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Testimony of Darrin Ives
Direct
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2024-0189

DIRECT TESTIMONY

OF

DARRIN R. IVES

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri

September 2025

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DIRECT TESTIMONY

OF

DARRIN R. IVES

Case No. ER-2024-0189

1 **I. INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri
4 64105.

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

6 A: I am employed by Evergy Metro, Inc. and serve as Senior Vice President – Regulatory and
7 Government Affairs for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“EMM”),
8 Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”), Evergy Metro, Inc.
9 d/b/a Evergy Kansas Metro (“EKM”), and Evergy Kansas Central, Inc. and Evergy South,
10 Inc., collectively d/b/a as Evergy Kansas Central (“EKC”) the operating utilities of Evergy,
11 Inc.

12 **Q: Who are you testifying for?**

13 A: I am testifying on behalf of Evergy Missouri West (“EMW” or “Company”).

14 **Q: What are your responsibilities?**

15 A: My responsibilities include oversight of the Company’s Regulatory Affairs Department, as
16 well as all aspects of regulatory activities including policy, cost of service, rate design,
17 revenue requirements, regulatory reporting, and tariff administration. As of October 1,
18 2025, I also officially have responsibility for state and federal legislative and government

1 policy and affair, customer support for our largest customers, economic development
2 activities and energy solutions and products.

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

4 A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business
5 Administration with majors in Accounting and Marketing. I received my Master of
6 Business Administration degree from the University of Missouri-Kansas City in 2001. I
7 am a Certified Public Accountant. From 1992 to 1996, I performed audit services for the
8 public accounting firm Coopers & Lybrand L.L.P. I was first employed by Kansas City
9 Power & Light in 1996 and held positions of progressive responsibility in Accounting
10 Services and was named Assistant Controller in 2007. I served as Assistant Controller until
11 I was named Senior Director – Regulatory Affairs in April 2011. I have held my position
12 as Vice President – Regulatory Affairs since August 2013 until I was recently named
13 Senior Vice President – Regulatory and Government Affairs.

14 **Q: Have you previously testified in a proceeding at the Missouri Public Service**
15 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**
16 **agency?**

17 A: Yes. I have previously testified at the Commission.

18 **Q: What is the purpose of your Direct testimony?**

19 A: The purpose of my Direct testimony is to describe the current state of affairs related to the
20 300 MW simple-cycle, gas-fired Crossroads Energy Center (“Crossroads”) generating
21 plant in Clarksdale, Mississippi, and discuss why it is prudent for EMW to renew its firm
22 point-to-point transmission service agreements which permit energy and capacity to benefit
23 the Company’s customers.

1 **Q: Please summarize your testimony.**

2 A: Circumstances have significantly changed since the Commission’s 2011 and 2013 report
3 and orders, where the Commission denied EMW’s request to recover the Crossroads’
4 transmission expense. Since that time, the annual transmission costs have risen
5 significantly from approximately \$4.7 million in 2011 and 2013, when the Commission
6 previously considered this issue, rising to approximately \$12 million in 2014 up to \$18.1
7 million in 2024. Recently, Southwest Power Pool (“SPP”) has increased the planning
8 reserve margins of its load-serving members like the Company while tightening accredited
9 capacity values for supply resources. These recent SPP actions serve to increase the
10 importance of Crossroads’ reliability benefits to EMW’s customers. However, EMW’s
11 inability to recover the Crossroads transmission expense has contributed to EMW’s
12 declining credit metrics and its overall financial challenges.

13 The transmission service agreements that bring the benefits of Crossroads to
14 EMW’s customers are set to expire in February 2029. Given that Commission precedents
15 view Crossroads transmission costs as imprudent and that they have been borne by the
16 Company’s shareholders since 2011, it would be imprudent for EMW to renew these
17 agreements unless the Commission evaluates the environment and circumstances currently
18 faced by EMW and allows these transmission costs to be recovered in rates. Therefore,
19 EMW requests that the Commission, pursuant to Section 5.C of the Stipulation in this
20 case^{1[00]} find that EMW’s recovery of the Crossroads transmission expense is appropriate
21 and that extending the transmission service agreements is prudent.

¹ See Unanimous Stipulation & Agreement at 2-4 (“Stipulation”).

