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	)	**File No. EA-2026-0154**

INITIAL POST-HEARING BRIEF

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and files its Initial Post-Hearing Brief.

INTRODUCTION

On May 14, 2026, Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("EMM" or the "Company") filed its *Application for a Certificate of Convenience and Necessity* ("*CCN Application*") pursuant to §§ 393.170.1 and 393.135.2 and 20 CSR 4240-2.060 and 20 CSR 4240-20.045 requesting the Commission to "authorize it to construct, install, own, operate, manage, maintain, and control a 440 MW simple-cycle gas turbine electric generating facility known as Mullin Creek #2" to be located in Nodaway County, Missouri ("Mullin Creek #2" or the "Project"). It also asked for variances pursuant to 20 CSR 4240-20.045. Specifically, it asked the Commission, pursuant to §393.135.2(1), RSMo, to determine in this CCN proceeding the amount of construction work in progress, or CWIP, that may be included in rate base for the Project. A decision on the *Application* has been requested by December 23, 2026.

After months of negotiations, a *Non-Unanimous Stipulation and Agreement* ("*Agreement*)" was entered into on October 2, 2026, by EMM, the Staff, Renew Missouri

Advocates d/b/a Renew Missouri ("Renew Missouri"), and Midwest Energy Consumers Group ("MECG") resolving all issues relating to the *CCN Application*. The only party not signing onto the *Agreement* was the Office of Public Counsel ("OPC"), which objected to two of the terms set forth in the *Agreement*; specifically, the general granting of the CCN and the finding of decisional prudence as to the Project's generation type.

No party objected to the terms establishing the cost estimate for the project, establishing a compliance docket for quarterly progress reports and its terms and filing requirements, the requirement for in-service criteria, or the granting of the requested variances, as well as to certain actions EMM will take prior to filing its next Integrated Resource Plan ("IRP") under § 393.1900, RSMo. Agreement was reached on other provisions as well, including provisions addressing the fuel adjustment clause, reporting of outages, plans for fuel back-up and contingency plans, and evaluating the cost of EMM owning and operating its own natural gas lateral supply line.

Because of the near unanimous agreement of the parties, no witnesses were called to testify at the October 21, 2026, hearing. Instead, the parties presented opening statements and answered the Commission's questions. The questions centered around the cost of the Project, how that cost would be allocated, and the CWIP accounting treatment in this case vis à vis EMM's current rate case.[1]

DISCUSSION AND ARGUMENT

The Commission should approve the Agreement and grant EMM a CCN to construct, own, and operate the Mullin Creek #2, subject to the terms and conditions of the Agreement.

[1] Case No. ER-2025-0143

Section 393.170, RSMo, authorizes the Commission to grant a CCN when the proposed facility is necessary or convenient for the public service. In evaluating CCN applications, the Commission has traditionally considered five factors: (1) the need for the service; (2) the applicant's qualifications to provide the service; (3) the applicant's financial ability to provide the service; (4) the economic feasibility of the proposal; and (5) whether the proposal promotes the public interest.[2] These factors guide the Commission's determination; they should not be applied without consideration of the particular circumstances surrounding the proposed facility. As Staff witness Amanda Arandia explained, the Tartan factors provide the general framework for evaluating CCN applications, but the review must also consider the applicable regulatory requirements and the project's operating circumstances.[3]

Among the five Tartan factors reviewed in a CCN case, the relevant question here is whether there is a *need* for the project. The parties to the *Agreement* have stipulated that there is. As Staff Witness Trevor Rucker stated in his testimony, "the Project is needed to provide services to large load additions in EMM's service territory" as well as SPP's changes to conventional resource accreditation and Planning Reserve Margins (PRMs).[4] Specifically, Staff's understanding is that the CCN is needed not only for the large load customers, but for various reasons including certain changes in the Southwest Power Pool (SPP) requirements, changes in EMM's capacity balances and needs, and load growth,

[2] *In re Tartan Energy Co.*, 3 Mo. P.S.C. 3d 173 (1994).
[3] Ex. 100, Arandia Rebuttal, Page 3, line 6 – Page 4, line 6.
[4] Exhibit 107, Trevor Rucker Rebuttal, Page 18, Lines 13-16.

