Exhibit No.:	
Issue:	Accumulated Deferred Income Tax; Current and Deferred Income Tax; Excess Deferred Income Taxes; Solar Production Tax Credits; Property Tax; Foxtrot and Sunflower Sky Tax Strategy; Kansas City Earnings Tax
Witness:	Melissa K. Hardesty
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Evergy Missouri West
Case Nos.:	ER-2027-0077
Date Testimony Prepared:	November 3, 2026

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2027-0077

DIRECT TESTIMONY

OF

MELISSA K. HARDESTY

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri

November 2026

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DIRECT TESTIMONY

OF

MELISSA K. HARDESTY

Case No. ER-2027-0077

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Melissa K. Hardesty. 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 Director of Taxes for Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("EMM") and Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("EKM") (collectively, "Evergy Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West," "EMW," or "Company"), and Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., collectively d/b/a Evergy Kansas Central ("EKC"), the operating utilities of Evergy, Inc.

Q: On whose behalf are you testifying?

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

Q: What are your responsibilities?

A: My responsibilities include management of taxes for Evergy Missouri West, including income, property, sales and use, and transactional taxes.

Q: Please describe your education, experience, and employment history.

A: I graduated from the University of Kansas in 1996 with a Bachelor of Science in Accounting. After completion of my degree, I worked at the public accounting firm Marks,

Stallings & Campbell, P.A. as a staff accountant from 1996 to 1999. In 1999, I went to work for Sprint Corporation as a Tax Specialist in the company's federal income tax department. I held various positions at Sprint from 1999 to 2006. When I left Sprint to join Evergy in December 2006, I was Manager of Income Taxes for Sprint's Wireless Division. I joined Evergy as the Director of Taxes and was subsequently promoted to my current position of Senior Director of Taxes for Evergy in May of 2009.

Q: Have you previously testified in a proceeding at the Missouri Public Service Commission ("PSC" or "Commission") or before any other utility regulatory agency?

A: Yes.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to describe the various tax-related adjustments included in the revenue requirement model (Schedule MKH-1 attached to this testimony). The schedule includes various adjustments for accumulated deferred income taxes in rate base, income tax expense, and property tax expense. I also describe the federal income tax credits the Company expects to claim with respect to its Foxtrot Solar Generation Facility ("Foxtrot") and Sunflower Sky Generation Facility ("Sunflower Sky") approved by the Commission in Case No. EA-2024-0292, including the available production tax credits, investment tax credits, and/or Clean Electricity Low-Income Communities Bonus Credit contemplated by the 2022 Inflation Reduction Act, and provide the tax strategy analysis for the facilities.[1]

[1] See Order Approving Unanimous Stipulation & Agreement at ¶ 5.f., In re Evergy Missouri West CCN App. Regarding Foxtrot and Sunflower Sky, No. EA-2024-0292 (July 31, 2025).

II. RB-125 ACCUMULATED DEFERRED INCOME TAXES

Q: Please explain adjustment RB-125.

A: Evergy Missouri West adjusted March 31, 2026, Accumulated Deferred Income Taxes ("ADIT") in adjustment RB-125. Deferred income taxes represent the tax on timing differences for income and deductions reported on Evergy Missouri West's income tax returns compared to what is reported for book purposes. ADIT represents the accumulated balance of these income tax timing differences at a point in time.

Q: What are the ADIT adjustments to Evergy Missouri West's rate base?

A: Adjustment RB-125 relates to items included in Evergy Missouri West's rate base or net operating income. This reflects the deferred tax liabilities relating to depreciation and other expenses deducted for the tax return in excess of book deductions (including bonus depreciation), resulting in a rate base decrease. It also reflects deferred tax assets that serve to increase rate base.

Q: Why does ADIT affect rate base?

A: ADIT liabilities, such as accelerated depreciation, are considered a cost-free source of financing for ratemaking purposes. Ratepayers should not be required to provide for a return on plant in service that has been funded by the government in the form of reduced (albeit temporarily) taxes. As a result, ADIT liabilities are reflected as a rate base offset (reduction in rate base). Conversely, ADIT assets, such as the timing difference related to accrued maintenance, increase rate base. Evergy Missouri West has paid taxes to the government in advance of the time when such taxes are included in cost of service and collected from ratepayers. To the extent taxes are paid, Evergy Missouri West must borrow money and/or use shareholder funds. The increase to rate base for deferred income tax

assets allows shareholders to earn a return on shareholder-provided funds until recovered from ratepayers through ratemaking.

