Exhibit No.:	
Issue(s):	Revenue-sharing mechanism, minimum monthly bill calculation, long-term capacity purchases, Mullin Creek #2 cost allocation methodology
Witness:	Dr. Carolyn A. Berry
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	Google LLC
File No.:	ER-2026-0143
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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO.

EA-2025-0153

SURREBUTTAL TESTIMONY

OF

DR. CAROLYN A. BERRY

ON BEHALF OF

GOOGLE LLC

SEPTEMBER 10, 2026

Denotes Highly Confidential Information

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I. INTRODUCTION

Q. Please state your name, position, and business address.

A. My name is Carolyn A. Berry. I am a Partner at Bates White Economic Consulting ("Bates White"). My business address is 2001 K. Street NW, North Building, Suite 500, Washington, D.C. 20006.

Q. On whose behalf are you submitting this surrebuttal testimony?

A. I am submitting this rebuttal testimony on behalf of Google LLC ("Google").

Q. Have you previously submitted testimony in this proceeding?

A. Yes. I previously submitted revenue requirement direct testimony and an accompanying exhibit identified as Schedule CB-1, rate design direct testimony and accompanying exhibits identified as Schedules CB-2 and CB-3, and rebuttal testimony.

Q. What is the purpose of your surrebuttal testimony?

A. In my surrebuttal testimony I address four issues. I respond to Evergy regarding the revenue sharing mechanism, to Staff and Evergy regarding the computation of minimum bills and actual monthly bills, to Staff regarding the recovery of long-term capacity costs, and to OPC, Staff, and Evergy regarding recovery of Construction Work in Progress ("CWIP") for Mullin Creek #2.

Q. What are your recommendations?

A. I make the following recommendations:

- The Commission should adopt a transparent, easily understandable, and replicable earnings sharing mechanism that provides assurance to customers that they are sharing in Company earnings above the approved ROE.
- The Commission should order Evergy to revise Schedule LLPS monthly bills to reflect a Demand Charge that is the higher of: (a) the Monthly Maximum Demand in the current month or (b) the Minimum Demand.

- The Commission should reject Staff and OPC's proposals to recover long-term capacity costs through the Interim Capacity provision in Schedule LLPS.
- The Commission should reject OPC's proposal to allocate CWIP for Mullin Creek #2 entirely to Schedule LLPS customers and instead approve Evergy's proposal to recover those costs through the established A&E 4-CP method.

Q. Are you sponsoring any schedules or exhibits as part of your surrebuttal testimony?

A. Yes, I am sponsoring the following schedules:

- Schedule CB-4 – Evergy's Confidential Response to DR 322.4
- Schedule CB-5 – Evergy's Confidential Response to DR 453.2-1

II. A REVENUE-SHARING MECHANISM SHOULD BE TRANSPARENT

Q. What revenue-sharing mechanism did you propose in your direct testimony?

A. Given the higher likelihood that Evergy will earn an ROE that exceeds its authorized ROE due to a combination of large load growth and the use of a historical test year in the Evergy Missouri Metro ("EMM") rate case, I proposed a sharing mechanism for returns above the authorized ROE. Under my proposal, Evergy would retain all earnings up to 25 basis points above the authorized ROE.[1] Any returns above that level would be shared with customers in the proportion of 75% to ratepayers and 25% to the Company.[2]

Q. Is Staff opposed to a revenue-sharing mechanism?

[1] Dr. Carolyn A. Berry Direct Testimony (Revenue Requirement), at 13:10–14:3.
[2] *Id.*

A. No. Staff notes, however, that there could be negative regulatory lag (delay in the recovery of costs for Evergy) that offsets the positive regulatory lag (expedited recovery of costs for Evergy) due to large load growth.[3]

Q. Is Evergy opposed to a revenue-sharing mechanism?

A. No. As Company witness Kevin D. Gunn explains, "The Company recognizes that an earnings sharing mechanism is one regulatory tool available to the Commission, and the Commission could determine that such a mechanism is appropriate in this proceeding."[4] Company witness Gunn, Company witness Ronald A. Klote, and Company witness Darrin R. Ives, point to a sharing mechanism approved by the Kansas Corporation Commission for Evergy Kansas Central[5] as a mechanism that would be appropriate for Evergy Missouri Metro in the event that one is adopted. As explained by witness Klote, "[u]nder the mechanism, the Company files an annual earnings review to determine whether its earned return on equity exceeds the established threshold."[6] He explains further that, "the Kansas mechanism is based on Evergy Kansas Central's overall earned return and overall financial performance rather than focusing in on just revenues or one single customer class."[7]

Q. What is the established threshold referred to by witness Klote and what is the meaning of "is based on . . . overall earned return and overall financial performance"?

