*Exhibit No.:*
*Issue(s): Natural Gas Prices, Transmission Congestion Rights, Hedging Gains and Losses, True Up Adjustments*
*Witness: Antonija Nieto*
*Sponsoring Party: MoPSC Staff*
*Type of Exhibit: Surrebuttal / True-Up Direct Testimony*
*Case No.: ER-2026-0143*
*Date Testimony Prepared: September 10, 2026*

# MISSOURI PUBLIC SERVICE COMMISSION

## FINANCIAL AND BUSINESS ANALYSIS DIVISION

## AUDITING DEPARTMENT

## SURREBUTTAL / TRUE-UP DIRECT TESTIMONY

## OF

## ANTONIJA NIETO

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

## CASE NO. ER-2026-0143

***Jefferson City, Missouri***
***September 2026***

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**SURREBUTTAL / TRUE-UP DIRECT TESTIMONY**

**OF**

**ANTONIJA NIETO**

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

**CASE NO. ER-2026-0143**

Q. Please state your name and business address.

A. My name is Antonija Nieto. My address is Fletcher Daniels State Office building, Room 201, 615 E 13th Street, Kansas City, Missouri 64106.

Q. By whom are you employed and in what capacity?

A. I am a Lead Senior Utility Regulatory Auditor with the Missouri Public Service Commission ("Commission").

Q. Are you the same Antonija Nieto who filed direct testimony on June 30, 2026, in this case?

A. Yes, I am.

Q. What is the purpose of your surrebuttal / true-up direct testimony?

A. In my surrebuttal / true up direct testimony I will respond to rebuttal testimony of Evergy Missouri Metro's ("EMM") witnesses Hsin Foo, Linda Nunn, and JP Meitner on following topics:

- Natural gas prices – EMM Foo rebuttal testimony pages 2-6,
- Transmission Congestion Rights ("TCR") – EMM Foo rebuttal testimony pages 16-19.
- Transmission Expense and Revenue – EMM Nunn rebuttal testimony page 18
- Hedging Gains and Losses – EMM Meitner rebuttal testimony pages 3-4.

I will also address items I recommend being trued-up as of June 30, 2026, the true-up cut-off period in this case.

**SURREBUTTAL TESTIMONY**

**Natural Gas Prices**

Q. On page 8 of her rebuttal testimony, witness Foo suggests the Commission reject Staff's natural gas price and market price assumptions. How did Staff develop natural gas prices used as an input to Staff's fuel model in direct testimony filed in this case?

A. In its direct testimony filed in this case, Staff used the weighted average of actual monthly commodity cost of natural gas for the two-year period ending December 31, 2025 (update period cutoff in this case). Staff excluded the period of January 13-17, 2024, because of the irregular price spikes experienced during that period.

Q. How did EMM develop natural gas prices used in its production cost model?

A. According to EMM witness Tucker's direct testimony: "[m]onthly natural gas prices were derived from the September 10, 2025, NYMEX Henry Hub Natural Gas futures and Intercontinental Exchange ("ICE") Southern Star NG Basis futures contract settlement prices from the period of January 2025 through December 2027."[1] Additionally, witness Foo states: "[f]orward natural gas prices represent the market's current expectations of future natural gas prices…"[2]

[1] Jessica Tucker Direct Testimony, page 5, line 10-15.
[2] Hsin Foo Rebuttal Testimony, page 6, line 14-15.

Q. What is EMM's disagreement with Staff's approach to developing natural gas prices?

A. According to EMM witness Foo, Staff's developed natural gas prices do not produce a representative estimate of the natural gas prices EMM will reasonably expect to face during the period in which new rates will be in effect. According to witness Foo: "...natural gas prices during 2024 were unusually low relative to prevailing market conditions over the past decade."[3]

Q. What is EMM witness Foo's recommendation to the Commission regarding Staff's natural gas price assumptions?

A. Witness Foo recommends the Commission reject Staff's natural gas price assumptions because: "... they rely on historically low prices that do not reasonably reflect the market conditions expected during the period new rates will be in effect."[4] Additionally, witness Foo suggests: "... the Commission should adopt assumptions that more reasonably reflect expected market conditions."[5]

Q. Do you agree with witness Foo's recommendation to the Commission on assumptions used when developing natural gas prices?

