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Exhibit No. 8

Evergy Missouri Metro – Exhibit 8
Direct Testimony of Ronald A. Klote
Case No. EA-2026-0154

Exhibit No.:	
Issue:	Construction Accounting, CWIP and Cost Allocation
Witness:	Ronald A. Klote
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Evergy Missouri Metro
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Date Testimony Prepared:	May 14, 2026

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EA-2026-0154

DIRECT TESTIMONY

OF

RONALD A. KLOTE

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri
May 2026

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DIRECT TESTIMONY

OF

RONALD A. KLOTE

CASE NO. EA-2026-0154

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 Kansas Metro ("EKM"), Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("EKC"), Evergy Metro, Inc. ("Evergy Metro") d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro", "EMM", "Applicant", or the "Company"), and Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW"), the operating utilities of Evergy, Inc. ("Evergy")

Q: On whose behalf are you testifying?

A**:** I am testifying on behalf of EMM.

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 continue in that position today with Evergy.

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

A: Yes. I have testified before the PSC, the Kansas Corporation Commission ("KCC"), the California Public Utilities Commission, and the Public Utilities Commission of Colorado.

Q: What is the purpose of your testimony?

A: My testimony concerns accounting issues related to the new 400 MW simple-cycle natural gas generating facility known as Mullin Creek #2 (also referred to as the "Project") for which EMM seeks a certificate of convenience and necessity ("CCN") in this case. Mullin Creek #2 is a new natural gas generating unit that will be located in Nodaway County, Missouri proximate to the new Mullin Creek #1 natural gas generating unit (to be owned by Evergy Missouri West) that was granted a CCN by the Commission in July 2025 in Case No. EA-2024-0075. Specifically, the purpose of my testimony is (1) to request that the Commission determine the amount of construction work in progress ("CWIP") that will be eligible for inclusion in rate base after expended during the construction phase of the project, pursuant to newly enacted Section 393.135.2[1]; (2) to discuss the accounting process the Company will implement for the common plant of the natural gas facilities at the Mullin Creek Generating Station in order to ensure costs are appropriately allocated according to each utility affiliate's ownership interest; and (3) to explain how 100% of the Project's costs will be allocated or assigned to the Missouri jurisdiction of Evergy Metro. The Company requests a CCN for Mullin Creek #2 because it is an essential element of the

[1] All citations are to the Revised Statutes of Missouri (2016), as amended.

efforts of Evergy Missouri Metro to fulfill its current and projected capacity and energy needs. .

II. REQUEST FOR CONSTRUCTION WORK IN PROGRESS FOR THE PROJECT

Q: When will the Company's rates reflect a full return of and on its investment in Mullin Creek #2?

A: Rates will not reflect a full return on and of the investment in the Project until it is included in new base rates after Mullin Creek #2 is found to be in service. The estimated in-service date for the Project is December 2030. The Company cannot perfectly align a rate review with the date when this new investment will go into service. The minimum time period between the true-up date of June 30, 2026, in EMM's pending rate case, No. ER-2026-0143 and the effective date of new rates has typically been approximately six months.

Q: Is Evergy permitted to reflect the facilities' investment costs in rate base as construction work in progress ("CWIP"), pursuant to Section 393.135.2?

A: Yes. As part of Senate Bill 4, enacted in 2025, Section 393.135.2(1), Evergy "may be permitted … 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 allowance for 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. The commission shall determine, in a proceeding under section 393.170, the amount of construction work in progress that may be included in rate base. The amount shall be limited by: (a) The

estimated cost of such project; and (b) Project expenditures made within the estimated construction period for such project."

Q: What are the estimated costs of the project?

A: The estimated total project cost for Mullin Creek #2, which reflects the exclusion of any allowance for funds used during construction ("AFUDC") and the effect of any CWIP allowed in rate base, is **[redacted]** To be clear, the recovery of CWIP will only occur beginning on the effective date of a Commission order that allows for such recovery in a general rate case and will not completely replace AFUDC. AFUDC will still accrue on CWIP balances that are not reflected in retail rates. While this Project will strengthen reliability and expand dispatchable capacity system wide for the benefit of all Missouri customers of Evergy Metro, a material portion of the project costs will ultimately be borne by new large load customers in EMM's jurisdiction. This approach is consistent with cost causation principles which will help to mitigate rate impacts on the broader customer base.

Q: Why does Evergy Missouri Metro request that CWIP be allowed in rate base under Section 393.135.2, rather than seek approval of AFUDC?