1 **II. THE FINANCIAL EFFECT OF THE COMMISSION’S CROSSROADS ORDERS**

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

3 A: The Commission has consistently found that Crossroads, a 300-MW simple-cycle, gas
4 fired generation peaking plant located in Clarksdale, Mississippi, was a prudent
5 investment. The Commission first reached this conclusion in a 2011 Report & Order in a
6 general rate case filed by the Company when it was known as KCP&L Greater Missouri
7 Operations Co. (“GMO”).² However, the Commission has also consistently denied
8 recovery of the cost of the firm point-to-point transmission agreements under a FERC-
9 approved tariff to bring the benefits of Crossroads to EMW’s customers in western
10 Missouri. In 2011, when the Commission first denied the cost of the firm point-to-point
11 transmission agreements, this annual cost was approximately \$4.7 million.³

12 In the Company’s next general rate case the Commission again denied recovery
13 of the Crossroads transmission expense.⁴ Declining to discuss the “tortured history” of the
14 Company’s previous owner Aquila, Inc., the Commission stated that such a “full recital”
15 “only raises the issue of how long the Commission will visit the sins of the predecessor on
16 the successor. It is true that GMO is the same legal entity as Aquila, but it is also true that
17 management is different.”⁵

² Report & Order at 90-91, 99, In re KCP&L Greater Mo. Operations Co., No. ER-2010-0356 (May 4, 2011) (“Crossroads I”).

³ Id. at 86. 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. The actual Crossroads transmission expense in 2011 was approximately \$4.7 million.

⁴ Report & Order at 57-59, In re KCP&L Greater Mo. Operations Co., No. ER-2012-0175 (Jan. 9, 2013) (“Crossroads II”).

⁵ Id. at 57, Crossroads II.

1 **Q: Does the Company recommend that the Commission spend time reviewing the issue**
2 **of the valuation of Crossroads in rate base or other historical issues?**

3 A: No.

4 **Q: Is now the time for the Commission to stop visiting “the sins” of Aquila upon its**
5 **successor, Evergy Missouri West?**

6 A: Yes. The time has come for the Commission to take a fresh look at the benefits that
7 Crossroads provides as the energy industry in particular, and the American economy in
8 general, undergoes a transformation of historic proportions as older resources are retired,
9 replacement resources are constructed, weather events are more frequent and volatile, and
10 as electrification advances.

11 The goal of EMW and the Crossroads plant is to provide capacity and energy to
12 customers during winter and summer emergency events when adequate power supplies are
13 at risk. As the President of SPP observed: “Changes in supply, demand, and extreme
14 weather conditions are stressing the limits of energy reliability.” See Southwest Power
15 Pool, “Our Generational Challenge: A Reliable Future for Electricity” – A Message from
16 the CEO (Summer 2024).⁶ As the 2025 Annual Integrated Resource Plan (“IRP”) Update
17 shows, Crossroads is an important part of Evergy’s plans to reliably serve customers in the
18 future. As reflected by the analysis in the IRP, its total costs - inclusive of transmission and
19 regulatory costs - are predicted to be lower than building new replacement generation
20 within our territory. For example, the levelized cost of energy (“LCOE”) for Crossroads
21 remaining in Mississippi, and EMW permitted to include the transmission expense in rate

⁶ SPP’s “Our Generational Challenge” report is provided as Schedule 2 to the Direct testimony of Company witness Cody VandeVelde.

1 base, is \$11.61/kW per month when compared to \$19.11/kW per month for new build
2 replacement generation. But in order to include Crossroads in its portfolio going forward,
3 the Company requires certainty that its transmission costs will be recoverable as with the
4 costs for every other generation asset Evergy operates. Ancient history cannot provide
5 Evergy with that certainty.

6 What started as a \$4.7 million transmission cost disallowance to revenue
7 requirement funded by the Company's shareholders, has grown to an approximate \$18.1
8 million annual transmission disallowance and accumulated to an approximately \$155
9 million transmission disallowance, since the Commission's 2011 decision. Overall, with
10 the impact to date of approximately \$52 million from the rate base disallowance to an
11 aggregate disallowance of \$207 million represents a substantial shareholder funded
12 resource which has made it impossible for the Company to have a reasonable opportunity
13 to earn its allowed return on equity.

