Exhibit No.:	
Issue:	Revenue Requirement Model and Schedules; Test Year; Misc. Accounting Adjustments including CWIP, Pensions and Other Post Employment Benefits, Security Tracker, Storm and I&D Reserves; Earnings Sharing Mechanism
Witness:	Ronald A. Klote
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Evergy Missouri West
Case No.:	ER-2027-0077
Date Testimony Prepared:	November 3, 2026

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2027-0077

DIRECT TESTIMONY

OF

RONALD A. KLOTE

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri
November 2026

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DIRECT TESTIMONY

OF

RONALD A. KLOTE

Case No. ER-2027-0077

I. INTRODUCTION AND PURPOSE

Q: Please state your name and business address.

A: My name is Ronald A. Klote. 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. I serve as Senior Director – Regulatory Affairs 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 ("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 EMW or "Company".

Q: What are your responsibilities?

A: My responsibilities include the coordination, preparation and review of financial information and schedules associated with rate case filings, compliance filings and other regulatory filings.

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

A: In 1992, I received a Bachelor of Science Degree in Accountancy from the University of Missouri-Columbia. In May 2016, I completed my Master of Business Administration Degree from the University of Missouri – Kansas City. I am a Certified Public Accountant holding a certificate in the State of Missouri. In 1992, I joined Arthur Andersen, LLP holding various positions of increasing responsibilities in the auditing division. I conducted and led various auditing engagements of company financial statements. In 1995, I joined Water District No. 1 of Johnson County as a Senior Accountant. This position involved operational and financial analysis of water operations. In 1998, I joined Overland Consulting, Inc. as a Senior Consultant. This position involved special accounting and auditing projects in the electric, gas, telecommunications and cable industries. In 2002, I joined Aquila, Inc. ("Aquila") holding various positions within the Regulatory department until 2004 when I became Director of Regulatory Accounting Services. This position was primarily responsible for the planning and preparation of all accounting adjustments associated with regulatory filings in the electric jurisdictions. As a result of the acquisition of Aquila by Great Plains Energy Incorporated ("GPE"), I began my employment with Kansas City Power & Light Company ("KCP&L") as Senior Manager, Regulatory Accounting in July 2008. In April 2013, I joined the Regulatory Affairs department as a Senior Manager remaining in charge of Regulatory Accounting responsibilities. In December 2015, I became Director, Regulatory Affairs continuing my Regulatory Accounting responsibilities. In addition, I was responsible for the coordination, preparation and filing of rate cases and rider filings in our electric jurisdictions. In October 2021, I

became Senior Director of Regulatory Affairs and I continue in that position today with Evergy.

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

A: Yes, I have testified before the MPSC, Kansas Corporation Commission, California Public Utilities Commission, and the Public Utilities Commission of Colorado.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to:

(i) describe the revenue requirement model and schedules that are used to support the rate increase EMW is requesting in this proceeding (Schedules RAK-1 through RAK-4 attached to this testimony) (Section II);

(ii) identify the witnesses who support various accounting adjustments listed on the Rate Base and Summary of Adjustments (Schedule RAK-2 and RAK-4 attached to this testimony) and provide support on various accounting adjustments. As discussed in Section IV of my Direct Testimony, these include but are not limited to adjustments for various pensions and other post employment benefits, inclusion of construction work in process ("CWIP") for natural gas plants, and injuries and damages and storm reserve requests;

(iii) test year and true-up period (Section III)

(iv) explain the mechanics of the proposed CIP/Cybersecurity O&M tracker;

(v) propose an earnings review sharing mechanism and

(vi) support the following proposed adjustments (Section IV):

Accounting Category	Adjustments
Rate Base Adjustments	RB-21 CWIP – New Gas Generation RB-61 OPEB Reg Asset/Liability RB-65 Pension Reg Asset/Liability
Cost of Service Adjustments	CS-11 Out of Period Items CS-50 Payroll CS-51 Incentive CS-53 Payroll Taxes CS-61 OPEB Expense CS-62 SERP CS-65 Pension Expense CS-71 Injuries & Damages CS-72 Storm Reserve CS-100 Solar O&M

II. REVENUE REQUIREMENT MODEL AND SCHEDULES

Q: What is the purpose of Schedules RAK-1 through RAK-3?

A: These schedules represent the key outputs of the Company's revenue requirement model used to support the rate increase that EMW requests in this proceeding. Schedule RAK-1 shows the revenue requirement calculation. Schedule RAK-2 lists the rate base components, along with the sponsoring witnesses. Schedule RAK-3 is the adjusted income statement.

Q: Were the schedules prepared either by you or under your direction?

A: Yes, they were.

Q: Please describe the process the Company used to determine the requested rate increase.

A: We utilized our historical ratemaking preparation process to determine the rate increase request. We used historical test year data from the financial books and records of the Company as the basis for operating revenues, operating expenses and rate base. We then adjusted the historical test year data to reflect: (i) normal levels of revenues and expenses that would have occurred during the test year; (ii) annualizations of certain revenues and

expenses; (iii) amortizations of regulatory assets and liabilities; and (iv) known and measurable changes that have been identified since the end of the historical test year. We then allocated the adjusted test year data to arrive at operating revenues, operating expenses, and rate base applicable to the EMW jurisdiction. We subtracted operating expenses from operating revenues to arrive at operating income. We multiplied the net original cost of rate base times the requested rate of return to determine the net operating income requirement. This was compared with the net operating income available to determine the additional net operating income before income taxes that would be needed to achieve the requested rate of return. Additional current income taxes were then added to arrive at the gross revenue requirement. This requested rate increase is the amount necessary for the post-increase calculated rate of return to equal the rate of return proposed by EMW witness Geoffrey Ley in his Direct Testimony and supported by EMW witness Ann Bulkley in her Direct Testimony.

III. TEST YEAR AND TRUE-UP

Q: What historical test year and true-up date did EMW use in determining rate base and operating income?

A: The revenue requirement schedules are based on a historical test year of the 12 months ending March 31, 2026, with known and measurable changes projected through April 30, 2027 ("True-up Date").

Q: Why was this test year selected?

A: The Company used the 12-month period ending March 31, 2026 for the test year in this rate proceeding because that period reflects the most currently available quarterly financial information to provide adequate time to prepare the revenue requirement for this case.

Q: Does EMW's test year expense reflect an appropriate allocation of Evergy Metro and EKC overhead to EMW and other affiliated companies?

A: Yes, Evergy Metro and EKC incur costs for the benefit of EMW and other affiliated companies and these costs are billed out as part of the normal accounting process. Certain projects and operating units are set up to allocate costs among the various affiliated companies based on appropriate cost drivers while others are set up to assign costs directly to the benefiting affiliate.

Q: Does EMW incur costs that are allocated to Evergy Metro and EKC?

A: Yes, these are not as significant as the costs allocated from Evergy Metro and EKC, but EMW does incur some costs that are allocated to Evergy Metro and EKC.

Q: Why is a true-up period needed for this rate case?

A: Historically, rate cases have included true-up periods to update test year data with the most current known and measurable information available. The objective of the true-up period is to use data that is as close as reasonably calculated to the effective date of rates, while preserving adequate time for discovery, audit, briefing, and other administrative processes necessary to complete the rate case. This promotes a more accurate matching of rate base, revenues, and expenses and reduces the likelihood that rates will be based on outdated information. Accordingly, the Company is requesting a true-up period through April 30, 2027, to reflect the most current information available regarding rate base, revenues, and

expenses. In certain instances, however, March 2027 data was used as a proxy to estimate the amount expected at April 30. That use of March data is used for estimation purposes and does not change the Company's requested True-up Date of April 30, 2027.

More specifically to this rate case, the requested true-up period is expected to capture two significant changes. First, it will reflect the costs of new solar generation facilities expected to be placed in service prior to April 30, 2027, along with a return on those investments. Second, it will reflect additional revenues, including annualized revenues from large-load customers that are known and measurable as of April 30, 2027.

IV. ACCOUNTING ADJUSTMENTS

Q: Please discuss Schedule RAK-4.

