**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

REBUTTAL TESTIMONY OF

RONALD A KLOTE

ON BEHALF OF EVERGY KANSAS CENTRAL, INC. AND EVERGY KANSAS SOUTH, INC.

**IN THE MATTER OF THE APPLICATION OF
EVERGY KANSAS CENTRAL, INC. AND
EVERGY KANSAS SOUTH, INC. FOR APPROVAL TO MAKE
CERTAIN CHANGES IN THEIR CHARGES FOR ELECTRIC SERVICE
PURSUANT TO K.S.A. 66-117.**

Docket No. 25-EKCE-294-RTS

JULY 3, 2025

I. INTRODUCTION AND PURPOSE

Q: Please state your name and business address.

A: My name is Ronald A. Klote. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Kansas Central ("EKC" or "Company").

Q: Are you the same Ronald Klote who filed direct testimony in this docket?

A: Yes.

Q: What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the Utilities Division of the KCC ("KCC Staff" or "Staff") and intervenor testimony on the following issues:

- Maintenance Expenses (Nuclear, Distribution, Generation, IT Software Maintenance)
- Incentive Compensation and Benefits
- Pension and OPEB Tracker 2
- Officer Expense Reports
- Storm Reserve
- Investor Relations
- Advertising
- Revenue Requirement Calculation for Western Plains Wind Farm
- Response to Staff Request for Earned Return on Equity Report

Specifically, I will be addressing specific positions raised in the direct testimonies of Staff witnesses Andria Jackson, William Baldry, Joseph Nilges and Chad Unrein, the direct testimony of Citizens' Utility Ratepayer Board ("CURB") witness Mark Garrett, and KIC Commercial Intervenors' witness Michael Gorman. I also identify herein certain adjustments made by Staff in its revenue requirement calculation with which EKC agrees and is willing to accept. Those adjustments are identified below. In addition to those adjustments, throughout the remainder of my testimony, and in the testimony of other EKC witnesses, we identify issues where EKC disagrees with adjustments offered by Staff or other intervening parties, or at least only partially agrees with adjustments offered by Staff or other intervening parties. If there is an issue that I or another Company witness has not responded to directly, it does necessarily represent that the Company is in agreement with that issue or position, but rather that previous testimony provides the Company's full position on that particular issue.

II. RESPONSE TO STAFF AND INTERVENOR ACCOUNTING ADJUSTMENTS

Q. Please identify the accounting adjustments with which EKC agrees.

A. EKC has reviewed and agrees with the following accounting adjustments offered by Staff, which are listed below by witness:

William E. Baldry:

- Adjustment RB 1 - decreasing the irrevocable letters of credit deposit balance by $525,459
- Adjustment IS 1 - increasing pension expense by $249,485 for EKC and $292,354 for Wolf Creek
- Adjustment IS 2 increasing OPEB expense by $67,757 for EKC
- Adjustment IS 5 – decreasing insurance expense by $303,217
- Adjustment IS 6 – decreasing interest on customer deposits by $66,368
- Adjustment IS 8 – decreasing lease expense for EKC by $1,002,013

Andria N. Jackson:

- Adjustment RB - 14 decreasing EKC's rate base by $401,457 related to an adjustment to include actual deferral of the PISA regulatory asset balance at March 31, 2025
- Adjustment IS 20 – decreasing operating expense by $102,541 related to adjustment for environmental emissions assessment through March 31, 2025
- Adjustment IS 21 – decreasing operating expense by $581,749 annualizing the amortization of the Wolf Creek refueling outage
- Adjustment IS 25 – decreasing operating expense by $5,608,201 related to updating and annualizing the level of payroll expense included in the revenue requirement calculation
- Adjustment IS 27 – decreasing operating expense by $442,378 related to calculation of payroll taxes related to IS 25 which updated and annualized the level of payroll expense included in the revenue requirement calculation
- Adjustment IS 31 – decreasing operating expense by $619,016 to update the regulatory asset/liability amortization related to EKC's CIPS/Cybersecurity Tracker. New baseline amount for the CIPS/Cybersecurity Tracker in the amount of $3,363,957.
- Adjustment IS 32 – decreasing operating expense by $20,073 to update the regulatory asset/liability amortization for EKC's PISA regulatory asset balance
- Adjustment IS 33 – decreasing operating expense by $3,083,891 related to updating and annualizing common use billings
- Adjustment IS 36 – decreasing operating expense by $23,835 to update the regulatory asset/liability amortization related to EKC's Electrification Portfolio, per the revised revenue requirement posted to Core Share on June 27, 2025 in the confidential folder titled "Revenue Requirement Revisions."

Tim Rehagen:

- Adjustment RB 12 – increasing rate base by $99,441,638 to reflect updated Plant in Service balances
- Adjustment RB 13 – increasing rate base by $57,895,123 to reflect the updated Accumulated Depreciations balances
- Adjustment RB 9 – decreasing rate base by $2,565,140 to reflect updated balances of various fuel additives contained in account 151
- Adjustment RB 10 – decreasing total company rate base by $530,790 updating the projected 18-month average Nuclear Fuel Inventory levels as of March 31, 2025
- Adjustment IS 15 – decreasing total expenses by $158,664 to annualize the regulatory assessment billed to the company
- Adjustment IS 16 – increasing Depreciation Expense by $2,861,816
- Adjustment IS 17 – increasing Evergy's income statement by $12,443,255 to update an annualize Amortization Expense on Intangible Plant as of March 31, 2025

Kristina A. Luke-Fry:

- Adjustment IS 39 – decreasing operating income by $389,829 to reflect bank fees associated with commercial paper program for YE March 31, 2025
- Adjustment IS 40 – decreasing operating revenue by $405,202 related to special contracts

Joseph Nilges:

- Adjustment RB 5 – increasing rate base by $3,348,396 related to prepayments
- Adjustment RB 6 – increasing rate base by $720,146 related to customer deposits

EKC agrees with the above adjustments advocated by Staff witnesses and therefore is not providing testimony or additional evidence opposing or responding to the above adjustments.

III. NUCLEAR NON-LABOR MAINTENANCE

Q: What adjustment does Staff recommend for nuclear maintenance expense?

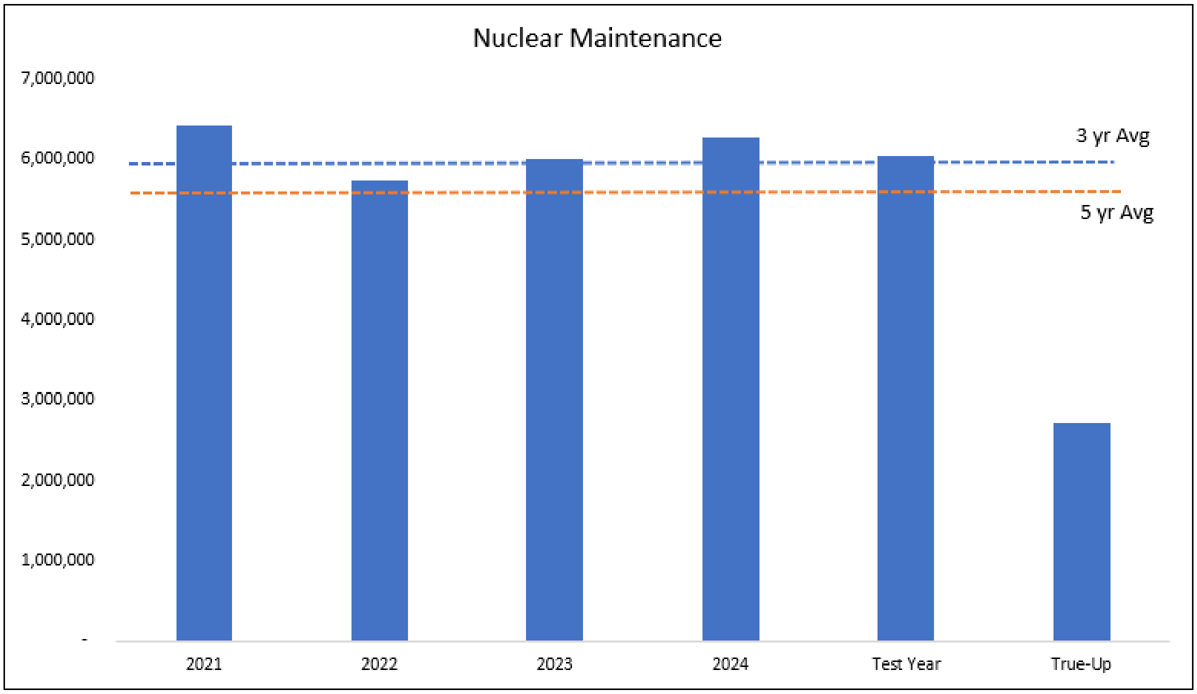
A: Staff reviewed historical expense levels and recommends using a five-year average through March 31, 2025 to establish a normalized nuclear maintenance expense level. This results in an annual nuclear maintenance expense level of about $5.5 million compared to EKC's proposed amount of about $6 million.

Q: Do you agree with Staff's recommendation and analysis?

A: No, I do not support using a five-year average. While I agree in principle with Staff's approach of applying a multi-year average to smooth fluctuations in nuclear maintenance expenses, I do not agree with including five years of historical data—reaching as far back as April 2020 in this current inflationary cost level environment with no adjustments to address inflation or the time value of money.

