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

POST-HEARING REPLY BRIEF OF EVERGY MISSOURI METRO

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INTRODUCTION

Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("EMM" or the "Company") respectfully submits this *Post-Hearing Reply Brief* ("Reply Brief") in response to the initial post-hearing briefs of the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), the Office of the Public Counsel ("OPC"), Google LLC ("Google"), Velvet Tech Services, LLC ("Velvet Tech"), and the Midwest Energy Consumers Group ("MECG").[1] This Reply Brief follows the organization of the Initial Brief.[2]

None of the other parties' initial briefs disputes the crucial context leading to this rate case: The Company's total rates decreased by 2.2% from 2017 through October 2025, while the rates of electric utilities in peer states increased by an average of 18.8% and inflation increased by approximately 29%.[3] In 2025, the Company had the 16th lowest average residential bill among the 100 largest investor-owned electric utilities with bundled sales.[4] The Company now requests an increase of $88.9 million, which is less than 10% and amounts to a cumulative change of about 9.6% since the end of 2017.[5] The investments at issue in this case keep service safe and reliable, and the requested return at issue allows the Company to finance them.

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[1] See Staff's Initial Post-Hearing Brief (Nov. 6, 2026) ("Staff Brief"); Public Counsel's Initial Post-Hearing Brief (Nov. 6, 2026) ("OPC Brief"); Initial Post-Hearing Brief of Google LLC (Nov. 6, 2026) ("Google Brief"); Initial Post-Hearing Brief of Velvet Tech Services, LLC (Nov. 6, 2026) ("Velvet Brief"); Initial Post-Hearing Brief of the Midwest Energy Consumers Group (Nov. 6, 2026) ("MECG Brief"). Renew Missouri Advocates d/b/a Renew Missouri ("Renew Missouri") and the Missouri Industrial Energy Consumers ("MIEC") filed no initial brief. Page citations to the initial briefs are to their printed page numbers. The Company's Initial Post-Hearing Brief (Nov. 6, 2026) is cited as the "Initial Brief." Defined terms carry the meanings given in the Initial Brief, and the agreements, objections, statements of position, and Staff's reconciliation are cited by the short forms used there. The RLJ confirmed that the exhibits and testimony from the on-the-record presentation are part of the evidentiary record in this case. See Tr. Vol. 11 at 40:22–41:13. The Commission has since admitted the Volume 12 transcript and the six stipulations and agreements as Exhibits 550 through 556. See Order Admitting Additional Hearing Exhibits at 1–2 (Nov. 17, 2026) (EFIS Item 571). Volume 7 of the official transcript (EFIS Item 344) does not print page or line numbers, and citations to it give the page of the filed document and the line counted from the top of that page.

[2] For ease of the Commission's review, this Reply Brief does not repeat all arguments from the Initial Brief, including arguments unrebutted by other parties' initial briefs. The Company stands on its Initial Brief and fully incorporates it herein.

[3] See Ex. 21, Gunn Direct at 11–12 & Figure 2.

[4] See Ex. 31, Ives Surrebuttal at 3.

[5] See Initial Brief at 1–2, 10 (Table 2).

Under well-established Missouri ratemaking principles and law, the Commission must set just and reasonable rates, and the Company bears the burden of proving that its proposed rates meet that standard.[6] Setting just and reasonable rates "involves a balancing of the investor and the consumer interests."[7] As detailed in the Initial Brief and below, the Company has amply carried its burden of proof for the requested increase in this rate case, which balances investor and consumer interests, is just and reasonable, and is supported by substantial evidence on the record as a whole.

In addition to the six stipulations and agreements filed in October and the parties' Joint List of Status of Issues, the parties' initial briefs further narrow this case considerably.[8] Four of the agreements drew only two objections between them, each to a single term. Staff asks the Commission to adopt the Partial Stipulation, the Pensions Stipulation, the Non-C&I Rate Design Stipulation, and the Programs Stipulation "in their entirety, without modification."[9] OPC does not oppose those four agreements except on the customer charge waiver program it seeks under Issue 16.E.[10] MECG objects to one term of the Partial Stipulation—the retirement dates for Iatan Unit 1 and La Cygne Unit 2 under Issue 17.A.[11] Google does not oppose any of the four agreements, and Velvet Tech's brief addresses only the LLPS issues.[12] Renew Missouri signed the Programs Stipulation, does not oppose the Partial Stipulation, and lists no objection to any agreement on the Joint Status List.[13] The Commission should approve those four agreements as filed.

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[6] See Mo. Rev. Stat. §§ 393.130.1, 393.150.2. Unless otherwise noted, all statutory citations in this Reply Brief are to the Revised Statutes of Missouri (2016), as amended.
[7] Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591, 603 (1944).
[8] See Joint List of Status of Issues (Nov. 6, 2026) (EFIS Item 350) ("Joint Status List"), filed in response to the Order Directing the Filing of a Joint Issues Status Pleading and Setting Time for Objections to Commission Exhibits (Oct. 27, 2026).
[9] Staff Brief at 20.
[10] See Joint Status List (Issue 16.E); OPC Brief at 5, 29–30; Staff Brief at 7.
[11] See Joint Status List (Issue 17.A); MECG Brief at 2; Staff Brief at 7.
[12] See Staff Brief at 7; Velvet Brief at 3–6.
[13] See Programs Stipulation at 1; Partial Stipulation at 1; Joint Status List.

Staff and OPC oppose the LLPS Stipulation on four subjects. As discussed below, they dispute the LLPS revenue reflected in rates (Issue 3.A), the LLPS tariff (Issue 31), the FAC terms (Issues 22, 23, and 25), and the earnings review (Issue 37). Google defends the revenue adjustment, the FAC terms, and the earnings review.[14] Velvet Tech asks the Commission to "make minimal changes to Schedule LLPS in this case" and does not ask the Commission to reject the agreement.[15] MECG supports the $60 million revenue adjustment.[16]

This is a transitional case for Schedule LLPS. As Mr. Lutz told the Chair, it is "a transitional case where we do not have a customer present in the test year to inform rate making."[17] The LLPS Stipulation therefore sets rates on the LLPS revenue that was known and measurable at the true-up, and it leaves later growth subject to the annual earnings review process. Staff's alternatives rest on estimates of load that had not arrived by the true-up. Asked by the Chair whether "in the next case, we would know for sure what the revenue requirement and billing determinants for the large load customers are," Mr. Lutz agreed: "For Metro, in the next filing, we will have large load customers present. We will have costs."[18] The Commission should decide those questions on that record.

On the Rate Design Settlement, Staff does not object to the demand thresholds, the 15-minute billing demand, the elimination of the Hours Use structure, the time periods, or the TRP freeze.[19] Staff contests the class apportionment (Issue 32.A), the reactive demand charge (Issue 29.A.ii), the 1.25/0.75 demand-energy split (Issue 29.A.iii), and the optional time-of-use rate (Issue 29.B). It also contests the TRP 1.1 multiplier (Issue 30.A), the effective date of the

[14] See Google Brief at ¶¶ 28–35, 48–54.
[15] Velvet Brief at 1; see id. at 3–6.
[16] See MECG Brief at 7.
[17] Tr. Vol. 12 at 114:25–115:2 (Lutz).
[18] Id. at 115:19–116:1 (Lutz).
[19] See Staff Brief at 102; MECG Brief at 15–16, 19; Staff Rate Design Objection at ¶¶ 4, 13–14.

restructured rates (Issue 29.A.vi), and bill-cycle implementation (Issue 32.C).[20] OPC contests only the apportionment (Issue 32.A). Each of these positions should be rejected, as detailed in the Initial Brief and below.[21]

Outside the agreements, Staff and the Company agree on the capital structure (Issue 1.A) and the cost of debt (Issue 1.B), which leaves OPC alone in proposing an unreasonable 45% equity ratio.[22] On return on equity (Issue 1.C), Staff's own brief reports 2026 authorized returns averaging 9.83% and 9.85%, both above Staff's 9.73% recommendation.[23] On rate base, Staff's retired plant adjustment (Issue 20.C) remains in dispute and should not be adopted. The same is true of OPC's unsupported transmission and distribution disallowances (Issues 19.A and 20.F), on which Staff takes no position.[24] Staff and OPC oppose the CIP and cyber security tracker (Issue 36.B) because the costs have been stable.[25] A stable history, however, is the wrong test for costs driven by mandates, attacks, and vendor failures, as discussed in the Initial Brief and here.

The Commission should approve all six agreements without modification or condition and adopt the Company's position on each remaining contested issue in this case.

ARGUMENT AS TO CONTESTED ISSUES

I. LARGE LOAD POWER SERVICE ISSUES

The Initial Brief explains why the Commission should approve the LLPS Stipulation as the Company and Google signed it.[26] That agreement fits a transitional case. It sets rates on what was known and measurable at the true-up and leaves the rest to the earnings review and the next rate

[20] See Staff Rate Design Objection at ¶¶ 6–11, 14.
[21] The record evidence supporting each contested term of the LLPS Stipulation and the Rate Design Settlement is cited where that term is discussed.
[22] See Staff Brief at 24–27; OPC Brief at 5–11.
[23] Staff Brief at 34.
[24] See Staff Brief at 66–69; OPC Brief at 31–50.
[25] See Staff Brief at 122–125; OPC Brief at 71.
[26] See Initial Brief at 24–61.

case. Staff's brief concedes three points. Staff now reads Schedule LLPS the way the LLPS Stipulation reads it on billing demand.[27] Staff agrees that the earnings review it proposes and the one in the LLPS Stipulation share the same two triggers, the same surveillance base, and the same 65/35% split.[28] Staff also agrees that an annual review of companywide earnings protects customers against over-earning from large load growth after the true-up.[29] Those concessions resolve most of what Staff argues under Issues 3.A and 37.

3. Other Revenues (EMM: Gunn, Jaynes; Staff: Lange, Luebbert (also adopting Rucker); Google: Berry; MECG: Meyer; OPC: Nelson)

A. What is the appropriate level of net revenue to reflect in the cost of service and other models for Large Load Power Service ("LLPS") and other large customers?

The Commission should include $60 million of LLPS revenue in the revenue requirement, as the LLPS Stipulation provides.[30] Staff calls the $60 million "a negotiated, rounded amount rather than the product of Staff's independent cost-of-service analysis."[31] OPC repeats its request for $117 million.[32] Mr. Ives rebutted Staff's objection point-by-point at the on-the-record presentation, and the competing figures in Staff's and OPC's briefs rest on mere projections.[33]

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[27] See Staff Brief at 110–111.
[28] See Staff Brief at 129 (quoting Tr. Vol. 12 at 76:22 (Ives)).
[29] See Staff Brief at 126.
[30] See LLPS Stipulation at ¶ 13.
[31] Staff Brief at 39.
[32] See OPC Brief at 20–22.
[33] See Tr. Vol. 12 at 56:3–58:7 (Ives); State ex rel. GTE North, Inc. v. Missouri Public Service Commission, 835 S.W.2d 356, 368–71 (Mo. App. W.D. 1992) ("The Commission further finds that the Staff's method of determining separations is more reasonable than the Company's which includes projected data.") (internal quotation marks omitted).

The $60 Million Annualizes the June 2026 Bills

While Mr. Ives did use the word "negotiated" at the on-the-record presentation, as Staff attempts to mischaracterize,[34] the full exchange shows what was negotiated. When Staff's counsel invited Mr. Ives to call the figure "the plug," he declined: "I'd call it a rounded annualized June 2026 amount."[35] He explained that the Company "looked at the June revenues billed and the billing determinants, which was the last month of the true-up period, and annualized that."[36] The only adjustment from the Company's earlier $43 million was the one Dr. Berry identified, which applies the energy charges on top of the minimum demand of 80% of contract capacity.[37] Both figures were calculated under the existing tariff at the rates in effect in June 2026.[38] The only element the signatories negotiated was the rounding of Dr. Berry's calculation, and Staff's objection "did not identify an error" in that calculation.[39]

The only figure any witness called a plug was Staff's own. Ms. Lange testified that Staff "had to present" its Customer A revenue "for true-up as a true-up plug, just in order to kind of make things make sense."[40]

The $60 million also follows Staff's own method. Staff's brief explains that, for large customers, "Staff may perform an individualized annualization based on the customer's specific circumstances."[41] An annualization of the last month of the true-up period at the tariff's minimum demand is exactly that.

[34] See Staff Brief at 39 & n.154 (citing Tr. Vol. 12 at 93–96).
[35] Tr. Vol. 12 at 93:25–94:8 (Ives).
[36] Tr. Vol. 12 at 56:24–57:4 (Ives).
[37] See Tr. Vol. 12 at 57:15–24, 94:12–21 (Ives).
[38] See Tr. Vol. 12 at 81:21–82:18 (Ives).
[39] Tr. Vol. 12 at 57:25–58:7 (Ives).
[40] Tr. Vol. 7 at 109:15–20 (Sarah Lange).
[41] Staff Brief at 41.

Staff's brief also resolves the one dispute that separated the Company from Google. Under Issue 31, Staff asks the Commission to order that each monthly bill "preserve the applicable demand-based minimum calculated from 80% of contract demand and separately assess energy-based charges under the tariff."[42] Staff describes that result as what paragraph 4 of the LLPS Stipulation already provides, and it cites Mr. Ives's testimony that the stipulated revenue used that very reading.[43] The $60 million is the revenue that reading produces from the June 2026 bills. Staff cannot ask the Commission to order the reading and reject the number it produces.

Staff also observes that its figure falls between the Company's earlier $43 million and the stipulated $60 million.[44] As Mr. Ives testified when Staff raised the point, "[t]he Staff's number was in between Google's and the Company's but didn't reflect the language that is reflected in the LLPS tariff."[45]

Staff's Figure Is Not Known and Measurable

Staff devotes several pages to the improper proposition that the Commission may consider evidence of events after the true-up date.[46] Staff's brief acknowledges that the Commission "retains discretion to reject an adjustment whose financial effects are insufficiently known and measurable."[47] Staff itself draws a line between using later information "to test the reliability of an estimate" and "improperly expanding the true-up period."[48] However, Staff offers its later information to replace the $60 million with a different figure.[49] A reliability check that changes the number is a measurement, and a measurement drawn from events after the true-up date is the

[42] Staff Brief at 111.
[43] See Staff Brief at 111 (citing Tr. Vol. 12 at 57:15–24 (Ives)).
[44] See Staff Brief at 47.
[45] Tr. Vol. 12 at 96:6–8 (Ives).
[46] See Staff Brief at 44–47.
[47] Id. at 46.
[48] Id. at 45.
[49] See id. at 44–46.

expansion of the true-up period that Staff calls improper.[50] For LLPS revenue, the Commission has already stated the limit: the Large Load Order reserved the treatment of that revenue for a future rate case in which it would be known and measurable.[51] No Schedule LLPS customer appears in the test year.[52]

The June 2026 bills of Customer A taking service at the true-up are a known and measurable change. In contrast, a contract demand that Customer A had not reached, multiplied by a load factor Staff merely took from a range, is anything but.[53] Staff's witness could not normalize Customer A's load for fuel costs because "the actual hours of Customer A load cannot be reasonably normalized at this time."[54] Modeling that load, she testified, "requires Staff to make assumptions about exactly how much energy Customer A will be using in each hour of the year," and "[t]here is not sufficient information upon which to reasonably base such assumptions at this time."[55] A load too uncertain to model for expense is too uncertain to project for energy revenue.[56]

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[50] Staff also relies on Office of Public Counsel v. Evergy Missouri West, Inc., 609 S.W.3d 857 (Mo. App. W.D. 2020). See Staff Brief at 46. In that case, the Sibley facility was forced out of service after the true-up date. The Commission found that, had the signatories to the stipulation and agreement "known that Sibley 3 had ceased producing power and would be retired, they could have proposed an isolated adjustment outside the test year and true-up date to remove the operating costs of the retired units from [Evergy]'s new rates." Office of Public Counsel, 609 S.W.3d at 860–61, 864 (internal quotation marks omitted). The court affirmed the Commission's accounting authority order, which deferred the resulting savings for consideration in the utility's next general rate case. Id. at 860. Those facts are not present here.

[51] See Report & Order at 44, In re: Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of New and Modified Tariffs for Service to Large Load Customers, No. EO-2025-0154 (Nov. 13, 2025) ("Large Load Order"), rehearing denied, Order Denying Application for Rehearing, No. EO-2025-0154 (Jan. 7, 2026); Initial Brief at 26.

