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 Tariffs Related to Service of Large Loads	)))))	File No. EO-2025-0154

EVERGY MISSOURI METRO'S AND EVERGY MISSOURI WEST'S
STATEMENT OF POSITIONS

COMES NOW, Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro" or "EMM") and Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West" or "EMW") (collectively, "Evergy" or "the Company"), and pursuant to the Missouri Public Service Commission's (the "Commission") *Order Settling Procedural Schedule* ("Order")[1] issued May 13, 2025, submits Evergy's *Statement of Positions*, as follows:

POSITIONS & ISSUES[2]

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?

EVERGY'S POSITION: Evergy's Schedule Large Load Power Service ("Sched. LLPS") and corresponding riders adequately protect non-large load power service ("LLPS") and existing customers pursuant to Section 393.130.7[3] while fostering economic development and load growth in Missouri. See K. Gunn Surrebuttal at 12-13. As discussed throughout Evergy's testimony, the LLPS tariffs include numerous protections that require LLPS customers to pay their representative share of expenses to reduce cross-subsidization, such as minimum bills, collateral requirements, and the System Support Rider. Id.; Section 393.130.7. See B. Lutz Surrebuttal at 14. The

[1] Order Setting Procedural Sched., No. EO-2025-0154 (May 13, 2025).
[2] The Company does not necessarily agree with the wording of some issues or inclusion of all of the issues set out herein. The inclusion of an issue and the Company's position thereon in the list below does not mean all parties agree with such issue's characterization, that such issue identified is actually in dispute, and/or that a Commission decision on such issue is proper or necessary in this case.
[3] All citations are to the Revised Statutes of Missouri (2016), as amended.

Commission should accept and order compliance tariffs be filed consistent with Evergy's rate design and pricing, as it is in accordance with Section 393.130.7, established ratemaking principles, and Missouri's economic development objectives.

In contrast with Evergy's LLPS tariffs, "Staff's proposed tariffs are radical and contrary to Section 393.130.7, Missouri's economic development, and regulatory precedent," as they were presumably "developed in a vacuum with no large load customer interactions or correspondence." See K. Gunn Surrebuttal at 6, 11-12. Staff's tariffs are "unlike and considerably more complex than any large load design" examined by Evergy. See B. Lutz Surrebuttal at 30. "If the Staff wishes to drive away all large load customers from the State, this design is tailor-made to achieve that goal." Id. The Commission should therefore reject Staff's tariffs, rate design, and pricing.

B. Can the Commission establish terms and conditions to exclude otherwise eligible customers from receiving EDR discounts?

EVERGY'S POSITION: No. "Missouri law requires the Company to offer the EDR [economic development rider discount] to qualifying customers." See K. Gunn Direct at 23 (citing Mo. Rev. Stat. § 393.1640 (2022)). Therefore, the Commission does not have the unilateral authority through terms and conditions to exclude an eligible customer from an economic development rate. See K. Gunn Surrebuttal at 18.

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 tariff?

EVERGY'S POSITION: Evergy has adopted a demand load requirement of 100 megawatts ("MW") for service under its Schedule LLPS, as such threshold will ensure enrollment of new customers and "limit the need to convert existing customers to a new tariff." See B. Lutz Direct at 2, 14. Limiting existing or non-LLPS customer enrollment mitigates undue cost shifting risk from LLPS customers, in accordance with Section 393.130.7. See K. Gunn Direct at 18.

a. To the extent the threshold captures existing customers, should a grandfathering provision for such customer be adopted?

EVERGY'S POSITION: Yes. To the extent an existing customer has a demand load greater than 100 MW, Evergy will start with the Path to Power interconnection process to integrate the customer's load, as discussed in Evergy witness Jeff Martin's direct testimony. Future load additions to an existing customer's load would be subject to Evergy's Schedule LLPS.

