capital, Injuries & Damages, Insurance, Maintenance, Materials and Supplies, Regulatory Assessments
Sarah L.K. Lange	Time of Use Revenue and Tracker, Time of Use Implementation
Scott J. Glasgow	Universal Customer Service
Seoung Joun Won, PhD	Capital Structure, Cost of Capital, Cost of Debt, Rate of Return
Sydney Ferguson	Customer Advances, Customer Deposits, Dues & Donations, Economic Relief Pilot Program Costs, Leases, Payroll, Payroll Benefits, Payroll Taxes, Prepayments
Tammy Huber	Time of Use Customer Outreach
Teresa Denney	Fuel Adjustment Clause

OVERVIEW OF STAFF'S REVENUE REQUIREMENT

Q. How is the revenue requirement determined for a regulated utility?

A. The first step is to calculate the utility's cost of service.

Q. What is a utility's cost of service?

A. A utility's cost of service is a quantification of the revenues necessary to provide a utility with the funds to 1) pay its operating costs and 2) provide a reasonable opportunity to earn a return on its investment.

Q. What are the components that comprise the cost of service for a regulated, investor-owned public utility?

A. The cost of service for a regulated, investor-owned public utility can be defined by the following formula:

Cost of Service = Cost of Providing Utility Service

or

COS = O + (V – D)R where,

COS = Cost of Service

O = Operating Costs (Fuel, Payroll, Maintenance, etc.), Depreciation and Taxes

V = Gross Valuation of Property Required for Providing Service (including plant and additions or subtractions of other rate base items)

D = Accumulated Depreciation Representing Recovery of Gross Depreciable Plant Investment

V – D = Rate Base (Gross Property Investment less Accumulated Depreciation = Net Property Investment)

R = Rate of Return

(V – D)R = Return Allowed on Rate Base

The formula above can be restated as follows:

Cost of Service = Operating Expenses + (Net Rate Base * Rate of Return)

Q. Is the cost of service the amount produced in Staff's accounting schedules?

A. No. In the past, the terms "cost of service" and "revenue requirement" have sometimes been used interchangeably. However, in modern rate cases, Staff will use the term "revenue requirement" to only refer to the incremental addition to (or subtraction from) existing revenues based on measurement of the utility's current total cost of service compared to its current revenue levels under existing rates.

Q. What is the objective of an audit of a regulated, investor-owned public utility for ratemaking purposes?

A. The objective of an audit is to determine the appropriate level of cost components identified in my previous answers in order to calculate the revenue requirement for a regulated utility. All relevant factors are examined and a proper relationship of revenues, expenses, and rate base is maintained. The process for making that revenue requirement determination can be summarized as follows:

(1) Selection of a test year. The test year income statement, based on known and measurable cost components, represents the starting point for determining a utility's existing annual revenues, operating costs, and net operating income. Net operating income (revenues less expenses) represents the return on investment based upon existing rates. The test year approved by this Commission for Case No. ER-2024-0189 is the twelve months ending June 30, 2023.[1] The test year is then evaluated to find if the amounts experienced are representative of the utility's most current, ongoing, and appropriate annual level of revenues and operating costs. To reflect the appropriate amounts, "annualization," "normalization," and "disallowance" adjustments are made to the test year. Annualization, normalization, and disallowance adjustments are explained in more detail later in this direct testimony.

[1] Case No. ER-2024-0189, *Order Granting Applications to Intervene and Order Setting Procedural Schedule*, March 8, 2024.

(2) Selection of a "test year update period." A proper determination of revenue requirement is dependent upon matching the rate base, return on investment, revenues, and operating costs components at the same point in time. This ratemaking principle is commonly referred to as the "matching" principle. It is a standard practice in Missouri to utilize a period beyond the established test year in which to match the major components of a utility's revenue requirement at a point in time that is as close as possible to the actual change in rates. By updating test year financial results to reflect information beyond the established test year, rates can be set based upon the most current information. The update period approved by this Commission for this case is December 31, 2023.[2]

(3) Selection of a "true-up date" or "true-up period." A true-up date generally is established when a significant change in a utility's cost of service occurs after the end of the test year update period, but prior to the operation-of-law date, and the significant change is one the parties and/or Commission has decided should be considered for cost-of-service recognition in the current case. In this proceeding, the Commission authorized a true-up period of June 30, 2024.[3]

(4) Determination of Rate of Return. A cost-of-capital analysis must be performed to allow Evergy Missouri West the opportunity to earn a fair rate of return on its net investment (rate base) used in the provision of utility service. Staff witness Dr. Won, of the Commission's Financial Analysis Department, has performed a cost-of-capital analysis which he explains and provides the results of his analysis in his direct testimony.

(5) Determination of Rate Base. Rate base represents the amount of the utility's net investment used to provide utility service, and serves as the basis on which the utility is permitted the opportunity to earn a return. For its direct filing, Staff has determined EMW's rate base as of December 31, 2023, consistent with the end of the test year update period established for this case. Rate base includes plant-in-service (plant fully operational and used for service), cash working capital, materials and

[2] Id.
[3] Id.

supplies, prepayments, fuel inventories, accumulated reserve for depreciation, accumulated deferred income tax, etc.

(6) Net Operating Income from Existing Rates. The starting point for determining net income from existing rates is the unadjusted operating revenues, expenses, depreciation, and taxes during the test year, which is the twelve-month period ending June 30, 2023 for this case. The utility's specific revenue and expense categories are examined to determine whether the unadjusted test year results require adjustments in order to fairly represent the utility's most current level of operating revenues and expenses at the measurement date. Numerous changes occur during the course of any year that will impact a utility's annual level of operating revenues and expenses. The June 30, 2023 test year has been adjusted to reflect the Staff's determination of the appropriate ongoing levels of revenues and expenses as of December 31, 2023.

(7) Determination of Net Operating Income Required. The net income required for Evergy Missouri West is calculated by multiplying Staff's recommended rate of return by the net rate base. Net income required is then compared to net income available from existing rates discussed in Item 6 above. The difference, when factored-up for income taxes, represents the incremental change in the utility's rate revenues required to cover its operating costs and to provide an opportunity for a fair return on investment used in providing electric service.

