

Exhibit No. 106P

Staff – Exhibit 106P
Mark Davis
Rebuttal Testimony
File No. EF-2022-0155

Exhibit No.:

*Issues: Net Present Value Benefit To
Ratepayers, Commission Review
And Involvement Post Order,
Flexibility Of Bond Terms And
Conditions, Expiration Date Of
Financing Order Authorization*

Witness: Mark Davis

Ducera Partners, LLC

Sponsoring Party: MoPSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: EF-2022-0155

Date Testimony Prepared: June 30, 2022

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

REBUTTAL TESTIMONY

OF

**MARK DAVIS
DUCERA PARTNERS, LLC**

EVERGY MISSOURI WEST, INC.

d/b/a EVERGY MISSOURI WEST

CASE NO. EF-2022-0155

*Jefferson City, Missouri
June 2022*

**** Denotes Confidential Information ****

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MARK DAVIS
ON BEHALF OF MISSOURI PUBLIC SERVICE COMMISSION STAFF
EVERGY MISSOURI WEST, INC.,
d/b/a EVERGY MISSOURI WEST
CASE NO. EF-2022-0155

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **MARK DAVIS**

4 **ON BEHALF OF MISSOURI PUBLIC SERVICE COMMISSION STAFF**

5 **EVERGY MISSOURI WEST, INC.,**
6 **d/b/a EVERGY MISSOURI WEST**

7 **CASE NO. EF-2022-0155**

8 **INTRODUCTION**

9 **Q. Please state your name and business address.**

10 A. Mark Davis, 11 Times Square, 36th Floor, New York, NY 10036.

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

12 A. I am a Partner at Ducera Partners, LLC (“Ducera”), an investment bank based in New York City.

13 **Q. Please describe your professional qualifications and experience, and educational background.**

14 A. I have more than 15 years of investment banking experience working on a broad range of advisory
15 assignments across industry sectors, including leading Ducera’s power and utility efforts. Prior to
16 joining Ducera as a founding member, I worked as an investment banking director at Perella Weinberg
17 Partners and previously worked in investment banking at Kramer Capital Partners. I have extensive
18 experience advising on complex financial advisory transactions including utility securitizations across
19 the United States, including most recently in 2022 advising on financing order and/or securitization
20 transactions in four states involving over ten utilities and over \$10 billion of transaction volume. I am
21 registered with the Financial Industry Regulatory Authority (“FINRA”) and have dual degrees in
22 economics and finance, from the WP Carey School of business at Arizona State University, *summa cum*
23 *laude*.

24 **Q. On whose behalf are you testifying in this proceeding?**

25 A. I am testifying as an expert witness on behalf of the Staff of the Missouri Public Service Commission
26 (“Commission Staff”).

1 **Q. Have you previously advised other regulatory agencies?**

2 A. Yes. I have provided advice to state utility regulatory commissions in other complex proceedings,
3 including as it relates to securitization and other financial matters.

4 **Q. Have you testified before the Missouri Public Service Commission (“Commission”)?**

5 A. Yes. I have testified before the Commission on behalf of the Commission Staff in Case No.
6 EO-2022-0040 and EO-2022-0193.

7 **Q. What is the purpose of your rebuttal testimony and what topics is your testimony intended to**
8 **address?**

9 A. The topics addressed herein relate to the net present customer benefits standard relative to traditional
10 recovery methods, including addressing the lowest cost standard, the degree of flexibility afforded to
11 Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“EMW”) in establishing the terms and
12 conditions of the bonds and commission staff, as designated by the Commission and to include advisors
13 to Staff, involvement in the securitization process, including providing input and collaborating in all
14 facets of the process.

15 The statements in this testimony are, except as otherwise noted, based on my personal knowledge or
16 opinion, information that is publicly available, provided by EMW, its professionals, its advisors, or other
17 interested parties, and Ducera’s employees working directly with me or under my supervision or
18 direction. If called upon to testify, I would testify to the facts set forth herein.

