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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2027-0077

DIRECT TESTIMONY

OF

DARRIN R. IVES

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri
November 2026

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DIRECT TESTIMONY

OF

DARRIN R. IVES

Case No. ER-2027-0077

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 ("EMM"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West," "EMW," or the "Company"), 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") the operating utilities of Evergy, Inc. These are the operating utilities of Evergy, Inc. ("Evergy").

Q: On whose behalf are you testifying?

A: I am testifying on behalf of EMW.

Q: What are your responsibilities?

A: My responsibilities include oversight of the Company's Regulatory Affairs Department, as well as all aspects of regulatory activities including policy, cost of service, rate design, revenue requirements, regulatory reporting and tariff administration. I also have

responsibility for state and federal legislative and government policy and affairs, customer support for our largest customers, economic development activities and energy solutions and products.

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

A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business Administration with majors in Accounting and Marketing. I received my Master of Business Administration degree from the University of Missouri-Kansas City in 2001. I am a Certified Public Accountant. From 1992 to 1996, I performed audit services for the public accounting firm Coopers & Lybrand L.L.P. I was first employed by Kansas City Power & Light Company in 1996 where I held positions of progressive responsibility in Accounting Services and was named Assistant Controller in 2007. I was named Senior Director – Regulatory Affairs in April 2011. I served as Vice President – Regulatory Affairs beginning in August 2013 until I was named Senior Vice President – Regulatory and Government Affairs in September 2025.

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, I have previously testified at the Commission and the Kansas Corporation Commission ("KCC"). I have also provided written testimony to the Federal Energy Regulatory Commission ("FERC") and testified before Missouri and Kansas legislative committees.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to discuss the affordability of EMW's service, including how Evergy Missouri West's prudent infrastructure investments and targeted customer

programs support long-term affordability for all customers and how the Company's rates compare to regional and national averages. I will also support the ratemaking treatment of Crossroads Energy Center ("Crossroads") transmission costs. Finally, I will discuss EMW's proposed earnings sharing mechanism.

Q: Please summarize your testimony.

A: My testimony addresses three principal issues. First, I discuss customer affordability, including how EMW moderated its revenue requirement, balances affordability with reliability and financial integrity, maintains competitive rates, makes prudent infrastructure investments to reduce long-term costs, and provides assistance and energy-efficiency programs for customers facing financial hardship.

Second, I explain the Commission's historical treatment of Crossroads, the resulting shareholder-funded transmission under-recovery, and EMW's recommendation that the Commission include the reasonable delivered cost of Crossroads, including the associated transmission expense, in EMW's cost of service. I also describe the alternative EMW considered, under which Crossroads' capacity and associated costs would be assigned to the Company's Schedule Large Load Power Service ("Schedule LLPS") customers.

Lastly, I address EMW's recommendation to adopt an earnings sharing mechanism consistent with the mechanism advanced through settlement in the recent Evergy Missouri Metro rate case by EMM and Google that is awaiting order by the Commission.

II. AFFORDABILITY

Q: Is the affordability of electricity for customers an important issue for Evergy Missouri West?

A: Yes. Rate affordability for customers is and always has been a high priority for Evergy Missouri West and all of Evergy's operating utilities. Evergy understands that its customers, as well as customers nationally, face rising costs for many daily necessities, and the Company is sensitive to the impact that electric bills have on household budgets. Evergy understands that costs associated with necessary safety and reliability investments can put pressure on affordability. To balance these priorities, Evergy is committed to managing the costs within its control to keep prices as low as possible, even as external factors like fuel prices and supply chain issues present challenges. Additionally, as discussed below, and by Katie McDonald (Vice President of Public Affairs), the Company also offers various programs to assist customers who are struggling to pay their bills. The issue of rate affordability for all customers is also discussed by Kevin Gunn (Vice President of Regulatory and Government Affairs).

Q: What is EMW proposing in this case?

A: EMW is requesting a rate increase that reflects the cost of continuing to provide safe and reliable electric service to customers. The request includes the costs of investments and operations necessary to maintain reliability, meet customers' evolving needs and preserve the Company's financial integrity in an environment with increasing costs. At the same time, Evergy appreciates that customers are also facing increased costs for many essential

goods and services. While affordability is always an important consideration, given the current economic environment, it is a particular focus and priority in this rate case.

Q: What impact will increasing demand have on affordability?

A: As discussed in detail by EMW witness Zac Gladhill (Vice President of Strategy and Long-Term Planning), the demand for electricity is outpacing supply from the Company's generation fleet. See Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 3 (Summer 2024). But as discussed by both Mr. Gunn and Mr. Gladhill, there is no evidence to support the idea that the demand increase, including data center demand, is causing rates to increase. Rather, the revenue requirement in this case has been *reduced* by $61 million of revenues expected from large load power service customers, significantly benefitting our other customer classes.

Q: How did the Company consider customer affordability in developing its request?

A: The Company evaluated the revenue requirement with the objective of balancing customer affordability with the need to maintain safe and adequate service and support the Company's financial integrity. In order to do that, management considered the overall effect of the request on customers and exercised judgement in selecting reasonable and supportable alternatives to reduce the amount the Company otherwise would have requested. For example, the Company prepared a depreciation study to determine appropriate depreciation expense to recognize the original investment in plant over the useful life of the plant. With only a few necessary exceptions, the Company chose to recommend reverting depreciation rates to those authorized in prior cases, saving customers in the short-term $26 million annually. In addition, the filed request reflects the removal of CWIP associated with Mullin Creek #1 Generation Station. Notwithstanding

that the passage of Senate Bill 4 now permits the Company to include CWIP in rate base, the Company looked at options to moderate the potential impact of CWIP on the revenue requirement. Specifically, to reduce the rate increase in this case, the Company is considering financing the construction of the plant with a build-to-suit lease, reducing the rate request by approximately $31 million. Company witness Geoffrey Ley addresses the build-to-suit lease in more detail. These decisions, and a number of other affordability-driven adjustments, reduced the original potential request by seventy percent to the level of the current request and reflect the Company's effort to limit the near-term impact on customers while continuing to meet its obligation to provide safe and adequate electric service in a financially sustainable manner.

Q: Why is management judgement important in determining the appropriate level of a rate request?

A: A rate case involves numerous estimates, assumptions and regulatory positions. Some items are relatively straightforward, while others involve a range of potentially reasonable outcomes. For those items with more room for judgment, the Company must decide what position is appropriate and supportable in the context of the case as a whole. Management must consider not only what could be supported individually, but also the reasonableness of the overall request.

Q: Does reducing the requested revenue requirement mean that the underlying investments are unnecessary?

A: No. The Company continues to make the investments and incur the costs necessary to provide reliable service. The decisions described above reflect how and when certain amounts are requested for recovery or were within a range of reasonable outcomes. The

Company intends to continue to operate and maintain the system in a cost-efficient, safe and sufficient method.

Q: How would you characterize the Company's overall approach?

A: The Company balanced customer affordability with reliability and financial integrity. EMW must maintain operational and financial capability to provide safe and adequate service, attract capital on reasonable terms, and make the investments required to serve customers over the long term. At the same time, management sought to limit the immediate impact of this case on customers.

The resulting request reflects a deliberate balancing of those considerations. In my view, it represents a reasonable and measured request that supports customers' need for reliable electric service while recognizing the affordability pressures that many in our community face.

Q: Does the fact that the Company voluntarily reduced its request mean that the additional reductions would be reasonable?