A: Schedule RAK-4 presents a listing of adjustments to net operating income for the 12 months ended March 31, 2026, along with the sponsoring Company witnesses. Various Company witnesses will support, in their direct testimonies, the need for each of these adjustments.

Q: Please explain the adjustments to reflect normal levels of revenues and expenses.

A: Adjustments are made to reflect "normal" levels of revenues and expenses; for example, retail revenues are adjusted to reflect revenue levels that would have occurred if the weather had been "normal" during the test year.

Q: Please explain the adjustments to annualize certain revenues and expenses.

A: Revenues are annualized to reflect anticipated customer growth during the true-up period. Annualization adjustments have been made to reflect an annual level of expense in cost of service, such as the annualization of payroll and depreciation expenses. The former reflects

a full year's impact of recent and expected pay increases, while the latter reflects the impact of a full year's depreciation on plant additions included in rate base.

Q: Please explain the adjustments to amortize regulatory assets and liabilities.

A: Various regulatory assets and liabilities have been established in past EMW jurisdictional rate cases. These assets/liabilities are then amortized over the number of years authorized in the orders for the applicable rate cases. Adjustments are sometimes necessary to annualize the amortization amount included in the test year or remove amortizations that have ceased during the test year.

Q: Did the Company comply with the prospective tracking of regulatory assets and liabilities as agreed to in the Stipulation and Agreement from Rate Case No. ER-2024-0189 ("2024 Rate Case")?

A: Yes, in this rate case filing, EMW complied with this agreement and reflected the prospective tracking treatment of regulatory assets and liabilities in accordance with this agreement. Please see the individual regulatory asset and regulatory liability adjustments that describe the prospective treatment where applicable in the Direct Testimony of Company witness Jeremy Fischer and in the testimony of the other Company witnesses sponsoring those adjustments.

Q: Please explain the adjustments to reflect known and measurable changes that have been identified since the end of the historical test year.

A: These adjustments are made to reflect changes in the level of revenue, expense, rate base and cost of capital that either have occurred or are expected to occur prior to the True-up Date in this case. For example, payroll expense and fuel costs have been adjusted for known and measurable changes. In many instances, the Company workpapers rely on projections

through March 31, 2027, as a proxy for conditions expected to exist as of April 30, 2027 True-Up Date. The Company will update these projections and incorporate actual or more current information as of April 30, 2027, during the true up process.

Q: Do the adjustments listed on Schedule RAK-4 and discussed throughout the remainder of this testimony and other EMW witnesses' testimony entail an adjustment of test year amounts?

A: Yes, the adjustments summarized on Schedule RAK-4 and discussed in this testimony and other EMW witnesses' testimony reflect adjustments to the test year ended March 31, 2026.

RB-21 CWIP – NEW GAS GENERATION

Q: Please explain adjustments RB-21.

A: Adjustment RB-21 reflects the inclusion in rate base of projected construction work in progress ("CWIP") associated with new natural gas fired generating facilities that EMW is developing pursuant to the authority granted under Missouri law. As amended by Senate Bill 4, Section 393.135, RSMo, permits an electrical corporation, subject to specific limitations, to include CWIP for a new natural gas fired generating unit in rate base during construction. Specifically, the statute provides that:

> An electrical corporation may be permitted, subject to the limitations in this subsection, to include construction work in progress for any new natural gas-generating unit in rate base. The inclusion of construction work in progress allowed under this subsection shall be in lieu of any otherwise applicable funds used during construction that would have accrued from and after the effective date of new base rates that reflect inclusion of the construction work in progress in rate base.

Consistent with this statutory authority, Adjustment RB-21 includes qualifying CWIP associated with new natural gas generation in EMW's rate base.

Q: What natural gas generation assets is this CWIP request tied to?

A: The CWIP included in RB-21 is associated with three new natural gas-fired generation facilities necessary to meet customer demand and reliability requirements within EMW's service territory. The Commission granted EMW's application for certificate of conveniences and necessity ("CCN") for projects therein known as Viola (Chisholm Trail) and McNew on July 31, 2025, in Docket No. EA-2025-0075. The Company filed an application for a CCN requesting approval to construct, install, own, manage, maintain, and control a natural gas plant to be known as Buchanan Bluffs Energy Center Unit 2 in Docket No. EA-2026-0343 on August 31, 2026. The Company has requested an order from the Commission prior to the true-up in this proceeding.

Q: Why is Mullin Creek Unit 1 not included in the CWIP balance?

A: EMW is considering the use of a build-to-suit synthetic lease to finance Mullin Creek Unit 1, the 440-megawatt simple-cycle natural gas facility approved by the Commission in Case No. EA-2025-0075, as described in the testimony of Company witness Geoffrey Ley. Under a build-to-suit synthetic lease, construction is financed using a third-party financial institution's balance sheet rather than through traditional utility financing. The primary benefit of this structure is that it reduces the revenue requirement associated with the project during the construction period. Because the Company is actively evaluating this financing approach, Mullin Creek Unit 1 is not reflected in the CWIP balance included in this rate case. If the Company does not pursue a build-to-suit synthetic lease for Mullin Creek Unit 1, the Company will continue to accrue AFUDC until the Company's next rate case before this Commission to include the associated CWIP in rate base.

Q: What type of costs are included in the CWIP balance for this adjustment?

A: The Company projects construction work in progress balances as of the true-up date of approximately $362 million for Chisholm Trail, approximately $276 million for McNew, and approximately $79 million for Buchanan Bluffs Energy Center Unit 2. These balances are costs the Company has actually incurred in constructing facilities that it owns and that are being built to serve its customers. The CWIP balance included in Adjustment RB-21 consists of costs typical for early-stage construction of natural gas plants. Those costs relate to acquiring power island equipment including turbine reservation fees, other long lead equipment procurement activities, engineering development, permitting and locals approvals and site preparation. Also included is estimated capital spend and Allowance for Funds Used During Construction ("AFUDC") to be incurred through the true-up date in this rate case.

Q: How has the Company ensured that its CWIP request does not duplicate AFUDC?

A: The Company will cease accruing AFUDC on qualifying CWIP when recovery of a return on that CWIP begins in base rates, consistent with Section 393.135. Any AFUDC reflected in the CWIP balance relates only to periods before the effective date of rates providing CWIP recovery. The Company will update the calculation at true-up and ensure that there is prevention of overlapping recovery of AFUDC and a rate-base return on the same investment for the same period.

Q: Why is CWIP for these new natural gas generation projects included in rate base?

A: Including CWIP in rate base for these new natural gas generation projects aligns the timing of cost recovery with the timing of the Company's capital investment and supports the Company's ability to finance the project at a reasonable cost. Recovery of the return on the

CWIP balance during construction reduces the amount of interest that would otherwise accrue during construction and helps moderate the rate impact to customers once the facility is placed into service. The Company estimates that recovery of financing costs of CWIP during construction reduces total project costs for the three projects included in this rate case by $191 million as compared to accruing AFUDC and saves customers nearly $300 million over the entire life of these projects.

This ratemaking treatment reflects the policy framework established by Missouri law and is intended to balance customer protections with the need to ensure timely development of necessary generation resources.

CS-61/RB-61 OTHER POST-EMPLOYMENT BENEFITS

Q: Please explain adjustments CS-61 and RB-61.

A: CS-61 is the adjustment for Other Post-Employment Benefits ("OPEB") expense as recorded under Accounting Standards Codification Topic 715, Compensation-Retirement Benefits, to an annualized level for ratemaking purposes for EMW's portion of the Evergy postretirement benefit plans. Previously, the accounting guidance was referred to as Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("FAS 106") and this description will continue to be used in the regulatory process.

RB-61 is the roll forward of the FAS 106 regulatory liability and the prepaid OPEB regulatory asset to the projected True-up Date.

Q: Do these adjustments take into consideration OPEB expense billed to joint partners, billed to by affiliated companies, and charged to capital?

