

FILED
October 21, 2024
Data Center
Missouri Public
Service Commission

Exhibit No. 132

Evergy Missouri West – Exhibit 132
Geoffrey Ley
Surrebuttal
File No. ER-2024-0189

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
7 Metro (“Evergy Missouri Metro”), Evergy Missouri West, Inc. d/b/a Evergy
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’s
19 assertions concerning the capital expenditures.

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

4 A: No. The level of capital expenditures has no relation to the STP. Investments are
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.

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

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

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

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

8 **Q: Does that conclude your testimony?**

9 A: Yes, it does.

