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Issue(s): Crossroads
Witness/Type of Exhibit: Mantle/Supplemental Rebuttal
Sponsoring Party: Public Counsel
Case No.: ER-2024-0189

SUPPLEMENTAL REBUTTAL

TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

EVERGY MISSOURI WEST, INC. D/B/A
EVERGY MISSOURI WEST

CASE NO. ER-2024-0189

October 15, 2025

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REBUTTAL TO SUPPLEMENTAL DIRECT TESTIMONY

OF

LENA M. MANTLE

EVERGY MISSOURI WEST

FILE NO. ER-2024-0189

INTRODUCTION

Q. What is your name?

A. Lena M. Mantle.

Q. Are you the same Lena M. Mantle who filed direct, rebuttal, surrebuttal, and supplemental direct testimony in this case?

A. Yes, I am.

Q. Are you the same Lena M. Mantle that wrote sections of the Staff Report in Case No. ER-2010-0356 attached as schedule GRM-1 to the supplemental direct testimony of Missouri Energy Consumers Group witness Greg Meyer?

A. Yes, I am.

Q. To which witnesses' supplemental direct testimony are you responding?

A. I am responding to the recommendations in the supplemental direct testimonies of Staff witness Keith Majors and Missouri Energy Consumers Group ("MECG") witness Greg Meyer. I also respond to the supplemental direct testimonies of Evergy West witnesses Kevin Gunn and Darrin Ives. Because they make similar arguments in their testimonies, in this testimony I respond by topic not by witness.

Q. If you do not respond to something in the other parties' testimonies, does this mean that you agree with the witnesses' testimony?

A. No, it does not.

Response to Staff witness Keith Majors and MCEG witness Greg Meyer

Q. Do you, Mr. Majors of Staff, and Mr. Meyer for MCEG all make a similar recommendation to the Commission?

A. Yes. Mr. Majors,¹ Mr. Meyer² and I³ all agree that the Commission should continue the current ratemaking treatment of Crossroad Energy Center's ("Crossroads") transmission costs, i.e. no recovery of transmission costs from customers.

Q. Does Mr. Majors make any other recommendations?

A. Yes. Mr. Majors recommends that the Commission, in this case, find prudent an Evergy West decision before the decision has been made. Mr. Majors recommends that the Commission find that it is prudent for Evergy West to renew the transmission agreement that does not end until 2029.⁴

Q. Is Mr. Majors basing his recommendations on the terms of the renewal?

A. I do not think so. He makes no mention of the terms of the renewal in his testimony.

Q. Do you agree with Mr. Major's recommendation?

A. No. It is my recommendation that the Commission affirm its previous decision that while the Crossroads plant has value, the fact that it is in Mississippi adds no value and no costs associated with the transmission cost of energy from Crossroads should be recovered from customers.

I also have a general concern regarding a blanket prudence finding for a contract for which no information is known. Although the contents of the contract would make no difference to customers if the transmission costs are not passed on to customers, the extension of the transmission contract should not be pre-

¹ Majors supplemental direct, p. 4.

² Meyer supplemental direct, p. 12.

³ Mantle supplemental direct, p. 2

⁴ Supplemental direct testimony of Keith Majors, p. 4

1 determined prudent by the Commission. By declaring a decision prudent before it
2 is even made, the Commission takes away incentive for Evergy West to negotiate
3 for the best value.

4 **Q. Did Mr. Meyers make a similar recommendation that the Commission find it**
5 **prudent for Evergy West to extend the transmission contract?**

6 A. No. However, Mr. Meyer states that he believes that Evergy West should negotiate
7 a new 20-year point-to-point transmission contract.

8 **Q. Do you agree with Mr. Meyer that Evergy West should negotiate a new 20-**
9 **year contract?**

10 A. Yes. For Evergy West's customers to get the full value of this plant that was foisted
11 on them and that they have been paying for, and providing a return on, for 14 years,
12 Evergy West needs to acquire the transmission necessary for it to be considered
13 capacity by the Southwest Power Pool ("SPP")

14 This capacity and generation resource has a long and twisted past.⁵ It was
15 not built to meet the needs of Evergy West's customers. It was a resource that
16 neither Aquila Merchant nor Great Plains Energy, Inc. ("Great Plains"), Evergy,
17 Inc.'s ("Evergy")⁶ predecessor, could sell due to its site in the state of Mississippi
18 and transmission constraints. Evergy made the decision to make Crossroads a
19 generation resource of Evergy West so it would no longer be a stranded asset of
20 Evergy and so Evergy could receive some cost recovery from Evergy West's
21 captive customers.