A: Yes, total company costs, for adjustment CS-61, are adjusted for projected billings to affiliates, joint partners and charges to capital, based on data from the payroll adjustment discussed later in this testimony (adjustment CS-50). Adjustment RB-61 also takes into account billings to joint partners and affiliates, but the balances are before charges to capital.

Q: Please explain the components of adjustment CS-61.

A: CS-61 has two components which include (1) the annualized FAS 106 expense for the Company's OPEB plans based on the projected 2027 cost provided by the Company's actuary, Willis Towers Watson; and (2) the five-year amortization of the FAS 106 regulatory liability.

Q: Was annualized OPEB expense determined in accordance with established regulatory practice?

A: Yes, annualized OPEB expense was determined based on the methodology established in the Non-Unanimous Stipulation and Agreement in the 2024 Case.

Q: What is the amount of FAS 106 expense currently built into rates?

A: The Non-Unanimous Stipulation and Agreement in the 2024 Case established the annual FAS 106 amount in rates at ($234,081), after removal of capitalized amounts and the portion of EMW's annual OPEB cost allocated to EMW's joint partners, but before the inclusion of FAS 106 amortization.

Q: What is the comparable level of FAS 106 expense on a total company Missouri basis included in cost of service for this case?

A: The comparable amount included in cost of service in this case is $(255,409). Since the expense has fallen below zero, EMW is proposing to set the expense level at $0 per the Stipulation and Agreement ("S&A") language in the ER-2010-0356 case where the OPEB Tracker was established. This treatment of negative OPEB expense is discussed in further detail below.

Q: Please explain the FAS 106 regulatory liability.

A: This regulatory liability represents the cumulative unamortized difference in FAS 106 OPEB expense for ratemaking purposes and the postretirement expense built into rates, except any deferral that was driven by negative OPEB expense. These deferrals are not eligible for rate base treatment per the S&A language in the ER-2010-0356 case where the OPEB Tracker was established and have been excluded from the RB-61. This regulatory treatment of deferrals driven by negative OPEB expense is discussed in further detail below.

Q: How was the FAS 106 regulatory liability rolled forward to the true-up period?

A: The FAS 106 OPEB regulatory liability balance at June 30, 2024 was adjusted by the projected difference between FAS 106 expense for Missouri ratemaking purposes and the FAS 106 amount built into rates for the period July 1, 2024 through the true-up period. The balance was also adjusted for the projected amortizations for the July 1, 2024 through the true-up time period.

Q: What is the projected FAS 106 regulatory liability balance at the true-up period?

A: The FAS 106 regulatory liability is projected to be ($653,832) at the true-up period.

Q: Is the FAS 106 regulatory liability properly includable in rate base?

A: Yes, the FAS 106 regulatory liability is included in rate base consistent with the Non-Unanimous Stipulation and Agreement in the 2024 Case.

Q: Does adjustment CS-61 take into consideration OPEB expense billed to EMW as a joint partner in generating units and amounts charged to capital?

A: Yes, it does. It is based on data from the payroll adjustment.

Q: Please explain the treatment of the negative OPEB expense and how the resulting deferrals impact the FAS 106 regulatory liability established in Case No. ER-2010-0356?

A: MPSC Staff Report in ER-2010-0356 specifically states that "if the OPEB expense becomes negative, a regulatory liability equal to difference between the level of OPEB expense built into rates in that period and $0 would be established. Since this is a cash item, the regulatory asset or liability would be included in rate base and amortized over 5 years in the next rate case." Thus, the Company proposes to include $0 for OPEB expense in the cost of service and has excluded deferrals resulting from negative expense from the amount of the FAS 106 regulatory liability included in rate base in this rate filing.

Q: Can you cite other cases where this treatment has been utilized?

A: Yes. In Case No. ER-2010-0130 (Empire), the Non-Unanimous S&A specifically states in Appendix C:

> 3. In the case that OPEB expense becomes negative, the Company is ordered to set up a regulatory liability to offset the negative expense. In future years, when OPEB expense becomes positive again, rates will remain zero until the regulatory liability that was created by negative expense is

reduced to zero. The OPEB regulatory liability will be reduced by the amount of subsequent positive OPEB expense experienced by the Company. This regulatory liability is a non-cash item and should be excluded from rate base in the future years. A regulatory asset or liability will be established on the Company's books to track the difference between the level of OPEB expense during the rate period and the level of OPEB expense built into rates for that period. If the OPEB expense during the period is more than the expense built into rates for the period, the Company will establish a regulatory asset. If the OPEB expense during the period is less than the expense built into rates for the period, the Company will establish a regulatory liability. If the OPEB expense becomes negative, a regulatory liability equal to the difference between the level of OPEB expense built into rates for that period and $0 will be established. Since this is a cash item, the regulatory asset or liability will be included in rate base and amortized over five years at the next rate case.

Q: How did the MPSC Staff address this negative FAS 106 OPEB expense in the most recent Empire rate case (ER-2024-0261)?

A: MPSC Staff witness Matthew Young's direct testimony states:

> **Q: What does Staff recommend for the FAS 106 OPEB expense in the current case?**
>
> A: Staff recommends continuing the historical ratemaking approach to OPEB expense and recommends the continuation of historically approved trackers and agreements. In the current case, Staff's direct revenue requirement reflects $0 of ongoing OPEB expense and the current tracker balance as of September 30, 2024, amortized over five years. Staff's rate base does not include liability amounts caused by negative OPEB expense. However, Empire has an OPEB liability as of September 30, 2024, due to past positive OPEB expenses that were less than the OPEB allowance in rates. This balance is included in Staff's rate base.
>
> **Q: Why does Staff recommend $0 for ongoing OPEB expense and exclude rate base driven by negative OPEB expense?**
>
> A: The stipulation in Empire's Case No. ER-2010-0130, and carried forward in future agreements, has language in the event that OPEB expense becomes negative, as the actuary has calculated for 2024. Prior agreements state that in the event of negative expense, rates should be set to zero until the time the related OPEB liability can be reduced by positive OPEB expense. The agreement in ER-2010-0130 also specifies that the related liability is a non-cash item and should be excluded from rate base in future years. Staff's revenue requirement reflects this agreement.

Q: Please explain the FAS 88 regulatory asset.

A: This regulatory asset represents the cumulative deferred costs for OPEB plan special termination benefits. Because these do not occur on a regular basis and vary over time, they are tracked by vintage for ease of calculation and discussion. This case will include vintages for the 2022 and 2025 Special Termination Benefits ("STB"), and also the 2025 Retiree Life Buyout.

Q: What is EMW's projected cumulative FAS 88 regulatory balance at the true-up period?

A: EMW's projected FAS 88 regulatory asset at the true up period is $70,363, consisting of the 2022 vintage for the STB $778,472, the 2025 vintage for STB $657,252, and the 2025 vintage for the retiree life buyout amortization expense ($1,365,361).

CS-65/RB-65 PENSION COSTS

Q: Please explain adjustments CS-65 and RB-65.

A: CS-65 is the adjustment for pension expense as recorded under Accounting Standards Codification Topic 715, Compensation-Retirement Benefits, to an annualized level for ratemaking purposes. Previously, the accounting guidance was referred to as Financial Accounting Standards No. 87 "Employers' Accounting for Pensions" ("FAS 87"), and No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" ("FAS 88"), and these descriptions will continue to be used in the regulatory process.

RB-65 is the roll forward of the FAS 87, FAS 88 and prepaid pension regulatory assets to their projected true-up period balances.

Q: Do these pension adjustments take into consideration pension expense billed to EMW as a joint partner in generating units as well as amounts charged to capital?

A: Yes, they do. They are based on data from the payroll adjustment discussed later in this testimony (adjustment CS-50).

Q: Please explain the components of adjustment CS-65, pension expense.

A: CS-65 consists of the EMW's share of the annualized FAS 87 expense, which is based on the projected 2027 total company cost provided by the Company's actuarial firm, Willis Towers Watson. In addition, annualized pension expense includes the five-year amortization of the FAS 87 and FAS 88 regulatory assets.

Q: Was annualized pension expense determined in accordance with established regulatory practice?

