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Witness:	Kevin D. Gunn
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2024-0189

DIRECT TESTIMONY

OF

KEVIN D. GUNN

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri

September 2025

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DIRECT TESTIMONY

OF

KEVIN D. GUNN

Case No. ER-2024-0189

I. <u>Introduction and Executive Summary</u>

Q: Please state your name and business address.

A: My name is Kevin D. Gunn. My business address is 1200 Main Street, Kansas City, Missouri 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Evergy Metro, Inc. and serve as Vice President – State and Federal Regulatory Policy for Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro" or "EMM"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West" or "EMW"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro" or "EKM"), and Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central" or "EKC"), the operating utilities of Evergy, Inc. ("Evergy").

Q: Who are you testifying for?

A: I am testifying on behalf of Evergy Missouri West ("EMW" or the "Company").

Q: What are your responsibilities?

A: My responsibilities include developing and implementing Evergy's regulatory policy at state and federal level, including managing regional transmission organization ("RTO") policy. Currently, my state duties are limited to Missouri regulatory policy.

Q: Please describe your education, experience, and employment history.

A: I received a Bachelors of Arts degree from American University in 1992 and a Juris Doctor degree from St. Louis University School of Law in 1996. I was a Commissioner on the Missouri Public Service Commission ("Commission" or "PSC") from 2008 to 2013 and served as Chair from 2011-2013. Prior to being on the Commission, I served as a lawyer in private practice and as a chief of staff to a Member of Congress from Missouri. After serving on the Commission, I was a regulatory affairs consultant and was Executive Director of Regulatory and Political Affairs, Central Region for NextEra Energy Resources.

Q: Have you previously testified in a proceeding at the Commission or before any other utility regulatory agency.

A: Yes. I have offered testimony before this Commission.

Q: What is the purpose of your Direct testimony?

A: The purpose of my Direct testimony is to discuss the reasons why the Commission should allow the Company to recover the transmission costs related to the 300 MW simple-cycle, gas-fired Crossroads Energy Center ("Crossroads") in Clarksdale, Mississippi, and to find that it would be prudent for EMW to renew the transmission service agreements that allow the energy and capacity of Crossroads to benefit EMW customers.

Q: How has the Commission treated Crossroads in past rate cases?

A: The Commission has found that Crossroads was a prudent generation resource and investment.[1] However, the Commission has also denied recovery of EMW's costs incurred under the four FERC-approved firm point-to-point transmission service agreements with Entergy Corp. ("Entergy") which bring the benefits of Crossroads' energy from Clarksdale, Mississippi, in the Midcontinent Independent System Operator ("MISO") regional trade organization ("RTO") to EMW's customers in western Missouri who are in the Southwest Power Pool ("SPP") RTO.

Q: Is EMW before the Commission to relitigate these past decisions?

A: No. Although the status of Crossroads continues to raise "the issue of how long the Commission will visit the sins of the predecessor [Aquila] on the successor,"[2] EMW does not seek to relitigate all the issues raised in past rate cases. The Company does not seek to recover any transmission costs that were disallowed in the past. It also does not raise any issue regarding the Commission's decision on Crossroads' rate base valuation.

Q: What does the Company request of the Commission in this case?

A: Evergy Missouri West asks the Commission to find that maintaining Crossroads as a critical asset in the Company's generation portfolio is prudent and that the ongoing future costs of transmission associated with Crossroads should be recovered. The Commission should recognize that this is the most prudent course of action for EMW to take, given the many challenges that EMW and the entire electric utility industry face today which did *not*

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[1] Report & Order at 55, 90-91, 99, In re KCP&L Greater Mo. Operations Co., No. ER-2010-0356 (May 4, 2011), aff'd State ex. rel KCP&L Greater Mo. Operations Co. v. PSC, 408 S.W.3d 153, 164-165 (Mo. App. W.D. 2013) ("Crossroads I"); Report & Order at 59, In re KCP&L & GMO Rate Case, No. ER-2012-0175 (Jan. 9, 2013), aff'd KCP&L Greater Mo. Operations Co. PSC, 432 S.W.2d 207 (Mo. App. W.D. 2014) ("Crossroads II").

[2] Report & Order at 57, Crossroads II, No. ER-2012-0175.

exist in 2011-2013 when the Commission issued its orders in Crossroads I and Crossroads II.