Q: What time period was used for ADIT in this case?

A: ADIT is based in general on March 31, 2026, general ledger balances, with the plant-related ADIT balances adjusted for projected plant activity through March 31, 2027 (as a proxy for April 30, 2027), as reflected in rate case adjustment RB-20. In addition, pension and other post-employment benefits ("OPEB") related ADIT balances were adjusted for projected activity through the true-up period, as reflected in rate case adjustments RB-65 and RB-61.

III. CS-125 INCOME TAX

Q: Please explain adjustment CS-125.

A: Evergy Missouri West adjusted test period income tax expense based on various adjustments to test year taxable income. The adjusted income tax calculation is shown on Schedule MKH-1. The income tax adjustment includes current income taxes, deferred income taxes, income tax credits, the amortization of investment tax credits ("ITC"), and certain other amortizations.

Q: Please explain the current income tax component in cost of service as calculated in Schedule MKH-1.

A: Jurisdictional operations and maintenance deductions and other adjustments are applied against jurisdictional revenues to derive net jurisdictional taxable income. This is then used to compute the jurisdictional current income tax expense component (current provision) for cost of service. For book purposes, these adjustments are the result of book versus tax differences and their implementation under normalization or flow through tax methods.

Each adjustment is either added to or subtracted from net income to derive net taxable income for ratemaking. For Schedule MKH-1, however, a simplified methodology is used that eliminates the need to specifically identify all book and tax differences. Most significantly, all basis differences between the book basis and tax basis of assets are ignored in the current tax provision. Accelerated tax depreciation is used in the currently payable calculation based on the tax basis of projected plant in service as identified in adjustment RB-20. The difference between the accelerated depreciation deduction for tax depreciation on tax basis assets and the book depreciation deduction calculated on a straight-line basis generates offsetting deferred income tax. The resulting income tax expense, considering both the current and deferred income tax components, reflects a level of total income taxes as if the depreciation deduction to arrive at taxable income was based solely on depreciation of projected tax basis assets calculated on a straight-line basis. This modified approach normalizes depreciation relating to the method differences (*e.g.*, accelerated versus straight-line) and life differences. The Company and the PSC Staff have used this modified approach in prior rate cases.

Q: Please describe the adjustments to derive net taxable income for ratemaking.

A: The following are the primary adjustments to derive net taxable income for ratemaking purposes:

- Book depreciation and amortization expense (adjustments CS-120 through CS-121) have been excluded from the deductions listed on Schedule MKH-1. As previously discussed, accelerated tax depreciation on both projected depreciable plant and projected amortizable plant is subtracted to derive taxable income.

- A portion of meals and entertainment expense is added back in to derive net taxable income since a portion of certain meals and entertainment expenses is not tax deductible. This adjustment increases taxable income and ultimately increases the current income tax provision. The amount by which taxable income was increased is equal to the amount for the 2024 federal income tax return.
- A deduction for dividends paid into employee 401(k) plans is included in deriving net taxable income since these dividends are deductible for tax purposes.
- Interest expense is subtracted to derive net taxable income. It is calculated by multiplying the adjusted jurisdictional rate base by the weighted average cost of debt as recommended in this proceeding. This is referred to as "interest synchronization" because this calculation ensures that the interest expense deducted to derive current taxable income equals the interest expense provided for in rates.

Q: Once the deductions and adjustments have been applied to net income to derive taxable income for ratemaking, what further deductions from taxable income are applied before calculating the two components of current income tax expense: federal current income tax expense and Missouri state current income tax expense?

A: Before calculating federal income taxes, Missouri state income taxes are deducted. Before calculating Missouri state income taxes, one-half of federal income taxes is deducted.

Q: What rate is used to compute the current income tax component?

A: The current income tax calculation utilizes the 21% federal tax rate and a 4% Missouri state tax rate, each of which is applied independently to the appropriate level of taxable income. The federal and state income tax rates are used to compute the composite tax rate of 23.844%, which is used to calculate deferred income taxes. The composite tax rate reflects the federal benefit relating to deductible Missouri state income tax and the Missouri benefit of deducting 50% of federal income taxes when computing the current Missouri tax provision.

Q: Is the current federal tax expense, determined by multiplying current taxable income by the federal income tax rate, further reduced by tax credits?

A: Yes. The research and development ("R&D") and solar production tax credits reduce the current federal income tax due.

Q: What is the R&D tax credit on Schedule MKH-1?

