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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EO-2025-0154

SURREBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

ON BEHALF OF

EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

Kansas City, Missouri

September 2025

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SURREBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

Case No. EO-2025-0154

I. Introduction and Executive Summary

Q: Please state your name and business address.

A: My name is Bradley D. Lutz. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: Are you the same Bradley D. Lutz who previously filed direct testimony in this docket on February 14, 2025?

A: Yes.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Missouri Metro ("EMM") and Evergy Missouri West ("EMW") (collectively the "Company" or "Applicants").

Q: What is the purpose of your Surrebuttal testimony?

A: The purpose of my testimony is to respond to the Report and Recommendation ("Staff R&R" or "Recommendation") of Missouri Public Service Commission Staff ("Staff") and the rebuttal testimonies of Dr. Geoff Marke with Office of the Public Counsel ("OPC"), Kevin Higgins and Shana Ramirez with Data Center Coalition ("DCC"), Dr. Caroline Berry with Google LLC ("Google"), Steven Wills with Union Electric Company d/b/a Ameren Missouri ("Ameren"), and Jessica Polk Sentell with Renew Missouri. I will arrange my testimony according to topic. I will start with testimony offered concerning the Company LLPS Rate Plan and then offer testimony concerning the Staff-recommended

LLPS tariff as a separate section. This separation is made necessary due to the proposal of a wholly new Staff-recommended LLPS tariff. The tariff as well as the comments of Staff concerning the Company-recommended LLPS tariff are predicated on a position that the Company proposals are non-compliant with the statutory requirements of Section 393.130.7, RSMo. The testimony offered by Staff concerning the Company-recommended LLPS tariff is not directed at perfecting the Company proposal or seeking a compromise of terms or designs. Concerning testimony offered on the Company LLPS Rate Plan, I have structured the sections of this Surrebuttal similar to the breakdown of my Direct testimony,

- Rate Structure
- Protections
- System Support Rider
- Capacity-related and Renewable-related Riders
- Other tariff changes and recommendations

In summary, I will address criticisms of the Company proposal and reaffirm my support for the LLPS Rate Plan and its elements.

Q: Please describe the LLPS Rate Plan.

A: The LLPS Rate Plan centers around a new base rate tariff: Large Load Power Service, Schedule LLPS tariff ("Schedule LLPS"). This tariff is complemented with several new riders to accommodate the unique needs and capabilities of large customers, specifically:

- System Support Rider, Schedule SR;
- Customer Capacity Rider, Schedule CCR; and,
- Demand Response & Local Generation Rider, Schedule DRLR.

The LLPS Rate Plan is also designed to offer large customers access to several riders to procure renewable or carbon-free attributes to meet their corporate sustainability goals. These other new riders include:

- Clean Energy Choice Rider, Schedule CER;
- Green Solution Connections Rider, Schedule GSR;
- Renewable Energy Program Rider, Schedule RENEW; and,

- Alternative Energy Credit Rider, Schedule AEC.

Finally, the Applicants propose modifications to a number of existing tariffs, riders, and Company rules and regulations to harmonize the new tariffs and riders included in the LLPS Rate Plan. It should be noted that Evergy has filed a very similar version of this LLPS Rate Plan with the Kansas Corporation Commission ("KCC") to create a consistent approach for more broadly addressing large load customers seeking to locate within the region.

Q: What is the status of the LLPS filing in Kansas?

A: A Unanimous Settlement was reached with the parties to the case and filed on August 18th, with a hearing before the KCC scheduled for October 8th. The Settlement represents the collective input of the Company, Staff, Citizens Utility Ratepayer Board, DCC, Industrial Customers, and the Sierra Club. A copy of the Settlement is attached to the testimony of Mr. Kevin Gunn. His testimony addresses further aspects of the Settlement.

II. Rate Structure

Q: What aspects of the LLPS Rate plan are addressed in this section?

A: For this testimony, the Rate Structure section will focus on the rate structure and pricing incorporated into the Schedule LLPS tariff. This will include the provisions for Interim Capacity proposed in Schedule LLPS. Other aspects of the Schedule LLPS tariff will be addressed in the protections section of this testimony.

Q: What testimony[1] was offered concerning these aspects of the Company proposal?

A: Mr. Kevin Higgins for DCC supports the proposed pricing. Dr. Caroline Berry for Google recommends rejecting the Company's proposed rates for LLPS customers in Missouri Metro and Missouri West and charging them the same rates as the LPS class until there are a sufficient number of customers and billing determinants to determine rates for the LLPS customer within a rate case using the standard rate-making methodology.

Q: Do you support utilization of the LPS rates as recommended by Dr. Berry?

A: No. As noted in my Direct testimony, current LPS rate pricing does not align well with cost of service. Specifically, considerable demand-related costs are received through the energy component of the rates. These deviations from cost are generally not a significant concern and are the result of past rate case outcomes (Commission orders or settlement agreements) and other policy-related steps that were used to manage impacts or achieve specific goals. The Company seeks to establish better alignment within the demand and energy pricing to properly leverage interim or customer capacity. By aligning capacity pricing closely with cost, this will provide a more appropriate structure to support the expected addition of or substitution of capacity.

III. Protections

Q: What aspects of the LLPS Rate plan are addressed in this section?

A: This Protections section will focus on the elements of the Schedule LLPS tariff designed to define the level of commitment a large load customer must make to receive service and the terms that will be applicable should those commitments not be met. Specifically, this

[1] Staff testimony is explored separately in Section 7 of this testimony.

section will explore testimony related to applicability, term, minimum bill, capacity reductions, exit fees, and collateral requirements.

Q: Please describe the testimony[2] received concerning the proposed protections.

A: Testimony was offered by Kevin Higgins for DCC and Dr. Caroline Berry for Google, both representing the customer view and by Dr. Geoff Marke for OPC representing the consumer advocate view. Additional testimony specific to the proposed collateral requirements was offered by Ms. Shana Ramirez on behalf of the DCC. Given the number of protections, the different rebuttal positions are best represented in a table view (Table 1).

Table 1

	Evergy	DCC	Google	OPC
Applicability	peak loads of 100 MW or greater	(not specified)	peak loads of 70 MW or greater	(not specified)
Term	15 years including up to 5 years ramp	10 years plus up to 5 years ramp	8 to 10 years plus up to 4 years ramp	20 years with a 5 year notice for termination
Minimum Demand	80% of contract capacity	70% of contract capacity	70% of contract capacity	90% of the contract capacity
Minimum Bill	All kW-based charges at min demand	(not specified)	Demand Charge, Grid Charge, and Reactive Adjustment Charge	(not specified)

[2] Id.

	Evergy	DCC	Google	OPC
Capacity Reductions	Up to 10% after the first five years of service, with notice, with no penalty. Any reductions exceeding 10% are subject to a Capacity Reduction Fee equal to the Minimum Charge for the reduced capacity to the end of the contract period.	Up to 20% with 3 years notice. Cap fee at 5 years min. charges. Refund for mitigations.	Up to 20% with 3 years notice. Include reassignment options and dispute resolution procedures.	(not specified)
Exit Fee	Minimum Charge to the end of the contract period, or for one year, whichever is larger. Additional penalties apply if a shorter notice period is provided.	(not specified)	Include reassignment options and dispute resolution procedures	Minimum Charge to the end of the contract period, or for one year, whichever is larger.
Collateral Requirements	Equal to two years of minimum monthly bills, subject to 50% or 40% reductions for higher creditworthiness. Guarantee from parent/affiliate, full value irrevocable letter of credit, or full cash deposit	Equal to two years of minimum monthly bills, starting at ESA execution; ramps with investment, reaches full collateral at energization through the load ramp, then declines over the contract term. Subject to full, 50% or 30% reductions for higher creditworthiness. Case-by-Case Bilateral Financial Assurance with Commission Review. Expanded forms of collateral.	(not specified)	Equal to two years of minimum monthly bills, no reductions

Q: What is notable about the positions taken by these parties concerning the Schedule LLPS tariff protections?