If a utility's current rates are insufficient to cover its operating costs and provide an opportunity for a fair return on investment, the comparison of net operating income required (Rate Base x Recommended Rate of Return) to net income available from existing rates (Operating Revenue less Operating Costs, Depreciation, and Income Taxes) will result in a positive amount, which would indicate that the utility requires a rate increase. If the comparison results in a negative amount, this indicates that the utility's current rates are excessive.

Q. Please identify the types of adjustments that are made to unadjusted test year results in order to reflect a utility's current annual level of operating revenues and expenses.

A. The types of adjustments made to reflect a utility's current annual operating revenues and expenses are:

(1) Normalization adjustments. Utility rates are intended to reflect normal ongoing operations. A normalization adjustment is required when the test year reflects the impact of an abnormal event. One example of this type of adjustment that is made in all electric rate cases is Staff's revenue adjustments to normalize weather which compares actual weather conditions during the test year to 30-year "normal" values. The weather normalization adjustment restates the test year sales volumes and revenue levels to reflect normal weather conditions.

(2) Annualization adjustments. Annualization adjustments are required when changes have occurred during the test year, update and/or true-up period, which are not fully reflected in the unadjusted test year results. For example, if the utility's employees receive a wage increase in the middle of the test year the payroll increase would not be fully reflected in the test year payroll totals. To account for changes in wages, Staff used payroll rates in effect at the end of the update period, December 31, 2023. The actual wage rates as of December 31, 2023 are applied to the actual employee levels at the same point in time to determine an annualized level of payroll expense. An adjustment to the test year was made to capture the financial impact of payroll changes to reflect the annualized payroll expense in effect at December 31, 2023. The same process will be used for the true-up, based on June 30, 2024. Staff witness Sydney Ferguson addresses the issue of payroll costs in direct testimony.

(3) Disallowance adjustments. Disallowance adjustments are made to eliminate costs in the test year results that are not considered ongoing, prudent, reasonable, appropriate, and/or not of benefit to Missouri ratepayers and thus inappropriate for recovery from ratepayers. An example in this case is certain earnings-based incentive compensation costs. In Staff's view, these costs are incurred to primarily benefit shareholder interests and it is not appropriate policy to pass these costs on to customers in rates since these costs do not benefit ratepayers. Therefore, these costs should be eliminated from the cost of service borne by ratepayers

and Staff recommends disallowing these costs from recovery in rates. Staff witness Lindsey Smith addresses the issue of incentive compensation in direct testimony.

(4) Pro forma adjustments. Pro forma adjustments reflect the impact of items and events that occur subsequent to the test year and test year update period. Adjustments to recognize items or events that significantly impact the revenue, expense, and rate base relationship may be recognized to address the forward-looking objective of the test year. Caution must be exercised when including pro forma adjustments in a recommended cost of service to ensure that an appropriate unbiased relationship between revenues, expenses, and investment is maintained. In addition, some post-test year items and events may not have occurred yet and/or may not be capable of adequate quantification at the time of the case filing. As a result, quantification of pro forma adjustments may be more difficult than the quantification of other adjustments. As a consequence, the use of a true-up audit that considers a full range of auditable items and events that occur subsequent to the test year, and also attempts to address the maintenance of the matching principle, is generally a superior approach than considering stand-alone pro forma adjustments for inclusion in the cost of service.

In support of its application to increase rates, Evergy Missouri West included pro forma adjustments to estimate the effect of the true-up period (ending June 30, 2024) on its proposed revenue requirement. It is Staff's understanding that EMW will file an updated revenue requirement based on actual investment, expenses and revenues experienced through June 30, 2024 in its true-up filing.

Q. Once a revenue requirement is calculated, how are rates determined?

A. After a revenue requirement (and a cost of service) is calculated, a class cost of service study is done to determine the appropriate method for the utility to collect revenue from the various customer classes (e.g. residential, commercial, industrial, etc.). The recommended rate structure charged to all customer classes is referred to as rate design.

Q. When will the Staff be filing its class cost of service and rate design direct testimony in this proceeding?

A. Staff's class cost of service and rate design direct testimony, including schedules, will be filed on July 12, 2024.

Q. What rate increase amount, and return on equity ("ROE") percentage did Evergy Missouri West request from the Commission in this case?

A. EMW requested that its annual revenues be increased by approximately $108.9 million, based on a ROE of 10.50%.

Q. Please describe Staff's direct case revenue requirement filing in this proceeding.

A. The results of Staff's audit of Evergy Missouri West's rate case request can be found in the Staff's filed Accounting Schedules and is summarized on Accounting Schedule 1, Revenue Requirement. This Accounting Schedule shows that Staff's recommended revenue requirement in this proceeding is $52,280,754. The recommended revenue requirement is based upon a mid-point recommended rate of return ("ROR") of 6.88%. Staff is recommending a mid-point ROE of 9.74% with a range of 9.49% to 9.99% as calculated by Staff witness Dr. Won. Staff's revenue requirement at the low and high ROR range of 6.75% to 7.00% is $47,737,954 to $56,823,556.

Q. Did Staff include a true up allowance in its Accounting Schedules?

A. Yes. Staff included a true-up allowance for Evergy Missouri West of $25,691,768. The allowance was determined by projecting costs that are likely to change during the true-up phase of the case, but it will be replaced by actual costs incurred through June 30, 2024. In this case, Staff's true-up allowance estimates the revenue requirement impact of expected additions to plant-in-service, the income statement impacts of the Dogwood facility, and amortization of investment tax credits.

Q. What is Staff's recommended revenue requirement for Evergy Missouri West, including the true-up allowance?

A. Staff's recommended revenue requirement including the true-up allowance and based on Staff's midpoint ROR is $77,972,522.

Q. What items are included in the Staff's recommended rate base in this case?

A. All rate base items were determined as of the update period ending December 31, 2023, either through the ending balance on EMW's books as of that date or a 13-month average balance ending on December 31, 2023. Items in Staff's rate base include:

- Plant-in-service
- Accumulated depreciation reserve
- Cash working capital
- Materials and supplies
- Fuel inventories
- Prepayments
- Customer deposits
- Customer advances
- Income eligible weatherization liability
- Accumulated deferred income taxes
- Regulatory liability balances for pension and Other Post-Employment Benefits ("OPEBs")
- PAYS®
- Iatan 1 and 2 assets
- Demand Side Management program balance
- Plant in Service Accounting ("PISA")
- Property Tax Deferrals.

