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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2026-0143

DIRECT TESTIMONY

OF

KEVIN D. GUNN

ON BEHALF OF

EVERGY MISSOURI METRO

Kansas City, Missouri

February 2026

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DIRECT TESTIMONY

OF

KEVIN D. GUNN

Case No. ER-2026-0143

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Kevin D. Gunn. My business address is 1200 Main Street, Kansas City, Missouri 64105.

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

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

Q: On behalf of who are you testifying?

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

Q: What are your responsibilities?

A: My responsibilities include developing and implementing Evergy's regulatory policy at the state and federal level, including managing regional transmission organization ("RTO") policy. Currently, my state duties are limited to Government Affairs and Missouri regulatory policy.

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

A: I received a Bachelor of Arts from American University in 1992 and a Juris Doctor from St. Louis University School of Law in 1996. I was a Commissioner on the Missouri Public Service Commission from 2008 to 2013 and served as Chair from 2011-2013. Prior to being on the Commission, I served as a lawyer in private practice and as a Congressional Chief of Staff. Subsequent to serving on the Commission, I was a regulatory affairs consultant and Executive Director of Regulatory and Political Affairs, Central Region for NextEra Energy Resources.

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

A: Yes. I have provided testimony before the PSC, most recently in EMM and EMW's large load tariff filing No. EO-2025-0154 and EMW's rate case No. ER-2024-0189.

Q: What is the purpose of your direct testimony?

A: The purpose of my testimony is to introduce Evergy Missouri Metro's requests in this rate proceeding. I will describe how EMM operates and summarize the key drivers of our proposed rate increase which are investments to improve reliability and to enhance customer service. My testimony outlines EMM's efforts to manage costs, maintain regional rate competitiveness, and prepare for growing customer demand, including large load customers. I will also highlight other proposals the Company is making, including several mechanisms to align cost recovery with the investments EMM is making to operate its system such as plant-in-service accounting ("PISA") treatment, a cyber security tracker, the injuries and damages reserve, the storm reserve, and the use of construction work in progress ("CWIP") to ensure timely cost recovery, reduce rate volatility, and support

prudent long-term planning for the benefit of all customers. Finally, I will identify the other witnesses providing testimony on behalf of EMM who address the Company's individual requests in more detail.

Evergy's commitment to provide customers with exceptional, safe, reliable and affordable utility service requires that we continue to invest in programs that maintain reliability and enhance our customer service. To do this, the Company and its shareholders must have a reasonable opportunity to earn Commission-authorized returns on equity so we can attract the capital necessary to support our prudent investments. The plans described in the sections that follow and throughout this rate case filing are designed to achieve these important objectives.

Q: Who are the other witnesses who support the Company's rate request?

A: Table 1 below introduces the Company's other witnesses and the topics they address.

Witness Name:	**Topics:**
Geoffrey Ley	Capital Structure, Cost of Debt, Proposed Return on Equity ("ROE")
Ann Bulkley	Cost of Capital, Capital Structure, and ROE
Ronald Klote	Revenue Requirement, Accounting Adjustments, Test Year, Test Year Allocations, Cyber Tracker, Injuries and Damages & Storm Reserve, Construction Work in Progress ("CWIP"), and Other Accounting Adjustments
Darcie Kramer	Accounting Adjustments
Patrick Branson	Accounting Adjustments
Linda Nunn	Fuel and Transmission Accounting Adjustments and Fuel Adjustment Clause ("FAC")
Bradley Lutz	Rate Design Strategy, Tariff Modifications, Class Cost of Service ("CCOS") enhancements, and Large Load treatments.

Graham Jaynes	Annualized/Normalized Revenues, CCOS and Rate Design
John Wolfram	Jurisdictional Allocations
Buck Reuter	Federal Energy Regulatory Commission ("FERC") Adjustments
Melissa Hardesty	Taxes and Nuclear Production Tax Credit ("PTC")
Hsin Foo	Price Forecasting FAC
John Spanos	Depreciation
Jeff Kopp	Decommissioning Study
Ryan Mulvaney	Operations, Distribution, and Transmission Costs and Storm Reserve
Al Bass	Weather Normalization, 365-Day Year Adjustment, Rate Switchers and Customer Growth, Energy Efficiency Annualization
Jessica Tucker	Fuel Runs, Fuel Inventories, Fuel Prices
Gary Johnson	Cyber Tracker
Katie McDonald	Customer Service, Low Income and Energy Burden, Customer Affordability
Darrin Ives	Customer Affordability & National Trends
Zac Gladhill	Large Load Customers

Q: How is the remainder of your testimony organized?

A: Section II is an overview of EMM's operations.

Section III is an overview of the proposed rate increase and rate design.

Section IV discusses EMM's regional rate competitiveness.

Section V is an overview of large load customers and the requirements of Section 393.170.7[1], an important component of Senate Bill 4 enacted in 2025

Section VI summarizes other requests related to jurisdictional allocations, plant-in-service accounting, a cyber-security tracker, and other matters.

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

II. OVERVIEW OF EVERGY MISSOURI METRO'S OPERATIONS

Q: Please describe the corporate history that resulted in the creation of Evergy Missouri Metro.