Annual Crossroads Disallowance	
Year	Transmission Disallowed (Millions)
2011 (half)	4.7
2012	3.7
2013	4.7
2014	12.0
2015	12.5
2016	5.8
2017	11.2
2018	10.7
2019	11.5
2020	12.6
2021	14.8
2022	17.0
2023	15.7
2024	18.1
<i>Total</i>	<i>155.0</i>

14

1 **Q: Is the Company asking the Commission to reconsider its two rate case orders issued**
2 **in Crossroads I in May 2011 and Crossroads II in January 2013 that disallowed the**
3 **Crossroads transmission cost?**

4 A: No. I only raise the disallowances incurred by shareholders to provide the magnitude of
5 payment shareholders have made to address the “sins of the predecessor on the successor”.
6 It is clear however, that the Commission’s 2011 and 2013 decisions were premised on a
7 far different set of facts than are present in this case. The issues reviewed by the
8 Commission in those proceedings were based on what was known no later than the end of
9 October 2012 when the evidentiary hearings concluded in the second case. This was before
10 Entergy Corp. (“Entergy”) became a Midcontinent Independent System Operator
11 (“MISO”) member and integrated its regulated utility transmission assets into the MISO
12 system in December 2013. At the end of 2014, the Crossroads transmission costs increased
13 to \$12.0 million from the prior year’s \$4.7 million. Every year since then, except for one
14 year, transmission expenses have been at double-digit million-dollar levels, reaching a high
15 of approximately \$18.1 million in 2024.

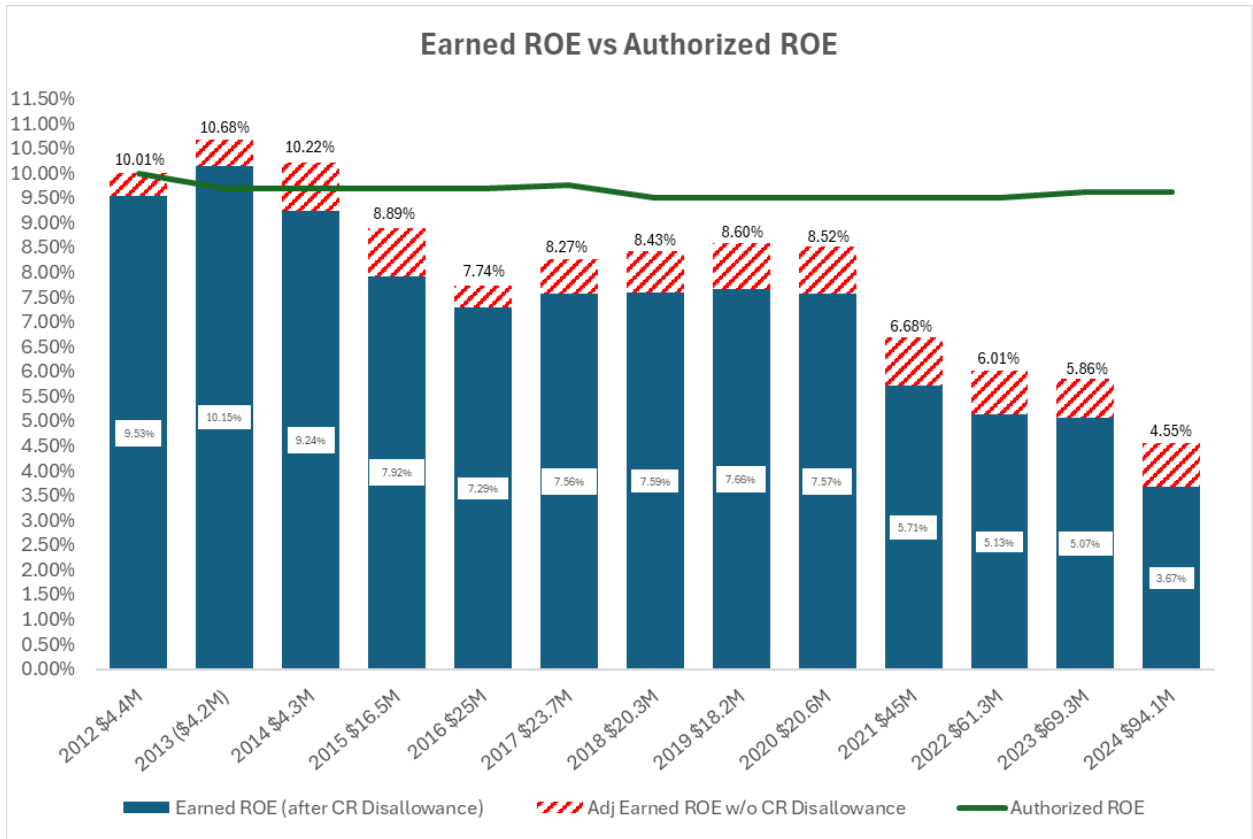
16 EMW, nor any party, had no reason to believe these transmission costs would rise
17 so significantly when Crossroads became a regulated asset of the Company in 2008 or
18 when Crossroads I and II were tried before the Commission. The Company also had no
19 reason to believe then that the electricity industry and the American economy would
20 undergo such a dramatic transformation. At a high level, the causes are many. Among the
21 major new challenges facing the Company are: (a) the retirement of coal and gas plants
22 which are reducing the region’s generating capacity to dangerously low levels; (b) the
23 increase in intermittent wind and solar resources that present new reliability challenges; (c)