Q. What are the significant income statement adjustments Staff made in determining Evergy Missouri West's revenue requirements for this case?

A. A summary of the Staff's significant income statement adjustments follows:

Operating Revenues

Retail revenues were adjusted for the elimination of Fuel Adjustment Clause ("FAC") revenue, Missouri Energy Efficiency Investment Act ("MEEIA") revenue, unbilled revenue, gross receipts taxes, and Renewable Energy Standard Rate Adjustment Mechanism ("RESRAM"). Revenues were also adjusted to reflect the update period and weather normalization.

Operating Expenses

- Fuel expense.
- Payroll expense annualized for all known wage increases and changes in employee levels through December 31, 2023.
- Payroll taxes consistent with the payroll annualization.
- Incentive compensation and restricted stock awards disallowances.
- Employee benefits including pensions and OPEBs.
- Insurance expense.
- Property tax expense.
- Uncollectible expense.
- Jurisdictional allocations.
- Rate case expense.
- Amortizations.
- Income taxes.
- Depreciation expense.
- Crossroads-related expenses.
- NUCOR costs/revenues.

Q. How do the various members of Staff contribute to a combined work product?

A. Staff witnesses, including myself, rely on the work from other Staff members in calculating a revenue requirement for Evergy Missouri West in this case. Weather normalized sales, fuel expenses, and the recommended rate of return are some examples of data and analysis supplied to the Auditing Department as inputs into Staff's revenue requirement cost-of-service calculation. Each Staff member who contributed in calculating Staff's revenue requirement has submitted direct testimony in this case discussing the issues for which they were assigned, and her or his recommendation. Signed affidavits and the qualifications for all Staff members who are responsible for issues addressed in Staff's direct testimony in this rate proceeding are attached to each Staff member's testimony.

Q. What are the biggest differences between the rate increase request filed by Evergy Missouri West and the Staff revenue requirement recommendations being filed in this proceeding?

A. From the Staff's perspective, there are seven primary revenue requirement differences. However, many differences exist are due to a timing difference in direct cases. Staff's direct revenue requirement is formed by Staff's adjustments using data through December 31, 2023, and EMW's direct case is heavily based on projected amounts through June 30, 2024. Many timing differences will naturally evolve when Staff and EMW synchronize their respective revenue requirements with known and measurable costs through the true-up period, June 30, 2024. The issues listed below are not due to timing differences but are caused by a material revenue requirement difference in ratemaking approach (amounts are estimated).

- Return on Equity and Capital Structure – Issue Value – EMW's return on equity recommendation is 10.50%[4], while the Staff has developed a mid-point recommendation of 9.74%. The difference between EMW's recommended ROE and capital structure and Staff's recommended mid-point for ROE and capital structure is approximately $19.6 million in revenue requirement.
- Fuel – Issue value of approximately $42.7 million.
- Crossroads Transmission Expense – Issue value of approximately $16.7 million.
- Retail Revenues – Issue value of approximately $11.7 million.
- Property Taxes – Issue value of approximately $7.9 million.
- Transmission Congestion Rights – Issue value of approximately $7.6 million.
- NUCOR Revenue Offset – Issue value of approximately $4.9 million.

[4] Bulkley Direct, ER-2024-0189.

There are other differences between Staff and Evergy Missouri West, based upon their respective direct filings. However, these items are less significant than the differences discussed above.

Q. Is it possible that significant differences exist between Staff's revenue requirement positions and those of other parties participating in this proceeding?

A. Yes. However, the other parties are filing their prepared direct testimony concurrently with the Staff's direct filing. Until Staff has a chance to examine the direct testimony of the other parties, it is impossible for Staff to determine what differences exist and how material they may be.

Q. Please identify the Staff experts/witnesses responsible for addressing each area where there is a known and significant difference between Staff and Evergy Missouri West as addressed above in this direct testimony.

A. The Staff experts/witnesses for each listed issue are as follows:

- Return on Equity and Capital Structure (Won)
- Fuel (Niemeier)
- Crossroads (Majors)
- Retail Revenues (Cox)
- Property Taxes (Lyons)
- Transmission Congestion Rights (Lyons)
- NUCOR Revenue Offset (Tevie)

<u>BORDER CUSTOMERS</u>

Q. What are border customers?

A. Border customers are customers who are in the service territory of one utility to which the customer will pay its bill, but are physically served by another utility's power lines. In other words, there are EMW customers currently being served by another utility's power and customers of other utilities that are being served by EMW's power. In these scenarios, the utility billing the customer compensates the utility providing the power.

Q. Are the fuel costs and revenues for border customers included in Staff's fuel model and retail revenue calculation?

A. Yes, in part. The energy supplied by another utility for EMW's customers is included in Staff's fuel model as a reduction to the net system input ("NSI") and the revenues for EMW's customers that are served by another utility are included in Staff's retail revenue calculation and included in EMW's cost of service. When another utility's customers are served by EMW, the utility must reimburse EMW for the cost of serving those customers. The energy supplied by EMW is included in Staff's fuel model and the related fuel costs are included in EMW's cost of service.

Q. Are additional adjustments necessary to account for all the border customer costs and revenues?

A. Yes. To ensure that all border customer costs and revenues are included in EMW's cost of service, an additional adjustment must be made to include 1) the payment EMW makes to reimburse other utilities for the cost to serve EMW's customers (purchased power) and 2) the payments EMW receives from other utilities for the costs to serve those utilities' customers (sales).

Q. Please explain Staff's adjustment for these costs and revenues.

A. Staff reflected actual EMW border customer revenues and expenses for the twelve months ending December 31, 2023, the end of the test year update period.

CAPITALIZED OVERHEADS

Q. What are capitalized overheads?

A. Overheads are business costs incurred during a company's operations that cannot be attributed to a specific task. The portion of overall overheads that are capitalized into the original cost of an asset included in rate base, as opposed to booked as an Operations and Maintenance ("O&M") expense, are capitalized overheads.