22 The Commission approved Crossroads as a capacity and generation
23 resource for Evergy West under certain conditions realizing that, if it had been built
24 to meet the needs of Evergy West's customers, it would have been built in Missouri,

⁵ For the details of this past, see the schedules attached to Mr. Meyer's supplemental direct and Mr. Major's supplemental direct.

⁶ Evergy, Inc. is the parent company of Evergy West.

1 closer to Evergy West's load. The Commission allowed Evergy West to recover
2 the cost of the plant from customers but not the transmission costs incurred since
3 the plant was not in western Missouri.

4 This was a resource with an expected life of 35 years when the Commission
5 approved cost recovery from Evergy West's customers. There was no testimony
6 provided by Evergy West that this resource would only be available for Evergy
7 West's customers through the end of the transmission contract in 2029. Evergy
8 West had evaluated including Crossroads in its resource planning process in those
9 cases and determined that it was the least cost long-term option for additional
10 resources for Evergy West with a plant life that extended beyond the resource
11 planning analysis horizon. The Commission accepted Evergy West's analysis in
12 those cases. Crossroads was placed into Evergy West's resource portfolio with the
13 expectation that it would provide capacity for Evergy West until 2047.⁷

14 Therefore, Evergy West should provide transmission so that it can continue
15 to be a capacity and energy resource for its customers.

16 **Q. Do you agree with Mr. Majors⁸ and Mr. Meyer⁹ that a sharing of the**
17 **transmission costs is an alternative that the Commission should consider?**

18 A. No. The Commission orders that disallowed transmission costs do not limit
19 imprudence to a dollar amount, to a certain transmission contract, or contract terms.
20 As the Western District Court found:

21 It was not the *amount* of Crossroads transmission costs that the PSC
22 disallowed; it was the concept of requiring ratepayers to pay for any
23 Crossroads transmission costs in the first place.¹⁰

⁷ The removal of Crossroads was not considered in the resource planning of Evergy West until the filing of the 2024 Resource Plan, Case No. EO-2024-0154.

⁸ P. 4.

⁹ P. 13.

¹⁰ *State ex rel. KCP&L Greater Missouri Operations Co. v. Mo. PSC*, 408 S.W. 3d 153 (Mo App. W.D. 2013). A copy of this Opinion is attached as Schedule LMM-R-2.

1 In this case, Evergy West is asking that, due to changes in the industry, the
2 Commission require customers to share the impact. There has been no change in
3 the service provided that justifies sharing the transmission costs.

4 **Q. Does Mr. Majors make any additional recommendations?**

5 A. Yes. Mr. Majors testifies that if the transmission contract is not renewed, any
6 capacity that replaces it be reflected in cost-of-service in further rate cases at a value
7 no greater than the current gross plant value of Crossroads as found by the
8 Commission in Case Nos. ER-2010-0356 and ER-2012-0175.¹¹

9 **Q. Do you agree with this recommendation of Mr. Majors?**

10 A. I agree that this is how any increased costs should be handled. However, my
11 proposal is that the Commission merely state that this is a real possibility that the
12 management of Evergy West should include in its analysis of whether or not to
13 renew the transmission contract.

14 Handling the uncertainties of Commission decisions is one of the risks that
15 Evergy West management should consider in making its determinations. The
16 Commission should not now start advising Evergy West management regarding its
17 decisions.

18 **Q. Would you summarize your recommendation?**

19 A. In this case, the Commission should affirm the Commission's decisions in Case
20 Nos. ER-2010-0356 and ER-2012-0175 that it was prudent to add capacity but not
21 prudent to add it in Mississippi so therefore the costs of transmission cannot be
22 passed on to customers. However, to provide guidance to Evergy West's decisions
23 regarding its future direction, the Commission should let Evergy West know that
24 this Commission would consider only including costs only up to the cost customers

¹¹ P. 4.

1 would be paying for the Crossroads generation plant for whatever resources Evergy
2 West acquires to replace it until Evergy West's current probable retirement date of
3 2047 for the plant. At that time, Evergy West could begin to recover the book value
4 of whatever generation plant it acquired to replace Crossroads capacity.