Evergy Missouri West faces a critical decision regarding Crossroads because the Company's transmission service agreements with Entergy will expire in February 2029. If the Commission does not permit EMW to recover the transmission expense from ratepayers in this proceeding and find that it is prudent for the Company to renew the transmission agreements, EMW must take immediate steps to begin planning for a replacement resource that will provide the capacity and energy benefits of Crossroads that will disappear in early 2029.

As Company witnesses Mr. VandeVelde and Mr. Ives stated in their Direct testimony, today the facts and circumstances regarding Crossroads transmission expense have changed significantly since the Commission's orders in Crossroads I in 2011 and Crossroads II in 2013. Specifically, the report and orders in Crossroads I and Crossroads II were issued prior to Entergy's integration into MISO in 2013, which significantly impacted the transmission expense.

Additionally, SPP and the electric utility industry as a whole are in the midst of an energy transformation. As a result, and described in detail by Mr. VandeVelde, the dispatchability, fuel supply, and geographical attributes of Crossroads are critical for the Company to be able to serve customers during extreme weather events during all seasons, especially in the winter and summer. The full cost to bring the benefits of Crossroads to the Company's customers, including the transmission expense, is reasonable. Given the alternatives, they must be reflected in rates.

Q: How do these decisions relate to the Crossroads issues that were reserved in the Unanimous Stipulation and Agreement (filed October 2, 2024) that the Commission approved last year?[3]

A: None of the three Crossroads issues in Section 5 of the List of Issues[4] were resolved by the Unanimous Stipulation and Agreement ("Stipulation"). Issue 5.A related to whether transmission costs should be included in EMW's revenue requirement, while Issue 5.B concerned the value of Crossroads in rate base if transmission costs were recovered. As noted above, the Company does not ask for a decision on the rate base value of the plant, so no decision is required on Issue 5.B.

Issue 5.C. of the Stipulation asked the Commission to determine whether it is prudent for EMW to renew its four firm point-to-point transmission service agreements with Entergy before they expire in February 2029. The Signatories to the Stipulation agreed to deal with this issue by having a qualified independent engineering firm to evaluate the cost, procedures, and schedule of relocating Crossroads to a site in SPP.

Pursuant to a request for proposal ("RFP") agreed to by the Signatories, Black & Veatch prepared the Crossroads Relocation Study which was completed on July 15, 2025 and has been reviewed by the Signatories. A copy of the Relocation Study is attached as Schedule 1 to the Direct Testimony of EMW witness Peter Rogge.

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[3] Report & Order at 11 (Dec. 4, 2024).

[4] See § 5, List of Issues, Order of Opening Statements, Order of Cross-Examination and Motion for Extension to File Order of Witnesses (filed Sept. 19, 2024).

II. History and Operations of Crossroads

Q: What led to Crossroads being included in the Company's generation portfolio?

A: Crossroads was constructed in 2002 by Aquila Merchant Services, Inc., a non-regulated subsidiary of Aquila, Inc. ("Aquila"), EMW's corporate predecessor. Crossroads consists of four 75 MW simple-cycle, natural gas-fired units located in the town of Clarksdale in northwestern Mississippi.

When Great Plans Energy Inc. acquired Aquila in 2008, Crossroads transferred to the resource portfolio of EMW's predecessor, known as KCP&L Greater Missouri Operations Company ("GMO") to enhance its generation fleet. The plant is operated by the Clarksdale Public Utility Commission, a municipally owned public utility system that serves the city of Clarksdale under the guidance of GMO (now Evergy Missouri West).

In 2009 Entergy Corp. and GMO entered into the four FERC-approved firm point-to-point transmission service agreements to bring Crossroads' energy and capacity from Mississippi (and MISO) to EMW in western Missouri (in SPP). Those agreements allow for SPP to accredit Crossroads' capacity so the Company can meet its SPP reserve margin requirements. The agreements also permit Crossroads to participate in the SPP wholesale energy markets. However, these transmission service agreements will expire in February 2029. Without those agreements, the benefits of Crossroads to EMW's customers will no longer continue.

Q: What was the transmission expense when the Commission issued its orders in Crossroads I (No. ER-2010-0356) in 2011 and Crossroads II (No. ER-2012-0175) in 2013?

A: The annual transmission expense to transmit Crossroads' energy to EMW in 2011 and 2013 was approximately $4.7.[5]

Q: What was the MISO transmission expense in 2014, roughly two years after the Commission issued its Report and Order in ER-2012-0175?

A: The expense increased from about $4.7 million in 2013 to approximately $12 million in 2014.