19 **NET PRESENT VALUE (NPV) BENEFIT TO RATEPAYERS**

20 *Applicable Customary Recovery Method*

21 **Q. What is presented in EMW’s proposal as the traditional recovery method for Winter Storm**
22 **Uri costs?**

23 A. In response to Data Request (DR) No. 0071, EMW states “The 6-month fuel adjustment charge is
24 the method prescribed by Evergy Missouri West's tariff for recovery of the subject costs. There is no
25 other reasonable alternative, beyond the AAO which has been modeled, for recovery of these costs”.

1 In the Direct Testimony of EMW witness Ronald A. Klote (the “Klote Testimony”), EMW outlines
2 these recovery methods for the Winter Storm Uri costs, including the Fuel Adjustment Clause (“FAC”)
3 method and the Accounting Authority Order (“AAO”) alternative method. Under the FAC method,
4 EMW would file a Fuel Adjustment Rate tariff designed to recover 95 percent of energy cost differences
5 from base rates, of which a substantial portion would be imposed on ratepayers over one year up to the
6 rate caps established under the PISA provisions of Sections 393.1400 and 393.1655 when the Fuel
7 Adjustment Rate tariff is imposed and the remainder of such costs would be recovered over a 20-year
8 period at EMW’s Weighted Average Cost of Capital (“WACC”) of 8.90%. According to Mr. Klote, the
9 AAO approach would impose a charge on ratepayers that would recover 100% of the applicable costs
10 and be amortized over a 15-year period at EMW’s WACC of 8.90%. Mr. Klote explains in his direct
11 testimony, based on EMW’s current estimates, the NPV of costs associated with the FAC method
12 amounts to approximately \$322.1 million while the NPV of costs associated with the AAO method
13 amounts to approximately \$378.9 million. Each of these costs would exceed \$257.6 million of
14 Mr. Klote’s NPV calculation associated with securitization. In each method, such costs are discounted
15 at the 8.90% WACC.¹

16 **Q. What is Commission Staff’s position on customary cost recovery for Winter Storm Uri?**

17 A. Per Staff, it is Staff’s view that either the FAC or AAO would be appropriate to consider as customary
18 cost recovery methods for Winter Storm Uri, noting the FAC may be the natural structure available to
19 EMW. In addition, Staff believes the comparison of costs should also incorporate the revisions
20 described in Staff testimony, such as the quantum of costs permissible for recovery.

21 ***Total Quantum of Winter Storm Uri Costs***

22 **Q. What is Staff’s position on the total quantum of recoverable costs for Winter Storm Uri?**

¹ In DR No. 0071, EMW states “the WACC authorized by the Commission from time to time for Evergy Missouri West represents the cost of capital used to finance the Company’s operations that is included in the calculation of customer rates. Evergy Missouri West can foresee no reasonable alternative other than its Commission-authorized WACC to use for such purposes.”

1 A. Staff’s testimony outlines proposed adjustments to the quantum of charges available to securitize,
2 estimated at approximately \$302.8 million. Such amount includes \$270.6 million of Winter Storm Uri
3 Costs, \$26.2 million of carrying costs (calculated using EMW’s long-term debt rate) and illustrative
4 upfront financing costs of \$6.0 million.

5 *Applicable Carrying Costs*

6 **Q. What applicable carrying costs has Staff proposed for each scenario?**

7 A. Under the FAC method, carrying costs are assumed to be at the short term debt rate for the first six
8 months, followed by the long term debt rate until January 2023, and then subject to the weighted average
9 cost of capital. Under the AAO method, carrying costs are assumed to be at the long term debt rate.
10 Under securitization, carrying costs are assumed to be at the long term debt rate until securitized, then
11 at the cost of securitization going forward.