A. No. Witness Foo's suggestion that the Commission adopt assumptions used in witness Tucker's testimony are based on futures[6] contract settlement prices from the period of January 2025 through December 2027. Using forward assumptions goes

[3] Hsin Foo Rebuttal Testimony, page 4, line17-21, and page 5, line 1.
[4] Hsin Foo Rebuttal Testimony, page 8, line 4.
[5]Hsin Foo Rebuttal Testimony, page 8, line 7-8.
[6] A futures contract is a standardized financial agreement traded on an exchange such as NYMEX where a buyer and seller commit "today" to a set price for delivery or settlement in a future time.

against two long-standing rate making principles in the state of Missouri: the Matching Principle and the Known and Measurable Principle.

Q. Please briefly explain the two principles mentioned above.

A. The Matching Principle requires that all components of ratemaking formula – rate base, revenues, operating expenses, and billing determinants – be synchronized over the same time-period and operating conditions. The Known and Measurable Principle requires that any adjustment made to historical test year data must be certain in amount, verifiable, and the event causing the change must have occurred or be contractually/legally certain to happen within the true-up period. Selecting a "known and measurable" period with included amounts being verifiable is important to capture or "match" all material components of revenues and expenses.

Q. Did Staff true-up natural gas prices in this case?

A. Yes. In response to Staff Data Request No. 0069, Staff received actual monthly commodity costs of natural gas up to June 30, 2026 (true-up cutoff period in this case). During its review, Staff noted an uptick in natural gas prices during the period between January 23 – 31 of 2026 that was caused by Winter Storm Fern. To smooth irregular data to best reflect normalized ongoing operations, Staff removed the storm inflated pricing experienced during that part of January 2026 from its calculation. After reevaluating actual monthly commodity costs of natural gas from January 2024 to June 30, 2026, Staff recommends using a 12-month weighted average of actual natural gas commodity cost as of June 30, 2026, true-up cutoff in this case.

Q. Please explain how Staff's recommended 12-month weighted average of actual gas prices ending June 30, 2026, satisfies the Known and Measurable Principle.

A. Under long-standing Missouri Public Service Commission practice, adjustments to historical test year data must be "known and measurable" – meaning they are verified, actual occurrences rather than speculative projections. A 12-month weighted average of natural gas prices through June 30, 2026, is based on actual commodity settlement prices and utility purchase costs realized during the true-up period. It is verified and mathematically measurable.

In contrast, EMM proposes using forward-looking market futures (NYMEX settlement expectations extending through 2027). Forward prices are speculative, volatile, and do not represent actual costs incurred to serve the retail load. Replacing the actual data with financial futures violates the Known and Measurable standard.

Q. How does Staff's recommendation adhere to the Matching Principle?

A. The Matching Principle dictates that revenues, operating expenses, and capital investments must be evaluated over the same operational period. By using the 12-month period ending June 30, 2026, Staff aligns its natural gas commodity costs directly with the true-up period used across all cost components of this rate case.

Q. What is Staff's recommendation to the Commission?

A. Staff recommends that the Commission reject EMM's reliance on forward natural gas pricing and instead adopt Staff's 12-month weighted average of natural gas prices ending June 30, 2026. This approach maintains a mathematically verifiable foundation under the Known and Measurable standard and preserves the balance of expenses and revenues required by the Matching Principle.

**Transmission Congestion Rights**

Q. How did Staff calculate TCRs in its direct filing?

A. For its direct filing, Staff reviewed TCR data from 2014 through December 2025 and recommended a 3-year average ending December 2025 for the level of TCRs to be included in EMM's cost of service.