[52] See Initial Brief at 12–13; In re Empire District Electric Co.'s Request for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in Its Missouri Service Area, 630 S.W.3d 887, 890–93 (Mo. App. W.D. 2021) (affirming the Commission's refusal of an adjustment for a plant retirement "because March 2020 was outside the end of the true-up period" and the retirement's effects were "not known or measurable"); GTE North, 835 S.W.2d at 368 (an adjustment for an event outside the test year must be, among other things, "known and measurable").

[53] See Tr. Vol. 12 at 57:5–14, 101:15–21 (Ives).

[54] Ex. 167, Sarah Lange Surrebuttal/True-Up Direct at 43.

[55] Id. at 22.

[56] An expert's opinion "must not be a mere guess or conjecture but must be based upon facts and adequate data" to have "sufficient probative force to be substantial evidence." Harp v. Illinois Central Railroad Co., 370 S.W.2d 387, 391 (Mo. 1963), superseded by statute on other grounds as stated in Hickman v. Branson Ear, Nose & Throat, Inc., 256 S.W.3d 120, 122–23 (Mo. banc 2008); see also Empire, 630 S.W.3d at 892 (affirming the Commission's finding that "there were simply too many unknowns").

The post-true-up data Staff inappropriately placed before the Commission at the on-the-record presentation came from the Company's monthly reports under 20 CSR 4240-3.190.[57] As Mr. Lutz explained, those reports are "not intended to be rate making data," and any "reliance on [them] is problematic" for that reason.[58] Billing, by contrast, "is subject to much higher levels of control," because "the bills are where the buck stops."[59] Staff's witness even agreed that the 3.190 data reports hourly energy while Schedule LLPS bills on 15-minute demand, and she had not seen the actual 15-minute demand of any LLPS customer after June.[60]

The Regulatory Law Judge ("RLJ") received Staff Exhibit 1 by official notice over objection, limited to the printout itself, and left the parties "to argue against the weight of that."[61] The Commission should give the 3.190 data no weight as a basis for the revenue adjustment, as discussed above. The known and measurable figure remains the June 2026 bills, rendered when Customer A "was still under a minimum bill."[62]

Staff's evidence on this issue must also be considered as an improper attempted workaround of three rulings. The Commission struck the portions of Ms. Lange's direct testimony that rested on information gathered during "a tour of a non-utility party's facility."[63] At hearing, the RLJ struck pages 6 through 11 of the conforming direct testimony Staff filed in response. On Staff's own motion, the RLJ also struck the part of Mr. Lutz's rebuttal testimony that responded

[57] See Tr. Vol. 12 at 124:10–15, 140:19–24 (Staff counsel); id. at 125:10–16, 198:16–23 (Google counsel) (third box of Staff Exhibit 3); id. at 138:15–21 (Staff Exhibit 1).
[58] Tr. Vol. 12 at 131:4–8 (Lutz).
[59] Tr. Vol. 12 at 150:7–15 (Lutz).
[60] See Tr. Vol. 7 at 136:9–18 (Sarah Lange).
[61] Tr. Vol. 12 at 138:15–20, 140:15–18.
[62] Tr. Vol. 12 at 150:24–151:1 (Lutz).
[63] Order Granting Motion to Strike and Motion for Expedited Treatment at 1, 3 (Sept. 28, 2026) (EFIS Item 299); see Order Granting Motion for Clarification and Expedited Treatment at 1 (Oct. 1, 2026) (EFIS Item 304).

to the struck testimony.[64] Staff's continued efforts to push the same kind of evidence violates these same orders, and so that evidence should be rejected for a fourth time.

Staff also contends that the $60 million "is incorrect per the LLPS Agreement[']s own terms," and it supports that contention with in-camera hearing testimony.[65] Ms. Lange prepared Attachment B to Staff's objection, which was later admitted as Staff Exhibit 3.[66] On Staff's own redirect, she agreed that Attachment B applied no 80% minimum demand: "In retrospect, probably should have thrown that in, too."[67] The 80% minimum demand is the billing demand term of the LLPS Stipulation, and it is the term Staff's brief asks the Commission to order under Issue 31.[68] An exhibit that admittedly omits the Agreement's billing demand term cannot show that the $60 million is incorrect under the Agreement's own terms.[69]

The Earnings Review Addresses Positive Regulatory Lag

Staff closes with Ms. Lange's testimony that growth after the true-up "creates a concern involving positive regulatory lag."[70] The LLPS Stipulation addresses that concern through the earnings review under Issue 37. Staff's brief agrees that "[a]n annual review using actual companywide results protects customers against that outcome while accounting for the expenses and investment necessary to serve growth."[71] The Commission therefore need not inflate the revenue adjustment to capture growth that the earnings review will measure as it occurs.

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[64] Tr. Vol. 7 at 142:23–143:6 (striking Ex. 177, Sarah Lange Conforming Direct at 6:14–11:17); id. at 193:3–195:9 (striking Ex. 55(HC)/56(P), Lutz Rebuttal at 32:16–33:18).
[65] See Staff Brief at 48.
[66] See Tr. Vol. 7 at 59:6–8, 61:2–5, 63:21–64:2 (Sarah Lange and Staff counsel); Tr. Vol. 12 at 198:24–199:4; Staff Brief at 48 & nn.175–176.
[67] Tr. Vol. 7 at 135:19–136:5 (Sarah Lange).
[68] See LLPS Stipulation at ¶ 4; Staff Brief at 111.
[69] See Harp, 370 S.W.2d at 391 (an expert's opinion must be "based upon facts and adequate data").
[70] Staff Brief at 49.
[71] Staff Brief at 126.

OPC's $117 Million Remains a Forecast

Mr. Nelson agreed that his $117 million "is an estimate" and that it is "based on forecast of future revenues." The figure "relies on revenues occurring after the test year and the true-up period in this case."[72] Asked whether $117 million of recorded annual revenue exists, he responded: "Just the estimates provided by the Company."[73] His reason for reaching to 2030 was the risk that the Company would be "earning healthily between now and then" with "no reason to come in for a rate case."[74] That is the risk the earnings review in the LLPS Stipulation measures each year on actual companywide results, and OPC's own brief offers an annual true-up "under Issue 37" as its fallback.[75] A rate case sets rates on known and measurable results, and a five-year revenue projection is neither known nor measurable.[76]

i. What is the appropriate revenue adjustment for expected future revenues from Schedule LLPS customers in the cost of service model?

The Commission should approve no adjustment beyond the $60 million. Staff's brief restates its request to increase each Schedule LLPS rate component by the same percentage as every other class.[77] That request concerns rate design and is discussed in Section X under Issue 30.A. As the Initial Brief explains, grossing up LLPS revenue for the increase in this case would apply the increase twice, once in the revenue adjustment and again in the rates themselves.[78]

[72] Tr. Vol. 7 at 177:1–13 (Nelson).
[73] Tr. Vol. 7 at 177:22–25 (Nelson).
[74] Tr. Vol. 7 at 180:24–181:5 (Nelson).
[75] See OPC Brief at 21–22; LLPS Stipulation at Ex. D.
[76] Velvet Tech makes the same point about OPC's figure. See Velvet Brief at 6; see also GTE North, 835 S.W.2d at 368; Empire, 630 S.W.3d at 891–92; Harp, 370 S.W.2d at 391.
[77] See Staff Brief at 37.
[78] See Initial Brief at 31–32.

31. Large Load Power Service Tariff and Reporting (EMM: Gunn, Ives, Lutz, Nunn, Meitner; Staff: Lange, Eubanks; Google: Berry; OPC: Marke)

A. What tariff changes or clarifications, if any, should be made to the Large Load Power Service tariff?

The only change to Schedule LLPS should be the billing demand clarification in paragraphs 4 and 5 of the LLPS Stipulation.[79]

Staff Agrees with the Billing Demand Clarification

Staff's brief adopts the clarification the LLPS Stipulation makes. As discussed under Issue 3.A, Staff asks the Commission to order the same billing demand reading. Staff states that "[t]he LLPS Agreement reflects the same operative distinction" and that its request "is implementation of the Commission's previous decision" in Case No. EO-2025-0154.[80] The Company agrees with Staff on that point, and so the Commission should approve paragraphs 4 and 5 of the LLPS Stipulation, which produce the result Staff requests.

Construction Power Is Not Schedule LLPS Service

Staff asks the Commission to declare that the five-year ramp period includes construction power.[81] Staff's brief acknowledges Mr. Lutz's testimony that construction commonly precedes the customer's use of the site and is taken by a third party that controls the site until completion.[82] Staff's response is that the Commission "should define the relevant service milestone in the tariff itself."[83]

[79] See LLPS Stipulation at ¶¶ 4–5.
[80] Staff Brief at 111.
[81] See Staff Brief at 106–108.
[82] See Staff Brief at 107 (citing Ex. 55(HC)/56(P), Lutz Rebuttal at 26, 37).
[83] Staff Brief at 107.

But the tariff already defines that milestone. By Staff's description, Sheet No. 76 provides for a ramp period "with the term beginning when permanent service begins or as specified in the service agreement."[84] Staff's proposal would replace that term with one that starts the ramp before the customer takes the site. The Global Stipulation reserves changes to LLPS rate design for the first general rate case with a Schedule LLPS customer in the test year, and no Schedule LLPS customer appears in this test year.[85]

Staff's Exceedance Terms Are Unsupported New Provisions

Staff asks for three new terms: a prohibition on demand above contract demand, a hold-harmless obligation for every cost attributable to an exceedance, and a reset of the minimum demand to the exceeded level.[86] Staff's brief concedes that "[t]his recommendation is a development since the Commission's previous decision" in Case No. EO-2025-0154.[87] Staff ties the development to SPP's Conditional High Impact Large Load Services, which took effect on July 1, 2026, after the true-up.[88]

The Commission should decline to write three new tariff terms on a record with no evidence supporting them. Schedule LLPS already addresses contract capacity, and Mr. Lutz testified that "there are provisions within the large load tariff itself that allow all of those numbers to be revised."[89] The Commission found when it approved the tariff that its minimum bill commitments and credit standards reduce stranded cost and cross-subsidy risks.[90] No Schedule LLPS customer has exceeded its contract demand on this record, and no witness quantified a cost that an exceedance would impose on other customers. If exceedance costs ever arise, the Global

[84] Staff Brief at 106.
[85] See Global Stipulation at ¶ 14(iii); Large Load Order at 46; Initial Brief at 24–25.
[86] See Staff Brief at 108–110.
[87] Staff Brief at 109.
[88] See Staff Brief at 108.
[89] Tr. Vol. 12 at 148:23–149:1 (Lutz).
[90] See Large Load Order at 17 (Finding of Fact 38), 26; Initial Brief at 158.

Stipulation frees every party to propose changes to LLPS cost allocation and rate design in the first case with a Schedule LLPS customer in the test year.[91]

The Commission Rejected OPC's Changes Last Year

OPC again proposes a 90% minimum bill, a 20-year term, a 25 MW threshold, and a Community Benefits Rider.[92] Its witness agreed that his testimony "repeats many of the same recommendations the Commission rejected less than a year ago."[93] Asked by the Chair whether any utility or state has adopted all three structural changes, he identified none.[94] On OPC's own redirect, Dr. Marke conceded that "reasonable minds can differ as to whether or not it should be 80 percent, 90 percent, 50, 25."[95] A minimum bill within the range of legitimate positions is not "inadequate."[96] Google and Velvet Tech each ask the Commission to reject the changes for the same reasons.[97]

B. What reporting requirements are appropriate concerning new large loads and load growth?

The Commission should order no new reporting beyond the commitments already in place. As to the annual report, Staff acknowledges that paragraph 35 of the Global Stipulation "already provides for stakeholder development of an annual report" with the same contents Staff requests. Staff's request therefore "need not result in duplicative annual reports."[98] An order directing what the Company has already agreed to do adds nothing.

[91] See Global Stipulation at ¶ 14(iii).
[92] See OPC Brief at 60–64.
[93] Tr. Vol. 7 at 218:21–24 (Marke).
[94] See id. at 222:23–224:15 (Marke).
[95] Tr. Vol. 7 at 230:18–22 (Marke).
[96] See OPC Brief at 61.
[97] See Google Brief at ¶¶ 42–47; Velvet Brief at 3–5.
[98] Staff Brief at 113.

Staff's other requests—delivery of executed service agreements within 30 days and hourly load data in rate case workpapers—come from Ameren Missouri's settlement in Case No. ET-2025-0184.[99] Ameren Missouri agreed to those terms as part of its own package, which is distinct from the package the Commission approved for the Company.[100] The Company "anticipates making individual Service Agreements available," with confidentiality protections addressed case by case.[101] The Company's monthly reports under 20 CSR 4240-3.190 already include LLPS hourly loads by rate code.[102] Staff's brief asks only that the Commission direct the Company to "continue" that reporting, which the rule already requires.[103] The Initial Brief explains why the remaining reporting requests should be denied.[104]

25. Fuel Adjustment Clause — Large Load Power Service (EMM: Nunn, Ives, Gunn, Meitner, Foo; Staff: Mastrogiannis, Lange; Google: Berry; OPC: Schaben)

A. Should changes be made to the FAC to address LLPS customers?

No. The Commission should approve the FAC terms of the LLPS Stipulation and reject Staff's Options 1 and 2, along with OPC's exclusion proposal.[105] Staff's brief rests its case against the LLPS Stipulation on a "mismatch": the stipulated base factor excludes LLPS load and expense, while actual LLPS energy cost enters the fuel adjustment rate ("FAR") going forward.[106] From that premise Staff concludes that the Company will under-recover between rate cases and that the shortfall "will later be recovered from all ratepayers through the FAR."[107] But while the premise may be accurate on a standalone basis, Staff's conclusion does not follow from it.

[99] See Staff Brief at 111–118; Initial Brief at 36.
[100] See Ex. 55(HC)/56(P), Lutz Rebuttal at 27; Ameren Stipulation at ¶¶ 37, 51, 52.
[101] Ex. 55(HC)/56(P), Lutz Rebuttal at 28–30; see LLPS Stipulation at ¶ 21.
[102] See Ex. 167, Sarah Lange Surrebuttal/True-Up Direct at 4 & n.4, 9; 20 CSR 4240-3.190(3)(A)6.C.
[103] See Staff Brief at 117.
[104] See Initial Brief at 35–37.
[105] See LLPS Stipulation at ¶¶ 6–10.
[106] See Staff Brief at 80.
[107] Staff Brief at 80.

LLPS Customers Pay the FAR on Every Kilowatt-Hour They Use

The mismatch argument assumes that LLPS customers are not among the ratepayers who pay the FAR. Not so. Under the LLPS Stipulation, LLPS customers remain in the FAC and pay the same fuel adjustment rate as every other customer on every kilowatt-hour they use.[108] As Mr. Ives explained, LLPS customers pay "the recognized share in the revenue requirement and in the base factor set in the case just like all other customers." They also pay "any adjustment that flows through due to changes in net fuel and purchase power cost."[109]

The base factor is internally consistent because it leaves out LLPS load and LLPS cost together. The stipulated factor "utilizes the NSI and the net fuel and power components from Staff's runs," which exclude Customer A. The stipulation adds the long-term capacity subaccounts.[110] Staff's witness confirmed that leaving both sides out is a wash at the base, because Customer A's energy revenue and energy expense "are basically the same number."[111] After rates take effect, actual net energy cost is compared with the base, and only the difference flows through the FAR. The LLPS share of that difference is shared 90/10% rather than 95/5%.[112] And because LLPS customers pay that FAR along with everyone else, every dollar of LLPS energy cost that enters the FAC is matched by LLPS kilowatt-hours that pay the resulting rate. Staff's $5,000 example of the 90/10% term reflects today's small LLPS share,[113] and the Company's share of each cost increment grows as LLPS load ramps.[114]

[108] See LLPS Stipulation at ¶¶ 7, 10; Tr. Vol. 12 at 42:1–3 (Google counsel) (statement of a party's position).
[109] Tr. Vol. 12 at 73:25–74:8 (Ives).
[110] Tr. Vol. 12 at 96:21–97:1 (Ives); see LLPS Stipulation at ¶¶ 9–11.
[111] Tr. Vol. 7 at 256:20–257:3 (Sarah Lange); see Ex. 167, Sarah Lange Surrebuttal/True-Up Direct at 7.
[112] See LLPS Stipulation at ¶ 7; Tr. Vol. 12 at 75:9–24 (Ives).
[113] See Staff Brief at 89–90. The $5,000 figure comes from an illustration built on kilowatt-hour inputs that Ms. Lange described as "hypothetical and easy round numbers." Tr. Vol. 7 at 123:3–5 (Sarah Lange).
[114] See LLPS Stipulation at ¶ 7; Tr. Vol. 12 at 75:20–24 (Ives).