Q: Why did the Crossroads' transmission expense increase significantly in 2014?

A: As discussed in the Direct testimony of EMW witness Mr. VandeVelde, Entergy unexpectedly terminated its relationship with SPP, which was then serving as its Independent Coordinator of Transmission and integrated its systems into MISO in December 2013. See VandeVelde Surrebuttal Testimony at 3-4 & Schedule CV-1 (filed Sept. 4, 2024).

Q: Have the increases in transmission expense continued since 2014?

A: Yes. As shown in the table on page 5 of EMW witness Mr. Ives' Direct, there has been a significant increase in the Crossroads' transmission expense since Crossroads I. For the twelve months ending December 31, 2024, the expense was approximately $18.1 million. This increase is expected to continue.

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[5] Crossroads I, Report & Order at 86, No. ER-2010-0356; Crossroads II Report & Order at 59, No. ER-2012-0175. The Commission stated that the "annual energy transmission cost was estimated as $406,000 per month." or $4.872 million. This number was derived from a footnote to Table 19 on page 42 of Company witness Burton Crawford's Schedule BLC 2010-10 filed with testimony in June 2010. Actual cost for transmission expense in 2011 once finalized was approximately $4.7 million.

Q: Did the Commission evaluate the impact of Entergy's decision to join MISO on EMW in its report and orders in either Crossroads I or Crossroads II?

A: No. The annual net level impact of the MISO transmission expense on EMW's financial condition was not contemplated by the Commission when it determined that the Crossroads transmission costs were "not just and reasonable"[6] and do "not support safe and adequate service at just and reasonable rates."[7] The magnitude of the impact from the transmission expense could not have been foreseen by the Commission because Entergy was not integrated into MISO when the Crossroads I and II report and orders were issued.

Q: Has the energy market changed since 2011 and 2013?

A: Yes. Until recently, demand for electricity had been relatively flat since the early 2000s.[8] However, the United States energy market is now experiencing an influx of demand from a variety of large load sources, such as data centers, crypto-mining operations, artificial intelligence computing.[9] SPP has stated that its "own data shows that demand is growing faster than previously anticipated."[10] "SPP's peak demand reached an all-time high in August 2023 which was 10% higher than the peak observed just two years earlier" and "could be as much as 25% higher by 2030 for both winter and summer seasons."[11] In the spring of 2025 the average hourly load "was 2% above 2024, while the peak hourly load was up 6% compared to 2024."[12] Other unprecedented developments in SPP include: (1) the reduction of dispatchable capacity due to the retirement of coal and gas plants, (2) the

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[6] Crossroads I Report & Order at 87, 90-91, No. ER-2010-0356.
[7] Crossroads II Report & Order at 59, No. ER-2012-0175.
[8] See Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 10 (Summer 2024), VandeVelde Surrebuttal, Sched. CV-2.
[9] Id. at 11.
[10] Id. at 12.
[11] Id. at 10.
[12] See "State of the Market: Spring 2025" at 3, SPP Market Monitoring Unit (July 10, 2025).

increase in intermittent, renewable wind and solar generation which is non-dispatchable, (3) congestion in the SPP interconnection queue that caused by the unexpected number of proposals for new generation and transmission assets and the resulting delay in their construction, (4) an increase extreme winter and summer weather events that create significant risks to the electric grid, and (5) SPP's recent decision to raise its planning reserve margin for both summer and winter seasons beginning in 2026.[13]

III. <u>The Future of Crossroads and EMW's Decision Tree Analysis</u>

Q: Why is the status quo regarding Crossroads no longer an option?

A: Because EMW has paid for Crossroads' transmission costs since 2011 and has not been able to recover these expenses in its cost of service, the Company cannot justify renewing its transmission contract in the event this commission denies recovery going forward. Notwithstanding the undeniable benefits that Crossroads provides to customers, a denial of the recovery of transmission costs is tantamount to a decision of imprudence. Given the significant changes in the electric utility industry in SPP since the Commission's report and orders in Crossroads I and II 12-14 years ago, the value that Crossroads provides to EMW's customers is clear. However, in the absence of a new Commission report and order that allows such recovery, the Company cannot, as a regulated utility, renew the four Crossroads transmission service agreements with Entergy which expire in February 2029.

Q: How did EMW determine its options regarding Crossroads?