Q. What is EMM's approach to TCRs?

A. According to witness Foo's rebuttal testimony: "[t]he Company analyzed actual TCR margin and actual congestion costs for the three-year period ending August 2025 to develop an average recovery factor representing the portion of congestion costs historically offset by TCR revenues. The Company then applied that recovery factor to the normalized congestion costs produced by the Company's production cost model to estimate normalized TCR revenues."[7]

Q. What is EMM's concern about Staff's approach to TCRs?

A. EMM's concern with Staff's approach is twofold. First being mixing modeled conditions with historical data. Staff used a production cost model to establish normalized fuel and purchase power costs under specific market conditions but then calculated the TCR margin using an unlinked three-year historical average. Secondly, witness Foo argues that the Locational Marginal Prices (LMPs) used in Staff's production cost model already reflect the cost of transmission congestion to serve load.

[7] Hsin Foo Rebuttal Testimony, page 18, lines 17-21.

By separately adding a historical TCR margin adjustment (which also includes congestion costs and revenues), Staff is causing the impact of transmission congestion to be reflected twice.[8]

Q. Do you agree with EMM's argument?

A. No. Staff's position is that a level of TCR revenue should be included in the cost of service that is set at an appropriate level.

In prior rate cases, TCR's have been included in the revenue requirement using different methods. The first is using historic TCR margin revenue for a given period. The second is using a congestion recovery factor from the modeled purchased power which is what EMM is utilizing in this case.

Q. What was the method used by EMM and Staff in the last prior EMM rate case, Case No. ER-2022-0129?

A. To calculate a net amount of miscellaneous charges and revenues which includes TCR's, EMM included the following amounts and methods:

- SPP Revenue Neutrality Uplift Net Charges – 12 Months Ending as of the True-Up[9]
- Ancillary Services – Net Purchases and Sales – 12 Months Ending as of the True-Up
- TCR Margin – 12 Months Ending as of the True-Up
- MINT Line loss – 12 Months Ending as of the True-Up

Staff used the same methodology as EMM when calculating its true-up revenue requirement in Case No. ER-2022-0129.

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[8] Rebuttal Testimony of Hsin Foo, pages 17-18.
[9] The true-up cutoff in Case No. ER-2022-0129 was May 31, 2022.

Q. What was the method used by EMW and Staff in the last prior EMW rate case, Case No. ER-2024-0189?

A. To calculate a net amount of miscellaneous charges and revenues which includes TCR's, EMM included the following amounts and methods:

- SPP Revenue Neutrality Uplift Net Charges – 12 Months Ending as of the True-Up[10]
- Ancillary Services – Net Purchases and Sales – 12 Months Ending as of the True-Up
- TCR Margin – Modeled using a similar method as the current case, Case No. ER-2026-0143
- MINT Line loss – 12 Months Ending as of the True-Up

Staff used the following methodology in Case No. ER-2024-0189:

- SPP Revenue Neutrality Uplift Net Charges – 3 year average of the period ending as of the True-Up
- Ancillary Services – Net Purchases and Sales – 3 year average of the period ending as of the True-Up
- TCR Margin – 12 Months Ending as of the True-Up
- MINT Line loss – 12 Months Ending as of the True-Up

Although Staff and EMW used differing methodologies in Case No. ER-2024-0189, that case was ultimately concluded with a stipulation and agreement.

Q. What is Staff's recommendation in this case?

A. As of the true-up, Staff recommends the following methodologies for the purchased power miscellaneous charges and revenues:

- SPP Revenue Neutrality Uplift Net Charges – 12 Months Ending as of the True-Up
- Ancillary Services – 12 Months Ending as of the True-Up
- TCR Margin – 12 Months Ending as of the True-Up
- MINT Line loss – 12 Months Ending as of the True-Up

[10] The true-up cutoff in Case No. ER-2024-0189 was June 30, 2024.

Using historical data is consistent with Staff's recommendation concerning these items in the last EMW rate case, Case No. ER-2024-0189.

Q. On page 19 of her rebuttal testimony, Ms. Foo recommends the Commission reject Staff's "flawed" methodology and use EMM's methodology for TCR revenues. Can Staff calculate TCR margins using EMM's methodology?

A. No. Staff's modelling of fuel and purchased power does not identify a specific amount of congestion as described by Ms. Foo in her testimony so a ratio method cannot be calculated. I would note that Staff's "flawed" methodology is the same used by EMM in Case No. ER-2022-0129 and Staff used a consistent method in the EMW Case No. ER-2024-0189.