Staff's Preferred Option Has the Same Base Factor and a Gap the Stipulation Closes

Staff's own Option 2 excludes LLPS load and expense from the base factor, exactly as the LLPS Stipulation does.[115] Staff's counsel described the stipulated factor to Mr. Ives as "pretty much the modified version of Staff's option 2," and Mr. Ives agreed: "Modified, with maintaining inclusion in the FAC, yes."[116] If excluding LLPS load and expense from the base factor created the mismatch Staff describes, Staff's preferred option would suffer from the same defect.

The real difference between Option 2 and the LLPS Stipulation lies in what happens after rates take effect. Under Option 2, as Staff's witness agreed, the Company "would not get recovery for those, those differences between what is actually incurred for fuel and purchase power costs."[117] Asked by the RLJ how the Company would recover fuel costs from Customer A under that option, she replied: "As of right now, they, they wouldn't under Staff's option two."[118] Staff's response to that gap is that the Company would "get additional recovery of those customers in -- with customer demand, increased revenues." Those revenues are "not related . . . specifically to fuel and purchase power costs in the FAC."[119] Staff's own design, in other words, would pay for fuel with demand charges.

OPC adopts Option 2 as well.[120] Under the LLPS Stipulation, by contrast, any deviation from the base "gets trued-up through the FAC mechanism through the forward accumulation periods, just like it does for all other customers."[121] The mechanism Staff calls a mismatch is the very mechanism that closes the gap Staff's proposal leaves open.

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[115] See Tr. Vol. 12 at 72:2–8 (Ives); Ex. 156, Mastrogiannis Surrebuttal/True-Up Direct at 19 n.14.
[116] Tr. Vol. 12 at 97:2–5 (Ives).
[117] Tr. Vol. 8 at 28:22–25 (Mastrogiannis).
[118] Tr. Vol. 8 at 27:24–28:2 (Mastrogiannis).
[119] Tr. Vol. 8 at 28:8–18 (Mastrogiannis).
[120] See OPC Brief at 53.
[121] Tr. Vol. 12 at 72:17–22 (Ives).

Staff's LMP Argument Ignores Generation Revenue

Staff's response to the Company's integrated-system evidence is a single sentence: "Each Megawatt hour of energy used by EMM ratepayers is purchased at the LMP price of the EMM load node."[122] While that is true, it describes only half of what the Company does in the market. As Mr. Ives explained, the Company also "bid[s] in all of our energy into the market." As a result, "the revenues from bidding in the energy are also available to customers through the FAC," producing a net fuel and purchased power cost.[123] Pricing one class at the load-side LMP alone treats the Company "like we're serving the LLPS class as a wires-only utility." That class would get "no benefit for the offset that would come through the FAC for us having generation and bidding it into the market."[124]

Staff's brief concedes that the system is integrated, because Staff "does not propose assigning a particular generator to Customer A, changing SPP dispatch, or registering a separate commercial pricing node."[125] A class served by the fleet should pay the fleet's net cost, as every other class does.[126]

Option 1 Adds an Expense the Revenue Requirement Omits

Staff presents Option 2 as its preference and Option 1 as acceptable "as a complete package."[127] Staff prefers Option 2 because it "depends less on assumptions about Customer A's annualized consumption,"[128] which is also the Company's objection to Option 1. Staff's revenue requirement contains no Customer A energy expense, so the Option 1 base factor would contain

[122] Staff Brief at 85.
[123] Tr. Vol. 12 at 64:19–25 (Ives).
[124] Tr. Vol. 12 at 65:1–8 (Ives); see Ex. 65(C)/66(P), Meitner Surrebuttal at 5.
[125] Staff Brief at 85.
[126] See Large Load Order at 41 (Finding of Fact 96) (separate pricing nodes for LLPS customers "would require the utility to allocate its resource stack on a nodal, rather than system basis," which "increases concerns of cross-subsidization and transparency, contrary to Section 393.130.7"); id. at 42 (declining to require them).
[127] See Staff Brief at 79–80, 94.
[128] Staff Brief at 80.

an expense that the revenue requirement leaves out.[129] That breaks Staff's own rule that the base factor should "accurately reflect what is in the, the revenue requirement."[130]

Staff's April through June 2026 illustration does not change the analysis.[131] It values three months of Customer A's hourly load, taken from the Company's monthly reports under 20 CSR 4240-3.190, at the day-ahead LMP.[132] It also measures energy charges alone, excluding the demand, grid, and customer charges that make up most of what an LLPS customer pays.[133] By Staff's account, the result is a change of about $0.00028 per kilowatt-hour in one accumulation period that "produced an overall credit."[134] An illustration that isolates one revenue stream from a four-part rate, and one cost stream from a netted market, does not show that other customers are harmed.[135]

One FAC for Every Customer Is the Opposite of a Preference

OPC asks the Commission to exclude LLPS customers from the FAC or to set a separate base factor at Staff's illustrative figures.[136] The Initial Brief explains why the Commission should deny both.[137] Exclusion "does not change what drives the costs," and the Company does not procure energy or capacity separately for LLPS customers.[138]

Staff closes its FAC argument by invoking Sections 393.130.1 and 393.130.3, which require reasonable charges and prohibit undue preferences. Staff also invokes Section 393.130.7,

[129] See Initial Brief at 44–46; Ex. 74, Nunn True-Up Rebuttal at 3.
[130] Tr. Vol. 7 at 257:15–17 (Sarah Lange).
[131] See Staff Brief at 83.
[132] See Ex. 167, Sarah Lange Surrebuttal/True-Up Direct at 4–5 & n.4.
[133] See Staff Brief at 83.
[134] Staff Brief at 83.
[135] Cf. State ex rel. Associated Natural Gas Co. v. Public Service Commission, 954 S.W.2d 520, 529–30 (Mo. App. W.D. 1997) (holding unlawful a prudence disallowance made "without reference to any detrimental impact" on the utility's charges to its customers).
[136] See OPC Brief at 53–58.
[137] See Initial Brief at 49–51.
[138] Ex. 22, Gunn Rebuttal at 14; see Ex. 72, Nunn Rebuttal at 5.

which directs that large load tariffs reflect a representative share of costs.[139] Each of these provisions, however, favors the LLPS Stipulation. Section 393.130.3 prohibits "any undue or unreasonable preference or advantage," and one FAC, one base factor, and one fuel adjustment rate applied to every customer on the same terms is the opposite of a preference.[140] Staff's Option 2, by contrast, would single out one class for a different cost measure with no difference in how its energy is procured. As for Section 393.130.7, it is the statute Schedule LLPS implements, as the Commission found when it approved the tariff the LLPS Stipulation keeps in place.[141]

The Commission should find that LLPS customers remain in the Company's single FAC, subject only to the FAC terms of the LLPS Stipulation.

B. What, if any, new FAC reporting requirements should the Commission order?

The Commission should order no new FAC reporting beyond the Partial Stipulation.[142] Staff's requested reports—hourly LLPS load with the day-ahead LMP, monthly LLPS energy and coincident demand, and the related SPP charges—exist to implement Option 2.[143] But with LLPS customers in the single FAC, those reports serve no purpose.

Staff also asks that the monthly FAC report include the details of a capacity and energy contract identified in its witness's rebuttal, "comparable to the information supplied for other power purchase agreements in that tab."[144] The Partial Stipulation, which Staff signed, sets the FAC reporting requirements for this case. Those requirements include the 12 items in Ms. Henderson's direct testimony.[145] The Commission should adopt those requirements and no others.

[139] See Staff Brief at 81.
[140] Section 393.130.3.
[141] See Large Load Order at 22–23, 25–26.
[142] See Partial Stipulation at ¶ 15.
[143] See Staff Brief at 90–92; Ex. 111, Mastrogiannis Direct at 10–11.
[144] Staff Brief at 92.
[145] See Partial Stipulation at ¶ 15; Ex. 106, Henderson Direct at 9–10; Initial Brief at 51.

C. Should EMM have a separate FAC base factor for LLPS customers?

No. Staff's brief now states that Staff is not opposed to a separate LLPS FAC if the factor is truly separate, and it describes what that would require.[146] A separate LLPS factor, Staff writes, "should exclude fuel expense for EMM generation and the revenues produced by selling that generation."[147] A factor that excludes the fleet's fuel and the fleet's sales revenue measures something other than the cost of serving LLPS load, because the fleet is what serves that load.[148] Staff's witness could not calculate an LLPS factor "that incorporates the LLPS responsibility for real time variations and the expenses associated with required ancillary services."[149] Staff accordingly asks the Commission to treat its $0.030965 figure "as a supported rebuttal calculation with stated limitations, not a fully trued-up final tariff factor."[150] However, a factor with stated limitations that its own author cannot complete cannot serve as the basis for a tariff rate.

Staff's objection to the stipulated $0.01742 factor is that it uses "selected inputs from Staff's model."[151] The inputs are Staff's net fuel cost and Staff's net system input, adjusted for the long-term capacity sales that Staff agrees "are already included in base rates."[152] Staff identifies no input the Company changed. Staff's FAC witness described the stipulated factor the same way. In her words, "[e]ssentially, it takes both of Staff's data points for Staff's option 2 and then adds in long-term capacity sales."[153] The Commission should set one base factor of $0.01742 per kWh for all customers, as the LLPS Stipulation provides.

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[146] See Staff Brief at 93–94.
[147] Staff Brief at 93.
[148] See Ex. 72, Nunn Rebuttal at 5; Ex. 65(C)/66(P), Meitner Surrebuttal at 6–7.
[149] Ex. 138, Sarah Lange Rebuttal at 27; see Staff Brief at 93.
[150] Staff Brief at 94.
[151] Staff Brief at 73.
[152] Ex. 142, Mastrogiannis Rebuttal at 2; see LLPS Stipulation at ¶ 10; Tr. Vol. 12 at 96:21–97:1 (Ives).
[153] Tr. Vol. 7 at 251:21–252:4 (Mastrogiannis).

37. Revenue Sharing (EMM: Gunn, Ives, Klote; Staff: Bolin; Google: Berry; MECG: Meyer; OPC: Nelson)

A. Should the Commission implement a mechanism to review or share earnings attributable to Schedule LLPS customers, and if so, how should it be designed?

Yes. The Commission should approve the Earnings Review Surveillance mechanism ("ERS") in Exhibit D to the LLPS Stipulation.[154] Staff's brief narrows this issue to the 20 basis point retention and the PISA and CWIP provisions.

Staff Concedes the Structure of the Mechanism

Staff asks for a mechanism "identical in substance to Ameren Missouri's."[155] Staff then concedes that the ERS already has that substance. Staff's brief cites Mr. Ives's testimony that both mechanisms use "a two-trigger approach," start from surveillance reporting, compare earned returns to a benchmark, and share 65/35% once sharing begins.[156] Staff's brief also agrees with the companywide earnings test, writing that the Ameren Missouri design "accommodates" the Company's concern that one class cannot be measured in isolation.[157] Moreover, Staff's brief disclaims the premise of OPC's and MECG's proposals: "Staff does not contend that every dollar of additional LLPS revenue is excessive profit or that the authorized ROE guarantees a particular annual result."[158]

That leaves the 20 basis point retention, and Staff's own illustration makes the Company's point. If the Company earns 10.20% against a 10% benchmark, Staff's design shares 65% of the 0.20 percentage points, and the ERS shares nothing.[159] The ERS is a one-way mechanism:

[154] See LLPS Stipulation at ¶ 3 & Ex. D.
[155] Staff Brief at 127.
[156] See Staff Brief at 129 (citing Tr. Vol. 12 at 76:8–77:3 (Ives)).
[157] Staff Brief at 128–129.
[158] Staff Brief at 128.
[159] See Staff Brief at 130.

customers participate in earnings above the authorized return, and the Company receives nothing if it earns below it.[160] A 20 basis point band on the upside, with no corresponding band on the downside, preserves a modest incentive to attract and serve the load that produces the revenue customers share. Indeed, Staff's ROE range spans 50 basis points—from 9.48% to 9.98%.[161] Thus, if the Commission adopted Staff's 9.73%, earnings 20 basis points above it would still fall within the range Staff itself calls reasonable. Google's witness proposed a 25 basis point band, and OPC proposes a band of 10 basis points.[162] Google and OPC therefore differ with the Company only on the width of the band, while Staff alone would have no band at all.

Staff responds that Mr. Ives's explanation of the term shows "how the parties reached their bargain" but not "why Missouri customers should surrender otherwise shareable earnings."[163] But the reason appears in the same testimony Staff quotes. The band aligns the ERS with the Company's Kansas mechanism so as not to "create such an imbalance as to have undue incentive differences between operating jurisdictions."[164] Incentive differences are relevant because the Company provides prospective customers estimates under Schedule LLPS for their "siting or expansion decisions."[165] The Commission approved Schedule LLPS in part to "put Missouri on a level playing field with other states in seeking to attract large load customers."[166] Overly aggressive sharing mechanisms "can unintentionally reduce incentives for the investments" that benefit customers.[167] A 20 basis point band serves the Commission's purpose.

[160] See Tr. Vol. 12 at 77:21–25 (Ives); LLPS Stipulation at Ex. D, ¶ (c)(i).
[161] See Staff Brief at 29.
[162] See Ex. 453, Berry Surrebuttal at 4; OPC Brief at 72.
[163] Staff Brief at 131.
[164] Tr. Vol. 12 at 78:7–12 (Ives).
[165] Tr. Vol. 7 at 189:24–190:7 (Ives).
[166] Large Load Order at 25.
[167] Ex. 43, Klote Surrebuttal/True-Up Direct at 12; see Initial Brief at 59–60.

Consistency Does Not Require Identical Terms

Staff also objects to the ERS's PISA and CWIP provisions and asks the Commission to use Ameren Missouri's language instead.[168] The Commission approved Ameren Missouri's mechanism as one term of a global settlement in that utility's tariff case.[169] The signatories aligned the ERS with that mechanism "as best we could," and they departed from it where the Company's circumstances differ, including its Kansas mechanism and the treatment of PISA deferrals.[170] Staff's witness recommended Ameren Missouri's design "to provide consistency between Missouri's two largest electric utilities."[171] Asked whether she was aware of differences between the two utilities' LLPS tariffs, she testified that she was "not familiar with all the details between the two tariffs." She knew of no difference other than the earnings mechanism.[172] A recommendation that one tariff's mechanism be transplanted into another carries little weight from a witness who did not know how the two tariffs differ.

Staff's concern with the PISA provision is that the Ameren Missouri language leaves the amortization period for the customer share "to the Commission in a future rate case."[173] But Exhibit D leaves that period to the Commission as well. The customer share is "deferred as a regulatory liability to be returned to retail electric customers" as the Commission directs in a future rate case.[174] The PISA provision adds one rule: the portion of any shared amount attributable to PISA deferrals is returned over the period in which customers pay those deferrals.[175] That rule keeps the sharing calculation from treating a 20-year recovery as a single year's earnings.[176]

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[168] See Staff Brief at 132.
[169] See Ameren Stipulation at ¶ 46; Ameren Order at 4, 6–7.
[170] Tr. Vol. 12 at 78:4–17 (Ives).
[171] Staff Brief at 130.
[172] Tr. Vol. 7 at 288:17–23 (Bolin).
[173] Staff Brief at 132.
[174] LLPS Stipulation at Ex. D, ¶ (c)(i).
[175] See LLPS Stipulation at Ex. D, ¶ (c)(iii).
[176] See Tr. Vol. 12 at 78:13–79:6 (Ives); Tr. Vol. 7 at 286:19–287:3 (Bolin); Initial Brief at 58–60.