5 **Commission Found Transmission Cost Imprudent**

6 **Q. Mr. Gunn states that the Commission "denied recovery of EMW's costs**
7 **incurred under the four FERC-approved firm point-to-point transmission**
8 **service agreements."¹² Is this an accurate representation of the Commission's**
9 **orders?**

10 **A.** No. The Commission's orders were not specific to any agreements. The
11 Commission found that "it is not just and reasonable for [] customers to pay the
12 excessive cost of transmission from Mississippi"¹³ and "that including the
13 Crossroads transmission costs does not support safe and adequate service at just
14 and reasonable rates."¹⁴ Its orders were very general and yet very specific – it was
15 not just and reasonable for Evergy West customers to pay transmission costs
16 because this plant is in Mississippi. In Case No. ER-2010-0356, the Commission
17 found:

18 246. This higher transmission cost is an ongoing cost that will be
19 paid every year that Crossroads is operating to provide electricity to
20 customers located in and about Kansas City, Missouri. GMO does
21 not incur any transmission costs for its other production facilities
22 that are located in its MPS district that are used to serve its native
23 load customers in that district. This ongoing transmission cost GMO
24 incurs for Crossroads is a cost that it does not incur for South Harper,
25 and is the cause of one of the biggest differences in the on-going
26 operating costs between the two facilities.

¹² P. 3.

¹³ Case No. ER-2010-0356. *Report and Order*, issue date May 4, 2011, p. 100.

¹⁴ Case No. ER-2012-0175. *Report and Order*, issue date January 9, 2013, p. 59.

1 247. *It is not just and reasonable to require ratepayers to pay for*
2 *the added transmission costs of electricity generated so far away in*
3 *a transmission constricted location.* Thus, the Commission will
4 exclude the excessive transmission costs from recovery in rates.¹⁵

5 (Emphasis added)

6 And as a conclusion of law:

7 29. In addition to the valuation, the Commission concludes that
8 *but for the location of Crossroads* customers would not have to pay
9 the excessive cost of transmission. Therefore, transmission costs
10 from the Crossroads facility, including any related to OSS shall be
11 disallowed from expenses in rates and therefore also not recoverable
12 through GMO's fuel adjustment clause ("FAC").¹⁶

13 (Emphasis added)

14 The Commission did not base its decision on the cost of the transmission but rather
15 on the fact that the Crossroads plant was located in Mississippi, and it was neither
16 just nor reasonable for a plant intended to serve customers in western Missouri to
17 be sited over 500 miles away in Mississippi.

18 **Q. Did the Commission use the word "imprudent" in its orders regarding**
19 **Crossroads transmission costs?**

20 A. No, it did not. However, if a cost is not included in cost-of-service because it is not
21 just and reasonable and does not support safe and adequate service then it is
22 imprudent. It is therefore reasonable that Everygy Witness Ives says in his
23 supplemental direct testimony that "Commission precedents view Crossroads
24 transmission costs as imprudent."¹⁷ The Western District Appeals Court found:

25 Because the PSC made the decision on the recoverability of
26 transmission costs based on a prudence analysis that considered

¹⁵ Case No. ER-2010-0356. *Report and Order*, issue date May 4, 2011, p. 87.

¹⁶ *Id.*, p. 99.

¹⁷ P. 3.

both the prudence of including the transmission costs and the resulting harm to ratepayers if such costs were included, the PSC's decision denying recovery was lawful. We also conclude that the PSC's decision to deny KCP&L-GMO¹⁸ recovery of transmission costs was reasonable.¹⁹

(footnote added)

Q. Do you agree with Mr. Ives that it would be imprudent for EMW to renew the transmission agreements unless the Commission allows these transmission costs to be recovered in rates?²⁰

A. No. Evergy West needs to consider the potential cost impact on shareholders if the Commission were to order a disallowance, in part or in whole, of the cost of capacity acquired to replace Crossroads as well as the energy Evergy West would need to acquire up until the end of the life of the Crossroads plant. If the cost of such a disallowance were to outweigh the cost of paying transmission costs, then paying the transmission costs would be the more prudent course of action for Evergy West.

Changes in Circumstances Does Not Make An Imprudent Decision Prudent

Q. Do you agree with Mr. Gunn²¹ and Mr. Ives²² that changes in the industry since the Commission issued its orders disallowing the recovery of transmission costs now justify the recovery of transmission costs from customers?

A. No. In *State ex rel. Associated Natural Gas Co. v. Public Service Com'n of State of Mo.*, the Western District Court of Appeals stated the Commission defined its prudence standard as follows:

¹⁸ Evergy West's predecessor KCP&L Greater Missouri Operations Company

¹⁹ *State ex rel. KCP&L Greater Missouri Operations Co. v. Mo. PSC*, 408 S.W. 3d 153 (Mo App. W.D. 2013).

²⁰ P. 3.

²¹ P. 8 – 9.

²² P. 7.

