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Witness:	John Wolfram
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Case No.:	ER-2026-0143
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2026-0143

SURREBUTTAL TESTIMONY

OF

JOHN WOLFRAM

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri
September 2026

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SURREBUTTAL TESTIMONY

OF

JOHN WOLFRAM

Case No. ER-2026-0143

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is John Wolfram. I am the founder and Principal of Catalyst Consulting LLC, a rate and regulatory consulting firm. My business address is 3308 Haddon Road, Louisville, Kentucky, 40241.

Q. ARE YOU THE SAME JOHN WOLFRAM WHO PREVIOUSLY FILED DIRECT AND REBUTTAL TESTIMONY IN THIS CASE?

A. Yes.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?

A. I am testifying on behalf of Evergy Metro, Inc. ("Evergy Metro") d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro," "EMM," or the "Company"), a subsidiary of Evergy, Inc. ("Evergy").

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: The purpose of my rebuttal testimony is to respond to the rebuttal testimony of Alan Bax ("Bax Rebuttal") and Keith Majors ("Majors Rebuttal") on behalf of the Missouri Public Service Commission Staff ("Staff") (collectively, "Staff Rebuttal").

Q: HOW DO MR. BAX AND MR. MAJORS SUPPORT THE USE OF THE 4 CP APPROACH FOR THE ALLOCATION OF JURISDICTIONAL DEMAND COSTS?

A: Both witnesses rely on two main factors to support their view that the Commission should use the 4 CP method of allocating jurisdictional demand costs. The first factor is the long history of the Commission case precedent on this issue. The second factor is the result of the conventional Federal Energy Regulatory Commission ("FERC") Tests. Staff Rebuttal expounds on these factors at length, in particular on the first factor regarding the Commission's case precedent going all the way back to the 1980s.

Q: DID YOU ALSO ACKNOWLEDGE THESE FACTORS IN YOUR DIRECT AND/OR REBUTTAL TESTIMONY?

A: Yes.

Q: WHAT IS YOUR OVERALL RESPONSE TO STAFF REBUTTAL?

A: The Staff Rebuttal accurately portrays the results of the FERC Tests and the Commission's case precedent of years past. However, in my view the Staff Rebuttal takes a narrow, historically rooted view that is too limited. The position lacks sufficient fullness, flexibility, and foresight. Staff does not address the very reason Evergy proposed an alternative, compromise method; instead, Staff doubles down on past practices. This perspective does not help answer the question of whether a Missouri-only allocation method remains reasonable when Evergy's rates are set for a single integrated utility operating under the purview of two state commissions. The Staff's analysis is insufficient and incomplete because it ignores the practical jurisdictional consequences that Evergy Metro faces at present. Staff does not acknowledge that Kansas has recently compromised on this issue, but Missouri has not. They also avoid analysis of the actual allocation ratio under the Company method versus the Staff method, which indicates that Staff's strong opposition to the Company's method is disproportionate to the numerical impact. Finally, Staff limits its focus to considering this entire concept only through the lens of history, without considering any practical solutions that could allow Evergy to move forward under the two regulatory frameworks in which it currently provides electric service on an integrated, comprehensive basis.

Q: DO YOU HAVE SPECIFIC RESPONSES TO STAFF REBUTTAL?

A: Yes. I have several specific issues with Staff's position. They are:

1) Staff Does Not Analyze The Consequences Of Its Recommendation
2) Staff's Argument For Cost Causation Is One-Dimensional
3) Staff Ignores The Company's Regulatory Reality Regarding Kansas
4) Staff Fails To Acknowledge That Kansas Has Recently Compromised
5) Staff Treats Precedent As Binding
6) Staff Does Not Examine The Actual Results
7) Staff Fails To Distinguish the "Reasonable" From "Most Appropriate"
8) Staff Does Not Rebut Key Points Which Remain Uncontroverted

I discuss each in the sections that follow:

1) <u>Staff Does Not Analyze The Consequences Of Its Recommendation</u>

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE?