Staff's concern with the CWIP provision is that it would add "assumed or projected CWIP."[177] Not so. Staff's witness gave a different reason at hearing. Asked by the RLJ whether Staff opposed the CWIP term because the CWIP amount is "to be ordered in the CCN," she replied, "That is correct."[178] That is the provision's own condition. The provision includes CWIP for a natural gas generation project only if the project "was approved through a Certificate of Convenience and Necessity ('CCN') proceeding" and its costs "are eligible for inclusion in rate base."[179] The mechanism also terminates after rates take effect in the Company's next general rate case unless the Commission extends it, so the Commission that reviews it will be the one deciding that case.[180] Staff identifies no customer harm from either provision.[181]

OPC's and MECG's Alternatives

OPC's brief refers the Commission to OPC's statement of positions for its argument on this issue.[182] A statement of positions is not a brief, and the Procedural Order requires briefs to cite the record on each unresolved issue.[183] OPC's failure is procedural and evidentiary, and so its argument should be discarded out of hand. On the merits, OPC's fallback would refund LLPS revenues above "the $25 million included in this case."[184] The revenue requirement includes $60 million, as OPC's own brief acknowledges elsewhere.[185]

MECG asks for its two-way revenue tracker and quotes Ms. Lange's testimony that a tracker is more easily implemented.[186] Ease of implementation would be relevant if the tracker

[177] Staff Brief at 132.
[178] Tr. Vol. 7 at 287:13–23 (Bolin).
[179] LLPS Stipulation at Ex. D, ¶ (d)(iv); see Section 393.135.2(1); Initial Brief at 58–60.
[180] See LLPS Stipulation at Ex. D, ¶ (f).
[181] Cf. Associated Natural Gas, 954 S.W.2d at 529–30.
[182] See OPC Brief at 72.
[183] See Procedural Order at ¶ 3(D).
[184] OPC Brief at 72.
[185] See OPC Brief at 21; LLPS Stipulation at ¶ 13.
[186] See MECG Brief at 6–8.

measured the right quantity, but it does not. A tracker "isolates a class and reconciles it on its own," and it "treats it as though it were the whole" without regard to the Company's overall results.[187] Measured that way, a class could return revenue in a year in which the Company as a whole earned less than its authorized return. Staff's brief agrees that earnings cannot be measured by isolating one class.[188] The Commission rejected Staff's one-way revenue tracker in the Large Load Order as "unreasonable," and should do so here.[189]

II. NON-LLPS FAC ISSUES

22. Fuel Adjustment Clause — Structure and Base Factor (EMM: Nunn, Ives, Meitner, Foo; Staff: Mastrogiannis; Google: Berry; OPC: Schaben)

The parties agree on more than Staff's brief suggests. Staff recommends that the FAC continue and that its "general construct" remain, with the 95/5% sharing for non-LLPS customers.[190] The Company recommends the same.[191] Issues 22.A, 22.B, and 22.D are therefore not in dispute as to non-LLPS customers, and the 90/10% term for the LLPS share is discussed under Issue 25.A.

Staff's brief devotes a page to the Company's rebuttal proposal for broader FAC changes and contends that the proposal failed the requirements of 20 CSR 4240-20.090(2).[192] That proposal is no longer before the Commission. The Partial Stipulation, which Staff signed, provides that the Company "will not advance a position requesting 100% recovery of FAC cost in this case"

[187] Ex. 23, Gunn Surrebuttal at 3; see Ex. 42, Klote Rebuttal at 3–5; Initial Brief at 60–61.
[188] See Staff Brief at 128–129.
[189] Large Load Order at 27.
[190] See Staff Brief at 70, 74.
[191] See Initial Brief at 61–63; Partial Stipulation at ¶ 15.
[192] See Staff Brief at 70–71.

as to non-LLPS customers, and the Company has not done so.[193] An argument against a withdrawn proposal has no bearing on the LLPS Stipulation.

Issue 25.C discusses Staff's objection under Issue 22.C to the stipulated base factor of $0.01742 per kWh. Staff's real objection is to the capacity subaccounts under Issue 23.D, and Staff's brief identifies no arithmetic error in the stipulated factor.

23. Fuel Adjustment Clause — Included Costs (EMM: Nunn, Ives, Meitner, Foo; Staff: Mastrogiannis, Lange; OPC: Schaben)

Staff agrees with the 31.8% transmission pass-through in paragraph 12 of the LLPS Stipulation, which resolves Issue 23.A.[194] Staff's brief adds that its support for that term "should not be construed as support for the remaining FAC provisions."[195] The remaining dispute is Issue 23.D, and Issue 23.C follows from it.

The FAC Exists to Track Capacity Changes

Staff objects that the Company's long-term capacity sales "will fall off after the expected rates of this case" and that purchases will be added after rates take effect. Reflecting only the sales in the base factor, Staff says, "is disproportionate to the reality of expected long-term capacity in the future."[196] That is a description of regulatory lag, which is what the FAC exists to address.[197] The base factor reflects each side of the account at its test-year level. The test year contains no long-term capacity purchases, and the long-term capacity sales it contains are fixed and already included in base rates.[198] As the sales decline and purchases begin, the changes flow through the FAC as they occur, "rather than relying on assumptions regarding future market conditions, future

[193] Partial Stipulation at ¶ 15; see Initial Brief at 61–62.
[194] See Staff Brief at 74–75; LLPS Stipulation at ¶ 12.
[195] Staff Brief at 75.
[196] Staff Brief at 75 (citing Tr. Vol. 7 at 252–253 (Mastrogiannis)).
[197] See Section 386.266.1; Ex. 22, Gunn Rebuttal at 14.
[198] See Ex. 142, Mastrogiannis Rebuttal at 2.

load growth, or the timing of future rate cases."[199] Including the sales in the base while adding both subaccounts to the FAC is what keeps the treatment proportionate. Leaving the subaccounts out, as Staff proposes, would let the test-year sales revenue sit in base rates while the Company absorbs the purchases Staff expects, with no adjustment until the next rate case.

The Capacity Transactions Serve the Whole System

Staff's second objection is that "it appears" the long-term capacity transactions "specifically relate to large load customers," and that "[i]t appears to Staff" that most projected purchases reflect capacity for large load customers.[200] Staff cites a demand projection through 2028 for that view.[201] The Company's witness testified that long-term capacity resources "are not obtained solely for a single customer" and "are procured to support the reliability needs of the overall system."[202] The Interim Capacity provision of Schedule LLPS does not change that, because it "is not a general mechanism for assigning all future capacity purchases associated with load growth to LLPS customers."[203] Mr. Ives described it as "a mutually agreed to position between the LLPS customer and Evergy" that supplies "bridge capacity for a short period of time."[204] No interim capacity contract has been executed to date.[205]

The Company's proposal "would not permit recovery of costs that are separately charged to specific LLPS customers under an Interim Capacity Agreement." It "addresses system-level long-term capacity transactions associated with EMM's ongoing obligation to maintain adequate resources for the benefit of customers generally."[206] Staff's brief acknowledges that testimony

[199] Ex. 74, Nunn True-Up Rebuttal at 8.
[200] Staff Brief at 75–76.
[201] See Staff Brief at 76 (citing Ex. 142, Mastrogiannis Rebuttal at 2–3).
[202] Ex. 73, Nunn Surrebuttal/True-Up Direct at 10.
[203] Ex. 73, Nunn Surrebuttal/True-Up Direct at 5; see Initial Brief at 65–66.
[204] Tr. Vol. 12 at 69:10–19, 70:15–18 (Ives).
[205] See id.
[206] Ex. 74, Nunn True-Up Rebuttal at 8.

and responds only that "there is no commitment from the Company to ensure that."[207] Staff instead refers the Commission to its reporting requests under Issue 31, which Staff says "would help clarify whether EMM's capacity and demand forecasts required more capacity to serve its large load customers."[208] A reporting request meant to clarify that question concedes that the record does not resolve it the way Staff assumes.

The Ameren Missouri Testimony Is Not in This Record

Staff supports its double-recovery argument with a quotation from Ameren Missouri's direct testimony in Case No. ER-2026-0291.[209] That testimony was not offered or admitted in this case. Staff's witness recited the same passage from the stand and attributed it to Ameren Missouri's pending rate case.[210] A recitation of another utility's prefiled testimony adds nothing to the quotation in Staff's brief, and the Commission should give it no weight. On the merits, the double-recovery contention fails for the reasons the Initial Brief gives. The demand charges in rates are not designed to track future market-based capacity costs, and the ERS captures growth in LLPS revenue.[211]

OPC's brief restates positions on Issues 22 and 23 that the Initial Brief has already rebutted, including OPC's reliance on the Commission's 2007 Aquila order.[212]

The Commission should include long-term capacity purchases and sales in the FAC, with the subaccounts the LLPS Stipulation provides.

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[207] Staff Brief at 90.
[208] Staff Brief at 76.
[209] See Staff Brief at 77.
[210] See Tr. Vol. 7 at 253:17–24, 255:1–3 (Mastrogiannis).
[211] See Initial Brief at 66–67; Ex. 73, Nunn Surrebuttal/True-Up Direct at 6, 8.
[212] See OPC Brief at 52–58; Initial Brief at 67–68.

III. COST OF CAPITAL

A. Capital Structure: What is the appropriate capital structure to use for ratemaking in this proceeding?

Staff and the Company agree that the capital structure should be the Company's actual structure at the true-up: 52.19% common equity and 47.81% long-term debt.[213] OPC alone proposes 45% equity, and its brief rests that proposal on a narrative about how Evergy, Inc. manages its subsidiaries' capital.[214] Staff's examination of the Company's financing refutes that narrative. Staff found that EMM does not obtain all of its capital from its parent, and that Evergy, Inc. does not guarantee EMM's securities. Staff "did not find double leverage in the financing history examined," and it found that the consolidated enterprise is not significantly diversified into nonutility operations.[215] Staff also found that proceeds of Evergy, Inc.'s long-term debt "had not been used to infuse equity into EMM."[216] Staff's conclusion is the Company's: OPC "would replace those facts with a more leveraged proxy without a sufficient utility-specific reason to do so."[217]

OPC's brief does not dispute any of those findings. It argues instead that Evergy, Inc. could carry more debt at the subsidiary level without losing its ratings, and it faults a review Evergy presented to the Kansas Corporation Commission.[218] Neither point is evidence that this Company's equity ratio is inappropriate or improper. The rating agencies rate EMM above its parent—at A- and Baa1 against BBB+ and Baa2—which reflects their judgment that EMM's

[213] See Staff Brief at 24; Initial Brief at 71–74.
[214] See OPC Brief at 5–11.
[215] Staff Brief at 24.
[216] Staff Brief at 25.
[217] Staff Brief at 26.
[218] See OPC Brief at 6–9.

capital structure stands on its own.[219] Imputing the parent's leverage would do nothing to lower the Company's cost of capital. Instead, it would understate the equity that supports those ratings, and, as Staff's witness explained, "additional leverage increases fixed obligations and can increase the utility's borrowing cost."[220] The Commission should adopt the actual capital structure that Staff and the Company both recommend.

B. Cost of Debt: What cost of debt should be used for determining rate of return?

The Company, Staff, and OPC agree that the cost of long-term debt is 4.54%.[221]

C. Return on Equity: What return on common equity should be used for determining rate of return?

The Initial Brief explains why the Commission should authorize a return on equity of 10.50%.[222] That request sits at the lower end of the 10.25% to 11.25% range that Ms. Bulkley's analyses support.[223] Affordable, reliable, and sustainable service depends on a financially sound utility, and the Company must raise the capital for its investment plan in a market where interest rates have risen since the true-up. Staff's and OPC's briefs confirm three points that support the Company's request.

Staff's Own Comparators Sit Above Staff's Recommendation

Staff reports that authorized returns in 2026 averaged 9.83% for electric utilities and 9.85% for vertically integrated electric utilities.[224] Staff describes those averages as a "reasonableness check, not a controlling national percentage," and the Company agrees with that description.[225]

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[219] See Ex. 50(C)/51(P), Ley Rebuttal at 4–5; Ex. 165, Won Surrebuttal/True-Up Direct at 22, 62.
[220] Staff Brief at 26 (citing Ex. 165, Won Surrebuttal/True-Up Direct at 54 & n.178).
[221] See Staff Brief at 27; OPC Brief at 19.
[222] See Initial Brief at 68–71, 74–86.
[223] See Ex. 7, Bulkley Direct at 5; Ex. 49, Ley Direct at 3; see also Staff Brief at 29.
[224] Staff Brief at 34 (citing Ex. 165, Won Surrebuttal/True-Up Direct at 3).
[225] Staff Brief at 34.

That check, however, cuts against Staff's recommendation. Staff's 9.73% sits below both averages. It also sits below the average authorized return for vertically integrated electric utilities in every year since 2022 on Staff's schedule. Those averages were 9.75% in 2022, 9.80% in 2023, 9.88% in 2024, 9.87% in 2025, and 9.85% in 2026.[226] Staff responds that 9.83% and 9.85% are "both within Staff's recommended range" of 9.48% to 9.98%.[227] Staff's recommendation is the midpoint of that range, and every 2026 average Staff cites sits in the upper half of it. A range that is wide enough to include returns above the recommendation does nothing to make the recommendation reasonable.

Staff Concedes the Market Has Moved, and Its Model Cannot Register the Move

Staff concedes that the 30-year Treasury yield rose from 4.91% on June 30, 2026, to 5.36% on September 15, 2026, and that the Commission "should consider that evidence."[228] Staff then argues that the 45 basis point move "does not establish an equal change in the utility's required equity return." Staff points out that Ms. Bulkley's update of Staff's analysis moved Staff's bond yield plus risk premium result by only two basis points.[229] Staff's brief explains why. Staff's model "estimates a risk premium that varies inversely with bond yields, rather than mechanically adding a fixed spread."[230] A model built so that the premium shrinks as yields rise will absorb most of any rise in yields by construction. That is a reason to weigh the market evidence directly—as Staff says the Commission should—instead of relying on a model designed not to respond to it. Updated with a longer data period and the Baa-rated bond yield that matches the Company's rating, Staff's own method produces 10.40%,[231] which falls inside Ms. Bulkley's range.

[226] See Ex. 165, Won Surrebuttal/True-Up Direct, Sched. SJW-d17-Updated; Initial Brief at 84–85.
[227] Staff Brief at 34; see id. at 29.
[228] Staff Brief at 33 (citing Ex. 11, Bulkley True-Up Rebuttal at 2).
[229] Staff Brief at 33.
[230] Staff Brief at 29.
[231] See Ex. 8(C)/9(P), Bulkley Rebuttal at 41–42; Initial Brief at 81, 85.

On September 16, 2026, the Federal Open Market Committee also raised its target range for the federal funds rate by 25 basis points, to 3.75% to 4.00%. Federal Reserve Chairman Kevin Warsh stated that "the plain fact is that inflation is too high and has been for too long."[232] Inflation remains elevated, as Ms. Bulkley testified.[233] Updated through August 31, 2026, "all of Dr. Won's analytical results increase," but Staff's 9.73% recommendation has not changed.[234]

OPC contends that the only components of the rate of return "subject to true-up are capital structure and the embedded cost of long-term debt." In OPC's view, "latching on to changes in bond yields in the late stages of a case should be disregarded."[235] Three pages earlier, OPC's own brief quotes the principle that defeats that argument. Under Bluefield, a rate of return "may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally."[236] The Commission sets a return for the period in which rates will be in effect, and it does so on the whole record. Mr. Murray himself updated two of the three components of the rate of return at true-up.[237] Nothing in the Commission's practice freezes the third component as of the date of direct testimony while the market moves.

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[232] Ex. 11, Bulkley True-Up Rebuttal at 3–4.

[233] See id. On November 10, 2026, the Bureau of Labor Statistics reported that the Consumer Price Index for All Urban Consumers rose 0.4% in October after rising 0.6% in September, seasonally adjusted. U.S. Bureau of Labor Statistics, Consumer Price Index – October 2026, USDL-26-1685, at 1 (Nov. 10, 2026). The release reports no 12-month change in the all-items index for October 2026 because October 2025 data were not collected, and the unadjusted 12-month increase through September 2026 was 3.7%. Id. at 1 & tbl. 5. On November 13, 2026, the Bureau of Labor Statistics reported that the Producer Price Index for final demand rose 6.5% for the 12 months ended in October, unadjusted. U.S. Bureau of Labor Statistics, Producer Price Indexes – October 2026, USDL-26-1687, at 1 (Nov. 13, 2026). That was "the largest 12-month rise since moving up 7.4 percent in November 2022." Id. The index rose 0.3% in October, seasonally adjusted, after rising 1.4% in September. Id. The Company requests official notice of both releases under Section 536.070(6). See Initial Brief at 70 n.397.

