

Exhibit No. 506

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MECG – Exhibit 506
Testimony of Greg Meyer
Rebuttal
File No. ER-2024-0189

Exhibit No.:
Issues: Crossroads
Witness: Greg R. Meyer
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Midwest Energy Consumers Group
Case No.: ER-2024-0189
Date Testimony Prepared: October 15, 2025

**BEFORE THE PUBLIC SERVICE COMMISSION
FOR 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**

CASE NO. ER-2024-0189

Rebuttal Testimony of

Greg R. Meyer

On behalf of

Midwest Energy Consumers Group

October 15, 2025



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CASE NO. ER-2024-0189

STATE OF MISSOURI

COUNTY OF ST. LOUIS

SS

Affidavit of Greg R. Meyer

Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Midwest Energy Consumers Group in this proceeding on their behalf.

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-2024-0189.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Greg R. Meyer

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


Notary Public

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Rebuttal Testimony of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q ARE YOU THE SAME GREG R. MEYER WHO HAS PREVIOUSLY FILED**
5 **TESTIMONY IN THIS PROCEEDING.**

6 A Yes. I have previously filed Direct Testimony on September 15, 2025 in this
7 proceeding.

8 **Q ARE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE OUTLINED IN**
9 **YOUR PRIOR TESTIMONY?**

10 A Yes. This information is included in Appendix A to my Direct Testimony filed on
11 September 15, 2025.

12 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

13 A I am appearing on behalf of Midwest Energy Consumers Group ("MECG").

1 **Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

2 A I will respond to various arguments presented in Evergy Missouri West's ("EMW")
3 Direct Testimony as it relates to the continued operations of the Crossroads Generating
4 Units ("Crossroads").

5 **Q PLEASE SUMMARIZE EMW'S POSITION REGARDING CROSSROADS.**

6 A EMW proposes to negotiate four new transmission contracts to deliver point-to-point
7 transmission service to the EMW service territory. EMW has indicated that unless the
8 Missouri Public Service Commission ("Commission") authorizes the full recovery of
9 transmission costs from ratepayers, it will begin activities to sell Crossroads and
10 construct new generating facilities in the Southwest Power Pool ("SPP") footprint.¹

11 **Q DO YOU SUPPORT EMW'S POSITION?**

12 A No. I believe, at a minimum, EMW must assume some responsibility for the original
13 decision to obtain Crossroads for its EMW regulated service. In my Direct Testimony,
14 I supported the position that EMW should still be responsible for the total recovery of
15 the transmission costs associated with Crossroads.

16 I will not go into the history of Crossroads in this testimony. In 2010, the
17 Commission ruled correctly on two aspects regarding Crossroads. First it
18 acknowledged that the investment costs of Crossroads should match the value
19 Aquila Inc. ("Aquila") received from selling similar units to Union Electric Company, now
20 doing business as Ameren Missouri. The Commission cited that this decision was
21 consistent with the Commission's approved affiliate transaction rules. Second, the
22 Commission correctly found that all transmission costs to deliver energy to EMW should

¹See Direct Testimony of Darrin R. Ives at page 18, lines 10-17.

1 not be assigned to EMW's ratepayers as those costs would not be a cost to ratepayers
2 if Crossroads had been constructed in the SPP footprint.²

3 **Q IN HIS DIRECT TESTIMONY, EMW WITNESS DARREN IVES DISCUSSES HOW**
4 **THE COMMISSION NEEDS TO STOP VISITING “THE SINS’ OF AQUILA” UPON**
5 **ITS SUCCESSOR EMW.³ PLEASE RESPOND.**

6 A I can understand how EMW would like to shift all blame off what it claims as the financial
7 losses it has experienced with Crossroads on EMW's predecessor Company, Aquila.
8 However, the fact remains that EMW ultimately made the decision to acquire
9 Crossroads from Aquila. To insinuate that EMW is without responsibility for that
10 decision is without merit.

11 **Q PLEASE COMMENT ON MR. IVES' STATEMENT ON PAGE 18 OF HIS DIRECT**
12 **TESTIMONY:**

13 **EVERGY WOULD NOT CHOOSE TO INCLUDE GENERATING**
14 **ASSETS IN ITS IRP THAT DO NOT HAVE A TRANSMISSION PATH.**

15 A That is exactly what EMW did when it acquired Crossroads. Despite the arguments
16 provided by EMW to not rehash the same mistakes that have occurred in the past,
17 those exact decisions must be considered before allowing EMW to escape its decision
18 to save Crossroads.

²See Report and Order in Case No. ER-2010-0356 at page 96, paragraph 275.

³See Direct Testimony of Darrin R. Ives at page 5, lines 4-10.

