Exhibit No.: _____
Issue(s): Risk/Potential Path Forward
Witness/Type of Exhibit: Marke/Rebuttal
Sponsoring Party: Public Counsel
Case No.: EA-2026-0154

REBUTTAL TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO

CASE NO. EA-2026-0154

** _____ **
Denotes Confidential Information that has been redacted.

September 15, 2026

PUBLIC

TABLE OF CONTENTS

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EVERGY METRO Inc.,
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I. INTRODUCTION

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

A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. What are your qualifications and experience?

A. I have been in my present position with OPC since 2014 where I am responsible for economic analysis and policy research in electric, gas, water, and sewer utility operations.

Q. Have you testified previously before the Missouri Public Service Commission?

A. Yes. A listing of the Commission cases in which I have previously filed testimony and/or comments is attached in Schedule GM-1.

Q. What is the purpose of your rebuttal testimony?

A. To provide a response to the direct testimony filed by Evergy Missouri Metro ("Evergy" or "Evergy Metro") witnesses including Cody VandeVelde and Kevin D. Gunn.

Q. What is your recommendation?

A. I support conditional approval of this application predicated on the three data center customers identified by Evergy Metro fronting the full capital expenditures necessary for the investment in its entirety. The generation is not needed for legacy customers and would not be a prudent investment at the estimated costs absent these customers.

This position is also consistent with the position I, or other members of OPC have taken in Evergy Metro's concurrent rate case, Case No. ER-2026-0143, which recommends the

following provisions which are necessary given the increased risk associated with these customers:

- Decrease the Large Load Power Service ("Data Center Customers") threshold for load (aggregated or not) of 25MW or above.
- Pre-and Post-Impact Studies/Benchmarking of Power Usage Effectiveness ("PUE") and Water Usage Effectiveness ("WUE") Scores.
- Pre-and Post-Impact Analysis on localized Total Harmonic Distortion of the distribution system as a result of data center placement.
- Raise the minimum bill requirements to a 90% threshold.
- Introduce a Community Benefits Rider that allows eligible customers to lower the minimum bill requirement to an 80% threshold in exchange for a 2% surcharge on the customer's bill applied to one of three localized areas: job creation, demand-side management contributions for low-income customers, and/or reduced urban heat impacts consistent with approved funding for historical MEEIA efforts in the greater Kansas City area.
- To the extent that Construction Work in Progress ("CWIP") is approved, the recovery should be limited to data center customers.[1]
- Bifurcate the fuel adjustment clause between legacy customer classes and data center customers.[2]

Importantly, my recommendation to condition this application on requiring data center customers who are causing the costs to be incurred for expensive generation investments

[1] See Case No. ER-2026-0143 Direct Testimony of Geoff Marke p. 1-43 and the Surrebuttal of Geoff Marke p. 1-14 & 23-31.
[2] See Case No. ER-2026-0143 Direct Testimony of Angela Schaben p. 9-18.

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needed to serve them is aligned with Missouri statute[3], the White House's Ratepayer Pledge[4], and Governor Kehoe's Executive Order.[5] The rest of this testimony will provide greater context for my recommendations in response to this application.

[3] § 393.130(7), RSMo states:

> Each electrical corporation providing electric service to more than two hundred fifty thousand customers shall develop and submit to the commission schedules to include in the electrical corporation's service tariff applicable to customers who are reasonably projected to have above an annual peak demand of one hundred megawatts or more. **The schedules should reasonably ensure such customers' rates will reflect the customers' representative share of the costs incurred to serve the customers and prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers.** Each electrical corporation providing electric service to two hundred fifty thousand or fewer customers as of January 1, 2025, shall develop and submit to the commission such schedules applicable to customers who are reasonably projected to have above an annual peak demand of fifty megawatts or more. The commission may order electrical corporations to submit similar tariffs to reasonably ensure that the rates of customers who are reasonably projected to have annual peak demands below the above-referenced levels will reflect the customers' representative share of the costs incurred to serve the customers and prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers. (emphasis added)

[4] White House (2026) Data Centers Pay Their Way. Ratepayers Pay Theirs. https://www.whitehouse.gov/ratepayer-protection-pledge/ President Trump introduced the pledge as follows:

> Today, we follow through on an announcement I made in my State of the Union address last week as America's largest tech companies officially signed the ratepayer protection pledge. It's a big deal. I'm going to have a tremendous impact on electricity costs. We're bringing down all of the costs . . . Under this new agreement, Big Tech companies are committing to fully cover the costs of increased electricity production required for AI data centers and that would be prices for American communities will not go up, but in many cases will actually come down very substantially because you know the data centers and you people are so big, you're the – the biggest in the world.
>
> But they've developed a little bit of a bad public – they have – they need some PR help because people think that if a data center goes in there, electricity prices are going to go up. And that's not happening. It's not going to happen. And for the areas where it did happen, it won't happen anymore because they never had this alternative.
>
> It's actually going to mean the prices come down, you're going to see how badly they want, some, some centers were rejected by communities for that. And now I think it's going to be just the opposite. This means that the tech companies and the data centers will be able to get the electricity they need all without driving up electricity costs for consumers.
>
> This is a historic win for countless American families and will also make our electricity grid stronger and more resilient than ever before. So that's part of it. It's going to be strengthened up and they're going to be getting a lot of excess electricity from the data centers where they build their own plants.

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My silence in regard to any issue should not be construed as an endorsement of any other party's position.

II. RISK

Q. Would you provide an overview of the cost-causation problem you are attempting to highlight in this case?

A. Sure. To quote the former CEO of Octopus Energy and the author of Distributed Grid Substack Michael Lee:

> Here is the thing most people miss when they debate data centers and electricity costs:
>
> The grid that exists today is largely adequate for the people who are connected to it. The substations, the distribution lines, the transmission corridors, the transformers, all of it, were sized over decades to serve homes, commercial buildings, factories, hospitals, and schools. Those customers are already there. Yes, we have maintenance and normal replacement, but the infrastructure largely works for them.
>
> The reason utilities are announcing capital plans in the tens of billions of dollars each is not because the existing grid is broken. In aggregate, utility capital plans across the sector now exceed $1 trillion over five years according to Morningstar. It is because an entirely new class of customer is showing up. Customers that in some cases consume as much electricity as a mid-sized city, and want to be served at the same rate structure designed for people who run dishwashers and air conditioners.

