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

POSITION STATEMENT OF VELVET TECH SERVICES, LLC

Velvet Tech Services, LLC, pursuant to this Commission's May 13, 2025, *Order Setting Procedural Schedule*, and for its Position Statement, states as follows:

ISSUE A: Should the Commission adopt Evergy's or Staff's conceptual tariff, rate structure, and pricing in order to comply with Mo. Rev. Stat. Section 393.130.7?

POSITION: The Commission should adopt Evergy's conceptual LLPS rate design with the exception of the System Support Rider, and with modifications to the term, minimum billing demand, collateral requirements, and capacity reduction charges.

The System Support Rider "acceleration" concept does not reasonably describe what happens with load growth. Load growth results in additional resources, not accelerated resources. The acceleration component is novel, conceptually flawed, and no other utility has proposed such a mechanism. It should be rejected.

The contract term should be ten years, plus a load ramp of up to five years (See Issue F, below).

The minimum billing demand should be set at 70% of contract capacity rather than Evergy's proposed 80%. This recognizes load diversity benefits and the fungibility of generation resources, particularly given Evergy's participation in the SPP Integrated Marketplace.

Additional change should also be made to the collateral provisions (See Issue G, below).

Further, the LLPS customers should be allowed capacity reductions up to 20% without penalty with three years' notice. In addition, the capacity reduction provisions should include customer refunds for reassigned or mitigated costs. The tariff should allow for LLPS customers to negotiate with Evergy on capacity reduction or exit fees terms.

The Commission should reject Staff's pricing proposal. Velvet Tech Services opposes Staff's pricing proposal that would impose a 24.77% mark-up on both fixed and variable costs. This approach constitutes an arbitrary price mark-up that is unreasonable and should be rejected.

ISSUE C: What should be the threshold demand load in megawatts ("MW")/criteria for a large load power service ("LLPS") customer to receive service under a Commission approved LLPS tariff?

POSITION: Velvet Tech Services supports Evergy's original threshold of 100 MW. Velvet does not oppose a lower, reasonable threshold with appropriate grandfathering provisions for existing customers.

ISSUE C(a): To the extent the threshold captures existing customers, should a grandfathering provision for such customer be adopted?

POSITION: Yes. Any threshold adopted should include reasonable grandfathering provisions to limit applicability to service initiated after January 1, 2025. Current customers entered into service agreements in good faith under different terms and should not be subjected to dramatic changes in contract conditions after the fact.

ISSUE F: What minimum term of service should be required for a LLPS customer to receive service under the Commission approved LLPS tariffs?

POSITION: Velvet Tech Services recommends a contract term of 10 years at full contract demand plus the specific number of years required for load ramp. This approach provides equivalent protection as Evergy's 15-year proposal for customers with five-year ramps, while offering more reasonable terms for customers with shorter ramp periods. The load ramp period should accommodate up to five years with an initial energization and commissioning grace period of up to six months during which minimum billing demand would not apply.

ISSUE G: What collateral or other security requirements should be required for a LLPS customer to receive service under the Commission approved LLPS tariffs?

POSITION: The Commission should adopt Evergy's collateral benchmark of two years of minimum monthly bills but with key modifications consistent with the Ramirez Rebuttal: (1) allow collateral to ramp from 10% at ESA execution to full amount at energization, then decline in 10% increments over the contract term; (2) provide tiered creditworthiness reductions - 50%

reduction for liquidity of five times collateral (customer or customer's guarantor), 30% reduction for liquidity of two times collateral or qualified tenant arrangements; (3) accept diverse collateral forms including deposits, insurance products, and guarantees; (4) require interest accrual on cash collateral returned quarterly; (5) mandate exhaustion of collection remedies before collateral drawdown; and (6) ensure collateral proceeds offset costs for remaining ratepayers. These modifications better align security requirements with actual financial risk while supporting large load development in Missouri.

