**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	))))	File No. ER-2024-0189

EVERGY MISSOURI WEST'S STATEMENT OF POSITIONS

Evergy Missouri West, Inc. d/b/a Evergy Missouri West[1] ("EMW", "Evergy", or the "Company"), pursuant to the Unanimous Stipulation and Agreement[2] issued October 2, 2024 and the Missouri Public Service Commission's (the "Commission") Order Setting Procedural Schedule ("Order") issued August 27, 2025, respectfully submits its *Statement of Positions*, as follows:

ISSUES[3]

5. Crossroads Energy Center[4]

C. In this case should the Commission determine it is prudent for Evergy to renew its firm point-to-point transmission service agreement with Entergy Corp. before it expires in February 2029?

EMW POSITION: Yes. The Commission should determine it is prudent for Evergy to renew its firm point-to-point transmission service agreement ("TSA") with Entergy Services, Inc. ("Entergy"), which will enable the Company to continue to provide the capacity and energy from the 300 megawatt ("MW") simple-cycle, gas-fired Crossroads Energy Center ("Crossroads") in Clarksdale, Mississippi to EMW's Missouri customers. See K. Gunn Direct at 7; D. Ives Direct at

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[1] EMW was formerly known as KCP&L Greater Missouri Operations Company ("GMO").

[2] Unanimous Stip. & Agreement at 2-4, No. ER-2024-0189 (Oct. 2, 2024) (the "Agreement").

[3] 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.

[4] Issue 5. of the Agreement states as follows: "If a stipulation cannot be reached, Issue 5.C. and any other issues related to the relocation or sale of Crossroads will be heard at a separate hearing in this docket no later than November 3, 2025. … At the time of such hearing the Signatories will not be limited in presenting their arguments on the Crossroads issues." See Agreement at ¶ 5.f.

6.[5] In doing so, and including the transmission expense in future rates, would be consistent with the 2007 request for proposal ("RFP") which "showed that Crossroads would result in the lowest 20-year net present value of revenue requirements ('NVPRR')," along with the Company's 2024 Triennial integrated resource plan ("IRP"), and 2025 Annual IRP Update. See C. VandeVelde Direct at 4 (Sept. 15, 2025).

Contrary to the postures of Staff of the Commission ("Staff"), the Office of the Public Counsel ("OPC"), and Missouri Energy Consumer Group ("MECG"), Evergy is not before the Commission to relitigate past orders regarding Crossroads and/or the facts and circumstances existing at the time thereof.[6] Indeed, as the Commission observed in its Crossroads II Report and Order, it must determine "how long the Commission will visit the sins of the predecessor on the successor," and that now is the time for that practice to cease.[7] See D. Ives Rebuttal at 2. However, today we are at an entirely new inflection point: the Crossroads TSA is set to expire in February 2029. If it is not renewed, "EMW will lose Crossroads' 300 MW of Southwest Power Pool ("SPP") accredited capacity and its accompanying energy." See K. Gunn Direct at 4; D. Ives Direct at 3; C. VandeVelde Direct at 3.

For the reasons set forth in EMW's pre-filed testimony and herein, the Commission should issue an order in this case regarding Crossroads, as follows:

- EMW requests the Commission to determine the most prudent path forward as to Crossroads.

[5] All references are to the 2025 direct and rebuttal testimony filed September 15, 2025, and October 6, 2025, respectively, unless stated otherwise.

[6] Report & Order, 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, 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").

[7] See Crossroads II at 57-59.

- Acknowledgement and assurance that the Commission will apply the established prudence standard regarding the full costs of service pertaining to Crossroads in future rate proceedings.
- Although EMW is not requesting rate adjustments in this proceeding pertaining to Crossroads, the Company reserves the right to request rate adjustments in future rate proceedings. The Commission should not prospectively apply any penalty, disallowance, or asset replacement value cap.