Q: Please discuss issues you have with the approach Staff took with computing an annualized level of nuclear maintenance expense?

A: First, I generally agree with Staff's conclusion that nuclear maintenance expenses fluctuate, especially when comparing different 12-month periods. In fact, I would say all functional maintenance expense accounts fluctuate from year to year. The graph below effectively illustrates the typical fluctuations in nuclear maintenance activity.



Staff's 3 yr Avg = 12 months ending March 2023, 2024 and True Up
Staff's 5 yr Avg = 12 months ending March 2021, 2022, 2023, 2024 and True Up

Q: What does the chart above demonstrate about the level of nuclear maintenance expense that Staff chose to include in their revenue requirement model?

A: Staff chose a 5-year period, with periods ending March 31, 2021 - 2025 to average in order to determine an annualized level of maintenance expense. The 5-year average of annualized nuclear maintenance expense as depicted in the chart is lower than the calendar years 2021, 2022, 2023 and 2024 annual nuclear maintenance expense in raw dollars. The chart demonstrates that the true-up period was significantly lower than all the previous calendar periods.

Q. Is there an anomaly in the March 2025 True-Up period that should be adjusted if the March 2025 True-Up period is utilized in setting the amount of nuclear maintenance expense in this case?

A. Yes. The main driver of the unusually low expense recorded during the March 2025 True-Up period is a one-time correcting entry done in April 2024. This entry was intended to adjust nuclear maintenance costs for earlier months in the test year (Jan 2024 – March 2024). Because the adjustment included periods that are encompassed by the test year, there was no reason to remove the adjustment through an out of period adjustment in Co. Adjustment CS-11.

What distorts the 12-month true-up period is at the time of the true-up, the months prior to April 2024 that were being corrected had already fallen outside the 12-month rolling period ending March 2025. As a result, the correcting entry remains in the data lowering the 12-month data, but the higher expenses it was meant to offset are no longer included—artificially lowering the total for the true-up period.

This mismatch skews the March 2025 true-up period downward and makes it an outlier and not reflective of a true annual period. As will be discussed later in my testimony, the Commercial intervenors' Witness Gorman chose to use this true-up period data as the source for his representative ongoing level of nuclear maintenance expenses Yet, Staff attempted to correct this issue by selecting a 5 year period and averaging the 5 periods that ended March 31 of each year 2021 – 2025. While I disagree with averaging over 5 periods for other reasons as I discussed, by doing this they successfully included all of the cost data in its averages that were impacted by the true-up entry that created an artificially lower annualized level of cost in the true up period as depicted in the graph.

Q: What does the Company believe is the appropriate period to analyze in order to compute and annual level of nuclear maintenance expense?

A: The Company in its direct filing and true-up model included the test year as its annualized level of expense for nuclear maintenance expense. The reason for this is that the test year provided a good approximation of what a three-year average of nuclear maintenance expense would have ultimately calculated. The chart above provides a clear demonstration of the results. The Company continues to believe that the test year period which approximates a three-year average is the appropriate period to include in annualization calculations without making adjustments for impacts on cost levels which I will discuss below. As such, the three-year average, covering the 12-month periods ending March 2023, 2024, and 2025, as calculated in Witness Jackson's nuclear maintenance workpaper, would be a more appropriate and relevant approach if averaging is selected for nuclear expense annualization adjustments. This method still captures variability across multiple years, but excludes the oldest 24 months of data, which are less reflective of current cost conditions.

Q: Why does the Company believe that the first 2 years in Staff's five-year average is less reflective of current costs conditions?

A: We are operating in a clearly inflationary environment. Including data from 2020 and 2021, years with significantly lower cost baselines compared to the same products or services purchased in 2025, dilutes the accuracy of the average and understates today's actual expense levels actually being incurred for the same goods and services. For context, inflation for goods and services since 2020 has increased approximately 23.41%, and since 2021 has increased approximately 17.44%, further reinforcing that older years are not representative of current cost realities. Staff's five-year average simply does not appropriately address the impacts of performing the same maintenance levels at today's current cost levels. If Staff would like to include cost levels dating back 5 years for work done in maintaining the existing nuclear facilities, then some type of inflationary factor should be applied to the early periods of the five-year data in order to ensure the same type of work completed is calculated using current cost levels. In past cases in which a Company has proposed averaging over multiple periods, I have seen proposals for the use of indexes such as the Handy Wittman index which provides an escalation factor in order to make cost levels comparable over a period of time.

In short, a three-year average strikes the right balance and approximates the test year amounts included in this rate case. It smooths volatility while maintaining relevance to the periods where the actual maintenance work will be incurred. A five-year average, by contrast, introduces outdated cost assumptions that could materially misrepresent the Company's current and forward-looking financial needs.

Q: Are there any other reasons the Company would generally average nuclear maintenance over 3 years as opposed to 5 years?

A: Yes. The Wolf Creek Generating Station performs refueling outages every 18 months. These refueling outages are significant planned outages that also concentrate substantial maintenance activities during the refueling outages. A 3-year average effectively captures two refueling outage cycles. A 5-year average does not evenly capture refueling outage cycles. If a longer period were desired than 3 years, which the chart above does not support, then Staff should do a 6-year average which would fully capture four refueling outages and such a long averaging period would require application of a Handy Wittman index or similar inflationary adjustment.

Q: What is the Company recommending to be included in this case?

A: The Company is recommending that test year amounts which approximate the 3-year average for periods ending March 31, 2023, 2024 and 2025 to be used as the annualized level of nuclear maintenance expense. This amount is $6,036,605. This is $587,407 Increase to Staff's annualized level of nuclear maintenance expenses.

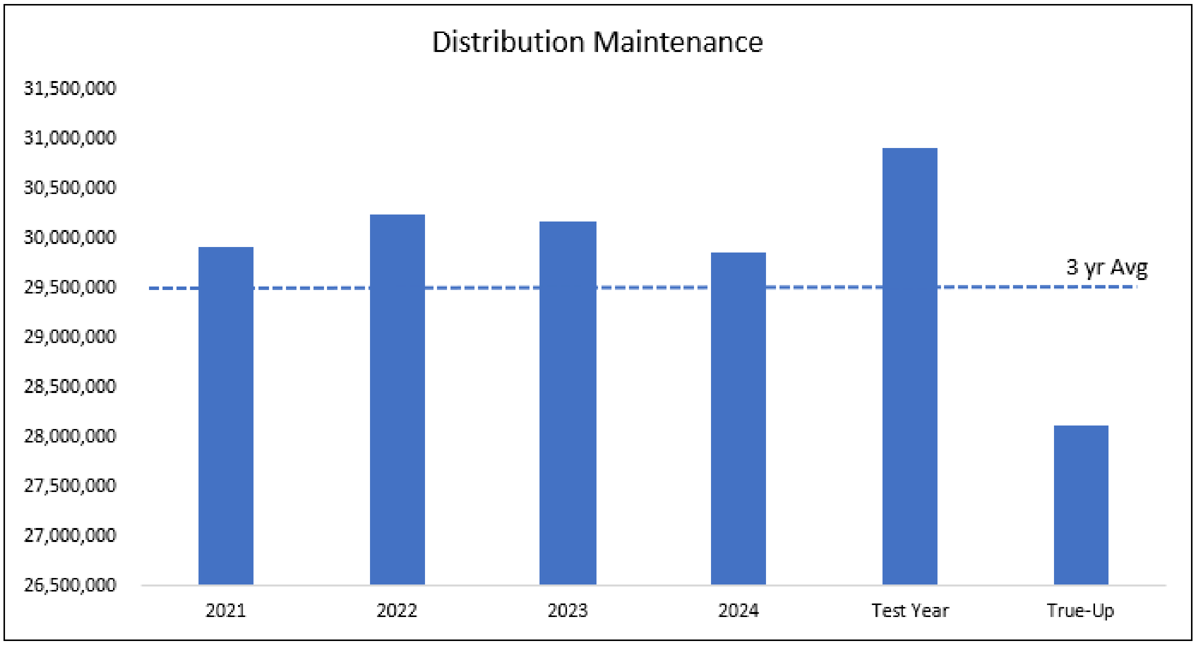
IV. DISTRIBUTION NON-LABOR MAINTENANCE

Q: Please describe Staff's recommended adjustment to normalize distribution non-labor maintenance expense.

A: Staff recommends reducing EKC's proposed distribution non-labor maintenance expense by $2.8 million. It appears Staff compared the Test Year non-labor distribution maintenance expenses to a pair of three-year average calculations covering the years 2021, 2022 and Test Year and the three-year average for 2022, 2023, and the Test Year. Based on this comparison, Staff surprisingly, with little reasoning provided in testimony, chose the update period ending March 31, 2025, as being most representative for ongoing operations.

Q: Do you agree with Staff's analysis and recommendation?

A: No, I completely disagree. Using March 2025 True-Up period as the basis of distribution non-labor maintenance is inappropriate because it does not reflect typical operating conditions and is skewed by timing-related irregularities. As illustrated in the graph below, the 12-month period ending March 2025 stands apart from the consistent pattern seen in prior periods, which, despite some fluctuation, remains within a relatively tight and stable range. Averaging multiple periods offers a more accurate and balanced reflection of ongoing needs, smoothing out timing-driven exceptions and supporting a more reasonable and sustainable level of expense in the revenue requirement.



EKC's 3 yr Avg = 2022, 2023 and True Up

Q: Can you expand further on the timing exceptions you mentioned above?