TRANSCRIPT: President Trump Delivers Remarks at an Energy Ratepayer Protection Roundtable. 3.4.26 https://www.democrats.senate.gov/404?notfound=/newsroom/trump-transcripts/transcript-president-trump-delivers-remarks-at-an-energy-ratepayer-protection-roundtable-342

[5] Kehoe, M. (2026) Executive Order 26-02. https://www.sos.mo.gov/library/reference/orders/2026/eo2

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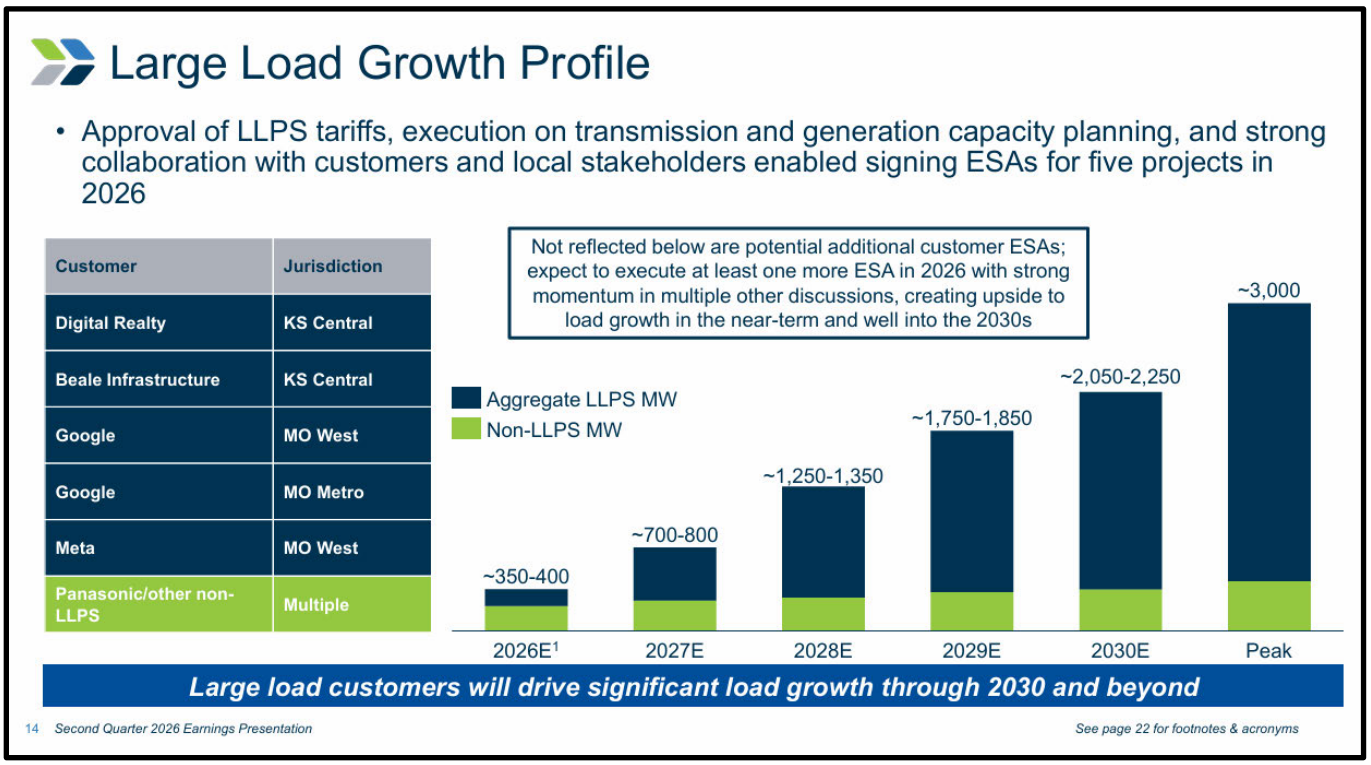
We are not debating whether to modernize a failing grid… we are debating who should pay for a new grid being built to serve new customers.[6]

The answer is not complicated. The new customers should pay their own way.

Q. Has Evergy substantiated both the expected load and costs of these data centers?

A. Yes. Figures 1 and 2 are reprinted slides from Evergy's most recent earnings call, highlighting the Company's large load growth profile and growth outlook summary, respectively.

Figure 1: Evergy Large Load Growth Profile[7]



[6] Lee, M. (2026) Data Centers Should Fully Pay Their Own Way. *Distributed Grid*. https://distributedgrid.substack.com/p/data-centers-should-fully-pay-their

[7] Evergy (2026) Second Quarter 2026 Earnings Call. August 6, 2026. https://investors.evergy.com/static-files/73352465-a5e0-4dbf-ac4b-98692902443f

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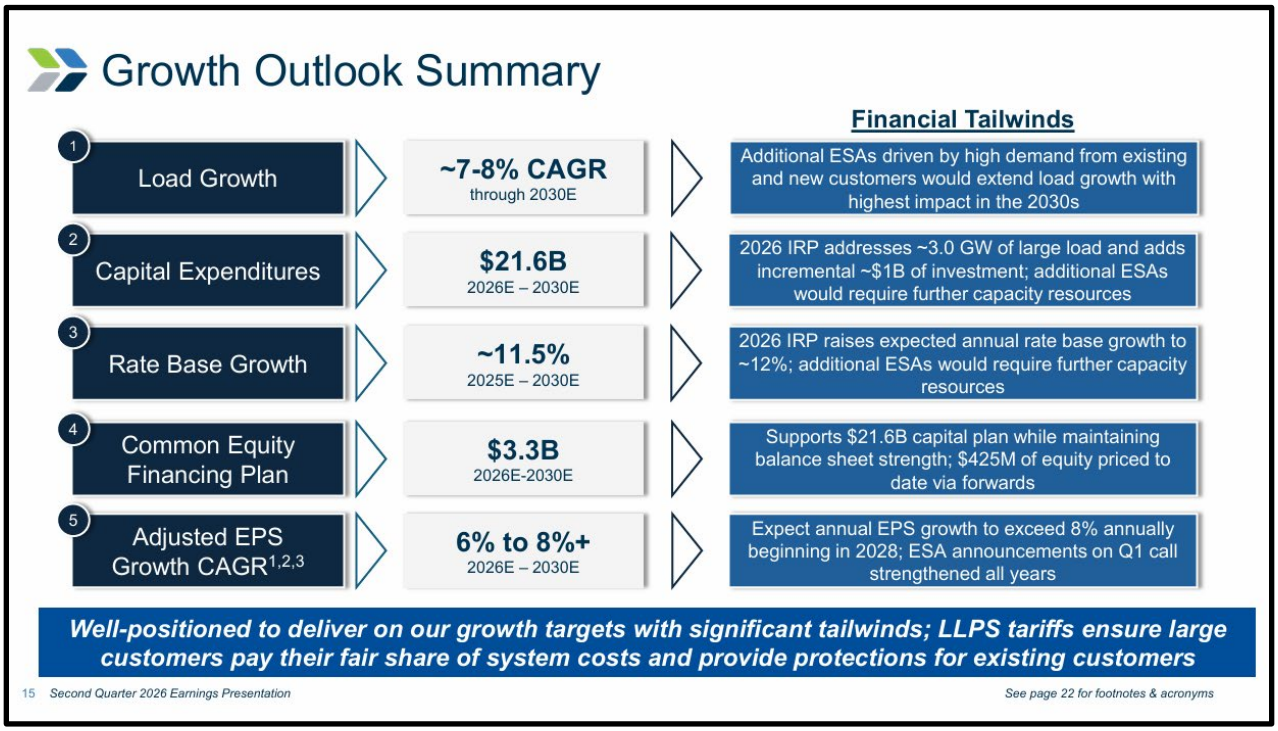
Figure 2: Growth Outlook Summary[8]



Evergy expects its retail sales will grow 7% to 8% a year through 2030, driven by data center additions.