A: Staff Rebuttal repeatedly states that 4 CP is supported by the FERC Tests and historical Missouri precedent.[1] But neither witness analyzes, considers, or even mentions whether the resulting Missouri and Kansas allocations together produce a reasonable outcome for the Company as a whole. Mr. Majors states that he generally agrees "with the premise of what Mr. Wolfram is conveying in his direct testimony that EMM should have the opportunity to recover all of its costs when it operates multiple jurisdictions."[2] That is the full extent of Staff's acknowledgement of the importance of jurisdictional harmony and full cost recovery. But the agreement is academic; Mr. Majors then sets aside that premise entirely over the next 15 pages of testimony in which he cites cases from 1985, 2006, 2009, 2010, 2012, 2014, 2015, 2018, and 2022. He cites testimony from Company witnesses in those historical cases and even cites testimony that I sponsored in a previous docket, offering two pages of rebuttal on elements from my old testimony that I did not even sponsor in the instant case. He concludes that "[i]t is important that EMM pursue consistent allocation treatment in its jurisdictions. EMM should continue to pursue more consistent allocation treatment in its Kansas jurisdiction to apply a more accurate methodology should it desire to do so."[3] In other words, Staff is committed to the 4 CP approach it has embraced for 40 years, is unwilling to realistically consider how Evergy could recover all of its demand costs and is insistent that all movement on the issue be made in the Kansas jurisdiction.

[1] See K. Majors Rebuttal at 24; A. Bax Rebuttal at 6-7.

[2] See K. Majors Rebuttal at 14.

[3] See K. Majors Rebuttal at 24.

Staff's recommendation depends entirely on a future action by another regulator over whom neither this Commission nor Evergy has control. The practical question before the Commission is not whether Kansas might someday adopt Missouri's preference. The question is whether a reasonable approach exists today that can narrow the gap between the jurisdictions. But Staff's position does not examine that.

A limitation in Staff's position is the assumption that each state's allocation can be evaluated in isolation. Evergy operates under both Missouri and Kansas regulatory oversight simultaneously. A proper jurisdictional allocation methodology should therefore be evaluated not only for adherence to traditional cost-causation principles, but also for whether the combined state outcomes can be reasonable, coherent, and transparent. Limiting the approach to one narrowly developed by case precedent in either jurisdiction fails to consider how to produce a reasonable outcome for the Company on a comprehensive basis.

It is noteworthy that both states historically have believed in their approaches and that is why Evergy is still here today. The difference is that Kansas was able to compromise and recognize the 4 CP in their approach by agreeing to use the average of 4 CP and 12 CP, but Staff is unwilling to veer from its 40 year old position.

2) <u>Staff's Argument For Cost Causation Is One-Dimensional</u>

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE.

A: Mr. Majors states that costs should follow cost causation.[4] Evergy plans and operates its system on a comprehensive, integrated system basis for the combined Missouri and Kansas jurisdictions. It should follow that the allocation of costs between the two jurisdictions should also be comprehensive in that anything but a consistent approach will not afford Evergy the opportunity to recover all of its costs. The 4 CP approach is reasonable, but it is not the only reasonable approach. And since that approach is not adopted in the Kansas jurisdiction, the argument for applying the 4 CP approach in Missouri captures only one dimension of cost causation.

Allocating costs among jurisdictions can be accomplished in many different ways; the 4 CP approach is not the only method. In addition, the Company is not dispensing with the 4 CP but instead is considering that along with the 12 CP in a compromise approach.

Staff fails to recognize the breadth of the issue. When asked whether the Company justified its use of the proposed allocation method, Mr. Majors responded: "No, other than to enable 'jurisdictional harmony.'"[5] This means the actual answer is not no but yes – because jurisdictional harmony is exactly the justification for Evergy's proposed method. But Staff does not acknowledge that jurisdictional harmony. This view is one-dimensional. A wider, more comprehensive approach warrants more serious consideration.