A: Yes, annualized pension expense continues to follow the methodology agreed to in the prior EMW rate proceeding, Case No. ER-2024-0189.

Q: What is the amount of FAS 87 expense on a total company basis currently built into rates for EMW?

A: The 2024 Non-Unanimous Stipulation and Agreement Regarding Pensions and OPEBs established the annual total company amount of FAS 87 expense built into rates at $3,636,733 for EMW. This amount is 1) after removal of capitalized amounts and 2) after inclusion of the portion of annual pension cost which is allocated to EMW for its joint owner share of generating unit/stations, but 3) before inclusion of allowable Supplemental Executive Retirement Plan ("SERP") pension costs and 4) before amortization of pension-related regulatory assets/liabilities.

Q: What is the comparable level of FAS 87 expense for EMW included in cost of service for this case?

A: The comparable amount included in cost of service in this rate case for EMW is $3,180,090.

Q: Please explain the FAS 87 regulatory asset?

A: This regulatory asset represents the projected cumulative unamortized difference in FAS 87 pension expense for ratemaking purposes and pension expense built into rates. The balance is rolled forward to the true-up period to determine the proper amount to be included in rate base and upon which to base an annualized amortization in this case.

Q: How was the FAS 87 regulatory asset rolled forward to the true-up period balance?

A: The total company FAS 87 pension regulatory asset balance at June 30, 2024 was adjusted by the projected total company difference between FAS 87 expense for Missouri ratemaking purposes and the FAS 87 expense built into rates for the period July 1, 2024 through the true-up period. The regulatory asset balance was also reduced by the projected amortizations for the July 1, 2024 through the true-up period.

Q: What is EMW's projected amount at the true-up period for the FAS 87 regulatory liability on a total company basis?

A: EMW's FAS 87 regulatory liability is projected to be $11,825,778 at the true-up period.

Q: Why was a five-year amortization period used for the FAS 87 regulatory liability?

A: A five-year amortization period was used consistent with the 2024 Rate Case Pension and OPEB stipulated amounts.

Q: Is the FAS 87 regulatory asset properly includable in rate base?

A: Yes, it is included in rate base per the Non-Unanimous Stipulation and Agreement Regarding Pensions and OPEBs in the 2024 Case.

Q: Please explain the FAS 88 regulatory asset.

A: This regulatory asset represents the cumulative deferred costs for pension plan settlements accounted for under FAS 88. Because these do not occur on a regular basis and vary over time, they are tracked by vintage for ease of calculation and discussion. This case will include seven vintages: (1) the 2019, 2020, 2021, 2022, 2023 and 2025 settlement costs and (2) the 2019-2021 vintage adjustment.

Q: What is EMW's projected cumulative FAS 88 regulatory balance at the true-up period?

A: EMW's projected FAS 88 regulatory asset at the true-up period is $11,127,727. The balance consists of $944,158 for the 2019 vintage, $474,507 for the 2020 vintage, $390,415 for the 2021 vintage, $5,227,623 for the 2022 vintage, and $(3,003,894) for the 2023 vintage, and $5,345,563 for the 2019, 2020 and 2021 actuarial report vintage correction, and $1,749,355 for the 2025 vintage.

Q: Why was a five-year amortization period used for the FAS 88 regulatory asset?

A: A five-year amortization period was used consistent with the Non-Unanimous Stipulation and Agreement in the 2024 Case.

Q: Is the FAS 88 regulatory asset included in rate base?

A: No, it is not included in rate base in accordance with the Non-Unanimous Stipulation and Agreement in the 2024 Case.

Q: Please explain the prepaid pension asset adjustment.

A: This asset represents the cumulative projected difference between pension expense computed under FAS 87 and contributions to the pension trusts. This adjustment was made

to roll forward the prepaid pension regulatory asset to the true-up period to determine the proper amount of the prepaid pension asset to be included in rate base.

Q: What is EMW's projected amount at the true-up period for prepaid pension assets?

A: The prepaid pension asset is projected to be $0 for EMW at the true-up period.

Q: Does annualized pension expense include SERP expense?

A: No, SERP expense is considered separately in adjustment CS-62, which is discussed later in this testimony.

CS-11 OUT OF PERIOD ITEMS

Q: Please explain adjustment CS-11.

A: The Company adjusted certain expense transactions recorded during the test year from the cost-of-service filing in this rate case. The following is a listing of the various components included in the adjustments:

- Removed charges from the test year. The Company has identified certain costs recorded during the test year for which it is not seeking recovery in this rate proceeding. These costs for which the Company is not seeking recovery primarily include financial performance-based officer long-term incentive compensation and certain officer expense report items.
- Elimination of Various Costs and One Time Journal Entries. Various one-time journal entries were removed from the test year and also costs eliminated from the test year related to deferral accounting.

CS-50 PAYROLL

Q: Please explain adjustment CS-50.

A: EMW annualized payroll expense is based on employee headcount as of March 31, 2026 adjusted for labor impacts of the energy efficiency rider implementation ("MEEIA"), multiplied by salary and wage rates expected to be in effect as of True-up Date.

Q: How were salary and wage rates determined?

A: Salary rates for non-bargaining employees were based on annual salary adjustments expected to be in effect as of True-up Date. Wage rates for bargaining (union) employees were based on contractual agreements or estimated increases projected at the true-up date. Any changes finalized from those negotiations are expected to be reflected at the True-up Date in this rate case.

Q: Were amounts over and above base pay, such as overtime, premium pay, etc. included in the payroll annualization?

A: Yes, overtime was annualized at an amount equal to the average of overtime hours incurred for the 12-month periods ending December 2023, December 2024 and March 2026, including a calculation to current 2027 dollars. Temporary and summer employees O&M labor were annualized at an average of these same 12-month periods as well. Amounts were included for other categories at test year levels.

Q: Does annualized payroll include payroll Evergy Metro and EKC billed to EMW and other affiliates?

A: The annualization process includes all payroll, since all employees are either Evergy Metro employees or EKC employees. This process includes payroll expense at generation

stations operated by EMW's affiliates. However, annualized payroll included in this rate proceeding includes only EMW's allocated share of this cost.

Q: Does the payroll annualization adjustment take into consideration payroll billed to joint venture partners and payroll charged to capital?

A: Yes, the payroll annualization adjustment takes these factors into consideration.

Q: How was the payroll capitalization factor determined?

A: The Company used a three-year average payroll capitalization factor, as being representative of payroll capitalization going forward. The periods included in the three-year average capitalization factor included the 12 months ending December 2023, December 2024 and March 2026.

CS-51 INCENTIVE COMPENSATION

Q: Please explain adjustment CS-51.

A: EMW annualized incentive compensation is based on a 3-year average of payouts for the 2023, 2024, and 2025 Plan Years for AIP Plan (executives only), Variable Compensation Plan ("VCP") (non-union management personnel) and Wolf Creek PAR (union). Adjustments were made to the annualized amount to remove all incentive compensation that was associated with metrics tied to earnings per share for the AIP Plan (executives only) and the earnings per share portion included in the Variable Compensation Plan ("VCP") (non-union management personnel).

Q: Does this adjustment take into consideration incentive compensation billed to/from joint venture partners, billed to/from affiliated companies, and charged to capital?

A: Yes**,** it is based on data from the payroll adjustment discussed earlier in this testimony (adjustment CS-50).

Q: Aside from the VCP, AIP, and PAR incentive plans, is there another incentive plan component to this adjustment?

A: Yes. This adjustment also averages the Power Marketing incentive plan actual payouts for the same time period as described above. The Power Marketing incentive plan covers a group of employees whose responsibility is managing Evergy Inc's load and owned assets. This group also serves a secondary purpose in that it provides and shares resources and functions to manage assets for customers and other contracting parties, and to execute non-asset-based energy trading. This resource sharing creates efficiencies and benefits to EMW and importantly lowers costs at which EMW provides service to its customers. The incentive plan is offered to this functional set of employees in the power marketing area. All incentive amounts from the base incentive plan were split according to the percentage of asset metrics to non-asset metrics. Only the amounts booked above the line and related to asset metrics were included in the three-year average. Any additional incentive amounts from purely non-asset-based market activity are attributed to non-asset metrics at 100% and therefore not included in cost of service in this case.