1 the unexpected number of proposals for new generation and transmission assets that are
2 overwhelming the SPP interconnection queue and delaying the construction of new
3 resources; (d) the rise of extreme weather events that threaten human safety as winter and
4 summer peak demands continue to grow; (e) the increase in customer load from new data
5 centers, battery manufacturing, crypto-currency mining, and electrification that are causing
6 a significant growth in demand; (f) SPP's recent decisions to tighten supply resource
7 accreditation criteria; and (g) SPP's recent decision to increase its planning reserve margins
8 in 2026 to 16% in the summer and 36% in the winter.⁷

9 **Q: What has the impact of the substantial Crossroad's disallowances and resultant**
10 **annual under-recovery of costs been on the Company?**

11 A: EMW is consistently one of the lower earning utilities in the nation. Under the current
12 ratemaking treatment for Crossroads, EMW does not have any reasonable opportunity to
13 earn its allowed return on equity ("ROE"). As shown below, EMW persistently and
14 significantly underearns relative to its allowed ROE simply because rates are not set to
15 provide the Company with the opportunity to recover its cost of service, with a primary
16 driver being the transmission costs necessary to utilize the capacity from Crossroads.

⁷ See Cody VandeVelde Direct Testimony at 17 and Sched. 2 (Sept. 15, 2025), Southwest Power Pool, Inc., "Our Generational Challenge: A Reliable Future for Electricity" at 1-2, 4-17 (Summer 2014); SPP Media Release, "SPP board approves new planning reserve margins to protect against high winter, summer use" (Aug. 6, 2024).



Q: What are the penalties that Evergy shareholders have paid since 2014 and will pay if the Commission does not provide relief in this case?

A: From 2014 through 2024, shareholders have paid approximately \$142 million for the transmission service that benefits retail customers. Given the benefits that Crossroads provides and the uncertainties of the future, customers should now be required to pay for the necessary transmission service going forward. If the Commission does not allow for recovery of the transmission path costs, the above amount is estimated to grow by an additional \$75 million for the amounts paid by shareholders from 2025 to the expiration of the transmission service agreements in 2029. If Evergy shareholders are penalized for the transmission over the entirety of the transmission contract that was put in place to supply Crossroads generating capacity to EMW customers, that means the penalty will have reached approximately \$230 million since the 2011 original Commission order.

1 **Q: What will be the financial effect on the Company if the Commission fails to allow any**
2 **recovery of transmission costs?**

3 A: EMW’s inability to recover any of these costs will continue to have a negative effect on
4 the Company’s revenues and, as a result, the credit ratings issued by Standard and Poor’s
5 (“S&P”) and Moody’s Investor Service (“Moody’s”). The failure of the Company to
6 recover any Crossroads transmission costs will perpetuate the downward financial pressure
7 on EMW and the financial metrics that drive its credit ratings.

