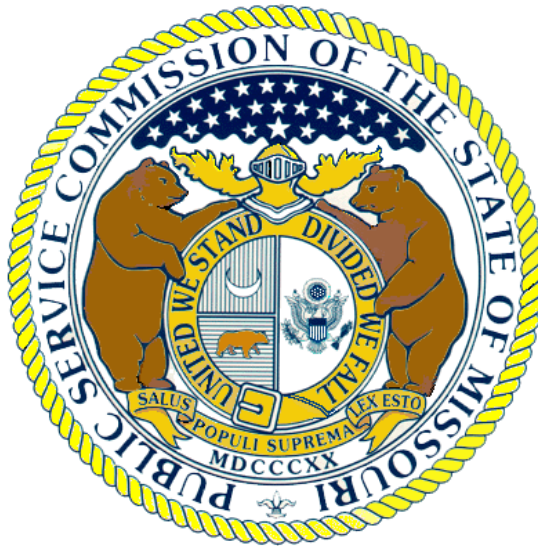


**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



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)

Case No. ER-2024-0189

**REPORT AND ORDER
REGARDING CROSSROADS ISSUE**

Issue Date: December 17, 2025

Effective Date: January 16, 2026

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TABLE OF CONTENTS

APPEARANCES	2
I. Procedural History	3
A. Tariff Filings, Notice, and Intervention	3
B. Stipulations and Agreements	4
C. Evidentiary Hearing	4
D. Case Submission	4
E. Case Submission	5
II. General Matters	4
A. General Findings of Fact	4
B. General Conclusions of Law	5
III. Disputed Issue	6
A. Crossroads	6

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REGULATORY LAW JUDGE: Ronald D. Pridgin, Deputy Chief

REPORT AND ORDER REGARDING CROSSROADS ISSUE

I. Procedural History

A. General Rate Case

This case began with the filing of a general rate case by Evergy Missouri West, Inc. d/b/a Evergy Missouri West (EMW) on February 2, 2024. On October 2, 2024, EMW and the Staff of the Commission (Staff) filed a *Non-Unanimous Stipulation and Agreement Regarding Pensions and Other Post-Employment Benefits* (Non-Unanimous Stipulation). Also on October 2, 2024, EMW, Staff, the Office of the Public Counsel (OPC), Midwest Energy Consumers Group (MECG), and Renew Missouri filed a *Unanimous Stipulation and Agreement* (Stipulation) (collectively, the “Stipulations”).

The Stipulations resolved all revenue requirement and rate design issues except for the Fuel Adjustment Clause (FAC) Incentive Mechanism and the renewal of EMW’s point-to-point service agreement with Entergy Corp. (Entergy) for the Crossroads Energy Center. For purposes of this rate case, the Signatories agreed to an extension of Issue 5.C. from the Commission’s List of Issues regarding the renewal of the firm point-to-point transmission service agreement between EMW and Entergy in order to permit a Demobilization Study (Study) related to the Crossroads Energy Center (Crossroads).

The Commission issued a *Report and Order* on December 4, 2024, in which it approved of the Stipulations, and resolved the FAC issue. EMW filed a compliance tariff on December 16, 2024, which the Commission approved on December 20, 2024. The new rates contained within that tariff became effective on January 1, 2025. All that remains for resolution is the Crossroads issue.

B. Evidentiary Hearing

The evidentiary hearing was held on November 4, 2025.¹

C. Case Submission

After the evidentiary hearing was held at the Commission's offices in Jefferson City and via WebEx, the Commission admitted exhibits into evidence as requested by the parties. The final post-hearing briefs were filed on December 5, 2025, and the case was deemed submitted for the Commission's decision on that date.²

II. General Matters

A. General Findings of Fact

1. EMW is a regulated utility subsidiary of Evergy, Inc. EMW serves 345,100 customers, consisting of 304,000 residential customers, 40,600 commercial customers and 500 industrial, municipal and other electric utility customers.³

2. EMW's electric service territory includes numerous counties in central, western and northwestern Missouri, including the cities of Lee's Summit, St. Joseph and Sedalia. EMW owns approximately 460 mega-watts (MW) of base load generating capacity and approximately 1,200 MW of peak load capacity and 8 MW of renewable generating capacity.⁴

¹ Tr. Vol. 9.

² "The record of a case shall stand submitted for consideration by the commission after the recording of all evidence or, if applicable, after the filing of briefs or the presentation of oral argument." Commission Rule 20 CSR 4240-2.150(1).

³ Ex. 124, p. 5.

⁴ Ex. 124, p. 5.