1 [A] utility's costs are presumed to be prudently incurred... However,
2 the presumption does not survive “a showing of inefficiency or
3 improvidence... [W]here some other participant in the proceeding
4 creates a serious doubt as to the prudence of expenditure, then the
5 applicant has the burden of dispelling these doubts and proving the
6 questioned expenditure to have been prudent.

7 In the same case, **the PSC noted that this test of prudence should**
8 **not be based upon hindsight**, but upon a reasonableness standard:
9 [T]he company's conduct should be judged by asking whether the
10 conduct was reasonable at the time, under all the circumstances,
11 considering that the company had to solve its problem prospectively
12 rather than in reliance on hindsight. In effect, our responsibility is to
13 determine how reasonable people would have performed the tasks
14 that confronted the company.

15 954 S.W.2d 520, 528-29 (Mo. App. W.D., 1997) (citations omitted).

16 What Mr. Gunn and Mr. Ives are asking the Commission to do is, with the hindsight
17 knowledge of changes in the industry and the magnitude of increase in transmission
18 costs, overturn the Commission’s determination of imprudence and require
19 customers to pay what the Commission has twice previously determined was unjust
20 and unreasonable for customers to pay.

21 When it acquired Aquila, Inc., Evergy acquired a stranded generation asset
22 in Mississippi that Aquila had tried to sell but no one was interested in buying.
23 Evergy also acquired an electric utility in Missouri that needed capacity. It had a
24 choice: 1) build additional generation in Missouri with no transmission costs and
25 continue to try to sell the stranded asset, or 2) transfer the stranded asset to Evergy
26 West and take the risk that the Commission would not allow full recovery. Evergy
27 made the decision to transfer the stranded asset and incur transmission costs.
28 Twice, in 2011 and in 2013, the Commission made a determination that it was
29 neither just nor reasonable to for customers to pay the cost of transmission that
30 enable Crossroads to be a generation resource for Evergy West.

1 The passage of time and the increase in transmission cost does not negate
2 the Commission's finding that it is imprudent for customers to pay transmission
3 costs. If the exact same choice that was before Evergy West today, meaning the
4 choice between a new build in Missouri and acquiring an equivalently priced plant
5 in Mississippi, then the answer would be the same: the plant itself provides value,
6 but the location of the plant requires excessive transmission costs. This is why
7 generation plants are built close to the load they serve.

8 **Customers Should Not Pay More Based on the Value of Crossroads Capacity**

9 **Q. Do you agree with Mr. Ives that the Crossroads plant brings value to**
10 **customers?²³**

11 A. Yes. However, the question of whether Crossroads brings value is not relevant to
12 this case. The plant value is in rate base. Customers have been paying a return on
13 and of the value of the plant for more than 15 years. The real question at issue is
14 whether or not there is a benefit from the plant being located in Mississippi. In its
15 *Report and Order* in Case No. ER-2010-0356, the Commission found that the lower
16 gas prices at Crossroads were not enough of an added value to offset the
17 transmission costs.²⁴ While Evergy West witness Cody VandeVelde discusses this
18 benefit in his supplemental direct,²⁵ he does not provide any analysis that this
19 benefit is of any greater value than it was in Case No. ER-2010-0356 where the
20 Commission found that the value of fuel diversity did not offset a much lower
21 transmission cost.

22 All Evergy West generation resources bring value to its customers but none
23 of its other resources require additional transmission costs.

²³ P. 17.

²⁴ P. 86.

²⁵ P. 19 – 20.

1 **Q. Does the tightening of excess capacity in the SPP as described by Mr. Gunn²⁶**
2 **and Mr. Ives²⁷ increase the value of Crossroads to customers?**

3 A. No. Being in Mississippi does not provide any more value to the Crossroads plant
4 now than it did in 2011. Evergy West needed capacity in 2011 to meet its required
5 reserve margin just as it does now. Having enough capacity has been a running
6 problem for Evergy West and its predecessor KCP&L – Greater Missouri
7 Operations Company (“GMO”) and its predecessor Aquila, Inc. since the 1990’s.
8 Crossroads capacity is no more valuable to customers than Iatan 1 and 2, South
9 Harper combustion turbines, or the other thermal units that Evergy West owns.²⁸

10 **Q. Should customers be required to pay more for Crossroads because of the**
11 **tightening of capacity in the SPP?**

12 A. No. An applicable analogy would be that a bank should increase your mortgage
13 payment because, if someone else purchased your home they would have to pay a
14 higher amount. Evergy West would not come to the Commission asking for
15 addition monies for its Iatan plants or its other thermal units just because the value
16 of these units have increased due to constrained capacity in the SPP. The
17 Commission should not use this as a justification to increase the amount that
18 customers are paying for Crossroads.

