

Public Version

Exhibit No.:
Issue: RFP and Cost Updates
Witness: J Kyle Olson
Type of Exhibit: Supplemental Direct Testimony
Sponsoring Party: Evergy Missouri West & Evergy Missouri Metro
Case No.: EA-2025-0075
Date Testimony Prepared: February 19, 2025

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EA-2025-0075

SUPPLEMENTAL DIRECT TESTIMONY

OF

J KYLE OLSON

ON BEHALF OF

EVERGY MISSOURI WEST AND EVERGY MISSOURI METRO

**Kansas City, Missouri
February 2025**

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SUPPLEMENTAL DIRECT TESTIMONY

OF

J KYLE OLSON

CASE NO.: EA-2025-0075

I. INTRODUCTION AND EXECUTIVE SUMMARY

Q: Are you the same J Kyle Olson who filed direct testimony in this case on November 15, 2024?

A: Yes. I previously submitted direct testimony on behalf of Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West” or “EMW” or “West”) and Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro” or “EMM” or “Metro”) (collectively referred to as the “Applicants” or the “Companies”). The Companies, along with Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (“Evergy Kansas Central” or “EKC”), are the operating utilities of Evergy, Inc. (“Evergy”).

Q: What is the purpose of your supplemental direct testimony?

A: I discuss updates to the capital costs of the combined-cycle gas turbine (“CCGT”) facilities known as the Viola Generating Station (“Viola”) and McNew Generating Station (“McNew”), as well as the simple-cycle gas turbine (“SSCT”) facility known as Mullin Creek #1 Generating Station (“Mullin Creek #1”) (collectively the “Projects”). I also review the status of other procurement and contracting issues related to the Projects. I provide this information in the context of the Commission’s Certificate of Convenience and Necessity (“CCN”) Rule.

Q: Please identify and describe the Schedules you are sponsoring through this testimony?

A: I am sponsoring the following Schedules:

1 The current itemized capital cost estimate for McNew is attached as **Confidential**
2 **Schedule JKO-15** which shows an increase of **** [REDACTED] **** in the estimated EPC
3 cost. There were no other changes. This updated capital cost estimate for McNew is now
4 approximately **** [REDACTED] ****.

5 **Q: What did the bids for the Mullin Creek #1 SCGT project show?**

6 A: The two bids received for Mullin Creek #1 were higher than the estimated EPC cost used
7 to create the original cost estimate of **** [REDACTED] **** contained in Confidential Schedule
8 JKO-13 to my Direct Testimony. The updated capital cost estimate, which is based on the
9 lower of the two bids received, is approximately **** [REDACTED] ****. As shown in
10 **Confidential Schedule JKO-16**, the estimated cost of three items increased: Power Island
11 Equipment **** [REDACTED] ****, EPC **** [REDACTED] ****, and Owner's Costs **** [REDACTED] ****
12 for a total estimated cost increase of **** [REDACTED] ****.

13 **Q: What are the reasons for these estimated cost increases for Mullin Creek #1?**

14 A: As I noted in my Direct Testimony at pages 32-33, there have been significant price
15 increases in construction projects over the past few years in the wake of the COVID-19
16 pandemic, the announced plans of numerous utilities to construct new generation projects,
17 and general economic inflation. Every witness Jason Humphrey discussed the reasons for
18 these cost increases at pages 18-19 of his Direct Testimony, and further elaborates on these
19 trends in his Supplemental Direct Testimony.

CONFIDENTIAL

1 **Q: What is the status of Evergy’s RFP process and the selection of an EPC contractor?**

2 A: Evergy had not yet selected an EPC Contractor for the McNew, Viola, and Mullin Creek #
3 1 facilities and has not signed a final EPC contract. Evergy continues to analyze bids and
4 to negotiate general terms and conditions with the two contractors that submitted EPC bids.
5 Consistent with the anticipated schedule for this key contract, Evergy expects to have an
6 EPC contract negotiated and signed during the second quarter of 2025. Burns & McDonnell
7 (“BMcD”), the Projects’ Owner’s Engineer (“OE”), continues to assist the Company in
8 this process.