Q. How are costs that are not attributable to specific tasks determined to be capital or O&M in nature?

A. The Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts ("USOA") for electric utilities offers the following accounting guidance:

Electric Plant Instruction 4; Overhead Construction Costs:

> A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.
>
> B. As far as practicable, the determination of pay roll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.
>
> C. For Major utilities, the records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each electric plant account, and the bases of distribution of such costs.

Q. Does EMW rely upon FERC's USOA when capitalizing overheads?

A. Yes. In response to Staff Data Request No. 0204, EMW asserted that it relies on the FERC Code of Regulations Title 18 ("CFR 18") which contains FERC's USOA. The plant instructions and the operating expense instructions in the USOA provide accounting guidance for proper cost recording methodologies.

Q. Has EMW offered other documentation of its efforts to ensure overhead costs are charged to capital projects so that the capitalized overheads are reasonably applicable to construction and rate base contains an equitable proportion of overheads?

A. Yes. In its response to Staff data requests, EMW provided documents and explanations of its accounting methodologies showing that its capitalization methodologies were reasonably appropriate. Notably, EMW provided documentation of its engagement with PricewaterhouseCoopers LLP ("PwC") accounting firm to perform time studies of its indirect labor overheads.

Q. Please summarize this study.

A. The study, finalized in November 2023, provides an independent analysis of EMW's non-executive and non-union employees to determine the indirect labor associated with capital projects. The study ** [redacted] **

Q. Did Staff review EMW's methodologies of capitalizing non-labor overheads?

A. Yes. EMW provided, and Staff reviewed, its capitalization guidelines currently in place at EMW. In general, EMW's capitalization of Administrative and General ("A&G")

non-labor overheads directly assigns costs to capital projects based on the underlying activity. Other operational overheads are accounted for with the use of clearing accounts.

Q. Does Staff have any recommendations regarding EMW's capitalization of overheads?

A. No. Staff does not have any concerns or recommendations on EMW's capitalization methodologies.

SOLAR SUBSCRIPTION REVENUES

Q. What are solar subscriptions?

A. In Case Nos. ER-2018-0145 and ER-2018-0146, Evergy Missouri Metro ("EMM") and EMW, respectively, requested a tariff[5] to establish a rate for customers that choose to take power under the solar subscription tariff. The solar subscription program offers customers who desire energy from renewable sources an opportunity to directly subscribe to solar generation. Among other things, the Commission approved stipulations granting the request for the solar subscription rider tariff and allowed EMM and EMW to request a Certificate of Convenience and Necessity ("CCN") to build solar generation once the utilities had procured customer commitments to subscribe to at least 90% of the plant's capacity.

Q. Were CCNs requested?

A. Yes. in Case No. EO-2022-0043, EMM and EMW requested CCNs in accordance with the 2018 stipulations. After the Commission's approval of their CCNs, EMM and EMW constructed a solar project near the existing EMM Hawthorn generating station located in Kansas City, MO and the facility began delivering power to the grid in January 2023.

[5] See EMW tariff sheet 109.

Of the solar generation built for solar subscription customers, EMW was allocated 18%, EMM was allocated 28%, and Evergy Metro Kansas received the remaining 54%. The assignment of solar subscription plant to each jurisdiction was based on the amount of subscriptions committed when construction was completed.

Q. Was the sole purpose of constructing the Hawthorn Solar facility to satisfy demand from solar subscription customers?

A. No. EMM and EMW concurrently constructed another 5 MW of solar to a) satisfy the requirements set forth in Section 393.1665 RSMo[6] and b) create the generation sufficient to satisfy certain low-income solar subscriptions contemplated in prior rate cases. The current breakdown of each jurisdiction's share of the total Hawthorn Solar plant is as follows:

	MO Metro	**KS Metro**	**MO West**	
Plant	**MW Capacity**			**Total**
For 393.1665 compliance	2.00	-	2.00	4.00
For low-income solar subscriptions	0.50	-	0.50	1.00
For solar subscription customers	1.40	2.70	0.90	5.00
Total	**3.90**	**2.70**	**3.40**	**10.00** [7]

Q. Are the investment, costs, and revenues associated with the subscribed portion of Hawthorn solar included in Staff's accounting schedules?

A. Yes. Staff's accounting schedules include the full amount of Hawthorn Solar plant, reserve, accumulated deferred income taxes, O&M, property taxes, and income tax credits associated with the entire Hawthorn Solar facility, including the subscribed portion.

[6] This statute required electrical corporations to invest in utility-owned solar facilities.
[7] Source: Staff Date Request No. 0319.

Q. Did Staff evaluate the need to make any adjustments to the cost items listed above related to Hawthorn Solar subscriptions?

A. Yes. Staff computed the revenue requirement impact of the subscribed portion of Hawthorn Solar and compared the solar subscription costs to the solar subscription revenues. The underlying design of the Hawthorn solar subscription program was to ensure the operation was financially self-contained. Staff's analysis determined that the costs driven by the solar subscription plant were less than the annualized solar subscription revenues, so no adjustment is necessary to make subscription-based solar plant revenue requirement neutral. Staff witness Jared Giacone's direct testimony addresses cost recovery of the subscribed portion of Hawthorn Solar in EMW's PISA deferrals.

COMMON USE PLANT BILLINGS

Q. Please describe common use plant billings.

A. Common use plant is plant recorded on the books of a single Evergy business unit but is used by multiple Evergy affiliates, including EMW. To compensate the plant owner for an affiliate's use of its asset, common use billings are charged from the owner to the users. Since EMW uses the assets of its affiliates more than its affiliates use EMW's assets, common use plant billings are a net increase to EMW's cost of service.

Q. Is Staff recommending an adjustment for common use plant billings?

A. Yes. Staff recommends an adjustment to annualize the net amount of common use plant billings charged to EMW based on the activity recorded during the 12-months ending December 31, 2023. Staff intends to true-up this cost through June 30, 2024 in its true-up revenue requirement.

