Exhibit No.:	301
Issues:	Jurisdictional Allocation and LLPS Revenues
Witness:	Greg R. Meyer
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Midwest Energy Consumers Group
Case No.:	ER-2026-0143
Date Testimony Prepared:	June 30, 2026

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

IN THE MATTER OF EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO'S REQUEST FOR AUTHORITY TO IMPLEMENT A GENERAL RATE INCREASE FOR ELECTRIC SERVICE	)))))))	**CASE NO. ER-2026-0143**

Direct Testimony of

Greg R. Meyer

On behalf of

Midwest Energy Consumers Group

June 30, 2026

BRUBAKER & ASSOCIATES, INC.

Project 12018

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

IN THE MATTER OF EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO'S REQUEST FOR AUTHORITY TO IMPLEMENT A GENERAL RATE INCREASE FOR ELECTRIC SERVICE	)	**CASE NO. ER-2026-0143**

STATE OF MISSOURI)
) **SS**
COUNTY OF ST. LOUIS)

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 direct testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-2026-0143.

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 30th day of June, 2026.

ADRIENNE J. FOLLETT
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: Mar. 22, 2029
Commission # 21989987

Notary Public

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Direct Testimony of Greg R. Meyer

I. INTRODUCTION

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

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

Q WHAT IS YOUR OCCUPATION?

A I am a consultant in the field of public utility regulation and am associated with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A This information is included in Appendix A to my testimony.

Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

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

Q WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A The purpose of my Direct Testimony is to address the issues of Jurisdictional Allocations between Missouri and Kansas, and the large load revenue imputation.

II. MISSOURI/KANSAS JURISDICTIONAL ALLOCATIONS

Q HAVE YOU READ THE CORRECTED DIRECT TESTIMONY OF EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO ("EVERGY METRO" OR "COMPANY") WITNESS JOHN WOLFRAM AS IT RELATES TO PRIMARY JURISDICTIONAL ALLOCATIONS?

A Yes, I have.

Q PLEASE EXPLAIN THE EVERGY METRO'S OPERATIONS.

A Evergy Metro's certificated service territory includes operations in both Missouri and Kansas. In order to develop a Missouri cost of service, non-direct assigned investments and expenses in Evergy Metro's operations need to be allocated between Missouri, Kansas, and the firm wholesale jurisdiction. Mr. Wolfram identifies three primary jurisdictional allocation factors.

Q PLEASE SUMMARIZE MR. WOLFRAM'S RECOMMENDATIONS FOR THE TREATMENT OF PRIMARY JURISDICTIONAL ALLOCATIONS.

A Mr. Wolfram provides primary allocators in three categories: Customer, Energy, and Demand.

For the Customer allocator, Mr. Wolfram recommends an allocator that relies on the average number of customers in Missouri, Kansas, and those who take firm wholesale service in the test year.[1]

For the Energy allocator, Mr. Wolfram relies on the weather-normalized energy for Missouri, Kansas, and firm wholesale sales, updated for growth through June of 2026.[2]

Mr. Wolfram then goes on to describe two different allocators for Demand. Mr. Wolfram recommends that Transmission demand costs be allocated using an average of each month's coincident peak ("12 CP"). For Production Demand costs, Mr. Wolfram recommends using an average of the allocators calculated using 12 CP and the four highest coincident peak ("4 CP") methods.[3]

Q WHAT IS YOUR INITIAL THOUGHT ABOUT EVERGY METRO'S PROPOSED DEMAND JURISDICTIONAL ALLOCATIONS PROPOSAL?

A Once again, Mr. Wolfram has failed to discuss the complete history of this issue which clearly establishes the Missouri Public Service Commission's ("Commission") desire to achieve jurisdictional harmony. However, the Kansas Corporation Commission ("KCC") has consistently rejected the correct jurisdictional allocation factor. Evergy Metro's solution is to simply average a good allocation methodology (4 CP) with a flawed methodology (12 CP) in hopes of achieving jurisdictional harmony.

[1] *See* Corrected Direct Testimony of John Wolfram at page 5, lines 8-9.
[2] *Ibid*., lines 18-21.
[3] *Ibid*., page 6, lines 12-17.

I believe that Mr. Wolfram's proposed Demand allocators are inappropriate and will over-allocate costs to Evergy Metro's Missouri ratepayers.

Q ON PAGES 8-9 IN THE CORRECTED DIRECT TESTIMONY OF EVERGY METRO WITNESS JOHN WOLFRAM, HE DESCRIBES THE PAST USE OF ALLOCATION FACTORS. PLEASE RESPOND.

A I have included that piece of Mr. Wolfram's Direct Testimony.