A: While using a 12-month period ending in March, which crosses calendar year end periods, this method can sometimes lead to timing-related inconsistencies in expense reporting. Certain expenses may fall into different quarters depending on when they are incurred, which can create variances between actuals and planned budgeted amounts for a year, as well as actuals compared to the prior year.

In this instance during the first quarter of 2025, the timing of tree trimming, often influenced by weather conditions, and storm-related expenses, which are entirely dependent on weather events and largely unpredictable, contributed to the variance when compared to prior calendar years.

At the time of the Direct filing, the Company used a 12-month Test Year ending June 2024 which was slightly higher than previous years, but it approximated the prior three-year average. For the True-Up, we updated to a three-year average approach to ensure that distribution maintenance expense was not understated from historical norms due to the limited first quarter activity resulting from less distribution maintenance work than typical. The chart above demonstrates the lower activity that occurred during the true-up period.

From both a financial and planning perspective, these timing differences are expected and manageable. As long as they are identified and/or resolved by year-end, they do not pose a significant issue. As such, the Company does not oppose using the true-up period as a period to average costs, but in this case solely relying on the true-up period as a representative period when it is very obvious that an abnormal trend occurred to compute an annualized level of distribution costs is not appropriate considering the weather events impacting operations during the first quarter of 2025.

Q: What does the Company recommend using for the annualized level of distribution maintenance expenses?

A: For the reasons provided above regarding impacts and the abnormal distribution maintenance activity during the true-up period, the Company recommends using the three-year average made up of 2022, 2023, and True-Up period 12-months ending March 2025. The impact on Staff's corrected revenue requirement is an approximate $1.4 million increase to cost of service.

Q: Was there any other element of the non-labor distribution maintenance costs adjustment that you want to discuss?

A: Nothing further at this time. This adjustment was already discussed in Darcie Kramer's Rebuttal Testimony regarding Staff's revised revenue requirement, where it was listed among the updated items.

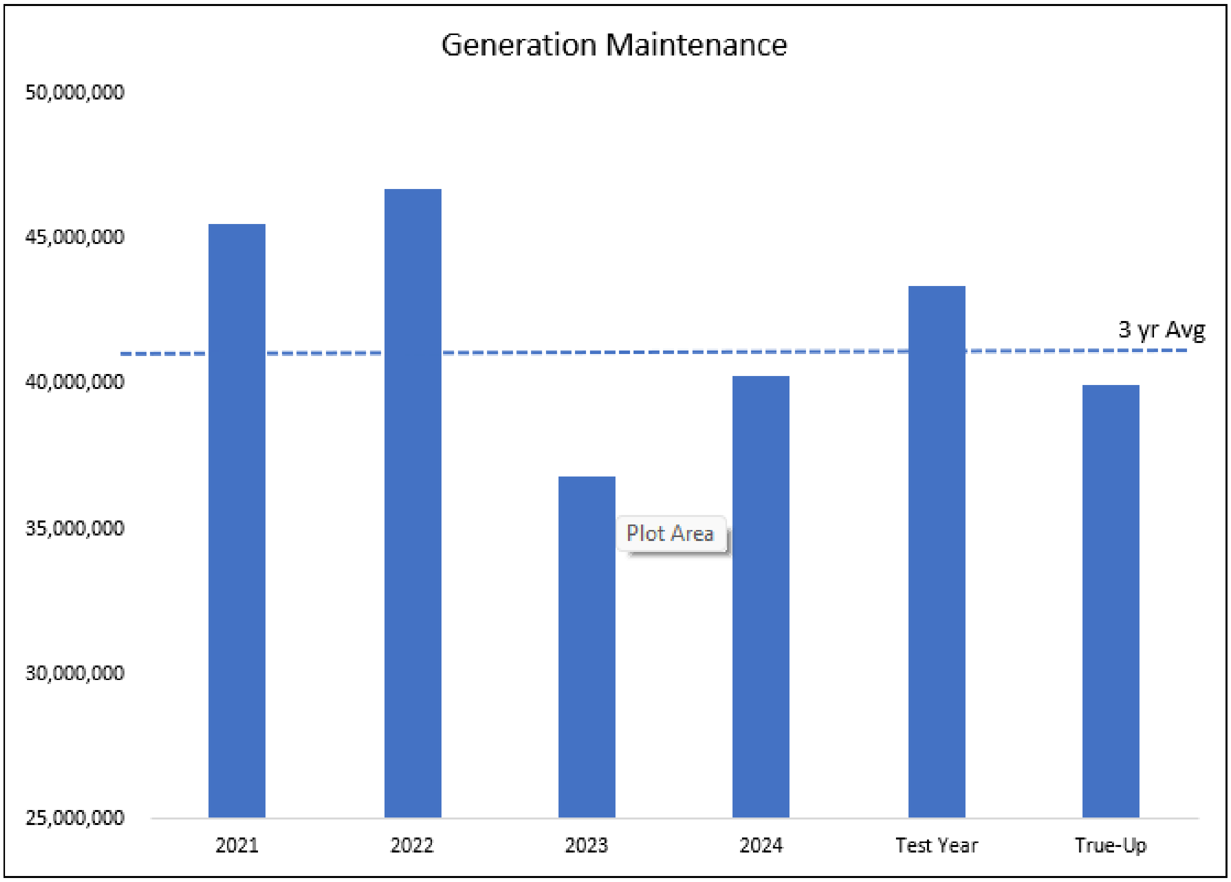
V. GENERATION NON-LABOR MAINTENANCE

Q: What adjustment does Staff recommend for generation maintenance expense?

A: Staff recommends reducing EKC's proposed generation non-labor maintenance expense by $3.4 million. Similar to Staff's analysis of distribution non-labor maintenance, Staff compared the Test Year non-labor generation maintenance expenses to a pair of three-year averages for 2021, 2022 and Test Year and the three-year average for 2022, 2023, and the Test Year. Based on this comparison, Staff surprisingly then chose the true-up period ending March 31, 2025, as being most representative for ongoing operations.

Q: Do you agree with Staff's analysis and recommendation?

A: No, I do not agree with Staff's recommendation to use the update period ending March 31, 2025, as the basis for adjusting EKC's generation non-labor maintenance expense. Relying on a single year can introduce volatility and distortions due to one-time events when looked at in isolation, timing of maintenance cycles, or other anomalies. A three-year average smooths out these fluctuations and provides a more representative view of EKC's typical maintenance spending, specifically when there is no distinct trend or movement. The graph below highlights that the data does not show a clear upward or downward trend in generation maintenance expenses—only variability from year to year, which further supports the need to use an average. In the absence of a consistent directional trend, the average is the most reasonable and statistically sound method for estimating ongoing costs.



EKC's 3 yr Avg = 2022, 2023 and True Up

Q: Were there any specific events or anomalies during the March 2025 True-Up Period that make it an unreliable basis for setting generation maintenance expense?

A: Yes. Jeffrey Energy Center ("JEC") Unit 1 experienced an unplanned outage beginning in January 2024, which extended through most of the year. This lengthy outage was the result of a complete generator step-up transformer ("GSU") failure, generator rotor repair and generator rewind. During this period, routine maintenance activities decreased significantly, and the majority of the work performed to restore the unit was capital in nature. A reassessment process of the Jeffrey Unit 1 operating unit costs began in July 2024 and continued through year-end. As a result of this review, correcting entries were recorded starting in July to reclassify certain expenses from O&M to capital, to align the general ledger detail appropriately with how the outage work and costs were being completed.

Q. **Does EKC have updates to their Generation Maintenance True-Up adjustment?**

A. Yes. While reconciling Staff's generation maintenance adjustment workpaper an error in the EKC 3-year average calculation was discovered. It is directly related to Western Plains Wind Farm ("WPWF") and Persimmon Creek. EKC removed the non-labor maintenance expenses related to these two wind farms from our Test Year and True-Up amounts but failed to exclude them from the 2022 and 2023 calendar year totals used in the 3-year average. Thus, EKC's new 3-year average to be included for True-Up purposes should be $41,138,212 as shown in the Table below.

Generation Maintenance						
2021	2022	2023	2024	Test Year	True-Up	3-yr Average (2022, 2023, TU)
45,466,950	46,703,749	36,789,983	40,225,333	43,313,099	39,920,905	41,138,212
Generation Maintenance excludes WPWF and Persimmon Creek as they are on a levelized revenue requirement						

Q. Is this discrepancy and associated correction aligned with the cross-answering testimony from CURB witness Garrett?

A. Yes, this correction addresses 2022 and 2023 non-labor expenses as described in witness Garret's testimony.

Q. **Does Staff agree that WPWF and Persimmon Creek maintenance expenses should be removed in the Generation Maintenance adjustment?**

A. Yes, Staff does agree with removing these two wind farms as they have already been removed from the cost of service in separate adjustments.

Q. **What does the Company recommend using for the annualized level of generation maintenance expense?**

A. For the reasons provided above regarding the impacts and abnormal generation maintenance activity during the true-up period, the Company recommends using the three-year average made of up 2022, 2023, and True-Up 12-months ending March 2025 (excluding WPWF and Persimmon). The impact on Staff's corrected revenue requirement is approximately $1.3 million increase to cost of service.

Q: Was there any other element of the non-labor generation maintenance costs adjustment that you want to discuss?

A: Nothing further at this time. This adjustment was already addressed in Darcie Kramer's Q&A on Staff's revised revenue requirement, where it was listed among the updated items.