D. What other existing programs and riders should or should not be available to LLPS customers, if any?

EVERGY'S POSITION: All riders and programs discussed in Evergy witness Mr. Lutz's direct testimony should be applicable to LLPS customers. The rider restrictions identified by Staff witness Sarah Lange in her Surrebuttal, Schedule SLKL 1, "Other Tariff Applicability", other than the Economic Development Rider and the Limited Large Customer Economic Development Discount Rider, are reasonable.

E. Should the LLPS customer bear responsibility for its interconnection and related non-FERC transmission infrastructure costs?

EVERGY'S POSITION: Yes. LLPS customers should pay all associated costs for their interconnection and related transmission infrastructure except for "Network Upgrade costs under the SPP [Southwest Power Pool ("SPP")] Open Access Transmission Tariff." See B. Lutz Surrebuttal at 42. Evergy has proposed edits to Section 9 of EMM's Rules and Regulations, Extension of Electric Facilities, and Section 7 of EMW's Rules and Regulations, Extension of Electric Facilities, concerning this cost allocation issue and to reduce cross-subsidization to existing or non-LLPs customers in accordance with Section 393.130.7. Id. See B. Lutz Direct at 58.

a. **How should such interconnection and related non-FERC transmission infrastructure costs be account for or tracked, if at all?**

EVERGY'S POSITION: Tracking of interconnection and related non-FERC transmission infrastructure costs is not required by Section 393.130.7, and they should not be tracked as this would unduly increase regulatory burden and Commission oversight.

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

EVERGY'S POSITION: LLPS customers will be required to receive service for a term of 15 years which "may include a transitional load period (ramp period) of no more than five (5) years." See B. Lutz Direct at 15. The "term shall remain in effect thereafter unless cancelled, modified pursuant to the terms hereunder, or the customer selects and is qualified to receive service under another applicable Company rate schedule." Id. See Sched. BDL-1, Sched. LLPS, Term. The required term ensures existing and non-LLPS customers are protected from risks associated with LLPS customers, such as the potential for stranded assets. See Section 393.130.7.

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

EVERGY'S POSITION: LLPS customers shall be required to provide collateral equal to two years of minimum monthly bills, recalculated annually, with exemptions or reductions available only to customers demonstrating high creditworthiness and liquidity. See B. Lutz Direct at 19-20. Under Schedule LLPS, the collateral requirement must be provided at the time the LLPS customer executes the Service Agreement "and must be a guarantee from the ultimate parent or a corporate affiliate of the customer for the full collateral requirement, a standby irrevocable letter of credit for the full collateral requirement, or cash for the full collateral requirement." Id.

H. What termination fee (exit fee) provisions should a LLPS customer be subject to under the Commission approve LLPS tariffs?

EVERGY'S POSITION: If a LLPS customer terminates service prior to the end of its required term, it must "provide written notice 36 months prior to the requested date of termination" and "pay an exit fee equal to their minimum charges over the remaining term or for 12 months, whichever is greater." See B. Lutz Direct at 18-19. If the LLPS customer terminates service with less than 36 months left, "an additional early termination penalty equal to the minimum charge multiplied by two for each month less than the required 36-month required notice will apply." Id. Any interim capacity in place at the time the LLPS customer's service is terminated must be resolved either by Evergy recovering the remaining costs from the customer or retaining the capacity if the Company has a need. Id. Similar to the collateral requirements, the termination fee ensures that the utility is compensated for the long-term investments and capacity planning undertaken to serve the LLPS customer, while not unfairly burdening existing or non-LLPS customers with undue risks, such as stranded assets or costs. See Section 393.130.7.

I. Should any limit be placed on Evergy concerning the amount of LLPS load that it may serve?

EVERGY'S POSITION: No. Imposing an artificial cap on the amount of LLPS customers Evergy is permitted to serve would significantly decrease the Company's potential revenues from LLPS customers, foregoing Missouri's economic development, "while being 'unjustly discriminatory or unduly preferential' to other customers." See K. Gunn Surrebuttal at 14; B. Lutz Surrebuttal at 33; Section 393.140(5); Governor Kehoe Signs SB 4 Into Law, Securing Missouri's Energy Future and Economic Growth (Apr. 9, 2025).