A: I note that the parties' concerns are focused on the level of applicability, and not on whether these protections should be used as part of the Schedule LLPS tariff.

Q: Why do you think these positions have developed?

A: Protections of these types are increasingly common in solutions designed to address large load. Those familiar with recent settlements and orders on large load tariffs would see similar protections deployed in nearly all cases. The primary distinction would be the durations, amounts or other applications of the protections, and not if the protections should be present within a large load tariff solution.

Q: How would you summarize these positions concerning protections?

A: As one might expect, the testimony from customer representatives seeks to reduce the level of protections from the proposed levels while the consumer advocate seeks to increase the protections. I have noted this same relative positioning in the large load proceedings of other jurisdictions. Ultimately, it falls on the parties and the Commission to determine how their jurisdiction will compare to others nationally. All else being equal, higher levels of protections will make a jurisdiction less competitive as a location for large load.

Q: Ms. Ramirez offers considerable testimony focused on collateral requirements and offers a number of recommendations to revise the Company's proposed terms. What is your response concerning this testimony?

A: Similar to the relative positions mentioned above, the DCC as a customer representative is seeking to make the protections less restrictive. Specific to collateral, the DCC seeks to expand the exemptions offered for collateral, increase the forms of collateral accepted, and adjust collateral amount required to align with perceived customer risks. Specifically, Ms. Ramirez recommends,

- Collateral should ramp up linearly with investments made for interconnection and reach the full amount at energization. Further, after one year of operations at contracted capacity, collateral should be reduced annually, reaching zero by the end of the contract term.
- Additional exemptions should be offered resulting in full, 50%, and 30% exemptions based on creditworthiness.
- Allow Case-by-Case Bilateral Financial Assurance with Commission Review
- Consider alternative forms of collateral such as short/medium term deposits or debt service reserve account that provide interest or bespoke insurance products.
- Pay accrued interest and establish safeguards for on cash collateral held
- Define requirements for drawing down collateral and use of the collateral funds

Q: How do you respond to these recommendations?

A: Collateral requirements are related to an area of business not historically addressed in retail tariffs so discussions about terms can be involved and nuanced. Based on our negotiations with intervening parties in Kansas, parties that included customers, Staff, and the Citizens Utility Ratepayer Board, I am confident that the Company could support expanded levels of exemption based on levels of creditworthiness, expansion and clarification of scope of entities eligible to provide guarantee; and clarification regarding when the Company can draw on collateral. The other provisions concerning collateral ramp up or down and case-by-case bilateral financial assurance are less viable. For the purpose of this case, I would suggest the Company and DCC could align behind the collateral terms within the Kansas Settlement for Missouri large load customers.

Q: Ms. Ramirez also notes inconsistencies between your testimony and the specimen tariffs offered as part of the Direct filing. She summarizes these differences in Table 1 on page 6 of her testimony. Are these inconsistencies correctly identified and if so, what should be the Company position concerning collateral requirements.

A: Ms. Ramirez is correct concerning the inconsistencies. I failed to update the specimen tariffs to reflect the final positions proposed by the Company. The terms expressed in my Direct testimony represent the terms proposed by the Company to be applied to large load customers.

Q: Considering the collective comments and recommendation offered about protections, do these testimonies change your recommendation?

A: No. The positions taken by these Parties only reinforce that the Company protections represent a middle ground position that is strongly comparable to other jurisdictions and strikes the right balance between the large load customer and other stakeholders. That said, the Company could be willing to support variations within the collection of protections if doing so would advance a joint resolution of the filing as evidenced in the Evergy Kansas jurisdictions where a settlement of the large load filing has been reached with slight variations on each of the protections.

IV. <u>System Support Rider</u>

Q: What aspects of the LLPS Rate plan are addressed in this section?

A: This section addressed testimony received concerning the System Support Rider. The Company proposed this rider as an additional, non-bypassable charge paid by customers receiving service under Schedule LLPS to ensure appropriate recovery of costs incurred to serve Schedule LLPS customers, and to reflect the acceleration of resource investment required to serve large loads that join the Company's system.

Q: Please describe the testimony[3] received concerning the proposed System Support Rider.

A: Testimony was offered by Kevin Higgins for DCC and Dr. Caroline Berry for Google, both representing the customer view and by Dr. Geoff Marke for OPC representing the consumer advocate view. Additionally, Steven Wills provides Ameren's view of the Rider design. Mr. Higgins and Dr. Berry both recommend the System Support Rider be rejected based on concerns about the methods used by the Company to calculate the acceleration effect and the associated additional charge. Mr. Higgins does not object to the Cost Recovery component, and Dr. Berry does not offer a position at this time. Dr. Marke offers limited testimony on the System Support Rider but supports its inclusion in the LLPS Rate Plan. Mr. Wills offers his assessment of the Rider and how it helps avoid unjust and unreasonable costs impacts to non-large load customers.

Q: Are you able to generalize the concerns Mr. Higgins and Dr. Berry have about the Acceleration Component?

A: Yes. Both witnesses do not accept that acceleration is an effect that needs to be addressed for large load. That said, both witnesses also disagree with the time value of money

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[3] Id.

approach being used as the basis for such a charge. Each witness highlights these concerns based on distinct details so I will explore each.

Q: Starting with Mr. Higgins, on pages 17-18 he claims that Evergy's System Support Rider is conceptually flawed. Do you agree?

A: No. Mr. Higgins suggests that a growing utility would be expected to require additional resources, and the concept of "acceleration" does not describe what is occurring. I disagree. The System Support Rider foreshadows the practical reality that large loads will drive accelerated investment in generation infrastructure to provide Evergy's customers with safe and adequate service. I believe it is reasonable to expect that if we follow historic ratemaking approaches, costs will increase for all customers before the revenue and determinant effect Mr. Higgins describes will take effect. To actively address these cross-subsidization concerns, we have designed the Acceleration Component of the System Support Rider to help mitigate potential cross-subsidization by generating additional revenues from large load customers that will be assigned to non-large load customers to proactively offset these expected cost effects.

Q: On page 20, Mr. Higgins argues that Evergy's System Support Rider fails to account for incremental revenues contributed by LLPS customers. Does Evergy recognize the value of these revenues?

A: Yes. As resources and other costs of service are added to the system, the Company expects the large load customers will pay those costs through the charges established in the Schedule LLPS rate. The Cost Recovery Component already requires the large load customer to pay its embedded costs. The Acceleration Component of the System Support

Rider is a wholly separate charge, calculated to isolate the large load customers portion of the acceleration.

Q: Then what is your view of the alternate calculation of the acceleration effect performed by Mr. Higgins?

A: I do not think it accurately portrays the intention of the Acceleration Component. First, and foremost, the Acceleration Component of the System Support Rider is not a recovery rider. The intent is not to recover a cost of a generation resource, but instead a generation resource example is used to generate a comparison of representative cost streams. Much discovery and discussion have been directed at the Company's choice of a Combined Cycle Gas Turbine ("CCGT") and the associated cost assumptions. Similarly, Mr. Higgins is modeling an offset of costs with revenues. The Company analysis is simply a comparison of two cost streams. In my view, the alternate calculation does not help inform understanding of the Acceleration Component or invalidate the approach.