9 **Q: What is the status of the Evergy’s effort to acquire the Power Island Equipment**
10 **(“PIE”) for the Projects?**

11 A: EMW has now finalized fixed-price PIE Supply Agreements with Mitsubishi Power
12 Americas. Each of the final cost figures for the Viola and McNew CCGT facilities were
13 consistent with the estimated costs provided in my Direct Testimony. As I discussed above,
14 for the Mullin Creek #1 single-cycle unit there was a ** [REDACTED] ** increase to ** [REDACTED]
15 [REDACTED] ** for the estimated cost of its PIE equipment. This figure is within the range of the
16 estimated prices submitted in the bid proposals to provide the base PIE items that were
17 received by Evergy in September 2024. Those prices are contained in **Confidential Table**
18 **6** on page 20 of my Direct Testimony.

19 **Q: What progress has occurred regarding the acquisition of the Generator Step-Up**
20 **(“GSU”) Transformers for the Projects?**

21 A: EMW has finalized agreements for GSU transformers regarding all three Projects. The
22 GSUs are critical to ensuring that each power station can connect to the grid and provide
23 energy to EMW’s customers. For each of the three GSU agreements, Evergy has contracted

1 with ** [REDACTED] ** a well-established supplier that does not rely on using parts or
2 components from China, given the substantial risk of tariffs being imposed on the
3 transformers, as well as other risks related to such commercial transactions. The GSU
4 provider that EMW has contracted with is not located in southeast Asia.

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

6 **A:** Yes, it does.

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

In the Matter of the Application of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri)
West and Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro for Permission and Approval)
of a Certificate of Public Convenience and)
Necessity For Natural Gas Electrical)
Production Facilities)

Case No. EA-2025-0075

AFFIDAVIT OF J KYLE OLSON

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

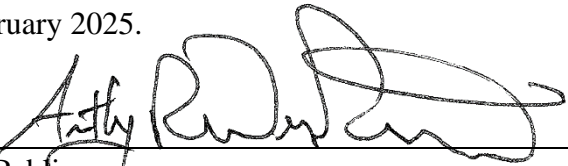
J Kyle Olson, being first duly sworn on his oath, states:

1. My name is J Kyle Olson. I work in Kansas City, Missouri and I am employed by Evergy Metro, Inc. as Director of Conventional Generation Development and Construction.
2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of five (5) 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.



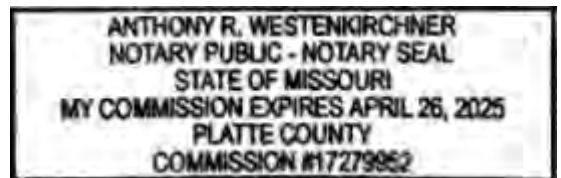
J Kyle Olson

Subscribed and sworn before me this 19th day of February 2025.



Notary Public

My commission expires: 4/26/2025



**SCHEDULES JKO-14, JKO-15, and JKO-16
CONTAIN CONFIDENTIAL
INFORMATION
NOT AVAILABLE TO THE PUBLIC.

ORIGINALS FILED UNDER SEAL.**

**Evergy Metro, Inc. d/b/a Evergy Missouri Metro and
Evergy Missouri West, Inc. d/b/a Evergy Missouri West**

Docket No.: EA-2025-0075

Date: February 19, 2025

CONFIDENTIAL INFORMATION

The following information is provided to the Missouri Public Service Commission under CONFIDENTIAL SEAL:

Document/Page	Reason for Confidentiality from List Below
Supplemental Direct, p. 2, Ins. 18, and 19-20	3, 4, 5, and 6
Supplemental Direct, p. 3, Ins. 2, 4, 7, 9, and 11-12	3, 4, 5, and 6
Supplemental Direct, p. 4, Ins. 14-15	3, 4, 5, and 6
Supplemental Direct, p. 5, ln. 1	3, 4, 5, and 6
Confidential Schedules JKO-14, JKO-15, and JKO-16	3, 4, 5, and 6

Rationale for the “confidential” designation pursuant to 20 CSR 4240-2.135 is documented below:

1. Customer-specific information;
2. Employee-sensitive personnel information;
3. Marketing analysis or other market-specific information relating to services offered in competition with others;
4. Marketing analysis or other market-specific information relating to goods or services purchased or acquired for use by a company in providing services to customers;
5. Reports, work papers, or other documentation related to work produced by internal or external auditors, consultants, or attorneys, except that total amounts billed by each external auditor, consultant, or attorney for services related to general rate proceedings shall always be public;
6. Strategies employed, to be employed, or under consideration in contract negotiations;
7. Relating to the security of a company's facilities; or
8. Concerning trade secrets, as defined in section 417.453, RSMo.
9. Other (specify) _____.

Should any party challenge the Company’s assertion of confidentiality with respect to the above information, the Company reserves the right to supplement the rationale contained herein with additional factual or legal information.