To provide some context for the size of the investments coming online. Consider for a moment that Evergy Metro's rate base is currently $3.9 billion. The 440 MW Simple Cycle Mullin Creek #2 natural gas plant, needed to serve three customers (two in Missouri and one in Kansas), represents an additional **___ ** increase to that rate base, assuming the estimated CAPEX costs have not increased—which is far from a safe assumption.

In fact, Evergy Missouri's currently publicly available five-year capital expenditure plan (most recently filed on Feb. 27, 2026) in Case No. EO-2019-0047 is projected to be $3.8 billion. That represents a 97% increase to its rate base in just three-to-four years.

[8] *Ibid*.

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Q. Is there a risk concern associated with having a handful of customers associated with that massive forecast?

A. Characterizing this as a "risk concern" would be a gross understatement.

Simply put, relying on a few key buyers for most of your income creates extreme business risk. If one or more data center customers go insolvent it could quickly have a cascading effect on existing customers, shareholders, and the ability to provide safe and reliable service at affordable prices.

General Systems theory calls this scenario a "Single Point of Failure" ("SPOF"). Where a critical component or part of a larger system (in this case a few data centers) has no backup or redundant substitute. If that critical part (or customer in this case) stops working (becomes insolvent), the entire system can collapse. Such a risk distorts the regulatory compact and risks holding existing customers hostage to uncertainty.

Q. Are you being an alarmist?

A. I am not. Comparative context helps with perspective. Sixteen years ago in Case No. ER-2010-0036, Ameren Missouri witness Wilbon L. Cooper requested that the now defunct Noranda aluminum smelter in Southeast Missouri be placed on a "take or pay" rate structure that charged Noranda 100% of its costs regardless of any shortfall. Mr. Cooper stated:

> Given the unique circumstance of having one retail customer connected to AmerenUE's system via a third party's transmission lines that **represents fully six percent of the Company's retail revenues**, this uncertainty must be addressed in the design of the Company's rates.[9] (emphasis added)

To be clear, Ameren Missouri recognized the inherent risk of having 6% of its load tied to a single customer for investments already made and recommended clear 100% guardrails in an attempt to shield both shareholders and ratepayers from under/over payment. That

[9] Case No. ER-2010-0036, Direct Testimony of Wilbon L. Copper P.27, 10-13.

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concern seems trivial in comparison to the risk from data center customers that is unfolding in real time.

We are now rapidly approaching the point of no return where unprecedented CAPEX spend is tied to adding a few massively large niche customers in just a couple of years. That sentence should give everyone pause.

Q. What happened to Noranda?

A. It went insolvent, and existing ratepayers had to bear those sunk fixed costs associated with that load.

Q. Should the Commission be skeptical about the projected data center load and associated costs?

A. Yes, for many reasons. Data centers may want and need power now, but it is also true that the power costs have risen dramatically and the overall competitive landscape for these data centers has shifted dramatically and quickly. Moratoriums announced in the state of New York and Texas, two states largely on different sides of the political aisle, have both effectively paused new data center development. At least 13 other state legislatures have introduced or debated formal state-level moratorium bills. This is in addition to the increased moratoriums being put in place at the local level. Today, there are more than 550 places nationwide that have paused or banned new data center development. This can be seen in Figure 4 where the highest number of bans are in the Midwest and South where more than 400 of the nation's active restrictions and nearly three-quarters (150) of the moratoriums were adopted in July.

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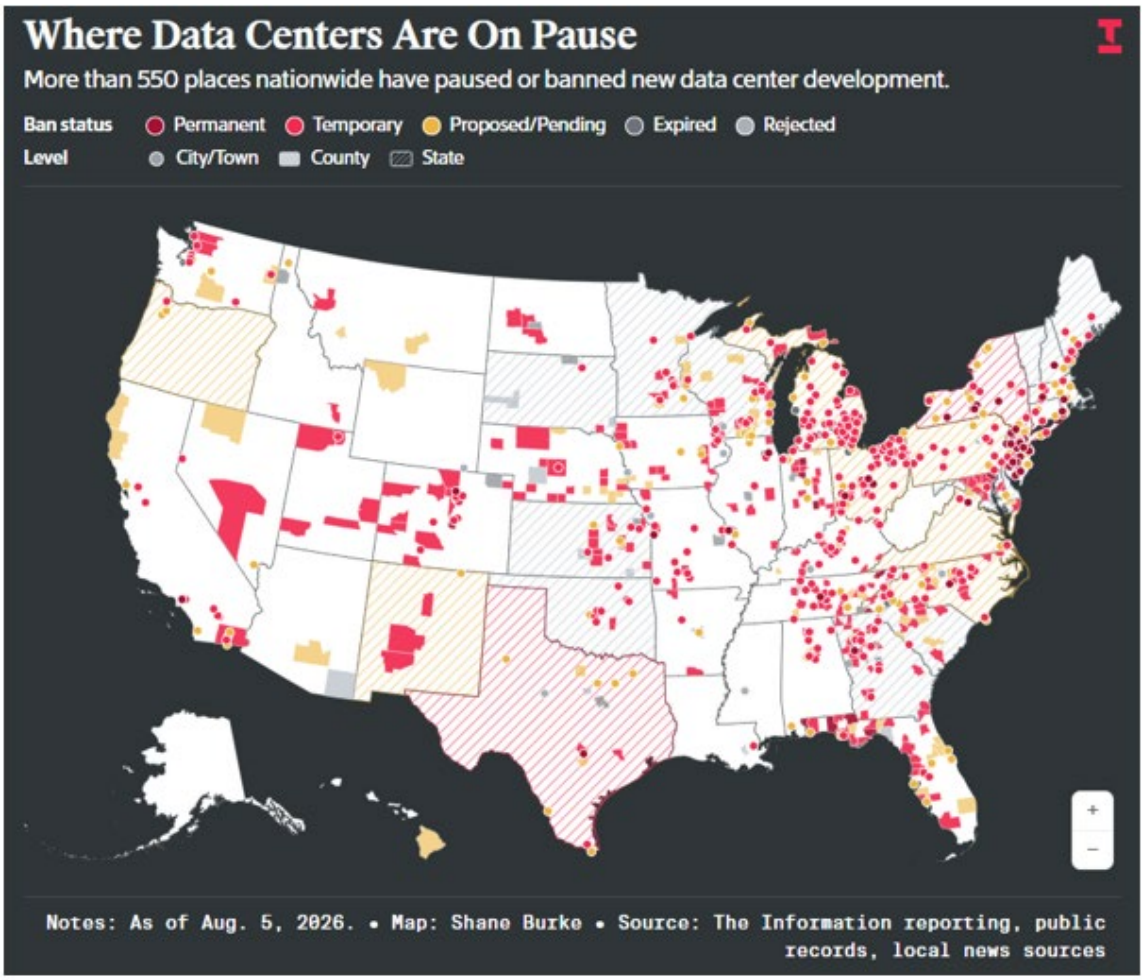
Figure 3: Where the More Than 550 Data Centers Are on Pause[10]



