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Issue:	Natural Gas Fuel Supply Plan Gains and Losses
Witness:	JP Meitner
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	Evergy Missouri Metro
Case No.:	ER-2026-0143
Date Testimony Prepared:	September 10, 2026

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2026-0143

SURREBUTTAL TESTIMONY

OF

JP MEITNER

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri
September 2026

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SURREBUTTAL TESTIMONY

OF

JP MEITNER

Case No. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is JP Meitner. My business address is 818 South Kansas Avenue, Topeka, Kansas 66612.

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

A: I am employed by Evergy Kansas Central, Inc. and serve as the Director of Market Operations for Evergy Metro, Inc. ("Evergy Metro") d/b/a Evergy Missouri Metro ("Evergy Missouri Metro," "EMM," "Applicant," or the "Company"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central" or "EKC"), the operating utilities of Evergy, Inc. ("Evergy").

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Missouri Metro.

Q: Have you previously filed testimony in this proceeding?

A: Yes. I adopted the direct testimony of Jessica Tucker, which was filed on February 6, 2026, and I filed rebuttal testimony on August 11, 2026.

Q: What is the purpose of your surrebuttal testimony?

A: The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Staff of the Commission ("Staff") witness Krishna L. Poudel regarding the Company's natural gas fuel supply plan and the treatment of forward procurement gains and losses in the fuel adjustment clause ("FAC"). Specifically, I address Dr. Poudel's characterization of the Company's forward procurement activities, his recommendation that the Commission order additional annual reporting requirements, and the framework under which these activities should be evaluated.

I address why Staff's continued reliance on day-ahead locational marginal prices ("DA LMPs") to determine energy costs for Large Load Power Service ("LLPS") customers, rather than the production cost modeling methodology used for all other customers, is flawed. I also address Staff's calculated fuel adjustment clause base factor based on the Office of the Public Counsel's ("OPC") witness Angela Schaben's proposed recommendation of an LLPS-only FAC.

II. RESPONSE TO STAFF WITNESS POUDEL ON NATURAL GAS FUEL SUPPLY PLAN AND HEDGING

Q: Does Dr. Poudel oppose inclusion of hedging language in the FAC tariff sheets?

A: No. Dr. Poudel states that Staff "does not oppose the proposed hedging language in the FAC tariff sheets to attempt to mitigate the market volatility."[1] To that extent, Staff's position is consistent with the Company's proposal. However, Dr. Poudel's testimony raises several additional points that warrant response.

Q: Dr. Poudel characterizes the Company's forward procurement activities as "cost stabilization, but not a profit maximization[2] Do you agree?

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[1] See K. Poudel Rebuttal at 6.

[2] Id.

A: The Company agrees that its natural gas fuel supply plan is designed to mitigate cost volatility for customers but not to speculate or generate trading profits.[3] Dr. Poudel's framing of the Company's natural gas fuel supply plan activities as "cost stabilization, but not a profit maximization" could create confusion about how the Commission should evaluate these activities. The Company's natural gas fuel supply plan is not designed to "maximize profit," nor has the Company ever characterized it that way. These forward procurement activities are designed to lessen the impact on customers from severe, unexpected market fluctuations. The gains and losses that result are a natural byproduct of locking in prices ahead of delivery. Forward procurement will, by design, produce both gains and losses on individual transactions: sometimes the locked-in price will be lower than the spot price, and sometimes higher. Both outcomes are evidence that the activity is functioning as intended—reducing volatility and providing price certainty. The concern is that characterizing the activity solely as "cost stabilization" could be used in future proceedings, such as prudence reviews, to second-guess individual transactions that show a loss. The appropriate measure is whether the activity reduces overall cost volatility over time, and the Commission should evaluate it on a portfolio basis over a reasonable time horizon, not transaction by transaction.

Q: Dr. Poudel references the Unanimous Stipulation and Agreement from Evergy Missouri West's most recent rate case No. ER-2024-0189, which allowed hedging up to 25% of forecasted physical natural gas for certain months.[4] Does this limit Evergy Missouri Metro's proposed fuel supply plan?

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[3] Id.

[4] See K. Poudel Rebuttal at 4; Unanimous Stipulation & Agreement at 10, In re Evergy Missouri West General Rate Case, No. ER-2024-0189 (Oct. 2, 2024).

