FILED
November 9, 2026
Missouri Public
Service Commission

Exhibit No. 450

Google LLC – Exhibit 450
Direct Testimony of Dr. Carolyn A. Berry (Revenue Requirement)
Case No. ER-2026-0143

Exhibit No.:	
Issue(s):	Large Load Impact on ROE, ROE sharing mechanism, Overcollection of revenues
Witness:	Dr. Carolyn A. Berry
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Google LLC
File No.:	ER-2026-0143
Date Testimony Prepared:	June 30, 2026

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2026-0143

DIRECT TESTIMONY – REVENUE REQUIREMENT

OF

DR. CAROLYN A. BERRY

ON BEHALF OF

GOOGLE LLC

JUNE 30, 2026

TABLE OF CONTENTS

I.	Introduction	3
II.	Summary of Recommendations	5
III.	Evaluating Financial Stability and the Mitigating Impacts of Schedule LLPS	6
IV.	Aligning Post-Test-Year Growth and Customer Interests	10
V.	LLPS Reduction to the Revenue Requirement	14

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Carolyn A. Berry. I work at Bates White Economic Consulting ("Bates White"). My business address is 2001 K Street NW, North Building, Suite 500, Washington, D.C. 20006.

Q. What is your position with Bates White?

A. I am a Partner.

Q. On whose behalf are you submitting this testimony?

A. I am submitting this testimony on behalf of Google LLC ("Google").

Q. Please describe your educational background and employment experience.

A. I have more than 30 years of experience providing economic analysis, advisory services and expert testimony for clients on issues related to electric market design, policy and strategy; utility rates; system planning; and cost allocation and tariff design. In recent work, I provided expert testimony on Dominion Energy Virginia's large-load interconnection queue process including a proposal for an alternative process that requires increased financial commitments and customer protections in a proceeding before the Virginia State Corporation Commission, expert testimony on a proposed rate schedule for New Large Energy Use Facilities for PacifiCorp before the Public Utility Commission of Oregon, and expert testimony examining modifications to Duke Energy Carolina's proposed modifications to the Company's Service Regulations and Line Extension Plans applicable to large load customers and the future need for a new tariff and rate schedule for large load customers before the North Carolina Utilities Commission. In my years of practice, I have additionally provided expert testimony and/or testified at hearings before regulatory commissions in California, Indiana, Massachusetts, Nevada, Nova

Scotia, Utah, Texas, West Virginia, and before the U.S. District Court for the District of South Carolina, and the Federal Energy Regulatory Commission.

I received a Bachelor of Science degree in economics and a Bachelor of Arts degree in Spanish from the University of Minnesota in Minneapolis, Minnesota, and a Ph.D. in economics from Northwestern University in Evanston, Illinois. Prior to my employment at Bates White, I was employed at Pacific Gas and Electric Company in San Francisco, California; as an independent economic consultant and as a consultant with National Economic Research Associates in Washington, D.C.; and at the Federal Energy Regulatory Commission in Washington, D.C. The details of my background and experience are provided in the resume, attached as Schedule CB-1.

Q. Have you previously provided testimony before the Missouri Public Service Commission?

A. Yes. I previously filed testimony in File No. EO-2025-0154 on behalf of Google in Evergy's Schedule Large Load Power Service ("LLPS") tariff proceeding.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to discuss affordability and equity in the context of Evergy's Schedule LLPS. First, I discuss how Schedule LLPS provides valuable financial stability for Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy," "EMM," or the "Company"), which the Commission may find helpful to consider when seeking a fair balance for both the utility and its customers in the context of this proceeding. Next, I explore how relying on a historical test year can result in revenue calculations that may not fully capture the financial impact of significant post-test-year load growth. Because post-test-year revenues may outpace test-year calculations, I rely on recent Ameren Missouri precedent to show how an earnings sharing mechanism can effectively balance risks and rewards between Evergy and its ratepayers. Finally, I address how

the inclusion of LLPS customers in this rate case interacts with broader cost and revenue dynamics, and how this relates to the Non-Unanimous Stipulation and Agreement approved by the Commission in File No. EO-2025-0154, with the goal of supporting equitable outcomes for all customer classes.