According to *The Information*, other states have also pulled back on giving tax incentives for developers. In the last month, Massachusetts and Nebraska joined other states (Washington, Illinois, Arizona, Ohio, and Maine) in walking back tax incentives for data centers to build in their states.[11]

[10] Burke, S. (2026) Data Centers Bans Top 500 as New York, Texas Join Pushback. *The Information*. https://www.theinformation.com/articles/data-center-bans-top-500-new-york-texas-join-pushback?rc=yya6jq

[11] Vaugh, A.D. (2026) Exclusive: Data Center Costs Set to Rise as U.S. States Move to Repeal Tax Breaks. *The Information*. https://www.theinformation.com/newsletters/ai-infrastructure/exclusive-data-center-costs-set-rise-u-s-states-move-repeal-tax-breaks?rc=yya6jq

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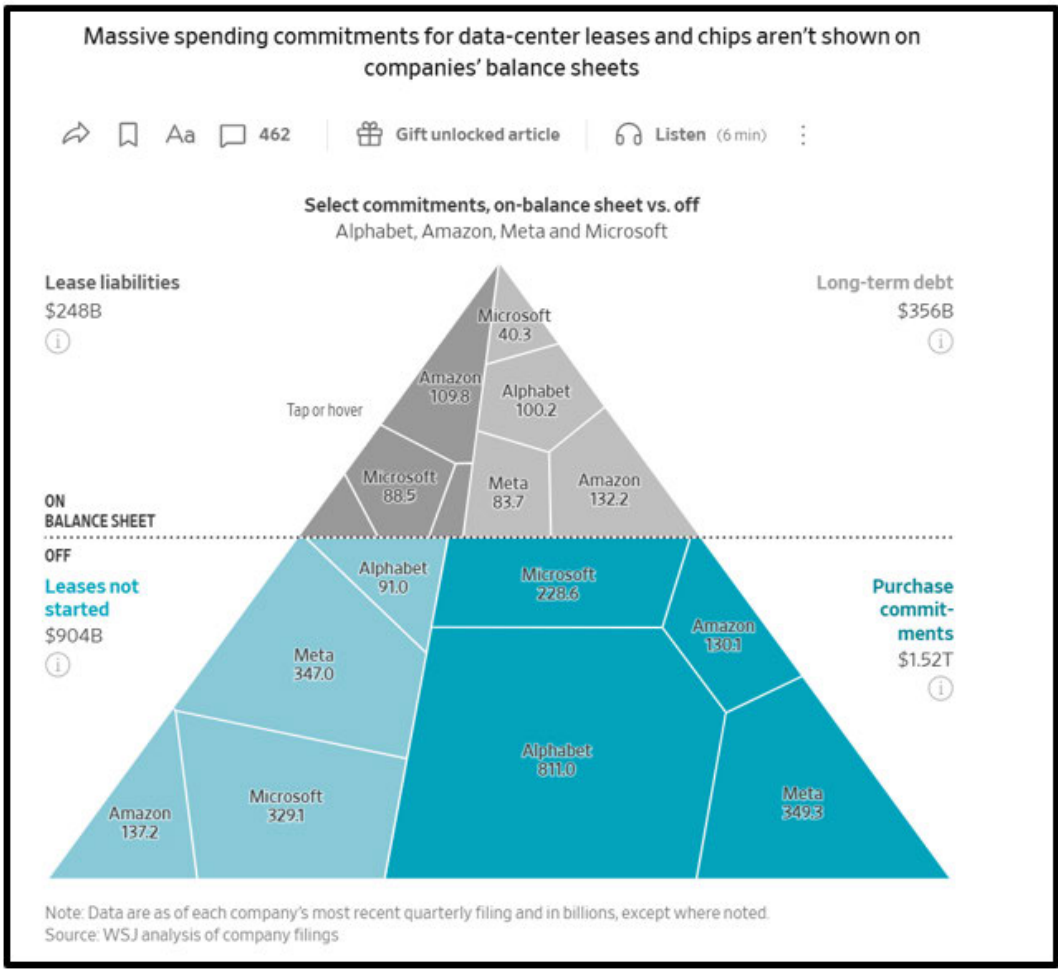
Q. What additional risks have materialized with this unique data center load growth?

A. *The Wall Street Journal* reported that Big Tech's AI off-balance sheet commitments exceeds $3 trillion dollars as shown in Figure 4.

Figure 4: Big Tech's unreported off-balance sheet commitments[12]



According to *The Wall Street Journal*:

> America's blue-chip tech companies are placing these huge bets based on assumptions about what the demand for AI computing—and availability of AI hardware—will be in several years. Their hope is that they will easily meet all their

[12] Rudegeair, P. & P. Santilli (2026) Why Big Tech's AI Spending Is $3 Trillion Higher Than It Seems. *The Wall Street Journal*. https://www.wsj.com/tech/ai/why-big-techs-ai-spending-is-3-trillion-higher-than-it-seems-e1067bb2

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> obligations with future revenue as consumers and businesses adopt AI in every facet of American life.
>
> If those assumptions about technology and demand prove wrong, these deals to clinch future capacity could become a monstrous burden for the tech companies and their investors.[13]

The massive off-balance sheet commitments for AI data centers is dangerously problematic as AI chips and computing infrastructure can become commercially obsolete in just 3 to 4 product cycles—suggesting that this liability will likely increase absent a massive market correction or historically unprecedented economic growth in a record amount of time under severely constrained global pressures.

To further emphasize this point, on August 3rd, the Washington Post reported that five leading AI companies—Amazon, Google, Microsoft, Meta, and Oracle—are spending so much on data centers that their expected free cash flow will effectively be nothing for 2026 and decline to more than $125 billion in 2027 as seen in Figure 5.

[13] *Ibid*.