MISCELLANEOUS REVENUES

Q. Did Staff review miscellaneous revenues EMW booked to Account 454 – Rent from Electric Property?

A. Yes. These revenues include temporary installation profit, rent from electric property, and miscellaneous revenues. Staff's analysis of these amounts is based on a review of the revenues booked by EMW (and its predecessors) over the prior 11 years. Staff finds that the test year miscellaneous revenue is comparable to the revenue booked during the 12-month update period (ending December 31, 2023) and that the test year reflects ongoing miscellaneous revenue. As such, Staff did not make a revenue requirement adjustment.

TEST YEAR REVENUE ADJUSTMENTS

Q. What revenue adjustments do you sponsor?

A. I am sponsoring adjustments to remove test year book revenue that is derived from rider revenue and unbilled revenue. Rider revenue, including charges through the Demand Side Investment Mechanism ("DSIM"), RESRAM, and FAC mechanisms, are accounted for in other proceedings and should not be considered while setting base rates. Unbilled revenue is a result of a bookkeeping adjustment to comply with GAAP accounting standards and should not affect the ratemaking process.

OFF-SYSTEM SALES

Q. What are the components of off-system sales ("OSS")?

A. Total OSS consists of non-firm OSS, firm OSS, and FERC wholesales sales.

Q. Please explain non-firm OSS.

A. For the revenue requirement purposes, non-firm OSS are sales of electricity made at times when a utility's generation output exceeds the load requirements of its native load customers (rate tariff customers) and firm sales customers. EMW must first meet its firm sales loads and, if it has excess electricity to sell, it will make non-firm OSS. The difference between the revenue received for selling the excess generation and the cost of the fuel used to produce the energy sold are referred to as the off-system sales margin ("OSSM"). Non-firm OSS are reflected in Staff's fuel model.

Q. Please explain firm OSS.

A. EMW's only OSS contract is to supply capacity and energy to Black Hills Power. This customer pays both a demand charge for the megawatt capacity commitment from EMW and an energy charge for the cost of delivered energy.

Q. Please explain FERC Wholesales Sales.

A. FERC wholesale customers are municipalities that buy electricity under a firm power tariff regulated by the FERC. Since the wholesale customers are treated as if they were located in another jurisdiction, none of the revenues from these customers are included in the Missouri regulated operations. Staff allocates the plant-in-service, accumulated depreciation reserves, revenues, fuel and purchased power costs, and maintenance costs required to serve Missouri customers using demand and energy allocation factors developed by Staff witness Alan J. Bax. The FERC jurisdictional loads are not included in the demand and energy allocators developed for the Missouri jurisdiction.

Q. What is Staff's recommendation for firm and non-firm OSS?

A. As previously described, the non-firm OSS are included in the results of Staff's fuel model. Staff witness Broderick Niemeier provides testimony regarding the outputs of fuel modeling. With regard to firm OSS, Staff reviewed the sales levels and annualized sales based on actual activity during the 12 months ended December 31, 2023.

PAYS® PROGRAM COSTS AND REVENUES

Q. Please explain the PAYS® program.

A. In Case Nos. EO-2019-0132 and EO-2019-0133 EMW filed tariff sheets designed to implement a PAYS® pilot program. On September 2, 2021, the parties entered into a *Stipulation and Agreement Resolving PAYS® Earnings Opportunity Issues*.[8] EMW began offering the program on October 1, 2021.

Q. What is the purpose of the PAYS® program?

A. The purpose of the PAYS® program is to promote the installation of energy efficient measures and create long-term energy savings and bill reduction opportunities for residential participants through a monthly service charge.

Q. How long will the participant by charged for the monthly service charge?

A. The monthly service charge will remain on a participant's bill until EMW recover all the costs associated with the installation of the equipment, not to exceed 12 years.

Q. Does EMW recover any costs associated with the PAYS® program in its MEEIA rider?

A. Yes. The difference between the 3% financing cost collected from customers and EMW's weighted average cost of capital is recovered through the MEEIA rider. Beginning with the installation of equipment, this cost is recovered through the DSIM surcharge until the

[8] Case Nos. EO-2019-0132 and EO-2019-0133, *Stipulation and Agreement Resolving PAYS® Earnings Opportunity Issues*, Approved by the Commission on September 15, 2021, *Order Approving Stipulation and Agreement, Ending Tariff Suspension, and Approving Tariff.*

costs are included in base rates. Once the cost is included in base rates, it is no longer recoverable through the DSIM.

Q. Did Staff include any revenues related to the PAYS®?

A. Yes. Staff annualized PAYS® revenue based on the contractual payments as of December 31, 2023. Staff will include updated revenues for the PAYS® program during the true-up phase of this case.

Q. What type of costs are included in the PAYS® program and how are they recorded by EMW?

A. EMW records the investment, financing charges, and revenues in a regulatory asset, the regulatory asset balance is included in rate base and recovered via amortization expense over a 12-year period.

Q. Please summarize Staff's recommendation regarding the revenue requirement associated with the PAYS® program.

A. Staff recommends including PAYS® revenue based on the current customer contracts as of December 31, 2023. Staff also recommends including the December 31, 2023 deferred asset in rate base while amortizing the asset balance over a 12-year period.

KANSAS CITY EARNINGS TAX

Q. What is the Kansas City Earnings Tax?

A. The city of Kansas City, Missouri assesses a 1% earnings tax on the net taxable income earned within the Kansas City footprint. Staff reviewed EMW's historical tax liability to Kansas City and found the most recent year a tax payment was made was 2020. As such, Staff adjusted the test year to reflect a $0 tax liability going-forward.

CURRENT INCOME TAX EXPENSE

Q. How did Staff calculate current income tax expense in its revenue requirement?

A. To calculate current income tax expense, Staff converted the book net operating income into ratemaking net taxable income by recognizing various tax timing differences.

Q. What are tax timing differences?

A. Tax timing differences occur when a cost (or revenue) is recorded differently on a company's books than it is reported on the company's tax returns. For example, large companies generally use accrual accounting to record bad debt expense on its books but on the tax return, account write-offs will be reported on a cash basis. The difference between the accrual and cash basis of accounting causes a difference in net income, which leads to a tax timing difference that is usually temporary in nature. A reversal of the difference will be reflected in net income over time.