Changes in Facts and Circumstances Regarding Crossroads Since 2011 and 2013

As discussed in Evergy's direct and rebuttal testimony, there has been a fundamental change in facts and circumstances regarding Crossroads as compared to when the Commission issued its Report and Orders in Crossroads I and Crossroads II in 2011 and 2013, respectively. See K. Gunn Direct at 7-9. At the time EMW and Entergy signed the 20-year TSA in 2009, and when the Commission issued its Report and Orders in Crossroads I and Crossroads II, the annual transmission expense was approximately $4.7 million. See K. Gunn Direct at 6-7. However, in December 2013, Entergy integrated its infrastructure into the Midcontinent Independent System Operator ("MISO"), the regional transmission organization ("RTO") adjacent to SPP. See C. VandeVelde Direct at 8; K. Gunn Direct at 7-8. At the end of 2014, the TSA expense significantly increased to approximately $12 million, and has, every year except one, been at double-digit million-dollar levels, reaching a high of $18.1 million in 2024. This trend is expected to continue. See D. Ives Direct at 6.

Additionally, the United States energy market has drastically changed since 2011 and 2013. See K. Gunn Direct at 8-9. Until recently, "demand for electricity had been relatively flat since the early 2000s." Id. However, "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," particularly because of an influx of large load customers. See K. Gunn Direct at 8-9 (citing Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 10 (Summer 2024), C. VandeVelde Surrebuttal, Sched. CV-2). Moreover, in SPP there has been a reduction of dispatchable capacity, an increase in renewable energy generation assets, significant congestion in the SPP interconnection queue, an increase in extreme summer and winter weather events that create significant risk to the electrical grid, and an increase in SPP's planning reserve margin for both summer and winter beginning in 2026. See K. Gunn Direct at 8-9; D. Ives Rebuttal at 17-18. Collectively, these developments have confirmed that Crossroads' present capacity and energy value to EMW and its customers as materially greater than what could reasonably have been contemplated in 2011 and 2013, even with increasing transmission costs.

EMW's Long-Term Resource Planning

As discussed by Evergy witness Cody VandeVelde, the Company's 2024 Triennial IRP and 2025 Annual IRP Update have reaffirmed EMW's 2007 RFP, which shows that the inclusion of Crossroads in EMW's portfolio results in the lowest 20-year NPVRR. See C. VandeVelde Direct at 4, 11-13; K. Gunn Direct at 11-17. Based on the Company's IRPs, along with Black & Veatch's Crossroads Relocation Study and other considerations, EMW has determined that the most prudent option with the lowest NPVRR for EMW and its customers is for Crossroads to remain in Mississippi and for "customers to pay for the current recoverable costs, plus the MISO transmission expense at a 4.2% Compound Annual Growth Rate ("CAGR") (equivalent to 2014-2024 CAGR)." See C. VandeVelde Direct at 14. The NPVRR for Crossroads to remain in

Mississippi and include the transmission expense is $343,401,000, which equates to a levelized cost of capacity ("LCOC") per kilowatt month of $11.16/kW-mo. Id.

EMW compared this option with two other alternatives: (1) selling Crossroads and building a facility in Evergy's SPP service territory (20-year NPVRR equal to $620,559,000 and a LCOC of $19.11/kW-mo), or (2) relocating the current Crossroads facility to SPP (20-year NPVRR equal to $525,893,000 and a LCOC $15.26/kW-mo).[8] Id. Regarding rate impacts to customers, allowing Crossroads to remain in Mississippi while including the transmission expense in rates would only increase rates by an estimated $0.002/kWh when compared to $0.006-$0.008/kWh for the sell-and-build-new or the relocation options. See K. Gunn Direct at 11. Further, when comparing the value to replace Crossroads, Black & Veatch determined that replacing Crossroads with four General Electric 7E.03 turbines would be $668,250,000 or $2,228/kW. Id. at 15. Given this, Mr. Majors' recommendation that if the Commission determines renewal of the transmission service agreements beyond February 2029 is imprudent, the cost of the "replacement of Crossroads capacity" ($668,250,000) should be included in rates "at a value no greater than the current gross plant value of Crossroads" ($29,000,000),[9] is not only impractical but a patently unreasonable and confiscatory result. See D. Ives Rebuttal at 13.