CS-53 PAYROLL TAXES

Q: Please explain adjustment CS-53.

A: The Company annualized FICA, Medicare, and FUTA payroll tax expense by applying the tax rate (assuming the FUTA and SUTA ceiling had been achieved) to the annualized O&M portions of base salary plus VCP, executive incentive compensation, overtime, premium, temporary wages, and EMW's share of jointly owned plant. This adjustment also removes the payroll tax impacts of the MEEIA rider.

Q: Does this adjustment take into consideration payroll tax expense billed to/from joint venture partners, billed to/from affiliated companies, and charged to capital?

A: Yes**,** it is based on data from the payroll adjustment discussed earlier in this testimony (adjustment CS-50).

CS-62 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP")

Q: Please explain SERP Expense.

A: SERP is an additional component to the standard pension plan and is customary in many companies due to limitations imposed by the IRS on standard retirement plans for executives.

Q: **Was SERP expense included in Adjustment CS-65 with pension costs?**

A: No.

Q: Please explain the CS-62 SERP Adjustment.

A: CS-62 consists of two components. First, EMW's portion of SERP costs for the previous entity Aquila's SERP plan is included in the calculation based on historical calculation, as provided in previous EMW rate cases. Secondly, Evergy's SERP plan is included. Under the Evergy SERP plan, SERP costs are funded when the benefit is paid. Given that some plan participants elect a lump-sum payment method rather than an annuity, annual funding requirements can vary significantly between years. By using an average of total funding over a typical single life annuity period of 14.3 years for lump-sum payments, the adjustment reflects actual cash payments spread over time. Monthly annuity payments were normalized using a four-year average.

Test year amounts, which are based on expense as calculated by the Company's actuaries, are adjusted to reflect EMW's portion of SERP cash payments.

CS-71 INJURIES AND DAMAGES

Q: Please explain adjustment CS-71.

A: The Company normalized Injuries and Damages ("I&D") costs based on a five-year average payout history during the 12-month periods ending March 2022, March 2023, March 2024, March 2025 and March 2026, as reflected by amounts relieved from Federal Energy Regulatory Commission ("FERC") account 228.2. This account captures all accrued claims for general liability, workers' compensation, property damage, and auto liability costs. The expenses are included in FERC account 925 as the costs are accrued. The liability reserve is relieved when claims are paid under these four categories.

Q: Does account 925 also include costs charged directly to that account?

A: Yes, for smaller dollar claims that are recorded directly to expense, the Company averaged these expenses over the same five-year average.

Q: Why were multi-year averages chosen?

A: I&D claims and settlements of these claims can vary significantly from year-to-year. A period of 5 years was used to establish an appropriate on-going level of this expense by leveling out fluctuations in the payouts that can exist from one year to the next depending on claims activity and settlements.

Q: Please explain the second part of this adjustment.

A: The Company is proposing to set up an I&D reserve due to the unpredictability of expenses associated with these types of claims, rather than trying to predict precisely when and in what amount these costs will be incurred. The cost to build up the reserve is recorded as a consistent expense month to month and included in rates. This reserve, once established,

will provide a smoothing of annual expenses associated with I&D claims which are volatile year to year.

Q: Does the Company have an I&D Reserve in any other jurisdiction?

A: Yes, the Company has had an I&D Reserve established in both its EKC and EKM jurisdictions. Establishing an I&D Reserve for EMW will provide for more consistency in accounting across the operating jurisdictions.

Q: Please explain how the reserve amount was determined.

A: The Company is proposing to begin establishing the reserve by increasing operating expense equal to the annual amount calculated from a five-year average of claims experience incurred over a three-year period.

CS-72 STORM RESERVE

Q: Please explain why the Company is proposing to establish a storm reserve in this proceeding.

A: Storms are a normal occurrence in our service territory. When they occur, they can be quite devastating in many ways and have a significant financial impact on the utility. The establishment of a storm reserve would allow EMW to collect in rates the cost of storms that are significant in nature and are likely to occur in the future. Collecting amounts in rates, prior to when the storm costs are actually incurred, assists the Company in maintaining the distribution system to be shared by current and future customers and avoid placing all the burden on future customers who are using the system at the time the storm occurs.

Q: What are the benefits of a storm reserve?

A: The storm reserve will be used to levelize expenditures associated with significant storms benefitting both the customers through reduced rate volatility and the Company by lessoning the financial impact through a smoothing of month-to-month storm expenditures associated with the unpredictable, but likely significant storm events. The utility's focus and number one priority at the time of significant storms should be in restoring customer services that have been impacted by outages. The use of a storm reserve allows the Company to do just that and focus on service restoration and not on the current financial implications, since these costs will be spread over time instead of the constant sporadic and unpredictable uptick in costs when storms arrive.

Q: What is the Company proposing in adjustment CS-72?

A: The Company is proposing to set a reserve level and annualized level based upon a three-year average of storms costs (12-months ending December 2023, December 2024, and December 2025), where the costs related to individual storms were greater than $250,000. An annual amount equal to a two-year average of this annualized level has been included in the revenue requirement on an on-going basis. This is needed to continue to cover expenses paid out of the reserve over time due to the unpredictable and sporadic nature of storm events. The implementation of this reserve will be used to cover intermediate to large storms by using a $250,000 minimum storm level, but in the event a storm is very significant and impactful to Company operations, this request does not preclude the Company from requesting an Accounting Authority Order if the magnitude of the storm warrants the request, as has been done historically. In addition, please see the testimony of

Company Witness Ryan Mulvany for additional discussion on why the Company has requested a Storm Reserve in this rate case.

Q: **How will storm costs be identified and tracked?**

A: When a storm occurs, restoration costs will be tracked by project ID in Maximo under work orders. The costs are monitored, and once a single event accumulates costs in excess of $250,000 these costs would be moved out of expense and booked as an offset to the established storm reserve.

CS-100 SOLAR O&M

Q: Please explain adjustment CS-100.

A: With the addition of Foxtrot and Sunflower Sky solar plants to rate base, the Company will incur operating expenses associated with these facilities that are not reflected in test year expense. This adjustment annualizes expected operating and maintenance expenses that will be included in revenue requirement when the assets are placed into service.

V. CIP/CYBER SECURITY O&M TRACKER

Q: Why is the Company requesting a Critical Infrastructure Protection ("CIP") Cybersecurity Tracker ("Security Tracker")?

A: The Company, in emergency situations needs to be able to respond quickly and with flexibility to new threats surfacing every day. A tracker provides this ability. In the past, costs in this area have proven to be unpredictable and can vary from amounts established in base rates. Additionally, the Company is including a security component to the Security Tracker because security threat costs are expected to have an increasing impact on the Company.

Q: Please explain.

A: The security threat landscape continues to increase and evolve. Critical infrastructure—the electric grid at all voltage levels—is a rich target for United States' adversaries. In addition, there have been increases in violent domestic attacks on the nation's critical infrastructure. While Evergy has been responsive to compliance with regulations, reporting and risk-based prudent security measures, the ever-changing attack surface requires the Company to be flexible and expeditiously deploy prudent security response measures to protect the assets that serve Evergy's customers. See the testimony of Company witness Charles King who provides further testimony on the need for a tracker and offers deeper insight into evolving cyber and physical security challenges Evergy faces and the measures being taken to address them.

Q: **Does the requested security tracker include internal labor costs?**

A: No, it does not include internal labor costs for Evergy employees.

Q: How are the costs defined that would be included in the CIPS/Cybersecurity Tracker?