A: Over time the CWIP procedure can cost customers less than the AFUDC process. Under Section 393.135.2, the money invested to build Mullin Creek #2 will be recognized in rate base as the construction of the facility takes place. Under the CWIP process customers will pay less capitalized interest on the investment as the construction costs are included in rate base. The opposite is the case under the AFUDC procedure where the interest on the funds invested in the plant is capitalized and the Project continues to accrue capitalized interest on construction expenditures until the asset goes into service, and that capitalized interest is then paid by customers. Once added to rate base under AFUDC, both the

investment in the plant and the accrued carrying costs earn a rate of return and are depreciated over the life of the facility.

It is true that the CWIP method requires customers to pay construction costs in rate base sooner rather than later when the plant is in service. However, customers will not pay for all of the capitalized interest that would have been accrued under AFUDC accounting which requires rate increases over the long run because of higher depreciation charges and the return on the undepreciated amount of the capitalized interest in rate base.

Q: On February 6, 2026, Evergy Missouri Metro filed a general rate case in No. ER-2026-0143. Did EMM request CWIP costs associated with Mullin Creek #2?

A: Yes, on behalf of Evergy Missouri Metro, I made that request in my direct testimony in No. ER-2026-0143 on pages 13-15 where I explained the RB-21 CWIP adjustment that is needed for a new natural gas generating units. One of the two units included in that request is the Mullin Creek #2 plant. As provided in Section 393.135.2, the amount of CWIP that was estimated by the Company to be included in rate base is $66,593,424 This amount is the Mullin Creek #2 plant's estimated CWIP amount as of June 30, 2026, included in the Company's request. At the true-up date of the rate case, the amount of CWIP that has actually been expended will be included in the Company's true-up revenue requirement calculation in ER-2026-0143.

Q: **What is the benefit to EMM customers for including this?**

A: As stated above, when the construction costs of a generating facility begins, the project begins to accrue and capitalize AFUDC which ultimately become part of the total construction costs of a project. By including CWIP costs in rate base during a rate case

proceeding, AFUDC costs cease accruing and ultimately lower the cost of the construction project. This ultimately lowers the overall costs that are collected from customers.

III. ACCOUNTING FOR JOINTLY OWNED FACILITIES AT THE MULLIN CREEK GENERATING STATION

Q: How will the Company formalize its operating and accounting approach for the common plant of the natural gas facilities that will be jointly owned?

A: Similar to Evergy's other jointly owned facilities, including Jeffrey Energy Center, LaCygne Energy Center, and Iatan Energy Center, Evergy will put in place a Joint Ownership and Operating Agreement ("JOA") for the ownership of common facilities being utilized by Mullin Creek #1 (to be owned by Evergy Missouri West, Inc.) and Mullin Creek #2 (to be owned by Evergy Metro, Inc.). Evergy is still in the process of developing the JOA. Because the JOA will be an agreement between affiliates, Evergy will submit the executed version of the agreement to the Commission once it is finalized and signed. Evergy expects the structure of the JOA to be similar to the most recent agreement executed for a dispatchable, jointly owned plant, which was for the Viola and the McNew Generating Stations in No. EA-2025-0075 regarding their common facilities.

Q: How will the Company account for costs related to the jointly owned assets in order to ensure their costs are assigned appropriately based on ownership interest?

A: Evergy will manage the accounting for costs related to the jointly owned assets in the same manner that it currently manages costs for its plants that are jointly owned by its utilities. For example:

- Construction costs, removal costs, and/or net salvage incurred by EMW/EMM as the operator of the Mullin Creek common facilities will be accounted for in accordance with the FERC Uniform System of Accounts

and with Generally Accepted Accounting Principles ("GAAP"). The joint owners will share all construction costs, removal costs, and/or net salvage in proportion to their ownership share associated with the common facilities.

- Cost of construction, removal and salvage will be specifically identified. EMM and EMW will record and track costs directly assignable to the Mullin Creek common facilities in separate and distinct projects within its accounting system, to allow for appropriate and accurate reporting and allocations to the co-owners. Allocation of costs will occur on a monthly basis when books are closed. Evergy will use intercompany accounts to record the payables and receivables between affiliates.
- Once Mullin Creek #1 and Mullin Creek #2 are in-service, EMM and EMW will operate the common facilities pursuant to the JOA and will incur expenses associated with operating and maintaining those plants. Evergy Missouri Metro will record and track labor and other costs directly assignable to the jointly owned facilities as separate and distinct items within its accounting system to allow for appropriate and accurate reporting and allocation to the co-owners. The allocation of costs will occur on a monthly basis when books are closed, and EMM and EMW will use intercompany accounts to record the payables and receivables between affiliates.
- Each co-owner will report to the appropriate taxing authority its ownership share subject to real estate and personal property taxes. and will make timely

payment of all taxes levied thereon. Each co-owner will record its property tax expense directly on its own books.