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[4] See K. Majors Rebuttal at 14.

[5] See K. Majors Rebuttal at 13.

3) <u>Staff Ignores The Company's Regulatory Reality Regarding Kansas</u>

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE.

A: Staff Rebuttal essentially posits that Missouri should use the 4 CP method they have used for decades and Kansas should change. But Staff's proposal is not a practical solution. Evergy is positioned between two retail jurisdictions that do not agree on a single method and have not for decades, and neither has authority to direct the regulatory policy of the other. The Company is the one entity which can attempt to persuade both retail jurisdictions to compromise and move to or toward a method that is reasonable and which affords Evergy the opportunity to recover all of its costs. The allocation method should reflect the regulatory reality that both jurisdictions coexist today, not the impractical and flawed assumption that one jurisdiction must or will eventually adopt the other's preferred method. Staff's position that Evergy should persuade Kansas to adopt the Missouri approach ignores the regulatory reality that Evergy faces as a multi-jurisdictional utility.

4) <u>Staff Fails To Acknowledge That Kansas Has Recently Compromised</u>

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE?

A: Staff Rebuttal portrays Kansas as entrenched in 12 CP.[6] But as I noted in my direct testimony, the record actually shows that the Kansas Corporation Commission ("KCC") most recently compromised by accepting part of what the Company proposed in its last Kansas rate case. As I explained on page 9 of my direct testimony, the KCC approved the use of 12 CP for transmission and Wolf Creek,

[6] <u>See</u> K. Majors Rebuttal at 19-24.

and the average of 4 CP and 12 CP for other production-demand allocations. By doing so, the KCC already took a significant step toward Missouri's historical position. Staff's position in the instant case recommends that Missouri remain exactly where it has been for forty years while disregarding the fact that Kansas has already and recently compromised toward a middle-ground solution.

5) <u>Staff Treats Precedent As Binding</u>

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE?

A: Staff Rebuttal relies heavily on historical precedent. Precedent has value, but it does not bind all future decisions. Case precedent should provide guidance when past circumstances align with the current situation. But as circumstances change, a closer examination of precedent becomes warranted. It is not automatic that past approaches remain optimal or even preferable under current conditions.

The electric utility space is particularly dynamic right now, as explained by other Company witnesses. The rapid increases in forecasted consumption associated with large loads, the changing resource mix, and inflationary pressures are nationwide issues creating uncertainty for utilities like Evergy. Rate harmonization is an important factor in balanced economic development and corporate decision-making, particularly in periods of rapid change. Evergy believes that progressive thinking on the issue of jurisdictional cost allocation is appropriate given the dynamic environment the Company operates in today.

6) <u>Staff Does Not Examine The Actual Results</u>

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE?

A: Staff Rebuttal characterizes the Company's approach as inappropriate, unprincipled, unsupported, and improper.[7] But the Company approach is none of these things, in part (at least) because it is based on the 4 CP method that Staff recommends. Staff Rebuttal also implies that the Company's method abandons cost causation principles and yields substantial differences from the 4 CP results, rendering the method unreasonable. However, the data shows this is not the case. As discussed in my rebuttal, the 4 CP method and the proposed arithmetic average method differ by only 45 basis points; the Company's proposed method yields 51.92% and the 4 CP method yields 51.47% (both compared to a 12 CP allocator of 52.36%). Staff Rebuttal characterizes the Company's proposal as a drastic departure from cost causation and historical precedent, yet the actual allocation result differs only modestly from Staff's preferred allocator.

This raises an obvious question. If the 4 CP ratio of 51.47% is reasonable and the 12 CP ratio of 52.36% is unreasonable, why is the Company's proposed 51.92% unreasonable? How close must the number be to the one determined by 4 CP to be considered reasonable? Is a difference in allocators of a mere 45 basis points enough to discount the importance of achieving jurisdictional harmony – a premise with which Mr. Majors claims to agree? I do not think so.