A: Internal Revenue Code ("IRC") Section 41 allows for a federal tax credit based on the amount of qualified research expenses incurred. The adjustment shown on this schedule as a direct reduction of the currently payable federal income tax expense reflects the estimated R&D tax credit for Evergy Missouri West based on the amount estimated for 2026 federal tax return.

Q: What is the solar production tax credit on Schedule MKH-1?

A: IRC Section 45 allows for a federal tax credit based on the amount of megawatts hours produced by the Hawthorn Solar facility, the Foxtrot solar facility and the Sunflower Sky solar facility multiplied by $30.00. The adjustment shown on this schedule as a direct reduction of the currently payable federal income tax expense reflects the estimated solar

production tax credit for Evergy Missouri West based on an annualized estimated amount of power the Company expects to produce for each facility.

Q: What is the deferred income tax component of cost of service as calculated in Schedule MKH-1?

A: The deferred income tax component of cost of service is primarily the result of applying the composite income tax rate (23.844%) to the difference between projected accelerated tax depreciation used to compute current income tax and projected book depreciation.

The other main deferred tax items are the amortization of excess deferred income taxes, AFUDC equity reversal, and other miscellaneous flow-through items.

Q: What do excess deferred income taxes represent?

A: Excess deferred income taxes primarily reduce the income tax component of cost of service. During the 1980s and up until 2017, the federal tax rate was higher than the current federal tax rate of 21%. Since deferred taxes were provided at the rate in effect when the originating timing differences were generated, the deferred income taxes were provided at a rate higher than the tax rate that is expected to be in existence when the timing differences reverse, and the taxes are due to the government. This difference in the federal rates is being amortized into cost of service over the remaining book lives of the assets that generated the timing differences for protected plant related temporary differences, and over two years for the unprotected plant related temporary differences. For the unprotected plant related temporary differences, two years is an appropriate time to amortize the remaining balance of the unprotected plant related excess deferred income taxes at the true-up date, since the Company expects to file another general rate case in another two years. Additionally, the differences in the Missouri income tax rate for periods before 2020 will

be fully amortized back to customers by the true-up date and have been excluded from the computation of income taxes.

Q: Are there other amounts of excess deferred income taxes included in the adjustment for income taxes?

A: Yes. The Company has two other types of excess deferred income taxes included in this case. The Company was required to defer the amortization of federal excess deferred income taxes related to the Tax Cuts and Jobs Act of 2017 prior to when rates were effective in Evergy Missouri West's 2018 rate case (not already given back as a bill credit), per the Stipulation and Agreement approved with the rate order in Case No. ER-2018-0146.[2] And, the Company deferred the amortization of excess deferred income taxes that were directly related to the retirement of the Sibley generation station at the end of 2018 after rates were set in the 2018 rate case.[3] These two types of excess deferred taxes will also be fully amortized back to customers by the true-up date in this case and have been excluded from the computation of income taxes.

Q: What does the AFUDC equity reversal and other miscellaneous flow-through represent in the adjustment for income taxes?

A: The AFUDC equity reversal adjustment represents the reversal of the book amortization of AFUDC equity placed in service in prior years not allowed for tax purposes, and the other miscellaneous flow-through items represent the reversal of book amortization of other small items placed in service and flowed through to ratepayers in prior years.

[2] See Orde Approving Stipulations & Agreements at 6-7, In re Evergy Missouri West General Rate Case, No. ER-2018-0146 (Oct. 31, 2018).
[3] Id. at 4, 9.

Q: Please explain the investment tax credit ("ITC") amortization component in cost of service as calculated in Schedule MKH-1.

A: In prior years, the Company generated investment tax credits under IRC Section 46 and IRC Section 48 on certain facilities. Under the IRS normalization rules, the ITC is amortized ratably back to customers over the remaining book lives of the underlying assets. The ITC amortization is a reduction to the income tax component of cost of service.

IV. SOLAR PRODUCTION TAX CREDITS — FOXTROT AND SUNFLOWER SKY SOLAR FACILITIES

Q: Are you sponsoring testimony regarding the tax treatment of the Company's new solar generating facilities?

A: Yes. In Case No. EA-2024-0292, the Commission granted Evergy Missouri West certificates of convenience and necessity ("CCN") per Mo. Rev. Stat. Section 393.170 authorizing the Company to construct, install, own, operate, maintain, and otherwise control and manage the Sunflower Sky, an approximately 65-megawatt solar farm located in Wilson County, Kansas, and Foxtrot, an approximately 102-megawatt solar farm located in Jasper County, Missouri.[4] My testimony addresses the federal income tax credits the Company expects to claim with respect to the facilities and the tax strategy analysis contemplated by the Unanimous Stipulation and Agreement approved in Case No. EA-2024-0292.