among others, as set out in Mr. Rucker's testimony.[5] "EMM has already experienced load growth due to large loads and is anticipating this trend to continue. Additionally, contributing to EMM's need is SPP's switch to performance-based accreditation (PBA) methodology for conventional resources, which has led to a reduction of EMM's accredited capacity. Staff has concluded that, for these reasons, the Project is effectively a necessity."[6]

Another issue raised in this case is what the proper cost allocation should be for this Project, considering one of the main reasons the Project is being built is to serve Large Load Power Service (LLPS) customers. The question is how much of the cost of the Project should be assigned to the various customers of the Project. The addition of LLPS customers causes increases to fixed costs, and, as Staff Witness Sarah Lange testified, "in rate cases in which Mullin Creek 2 is recovered in rates, it will be appropriate to recognize the cost causation of Mullin Creek 2 for enabling service to LLPS customers."[7] But that is a determination to be made in a future rate case, not in this CCN case, when the determination is whether to grant the CCN because it is necessary or convenient for the public service, pursuant to § 393.170.3, RSMo. The Commission has traditionally used what are called the Tartan Factors when reviewing applications for CCNs.[8]

Another issue raised involves the treatment of CWIP in this case, specifically, how the cost for CWIP should be allocated. CWIP must first be authorized in this CCN case

[5] See Exhibit 107, Trevor Rucker Rebuttal, Page 3, 11 and Schedule Tr-r2.
[6] Exhibit 100, Amanda Arandia Rebuttal, Page 5, Lines 15-20.
[7] Exhibit 103, Sarah Lange Rebuttal, Page 5, Lines 6-8.
[8] The five Tartan factors are: whether there is a need for the project? Whether the applicant is qualified to own, operate, control, and manage the project? Whether the applicant has the ability to finance the project? Whether the project is economically feasible? And whether the project is in the public interest?

before it can be addressed in a rate case. The Commission should set the limitation of CWIP eligible for rate base inclusion in EMM's next rate case to the amount set forth in the *Agreement* signed by the parties in this case.[9] The statute, § 393.135.2, RSMo, authorizing the Commission to include CWIP requires the Commission to establish limitations in a CCN case before it can include CWIP in base rates. That statute specifically states, "The commission shall determine, in a proceeding under section 393.170 [the CCN statute], the amount of construction work in progress that may be included in rate base." Under the plain reading of the statute, the Commission must determine the CWIP to be used in the rate base in the associated CCN proceeding first. Only after the amount of CWIP is calculated in the CCN case can it be allocated in the future rate case. An example of how that might be calculated was suggested by Staff in its *Initial Post-Hearing Brief* filed in EMM's rate case, Case No. ER-2026-0143.[10]

CONCLUSION AND RECOMMENDATION

As a signatory to the *Non-Unanimous Stipulation and Agreement,* the Staff recommends the Commission grant the requested CCN and approve the *Agreement* and all the conditions found therein as it relates to the Mullin Creek #2 *CCN Application* filed by EMM.

The proper cost allocation for the Project should be determined in a future rate case.

Regarding CWIP, Staff recommends that it first be authorized in this CCN case before it can be addressed in a rate case. The limitation of CWIP eligible for rate base inclusion in

[9] See Exhibit 111, Matt Young Rebuttal, Page 2, Lines 11-15.
[10] See Issue 32(D) "How should responsibility for construction work in progress be assigned or allocated among the customer classes?" pp. 119-120, filed November 6, 2026.

EMM's next rate case should be set at the amount proposed by EMM and set forth in the *Agreement*. Staff recommends that the Commission limit the amount of CWIP included in rate base to the period beginning with the month the Project is eligible to accrue AFUDC under FERC's guidance and ending with the anticipated completion date of October 31, 2030.[11]

WHEREFORE, Staff hereby submits this *Initial Post-Hearing Brief* for the Commission's consideration and information.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First-Class United States Postal Mail, postage prepaid, on this 16th day of November, 2026, to all parties and counsel of record.

/s/ Carolyn H. Kerr

[11] Exhibit 111, Matt Young Rebuttal, Page 2, Lines 19-22. See also, *Agreement*.