Staff Rebuttal indicates that the Company approach "shifts disproportionate costs to Missouri."[8] But characterizing a cost shift based on a mere 45 basis points

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[7] See K. Majors Rebuttal at 12-13, 16-17, 24, 28; A. Bax Rebuttal at 4-5.

[8] See K. Majors Rebuttal at 16.

as "disproportionate" overstates the actual impact. If the Company's proposal produced significantly different allocation responsibilities, Staff's concern might be understandable. But the Company's approach produces a result substantially aligned with the historical Missouri allocator while also promoting greater consistency between Missouri and Kansas. For this reason it is not reasonable to conclude that the 45 basis point difference between the Company's method and the Staff's method renders the Company proposal invalid.

7) Staff Fails To Distinguish the "Reasonable" From "Most Appropriate"

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE?

A: Staff Rebuttal claims that the 4 CP method is "most appropriate."[9] However, I understand from counsel that the legal standard is not whether an alternative method can be identified as incrementally "more" appropriate. The question is whether the Company's proposal is reasonable, on its own merits and not relative to any other proposal that might be better, worse, or equivalent.

As discussed in my rebuttal, under the statutory standard of just and reasonable, it is the result reached, not the method employed, which is controlling. In the instant case, the results of the Company's approach and the Staff's 4 CP approach are virtually identical.

Staff Rebuttal conflates "most appropriate" with "only reasonable." The FERC Tests provide guidance regarding what methodology best reflects traditional cost causation. They do not establish that every other result is unjust, unreasonable,

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[9] See K. Majors Rebuttal at 17

or confiscatory. The Company's proposal remains grounded in actual coincident peak demands, produces an allocation ratio remarkably close to Staff's result, and addresses practical concerns that the FERC Tests were never developed to evaluate. But Staff does not address these facts.

It is clear that there is more than one reasonable approach to allocating jurisdictional demand costs for Evergy, and the Staff fails to acknowledge this fact.

8) <u>Staff Does Not Rebut Key Points Which Remain Uncontroverted</u>

Q: PLEASE EXPLAIN YOUR VIEW ON THIS ISSUE.

A: In my direct testimony, I explained why the proposed method is consistent with traditional ratemaking principles, is objective, and achieves jurisdictional harmony. I supported each of these points in detail, and for the reasons I explained, the approach is just and reasonable. Staff Rebuttal did not respond to these points. Staff Rebuttal focuses exclusively on historical Missouri precedent and the FERC Tests. But the FERC Tests evaluate peak responsibility and traditional capacity cost causation. They were not developed to address allocation consistency across multiple retail jurisdictions, nor were they intended to determine the reasonableness of negotiated compromise solutions among jurisdictions. Staff provides no analysis demonstrating why the Company's jurisdictional harmony objectives are invalid, unimportant, or outweighed by the minimal numerical differences between the actual allocation ratios under the Company method versus the 4 CP method. These points remain uncontroverted in the record.

Q: HAS THE COMPANY TAKEN STEPS TO FIND A SOLUTION TO THE JURISDICTIONAL HARMONY PROBLEM OUTSIDE OF RATE CASE FILINGS?

A: Yes. As explained in the direct testimony of Ronald A. Klote, "Evergy Metro, Missouri PSC Staff and KCC Staff as well as other parties to the Companies' jurisdictional rate cases met in June 2023 and in November 2025 Evergy Metro, Missouri PSC Staff and KCC Staff met to advance the dialogue with the parties. The meetings were effective in informing parties of each other's understanding of the issue. The issue is continuing to be advanced in this docket, and the Company anticipates additional meetings with parties to find an agreeable solution."[10] In another meeting held on April 20, 2026, the KCC Staff further explained their position to participants from the Company, Missouri Staff, Citizens Utility Ratepayer Board of the KCC, and the Office of the Public Counsel. Evergy's position in this case is intended to advance this objective.

Q: STAFF REBUTTAL STATES THAT IT IS IMPORTANT THAT EVERGY "PURSUE CONSISTENT ALLOCATION TREATMENT IN ITS JURISDICTIONS."[11] HOW DO YOU RESPOND?