1 **Q ON PAGE 6 OF MR. IVES DIRECT TESTIMONY, HE PRESENTS A TABLE THAT**
2 **SHOWS THE HISTORIC COSTS OF TRANSMISSION EXPENSES FOR**
3 **CROSSROADS. MR. IVES CLAIMS THAT EMW HAS HAD TO ABSORB**
4 **APPROXIMATELY \$155 MILLION IN TRANSMISSION COSTS AS A RESULT OF**
5 **ITS POINT-TO-POINT TRANSMISSION CONTRACT. PLEASE COMMENT.**

6 **A I do not dispute the \$155 million that Mr. Ives has presented. However, I need to point**
7 **out that for all rate cases beyond the 2012 rate case, EMW either agreed through a**
8 **Stipulation and Agreement to absorb Crossroads' transmission costs or simply did not**
9 **seek recovery of the Crossroads' transmission costs. To now claim this as a hardship**
10 **appears self-serving.**

11 **Q ON PAGE 11 OF HIS DIRECT TESTIMONY, MR. IVES DISCUSSES FACTORS**
12 **THAT HAVE INFLUENCED EMW'S CREDIT RATING. DO YOU HAVE A**
13 **RESPONSE?**

14 **A Yes. From my review of the testimony, readers were led to believe that the statements**
15 **about the two conditions listed were connected. I have included that portion of Mr. Ives**
16 **testimony below:**

17 S&P also noted that "unprecedented natural conditions, including
18 weather events have negatively influenced our rating analysis," which is
19 increased by "EMW's limited geographic diversity."

20 My concern with this statement is that the two statements listed by Mr. Ives
21 were discussed in two separate sections of the S&P Global Ratings' report. The
22 geographic risk is discussed in the Business Risk section of the report and the
23 "unprecedented natural conditions" statement is found in the Environmental, Social,
24 And Governance section of the report. Those two statements are not related to each
25 other as Mr. Ives attempts to portray.

1 **Q ARE YOU AWARE OF OTHER STATEMENTS IN THAT S&P GLOBAL RATINGS**
2 **REPORT THAT MR. IVES IGNORED?**

3 **A Yes. I have included two statements from the report that somewhat contradict Mr. Ives**
4 statements or at a minimum should be pointed out to the Commission for their
5 consideration.

6 **Business Risk**

7 Our assessment of EMW's business risk profile reflects a lower risk
8 regulated monopolistic utility with low exposure to industrial customers.

9 **Financial Risk**

10 We assess EMW's financial risk profile using our medial volatility benchmarks,
11 which are more relaxed than the benchmarks we use for typical corporate
12 issuers. This reflects EMW's lower-risk utility operations and effective
13 regulatory risk management.

14 **Q TURNING YOUR ATTENTION TO MR. GUNN'S TESTIMONY. ON PAGE 5 OF HIS**
15 **DIRECT TESTIMONY, MR. GUNN INCLUDES THE FOLLOWING QUESTION AND**
16 **ANSWER:**

17 **Q: HOW DO THESE DECISIONS RELATE TO THE CROSSROADS**
18 **ISSUES THAT WERE RESERVED IN THE UNANIMOUS**
19 **STIPULATION AND AGREEMENT (FILED OCTOBER 2, 2024)**
20 **THAT THE COMMISSION APPROVED LAST YEAR?**

21 **A: NONE OF THE THREE CROSSROADS ISSUES IN SECTION 5**
22 **OF THE LIST OF ISSUES WERE RESOLVED BY THE**
23 **UNANIMOUS STIPULATION AND AGREEMENT**
24 **("STIPULATION").**

25 **DO YOU AGREE WITH THE ABOVE STATEMENT BY MR. GUNN?**

26 **A Absolutely not. I have included the language from the Unanimous Stipulation and**
27 Agreement that appears almost directly above Section 5.

28 3. Resolution of Issues:

29 All issues from the List of Issues filed in this docket on
30 September 19, 2024, are resolved by the Agreement with the exception
31 of Issues 3.A. and 5.C.

1 Clearly the Unanimous Stipulation and Agreement does not comport with
2 Mr. Gunn's Direct Testimony. If indeed EMW is seeking to resolve Issues 5.A. and 5.B.
3 that dealt with transmission cost recovery in the revenue requirement, that action would
4 be in violation of a Commission Order which approved the Unanimous Stipulation and
5 Agreement. EMW needs to clarify its position such that parties can alert the
6 Commission of a potential violation of its agreement and the Commission's Order.

7 In essence, Mr. Gunn is seeking to undo the Commission's decision in this case
8 such that the rates that resulted from the filing of Case No. ER-2024-0189 would be
9 revised to include cost recovery of transmission cost for Crossroads. This would be in
10 violation of the Unanimous Stipulation and Agreement agreed to by EMW, Commission
11 Staff ("Staff"), Office of Public Counsel ("OPC"), MCEG, and Renew Missouri
12 Advocates (collectively, the "Parties") in this case.

