Exhibit No.:	
Issue:	Regulatory Policy
Witness:	Darrin R. Ives
Type of Exhibit:	True-Up Rebuttal Testimony
Sponsoring Party:	Evergy Missouri Metro
Case No.:	ER-2026-0143
Date Testimony Prepared:	September 23, 2026

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2026-0143

TRUE-UP REBUTTAL TESTIMONY

OF

DARRIN R. IVES

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri

September 2026

TRUE-UP REBUTTAL TESTIMONY

OF

DARRIN R. IVES

Case No. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri 64105.

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

A: I am employed by Evergy Metro, Inc. and serve as Senior Vice President – Regulatory and Government Affairs for Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro," "EMM," or the "Company"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("EKM"), and Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a Evergy Kansas Central ("EKC"). These are the operating utilities of Evergy, Inc. ("Evergy").

Q: Are you the same Darrin R. Ives who previously filed direct, rebuttal, and surrebuttal testimony in this case?

A: Yes.

Q: Who are you testifying for?

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

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

A: The purpose of my true-up rebuttal testimony is to respond to true-up positions taken by Staff witness Matthew Young, and to respond to the new transmission disallowances OPC witnesses David Shapley and Paul Alvarez recommend in their surrebuttal testimony, to the extent the Commission treats that testimony as true-up direct testimony. I address OPC's new transmission disallowance recommendations based on the Commission's prudence standard. I also address Staff's nuclear production tax credit ("PTC") treatment at true up.

As in my rebuttal testimony, I do not address the technical and accounting detail underlying these positions, as a number of Company witnesses address those details. Instead, I address the broader regulatory and policy implications.

II. NUCLEAR PRODUCTION TAX CREDITS

Q: Do you agree with Staff witness Young's recommendation to include approximately $37 million of ongoing nuclear production tax credit benefits in the revenue requirement, which he states reduces the revenue requirement by approximately $47.6 million annually after gross-up?[1]

A: No. Witness Young confirms that no nuclear PTC sale had been completed as of June 30, 2026, yet Staff is still asking the Commission to set rates on an annualized level of nuclear PTC credits based on his assumptions. Missouri sets rates on amounts that are known and measurable as of the true-up date. The Company is not asking the Commission to assume these sales will never occur and instead is asking that they be reflected when they do occur, in the amounts actually realized, which is precisely what the tracker that both parties support is designed to accomplish.

[1] See Young True-Up Direct at 27-29.

Q: Witness Young states that Staff "recognizes the possibility that the IRS may issue guidance that reduces EMM's nuclear PTC value to $0 but considers it unlikely," noting that no adverse IRS guidance has been issued to date. Does that address the Company's concern?[2]

A: No. Witness Young's answer does not address how much the credit will be worth. As I explained in my rebuttal testimony, the uncertainty is two-fold. First, there is uncertainty regarding how the credit is calculated. Under the Company's preferred interpretation utilizing SPP market pricing, the estimated annual benefit is approximately $60 million to $70 million on a 100% Evergy Metro basis, while an alternative interpretation based on customer revenues could result in little or no benefit being generated. Second, even if that question is ultimately resolved in the Company's favor, the value of the credit remains dependent upon market prices that fluctuate significantly based on numerous factors outside the Company's control.

Q: Witness Young also points to the Company's response to Staff Data Request No. 0148, stating that the absence of uncertain tax positions shows the Company's accountants demonstrate no probable risk. Do you agree with that inference?

A: No. An uncertain tax position addresses whether a credit already claimed will survive examination. It says nothing about the future value of PTCs or how the computation question will ultimately be resolved.

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[2] See Young True-Up Direct at 28-29.

Q: Witness Young raises a concern that current ratepayers will not benefit from a cost reduction that is deferred for future ratepayers' benefit. How do you respond?[3]

A: Under the Company's proposal, every realized benefit is returned to customers. Staff advocates for earlier recognition of benefits that may never materialize. If they do not, today's customers will have received a reduction they were not entitled to, and tomorrow's customers will absorb the correction in the form of a rate increase. That outcome is equally a generational inequity, and it is one that future customers would experience as a rate increase caused by regulatory design rather than by any change in the cost of providing service.