A: Prior to the 2018 merger of Westar Energy, Inc. with Great Plains Energy Incorporated ("GPE"), Evergy Missouri Metro was a subsidiary of GPE known as Kansas City Power & Light Company ("KCP&L"). Evergy Missouri Metro has a corporate history that dates back to 1881.

1881: Joseph S. Chick, Lysander R. Moore and Judge William Holmes helped create what is now known as Evergy Missouri Metro by buying an exclusive contract to provide power to Jackson County, Missouri and Wyandotte County, Kansas.

1882: The group incorporated as the Kawsmouth Electric Light Company, serving 13 commercial customers in downtown Kansas City. By end of year, 48 local businesses were customers.

1922: Following several reorganizations, name changes, and reincorporation, and the acquisition of the Carroll County Electric Company, the company underwent a name change to KCP&L

1948: KCP&L had 199,603 customers.

1950: KCP&L became an independent company after its holding company dissolved.

1966: The KCP&L customer base had grown to over 280,000.

2001: KCP&L reorganized into a holding company structure with GPE as the holding company and KCP&L as its regulated operating utility.

2008: GPE acquired Aquila, Inc., the company started by the Green family in 1902, which was renamed KCP&L Greater Missouri Operations Co. ("GMO"). When this transaction closed, both KCP&L and GMO were regulated public utility subsidiaries of GPE.

2018: GPE and Westar Energy, Inc. ("Westar") merged into a new holding which became Evergy, Inc., bringing more savings and sustainable energy along with solutions and choices to meet customers' needs.

2019: KCP&L was renamed "Evergy Missouri Metro."

Q: Is this the first-rate case since the merger?

A: No. EMM filed a rate case in 2022 in No. ER-2022-0129.

Q: Please describe Evergy's utility operations generally and EMM's operations specifically.

A: Through its regulated utility subsidiaries, Evergy serves approximately 1.7 million customers in Missouri and Kansas. Evergy retail revenues, reflecting service provided to residences and businesses, averaged approximately 82 percent of its total operating revenues over the last three years. Wholesale firm power, bulk power sales, and miscellaneous electric revenues accounted for the remainder of Evergy's revenues. Like most electric utilities, Evergy is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter. Evergy is one of the largest companies in the region, with approximately 4,731 employees. These employees are active in the communities we serve, fulfilling our guiding corporate principle of "Improving Life in the Communities We Serve."

EMM serves approximately 313,000 customers, including approximately 276,000 residences, 33,000 commercial firms, and 900 industrials, municipalities and other municipally-owned electric utilities. EMM operates and maintains approximately 5,730 circuit miles of distribution lines.

On a combined basis, EMM and EMW own approximately 5,936[2] megawatts ("MW") of generating capacity. This capacity is diversified with the Company's outright or joint ownership in four large coal-fired generating stations with a capacity share of almost 2,722 MW, in the Wolf Creek nuclear power generating station with capacity of approximately 553 MW, approximately 2,497 MW of natural gas and oil-fired capacity, and approximately 150 MW of nameplate wind generating capacity located in Spearville, Kansas. EMM and EMW have approximately 1,965 MW of nameplate wind generating capacity under contract that is located in Missouri and Kansas. These companies own or have contracted for other renewable capacity including 14.6 MW.

Q: What changes are occurring in Evergy Missouri Metro's customer base, including developments with large load customers?

A. Evergy is presently engaged with many prospective large load customers who are evaluating Missouri locations, including those in EMM's service territory. These customers are at various stages of working with Evergy to assess the feasibility of meeting such customers' requirements as they aim for project announcements in 2026. I will discuss this further later in my testimony, as will Company witness Zac Gladhill (Vice President of Strategy and Long-Term Planning) in his testimony.

[2] This figure includes the Kansas portion of Evergy Metro as well.

III. PROPOSED RATE INCREASE

Q: What are Evergy Missouri Metro's requests in this case?

A: The Company requests authority to implement a revenue increase of $137.9 million or a 14.92% increase, excluding fuel, in its general rates for electric service. Evergy Missouri Metro is asking for a 0.27% increase associated with the rebasing of its FAC. As I and other Company witnesses describe in more detail in our direct testimonies, this increase is necessary to recover its investments and operational costs, including investments that improve reliability, modernize the grid, and enhance customer service and experience necessary to provide EMM's customers with safe and adequate service. Additionally, per 20 CSR 4240-20.090 (13)(B),[3] EMM must file this rate case to continue the Company's Fuel Adjustment Clause. The FAC request is discussed in the direct testimony of EMM witness Linda Nunn.