A: I agree with Mr. Majors on this point, but not in the way I expect he means it. I do not think the Company must be constrained by past practices or findings, particularly when past findings in two jurisdictions maintain a long-standing divergence. Instead, Evergy has pursued consistent cost allocation treatment in

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[10] See R. Klote Direct at 9.

[11] See K. Majors Rebuttal at 24.

both Missouri and Kansas, by proposing new methods, in an effort to achieve jurisdictional harmony. In its last rate case in Kansas, Evergy proposed a compromise between the long-standing methods used in Missouri and Kansas. The case settled, and the KCC approved a compromise that differed slightly from what Evergy originally proposed but that still represented significant movement towards jurisdictional harmony. For this reason, the Company proposed a similar approach in the instant case—in order to further close the gap between the two jurisdictions. In short, Evergy believes it should pursue cost treatment consistency between the two jurisdictions, and not necessarily consistency with previous filings.

Q: HOW DO YOU RESPOND TO STAFF REBUTTAL WHICH CRITICIZED SOME TESTIMONY YOU SPONSORED IN A PRIOR CASE BUT NOT IN THE INSTANT CASE?

A: Mr. Bax cites my testimony from Case No. ER-2022-0129 regarding Winter Storm Uri and provides a page and a half of rebuttal.[12] Mr. Majors cites my testimony in that same 2022 docket regarding the SPP Integrated Marketplace and the Unused Energy Allocator and offers two pages of rebuttal.[13] These topics are not related to the Company's position in this case on the jurisdictional allocation of demand costs, and I did not make mention of any of these topics in my direct or rebuttal Testimony. I consider it irrelevant and inappropriate to rebut testimony that was not sponsored in this case, and I offer no surrebuttal testimony on irrelevant topics from previously settled, closed dockets.

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[12] See A. Bax Rebuttal at 8.

[13] See K. Majors Rebuttal at 26.

This illustrates the degree to which Staff is entrenched on this issue. Staff is so cemented in viewing the 4 CP allocator through the lens of history that they are repeating debate on issues from the past. But I did not raise these points from prior cases that were settled and closed in the filing before the Commission today. The Company is working to solve the challenges it faces today, with an eye to the future, and the testimony sponsored in this docket represents Evergy's current thinking on the jurisdictional demand cost allocation issue.

Q: WHAT IS YOUR RECOMMENDATION TO THE COMMISSION REGARDING STAFF REBUTTAL?

A: Staff bases its recommendation entirely on the FERC Tests and the Missouri Commission case precedent of years past but does nothing to address Evergy's present problem of jurisdictional harmony. Staff limits its focus to considering this entire concept only through the lens of history, without considering any practical solutions that could allow Evergy to move forward under the two regulatory frameworks in which it currently provides electric service on an integrated, comprehensive basis. For this reason and the reasons otherwise explained herein, I recommend that the Commission deny the recommendations of Staff and instead adopt the jurisdictional allocation proposed by Evergy. The Commission should take steps to compromise on this issue, in a manner similar to what the KCC was able to do in Evergy Metro's last case in Kansas, to move toward a compromise position once and for all and end this state jurisdictional cost allocation impasse.

Q. DOES THIS 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 JOHN WOLFRAM

COMMONWEALTH OF KENTUCKY)
) ss
COUNTY OF JEFFERSON)

John Wolfram, being first duly sworn on his oath, states:

1. My name is John Wolfram. I work in Louisville, Kentucky, and I am employed as Principal of Catalyst Consulting LLC.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri Metro consisting of fourteen (14) 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.

John Wolfram

Subscribed and sworn before me this 4 day of September 2026.

Anne L. Foye
Notary Public

My commission expires: 6-12-2029

ANNE L FOYE
Notary Public - State at Large
Kentucky
My Commission Expires Jun. 12, 2029
Notary ID KYNP29156