Q: Witness Young points to the mechanisms approved by the Kansas Corporation Commission as support for Staff's position. Do those mechanisms support Staff's recommendation?[4]

A: No. The Kansas mechanisms do not embed an assumed annual level of benefits in base rates before any transaction has occurred, and Witness Young does not suggest otherwise. An important piece to note is that the Kansas mechanisms refund customers only when the benefit has been realized, either monetized with a third party or utilized to reduce current tax obligations.

Q: Is the volatility of nuclear PTC value unique to Evergy?

A: No. For instance, Constellation Energy reported nuclear PTC revenue of $2,080 million in 2024 and $320 million in 2025, a decline of 85 percent. Entergy recognized consolidated nuclear production tax credits of $571.2 million for 2024 and $235.1 million for 2025, a

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[3] See Young True-Up Direct at 28.
[4] See Young True-Up Direct at 29.

decline of approximately 59 percent.[5] Talen Energy reported $220 million in 2024 and zero in 2025 at its Susquehanna station, explaining that "as prevailing market prices exceeded the PTC recognition threshold during the year ended December 31, 2025, no such tax credits were earned for the period."[6] These examples demonstrate the year-over-year change other nuclear generators are experiencing.

Q: Do these other utilities also recognize the uncertainty in the final valuation of nuclear PTCs in their financial statements?

A: Yes. Constellation states that "the nuclear PTC continues to be the subject of additional guidance, from the U.S. Treasury and IRS, and may materially impact the total amount of the benefits we receive," and that the "[a]bsence of prescriptive guidance requires the application of judgment in determining annual gross receipts, a primary component in the determination of the credit."[7] Entergy states that "[b]ecause the U.S. Treasury and the IRS have not issued final guidance regarding the application of Internal Revenue Code section 45U, including the definition of 'gross receipts,' Entergy treated the full amount of the Internal Revenue Code section 45U credits as an uncertain tax position."[8]

Q: What does the Company recommend?

A: The Company recommends that the Commission include $0 of assumed ongoing nuclear production tax credit sales in the revenue requirement and approve the nuclear PTC tracker. There has been no sale of nuclear PTCs as of June 30, 2026, so there is no known and measurable amount to include in rates. But, with the Nuclear PTC tracker in place, the

[5] See Constellation Energy Corp., Annual Report (Form 10-K) at 67 (Feb. 24, 2026).
[6] See Talen Energy Corp., Annual Report (Form 10-K) at 35-36 (Feb. 26, 2026).
[7] See Constellation Energy Corp., Annual Report (Form 10-K) at 54-61. See also Ameren Corp., Annual Report (Form 10-K) at 5, 17 (Feb. 18, 2026).
[8] See Entergy Corp., Annual Report (Form 10-K) at 137 (Feb. 19, 2026).

approach will provide realized nuclear PTC benefits to customers at the appropriate time and at the appropriate level.

III. OPC'S TRANSMISSION DISALLOWANCE RECOMMENDATIONS

Q: Witnesses Shapley and Alvarez captioned their testimony as surrebuttal. Why are you responding to it in true-up rebuttal?

A: The Company has moved to strike, as improper surrebuttal, the portions of their testimony that present new transmission disallowances. Both witnesses state they are updating their direct testimony based on data request responses received August 20, 2026, after their direct testimony was filed. On that basis, OPC witness Shapley recommends a new transmission disallowance of $73.110 million, and OPC witness Alvarez recommends an additional $14.687 million.[9] Neither recommendation appeared in either witness's direct testimony, and neither responds to the Company's rebuttal. The transmission plant witness Shapley addresses was placed in service before the end of the test year and was included in rate base in the Company's direct case. I respond here only to the extent the Commission treats this material as true-up direct testimony, and I do so without conceding that characterization.

Q: What do the OPC witnesses now recommend in total?

A: Witness Shapley recommends $115.739 million in disallowances. Witness Alvarez endorses that recommendation and adds the $14.687 million Panasonic-related amount, bringing the combined total to $130.426 million.[10] Witness Alvarez further recommends that the Commission require discretionary investments to pass a risk-informed benefit-cost analysis test.

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[9] See Shapley Surrebuttal at 28; Alvarez Surrebuttal at 2, 30-32.
[10] See Shapley Surrebuttal at 34; Alvarez Surrebuttal at 2.

Q: Are you addressing the merits of the individual projects?