Q. Are you sponsoring any schedules or exhibits as part of your direct testimony?

A. Yes, I am sponsoring the following schedule:

- Schedule CB-1 – Resume of Dr. Carolyn A. Berry

II. SUMMARY OF RECOMMENDATIONS

Q. Please provide a summary of your recommendations.

A. My recommendations are as follows:

- **Evaluating Financial Stability and Customer Affordability:** I recommend that the Commission weigh the mitigation of Evergy's financial risks—associated with both the stabilizing impacts of Schedule LLPS and the strong investor interest in utilities experiencing data center growth—as it seeks to balance utility and customer interests in this proceeding.
- **Aligning Interests Through a Shared Benefits Framework:** I recommend the Commission evaluate a shared benefits framework to address the likelihood that actual post-test-year revenues will outpace test-year calculations. A transitional earnings sharing mechanism, precedented after the recent Ameren Missouri decision (File No. ET-2025-0184), would ensure that both Evergy and its ratepayers mutually participate in the upside benefits of rapid large load growth.
- **LLPS Reduction to the Revenue Requirement:** I recommend that the Commission recognize how LLPS customer revenues offset the overall revenue

requirement determined in this phase of the case and address this dynamic during the rate design phase to ensure fair and balanced cost recovery.

III. EVALUATING FINANCIAL STABILITY AND THE MITIGATING IMPACTS OF SCHEDULE LLPS

Q. How did Evergy address the impacts of large load customer growth in its assessment of its financial risk?

A. As I testify further below, because the assessment is based on a historic test year, it inherently does not reflect the upcoming addition of large load customers. However, Evergy witness Ann Bulkley did reference a Moody's report indicating that the development of new data centers is a credit negative factor over the next 12 to 18 months due to demand-driven power price increases and associated customer affordability concerns.[1] Notably, the same Moody's report also highlights several positive elements for the regulated utility sector. Specifically, the report notes that utilities continue to have strong access to capital markets[2]—a fundamental credit strength—and that the rapid increase in demand from data centers can drive robust cash flow growth. This growth can help support and justify new grid and generation investments, expanding the utility's rate base.[3] Though the report does flag cost allocation and stranded cost risk from data center growth, it also notes that a few states enacted measures to protect customers.[4]

Q. Is large load customer growth a credit negative factor for EMM?

A. Not necessarily. Credit analyses suggest that large load growth can actually be supportive of credit quality. For example, the S&P Global Ratings Industry Credit Outlook for

[1] Direct Testimony of Ann Bulkley ("Bulkley Direct"), 52:6–53:2.

[2] Moody's Investors Service, Outlook. "Outlook stable; supportive regulation to offset modestly negative macro factors," p. 5 (Oct. 31, 2025).

[3] *Id.* at 6–7.

[4] *Id.* at 7.

2026 finds that data center growth is expected to support credit quality in 2026.[5] S&P's analysis reaches this conclusion after evaluating both benefits and risks. Some of the benefits applicable to Evergy are:

- Rising electricity sales that should bolster financial measures even given some regulatory lag;
- Downward pressure on customer bills as fixed costs from data center expansion can be distributed over a larger customer base; and
- A highly credit supportive regulatory environment in Missouri—supportive of a revenue requirement needed to enable robust capital spending.

S&P does note that a key credit risk for the investor-owned utility industry is ensuring that existing customers do not subsidize new data center customers.[6] For Evergy, however, the approved Schedule LLPS tariff directly helps mitigate this specific risk.

Q. What is your assessment of the level of regulatory risk identified by S&P for Evergy?

[5] S&P Global Ratings Industry Credit Outlook for 2026, North America Regulated Utilities, pp. 347–362 (Jan. 30, 2026). © 2026 S&P Global Market Intelligence (and its affiliates, as applicable) (individually and collectively, "S&P"). Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of S&P. S&P does not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall S&P be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

[6] *Id*. at 352–353.

A. I believe this risk is well-mitigated. The Commission's approval of Schedule LLPS provides robust mechanisms designed to protect customers from the potential shifting of costs attributable to large loads. Under the LLPS Stipulation and Agreement in File No. EO-2025-0154 ("LLPS Stipulation Agreement"), LLPS customers provide a tangible benefit to other rate classes. Importantly, Schedule LLPS also establishes a stable, long-term guaranteed revenue stream for Evergy equal to 80% of the contract capacity multiplied by the sum of the Grid Charge plus the Demand Charge regardless of the actual demand by the LLPS customer. It also requires collateral to support this financial obligation and contains termination provisions that maintain revenues even if the customer chooses to exit. This structure provides commercial protections that do not depend upon the general economy, weather, or customer behavior. In my view, these features offer significant financial stability which offsets large load risks.