12 *Discount Rate*

13 **Q. How is present value determined in the Winter Storm Uri case by EMW?**

14 A. EMW calculates the present value of cost recovery from securitization and amortization using an
15 8.90% WACC discount rate, based on the WACC from ER-2018-0146.²

16 *Discount Rate Sensitivity Analysis*

17 **Q. Does EMW demonstrate present value savings at discount rates other than the WACC?**

18 A. ** [REDACTED]

19 [REDACTED] **

20 **Q. The statute requires a comparison between the net present value of the cost to customers that**
21 **are estimated to result from the issuance of securitized utility tariff bonds and the cost that would**
22 **result from the application of the customary method of financing and recovering. What range of**

² We understand that EMW is currently engaged in a rate case before the Commission (Case No. ER-2022-0130) and that Commission Staff has recommended a 6.70% rate of return and EMW has instead proposed a 7.01% rate of return. While we and Commission Staff will monitor the ultimate outcome of this rate proceeding, the two parties’ requested rates both fall within the sensitivity range analyzed herein.

1 **discount rates beyond the utility WACC may be sensitized in each method to evaluate the**
2 **customer cost of capital?**

3 A. Beyond the utility WACC, additional discount rates that have been analyzed in other instances
4 include the cost of securitization, utility cost of debt, and cost of consumer borrowing, among others.
5 Due to a variety of issues and factors, there is no single discount rate that applies uniformly to all
6 customers. Some customers may have cash on hand invested in a safe and liquid manner such as a
7 savings account or a certificate of deposit, some may need to withdraw balances from equity
8 investments, while others may be carrying balances on credit cards and their cost of financing
9 incremental costs could be in the double digits. Such rates could range from the low single digits to the
10 20% context in the case of credit card debt.

11 ***Structuring and Pricing vis-à-vis Lowest Cost Standard***

12 **Q. In its estimate of NPV savings to customers from securitization, how does EMW approach**
13 **structuring and pricing of the bonds?**

14 A. EMW outlined certain structural elements of its proposal in Lunde's testimony ("Lunde Testimony")
15 including issuing the securitization in three tranches with different weighted average lives ("WALs")
16 and a maximum overall cash flow length of 15 years. The bonds are assumed to amortize in a
17 mortgage-style levelized payment method. The estimated interest rate on the bonds was 3.427%.

18 **Q. How does this compare with that of precedent utility securitization bonds?**

19 A. Typically, the number of tranches and other structuring elements will vary based on a number of
20 factors including the size of the issuance, and opportunities to structure the bonds to attract the lowest
21 cost investor capital. The currently contemplated structure is not out of line with recent market
22 issuances, which have generally included one to three tranches for relevant issuances.

23 Since the date of EMW's application under Case No. EF-2022-0155, US Treasury rates, which are
24 common benchmark rates for utility securitization pricing, have moved up significantly. For example,
25 since February 28, 2022, the reference date for interest rates quoted in the Lunde Testimony, the rate on

1 the 10-year US Treasury assuming a February 1, 2023 effective date has risen from 2.019% to 3.268%
2 as of June 28, 2022 and the forward rate on the 3-year US Treasury utilized assuming the same
3 February 1, 2023 effective date has risen from 1.937% to 3.342%. As such, EMW's 3.427% weighted
4 average cost of securitization is likely low relative to what might be achieved if EMW went into market
5 now. As such, the illustrative NPV analysis has been updated to reflect treasury rate changes (no other
6 modifications to assumed spreads are illustrated).

7 **Q. Have you sensitized NPV savings of securitization utilizing rates implied by the move in the**
8 **treasury?**

9 Yes.

10 **Q. Is it possible the utility WACC or Long-Term debt rate could change over time if such higher**
11 **treasury rates or higher risk free rates remain in effect?**

12 A. Yes, if increased rates remain in place over the long term, the utility WACC and long-term debt rate
13 may change from those utilized by EMW. In DR No. 0071, EMW states "A rising interest rate
14 environment is expected to affect all capital costs. Because cost recovery by way of securitized bonds
15 will never include the cost of equity as a capital cost, our expectation is that the issuance of securitized
16 bonds will necessarily be less costly (i.e., there will be NPV savings) than traditional methods of utility
17 financing which include a higher cost of equity capital."