Q: Turning to the testimony of Dr. Berry, she argues on page 32 that the System Support Rider "is at direct odds with the embedded cost of service methodology." How do you respond to that assertion?

A: Similar to my response to Mr. Higgins, I believe Dr. Berry mistakenly views the Acceleration Component as a cost recovery mechanism. Just prior to the assertion referenced in the question, Dr. Berry identifies the Acceleration Component as a "*marginal concept. It targets a marginal resource and attempts to identify a cost (the acceleration cost) for this resource that—according to the Company—is entirely attributable to LLPS customers.*" This is not the case. As detailed in my response to Mr. Higgins, the intent is not to recover a cost of a generation resource, but instead a generation resource example is used to generate a comparison of representative cost streams for the timeframe where costs would be incurred to customers due to generation being needed sooner than would otherwise be needed but for the large load joining to the system. By identifying the difference between these cost streams, the Company has defined an amount that will be recovered from large load customers and assigned to non-large load customers to help offset cost increases that are created by the accelerated generation investment.

Q: Dr. Berry asserts the use of hypothetical resources and assumptions about resource deployment that are a foundation to the Acceleration Component are flawed. Do you agree?

A: No. These approaches have a purpose and achieve an outcome that the Company believes is necessary to support a fair and balanced introduction of large loads to the system. I will agree these approaches are not traditional. As the Company considers large loads, traditional approaches serve us well in most respects. For that reason, many other parts of the LLPS Rate Plan look largely consistent with rate design approaches used to serve other customer classes. However, in that same consideration the Company could not resolve the fact that adding generating resources will increase costs on all customers. The Acceleration Component is focused entirely on reducing these cost impacts being created on non-large load customers due to the addition of large loads to the Company system.

Q: On page 35 of her rebuttal, Dr. Berry asserts that under the Company's SR proposal, LLPS customers will be required to pay the fully embedded costs to serve them plus the SR charge. Is that true?

A: Yes. Under this solution the SR charge revenues are used to offset costs for other non-large load customers.

Q: Dr. Berry goes on to assert the Acceleration Component modeling distorts rates and is not useful to determining if a System Support Rider charge is even needed. Ultimately her testimony highlights that a System Support Rider is not used elsewhere and recommends rejection of the Rider. Do you agree?

A: No. While I agree the System Support Rider is a new approach, it does not mean the effect the Rider seeks to correct are not occurring. On page 41 on her testimony, Dr. Berry offers that the Commission could alternatively address cost increase concerns in a rate case or follow an incremental cost approach. Both of these are inadequate solutions. The rate case process suggestion occurs after the cost impacts have occurred and remediations would be even further delayed. As for reliance on incremental costs, I addressed this in my direct testimony. The Company has experience with incremental cost approaches and the proposal to apply incremental cost rates to a large number of customers is contrary to the nature of the shared electric grid and increasingly unsustainable. Shared, embedded cost ratemaking provides a fair and uniform process that is broadly applicable to all large load customers, thus promoting transparency and fairness. The common tariff approach allows the deployment of safeguards and protections that will avoid undue risk to non-participants and to ensure large load customers provide long-term benefits to the system and to Missouri.

Q: Does the System Support Rider benefit Evergy, its ratepayers, the state of Missouri, and the electrical system as a whole?

A: Yes. The System Support Rider and its role within the LLPS Rate Plan enables Evergy to attract large load customers to Missouri, increasing the state's economic development while ensuring that existing and non-LLPS customers do not pay unjust or unreasonable rates which do not reflect their representative share of incremental costs. In my opinion this is one of the key structures within the LLPS Rate Plan that ensures compliance with Senate Bill 4 and the statutory language of § 393.130(7), RSMo 2025 to "prevent other customer classes' rates from reflecting any unjust or unreasonable costs" from providing service to large load customers.

Q: Isn't this the testimony of Dr. Marke in support of the System Support Rider?

A: Yes. In his limited testimony on the System Support Rider, he makes the connection to § 393.130(7), RSMo 2025 directly and supports the proposed System Support Rider.

Q: Turning to the Ameren testimony, does Mr. Wills also see the System Support Rider as a means to address the statutory standard?

A: Yes. Mr. Wills also recognizes the approach will ensure large load customers will pay a representative share of the costs to serve them, and that there will not be unjust or unreasonable cost impacts on Evergy's other customers.

Q: Is the effect of acceleration the "elephant in the room," as Mr. Wills suggests on page 5 of his Rebuttal?

A: Yes. Through our industry scans and ongoing monitoring of other jurisdictions, the treatment of cost increases on other, non-large load customers was not addressed directly in early proceedings and more recently has become an area of focus. No clear solution has developed but stakeholders, much like Ameren, acknowledge the potential impact of costs resulting from accelerated growth that may need to be addressed as part of large load solutions.

Q: Are there distinct differences between Evergy's and Ameren's schedules and approaches toward accelerated costs created by new generation assets?

A: As discussed in Evergy's Direct and Surrebuttal, Evergy's System Support Rider is a necessary mechanism to reasonably ensure that large customer rates recover just and reasonable amount of costs. In Ameren's analysis, they prepared IRP scenarios designed to isolate the revenue requirement impact of providing large load service. These comparisons apparently show the revenues are very likely to fully cover the incremental revenue requirement, clearly demonstrating a result where large load customers pay their representative share of costs as required by Senate Bill 4 and also contribute some level of revenues to offset the fixed costs of the existing system to the affordability benefit of other customers. I understand the Ameren approach expects that higher future rate levels that may arise from rate cases will generate higher retail revenues from all customers including large load customers, which will have even greater power with respect to offsetting incremental costs.[4]

Q: Is the Company's System Support Rider the only way to address accelerated costs created by new generation assets?

A: No. Although we advocate for the mechanism as a valid approach, it is reasonable to expect that alternate approaches could be proposed that are effective in addressing costs and cost effects created by large load customers on to other customers. It also reasonable to expect that there are a variety of ways this could be accomplished – whether through a dedicated rider or increased demand charge as Evergy recently agreed to as part of its LLPS Rate

[4] Should the Ameren approach lead to increases only for the large load customers, this outcome would more closely align with the System Support Rider ratemaking approach.

Plan Settlement in Kansas. The key feature is that the rate design structure ensures that large load customers provide benefits to non-participants through a rate structure that charges large load customers appropriately to address system costs above the current embedded cost to serve.

V. Capacity-related and Renewable-related Riders

Q: What aspects of the LLPS Rate plan are addressed in this section?

A: This section will address testimony offered around the proposed optional Customer Capacity Rider, Demand Response & Local Generation Rider, Clean Energy Choice Rider, Renewable Energy Program Rider, Alternative Energy Credit Rider, or Green Solution Connections Rider.

Q: Please describe the testimony[5] received concerning the proposed Capacity-related and Renewable-related Riders.

A: The testimony received varied by Rider with not all Riders being addressed by each witness. Testimony was offered by Dr. Caroline Berry for Google concerning the Customer Capacity Rider and Clean Energy Choice Rider. Testimony was offered by Dr. Geoff Marke for OPC concerning the Customer Capacity Rider and Demand Response & Local Generation Rider. Testimony was received by Ms. Jessica Polk Sentell on behalf of Renew Missouri concerning the Customer Capacity Rider, Demand Response & Local Generation Rider, Clean Energy Choice Rider, Renewable Energy Program Rider, and Green Solution Connections Rider. No testimony was received on the Alternative Energy Credit Rider.