A: The O&M CIPS/Cybersecurity Tracker would be defined in the same manner as is included in Evergy's Kansas jurisdictions. In Docket No. 23-EKCE-775-RTS, Evergy Kansas Metro and Evergy Kansas Central were granted continuation of an O&M tracker defined as follows:

> The Security Tracker is for incremental O&M costs spent to meet continuously emerging security threats to critical infrastructure and growing regulatory requirements for protection of critical infrastructure, inclusive of Department of Defense ("DOD"), Department of Homeland Security ("DHS"), Department of Energy ("DOE"), Nuclear Regulatory Commission ("NRC"), Securities and Exchange Commission ("SEC"), Federal Communications Commission ("FCC"), Federal Energy Regulatory Commission ("FERC"), North American Electric Reliability Corporation ("NERC"), etc., or security needs. Historically, the impacts to Evergy have been heavily focused on cybersecurity and the growing attack

surface in cyber warfare that require the critical infrastructure industries to invest in security to protect the electric system. Today, the threats to critical infrastructure persist and continue to grow inclusive of physical security. These regulatory obligations, such as NERC Critical Infrastructure Protection ("CIP") Standards, are publicly available and subject to federal audits. Security needs are driven by many government entities, threat intelligence and analytics as well as industry best practices.

Q: Is the Company providing a sunset provision in this rate case associated with the Security Tracker?

A: Yes, the Security Tracker will terminate upon completion of the first EMW full general rate proceeding filed on or after January 1, 2031. If EMW wishes to continue the Security Tracker beyond that time, EMW must propose such action to the Commission. In that proceeding, EMW may request the Security Tracker mechanism be reauthorized and continued. EMW will bear the burden of showing the extension of the Security Tracker is in the public interest and will result in just and reasonable rates. All other parties retain the right to object to an extension of the Security Tracker in that future proceeding.

Q: If the Commission approves the continuation of the Security Tracker what are the base level of costs included in the revenue requirement in this case?

A: The base level of O&M included in the revenue requirement for EMW is $1,141,941.

VI. EARNINGS REVIEW SHARING ("ERS")

Q: Is the Company proposing an earnings review and sharing mechanism?

A: Yes. The Company proposes an ERS mechanism based on the framework set forth in Exhibit D to the LLPS Stipulation and Agreement filed on October 5, 2026, in EMM's general rate case, Case No. ER-2026-0143. At the time of this writing, that stipulation remains subject to approval. EMW is requesting approval of the mechanism in this proceeding, with the reporting dates and other utility-specific references adapted for EMW. The detailed terms of the Company's proposal are provided in Schedule RAK-5.

Company witness Ives discusses the policy reasons for the proposal. My testimony explains how the mechanism would operate, including the conditions for sharing, the calculation of the customer share, and the reporting and review procedures.

Q: When would the ERS be applicable?

A: The Company proposes that the ERS apply beginning with calendar year 2028, the first full calendar year following the effective date of rates in this case. The Company would file its first ERS report by March 31, 2029, reflecting calendar year 2028 results. The mechanism would continue until the effective date of rates established in the Company's next general rate case.

Q: What conditions must be met before earnings would be shared with customers?

A: Two conditions must be met. First, EMW's earned return on equity for the calendar year, calculated in accordance with Schedule RAK-5, must exceed the return on equity authorized in this case by more than 20 basis points. Second, actual LLPS base-rate revenues collected during that calendar year must exceed the LLPS base-rate revenues reflected in the revenue requirement used to establish the applicable base rates. If either condition is not met then no sharing would occur.

Q: How would the sharing calculation operate?

A: The Company would calculate the difference between EMW's earned return on equity for the applicable calendar year and the return on equity authorized in this case plus the 20-basis-point deadband, as described in Schedule RAK-5. Any positive difference would be multiplied by the equity portion of rate base reflected in the ERS report and grossed up for income taxes. If the LLPS revenue condition is also met, the earnings attributable to the excess above the deadband would be allocated 65% to customers and 35% to the Company.

The Company would retain all earnings up to the authorized return on equity plus the deadband.

Q: How would the LLPS revenue condition be evaluated?

A: The Company would compare the LLPS base-rate revenues actually collected during the calendar year with the LLPS base-rate revenues reflected in the revenue requirement from this rate case establishing the applicable base rates. If actual LLPS base-rate revenues do not exceed the amount reflected in rates, there would be no sharing, even if earned return on equity exceeds the deadband.

Q: How would the customer share be returned?

A: The customer share would be recorded as a regulatory liability for and returned through an amortization established by the Commission in a future rate case to return over a reasonable period determined in that case. The portion of the customer-sharing percentage above 50% would be for the benefit of low-income customers, funded in a manner other than through MEEIA low-income programs.

The Company would also identify the portion of the amount to be shared that is attributable to plant-in-service accounting ("PISA"). That portion would be returned over a period aligned with collection of the associated PISA amounts, as provided in Schedule RAK-5.

Q: What information would be used to prepare the ERS report?

A: The Company would begin with its Surveillance Monitoring Report submitted under 20 CSR 4240-20.090(6) for the calendar year being reviewed. The ERS report would use the same format, subject to the limited adjustments specified in Schedule RAK-5. Other than those specified adjustments, it would reflect actual historical results rather than the full range of normalization and annualization adjustments typically made in a general rate case.

Q: What adjustments would be made to the surveillance results for purposes of the ERS?

A: The Company would remove capital investment or expense that it has committed not to recover in base rates or that the Commission has disallowed for recovery. Out-of-period items would be reclassified to the appropriate period. The ERS calculation would exclude the effect of the regulatory liability being calculated under the mechanism, so that the sharing expense would not reduce the earnings used to determine that same sharing amount. The Company's Surveillance Monitoring Report would include the effect of the resulting deferral.

Consistent with Section 393.135, RSMo, the ERS report would also include CWIP balances associated with natural gas generation projects that have been approved through a CCN proceeding and whose associated project costs are eligible for inclusion in rate base. That provision would apply to EMW's qualifying projects based on their CCN approval.

Q: What reporting and review procedures would apply?

A: EMW would file its annual ERS report in a compliance docket established by the Commission no later than March 31 following the calendar year being reviewed. Staff and the OPC could request discovery concerning the amounts and calculations in the report. Unless the Company objects or gives notice that additional time is needed within three business days after receiving a request, it would respond within ten business days after receipt.

Staff would file its report identifying any disagreements by May 31, and EMW would respond by June 30. Disagreements would be limited to matters that would change the amount of sharing for the calendar year under review. If disputes remain, the Commission would establish a process to resolve them, with an intended resolution date

no later than August 31. If there are no disagreements, the Commission could issue an order based on the submissions without a hearing.

Q: What is the purpose of the 20-basis-point deadband?

A: The deadband allows some variation in actual results before sharing applies. An authorized return on equity is not a guaranteed return, and the Company's earned return can vary from the authorized level because of ordinary changes in revenues, expenses, investment, weather, and operating conditions. Under this proposal, the Company would retain earnings up to 20 basis points above its authorized return, with sharing above that level subject to the separate LLPS revenue condition. Company witness Ives discusses why that balance is appropriate during the period of large-load growth.

Q: Where are the detailed terms and calculations supporting the Company's proposal provided?

A: The detailed terms, calculation methodology, permitted adjustments, reporting deadlines, review process, and treatment of amounts allocated to customers are set forth in Schedule RAK-5.

Q: What is your recommendation to the Commission?

A: I recommend that the Commission approve the ERS described in my testimony and Schedule RAK-5, including a 20-basis-point deadband, the LLPS revenue condition, the 65%/35% customer and Company sharing ratio, the provision for low-income customers, and the treatment of amounts attributable to PISA.

Q: Does this 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 RONALD A. KLOTE

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Ronald A. Klote, being first duly sworn on his oath, states:

1. My name is Ronald A. Klote. I work in Kansas City, Missouri and I am employed by Evergy Metro, Inc. as Sr. Director, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri West consisting of thirty-five (35) 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.