[3] Sarah L. K. Lange Rebuttal Testimony, at 13:12–16 ("Lange Rebuttal").

[4] Kevin D. Gunn Rebuttal Testimony, at 11:3–5 ("Gunn Rebuttal"); *see also* Ronald A. Klote Rebuttal Testimony, at 3:8–10 ("Klote Rebuttal"), Darrin R. Ives Rebuttal Testimony, at 10:2–4.

[5] *See* Order Approving Unanimous Settlement Agreement, Kansas Corporation Commission Docket No. 25-EKCE-294-RTS, Att. A, ¶ 21 (Sep. 25, 2025) ("Evergy Kansas Docket No. 25-294 Settlement Agreement").

[6] Klote Rebuttal, at 4:8–10.

[7] Klote Rebuttal, at 4:12–14.

A. Based on my review of the sharing mechanism approved by the Kansas Corporation Commission, the threshold is a 9.70% ROE.[8] If the earned ROE (as defined by Evergy Kansas Central) exceeds a 9.70% ROE, then the difference is multiplied by the equity portion of rate base, grossed up for income taxes, and then split between retail customers and Evergy Kansas Central on a 50%/50% basis.[9] The 9.70% ROE is not the approved ROE. The approved ROE is not specified in the settlement.[10]

The standard definition of earned ROE is Net Income ÷ Average Equity. In the Kansas settlement, numerous adjustments were made to the standard calculation. It is my understanding that "overall earned return and overall financial performance" is a reference to these adjustments.

Q. Do you agree that an ROE that is not the *approved* ROE should be used for comparison to the earned ROE?

A. No. The Commission should require the sharing mechanism to use the approved ROE as the basis for any revenue sharing. Using a reference ROE unnecessarily complicates the selection and interpretation of the sharing percentages and makes it difficult to assess the actual amounts shared, reducing transparency for customers.

Q. Do you agree with making numerous adjustments to the standard earned ROE calculation?

A. No, not in principle. Adjustments should be kept to a minimum and criteria should be developed for their inclusion. For example, adjustments based on expected (as opposed to actual) amounts should not be allowed. In general, making numerous adjustments reduces the simplicity and transparency of the calculation, and increases the likelihood that the calculation will

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[8] Evergy Kansas Docket No. 25-294 Settlement Agreement, ¶ 21b.i.
[9] *Id.*
[10] *Id.* at 4 ("No stated return on equity is included in the settlement.")

be contested. To give confidence to ratepayers that the mechanism is working as designed, the earnings sharing mechanism should be based on easily accessible, publicly available information to the extent possible.

III. MINIMUM DEMAND CHARGES SHOULD BE REFLECTED ON CUSTOMER BILLS

Q. Staff asserts that there is an inconsistency between the required application of the minimum bill and the Company's practice.[11] Do you agree?

A. No. As explained in Schedule SLKL-r2,[12] the Company is required to compute a Minimum Monthly Bill under the LLPS tariff and compare it to the actual bill as determined under the standard LLPS tariff provisions. If the actual bill is less than the Minimum Monthly Bill, then the customer is required to pay the difference. This difference shows up as a line item on the bill—the Contract Minimum Balance.

Staff asserts that the minimum bill has been calculated incorrectly. Staff asserts that the Company incorrectly nets out energy sales revenues: the tariffed energy rate, DSIM rate, and FAC rate, from the minimum bill.[13] However, the definition of the Minimum Monthly Bill does not include these charges; thus, these charges cannot be netted out as Staff suggests.