A: No. The Company's decision was made after considering the request as a whole. The resulting revenue requirement already reflects management's effort to balance affordability with the Company's responsibility to provide reliable service and maintain financial integrity. Additional reductions could upset that balance and impair EMW's reasonable opportunity to recover its costs, earn a fair return, maintain investment grade credit ratings and sustainably operate its system.

Q: How does system reliability relate to affordability for customers?

A: Reliability and affordability are inseparable. A strong, well-maintained grid lowers total customer costs over time by avoiding the higher expenses associated with unplanned

failures, emergency repairs, and prolonged outages. Outages impose costs on households and businesses, including lost productivity and spoilage, and can require costly utility interventions after the fact. As discussed by EMW witness Ryan Mulvany (Vice President of Power Delivery Administration), targeted, prudent infrastructure investment before equipment failures reduces lifecycle costs and keeps service dependable, a core component of affordability.

Q: How does Evergy Missouri West balance the need for capital investment with customer affordability?

A: Evergy Missouri West's investment strategy focuses on long-term benefits and is guided by its integrated resource plan, statutory obligations, and extensive stakeholder engagement with the Commission, Staff, and the Office of the Public Counsel ("OPC").[1] While Evergy recognizes the near-term rate impact of these investments, they are critical for modernizing the grid, enhancing reliability, and meeting growing demand. As discussed by the Commission, because of SPP's increased planning reserve margin requirements – 36% winter-season and 16% summer-season, effective summer 2026 and winter 2026/2027 – and other related factors, utilities such as EMW must have the ability "to guard against unplanned conditions or events on the regional power grid."[2] EMW's capital investment plans reflect these directives and are necessary to provide safe, adequate, and reliable service at the lowest reasonable long-term cost.

[1] See Report & Order at 8-9, 11-12, 15, 23, 32, 35, In re Evergy Mo. Metro & Evergy Mo. West App. for Certificates of Pub. Conven. and Necessity for Nat. Gas Elec. Production Facilities, No. EA-2025-0075 (July 31, 2025) ("2025 Evergy Gas CCN Case"); Ex. 300, J. Seaver Rebuttal 3, No. EA-2025-0075; Ex. 200, Staff Report & Recommendation ("Staff Rec.") at 46, No. EA-2025-0075.

[2] See Report & Order, ¶ 31 at 12, In re Evergy Missouri West Gas CCN, No. EA-2025-0075 (July 31, 2025).

Q: How do Evergy Missouri West's rates compare to its peer utilities and the national averages?

A: As discussed in detail by Company witness Mr. Gunn, Evergy Missouri West's rates compare favorably to national averages, including the residential class. This competitive position is supported by the Large Load Power Service Rate Plan that the Commission approved, as well as the safeguards that help broaden cost recovery across a larger energy volume, ensuring that all customer classes benefit from economic growth. Overall, EMW's rates remain well-positioned versus its public utility peers while enabling the reliability investments needed for long-term affordability.

Q: How is Evergy Missouri West addressing affordability for vulnerable customers?

A: Evergy Missouri West recognizes that rising energy costs can create financial challenges for customers. In a typical month, approximately 10-11% of the Company's customers are in arrears. Evergy Missouri West's affordability strategy is driven by sustained investment in customer-side efficiency and weatherization that reduces kilowatt per hour usage, as well as programmatic bill-payment and budget-management tools that prevent disconnections and avoid higher downstream costs. These measures reduce arrearages, cut outage-related costs, and lower total customer bills over time. As discussed in detail by Company witness Ms. McDonald, for immediate relief Evergy Missouri West connects customers to bill-assistance resources and provides flexible billing options. EMW informs customers about non-Evergy assistance resources in Missouri, such as the Low-Income Home Energy Assistance Program ("LIHEAP"), the Earned Income Tax Credit ("EITC"), and the Missouri State Assistance for Housing Relief ("SAFHR") for homeowners. EMW also provides bill-flexibility and aid, including an adjustable due date, online payment

plans, an average payment plan, the Special Friend Program, the Economic Relief Pilot Program in partnership with the Salvation Army, and our Dollar-Aide assistance fund.

To deliver durable reductions in bills, EMW has historically invested in weatherization and energy-efficiency programs that lower usage. Programs such as the Income-Eligible Weatherization Program supplement federal funds to provide no-cost in-home upgrades and can reduce energy use by up to 35%. Historically, through the Missouri Energy Efficiency Investment Act ("MEEIA"), programs like the Hard-to-Reach Homes Program and on-bill financing ("PAYS") provide no-cost upgrades and financing for efficiency investments. Over the past 10 years, the Income-Eligible Multi-Family Program ("IEMF") has improved efficiency in over 5,000 buildings and 55,000 income-eligible units across Missouri. While the current programs will expire in early 2027, the Company is hopeful that continued dialogue and potential workshops will explore opportunities to engage in future energy efficiency programs that will continue to support customer affordability initiatives in Missouri.

Evergy Missouri West is piloting additional affordability initiatives to address root-cause drivers of energy burden and housing instability. These include the Evergy Zero Energy Ready — New Homes Pilot, supporting construction of super- efficient homes for low-income families; the Kansas City Low-Income Leadership Assistance Collaborative ("KC-LILAC") which integrates energy, health, and structural repair resources; the Critical Needs Pilot for medically vulnerable customers; and the Rehousing Pilot which helps remove utility-arrearage barriers to housing. Taken together, these Missouri programs stabilize customers in the short term and reduce bills structurally over the long term. This integrated approach is essential to making electricity more affordable and keeping

vulnerable customers connected to safe and adequate service. Evergy continues to address issues of affordability faced by low-to-moderate income customers, and elderly residential customers, as described in Evergy's November 14, 2025, response in the Commission's Working Group, In re: Working Case for Commission Review and Consideration of Utility Assistance Programs and Special Alternative Residential Customer Rates, No. OW-2026-0085.

Q: Do you believe that Evergy Missouri West will continue to provide service at competitive rates within the region?

A: Yes. As discussed by Mr. Mulvany, the Company will continue to make significant investments in technology and infrastructure that benefit customers. Such investments will allow EMW to function as an efficient, reliable, and resilient service provider. The Company's investment into its infrastructure is consistent with investor-owned utilities ("IOU") across the United States. According to the Edison Electric Institute, IOUs are projected to invest $1.1 trillion in capital expenditures related to transmission and distribution systems, as well as other energy projects between 2025 and 2029."[3] As demand grows and the system's operating conditions evolve, stakeholders have underscored the need to maintain adequate capacity and modernize infrastructure to manage reliability risks. By prudently investing now, Evergy reduces future costs and preserves affordability by limiting emergency spending, reducing outage frequency and duration, and improving operating efficiency.

Additionally, Evergy has invested millions of dollars over the last decade in advanced metering technology and customer information and services platforms to

[3] U 2024 Financial Review: Annual Report of the U.S. Investor-Owned Electric Utility Industry at 7-8, Edison Elec. Institute (July 23, 2025).

increase efficiencies, enhance Evergy's customers' ability to make informed decisions about their energy consumption and enhance their experience with their utility. In addition, Automated Meter Infrastructure ("AMI") and customer information systems are core platform investments that also serve as a foundation for unlocking additional customer benefits over time as new use cases continue to be developed and adopted in the industry. As discussed by Mr. Mulvany and Ms. McDonald, in the past several years, Evergy has completely converted and upgraded many core computer and customer information systems intended to meet consumer expectations by enhancing customer service and experience. An additional benefit of these technological upgrades is that they will allow Evergy to maintain automated support and fewer customized solutions. That foundation has allowed us to migrate EMW customers into the core customer information systems, completing the consolidation of billing and metering systems. The entire multi-year project addressed the technological limitations that have kept Evergy from pursuing much needed customer enhancements.