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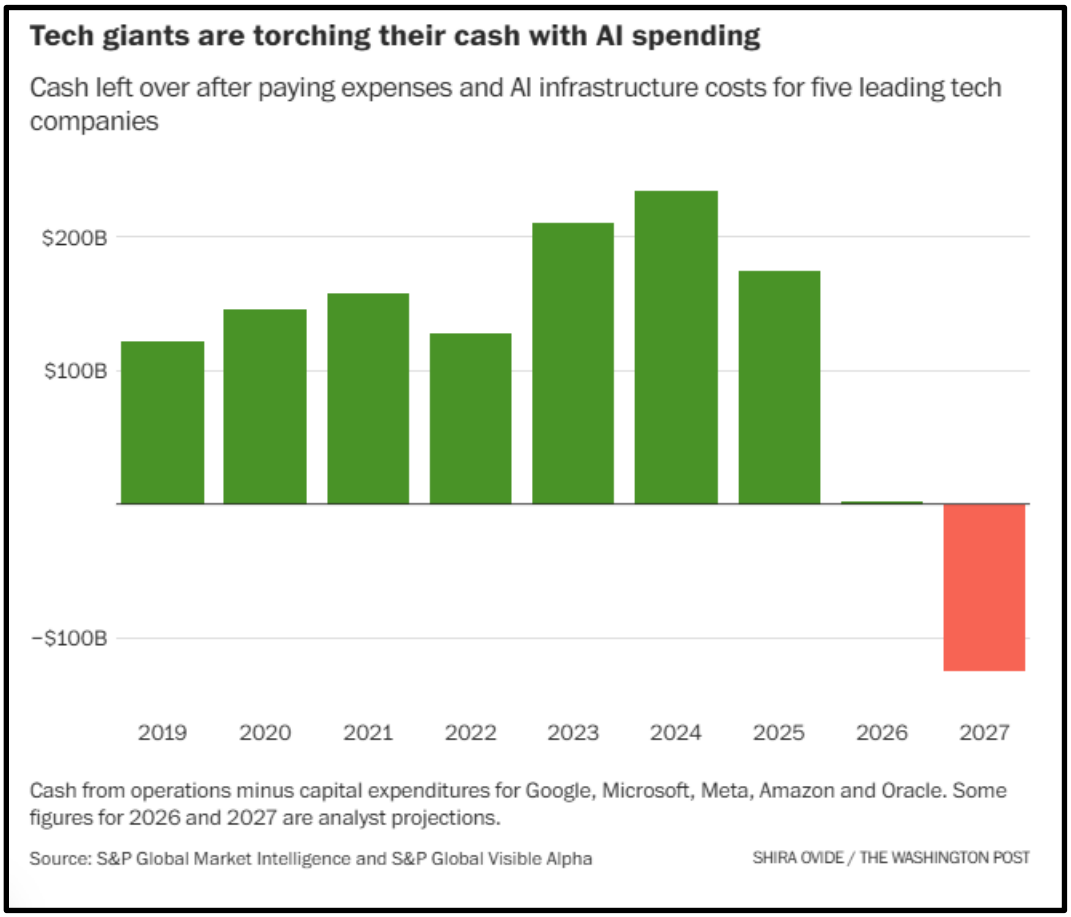
Figure 5: Big Tech Firms move to negative cash flow due to spending outstripping revenue[14]



Q. Have you seen any regulatory proceedings that support your fears?

A. Yes. Oracle filed a lawsuit in June 2026 against the Public Service Commission of Wisconsin (PSC) in Ozaukee County Circuit Court. The tech giant is challenging strict financial security and credit rating rules (requiring an A- rating or massive cash/letter of credit collateral) approved for very large energy users, which could cost Oracle over $100

[14] Ovide, S. (2026) One chart shows the incredible reversal at American tech companies. *The Washington Post.* https://www.washingtonpost.com/technology/2026/08/03/one-chart-shows-incredible-reversal-american-tech-companies/

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million annually for its $15 billion data center project in Port Washington.[15] This lawsuit followed the credit downgrade of Oracle to one level above junk status. Following a peak market cap of $900 billion in September, Oracle has seen its stock fall by about 60% of its value in less than a year.[16]

Q. How are credit rating agencies viewing these developments?

A. Over the past year, AI-driven activity generated roughly half of the economic growth in the US private sector. With a forecasted $7 trillion in collective CAPEX through 2030, the trajectory of the US economy is becoming inextricably linked to the financial health of the top six US hyperscalers. This makes S&P's recent "Credit Outlook for Hyperscalers: A Temperature Check" an important reference point for the risk exposure tied to the billions of dollars in CCN applications for generation needed for electricity to serve data centers flooding the Missouri Public Service Commission. According to the opening of S&P Global:

> The credit quality of hyperscalers is gradually weakening. Evergy time we take a deep dive into this sector, we find that capex is rising faster than we anticipated, financings are becoming more complicated and less transparent, and that returns on investment will take years to realize.[17]

The authors write that despite AI return on investment being critical to the rating judgments, "the big six hyperscalers don't quantify their returns on investment on AI." Maybe, the report's authors speculate, "this could be because it's difficult to isolate and quantify—some investments are being integrated into existing products, while others are research and

[15] Kiefer, P. (2026) Oracle sues Wisconsin regulators as it seeks relief from data center credit requirements. *Wisconsin Watch*. https://wisconsinwatch.org/2026/06/oracle-sues-wisconsin-regulators-data-center-credit-requirements-public-service-commission/
[16] Novet, J. (2026) Oracle stock has worst week since 2001 dot-com bust as AI financing concerns escalate. *CNBC*. https://www.cnbc.com/2026/06/26/oracle-stock-ends-worst-week-since-2001-as-investors-dwell-on-finances.html
[17] Moisewiwitsch, J. (2026) Credit Outlook for Hyperscalers: A Temperature Check. *S&P Global*. https://www.spglobal.com/ratings/en/regulatory/article/credit-outlook-for-hyperscalers-a-temperature-check-s101702073

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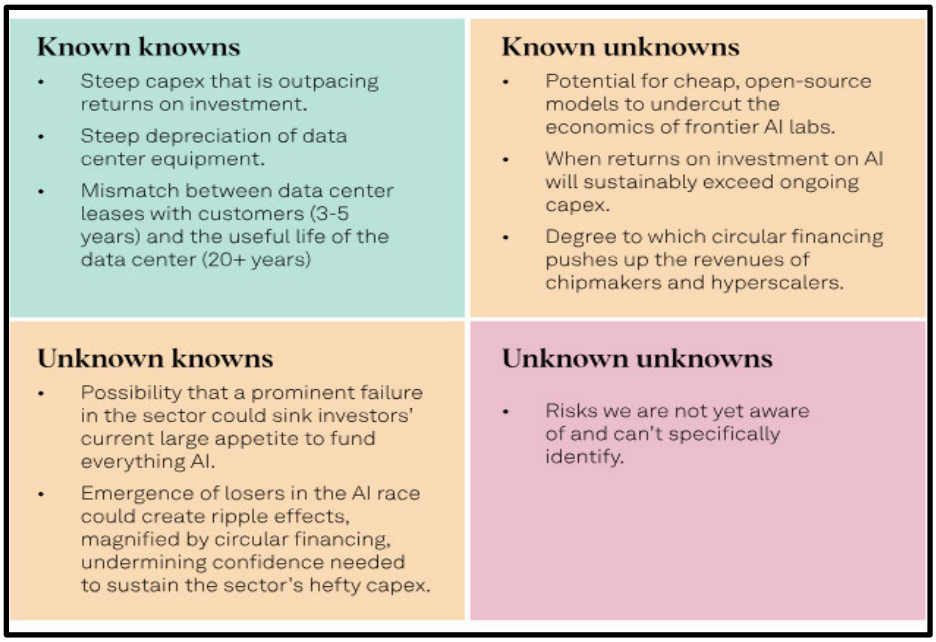
development for large language models and aren't yet monetizable. **Or simply, entities just choose not to share the data**" (emphasis added).

