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Testimony in Support of Non-Unanimous Stipulation and Agreement
Case No. EO-2026-0129

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Issue: Non-Unanimous Stipulation & Agreement.
Witness: Brian A. File
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Case No.: EO-2026-0129
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EO-2026-0129

**TESTIMONY IN SUPPORT OF
NON-UNANIMOUS STIPULATION & AGREEMENT**

OF

BRIAN A. FILE

ON BEHALF OF

EVERGY MISSOURI WEST

**Kansas City, Missouri
May 2026**

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SUPPORTING TESTIMONY

OF

BRIAN A. FILE

Case No. EO-2026-0129

1 **Q. Please state your name and business address.**

2 A. My name is Brian A. File, and my business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q. Are you the same Brian A. File who filed Direct testimony in this docket?**

5 A. Yes, I am.

6 **Q. On whose behalf are you providing this testimony?**

7 A. I am testifying on behalf of Evergy Missouri West, Inc. d/b/a Evergy Missouri West
8 (“EMW” or the “Company”).

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is to support the Non-Unanimous Stipulation and Agreement
11 (“Agreement”) signed by EMW and Nucor Steel Sedalia, LLC (“Nucor”), filed in this case
12 on May 18, 2026, and to explain why the Agreement represents a reasonable compromise
13 that is in the public interest and should be approved by the Missouri Public Service
14 Commission (“Commission” or “PSC”). The Agreement provides a conditional
15 framework for Nucor’s participation in the Company’s Business Demand Response
16 (“BDR”) program in 2027, preserves the existing ratepayer protections under Schedule
17 SIL, and establishes a 2027 performance evaluation that will determine whether the
18 approval should continue in any approved BDR program for the balance of the SIL contract
19 term, currently ending in 2029.

1 **Q. How is the remainder of your testimony organized?**

2 A. The remainder of my testimony is organized as follows:

- 3 ▪ Section I: I provide a short background and overview of Company's
4 Application.
- 5 ▪ Section II: I provide an overview of the Agreement's terms and conditions.
- 6 ▪ Section III: I explain why the Agreement is reasonable, in the public
7 interest, and should be approved in full and without modification by the
8 Commission.

9 **I. BACKGROUND AND OVERVIEW OF APPLICATION**

10 **Q. What did the Company request in the Application?**

11 A. In its Application, the Company requested approval of a proposed First Amendment to the
12 Nucor Steel Sedalia, LLC¹ Special Rate for Incremental Load Service ("SIL") contract that
13 would generally allow for Nucor's participation in Evergy demand response offerings.

14 **Q. Why did the Company request approval for the First Amendment to the Nucor SIL
15 contract?**

16 A. The current and approved SIL tariff ("Schedule SIL") states that service under this tariff
17 excludes participation in programs offered pursuant to the Missouri Energy Efficiency
18 Investment Act ("MEEIA") or for participation in programs related to demand response or
19 off-peak discounts, unless otherwise ordered by the Commission when approving a
20 contract for service under Schedule SIL. The September 19, 2019, Agreement approved by
21 the Commission in No. EO-2019-0244 is silent regarding participation in MEEIA or EMW
22 demand response programs. The proposed First Amendment addresses this by explicitly
23 stating that Nucor may, at its discretion, participate in any demand response ("DR")

¹ For purposes of this testimony, only the Nucor Steel Sedalia, LLC facility is referenced.

1 programs offered by the Company, including MEEIA demand response programs (subject
2 to the specific terms of the respective program).

3 **Q. Why is EMW seeking Nucor’s participation in MEEIA demand response programs**
4 **at this time?**

5 A. EMW’s 2025 Preferred Plan for its Integrated Resource Plan (“IRP”), as well as its recently
6 filed 2026 Annual Update Preferred Plan, identifies demand response as important to
7 meeting EMW’s capacity needs in the coming years. In fact, the EMW MEEIA Cycle 4
8 demand response program goals (140 MW in 2026 and 150 MW in 2027) are a significant
9 component of the expected contribution from customer-sided programs to the supply and
10 demand balance of the most recent IRP filings. Strong participation from its customers in
11 its MEEIA demand response programs supports EMW meeting its planned resource
12 adequacy needs. Nucor’s participation in MEEIA demand response programs provides
13 benefits not only to Nucor as an individual participant, but to EMW customers on the
14 whole. I discuss this further below.