Historically, customer expectations have revolved around reliable service and fair pricing. While those expectations remain paramount, customers now expect service features like proactive notifications, personalized interactions, and connected experiences across channels. Transforming Evergy's customer experience to inform and empower Missouri consumers is key to being the energy company Missourians deserve. Now that nearly all of EMW's legacy and unsupported technology has been modernized, the Company is transitioning to a technology roadmap that keeps these systems up to date in order to continually expand benefits for customers. In fact, Evergy's customers are already receiving benefits from customer service enhancements, such as enhanced customer

notifications and improved Intelligent Virtual Assistance ("IVA") interactions. These enhancements give both business and residential customers the ability to start service and perform other self-service functions.

Q: How are Evergy's infrastructure capital investment plans consistent with its efforts to address affordability issues?

A: Consistent with industry best practices, Evergy has adopted a comprehensive strategy which recognizes that deferring necessary investments creates a cycle of reactive, and often more expensive, maintenance costs that will eventually burden customers with higher rates. Reducing spending in critical infrastructure is ultimately detrimental to customers and exacerbates affordability problems.[4] The Company's capital expenditures plan, aligned with regulatory priorities, focuses on asset health, reliability, and risk reduction to lower total costs over the long term. This strategy of planned, proactive work is more cost-effective than emergency restoration, reduces customer disruption, and mitigates the economic losses that customers face when power is unavailable. A less reliable grid not only inconveniences customers but can also have significant economic impacts on businesses that depend on uninterrupted power, such as hospitals, residential retirement facilities, commercial businesses, and large load industrial customers. By investing thoughtfully in infrastructure, Evergy avoids more costly problems, ensures grid reliability for all customers, and supports current and future economic activity, which is consistent with guidance from the Commission, Staff and OPC. Evergy focuses on investments where they most effectively improve reliability and reduce long-term costs, recognizing that a modern, robust grid is necessary to serve both existing customers and new economic

[4] See generally *US Power, Gas Utilities look to Reduce Costs while Investing Billions*, Platts Megawatts Daily at 12-14 (Dec. 30, 2025)

activity. Therefore, the prudent course is to invest thoughtfully in infrastructure to prevent these costlier problems from arising and to ensure that the grid can support the current and future needs of Evergy Missouri West's customers.

III. CROSSROADS TRANSMISSION

Q: Please describe the Crossroads Energy Center.

A: Crossroads is a 300 MW simple-cycle, gas-fired plant in Clarksdale, Mississippi. Four FERC-approved firm point-to-point transmission service agreements entered into with Entergy Corp. ("Entergy") in 2013 bring its capacity and energy to EMW's customers. The costs associated with this transmission service are governed by a FERC-approved tariff administered by Midcontinent Independent System Operator, Inc. ("MISO"), the regional transmission organization into which Entergy integrated its utilities in late 2013. Those agreements expire February 28, 2029, and now that Entergy has integrated with MISO, EMW will have the opportunity to schedule transmission service with MISO to extend firm transmission service for Crossroads into SPP.

a) Commission Decisions and Resulting Ratemaking Treatment

Q: Why is a fresh look at Crossroads by the Commission warranted now?

A: Crossroads is more valuable and more beneficial to customers in today's market than it has ever been. That value, combined with the factors described below, warrants a fresh look by the Commission now, before the Company reaches its decision on whether to renew firm transmission service. The Crossroads issue is best understood in three steps:

1. Prudence and Historical Treatment: The Commission has consistently found Crossroads to be a prudent generation resource while excluding the transmission expense required to deliver its capacity and energy to Missouri.[5]

2. Current Economics and Alternatives: The above treatment has produced a substantial and growing under-recovery borne by shareholders, notwithstanding the reasonableness of the total costs associated with Crossroads and significantly impeding the Company's ability to earn its authorized return on equity.

3. Requested Prospective Treatment: The approaching expiration of the transmission agreements, together with the creation of Schedule LLPS and the emergence of new large load, requires the Company to determine how Crossroads and its costs should be treated prospectively.

Q: How has the Commission treated Crossroads in past rate cases?

A: The recovery of Crossroads costs has come before this Commission repeatedly since the plant moved onto the Company's regulated books in 2008. The Commission has consistently found that Crossroads was a prudent investment.

First, I will note that I discussed Crossroads in EMW's recent FAC audit in Case No. EO-2023-0277, stating that in its integrated resource planning process in Case No. EO-2007-0298, the Company identified the need for additional peaking capacity. Crossroads, which is located in Mississippi, was identified as the least cost and preferred option through a request for proposal process. In Case No. ER-2009-0090, the Company sought ratemaking treatment for Crossroads. The Staff took a contrary position and argued that it raised the issue of imprudent resource planning decisions in 2005 when the Company

[5] See Report & Order at 8, In re Evergy Missouri West General Rate Case Crossroads Generation Facility, No. ER-2024-0189 (Dec. 17, 2025) ("Crossroads 2025 Order").

presented the three-combustion turbine ("CT") South Harper power plant for inclusion in rates. At that time, Staff argued the Company (then Aquila) should have built five CTs and proposed to remove all costs related to Crossroads from the revenue requirement. This case was settled.[6]

In Case No. ER-2010-0356, Staff continued to oppose including Crossroads in rate base and instead continued to argue the hypothetical five South Harper CTs should be reflected in rates. In this litigated case, the Commission found that the decision not to build five CTs at South Harper was not imprudent. The Commission also found that the decision to include Crossroads in the Company's generation fleet was prudent. The Commission, however, disallowed a substantial amount of the rate base cost and also did not allow recovery of the transmission costs necessary to support EMW's use of the Crossroads capacity to meet Southwest Power Pool ("SPP") requirements and to bring power from Crossroads to the Company's customers which reduced the Company's revenue requirement in that case by approximately $11.5 million.[7] In subsequent cases, Staff continued to argue that the Company should have built five CTs at South Harper and to disallow Crossroad's transmission costs. Some of these cases were black box settlements.

In these older historical cases the Commission denied recovery of the cost of the firm point-to-point transmission agreements under a FERC-approved tariff to bring the benefits of Crossroads to EMW's customers in western Missouri, resulting in the Company recovering less than it sought, whether in the value assigned to the plant itself or the

[6] *Order Approving Non-Unanimous Stipulations And Agreements And Authorizing Tariff Filing*, In Re Application of KCP&L Greater Missouri Operations Company for Approval to Make Changes in its Charges for Electric Service, File No. ER-2009-0090 (issued June 10, 2009).