Q. Did Evergy address these factors?

A. No, this does not appear to be the case.

Q. Is there evidence that capital expansion driven by large load growth has raised investor interest in electric utilities?

A. Yes. There are indications that potential opportunities associated with large load growth may be among the factors contributing to recent investor interest and transaction activity in the utility sector. While transactions are driven by a variety of factors, some notable examples of recent utility acquisitions and investments include NextEra's planned acquisition of Dominion Energy (which serves a prominent data center region), and BlackRock's 2025 acquisition of a 60% share of ALLETE (parent company of Minnesota Power) through Global Infrastructure Partners. Blackstone has also received approval from the Public Utility Commission of Texas to acquire TXNM Energy parent company of TNMP, an electric transmission and distribution provider in

Texas in February of this year. These transactions suggest that investor appetite remains steady for utilities positioned in areas with potential for large load growth.

Q. Can increased investor interest in an industry affect its weighted average cost of capital ("WACC")?

A. Yes, it can. Generally speaking, when there is strong capital market interest in a particular sector, it can create downward pressure on the cost of equity (and consequently the WACC) for companies operating in that space. Past examples of this dynamic include digital infrastructure industries, such as cell phone towers and fiber optic networks during the internet's rapid expansion, and more recently, the renewable energy sector amid the broader energy transition. In those instances, robust investor demand helped lower effective equity costs and supported significant capital expansion.

Q. What does this interest in utility acquisitions by private equity show?

A. It suggests that investors may view utilities with large load growth potential as attractive opportunities, and that the growth opportunities themselves may serve as a strong, natural driver for capital attraction.

Q. What do you conclude?

A. Overall, because Evergy's financial analysis does not appear to fully incorporate the impacts of large load growth, I suggest the Commission weigh these additional dynamics—specifically, the credit-positive impact of data centers, the financial protections embedded in Schedule LLPS, and the strong investor interest in utilities experiencing data center growth—when seeking a fair balance for both the utility and its customers in the context of this proceeding.

IV. ALIGNING POST-TEST-YEAR GROWTH AND CUSTOMER INTERESTS

Q. Does Evergy anticipate significant growth in its large load customer segment?

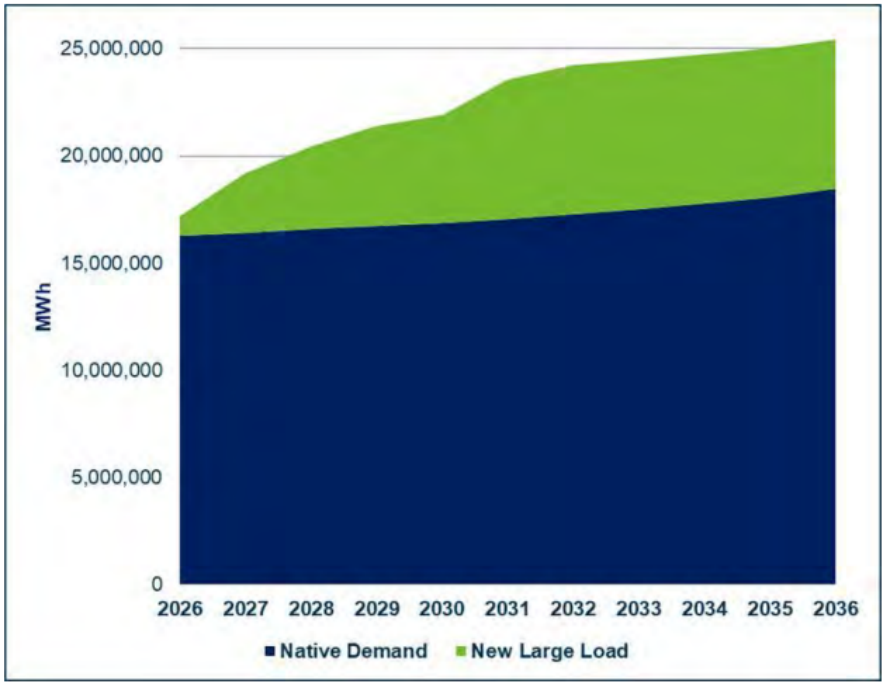
A. Yes. The Evergy 2026 Integrated Resource Plan ("IRP") Update projects large load customer growth beginning as early as 2026.[7] The IRP Update identifies three large load customers that met the review process criteria for base load planning and were incorporated in all load forecasting scenarios.[8] Two of them are located in EMM's service territory and represent nearly 90% of the total large load incorporated into the 2026 IRP base load forecast.[9] Figure 1 illustrates EMM's mid-case load forecast as projected large load customer growth is added to native demand. By 2028, the IRP reflects an approximately 25% increase in peak load, driven by approximately 4 GWh of additional large load energy use.