Q: What recommendations were offered by Dr. Berry on behalf of Google?

[5] Id.

A: Dr. Berry recommends that the Commission require the Company to offer a tariff similar to NV Energy's Clean Transition Tariff ("CTT") as a more comprehensive and effective option than the proposed optional Customer Capacity Rider and the Clean Energy Rider.

Q: Are you familiar with the CTT offered by NV Energy?

A: Yes. The CTT was developed by NV Energy in collaboration with Google. The tariff allows Google to fund clean energy technologies to be deployed by the utility. The structure allows customers to fund and accelerate clean energy deployments is situations where clean energy remains at a cost premium. The CTT includes provisions for the customers to received energy and green attributes from the resource.

Q: Did the Company consider such a tariff for the proposed LLPS Rate Plan?

A: Yes. However, in our opinion the direct contracting of energy output from the resource included in the CTT approach did not align with the approach set out under our Schedule LLPS tariff. Instead, we proposed the Clean Energy Choice Rider as a variation of the CTT. Under the Clean Energy Choice Rider, a large load customer could support clean energy investments that align with their 24/7 carbon-free energy goals but without the incremental assignment of the generation resource. Given the CTT approach is not a fit with the Company LLPS Rate Plan, I recommend the Commission reject this recommendation and instead approve the Clean Energy Choice Rider as a better solution.

Q: What recommendations were offered by Dr. Marke on behalf of OPC?

A: Dr. Marke offered testimony on the Customer Capacity Rider and the Demand Response & Local Generation Rider. For both programs he was unable to conclusively support the proposed Riders, citing a need for further dialog and consideration. In the case of the Demand Response & Local Generation Rider Dr. Marke offered support for the concept but needed to understand the possible interplay with the Missouri Energy Efficiency Investment Act ("MEEIA"). At the time of this testimony, I am unsure if Dr. Marke has completed his expected dialog and consideration.

Q: What recommendations were offered by Ms. Polk Sentell on behalf of Renew Missouri?

A: Ms. Polk Sentell offers testimony concerning the Customer Capacity Rider, Demand Response & Local Generation Rider, Clean Energy Choice Rider, Renewable Energy Program Rider, and Green Solution Connections Rider. She is supportive of each Rider, describing the perceived benefit of each and recommending the Commission approve the tariff riders as a complement to any large load rate class. I appreciate this support for these important large load program options.

VI. Other tariff changes and recommendations

Q: What aspects of the LLPS Rate plan are addressed in this section?

A: This section will be used to address other comments and recommendations not addressed in the earlier sections.

Q: What witnesses and topics will be addressed?

A: This section covers a range of topics. I will address,

- Recommendations from Dr. Berry on behalf of Google concerning changes to the proposed "Path to Power."
- Recommendations from Dr. Marke on behalf of OPC concerning mandatory curtailment and community benefit programs. The OPC recommendations for

- changes to the proposed “Path to Power" and additional studies is addressed by Company witness Mr. Kevin Gunn.
- A recommendation from Mr. Higgins on behalf of DCC recommending the Commission consider allowing large load customers to have the ability to procure their own generation resources through a buy-through program.

Q: Beginning with Dr. Berry, what her recommendation to revise the Path to Power?

A: Dr. Berry recommends increasing the limit on the number of projects to be considered together in the advanced study and scoping phase of the interconnection process from four to eight. Dr. Berry contends this offers “*a more practical balance, allowing for greater efficiency and project flow without presenting an unmanageable burden, particularly since the Company has not justified its initial arbitrary limit of four*.”[6]

Q: Do you support this proposed change?

A: No. It is premature to suggest expanding the number of projects to be considered. The choice of four projects was made by our internal analysis teams responsible for completing this work. They are best positioned to judge an appropriate grouping size. As processes become more mature and further experience is gained through managing these groupings, these experts could support more projects being added to the group analysis, the Company will not hesitate to propose a tariff revision to expand the count.

Q: For Dr. Marke, what are his recommendations?

A: Dr. Marke recommends that service under the LLPS schedule be subject to mandatory emergency curtailments as warranted. He highlights recent legislative activity in Texas as

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[6] Rebuttal Testimony of Dr. Carolyn Berry, page 53, line 8.

an example of where provisions for mandatory curtailment during firm load emergency events in in effect.

Q: For Does the Company have a policy concerning emergency curtailments?

A: Yes. EMW has an Emergency Energy Conservation Plan memorialized in Section 8 of in its Rules and Regulation. EMM has an identical plan is Section 17 of its General Rules and Regulations (collectively referred to as "Plans"). These Rules were aligned on January 1, 2025. The Plans define an emergency and highlight the major steps that will be taken during an emergency called the SPP Reliability Coordinator. The Plans comply with the North American Electric Reliability Corporation ("NERC") Standard EOP-011-1.

Q: Are large load customers subject to curtailment under the Plans?

A: Yes, unless the large load is deemed to be an essential service. Essential services are limited to critical circuits for the operation of the system and critical loads essential to the health, safety, and welfare of the communities the Company serves. They can be, exempt from the Plans, depending on the circumstances of the event and at the discretion of Company. Essential Services include national security sites, communications related to public safety or energy generation, natural gas facilities related to energy generation, major medical centers, and major regional airports. Most large loads, particularly the data centers for which we are familiar, do not meet this definition and would be subject to curtailment.

Q: Is it correct that Staff also recommends edits to the Plans?

A: Yes, Staff recommends the Plans be edited to add, "*Customers taking service under Schedule LLPS may be interrupted during grid emergencies under the same circumstances as any other customer.*"

Q: Are edits necessary to accomplish the outcomes both OPC and Staff seek with regard to the Plans?

A: No. The Plans are well suited to guide Company actions during an emergency condition, including reliance on curtailment of non-essential large loads. Further, the Plans currently include provisions for plant maintenance. The Company is required to review the Plans regularly and if revised, will submit the Plans to the regional transmission organization Reliability Coordinator as required for NERC compliance. After the Reliability Coordinator review is complete, the Company will make the revised Plans available to Commission Staff. Should NERC or SPP enable specific guidance to address large loads under their emergency planning, the Company Plans would be revised to align.

Q: Please describe Dr. Marke's next recommendation.

A: Dr. Marke recommends that parties begin discussing a community benefits program to inject direct support into Missouri to offset risks associated with data centers.

Q: Have you reviewed the risks detailed by Dr. Marke? If yes, what is your reaction?

A: Yes, I have reviewed the list of headlines provided in testimony. I accept that these are common in the popular press. I would note that a similar broad search would identify headlines detailing the positive aspects of data centers in a community. A recent article in Fast Company[7] details that data centers have the potential to transform the communities in which they operate. Specifically, data centers:

- Drive the shift to green power
- Boost the local labor market
- Attract other businesses
- Deliver broader economic benefits
- Create Community Partnership Opportunities

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[7] https://www.fastcompany.com/91301630/how-data-centers-are-transforming-local-communities

Closer to home, as part of the Meta data center grand opening, they announced that the company has provided more than $1 million in direct funding to Clay County, Platte County, and City of Kansas City, Missouri schools and nonprofits. Meta is also investing in local small businesses with Community Accelerator events focused on AI training. These events will equip business owners with the necessary skills to benefit from AI tools, including Meta AI.[8]

I would also offer that testimony concerning the economic value of data centers was addressed as part of the cases establishing the Special High-Load Factor Market Rates, Schedule MKT.[9]

As a final point, I would highlight that large loads, like those to be served under the Schedule LLPS tariff are not limited to data centers. We have advanced manufacturing and other non-data center loads that will have more traditional community benefits such as job creation and secondary business development.