[7] *Report and Order*, p. 87, Re In re Application of KCP&L Greater Missouri Operations Company for Approval to Make Changes in its Charges for Electric Service, File No. ER-2010-0356 (issued May 4, 2011).

associated transmission expense excluded from rates. In 2011 this annual transmission cost was approximately $4.8 million.[8] The Commission also placed Crossroads in rate base at a reduced value of $61.8 million, contrary to the Company's $104 million request which reflected the plant's net book value (but better than Staff's recommendation that it be entirely disallowed).[9]

Most recently, the parties agreed in File No. ER-2024-0189 to perform a relocation study.10 This study evaluated opportunities to relocate Crossroads into SPP's footprint, the costs of relocation, and how relocation compares with installing equivalent new generation. It considered siting, gas and transmission infrastructure, constructability, noise, environmental permitting, costs and schedule. The study screened numerous potential locations and ultimately evaluated two locations in Kansas and one in Missouri. The evaluation concluded that relocation was technically feasible but would be a substantial undertaking with significant and unique risks. Relocation would be similar in scope, cost, and schedule to construction of new units, paired with significant and unique risks. The study estimated costs at approximately $487 million. The Commission ultimately found renewing the point-to-point transmission service agreements was "the lowest cost option for EMW and, thus, its customers.". It declined, however, to decide the prudence of renewal or the ratemaking treatment of future transmission costs in that case, and it stated that those questions belong in a general rate case.

The older historical cases now meet a different set of facts, due to the reasonableness of the total costs associated with Crossroads relative to alternatives, as well

[8] Id. at 86. The Commission stated that the "annual energy transmission cost was estimated as $406,000 per month" or $4.872 million.
[9] Id. at 91-96, 100.
[10] Direct Testimony of Peter Rogge, Schedule PR-2, No. ER-2024-0189 (Sept. 15, 2025).

as the context in which the firm transmission service that brings this capacity and energy to customers will soon no longer be a fixed feature of the Company's cost structure. With the expiration of the firm transmission service and renewal resting on an option the Company may exercise or allow to lapse, the continuing cost of moving this energy from Mississippi has become a decision to be made rather than a cost to be absorbed. The Commission has said that it is mindful that renewing the firm transmission service "is the lowest cost option for EMW."[11]

Therefore, EMW has reached a fork in the road on this resource. I describe the two paths available to the Company and explain why it recommends the one it does, which is to include the reasonable delivered cost of Crossroads, including the associated transmission expense, in EMW's cost of service in this proceeding. The facts in this case will support that result and I believe such a result would be consistent with the Commission's findings in its December 2025 order.

Q: Since 2011, has the Commission allowed EMW to recover any amount of Crossroads' transmission expense to provide power from Mississippi to Missouri, even when it is critically needed during times of extreme weather?

A: No. There has been no express recovery of Crossroads' transmission expense ordered by the Commission.

Q: Did the Commission indicate how long it would continue to deny EMW all of its transmission expenses related to Crossroads?

A: No, it did not. However, the Commission acknowledged that its decisions regarding Crossroads were a product of its unhappiness with the plant's previous owner, "the failed

[11] See Crossroads 2025 Order at 9.

utility Aquila."[12] The Commission stated: "A full recital of Aquila's tortured history is unnecessary to the Commission's rulings because it only raises the issue of how long the Commission will visit the sins of the predecessor on the successor. It is true that GMO is the same legal entity as Aquila, but it is also true that management is different."[13]

Q: Is the Company asking the Commission to revisit any of its prior decisions?

A: No. The Company is not asking the Commission to revisit the valuation. The Commission rejected the net book value EMW requested and set Crossroads into rate base at its determination of fair market value, and the Company has lived with that determination.

Nor is the Company asking the Commission to revisit its past transmission decisions or to recover any amount previously excluded. Those decisions answered whether customers should pay for transmission when, as the Commission found in 2011, other low-cost options were available. Path A as proposed by the Company in this rate case asks a different prospective question – whether the delivered cost of Crossroads, including transmission, is reasonable today in light of current costs and current alternatives. The Commission expressly reserved that question in Case No. ER-2024-0189 for a general rate case.

That question is especially important now, with the potential costs of alternative generation resources continuing to increase, reinforcing the reasonableness of the delivered costs of Crossroads, and on the cusp of a decision on whether to renew the firm transmission service. In the alternative, Path B would assign Crossroads and its costs to Schedule LLPS customers once a customer begins taking service under that schedule. Schedule LLPS did not exist the last time this issue was litigated.

[12] 2013 Report & Order at 57.
[13] Id.

Q: Describe what the Company believes are the compelling factors that support the recovery of transmission costs in this case.

A: The Commission's decisions establish two points that frame the issue in this case. Crossroads is a prudent generation resource included in rate base at the value determined by the Commission, and EMW is not asking the Commission to revisit that valuation. At the same time, since the initial review of Crossroads nearly twenty years ago, the Commission has excluded from rates the firm transmission expense required to deliver Crossroads' capacity and energy to Missouri. The original annual exclusion of approximately $4.8 million has grown to approximately $20 million, and the cumulative transmission disallowance is approximately $175 million. Including the approximately $55 million effect of the rate base reduction, shareholders have absorbed approximately $230 million associated with Crossroads. That history matters because costs of alternatives to the capacity and energy provided by Crossroads have risen significantly, reinforcing the reasonableness of the delivered costs of Crossroads, and the firm transmission service expires in 2029, if not extended. EMW has an option to extend firm transmission service, and the Company must decide whether and how Crossroads will continue to serve customers after the current firm transmission service expires.

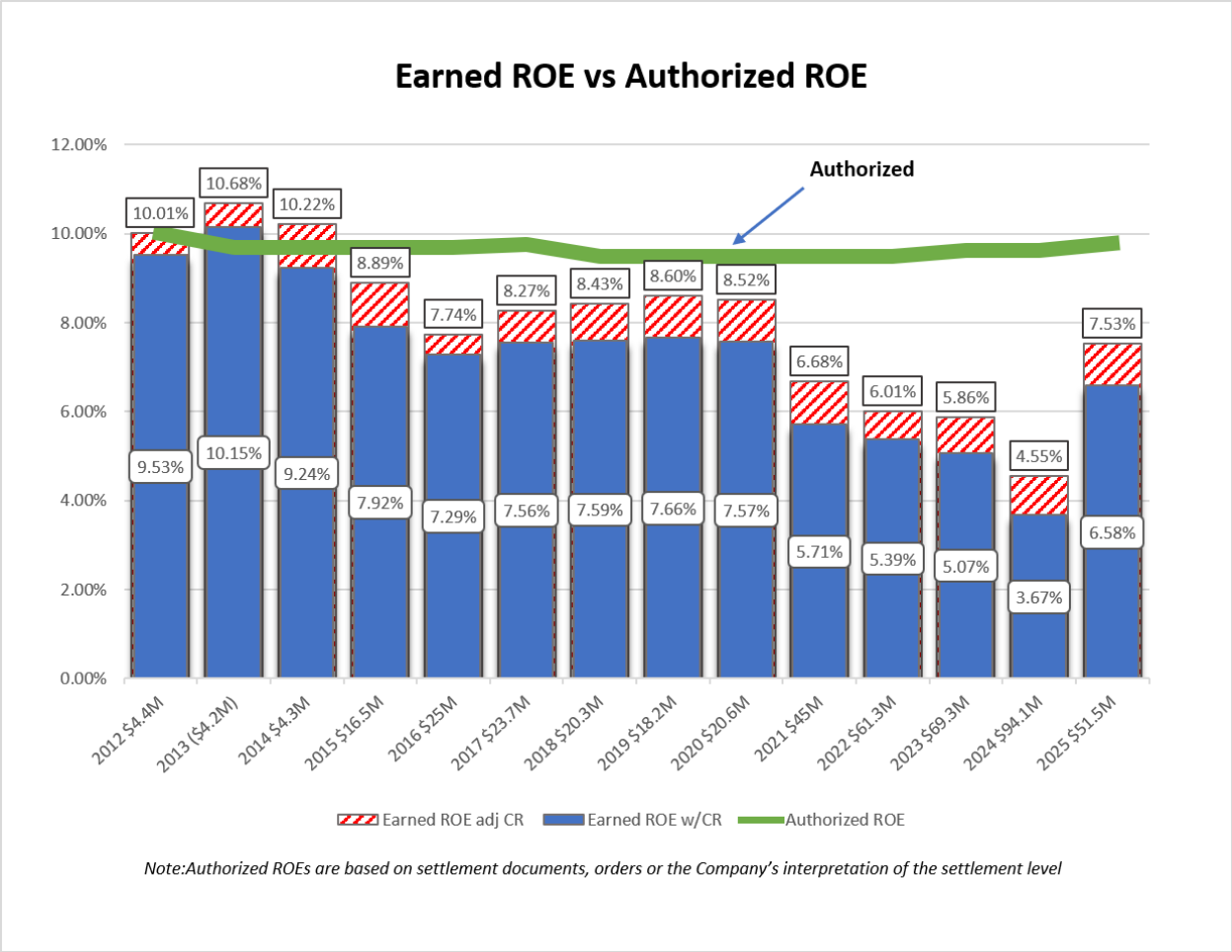
Annual Crossroads Disallowance	
Year	**Transmission Disallowed (Millions)**
2011 (half)	4.7
2012	3.7
2013	4.7
2014	12.0
2015	12.5
2016	5.8
2017	11.2
2018	10.7
2019	11.5
2020	12.6
2021	14.8
2022	17.0
2023	15.7
2024	18.1
2025	19.9
Total	174.9