18 **Q. Using Staff's calculation of securitized utility tariff costs for Winter Storm Uri, what is the**
19 **implied NPV benefit of securitization of Winter Storm Uri costs?**

20 A. The NPV of benefits from securitization may vary based on a number of factors, including certain
21 items that are currently unknown such as the term of the securitization, cost of securitization at the time
22 it is ultimately issued, and the baseline traditional rate making approach it is compared to. Based on an
23 assumed term of securitization of 15 years, an illustrative interest cost of securitization of 4.5% to 5.0%,
24 reflecting treasury movement and Lunde's spread assumptions, and certain other assumptions, the
25 implied NPV benefit of securitization would be approximately \$55 million – \$67 million, at an
26 illustrative discount rate of the WACC and LT debt rate, respectively, when compared to FAC utilizing

1 Klote's analytical framework adjusted for Staff's balance and carrying cost assumptions.
2 Utilizing similar assumptions, the implied NPV benefit of securitization would be approximately
3 \$8 million - \$19 million when compared to AAO utilizing Klote's analytical framework adjusted for
4 Staff's balance and carrying cost assumptions. A broader range of other illustrative carrying costs and
5 discount rates has been reviewed.

6 ***Financing Costs***

7 **Q. What are the upfront financing costs estimated by EMW for the Winter Storm Uri**
8 **Securitization?**

9 A. EMW estimates an initial upfront financing cost of approximately \$6.6 million as presented
10 in the Lunde Testimony, ** [REDACTED]

11 [REDACTED] **. Reducing the size of the Winter Storm Uri Securitization is likely to reduce certain
12 expenses that are ultimately tied to the size of the bond offering. In calculating illustrative NPV savings,
13 such upfront and ongoing cost assumptions need to be adjusted to reflect a smaller securitized amount
14 proposed by Staff. For a consistent comparison between traditional rate making and securitization,
15 estimates have been adjusted to exclude Commission Staff's costs which will be borne by EMW
16 regardless of whether the securitization is ultimately approved as outlined in the Act.

17 **Q. Is it customary for upfront financing costs to be included in the principal amount of the**
18 **securitized utility tariff bonds?**

19 A. Yes, this has been used in other recent utility securitizations.

20 **Q. What are the estimated ongoing financing costs proposed by EMW for the Winter Storm Uri**
21 **securitization?**

22 A. EMW estimates an initial ongoing financing cost per annum of approximately \$560,000 for Winter
23 Storm Uri securitization per the Lunde Testimony. ** [REDACTED]

24 [REDACTED]

25 [REDACTED] **

1 **Q. How might the upfront and ongoing transaction costs change from petition to transaction**
2 **close?**

3 A. The amount of fees, both fixed and variable, are largely estimates or amounts proposed to be
4 determined in the Financing Order. However, such amounts may change as a result of various factors
5 including the ultimate size of the transaction, the length and complexity of transaction execution,
6 negotiations with third parties, among other factors.

7 **Q. For costs that are not yet known or finalized, what protections can be put in place to ensure**
8 **such costs are reviewed?**

9 A. The Commission, through designated representative(s) from Commission Staff and its advisor(s), is
10 empowered by statute to ensure that the securitization transactions provide quantifiable NPV of benefits
11 to customers. Given such costs are incurred for the life of the securitization, Commission Staff review
12 of such amounts prior to such costs being finalized is appropriate and provides both negotiating leverage
13 with third parties and a level of involvement helpful to attain the statutory net benefits objective.