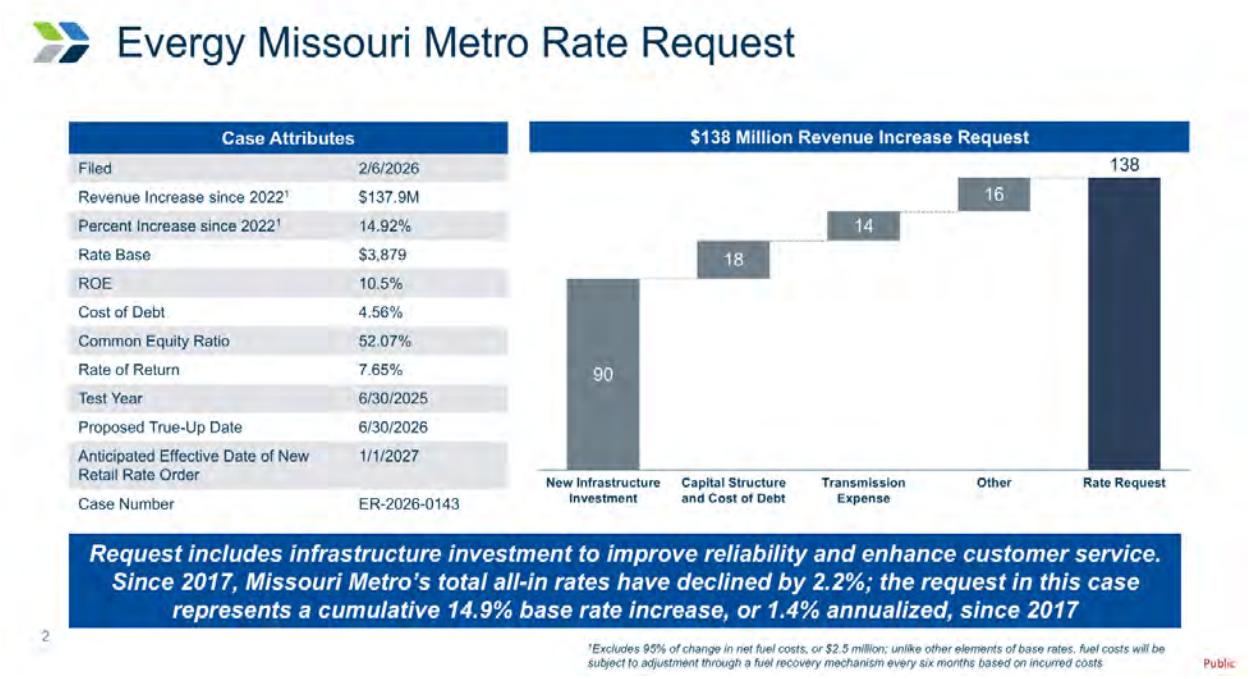
Q: What are the key drivers of this rate request?

A: Figure 1, below, summarizes the necessary updates to EMM's revenue requirement to reflect current costs to serve its customers and to continue the Company's FAC. More than sixty-five percent of the increase relates to recovering the cost of new infrastructure investments in the system to enhance reliability and customer service. Additionally, rate of return levels, which comprise about a third of the remainder of the requested increase, reflect EMM's actual debt costs, proposed return on equity ("ROE") and the capital structure needed to fund investments. These rate of return levels are supported by the

[3] Section (13)(B) of the Commission's Rule on Fuel and Purchased Power Rate Adjustment Mechanisms sates: "When the electric utility seeks to continue or modify its RAM [rate adjustment mechanism], the end of the twelve-(12-) month period of actual data collected that is used in its Missouri jurisdictional system loss study must be no earlier than four (4) years before the date the utility files the general rate proceeding seeking to continue or modify its RAM."

testimony and analysis of the Company's expert witness Ann Bulkley (a Principal at The Brattle Group), and the Company's Senior Vice President and Treasurer Geoffrey Ley. Updates to transmission expense and other operating expenses and revenues support the remaining revenue requirement requests. The sum of these rate adjustments represents a fair and reasonable amount necessary to maintain a financially healthy utility that will be well-positioned to continue the investments necessary to maintain reliability for its customers.

FIGURE 1



Q: What ROE is Evergy Missouri Metro requesting in this case?

A: Evergy Missouri Metro requests an ROE of 10.5%. Company witness Ann Bulkley presents in her direct testimony the results of her analysis of equity costs and recommendations in support of an ROE range of 10.25% to 11.25% for Evergy Missouri Metro. 10.5% is at the lower end of this range. With the Company's proposed capital structure of 52.0749% equity and 47.9251% long-term debt, and its embedded cost of debt

of 4.5628%, this results in a requested rate of return of 7.6546%. The requested ROE, capital structure, and cost of debt are also supported by the testimony of Company Treasurer Geoffrey Ley.

Q: What is the impact of this rate increase on residential customers?

A: If the Commission grants this request, including the FAC rebase, the increase would be $17.70 per month for the typical residential customer consuming 868/kWh per month, or a daily increase of $0.60.

Q: What cost savings have been achieved by Evergy to mitigate this rate request?

A: Evergy Missouri Metro's request includes about $110 million in savings and credits that offset investment and increased costs. These reductions were made across several areas, including tax credits from the Company's Wolf Creek Generation Station and from solar energy, lower benefit and pension costs, revenue from transmission, and projected revenue increases based on growing demand, including an expected $25 million reduction in its proposed rate request based on expected revenue from new large data center operations in 2026.

Q: Why is rate structure and design important?