ISSUE H: What termination fee (exit fee) provision should a LLPS customer be subject to under the Commission approved LLPS tariffs?

POSITION: Velvet supports reasonable exit fee provisions with appropriate mitigation and refund mechanisms. Exit fees should be structured reasonably and include provisions for:

- Utility efforts to mitigate fees through capacity reassignment
- Customer refunds when utility successfully mitigates costs after fee payment
- Credits for prior payments exceeding minimum billing demands
- Ability to negotiate mutually agreeable exit terms

Staff's proposal to trigger exit fees when customer usage falls to 50% or less of contract load for three consecutive months is unnecessarily draconian and should be rejected.

In addition, LLPS customers should be allowed capacity reductions up to 20% without penalty with three years' notice, and should not be required to wait five years to effectuate such reductions.

ISSUE K: Are changes needed for the Emergency Energy Conservation Plan tariff sheet and related tariff sheets to accommodate LLPS customers?

POSITION: The Commission should reject the OPC's recommendation that LLPS customers be subject to "mandatory emergency curtailments as needed."

ISSUE L: What studies should be required for customers to take service under the LLPS tariff?

POSITION: The Commission should reject the proposal by Dr. Marke to require studies before customers can take service under the LLPS tariff sheets.

ISSUE M: Should a form customer service agreement be included in the Commission approved LLPS tariffs resulting from this case?

POSITION: Velvet Tech Services does not oppose inclusion of a form service agreement that provides clarity while allowing for customer-specific negotiations.

ISSUE N: Should Evergy be required to disclose information about prospective customers?

POSITION: There should not be any additional disclosure for prospective LLPS customers. To the extent any disclosures are required, they should be made confidentially.

ISSUE N(a): If so, what review should the Commission have of prospective customers and terms applicable to specific customers?

POSITION: See Issue N.

ISSUE N(b): In what case should said review occur?

POSITION: See Issue N.

ISSUE S: Should the Commission approve the Evergy System Support Rider or take other steps to address cost impacts to non-LLPS customers?

POSITION: The Commission should reject the System Support Rider. Velvet Tech Services strongly opposes the System Support Rider for multiple reasons, consistent with Higgins Rebuttal Testimony:

Conceptual Flaws: The "acceleration" concept does not reasonably describe what happens with load growth. Load growth results in additional resources, not accelerated resources. The acceleration component is novel, conceptually flawed, and no other utility has proposed such a mechanism.

Calculation Errors: Evergy's calculation suffers from material flaws:

- Failure to account for cost escalation over the 10-year period
- One-sided analysis that ignores incremental revenues from LLPS load

- New LLPS load will contribute to existing fixed cost recovery, providing benefits to non-LLPS customers

Lack of Cost Basis: The System Support Rider is not a cost recovery rider with specific costs to be recovered, making it problematic from a ratemaking perspective.

If the Commission wishes to consider vintage pricing, it should do so through comprehensive analysis in a general rate case proceeding, and should consider allowing LLPS customers the option to procure their own generation resources through buy-through programs.

ISSUE T: Should the proposed additional riders be authorized by the Commission at this time?

POSITION: Velvet Tech Services generally supports authorization of optional riders as proposed by Evergy as they provide additional customer flexibility and system benefits.

ISSUE T(a): The Customer Capacity Rider?

POSITION: Yes. CCR would allow the customer to manage its selection of generation, while providing benefits to the utility in the form of capacity resources.

ISSUE T(b): The Demand Response & Local Generation Rider?

POSITION: Yes.

With respect to all other issues, Velvet Tech takes no position at this time, but reserves the right to do so based on pre-filed testimony and the evidence presented at hearing.

WHEREFORE, Velvet Tech Services, LLC respectfully submits this Statement of Position for the Commission's consideration.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon all of the parties of record or their counsel, pursuant to the Service List maintained by the Data Center of the Missouri Public Service Commission on September 22, 2025.

\/s/ Stephanie S. Bell