Q: What has the impact of this substantial annual under-recovery been on the Company?

A: EMW is consistently one of the lower earning utilities in the nation. Under the current ratemaking treatment for Crossroads, EMW does not have any reasonable opportunity to earn its allowed ROE. As shown below and on Schedule DRI-1, EMW is an outlier that persistently and significantly underearns relative to its allowed ROE simply because rates are not set to provide the Company with the opportunity to recover its cost of service, with the primary driver being the transmission costs necessary to utilize the capacity from Crossroads. Transmission expense for Crossroads has grown from the $4.8 million originally disallowed to about $20 million per year. Such a disallowance represents more than 100 basis points of ROE based on EMW's March 31, 2026, equity balance. In other words, even if all other aspects of EMW's business performed exactly as contemplated when rates were established, the disallowance of Crossroads transmission expense alone

reduces the Company's earned return by more than one percentage point. If the current practice of disallowing transmission expense continues after this case, EMW will incur this disallowance despite all parties recognizing that Crossroads is a prudent investment and contrary to clear evidence in this case that the delivered cost of Crossroads is reasonable as compared to all other alternatives.

Figure 1 Earned ROE vs Authorized ROE



Q: How does being one of the lower earning utilities in the nation impact EMW and its customers?

A: It makes running the utility significantly more challenging. EMW's access to capital is more challenging and costly. EMW's credit ratings at Standard and Poor's ("S&P") and

Moody's are both a notch below EMM credit ratings. The lower credit ratings and increased risk are reflected in current higher market cost of debt for EMW's customers. Figure 2 below shows first mortgage bonds with similar maturity dates between EMW and EMM and EMW and EKC. In both cases, EMW's bonds have a higher yield, since investors require a higher return for the higher risk associated with EMW.

Figure 2

	Yield
Metro 2023 FMB 4.95%; Due 2033	5.63%
MO West 2022 FMB 3.75%' Due 2032	5.93%
Evergy MO West increased cost of borrowing	**0.30%**
Kansas Central WR 2026 FMB 5.30%; Due 2036	5.79%
MO West 2026 FMB 5.95%; Due 2036	6.03%
Evergy MO West increased cost of borrowing	**0.23%**

Source: Bloomberg; as of 10/27/26

EMW is continually resource constrained, requiring it to file frequent rate cases. Despite rate case orders providing EMW with returns that are intended to meet the standards of Hope[14] and Bluefield,[15] the annual disallowance of Crossroads' FERC-approved transmission tariff expenses creates a situation in which the Company has consistently been denied the *opportunity* to earn its allowed return effectively undermining consistency with Hope and Bluefield standards.

Q: What is the relevance of cases like Hope to the recovery of Crossroads' transmission expenses?

A: My understanding is that these cases say that the ratemaking process must result in just and reasonable rates, and that there must be a balancing of investor interests with consumer

[14] Fed. Power Comm'n v. Hope Nat. Gas Co., 320 U.S. 591 (1944).
[15] Bluefield Waterworks & Improv. Co. v. Pub. Serv. Comm'n of W. Va., 262 U.S. 679 (1923).

interests. The Hope case recognizes that investors have a legitimate concern with the financial integrity of their company, including that "it is important that there be enough revenue not only for operating expenses but also for the capital costs of business."[16] Yet, for over the past dozen years, the Company has been subject to disallowances resulting in no cost recovery for the transmission expense that brings the benefits of Crossroads' low-cost capacity and energy to customers in Missouri.

Q: How do you recommend the parties move forward?

A: The parties need to move beyond the cycle of zero transmission cost recovery, and advance to a position where EMW and other stakeholders work together for the benefit of current and future customers. When we do that, we can focus on the upcoming generation supply transition and meeting the evolving needs of customers. If the Commission believed in the past that Company shareholders should be penalized for deficiencies in the prior Aquila management's resource planning decision-making when the Crossroads facility was acquired, it is clear that shareholders have paid that penalty.

It is time to turn the page on the historical Crossroads discussion and focus on the reasonableness of its current delivered costs and its future role in the EMW generation portfolio. The Company's shareholders have absorbed approximately $230 million since 2010. Evergy has accepted the outcome and financial consequences of prior Commission decisions, and the Company is not seeking any recovery of these past disallowances. However, in the present day, and in the context of a significantly changed EMW and regional generation context relative to 2011 and the ongoing transformation of the electric

[16] Federal Power Comm'n v. Hope Natural Gas Co., 320 U.S. 591, 603 (1944).

power sector, the costs to bring Crossroads power and capacity to our customers – including the transmission costs - are reasonable and prudent relative to alternatives.

As described by Evergy witness Cody VandeVelde (Senior Director, Strategy and Long-Term Planning – Energy Resource Management), the decision by the Commission on Crossroads transmission costs is critical in this case. Crossroads provides 300 MW of generation capacity that reaches EMW customers only through firm transmission service that expires in 2029. If the firm transmission service is not renewed, EMW will lose that capacity and energy and will need to replace it, likely at a much higher cost to customers as demonstrated by EMW witness VandeVelde. The Commission's decision will therefore inform whether EMW extends the firm transmission service, and it will also inform the development of upcoming integrated resource plans for EMW.

Therefore, given the reasonableness of the delivered costs of Crossroads relative to alternatives, as evaluated at length in Case No ER-2024-0189 and demonstrated by witness VandeVelde, the Company respectfully requests that the full cost of transporting energy from Crossroads to EMW customers be included in EMW's cost of service in this proceeding.

Q: What has the Commission decided most recently about Crossroads?