Q. In cross answering testimony, did CURB witness Garrett change the revenue requirement recommendation for generation maintenance?

A. Yes. It appears that CURB has taken the same stance as Staff in recommending the use of the 12-months ending March 31, 2025 true-up period (excluding Western Plains Wind Farm and Persimmon Creek) as opposed to agreeing with EKC's use of a three-year average.

Q. **Does EKC agree with this approach?**

A. No, for the reasons described above a multi-year average is an appropriate treatment for non-labor generation maintenance less WPWF and Persimmon Creek non-labor maintenance expenses. The Company is amenable to using the true-up period as one of the periods being averaged but as noted above correcting entries can skew the 12 month period data and thus should be considered when analyzing the monthly data. The Company does recommend averaging of generation maintenance accounts.

Q: Please summarize the Commercial Intervenors' proposed adjustments across all non-labor maintenance expenses.

A: The Commercial Intervenors propose the ongoing level of these costs be calculated using the actual costs from the 12 months ending March 2025, which lowers EKC's revenue requirement by approximately $6.565 million.

Q: Do you agree with the Commercial Intervenors' recommendations?

A: No. The March 2025 true-up period amount is not an appropriate level of expense to include for nuclear, distribution or generation maintenance as outlined above in the responses to staff. As such, only relying on data that is skewed by correcting entries is not the appropriate way to develop annualized level of expenses that will be reflected of continued operations. Mr. Gorman did not appropriately analyze the underlying data other than to state the Company has become more efficient in their maintenance operations. As such, the Company strongly recommends the Commission not accept Mr. Gorman's proposal and appropriately average annual data in order to provide more realistic maintenance activity.

Q: How does the Company respond to the Commercial Intervenors' testimony in which they are critical of the Company in changing their approach from Direct to True-Up in order to annualize maintenance levels included in this rate case proceeding?

A: I disagree with Mr. Gorman's criticism of our update in approach. In both the Direct and True-Up phases, EKC analyzed historical costs to identify trends and outliers. During the

Direct phase, the test year was deemed representative of ongoing costs as it was approximate of historical averages and was therefore used as the basis for projections of the true-ups annualized level. However, in the True-Up period, particularly for nuclear and distribution expenses, the data reflected abnormally low costs and was not considered representative do to correcting entries that had been made for periods prior to the true-up period.

As a result, EKC adopted a three-year average approach for Distribution and Generation expenses, incorporating data from 2022, 2023, and the True-Up period to better reflect expected ongoing costs. In addition, for nuclear expenses the Company remained at test year levels which effectively approximated the 3-year averages for the periods ending March 2023, March 2024 and March 2025 which avoided impacts from correcting entries falling between periods.

VI. IT SOFTWARE MAINTENANCE EXPENSE

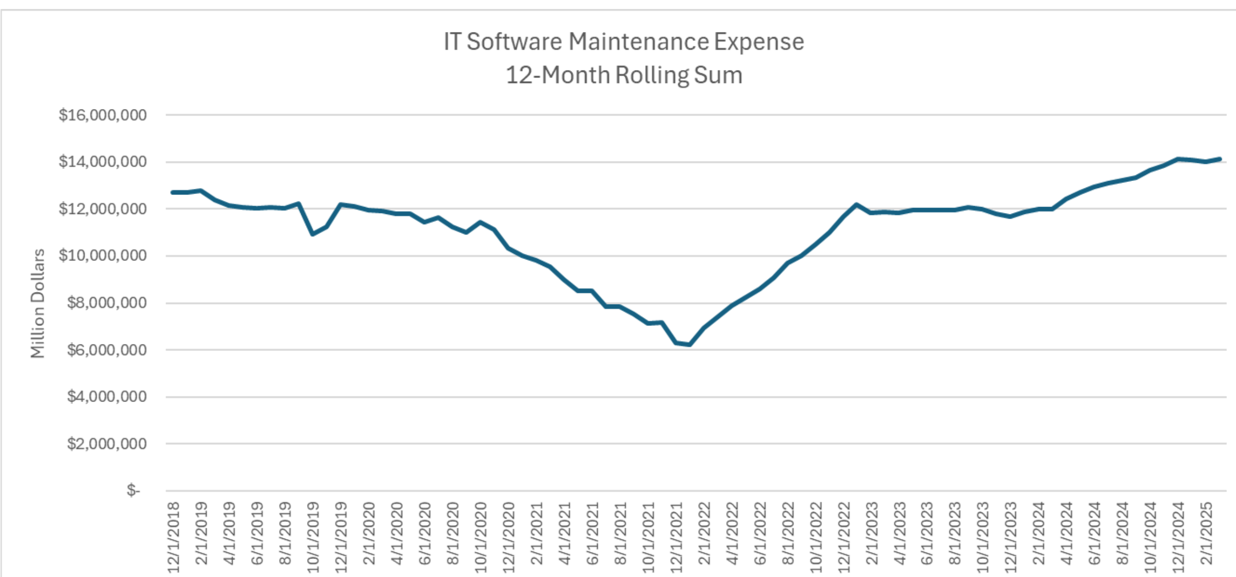
Q: Please describe Staff's recommended adjustment to normalize IT software maintenance expense.

A: Staff's analysis concluded that the five-year average is not representative of these costs going forward. Staff further concluded that annualizing IT software maintenance expense does not account for the fact that there are prepaid contractual costs that could be reflected as higher or lower than the average cost of the contracted service in any given month. Staff therefore recommended utilizing the three-year average of the periods 12-months ending March 2023, 12-months ending March 2024, and true-up period 12-months ending March 2025.

Q: Do you agree with Staff's analysis and recommendation?

A: No, I do however agree with Staff's conclusion that a five-year average is inappropriate. The figure below shows a 12-month rolling sum of IT software maintenance expense. The data clearly shows a dip in 12-month expenses from 2020 through 2023, which demonstrates why the five-year average is not representative of ongoing expense levels. However, Staff's recommendation of a three-year average is biased against the experienced increases in expense which have been trending higher over the past 16 months. The figure shows the 12-month rolling average rising to above $14 million over the few months ending March 2025, which supports the Company's position that the most recent data is more representative of the ongoing IT software maintenance expense. Staff's recommended adjustment would effectively reset EKC's expense level to that of 2 years ago (~$12.7 million), which is demonstrably lower than the data supports.

Figure 1: 12-Month Rolling Sum of IT Software Maintenance Expense



Q: Are IT software maintenance expenses more likely to increase in the future?

A: Yes. While EKC takes prudent steps to negotiate lower prices and adjust service levels, the increases in IT software maintenance expense over the past few years represents increasing costs from suppliers and more suppliers moving to service models that result in IT software maintenance expenses as opposed to capitalized costs. The service model changes have led to the increasing trend. Typically, for costs that are fluctuating year over year we would recommend averaging costs. Yet, IT software maintenance costs are changing from not only an increase in service but also operations and analysis across the industry is becoming more IT dependent which is leading to increased costs.

Q. Does EKC have another recommendation if the Commission does not agree with including the true-up period as reflective of ongoing costs?

A. Yes. Although the Company believes and the data shows since 2021 there is a trend of increased costs in the IT software maintenance costs. Using true-up period levels of $14.1M the Staff's revenue requirement would increase by $1.4 million. If the Commission believes averages should be used the increasing higher levels in the both the test year and the true-up periods should be considered. The table below demonstrates the increased levels of IT maintenance costs as depicted in the graph above, and also includes a proposed 2-year average (Test Year, True-Up) to be included in the cost of service. If the Commission adopts this 2-year average, Staff's revenue requirement will increase by $874,500.

	2021	2022	2023	Test Year Jun-24	2024	True-Up Mar-25	STAFF *3-yr Avg incl TU	Variance Staff vs CO	2 yr avg Test Year, True-Up Rebuttal	Increase to Staff RR
IT Software Maintenance	6,288,419	11,693,682	11,671,341	12,954,761	14,123,788	14,113,619	12,659,690	*(1,453,929)*	13,534,190	874,500

VII. INCENTIVE COMPENSATION AND BENEFITS

Q. Please identify the adjustments related to incentive compensation to which you are responding.

A. I am responding to adjustments advocated by the following identified parties and witnesses related to EKC incentive compensation costs:

Staff witness Andria Jackson	• Removal of 50% of Short-term incentive compensation based on Non-Fuel Operations and Maintenance ("NFOM") metrics (Staff Adjustment No. 26/IS-26) • Removal of 100% of performance based and 50% of time-based equity compensation for the Directors • Removal of 50% of equity compensation paid to members of the Board of Directors; • Removal of 100% of relocation expenses, severance expenses, employee gifts and awards, and removal of 50% of Wellness reimbursements.
CURB Witness Mark Garrett	• Adjustments to short-term incentive compensation to limit recovery of such costs to target levels and to remove 100% of Short-term incentive compensation based on NFOM metrics • Removal of 100% of incentive compensation paid to Evergy's Power Marketing group • Removal of all long-term incentive equity compensation • Removal of 100% of cash and equity compensation paid to members of the Board of Directors;
Commercial Intervenor Witness Michael Gorman	• Removal of 100% of incentive compensation paid to Evergy's Power Marketing Group

Q. What adjustments did EKC make in its direct filing to incentive compensation it included in its cost of service?

A. EKC made the following adjustments to the costs for its various incentive compensation plans at the time it filed its direct case in January of this year:

- Regarding its short-term incentive compensation plans, specifically the Annual Incentive Plan ("AIP")(executives only), the Variable Compensation Plan ("VCP")(non-union management personnel) and Wolf Creek Performance Achievement Reward ("PAR")(Wolf Creek union employees), EKC annualized the amount of incentive compensation it incurred based on a three-year average of actual payouts for the 2022 and 2023 plan years, as well as an estimate of the 2024 plan year which was then trued-up to actuals in the true-up model and adjustments provided to Staff. EKC then further adjusted the annualized amounts to remove all incentive compensation that was associated with metrics tied to earnings per share ("EPS") for each of these plans.
- Regarding its long-term incentive compensation plans, EKC has removed 100% of performance based long-term equity compensation paid to executive-level employees, and 50% of its time-based long-term equity compensation paid to executive-level employees from its rate request in this case
- EKC also included averages for the Power Marketing incentive plan actual payouts for the same time period as described in my Direct Testimony, but only included amounts related to asset-based metrics, removing amounts related to non-asset-based metrics.