Crossroads' Geographic Diversity

Notwithstanding the Commission's analysis regarding the disallowance of Crossroads' transmission expense in Crossroads I under completely different facts, at this time it is just and reasonable for EMW customers to pay the cost of transmission from Mississippi because of the distinct, quantifiable benefits Crossroads provides to EMW's customers due to being geographically located outside of Missouri's service territory.

[8] Based on pre-filed testimony in this case, it appears no party is advocating for a relocation of Crossroads.
[9] OPC agrees "that this is how any increased costs should be handled." See L. Mantle Rebuttal at 5.

Crossroads' location diversifies EMW's portfolio against localized SPP weather and energy price shocks. See K. Gunn Direct at 16; D. Ives Direct 10-12. Although the Crossroads facility is in Mississippi, it is only about 150 miles from the Southwestern Power Administration ("SPA") interface where Crossroads interconnects with SPP's system.[10] See C. VandeVelde Direct at 15-16; D. Ives Rebuttal at 16-17. As discussed by Mr. VandeVelde, because the facility is situated in Mississippi, Crossroads is supplied by the Texas Gas Transmission ("TGT") pipeline, which has resulted in cheaper all-in natural gas costs because of its lower gas transportation fees, no firm transportation costs, less congestion, and lower reservation fees than other pipelines that supply EMW's gas-fired plants in its Missouri service territory. See C. VandeVelde Direct at 16-17.

Furthermore, and different from the Commission's analysis in Crossroads II, Crossroads operates frequently and not only "half of the days of summer."[11] As discussed by Mr. VandeVelde and Mr. Ives, Crossroads was dispatched 730 times over the past five summers. See C. VandeVelde Direct at 6; D. Ives Rebuttal at 17. When dispatched, Crossroads had a 100% reliability rate and operated over 5,474 hours. Id. This reliability rate, coupled with Crossroads being physically located in Mississippi, permits EMW to hedge against severe weather events. For example, Crossroads was a reliable generation resource helping to offset high wholesale market energy costs during Winter Storm Uri in February 2021 and Winter Storm Elliot in December 2022. See C. VandeVelde Direct at 15.

Further, the SPP locational marginal prices for both day-ahead ($3.05/MWh) and real-time ($3.63/MWh) energy for Crossroads have been consistently higher than other EMW facilities in the Company's service territory. See C. VandeVelde Direct at 17; K. Gunn Direct at 11. The

[10] As a comparative point of reference, "Plum Point is about 90 miles" to its interconnection point in SPP. See D. Ives Rebuttal at 16 (citing C. VandeVelde Surrebuttal at 5 (Sep. 10, 2024)).
[11] See Crossroads II at 58.

disparity in marginal revenues benefits EMW's customers because revenues are flowed back through the fuel adjustment clause ("FAC") for each MW per hour that Crossroads generates and sells into SPP market at its locational price. See C. VandeVelde Direct at 17. This benefit is especially evident when the LMP exceeds the locational price EMW pays SPP for its load. Id.

Based on the evidence presented in pre-filed testimony, the Commission should recognize that Crossroads' geographic diversity provides real reliability and cost benefits to EMW's customers, and that recovering the associated transmission expense with Crossroads physically located in Mississippi is just, reasonable, and economically superior to the known alternatives.

The "Status Quo" Is Not An Option

Staff, OPC, and MECG have argued for slightly differing versions of just maintaining "the status quo," from "capping" the value of a replacement asset (should the Commission determine replacement of Crossroads is the prudent avenue), and/or requiring that EMW still bear some or all of the transmission expense (should the Commission determine that renewing the Crossroads TSA in 2029 is the prudent choice).[12] See, e.g., K. Majors Direct at 4; L. Mantle Direct at 2; G. Meyer Direct at 11-12; G. Meyer Rebuttal at 6, 8-9. However, these arguments are inherently illogical and unsupported, as well as improperly punitive, for the reasons stated above.