[7] Evergy Missouri Metro 2026 Annual Integrated Resource Plan Update, File No. EO-2026-0188, p. 3 (May 7, 2026).

[8] *Id.* at p. 23.

[9] *Id.* at pp. 23–24.

Figure 1: EMM Peak MWh Load Forecast Including New Large Load[10]



Q. How does this projected large load growth interact with the rate-making process in this proceeding?

A. The rate-making process in this proceeding relies on a historical test year, which runs from July 1, 2024, through June 30, 2025. Because of this timing, there is no large load in the historical test year itself. While there are some loads in the true-up period, the vast majority of this projected load growth will come online after the rates from this case go into effect.

Q. How might this timing dynamic impact the balance between the utility's revenues and the cost of service?

A. When a utility experiences rapid, significant post-test-year load growth, its actual revenues can grow much faster than its recognized cost of service. Under Schedule LLPS, these new large load customers will be paying rates that reflect a premium above the basic cost to serve.

[10] *Id.* at p. 26, fig. 7.

Because the vast majority of these incremental revenues will begin flowing in 2026—outside the test year used to set base rates—those revenues are highly likely to outpace Evergy's incremental costs. This creates a likelihood that Evergy's actual earned ROE will be higher than the authorized ROE approved by the Commission.

Q. Are you aware of mechanisms other utility commissions have adopted to address these types of dynamics?

A. Yes. Commissions in other jurisdictions sometimes use earnings sharing mechanisms or ROE sharing frameworks to manage a variety of regulatory uncertainties and rapid transitions. These mechanisms have been implemented for several reasons, such as balancing risks under multi-year rate plans, addressing sales and revenue fluctuations, or serving as a safeguard for ratepayers when actual operating results may deviate significantly from the calculations used to set rates. Examples of utilities that have utilized such frameworks include: Alliant Energy (in both Wisconsin and Iowa),[11] Georgia Power,[12] Mid-American Iowa,[13] Nevada Power Company,[14] and We Energies,[15] among others.

Q. Has this Commission previously approved an ROE sharing mechanism?

A. Yes. The Commission recently approved an earnings sharing mechanism in the Ameren Missouri Large Load Customer Service ("LLCS") tariff proceeding (File No. ET-2025-0184). Under that mechanism, when Ameren Missouri's earned ROE revenues exceed a certain threshold (specifically, the midpoint of the Commission Staff's recommended ROE), they are

[11] Alliant Energy Corp. Form 10-K, p. 38 (Feb. 20, 2026).
[12] Georgia Power Co. Form 10-K, p. II-137 (Feb. 19, 2026).
[13] MidAmerican Energy Co. Form 10-K, p. 46 (Mar. 2, 2026).
[14] Public Utilities Commission of Nevada Order in Docket No. 25-02016, ¶ 444 (Sept. 16, 2025).
[15] WEC Energy Group, Inc. Form 10-K, p. 159 (Feb. 20, 2026).

shared between the utility (35%) and customers (65%). Of the amount shared with customers, 15% is designated for the benefit of low-income customers. The mechanism is set to terminate after rates become effective following Ameren Missouri's next general rate case if the Commission does not extend it.[16]

Q. Could a similar mechanism be relevant for Evergy in this proceeding?

A. Yes. Given the possibility that Evergy's actual revenues from Schedule LLPS could outpace its approved revenue requirement outside of the historic test year, a similar sharing model could serve as an effective transitional bridge that both aligns with recent Commission precedent and ensures a fair balance of risks and rewards between Evergy and its ratepayers.