Ronald A. Klote

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

Revenue Requirement

Line No.	Description	7.6359% Return
	A	B
1	Net Orig Cost of Rate Base (Sch 2)	$ 4,666,529,731
2	Rate of Return	7.6359%
3	Net Operating Income Requirement	$ 356,331,544
4	Net Income Available (Sch 9)	$ 181,515,603
5	Additional NOIBT Needed	174,815,941
6	Additional Current Tax Required	$ 54,733,123
7	Gross Revenue Requirement	$ 229,549,064

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

Rate Base

Line No.	Description	Amount	Witness	Adj No.
	A	B	C	D
	Total Plant :			
1	Total Plant in Service - Schedule 3	$ 6,006,397,520	Branson	RB-20
	Subtract from Total Plant:			
2	Depreciation Reserve Schedule 5	$ 1,613,525,761	Branson	RB-30
3	**Net (Plant in Service)**	$ 4,392,871,759		
	Add to Net Plant:			
4	Cash Working Capital	(57,697,931)	Branson	Model
5	Materials and Supplies	77,846,792	Fischer	RB-72
6	Prepayments	15,136,525	Fischer	RB-50
7	Fuel Inventory - Oil	18,920,331	Meitner	RB-74
8	Fuel Inventory - Coal	14,460,841	Meitner	RB-74
9	Fuel Inventory - Other	235,978	Meitner	RB-74
10	Iatan 1 & Common Regulatory Asset	2,608,586	Fischer	RB-25
11	Iatan 2 Regulatory Asset	10,590,067	Fischer	RB-26
12	Property Tax Tracker Deferral	14,843,630	Hardesty	RB-126E
13	Regulatory Asset - PAYS	932,104	Fischer	RB-86
14	Regulatory Asset - PISA Deferral	181,562,754	Fischer	RB-85
15	Regulatory Asset - ERISA Minimum Tracker-Steam	0	Klote	RB-66
16	Reg Asset - FAS 87 Pension Tracker	(11,482,536)	Klote	RB-65
17	Reg Asset (Liab) - OPEB Tracker	(634,855)	Klote	RB-61
18	CWIP - New Gas Generation	716,725,819	Klote	RB-21
	Subtract from Net Plant:			
18	Customer Advances for Construction	$ 4,500,320	Fischer	RB-71
19	Customer Deposits	$ 742,438	Fischer	RB-70
20	Income Eligible Weatherization	$ 368,200	Fischer	RB-101
21	Deferred Income Taxes - Retail/Whsl/Steam	$ 567,655,649	Hardesty	RB-125
22	Deferred Income Taxes - Retail/Whsl Only	$ (59,923)	Hardesty	RB-125
23	Deferred Income Taxes - 100% MO Retail Elec	$ 137,183,449	Hardesty	RB-125
24	**Total Rate Base**	$ 4,666,529,731		

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

Income Statement

Line No.	Description	Total Company Test Year	Adjustment	Adjusted Total Company	Electric Juris Adjusted Balance
	A	B	C	D	E
1	Operating Revenue	$ 938,009,717	186,530,668	1,124,540,385	1,104,124,504
2	Operating & Maintenance Expenses:				
3	Production	$ 295,641,187	$ 155,177,779	$ 450,818,966	$ 447,604,132
4	Transmission	60,814,808	(1,276,738)	59,538,070	59,420,850
5	Distribution	35,175,110	(1,205,322)	33,969,788	32,829,221
6	Customer Accounting	27,332,310	7,073,381	34,405,691	34,405,691
7	Customer Services	20,467,509	(16,254,253)	4,213,256	4,213,256
8	Sales	149,484	7,540	157,024	157,024
9	A & G Expenses	64,100,872	$ (2,688,420)	61,412,453	59,747,938
10	Total O & M Expenses	$ 503,681,280	$ 140,833,966	$ 644,515,247	$ 638,378,112
11	Depreciation Expense	$ 154,008,918	$ 28,410,635	$ 182,419,553	$ 180,543,193
12	Amortization Expense	1,521,459	554,882	2,076,341	2,075,177
13	Amortization Regulatory Debits & Credits	(4,964,342)	48,589,096	43,624,754	45,235,264
14	Taxes other than Income Tax	57,279,840	(1,290,048)	55,989,792	55,429,013
15	Net Operating Income before Tax	$ 226,482,562	$ (30,567,862)	$ 195,914,700	$ 182,463,745
16	Income Taxes	$ (9,642,689)	$ (11,388,907)	$ (21,031,596)	$ (21,031,596)
17	Income Taxes Deferred	27,047,589	(4,959,340)	22,088,249	22,088,249
18	Investment Tax Credit	(108,510)	-	(108,510)	(108,510)
19	Total Taxes	$ 17,296,390	$ (16,348,248)	$ 948,142	$ 948,142
20	Total Net Operating Income	$ 209,186,172	$ (14,219,614)	$ 194,966,557	$ 181,515,603

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

Summary of Adjustments

Line No.	Adj No.	Description	Witness	Total Company Increase (Decrease)
	A	B	C	D
1	R-20	Revenue Normalization	Jaynes	$ 85,152,681
2	R-21a	Forfeited Discounts	Fischer	$ 15,064
3	R-21b	Forfeited Discounts - Revenue Requirement "Ask"	Fischer	$ 130,157
4	CS-23	Remove FAC Under-Recovery (Revenue)	Nunn	$ (23,399,535)
5	R-35	Off-System Sales Revenue	Foo	$ 125,049,064
6	R-40	PAYS Revenue Offset	Fischer	$ (7,788)
7	R-80	Transmission Revenue Credit	Reuter	$ (122,375)
8	R-82	Transmission Revenue Annualization	Nunn	$ -
9	R-88	Misc Revenue	Fischer	$ (333,640)
10	R-99	NUCOR Revenue	Nunn	$ -
11	R-101	Low Income Solar Subscrip	Fischer	$ 47,041
12	CS-4	GREC Bad Debt Expense	Fischer	$ 2,804,245
13	CS-9	GREC Bank Fees	Fischer	$ 2,499,845
14	CS-10	Customer Deposits - Interest	Fischer	$ 68,809
15	CS-11	Out-of-Period Items - Cost of Service	Klote	$ 1,098,480
16	CS-20a	Bad Debt	Fischer	$ 96,085
17	CS-20b	Bad Debt - Revenue Requirement "Ask"	Fischer	$ 751,133
18	CS-23	Remove FAC Under-Recovery (Expense)	Nunn	$ 74,589,426
19	CS-24	Fuel & PP Energy (On-system)	Meitner/Foo	$ 57,083,086
20	CS-25	Purchased Power (Capacity)	Foo	$ 15,167,000
21	CS-39	IT Software Maintenance	Fischer	$ (393,192)
22	CS-40	Transmission Maintenance	Fischer	$ 149,631
23	CS-41	Distribution Maintenance	Fischer	$ (948,552)
24	CS-42	Generation Maintenance	Fischer	$ 2,117,518
25	CS-43	Major Maintenance	Fischer	$ 715,000
26	CS-44	ERPP	Fischer	$ 66,631
27	CS-45	Transmission of Electricity by Others	Nunn	$ (2,357,231)
28	CS-46	Critical Needs Program	Fischer	$ (28,973)
29	CS-47	Rehousing Low-Income Pilot Program	Fischer	$ 2,922
30	CS-50	Payroll	Klote	$ 2,524,261

Evergy
2026 RATE CASE - MO WEST - DIRECT
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Summary of Adjustments