Q: How to you respond to the recommendation concerning a community benefits program?

A: I do not believe there is a pressing risk from large load customers that should be addressed in this proceeding. Dr. Marke highlights reductions in funding for Low Income Home Energy Assistance Program, Low-Income Weatherization Assistance Program, and the City of Kansas City's Urban Heat Island Mitigation initiative as the primary needs to be addressed by the program. It has been uncommon that customer funding is used to support these governmental initiatives.

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[8] https://www.plattecountyedc.com/2025/08/20/meta-opens-data-center/
[9] EO-2022-0061 for EMW and EO-2023-0217 for EMM.

Q: Now for Mr. Higgins, what is his recommendation?

A: At the end of his testimony and within the context of vintage pricing, Mr. Higgins suggests the Commission should consider whether it would be more appropriate for LLPS customers to have the ability to procure their own generation resources to the extent permissible by state law, such as through a buy-through program. Mr. Higgins explains under a buy-through program, "a customer can arrange for a third-party generation service provider to sell wholesale power to the Company on the customer's behalf. The Company would provide this power to the LLPS customer and bill it according to the terms of a buy-through contract instead of the otherwise applicable generation charges on the customer's bill."[10]

Q: Do you support this recommendation?

A: I do not. It is my understanding that this form of service is prohibited in Missouri.

VII. Staff-recommended LLPS Tariff

Q: Please describe the Staff rebuttal and Recommendation offered in this case.

A: James Busch, Director of the Industry Analysis Division sponsors the overall Staff Recommendation. He also provides a broad overview of Staff's concerns with not only Evergy's proposed Large Load Power Service tariff, but the entire concept of large load customers building facilities in Missouri. Lastly, he provides a brief overview on activity in Ohio, Indiana, and Virginia. The Staff Recommendation is a large report, representing the contributions of ten members of the Commission Staff addressing a wide range of topics and issues.

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[10] Rebuttal Testimony of Mr. Kevin Higgins, page 28, line 21

Q: Why is it necessary to address the Staff rebuttal as a distinct section in your testimony?

A: This form is driven by the position taken by Staff. Staff rejects the Company proposal in its entirety and offers a wholly new tariff consisting of a new rate design, term & conditions, and riders. The testimony offered by Staff concerning the Company-recommended LLPS tariff is not directed at perfecting the Company proposal or seeking a compromise of terms or designs.

Q: Why did Staff take such an approach in this case?

A: I believe the reason is clear. Beginning on page 3, line 18 of Mr. Busch's rebuttal he is asked, "*Does Staff have concerns regarding large load customers?*" Mr. Busch responds "*Yes*" and devotes the remaining 12 pages to explaining the concerns. I am most troubled by the response on page 5. After being asked, "*But are not the economic advantages of locating large data centers in Missouri worth the risk?*," Mr. Busch's response begins with "*Not in my opinion.*" Staff does not believe that providing service to large load customers, specifically data centers, is an appropriate goal for the State of Missouri, and if these customers are going to be offered service, it will be under terms so draconian and demanding that no company would choose to locate here. This approach is in conflict with economic development positions taken by the Governor and by the State Legislature. Company witness Kevin Gunn will speak to the policy implications of this position in his testimony. I will offer testimony concerning selected aspects of the Staff-recommended LLPS tariff and response to criticisms of the Company-proposed solution.

Q: How have you structured your testimony concerning the Staff-recommended LLPS Tariff?

A: I will not respond to all aspects of the Staff proposal or criticism of the Company proposal. Failure to address a particular detail does not indicate my support for that detail. Rather, it is a necessary approach to compare and contrast two LLPS tariffs that are irreconcilable. The format of the Recommendation results in layers of comments and recommendations that are not linear and defy an organized response. In hopes of achieving some level of consistency to aid the Commission, I will align my comments with the main structure of the Staff Recommendation. Specifically, I will explore,

- Staff's Primary Concerns,
- Capacity, Energy, and Market Issues,
- Staff-Recommended LLPS Tariff,
- Concerns with Evergy's Requested LLPS Tariff, Recommendations Concerning Requested Riders, and Other Tariff Provisions, and
- Response to Evergy's Valuation of LLPS Customer Cost of Service and Revenue Requirement Impacts.

For each I will offer general comments concerning the respective sections of the Staff Recommendation and will highlight key aspects that will represent the Company position on that section.

Q: Before we explore the Staff Recommendation let's understand the context of this docket. Were you aware of Staff's view of the Company recommended LLPS tariff?

A: Only in part. Our first interactions with Staff occurred prior to filing when we provided an overview of the LLPS rate plan. At that time, Staff offered a red-line markup of the early LLPS tariff and a listing of comments and questions for each of the LLPS Rate Plan components. After filing of the LLPS Rate Plan, additional feedback was offered by Staff in the workshops hosted by the Company to discuss the filing. The feedback was generally critical of the proposal but consistently offered in the context of the Company proposal.

Based on these interactions—and since we did not adopt all of the recommendations—it was my expectation that the Staff Recommendation would seek to address those remaining recommendations, not propose a completely different alternate rate design.

Q: Why did you expect refinement but not an alternate proposal?

A: One of the key details we shared with Staff and other parties prior to filing and again in the technical workshops was the considerable preparatory work done to survey the industry and bring forward a rate design that represented many of the best features of large load rates enacted in other jurisdictions and could be administered by the Company. This process took months to complete. We held numerous meetings with subject matter experts inside and outside the Company to refine the LLPS Rate Plan proposal. I did not expect that Staff had the time, resources, or interest in creating an alternate rate design. I was wrong.

Q: Were you aware that Staff planned to prepare an alternate LLPS tariff?

A: No. Through my direct interactions with Staff, I was never told an alternate tariff was being proposed. When we scheduled multiple technical workshops to discuss the Company proposal, Staff's alternate tariff proposal was not mentioned. I believe the Company was notified that the Staff Recommendation would include an alternate tariff design a few days before the Recommendation was filed.

Q: So, the Staff-recommended LLPS tariff was developed without any involvement from the Company?

A: Correct.

Q: Turning to the Staff Recommendation, let's start with the Introduction where Staff lays out its policy statements and summarizes its primary concerns with the Company proposal. What is your reaction to this testimony?

A: My reactions are mixed. Significant portions of the Introduction section provide good information to highlight the Company load conditions and to explain the size and scope of expected large load additions. However other parts, specifically some of the policy statements and the interpretations of Section 393.130.7, RSMo. are troubling.

Q: What is your concern around the Staff interpretation of Section 393.130.7, RSMo.?

A: On page 4, starting on line 4, the Staff details how they view the Company-proposed LLPS tariffs and associated riders as non-compliant with the statute. Citing issues with the Company-requested rate structure and failure to specify how the revenue from LLPS customers will be treated, the Company proposal does not "*prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers.*"

Q: Do you agree with this assessment?

A: No. The Company followed rate structures, design approaches, and established terms that as much as practically possible, would treat ratemaking for large load customers as we do other customers. These historical approaches are assessed and found to be just and reasonable as part of each general rate proceeding. I believe that Staff has made the choice to interpret the Section 393.130.7, RSMo. language in the most restrictive way possible to support their view that service to large load customers, specifically data centers should not occur. Company witness Kevin Gunn explores this view further in his testimony.