A: There are several reasons why this is important. First, rate structure and design is important to ensure that Evergy Missouri Metro has a reasonable opportunity to recover its necessary costs of doing business. Second, rate design is necessary to ensure fairness among customers. By this I mean that rates must reasonably apportion the Company's overall costs to the various categories of customers that drive those costs, thereby preventing cross-subsidization between customers classes. Third, an appropriate rate design promotes efficient use of resources by seeking alignment of costs to serve with the provision of

accurate price signals to customers. In other words, poorly designed rates may encourage the inefficient use of resources. Finally, innovative rate designs can give customers more choices when they purchase electricity which allows them to better manage their bills and can result in a more efficient and robust electric system. Key proposals include reactive demand modifications, lighting and traffic signal modifications, stand-by rate schedule modifications, and parallel generation rate schedule modifications. These topics are discussed in more detail by Company witnesses Brad Lutz (Director of Regulatory Affairs) and Graham Jaynes (Manager of Regulatory Affairs).

IV. REGIONAL RATE COMPETITIVENESS

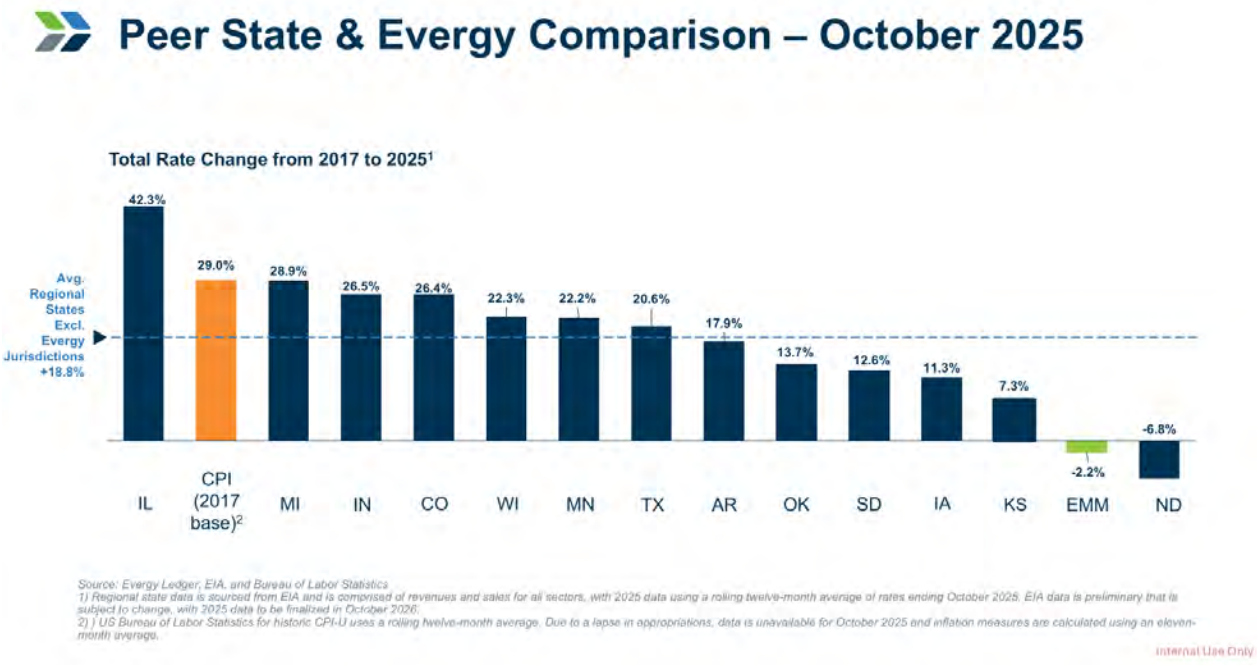
Q: Does Evergy consider the competitiveness of its rates?

A: Regional rate competitiveness continues to be a fundamental objective for Evergy and its utilities and is a goal that Evergy shares with the Commission, our customers, and the state of Missouri. As discussed by Company witnesses Darrin Ives (Senior Vice President of Regulatory Affairs) and Katie McDonald (Vice President of Public Affairs), Evergy has worked hard to advance this objective. The result is that Evergy's regional rate competitiveness has improved since the GPE-Westar merger in 2018.

Q: What progress has Evergy made to address issues of rate competitiveness?

A: As shown in Figure 2 below, Evergy Missouri Metro's total rates decreased by 2.2% over the period 2017 through October 2025, while the rates of electric utilities in peer states have increased by an average of 18.8%.