> **Q HOW HAS THE DEMAND ALLOCATOR BEEN ADDRESSED IN PREVIOUS RATE FILINGS?**
>
> A In Missouri, prior to 1983, the Company allocated jurisdictional demand costs using 1 CP. Since then, in twelve different rate proceedings between 1985 and 2022, and given numerous different proposals by the Company, Staff of the Commission ("Staff"), and intervenors in those cases, all of the Commission orders (in settled cases and otherwise) have implemented a Demand allocator in Missouri based on 4 CP.
>
> In the Kansas jurisdiction, the Company used a 7 CP Demand allocator prior to 1983. Then, in ten different rate proceedings between 1985 and 2018, and again given numerous proposals by parties to those cases, all of the Kansas Corporation Commission ("KCC") orders (in settled cases and otherwise) have implemented a Demand allocator based on 12 CP. Most recently, in 2023, the KCC accepted a settlement that adopted the KCC Staff position in that case, in which the parties agreed that for purposes of allocating capacity-related generation and transmission plant costs between the Missouri and Kansas jurisdictions that an average of 4 CP and 12 CP demand allocators would be used "for everything but Wolf Creek and transmission, which will be based on a 12 CP demand allocator."[4]

What is missing from Mr. Wolfram's testimony is the fact that Kansas City Power & Light Company ("KCPL", Evergy Metro's predecessor company) advocated for a 4 CP Demand allocator for both its Missouri and Kansas jurisdictions in a KCPL rate case, Case Nos. ER-85-128 and EO-85-185. The Commission agreed to implement

[4] *See* Corrected Direct Testimony of John Wolfram at page 8, line 7 through page 9, line 2.

the 4 CP methodology as compared to the 1 CP Demand allocator supported by the Commission Staff ("Staff").

Q WHAT INFORMATION ARE YOU RELYING ON TO SUPPORT THE ARGUMENT THAT KCPL ADVOCATED FOR USE OF A 4 CP ALLOCATOR AS A MEANS OF COMPROMISE BETWEEN THE MISSOURI AND KANSAS JURISDICTIONS?

A I was personally involved in those rate cases as a member of the Staff. In addition, in the Commission's Report and Order in Case Nos. ER-85-128 and EO-85-185, the Commission stated the following:

> Company asserts that 4 CP is the appropriate allocation method since it represents a compromise position between what it views as two extremes: the 1 CP approach taken by the Missouri Staff and the 12 CP approach taken by the Kansas Corporation Commission Staff. In addition, Company argues that 4 CP better reflects the duration of the Company's summer peak load resulting in costs allocation stability. Finally, KCPL asserts that the 4 CP method allocates non-fuel production costs without the need to classify those costs as demand or energy related.[5]

The record is clear that the Commission adopted the 4 CP allocation method as a means to establish some consistency between Missouri and Kansas jurisdictions ("jurisdictional harmony"). However, as described in the testimony above, when it came time for the Kansas jurisdiction to adopt a 4 CP allocator, that argument was rejected in favor of maintaining a 12 CP allocator that maximized the benefits to the Kansas jurisdiction.

[5]Report and Order, Docket Nos. ER-85-128 and EO-85-185, at page 6.

Q DOES MR. WOLFRAM PERFORM ANY TESTS TO DETERMINE THE APPROPRIATENESS OF THE DEMAND ALLOCATION FACTORS?

A Yes. Mr. Wolfram notes the Federal Energy Regulatory Commission ("FERC") employes a three-factor test to determine whether a 12 CP allocator is appropriate or if a 4 CP allocator would be more appropriate.[6]

The three-factor test begins with a comparison of the average of the system peaks to the annual peak.[7] Mr. Wolfram compared a variety of different averages to the annual average and noted that no scenario for Missouri, Kansas, Wholesale, or the total system showed results under the threshold established by FERC (19%) that would suggest that a 12 CP is appropriate.[8]

The second test in the FERC three-factor test is a comparison of the system's lowest peak to the annual peak.[9] In order to suggest that a 12 CP would be appropriate, the test should have resulted in a ratio at or above 66%. Again, for Missouri, Kansas, Wholesale, or the total system showed results indicating that a seasonal peak determination would be appropriate.[10]

The final test in the FERC three-factor test is a comparison of the average of all months' peaks to the annual peak.[11] If the result meets or exceeds 81%, then a 12 CP would appear to be appropriate. And yet again, we see that the results fail to support a 12 CP for Missouri, Kansas, Wholesale, or the total system.[12]

Specifically, Mr. Wolfram states on page 12 of his Corrected Direct Testimony:

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[6] *Ibid*., page 12, lines 3-10.
[7] *Ibid*., page 12, lines 14-17.
[8] *See* Corrected JW-2 at page 4, lines 45-54.
[9] *See* Corrected Direct Testimony of John Wolfram at page 12, lines 19-21.
[10] *See* Corrected JW-2 at page 4, lines 55-58.
[11] *See* Corrected Direct Testimony of John Wolfram at page 13, lines 1-3.
[12] *See* Corrected JW-2 at page 4, lines 59-61.