Q. Did Staff use all of the tax timing differences on EMW's tax return[9] to calculate net taxable income?

A. No, that would be inappropriate for ratemaking purposes. A majority of tax timing differences are not included in the ratemaking income tax calculation as only particular differences are applicable to the ratemaking cost of service. Continuing the example of the bad debt tax timing difference above, Staff's ratemaking adjustment to the bad debt expense accrued in the test year is generally made in a rate case so that customers are charged for the expense on a cash basis. For this cost, rates and tax returns both reflect a cash basis, so including a timing difference in the ratemaking income tax calculation is not appropriate.

[9] EMW does not file its own federal return because it is included in Evergy Inc.'s consolidated tax returns. However, the distinction is ignored for purposes of this testimony.

Other tax timing differences are effectively prohibited from influencing ratemaking income tax expense by the Internal Revenue Service's ("IRS") regulations. Specifically, the IRS's tax code prohibits passing depreciation timing differences caused by method or life accounting treatment of a regulated company's assets. This protected status of a tax timing difference is typically referred to as the IRS's normalization rules for accelerated depreciation.

Q. Are tax timing differences the only factors needed to calculate ratemaking income tax expense?

A. No. Tax timing differences are used to convert book income to ratemaking taxable income (or net operating loss). Income tax expense is calculated by applying the current income tax rates to the ratemaking taxable income, but income tax credits are another factor applied to further reduce the tax burden. The remaining ratemaking income tax expense after tax credits are used is the current income tax expense charged to ratepayers.

Q. What tax timing difference and tax credits did Staff include in its calculation?

A. To calculate ratemaking income tax expense (*see* Schedule 11 of Staff's Accounting Schedules), Staff used the following in its calculation:

Add Back to Operating Income Before Taxes:

- Book Depreciation Expense
- Book Amortization Expense
- Non-Deductible Meals

Subtract from Operating Income:

- Interest Expense
- IRS Straight-Line Depreciation
- IRS Plant Amortization
- ESOP 401k Dividend Deduction

Subtractions – Federal Income Tax Credits:

- Solar Production Tax Credit
- Research and Development Tax Credit

Q. What is the ESOP 401k Dividend Deduction?

A. Employees participating in the 401k plan have the option to invest in Evergy Inc. common stock instead of contributing cash to their retirement account. When Evergy Inc. pays dividends on common stock, the dividends on stock invested in a 401k are tax deductible on Evergy Inc.'s tax return. Although EMW does not have employees it is billed the payroll costs, including the cost of the payroll-related 401k benefit, which is in turn charged to ratepayers. Since EMW's ratepayers pay for their portion of the 401k cost, Staff allocated a commiserate portion of the related tax benefits to EMW's cost of service.

Q. Did Staff include any other income tax items in its revenue requirement?

A. Yes. As of December 31, 2023, EMW's books show an investment tax credit ("ITC") balance related to the Greenwood Solar generation facility and historically, the amortization of an ITC has been used to offset total ratemaking income tax expense. However, Evergy Missouri West expects to begin amortizing this ITC in tax year 2024, which is beyond the December 31, 2023 cut-off date in Staff's case. Since Staff intends to reflect the amortization in its true-up case, an amount was included as a component of the true-up estimate on Schedule 1 of Staff's direct accounting schedules.

DEFERRED INCOME TAX EXPENSE

Q. What type of deferred income tax expense did Staff include in its revenue requirement?

A. When the tax benefit of a tax timing difference is concurrently passed to customers (referred to as the "flow through" ratemaking methodology), the benefit's effect on the cost of service is principally the same as the benefit's effect to the utility's income tax payable to taxing authorities. Flowing a tax benefit to customers does not generate deferred taxes from a ratemaking perspective. However, Staff included deferred taxes for timing differences that are not passed to customers (referred to as “normalized” ratemaking methodology). Normalized timing differences create a mismatch between the income tax expense in rates and the income tax payable generated on tax returns. The largest normalized tax timing difference is typically depreciation expense, which is protected from flow-through ratemaking by IRS regulations. In order to fully normalize the tax timing difference caused by depreciation, ratepayers are charged deferred tax expense in order to prevent the flow-through of the upfront tax benefits.

Q. Why do you call the depreciation tax timing differences an “upfront” tax benefit?

A. By design, the depreciation tax timing difference is temporary in nature. When the federal government constructed the accelerated depreciation tax benefit, it did not intend for tax payers to avoid paying taxes, but instead intended taxpayers to defer their tax payments from the current period to future periods. The government’s desire is to provide companies with additional cash flow with the hope that the cash is reinvested in the business and/or the economy. However, the total tax liability is not reduced over the long-term as taxpayers pay off the deferred tax liability as the temporary differences unwind. Because depreciation is a normalized timing difference, ratepayers provide the utility cash for income taxes that will not be due until future periods. To summarize, depreciation results in an upfront benefit because EMW’s tax payments can be deferred to the future and the utility is able to collect cash in advance of a payment being made.

ACCUMULATED DEFERRED INCOME TAXES

Q. What is Accumulated Deferred Income Taxes (“ADIT”)?

A. ADIT represent the prepayment of income taxes by EMW’s customers prior to the payment being made to taxing authorities. As explained in the Deferred Income Tax section, there are various normalized tax timing differences that lead to a mismatch in the income tax expense in rates and the income tax a utility actually pays to the IRS and other taxing entities. The net balance in the deferred tax reserve represents a customer-supplied source of cost-free funds to EMW. Therefore, EMW's rate base is reduced by the ADIT balance to avoid customers paying a return on investments that are ratepayer funded.

Q. How did Staff calculate the ADIT balance?

A. Staff included the book ADIT balance as of December 31, 2023 in the rate base schedule of its direct accounting schedules. Staff will true-up ADIT with June 30, 2024 balances in its true-up revenue requirement.

Additionally, Staff reduced the amount of EMW's ADIT related to the Crossroads combustion turbines to reflect the Commission's *Report and Order* in Case No. ER-2012-0175. The net amount of ADIT is based on the Commission ordered value of Crossroads. This value, and the associated adjustments to EMW's books and records, is further discussed by Staff in the direct testimony of Keith Majors.