FIGURE 2

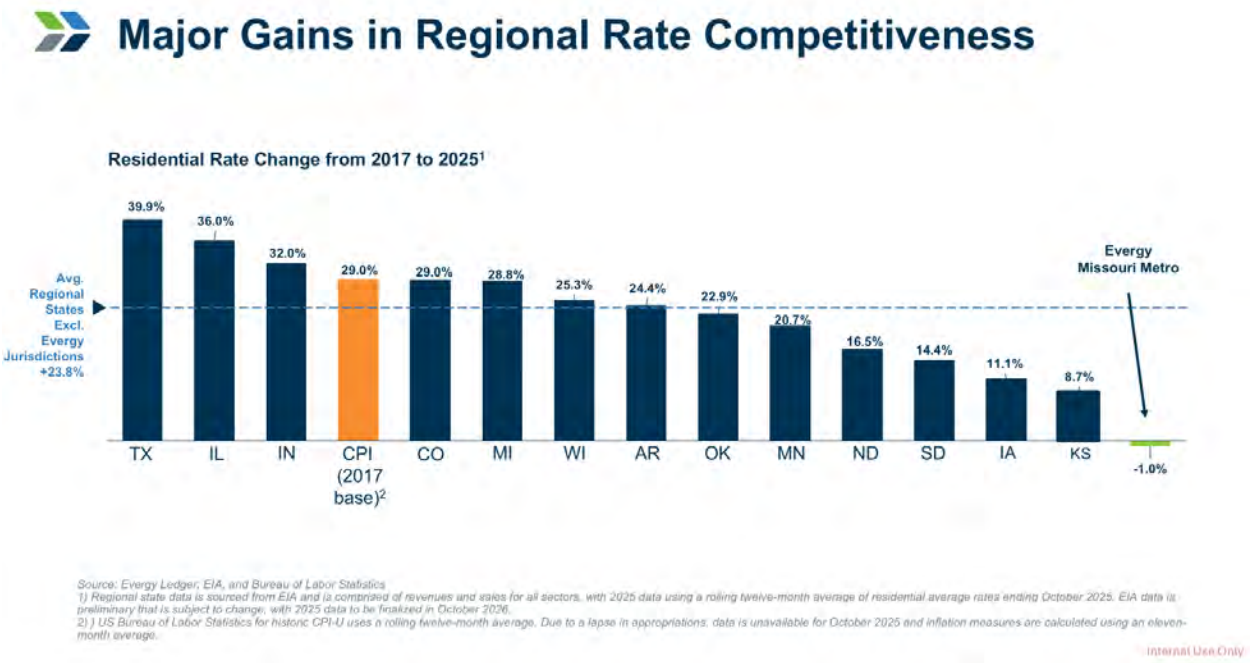


It is notable that while the total rate of electricity prices for EMM customers decreased 2.2% , inflation increased approximately 29%. By carefully managing costs, Evergy was able to control prices so that EMM customers pay less today for electricity than they did in 2017. Strategic grid improvements have enhanced reliability while keeping costs as low as possible and making EMM more competitive in the region.

Q: Focusing on Evergy Missouri Metro's residential rates, how do they compare with residential rates in peer states from 2017 through October 2025?

A: As shown in Figure 3 below, EMM's residential rates have continued to be very competitive, as reflected by a 1.0% *reduction*, while regional residential rates on average have *increased* by 23.8%.

FIGURE 3



Q: What factors have contributed to this comparative rate improvement for Evergy Missouri Metro?

A: The comparative improvement in EMM's residential rates shown above is a reflection of the Company's prudent management of costs.

Q: Do you expect Evergy Missouri Metro to continue to improve its competitive rate status in the region?

A: Yes. Evergy has made and will continue to make significant investments in technology and infrastructure. As discussed by EMM witnesses Darrin Ives and by Ryan Mulvany (Vice President of Distribution), such investments are necessary for Evergy Missouri Metro to function as an efficient, reliable, and resilient utility service provider, and reflect a prudent infrastructure investment plan that addresses key issues in our system. However, EMM's level of investment in distribution infrastructure has not kept pace with aging

infrastructure. Mr. Mulvany explains how the average age of the Company's distribution assets is older than that of many peer utilities.

Q: Why must Evergy Missouri Metro continue to make significant capital investments in its infrastructure?

A: While the Company's overall reliability metrics remain strong, customers are experiencing more frequent outages. Although EMM's superior restoration times largely mitigate the impact that these interruptions have on overall reliability, these outage metrics highlight the importance of increasing capital investments to replace aging infrastructure. Other significant factors affecting reliability include frequency of severe weather and vegetation management. Mr. Mulvany discusses this topic in greater detail.

Q: How will the rate increase proposed in this case impact Evergy Missouri Metro's regional rate competitiveness?

A: Given the current rates and pending regulatory proceedings in neighboring states, EMM expects that its rates will remain competitive regionally, even after its rates are increased. If approved by the Commission, this will be the first base rate increase for Evergy Missouri Metro's customers in over 4 years and EMM's annualized rate increase since 2017 will continue to compare favorably to regional peer utilities and the rate of inflation.

Q: How does EMM's requested rate increase compare to other utilities around the country?

A: As of the beginning of 2026, there are thirty-eight (38) active rate cases throughout the country. EMM's requested 14.92% revenue increase ranks as the 9th lowest of the group with a range from 6% to 94%, [4]

V. SECTION 393.130.7 AND LARGE LOAD CUSTOMERS

Q: What is the importance of Section 393.130.7?

A: Section 393.130.7 directs electrical corporations to develop tariffs for new large load customers, ensuring that they pay their share of incremental costs and protecting other customers from unjust and unreasonable rates. These tariffs offer transparent and predictable terms for customers and signal Missouri's capacity to serve large loads on fair, non-discriminatory terms that reduce financial risks for all parties.

Q: Has Evergy developed tariffs pursuant to Section 393.130.7?