Q DID YOU APPLY THE THREE FERC TESTS IN THIS CASE?

A Yes. I performed the tests using the test period demand data to compare 12 CP to several other CP demand scenarios: 1 CP, 3 CP using June, July, and August; 3 CP using July, August and September; 4 CP; 6 CP; 8 CP and 10 CP. I performed the tests for each Evergy jurisdiction (Missouri, Kansas, and wholesale) as well as for total. The analysis and results are provided in Schedule JW-2.

Q WHAT DO THESE TEST RESULTS INDICATE?

A The test results indicate that using a seasonal peak determination is more appropriate than using 12 CP for determining the Demand allocator. This is the case in every scenario for all jurisdictions, as indicated in Schedule JW-2.[13]

Q ARE YOU AWARE OF OTHER DEMAND ALLOCATION TESTS PERFORMED REGARDING THE MISSOURI/KANSAS JURISDICTIONAL ALLOCATOR?

A Yes. In KCPL's 2006 Missouri rate case, Case No. ER-2006-0314, Staff witness Erin Maloney filed Direct Testimony in that case. Ms. Maloney, in her Direct Testimony, performed the FERC tests that Mr. Wolfram performed in the current rate case. Based on Ms. Maloney's FERC tests she concluded the following on page 10:

> The result of the first test (28%) falls within the above-indicated 26%-31% range of results that led to FERC decisions adopting a 4 CP methodology. The result of the second test (76%) is well below the range suggesting a 12 CP methodology (81%-88%) and just slightly below the 78%-81% range of results in the FERC decisions adopting a 4 CP methodology. The result of the third test (57%) falls within the 55%-60% range for which the FERC issued decisions adopting a 4 CP methodology. These tests support the usage of the 4 CP method.[14]

[13] *See* the Corrected Direct Testimony of John Wolfram at page 12, lines 4-13.

[14] *See* the Direct Testimony of Erin L. Maloney, Docket No. ER-2006-0314, at page 10, lines 1-7.

In Evergy Metro's last rate case, Case No. ER-2022-0130, Staff witness Alan Bax performed the FERC tests and found the 4 CP allocation methodology was the most appropriate.[15]

The FERC tests have been performed at least three times, spanning a time period of approximately 20 years, and all three times the results indicate that the use of a 12 CP cannot be justified.

Q DO YOU SUPPORT THE PROPOSAL BY EVERGY METRO TO AVERAGE THE RESULTS OF THE 4 CP (MISSOURI ALLOCATOR) AND THE 12 CP (KANSAS ALLOCATOR) FOR PURPOSES OF ESTABLISHING THE MISSOURI/KANSAS ALLOCATOR?

A Absolutely not. It has been shown on at least three instances that the use of the 12 CP is not an appropriate demand allocator for Evergy Metro. Essentially, what Evergy Metro is proposing is to ignore the appropriateness of the allocator and just average those together with the **hope** that Missouri will also adopt the proposed methodology. The Commission has gone through this exercise previously and the result was a failure as the Kansas jurisdiction ignored the compromise. Furthermore, it is simply unacceptable to use a flawed allocation methodology to determine a demand allocator. Essentially, Evergy Metro is asking this Commission to ignore its statutory duty to set just and reasonable rates by adopting an averaging calculation based on a flawed allocator. Just and reasonable rates cannot be achieved under this scenario. Therefore, MECG would propose to maintain the 4 CP methodology for this rate case.

[15] *See* the Direct Testimony of Alan J. Bax, Docket Nos. ER-2022-0129 and ER-2022-0130, at page 9, line 3 through page 10, line 17.

Q DO YOU HAVE ANY SUGGESTIONS TO EVERGY METRO CONSIDERING ITS CONCERNS WITH THE DEMAND ALLOCATOR?

A Yes. I would suggest that Evergy Metro pursue the appropriate demand allocator in Kansas. It has been shown that the 4 CP allocator is the more appropriate Demand allocator. Evergy Metro needs to present compelling evidence to the KCC to convince them that the movement to the 4 CP will result in just and reasonable rates. Trying to get Missouri to buy into the use of a bad allocation methodology is hardly the answer to establishing just and reasonable rates. Missouri compromised before and it did not result in a comprehensive multi-jurisdictional allocator. The present Missouri Demand allocator is proven and should be used for all jurisdictions for the Evergy Metro operations.

III. LARGE LOAD REVENUE IMPUTATION

Q HAS EVERGY METRO PROPOSED ANY ADJUSTMENT TO ACCOUNT FOR FUTURE LARGE LOAD GROWTH IN THIS RATE CASE?