15 **Q. When did the Company initiate settlement discussions?**

16 A. The Company initiated settlement discussions in earnest after rebuttal testimony was filed
17 by Missouri Public Service Commission Staff (“Staff”) on March 30, 2026, and engaged
18 through the course of multiple settlement discussions. All parties had an opportunity to
19 participate in settlement discussions directly with the Company and/or with the
20 involvement of other parties.

1 **II. OVERVIEW OF THE NON-UNANIMOUS STIPULATION AND AGREEMENT**
2 **TERMS**

3 **Q. Is the Agreement unanimous?**

4 A. No. While the Company and Nucor signed the Agreement, Staff and the Office of the
5 Public Counsel (“OPC”) did not.

6 **Q. Please provide an overview of the differences between the Company’s Application**
7 **and the Agreement.**

8 A. In general, the Agreement is consistent with the Company’s Application. However, the
9 Company and Nucor have agreed to a compromise in the form of a conditional approval of
10 Nucor’s participation, which also takes into account issues and concerns raised in Staff’s
11 rebuttal testimony. No other party filed rebuttal testimony, but the Office of Public
12 Counsel (“OPC”) filed surrebuttal testimony that largely adopts Staff’s rebuttal positions.
13 Accordingly, the Agreement seeks the Commission’s conditional approval of the First
14 Amendment to be inserted into the Nucor SIL contract.

15 Nucor will otherwise continue to be served under the provisions of the existing SIL
16 tariff rate inclusive of all existing rate payer protections.

17 Additionally, the Company agrees to additional parameters related to the MEEIA
18 Cycle 4 Earnings Opportunity (“EO”) associated with Demand Response, to mitigate
19 issues with inserting a new potential participant that was not originally contemplated when
20 the MEEIA Cycle 4 EO goal targets were set:

1 **MEEIA Demand Response EO threshold:** Any Nucor kilowatt (“kW”)
2 contributed to EMW 2027 DR goals will not count towards Evergy meeting
3 the 65% threshold of goal for EO to be vested.

4 **MEEIA Demand Response scale limitation:** Nucor kW contributed to
5 EMW BDR goals will not be greater than 30% of final evaluation,
6 measurement, and verification (“EM&V”) values. If higher than 30%,
7 Nucor will receive full compensation for its measured performance, but the
8 Company’s EO will be reduced to reflect only 30% of portfolio.

9 **Q. For purposes of this proceeding, is the Agreement a reasonable resolution of the issues**
10 **involved in this case?**

11 A. Yes. Taken in its entirety, the Agreement reflects a reasonable resolution of all issues
12 presented in this case. The outcome provided in the Agreement is aligned with the position
13 taken by the Company in its Direct Testimony, while also representing a reasonable interim
14 step or solution to address concerns raised in Staff’s Rebuttal Testimony about the
15 Company’s Application.

16 **Q. How does the Agreement address concerns about whether all customers benefit from**
17 **Nucor’s participation in EMW’s demand response offerings?**

18 A. First, the Agreement allows another opportunity to collect and analyze data associated with
19 Nucor’s participation as proposed, and thus to develop additional evidence demonstrating
20 the most recent resulting benefits to all EMW customers.

21 Second, and more broadly, demand response resources like those potentially
22 provided by Nucor are integrated into the Company’s resource planning and the resource
23 adequacy framework of Southwest Power Pool, Inc. (“SPP”). By reducing peak demand

1 and being included in Evergy's SPP resource adequacy values, these resources contribute
2 towards megawatts that the Company would otherwise have to procure for its customers,
3 which ultimately lowers costs for all customers. The benefits are realized through lower
4 system capacity needs, improved reliability, and reduced exposure to volatile market
5 prices. As Missouri and the region face increasing capacity needs, extreme weather risks,
6 and evolving customer demands, Nucor's potential participation in the MEEIA demand
7 response program will help EMW deliver reliable, affordable, and sustainable energy to all
8 customers, while supporting local economies and jobs.