Q: What federal tax credits are available with respect to the facilities?

A: The facilities are expected to have the ability to utilize either production tax credits or investment tax credits, including the Clean Electricity Low-Income Communities Bonus

[4] See Order Approving Stipulation and Agreement and Granting Certificates of Convenience and Necessity at 5, In re Evergy Missouri West CCN App. Two Solar Facilities, No. EA-2024-0292 (July 31, 2025).

Credit, as contemplated by the 2022 Inflation Reduction Act ("IRA"). The credit ultimately claimed for each facility depends on the election the Company makes for that facility and on the federal tax law in effect when it is placed in service. Since the facilities will be placed in service after December 31, 2024, the Section 48E investment tax credit or the Section 45Y production tax credit are available with respect to these facilities.

Q: Has the Company elected which credit it will claim for each facility?

A: No. The election will be made when the federal tax return is filed for the year the facilities are placed in service. Paragraph 5(g) of the Unanimous Stipulation and Agreement requires

> The Company shall provide notice in this docket of which tax credit it has elected to utilize for each Project within five business days of when that decision is made.[5]

The Company will notify the Commission when that decision has been made, and the election will be included in EMW's federal tax return.

Q: What tax strategy is the Company utilizing for the solar facilities in this rate case, and how does it benefit customers?

A: Paragraph 5(f) of the Unanimous Stipulation and Agreement in Case No. EA-2024-0292 requires the Company to provide:

> In any future rate case in which either Project is proposed for inclusion in rate base, an analysis demonstrating that the tax strategy ultimately chosen for each solar Project was the most beneficial to customers.[6]

The Company is utilizing production tax credits for both the Foxtrot and Sunflower Sky solar facilities for purposes of this rate case, and those credits are included in the revenue requirement. Based on the Company's analysis previously provided via data

[5] See Unanimous Stipulation and Agreement, at 5, ¶ 5(g), No. EA-2024-0292 (May 29, 2025).
[6] See Unanimous Stipulation and Agreement, at 4, ¶ 5(f), No. EA-2024-0292.

request in the CNN case, which is now summarized in Schedule MKH-2 and further detailed in direct workpapers provided, production tax credits are expected to be the most beneficial tax strategy for customers. Production tax credits are generated over the first 10 years of a facility's operations. Investment tax credits are generated over the operational life of the asset. This distinction favors the selection of production tax credits, if available. As discussed above, the formal election will be made when the federal tax return is filed for the year the facilities are placed in service.

Q: How is the tax strategy reflected in the income tax calculation in Schedule MKH-1?

A: For the direct filing, the Company has included the Section 45Y production tax credit at $30 per megawatt hour to be produced at each facility. This amount may be increased by 10% (to $33 per megawatt hour) if the Company meets the requirements of the Clean Electricity Low-Income Communities Bonus Credit for the Sunflower Sky solar facility.

V. RB-126 / CS-126 PROPERTY TAX

Q: Please explain adjustment RB-126 and CS-126.

A: The Company included in its revenue requirements the estimated property tax deferral balance at March 31, 2027, as a proxy for April 30, 2027, in adjustment RB-126. The Company estimates real estate and personal property tax expense and payments-in-lieu-of-taxes ("PILOT") expense for the twelve-months ended March 31, 2027, as a proxy for the twelve months ended April 30, 2027, the true-up period, by adjusting test year expense by the expense included in the calendar year 2025.

Q: Is the Company requesting amortization of the property tax tracker allowed by Missouri statute in this rate case?

A: Yes. The Company has deferred property tax expense incurred in excess of the amount that was allowed in base rates from the 2024 rate case, Case No. ER-2024-0189,[7] in accordance with Mo. Rev. Stat. Section 393.400.[8] EMW is requesting that the Company be allowed to amortize the balance of this tracker back through cost of service over four years at $3,457,157 annually for Vintage 2 with a continuation of Vintage 1 of $580,001 annually.

Q: Please explain how the property tax tracker works.

A: Per Section 393.400, the difference between the actual property tax expense incurred and the property tax expense amount used in setting rates in the most recently completed general rate case proceeding (base rates) has been deferred into a regulatory liability account. The regulatory liability account balance will be included in the Company's subsequent general rate proceeding through an amortization over a period of time set by the Commission. The unamortized regulatory liability account balance will also be included in rate base and used to establish the revenue requirement in the rate case.