J. Should the Commission approve Evergy's "Path to Power" approach?

EVERGY'S POSITION: Yes. As discussed by Evergy's witness Mr. Martin, the Path to Power process increases the Company's efficiencies to facilitate LLPS customers' speed to market and system planning to integrate the LLPS into Evergy's load. See J. Martin Direct at 7-8. The Commission should refrain from imposing rigid guidance on Evergy's Path to Power, to permit the Company reasonable discretion to dictate system processes with its internal expertise and operational experience, in accordance with Section 393.130.7.

a. What components of the proposed "Path to Power," if any, should be included in the Commission's approved tariff sheets?

EVERGY'S POSITION: All components of Evergy's "Path to Power" discussed in Mr. Martin's direct testimony should be included in the Commission's approved tariff sheets, without the modifications proposed by Staff. As discussed by Mr. Lutz, the "Path to Power" enables "the Company to minimize the protracted contracting process by having a clear understanding of the customer's load and corporate energy policies." See B. Lutz Surrebuttal at 37.

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

EVERGY'S POSITION: No. LLPS customers, except those that qualify as essential services, a category narrowly defined to protect critical infrastructure and public welfare, are already subject to curtailment during grid emergencies under Evergy's existing Emergency Energy Conservation Plan. See B. Lutz Surrebuttal at 20-21.

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

EVERGY'S POSITION: None. As discussed by Mr. Martin, Evergy's "Path to Power" process includes studies sufficient to evaluate a LLPS customer prior to the Company providing it service, such as the Initial Evaluation Phase and the SPP's Area Qualification Study Pre-construction studies, such as Power Usage Effectiveness ("PUE"), Water Usage Effectiveness ("WUE"), and harmonics, are not necessary and should not be required by Evergy. See K. Gunn Surrebuttal at 20-23.

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

EVERGY'S POSITION: No. A "form" customer service agreement would unduly restrict Evergy's reasonable discretion in servicing the unique and complex needs of LLPS customers, which "needs are often highly individualized and not amenable to a one-size-fits-all approach." See K. Gunn Surrebuttal at 8-9; B. Lutz Direct at 62-66; Section 393.130.7. For example, "the elements included on a given customer's bill will inherently vary from customer to customer" and "the pricing within these elements is also unique from customer to customer," so it is not reasonable to subject the LLPS customer to a form service agreement. See B. Lutz Direct at 62-66.

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

EVERGY'S POSITION: No. As discussed by Every's witness Mr. Gunn, the Company will provide the Commission with annual reports to inform it of the amount of new or expanded customers taking service under Schedule LLPS, the total estimated load under each rate, the customers' industry sector, and estimated number of new or retained jobs provided by the customer. See K. Gunn Direct at 25. However, the report will be provided on an anonymized basis to protect LLPS customers' proprietary and commercially sensitive information. Id. See B. Lutz Direct at 65. Disclosing such information would increase the Commission's administrative burden and regulatory oversight while potentially deterring prospective LLPS customers and decreasing Missouri's economic development, contrary to Section 393.130.7. See K. Gunn Surrebuttal at 9.

a. **If so, what review should the Commission have of prospective customers and terms applicable to specific customers?**

<u>EVERGY'S POSITION</u>: As discussed by Every witness Mr. Lutz, the Commission will be permitted to review the LLPS customer's Service Agreement which memorializes terms, such as contract capacity, rider elections, and pricing exhibits. <u>See</u> B. Lutz Direct at 62-65.

b. **In what case should said review occur?**

<u>EVERGY'S POSITION</u>: The Service Agreements "will be available within rate cases or other Commission proceedings." <u>See</u> B. Lutz Direct at 66.