9 As specified in my confidential Direct Testimony and its Schedule BF-5, the 2021
10 and 2022 program years resulted in avoided capacity cost benefits to all EMW customers,
11 totaling over \$2.5 million. These calculations are based on third-party measured and
12 verified demand reductions and Commission-approved avoided capacity costs. These
13 figures also do not include additional potential benefits related to avoided transmission and
14 distribution costs. The benefit/cost ratio for Nucor's participation exceeds the standards set
15 by MEEIA, as detailed in my Direct Testimony.

16 Further, as I explained in my Direct Testimony and provided examples, Nucor's
17 participation in DR programs is not likely to reduce revenues for EMW to cover Nucor's
18 cost of service, but even if so, any reduction would be minimal and outweighed by the
19 benefits of Nucor's participation. In any event, I described at pages 10-12 of my direct
20 testimony how the Nucor agreement contains protections to ensure that Nucor revenues
21 exceed its costs and do not harm other customers. Any revenue shortfall is essentially
22 covered by the Company at the time of a rate case.

1 Crucially, third-party measured and verified calculations from my Direct
2 Testimony and supporting schedules demonstrated that all customers have benefited from
3 demand reductions and associated cost savings, and no harm has resulted from Nucor's
4 cost-effective participation.

5 **Q. How does the Non-Unanimous Stipulation and Agreement address resource adequacy**
6 **concerns faced by the Company and other Missouri utilities, as well as SPP?**

7 A. The ability to reliably meet customer electricity demand at all times (the goal of resource
8 adequacy) has become a pivotal challenge for Missouri utilities and SPP, driven by an
9 unprecedented surge in electricity demand stemming from rapid expansion of economic
10 development and electrification across the region.

11 As stated in my direct testimony, SPP forecasts that peak load could nearly double
12 in the next decade, with growth happening at a pace that far exceeds historical trends and
13 challenges the ability to build new supply-side resources in the short run. Demand response
14 is uniquely positioned to help address this challenge. Unlike traditional supply-side
15 infrastructure, with the right enabling policies and tariffs, demand response can be
16 implemented quickly and cost-effectively, without the long lead times, delays, and capital
17 expenditures associated with new generation or transmission. Customers like Nucor are
18 especially valuable partners due to their ability to curtail a relatively large amount of load
19 during peak periods. They provide a flexible, dispatchable resource that directly supports
20 system reliability as part of an overall resource portfolio to serve customers.

21 SPP and other grid operators are actively reforming their policies to better
22 recognize and accredit the reliability contribution of demand response, especially from
23 large industrial and data center customers. These reforms are designed to ensure that DR

1 is fully integrated into resource adequacy planning and can be counted on as a dependable
2 part of the region's "all of the above" strategy for meeting customer growth. In summary,
3 enabling and expanding large customer demand response is essential to maintain resource
4 adequacy, support economic growth, and ensure that all customers benefit from a reliable
5 and affordable electric system during this period of rapid change.

6 **III. THE NON-UNANIMOUS STIPULATION AND AGREEMENT IS REASONABLE,**
7 **IN THE PUBLIC INTEREST, AND SHOULD BE APPROVED**

8 **Q. Is there substantial evidence in the record to support the Agreement?**

9 A. Yes. The Non-Unanimous Stipulation and Agreement is supported by substantial evidence,
10 including the Company's verified Application, along with my direct and surrebuttal
11 testimony and supporting schedules, and surrebuttal testimony from two other Company
12 witnesses. The parties have conducted discovery to which the Company has responded.
13 The signatories to the Agreement have spent time meeting collectively and in smaller
14 groups with the parties, exchanging additional information and dialogue to achieve the
15 Agreement. The Commission will have the opportunity to ask questions of Company
16 witnesses at the upcoming evidentiary hearing. The terms of the Agreement reflect a
17 compromise of the Company's application position and were formulated through
18 negotiations informed by substantial record evidence on the whole.