8 **Q: Has S&P issued a more recent report on EMW since your September 2024**
9 **Surrebuttal?**

10 A: Yes. On December 10, 2024 S&P Global Ratings issued a Ratings Score Snapshot of
11 EMW and its current credit rating of BBB+/Stable/A-2. See Sched. DRI-8. The S&P
12 report stated that EMW’s funds for operations (FFO) to debt, will remain in the 13%to 16%
13 range through 2026. Id. at 4. Accordingly, the report noted that EMW’s 2024 rate case
14 request, which granted the Company a rate increase of \$55 million, was “largely due to the
15 need to recover costs related to infrastructure investments aimed at improving system
16 reliability and customer service, as well as certain expenditures tied to the Dogwood and
17 Crossroads Energy Center natural gas plants.” Id.at 2.

18 Additionally, S&P stated that although it believes “the company’s regulatory
19 construct in Missouri provides avenues for cost recovery,” EMW’s “credit quality will
20 ultimately depend on timely rate recovery and funding access” See Sched. DRI-8 at
21 1-2. S&P’s statement regarding “timely rate recovery” clearly demonstrates the importance
22 of the Company recovering the Crossroads transmission expense.

1 S&P also noted that “unprecedented natural conditions, including weather events
2 have negatively influenced our rating analysis,” which is increased by “EMW’s limited
3 geographic ... diversity.” Id. at 4-5. Specifically, the report observed that EMW’s
4 “operations are limited to northwestern Missouri, leaving cash flow susceptible to local
5 weather and economic conditions.” Id. at 4.

6 S&P’s recognition of the value of geographically diverse generation is consistent
7 with EMW witness Mr. VandeVelde’s Crossroads direct testimony. As he explained,
8 Crossroads provides the Company with both geographic and fuel diversity beyond western
9 Missouri which provides a valuable hedge regarding local weather and economic
10 conditions in its service territory. Therefore, the Commission should permit EMW to
11 recover the Crossroads transmission expenses which will help the Company address cost
12 recovery and other financial issues discussed in S&P’s report.

13 **Q: Has EMW’s credit rating at Moody’s changed since your September 2024**
14 **Surrebuttal?**

15 A: Yes. In April 2025 Moody’s downgraded EMW’s issuer rating to Baa3 from Baa2, its
16 senior secured first mortgage bond rating to Baa1 from A3, and its short-term commercial
17 paper rating to Prime-3 from Prime-2.” See Sched. DRI-9 at 1, Moody’s Ratings Report
18 (Apr. 29, 2025). Moody’s also changed EMW’s outlook to Stable from Negative, advising
19 that the Company’s “regulatory environment will remain relatively consistent and that its
20 financial metrics will stabilize....” Id. at 2. See Sched. DRI-10 at 2, Moody’s Credit
21 Opinion (May 2, 2025). Moody’s stated in the Credit Opinion that the downgrade
22 “reflected persistently weak credit metrics that are not likely to improve due to elevated

1 capital expenditures, higher debt issuance, and the lack of timely cost recovery mechanisms
2 to expedite cash flow generation.” See Sched. DRI-10 at 1.

3 **Q: Did the Moody’s Credit Opinion mention Crossroads?**

4 A: Yes. In discussing issues related to “the recovery of reliability infrastructure investments
5 and costs,” Moody’s noted the Company’s “requested recovery for transmission costs
6 connected to the [Crossroads] natural gas plant, which have not been included in [its]
7 revenue requirement since a disallowance in 2011.” See Sched. DRI-10 at 4.

8 **Q: What do you conclude from these reports by S&P and Moody’s?**

9 A: The ratings downgrade from Moody’s has put EMW’s credit rating at Baa3, the lowest
10 investment grade credit rating of Moody’s. The downgrade to a Baa3 credit rating is
11 anticipated to not only increase the cost of raising new long-term debt capital, but it could
12 put additional pressure on EMW’s ability to access the low-cost short-term commercial
13 paper markets which will be primarily used to finance EMW’s construction work-in-
14 progress during the current elevated investment cycle. The reports from S&P and Moody’s
15 show why the Company is so troubled by its inability to recover its costs and to earn its
16 authorized return on equity, and the consistent failure of Staff and OPC to recognize these
17 facts. This inability to recover costs and achieve authorized returns is significantly
18 impacted by the disallowance of Crossroads transmission costs which today amounts to
19 approximately \$155 million, which the Company has had to fund with compounding
20 interest charges over time. As we noted throughout this proceeding, however, the Company
21 is not asking to recover historical costs; rather, the Company is focused on the recovery of
22 transmission costs going forward given the importance of a strong credit profile for EMW.