I strongly disagree with Staff's position that the structure of the minimum bill "effectively allows Customer A to use how much energy they want, whenever they want, while paying exactly the same bill, so long as they do not exceed the minimum demand."[14] The kWh charges on a customer's bill reflect actual kWh usage, so customers pay for their energy-related usage (tariffed energy, DSIM, and FAC rates). When the Minimum Monthly Bill is greater than the actual

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[11] Lange Rebuttal, at 10:6–11:8.
[12] Lange Rebuttal, Sch. SLKL-r2, at 2.
[13] Lange Rebuttal, at 11:4–5.
[14] Lange Rebuttal, at 11:6–8.

monthly bill, the customer is paying more than the amount it would be required to pay based on its actual use. These "excess" payments are reduced when a customer increases energy usage. In no circumstance can customers use as "much energy [as] they want, whenever they want" without paying for it.

Q. Although you disagree with Staff's position on the Minimum Monthly Bill do you have a related concern?

A. Yes. I have a concern regarding Evergy's calculation of the actual bill under the standard LLPS tariff provisions. To date, Evergy has used the actual monthly peak demand, when it should have used the Minimum Demand, when that amount was higher, to compute the Demand Charge on the actual bill. Not using the higher Minimum Demand can result in a lower monthly bill than required under the tariff. The minimum demand requirement is understood by examining the definitions under Schedule LLPS. These are:[15]

> **Demand Charge -** Per kW of Billing Demand per month
>
> **Billing Demand** - Billing Demand shall be the higher of: (a) the Monthly Maximum Demand in the current month or (b) the Minimum Demand.
>
> **Minimum Demand** - Minimum Demand shall be 80% of the annual Contract Capacity.

Under these standard LLPS tariff provisions, the Demand Charge that is applicable to the actual bill is at a minimum equal to 80% of the annual Contract Capacity.

Q. Why is it important that the 80% minimum demand charge based on contract demand be applied to each monthly bill?

[15] Evergy Metro, Inc. d/b/a/ Every Missouri Metro, Schedule LLPS, Original Sheet No. 77.

A. Minimum demand charges ensure that large loads are paying for the costs to serve them and protect other customers from potential cost shifts. Google has adopted a Capacity Commitment Framework that includes a commitment to cover the costs of capacity built to serve them.[16] The payment of Minimum Demand through the Demand Charge is consistent with this commitment.

Q. *[redacted]?**

A. [redacted]

[redacted]

[redacted]

[16] Google Capacity Commitment Framework, available at www.gstatic.com/marketing-cms/44/6b/dbb3456040b486886bb8aff87588/the-capacity-commitment-framework-ccf-jan.pdf.

[17] [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Q. [redacted]**?**

A. [redacted]***

Q. Will the correction of actual bills result in an increase in the annualized revenues from large load customers in this proceeding?

A. Yes. I estimate the annualized revenues to be in excess of $60 million. ***[redacted]***[18]

IV. THE COST OF LONG-TERM CAPACITY PURCHASES SHOULD NOT BE RECOVERED THROUGH THE INTERIM CAPACITY PROVISION IN SCHEDULE LLPS

Q. Evergy is proposing changes to the Fuel Adjustment Clause - Rider FAC. What changes are related to long-term capacity?

A. Evergy is proposing to add a new cost category to the definition of PP - Purchased Power Costs: Subaccount 555006 – capacity charges for capacity purchases greater than one year in duration,[19] and a new revenue category to the definition of OSSR - Revenues from Off-System Sales: Subaccount 447016 – capacity charges for capacity sales greater than one year in duration.[20] Currently, Rider FAC includes capacity purchases and sales of one year or less in duration. The proposed changes would result in the costs and revenues of capacity purchases and sales of any contract length to flow through the FAC. The Company argues that instead of recovering long-term capacity costs in a rate case, including them "in the FAC better aligns cost recovery with the period in which those costs are incurred while preserving the Commission's existing review and prudence process."[21]

Q. What is Staff's response to the Company's proposal?

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[18] Sarah L. K. Lange Direct Testimony (Revenue Requirement), at 17:5–14.
[19] Linda J. Nunn Direct Testimony, Sch. LJN-5, at 36.
[20] *Id.* at 37.
[21] *Id.* at 24:2–4.