19 **Q. Will the Agreement result in just and reasonable rates?**

20 A. Yes. The Non-Unanimous Stipulation and Agreement results in a conditional approval of
21 the First Amendment and will not alter the Schedule SIL tariff's current just and reasonable
22 rates. Neither the Agreement nor the First Amendment proposed in the Company's
23 Application will change any of the tariff's existing pricing, terms, or conditions outside of
24 permitting Nucor to participate in EMW's MEEIA or other demand response programs.

1 Under the Agreement, all EMW customers will continue to directly benefit from cost
2 savings associated Nucor's participation in the Company's DR offerings, while any
3 reduction in revenues is unlikely or negligible compared to the benefit to the Company and
4 its customers.

5 **Q. Is the Agreement in the public interest?**

6 A. Yes. Nucor's potential participation in DR programs delivers measurable and substantial
7 benefits to all customers. Demand response is a proven, cost-effective resource that helps
8 manage system peak demand, defer or avoid costly new generation, and enhance grid
9 reliability. Any participation by Nucor in the MEEIA BDR program will be within the
10 already-approved set of programs, budgets, criteria, and tariffs set by this Commission.
11 Nucor, as a large and reliable participant, has proven it can consistently deliver significant
12 peak demand reductions, which translate directly into avoided capacity costs for all
13 customers. Moreover, Nucor's presence in Sedalia supports local economic development
14 and job creation, further benefiting the region.

15 **Q. Is the Company requesting the Commission approve the Non-Unanimous Stipulation
16 and Agreement in full?**

17 A. Yes. The Agreement reflects an imminently reasonable compromise position, enabling
18 further analysis of Nucor's participation in EMW's DR offerings, including the resulting
19 benefits to customers. For that reason, EMW requests that the Non-Unanimous Stipulation
20 and Agreement be approved in full and without modification.

21 **IV. CONCLUSION**

22 **Q. Please summarize your testimony.**

23 A. It would be prudent and reasonable for the Commission to approve the Non-Unanimous

1 Stipulation and Agreement. Nucor’s participation in MEEIA and other demand response
2 programs as applicable will deliver clear, measurable, and independently verified benefits
3 to all customers. These benefits far exceed the costs (and we expect will be proven out
4 again in the conditional approval), because demand response is a critical tool for balancing
5 system capacity requirements, managing system reliability and affordability. Approving
6 the Agreement, which would allow for Nucor’s conditional participation in demand
7 response programs, supports economic development, aligns with IRP best practices, and
8 ensures that all customers continue to benefit from a robust, flexible, and cost-effective
9 electric system. In sum:

- 10 1. The Company has shown a need for MEEIA demand response programs
11 with robust customer participation, as illustrated in its 2025 and 2026 IRP
12 Preferred Plan and as approved by the Commission in the Company’s most
13 recent MEEIA 4 filing.
- 14 2. Nucor has a demonstrated track record of providing significant benefits to
15 non-Nucor customers through its past participation in the Company’s
16 MEEIA demand response programs.
- 17 3. Nucor’s participation in MEEIA demand response programs does not
18 change its special rate or terms and conditions currently spelled out in the
19 Agreement and tariff.
- 20 4. Existing protections ensure non-Nucor EMW customers are not harmed by
21 Nucor’s participation in MEEIA demand response programs.

1 5. Benefits to non-Nucor EMW customers far outweigh any potential revenue
2 deficiencies resulting from Nucor's participation in MEEIA demand
3 response programs.

4 For these reasons, the Company respectfully requests the Commission issue its
5 order approving the Non-Unanimous Stipulation and Agreement in full and without
6 modification and finding it reasonable and in the public interest.

7 **Q. Does this conclude your testimony?**

A. Yes.