19 **Resource Planning Study Results are Irrelevant**

20 **Q. Do you agree with Mr. Ives that the cost of customers paying for transmission**
21 **should be compared to other resource alternatives?²⁹**

22 A. No. Including costs of transmission in customer rates is the wrong base line for a
23 comparison. Crossroads was included in Evergy West’s resource planning analysis

²⁶ P. 8.

²⁷ P. 7.

²⁸ Thermal units provide greater capacity because of their dispatchability.

²⁹ P. 10.

1 as a resource throughout the planning horizon since it was included in rates, and it
2 was excluded in only one of the alternative resource plans in its 2024 Integrate
3 Resource Plan filing. The replacement of Crossroads was only analyzed, not
4 because it is not a good, long-term resource for customers, but to provide a
5 justification for moving cost recovery from shareholder to customers. This
6 alternative resource plan is being used to put a measure of cost to the threat that
7 Evergy West is making – include transmission costs or it will not renew the contract
8 resulting in even greater costs to customers.

9 The Commission should not give in to this threat by issuing an order that
10 transmission costs will be included in the next rate case.³⁰ However, the
11 Commission should provide guidance to Evergy West that, if it decides to not renew
12 the transmission contracts and instead acquires capacity in a manner that is more
13 costly than Crossroads, then it is likely that the Commission will disallow the costs
14 above what customers would have paid for Crossroads.

15 **Costs and Benefits of Crossroads**

16 **Q. Mr. Ives provides the transmission amounts that Evergy West has paid.³¹ Did**
17 **he provide any benefits from customers paying for the Crossroads plant since**
18 **2011?**

19 **A.** No, he did not.

³⁰ I am not an attorney, but I am aware that this Commission cannot bind future Commissions.

³¹ P. 6.

1 **Q. Are you aware of any benefits to Evergy West shareholder due to cost recovery**
2 **of Crossroads from its customers?**

3 A. Yes. Since the Commission put Crossroads in Evergy West's rates, customers have
4 paid more than \$22.2 million³² for the plant and paid a return of over \$48 million
5 to Evergy West.

6 **Q. Have there been any benefits to Evergy West's parent company, Evergy, from**
7 **Crossroads being placed into the cost-of-service of Evergy West?**

8 A. Yes. When the Commission allowed Crossroads recovery in the cost-of-service of
9 Evergy West, it was no longer a stranded unit; Crossroads was removed from the
10 books of Evergy. In addition, because Evergy West was able to use Crossroads as
11 capacity for SPP, Evergy did not have to expend capital to build additional
12 generation.

13 **The Threat**

14 **Q. What do Mr. Gunn and Mr. Ives say will happen if the Commission, in this**
15 **case, does not make a determination that Crossroads transmission costs will**
16 **be included in Evergy West's next general rate increase revenue requirement?**

17 A. Both Mr. Gunn and Mr. Ives state that Evergy West will not renew the transmission
18 contract resulting in considerable increased cost to customers through either
19 additional capacity contracts, the cost of building additional generation, or paying
20 a penalty to SPP for not meeting its resource adequacy requirements.

³² This is the difference between Staff's current accumulated depreciation reserve and the May 4, 2011, depreciation reserve. It does not account for assets at Crossroads that have been paid for and retired.

1 **Q. Could Evergy West build an additional 300 MW capacity plant before the**
2 **transmission contract ends?**

3 A. I do not believe that is possible. Currently Evergy West is building a very large
4 combustion turbine in northwest Missouri and will be part owner of two different
5 combined cycle plants in Kansas.

6 Even if Evergy was financially able to expend the capital necessary to build
7 300 MW of more generation to replace Crossroads quickly, I do not believe that it
8 can physically be done by 2024 due to the current demand for generation across the
9 SPP and the nation.

10 **Q. How do you recommend the Commission respond to Evergy West's threat?**

11 A. The Commission should affirm its decisions that while the Crossroads plant has
12 value, the fact that it is in Mississippi adds no value. Therefore, transmission costs
13 should not be recovered from Evergy West's customers. The Commission should
14 reinforce to Evergy West that Crossroads is a prudent resource and to replace it
15 with any other resources that are more costly would be imprudent regardless of
16 whether or not the Commission allows Evergy West to recover transmission costs.

17 **Q. Does this conclude your rebuttal testimony?**

18 A. Yes.

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

STATE OF MISSOURI)
) SS
COUNTY OF COLE)

1. My name is Lena M Mantle. I am a Senior Analyst for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my supplemental rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Subscribed and sworn to me this 15th day of October 2025.



My Commission expires August 8, 2027.