A. Staff opposes the inclusion of long-term capacity (contracts greater than one year in duration) in the FAC.[22] Staff asserts that including them will result in the double recovery of costs, claiming that long-term capacity needs are related to large load growth and large load growth will generate sufficient revenue to cover those costs. If large load growth does not generate sufficient revenue, Staff points out that Evergy can file a rate case to seek recovery of these costs if necessary.[23] Alternatively, Staff claims that since long-term capacity purchases will be used to serve large load, any revenue insufficiency should not be resolved through the FAC but rather "through a charge to LLPS customers for Interim Capacity."[24]

Q. Has Evergy entered into any long-term capacity contracts to serve new LLPS loads?

A. No. The long-term contracts at issue were entered into to meet the Company's reserve margin requirements and resource adequacy needs.[25]

Q. Would it be reasonable to abrogate existing contracts to collect the costs of long-term capacity purchases through the Interim Capacity provision in Schedule LLPS?

A. No. These contracts have been negotiated at arm's length to provide Evergy the capacity it requires for system needs. Absent mutual consent, fraud, misrepresentation, or a finding of imprudence, bilaterally negotiated contracts should not be undone. Enforceable contracts are a fundamental backbone of business, and are important considerations for businesses making decisions on where and how to invest.

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[22] Brooke Mastrogiannis Rebuttal Testimony, at 2:4–7 ("Mastrogiannis Rebuttal"); Lange Rebuttal, at 24:21–25:1.

[23] Mastrogiannis Rebuttal, at 7:5–10.

[24] Mastrogiannis Rebuttal, at 7:13–14.

[25] See Evergy's confidential response to Data Request ("DR") No. 322.4, attached hereto as Schedule CB-4 and Evergy's confidential response to DR 453.2-1, attached hereto as Schedule CB-5.

Q. Staff appears to be saying that long-term capacity purchases to serve large load should be recovered through the Interim Capacity provision. Do you agree?

A. No. The Schedule LLPS Interim Capacity provision is voluntary and applies only during an interim period during which the Company cannot serve large load with existing system capabilities. It is a bridge to onboard a customer until sufficient system capacity can be obtained. Although a customer would be responsible for the costs of the Interim Capacity, the obligation is temporary, after which the customer would pay Schedule LLPS rates. The Interim Capacity provision was created for a different purpose and would not accomplish the recovery of long-term capacity purchases to serve large load. Therefore, Staff's proposal to recover long-term capacity costs through a charge to LLPS customers for Interim Capacity should be rejected.

Q. Should long-term capacity costs be recovered in the FAC or in a rate case?

A. I do not have an opinion on that issue.

V. COSTS FOR MULLIN CREEK #2 SHOULD BE ALLOCATED USING THE EXISTING A&E 4-CP METHOD

Q. Please describe Mullin Creek #2.

A. Mullin Creek is a 440-MW simple-cycle natural-gas turbine generating facility under construction in Nodaway County, about 94 miles northwest of Kansas City. It is currently under review in a pending Certificate of Convenience and Necessity ("CCN") proceeding.[26] As Evergy explains in that proceeding, "[t]he project is a key part of Evergy's plans to achieve the preferred solution to meet the energy and reliability needs of the Company's customers over the twenty-year planning horizon of its Integrated Resource Plan."[27]

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[26] *See generally* Application of Evergy Missouri Metro for a Certificate of Convenience and Necessity, Case No. EA-2026-0154 (May 14, 2026).

[27] *Id*. at 14.

Q. Why is Mullin Creek #2 part of this rate case?

A. The Company is requesting the recovery of Construction Work in Progress ("CWIP") for Mullin Creek #2 incurred in the True-up Period during the months of March through June 2026.[28,29] The Company proposes to allocate these production-demand plant costs using the existing A&E 4-CP methodology.[30]

Q. Does OPC support the A&E 4-CP allocation methodology for CWIP?

A. No. OPC witness Geoff Marke asserts all CWIP-related costs are caused by large load and therefore should be allocated entirely to LLPS tariff customers.[31]

Q. Does OPC witness Marke provide any evidence to support his assertion that all CWIP for Mullin Creek #2 is caused by large load customers?