Q: Staff devotes considerable testimony to discussing Capacity, Energy, and Market Issues. What is your view of this testimony?

A: This section seems to be mainly for informational purposes. A wide range of topics are offered to detail the Company's current capacity situation, changing federal laws and standards, Southwest Power Pool ("SPP") process changes, and market operations issues. Most sections lack a recommendation or other comment to guide the reader to the applicability to the LLPS proposals. This changes most clearly with the "Integrated Energy Market Issues" section. Here, the Staff introduces its recommendation that the Commission require each LLPS customer be registered with SPP as a separate commercial pricing node.

Q: What is the Company's response to these issues?

A: To address these topics, including developments at the SPP, Day Ahead and Real Time Imbalances, and the recommended use of separate commercial pricing nodes, Company witness Derek Brown offers surrebuttal testimony. Mr. Brown is Evergy's Director of Large Customer Strategy and Planning and is directly involved in many of the SPP Committees and Groups responsible for the topics discussed by Staff. Most notably, Mr. Brown serves on the Markets and Operations Policy Committee, which is responsible for developing and recommending policies and procedures related to the technical operations for the SPP. This includes recommending practices for system design, planning, adequacy, regional transmission service tariff, interconnections, operation, reliability, market designs and efficiency, and market power mitigation. Mr. Brown will testify that the Company is fully aware of all issues raised in this section of the report and took them into account when developing the LLPS Rate Plan proposal.

Q: Turning to the Staff-recommended LLPS Tariff, what is your reaction to the design?

A: I am stunned by the complexity of the tariff design. Its design is unlike and considerably more complex than any large load design I have observed. The rate structure includes distinct pricing for 25 rate elements. Many of the rate elements depend on tracking deviations to execute the billing. Not only does this complicate billing and tariff administration, but it also increases the potential for dispute.

Staff is not concerned about the complexity of the Staff-recommended LLPS tariff. On page 39, starting on line 14, they state, "*LLPS customers are sophisticated customers who can tolerate and understand the more complex billing structure which enables greater transparency. This increased transparency facilitates compliance with the statutory requirement that these customers be billed rates that "reflect the customers' representative share of the costs incurred to serve the customers and prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers," and also provides for cleaner calculations of rates in future rate cases.*" On this claim, complexity does not always equate to transparency.

I cannot foresee how a large load customer or the Company on behalf of the large load customer could confidently model the expected rate to inform their site selection efforts. If the Staff wishes to drive away all large load customers from the State, this design is tailor-made to achieve that goal.

Q: Are there any particular aspects of the Staff-recommended LLPS design you wish to address?

A: Yes. I will not address all elements of the design but will instead focus on the aspects I believe are most onerous to the Company or to the prospective large load customer. Those aspects are:

- Detailed load requirements – Staff recommends that large load customers define anticipated load, by month and year, for a minimum of 15 years, including expectations for interactive support of Company daily load planning. While the Company supports having more data from customers, we find it is not practical to expect customers to have this level of information on their operations. Further, requirements like this do not scale well. While these recommendations appear practical for one or two large load customers, the effort to manage and utilize this data for larger numbers becomes impractical. Numerous factors can influence load planning and market operations. The Company is comfortable it will be able to manage large loads without the level of customer interaction suggested by Staff.
- Demand measurement – Staff proposes that demand is measured as four times the sum of the energy consumed in three consecutive five-minute intervals in which the most energy is consumed. All other Company billing is measured in 15- or 30-minute intervals. No explanation is offered as to why tracking of five minutes intervals is recommended. Changes of this nature would require considerable change to Company systems to support.

- Time-based energy charges – Staff proposes three period, four season energy pricing. This is in conflict with recent changes mandated through Section 393.130.7, RSMo. With the elimination of mandatory time of use rates for residential customers, the Missouri Legislature has made its policy view of mandatory time-based energy charges clear. Further, it is my opinion that the burden of these complex structures outweighs any benefit to be gained from time-based energy charges.
- Node requirements, nodal pricing, and related deviation charges – concerns about node requirements and nodal pricing are addressed by Company witness Mr. Derek Brown. Concerns about the alternative data recommended by Staff in place of node requirements are address later in this testimony. Regarding deviation pricing, it is concerning to consider the number of rate elements set out in the Staff-recommended LLPS tariff that rely on deviations to establish billing. It is likely that should the Staff-recommended-LLPS design be accepted, the Company will need to revert to manual billing of large load customers. The individualized nature of these charges makes them ill-suited for systematic billing.
- Termination provisions – Staff proposes that if an LLPS customer's monthly load (in kWh) is 50% or less of its expected load under its updated contract load for 3 consecutive months, the customer will be required to pay all amounts expected for the remainder of the contract under the following charges: Facilities Charge, Demand Charge for Generation Capacity, Demand Charge for Transmission Capacity, Variable Fixed Revenue

Contribution, and Stable Fixed Revenue Contribution. Depending on the customer size, this could be hundreds of millions of dollars. Additionally, it is not clear what happens after the customer triggers this provision. How and under what rate schedule can the customer continue to receive service? Are the customers disconnected? This could be particularly impactful to a company who has invested considerable money in physical infrastructure.

- Cap for LLPS load – Staff proposed to limit Service on this schedule to 33% of EMM/EMW's annual Missouri jurisdictional load. Staff's purpose for this limit is unclear, but this proposed limit located in the section of the report speaking to "Captive Customer Risk Mitigation." No specific justification for the 33% amount is offered. This is clearly an arbitrary limit that could have many unintentional consequences. Particularly troubling would-be denying service to a large load customer with clear economic benefit and attracted to the state by the Company or through the efforts of other elements of state government.

Q: Are the other aspects of the Staff Recommendation that you wish to address at this time?

A: Yes. I would also like to respond to recommendations concerning the Fuel Adjustment Charge ("FAC"). Under the Company-recommended LLPS tariff, we worked closely with Company personnel familiar with the FAC and determined the tariff would be accommodated without changes. FAC changes would only be needed to address renewable program additions. Under the Staff-recommended LLPS tariff, these same Company personnel are concerned with the large number of new charges that could directly or indirectly impact the FAC. Most of the concerns are raised in response to the proposed use of commercial pricing nodes, something not currently common at the SPP. These concerns continue into the list of alternate data Staff believes are necessary if the commercial pricing node recommendation is not accepted. This list is based entirely on Staff's opinion and has not been vetted to determine if the data should be provided or even if the data can be provided. It is clear that the full impact of the Staff-proposed approaches has not been reconciled to the level required to effectuate the FAC. It is our opinion that should the Staff-recommended LLPS tariff be accepted, the Company, Staff, and other interested parties will need to revisit the FAC design to confirm proper alignment. Company witness Kevin Gunn offers additional testimony concerning the FAC.

Q: What are your reactions and comments regarding Staff's Concerns with the Company-recommended LLPS Tariff?

A: This section of the Staff Recommendation builds on the assertions made in the Introduction that the Company proposal is non-complaint with the requirement of Section 393.130.7, RSMo., that requires rate schedules to "*reasonably ensure such customers' rates will reflect the customers' representative share of the costs incurred to serve the customers and prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers.*" On this foundation Staff highlights further concerns characterized as unreasonable utility discretion and excessive positive regulatory lag for Evergy. All of the aspects of the Company-recommended LLPS tariff are examined through these lenses. As a result, fault is found with every element of the Company design.

Q: Are the Staff-recommended and Company-recommended LLPS tariffs compatible in any way?