A: As described in detail by EMW witness VandeVelde, EMW considered three major options based on the results of the Black & Veatch Crossroads Relocation Study outlined in Section

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[13] <u>See</u> Southwest Power Pool, "Our Generational Challenge: A Reliability future for Electricity" at 3-5, 12-13, 18-19, 24-25 (Summer 2024), VandeVelde Surrebuttal, Sched. CV-2.

5 of the Stipulation, the Company's analysis of the net present value of revenue requirements for the most reasonable resource alternatives and continuing to operate Crossroads in its present location with the costs of transmission expense recovered in rates.

Issue 5.C. and other issues related to the relocation or sale of Crossroads are still before the Commission for decision. Therefore, the issues are: (1) whether it is prudent for EMW to renew the transmission service agreements so that Crossroads will continue to operate in Mississippi while permitting EMW to recover its transmission costs in rates; (2) whether EMW should sell Crossroads and build a new facility in EMW's service territory, or (3) whether EMW relocate the Crossroads facility to a site in SPP.

Therefore, EMW requests that the Commission evaluate the prudence of recovering the transmission expense in customers' rates, when compared to other long-term resource planning alternatives. If the Commission finds at this time that it would still be imprudent for the Company to recover the Crossroads' transmission expenses in rates, EMW will seek alternative action as it cannot continue to have the Company and its shareholders continue to incur expenses which the Commission finds imprudent.

Figure 1 summarizes the decisions that face EMW:

FIGURE 1 – EMW'S DECISION TREE ANALYSIS

Status Quo is Not an Option

1. No action on behalf of the Commission or Company regarding Crossroads is an option because the MISO transmission expense contract expires February 2029.
2. Company will not willingly enter into/renew the transmission contract – a decision that the Commission has repeatedly stated as "imprudent" – unless the transmission expense is determined to be prudent and recoverable by ratepayers.

Option 1

Crossroads remains in Mississippi, and Evergy is permitted to recovery the MISO transmission expense from ratepayers.

1. Lowest Net Present Value Revenue Requirement "(NPVRR") = $343,401,000
2. Lowest Levelized Cost of Capacity ("LCOC") = $11.61/kW-month
3. Crossroads provides diversity when located in Mississippi. This permits EMW to hedge against natural gas prices and weather events.
4. Crossroads' locational marginal price ("LMP") of approximately $3.05/MWh (Day Ahead) and $3.63/MWh (Real-time) is higher than LMPs for EMW's load.

Option 2

Evergy sells Crossroads and builds a new replacement facility.

1. NPVRR = $620,559,000
2. LCOC = $19.11/kW-month
3. Customer retail rates would increase by an estimated $0.006-0.008/KWh when compared to Option 1.
4. Would require capacity purchases to account for EMW's loss of Crossroads' 300 MW in the interim time to build a replacement facility
5. Possible litigation with City of Clarksdale regarding ownership of Crossroads.

Option 3

Evergy relocates Crossroads to a site within its service territory.

1. NPVRR = $525,893,000
2. LCOC = $15.26/kW-month
3. Customer retail rates would increase by an estimated $0.006-0.008/KWh when compared to Option 1.
4. Risks include all aspects of disassembling Crossroads, transporting it from Mississippi to SPP, and reassembling the facility in SPP.
5. Only approximately $100 million less NPVRR than new build and the new build gets an extra 20 years, at least, on the life of the generation asset.

A. Option 1: EMW Renews its Transmission Service Agreements with Entergy and Recovers the Crossroads Transmission Costs in Rates

Q: Is the most prudent long-term resource planning option for EMW to renew its firm point-to-point transmission service agreements with Entergy before they expire in February 2029 and to recover the Crossroads transmission expense?

A: Yes. As discussed by EMW witnesses Mr. VandeVelde and Mr. Ives in their Direct testimony, the Company's 2024 Triennial IRP and its 2025 Annual IRP Update both concluded that renewing the transmission service agreements for Crossroads and permitting the recovery of the transmission expenses is EMW's most prudent long-term resource planning option when compared to alternatives.[14] EMW's further analysis confirmed the IRPs when the Company incorporated the Crossroads Relocation Study to re-evaluate its options regarding Crossroads. This additional analysis determined that the NPVRR of $343,401,000 for Option 1 is the lowest among all alternatives, as set forth in **Figure 1**. Additionally, Option 1's LCOC is $11.61kW per month when compared to Option 2 and 3 of $19.11/kW-month and $15.26/kW per month, respectively.

Q: Are there other variables that should be considered when evaluating the options?