1 **Q: What are the causes of this situation?**

2 A: As S&P and Moody's recognized, EMW's historical problems with cost recovery were
3 heightened by the significant delay in securitizing the \$300 million debt caused by Winter
4 Storm Uri in February 2021.

5 However, EMW's Securitized Utility Tariff Rider became effective on February
6 26, 2024. And, as Moody's recognized, the issuance of the securitized utility tariff bonds
7 has begun to address the Company's short-term debt issues.

8 **Q: How does Crossroads fit into EMW's credit rating future?**

9 A: A decision by the Commission that allows EMW to charge customers for the costs that
10 allow the benefits of Crossroads to be brought to them would be the third major positive
11 development in 2025, following the favorable July 31, 2025 Commission orders granting
12 EMW Certificates of Convenience and Necessity for two solar facilities (EA-2024-0292)
13 and three natural gas generation assets (EA-2025-0075). S&P and Moody's have stated
14 that EMW's credit quality is dependent on timely rate recovery of operating expenses and
15 a return of investment on its capital expenditures. Crossroads is specifically mentioned in
16 the Moody's May 2025 Credit Report, Schedule DRI-10. Additionally, S&P notes that
17 EMW's general lack of geographic diversity outside of western Missouri is a negative
18 consideration for its credit rating analysis. Because Crossroads clearly mitigates that risk,
19 now is the time for the Commission to recognize that fact and allow the Company to
20 recover its transmission expenses.

1 **III. THE PATH FORWARD ON CROSSROADS**

2 **Q: What are the key findings and decisions that the Commission should make regarding**
3 **Crossroads?**

4 A: First, given that so much has changed since Crossroads became a regulated asset of the
5 Company in 2008 and since the Commission’s orders in Crossroads I and Crossroads II,
6 today’s circumstances require a new approach to valuing the capacity, energy, and
7 transmission expenses that are required to bring the benefits of Crossroads to EMW’s
8 customers. The Company’s 2024 Triennial IRP Report and 2025 Annual IRP Update
9 provide a roadmap to reach a solution that will preserve the Company’s ability to provide
10 customers with safe and reliable service. The IRPs are the most comprehensive assessment
11 of what EMW should do. The 2024 Triennial IRP Report found that maintaining
12 Crossroads in EMW’s generation portfolio, including *all* related costs, is the most
13 economical way to ensure that adequate capacity and energy are brought to the Company’s
14 customers. The alternatives that the 2024 Triennial IRP Report studied were all
15 significantly more expensive, with the next best solution (a new gas plant in EMW’s
16 service territory) projected to be over \$120 million more costly than keeping Crossroads in
17 EMW’s generation portfolio with all of its transmission costs.⁸

18 Second, given the starkly different facts that exist today, the Company requests that
19 the Commission acknowledge that the time has come to end the ban on Crossroads
20 transmission cost recovery. Commissioners recognized in 2013 that there would come a
21 time to determine “how long the Commission will visit the sins of the predecessor on the

⁸ EMW 2024 Triennial IRP, Volume 6 at 57-59, No. EO-2024-0154 (Apr. 1, 2024).

1 successor.”⁹ Given the far different risks that EMW and its customers face today, that time
2 is now. The capacity and energy benefits of Crossroads, located in MISO, are worth every
3 penny of the transmission costs charged under the firm point-to-point transmission service
4 agreements with Entergy that bring these benefits to Missouri for EMW’s customers in
5 SPP.