A: The Commission summarized it last December in Case No. ER-2024-0189: "The Commission has found that Crossroads was a prudent generation resource and investment. However, at the price paid, the Commission denied recovery of EMW's costs incurred under the four FERC-approved firm point-to-point transmission service agreements with Entergy."[17] That finding describes the Commission's prior orders, which treated the plant

[17] See Crossroads 2025 Order at 8-9.

and its delivery as separate matters. In the same order, the Commission declined to decide the ratemaking treatment of future transmission costs and reserved that question for a general rate case.

Q: Has the outcome of past Crossroads transmission cost recovery requests been consistent?

A: Yes, with one qualification. The Commission first excluded the cost in Case No. ER-2010-0356, and it has addressed the question in litigated cases in which the Company has raised it since. EMW's request from the Commission has narrowed over the years. In Case No. ER-2012-0175 the Company asked the Commission to reconsider the exclusion outright. By Case Nos. ER-2016-0156 and ER-2018-0146 it had given up the disallowed amounts entirely and sought only the increase above the original $4.8 million, an increase caused by Entergy Corp. joining Midcontinent Independent System Operator ("MISO") after both orders had been issued. Each of those requests was resolved against recovery.

Case No. ER-2024-0189 was different. The parties resolved EMW's revenue requirement by stipulation without separately stating the treatment of Crossroads transmission costs. The only Crossroads issue the parties submitted for decision was whether the Commission should determine that it is prudent for EMW to renew its firm point-to-point transmission service when it expires in February 2029.[18] The order also refers to a request to authorize recovery of transmission costs, and its ordering paragraph denies both "in this case." The Commission did not decide recovery on the merits, however. It concluded that it would not make an advisory determination on either the prudence of renewal or the ratemaking treatment of future transmission costs, and that both questions

[18] Unanimous Stipulation and Agreement at 2, Docket No. ER-2024-0189 (October 2, 2024).

should be decided "in a general rate case should EMW request the recovery of Crossroads' transmission costs."[19] This case presents the issue of the recovery of the incurred firm transmission service costs.

Q: What do you conclude from the past Commission orders on this issue?

A: I conclude that the exclusion of transmission costs has turned on the record in each case, not on the resource itself. The Commission has consistently found Crossroads prudent and has excluded the transmission expense based on the costs and alternatives before it at the time. When the Company presented current evidence in Case No. ER-2024-0189, the Commission found that renewing the transmission agreements is the lowest cost option for EMW and its customers, and it reserved the question of recovery for a general rate case.

The practical result is that customers in every class rely on Crossroads while, to date, shareholders have funded the transmission service that makes it available to them. The Commission found in December of 2025 that the MISO-administered transmission service Entergy Corp. agreements "allow SPP to accredit Crossroads' capacity so the Company can meet its SPP reserve margin requirements,"[20] and that accreditation benefits the system as a whole. EMW cannot sustain that arrangement indefinitely and will need to consider any Commission decision considering the firm transmission service costs imprudent for recovery from customers when evaluating alternatives to extension of the Crossroads firm transmission service which is to be done in early 2029.

[19] See, Crossroads 2025 Order at 12.
[20] Id. at 8.

Q: What alternatives are you presenting for the Commission's consideration in this proceeding?

A: The Commission's prior decisions leave EMW with two prospective approaches. Under Path A, the Commission would find the delivered costs of Crossroads, inclusive of the firm transmission expense, reasonable and include it in cost of service. Under Path B, once an LLPS customer begins taking service and is reflected in a test year for a general rate proceeding, Crossroads' capacity and associated costs would be assigned to the Schedule LLPS customers, whose load creates the need for additional capacity and whose rate design is intended to recover incremental capacity and transmission costs.

EMW recommends Path A because EMW's evidence demonstrates the delivered cost of Crossroads is the lowest-cost path to serving all customers. The Commission has already found that renewing the transmission agreements is the lowest cost option for EMW and its customers, and Path A keeps Crossroads' 300 MW of capacity counting toward the reserve margin for every class rather than leaving the remaining classes to pay for replacement capacity at the cost of new generation. Path A also avoids the precedent of assigning a specific generating asset to a specific set of customers, a concern the Commission raised in Case No. EO-2025-0154, and it does not ask the Commission to revisit the Crossroads valuation or any prior disallowance.

b) Path A: Recovery of Transmission Expense

Q: What does Path A consist of?

A: Path A asks the Commission to find that the delivered cost of Crossroads, including the transmission expense EMW incurs today, is reasonable and to include that cost in EMW's cost of service. It does not disturb the 2008 decision to bring Crossroads into the regulated

fleet or the reduced valuation the Commission set at that time. The question Path A presents is whether the cost to deliver the capacity and energy of a plant that is built, accredited, and serving customers today is reasonable in light of current costs and current alternatives.

Q: What supports that approach?

A: A great deal of evidence supports it, and EMW has put all of it in front of the Commission already.

The cost the Commission disallowed in 2011 is not the cost EMW pays now. Entergy Corp. moved its transmission assets into MISO in December 2013, after the record closed in both prior cases. The annual expense went from about $5.6 million that month to roughly $12.3 million the following year and has stayed in double digits since, with no change in the service the Company receives. That increase, and only that increase, was what EMW asked for in 2016 and again in 2018.

The resource is also worth substantially more to the system than it was in 2011. SPP has tightened its accreditation of supply resources while raising the planning reserve margins its load-serving members must carry, thermal generation has retired across the region, the costs to build new generation resources have increased, and the interconnection queue has grown long enough that new resources may not arrive in time to meet customer load.

What's more, the delivered cost of Crossroads compares favorably to any other alternative. As an example, the 2025 relocation study estimated that moving the plant into SPP would cost approximately $487 million, similar in scope, cost, and schedule to the construction of new units, while the plant continues to deliver 300 MW of accredited

capacity today under the existing transmission path. EMW witness VandeVelde provides further evidence in his direct testimony of the reasonableness of the delivered cost of Crossroads versus any other alternative.

Q: Did the Commission find the results of the 2025 relocation study persuasive?

A: Yes, I believe so as it found most of it as fact. In December 2025 the Commission found that: "When compared to the alternatives of EMW selling Crossroads or relocating Crossroads closer to its service territory, renewing the point-to-point transmission service agreements is the lowest cost option for EMW and, thus, its customers."[21] It found that "all parties agree that EMW should renew its contract with Crossroads."[22] It said it was "mindful that renewing Crossroads' transmission agreements may be the lowest cost option for EMW."[23]

But the Commission did not decide whether those costs should be recovered. It declined to rule on the prudence of renewal or the ratemaking treatment of future transmission costs in that case, and it stated that both questions would appropriately be decided "in a general rate case should EMW request the recovery of Crossroads' transmission costs." EMW makes that request in this proceeding.

Q: Why should the Commission reach a different result now than it did in 2011?

A: Because the premise of the factual basis of the original exclusion no longer holds. The Commission found in 2011 that the decision to include Crossroads in the generation fleet was prudent "with the exception of the additional transmission expense, when other low-cost options were available." Its conclusions of law likewise conditioned that finding on

[21] See Crossroads 2025 Order at 9.
[22] Id.
[23] Id. at 11.