Additionally, the Commission is not bound by *stare decisis* and may depart from approaches it has taken in prior cases, based upon new facts, and changed conditions. Applying past Commission orders is neither required nor appropriate despite the insistence of Staff, OPC, and MECG. See Spire Missouri, Inc. v. PSC, 618 S.W.3d 225, 235 (Mo. 2021) ("[A]n

[12] It appears OPC's witness Marke suggested that somehow a consolidation of EMW and EMM would solve Crossroads, but has offered no further explanation, analysis, or evidence in support. See G. Marke Rebuttal at 5. No other party agrees with this assertion and especially given that EMW's/EMM's consolidation docket is separately underway, the Company is unable to (and thus does not) further address OPC's conclusory assertion. The Commission should disregard OPC's unsupported pre-filed testimony in this regard and should also not permit any effort to bolster it violation of its Rules. See 20 CSR 4240-2.130(10).

administrative agency is not bound by stare decisis, nor are PSC decisions binding precedent on" Missouri appellate courts.). Therefore, the Commission should determine whether it is prudent for EMW to renew its TSA beyond 2029 based on today's facts and options presented in pre-filed testimony, as illustrated below in Figure 1. See C. VandeVelde Direct at 6.

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.

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.

The Path Forward

While these three options are available, no party favors the relocation option, and replacing Crossroads with a new resource would be more costly than renewing the TSAs that would continue Crossroads' service. EMW and its shareholders have for almost two decades borne the "penalty" of Aquila's management decisions related to Crossroads. See D. Ives Rebuttal at 22. "What started as a $4.7 million transmission cost disallowance … has grown to an approximate $18.1 million annual transmission disallowance and accumulated to an approximately $155 million transmission disallowance, since the Commission's 2011 decision." See D. Ives Direct at 6.

This has materially affected EMW's credit and earnings. Both Standard and Poor's ("S&P") and Moody's Investor Service ("Moody's) have blamed EMW's credit pressures on the "lack of timely cost recovery," the "limited geographic … diversity" of its generation assets, and specifically to the lack of "requested recovery for transmission costs connected to the [Crossroads] natural gas plant, which have not been included … since a disallowance in 2011." See D. Ives Direct at 10-12. Because of this, EMW is consistently one of the lowest earning utilities in the country, failing consistently to earn its authorized return on equity ("ROE"). See D. Ives Direct at 8-9; Ives Rebuttal at 10-11. Therefore, the Commission must determine that EMW's renewal of its TSA beyond 2029 is prudent while permitting the Company to earn its authorized ROE, as this has been and continues to be the most prudent long-term resource planning option for EMW and its customers, per the Company's 2007 RFP, and 2024 and 2025 IRPs.

Contrary to other opposing parties' unsupported recommendations, EMW cannot be expected to renew a contract "that the Commission has repeatedly stated as 'imprudent'" without prudent cost recovery of the transmission expense. See K. Gunn Direct at 11. For Staff, OPC, and MECG to "assume that EMW, and its shareholders, will execute another round of transmission service agreements that the Commission has determined to be imprudent … is incomprehensible" and improper under Missouri's regulatory compact. See D. Ives Rebuttal at 8. The Commission should instead evaluate EMW's conduct to renew the TSA based on the well-established prudence standard, determining whether EMW's conduct (renewal of the TSA) was reasonable at the time (February 2029) under all circumstances. See D. Ives Rebuttal at 12-13.

Now is the time for the Commission to recognize the quantifiable benefits Crossroads provides EMW and its shareholders when located in Mississippi. EMW is not "threatening" the Commission but prospectively engaging in prudent decision making regarding an invaluable generation asset. See D. Ives Rebuttal at 23. Given this, the Company is before the Commission to openly assess its realistic path forward pertaining to Crossroads and its long-term generation resource planning. See C. VandeVelde Direct at 6. The only option moving forward that is least-cost to EMW and its ratepayers is for the Commission to determine it is prudent for EMW to renew its transmission service agreement with Entergy, to bring Crossroads' capacity and energy benefits from Mississippi to the Company's service territory in Missouri. Id. See D. Ives Rebuttal at 22; K. Gunn Direct at 17.

Accordingly, EMW requests that the Commission determine it is prudent for EMW to renew its four transmission service path agreements with Entergy in February 2029, including assurances that EMW will not be penalized or denied recovery of prudently incurred costs of service in future rates.

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 24th day of October 2025.

/s/ Roger W. Steiner

Attorney for Evergy Missouri West