6 This is especially true as extreme summer and winter weather events are becoming
7 more common. It is also true that allowing EMW to recover these costs will permit the
8 Company to improve its financial position. This will enable it to maintain and potentially
9 improve its financial metrics and credit ratings, and to lower its borrowing costs. As
10 discussed by EMW witnesses Mr. VandeVelde and Mr. Gunn, the levelized cost of
11 capacity (LCOC) of Crossroads remaining in Mississippi and EMW being permitted to
12 obtain the transmission expense in rate base is \$11.61/kW per month. If EMW were to sell
13 Crossroads and build new generation in the Company’s territory, or if EMW relocated the
14 existing Crossroads facility to SPP, the LCOC for these options would be higher at
15 \$19.11/kW per month and \$15.26/kW per month, respectively. Stated another way, the sale
16 and replacement or relocation of the Crossroads facility would be expected to increase
17 retail rates by an estimated \$0.006-0.008/KWh, or a 7% to 9% increase to existing revenue
18 requirement. This compares to an estimated increase of \$0.002/KWh for EMW’s total retail
19 customer rate, or an approximate 2% increase to EMW’s existing revenue requirement if
20 EMW retains Crossroads as it is today and the Commission provides for recovery of the
21 transmission costs to operate Crossroads and continue to provide the capacity and energy
22 benefits to EMW’s customers.

⁹ Report & Order at 57, Crossroads II.

1 Third, to reassure the Company and its customers that Crossroads will be
2 maintained as a reliable source of capacity and energy, the Commission should find that it
3 is reasonable and prudent for Evergy Missouri West to renew the four firm point-to-point
4 transmission service agreements with Entergy before they expire in February 2029. As
5 discussed in Mr. VandeVelde's direct testimony, the transmission costs to bring
6 Crossroad's capacity and energy from MISO to SPP are subject to a tariff that has been
7 approved by FERC. Absent a Commission order that finds the Company's decision to
8 renew the Crossroads transmission agreements is prudent, EMW will need to procure
9 replacement capacity for Crossroads in accord with the Company's 2024 and 2025 IRP
10 Reports.

11 **Q: Are past decisions rendered by the Commission set in stone and irrevocable?**

12 A: No. As an administrative agency, the Commission is not bound by its past decisions or
13 precedents and is not hand-cuffed in this regard as long as its decision is reasonable and
14 lawful.¹⁰ With the passage of time, and the advent of economic, technological, and policy
15 changes, the Commission can and should judge the facts that are presented today by the
16 parties and decide that it is appropriate for the Company to recover the transmission costs
17 that allow Crossroads to serve customers.

18 **Q: How do you recommend the parties move forward?**

19 A: We need to move beyond the cycle of zero transmission cost recovery, and advance to a
20 position where EMW and other stakeholders work together for the benefit of current and
21 future customers. When we do that, we can focus on the upcoming generation supply

¹⁰ Spire Missouri, Inc. v. PSC, 618 S.W.3d 225, 235 (Mo. en banc 2021); State ex rel. Aquila, Inc. v. PSC, 326 S.W.3d 20, 32 (Mo. App. W.D. 2010).

1 transition and meeting the evolving needs of customers. If the Commission believed in the
2 past that Company shareholders should be penalized for management's decision to place
3 Crossroads in rate base as a generating resource, it is clear that shareholders have paid that
4 penalty.

5 It is time to acknowledge that Crossroads plays an important and valuable role
6 EMW's generation portfolio. Evergy has accepted the outcome and financial consequences
7 of prior Commission decisions, and the Company does not seek to recover any past
8 disallowances. However, given the significant changes that have occurred since 2011 and
9 the ongoing transformation of the electric power sector, the costs to bring Crossroads'
10 power and capacity to our customers – including the transmission costs - are reasonable
11 and prudent when compared to the alternatives.

12 As described by Evergy witness Peter Rogge, EMW complied with the Stipulation
13 and Issue 5.C. and contracted with Black & Veatch to conduct a relocation study to
14 determine EMW's options for Crossroads. The process for the study included joint
15 meetings with Staff, OPC, and Black & Veatch, extensive site visits, and ongoing input
16 from all parties, which ensured that Staff and OPC were involved in every stage, from
17 developing the RFP to providing feedback on the study's progress and findings. After the
18 study was completed, EMW compiled Owner Cost information to supplement the final
19 report, ensuring comprehensive project scope coverage.

20 EMW has asked the Commission to determine whether it is prudent for EMW to
21 renew its firm point-to-point transmission service agreements with Entergy Corp. before
22 they expire in February 2029, per Issue 5.C of the Stipulation. As discussed by Evergy
23 witness Cody VandeVelde, the study affirmed EMW's 2024 Triennial IRP Report and

1 2025 Annual IRP Update, which included Crossroads and the transmission expense in its
2 Preferred Plan.