13 **Q WHAT IS THE PURPOSE OF RESOLVING ISSUE 5.C., REGARDING THE**
14 **PRUDENCY OF RENEWING A FIRM POINT-TO-POINT TRANSMISSION SERVICE**
15 **AGREEMENT WITH ENTERGY CORPORATION ("ENTERGY")?**

16 A In resolving issue 5.C., the Commission will determine the future operations of the
17 Crossroads generating plant. In the Direct Testimony of EMW, it was proposed that
18 100% recovery of transmission costs for Crossroads would be the most economic
19 option. The Staff, OPC, and MCEG have proposed that recovery of transmission costs
20 should continue to be borne by EMW. It has also been suggested by MCEG that the
21 future transmission costs' responsibility could be shared between EMW's ratepayers
22 and shareholders. The Commission will need to render a decision on the future
23 operations of Crossroads and if the Commission determines Crossroads should remain
24 a regulated generation unit of EMW, including who should pay the transmission costs
25 of Crossroads.

1 **Q HOW DOES THAT DECISION AFFECT MR. GUNN'S POSITION AND WHAT IS**
2 **YOUR OPPOSITION?**

3 A Mr. Gunn is proposing that whatever decision is made by the Commission regarding
4 Crossroads, that current rates should be adjusted to reflect that decision. That is why
5 Mr. Gunn has proposed that issues 5.A. and 5.B. (that dealt with transmission cost
6 recovery in the current revenue requirement) are still unresolved. I am opposed to that
7 position because cost recovery of Crossroads has already been addressed in the
8 Unanimous Stipulation and Agreement reached by the Parties, including EMW.

9 **Q IN HIS DIRECT TESTIMONY, MR. GUNN RAISES THE CONCERN THAT THE**
10 **IMPACT FROM ENTERGY'S DECISION TO JOIN THE MIDCONTINENT**
11 **INDEPENDENT SYSTEM OPERATOR ("MISO") WAS NOT CONSIDERED IN THE**
12 **COMMISSION'S ORDERS IN EITHER CROSSROADS I (EMW'S 2010 RATE CASE)**
13 **OR CROSSROADS II (EMW'S 2012 RATE CASE). PLEASE COMMENT.**

14 A That was not a situation the Commission had to contemplate at the time of Crossroads I
15 or Crossroads II. To imply now that those decisions may have been different under
16 different circumstances is an argument without merit. Consideration of the risk of
17 increased transmission costs was EMW's responsibility in the due-diligence phase of
18 making the decision of whether to purchase the Crossroads stranded investment
19 located over 500 miles away from Kansas City.

1 **Q IN YOUR DIRECT TESTIMONY, YOU DISCUSSED A POSSIBLE SHARING**
2 **PROPOSAL FOR THE RECOVERY OF TRANSMISSION EXPENSES AFTER THE**
3 **EXPIRATION OF THE CURRENT CONTRACT. COULD YOU PLEASE**
4 **ELABORATE ON WHAT YOU WOULD PROPOSE?**

5 **A Yes.** As was pointed out in the EMW testimony, the initial disallowed transmission cost
6 recovery for Crossroads totaled \$4.7 million a year. The current transmission costs for
7 Crossroads in 2024 is \$18.1 million. Prior to the renewed transmission contract going
8 into effect, MCEG believes that there should be no cost recovery for Crossroads
9 transmission cost. Once the contract is renewed and in effect, I propose that EMW be
10 required to absorb \$4.7 million, as adjusted for inflation to the expiration date of the
11 current contract. This amount should be subtracted from the total transmission cost of
12 Crossroads.⁴ This will help keep customers from being harmed by past imprudent
13 decision making by EMW.

14 **Q HOW WOULD YOU ADDRESS ANY TRANSMISSION COST INCREASES**
15 **BEYOND 2029?**

16 **A I** would propose that we establish the cost sharing as of 2029 as a base level. Any
17 increases in the total transmission costs above the 2029 base level should be split on
18 a 50% Company/50% customer basis. For any changes, the Company should be
19 required to make a filing with the Commission notifying the Parties of the change and
20 demonstrating that its implementation and management of the contract was prudent.

⁴\$4.7 million adjusted for inflation through 2024 equates to \$6.5 million.

1 **Q HOW LONG WOULD THIS COST SHARING PROPOSAL BE IN EFFECT?**

2 A In my Direct Testimony, I stated that the remaining life of Crossroads was 2047. I
3 believe my sharing proposal should be in effect through 2047. This will eliminate the
4 possibility that EMW would seek a short-term contract period in hopes of having
5 another opportunity to re-negotiate more favorable cost recovery terms.

6 **Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

7 A Yes, it does.

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