"the additional cost of transmission from Mississippi to Missouri." Both statements measured the transmission cost against the alternatives that existed when the plant came onto the regulated books. Those circumstances have changed dramatically. The transmission cost itself changed when Entergy Corp. joined MISO in December 2013. SPP has tightened accreditation and raised planning reserve margins. And in December 2025 the Commission found that, compared to selling or relocating the plant, renewing the transmission agreements "is the lowest cost option for EMW and, thus, its customers." In 2011 the Commission asked whether customers should pay for transmission when lower-cost capacity was available. The question in this case is whether customers should pay for transmission when it is now the lowest-cost way to keep 300 MW of accredited capacity serving them.

Q: Is the Company asking the Commission to adopt Path A?

A: Yes. EMW asks the Commission to find that the delivered cost of Crossroads, including the transmission expense the Company incurs today, is reasonable and to include that cost in EMW's cost of service, effective with the rates set in this case. The evidence supports that result.

Much of the transmission expense EMW pays today results from Entergy Corp.'s move into MISO in December 2013, after the record closed in the cases that first excluded it. Crossroads' accredited capacity is more valuable to the system now that SPP has tightened accreditation and raised planning reserve margins. In its review of the 2025 relocation study, the Commission has already found that renewing the transmission agreements is the lowest cost option for EMW and its customers, a finding reinforced by the evidence provided by EMW witness VandeVelde in his direct testimony in this

proceeding. Path A does not ask the Commission to revisit its prior determination of the value at which Crossroads is included in rate base or any prior period transmission cost disallowance. It asks the Commission to find in this case that the delivered cost of Crossroads is prudent and reasonably incurred and to decide the question that it reserved in Case No. ER-2024-0189 for a general rate case.

c) Path B: Assignment to Schedule LLPS Customers

Q: Describe Path B.

A: Path B is an assignment of costs. Under Path B, once a customer taking service under Schedule LLPS is reflected in the test year of a general rate proceeding, Crossroads' net plant, depreciation expense, fuel and operating and maintenance expenses identifiable to the facility, and transmission expense would all be assigned to the Schedule LLPS customers in the class cost of service study and in the design of LLPS rates. The plant's capacity would count against the capacity obligation that large load creates.

Q: Does Path B change the value at which Crossroads is included in rate base?

A: No. Rate base still reflects the value the Commission set, and EMW raises no issue with that value. Path B addresses how Crossroads' costs are allocated among classes and leaves the amount in rate base undisturbed.

Q: When would the assignment take effect?

A: The assignment would not take effect until a customer with a load of 75 MW or greater begins taking service under Schedule LLPS and that customer is reflected in the test year of a general rate proceeding. EMW asks the Commission to approve the assignment in this case so that it is in place when large load arrives. Until then, Crossroads would remain in EMW's cost of service on the same basis it is today. EMW incurs the transmission expense

today under the agreements now in effect and would continue to incur it under an extension of the MISO transmission tariff rate if it exercises that option, so the assignment would apply to that ongoing expense from the date it takes effect.

Q: Why is Schedule LLPS the appropriate class for this assignment?

A: There are three reasons, each of them grounded in findings the Commission has already made.

The Schedule LLPS is new. The Commission approved "the creation of Schedule LLPS" in Case No. EO-2025-0154 on November 13, 2025, and Schedule LLPS took effect March 9, 2026.[24] Schedule LLPS did not exist when the Commission decided that EMW's customers should not bear this transmission cost.

The Schedule LLPS is available to ensure LLPS customers pay for what its load causes. The Commission found that the LLPS agreement "ensures that new large load customers will pay their share of system costs associated with serving new large loads," and that these customers will "be assessed rates that will recover the costs to serve large load customers."[25]

And the Commission found that the LLPS rate design is "intended to capture incremental transmission and/or interconnection, facilities, and capacity costs driven by large load customers and then apportion costs to them."[26] Although Crossroads predates Schedule LLPS, its transmission expense, both today and following any renewal of the firm transmission service in 2029, is a cost that no customer currently pays in rates. Assigning

[24] See Report & Order at 46, In re Evergy Large Load Tariff, No. EO-2025-0154 (Nov. 13, 2025) ("Evergy Large Load Order").
[25] Id. at 16.
[26] Id. at 17.

it to the LLPS class would make that capacity available to meet the new large load, which drives the need for the capacity these transmission expenses deliver.

Q: Does Schedule LLPS already put the cost of capacity on the customer?

A: Yes. Under the Interim Capacity provision, if the Company determines that a customer's load cannot be served by existing system capabilities, EMW may procure the capacity with the customer responsible for the full costs thereof. Path B applies that same principle to a plant EMW already owns. Crossroads is built, accredited, running, and its cost is known, none of which can be said of capacity the Company would have to procure on the market.

Q: Is there large load in service during the test period?

A: Not yet. That is why the assignment would not take effect until a customer taking service under Schedule LLPS is reflected in the test year of a general rate proceeding. Load is expected to be present but not at a steady state, and Schedule LLPS allows a transitional ramp before a customer reaches contract capacity. The assignment would begin with the load in service and follow the class as it grows.

Q: What are the disadvantages of Path B?

A: Path B has two primary disadvantages which are important to consider when evaluating the appropriate approach to Crossroads.

First, the Crossroads resource would be reassigned specifically to Schedule LLPS customers. Crossroads supplies 300 MW of capacity that currently counts toward EMW's reserve margin obligation for all customers. If that capacity is dedicated to specific LLPS customers, it no longer offsets what the remaining classes require. The next block of capacity EMW acquires for those customers would be priced at the cost of new generation

rather than at the cost of a plant built in 2002 and largely depreciated. Under Path B, customers outside Schedule LLPS would pay that difference.

Second, Path B sets a precedent. Once a specific generating asset is assigned to specific customers, the question comes up again every time a large resource is added to the fleet. This Commission has already flagged this as a concern. In the LLPS tariff case, Case No. EO-2025-0154, the Commission refused to require separate commercial pricing nodes for large load customers because doing so "would require the utility to decide which generation asset would be assigned to each node, which increases concerns of cross-subsidization and transparency."[27] Path B raises the same issue.

Q: Would other existing resources be assigned to large load customers under this approach?

A: Not as proposed. What I am proposing is specific to Crossroads and to the circumstance that makes Crossroads unlike anything else in the fleet: it is a plant whose transmission costs the Commission has historically excluded from rates primarily because of where the plant is located. No other EMW resource carries that history, and the Company is not proposing to assign any other existing resource to any specific customers.

Q: Does the Company recommend Path B notwithstanding those disadvantages?

A: Only as an alternative to Path A. EMW presents Path B as an option for the Commission to consider but recommends Path A as the appropriate resolution in this proceeding. If the Commission does not adopt Path A, EMW requests the Commission to approve Path B in the alternative, with the assignment taking effect once a customer taking service under Schedule LLPS is reflected in the test year of a general rate proceeding. The disadvantages

[27] See Evergy Large Load Order at 41.

of Path B I have described are real and the Commission should weigh them, but Path B is a reasonable alternative to retain the capacity needed by EMW to serve its customers in light of the Commission's prior exclusion of the transmission expense from rates and its findings regarding the purpose of Schedule LLPS.

d) Crossroads Recommendation and Conclusion

Q: What is the Company's recommendation as it relates to Crossroads?

A: EMW recommends that the Commission approve Path A and include the reasonable delivered cost of Crossroads, including the associated transmission expense, in EMW's cost of service, effective with rates established in this case. This recommendation is consistent with the Commission's finding that renewing the Crossroads transmission agreements is the lowest cost option for EMW and its customers. It keeps Crossroads' 300 MW of accredited capacity counting toward the SPP planning reserve margins for every class and avoids the precedent of assigning a specific generating asset to a specific class. EMW is not asking the Commission to revisit the value at which Crossroads has been included in rate base or to recover any prior period transmission disallowance.