Q. Did Staff include ADIT on Construction Work in Progress ("CWIP")?

A. Yes. EMW records ADIT that is associated with the CWIP reflected on its books and records. This ADIT represents a free source of capital funds available for use by the utility before the construction project is completed and included in plant-in-service. Although CWIP is not included in rate base, EMW is allowed to earn an Allowance for Funds Used During Construction ("AFUDC") deferred return before the property under construction is added to rate base. AFUDC is accrued during construction of the asset and included in rate base when the plant is placed into service. The amount of AFUDC is included in depreciation expense and rate base of the life of the plant. For the calculation of AFUDC, there is no consideration of ADIT as a reduction to rate base on which it is calculated; the AFUDC is calculated on the "gross" amount, with no consideration of ADIT.

Q. Has this ratemaking treatment been brought to the Commission in prior cases?

A. Yes. Utilities have argued that it is not appropriate to reduce rate base for ADIT associated with CWIP balances when the CWIP amounts are not included in rate base. However, the Commission has found to the contrary. Reducing rate base by the amount of ADIT on CWIP was an issue decided by the Commission in an Ameren Missouri general rate case, Case No. ER-2012-0166. On page 30 of its Report and Order in that case, the Commission stated why this treatment is appropriate:

> In other words, failure to recognize the CWIP-related ADIT balance in the company's rate base will overstate the companies AFUDC costs and future rate base, essentially allowing the company to earn AFUDC and a return on capital supplied by ratepayers…
>
> …As fully explained in the finding of fact, Ameren Missouri must include CWIP-related ADIT balances as an offset to rate base to avoid overstating AFIDC and future rate base, to the detriment of both current and future ratepayers.

On page 79 of it *Report and Order* in Kansas City Power & Light's Case No. ER-2014-0370, the Commission affirmed its treatment of ADIT on CWIP:

> KCPL asserts that its situation is different than that of the utility at issue in File No. ER-2012-0166 because KCPL has a net operating loss and, as a consequence, KCPL has more deductions than it has revenues during the applicable period, so it has not and will not receive a cash tax benefit. However, KCPL ratepayers provide fully-normalized income taxes in cost of service regardless of whether KCPL pays those taxes concurrently to the IRS. Even if KCPL is not realizing all the benefits of accelerated depreciation due to a net operating loss position, it does not invalidate the fact that ratepayers are providing several million dollars in cash income taxes. The Commission concludes that the amount of ADIT related to CWIP should be an additional reduction to KCPL's rate base.

Therefore, Staff recommends the amount of ADIT associated with CWIP as of December 31, 2023 be used as a reduction to EMW's rate base.

EXCESS ACCUMULATED DEFERRED INCOME TAXES

Q. What are Excess Accumulated Deferred Income Taxes ("EADIT")?

A. EADIT are tax liabilities were previously deferred to future periods but are no longer a future liability.

Q. Does EMW have EADIT?

A. Yes. On December 22, 2017, the federal Tax Cuts and Jobs Act ("TCJA") was signed into law and took effect on January 1, 2018. A prominent feature of the TCJA was a change in the federal corporate tax rate from 35% to 21%. When the tax rate changed, a portion of EMW's ADIT transitioned from temporary tax timing differences to permanent timing differences. In 2020, the state of Missouri enacted a similar tax reduction that changed the corporate tax rate from 6.25% to 4%. These changes in tax rates essentially forgave a portion of the tax payments EMW had deferred in prior years.

Q. Has tax reform been addressed in EMW's prior rate cases?

A. Yes, EADIT were addressed in EMW's 2018 rate case. In Case No. ER-2018-0146, EADIT were returned to ratepayers by offsetting income tax expense with an amortization of the EADIT liability. The balance of EADIT protected by IRS regulations was set to be amortized with the Average Rate Assumption Method ("ARAM") as defined by the IRS, while the balance of EADIT not protected by IRS regulations was amortized over 10 years. In EMW's following rate case, Case No. ER-2022-0130, additional EADIT were quantified and amortized through rates over a four-year period.[10]

[10] Case No. ER-2022-0130 *Stipulation and Agreement, page 11.*

Q. Did Staff include the ongoing amortizations in the current revenue requirement?

A. Yes. Staff included the ongoing amortizations of EADIT as an offset to total income tax expense.

Q. Until the EADIT has been returned to customers, is it appropriate to include the unamortized balance of EADIT in rate base?

A. Yes. The unamortized balance of EADIT represents income tax expense the customers have provided to the utility, but the utility has not, and is not required to, pay to taxing authorities. The balances are appropriate to include in rate base to avoid charging customers a return on cost-free funds that they provided to the utility.

Q. Does this conclude your direct testimony?

A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2024-0189

AFFIDAVIT OF MATTHEW R. YOUNG

STATE OF MISSOURI)
) ss.
COUNTY OF Jackson)

COMES NOW MATTHEW R. YOUNG and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct Testimony of Matthew R. Young*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Matt Young
MATTHEW R. YOUNG

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 24th day of June 2024.

B. L. STIGGER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES JANUARY 2, 2028
JACKSON COUNTY
COMMISSION #24332661

BL Stigger
Notary Public

Matthew R. Young

Educational and Employment Background and Credentials

I am employed as a Utility Regulatory Audit Supervisor for the Missouri Public Service Commission ("Commission"). I earned a Bachelor of Liberal Arts Degree from The University of Missouri – Kansas City in May 2009 and a Master of Science in Accounting, also from The University of Missouri – Kansas City, in December 2011. I have been employed by the Commission as a Regulatory Auditor since July 2013.

As a Utility Regulatory Audit Supervisor, I perform rate audits and prepare miscellaneous filings for consideration by the Commission. I review exhibits and testimony on assigned issues, develop accounting adjustments and issue positions which are supported by workpapers and written testimony. For cases that do not require prepared testimony, I prepare Staff Recommendation Memorandums. In addition, I oversee the work product produced by junior auditors.