A: Yes. Renewing the transmission service agreement allows for Crossroads' operational continuity as it provides uninterrupted capacity and energy by maintaining its current operations. The uninterrupted capacity and energy is necessary for the Company to provide safe and adequate service because of today's energy environment and the increased

[14] See EMW's 2024 Triennial IRP, Volume 6: Integrated Resource Plan and Risk Analysis at 57-59, In re EMW's 2024 Triennial IRP Filing, No. EO-2024-0154 (Apr. 1, 2024); EMW's 2025 Annual IRP Update at 104-105, In re EMW's 2025 IRP Annual Update Filing, No. EO-2025-0251 (Mar. 13, 2025).

demand for electricity. Additionally, the risks of continuing to operate Crossroads are low when compared to the alternatives.

B. <u>Option 2: EMW Sells Crossroads and Builds a New Similar or Equivalent Generation Asset in EMW's Service Territory</u>

Q: What are the projected costs of this option?

A: Similar to EMW's analysis discussed under Option 1, the Company determined that the NPVRR to sell Crossroads and build a new equivalent generation in EMW's service territory would be \$620,559,000. This assumes an asset sale price of \$400/kW for Crossroads and the cost of a new, comparable combustion turbine gas plant at an estimated cost of \$2,115/kW.[15] When compared to Option 1, the LCOC to build new generation and the impact on ratepayers is significantly higher than Crossroads remaining operational in Mississippi and EMW recovering its transmission expense. Specifically, Option 2's LCOC is \$19.11/kW per month, which could increase EMW's customers retail rates by an estimated \$0.006-0.008/KWh when compared to Option 1.

Q: What other risks are associated with Option 2?

A: There are significant risks related to the construction of a new plant, compared to Option 1. To construct a new plant, EMW would have to confirm the site recommendation of Black & Veatch, and address various issues related permitting, gas infrastructure, and transmission upgrades and interconnection. The Company would then be required to spend significant funds and time to contract with the proper parties to build the facility. The risks and cost of this process will increase if EMW is not able to attract the necessary investment capital to construct a new plant without having to reallocate the revenue from selling

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[15] This value assumes the new-build is sold at its remaining book value in year 21 because option 2 would result in an asset that would have an estimated 20 to 25 years of operation beyond that of option 1 or 3.

Crossroads. See D. Ives Direct 9-12. Once these efforts are completed, EMW would have to expend more resources and time to receive a Commission order granting it a certificate of convenience and necessity ("CCN") to construct the plant. For comparison purposes, the time for EMW to receive CCNs for its interest in the Viola, McNew and Mullin Creek #1 plants in Case No. EA-2025-0075 was almost nine months.[16] The estimated commercial operation dates of these three plants is in 2029-2030.[17] Given that the Commission will issue its Report and Order in this case on December 31, 2025, EMW will have limited time for the necessary contracting, regulatory approval, and time to construct the new plant prior to the Crossroads transmission service agreements expiring in February 2029.

Further, there is the increased potential of a legal dispute with the City of Clarksdale regarding its agreements with the Company which could require a significant amount of time and expense.[18]

Q: Is the risk of operational continuity increased when compared to Option 1?

A: Yes. The risk of operational continuity is increased when compared to Option 1 because it is very likely that a new plant will not be ready by February 2029. If Crossroads is sold before the new plant is operating, there will be a significant increase in risk to replace Crossroads' 300 MW of capacity for that period. As the study also states: "Should performance enhancement of the existing turbines be performed (recommended), the facility may be transmission limited and additional investment required."[19] As the Commission observed in granting the Company's recent gas plant CCNs, "due to the SPP's

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[16] EMW filed its Application and Direct testimony on November 15, 2024, and the Commission issued its Report and Order on July 31, 2025.
[17] See K. Olson Direct at 5, No. EA-2025-0075.
[18] See Clarksdale Pub. Util. Comm'n Application to Intervene (Dec. 14, 2024).
[19] Black & Veatch Corp., "Crossroads Relocation Study," Prepared for Evergy Services, Inc. at 1 (July 15, 2025).

increase in resource adequacy requirements and unprecedented growth in demand, the bi-lateral capacity market is no longer a viable long-term option."[20]

Additionally, if EMW is not able to procure capacity between the time of selling Crossroads and the commercial operation date of the new plant, the Company would be subject to capacity deficiency payments to the SPP. As discussed by Mr. VandeVelde, the loss of Crossroads could cause EMW to be subject to SPP deficiency payments ranging from $32 million to over $50 million annually cover its 300 MW of capacity. This is a significant monetary risk beyond the project costs which must be evaluated by the Commission.