Q: How was the four-year amortization period determined for the property tax tracker?

A: The Company believes that a four-year period is a reasonable period to return these benefits as quickly as possible to ratepayers without a large impact on rates once the amortization is complete.

[7] See Unanimous Stipulation & Agreement at 5, In re Evergy Missouri West General Rate Case, No. ER-2024-0189 (Oct. 2, 2024).
[8] All citations are to the Revised Statutes of Missouri (2016), as amended.

Q: Is Evergy Missouri West able to continue to dispute valuations and mill levies if a property tax tracker is allowed?

A: Yes. A taxpayer may continue to dispute valuations. However, it is difficult to achieve meaningful changes to valuations once they are determined by a state. Unfortunately, Evergy may not dispute a mill levy once set by a taxing jurisdiction. This was also the case before property tax trackers were allowed. EMW continues to review property tax valuations and bills to ensure the Company is paying the proper amounts.

Q: Please explain how mill levy rates impact property taxes.

A: The property tax mill levy rates are set by each county and then applied to the assessments by the various taxing authorities. The mill levy rates are adjusted up or down annually depending on the revenue needed by the taxing jurisdictions. The mill levy rates will increase if the taxing jurisdictions need to increase tax revenues to offset other sources of revenue that may decrease because of the economy or other factors. Because Evergy Missouri West has no ability to affect this process, the Company should be able to recover or refund any changes that mill levies have on property tax expense as they occur to avoid regulatory lag.

VI. CS-128 KCMO EARNINGS TAX

Q: Please explain adjustment CS-128.

A: The city of Kansas City, Missouri, assesses a one percent tax on the net taxable income earned by businesses operating inside the city. Historical tax liabilities can fluctuate annually. As such, the Company adjusted the test year to reflect a normalized amount based on a three-year average of 2022, 2023, and 2024 actual tax expense to represent going-forward costs.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2027-0077

AFFIDAVIT OF MELISSA K. HARDESTY

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Melissa K. Hardesty, being first duly sworn on his oath, states:

1. My name is Melissa K. Hardesty. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. and serve as Senior Director of Taxes.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri West consisting of fifteen (15) 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.

Melissa K. Hardesty

Subscribed and sworn before me this 3rd day of November 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

Evergy
2026 RATE CASE - MO WEST - DIRECT
TY 3/31/26; Cut-Off 9/30/26; True-Up 4/30/27

Income Tax Calculation

Line No.	Line Description	Total Company Balance	Juris Factor #	Juris Allocation	Tax Rate	(ELEC-JURIS) Adjusted with 7.636% Return	
	A				B	C	
1	Net Income Before Taxes (Sch 9)					182,463,745	
2	***Add to Net Income Before Taxes:***						
3	Depreciation Expense					180,315,690	
4	Plant Amortization Exp					1,086,665	
5	Transportation Expenses-Clearing					346,655	(a)
6	50% Meals & Entertainment	212,611	6,14	97.098%		206,440	
7	**Total**					181,955,450	
8	***Subtract from Net Income Before Taxes:***						
9	Interest Expense					107,992,831	
10	IRS Tax Return Depreciation	292,076,408	7,3	99.129%		289,531,427	
11	IRS Tax Return Plant Amortization	900,590	7,3	99.129%		892,743	
12	Employee 401k ESOP Deduction	0	6,14	97.098%		0	
13	IRC Section 199 Domestic Production Activities					0	
14	**Total**					398,417,000	
15	**Net Taxable Income**					(33,997,806)	
16	**Provision for Federal Income Tax:**						
17	Net Taxable Income					(33,997,806)	
18	Deduct Missouri Income Tax @ 100.0%					0	
19	Deduct City Income Tax					0	
20	Federal Taxable Income					(33,997,806)	
21	Federal Tax Before Tax Credits				21.00%	(7,139,539)	
22	Less Tax Credits:						
23	Research and Development Tax Credit	(6,996)	7,3	99.129%		(6,935)	
24	Solar Credit	(12,525,210)	1,1	100.000%		(12,525,210)	
25	**Total Federal Tax**					(19,671,684)	
26	**Provision for Missouri Income Tax:**						
27	Net Taxable Income					(33,997,806)	
28	Deduct Federal Income Tax @ 50.0%				10.50%	0	
29	Deduct City Income Tax					0	
30	Missouri Taxable Income					(33,997,806)	
31	**Total Missouri Tax**				4.00%	(1,359,912)	
32	**Provision for City Income Tax:**						
33	Net Taxable Income					(33,997,806)	
34	Deduct Federal Income Tax					(19,671,684)	
35	Deduct Missouri Income Tax					(1,359,912)	
36	City Taxable Income					(12,966,209)	
37	**Total City Tax**					0	
38	**Summary of Provision for Current Income Tax:**						
39	Federal Income Tax					(19,671,684)	
40	Missouri Income Tax					(1,359,912)	
41	City Income Tax					0	
42	**Total Provision for Current Income Tax**					(21,031,596)	
				Effective Tax Rate (Current, Deferred)		23.84%	
43	**Deferred Income Taxes:**						
44	Deferred Income Taxes - Excess IRS Tax over Book D&A					26,338,294	
45	Amortization of Deferred ITC - Solar	(108,510)	1,1	100.000%		(108,510)	
46	Amort of Excess Deferred Income Taxes - Protected - ARAM	(4,421,122)	7,3	99.129%		(4,382,599)	
47	Amort of Excess Deferred Income Taxes - UnProtected - 10yr	0	7,3	99.129%		0	
48	Amort of Excess Deferred Income Taxes - NOL - ARAM	669,464	7,3	99.129%		663,631	
49	Amort of Excess Deferred Income Taxes - Misc - 10 yr	(535,746)	7,3	99.129%		(531,077)	
50	Amort of Excess Deferred Income Taxes - 4 yr	0	7,3	99.129%		0	
51	**Total Deferred Income Tax Expense**					21,979,739	
52	**Total Income Tax**					948,142	