[234] Ex. 11, Bulkley True-Up Rebuttal at 2, 5–6 & Figure 1; Staff Brief at 21.

[235] OPC Brief at 18–19.

[236] Bluefield Water Works & Improvement Co. v. Public Service Commission of West Virginia, 262 U.S. 679, 693 (1923); see OPC Brief at 15 (quoting the same passage).

[237] See OPC Brief at 18.

A Credit Rating Is Not a Cost of Equity

Staff notes that S&P rates EMM at A-, "one notch above the 'BBB+' rating commonly observed among U.S. electric utilities," and suggests that EMM therefore "has lower credit risk than the average U.S. electric utility."[238] Staff's brief also concedes, however, that "[c]redit ratings are not a complete substitute for equity-risk analysis."[239] The rating measures the risk to the Company's lenders. The Company's stand-alone capital structure is what supports it, and both agencies' outlooks for the Company are stable. Neither agency has "noted expected improvements in credit metrics or outlook in their base case forecasts for EMM."[240] A rating earned by maintaining a sound equity ratio gives the Commission no reason to reduce the return on that equity.

Staff's brief notes Ms. Bulkley's "assessment that regulatory risk and timely recovery were generally consistent with the proxy utilities."[241] Her sentence continues: "albeit moderately higher given the lack of full fuel cost recovery, and the limitations on capital cost recovery associated with PISA."[242] Both agencies address nuclear risk in their rating methodologies, and "[a] utility that operates nuclear generation faces risks that a similarly rated utility without nuclear operations does not."[243] The rating does not price those risks to the equity holder.

Ms. Bulkley's Testimony Refutes Staff's Criticisms

Staff's brief restates Dr. Won's rebuttal criticisms of Ms. Bulkley's growth rates and market risk premium, and it treats her empirical CAPM results as "driven by the same overstated market-return procedures."[244] Ms. Bulkley responded to the growth-rate and market-risk-premium

[238] Staff Brief at 34.
[239] Staff Brief at 32.
[240] Ex. 50(C)/51(P), Ley Rebuttal at 10; see id. at 5.
[241] Staff Brief at 32 (citing Ex. 145, Won Rebuttal at 36).
[242] Ex. 7, Bulkley Direct at 48.
[243] Ex. 52, Ley Surrebuttal at 10.
[244] Staff Brief at 31; see id. at 30–32.

criticisms in her rebuttal and surrebuttal testimony, as the Initial Brief explains.[245] Staff's brief does not address the corrections that Ms. Bulkley made to Dr. Won's own CAPM analysis. "[W]hen Dr. Won's CAPM analysis is updated and corrected, the average cost of equity is 11.86 percent."[246]

Exhibit A Confirms ROE Data Already in Evidence

The Initial Brief attached as Exhibit A the S&P Global Regulatory Research Associates report on rate case decisions for the first half of 2026. The report shows a 9.86% average authorized return for vertically integrated utilities for the twelve months ending June 30, 2026.[247] Dr. Won relies on this source for his own comparisons. Staff "utilized the 'Rate Case History' dataset reported by Regulatory Research Associates, a group within S&P Global Market Intelligence," and Schedule SJW-d17-Updated to his Surrebuttal/True-Up Direct testimony explicitly relies on and cites the report contained in Exhibit A.[248]

The governing standard for setting a public utility's ROE comes from the Supreme Court's decisions in Hope and Bluefield. The return to the equity owner "should be commensurate with returns on investments in other enterprises having corresponding risks." That return "should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital."[249] Under that standard, "it is the result reached not the method employed which is controlling."[250] The result Staff reaches sits below the returns authorized for comparable utilities in 2026 by Staff's own count, in a market that Staff concedes has moved against the Company since the true-up. A return below the comparable returns of the same period is not the

[245] See Ex. 8(C)/9(P), Bulkley Rebuttal at 19, 22–24, 29–30; Ex. 10, Bulkley Surrebuttal at 25–26; Initial Brief at 78–82.
[246] Ex. 8(C)/9(P), Bulkley Rebuttal at 41; see id. at 40–41; Initial Brief at 80–81.
[247] See Initial Brief at 84–85 & Ex. A.
[248] Ex. 145, Won Rebuttal at 31; Ex. 165, Won Surrebuttal/True-Up Direct at 14 n.39 & Sched. SJW-d17-Updated.
[249] Hope, 320 U.S. at 603; see Initial Brief at 75–77.
[250] Hope, 320 U.S. at 602.

result those cases require. The Commission should authorize a return on equity of 10.50%, within Ms. Bulkley's range of 10.25% to 11.25%, for the reasons stated in the Initial Brief.

D. Rate of Return: What is the appropriate rate of return to use for ratemaking in this proceeding?

The rate of return follows from the capital structure, the cost of debt, and the return on equity. Based on the Company's recommendation, the appropriate rate of return is 7.651%.[251]

IV. INCOME TAXES

15. Income Taxes (EMM: Hardesty; Staff: Young; OPC: Riley)

Staff and the Company agree on both of the disputed income tax adjustments. Staff's brief opposes OPC's normalized disposition loss deduction and supports keeping the net operating loss deferred tax balance in rate base under the treatment approved in Case No. ER-2018-0145.[252] OPC's brief restates Mr. Riley's testimony, including the private letter ruling and the Rush Island financing order, each of which the Initial Brief rebuts.[253] The Commission should reject both of OPC's adjustments.

V. FUEL AND PURCHASED POWER

5. Fuel and Purchased Power (EMM: Foo, Meitner; Staff: Niemeier, Nieto, Luebbert adopting Tevie)

Staff's brief and the Company's position on Issue 5 match, because the Company adopted Staff's fuel and purchased power costs through the LLPS Stipulation.[254]

[251] See Initial Brief at 86.
[252] See Staff Brief at 59–60.
[253] See OPC Brief at 24–28; Initial Brief at 86–91.
[254] See Staff Brief at 53–58; Initial Brief at 91–92.

VI. RENEW MISSOURI PROGRAMS AND MEEIA MARGIN RATES

42. MEEIA Margin Rates (EMM: Jaynes; Staff: H. Poudel)

Staff agrees that the Company's methodology should be used, with the net margin rates recalculated on the rates the Commission approves, which is what the Initial Brief requests.[255] Issues 39 through 41 were not briefed by any party and are resolved by the Programs Stipulation.[256]

VII. PISA

18. Plant in Service Accounting (EMM: Kramer; Staff: Young; OPC: Alvarez, Shapley)

Staff and the Company agree that the PISA deferral in rate base is the amount in Exhibit B to the Partial Stipulation.[257] OPC's only argument is that the deferral should be reduced to the extent the Commission adopts OPC's transmission and distribution disallowances.[258] Section VIII explains why the Commission should adopt none of those disallowances. If the Commission were nonetheless to order one, the Partial Stipulation's terms govern the corresponding adjustment.[259]

VIII. RATE BASE AND ASSET MANAGEMENT

The investments at issue in this Section keep the Company's service reliable, from a new generating unit to the replacement of aging poles, lines, and transformers. OPC's brief judges those investments under a benefit-cost test of its own devising, and Staff takes no position on OPC's disallowances.

[255] See Staff Brief at 134–136; Initial Brief at 95–96.
[256] See Initial Brief at 93–95.
[257] See Staff Brief at 66; Partial Stipulation at Ex. B.
[258] See OPC Brief at 31–44.
[259] See Initial Brief at 96–97.

20. Rate Base Components

B. What amount of construction work in progress is appropriate to reflect in rate base? (EMM: Gunn, Klote; Staff: Young; OPC: Marke; Riley)

The Commission should include $64,389,129 of CWIP for Mullin Creek No. 2 in rate base, prior to, in conjunction with, or conditioned upon its determination of the CWIP amount in Case No. EA-2026-0154.[260] Staff's and OPC's briefs raise one statutory argument, and the Company's preferred sequence of the two cases satisfies it.

The Company's Preferred Sequence Satisfies Staff's and OPC's Reading of the Statute

Staff reads Section 393.135.2(1) to require that "the Commission must determine the CWIP to be used in the rate base in the associated CCN proceeding first."[261] OPC reads it similarly: "unless or until" the Commission determines the amount in a Section 393.170 proceeding, no CWIP may be included in rates.[262] The Company's preference is that the Commission decide the CCN case first and then include the CWIP in rate base here.[263] The Company's application in Case No. EA-2026-0154 asks the Commission to determine the amount of CWIP and requests a decision by December 23, 2026, two weeks before the operation-of-law date in this case.[264] Under that sequence, the Commission will have made the determination Staff and OPC say must come first before any CWIP enters rates in this case. Neither brief explains why a determination made in the CCN case before rates take effect here would fail to satisfy the statute.

OPC adds that the CWIP provision must be "strictly construed" as an exception to a remedial statute.[265] The Company agrees, as strict construction reads the words the General

[260] See Initial Brief at 98–102; Tr. Vol. 9 at 96:20–25 (Gunn).
[261] Staff Brief at 68.
[262] OPC Brief at 47.
[263] See Initial Brief at 99–100; Tr. Vol. 9 at 96:5–8 (Gunn).
[264] See Initial Brief at 99–100.
[265] OPC Brief at 46–47.

Assembly wrote and adds none. The statute provides that an electrical corporation "may be permitted" to include CWIP for a new natural gas generating unit in rate base. It then provides that the Commission "shall determine, in a proceeding under section 393.170, the amount."[266] It says nothing about the order in which the two proceedings must be filed, heard, or decided, and nothing in it prevents the Commission from applying the CCN determination in a pending rate case. OPC's reading would add a timing condition that the text does not contain, which is the opposite of strict construction.

The Turbine Payments Are Project Expenditures

OPC's second argument is that the turbine reservation payments are "pre-construction cost" rather than CWIP, and it offers an analogy to prepaying for a flight.[267] The statute itself disposes of the analogy. It limits CWIP to the estimated cost of the project and to "[p]roject expenditures made within the estimated construction period for such project." The Commission applies those limits when it determines the amount in the CCN case.[268] A payment that reserves the turbines for the unit is a project expenditure. OPC's witness agreed that the payments were "a necessary requirement to ensure this project is completed in the timeframe that EMM has presented in its CCN filing."[269] Because the statute substitutes CWIP for AFUDC, excluding AFUDC-eligible costs from CWIP "would create an illogical inconsistency," and the reservation fees would be in plant in service when the unit enters service in any event.[270]

[266] Section 393.135.2(1).
[267] OPC Brief at 47.
[268] Section 393.135.2(1)(b); see Initial Brief at 100–101.
[269] Ex. 216, Riley Surrebuttal at 11.
[270] Ex. 42, Klote Rebuttal at 7–8; see Tr. Vol. 9 at 93:5–94:2 (Klote).

The Remaining Conditions on CWIP

Staff asks that, if CWIP is included, the Commission exclude "unsupported amounts" from Transource Missouri and apply the overall rate of return.[271] The Company agrees that the overall rate of return applies, as Issue 20.E discusses. The amount of CWIP, including any affiliate component, is the determination the statute assigns to the CCN case. Moreover, the statute's refund provision protects customers if any cost is later found to have been imprudently incurred.[272] OPC's third condition—that no CWIP be included unless LLPS customers agree to bear all of it—appears nowhere in the statute, and the allocation question is discussed in Section X under Issue 32.D.[273]

C. How much of EMM's current rate base has been retired, and should a rate of return be applied to this amount? (EMM: Ives, Klote, Mulvany, Spanos; Staff: Young)

The Commission should reject Staff's retired plant adjustment. Staff's brief states its position in one sentence: "It is not equitable to charge ratepayers a rate of return on plant that no longer provides electric service."[274] The brief describes mass asset accounting as a convenience that avoids tracking low-value items individually.[275] However, it never addresses what that accounting means for the adjustment, which Staff's witness conceded step by step at hearing.[276]

Under mass asset accounting, the Company depreciates each account as a whole rather than asset by asset.[277] Some assets in an account retire before the average life and others after it, and

[271] Staff Brief at 68.
[272] See Section 393.135.2(1); Initial Brief at 99.
[273] See OPC Brief at 45; Initial Brief at 101–102.
[274] Staff Brief at 69.
[275] See Staff Brief at 68–69.
[276] See Initial Brief at 102–107.
[277] See Tr. Vol. 9 at 121:8–17 (Young).

"the actual life of each individual retired asset can be ignored."[278] When an asset retires, plant and reserve are reduced by equal amounts, so "an individual retirement does not change net rate base regardless of how long that particular asset was in service."[279] Staff's witness agreed that his adjustment has no effect on the inclusion of the completed replacement projects in rate base.[280] The equities therefore run the other way from Staff's one-sentence position. Staff would remove $50 million from the return calculation while the same investment stays in net plant subject to depreciation. That separates the return of investment from the return on investment, which is why Staff's witness acknowledged the adjustment "may be new."[281] Staff's own redirect confirmed the split. Asked whether customers "will continue to pay for these assets with no benefit," Mr. Young testified that "they will return the cost of the assets." His adjustment, he explained, "is just to remove the, the earnings portion." The RLJ summarized: "So off, not on?" Mr. Young agreed: "That's correct."[282]

Retirement experience belongs in depreciation rates, and Staff changed none of them. Staff's witness agreed that Staff "has not proposed to change the depreciation rates or survivor curves to reflect retirement experience."[283] Staff's depreciation witness set rates designed to recover the remaining investment over the remaining life of each account, and the Partial Stipulation adopts them.[284]

[278] Tr. Vol. 9 at 121:18–122:4 (Young); Ex. 121, Young Direct at 35.
[279] Tr. Vol. 9 at 122:10–15 (Young).
[280] See Tr. Vol. 9 at 115:4–10 (Young); Initial Brief at 104.
[281] Ex. 166, Young Surrebuttal/True-Up Direct at 13; see Ex. 42, Klote Rebuttal at 19–20.
[282] Tr. Vol. 9 at 125:1–20 (Young).
[283] Tr. Vol. 9 at 124:3–7 (Young).
[284] See Ex. 100, Arandia Direct at 4–5; Partial Stipulation at ¶ 12.

E. If construction work in progress is included in rate base, what rate of return should be applied to it? (EMM: Ley; Staff: Young; OPC: Murray)

Staff agrees that CWIP in rate base "should be subject to the overall rate of return ordered by the Commission."[285] OPC's brief restates its 5.08% return, calculated to produce a net present value of zero against continued AFUDC.[286] The statute provides for CWIP "in rate base" and provides no separate return.[287] OPC's figure discounts customer costs at the Company's cost of capital, which "is already reflected in both the revenue requirements with AFUDC and the revenue requirements with CWIP recovery."[288] OPC's witness could not name a commission that has applied a separate return to CWIP.[289] Staff's witness conceded the premise that decides the issue: if the Commission excludes CWIP, "EMM will still recover the project's full carrying cost from customers over the life of the plan[t]."[290] Excluding CWIP changes when customers pay that cost and in what form, and the statute makes that choice in favor of CWIP "in lieu of" AFUDC.[291]

OPC's fallback is that short-term debt "should receive a majority of the weight" in a CWIP return. That fallback rests on what Mr. Murray called "the logic that construction work in progress is at least initially financed with short term debt."[292] He illustrated that logic with the short-term rates of 2021 and 2022, which were "0.25 or point 5 percent."[293] Logic illustrated with rates from four years ago is not evidence of the Company's cost of financing this unit. Mr. Murray also confirmed that his lower return would apply to the CWIP portion of rate base alone, with his long-

[285] Staff Brief at 69; see Initial Brief at 107–108.
[286] See OPC Brief at 47–49.
[287] See Section 393.135.2(1); Ex. 53, Ley True-Up Rebuttal at 7.
[288] Ex. 53, Ley True-Up Rebuttal at 3; see id. at 3–4.
[289] See Tr. Vol. 9 at 143:9–24 (Murray).
[290] Tr. Vol. 9 at 105:24–106:3 (Young).
[291] See Section 393.135.2(1).
[292] OPC Brief at 49; Tr. Vol. 9 at 145:17–21 (Murray).
[293] Tr. Vol. 9 at 145:6–9 (Murray).

term rate of return on the rest. That would place two rates of return inside one rate base.[294] Staff's witness agrees that neither interim financing nor CWIP in rate base "justifies an authorized ROR below the utility's overall cost of capital."[295]

F. What amount of transmission investment since EMM's last rate case should be included in rate base? (EMM: Rietcheck, Ives; Staff took no position; OPC: Alvarez; Shapley)

The Commission should include the Company's transmission investment in rate base without OPC's disallowance. Staff takes no position on this issue, or on Issues 20.H and 33.A.i, "but reserves the right to do so in its Reply Brief."[296] A position first stated in a reply brief is one the Company has no opportunity to rebut, and the Commission should not consider one.[297]

OPC's Figure Includes a Disallowance OPC Has Withdrawn

OPC's position on this issue is a disallowance of "$73.1 million + $14.7 million = $87.8 million."[298] The $14.7 million is the Panasonic amount under Issue 20.H, and OPC's brief states on the same page that OPC "no longer is pursuing removing $14.7 million from EMM's rate base."[299] OPC's transmission disallowance is therefore $73.1 million at most.

