Exhibit No.:	
Issue(s):	*Fuel supply plan, Hedging*
Witness:	*Krishna L. Poudel*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal Testimony*
Case No.:	*ER-2026-0143*
Date Testimony Prepared:	*September 10, 2026*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL TESTIMONY

OF

KRISHNA L. POUDEL

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

CASE NO. ER-2026-0143

Jefferson City, Missouri
September 2026

** <u>Denotes Confidential Information</u> **

SURREBUTTAL TESTIMONY

OF

KRISHNA L. POUDEL

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 Krishna L. Poudel, and my business address is P.O. Box 360, Jefferson City, Missouri 65102.

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

A. I am employed by the Missouri Public Service Commission ("Commission") as an Economist in the Energy Resources Department in the Industrial Analysis Division.

Q. Are you the same Krishna Poudel who previously provided testimony in this case?

A. Yes. I provided rebuttal testimony in this case on August 11, 2026.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of this surrebuttal testimony is to respond to the rebuttal testimony of Evergy witness JP Meitner in regard to hedging in the fuel adjustment clause ("FAC") for Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("EMM").

Q. What witnesses of Staff provided testimony on hedging?

A. Staff witness Antonija Nieto provided direct testimony regarding hedging gains and losses resulting from past rate case treatment. I provided rebuttal testimony in response to EMM witness Ms. Linda Nunn regarding its proposal to include future hedging gains and losses in the FAC tariff.

Q. What did EMM witness Mr. Meitner propose in rebuttal testimony in this current rate case?

A. Mr. Meitner proposed, “this is the time, during the rate case, to correct the approach for the costs and gains associated with this activity to flow through the FAC.”[1] Meitner’s reference to the settlement of the EMW rate case[2] in 2024, that determined forward natural gas purchases for EMW customers would be recovered through the fuel adjustment clause. Staff understands EMM’s proposal to include forward natural gas purchases in its FAC is consistent with EMW.

Q. Have you already discussed the EMW rate case in 2024 that addressed the hedging issues in FAC in your rebuttal testimony?

A. Yes, I did.

Q. Can you briefly describe your conclusion from your rebuttal testimony?

A. In EMW’s last general rate case,[3] the Commission approved the *Unanimous Stipulation and Agreement*, which allowed EMW to hedge up to 25% of EMW’s forecasted physical natural gas for the months of June-August and December-February, and EMW would enter into those hedges 1-4 months ahead of time. The signatories also agreed that the 25% level could be re-evaluated in the next rate case. EMM is recommending to expand its policy even further as compared to EMW, as they are

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[1] JP Meitner Rebuttal at page 3, lines 14-15
[2] Case No. ER-2024-0189
[3] Case No. ER-2024-0189,

requesting to hedge ** [redacted] ** EMM's requested policy will have flexibility to respond to market dynamics/pricing volatility quickly and with flexible hedge size.

Q. Does EMM's proposal follow your theoretical foundation for hedging?

A. Yes, it does. My rebuttal summary is about addressing how a utility can mitigate market volatility of natural gas and purchase of any other energy resources deploying any tools of hedging such as forward derivative contracts and financial instruments or others. Energy hedging is a risk management strategy that allows energy suppliers, consumers, and investors to stabilize costs and revenues despite fluctuating energy prices. It involves pre-purchasing energy or using financial contracts to reduce exposure to sudden price changes. By hedging, companies can plan budgets more accurately, secure profit margins, and avoid unexpected cost spikes caused by market volatility.

Q. Please summarize your testimony.

A. Staff supports EMM's proposed hedging policy to be implemented at the conclusion of this rate case. Staff recommends the Commission order EMM to provide an annual report which includes the details of the proposed hedging plan with calculations/projections of hedge ratio, expected variability assumed in price structure of gas/electricity, including but not limited to a time-series projectile of a price symbol, especially during summer peak and winter peak. This will enhance future energy resources acquisition strategies and improve utility's efficiency[4] performance.

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.

[4] **Effectiveness** and **efficiency** are often used together in business, but they focus on different aspects of performance. In short, effectiveness implies "doing the right thing" while efficiency implies "doing thing right way (optimal)". Effectiveness is necessary condition while efficiency is sufficient condition in business and economics.

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 KRISHNA POUDEL

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

COMES NOW KRISHNA POUDEL and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Krishna Poudel*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

KPoudel

KRISHNA POUDEL

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 10th day of September 2026.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2029
Commission Number: 12412070

D Suzie Mankin

Notary Public