Q. Can you describe the Short-term and Long-term incentive compensation plans EKC employs?

A. EKC's Short-term and Long-term incentive plans, including the purposes, compensation targets, benchmarks and scorecards utilized for such plans, are all topics addressed in greater detail in the Rebuttal Testimony of Lesley Elwell.

Q. How do customers benefit from Evergy's compensation plans?

A. As stated above, competitive and attractive compensation plans are absolutely necessary to attract and retain high-quality employees and leaders to any organization. Quality employees and leaders directly benefit Evergy's customers in numerous ways. Specifically, quality workforce and leadership produce broad-based benefits by carrying out corporate direction and strategy that focused on aspects of safety, reliability, and overall efficiency of customer service at reasonable and affordable costs to customers. High quality employees and leaders allow Evergy to excel in many important measures, including safety, quality and efficiency of operations, quality of customer service, as well as financial performance. By excelling in all of these categories, EKC produces direct benefits to customers in the form of safe, reliable and affordable service.

Q. How does incentive compensation keyed to financial metrics generate benefits for customers?

A. Having cost focused for financial metrics in incentive compensation plans encourages and incentivizes cost-conscious decisions and strategies, which in turn save costs incurred in the service of EKC's customers. These types of incentive compensation plans encourage financial and cost accountability throughout the organization, which generates savings, and which in-turn creates direct benefits to customers by way of lower rates. Cost-focused financial metrics in incentive plans reinforce cost-conscious decision-making, giving employees a clear line of sight into how their actions impact company financial performance. This alignment drives operational efficiency and affordability, enabling us to deliver greater value to customers.

Q. Is NFOM an important financial and cost-related metric, the inclusion of which in EKC's short-term incentive compensation plan generates benefits to customers?

A. Yes, metrics based on NFOM is exactly the type of cost-based financial metric that generates substantial benefits for customers in the form of reduced cost of service and lower customer rates.

Q. How do you respond to Staff's and CURB's position removing substantial portions of short-term incentive compensation based on NFOM metrics?

A. I disagree with these positions. As stated above, NFOM is a metric that, although related to financial measures, directly connects with cost of service and its impact on customers. Rather than examine the benefits provided by and related to the use of NFOM metrics to calculate incentive pay, Staff and CURB appear to have determined that these costs should be removed simply because NFOM is labeled as a financial metric. In adopting this position, Staff and CURB fail to give due consideration to the actual circumstances and the customer benefits generated by including financial metrics, including NFOM, as an important metric in determining incentive compensation. I believe this approach does not comply with fundamental rate-making principles in that it does not provide EKC a reasonable opportunity to recover costs prudently incurred in providing service to its customers. The Commission should not rely on mere labels. Rather, the Commission should examine the nature of the metrics being used, the incentives they reinforce, and the benefits they generate. As discussed above, the Company has already removed compensation based on the earnings per share metric, which is a more purely financial metric. It is appropriate to include compensation based on NFOM metrics because doing so incorporates at least some of financial and cost discipline metric with the other operations, reliability and service-related metrics in the overall scorecard. This creates a balanced approach that incentivizes broad employee behaviors that benefit customers in a variety of ways. In view of the considerable customer benefits created by cost accountability related to the use of NFOM metrics, CURB's and Staff's positions do not contain adequate support, and are ultimately misguided.

Similarly, CURB's proposed adjustment to only include amounts up to target payout levels is not appropriate. EKC included its actual costs paid related to its short-term incentive compensation plans and included averages in order to smooth the volatility over the years. CURB's limitation of EKC's actual costs to only recognize up to target amounts does not reflect actual costs of service over a period of time and again would not allow EKC a reasonable opportunity to recover the actual costs of service. For this reason, the Commission should include actual costs paid pursuant to EKC's short-term incentive compensation plans.

Q. Do you agree with CURB's and commercial intervenor witness Michael Gorman's position that Power Marketing incentive compensation should not be included?

A. I disagree with this position. As described in my Direct Testimony, the Power Marketing group's primary responsibility is to manage Evergy Inc.'s load and its owned assets in the marketplace. The group also serves a secondary purpose in that it provides and shares resources and functions to manage assets for customers and other contracting parties in the marketplace, and to execute non-asset-based energy trading. This resource sharing creates efficiencies and benefits to EKC and importantly lowers costs at which EKC provides service to its customers. More specifically to this point, EKC only maintains one incentive plan to cover employees in this group serving both regulated and nonregulated operations. It could maintain two plans but creates administrative efficiency by serving these employees with one plan with metrics that can be appropriately attributed to each of the regulated and nonregulated operations performed by the team.

Q. How do you respond to Mr. Gorman's statement that an adjustment to remove compensation tied to financial metrics is not apparent in your calculations?

A. Despite Mr. Gorman's apparent skepticism, incentive amounts paid to the Power Marketing group were split according to the percentage of asset metrics to non-asset metrics. Only amounts related to asset metrics were included in the three-year average included in EKC's rate request, and any incentive amounts from purely non-asset-based market activity are not included in EKC's request in this case.

Q. Do you agree with Mr. Gorman that because the Power Marketing incentive plan is funded by non-asset-based margins, the Power Marketing incentive plan costs should be wholesale disallowed?

A. No. I disagree with Mr. Gorman's positioning. The margins forming the Power Marketing incentive compensation pool are generated from regular business transactions of the Power Marketing group, including non-asset-based transactions. However, that should not be the relevant issue in determining whether Power Marketing incentive compensation can be recovered. Rather, the Commission should examine whether incentives that entitle members of the group to incentive-based compensation are aligned to provide broad-based company benefits, and in particular benefits to customers. The Power Marketing incentive plan rewards efficient and cost saving performance within the group, which generates direct benefits to customers in the way of efficient and affordable load and service. Because EKC has only included Power Marketing incentive compensation based on regulated asset-based metrics, EKC has avoided including or requesting recovery of Power Marketing incentive compensation that incentivizes non-asset-based metrics. In addition, and most importantly, additional compensation plans are avoided for the employees covered under this mechanism that are truly benefiting the regulated operations of EKC. As such, Mr. Gorman's adjustment to Power Marketing incentive compensation is not warranted and should be rejected.

Q. What was Staff's position on the amount of Power Marketing incentive that EKC included?

A. Staff accepted EKC's position to include portions of the Power Marketing incentive plan actual costs related to Evergy's asset-based metrics, and removing amounts related to non-asset-based metrics.

Q. How does Staff's position in this case differ from Staff's position in the previous rate case, Docket 23-EKCE-775-RTS?

A. In 23-EKCE-775-RTS, EKC utilized a different allocation in making its initial request with respect to Power Marketing incentive compensation. Rather than base the included amounts on the type of metrics used in determining the compensation, EKC's initial proposal in the previous case was to simply include 50% of Power Marketing incentive compensation in its cost of service. Staff rejected this position. In consideration of Staff's position and of the overall circumstances, EKC modified its position in this case, requesting to include Power Marketing incentive compensation up to the amounts that are tied to asset-based metrics. After rejecting EKC's requested 50/50 split in the prior case, Staff has accepted EKC's request regarding Power Marketing incentive compensation in this case.

Q. What is Staff's position regarding long-term incentive compensation or equity compensation?

A. Staff agrees with EKC's removal of the expense associated with executive only long-term incentive compensation. However, Staff also recommends removing 100% of performance based restricted stock units ("RSUP") and 50% of time-based restricted stock units ("RSUT") paid to employee director level employees.

Q: Do you agree with Staff's recommendation?