**Transmission Revenue and Expense**

Q. Are there differences between Staff and EMM on calculating transmission revenue and expense?

A. Yes, but with the same result. Although Staff and EMM approached the transmission revenue and expense differently in their methodology (Staff using actuals and EMM using forward costs), both Staff and EMM agree to true-up transmission revenues and expenses as of June 30, 2026, the true-up cut-off date in this case.

Q. Witness Nunn mentions in her rebuttal testimony that an additional adjustment will need to be made for the two large customers who are currently in the ramp-up phase.[11] Will Staff address that adjustment?

[11] Rebuttal Testimony of Linda Nunn, page 18, lines 4-10.

A. For further explanation on this additional adjustment, please refer to surrebuttal / true-up direct testimony of Staff witness Sarah Lange.

**Hedging Gains and Losses**

Q. What was Staff's recommendation regarding hedging gains and losses in their direct filing?

A. According to the Stipulation and Agreement stemming from Case No. ER-2022-0129: "[h]edging activity cost and gains will be deferred into the Company's regulatory asset/liability account for future rate treatment determination."[12]

In its direct testimony filed in this case, Staff recommended amortizing the regulatory liability amount over four (4) years with no inclusion in rate base.[13]

Q. Did EMM agree with Staff's recommendation?

A. No. Witness Meitner opposes amortizing hedging gains and losses over four (4) years. Instead, witness Meitner argues these amounts should flow directly through the Fuel Adjustment Clause ("FAC"). Witness Meitner noted that including hedging gains and losses in FAC is already a standard practice in Evergy's other three jurisdictions (Evergy Missouri West, Evergy Metro Kansas, and Evergy Metro Central).

Q. Does Staff oppose including EMM's future hedging gains and losses in its FAC?

A. No. As discussed by Staff witness Dr. Krishna Poudel, Staff is not opposed to including future EMM's hedging gains and losses in its FAC. As noted in my

[12] Stipulation and Agreement, page 5, item 3, filed August 30, 2022.
[13] Direct Testimony of Antonija Nieto, page 6, line 11-12.

direct testimony, Staff recommends the amount of hedging gains and losses deferred from prior case be amortized over four (4) years without inclusion in rate base.[14]

For further discussion and recommendation on hedging gains and losses and their inclusion in Staff's FAC, please refer to Staff witness Krishna Poudel's Surrebuttal testimony in this case.

**TRUE-UP TESTIMONY**

Q. Are there any items you updated to reflect the true-up period as of June 30, 2026?

A. Yes. I updated the following items to reflect the true-up period through June 30, 2026:

- Insurance expense
- SO2 amortization and rate base
- Revenue Neutral Uplift
- Ancillary Services
- SPP Administrative Fees
- MINT line
- Border Customers
- Fuel Prices
- Fuel Inventory
- Purchased Power

Q. Did any of your adjustments for true-up have changes in methodology?

A. Yes. For transmission expense, Staff recommends including an annualized level based on transmission expense incurred from March through June, 2026. In its direct filing, Staff included a level of transmission expense based on actual amounts during the 12 months ending December 31, 2025 (update cut-off period in this case).

[14] Direct Testimony of Antonija Nieto, page 6, line 11-12.

For fuel additives and residuals, also known as Coal Combustion Products, Staff has reflected EMM's calculation methodology to compute the annual amounts of these expenses. In Staff's direct filing, Staff included actual historical costs for these items. EMM's methodology uses the consumption rates for these expenses based on annual fuel burns and is a more accurate method to determine these expenses.

Q. Does this conclude your surrebuttal / true-up direct 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 ANTONIJA NIETO**

STATE OF MISSOURI )
) ss.
COUNTY OF Jackson )

**COMES NOW ANTONIJA NIETO** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Antonija Nieto*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

A Nieto

**ANTONIJA NIETO**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 2nd day of September 2026.

CHERYL LEVERETTE
MY COMMISSION EXPIRES 9-7-2027
NOTARY SEAL
#01404338
JACKSON COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

Cheryl Leverette

Notary Public