A: No. As Dr. Poudel acknowledges, "EMM has a proposed natural gas fuel supply plan that goes beyond what was approved in the last EMW rate case" and that "EMM will have flexibility to respond to market dynamics/pricing volatility quickly and with flexible hedge size."[5] However, EMM's fuel supply plan is tailored to the specific needs of its generation fleet, which requires a reliable, cost-effective supply of natural gas across all seasons and market conditions. The Commission should evaluate EMM's plan on its own merits and not artificially constrain it to parameters developed for a different operating company with a different generation fleet.

Q: Dr. Poudel recommends that the Commission order EMM to provide an annual report of its proposed "hedging plan."[6] What is your response?

A: The Company is committed to transparency regarding its natural gas fuel supply plan strategies. However, Dr. Poudel's recommended reporting requirements, including projections of hedge ratio, expected variability in price structure, and time-series price projections, raise practical concerns. These metrics involve forward-looking market assumptions that are inherently uncertain. Requiring such projections in an annual report could be interpreted as establishing prescriptive targets that may not be appropriate given changing market conditions. The Company's natural gas fuel supply plan must retain flexibility to respond to evolving market dynamics.

III. <u>STAFF'S USE OF DA LMPs TO DETERMINE ENERGY COSTS FOR LARGE LOAD CUSTOMERS</u>

Q: What is Staff's proposed Option 2 regarding its FAC base factor?

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[5] <u>See</u> K. Poudel Rebuttal at 5.
[6] <u>Id.</u> at 6-7.

A: As discussed in Staff's direct and rebuttal, Staff proposes to exclude LLPS customers from the FAC and remove certain energy and transmission-related costs attributed to those customers. Under Staff's approach, day-ahead energy expense would be calculated based on the LLPS customer's hourly load and the Company load-node LMP. Other energy-based and demand-based SPP settlement charges would be allocated according to LLPS customers' proportionate share of Missouri jurisdictional kWh or kW.[7]

Q: Why is using DA LMPs as the energy cost for LLPS customers incorrect?

A: There are several reasons. First, as discussed in my rebuttal, under the SPP market, the Company sells the energy it produces from its generation fleet into the SPP markets at LMP prices and buys the energy it needs to serve its load from the SPP markets at LMP prices. As a result, sales revenue and purchase costs largely net out. Consequently, the Company's cost to all its customers consists primarily of the costs of running its own generators, which consist primarily of fuel costs.[8] DA LMPs represent the market-clearing price, typically set by the variable production cost of the most expensive unit operating in a given hour.[9] The Company's actual energy costs for operating its own generation fleet may be lower or higher than the DA LMPs. Therefore, if the Company charges LLPS customers the LMP but only incurs the lower fuel costs, there will be an over-recovery of costs and vice versa.[10]

Second, using DA LMPs for LLPS customers while using a production cost model for all other customers creates an internal inconsistency. As Dr. Berry (Google) testified, "if large customers are like all other customers, then using a different method

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[7] See B. Mastrogiannis Rebuttal at 9.
[8] See C. Berry Rebuttal at 7.
[9] Id. at 8.
[10] Id.

for determining their energy costs is unjustified."[11] Specifically, "Staff has reached this conclusion because the energy costs it attributes to Customer A are incorrect. Customer A will pay an energy rate that will likely reduce the FAC Base Rate. There is no evidence that including Customer A in the FAC will harm other ratepayers" while "there is strong evidence that other ratepayers will benefit."[12]

The Commission should "reject Staff's proposed Option 2 methodology to determine the FAC base rate, and adopt the methodology used by Evergy."[13]

Q: In their rebuttal testimony, Staff witnesses Lange and Mastrogiannis use Staff's Option 2 SPP DA LMPs as the basis for determining the energy cost to serve LLPS customers and for calculating the proposed LLPS-only FAC base factor as proposed by OPC witness Ms. Schaben. Do you agree with this methodology?

A: No. Staff's proposed LLPS-only FAC base factor methodology is flawed. Staff testifies that "[u]sing the Staff's DA LMP for the value of energy, the load factors described in my June 30, 2026, direct testimony, and the SPP transmission expense values provided above, a reasonable base factor for an LLPS-Only FAC would be $0.030965."[14] Ms. Lange further confirms that this calculation is not reduced by revenue produced from the sale of energy into the wholesale market, nor does it include fuel expense to generate any energy sold into the wholesale market, as well as revenue generated from ancillary services or produced form transmission equipment under SPP's control.[15] In Staff's view, "a reasonable LLPS-

[11] Id.
[12] Id. at 11.
[13] See C. Berry Rebuttal at 11.
[14] See S. Lange Rebuttal at 27; B. Mastrogiannis Rebuttal at 8-10.
[15] See S. Lange Rebuttal at 28.