C. Option 3: Relocate the Existing Crossroads Facility to the SPP

Q: What are the projected costs of this option?

A: After analyzing the Crossroads Relocation Study, the Company determined that the NPVRR to relocate the existing Crossroads facility to the SPP would be $525,893,000. The NPVRR assumed relocating the plant to the Tecumseh Energy Center in Shawnee County, Kansas (near Topeka), as discussed in the study, with a capacity replacement cost of $9.50/kW per month for a 24-month period. When compared to Option 1, the cost relocate Crossroads to Kansas and its impact on customers is significantly higher. The LCOC for relocating Crossroads would be $15.25/kW-month, and similar to Option 2, would increase EMW's customers' retail rates by an estimated $0.006-0.008/KWh.

[20] Report & Order at 11, ¶ 25, In re EMW Applic. for CCNs for Nat. Gas Elec. Production Facilities, No. EA-2025-0075 (July 31, 2025). The Commission noted that in August 2024 SPP's Regional State Committee and its Board of Directors approved minimum requirements of a 36% winter-season planning reserve margin and a 16% PRM beginning in the winter of 2026-27 and the summer of 2026, respectively. Id. at 12, ¶ 31.

Q: What risks are associated with relocating Crossroads to SPP?

A: Both Option 3 to relocate Crossroads to Kansas and Option 2 (sell Crossroads and build a new plant) have similar risks regarding the site of the plant, litigation with the City of Clarksdale, and capacity replacement for Crossroads' 300 MW. For relocation, there would be an estimated 18 to 24-month period of interrupted capacity and energy loss from Crossroads while the plant is out of service, which EMW would have to replace or be subject to SPP capacity deficiency payments.

Q: Are there additional risks with relocation that are not associated with Options 1 and 2?

A: Yes. There are numerous risks associated with relocating Crossroads to SPP in Kansas. The disassembly process alone poses risks of structural damage to critical components if proper procedures are not followed, resulting in costly delays during reassembly. Transportation by truck and railroad introduces further risks, including potential damage from vibration or impact, complex permitting for oversized loads, and the need for secure and compliant storage. Upon arrival, the reconstruction, and recommissioning phases face additional hazards, including site-specific engineering challenges, outdated or non-compliant equipment, and interconnection with the grid's distribution and transmission systems. Environmental and safety risks, such as fuel handling hazards, emissions compliance, and worker exposure, must also be managed under the relevant state and local regulatory frameworks. These risks can lead to extended downtime, unexpected costs, and contractual and regulatory liabilities if not identified and mitigated. Given these risks, relocating Crossroads is the least prudent option.

IV. Conclusion

Q: Do you believe the Commission should now allow the future transmission cost to be recoverable based upon the changes that have occurred since then and the energy industry challenges that the Company, SPP and the country face today?

A: Yes. The factual foundation on which the Commission acted then has fundamentally shifted. The annual transmission cost was approximately $4.7 million, prior to Entergy joining MISO. Regional load growth was flat and SPP's planning reserve margins were plentiful. Today the Crossroads transmission expense exceeds $18 million, SPP's reserve margins have shrunk, and historic peak loads have already been eclipsed. Crossroads supplies 300 MW of capacity to EMW which SPP has accredited and which cannot easily be replaced. Additionally, Crossroads offers geographic and weather diversification to EMW's generation fleet. Consequently, if the Commission continues to deny the Company recovery of the Crossroads transmission expense, it would compel EMW either to abandon a prudent, fully functional asset or to incur a more costly replacement or to pursue relocation of the plant. In either case, such an outcome would not be in the best interest of EMW or its customers, whether viewed from a financial or grid reliability perspective.

Accordingly, I respectfully urge the Commission to weigh the current evidence regarding Crossroads and to chart a new course of action that recognizes Crossroads' present and continuing value to EMW's customers. This course should include the Commission's approval of the Company's recovery of the Crossroads transmission expense, as well as a finding that it is prudent for EMW to extend the four transmission service agreements with Entergy.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2024-0189

AFFIDAVIT OF KEVIN D. GUNN

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Kevin D. Gunn, being first duly sworn on his oath, states:

1. My name is Kevin D. Gunn. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Vice President – State and Federal Regulatory Policy.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri West consisting of eighteen (18) 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.

Kevin D. Gunn

Kevin D. Gunn

Subscribed and sworn before me this 15th day of September 2025.

Anthy R W

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