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Rebuttal Testimony of Geoff Marke
Case No. ER-2026-0143

Exhibit No.:	_____
Issue(s):	Affordability/Luxury Recreation Table Games
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Sponsoring Party:	Public Counsel
Case No.:	ER-2026-0143

REBUTTAL TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO

CASE NO. ER-2026-0143

August 11, 2026

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REBUTTAL TESTIMONY

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EVERGY METRO

CASE NO. ER-2026-0143

I. INTRODUCTION

Q. Please state your name, title and business address.

A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. What are your qualifications and experience?

A. I have been in my present position with OPC since 2014 where I am responsible for economic analysis and policy research in electric, gas, water, and sewer utility operations.

Q. Are you the same Dr. Marke who filed direct testimony already in this docket?

A. I am.

Q. What is the purpose of your rebuttal testimony?

A. I am responding to the direct testimony filed by Evergy Metro ("Evergy" or "Metro") witness Darrin Ives over affordability and Missouri Public Service Commission Staff ("Staff") witness Trevor Rucker's disallowance related to high-end luxury recreational table games including a pool table, shuffleboard, ping pong, foosball, air hockey and pro dual shot basketball game.

My silence in regard to any issue should not be construed as an endorsement of any other party's position.

II. AFFORDABILITY

Q. Would you summarize Mr. Ives direct testimony regarding "Affordability"?

A. Sure. Mr. Ives effectively says Evergy Metro costs are affordable and that the Company has done a good job. Unfortunately, Mr. Ives provides no metrics, rate comparisons, or evidence that I can see that shows the Company's rates are, in fact, affordable. Instead, he

says that the large investments are consistent with other utilities attracting data centers and that there is no evidence that data centers are raising the rates for customers.

Q. Do you have any reason to doubt that Evergy Metro's rates are affordable?

A. "Affordability" is a normative term that can mean different things for different people. The question to ask is "affordable" compared to what? Compared to Evergy West? Last year? In Missouri? Nationwide? Across all classes? Against select utilities in the Midwest? Additionally, there is the challenge that any comparison is a moving target where timing of cost recovery will influence the overall cost of service. At its core, I believe affordability comes down to whether or not someone can pay for it. In that sense, I have reason to doubt that Metro's rates are affordable.

Q. Why is that?

A. Because residential customers are being disconnected for nonpayment at extreme and alarming rates. In fact, involuntary disconnections have more than doubled compared to the same time last year.

Specifically, disconnections for residential non-payment have increased 172% for Evergy Missouri Metro customers when comparing Q2 2025 to 2026 metrics as shown in Table 1.

Table 1: Evergy Metro Q2 2025 and 2026 Residential Disconnections for Non-Payment[1]

	Metro 2025	Metro 2026	% Increase Change
April	2,594	9,121	+ 252%
May	2,563	4,842	+89%
June	1,887	5,193	+175%
Total	**7,044**	**19,156**	**+ 172%**

[1] Per Every Metro's Service Disconnection Reports filed as Non-Case Related Queries (20 CSR 4240-13.075) (BSDR).

Based on the numbers seen in Table 1, I would adamantly disagree with Mr. Ives' assessment of his customers' ability to afford Evergy Metro's service.

Q. Mr. Ives also discussed his belief that data centers are not raising the cost of service for existing customers. Do you agree?

A. I do not. Data centers are literally raising the cost of living in America.[2] To suggest otherwise is out of touch with reality.

Q. What is your recommendation?

A. High bills are strongly correlated with high disconnection rates. A rate increase of 15.19% will almost certainly place greater pressure on households at the margins of financial stability and result in increased involuntary disconnections. I continue to support the recommendations I put forward in my direct testimony regarding an income-eligible rate and income-eligible assistance programs.

Based on feedback I heard in the income eligible workshop in Case No. OW-2026-0085 and during the most recent Critical Medical Needs Quarterly call, I am recommending that the income eligible tariffs be drafted in such a way as to provide flexibility in the reallocation of funds based on need. This is also consistent with how Ameren Missouri's income eligible tariffs are designed.

II. LUXURY RECREATIONAL TABLE GAMES

Q. What did Staff witness Trevor Rucker discover?

A. That Evergy Metro spent $52,566.43 on high-luxury games from the Plank & Hide Company for an employees' game room. Of that amount, Missouri Metro customers were being allocated $23,953.27 of those costs.[3] If allowed in rate base, items such as a high-end

[2] Rugaber, C. (2026) Massive data center buildout poses latest inflation threat for consumers. *PBS News Hour*. https://www.pbs.org/newshour/economy/massive-data-center-buildout-poses-latest-inflation-threat-for-consumers
[3] Direct Testimony of Staff witness Trevor Rucker, p. 6, 14-15.

ping pong, shuffleboard, and foosball table would be earning a return on (profit) as an investment in rate base.