A: No, I do not. Restricted Stock Units ("RSUs") are an important part of overall employee director compensation that strives to be competitive in the market. Staff has not argued that the Company's director compensation expense is unreasonable or imprudent. Rather, Staff witness Andria Jackson has isolated and suggests disallowance of specific components of overall Director compensation, specifically those paid in RSUs. Contrary to Ms. Jackson's position, it is misguided to simply assume that because RSUs are equity-based variable compensation that they are focused exclusively on financial aspects of the Company's business, or that they do not provide or relate to benefits provided to customers. Positive financial performance requires strong operational performance, cost management, and customer service, all of which clearly and directly benefit customers. Positive financial performance also supports and enhances access to capital, an additional direct benefit to customers. What this demonstrates is that it is not appropriate to view financial performance in isolation or draw bright lines or use oversimplified labels categorizing specific costs without examining the benefits those costs generate to customers. The interests of customers and shareholders are aligned in many respects, and they are both supported by the Company's RSU-based variable compensation. Additionally, director level employee total compensation, including RSUs, is frequently benchmarked by Human Resources to ensure compensation is market-based and sufficient to be able to hire and retain talented director level employees to serve the Company's customers and its operations. In addition to total compensation, at rising levels of responsibility and expertise, such as director positions, benchmarking indicates the appropriateness of having a higher level of total compensation provided for through incentive pay – often called "at-risk" compensation. While Human Resources aligns with market benchmarking in setting "at-risk" compensation levels for employee level directors, it remains an essential and appropriate level of total compensation to be able to hire and retain these employees to provide regulated services to our customers. Disallowing all or a portion of such compensation on the basis that it is tied to financial performance is no different than disallowing all or a portion of cash based compensation expenses incurred by the Company to hire and retain employees in the provision of safe and reliable service to its customers. While the Commission has in the past denied the inclusion of certain incentive compensation expenses which it concluded were too focused on the financial aspect of a company's business, the Company respectfully requests that the Commission consider the reasons for, and direct customer benefits derived from, equity-based variable compensation for director level employees who are directing and managing day-to-day process and operations of the Company.

Q. Was there any other element of Staff's exclusion of long- term incentive compensation ("Equity Comp") adjustment that you want to discuss?

A. Nothing further at this time. This adjustment was already discussed in Darcie Kramer's Q&A on Staff's revised revenue requirement, where it was listed among the updated items.

Q. How do you respond to CURB's position advocating for removal of all long-term incentive compensation costs paid to executives and director level employees?

A. I disagree with this position as well, for the same reasons discussed above in response to Staff's position disallowing certain long-term incentive compensation. It is important for this Commission to understand that Evergy's long-term equity compensation program does provide tangible benefits to customers, and therefore it is reasonable to recover a reasonable portion of those costs from rate payers. I acknowledge that, in addition to customer benefits, shareholders of Evergy also benefit from positive aspects of the long-term equity compensation plan for many of the same reasons discussed above related to customer benefits. In recognition of these shared benefits, Evergy decided to remove 100% of performance based long-term equity compensation paid to executive-level employees, and 50% of its time-based long-term equity compensation paid to executive-level employees from its rate request in this case. This adjustment is reasonable and also consistent with the Commission's Order in docket *In the Matter of the Application of Atmos Energy Corporation for Adjustment of its Natural Gas Rates in the State of Kansas*, 19-ATMG-525-RTS ("19-525 Docket"). However, EKC maintains that it is reasonable to include costs not only related to 50% of its time-based long-term equity compensation paid to executive-level employees, but also for all long-term equity compensation paid to director-level employees for the reasons discussed above, and the clear direct benefits those compensation plans provide to customers.

Q. Do you agree with adjustments proposed by Staff and CURB to remove certain compensation paid to members of the Board of Directors?

A. No, I disagree with these adjustments. Specifically, Staff included an adjustment to disallow 50% of equity compensation, and CURB included an adjustment to disallow 50% of all cash compensation and 100% of all equity compensation paid to members of the Board of Directors. These items of compensation have traditionally been included in the total cost of service in prior rate cases. Notably, the Board of Directors is the body most responsible for setting broad company strategies and direction central to Evergy's overall mission of providing safe, reliable and affordable service to its customers who are predominantly electric regulated utility customers. Evergy operates by and through the direction of its Board of Directors. It must have a Board of Directors comprised of high quality, experienced and diverse membership in order to shape the company's direction and strategies in the regulated utility space. Board members are entitled to fair compensation for their work on the Board, and EKC's allocated Board compensation is manifestly fair and consistent with board compensation in the industry. Therefore, the Board of Directors' compensation constitutes a cost that is reasonably and prudently incurred in providing service to EKC customers and EKC's allocated share of Board of Director's compensation should be recoverable in this case.

Q. Do you agree with Staff adjustments removing all severance expenses, relocation, employee gifts and awards and 50% of wellness reimbursements?

A. No, I disagree with these adjustments as well and will address them one at a time. First, in response to Staff's adjustment removing all of test year relocation expenses, Staff's position simply looks at the issue to narrowly. In its argument, Staff notes that, if an employee receives relocation benefits, but then departs employment within 1 to 2 years after such relocation, EKC has the right at its discretion to essentially claw back portions of the relocation benefits (100% if departure is within 1 year, and 50% if departure is within 2 years). Staff takes the position that because EKC has not clawed back any relocation expenses during the relevant time period, Staff should simply disallow relocation expenses paid, without regard to how much, if any, of the relocation benefits may have been subject to claw back during this period. Staff does not identify any evidence that any portion, of the relocation benefits may have been subject to claw back. Rather Staff simply states that because it assumes some portion of those expenses could have been clawed back, and EKC never exercised its discretion to claw back any such expenses, the Commission should summarily disallow the relocation expenses. This argument should not be accepted, as there is no support for any assumption that EKC could have avoided any amount of the relocation benefits by way of claw back. Staff's adjustment in this regard should be rejected.

Similarly, Staff's argument for summarily disallowing all severance expenses narrowly looks at a broad expense incurred to operate an electric utility effectively. Staff contends its disallowance is warranted because severance payments are one-time non-recurring expenses. That is not a reasonable justification for disallowing all severance expenses. Severance payments are routine and standard expenses of any business with a sizeable workforce and are essentially part of the cost of engaging in nearly all types of businesses and industries in today's world. There is no support for any suggestion that EKC's severance payments are anything other than prudent and reasonable payments, which are reasonably incurred in providing services to customers. Staff's argument for disallowance of severance payments, therefore, should be rejected.

Finally, Staff's contention that 100% of expenses related to employee gifts and awards and 50% of costs for wellness reimbursements should be removed should not be accepted by this Commission. These expenses are once again standard payments made to support and provide meaningful benefits to EKC's workforce. EKC has demonstrated its commitment to cultivating an exceptional workforce for the benefit of its customers. These costs are again fairly standard expenses, and they provide beneficial compensation to EKC's essential workforce which provides a broader array of rewards for members of its workforce. These costs are reasonable expenses incurred in the course of providing service to customers and therefore should be allowed.

Q. Was there any other element of Staff's removal of relocation expense adjustment that you want to discuss?

A. Nothing further at this time. This adjustment was already discussed in Darcie Kramer's Q&A on Staff's revised revenue requirement, where it was listed among the updated items.

Q. Was there an error in Staff's original adjustment for the removal of severance expenses?

A. Yes. EKC identified an error in Staff's test year amount for severance expense, where Staff failed to include credits to expense that occurred in June 2024 that reversed accrual entries booked in May 2024. Thus, the revenue requirement impact of Staff's correction would be an increase of $135,208.

VIII. <u>PENSION AND OPEB TRACKER 2</u>

Q. What is Staff's position regarding the inclusion of EKC's Tracker 2 balance in rate base for EKC?

A. Staff witness Baldry recommends that the Company's pension and OPEB tracker 2 balances not be included in rate base consistent with prior stipulation and agreements that were entered into by each utility in 2009 (EKC). Specifically, Staff testifies the Tracker 2 should not be included in Rate Base for the reasons I respond to in the Q&A which follow.

Q: How do you respond to Staff's reasoning that Tracker 2 balances should not be included in rate base because the Company has discretion as to the annual contributions to the retirement trust funds?

A: While the Company has some discretion to make contributions to the plans (within minimum and maximum boundaries), the Company does not have absolute discretion as suggested by Staff. Minimum funding requirements for the pension plans are established by the Internal Revenue Service and are outside of the Company control. In addition, contributions in any one year are based on the availability of funds to the company and the overall financial health of the plan. The Company should be allowed a return on investments made to maintain a financially healthy pension and OPEB plan.

Q: How do you respond to Staff's assertion that the Company's discretion can be used to manipulate the timing of contributions to achieve the maximum result vis-a-vis the timing of rate cases?

A: There is no basis for this assertion. The Commission has the ability to review the Company's plan contributions at any time. The Company can provide the Commission with information for its consideration regarding the amounts and timing of all plan contributions.

Q. How do you respond to Staff's assertion that the timing and amount of contributions to the retirement trust funds is a corporate financial decision, influenced by many factors that are unrelated to how the pension obligation is incurred?

A: First, the projected increase in Tracker 2 balances is projected to be due to IRS funding requirements which are beyond the Company's control. The Company's annual contributions must be no less than the Minimum Required Contribution (MRC) based on IRS funding requirements. To the extent that the MRC is greater than the required regulatory contribution, additional contributions must be made. There are restrictions on the timing of contributions as well which limits the ability to manipulate timing. Secondly, any contributions made in the current year reduces pension expense in the subsequent year. These lower expense results are tracked and returned to customers through the tracker mechanisms. As a result, any contributions result in reducing future customer costs.

Thirdly, the Company must meet its obligations under the IRS minimum funding requirements which is not at the Company's discretion. The decision to make contributions in excess of the IRS minimum funding requirements is a business decision similar to other investment decisions that the Company makes and are based on the Company's best judgement and the availability of resources at any particular time and does not game the system as Staff alludes. The Company and ratepayer's interests are aligned on pension funding decisions as the ratepayers directly benefit from any cash funding into the plan through lower pension expense as described above. In addition, this Commission has the ability to review any investment decisions that the Company has made into its pension and OPEB plans.

Q: How do you respond to Staff's assertion that some employers may decide to change their pension plan funding policies based in part on new accounting information?

