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Witness: Amanda Arandia
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Case No.: ER-2026-0143
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

AMANDA ARANDIA

EVERGY METRO, INC. d/b/a EVERGY MISSOURI METRO

CASE NO. ER-2026-0143

Jefferson City, Missouri
August 2026

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1 using plant in service as of June 30, 2025, and reserve balances as of June 30, 2025 which
2 he projected through June 30, 2026, in order to perform his calculations. For net salvage,
3 he relied on the net salvage values adopted by the Commission in Evergy Missouri Metro's
4 ("EMM") 2022 rate case.

5 Q. Did Mr. Robinett's provide a complete depreciation rate schedule?

6 A. No. Mr. Robinett developed depreciation rates only for selected plant
7 accounts with estimated terminal retirement dates. He did not develop depreciation
8 rates for all depreciable plant accounts.

9 Q. You indicated that Mr. Robinett projected reserve balances through the
10 true-up period. Why is that significant?

11 A. This is significant for two reasons. First of all, his calculations use plant in
12 service balances as of June 30, 2025, while using projected reserve balances as
13 of June 30, 2026. Second, his projection blends two fundamentally different concepts:
14 book reserves and theoretical reserves.

15 Book reserves are the actual accumulated depreciation recorded in the
16 company's books. It reflects the depreciation expense that has been charged to
17 customers through rates based on the commission approved depreciation rates as they
18 have been applied over time.

19 Theoretical reserves on the other hand, are the calculated amount of depreciation
20 reserves that would be expected to exist at a given time based on the current depreciation
21 model and parameters used, including average service lives, retirement patterns and net
22 salvage. In a depreciation study, the difference between theoretical and book reserves is

1 used to help identify whether the current depreciation rates have resulted in the
2 accumulation of the appropriate level of reserves.

3 In a depreciation study, the plant-in-service balance, book reserve, retirement
4 experience, and net salvage data are all analyzed as of a common study date.
5 The theoretical reserve is then calculated using the depreciation parameters developed
6 in the study and compared to the actual book reserve as of that same date.
7 That comparison provides the basis for determining whether reserve deficiencies or
8 excesses exist and for developing appropriate remaining-life depreciation rates.

9 Mr. Robinett instead projects the June 30, 2025, book reserve forward to June 30,
10 2026, without performing a corresponding depreciation study or developing an updated
11 theoretical reserve as of that date. As a result, his analysis mixes historical accounting
12 balances with projected values and does not provide the internally consistent reserve
13 comparison that is fundamental to accepted depreciation methodology.

14 Q. Mr. Robinett states that the Commission should use the most up-to-date
15 depreciation reserves possible because doing so allows ratepayers to receive the benefit
16 of reserves they have paid. Do you agree?

17 A. While I agree that it is important to use the most up-to-date depreciation
18 reserve balance when calculating depreciation expense at true-up, I do not agree that the
19 reserve balance alone is sufficient to establish depreciation rates. Depreciation reserve
20 balances are an important component of a depreciation analysis; however, the reserve
21 balance alone does not determine the appropriate depreciation rate. A depreciation
22 study evaluates the available data at the date of the depreciation study to determine the

1 appropriate average service lives, retirement patterns, and net salvage characteristics of
2 a property group and then uses those depreciation parameters to evaluate whether the
3 existing reserve is appropriate. Simply performing a remaining-life straight-line
4 calculation using the most current reserve balance does not establish whether EMM has
5 recovered the appropriate amount of its investment to date or whether future
6 depreciation rates will properly reflect the remaining service life and retirement
7 characteristics of the assets.

8 Further, as previously discussed, Mr. Robinett's approach does not use plant-in-
9 service and reserve balances from the same point in time. He utilizes plant-in-service
10 balances as of June 30, 2025, while incorporating projected reserve balances as
11 of June 30, 2026. Using balances from different periods does not provide a consistent
12 measure of the relationship between EMM's investment in plant and the associated
13 depreciation reserve.

14 Q. How does Staff's calculation differ from Mr. Robinett's?

15 A. Although both incorporate remaining-life depreciation and anticipated
16 terminal retirement dates, Staff first performed a comprehensive depreciation study to
17 develop the depreciation parameters for each account. Staff evaluated historical
18 retirement experience, developed survivor curves and retirement dispersions,
19 considered engineering judgment, and evaluated historical net salvage. The estimated
20 terminal retirement dates were then incorporated into that broader depreciation
21 framework.

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1 Mr. Robinett's calculations simply allocate the estimated remaining unrecovered
2 balance of existing plant over the period ending with the assumed terminal retirement
3 date, effectively amortizing the unrecovered plant in service over that period. His analysis
4 does not include an evaluation of historical retirement experience or retirement
5 dispersion for the affected accounts.

6 Q. Why is that distinction important?

7 A. A terminal retirement date identifies when a generating facility is expected
8 to permanently cease operations. It does not describe how the individual assets within
9 that facility retire throughout its operating life. Utility plant is continually subject to
10 additions, retirements, and replacements before the facility reaches its terminal
11 retirement date. A depreciation study recognizes and incorporates these activities
12 through analysis of retirement experience, survivor characteristics, service lives,
13 and net salvage.

14 Q. How does that affect the resulting depreciation rates?

15 A. Because Mr. Robinett's calculations are driven by the estimated plant-in-
16 service and reserve balances, rather than by the underlying depreciation characteristics
17 of the property group. This means that future changes to plant in service and reserve
18 balances (which could vary significantly over time as EMM continues to add, retire, and
19 replace assets) or even just the passage of time between rate cases could have a greater
20 impact on future depreciation rates.

21 Although depreciation rates developed from a depreciation study are also
22 expected to change over time, those changes are based on updated analyses and driven

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1 by changes in average service life, retirement patterns and net salvage, rather than
2 changes in accounting balances alone. As a result, depreciation rates based on a
3 depreciation study generally provide a more stable and reliable basis for establishing
4 depreciation rates over time and reduce the likelihood that future depreciation rates will
5 require significant adjustments due solely to changes in accounting balances.

6 Q. Does this conclude your rebuttal testimony?

7 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) Case No. ER-2026-0143
Authority to Implement a General Rate)
Increase for Electric Service)

AFFIDAVIT OF AMANDA ARANDIA

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

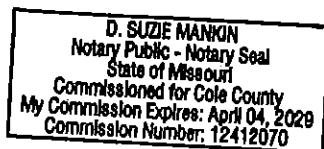
COMES NOW AMANDA ARANDIA and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Amanda Arandia*; and that the same is true and correct according to her best knowledge and belief.

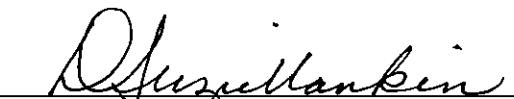
Further the Affiant sayeth not.


AMANDA ARANDIA

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 6th day of August 2026.




Notary Public