A Yes. Evergy Metro has proposed to reduce its revenue requirement by $25 million to recognize future revenues from large load customers that may occur in 2026.[16]

Q DO YOU SUPPORT SUCH A PROPOSAL?

A Generally, I support this adjustment. However, I have an additional modification to Evergy Metro's proposal. Specifically, I would propose that each year, Evergy Metro be required to file a report with the parties to this rate case and the Commission detailing the level of revenues received from large load customers. In the current case,

[16] *See* the Direct Testimony of Kevin D. Gunn, at page 10, lines 10-15.

absent the proposed $25 million revenue imputation, there is not an actual revenue stream from new large load customers. Therefore, it should be required of Evergy Metro to report the actual large load customer revenues annually until Evergy Metro's next rate case.

Q WHAT IS YOUR PROPOSAL IF THE NEW LARGE LOAD REVENUES EXCEED $25 MILLION?

A Evergy Metro should be given the opportunity to identify the additional costs not built into base rates from this rate case to serve those large load customers. If there are true additional costs — costs not currently paid by other customers through current rate base — these should be netted against future large load revenues. If the net revenues from large load customers then exceeds the projected $25 million, a regulatory liability should be established.

Current captive customers are already providing cost recovery (rate of return and depreciation) on some of the assets and expenses that would be allocable to large load customers when they come online. Therefore, to be fair, the new large load net revenue test should not include those components. The test for marginal costs offsets to the $25 million must be the true additional marginal cost to serve the new large load customer that is currently not included in the revenue requirement that established the captive customer base rates.

Q WHAT DO YOU PROPOSE BE THE REGULATORY TREATMENT OF THE REGULATORY LIABILITY?

A The regulatory liability and any revenue requirement impact can be addressed in Evergy Metro's next rate case.

Q ARE YOU PROPOSING TO ESTABLISH A REGULATORY ASSET IF THE LARGE LOAD REVENUES DO NOT REACH $25 MILLION IN A YEAR?

A No. If the $25 million revenue imputation is not met in a year, Evergy Metro has the ability to file a rate case to revise or eliminate the large load revenue imputation. My proposal provides customer protection if Evergy Metro's revenue imputation is understated.

Q WHEN WOULD YOU PROPOSE THAT THE FIRST YEAR BE REPORTED?

A Since I believe rates will not become effective until early 2027, I would propose that 2027 be the first year for reporting.

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes, it does.

Qualifications of Greg R. Meyer

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

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

Q PLEASE STATE YOUR OCCUPATION.

A I am a consultant in the field of public utility regulation and am associated with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree in Business Administration, with a major in Accounting. Subsequent to graduation I was employed by the Missouri Public Service Commission ("Commission"). I was employed with the Commission from July 1, 1979 until May 31, 2008.

I began my employment at the Commission as a Junior Auditor. During my employment at the Commission, I was promoted to higher auditing classifications. My final position at the Commission was an Auditor V, which I held for approximately ten years.

As an Auditor V, I conducted audits and examinations of the accounts, books, records and reports of jurisdictional utilities. I also aided in the planning of audits and investigations, including staffing decisions, and in the development of staff positions in which the Auditing Department was assigned. I served as Lead Auditor and/or Case Supervisor as assigned. I assisted in the technical training of other auditors, which included the preparation of auditors' workpapers, oral and written testimony.

During my career at the Commission, I presented testimony in numerous electric, gas, telephone, and water and sewer rate cases. In addition, I was involved in cases regarding service territory transfers. In the context of those cases listed above, I presented testimony on all conventional ratemaking principles related to a utility's revenue requirement. During the last three years of my employment with the Commission, I was involved in developing transmission policy for the Southwest Power Pool as a member of the Cost Allocation Working Group.

In June of 2008, I joined the firm of BAI as a Consultant. Since joining the firm, I have presented testimony and/or testified in the state jurisdictions of Arizona, Arkansas, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Maryland, Missouri, Montana, New Jersey, New Mexico, Ohio, Pennsylvania, Utah, Washington, Wisconsin and Wyoming. I have also appeared and presented testimony in Alberta and Nova Scotia, Canada. In addition, I have filed testimony at the Federal Energy Regulatory Commission ("FERC"). These cases involved addressing conventional ratemaking principles focusing on the utility's revenue requirement. The firm BAI provides consulting services in the field of energy procurement and public utility regulation to many clients including industrial and institutional customers, some utilities and, on occasion, state regulatory agencies.

More specifically, we provide analysis of energy procurement options based on consideration of prices and reliability as related to the needs of the client; prepare rate, feasibility, economic, and cost of service studies relating to energy and utility services; prepare depreciation and feasibility studies relating to utility service; assist in contract negotiations for utility services, and provide technical support to legislative activities.