only FAC base factor, if ordered by the Commission, would include only LLPS energy expenses, and a reasonable proration of FAC-recoverable transmission expenses."[16]

Because this entire calculation is built upon Staff's DA LMP methodology, the resulting base factor inherits all of the deficiencies I have described above. If the Commission were to adopt a separate FAC for LLPS customers, the base factor should be derived using the same production cost modeling methodology applied to all other customers. This should not be derived using a market-clearing price that does not reflect actual costs incurred, as Staff's methodology suggests.[17]

III. CONCLUSION

Q: Please summarize your surrebuttal testimony.

A: In this surrebuttal testimony, I have addressed two issues. First, regarding the Company's natural gas fuel supply plan, Staff does not oppose the proposed FAC tariff language, but the Commission should evaluate Evergy Missouri Metro's forward procurement activities on a portfolio basis. Additionally, the Commission should reject Staff's recommended annual reporting requirements because they could establish prescriptive targets that limit necessary operational flexibility. Second, the Commission should reject Staff's Option 2 methodology and the proposed LLPS-only FAC base factor because it is fundamentally flawed.

Q: Does this conclude your surrebuttal testimony?

A: Yes, it does.

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[16] Id.

[17] Id.

TRUE-UP DIRECT TESTIMONY

OF

JP MEITNER

Case No. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: JP Meitner. My business address is 818 South Kansas Avenue, Topeka, Kansas 66612.

Q: Are you the same JP Meitner who adopted the direct testimony of Company witness, Jessica Tucker and previously filed rebuttal testimony in this case?

A: Yes.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Missouri Metro.

Q: What is the purpose of your true-up direct testimony?

A: I will address fuel price assumptions utilized for true-up. I will also address updates to fuel inventory calculations.

I. FUEL PRICING

Q: Has the Company's production cost model been revised for true-up?

A: Yes. Company witness Ms. Foo addresses the revisions made to the production cost model for true-up. I discuss below the fuel pricing assumptions incorporated into that model.

Q: What fuel prices did the Company utilize for true-up?

A: For coal and oil prices, the Company utilized actual June 2026 pricing for model dispatch where available. If June 2026 pricing was unavailable because no purchase occurred during that month, the Company used actual pricing from the nearest in which a purchase occurred. For natural gas, the Company utilized a three-year average of 2025 through 2027 Henry Hub, Southern Star and Panhandle prices. The three-year average incorporates actual prompt-month prices from January 2025 through June 2026, and eighteen months of ICE forward prices as of July 1st, 2026. Actual variable transportation costs were then added to the applicable natural gas commodity price to develop the natural gas cost used for each of the Company's gas-fired generating stations.

Q: How do the natural gas prices utilized by the Company for true-up compare to actual natural gas prices experienced during the true-up period?

A: The natural gas price assumptions utilized in the Company's true-up production cost model are, on average, approximately two to three percent (2%-3%) lower than the actual natural gas prices experienced during the true-up period. As illustrated in **CONFIDENTIAL** Schedule JPM-1 below, the Company's modeled natural gas prices generally track closely with actual prices through the true-up period. The primary variance occurs in January 2026, when actual natural gas prices increased significantly during Winter Storm Fern. The extreme winter weather associated with that event resulted in a temporary increase in natural gas prices that was not representative of pricing observed during the remainder of the true-up period. Outside of that event, the modeled and actual prices remain relatively close.

[redacted]

II. FUEL INVENTORY

Q: How did the Company update its fuel inventory assumptions for True Up?

A: The Company updated its fuel inventory assumptions using actual operating and pricing information. For coal units, average fuel burns were updated based on actual burns for the twelve-month period from July 1, 2025, through June 30, 2026. A 13-month average of monthly inventories is used for Wolf Creek ending June 30, 2026. Where available, all inventory pricing information was updated using June 2026 data.

Q: Does that conclude your 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 JP MEITNER

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

JP Meitner, being first duly sworn on his oath, states:

1. My name is JP Meitner. I work in Topeka, Kansas, and I am employed by Evergy Kansas Central, Inc. as Director of Market Operations.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri Metro consisting of eleven (11) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

James P Meitner
JP Meitner

Subscribed and sworn before me this 10th day of September 2026.

Notary Public

My commission expires: April 26, 2029

ANTHONY R WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2029
PLATTE COUNTY
COMMISSION #17279952