A: Yes. As discussed further by Evergy Missouri Metro witnesses Mr. Gladhill and Mr. Ives, the Commission approved Evergy's Large Load Rate Plan and Schedule Large Load Power Service ("LLPS"), as modified by the Non-Unanimous Stipulation and Agreement, in No. EO-2025-0154. The Commission found that it protects existing customers, ensures new large loads pay their share of costs, and drives economic development. The plan provides a transparent framework with clear eligibility, pricing, and safeguards, allowing large customers to meet sustainability goals without shifting costs to others. This, combined with

[4] https://www.capitaliq.spglobal.com/web/client?auth=inherit#industry/pastRateCases?Type=1 Regulatory Research Associates, a group within S&P Global Energy, January 21, 2026.

Evergy's obligation to serve all customers in its territory increases Evergy's need for new, efficient resources as more large load customers come on-line in the utility's territory.

Q: What are the benefits of attracting new large load customers?

A: New large load customers provide significant benefits to the state, the electrical grid, and existing customers. For the state, they drive economic development through job creation, increased tax revenue, and a more diverse industrial base. For Evergy's customers and its system as a whole, the consistent and predictable consumption of electricity by large load customers supports more efficient grid operation and planning. This phenomenon helps distribute the Company's fixed costs across a greater number of energy consumers which contributes to a lower average cost for all customers.

Q: Does Evergy Missouri Metro currently provide service to any large load customers?

A: No. However, we are in advanced stages of discussion that will lead to the execution of Service Agreements in the near future.

Q: Please describe how forecasted growth for Large Load customers has been incorporated in this case.

A: The Company has taken a proactive approach to reflect known Large Load related activity in its revenue projections. As explained by Company witnesses Graham Jaynes and Brad Lutz, although there are no large load customers in the test year of the case, retail revenues were adjusted to account for customer forecasted growth utilizing the customers' load forecast at a point in time, along with an additional $9.1 million of anticipated LLPS-related revenue growth. This adjustment or "gross-up" is not tied to any one project but reflects the reality that large load development is an evolving process. As Company witness Mr. Gladhill explains, the large load development process is continual progression

as customers refine plans and progress through the development cycle. By incorporating this transitional adjustment, the Company simply captures the ongoing evolution in load expectations that could occur, rather than any specific project.

Q: Is any part of the Company's rate request caused by large load customers?

A: No. Stated plainly, as a result of the customer protections included in the LLPS rate, Evergy Missouri Metro customers are already seeing benefits from data centers in this region. While no customers are currently served on the LLPS rate, Evergy Missouri Metro reduced its proposed rate request by $25 million based on expected revenue from new large data center operations in 2026. This is a clear and immediate benefit for Evergy Missouri Metro customers. In addition, the Company expects to update the rate request this summer. In that update, additional revenue may be available at that time to be included from one or more data centers benefiting existing customers by further reducing this rate request.

Indeed, as of February 2, 2026, Edison Electric Institute ("EEI") published a Charles River Associates report that demonstrated data centers are not driving rate increases.[5] Matthew DeCourcey, Vice President of the Energy Practice at Charles Rivers Associates, stated that: "There is no evidence to support the idea that data centers have made rates go up."[6] Specifically, rates have been stable across most of the country including Missouri, where current rates have been unaffected by data centers as compared to the Northeast and California.[7]

[5] Matthew DeCourcey & Mayank Saraswat, *Retail Rate Trends in the US*, Charles River Associates at 3 (Feb. 2, 2026).
[6] Drew Maloney & Matthew DeCourcey, *Electric Perspective*, The Edison Institute (Feb. 2, 2026).
[7] Matthew DeCourcey & Mayank Saraswat, *Retail Rate Trends in the US*, Charles River Associates at 8 (Feb. 2, 2026).

This position as supported in the Charles River Associates report as published by EEI is aligned and consistent with the rate design and customer protections as filed by EMM in the LLPS rate plan and approved by the Commission.

Q: Please describe the pipeline of large load customers interested in locating in Evergy Missouri Metro's service territory.

A: As discussed by Mr. Gladhill, EMM is currently working with large load customers with more than 1.5 gigawatts ("GW") of incremental demand that are interested in locating in its service territory. These customers include both data centers and large manufacturing customers who are in various stages of EMM's "Path to Power" process.

VI. PROPOSED MECHANISMS AND OTHER REQUESTS OF THE COMMISSION

A. DEMAND ALLOCATOR

Q: How does Evergy Metro (Missouri and Kansas) allocate revenues, expenses, and rate base to the Company's jurisdictions?

A: Evergy Metro, Inc. operates a single production and transmission system that provides service to retail customers in Missouri and Kansas. Some revenue, expense and/or rate base items may be directly assigned to a specific jurisdiction, but many cannot be so assigned. The primary allocators are based on weather-normalization demand and energy amounts, as well as customer information. This data is described in the direct testimony of Company witness Albert Bass, Senior Manager of Energy Forecasting and Analytics.

Q: Why is the method of allocation important?

A: The allocation method is critical to ensure that the rates charged to customers in each jurisdiction (Metro Missouri and Metro Kansas) reflect the actual cost of serving those customers without including the cost to serve customers in other jurisdictions. Also, the method of allocation should allow the Company the opportunity to fully recover the

prudently incurred costs of serving those customers. This subject is further explained in the direct testimonies of Company witnesses John Wolfram (Principal, Catalyst Consulting LLC) and Ronald Klote (Senior Director, Regulatory Affairs).