A: The Company's plan funding is based on its existing funding policy, the availability of resources and the IRS funding rules. As noted previously in my direct testimony, the accounting rules related to postretirement plans are separate from the funding considerations.

Q: What is your response to Staff's testimony that $300 million actual cash contributions are expected to exceed pension expense is an estimate and many events can happen which would have a significant effect on the Company's actual contributions?

A: The estimates provided reflect the current and expected funding requirements over the next 10 years as provided by our qualified actuaries, Willis Towers Watson. In fact, the latest estimates demonstrate Evergy has already provided cash contributions towards the 2025 minimum funding requirement significantly in excess of the amount collected by customers and those amounts are expected to grow significantly in 2026. The actual funding requirements are certainly subject to economic conditions during that period but are not expected to vary significantly from this estimate. Any rate recovery would ultimately reflect the actual funding of the Company's plans.

Q: What is your response to Staff's assertion that a cumulative excess pension contribution of up to $300 million over 10 years is not material for the Company?

A: The Company is surprised by this reasoning provided by Staff. The financing cost related to $300 million of plan contributions is a material cost to the company and will have a significantly detrimental effect on the company's ability to earn its allowed ROE. This will increase the likelihood that the company will need to petition the commission for future base rate increases over the next 10 years.

Q: How do you respond to Staff's testimony that there is no ceiling or limit on how large the Tracker 2 balance could become?

A: The Company is requesting approval to recover the financing costs related to the excess of plan cash contributions over the amounts that have been collected from customers. The Company will provide justification for its annual cash contributions and expense amounts to the Commission. The Company expects that it will need to prove to the commission that the financial management of its plans is prudent and in the best interest of its employees and its customers.

Q: What is your response to Staff's testimony that EKC's proposed Tracker 2 lacks connectivity between the utility's funding decisions and the amount collected in rates?

A: Contrary to Staff's assertion, EKC's proposal will strengthen the connection between EKC's financial pension/OPEB obligations and cost recovery through rates. As discussed above, EKC may be required to contribute cash to the Trust in excess of the amounts that have been collected from customers. These excess contributions ultimately reduce pension expense in a subsequent year and the lower expense results are tracked and returned to customers through the tracker mechanisms. The proposal to include Tracker 2 in rate base simply compensates the Company for the time value of money of providing the excess contributions until such a time that customers receive the benefits of reduced funding requirements in the future.

IX. OFFICER EXPENSE REPORTS

Q. Please describe EKC's response to Staff witness Andria Jackson's disallowance for non-recoverable test year items specifically related to officer expense reports included in staff adjustment IS-19.

A. Staff removed an additional $22,702 related to officer expense reports such as meals, entertainment expenses, dues, excessive travel, and other non-Kansas jurisdictional operational items. Staff's disallowance of 50% of these expenses are in addition to the amount related to officer expense report items that EKC removed in adjustment CS-11.

Q. Does EKC agree with these additional disallowances?

A. Partially. However, EKC does not agree with the removal of dues payments included in officer expense reports. In her workpapers, staff witness Andria Jackson has included three items related to dues/membership fees totaling $11,530. EKC has already removed 50% of all dues payments from the cost of service in adjustment CS-92. Thus, by staff removing an additional 50% of dues in adjustment IS-19 this in effect removes 100% of these specific due payments. This error was brought to staff's attention, and witness Jackson agreed that these should not have been removed in staff adjustment IS-19.

X. EKC STORM RESERVE

Q. Please briefly describe the development of EKC's storm reserve.

A. The Commission approved a storm reserve for EKC more than 20 years ago, and approved increases to the balance for the reserve in at least six separate rate cases during that period. The reserve benefits customers as a whole by smoothing major storm expenses year-over-year for recovery in rates over time, helping lead to less rate volatility and more stability. EKC believes that the reserve has worked as intended, has provided the intended benefits for which it was created for its customers by stabilizing the amounts requested from customers in rates while also providing the opportunity to smooth potential utility operating earnings volatility year-to-year that may result from variations in storm intensity.

Q. Please describe how the storm reserve cap was created?

A. As stated above, the reserve was established more than 20 years ago, and the Commission approved, without notable objection from Staff or other intervenors, multiple increases to the reserve balance over the intervening years. In Docket No. 23-EKCE-775-RTS ("'23 Rate Case"), for the first time Staff and others questioned the balance of the storm reserve and requested that the reserve be reduced to and capped at $10 million in that case. The parties agreed to adopt Staff's recommended cap, and the Commission approved a settlement agreement that established an annual accrual amount for the storm reserve and targeted cap of $10 million. Although it noted that the Commission stated that it would review the reserve accrual and cap amounts in the next rate case, EKC believes no adjustment to the cap is appropriate in this case.

Q. Why does EKC contend that no adjustment to the storm reserve cap is needed in this case?

A. EKC has reviewed the storm reserve and the targeted cap as established in the most-recent rate case, and EKC believes the reserve with the targeted cap of $10 million has appropriately served its purposes as described above. It has adequately covered the costs associated with storm-related damages and related restoration efforts. At the established levels, it has adequately allowed for establishment of a fund to serve the stated purposes of smoothing major storm expenses year-over-year and helping to stabilize the costs of these events as shown through customer rates.

Q. Staff witness Andria N. Jackson has proposed a decrease in operating expenses in the amount of $55,396, which amortizes the test year storm reserve balance in excess of Staff's recommended reserve balance level. Do you agree with this proposed adjustment?

A. I do not agree with Ms. Jackson's proposal. EKC responded to several Data Requests from Staff related to the timing of distributions from the storm reserve and its impact on the balance of the storm reserve based on when storm costs are final and the project is closed in relation to the test year. In general, storms with total costs less than $250,000 are recorded to O&M. Storms exceeding $250,000 in cost are initially deferred to account 186.2 until the storm restoration work is completed and all charges from the project are finalized. Once the project is finalized and closed, the costs are moved from account 186.2 to the storm reserve account and paid out of the storm reserve account. Therefore, it is only upon the completion and closure of storm restoration projects that costs are paid out of the storm reserve account.[1] At the time of filing of the Application in this case, the Storm Reserve balance was slightly over $10 million, but only because several active storm projects remained open at the time and were anticipated to be closed prior to the True-Up date in this rate case. Since the initial filing date, and prior to the True-Up date, a number of the open storm projects were closed out, and the costs for such projects were paid out of the Storm Reserve. As a result, at the time of True-Up, the Storm Reserve balance is now well below the $10 million target cap.[2]

[1] Response to DR KCC-263.
[2] Response to DR KCC-262.

As a result, Ms. Jackson's recommended adjustment is not warranted. As I stated in my direct testimony, storm costs and the reserve would be re-evaluated at the time of the True-Up at March 31, 2025. At the time of True-Up, the Storm Reserve balance would be below the $10 million cap when accrued storm costs, including costs for storm projects that have not been finalized and closed, are taken into consideration. This timing impact of when costs are incurred versus when projects are completed could be completed on a real time day to day basis, but this would come at a resource cost to the Company and ultimately customers themselves and is a level of detail that should not be considered for any value it would provide. As such, examining this reserve over the time period from the last rate case to the current case is more appropriate as opposed to taking a point in time and prematurely giving funds back to customers that have been spent on storm costs. Any balances in excess of the Storm Reserve cap in this case were merely the result of accounting and timing, and do not reflect that EKC over-collected or allocated excess amounts to the Storm Reserve.

Q. Do you agree with the position advocated by KIC Commercial Group' witness Mr. Gorman that the Storm Reserve cap should be reduced to $7 million?

A. I disagree with Mr. Gorman's position regarding the Storm Reserve cap. Notably, Mr. Gorman contends that EKC has not adequately supported maintaining the $10 million storm reserve cap. On the contrary, EKC has provided support for its analysis supporting maintaining the $10 million storm reserve cap in responses to various data requests.[3] In actuality, it is Mr. Gorman who provides no support for his position that the reserve cap should be lowered to $7 million, or that $7 million would be a reasonable and adequate

[3] See EKC's response to KCC DRs 262, 263 and 277.

limit to set for the storm reserve. It would be irresponsible to reduce the Storm Reserve cap by nearly one-third based on the unsupported position offered by Mr. Gorman.

In addition, as discussed in the rebuttal testimony of Ryan Mulvany, because the Storm Reserve was just substantially reduced and capped in the 2023 EKC Rate Case, and because EKC is still gaining experience as to whether the new cap and accrual amounts are appropriate and functional for the Storm Reserve, it would be premature and inappropriate to once again reduce the Storm Reserve cap at this time. As Mr. Mulvany points out, EKC is spending more on storm restoration, ultimately drawn from the Storm Reserve, than it is allocating to the Storm Reserve at this time. To avoid additional depletion of the reserve, and to allow sufficient time to gain experience as to appropriate levels for the cap and the accrual amount, the prudent approach would be to continue to maintain the current cap at this time.

Q. What is the revenue requirement impact of KIC Commercial Group's position to reduce the storm reserve cap?

A. Because the storm reserve balance as of March 2025, true up period, is \$8.4 million -- \$1.4 million above witness Gorman's proposed \$7 million cap – he recommends refunding the \$1.4 million excess to customers. He proposes treating it as a regulatory liability and amortizing it over three years, which reduces the revenue requirement by \$471,000.

Q. Do you agree with this adjustment to the revenue requirement?

A. No. As explained above, I do not support adjusting the storm reserve cap to \$7M. Because this proposed refund is based on that cap, I also oppose any adjustment that would return the storm reserve balance.