3. EMW is an “electrical corporation” and a “public utility” as those terms are defined in Section 386.020, RSMo. EMW is thus subject to the jurisdiction of the Commission.⁵

4. Staff is a party to this case pursuant to Section 386.071, RSMo, and Commission Rule 20 CSR 4240-2.010(10).

5. OPC is a party to this case pursuant to Section 386.710(2), RSMo, and by Commission Rule 20 CSR 4240-2.010(10).

B. General Conclusions of Law

EMW is an “electrical corporation” and a “public utility” as defined in Sections 386.020(15) and 386.020(43), RSMo, respectively, and as such is subject to the personal jurisdiction, supervision, control and regulation of the Commission under Chapters 386 and 393 of the Missouri Revised Statutes. The Commission’s subject-matter jurisdiction over EMW is established under Section 393.150, RSMo.

The Commission finds that any given witness’ qualifications and overall credibility are not dispositive as to each and every portion of that witness’ testimony. The Commission gives each item or portion of a witness’ testimony individual weight based upon the detail, depth, knowledge, expertise, and credibility demonstrated with regard to that specific testimony.

Consequently, the Commission will make additional specific weight and credibility decisions throughout this order as to specific items of testimony as is necessary.⁶ Any finding of fact reflecting that the Commission has decided between conflicting evidence

⁵ Ex. 124, p. 5.

⁶ Witness credibility is solely a matter for the fact-finder, “which is free to believe none, part, or all of the testimony”. *State ex rel. Public Counsel v. Missouri Public Service Comm'n*, 289 S.W.3d 240, 247 (Mo. App. 2009).

is indicative that the Commission attributed greater weight to that evidence and found the source of that evidence more credible and more persuasive than that of the conflicting evidence.⁷

III. Disputed Issue

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?

Findings of Fact

6. Aquila, Inc. (Aquila) was the parent company of Missouri Public Service, St. Joseph Light & Power, and Aquila Merchant Services (Aquila Merchant) prior to July 2008. It ceased substantial operations after acquisition by Great Plains Energy on July 23, 2008.⁸

7. Aquila Merchant constructed, owned and operated Crossroads until it sold Crossroads to Aquila on March 31, 2007. Most, if not all, of Aquila's non-regulated operations were a subsidiary or affiliate of Aquila Merchant.⁹

⁷ An administrative agency, as fact finder, also receives deference when choosing between conflicting evidence. *State ex rel. Missouri Office of Public Counsel v. Public Service Comm'n of State*, 293 S.W.3d 63, 80 (Mo. App. 2009).

⁸ Ex. 280P, Majors Direct, p. 25.

⁹ Ex. 280P, Majors Direct, pp. 25-26.

8. Missouri Public Service (MPS) was the legacy utility with service territory surrounding Kansas City, now operating as EMW. It is also referred to as Aquila Networks – MPS.¹⁰

9. St. Joseph Light and Power was the legacy utility with service territory surrounding St. Joseph, now operating as EMW. It is also referred to as Aquila Networks – L&P.¹¹

10. Kansas City Power & Light (KCPL) was the legacy Missouri utility now operating as Evergy Metro, Inc. d/b/a Evergy Missouri Metro.¹²

11. Kansas City Power & Light – Greater Missouri Operations (KCPL-GMO, or GMO) was the combined operations of Missouri Public Service and St. Joseph Light and Power after Great Plains Energy (GPE) acquired Aquila, now operating as EMW.¹³

12. GPE was the parent company of KCPL. GPE purchased Aquila Inc. and all subsidiaries in July 2008. GPE is now known as Evergy, Inc.¹⁴

13. Crossroads consists of four 75 MW natural gas fired combustion turbines with a total capacity of approximately 300 MW in Clarksdale, Mississippi. These four units were constructed in 2002 as a merchant plant by and for Aquila Merchant.¹⁵

14. Aquila Merchant constructed Crossroads as a non-regulated merchant independent power plant, originally built to serve the constrained transmission area in and around Clarksdale, Mississippi.¹⁶

¹⁰ Ex. 280P, Majors Direct, p. 26.

¹¹ Ex. 280P, Majors Direct, p. 26.

¹² Ex. 280P, Majors Direct, p. 26.

¹³ Ex. 280P, Majors Direct, p. 26.

¹⁴ Ex. 280P, Majors Direct, p. 26.

¹⁵ Ex. 280P, Majors Direct, pp. 26-27.

¹⁶ Ex. 280P, Majors Direct, p. 27.

