Exhibit No.:	________________
Issue(s):	Rate Case Expense
Witness/Type of Exhibit:	Payne/Rebuttal
Sponsoring Party:	Public Counsel
Case No.:	ER-2026-0143

REBUTTAL TESTIMONY

OF

MANZELL PAYNE

Submitted on Behalf of the Office of the Public Counsel

EVERGY METRO, INC. D/B/A
EVERGY MISSOURI METRO

CASE NO. ER-2026-0143

** ____________________ **

Denotes Confidential Information that has been redacted

August 11, 2026

PUBLIC

REBUTTAL TESTIMONY

OF

MANZELL M PAYNE

EVERGY MISSOURI METRO, INC.,

D/B/A EVERGY MISSOURI METRO

CASE NO. ER-2026-0143

Q. Please state your name, title, and business address.

A. Manzell Payne, Senior Utility Regulatory Auditor, Office of the Public Counsel ("OPC" or "Public Counsel"), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. Are you the same Manzell Payne who filed direct testimony for the Office of the Public Counsel in this case?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to direct testimony of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro" or "EMM") witness, Darcie Kramer, for rate case expense. I will also respond to Staff witness, Sydney Ferguson, on rate case expense.

RATE CASE EXPENSE

Q. What is Staff's recommendation for Rate Case Expense in this case?

A. Staff is recommending the total rate case expense of EMM's prior two general rate cases be averaged to normalize EMM's rate case expense, apply a 50/50 sharing to the result, and then apply a four-year normalization of that to arrive at the rate case expense to include in EMM's revenue requirement before including the cost of its depreciation study. Staff has also included the full amount of the depreciation study costs with no sharing.[1]

[1] Sydney Ferguson, Direct Testimony, Page 12, Lines 12-17.

Q. From which two rate cases did Staff get rate case expenses to use in its rate case expense calculation for this case?

A. Staff witness, Sydney Ferguson, used a two-rate case expense average of full costs incurred by EMM in the most recently concluded rate cases, Case Nos. ER-2022-0129 and ER-2018-0145.[2]

Q. Do you disagree with Staff's calculation for rate case expense for this case?

A. Not necessarily. First, I agree with Staff on the inclusion of the full depreciation study costs as they were mandatory on EMM. I also agree with Staff's methodology for calculating rate case expense except that I believe using a three-year average is superior to a two-year average to normalize rate case expense in this case. Staff uses an average of the Company's rate case expense for its two most recently concluded rate cases divided by 2 for the 50/50 sharing, then divided again by 4 to get a normalization value to include in rates. The difference in my calculation is that I used a three-rate-case normalization based on EMM's most recent two concluded rate cases, ER-2018-0145 and ER-2022-0129, and the rate case expense for this current case ER-2026-0143. Staff and I have both recommended a 50/50 sharing of rate case expense, and to normalize that cost over four years (the anticipated period rates from this case will be in effect). Therefore, I do not disagree with Staff's calculation as it is very similar to mine; however, as I said before, I believe normalizing rate case expense by averaging the rate case expense of three rate cases is superior to averaging the rate case expense from two rate cases.

Q. Has Staff recommended normalizing rate case expense by averaging the rate case expenses of three rate cases?

A. Yes. In Evergy Missouri West's ("EMW") most recent general rate case, Case No. ER-2024-0189, Staff performed their rate case expense calculation using a three-case average of rate case expense. More specifically, Staff Witness Lindsey Smith stated:

[2] Sydney Ferguson, Direct Workpaper.

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Q. How did you determine the amount of discretionary rate case expense?

A. I used a three-rate case expense average of full costs incurred by EMW in the most recent rate cases, Case Nos. ER-2022-0130, ER-2018-0146, and ER-2016-0156. I will review rate case expense again in the true-up phase of this case.[3]

Q. Is there any reason that normalizing rate case expense for this case based on averaging rate case expense from three rate cases would be inappropriate?

A. No. As seen in the above excerpt, Staff has used a three-case average to normalize rate case expense in the past. I believe the use of the three-rate case average provides a more representative measure of the Company's recurring rate case expense because it relies on a larger historical sample, reducing the influence of unusually high or low expenses associated with any individual proceeding. Rate case expenses may vary from case to case for reasons unrelated to general increases in costs, including the number and complexity of issues litigated, the extent of discovery, the use of outside counsel or consultants, and whether issues are settled or fully litigated. While more recent rate case expense may reflect increases in the cost of professional services or other expenses, recency alone does not necessarily make a single case or two cases more representative of the level of rate case expense that customers should reasonably be expected to bear going forward. Using three cases balances the relevance of recent costs with the additional need to mitigate the case specific fluctuations. By incorporating the additional third rate case (in this case, the ongoing rate case, ER-2026-0143) in the average, the average better reflects the Company's normal regulatory experience while still emphasizing recent proceedings.

Q. What is Evergy Metro's current estimated rate case expense for this case according to their workpapers?

A. As of the direct filing, Evergy Metro's estimated rate case expense is an adjustment of **_______ ** to account CS-80.

[3] Case No. ER-2024-0189, Direct Testimony of Staff Witness Lindsey Smith, Page 12, Lines 15-18.

Q. How did Evergy Metro get this adjustment?

A. The Company projected test year expenses for the current case to be **________ **, then divided it by 4 years, and then included the annual amount of **_______ ** to be included in its revenue requirement.[4] This projected test year expenses number is different from the $2,070,043 budgeted rate case expense mentioned in my direct testimony.

Q. Do you agree with Evergy Metro's methodology?

A. No. I believe that this is the incorrect way to calculate the rate case expense in the current case because the Company should have normalized rate case expense by taking the rate case expense from at least Case No. ER-2022-0129 and added it to the projected test year expense of **________ **, then divided the sum by two (representing the number of cases) to yield the average. It then should have applied the 50/50 sharing. Had it done so its methodology would be similar to Staff's. However, the better methodology would have been for the Company to have used a third case when normalizing rate case expense, as I recommend. The sum of those three rate case expenses should be divided by three to normalize rate case expense and that result should then be divided by the number of years the Company expects to recover the amount, in this case that number is an agreed upon period of four years. Additionally, the Company should have included a 50/50 sharing, further reducing the rate case expense to follow Commission precedent.

Q. What recommendation do you believe that the Commission should accept for this case?

A. I recommend that the Commission should accept my recommendation for the treatment of rate case expense for Evergy Missouri Metro, which uses a three-rate-case average to normalize rate case expense, a 50/50 sharing of the rate case expenses which are not mandatory to initiate a rate case, adding the rate case expenses which were mandatory for this case (depreciation study costs), then dividing the result by 4 years. This result should be included in EMM's cost of service and revenue requirement.

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[4] Evergy Missouri Metro's Direct Confidential Workpaper titled, "CS-80 Rate Case Expense - MO Metro Direct". Attached as MMP-R-1.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

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

AFFIDAVIT OF MANZELL PAYNE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Manzell Payne, of lawful age and being first duly sworn, deposes and states:

1. My name is Manzell Payne. I am a Senior Utility Regulatory Auditor for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Manzell Payne
Senior Utility Regulatory Auditor

Subscribed and sworn to me this 10th day of August 2026.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.