14 **Q. Is the review process proposed by EMW adequate?**

15 A. Not as specifically proposed. Currently, EMW proposes only that the Commission will be able to
16 review the final amount of the financing costs as part of the issuance advice letter process. As further
17 discussed herein, this is a drastic mechanism: were the Commission to find the transaction costs
18 imprudent or unreasonable, it could address this through denial of the issuance advice letter, however,
19 this could have material capital market implications. This illustrates the need for interim review and the
20 ability for Commission Staff to regularly update the Commission and transmit feedback as necessary.

21 *Estimated Recovery Charges and Retail Customer Rate Impact*

22 **Q. What variables may impact the amount of the securitized utility tariff charge?**

23 A. Variables that may impact the securitized utility tariff charge can include, but are not limited to,
24 (i) the amounts authorized for recovery through securitization, including recovery amounts, carrying

1 costs, and upfront financing costs, (ii) the term of the securitization, (iii) pricing of the bond(s), and
2 (iv) ongoing costs of the financing.

3 Additionally, seasonality and rate base consumption trends can have an impact on the total amount billed
4 to a customer in any given period.

5 **Q. Did EMW provide an analysis of customer benefit analyses under sufficient alternative cases?**

6 A. No. EMW did not provide alternative calculations for Winter Storm Uri to demonstrate the potential
7 benefits under different assumptions.

8 **Q. What form of true-up mechanism would be most likely to support the highest possible credit
9 rating, and thus lowest cost pricing, for the bonds?**

10 A. An ideal true-up mechanism should ensure adequate collections to meet bond payments when due,
11 including in rating agency stress test cases. For the purposes of attaining the highest possible credit
12 ratings and ensuring timely and sufficient debt service, the financing order should provide for both
13 mandatory annual and interim true-ups, with the opportunity to conduct non-mandatory true-ups as
14 required. Further, a true-up that is straightforward to implement, easy to understand, and that requires
15 timely action provides valuable support for the bonds, its credit ratings, and the resulting cost of capital.

16 **BENEFITS OF POST-FINANCING ORDER COMMISSION REVIEW AND**
17 **INVOLVEMENT**

18 **Q. What does EMW propose in terms of Commission Staff review and involvement of a
19 securitization transaction after the financing order becomes non-appealable?**

20 A. EMW states in the proposed Financing Order that the Commission shall have the authority to
21 designate a representative or representatives from Commission Staff to collaborate with EMW in all
22 facets of the process undertaken by EMW for securitization so the Commission's representative(s) can
23 provide the Commission with an opinion on the reasonableness of the pricing, terms, and conditions of
24 the securitized utility tariff bonds on an expedited basis. EMW indicates that neither the designated
25 representatives from the Commission Staff nor any financial advisors advising Commission Staff shall

1 have authority to direct how EMW places the securitized utility tariff bonds to market although they
2 shall be permitted to attend all meetings convened by EMW to address placement of the securitized
3 utility tariff bonds to market.

4 **Q. From a financial perspective, what changes to EMW's proposal could improve the transaction
5 and protect ratepayers?**

6 A. The ratepayer, despite being irrevocably responsible for all of the charges associated with the tariff,
7 are not directly protected as proposed. By being actively involved, the Commission Staff and its
8 advisor(s) can ensure ratepayer interests are protected, mitigate potential conflicts, and ensure that the
9 structuring, marketing, and pricing of the bonds are designed to achieve the statutory objective.

10 The financing order should provide for the designated representative, with its advisor(s), to be involved
11 in and provide input to EMW and collaborate with EMW in all facets of the bond structuring, marketing,
12 and pricing processes for the bonds, as well as the hiring of underwriters and other deal participants.

13 **Q. Short of directing EMW how to place the bonds to market, what level of collaboration, input,
14 and communication do you recommend for Commission Staff involvement, through the use of a
15 designated representative and advisor(s), in the pre-issuance and issuance process, and what are
16 the benefits of that level of collaboration, input, and communication?**

17 A. The designated representative and advisor(s) can provide input and collaborate on all facets of the
18 process to help put into place strategies that can be reasonably expected to provide quantifiable NPV
19 benefits to customers.