To illustrate various AI sector risks from a credit perspective, the S&P Global report categorizes them using a Rumsfeldian quadrant.[18]

Figure 6: S&P Global Breakdown of AI Sector Risks [19]



[18] The origin of this format can be attributed to former U.S. Secretary of State Donald Rumsfeld's "**There are unknown unknowns**" from a U.S. Department of Defense (DoD) news briefing on February 12, 2002, about the lack of evidence linking the government of Iraq with the supply of weapons of mass destruction to terrorist groups. Rumsfeld stated:

> Reports that say that something hasn't happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns—the ones we don't know we don't know. And if one looks throughout the history of our country and other free countries, it is the latter category that tends to be the difficult ones.

Rumsfeld, D. (2002) Department of Defense News Briefing – Secretary Rumsfeld and Gen. Myers". United States Department of Defense. February 12, 2002. https://web.archive.org/web/20160406235718/http://archive.defense.gov/Transcripts/Transcript.aspx?TranscriptID=2636

[19] Moisewiwitsch, J. (2026) Credit Outlook for Hyperscalers: A Temperature Check. *S&P Global*. https://www.spglobal.com/ratings/en/regulatory/article/credit-outlook-for-hyperscalers-a-temperature-check-s101702073

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The report also features a circular financing taxonomy, which includes residual-value guarantees, take-or-pay agreements, chip financing, lease liabilities, power purchase agreements, backstop guarantees, lease guarantees, and direct equity investments. S&P provides the following comments to suggest how problematic it is within a section titled "How a collapse of one AI entity could expose circular financing risk":

> Interconnected financing structures could amplify volatility if demand weakens unexpectedly. The failure of one entity would have implications for entities that have lent it money, have guaranteed the value of its assets, or are just expecting payment for goods delivered.
>
> The broader question is whether circular financing is creating leverage collectively that is individually manageable but could become highly correlated should demand fall sharply.
>
> If demand disappoints, chip values fall, or data center utilization declines, do the losses sit with the operator, the sponsor, or the guarantor? Also how would the support mechanisms and their related mitigants effectively materialize?
>
> NVIDIA Corp., in just one example, is building AI models and data centers. Hyperscalers and Open AI are also designing their own chips to reduce their reliance on merchant AI chip vendors such as NVIDIA and Advanced Micro Devices Inc. Competitive pressure resulting in failed investments could create ripple effects throughout the increasingly interconnected AI ecosystem.
>
> The scale of overlap and interconnectedness is vast. In a downturn, even the best capitalized and most profitable firms may incur substantial pain.[20]

[20] *Ibid*.

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Q. If the assumptions about AI and data centers are wrong, are these investments at risk of being a monstrous burden on captive customers?

A. Yes. It's all tethered together.

A scenario where there is huge excess of power generation across the United States is very plausible given the unprecedented capital expenditure ("CAPEX") build-out and the complete absence of any evidence that AI investment can cover its costs and produce a profit.[21]

Simply put, there are massive amounts of risk in these investments. If Evergy Metro wants to move forward with these projects, it should secure the capital infusion from the data centers prior to construction or signal that it will assume the risk of attempting to collect the costs from the data centers after-the-fact. It is neither practical nor prudent to expect existing ratepayers to cover the costs and risks tied to investments which are not necessary for Evergy Metro to provide safe and adequate service to them.

[21] Look no further than the attachment to Evergy Metro witness Jason Humphrey's direct testimony that includes an S&P Capital article titled "US power sector planning 155 GW of fossil fuel capacity to meet rising demand" which includes the following quote:

> Predicting how much power data centers will ultimately consume is difficult. The difference between the lowest and highest expectations for data center demand
> in 2030 exceeds the current combined electricity consumption of California and Florida, according to an April 7 Rhodium Group report.
>
> "That is just a huge amount of uncertainty with regard to the grid that we need to build in the future," said Ben King, a director in the Rhodium Group's energy and climate practice and co-author of the report.
>
> Some worry that state politicians and communities seeking new investments may be setting themselves up for disappointments.
>
> "We're tying our future to polluting plants that are meant to feed data centers, which themselves bring a lot of local concerns," said Neil Waggoner, deputy director of the Sierra Club's federal energy campaigns. "It's all tied to a ton of money that, frankly, we haven't seen the society-wide use case for."

III. Potential Path Forward

Q. How do investor-owned utilities make money in Missouri?

A. They are effectively glorified construction companies that make a profit by building out the electric grid. This is "cost + regulation". The "+" effectively denoting the "profit" margin tied to the investments. As such, because utilities are incentivized to build, there is a perverse incentive to over-build because their profit is tied to it. Specifically, utilities profit from the equity share of the capital they spend to build stuff.

Q. What happens if the hyperscalers front the costs for this investment?

A. If a hyperscaler fronts the capital instead of a utility, the investment would be cheaper for ratepayers because the utility would not recover the additional premium/profit on top of the expense, as you would see with capital supported from an investor-owned utility.

Q. Have hyperscalers raised this issue in other regulatory proceedings?

A. Yes. Earlier this year, in Virginia, Google witness Dr. Carolyn Berry provided the following Q&A describing this scenario as applied to a substation. The same principle applies to a natural gas power plant. Dr. Berry's testimony reads as follows:

> **Q. Why do you think a voluntary funding mechanism is in customers' best interests?**
>
> A. A customer funded substation mechanism will reduce the total rate base, which will in turn reduce rates for all customers. Additionally, self-funded substations would also reduce Dominion's annual revenue requirement because the Company would no longer earn a return on the investment, which would reduce rates. Eliminating or reducing Dominion's capital bias is in the best interest of customers.
>
> **Q. What do you mean by capital bias?**
>
> A. Dominion earns a rate of return on all its new capital investments. Moreover, when the costs of those investments are recovered through a rate adjustment clause, that rate of return is effectively guaranteed because of reconciliations. As such, investor-

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owned utilities like Dominion have a strong incentive to spend as much capital as possible, because every dollar of capital spent increases returns for their shareholders.

Q. What about Dominion's current process demonstrates this capital bias?

A. According to Dominion's responses to Google discovery in the Large Load Queue case, Dominion will need roughly 233 substations to interconnect 70 GW of load.6 At between $25 million and $50 million per substation, ' this will require billions of dollars in costs, which Dominion admits will be put directly into rate base and recovered from all customers because Dominion does not consider substations to be "dedicated" assets. Even if Dominion is correct that for a de minimis number of hours it may use those substations in emergencies, the reality is that all ratepayers would be better off if the interconnection process allowed large customers to directly fund the costs of those substations. I recommend that the Commission modify Dominion's line extension policy to allow customers to CIAC new substations. [22]

Restated, every dollar that's spent under the socialized cost approach that Evergy and Ameren Missouri have taken in various CCN applications costs more than it needs to because the utilities want to use their capital to earn an inflated profit off of their investments. Given the risk profile of the industry, as well as the affordability problem challenging legacy customers, the traditional manner of cost + regulation is no longer appropriate, and guardrails have to be enabled.

