Exhibit No.: Issue: Capital Expenditures Witness: Geoffrey Ley Type of Exhibit: Surrebuttal Testimony Sponsoring Party: Evergy Missouri West Case No.: ER-2024-0189 Date Testimony Prepared: September 10, 2024

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2024-0189

SURREBUTTAL TESTIMONY

OF

GEOFFREY LEY

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri September 2024

SURREBUTTAL TESTIMONY

OF

GEOFFREY LEY

Case No. ER-2024-0189

- 1 Q: Please state your name and business address.
- 2 A: My name is Geoffrey Ley. My business address is 1200 Main, Kansas City,
 3 Missouri 64105.
- 4 Q: By whom and in what capacity are you employed?
- 5 A: I am employed by Evergy Metro, Inc. and serve as Vice President, Acting Chief 6 Financial Officer & Treasurer for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro"), Evergy Missouri West, Inc. d/b/a Evergy 7 8 Missouri West ("Evergy Missouri West" "EMW" or the "Company"), Evergy 9 Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy 10 Kansas Central, Inc. and Evergy Kansas South, Inc., collectively d/b/a as Evergy 11 Kansas Central ("Evergy Kansas Central") the operating utilities of Evergy, Inc. 12 ("Evergy").
- 13 Q: Who are you testifying for?
- 14 A: I am testifying on behalf of Evergy Missouri West.
- 15 Q: Did you file direct and rebuttal testimony in this case?
- 16 A: Yes.
- 17 Q: What is the purpose of your surrebuttal testimony?
- 18 A: The purpose of my surrebuttal testimony is to respond to Staff witness Won's19 assertions concerning the capital expenditures.

Q: Do you agree with Staff witness Won's assertion at pp. 28-29 of his rebuttal
 testimony that a significant portion of capital expenditures are related to the
 Sustainability Transformation Plan ("STP")?

4 No. The level of capital expenditures has no relation to the STP. Investments are A: 5 made to serve utility customers, and actual and forecasted capital investments are 6 subject to change over time due to a variety of factors. These factors include new 7 customer additions, repairs & replacements, maintenance requirements, safety & 8 environmental regulations, changes in Southwest Power Pool reserve margin 9 requirements, and inflation, just to name a few. Dr. Won's assertion that the 10 Company's capital investments are primarily based on benefits to Evergy's 11 shareholders and only secondarily on customer benefits is incorrect and without 12 merit. All of Evergy West's capital investments are evaluated only on the basis of 13 their ability to benefit customers. It is true that all capital investments included in 14 rate base are eligible to earn a return for shareholders, but this has been the accepted 15 regulatory compact in Missouri since the Public Service Commission was first 16 established.

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Q: Are the capital expenditure plans reviewed by the Commission?

A: Under PISA, these capital expenditure plans are reported yearly to the Commission
and are presented at annual stakeholder meetings. Capital investments are subject
to Commission review in general rate cases as they are investments made for the
benefit of utility customers. If the Commission does not find that these investments
benefit customers, it would no doubt take appropriate action in the rate case
process.

1Q:Are the capital expenditures evaluated in Evergy's Integrated Resource Plan2("IRP")?

A: Yes. Evergy's IRP calls for substantial investment in generating resources. The
preferred plan is the result of determining the least cost net present value of revenue
requirement to meet the expected needs of EMW's customers. All generating
resource additions and retirements contemplated in the IRP preferred plan are for
the benefit of Evergy West customers based on this criteria.

8 Q: Does that conclude your testimony?

9 A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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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 GEOFFREY LEY

STATE OF MISSOURI)) ss **COUNTY OF JACKSON**

Geoffrey Ley, being first duly sworn on his oath, states:

1. My name is Geoffrey Ley. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Vice President, Acting Chief Financial Officer & Treasurer.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri West consisting of three (3) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Subscribed and sworn before me this 10th day of September 2024.

Notary Rubli

My commission expires: $\frac{4}{2u}$