15. When the merchant power market collapsed in 2002 after the Enron bankruptcy, Aquila and its affiliates decided to exit the non-regulated energy market and concentrate on traditional regulated operations, primarily the generation, transmission and distribution of electricity in Missouri.¹⁷

16. Crossroads is owned and operated by the City of Clarksdale, Mississippi, under an agreement entered into at the time of plant completion in 2002, for property tax abatement and preferential financing purposes. This arrangement continues today. This plant is a generating asset providing service to EMW's customers and is included in its rate base as a capital lease net of a valuation adjustment established in the 2010 Rate Case and confirmed by the Commission in the 2012 Rate Case.¹⁸

17. In 2009, Entergy, the local regulated electric utility where Crossroads is located, and GMO entered into the four Federal Energy Regulatory Commission (FERC)-approved firm point-to-point transmission service agreements to bring Crossroads' energy and capacity from Mississippi (and the Mid-Continent System Operator, Inc.) (MISO) to EMW (in Southwest Power Pool) (SPP). Those agreements allow SPP to accredit Crossroads' capacity so the Company can meet its SPP reserve margin requirements. The agreements also permit Crossroads to participate in the SPP wholesale energy markets. However, these transmission service agreements will expire in February 2029.¹⁹

18. The Commission has found that Crossroads was a prudent generation resource and investment. However, at the price paid, the Commission denied recovery of

¹⁷ Ex. 280P, Majors Direct, p. 27.

¹⁸ Ex. 280, Majors Direct, p. 27(citing Commission Case Nos. ER-2010-0355 and ER-2012-0175).

¹⁹ Ex. 156, VandeVelde Surrebuttal, Sch. CV-1; Ex. 158, Gunn Direct, p. 6.

EMW's costs incurred under the four FERC-approved firm point-to-point transmission service agreements with Entergy.²⁰

19. Entergy became a MISO member and integrated its regulated utility transmission assets into the MISO system in December 2013. At the end of 2014, Crossroads' transmission costs increased to \$12.0 million from the prior year's \$4.7 million. Every year since then, except for one year, transmission expenses have been at double-digit million-dollar levels, reaching a high of approximately \$18.1 million in 2024.²¹

20. When compared to the alternatives of EMW selling Crossroads or relocating Crossroads closer to its service territory, renewing the point-to-point transmission service agreements is the lowest cost option for EMW and, thus, its customers.²²

21. EMW asks for recovery of transmission costs through rates, while the other parties disagree.²³

22. However, all parties agree that EMW should renew its contract with Crossroads.²⁴

23. EMW has the option to extend its Crossroads contracts for up to five years.²⁵

²⁰ Ex. 158, Gunn Direct, p. 3; Ex. 161P, Ives Direct, p. 4.(citing Commission Case Nos. ER-2010-0355 and ER-2012-0175).

²¹ Ex. 161P, Ives Direct, p. 7; Ex. 160, Vandeveld Direct, p. 2.

²² Ex. 158, Gunn Direct, pp. 11-17.

²³ Ex. 158, Gunn Direct, p. 3l Ex, 280, Majors Direct, p. 4; Ex. 323, Mantle Direct, p. 2; Ex. 505, Mayer Direct, p. 12.

²⁴ Ex. 162, Ives Rebuttal, p. 4; Ex. 160, VandVelde Direct, page 11; Ex. 280, Majors Direct, page 4; Ex. 323, Mantle Direct, page 6.

²⁵ Tr. Vol. 9, pp. 140-141.

Conclusions of Law

While a utility has the burden of proof, there is initially a presumption that its expenditures are prudent. The Commission has previously cited the following description of this process as found to apply to the Federal Energy Regulatory Commission:

The Federal Power Act imposes on the Company the “burden of proof to show that the increased rate or charge is just and reasonable.” Edison relies on Supreme Court precedent for the proposition that a utility’s cost are [sic] presumed to be prudently incurred. However, the presumption does not survive “a showing of inefficiency or improvidence.” As the Commission has explained, “utilities seeking a rate increase are not required to demonstrate in their cases-in-chief that all expenditures were prudent However, where some other participant in the proceeding creates a serious doubt as to the prudence of an expenditure, then the applicant has the burden of dispelling these doubts and proving the questioned expenditure to have been prudent.”²⁶

The Commission has interpreted this process as follows:

“In the context of a rate case, the parties challenging the conduct, decision, transaction, or expenditures of a utility have the initial burden of showing inefficiency or improvidence, thereby defeating the presumption of prudence accorded the utility. The utility then has the burden of showing that the challenged items were indeed prudent. Prudence is measured by the standard of reasonable care requiring due diligence, based on the circumstances that existed at the time the challenged item occurred, including what the utility’s management knew or should have known. In making this analysis, the Commission is mindful that “[t]he company has a lawful right to manage its own affairs and conduct its business in any way it may choose, provided that in so doing it does not injuriously affect the public.”²⁷

In addition, the Commission may disallow a prudently incurred expense if the Commission determines including the expense would be unjust or unreasonable.²⁸

²⁶ *In the Matter of Union Electric Company*, 27 Mo.P.S.C. (N.S.) 183, 193 (1985) (quoting *Anaheim, Riverside, etc. v. Federal Energy Regulatory Commission*, 669 F.2d 779, (D.C. Cir. 1981)).