Q. What guardrails do you propose?

A. I suggest that the three identified customers cited as justification for this investment should shoulder the entire capital costs before Evergy Missouri Metro moves forward. Restated, Evergy Missouri Metro should not use its own capital when cheaper capital options exist in the hands of the cost causers. By drawing on capital from the cost causer, the stranded asset

[22] Virginia State Corporation Commission: Case No. PUR-2026-00056 Direct Testimony of Carolyn A. Berry, Ph.D. on behalf of Google, LLC. P. 4, 21-24 thru p. 5, 19. https://www.scc.virginia.gov/docketsearch/DOCS/8cq701!.PDF

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risk disappears if the AI buildout fails to materialize as planned. The breakdown across relevant stakeholders can be seen as follows:

Data Center Customers:

- Pay the full costs of Mullin Creek #2 before construction begins.
- Get needed generation to ramp-up activities

Utility:

- Could be awarded a reduced ROE tied to Mullin Creek #2 in recognition of the upfront work undertaken to identify and secure the natural gas resource as well as successful execution of the contract and operation of the facility;
- Costs related to a reduced ROE could come from all customers; and importantly,
- This would also free up finite, increasingly expensive capital initially allocated for generation and to be redirected towards hardening the distribution grid, enhancing transmission, and/or keeping rates affordable during the economic uncertainty.

Legacy Ratepayers (non-data center customers)

- Receive a shared asset fully paid for, minimizing stranded asset risk; and
- Responsible (along with data centers and the utility) for future tail risk costs related to theoretical environmental mandates.

Q. Why should legacy ratepayers be charged anything?

A. There is a sound legal and policy argument that legacy ratepayers should not be charged anything related to this application and I would not fault the Commission for taking that position.

That being said, the aforementioned scenario reduces stranded asset risk for both the utility and legacy ratepayers and should not be dismissed out-of-hand. Paying a portion of reduced ROE to provide a financial incentive for the incumbent utility is much more prudent if the cost causers are committed to covering the investment before it is operational.

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Q. What about the perceived risks at the local level tied to data centers?

A. I have outstanding recommendations related to direct and indirect externalities from the resource-intensive data centers for the Commission's consideration. These recommendations are consistent with concerns put forward by the public and enable opportunities for further cost-savings tied to the buildout of Mullin Creek #2. .

They are also consistent with efforts seen in other states, like Texas, in which Governor Greg Abbott issued executive directives to the Texas Water Development Board ("TWDB") and the Electric Reliability Council of Texas ("ERCOT") to penalize data centers if they fail to report their water and energy consumptions.[23]

Q. Do you have any final comments to make on this topic?

A. I do. The Commission should note that we are not utilizing all available resources to meet this data center demand. Evergy Metro has invested hundreds of millions of dollars in Automated Metering Infrastructure ("AMI"). In Case Nos. EO-2023-0212 & EO-2023-0213 (Evergy Metro's and Evergy West's Annual Integrated Resources Plan ("IRP") update) a sensitivity analysis was conducted by third-party contractor AEG. This sensitivity analysis considered the impact of TOU rates on the Company's future summer demand baseline assumptions.

The analysis considered several factors including:

- Customers would be defaulted to the standard (high differential) rate but switch across rate design options;
- Peak savings would increase over time as customers became accustomed to the rates; and
- That modeling customers on the Peak Reward Saver rate (low differential) are negligible (no impact to demand savings).

[23] Office of the Texas Governor Greg Abbott (2026) Governor Abbott Directs TWDB To Penalize Data Center Reporting Failures https://gov.texas.gov/news/post/governor-abbott-directs-twdb-to-penalize-data-center-reporting-failures

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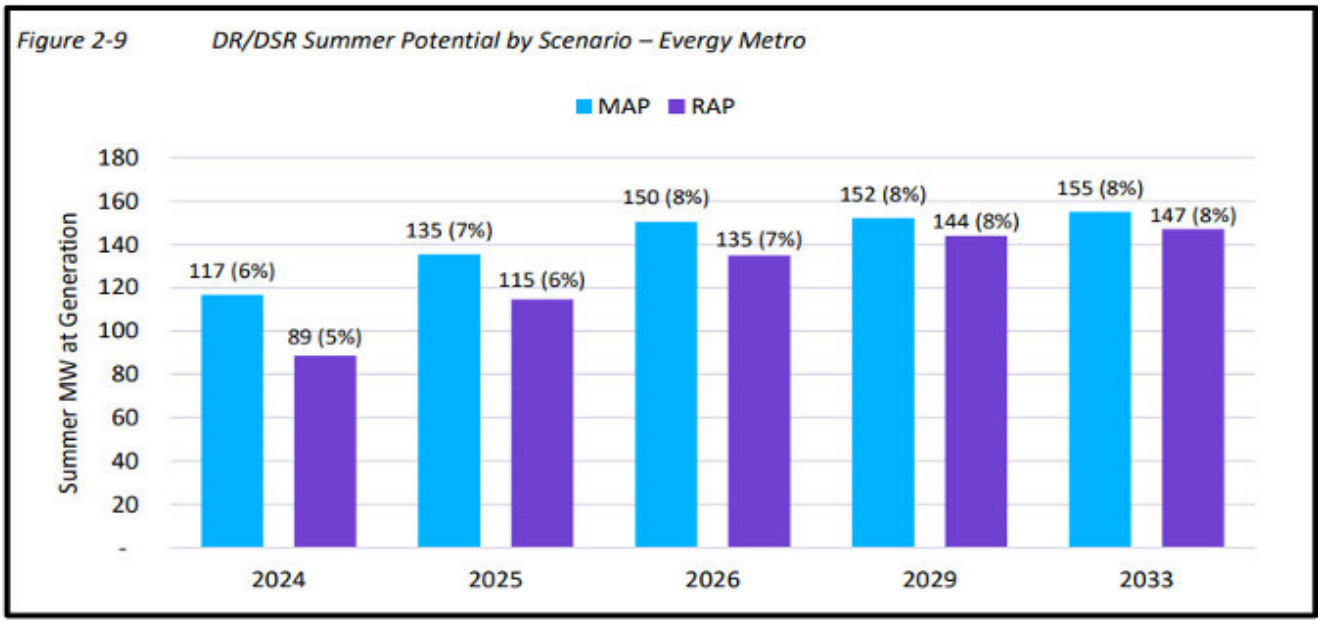
AEG then ran a number of scenarios based on adoption assumptions across the rates. The range of peak demand savings relative to projected baselines range from a low of 5% in Evergy Metro in 2024 to a high of 10% in 2033 for Evergy West. Figure 7 shows the results of AEG's analysis for Evergy Metro and Figure 8 shows the results for Evergy West.

Figure 7: Evergy Metro TOU Summer Potential[24,25]



[24] Case Nos. EO-2023-0212 & EO-2023-0213 AEG: Evergy 2023 DSM Market Potential Study. p. 32

[25] "RAP" stands for Realistic Achievable Potential and ""MAP" stands for Maximum Achievable Potential. These acronyms are terms of art utilized in demand-side management planning to indicate various levels of potential. In this case, AEG assumed various levels of self-selection between the rate design offerings ranging from a conservative to an aggressive adoption level of price differentials.