Line No.	Adj No.	Description	Witness	Total Company Increase (Decrease)
	A	B	C	D
31	CS-51	Incentive	Klote	$ (504,728)
32	CS-53	Payroll Taxes	Klote	$ 506,394
33	CS-60	Other Benefits	Fischer	$ (494,372)
34	CS-61	OPEB	Klote	$ 561,236
35	CS-62	SERP	Klote	$ 187,537
36	CS-65	Pension Expense	Klote	$ (2,906,733)
37	CS-70	Insurance	Fischer	$ 63,620
38	CS-71	Injuries and Damages	Klote	$ (50,560)
39	CS-72	Storm Reserve	Klote/Mulvaney	$ 622,240
40	CS-76	Customer Deposit - Interest	Fischer	$ (9,414)
41	CS-78	GREC Bank Fees	Fischer	$ (389)
42	CS-80	Rate Case Expense	Fischer	$ 635,190
43	CS-85	Regulatory Assessment	Fischer	$ 1,067,896
44	CS-86	SPP Schedule 1A Admin Fees	Nunn	$ 772,289
45	CS-88	CIPS / Cyber Security O&M	Klote/King	$ -
46	CS-89	Meter Replacement O&M	Fischer	$ 192,262
47	CS-90	Advertising	Fischer	$ 30,862
48	CS-91	TOU Ongoing	Fischer	$ 94,526
49	CS-92	Dues & Donations	Fischer	$ (1,985)
50	CS-93	Amortization PISA Deferral	Fischer	$ 6,809,085
51	CS-94	Amort PISA FAC Deferral	Fischer	$ 406,729
52	CS-95	Amortization of Merger Transition Costs	Fischer	$ -
53	CS-98	MEEIA	Fischer	$ (12,942,901)
54	CS-100	Solar O&M	Klote	$ 2,777,179
55	CS-101	Income Eligible Weatherization	Fischer	$ 161,244
56	CS-108	Remove CWIP/FERC Incentives-Transource	Reuter	$ 92,544
57	CS-109	Lease Expense	Fischer	$ 1,204,877
58	CS-111	Amort Iatan I and Common Reg Asset	Fischer	$ -

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

Summary of Adjustments

Line No.	Adj No.	Description	Witness	Total Company Increase (Decrease)
	A	B	C	D
59	CS-112	Amort Iatan II Reg Asset	Fischer	$ -
60	CS-113	Amort Prospective Tracking	Fischer	$ 4,369,202
61	CS-116	Renewable Energy Standards	Fischer	$ (3,601,909)
62	CS-117	Common Use Billings - Common Plant Adds	Fischer	$ 743,632
63	CS-120	Depreciation Expense	Branson	$ 28,575,386
64	CS-121	Plant Amortization Expense	Branson	$ (295,525)
65	CS-122	Gen Plt Acctg Resv Adj Amortiz	Branson	$ 652,174
66	CS-125	Income Taxes	Hardesty	$ (16,348,248)
67	CS-126	Property Taxes	Hardesty	$ 4,649,129
68	CS-128	KC Earnings Tax	Hardesty	$ 41,779
69	CS-131	Amort Electrification Deferred Asset	Fischer	$ 73,174
70	CS-132	Amort Exp Portion of Sibley AAO Deferral	Fischer	$ 26,405,936
71	CS-133	Amort Customer Education Reg Asset	Fischer	$ (24,983)
72	CS-134	Amort TOU Program Costs Reg Asset	Fischer	$ (477,910)
73	CS-135	PAYS Amort	Fischer	$ 51,523
74	CS-136	COVID AAO Amort	Fischer	$ (725,280)
75	CS-138	Amort RA - TOU Program Costs	Fischer	$ (444,297)
76	CS-140	Excess Maintenance Reserve	Fischer	$ 7,678,812
77	CS-141	Amort Hedging Gains/Losses	Fischer	$ -
78	CS-142	Amort Crossroads Study	Fischer	$ 111,687
79	CS-143	Amort Dogwood Acq Premium	Fischer	$ (5,964,750)
80		**Total Impact on Net Operating Income**		$ (14,219,614)

MO West ER-2027-0077 Earnings Review Sharing ("ERS") Term Sheet

Earnings Review Surveillance Mechanism

The Parties agree that EMW should implement an Earnings Review Surveillance ("ERS") Mechanism

a) No later than March 31 following the end of each calendar year beginning 2028 until the time EMW Files its next general rate case and new base rates become effective as a result of that case, EMW shall file with the Commission in a compliance docket to be established, an ERS Report in the same format as the EMW's Surveillance Monitoring Reports submitted under 20 CSR 4240-20.090(6) for the calendar year in question, except for those limited adjustments described below.

b) Once Company has filed the compliance docket with the Commission, Staff and OPC may request discovery regarding amounts and/or calculations within Company's ERS Report and the revenue sharing mechanism. Unless the Company objects and/or gives notice of need for additional time to respond within three (3) business days of receipt of a discovery request, discovery will be responded to within ten (10) business days from the date of receipt.

    i. Staff and OPC shall be permitted to review the ERS Report for each annual filing. No later than May 31 of the applicable year, Staff shall file a report with the Commission indicating any areas of disagreement with the ERS Report filed by EMW. Areas of disagreement shall be limited to disagreements that would result in a change to the amount of revenue sharing arising from the calendar year in question.

    ii. EMW shall respond to any areas of disagreement no later than June 30 of the applicable year

    iii. If disputed issues exist at that time, the Commission shall establish an appropriate process for the resolution of such disputed issues by Commission order with an intended date no later than August 31 of the applicable year.

    iv. Absent any areas of disagreement, the Commission may, at its discretion, issue an order based on submissions made in the docket, without hearing.

c) For each calendar year beginning 2028 until the time EMW files its next general rate case and new base rates become effective as a result of that case, the earned return on equity ("ROE") of the Company, as reported in the ERS Reports, may be subject to sharing with the Company's retail electric customers as follows:

    i. The amount subject to sharing shall be calculated as the difference between EMW's earned ROE for the calendar year at issue, as reported in EMW's filed ERS Report, and the Commission approved ROE in this case after consideration of a Company retention deadband ("Deadband"). In applying the Deadband, the Company will retain 100% of all earnings up to 20 basis points above the authorized ROE approved in this case. For example, if the authorized ROE is 10%, application of the Deadband would result in earned returns needing to exceed 10.2% before customer sharing begins under the ERS. The difference between EMW's earned ROE for the calendar year at issue and the approved ROE after application of the Deadband as just

described shall be multiplied by the equity portion of rate base reflected in EMW's filed ERS Report and grossed up for income taxes. Any positive amount shall be multiplied by sixty-five percent (65%), and the resulting product shall be deferred as a regulatory liability to be returned to retail electric customers through an amortization established by the Commission in a future rate case over a reasonable period of years established by the Commission in that case. Any percentage of the share above 50% will be for the benefit of low-income customers. For purposes hereof, "low income" does not include funding for MEEIA low-income programs.

ii. If EMW's earned ROE exceeds its authorized ROE after application of the Deadband, the Company shall also determine whether LLPS base rate revenues contributed to the excess earnings. The Company shall compare the LLPS base rate revenues collected during the calendar year to the LLPS base rate revenues reflected in the revenue requirement from the rate case establishing the applicable base rates. If actual LLPS base rate revenues do not exceed the amount included in the revenue requirement, no revenue sharing shall occur because the excess earnings were not attributable to significant LLPS growth or changes in LLPS business conditions.

iii. If the conditions set forth in items i and ii above are satisfied the amount of earnings to share must be assessed to identify the amount attributable to PISA, which shall be returned to customers over a period that aligns with the collection of the associated PISA amounts.

d) The ERS Report shall include the following adjustments to the Company's Surveillance Monitoring Report submitted in accordance with 20 CSR 4240-20.090(6) for the calendar year in question:

i. The removal of any capital investment or expense which the Company has committed not to recover in its base rates or that the Commission has disallowed for recovery.

ii. Reclassification of any out-of-period items to another period.

iii. The Company's Surveillance Monitoring Report submitted in accordance with 20 CSR 4240-20.090(6) will include the effect of any amounts being deferred as a regulatory liability under this revenue sharing mechanism, which were necessarily excluded from the ERS Report used to determine the amount of such deferrals.

iv. Consistent with section 393.135 RSMo, CWIP balances associated with natural gas generation projects shall be included in the ERS Report if the project was approved through a Certificate of Convenience and Necessity ("CCN") proceeding and associated project costs are eligible for inclusion in rate base.

e) For the avoidance of doubt, the ERS Report shall not include any adjustment to update the calendar year results, remove one-time or nonrecurring expenses, normalize billing units for weather, or any other adjustment which is typically meant to normalize or annualize a test period for ratemaking purposes (other than those limited adjustments described above).

f) This ERS process shall terminate after rates become effective following EMW's next general rate case, unless otherwise extended by the Commission in that proceeding.