OPC Applies a Test the Commission Has Never Adopted

OPC's brief describes the test its witnesses applied. Its witnesses asked whether each project was needed "in the near-term (e.g., testing showed imminent component failure)," and if not, whether "on a risk informed objective cost-benefit economic basis" its benefits exceeded its

[294] See Tr. Vol. 9 at 142:15–24 (Murray).
[295] Ex. 174, Won True-Up Rebuttal at 4.
[296] Staff Brief at 69, 120.
[297] See Procedural Order at ¶ 3(C); cf. Berry v. State, 908 S.W.2d 682, 684 (Mo. banc 1995) (courts are generally "precluded from addressing assertions made for the first time in a reply brief because a respondent has no opportunity to address the argument") (internal quotation marks omitted).
[298] OPC Brief at 49.
[299] Id.

costs.[300] That test is a standard of OPC's own devising. The Commission's standard asks, "whether the conduct was reasonable at the time, under all the circumstances, considering that the company had to solve its problem prospectively rather than in reliance on hindsight." A disallowance requires both imprudence and resulting harm to customers.[301] OPC's witness agreed that "hindsight should not be used to determine the prudence of any individual project."[302]

OPC's brief nonetheless faults the Company for not presenting "a comparison of the costs of replacing the four transformers in 2022 against the present value of the costs of replacing each when it is projected to need to be replaced."[303] No rule required that comparison when the decision was made. OPC's witness also disclaimed the test's logical end. He agreed that his testimony "does not suggest Evergy should wait for equipment to fail before responding to test failures," and that he is not proposing that the Company run its assets "till they fail."[304] OPC's witness proposed his benefit-cost test as a new standard because, in his words, the used-and-useful standard "is inadequate."[305] OPC also evaluated every project from data request responses, without visiting any of them.[306] OPC offered no opening statement on these issues and waived cross-examination of all seven Company witnesses on them.[307] The condition evidence OPC's brief now calls subjective went untested. OPC has failed to carry its evidentiary burden to demonstrate any disallowance, and so its arguments should be discarded.

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[300] OPC Brief at 34.
[301] Report & Order at 12, In re: Eleventh Prudence Review of Evergy Missouri West FAC Costs, No. EO-2023-0277 (Aug. 7, 2024) (citing Associated Natural Gas, 954 S.W.2d at 529–30); see Initial Brief at 109.
[302] Ex. 201, Alvarez Surrebuttal at 6.
[303] OPC Brief at 40.
[304] Tr. Vol. 10 at 29:16–19, 37:12–15 (Shapley).
[305] Ex. 220, Shapley Direct at 24.
[306] See Tr. Vol. 10 at 24:14–23 (Shapley).
[307] See Tr. Vol. 9 at 51:12–13, 52:21–22, 54:11–13, 56:8–9, 57:6–7, 60:8–9, 61:2–6, 69:23–24.

A benefit-cost screen is one tool, and the Company uses one, but it is not the only tool.[308] "The absence of a particular economic screening methodology does not establish the absence of prudent engineering review or governance."[309] State policy also favors these investments. A utility that makes PISA deferrals must file a five-year plan for capital expenditures "in furtherance of replacing, modernizing, and securing its infrastructure," and in 2025 the General Assembly extended those deferrals through 2035.[310] The statute leaves in place "existing law respecting the burdens of production and persuasion."[311] Under that law, a utility's costs are "presumed to be prudently incurred" until another participant "creates a serious doubt as to the prudence of an expenditure."[312] A benefit-cost ratio computed after the fact, on condition evidence OPC chose not to test, does not create that doubt.

Wolf Creek

OPC contends that only one of the four Wolf Creek transformers showed deteriorating test results and that the other three could have waited for later refueling outages.[313] But the record shows otherwise. Mr. Rietcheck testified that Transformers 4, 5, and 6 "exhibited age-related degradation and gassing concerns similar to those identified on TX-7." The project was a comprehensive modernization of the station power system rather than a one-for-one replacement.[314] A nuclear station "cannot utilize a run-to-failure maintenance strategy for equipment supporting nuclear safety-related and risk-significant functions." Replacing the units one at a time would have required multiple refueling outages, each with its own engineering,

[308] See Ex. 78, Rietcheck Rebuttal at 5–6.
[309] Id. at 6.
[310] Section 393.1400.4–.5 (as amended by S.B. 4 (2025)).
[311] Section 393.1400.2(2).
[312] Associated Natural Gas, 954 S.W.2d at 528 (internal quotation marks omitted).
[313] See OPC Brief at 39–41.
[314] Ex. 89(C)/90(P), Rietcheck Sur-Surrebuttal at 6.

mobilization, and operational risk.[315] OPC's brief quotes the Company's discovery response to that effect and counters it only with an assertion that "there is no reason" the other transformers could not have waited.[316] An assertion is not evidence of imprudence.[317] OPC's remaining complaint concerns the timing of Mr. Rietcheck's sur-surrebuttal testimony, and that complaint inverts the record.[318]

Leeds–Winchester and Brunswick–Carrollton

OPC's brief observes that the data request responses from which both witnesses drew pole ages and inspection counts are not themselves in the evidentiary record.[319] But Mr. Rietcheck's sur-surrebuttal (which drew on that information) was admitted without objection, and OPC waived cross-examination of him.[320] The Leeds–Winchester line was "primarily a 1950s-vintage line that had reached the end of its useful service life," with critical crossings over interstate highways, and its poles averaged more than 45 years of age.[321] Most of the Brunswick–Carrollton poles were placed in service in 1953. A 2018 intrusive inspection rejected 20 structures that had deteriorated

[315] Id. at 7.
[316] OPC Brief at 39–40.
[317] See Davis v. City of Independence, 404 S.W.2d 718, 720 (Mo. banc 1966) ("Statements made by counsel . . . are not evidence."); Angel v. City of Webb City, 832 S.W.2d 22, 23 (Mo. App. S.D. 1992) ("Statements of plaintiffs' attorney are not evidence of those facts.").
[318] OPC faults Mr. Rietcheck for relying on a data request response that reached OPC on the afternoon its surrebuttal testimony was due. See OPC Brief at 33 n.80, 40. The Commission's rules require a party's direct testimony to include "all testimony and exhibits asserting and explaining that party's entire case-in-chief." 20 CSR 4240-2.130(7)(A). OPC's direct testimony, filed June 30, 2026, proposed no transmission disallowance. See Ex. 220, Shapley Direct at 2, 25. OPC served the data requests behind its transmission analysis four weeks after its direct testimony was due, and it first proposed the $73.1 million disallowance in surrebuttal on September 10, 2026, the last round of prefiled testimony. See OPC Brief at 33 n.79 (citing Ex. 221, Shapley Surrebuttal at 28); Motion to Strike Portions of the Surrebuttal Testimony of OPC Witnesses Shapley and Alvarez and Motion for Expedited Treatment at ¶¶ 3, 7, 13 (Sept. 23, 2026); Ex. 89(C)/90(P), Rietcheck Sur-Surrebuttal at 2, 6, 14–15. OPC did not oppose the Company's alternative request for leave to file Mr. Rietcheck's sur-surrebuttal, which the RLJ granted, and OPC then waived cross-examination of Mr. Rietcheck at hearing. See Public Counsel's Response in Opposition to Evergy Missouri Metro's Motion to Strike Testimony (Sept. 29, 2026); Order Denying Motion to Strike Testimony and Granting Motion to File Responsive Surrebuttal (Oct. 1, 2026); Tr. Vol. 9 at 67:7–12, 68:1–7. A party that holds its case-in-chief for the final round of prefiled testimony cannot complain that the response to it came last.
[319] See OPC Brief at 42.
[320] See Tr. Vol. 9 at 67:7–12, 68:1–7.
[321] Ex. 89(C)/90(P), Rietcheck Sur-Surrebuttal at 13; see OPC Brief at 42 (quoting the same testimony).

below their minimum design strength, and "widespread broken conductor strands" led the Company to cancel piecemeal structure replacements for safety.[322]

OPC asks what the Company did about the 20 rejected structures.[323] The Company rebuilt the line, the only responsible course for 20 structures that failed an intrusive inspection on a 1953 line. OPC's brief calls the Company's evidence a "qualitative subjective rationale."[324] However, the age of a pole, the result of an intrusive inspection, and the condition of a conductor are facts, and OPC offers no record evidence against any of them.

Claycomo

OPC narrows its Claycomo argument to the reconfiguration of the bus from a straight bus to a ring bus and states that it "has not taken issue with" the other upgrades.[325] OPC's evidence is that the replaced assets retained 58% of their original cost on the books.[326] Remaining net book value does not establish that a replacement was imprudent, because the prudence inquiry "must consider the information reasonably available when the Company made its decision."[327] The Claycomo transformers were approximately 36 to 57 years old and showed gassing and other condition concerns. The project upgraded the substation to the attributes of a new substation, including a ring bus that "improved the station's ability to isolate equipment."[328] OPC identifies no outage, cost, or safety consequence that the reconfiguration caused.

[322] Ex. 89(C)/90(P), Rietcheck Sur-Surrebuttal at 14–15.
[323] See OPC Brief at 43.
[324] OPC Brief at 42.
[325] OPC Brief at 44.
[326] See OPC Brief at 44.
[327] Ex. 89(C)/90(P), Rietcheck Sur-Surrebuttal at 18; see id. at 19.
[328] Id. at 16–18; see OPC Brief at 44.

H. Should rate base be reduced to remove Evergy Kansas Central's investment in transmission to serve Panasonic allocated to EMM? (EMM: Reuter; Staff took no position; OPC: Alvarez; Shapley)

OPC has withdrawn this issue, because the Company bears the Panasonic transmission costs through SPP charges under FERC-approved tariffs.[329] Staff takes no position and reserves one for reply.[330] There is nothing left to decide on this issue, and the $14.7 million should be removed from OPC's Issue 20.F figure as well.

19. Distribution Investment (EMM: Mulvany, Alexander, De Stigter, Rietcheck, Gunn; Staff took no position on A, Bowman on B; OPC: Alvarez; Shapley)

A. What level of distribution capital investment should be reflected in rate base?

The Commission should include the Company's distribution investment in full. Staff "takes no position on OPC's recommended disallowance."[331] OPC's brief presents its distribution argument together with its transmission argument under Issue 18.B, and the prudence standard discussed above governs both.[332]

The Lateral Improvement Program

OPC's brief confirms that its own revised analysis found reliability value in the 2022 lateral rebuilds. OPC acknowledges that the System Average Interruption Duration Index on the rebuilt laterals "dropped by about 30 minutes," from 153.06 to 122.60 minutes, and its witness valued that improvement with the Department of Energy's tool.[333] That valuation produced a present

[329] See OPC Brief at 49–50.
[330] See Staff Brief at 69.
[331] Staff Brief at 66.
[332] See OPC Brief at 32.
[333] OPC Brief at 37.

value of $13.82 million, a ratio of about 0.85, and OPC's re-run on a different customer mix produced $6.38 million.[334]

OPC nevertheless asks the Commission to disallow the program in full.[335] A full disallowance treats a program that OPC's own analysis shows improved reliability as having delivered nothing. On OPC's redirect, Mr. Shapley gave one reason for disallowing every dollar rather than the shortfall: "the cost of the replacements outweighed the cost of the benefits."[336] A benefit-cost ratio computed after the fact is not a finding that the decision was unreasonable when made, and it is not a measure of harm. OPC's brief states that "none" of the rebuilds were cost-effective.[337] Its witness, however, did not identify "which individual projects had benefits below their individual costs," and he could not say where his testimony identifies the "several" projects he said produced no benefit.[338] Asked whether customers would have been better off under his do-nothing approach, he testified: "It's unknown, so I can't say yes, there's a benefit, or no, there's not. We don't know."[339]

The Substation Projects

OPC's brief states two different amounts for its substation disallowance. Its position under Issue 19.A is $20.8 million.[340] Its footnote states that Mr. Shapley "revised his direct amount of $20.8 million to $12.2 million in light of" Mr. Rietcheck's rebuttal testimony.[341] At hearing, Mr. Shapley did not correct a question that described "the approximately $20.8 million in your

[334] See Ex. 221, Shapley Surrebuttal at 13–14; Tr. Vol. 10 at 27:18–28:8 (Shapley); Initial Brief at 114–115.
[335] See OPC Brief at 44.
[336] Tr. Vol. 10 at 36:15–24 (Shapley).
[337] OPC Brief at 35.
[338] Tr. Vol. 10 at 28:13–22 (Shapley).
[339] Tr. Vol. 10 at 31:5–12 (Shapley).
[340] OPC Brief at 44.
[341] OPC Brief at 33 n.79.

recommended disallowances."[342] Whichever figure OPC intends, the projects rest on documented condition.

OPC's brief acknowledges that its witness withdrew two substation recommendations after reviewing the Company's rebuttal evidence on the spare transformers and the circuit breaker replacements.[343] What remains rests on OPC's assumption about the cost of rebuilding a transformer and on OPC's view that the Company did not document certain procedural steps.[344] Mr. Rietcheck testified that factory rebuilds of substation transformers "typically cost 70%-plus of a new unit" and that all-in "rebuilds will run 80-90% the cost of new transformer." A rebuilt unit's warranty is "1-2 years at most" against "5-7 years" for a new one.[345] The units OPC challenges had documented condition issues, and two were replaced because of a dual load tap changer design that "is prone to unpredictable catastrophic failures."[346] OPC's testimony does not identify the transformer projects by name or substation, as its witness conceded.[347]

B. Is EMM's asset prioritization methodology a reasonable basis for the investment reflected in this case?

Yes. Staff's brief states that Staff "cannot conclude whether EMM's asset prioritization methodology is reasonable without access to the underlying analysis." Staff recommended no disallowance, and it asks that the Commission not treat the absence of one as an endorsement.[348] The Company does not ask the Commission to treat it as one. The question is whether the methodology is a reasonable basis for the investment, and the record shows that it is.

[342] See Tr. Vol. 10 at 33:20–24 (Shapley).
[343] See OPC Brief at 38.
[344] See Initial Brief at 115–116.
[345] Ex. 78, Rietcheck Rebuttal at 16–17.
[346] See Ex. 78, Rietcheck Rebuttal at 14–17, 20–21.
[347] See Tr. Vol. 10 at 33:3–24 (Shapley).
[348] Staff Brief at 67.

As the Initial Brief explains, AssetLens is "a decision-support tool" and "only the starting point in the project selection process." Engineers review its results, and field personnel verify conditions and scope before a project proceeds.[349] OPC calls AssetLens a "black box," but its witness agreed that parts of the software are objectively sound and that technical reviews were appropriately completed on all projects.[350] OPC's own witness uses the same Department of Energy interruption cost tool on which AssetLens relies.[351]

Staff's concern is access to the historical scoring data, and the Company filed a supplemental discovery response with the archived exports that filled the gaps Staff identified.[352] The Partial Stipulation provides for transparency going forward through reporting on future projects.[353] A limitation on Staff's ability to reproduce a proprietary calculation is not evidence that the investments lacked value, and neither Staff nor OPC offers evidence that they did.