A. No. He provides no evidence with respect to Mullin Creek #2. OPC witness Ron Nelson notes that Evergy's "2026 Annual Update to its Integrated Resource Plan shows that large load additions are the primary driver of its energy and peak demand growth over the next five years, with native load and demand relatively stable,"[32] concluding that large loads "are the driver of the need for additional generation plant."[33] Witness Nelson, however, does not specifically address the need for Mullin Creek #2, the reasons that it is being built, or the benefits that it will provide.

Q. Staff has developed a set of LLPS rates to recover the costs of *owning* Mullin Creek #2. How is that relevant to the current rate case?

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[28] Gunn Rebuttal, at 2:3–4.
[29] *Id.* at 19:13–15.
[30] Graham A. Jaynes Rebuttal Testimony, at 14:16–18.
[31] Dr. Geoff Marke Direct Testimony (Rate Design), at 42:14–16.
[32] Ron Nelson Direct Testimony (Rate Design), at 20:11–13.
[33] *Id.* at 20:15–16.

A. It is not relevant. As Staff states, "Mullin Creek 2 is not included in rates."[34]

Q. How does Evergy justify the use of the A&E 4-CP methodology to allocate CWIP costs for Mullin Creek #2?

A. The Company explains that there are other factors driving the need for the capacity and energy that will be provided by Mullin Creek #2 in addition to load growth. These include increases in reserve planning margins required by SPP, both recent and future, and other resource adequacy requirements. Thus, OPC's proposal to assign all costs of Mullin Creek #2 to large loads is not supported by the record in this case.[35] The Company also argues that the direct assignment of generation costs to large load customers is "contrary to Missouri regulatory policies because it would undermine least-cost planning, distort cost-of-service and cost-causation principles, and impair optimized system operations."[36] The Company concludes that there is no evidence or changes in system dynamics to support a departure from the Company's established A&E 4-CP method.[37]

Q. Do you agree that CWIP for Mullin Creek #2 should be allocated using the established method?

A. Yes. Mullin Creek #2 is needed for both load growth and system reliability. As is true generally, adding generation into a resource portfolio has beneficial system impacts. For example, the additional capacity can free up capacity elsewhere and allow for more efficient system dispatch, benefitting all customers. System reliability, a key rationale for building this generation unit, benefits all customers. Accordingly, I recommend that the Commission approve

[34] Lange Rebuttal, at 22:12.
[35] Jaynes Rebuttal, at 14:21.
[36] Gunn Rebuttal, at 23:6-8.
[37] Jaynes Rebuttal, at 14:21–15:3.

Evergy's proposal to allocate the CWIP costs for Mullin Creek #2 using the A&E 4-CP methodology.

VI. CONCLUSION

Q. Please summarize your recommendations.

A. I make the following recommendations:

- The Commission should adopt a transparent, easily understandable, and replicable earnings sharing mechanism that provides assurance to customers that they are sharing in Company earnings above the approved ROE.
- The Commission should order Evergy to revise Schedule LLPS monthly bills to reflect a Demand Charge that is the higher of: (a) the Monthly Maximum Demand in the current month or (b) the Minimum Demand.
- The Commission should reject Staff and OPC's proposals to recover long-term capacity costs through the Interim Capacity provision in Schedule LLPS.
- The Commission should reject OPC's proposal to allocate CWIP for Mullin Creek #2 entirely to Schedule LLPS customers and instead approve Evergy's proposal to recover those costs through the established A&E 4-CP method.

Q. Does this conclude your testimony?

A. Yes, it does. Thank you.

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.	))))	File No. ER-2026-0143

AFFIDAVIT OF CAROLYN A. BERRY

1. My name is Carolyn A. Berry, and I am a Partner at Bates White Economic Consulting. My business address is 2001 K Street NW, North Building, Suite 500, Washington, D.C. 20006.

2. I have read the above and foregoing surrebuttal testimony and the statements contained therein are true and correct to the best of my information, knowledge, and belief.

3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

Carolyn A Berry
Carolyn A. Berry
Partner
Bates White Economic Consulting

Date: September 10, 2026