Q. How could the Commission structure a sharing mechanism for Evergy in this case?

A. The Commission could consider a variety of models, but I recommend building a straightforward, incentive-compatible framework that activates when Evergy's earned ROE exceeds the authorized ROE set in this proceeding. To ensure Evergy remains highly motivated to attract and proactively serve this new large load, the proposed mechanism would use a two-tiered structure that builds upon an initial "deadband"—a buffer zone where no sharing occurs—as follows:

a. 100% Utility Retention (Deadband): Evergy would retain 100% of all earnings up to 25 basis points above the authorized ROE approved in this case.

[16] Amended Non-Unanimous Global Stipulation and Agreement, File No. ET-2025-0184, ¶ 46 (Nov. 20, 2025).

b. 75% / 25% Balanced Sharing: Any earnings beyond that 25-basis-point deadband would be shared, with 75% credited to ratepayers to support bill affordability and 25% retained by Evergy.

This balanced approach allows Evergy to be rewarded for successful growth while providing meaningful protection and tangible benefits to its customers. This sharing mechanism should be kept in place at least until cost-based LLPS rates are determined in the next rate case.

V. LLPS REDUCTION TO THE REVENUE REQUIREMENT

Q. Does the inclusion of LLPS customers reduce Evergy's proposed revenue requirement?

A. Yes. As explained by Evergy, the revenues collected from LLPS customers in the true-up period exceed the cost to serve the LLPS class. These excess revenues act as an offset, effectively reducing the overall revenue requirement. During the new rate-effective period, more excess revenues will be recovered.[17]

Q. What is driving this expected increase in excess revenues during the new rate-effective period?

A. There are two primary drivers. First, the LLPS rates specified in the LLPS Stipulation Agreement recover more than the current embedded cost to serve LLPS customers.[18] Second, the overcollection of revenues will be exacerbated by LLPS rates that are set too high,

[17] Direct Testimony of Graham A. Jaynes ("Jaynes Direct"), 5:4–7:11 and 41:9–22.

[18] Testimony in Support of Stipulation and Agreement of Kevin Gunn, File No. EO-2025-0154, 12:14–16 (Sept. 29, 2026) ("[C]osts that the SR was designed to recover will be adequately addressed in the near term by the negotiated higher Demand Charge . . . that the Company agreed to in the Stipulation and Agreement. This negotiated Demand Charge results in LLPS customers paying for system costs above the current embedded cost to serve them, meaning that non-participants will directly benefit from a ratemaking perspective by adding LLPS load.")

especially if they are set at 15.19% above the currently-approved rates as proposed by Evergy as shown in Figure 2.

Figure 2: Schedule LLPS Monthly Pricing - ER-2026-0143[19]

Missouri Metro						
	Summer			Winter		
Charges	Current	Proposed	Percentage Increase	Current	Proposed	Percentage Increase
Customer	1,181.28	1,360.72	15.19%	1,181.28	1,360.72	15.19%
Grid ($/kW) Substation Voltage	3.003	3.460	15.22%	3.003	3.460	15.22%
Grid ($/kW) Transmission Voltage	2.200	2.534	15.18%	2.200	2.534	15.18%
Demand ($/kW)	21.038	24.234	15.19%	19.038	21.930	15.19%
Energy ($/Kwh)	0.02988	0.034419	15.19%	0.02988	0.034419	15.19%
		Average	15.19%		Average	15.19%

Q. Are you proposing that the revenue requirement be adjusted to reflect the over-recovery of costs from LLPS customers?

A. No. However, I recommend that the Commission address this issue in the rate design phase of this proceeding.

Q. Does this conclude your testimony?

A. Yes, it does.

[19] Jaynes Direct, Schedule GAJ-11, p. 3.

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.	))))	File No. ER-2026-0143

AFFIDAVIT OF CAROLYN A. BERRY

1. My name is Carolyn A. Berry, and I am a Partner at Bates White Economic Consulting. My business address is 2001 K Street NW, North Building, Suite 500, Washington, D.C. 20006.

2. I have read the above and foregoing direct testimony and the statements contained therein are true and correct to the best of my information, knowledge, and belief.

3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

Carolyn A. Berry
Partner
Bates White Economic Consulting

Date: June 30, 2026