20 Involvement in all facets of the underwriter selection process can maximize perspectives and insight
21 available to Commission Staff on a wide range of views on the ideal structuring, marketing, and pricing
22 approach, by obtaining the best views of all relevant underwriters to inform the strategy and approach
23 to the issuance process. Separately, if the financing order requires delivery of a certification from the
24 underwriter certifying that the proposed securitization meets the savings standard and other statutory
25 requirements at the time of pricing, the designated representative and advisor(s) can assist in ensuring
26 that the process described and the certifications given in such underwriter certification meet the statutory

1 objectives and can advise the Commission on the reasonableness of any assumptions made in such
2 underwriter certification.

3 Reviewing the marketing and pricing processes can assist in ensuring the best execution, consistent with
4 the statutory objective, as other parties may not have a natural incentive to protect the interest of
5 ratepayers, who are wholly responsible for the cost of the financing. Involvement with all other facets
6 and elements can make a difference to the benefit of the ratepayer, such as review of upfront and ongoing
7 financing costs; the structure, form, and implementation of true-ups and other credit protections; and
8 structural elements to obtain the highest possible credit ratings and lowest cost of capital.

9 **DEGREE OF FLEXIBILITY AFFORDED TO EMW IN ESTABLISHING BOND**

10 **TERMS AND CONDITIONS**

11 **Q. What does EMW propose in terms of its ability to establish bond terms and conditions?**

12 A. As part of its proposed Financing Order, EMW proposes that EMW and Special Purpose Entity
13 (“SPE”) must be afforded flexibility in establishing the terms and conditions of the securitized utility
14 tariff bonds, including the final structure of SPE, repayment schedules, term, payment dates, collateral,
15 credit enhancement, required debt service, interest rates, use of original issue discount, and other
16 financing costs and the ability of EMW for one or more series of securitization at its discretion.

17 **Q. From a financial perspective, can you identify potential issues with EMW’s proposed**
18 **approach?**

19 A. EMW’s proposed level of involvement is primarily focused on collaboration on the structuring and
20 pricing of the bonds and does not appear to include any designated representative or advisor(s)
21 involvement as it relates to the marketing process. If this were interpreted to limit the involvement of
22 any designated representative or advisor(s) in the marketing process, the ability of the marketing process
23 to achieve the lowest possible securitized utility tariff charges may also be limited. The process used to
24 market bonds can vary widely, including as it relates to the form of marketing (public vs. privately
25 negotiated offerings), the length of the process, the investors targeted, and the tools used to reach the

1 broadest universe of low-cost of capital investors. Failure to adequately market the bonds could result
2 in pricing that does not satisfy the lowest cost standard. As such, it is recommended that the Commission
3 Staff review role encompass all facets of the structuring, marketing, and pricing of the bonds.

4 To obviate the point, EMW should consider feedback from the Commission and Commission Staff
5 throughout the marketing, structuring, and pricing process, with a review process in place, established
6 by the financing order, to ensure the statutory net benefits objective is achieved and minimize the risk
7 of the issuance advice letter ultimately being rejected.

8 **Q. Would interim review by Commission Staff during the post-financing order process provide**
9 **benefits from a market perspective?**

10 A. Yes. Interim review and participation by Commission Staff can provide comfort to market
11 participants that the Commission, which has ultimate rejection authority, is apprised of developments
12 well in advance of the submission of the issuance advice letter.

13 **Q. What degree of flexibility is reasonable for EMW in establishing bond terms and conditions?**

14 A. As discussed herein, market conditions have continued to evolve, including sizable movements in
15 benchmark rates following EMW filing its application. As such, there may be value in providing
16 flexibility for EMW to respond to market conditions at the time of the transaction, and with the benefit
17 of rating agency feedback, and underwriter recommendations at the time, while ensuring ratepayer
18 interests are protected.