Q. Why are you making a point by stating these are luxury items?

A. The $52,566.43 is for six games and accessories, including:

1. Plank & Hide Co Pool Table Morse Single Slate
2. Plank & Hide Co Air Hockey
3. Plank & Hide Co Shuffleboard
4. Plank & Hide Co Ping Pong Table
5. Plank & Hide Co Foosball Isaac Table
6. Popa Shot Pro Dual Shot—Custom Graphics

Total Cost = $48,177.00

7. 3 tabletop covers, pool cues, and wood wall-mounted pool cue rack

Total Cost = $4,389.43

All-in Cost = $52,566.43

According to the Company's response to Staff DR 0382, the original total budgeted cost was $18,000, but this was changed to $52,566.43 per updated selections by employees.

Q. What was the Company's rationale for these investments?

A. Again, citing the response to Staff DR 0382:

> The inclusion of game tables in designated break areas is a deliberate strategy to support employee well-being, productivity, and overall workplace effectiveness. These amenities are part of a broader approach to maintain a healthy, engaged, and high-performing workforce.
>
> 1. Supporting Employee Mental Health and Stress Reduction
>
> Modern work environments - particularly those involving high responsibility, tight deadlines, or technical complexity—can create sustained cognitive load and stress.

Game tables offer a simple, accessible way for employees to decompress during breaks, which aligns with widely accepted occupational health practices.

2. Improving Productivity and Work Quality

Research and workplace best practices consistently show that periodic breaks improve overall productivity.

Game tables encourage employees to take meaningful breaks away from desks and screens, which is particularly important in sedentary or screen-intensive roles.

3. Promoting Physical Movement

Many roles involve prolonged sitting, which is associated with negative health outcomes. Game tables encourage light physical activity, helping to: [*sic*]

This contributes to a healthier workforce and can help reduce the risk of workplace-related health concerns.[4]

Q. What is your response?

A. Captive customers have a duty to pay for prudent, reliable power, not worker happiness.

Regulators should not require utility customers to pay for utility investment for recreational items like shuffleboard and foosball tables because these amenities do not provide a direct, necessary benefit to utility service. Ratepayers fund the safe and reliable delivery of essential services like electricity or water, not luxury entertainment items for employee break rooms.

Allowing recreational games to enter the rate base sets an awful regulatory precedent by blurring the line between corporate perks and capital expenses. If management wishes to fund non-essential workplace comforts, those costs must be supported by shareholder equity rather than ratepayer revenue. Evergy's 26% increase (+$43M) in GAAP earnings in Q2 of 2026

[4] Staff DR-0382. See also GM-1.

compared to Q2 of 2025 certainly suggests they can cover it.[5] Protecting the integrity of utility rates requires strict adherence to cost-of-service principles that exclude casual leisure items.

I can only imagine the backlash if the OPC were to spend $50k of its allocated funds to furnish our offices with games.

This is not just a grossly imprudent investment it's an awful reflection of management's cost control priorities, and calls into question whether or not such blatant managerial imprudence is present in other areas as well. Evergy including these costs into Evegy Metro's rate base is even more disappointing. In effect, the Company is saying they should earn a profit on these luxury entertainment investments. Putting aside the prudency of including kid games in a utility rate base, I am shocked that the total costs for six table games exceeds $50k.

Q. Do you know what Evergy Metro paid for each game and accessory?

A. No. The Company did not retain records of the costs of each game and accessory. I would welcome any explanation for why the costs of these six games are so expensive.

Q. Do you have suggestions for a cost-effective alternative for stress relief?

A. Going outside for a walk. Perhaps some jumping jacks or even finding some stairs to walk. I am not aware of any studies that suggest that high-end luxury gaming tables provide a superior mental-break benefit over a short walk outside or other no-cost physical activities.

Of course, as stated earlier, nothing is preventing Evergy from providing these employee perk investments with their own profits.

Q. What do you recommend for how the Commission treats Evergy Metro's investment in these games?

A. This is exactly the sort of investment that loses trust with the public and represents a complete lack of situational awareness. The fact that I am having to argue that these costs should be

[5] Evergy (2026) News Releases: Evergy Announces Second Quarter 2026 Results, Declares Quarterly Dividend and Reaffirms 2026 Guidance. https://investors.evergy.com/news-releases/news-release-details/evergy-announces-second-quarter-2026-results-declares-quarterly

disallowed after I just got through informing the Commission that Evergy has increased disconnections in Metro for non-payment by 172% in quarter 2 of this year compared to quarter 2 of last year is tragic. Ratepayers deserve better than this. My recommendation is to disallow all costs related to the tabletop games identified by Staff witness Rucker. Further, the Commission should consider both the 172% disconnection rate increase as well as the Company's absurd request to include luxury table games in its rate base when it assesses the ROE that it allows the Company in this rate case.

Q. Does this conclude your testimony?

A. Yes.

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 GEOFF MARKE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Geoff Marke
Chief Economist

Subscribed and sworn to me this 10th day of August 2026.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.