²⁷ *State ex rel. City of St. Joseph v. Public Service Commission*, 30 S.W.2d 8, 14 (Mo. banc 1930).” *In the Matter of Missouri-American Water Company’s Tariff Sheets*, Report and Order, Case No. WR-2000-281 (August 31, 2000).

²⁸ *Spire Missouri, Inc. b. Public Service Comm’n*, 618 S.W.3d 225, 233 (Mo. banc 2021).

Like other administrative agencies, the Commission is not authorized to issue advisory opinions.²⁹ The application must present a “real, substantial, presently existing controversy admitting of specific relief as distinguished from an advisory or hypothetical situation.”³⁰

The utility's ownership of its business and property includes the right of control and management, subject, necessarily, to state regulation through the Commission. The powers of regulation delegated to the Commission are comprehensive and extend to every conceivable source of corporate malfeasance. Those powers do not, however, clothe the Commission with the general power of management incident to ownership. The utility retains the lawful right to manage its own affairs and conduct its business as it may choose, as long as it performs its legal duty, complies with lawful regulation and does no harm to public welfare.³¹

Stare decisis does not bind the Commission to past decisions.³² The mere fact that an administrative agency departs from a policy expressed in prior cases which it has decided is no ground alone for a reviewing court to reverse the decision.³³

²⁹ See *Wasinger v. Labor & Indus. Relations Comm'n*, 701 S.W.2d 793, 794 (Mo.App.1985).

³⁰ *Akin v. Dir. of Revenue*, 934 S.W.2d 295, 298 (Mo. banc 1996) (citation omitted).

³¹ See *State ex rel. City of St. Joseph v. Public Service Commission*, 325 Mo. 209, 30 S.W.2d 8. Also, see *State of Missouri ex rel. Southwestern Bell Telephone Co. v. Public Service Commission of Missouri*, 262 U.S. 276, 43 S.Ct. 544, 67 L.Ed. 981.

³² *State ex rel. AG Processing, Inc. v. Public Serv. Comm'n*, 120 S.W.3d 732, 736 (Mo. banc 2003).

³³ *Id.*

Decision

EMW requests that the Commission determine it would be prudent for the Company to extend the transmission path agreements with Entergy before they terminate on March 1, 2029. EMW further asks that the Commission authorize EMW to recover Crossroads' transmission costs. But the Commission cannot, and will not, decide the prudence of either the renewal of the Crossroads agreements, or make a determination as to the appropriate rate treatment of their future transmission costs, in this case.

The prudence of any such decision, and appropriate ratemaking treatment of any related transmission costs, would appropriately be made in a general rate case should EMW request the recovery of Crossroads' transmission costs. It is also a determination the Commission would make in any case where a certificate might be requested to replace Crossroads capacity, should EMW not elect to renew the applicable transmission agreements.

Also, the Commission cannot manage EMW and, thus, the Commission will not decide if EMW should renew the Crossroads agreements. Whether EMW decides to enter into new contracts for Crossroads, or to exercise its option for a five-year extension of its current contracts, is the company's decision. However, the Commission is mindful that renewing Crossroads' transmission agreements may be the lowest cost option for EMW. That is a decision for EMW that will be evaluated by the Commission in a future rate or certificate case.

THE COMMISSION ORDERS THAT:

1. EMW's requests for a prudence determination and for authorization to recover Crossroads' transmission costs in this case are denied.
2. This Report and Order shall become effective on January 16, 2026.



BY THE COMMISSION

Nancy Dippell

Nancy Dippell
Secretary

Hahn, Ch., Coleman, Kolkmeier,
and Mitchell CC., concur and certify compliance
with the provisions of Section 536.080, RSMo (2016).

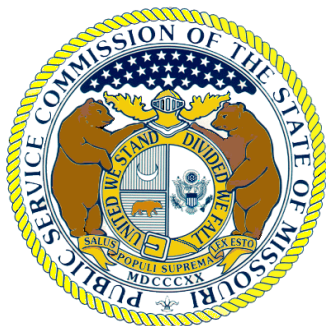
Pridgin, Deputy Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 17th day of December 2025.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

December 17, 2025

File/Case No. ER-2024-0189

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in black ink that reads "Nancy Dippell". The signature is fluid and cursive, with the first letters of "Nancy" and "Dippell" being capitalized and prominent.

**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.