In the alternative, if the Commission does not adopt Path A, EMW requests the Commission to approve Path B. Path B preserves the value of Crossroads for EMW customers, is consistent with the Commission's prior decisions excluding the transmission expense from the rates of existing customers and assigns the resource and its costs to the specific customers whose load supports the need for the capacity. The assignment would take effect once a customer taking service under Schedule LLPS is reflected in the test year of a general rate proceeding. Until then, Crossroads would remain in EMW's cost of service on the same basis it is today.

Q: Is there anything further?

A: As is demonstrated by the inclusion of both Crossroads paths in this case, Evergy continues to explore all options to best utilize this asset, in its entirety, for the benefit of all EMW customers. Unfortunately, as I have previously testified, if the Commission denies both paths, the Company will have no choice but to incorporate the Commission's determinations about Crossroads and the reasonableness of its delivered costs in deciding whether renewal of the firm transmission service, sale, retirement, or replacement best serves customers as the current firm transmission service approaches its February 2029 expiration.

IV. EARNINGS SHARING MECHANISM

Q: What is Evergy Missouri West proposing with respect to an earnings sharing mechanism?

A: EMW proposes a transitional earnings sharing mechanism that provides an additional protection for customers as large load service develops between this case and the Company's next general rate case. Sharing would occur only if two conditions are met: the Company's earned return on equity exceeds its authorized return by more than 20 basis points, and actual LLPS base-rate revenues exceed the LLPS base-rate revenues reflected in the revenue requirement used to establish the applicable rates. If those two conditions are met, customers would receive a 65% share of the calculated excess earnings above the threshold, and the Company would retain 35%. Company witness Ronald Klote explains the detailed calculations, reporting requirements, review process, and accounting treatment.

Q: How does EMW's proposal relate to the LLPS Stipulation filed in Evergy Missouri Metro's rate case, Case No. ER-2026-0143?

A: EMW proposes the framework set forth in Exhibit D to the LLPS Stipulation and Agreement filed on October 5, 2026, with the reporting dates and utility-specific provisions adapted for EMW. That stipulation remains subject to Commission approval. The Company is asking the Commission to approve the mechanism in this proceeding based on EMW's circumstances and the terms described by Company witness Klote. Under this proposal, annual surveillance results would be reviewed and, when the stated conditions are met, a portion of earnings above the authorized return and deadband would be deferred for customers. That mechanism was designed to address the uncertainty associated with substantial large-load growth between rate cases. EMW's proposal applies the same basic policy principle: during a transitional period, customers should receive an additional protection if actual earnings materially exceed the level used to set rates.

Q: How would the proposed earnings review and sharing mechanism operate?

A: As Company witness Klote explains, EMW would calculate its earned return on equity using annual surveillance results, subject to the adjustments specified in the proposed mechanism. The Company would retain earnings up to 20 basis points above the return authorized in this case. If earnings exceed that threshold and the LLPS revenue condition is also met, 65% of the calculated excess would be deferred for customers and the Company would retain 35%. The customers' share would be recorded as a regulatory liability and returned through an amortization established by the Commission in a future rate case. The portion of the customer share above 50 percent (15 percentage points) would be directed

for the benefit of low-income customers. Mr. Klote explains the calculation and accounting details.

Q: Why is an earnings sharing mechanism appropriate during this transitional period?

A: The Company's revenue requirement reflects anticipated revenues from LLPS customers, so customers receive the benefit of those revenues in the rates established in this case. Actual results will depend on when large-load customers begin service and how their usage develops. If LLPS base-rate revenues exceed the amount reflected in rates and the Company also earns above its authorized return plus the deadband, the proposed mechanism would provide customers an additional share of those favorable results.

The proposed sharing mechanism provides a measured bridge until the next general rate case, when the Commission will have more complete operating experience and a representative record on which to reset rates. It protects customers from a material increase in earnings between rate cases while preserving EMW's incentive and financial ability to operate efficiently, attract capital, and serve new load. It is not a substitute for a rate case; it is a temporary safeguard that terminates or may be reconsidered when new base rates take effect.

Q: Why does the proposal allow the Company to retain some earnings above its authorized return?

A: An authorized return is not a guaranteed return, and actual results vary from year to year. The Company continues to bear the risk that revenues will be lower or costs will be higher than the amounts reflected in rates. The proposed mechanism does not provide an offsetting payment to the Company when earnings fall below the authorized level. The deadband allows some variation before sharing begins, and the Company's retention of a

portion of earnings above that threshold preserves an incentive to manage costs and support successful load growth. At the same time, customers would receive the larger share once both conditions are satisfied. I believe that combination provides a reasonable balance during the period before rates are reset in the next general rate case.

Q: Is EMW's mechanism proposal similar to the earnings sharing mechanism approved for Ameren Missouri?

A: While not identical, it is similar to the approved mechanism for Ameren Missouri. The relevant question is whether EMW's mechanism is reasonable for EMW's circumstances, not whether every term is identical to Ameren Missouri's. The Commission has approved different tariffs and regulatory mechanisms for utilities that operate in different regional markets and under different operating and jurisdictional conditions. EMW's proposal is supportable because its core structure is substantially similar both to the earnings sharing approach used for Evergy Kansas Central in Kansas and to the mechanism approved for Ameren Missouri in Missouri. Each relies on earnings surveillance, establishes a threshold before sharing begins, and returns a defined portion of excess earnings for customers. Reasonable differences in the benchmark, deadband, treatment of particular regulatory items, or timing of customer credits reflect the circumstances of the utility and do not undermine the customer protection provided by the mechanism.

V. CONCLUSION

Q: What is your recommendation to the Commission?

A: I recommend that the Commission approve the Company's proposals in this case as reasonable and appropriately balanced between the interests of customers and the need to maintain safe, reliable, and financially sustainable electric service.

I request the Commission recognizes the deliberate steps EMW has taken to moderate the impact of this rate case on customers while continuing to make the investments necessary to provide safe and reliable service. Affordability does not mean avoiding necessary costs. It means making prudent investments, managing costs responsibly, and structuring the Company's request so that customers receive reliable service at a reasonable long-term cost.

With respect to Crossroads, I recommend that the Commission adopt Path A and recognize the reasonable delivered cost of Crossroads, including its transmission expense, in EMW's cost of service. Crossroads is a prudent generation resource that provides 300 MW of accredited capacity at a reasonable delivered cost, as reflected by the Commission's finding that renewal of the firm transmission service is the lowest-cost option compared with the alternatives evaluated. If the Commission does not approve Path A, I recommend that it approve Path B as the prospective alternative described in my testimony.

Finally, I recommend approval of EMW's proposed transitional earnings-sharing mechanism. That mechanism provides customers additional protection if LLPS revenues and EMW's earnings exceed the thresholds described in this testimony, while preserving

the Company's ability to manage its business, attract capital, and serve substantial new load.

Taken as a whole, I believe the Company's proposals represent a reasonable path forward for EMW and its customers. They address the costs necessary to serve customers today, recognize the opportunities and risks associated with significant load growth, and position EMW to continue providing safe, adequate, reliable, and affordable electric service over the long term.

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 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 Direct Testimony on behalf of Evergy Missouri West consisting of forty-two (42) 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 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