19 As such, EMW should have the flexibility to establish elements such as (i) repayment schedules,
20 (ii) coupons, (iii) financing costs, and (iv) other bond terms and conditions, so long as Commission Staff
21 is provided the necessary interim check-ins described earlier in testimony, including the ability to
22 provide input and collaborate, and notify the Commission of any objections as necessary, ideally well
23 in advance of furnishment of the issuance advice letter.

24 **EXPIRATION DATE OF FINANCING ORDER AUTHORIZATION**

25 **Q. On what date should EMW's authority to issue securitized utility tariff bonds expire?**

1 A. Pursuant to RSMo. Section 393.1700, the authority to issue securitized utility tariff bonds will expire
2 not earlier than one year after the date the financing order is no longer subject to appeal. The statute
3 does not impose an explicit outside date.

4 **Q. What period has EMW proposed?**

5 A. For the Winter Storm Uri securitization, EMW has proposed financing authority should not expire
6 until two years has elapsed after the financing order is no longer subject to appeal.

7 **Q. Is the length of time proposed reasonable?**

8 A. Yes, subject to the items highlighted in the paragraphs herein, an outside date of two years following
9 the financing order becoming unappealable provides a substantial amount of time to issue the bonds and
10 address market conditions, provided protections are in place to review the bonds' structure, marketing,
11 and pricing at the time to adapt to the then current market environment.

12 **Q. What financial risks exist, if any, if the period is prolonged between the financing order**
13 **becoming unappealable and the issuance of the bond(s)?**

14 A. Principal risks of prolonging issuance may include exposure to interest rate risk (both in benchmark
15 rates and spreads) uncertainty until the financing is ultimately completed. Customers may also continue
16 to incur carrying costs that, as proposed by EMW, may exceed the cost of securitization.

17 **Q. Could the existence of a designated representative from Commission Staff, along with its**
18 **advisor(s), mitigate any downside financial risk if time to issuance is prolonged?**

19 A. Yes. The time requested by EMW may be valuable in allowing it to adapt to market conditions.
20 However, designated representative and advisor(s) involvement in all facets of the process and review
21 of items such as the time period of incurring carrying costs may be necessary in order to protect ratepayer
22 interests.

23 **CONCLUSION**

24 **Q. As the Staff's investment banking professional, and as permitted by statute, are there any**
25 **additional financial recommendations to the Commission to achieve the Commission's stated goal**

1 | **of endeavoring to structure and price securitized utility tariff bonds that would reasonably result**
2 | **in the lowest securitized utility tariff charges consistent with market conditions at the time the**
3 | **bonds are priced?**

4 | A. From an investment banking perspective, there are no additional changes other than those set forth
5 | herein to assist the Staff with helping to drive toward the statutory objective.

6 | **Q. Does this conclude your rebuttal testimony?**

7 | A. Yes.

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) Case No. EF-2022-0155
West for a Financing Order Authorizing)
the Financing of Extraordinary Storm Costs)
Through an Issuance of Securitized Utility)
Tariff Bonds)

AFFIDAVIT OF MARK DAVIS

STATE OF NEW YORK)
) ss.
COUNTY OF New York)

COMES NOW MARK DAVIS and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Mark Davis*; and that the same is true and correct according to his best knowledge and belief.

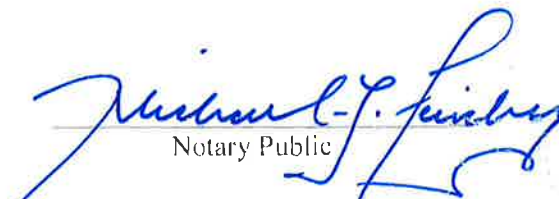
Further the Affiant sayeth not.



MARK DAVIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of New York, State of New York, at my office in New York, on this 29th day of June, 2022.



Notary Public

MICHAEL L. FEINBERG
NOTARY PUBLIC-STATE OF NEW YORK
No. 02FE6358191
Qualified in New York County
My Commission Expires 05-08-2025