Q: What is EMM requesting in this case with respect to demand allocators?

A: EMM is requesting a demand allocation method that is generally consistent with the method approved by the Kansas Corporation Commission ("KCC") to provide a consistent approach between both retail jurisdictions of Evergy Missouri Metro and Evergy Kansas Metro, as further detailed in the direct testimony of EMM witnesses John Wolfram and Ronald Klote.

B. PLANT IN SERVICE ACCOUNTING

Q: What is Plant-in-Service Accounting or PISA?

A: PISA is a mechanism that helps utilities recover costs on infrastructure investments quickly, usually before the next general rate case. It addresses regulatory lag issues where utilities have to wait for approval to include new investments in their rate base.

Q: What are some of the distribution system investments that are part of the Company's capital plan and will be supported by PISA?

A: As discussed further by Evergy Missouri Metro witness Ryan Mulvany, the distribution investments include:

- The Lateral Improvement Program
- Wood Pole Life Extension Program
- The Proactive Cable Replacement/Rehabilitation Program
- Automation Strategy, including installation of communicating fault current indicators and communicating reclosers

Q: How does Plant-in-Service Accounting affect rates and influence investment planning for grid modernization?

A: The negative lag inherent in traditional ratemaking, where cost recovery for capital investments is delayed until the next rate case, has made it difficult for EMM and other Missouri electric utilities to invest at the level needed to accelerate grid modernization for the benefit of customers. Section 393.1400 allows Evergy Missouri Metro to use PISA to offset a portion of this negative lag. This has allowed Evergy to increase investment in its distribution system to improve reliability. By reducing regulatory lag, PISA enables more timely investment in critical infrastructure, enhancing system resilience and providing tangible benefits to customers through improved service reliability. It also helps align the recovery of costs with the delivery of these benefits to reduce rate impacts on customers because Section 393.1656 requires the Company to limit the revenue requirement impact of PISA through an impact cap.

C. CYBER TRACKER

Q: Why is Evergy Missouri Metro requesting a Critical Infrastructure Protection ("CIPS")/Cyber Security Tracker ("Tracker")?

A: As discussed further by Company witnesses Ronald Klote and Gary Johnson (Senior Director, Information & Cyber Security), the security threat landscape is accelerating, with adversaries targeting the electric grid at all voltage levels and leveraging sophisticated attack vectors including nation-state campaigns, supply chain compromises, and ransomware. Recent events underscore these risks, including the 2017 Russian infiltration of U.S. nuclear networks and Chinese intrusions into large U.S. carrier networks, as well as Evergy's own need to engage external security consultants when third-party compromises required rapid network assurance. The requested Tracker would permit

timely recovery of unpredictable and substantial non-labor operation, maintenance and related costs outside of base rates, enabling swift, flexible responses to serious threats, as well as evolving federal reporting and compliance mandates. This flexibility is in the public interest because it supports safe, adequate, and reliable service at just and reasonable rates by allowing Evergy to deploy prudent, layered defenses beyond baseline compliance as threats evolve.

Q: How will customers benefit from the Tracker?

A: Customers will benefit through improved reliability and resiliency, as the Company prepares for and responds to disruptions from both cyber actors and physical threats by using processes, tools, and spare parts designed to shorten restoration times, particularly amid longer supply-chain lead times. Compliance remains the baseline, but Evergy employs a defense-in-depth strategy to mitigate evolving risks, including for widely dispersed unmanned assets (e.g., drones) and supply chain exposures such as embedded malicious components. To prudently manage these expenses, EMM will track the costs through specific accounts for Commission Staff to review in future rate cases. The Company would exclude internal labor for current employees.

D. INJURIES AND DAMAGES RESERVE

Q: What is Evergy Missouri Metro's request for an Injuries and Damages reserve?

A: The Company proposes to establish an Injuries and Damages ("I&D") reserve to address the inherent unpredictability and magnitude of costs arising from these claims, rather than attempting to forecast when and in what amounts such expenditures will occur. As discussed by Evergy Missouri Metro witness Ronald Klote, the cost to fund the reserve will be recognized as a consistent monthly expense and reflected in rates. Once established, the reserve will "smooth" annual I&D-related expenses, which can be volatile

from year to year. In addition to promoting rate stability, the reserve enhances financial planning and cash flow management by aligning cost recognition with exposure rather than episodic claim events. An I&D reserve would also strengthen the Company's risk management posture by ensuring that funding is available for adverse outcomes, thereby reducing earnings volatility and mitigating the need for abrupt rate adjustments.

E. STORM RESERVE

Q: Why is Evergy Missouri Metro requesting a storm reserve?

A: The proposed storm reserve will reduce rate volatility for customers by using levelized expenditures associated with significant storms. This will lessen the financial burden impact through smoothing month-to-month storm expenditures associated with unpredictable and significant storm events. The storm reserve allows the Company to focus on service restoration and not on the financial implications because the costs will be spread over time. EMM witnesses Ryan Mulvany and Ronald Klote discuss this request in their direct testimony.