3 EMW will not renew the transmission service agreements to incur a cost that the
4 Commission has previously deemed imprudent. Thus, it has properly asked the
5 Commission to determine the decisional prudence question in Issue 5.C of the Stipulation.

6 **Q: What options will the Company have if the Commission denies recovery of the**
7 **Crossroads transmission path expense?**

8 A: To state the obvious, transmission is a necessary component of any generating asset. Like
9 every other vertically integrated utility in the country, Evergy would not choose to include
10 generating assets in its IRP that do not have a transmission path. Therefore, without the
11 ability to include the cost of transmission for Crossroads, a cost that is required for the
12 Company to include the facility in SPP's required capacity reserve margins, EMW will
13 begin the process of planning to remove Crossroads from service for EMW customers in
14 conjunction with the expiration of the current transmission contracts. The Company will
15 seek all appropriate and necessary approvals to sell or otherwise dispose of Crossroads and
16 will take steps to replace the unit's 300 MW of capacity with newly acquired or constructed
17 resources.

18 **IV. CONCLUSION**

19 **Q: What is EMW asking the Commission to do in this case?**

20 A: The Company asks the Commission to acknowledge the capacity and energy value that
21 Crossroads provides to customers today as power demand increases, dispatchable thermal
22 units continue to retire, more non-dispatchable renewable resources come online, and
23 reserve margin requirements increase. EMW is the only party to this proceeding that has

1 analyzed the value that Crossroads provides to customers, including when its transmission
2 costs are recovered in rates.

3 Crossroads is a key part of the least cost solution analyzed in the Company's 2025
4 IRP Preferred Plan Update. No other party has done any analysis or work to dispute or
5 challenge the IRP's conclusions. The consistent refrain in other parties' testimony to "just
6 say no" because transmission was disallowed in the past – with no consideration of the
7 vastly different landscape we operate in today – is unreasonable. Given the compelling
8 need to retain Crossroads' capacity in EMW's SPP planning reserve margin, the
9 Commission must recognize that it will be more costly and more uncertain, as well as take
10 longer, for the Company to explore new supply options and implement an alternative
11 solution.

12 For Evergy Missouri West to proceed in the least cost and most efficient way, it is
13 in the best interest of both EMW and its customers for the Commission to allow the
14 Company to recover the transmission expenses of Crossroads in rates and to end the penalty
15 that it has been paying since 2011.

16 **Q: Does that conclude your testimony?**

17 **A:** Yes.

**SCHEDULES DRI-8 THRU DRI-10
CONTAIN CONFIDENTIAL
INFORMATION
NOT AVAILABLE TO THE PUBLIC.

ORIGINALS FILED UNDER SEAL.**

**Evergy Metro, Inc. d/b/a Evergy Missouri Metro and
Evergy Missouri West, Inc. d/b/a Evergy Missouri West**

Docket No.: ER-2024-0189

Date: September 15, 2025

CONFIDENTIAL INFORMATION

The following information is provided to the Missouri Public Service Commission under CONFIDENTIAL SEAL:

Document/Page	Reason for Confidentiality from List Below
Schedule DRI-8	3, 4, and 5
Schedule DRI-9	3, 4, and 5
Schedule DRI-10	3, 4, and 5

Rationale for the “confidential” designation pursuant to 20 CSR 4240-2.135 is documented below:

1. Customer-specific information;
2. Employee-sensitive personnel information;
3. Marketing analysis or other market-specific information relating to services offered in competition with others;
4. Marketing analysis or other market-specific information relating to goods or services purchased or acquired for use by a company in providing services to customers;
5. Reports, work papers, or other documentation related to work produced by internal or external auditors, consultants, or attorneys, except that total amounts billed by each external auditor, consultant, or attorney for services related to general rate proceedings shall always be public;
6. Strategies employed, to be employed, or under consideration in contract negotiations;
7. Relating to the security of a company's facilities; or
8. Concerning trade secrets, as defined in section 417.453, RSMo.
9. Other (specify) _____.

Should any party challenge the Company’s assertion of confidentiality with respect to the above information, the Company reserves the right to supplement the rationale contained herein with additional factual or legal information.