- Each co-owner will own an interest in the inventory of materials and supplies in proportion to its ownership share. At the time of purchase, inventory items will be identified for the facility or asset they relate to. The associated cost of inventory will be allocated to each co-owner based on the respective percentage of ownership share.

The Company will ensure that the accounting for any capital investment or operating expense related to a jointly owned asset is managed in a way that ensures the appropriate allocation of the responsibility of costs to each owner based on its ownership share.

IV. JURISDICTIONAL ALLOCATION OF THE PROJECT

Q: How does Evergy Metro, Inc. intend to allocate or assign the capacity and costs of Mullin Creek #2 between its two jurisdictions?

A: Evergy Metro, Inc. intends to allocate or assign Mullin Creek #2 to its Missouri jurisdiction, referred to here as EMM. Accordingly, the costs associated with Mullin Creek #2 will be 100% assigned to the EMM jurisdiction.

Q: How has Evergy Metro, Inc. historically assigned generation assets?

A: Evergy Metro, Inc. has assigned[2] or allocated its generation assets and their associated plant investment and related revenue requirement between its Kansas and Missouri jurisdictions, including their respective Kansas and Missouri customers. In contrast, Evergy Metro, Inc. plans to assign or allocate Mullin Creek #2 directly to the Missouri

[2] I use the term "assign" to mean allocating or allotting the Project and its costs to a jurisdiction, but not in the legal sense of conveying or transferring property.

jurisdiction of EMM. Under this approach the costs of the facility will not be shared between the jurisdictions but instead will be directly assigned to EMM's Missouri jurisdiction, which will be provided with services and benefits.

Q: Why is the Company changing its approach to assigning generation assets associated with the Evergy Metro jurisdictions?

A: The Company believes the timing is right for several reasons. First, Evergy Metro, Inc. is changing its approach to assigning certain generation assets in order to more closely align costs with the jurisdiction that directly benefits from its assets. Assigning this resource to the EMM jurisdiction is supported by and aligned with the development of the load forecasting and resource planning considerations in the internal resource plans that its operating utilities are developing. Based on this work and the current operating environment, directly assigning generation assets to a specific jurisdiction is appropriate.

Secondly, the timing of this assignment or allocation will likely help a significant initiative currently being considered by the Company. The Company is currently analyzing the impacts of consolidating its jurisdictions, as reported in the working case No. EW-2025-0220. Because Mullin Creek #2 will support EMM's long term needs, directly assigning the Project's costs to Missouri will help to advance future jurisdictional consolidation discussions, as well as future decisions. This would remove an aspect of an allocation process that will have significant challenges in getting assets allocated between the Kansas and Missouri jurisdictions. As new generation is added in the future, it can be directly assigned to the jurisdiction that it will be providing the support for. If Evergy Metro, Inc. continues to allocate its assets between Missouri and Kansas as it currently does, this will only compound the difficult and complex issues that EMM faces

today. As such, the Company plans to assign Mullin Creek #2 and 100% of its costs to EMM's Missouri jurisdiction.

V. CONCLUSION

Q: Please summarize your testimony.

A: My testimony has focused on three accounting issues associated with the Company's CCN request for Mullin Creek #2. First, I have requested that the Commission determine under Section 393.135.2 the amount of CWIP eligible for rate base inclusion in the Company's rate cases be tied to the Project's total costs (excluding AFUDC). Secondly, I have discussed the accounting process that will be used for any jointly owned common plant of the generating facilities related to the Project in order to ensure that costs are appropriately allocated to each common owner. Finally, I explain why the Company is allocating or assigning 100% of the Project's costs to EMM, which is the Missouri jurisdiction of Evergy Metro.

Q: Does this conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

AFFIDAVIT OF 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 Senior Director, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro consisting of eleven (11) 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 14th day of May 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 Metro, Inc. d/b/a Evergy Missouri Metro

Docket No.: EA-2026-0154
Date: May 14, 2026

CONFIDENTIAL INFORMATION

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

Document/Page	**Reason for Confidentiality from List Below**
Klote Direct, p. 5, ln. 6	3, 4, and 6

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

1. Customer-specific information;

2. Employee-sensitive personnel information;

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

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

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

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

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

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

9. Other (specify) _____.

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