A: Beyond on minor details, no. The unreasonable policy expectation of Staff has closed off any material opportunity to harmonize the tariff approaches. Beyond these minor details that could be transferrable, the LLPS tariff proposals are mutually exclusive.

Q: The Staff Recommendation then addresses Recommendations Concerning Requested Riders and Other Tariff Provisions. What is your response to testimony offered in this section?

A: Within this section Staff examines each Rider or Tariff provision individually. Specifically, Staff provides testimony concerning the Clean Energy Choice Rider, System Support Rider, Demand Response and Local Generation Rider, Customer Capacity Rider, Renewable Energy Program Rider, Green Solution Connections, and Alternative Energy Credit Rider. In short, Staff recommends each Rider be rejected. The reasons vary slightly, and in some cases, Staff offers to consider revised versions of the Riders, but each generally follows concerns about utility discretion or revenue treatment issues. The Company will remain open to refinements as we enter into the settlement phase of the filing.

Q: Why does Evergy believe these riders are appropriate?

A: As discussed in Direct testimony, the proposed riders are essential to attract LLPS customers to Evergy's service territory because they allow each customer to tailor their energy procurement and participation in the riders to their specific business model and objectives. LLPS customers have diverse operational needs and sustainability goals that cannot be met with a one-size-fits-all rate structure, as Staff proposes. These riders also ensure that large loads contribute fairly to system costs and support grid reliability, while making Missouri more competitive for economic development.

A. Clean Energy Choice Rider

Q: Staff rejects Evergy's Clean Energy Choice Rider on pages 78-86 asserting that it would unduly permit large load customers to influence Evergy's integrated resource planning ("IRP") process. What is Evergy's response to this assertion?

A: Evergy disagrees with Staff's contention for several reasons. First, many large load customers have ambitious clean energy and emission reduction targets and have a desire to influence the type of energy they use.[11] The Clean Energy Choice Rider's provisions adequately ensure that a customer's involvement in Evergy's IRP process is compliant with 20 CSR 4240-22.060 and Senate Bill 4, Section 393.1900.[12] Those provisions also guarantee that only the requesting customer bears the cost differential and acceleration costs necessary for that specific resource.[13] Additionally, the Clean Energy Preferred Plan will be submitted to the Commission as part of the Company's IRP process where it will be subject to Commission and stakeholder review processes. Id. at 55.

Second, Staff justifies its position to reject the rider, in part, by noting that only one large load customer has been recognized in Evergy's IRP to date. See Staff Rec. at 81. This is circular logic. The rider's intent is to attract large load customers with specialized clean energy needs to Missouri because of the customer's ability to influence Evergy's IRP. Currently there is no existing mechanism that effectively accomplishes this objective, resulting in a disincentive for prospective customers to pursue service with Evergy. It is

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[11] See K. Gunn Direct at 5, 12-13; B. Lutz Direct at 53-54.
[12] See B. Lutz Direct at 54.
[13] Id. at 56.

unreasonable to oppose a rider designed to address the specific needs of such customers, thereby encouraging their commitment to interconnect, on the basis that the interconnection it seeks to facilitate has not yet been finalized.

Further, Staff's notion that the Company should wait to allow for the new IRP process to be developed and understood prior to considering such a rider increases administrative burden and decreases Missouri's economic development by adding years before Evergy can serve these large loads. Moreover, the LLPS Rate Plan and Evergy's "Path to Power" enable the Company to minimize the protracted contracting process by having a clear understanding of the customer's load and corporate energy policies.[14]

Overall, Staff's recommendation to reject the Clean Energy Choice Rider, without offering a viable near-term alternative, risks driving large load customers to other service territories that can meet their clean energy and speed-to-power needs. "*Not only will CER help customers reach their own sustainability goals, it will also help Evergy reach its sustainability goal of attaining net-zero carbon emissions by 2045, aid in the retirement of Evergy's coal plants, and help cover the costs of adding said sustainable generation to Evergy's grid.*"[15]

B. Demand Response and Local Generation Rider

Q: Why does Staff reject this rider?

A: Staff proposes several arguments to reject this rider, such as lack of a non-performance penalty and the inclusion of an "Earnings Opportunity Fee" for Evergy, similar demand response options already exist through the MEEIA and third-party aggregators, that the

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[14] See K. Gunn Direct at 23.
[15] J. Sentell (Renew) Rebuttal at 7.

proposed credits could supposedly result in significant revenue losses for the utility and harm non-LLPS customers.[16]

Q: Are Staff's argument sufficient to reject this rider?

A: No. Staff's concern related to the viability of the demand response program lacks support. While certain large customers will have extremely high opportunity costs for curtailing demand, Evergy's proposed pricing is reasonable. Additionally, Staff's concern about revenue losses is based on a static view of cost recovery and does not fully consider the dynamic benefits of demand response and local generation. With proper oversight and periodic review, the credits will not harm non-LLPS customers but instead support a more efficient, reliable, and competitive energy system for all.[17]

Q: Is Evergy precluded from obtaining an Earnings Opportunity Fee since the Demand Response and Local Generation Rider is not structured under MEEIA?

A: Yes. Section 393.1075.3. permits "recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs." Additionally, "[c]ustomers electing not to participate in an electric corporation's demand-side programs under this section shall still be allowed to participate in interruptible or curtailable rate schedules or tariffs offered by the electric corporation."[18]

[16] See Staff Rec. at 94-98.
[17] See B. Lutz Direct at 37-41; J. Sentell (Renew) Rebuttal at 6.
[18] Section 393.1075.10.

C. Customer Capacity Rider

Q: Staff argues on pages 99-102 of its Recommendation that the Customer Capacity Rider should be rejected because there is excessive utility discretion with lack of regulatory oversight. Does Evergy agree?

A: No. Evergy may "enter into agreements of [its] choice, with customers of [its] choice, on terms of [its] choice, and for the results of those agreements" as it sees fit.[19] The Customer Capacity Rider is similar to the bilateral capacity agreements Evergy may enter into today without Commission review or approval.[20] Regulatory oversight for these agreements would occur through a FAC adjustment or a rate case similar to any other agreement.

Q: Will the Customer Capacity Rider subject non-LLPS customers to excessive cost and undue harm?

A: No. The LLPS Rate plan provides numerous provisions to "protect other customers from stranded costs and the potential for LLPS costs to be shifted to them."[21] Additionally, the customer will be responsible for all SPP transmission deliverability costs further insulating non-LLPS customers from undue harm or expenses.[22]

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[19] See Staff Rec. at 100.
[20] See B. Lutz Direct at 35; State ex rel. M.O. Danciger & Co. v. PSC, 205 S.W. 36 (Mo. July 16, 1918).
[21] See C. Berry (Google) Rebuttal at 40; K. Gunn Direct at 22-25; B. Lutz Direct at 18-21; J. Sentell (Renew) Rebuttal at 5.
[22] See B. Lutz Direct at 35.

D. Renewable Energy Program Rider

Q: Staff rejects the Renewable Energy Program Rider on page 105-106 of its Recommendation because of the North American Renewable's renewable energy credit limitations and issues with the proposed tariff's language. How does Evergy respond?

A: The Renewable Energy Program Rider will "generate revenue for all Evergy customers."[23]

E. Green Solutions Connection Rider

Q: Staff claims that the Commission reject the Green Solutions Connection Rider until it has been approved in EA-2024-0292. Was the rider approved in that case?