O. Should LLPS customers be included in the FAC?

<u>EVERGY'S POSITION</u>: Yes. All jurisdictional recovery riders, such as the FAC, should apply to LLPS customers. <u>See</u> B. Lutz Direct at 21.

a. **What, if any, changes should be made to Evergy's existing FAC tariff sheet?**

<u>EVERGY'S POSITION</u>: No changes to the existing FAC tariff sheet are needed to accommodate LLPS customers. <u>See</u> B. Lutz Surrebuttal at 33. "FAC changes would only be needed to address renewable program additions." <u>Id.</u> If Staff's more complex tariffs are adopted, a broader review and potential redesign of the FAC would be necessary to ensure proper alignment. <u>Id.</u> at 33-34.

b. **When/in what case should these changes be made?**

<u>EVERGY'S POSITION</u>: No changes to the existing FAC tariff sheet are needed to accommodate LLPS customers. <u>See</u> B. Lutz Surrebuttal at 33.

c. **What if any FAC related costs should be the Commission order tracked?**

<u>EVERGY'S POSITION</u>: None.

P. Should LLPS customers be registered with a separate Southwest Power Pool ("SPP") commercial pricing node (subject to SPP support) or alternatively should Evergy be required to provide Staff-recommended data (Appendix 2, Schedule 2) node?

EVERGY'S POSITION: No. LLPS customers should not be registered with separate SPP commercial pricing nodes or, alternatively, Evergy should not be compelled to provide the Staff-recommended data, as such measures are operationally burdensome, inefficient, and inconsistent with Section 393.130.7. See D. Brown Surrebuttal at 9-14; B. Lutz Surrebuttal at 34. Registering a customer with a separate pricing node is not common industry practice in SPP and would introduce operational and strategic concerns for Evergy, including increased forecasting errors, administrative burden, risk of cross-subsidization to existing and non-LLPS customers contrary to Section 393.130.7, and a redesign of the FAC. See D. Brown Surrebuttal at 9-14.

Q. Should LLPS customers be a subclass of Evergy's Large Power Service ("LPS") or be a stand-alone class?

EVERGY'S POSITION: The LLPS customers should initially be included with the Company's LPS class. A decision to create a stand-alone LLPS rate class should be made when details are available about the nature of the cost associated with these customers and to ensure these customers are distinct from LPS costs.

R. What treatment is needed to address revenues from LLPS customers occurring between general rate cases?

EVERGY'S POSITION: No treatment is needed to specifically address revenues from LLPS customers between rate cases. As discussed by Evergy's witness Mr. Gunn, Staff's concern that Evergy will maximize shareholder benefits from "positive regulatory lag," associated with LLPS customers, is misguided. See K. Gunn Surrebuttal at 6-7. However, "[n]o statute in Missouri precludes positive regulatory lag," as it is a normal aspect of utility ratemaking. Id. Additionally, EMM and EMW file quarterly surveillance reports providing the Commission with earnings information. Id. Therefore, no special treatment is required to address revenues from LLPS customers, as such would be contrary to Section 393.130.7.

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

EVERGY'S POSITION: Yes, the Commission should approve the Evergy System Support Rider. Evergy's System Support Rider is critical to ensure LLPS customers' rates reflect their representative share of incremental costs in serving their load, in accordance with Section 393.130.7, while fostering Missouri's economic development. See B. Lutz Direct at 30-33; B. Lutz Surrebuttal at 14-15. Particularly, the Acceleration Component guarantees that "LLPS customers [are] responsible for the additional costs associated with accelerated resource investment needed to serve their new or expanded load." See K. Gunn Surrebuttal at 19. And, the "cost recovery component will ensure the Schedule LLPS customer's rate is set to recover the cost of service established in the Schedule LLPS rate design." See B. Lutz Direct at 31.

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

EVERGY'S POSITION: Yes.

a. The Customer Capacity Rider?