F. CONSTRUCTION WORK IN PROGRESS

Q: What does newly enacted Section 393.135.2 provide regarding construction work in progress ("CWIP")?

A: As discussed by Company witness Ronald Klote, Senate Bill 4's Section 393.135.2(1) permits electrical corporations "to include construction work in progress for any new natural gas-generating unit in rate base." The inclusion of CWIP "shall be in 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." Id. When evaluating CWIP, the Commission "shall determine" in a certificate of convenience and necessity ("CCN") proceeding pursuant to Section 393.170 the amount of CWIP that may be included in rate

base "limited by: (a) The estimated cost of such project; and (b) Project expenditures made within the estimated construction period for such project." Id.

As stated by Governor Kehoe when he signed Senate Bill 4, CWIP "[i]ncentivizes new power generation facilities and reduces financing costs, saving Missourians money in the long run and expanding Missouri's electrical grid capacity."[8] In Senate Bill 4, both the Missouri General Assembly and Governor Kehoe also recognized the need for dispatchable sources of electricity like natural gas generation to support the onset of increased demand for power. In this regard Section 393.401.2 requires utilities to replace current capacity with dispatchable resources before decommissioning existing plants.

Q: What benefit does CWIP provide to Evergy Missouri Metro in this rate case?

A: As discussed by Company witness Ronald Klote, EMM plans to file a CCN application that seeks approval for the construction and operation of a new simple-cycle natural-gas fired generating facility in the first half of 2026. The Company will request that this new generating facility be assigned directly to Evergy Missouri Metro. The inclusion of CWIP in rate base will allow EMM to spread the financing costs of constructing gradually as it incurs these costs. Without CWIP, all of the costs to finance construction would accumulate until the plant is completed and placed in service, and until the Commission allows those costs to be recovered so EMM can earn a return on its investment. The inclusion of CWIP in rate base lowers rates over the long term by reducing the rate increase when the asset goes into service.

[8] Press Release, "Governor Kehoe signs SB 4 into Law, Securing Missouri's Energy Future and Economic Growth" (Apr. 9, 2025)

Q: Why is new generation being directly assigned to Evergy Missouri Metro rather than to Evergy Metro Inc. (Kansas and Missouri)?

A: Direct assigning the resource to the EMM jurisdiction is supported by and aligned with the development of our load forecasting and resource planning considerations in our IRP. Based on that work as well as the current operating environment, directly assigning this generation was the best option.

Directly assigning this new generation to EMM helps advance the goal of a potential consolidation of the jurisdictions of Evergy Missouri Metro and Evergy Missouri West. Jurisdictional consolidation was an issue in the 2024 Evergy Missouri West rate case which resulted in the Commission opening a non-contested working group matter (No. EW-2025-0220) to review potential consolidation.

Jurisdictional consolidation is a long process with many facets. The two primary goals are legal entity consolidation and rate jurisdiction consolidation. Regarding legal entity consolidation, it will be important to determine how to separate assets (or a portion of them) that serve Missouri customers from assets that serve Kansas customers in order to reach an end state that would create one Missouri operating utility under Evergy, Inc. Today Evergy Metro, Inc.'s assets are owned by it as a single legal entity. Most of these assets are allocated across both Missouri and Kansas, with allocation issues subject to review in rate cases in both states.

In the future, if jurisdictional allocation moves forward, there will be many challenges associated with separating and/or allocating Metro's existing generation assets. This will require discussions and negotiations with various parties in Kansas and Missouri to arrive at an outcome that is fair to both states and to customers who have been served

by these assets for many years. However, as the Company adds *new* generation, directly assigning all or a portion of such assets to a specific jurisdiction will make it easier to achieve these consolidation goals in the future. If new generation continues to be allocated to both jurisdictions, it will only compound ownership issues likely to arise as potential consolidation scenarios are studied.

VII. CONCLUSION

Q: Please summarize your testimony.

A: EMM is committed to providing exceptionally safe, reliable, and affordable utility service to our customers. We have worked hard to manage costs, maintain regional rate competitiveness, and prepare for growing customer demand, including from new large load customers.

My testimony has shown that Evergy Missouri Metro's request for updated electric rates reflects the investments that have been made and the costs necessary to continue providing customers with safe, reliable, and affordable service. I have summarized the Company's operations, the drivers of the requested revenue increase, and the importance of continuing prudent investment, advancing grid modernization, strengthening reliability, and supporting customer service improvements.

Taking these steps and utilizing prudent cost tracking mechanisms — such as updated demand allocators, PISA treatment, a cyber security tracker, the injuries and damages reserve, the storm reserve, and the inclusion of CWIP in rate base — will ensure timely cost recovery, reduce rate volatility, and support prudent long-term planning for the benefit of all customers. These mechanisms will provide the foundation on which EMM will execute its strategic plans for the future.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2026-0143

AFFIDAVIT OF KEVIN D. GUNN

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Kevin D. Gunn, being first duly sworn on his oath, states:

1. My name is Kevin D. Gunn. I work in Kansas City, Missouri and I am employed by Evergy Metro, Inc. as Vice President – Regulatory and Government Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro consisting of twenty-six (26) 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.

Kevin D. Gunn

Subscribed and sworn before me this 6th day of February 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