IX. INCOME-ELIGIBLE PROGRAMS AND ENERGY BURDEN ANALYSIS

16. Income-Eligible Programs (EMM: McDonald; Staff: Eichholz, King, Huber, Lange, Mastrogiannis, Ferguson; OPC: Marke)

Staff and the Company agree that a customer charge waiver program should be developed in the Affordability Workshop, Case No. OW-2026-0085, rather than created in this case.[354] OPC's brief restates its request for a $6 million program with no restrictions.[355] Dr. Marke told the RLJ that "there are some structural issues that we need to address" and that the dispute "is really just a timing issue at this point."[356]

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[349] Ex. 70, Mulvany Surrebuttal at 6–7; see Initial Brief at 117–118.
[350] OPC Brief at 36; see Initial Brief at 117.
[351] See Initial Brief at 117–118.
[352] See Initial Brief at 118.
[353] See Partial Stipulation at ¶¶ 17–18.
[354] See Staff Brief at 60–64; Initial Brief at 120–126.
[355] See OPC Brief at 28–31.
[356] Tr. Vol. 8 at 135:9–18 (Marke).

Asked what those structural issues were, Dr. Marke pointed to the eligibility threshold and income verification,[357] both of which were placed on the Affordability Workshop's agenda by the Commission.[358] The Programs Stipulation, which OPC does not otherwise oppose, directs additional assistance dollars to the Economic Relief Program, which reaches households above the LIHEAP thresholds that OPC's waiver would use.[359] The Commission should not convert an admitted placeholder into a tariffed program, and it should not reach Issues 16.E.i and 16.E.ii.

No party briefed Issue 38, which the Programs Stipulation resolves.

X. RATES AND REVENUE RESPONSIBILITY

Staff's brief narrows the rate design dispute. Staff is "generally in support of EMM's proposed restructuring – with some modifications."[360] OPC's brief lists Issues 29, 30, and 33 as headings with no position and no argument. Its only rate design arguments concern the class apportionment and the allocation of CWIP.[361]

The Procedural Order requires briefs to "set forth and cite the proper portions of the record concerning the remaining unresolved issues."[362] A heading with no argument and no record citation gives the Commission nothing to decide on OPC's account. OPC's general statement that it is "not conceding any argument it raised nor abandoning any evidentiary support" does not change that.[363] The Commission's stipulation rule also requires an objecting party to "identify the

[357] Tr. Vol. 8 at 136:15–137:23 (Marke).
[358] See Order Opening Working Case and Directing Responses at 1, In re: Working Case for Commission Review and Consideration of Utility Assistance Programs and Special Alternative Residential Customer Rates, No. OW-2026-0085 (Oct. 1, 2025) (inviting recommendations on, among other subjects, "[s]pecial alternative residential customer rates or bill discounts contemplated by Section 393.1680"); Order Setting Workshops and Registration Process at 1–2, No. OW-2026-0085 (May 7, 2026) (the workshop "will examine utility assistance programs including, but not limited to, eligibility, program administration and program design"); see also Ex. 202, Marke Direct at 48.
[359] See Programs Stipulation at ¶ 2; Initial Brief at 123–124.
[360] Staff Brief at 95.
[361] See OPC Brief at 59–60, 64–70.
[362] Procedural Order at ¶ 3(D).
[363] OPC Brief at 5.

specific provision of the stipulation and agreement that is objected to and provide a reason for each objection."[364]

OPC's opposition to the Rate Design Settlement listed the demand thresholds, the 15-minute billing demand, the reactive demand change, the optional time-of-use rate, and the TRP terms as provisions OPC "opposes." It gave no reason for any of them.[365] OPC's brief then takes no position on the issues those terms resolve. OPC's opposition to those terms does not satisfy the rule, and the Commission should disregard it. What remains contested is the reactive demand charge, the demand-energy factors, the study and the effective date, the optional time-of-use rate, the class percentages, and the CWIP allocation.

29. Non-Residential Rate Design (EMM: Jaynes, Lutz; Staff: Lange; MECG: York)

A. Should the rates of the non-residential non-lighting customers be restructured in this case?

ii. Should the Large General Service and Medium General Service classes be subject to reactive demand charges?

Staff would keep the reactive demand charge for the MGS and LGS classes because, "as the regional generation fleet changes, there will be an increased need for investment" to address reactive demand.[366] Staff's figures show what is at stake: $644,648 a year of reactive demand revenue across the MGS, LGS, and LPS classes, which Staff would raise to $668,113 after its study.[367] Reactive demand revenue is 0.142% of MGS revenue and 0.136% of LGS revenue, and the Rate Design Settlement recovers that revenue through the classes' other billing determinants,

[364] 20 CSR 4240-2.115(2)(B); see Initial Brief at 128.
[365] See OPC Rate Design Opposition at ¶ 4.
[366] Staff Brief at 97.
[367] See Staff Brief at 97–98.

so removal is revenue neutral within each class.[368] Large customers drive reactive demand, and the Rate Design Settlement keeps the charge where they are, in the LPS class and Schedule LLPS.[369] Staff's brief asks that "the rate determined for LPS customers … also be applied to LLPS customers," which is what the Rate Design Settlement does.[370] A charge that collects less than 0.15% of class revenue from customers who cannot control the quantity it measures does nothing to meet a system-level need that Staff has not quantified.

iii. What are the appropriate charges for each rate element for each class?

Staff's brief does not argue Issue 29.A.iii. It states that implementation "should not occur without addressing this issue consistent with Staff's recommendations" in its Rate Design Report, and it refers the Commission to Staff's objection.[371] The Initial Brief explains why that objection fails, and Staff has not disputed MECG's witness's testimony that Staff's alternative rests on no cost-of-service analysis.[372] The 1.25/0.75 factors move the structure a modest step toward cost, and a smaller step than the 1.50/0.50 MECG's witness proposed.[373]

iv. Should EMM be ordered to promptly conduct a billing determinants and customer impact study?

Staff's brief contends that "there is a dearth of critical information needed in order to set rates" and that its proposed Customer Migration and Determinants Study "is essential for setting rates in this case."[374] The same page reports Ms. Lange's estimate of what the study involves: "I would think this should take less than a week to do if people devote the time to it at Metro."[375]

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[368] See Ex. 33, Jaynes Direct at 30; Initial Brief at 129–130.
[369] See Ex. 57(HC)/58(P), Lutz Surrebuttal at 23–24; Rate Design Settlement at 2.
[370] Staff Brief at 98.
[371] Staff Brief at 98–99.
[372] See Initial Brief at 130–133; Ex. 305, York Surrebuttal at 23–24.
[373] See Ex. 305, York Surrebuttal at 24; MECG Brief at 17–18; Initial Brief at 131.
[374] Staff Brief at 99.
[375] Staff Brief at 99 (quoting Tr. Vol. 12 at 177:18–20 (Sarah Lange)).

Staff nonetheless asks the Commission to delay the restructured rates until November 1, 2027.[376] A task Staff's own witness estimates at less than a week is no reason for ten months of delay, and Staff's counsel described the November 2027 date as Staff's "best guess."[377] Even the Company's estimate for pulling the data, "approximately 2-3 months," falls far short of the delay Staff proposes.[378]

The claimed dearth of information does not survive the record either. The Company estimated the migrations between classes, converted billing demand to a 15-minute basis, and filed a cost of service study for the restructured classes.[379] Mr. Jaynes explained that Staff's objection to the 15-minute conversion is "an assertion of doubt unsupported by a competing analysis."[380] The Chair asked Mr. Lutz what a migration or determinant study would produce. He testified that "those exist now," and that "Staff does not agree with the mechanisms that we've used, not that there's no study."[381] Staff's witness agreed: "I don't think anyone said there's no billing determinants in this case."[382] Staff's brief notes that Staff has asked two other utilities for a similar study. It identifies no case in which a rate change waited for one, and Ms. Lange could not identify one when Commissioner Coleman asked.[383] The study timeline and the education plan that Staff's brief cites are Staff Exhibits 4 and 5, which the RLJ admitted as demonstrative exhibits with "their due weight, which may not be much."[384] The remaining work is a compliance calculation, and the Commission should direct that the compliance tariffs implementing the restructured rates be filed with the others.

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[376] See Staff Brief at 96, 101.
[377] Tr. Vol. 12 at 31:10–13 (Staff counsel).
[378] Ex. 133, Gonzales Rebuttal at 4–5.
[379] See Ex. 33, Jaynes Direct at 14, 17, 46; Initial Brief at 133–134.
[380] Ex. 36, Jaynes Surrebuttal/True-Up Direct at 4.
[381] Tr. Vol. 12 at 111:24–112:4 (Lutz).
[382] Tr. Vol. 12 at 176:6–7 (Sarah Lange).
[383] See Staff Brief at 99; Tr. Vol. 12 at 180:20–181:12 (Sarah Lange).
[384] Tr. Vol. 12 at 202:5–21; see Staff Brief at 96 n.332, 100 n.351.

v. What customer education is appropriate?

Staff's education plan would require a one-time report pricing each customer's past twelve months under both the increased current rates and the restructured rates. It would also require a billing-system test and an explanation of a delay to November 2027.[385] The Company will educate affected customers after the Commission rules, as it has in past cases. But that education does not require a delay in the effective date.[386] "[P]ost rate case customer education has been common," and about five earlier rate changes for the Company took effect in the December and January period.[387] MECG, whose witness first raised education, agrees that rate changes after a rate case "are not a new phenomenon" and supports implementation with the increase.[388]

vi. What date should restructured rates take effect?

Staff's proposal would have the Company file two sets of tariff sheets for the SGS, MGS, LGS, and LPS classes. One set would increase the current rates for service before November 1, 2027, and a second set, on new sheet numbers, would carry the restructured rates for service on and after that date.[389] Those customers would see two rate changes within a year, and the Hours Use structure that Staff itself does not support would continue for another year.[390] Staff's stated reason is that a structural change should not take effect in a peak month without education.[391]

Staff's own witness described a different timeline when the RLJ asked her for "the solution." All of the compliance tariffs "can be put on the books starting January 2nd," she testified. The restructured set could then "take effect beginning April 1st, May 1st, June 1st, or

[385] See Staff Brief at 100.
[386] See Ex. 57(HC)/58(P), Lutz Surrebuttal at 7–8; Initial Brief at 137–139.
[387] Ex. 57(HC)/58(P), Lutz Surrebuttal at 8; Tr. Vol. 12 at 104:5–11 (Lutz).
[388] MECG Brief at 17; see id. at 17–19.
[389] See Staff Brief at 101.
[390] See Ex. 36, Jaynes Surrebuttal/True-Up Direct at 18–19; Ex. 133, Gonzales Rebuttal at 5; Initial Brief at 139–140.
[391] See Tr. Vol. 12 at 164:25–165:11 (Sarah Lange).

October 1st or November 1st of 2027."[392] Even her alternative contemplated a compliance filing "by the end of January for a March or April type time frame."[393] November 1, 2027, is the last of the five dates she listed, and nothing in the record requires it. As discussed above, education requires no delay, and the Company is ready: "We have the information available to us to exercise the rate designs."[394] The restructured rates should take effect with the rate increase, by bill cycle, as the Rate Design Settlement provides.

B. Should the non-residential non-lighting opt-in time based rates proposed by EMM be implemented?

Staff's brief refers the Commission to Staff's objection and adds no argument.[395] The objection fails for the reasons the Initial Brief gives, including Staff's unquantified concern about avoided revenue and Staff's discovery response that a reasonable opt-in rate with protections for non-participants is possible.[396] The Commission should approve the optional rate as the Rate Design Settlement modifies it.

[392] Tr. Vol. 12 at 182:13–14, 183:16–20 (Sarah Lange).
[393] Tr. Vol. 12 at 184:8–16 (Sarah Lange).
[394] Tr. Vol. 12 at 104:5–7 (Lutz).
[395] See Staff Brief at 102.
[396] See Initial Brief at 140–142; Ex. 305, York Surrebuttal at 26–27 & Sch. JAY-SUR-1 at 20–21.

30. Other Rate Schedules (EMM: Jaynes, Lutz; Staff: Lange; Google: Berry; MECG: York; OPC: Marke)

A. How should all other applicable rates in this case be increased, including lighting, Large Load Power Service, Electric Vehicle Charging, and Time Related Pricing, if applicable?

Staff's position on each of the other rate schedules is the same equal percentage increase it proposes for every class, on the premise that "no reliable CCOS study is available in this case."[397] Issue 32.A explains why that premise is wrong. Two points are specific to this issue.

On the TRP rate, Staff does not object to the freeze and objects only to the 1.1 multiplier, which it says "is being utilized to provide additional avoidance of applicable rate increases to LPS customers."[398] But the multiplier increases TRP prices by more than the system average. The Company's testimony called for an above-average increase to bring the rate closer to its time-of-use equivalent, and the Rate Design Settlement moves in that direction.[399] A term that raises a rate faster than the average does not help anyone avoid an increase.

On Schedule LLPS, Staff asks for the same percentage increase as every other class.[400] Staff's brief acknowledges that the $60 million revenue adjustment and the apportionment of the increase are distinct questions, and the Company agrees with Staff on that point.[401] The Rate Design Settlement increases Schedule LLPS as a subclass of LPS, which keeps the relationship between the two rates that the Company established when it derived the LLPS rate from the LPS rate.[402] As Mr. Lutz told the Chair, "[i]f LPS goes up or down, I want LLPS to follow until we

[397] Staff Brief at 102.
[398] Id.
[399] See Ex. 36, Jaynes Surrebuttal/True-Up Direct at 20; Initial Brief at 143–144.
[400] See Staff Brief at 103–104.
[401] See Staff Brief at 104.
[402] See Rate Design Settlement at ¶ 2; Ex. 33, Jaynes Direct at 48–49.

have a customer available to inform any other behavior that might be different."[403] Staff's proposal would also move LLPS with LPS, because it would increase both by the same percentage. The only difference between the parties is the LPS percentage, which is discussed under Issue 32.A.

32. Revenue Apportionment and Implementation (EMM: Jaynes, Lutz, Gunn, Ives; Staff: Lange; Google: Berry; MECG: York; OPC: Nelson; Marke)

A. How should revenue responsibility, including any net revenues from LLPS customers and any reduction to revenues from any income-eligible customer discounts, be apportioned among the customer classes, if at all?

Staff's brief states that "no party in this case was able to perform a meaningful CCOS study."[404] Not so. The Company performed two, one for the current classes and one for the restructured classes, as it has in every rate case since 2005.[405] Staff performed none, as its counsel confirmed to the Chair, and its witness explained that Staff "didn't put the resources into" one.[406] The party that performed no study is poorly placed to tell the Commission that the studies in the record are meaningless. Staff's witness agreed on the point that matters. When the RLJ listed the claimed defects in the studies, she testified that "those are just impediments to doing a class cost-of-service study. I don't believe that any of those are impediments to setting rates in this case. I think you have to set rates in this case."[407]

The question for the Commission is what the studies show, and every recalculation in the record shows the same ordering of class returns. On the Company's study, LPS earns 14.73% and LGS earns 10.08% at present rates, while the residential class earns 0.51%, against a system

[403] Tr. Vol. 12 at 115:6–9 (Lutz).
[404] Staff Brief at 118.
[405] See Ex. 33, Jaynes Direct at 32–33, 45–46; Ex. 57(HC)/58(P), Lutz Surrebuttal at 22.
[406] Tr. Vol. 12 at 26:11–16 (Staff counsel); id. at 179:1–5 (Sarah Lange).
[407] Tr. Vol. 12 at 185:22–186:3 (Sarah Lange).

average of 4.90%.[408] MECG's witness recalculated the allocator with non-coincident peaks and found LPS at 13.21%, LGS at 9.66%, and residential at 0.78%.[409] Staff's own witness made a similar recalculation and found LPS at 14.10%, LGS at 9.68%, and residential at 0.77%.[410] Staff's brief responds that MECG's analysis "retains the problematic production and distribution allocation methodologies underlying EMM's study."[411] But Staff's own recalculation used Staff's preferred allocator and reached the same result. The criticisms Staff raises "identify analytic choices rather than deficiencies in the study, and those choices move the magnitude of a result rather than its direction."[412]

A cost of service study "is an indicator. It's a guide for the commission to use in setting just and reasonable rates."[413] The Rate Design Settlement uses it that way. It moves LPS and LGS a modest step toward cost at 94% of the system average increase. It holds the residential class at the average, with SGS and MGS at 112.44% to balance the remainder.[414] Staff's equal percentage alternative would leave every class where it is, including a residential class earning less than 1% at present rates, on the ground that no study is reliable enough to move anyone. Staff's own evidence refutes that ground. Staff's brief describes class revenue shifts as "designed to bring each class closer to producing the system-average rate of return," and that is the move the Rate Design Settlement makes.[415] MECG's brief makes the same point: Staff "did not conduct a CCOSS of its own," and its reruns of the Company's study "showed the same general patterns."[416]

[408] See Ex. 302, York Direct at 7, 10 (Tables JAY-2, JAY-3); Ex. 305, York Surrebuttal at 41.
[409] See Ex. 305, York Surrebuttal at 10.
[410] See Ex. 138, Sarah Lange Rebuttal at 33; Initial Brief at 149.
[411] Staff Brief at 104.
[412] Ex. 36, Jaynes Surrebuttal/True-Up Direct at 12.
[413] Tr. Vol. 12 at 112:19–22 (Lutz).
[414] See Rate Design Settlement at ¶ 2; Initial Brief at 146–149.
[415] Staff Brief at 5.
[416] MECG Brief at 13 (citing Ex. 138, Sarah Lange Rebuttal at 33–34).