EVERGY'S POSITION: Yes. The Customer Capacity Rider is "designed to allow large load customers who own generating resources to contract that capacity to the Company and have that capacity apply to their service," with controls ensuring the arrangement is "beneficial operationally and economically for the Schedule LLPS customer, all other customers, and the Company." See B. Lutz Direct at 34. The rider provides "numerous provisions to protect existing and non-LLPS customers from stranded costs," cross-subsidization, and SPP transmission deliverability costs. See B. Lutz Direct at 39; B. Lutz Direct at 34-36. The Commission should approve the rider as it is consistent with Section 393.130.7.

b. The Demand Response & Local Generation Rider?

<u>EVERGY'S POSITION</u>: Yes. The Demand Response and Local Generation Rider provides LLPS customers with the ability to reduce their energy bill while providing the Company with the system reliability benefits and reducing energy costs for all customers at times of high demand. <u>See</u> B. Lutz Direct at 37. The rider is similarly structured to existing Commission-approved demand response programs but is tailored to the scale and impact of large loads, which "present an exponentially greater opportunity to support local and regional reliability." <u>Id.</u> at 40. Overall, it provides Evergy support to maintain a more efficient, reliable, and competitive energy system for all its customers, in accordance with Section 393.130.7. <u>See</u> B. Lutz Surrebuttal at 38.

c. The Renewable Energy Program Rider?

<u>EVERGY'S POSITION</u>: Yes. The program would provide Missouri customers with a transparent and equitable opportunity to purchase unbundled renewable energy credits at a fixed price adjusted annually. <u>See</u> B. Lutz Direct at 43. The revenues collected from the sale of the renewable attributes would be recognized in associated utilities' jurisdictional FACs for the benefit of all respective customers. <u>Id.</u> <u>See</u> B. Lutz Surrebuttal at 40.

d. The Green Solution Connections Rider?

<u>EVERGY'S POSITION</u>: Yes. The Green Solution Connections Rider was approved in the Commission's Order Approving Stipulation and Agreement and Granting CCNs, <u>In re EMW Solar CCNs</u>, No. EA-2024-0292 (Aug. 9, 2025).

e. The Alternative Energy Credits Rider?

<u>EVERGY'S POSITION</u>: Yes. The Alternative Energy Credits Rider permits all commercial and industrial customers to access carbon-free attributes to include the carbon-free credits in their own clean energy portfolios, to support their sustainability and decarbonization goals. <u>See</u> B. Lutz Direct at 52. The "revenue collected from the program will be treated for the benefit of all jurisdictional customers by crediting those revenues through the Company's FAC mechanism." Id. at 53. This ensures that LLPS customers contribute fairly to system costs and that all customers benefit, fully aligning with Section 393.130.7.

f. The Clean Energy Choice Rider?

EVERGY'S POSITION: Yes. The Clean Energy Choice Rider permits LLPS customers to be involved in Evergy's integrated resource planning ("IRP") process to influence the Company's future generation asset builds in accordance with the customer's and Evergy's sustainability goals. See B. Lutz Surrebuttal at 37. The rider's provisions ensure that a customer's involvement in Evergy's IRP is compliant with 20 CSR 4240-22.060 and Senate Bill 4, Section 393.1900, as well as guaranteeing that the customer bears the cost differential and acceleration costs necessary for its proposed alternative resource. Id. at 36-37. "[T]o 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." Id. at 37.

U. Should the Commission order a community benefits program as described in the testimony of Dr. Geoff Marke?

EVERGY'S POSITION: No. Evergy opposes a community benefits program as "there is [not] a pressing risk from large load customers that should be addressed in this proceeding." See B. Lutz Surrebuttal at 23.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed, mailed postage-prepaid, or filed and served via EFIS, to the parties in this above-captioned proceeding, this 22nd day of September 2025.

/s/ Roger W. Steiner

Attorney for Evergy Missouri Metro and Evergy Missouri West