(a) Percent of vehicle depr clearing to O&M 15.77%

Evergy
2026 RATE CASE - MO WEST - DIRECT
TY 3/31/26; Cut-Off 9/30/26; True-Up 4/30/27

Income Tax Calculation

Line No.	Line Description	Total Company Balance	Juris Factor #	Juris Allocation	Tax Rate	(ELEC-JURIS) Adjusted with 7.636% Return
	Computation of Line 43 Above:					
53	**Deferred Income Taxes - Excess IRS Tax over Book D&A:**					
54	IRS Tax Return Depreciation					289,531,427
55	Less: Book Depreciation					180,315,690
56	Excess IRS Tax Depr over Book Depr					109,215,737
57	IRS Tax Return Plant Amortization					892,743
58	Less: Book Amortization					1,086,665
59	Excess IRS Tax Amort over Book Amortization					(193,922)
60	Total Timing Differences					109,021,815
61	AFUDC Equity	748,002	7,3	99.129%		741,484
62	ITC Basis Adjustment - Solar	54,714	1,1	100.000%		54,714
63	Miscellaneous Flow Through	642,876	1,1	100.000%		642,876
64	Total Timing Differences after Flow Through					110,460,889
65	Effective Tax rate					23.84%
66	**Deferred Income Taxes - Excess IRS Tax over Book D&A**					26,338,294

SCHEDULE MKH-2
CONTAINS CONFIDENTIAL INFORMATION
NOT AVAILABLE TO THE PUBLIC.

ORIGINAL FILED UNDER SEAL.

Evergy Missouri West, Inc. d/b/a Evergy Missouri West

Docket No.: ER-2027-0077
Date: November 3, 2026

CONFIDENTIAL INFORMATION

The following information is provided to the Missouri Public Service Commission under CONFIDENTIAL SEAL:

Document/Page	Reason for Confidentiality from List Below
CONFIDENTIAL Schedule MKH-2	1, 3, 4, and 6

Rationale for the "confidential" designation pursuant to 20 CSR 4240-2.135 is documented below:

1. Customer-specific information;

2. Employee-sensitive personnel information;

3. Marketing analysis or other market-specific information relating to services offered in competition with others;

4. Marketing analysis or other market-specific information relating to goods or services purchased or acquired for use by a company in providing services to customers;

5. Reports, work papers, or other documentation related to work produced by internal or external auditors, consultants, or attorneys, except that total amounts billed by each external auditor, consultant, or attorney for services related to general rate proceedings shall always be public;

6. Strategies employed, to be employed, or under consideration in contract negotiations;

7. Relating to the security of a company's facilities; or

8. Concerning trade secrets, as defined in section 417.453, RSMo.

9. Other (specify) _____.

Should any party challenge the Company's assertion of confidentiality with respect to the above information, the Company reserves the right to supplement the rationale contained herein with additional factual or legal information.