OPC's brief opposes the shifts among classes and argues for its probability-of-dispatch and Basic Customer allocators.[417] The Initial Brief discusses both under Issues 32.A.i and 32.A.ii.[418] The Commission need not choose an allocation method to approve the Rate Design Settlement, because the signatories agreed to class percentages rather than to a methodology.[419]

C. Should EMM's surrebuttal proposal to implement the rate increase by bill cycle in this case be permitted?

Staff restates the three reasons in its objection: winter implementation without education, the surrebuttal timing of the proposal, and the possibility of interaction with the FAC and MEEIA riders.[420] Education is discussed under Issue 29.A.v. As to timing, Staff's witness discussed the Rate Design Settlement at length at hearing and identified no rider interaction.[421] The bill-cycle method avoids prorated bills that show part of a customer's usage at old rates and part at new rates, and the Company used it most recently to implement residential time-of-use rates.[422] MECG supports the method as well.[423]

D. How should revenue responsibility for construction work in progress be assigned or allocated among the customer classes?

The CWIP revenue requirement should be apportioned among all classes through the Rate Design Settlement percentages, with Schedule LLPS paying its share through the LPS percentage.[424] OPC would assign all of it to Schedule LLPS and collect it "on the front-end."[425]

[417] See OPC Brief at 50–52, 64–67.
[418] See Initial Brief at 150–152.
[419] See Rate Design Settlement at ¶ 3.
[420] See Staff Brief at 119.
[421] See Tr. Vol. 12 at 164:11–165:4 (Sarah Lange); Initial Brief at 153–154.
[422] See Ex. 57(HC)/58(P), Lutz Surrebuttal at 8.
[423] See MECG Brief at 18–19.
[424] See Initial Brief at 154–159.
[425] OPC Brief at 68.

Staff offers two calculations: a "proportionate" recovery of $0.93 per kW, using a 46.14% "LLPS share of Mullin Creek 2 capacity," and a full allocation of $2.01 per kW.[426]

Both proposals assume that Mullin Creek No. 2 is being built for one customer. But the record says otherwise. The unit "is a system resource and has been in that IRP since 2024," and its need rests on SPP's planning reserve margin increases as well as load growth.[427] Asked by the Chair whether it would be allocated to all customers, Mr. Gunn replied, "Correct."[428] Staff's 46.14% figure divides one customer's monthly demand by the unit's accredited capacity, which measures the customer's size rather than the reason the unit is being built.[429]

Neither Staff nor OPC cites evidence that any part of the unit was planned for Schedule LLPS load. Staff's witness confirmed the planning history from his testimony. The Company's data request responses, he testified, "describe EMM's contemplation of construction of generation at the Mullin Creek location as far back as 2023 and inclusion of Mullin Creek number 2 and its integrated resource planning since 2024."[430] OPC's cross-examination of Mr. Gunn asked the cost-causation question directly. He explained that "the Missouri Metro capacity was actually in good shape" and that "the SPP planning reserve margins" drove the need. The unit does not pass "the but-for test," he testified, because "[t]hese resources were being built for the system growth, not to directly serve a large load."[431]

The Large Load Order also speaks to both proposals. The Commission found that CWIP dollars collected from existing customers "could be directly offset by revenues collected from any LLPS customers receiving service." It reserved the treatment of those revenues for "a future rate

[426] Staff Brief at 119–120.
[427] Tr. Vol. 9 at 97:13–21 (Gunn).
[428] Tr. Vol. 9 at 97:22–24 (Gunn).
[429] See Staff Brief at 120 & nn.396–397.
[430] Tr. Vol. 9 at 105:12–20 (Young).
[431] Tr. Vol. 9 at 99:21–100:4 (Gunn).

case where those revenues would be known and measurable."[432] The June 2026 bills are the first LLPS revenue to meet that test. The LLPS Stipulation reflects $60 million of LLPS revenue, more than ten times the $5,691,286 revenue requirement for CWIP, and that revenue reduces the increase every class pays.[433] Schedule LLPS then pays its share of the remaining increase, CWIP included, through the LPS percentage in the Rate Design Settlement.[434] OPC's stated purpose, to reduce stranded asset risk, is the risk the Commission addressed when it approved the minimum bill, collateral, and exit-fee terms of Schedule LLPS.[435] Staff's brief does not explain why a customer whose rates already carry the LPS share of CWIP should pay a second, direct charge for the same plant.

33. Critical Peak Rate (EMM: Jaynes, Lutz; Staff: Lange)

With the Commission's leave, Staff has supplemented its initial brief with an argument for its proposed Critical Peak Rate ("CPR") that it "inadvertently omitted."[436] The supplement adds three sentences of argument, and the record refutes each one. Staff first says that the CPR has existed as an idea at the Commission for "almost two decades."[437] Over those years, Staff's witness could not recall a critical peak rate ever coming before the Commission in a rate case.[438] How long an idea has been discussed says nothing about whether this design is ready to apply to every customer it would reach.

[432] Large Load Order at 43 (Finding of Fact 100); id. at 44; see Initial Brief at 157–158.
[433] See LLPS Stipulation at ¶ 13; Staff Reconciliation at 1, line 35; Initial Brief at 157–158.
[434] See Rate Design Settlement at ¶ 2; Initial Brief at 155–156.
[435] See Large Load Order at 17 (Findings of Fact 36, 38), 26; Initial Brief at 158–159.
[436] Staff Motion for Leave to Supplement Initial Brief and Expedited Treatment at ¶ 2 (Nov. 9, 2026) ("Staff Motion"); see Order Granting Leave to Supplement Initial Brief (Nov. 13, 2026) (EFIS Item 568). (Apparently, the issue was not critical enough to make Staff's 137-page initial brief.)
[437] Staff Motion at ¶ 3 (citing Tr. Vol. 9 at 18:23–25).
[438] See Tr. Vol. 9 at 19:7–12 (Sarah Lange); Initial Brief at 163.

Staff next describes a "minimalist approach" that makes the CPR "flexible for modification."[439] The testimony Staff cites calls the proposal "a very bare bones recommendation." In the same answer, Staff's witness testified that the Commission could "order that this tariff be developed" and filed later, or could "move it out of this docket."[440] Staff is asking the Commission to order a mandatory rate now and settle its exemptions, notice, and event calls afterward.[441] The Initial Brief explains why the design is not developed.[442] Staff's witness left the matter to the Commission's "interest in pursuing it or not," and the record supports not pursuing it.[443]

Finally, Staff says that conservation is only "one aspect" of the CPR. Staff names its other CPR objectives as customer understanding of the wholesale market and an economic signal for customers.[444] On cross-examination, Staff's witness agreed that encouraging conservation and mitigating FAC impacts were "two of the main points."[445] None of Staff's objectives require a mandatory rate, and the Company keeps its time-based rates voluntary for reasons the Initial Brief explains.[446] Staff's witness also testified that customers will perceive the Company as profiting from the CPR "if they're not informed of how this mechanism actually works."[447] The customer understanding and signaling that Staff seeks thus depend on uncertain "communication" that Staff leaves to the Company's management.[448] The Initial Brief explains why the signal arrives late,

[439] Staff Motion at ¶ 3 (citing Tr. Vol. 9 at 38:11–39:6).
[440] Tr. Vol. 9 at 38:14–15, 38:19–20, 39:3–4 (Sarah Lange).
[441] See Tr. Vol. 9 at 23:8–25, 26:19–27:3, 30:13–31:10 (Sarah Lange).
[442] See Initial Brief at 161–162.
[443] Tr. Vol. 9 at 39:5–6 (Sarah Lange).
[444] Staff Motion at ¶ 3 (citing Tr. Vol. 9 at 31:17–32:2, 15:18–23).
[445] Tr. Vol. 9 at 15:18–23 (Sarah Lange).
[446] See Initial Brief at 162.
[447] Tr. Vol. 9 at 29:17–24 (Sarah Lange).
[448] See id. at 23:11–14, 25:12–18.

and why a charge that moves the same costs among customers, with no measured change in usage, is no benefit and does not advance any of Staff's objectives.[449]

On Issue 33.B, Staff's brief raises nothing that the Initial Brief does not already rebut.[450]

XI. TRACKERS

36. Critical Infrastructure Protection and Cyber Security (EMM: Klote, Gunn, Charles King; Staff: Lyons; OPC: Schaben)

A. What level of critical infrastructure protection ("CIP") and cyber security expense should be included in the revenue requirement?

Staff and the Company agree on the test-year level of $4,491,745 on a total-company basis, as corrected by Staff's errata.[451]

B. Should EMM implement a tracker for CIP and cyber security costs?

Yes. Staff and OPC oppose the tracker for one reason, which is that the Company's spending has been stable.[452] Staff reports annual expense of $3.91 million in 2023, $4.61 million in 2024, and $4.22 million in 2025. From those figures Staff concludes that the Company "has historically managed those costs without the substantial year-to-year fluctuations it now anticipates."[453] Staff's own figures rose 17.9% from 2023 to 2024 and fell 8.5% the next year. More to the point, a stable history is the wrong test for these costs.

Staff's brief states Staff's policy: trackers are appropriate for expenses that "exhibit significant, unpredictable fluctuations; involve substantial new costs with little historical experience; or result from newly promulgated Commission rules."[454] The record meets the first

[449] See Initial Brief at 161, 163.
[450] See Initial Brief at 164; Staff Brief at 121.
[451] See Staff Brief at 121–122; Initial Brief at 165.
[452] See Staff Brief at 122–125; OPC Brief at 71.
[453] Staff Brief at 122–123.
[454] Staff Brief at 123.

two criteria. CIP and cyber security costs are driven by federal reliability and security mandates, by attackers whose tools now include artificial intelligence, and by third-party events such as the CrowdStrike outage. A historical test year can forecast none of them.[455] OPC's own witness agreed that "[a]ttempting to predict these events a year in advance when devising a cybersecurity budget is infeasible."[456]

The Initial Brief answers Staff's remaining points.[457] The Commission should approve the CIP and cyber security tracker.

XII. DEPRECIATION

17. Depreciation (EMM: Spanos, Kopp; MECG: Andrews; Staff: Arandia)

A. Which depreciation rates should be used?

The Commission should use the depreciation rates in corrected Exhibit C to the Partial Stipulation, without MECG's retirement-date adjustments for Iatan Unit 1, La Cygne Unit 2, and La Cygne Common.[458] Staff agrees with the Company. Staff's brief explains that its depreciation witness "considered the anticipated retirement dates with those used in prior rate cases (ER-2022-0130) and EMM's IRP (EO-2026-0188)" and asks the Commission to reject MECG's adjustments.[459] The rates in Exhibit C are the rates Staff's witness prepared.[460]

MECG's brief rests on the 2026 IRP Annual Update, which no longer shows a retirement of either unit within its planning horizon. MECG argues that the Company "should not be able to pick and choose" when it relies on its IRP.[461] The Company's witness cited the IRP in the CWIP

[455] See Ex. 40, King Rebuttal at 3–7; Initial Brief at 166–168.
[456] Ex. 219, Schaben Surrebuttal at 28.
[457] See Initial Brief at 166–168.
[458] See Partial Stipulation at ¶ 12; Notice of Depreciation and Amortization Rates at ¶ 2 (Oct. 13, 2026); Initial Brief at 169–172.
[459] Staff Brief at 66 (citing Ex. 100, Arandia Direct at 4 & n.2).
[460] See Staff Brief at 66.
[461] MECG Brief at 4; see id. at 3–6.

discussion for one fact about resource need, which is that a thermal resource of the Mullin Creek type has appeared in the Company's plan since 2024.[462] A probable retirement date for an existing unit is a depreciation question, and an IRP does not set one. The 2026 IRP, whose horizon ends in 2045, lists no retirement date for either unit, and it was not available when the study's rates were calculated.[463] Mr. Andrews took the final planning year as the retirement date, without the site visits, discussions with Company personnel, and other factors that a depreciation study uses to estimate a life span.[464] As Mr. Spanos explained, "[t]he IRP is only one of those factors and does not consider all the necessary information to establish a probable retirement date in a Depreciation Study."[465]

MECG faults the Company for not conducting a new life analysis after the IRP update, but Mr. Andrews conducted none either. The $7.3 million he estimates is the effect of moving two units and a common plant account five years on the strength of a planning document that sets no date.[466] The same planning document assumed a March 2040 retirement for both units one year earlier.[467] A depreciation parameter tied to the annual update would move every time the update does. The Commission fixes depreciation rates "from time to time," and a supported change in these units' lives can be reflected when the Commission next sets the Company's rates.[468]

CONCLUSION

The record supports only the Company's position on each contested issue, and on several of them the opposing party's own brief or witness concedes the point, as detailed above. The Company's positions produce rates that recover the cost of service and allow a fair return on the

[462] See Tr. Vol. 9 at 97:13–21 (Gunn).
[463] See Ex. 80, Spanos Rebuttal at 17–18.
[464] See Ex. 80, Spanos Rebuttal at 9, 17–18.
[465] Ex. 80, Spanos Rebuttal at 17; see Ex. 30, Ives Rebuttal at 27.
[466] See MECG Brief at 3–6; Ex. 300, Andrews Direct at 27–31; Ex. 80, Spanos Rebuttal at 18.
[467] See Ex. 300, Andrews Direct at 29.
[468] Section 393.240.2.

capital invested to serve customers. They also move the LPS and LGS classes a modest step toward their cost of service. On the LLPS issues, they rest on what was known and measurable at the true-up and leave the rest for a test year with an LLPS customer in it. If approved, the $88.9 million increase would amount to a cumulative change of about 9.6% since the end of 2017. That change is below the rate increases of regional peer utilities and far below inflation over comparable periods.[469] These requested rates are just and reasonable. They preserve the affordable, reliable, and sustainable service the Company's customers expect and deserve.

WHEREFORE, Evergy Metro, Inc. d/b/a Evergy Missouri Metro respectfully requests that the Commission issue a Report and Order that:

1. treats the Pensions Stipulation and the Non-C&I Rate Design Stipulation as unanimous and approves them without modifications or conditions;
2. approves the Partial Stipulation, including Exhibit C as corrected, and the Programs Stipulation without modifications or conditions;
3. finds that the approved terms of those four agreements are reasonable resolutions of the issues that each addresses and will produce just and reasonable rates;
4. approves the LLPS Stipulation and the Rate Design Settlement without modifications or conditions;
5. overrules the parties' objections to the stipulations as unsupported by the record or legal authorities;
6. adopts the Company's position on each other contested issue, as set forth in the Initial Brief and this Reply Brief;

[469] See Initial Brief at 1–2; Ex. 21, Gunn Direct at 11–12.

7. declines to consider any position first stated in a reply brief on Issues 20.F, 20.H, and 33.A.i;

8. takes official notice of Exhibit A to the Initial Brief and of the Bureau of Labor Statistics' Consumer Price Index and Producer Price Index releases for October 2026 to the extent necessary;

9. directs the parties to file without delay a joint reconciliation of the revenue requirement that reflects the Commission's decisions;

10. directs the Company to file without delay compliance tariff sheets consistent with that reconciliation, including the tariff sheets implementing the restructured non-residential rates;

11. directs the Company to update its MEEIA net margin rates and file them with its compliance tariff sheets; and

12. grants all other relief the Commission deems just and proper.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served upon counsel for all parties on this 18th day of November 2026, by EFIS filing and notification, and/or e-mail.

/s/ Roger W. Steiner
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