A: Yes.[24] Paragraph 6 of the Stipulation and Agreement states: "Signatories agree that the Commission should authorize a subscription-based Green Solution Connections Program." This rider will not only help LLPS "customers reach their own sustainability goals" but also Evergy's.[25]

F. Alternative Energy Credit Rider

Q: Staff argues on page 109 of its recommendation that the Alternative Energy Credit Rider should be rejected because of the uncertainty in pricing and tracking. How does Evergy address these concerns?

A: As discussed in Direct, the Company based the credit pricing on benchmark rates from other emissions-free energy credits, notably renewable energy credits ("RECs"), and includes an administrative fee for verifying and retiring the Alternative Energy Credits for

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[23] See J. Sentell (Renew) Rebuttal at 8.
[24] See Order Approving Stipulation and Agreement and Granting CCNs, In re EMW Solar CCNs, No. EA-2024-0292 (Aug. 9, 2025).
[25] See J. Sentell (Renew) Rebuttal at 9.

customers. Final pricing depends on the agreement term.[26] Additionally, EMW will retain an independent third party to certify the Alternative Energy Credits' attributes on an annual basis.[27]

Q: In your opinion, is there any reasonable way to respond to Staff's concerns and offer alternate Rider designs that the Company could effectively implement?

A: No. Staff's recommendations are prescriptive and limiting to the point that administrative effort would surpass the program benefit. Further, the Company designed the Riders to work together in addressing the needs of prospective large load customers. Staff's recommendations are not concerned with accommodating these customer needs.

Q: What are Staff's recommendations concerning the other requested tariff provisions?

A: Within this part of the Recommendation, Staff examines the Company proposed revisions to Section 2 regarding Service Agreements and Section 9/Section 7, Extension of Electric Facilities. Staff offers additional recommendations for Section 4 concerning Installations and Section 8 concerning Emergency Energy Conservation Plan. Testimony concerning Section 8 was addressed earlier in conjunction with recommendations made by Dr. Marke.

Q: Starting with the revisions to Section 2, what is your response to the Staff changes?

A: Section 2 contained the Company-proposed changes to memorialize the Path to Power. Using the description included in the Recommendation on page 110, line 15, "*Staff has prepared a comprehensive revision of the EMW facility extension tariff to incorporate necessary changes, and recommends the same changes be made to the EMM tariffs.*" This

[26] See B. Lutz Direct at 52.
[27] Id.

description is accurate, and the proposed revisions are identified in a schedule under a tracked change format.

In addition to this recommended comprehensive tariff overhaul, Staff recommends the Commission order Evergy to create subaccounts for each set of interconnection infrastructure associated with each customer interconnecting at transmission voltage.

As a related edit, Staff recommends Section 4.04 “Increasing Connected Load” be modified to refer to “transmission, substation, or distribution facilities and metering installations.”

Considering these changes collectively, some of the edits represent clarifications that could be accommodated. However, the Company does not support revision to Company management of the customer queue. In the Company-proposed language includes the provision, “*The Company shall have sole discretion on the deposit applicability and managing projects in the queue.*” Continuing the theme of eliminating utility discretion, Staff strikes the provision entirely. This is unacceptable. The Company must maintain a high level of control of the queue and be able to adjust placements as needed to navigate the complexity of the resource planning and SPP interactions, let alone the variability of construction efforts and customer requirements. Please see the testimony of Kevin Gunn for more discussion about concerns on restrictions being placed on the Company.

Q: Similarly for Section 9/Section 7, what is your response to the Staff changes?

A: Section 9/Section 7 contained the Company-proposed changes to memorialize terms for payment of interconnection costs. The Company-proposed edit was to add a single paragraph concerning payment for extensions of transmission or substation facilities where the Customer would pay all costs associated direct extension costs, where direct costs are those not deemed Network Upgrade costs under the SPP Open Access Transmission Tariff. Staff again proposes numerous changes to overhaul the entire Extension of Electric Facilities Section to integrate Substation and Transmission facilities into the terms and conditions originally only applicable to distribution facilities. Within the details of the edits, we note Staff has included a provision that makes service to large load customers classified as Indeterminant Service. Beyond edits to address large load, Staff strikes all references to Company discretion that exist in this Section of the Rule regardless of if associated with large load provisions.

Q: Are these edits reasonable?

A: No. The Extension of Electric Facilities Section is used to navigate the nuance of operating a shared electric distribution system. Said another way, the Section first addresses how revenues might justify construction costs to provide service. Then once service is provided, to manage how the subsequent use of these facilities could be reimbursed. These rules have existed for years, focused on distribution facilities. The Company has historically treated transmission and substation facilities differently.

Q: Why have transmission and substation facilities been treated differently than distribution?

A: The primary difference is the involvement of SPP with facilities built at this level. The Staff revisions are silent on this interaction with SPP and does not address how Network Costs would be addressed.

Q: Are there other aspects of concern within the Staff edits to this Section?

A: Yes. Staff recommends refundable charges be established based on infrastructure constructed in excess of the level of infrastructure that would not have been constructed but-for the provision of service to the Customer and is not compensated by entities other than its Missouri retail ratepayers (emphasis added). These highlighted provisions introduce considerable complexity into the Extension process. "But-for" provisions require the Company to not only establish a viable estimate of costs for the work needed, but to also create an estimate for some unneeded alternative to establish the comparison. Similarly, the compensation provisions will require delineations of cost recovery possibly to the equipment level to clarify the amount. Simply put, in an effort to limit utility discretion to manage its business, the Staff has forced substation and transmission facilities into the framework commonly reserved for distribution. The Company does not believe this level of cost delineation is appropriate for transmission facilities due to their historical treatment and SPP interaction.

VIII. Conclusion

Q: Please summarize your testimony.

A: This testimony responds to the Report and Recommendation of Missouri Public Service Commission Staff as well as the rebuttal testimony of Dr. Geoff Marke with Office of the Public Counsel, Kevin Higgins and Shana Ramirez with Data Center Coalition, Dr. Caroline Berry with Google LLC, Steven Wills with Union Electric Company d/b/a Ameren Missouri, and Jessica Polk Sentell with Renew Missouri. The testimony received generally falls into two groupings, the customer-centric testimony, and the regulator-centric testimony. Each group approaches their testimony consistent to the intentions of the groups they represent. Relative to these groups' positions, the Company position nearly always falls in the middle. This is by design and reflects our pre-filing work to understand the industry and to understand the customers that are seeking to locate in our area. This testimony addresses concerns and comments raised by these witnesses and reinforces the intent of the Company LLPS Rate Plan.

I have also addressed the wholly new Staff-recommended LLPS tariff as well as the absolute perspective of Staff behind comments that the Company-recommended LLPS tariff are non-compliant with the statutory requirements of Section 393.130.7, RSMo. The decision to invest the time and effort into creating a competing tariff proposal instead of seeking to refine the Company proposal is ill-advised and is in conflict with the expectations of the statute.

The Company has conducted a thorough and diligent process to develop tariffs and rate design approaches that will attract and retain large customers, while protecting non-participants from undue risk, and in turn driving economic development in the State of Missouri. My view is unchanged by the testimony received.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of New and Modified Tariffs for Service to Large Load Customers	)))))	File No. EO-2025-0154

AFFIDAVIT OF BRADLEY D. LUTZ

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Bradley D. Lutz, being first duly sworn on his oath, states:

1. My name is Bradley D. Lutz. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Direct, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of forty-five (45) 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.

Bradley D Lutz

Bradley D. Lutz

Subscribed and sworn before me this 12th day of September 2025.

Anthy R Westenkirchner

Notary Public

My commission expires: April 26, 2029

ANTHONY R WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2029
PLATTE COUNTY
COMMISSION #17279952