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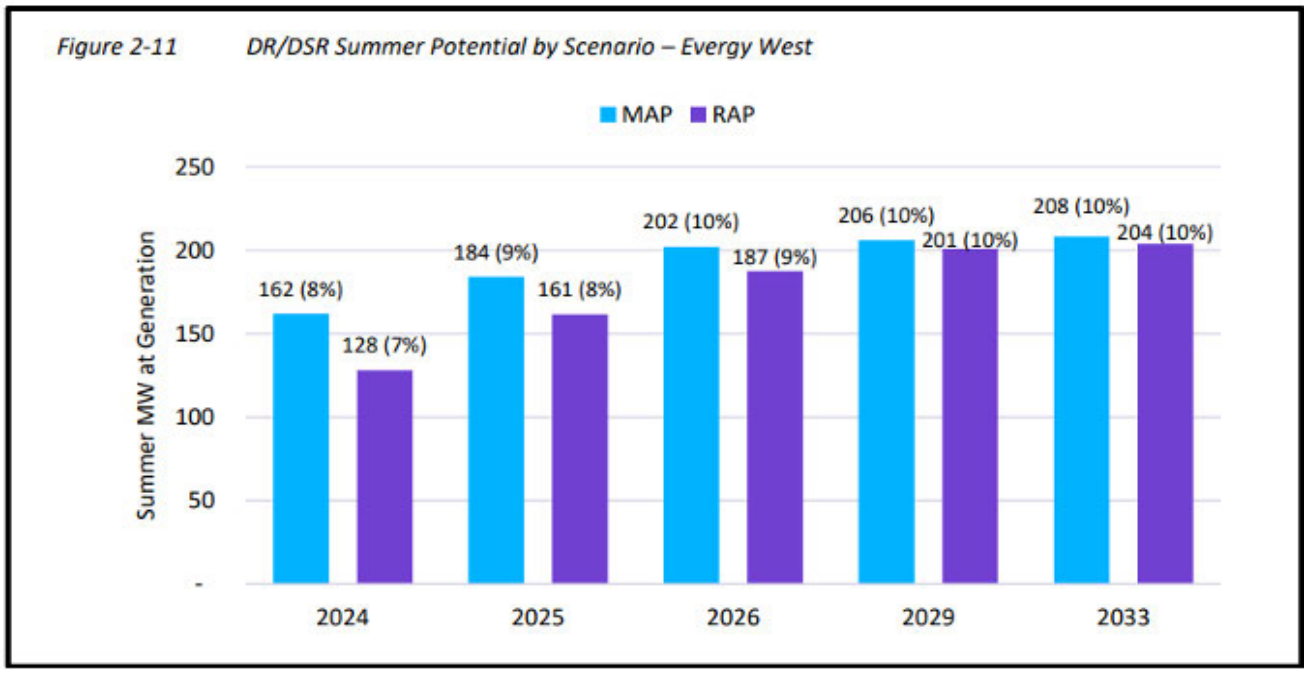
Figure 8: Evergy West TOU Summer Potential [26]



Importantly, the modeled demand savings in Figures 7 and 8 come at no additional CAPEX costs to consumers. This is so because customers have already paid and will continue to pay for Evergy's AMI and One CIS investments that are underutilized.

Reducing peak demand by shifting use to times of low demand also puts less strain on utilities and will result in tangible cost savings to customers. These cost savings materialize in a variety of ways, including through a reduction in the amount of fuel that Evergy seeks to recover through its fuel adjustment clauses ("FAC") and through the avoidance of Evergy's need to build cost-prohibitive and delayed generation.

Stated differently, the Commission can order Evergy Metro to more aggressively utilize the AMI investments ratepayers are already paying for to enable data center operations much quicker and at greatly reduced costs.

[26] *Ibid*. p. 35

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Q. Would you please summarize your recommendations?

A. There is enormous risk associated with this application. The costs, timing, and resource mix all pose significant financial hurdles and place enormous burden on existing ratepayers if not addressed on the front end. These fears have been highlighted by both sides of the political spectrum:

In Pennsylvania, Democrat Governor Josh Shapiro made the following statement in his State of the State Address:

> "We need to have a hard conversation about the amount of profit utilities and their investors can make on the backs of hardworking Pennsylvanians. . . . At a time when consumers are struggling with high costs, our utilities need to be more sensitive to the reality of their customers."[27]

In Indiana, Republican Governor Mike Braun stated:

> "We can't take it anymore. I am directing the Utility Consumer Counselor, who is Indiana's ratepayer advocate, to evaluate the utilities' profit along with other cost savings measures to ease the burden on ratepayers. I would also like to see the utilities' investors bear more of the cost of doing business.[28]

And in Missouri, Governor Mike Kehoe made the following statement:

> "These companies understand what it means to be good neighbors," Kehoe said. "Because growth cannot come at the expense of communities that welcome it. We understand the concerns people have: energy affordability, water availability,

[27] Shapiro, J. (2026) Governor Shapiro's 2026-27 Budget Address as Prepared for Delivery https://www.pa.gov/governor/newsroom/2026-press-releases/governor-shapiro-s-2026-27-budget-address-as-prepared-for-delive

[28] Braun, M. (2026) RELEASE: Governor Braun Announces New Office of Utility Consumer Counselor Commissioner, Directs Evaluation of Utilities' Profits & Cost-Saving Measures https://events.in.gov/event/Governor-Braun-Announces-New-Office-of-Utility-Consumer-Counselor-Commissioner

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protecting our resources. Those are real conversations worth having. That is why Missouri has been proactive."[29]

It does not have to be this way.

Risk exposure can be mitigated by approaching the order pragmatically and with a deliberate foresight to minimize catastrophic risk. As such, my testimony provides conditional support for this application predicated on the three customers identified as needing the generation investment covering the full capital costs before construction begins.

The testimony also highlights the existence of historically underutilized AMI investment that can enable TOU pricing for existing customers that can produce a cost-effective alternative to traditional supply-side investment.

Evergy Metro can explain why they are not seeking to utilize the hundreds of millions of dollars of AMI investment to curb peak demand and lower overall costs for customers before it comes to the Commission requesting approval for costly supply-side investment in future testimony.

Q. Does this conclude your testimony?

A. Yes.

[29] McFarland, M. (2026) Governor, experts from across Missouri push back on fears around data center boom. *News Tribune*. https://www.newstribune.com/news/2026/jun/19/governor-experts-from-across-missouri-push-back/

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy Metro, Inc., d/b/a Evergy Missouri Metro for Permission and Approval of a Certificate of Convenience and Necessity Authorizing It to Construct, Install, Own, Operate, Manage, Maintain, and Control a Natural Gas Electrical Production Facility	))))))	Case No. EA-2026-0154

AFFIDAVIT OF GEOFF MARKE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Geoff Marke
Chief Economist

Subscribed and sworn to me this 15th day of September 2026.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.