A: No. Company witnesses Andrew Rietcheck and Buck Reuter address the individual projects in the sur-surrebuttal testimony the Company has tendered with its motion to strike. Company witnesses Ryan Mulvany, Andy Alexander, Andrew Rietcheck, and Jason De Stigter[11] addressed in their rebuttal testimony the analysis OPC applied to the Company's distribution investments, which is the same approach witness Shapley now applies to the transmission projects.

Q: Do you agree with the premise underlying OPC's recommendations?

A: No. OPC's recommendations are based on the proposition that prudent investments, based on the information available at the time, may be disallowed years later because OPC has since constructed its preferred analysis and suggests those decisions should have been made differently.[12] The standard in Missouri is whether the investment was prudent based on the information reasonably available when the decision was made. It is not whether a different decision looks preferable to a party reviewing the outcome with the benefit of hindsight, and it is not whether the total level of investment is higher than a party would prefer.

Q: Has the Company responded to OPC's arguments?

A: Yes, substantially. Company witnesses provided detailed rebuttal to both the prospective replacement argument and the lateral rebuild argument OPC made against the Company's distribution investments and demonstrated that those investments fall well within appropriate bounds for investment. OPC has not shown that any of these decisions were unreasonable in light of what the Company knew when it made those decisions.

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[11] Mr. De Stigter leads the Utility Investment Planning team at 1898 & Co., a division of Burns & McDonnell.
[12] See Report & Order at 12, No. EO-2023-0277.

Q: Do you agree with witness Alvarez's recommendation that discretionary investments pass a risk-informed benefit-cost analysis test?[13]

A: No. No such test existed when these investments were made, and this Commission has not adopted a single standard to apply. Witness Alvarez proposes a new standard and applies it retroactively. The Company does not oppose disciplined evaluation of costs and benefits. The Company performs that work. The problem is converting that evaluation into a recovery threshold administered years after the decision was made.

Reliability, resiliency, and safety investments frequently produce benefits that cannot be objectively quantified in advance. A standard permitting recovery only of investments passing a single test would discourage the preventive work that keeps the system reliable, at a time when this Commission has recognized the system faces substantial growth in demand.

Q: Are OPC's recommendations consistent with Missouri's regulatory framework?

A: No. Missouri's regulatory construct requires the Company to commit capital up front and recover it over multiple decades. That construct works if the rules governing recovery are stable and known before the capital is committed. In regard to plant in service accounting ("PISA"), the legislature determined how the benefits and burdens of this investment are shared, whereby eligible investment may be deferred at 85 percent, not 100 percent. That 15 percent is the shareholder contribution the legislature selected, and it selected it deliberately. The legislature did not add another layer of shareholder disallowance beyond the historical imprudence considerations of the regulatory compact, and it did not alter the

[13] See Alvarez Surrebuttal at 2.

regulatory threshold to create additional shareholder uncertainty for investments made to support State policy.

Q: What would be the consequence of adopting these recommendations?

A: A shareholder penalty for system investment will create a negative reaction from investors and from the investing community more broadly. If a disallowance is made on prudent investments because a party later constructs their own preferred analysis with hindsight, then the Company and its investors face a risk that they have no ability to evaluate in advance.

Q: What is the appropriate standard for disallowing investment that has already been made?

A: A utility's costs are presumed to be prudently incurred. The utility's conduct is judged by asking whether the conduct was reasonable at the time, under all the circumstances, considering that the company had to make its decisions prospectively, rather than relying on hindsight. This is the traditional prudence standard that the Commission has applied under the regulatory compact with the utilities it oversees and that the Missouri appellate courts have consistently upheld. Only if another party creates a serious doubt as to the prudence of an expenditure does the utility have the burden of dispelling those doubts and proving that the questioned expenditure was prudent. In this case OPC has raised no serious doubt and presented no credible evidence that the Company has made decisions outside the bounds of what was reasonable and prudent.

Q: Does this conclude your true-up rebuttal 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 DARRIN R. IVES

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Darrin R. Ives, being first duly sworn on his oath, states:

1. My name is Darrin R. Ives. I work in Kansas City, Missouri and I am employed by Evergy Metro, Inc. as Sr. Vice President – Regulatory and Government Affairs.

2. Attached hereto and made a part hereof for all purposes is my True-Up Rebuttal Testimony on behalf of Evergy Missouri Metro consisting of nine (9) 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.

Darrin R. Ives

Subscribed and sworn before me this 23rd 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