Cases in which I have participated and the scope of my contributions are listed below:

Case/Tracking Number	Company Name	Scope of Issues	Testified at Hearing
GO-2024-0214	Spire Missouri	Revenue Requirement	
WA-2023-0450 SA-2023-0451	Confluence Rivers	Rate Base, Purchase Price	
GO-2023-0432	Spire Missouri	Revenue Requirement	
EA-2022-0328	Evergy West	Production Tax Credits	Yes
ER-2022-0337	Ameren Missouri	Plant, Reserve, Sioux Deferral, Fuel Inventory, Fuel Expense, Fuel Prices, Coal Refinement, Intangible Amortization, Extended Amortization, Incentive Compensation, Exceptional Performance Bonus, Income Taxes, IRA Tracker, Capitalized Overheads	
GO-2022-0339	Spire Missouri	Revenue Requirement	
GR-2022-0179	Spire Missouri	Capitalized Overheads	
GO-2022-0171	Spire Missouri	Capitalized Overheads	

<u>cont'd Matthew R. Young</u>

Case/Tracking Number	Company Name	Scope of Issues	Testified at Hearing
ER-2022-0129 ER-2022-0130	Evergy Metro Evergy West	Prospective Tracking, Income Taxes, Fuel Expense and Inventory, DSM Opt-Out and Iatan Regulatory Assets, Plant, Reserve, Amortization Expense.	
EO-2022-0105	Evergy Metro	Revenue Requirement Issues	
ER-2021-0240 GR-2021-0241	Ameren Missouri	Incentive Compensation	
GR-2021-0108	Spire Missouri	Capitalized Overheads, Income Taxes, Rate Base Amortizations	Yes
SA-2021-0017	Missouri American Water Company	Feasibility Studies, Construction Cost Estimates	Yes
GO-2021-0030 GO-2021-0031	Spire – East and Spire – West	ISRS Rate Base	
GA-2021-0010	Spire – West	Costs to Expand Distribution System	
WR-2020-0264	Raytown Water Company	Tank Painting and Tower Maintenance, Taxes, Leases, Capitalized Depreciation	
GO-2020-0229 GO-2020-0230	Spire – East and Spire – West	ISRS Rate Base	
GA-2020-0105	Spire – West	Costs to Expand Distribution System	
WA-2019-0366 SA-2019-0367	Missouri American Water Company	Sale of Assets, Rate Base	
WA-2019-0364 SA-2019-0365	Missouri American Water Company	Sale of Assets, Rate Base	
GO-2019-0356 GO-2019-0357	Spire – East and Spire – West	Overhead Costs in Rate Base, Reconciliation	Yes
ER-2019-0335	Ameren Missouri	Incentive Compensation, Fuel Inventory	
WO-2019-0184	Missouri American Water Company	ISRS Rate Base	

cont'd Matthew R. Young

Case/Tracking Number	Company Name	Scope of Issues	Testified at Hearing
SA-2019-0161	United Services Inc.	Application for Certificate, Rate Base	
ER-2018-0145 ER-2018-0146	Kansas City Power & Light & KCP&L Greater Missouri Operations	Fuel Prices & Inventories, Purchased Power Expense, Pensions, OPEBs, SERP, Outside Services	
WM-2018-0104	Missouri American Water Company	Rate Base	
WM-2018-0023	Liberty Utilities	Sale of Assets, Rate Base	
WR-2017-0343	Gascony Water Company	Rate Base	Yes
GR-2017-0215 GR-2017-0216	Laclede Gas Company & Missouri Gas Energy	Pensions, OPEBs, SERP, Incentive Compensation, Equity Compensation, Severance Costs	Yes
WR-2017-0139	Stockton Hills Water Company	Revenue, Expenses, Rate Base	
ER-2016-0285	Kansas City Power & Light	Forfeited Discounts, Bad Debt Expense, Customer Growth, Cash Working Capital, Payroll and Payroll Related Costs, Incentive Compensation, Rate Case Expense, Renewable Energy Standards Cost Recovery, Property Taxes	Yes
SR-2016-0202	Raccoon Creek Utility Operating Company	Rate Base	
ER-2016-0156	KCP&L Greater Missouri Operations	Payroll, Payroll Benefits, Payroll Taxes, Incentive Compensation, Injuries and Damages, Insurance Expense, Property Tax Expense, Rate Case Expense	

Case/Tracking Number	Company Name	Scope of Issues	Testified at Hearing
SR-2016-0112	Cannon Home Association	Revenues and Expenses, Rate Base	
WR-2016-0109 SR-2016-0110	Roy-L Utilities	Revenues and Expenses, Rate Base	
WO-2016-0098	Missouri American Water Company	ISRS Revenues	
WR-2015-0246	Raytown Water Company	Revenues and Expenses, Rate Base	
SC-2015-0152	Central Rivers Wastewater Utility	Verification of amounts identified in Complaint	
WR-2015-0104	Spokane Highlands Water Company	Revenues and Expenses, Rate Base	
GR-2015-0026	Laclede Gas Company	Plant Additions and Retirements, Contributions in Aid of Construction	
GR-2015-0025	Missouri Gas Energy	Plant Additions and Retirements, Contributions in Aid of Construction	
WR-2015-0020	Gascony Water Company	Revenues and Expenses, Rate Base	
SM-2015-0014	Raccoon Creek Utility Operating Company	Sale of Assets, Rate Base, Acquisition Premium	
ER-2014-0370	Kansas City Power & Light	Injuries & Damages, Insurance, Payroll, Payroll Benefits, Payroll Taxes, Property Taxes, Rate Case Expense	Yes
SR-2014-0247	Central Rivers Wastewater Utility	Revenues and Expenses, Rate Base, Affiliated Transactions	

cont'd Matthew R. Young

Case/Tracking Number	Company Name	Scope of Issues	Testified at Hearing
HR-2014-0066	Veolia Energy Kansas City	Payroll, Payroll Benefits, Payroll Taxes, Bonus Compensation, Property Taxes, Insurance Expense, Injuries & Damages Expense, Outside Services, Rate Case Expense	
GO-2014-0179	Missouri Gas Energy	Plant Additions, Contributions in Aid of Construction	
GR-2014-0007	Missouri Gas Energy	Advertising & Promotional Items, Dues and Donations, Lobbying Expense, Miscellaneous Expenses, PSC Assessment, Plant in Service, Depreciation Expense, Depreciation Reserve, Prepayments, Materials & Supplies, Customer Advances, Customer Deposits, Interest on Customer Deposits	
SA-2014-0005	Central Rivers Wastewater Utility	Application for Certificate, Revenue and Expenses, Plant in Service, Depreciation Reserve. Other Rate Base Items	