XI. INVESTOR RELATIONS

Q: What adjustment did Staff recommend for investor relations costs?

A: Staff recommended that the Commission disallow 100 percent of the investor relations expenses ($371,041) under the premise that the responsibility to communicate with the capital markets primarily benefits shareholders.

Q: What adjustment did CURB recommend for investor relations costs?

A: CURB recommended that the Commission disallow 50 percent of the investor relations expenses ($194,686) under the premise that the responsibility to communicate with the capital markets benefits both shareholders and customers. However, CURB removed 50 percent of the true-up period investor relations costs in error. The correct disallowance using CURB's approach for investor relations cost in the Test Year cost of service in this case should be ($371,041 total times 50% disallowance = ($185,521)).

Q: Is Staff and/or CURB's recommended adjustment to investor relations expenses reasonable?

A: No. Investor relation activities primarily include preparing for and conducting regularly scheduled investor meetings, responding to investor or analyst questions about the Company, and producing investor communication materials. These activities are necessary for an investor-owned utility and are integral to maintain the Company's credit rating and access to low-cost capital which benefit customers. Furthermore, the investor relations activities are clearly for the benefit of regulated utilities since Evergy's investment activities are nearly exclusively on behalf of regulated utilities. Customers benefit from the Company's investor relations actions and it is reasonable to allow full recovery similar to other utility operational costs.

XII. ADVERTISING

Q: Please summarize Staff's position regarding advertising.

A: Staff arbitrarily removes advertising costs that they claim are related to general, institutional, promotional, and image advertising arguing they do not directly benefit customers and are not necessary to provide safe and reliable utility service. Staff also took issue with the Company's use of a three-year average of advertising expenses.[4]

Q: What is your response?

A: As I discuss in more detail below, with limited exceptions, the advertising costs included in the Company's cost of service are appropriately recoverable from ratepayers as informational advertising consistent Commission past practice.

Q: How has the Commission addressed advertising in the past?

A: Past Commission practice has been to disallow the costs of advertising related to promotion or consumption of utility services, promotion of goodwill, or the improvement of the public image of a utility from the cost of service. However, advertising that serves to keep our customers informed about issues that may impact them have historically been recoverable. The Company has correctly included those types of advertising dollars in cost of service.

Q: Please describe in more detail the reasoning behind the recovery of advertising costs.

A: Advertising is an important method used to communicate key messages to customers, giving us the ability to reach a majority of customers that we are not able to reach through Evergy owned channels such as Evergy.com and email. Advertised messages are used to educate customers about safety, services, tools, products, and savings opportunities available as an Evergy customer. In particular, safety related advertising plays a critical

[4] Direct testimony Staff witness Joseph Nigles, at 8-9.

role in informing customers about electrical safety, storm preparedness, and other topics essential to public well-being. Additionally, advertised messages are a key component in addressing customer satisfaction by reassuring customers that Evergy is focused on providing reliable and affordable service. EKC does not have on staff the specialized skills to buy & analyze paid media, develop creative campaigns, or develop specialized channel tactics, so EKC contracts with agencies who have the specialized skills and resources to execute the advertising campaigns. Contracting with agencies for these services is far more efficient and cost-effective than hiring the staff to manage this aspect of customer education internally.

Q: Please provide examples of specific advertising that Staff recommends be excluded from the cost of service.

A: Staff recommends disallowing advertising expenses for:

- 2024 Customer Education Media provided by Global Prairie Public Benefit which provided for customer education about Evergy's commitment to and investment in the communities we serve including advertising financial assistance for customers seeking help with their electric bill and education about safety measures to take during the holidays to stay safe around electricity.
- Various expenses related to the communication program and customer engagement plan for Commission-approved programs for Kansas including Evergy's rebates on the purchase of electric vehicle chargers and solar subscription.
- Various expenses related to education about tools and services Evergy offers customers to manage their usage and their monthly bill as well as customer education about ways for customers to stay safe around electricity.

Q. If the Commission adopts Staff's test year methodology, does EKC agree with any of Staff's disallowances?

A. Yes. EKC agrees with $3,872 total disallowances from the test year as these items are related to Missouri specific programs. EKC did exclude these same items from the amounts used in their three-year average calculation as well. See **Exhibit RAK-5** for supporting details.

Q. What amount of test year disallowances does EKC disagree with?

A. EKC disagrees with $286,778 of Staff's disallowances for the reasons described in the bullet points above. For more specific arguments regarding the recoverability of these costs, see **Exhibit RAK-5** for line-item detail.

Q: What is your response to Staff's testimony opposing the use of a three-year average to calculate advertising expense?

A: As I discussed in my direct testimony, a three-year average determines a representative normal level of annual advertising costs. The significant year to year fluctuations in expense support the need for a multi-period average. While Staff argues that due to the nature of income statement timing there is no assuring that the three-year average is representative of ongoing advertising expense, they offer no support for this position.

Q. **Does EKC have support showing that a 3-year average should be utilized in this rate case?**

A. Yes. The table below depicts volatility in advertising costs over the past few years. And also shows that the test year level was abnormally low as compared to those years. Thus, the use of a 3-year average is warranted.

EKC Advertising Costs							
Account	2021	2022	2023	2024	Test Year	Company Position	Staff Position
907000	269	0	269	0	0	0	0
908000	15,421	6,436	25,498	0	2,955	3,359	0
909000	2,096,567	1,244,070	4,387,572	834,986	557,557	855,620	274,230
910000	(6,890)	58,245	77,552	17,894	16,950	30,230	12,581
TOTAL	**2,105,367**	**1,308,751**	**4,490,891**	**852,880**	**577,461**	**889,209**	**286,811**
NOTE: Company position is a 3-yr average (2022-2024) excluding items deemed non-recoverable.							

XIII. REVENUE REQUIREMENT CALCULATION FOR WESTERN PLAINS WIND FARM

Q. Please describe EKC's request with respect to Western Plains Wind Farm ("WPWF") in this case.

A. In the direct testimony of EKC witness John T. Bridson, EKC requested that the Commission modify the terms governing WPWF to align with the terms in place for Persimmon Creek Wind Farm approved in the 23-EKCE-775-RTS docket, including:

- Removal of the performance band applicable to WPWF;
- Removal of the transfer of the residual value of the wind farm at the end of 20-years to EKC, permitting WPWF to remain in rate base and continue to operate for the benefit of EKC retail customers after this time period;
- After twenty years, allowing the levelized revenue requirement to be reevaluated to consider any maintenance capital expenditures, costs associated with life extension for the plant, or other additional costs incurred to operate and maintain the resource.

Q. What is Staff's response to these requests related to WPWF?

A. Staff supports the request to align its regulatory treatment of WPWF with its treatment of Persimmon Creek Wind Farm, but with minor exceptions. Staff supports removing the WPWF performance bands, as well as removing the provision transferring the residual value of WPWF to EKC shareholders after 20 years. Finally, Staff accepts the request to reevaluate the WPWF revenue requirement in the future, but propose to do so in 25 years as opposed to 20 years as proposed by EKC.

Q. What is EKC's response to Staff's position regarding WPWF?

A. EKC is agreeable to and accepts Staff's proposal to reevaluate the levelized revenue requirement for WPWF to consider any maintenance capital expenditures, costs associated with life extension for the plant, or other additional costs incurred to operate and maintain the resource after 25 years, as opposed to 20 years as initially proposed by EKC.

Q. How does this revision affect the calculation of the levelized revenue requirement for the WPWF?

A. As Staff notes, it requires a change to calculate the levelized revenue requirement for WPWF over 25 years, as opposed to the initial calculation over 20 years.

Q. Does Staff offer a calculation of the levelized revenue requirement for WPWF over 25 years?

A. Yes, Staff witness Chad Unrein included a calculation in his testimony in which he calculated the 25-year levelized revenue requirement to be $23,182,736.

Q. Have you reviewed Mr. Unrein's calculation, and do you have any revisions to his calculations?

A. Yes, I have reviewed Mr. Unrein's calculation. In his calculation, he extended the model utilized for the 20-year levelized revenue required an additional 5 years (from 20 to 25 years) and adjusted the depreciation rate going back to day 1. EKC believes some additional adjustments are needed to Mr. Unrein's calculation, therefore performed and offers its own calculation. In EKC's calculation, it also extended the model 5 additional years, but it also updated the PILOT payments for years 26-30 based on the PILOT agreements, adjusted the depreciation rate to only change for the last 17 years, but to have net plant go to zero by year 25, and updated the income tax rate which impacts the last two years of PTC's and pre-tax return. With these additional adjustments, EKC's 25-year annual levelized revenue requirement for WPWF is $23,352,000. I am providing a workpaper showing EKC's calculation of the 25-year levelized revenue requirement.

Q. What is EKC's request with respect to the WPWF?

EKC requests that the Commission adopt its proposal, as agreed by Staff, to remove the performance band for the WPWF, remove the provision transferring the residual value of the WPWF to EKC shareholders, and to reevaluate the WPWF revenue requirement in 25 years as opposed to 20 years, but to adopt EKC's calculation of the 25-year annual levelized revenue requirement.

XIV. RESPONSE TO STAFF REQUEST FOR EARNED RETURN ON EQUITY REPORT

Q: Has the Company provided its 2024 earned ROE to the parties in this proceeding?

A: No. As noted in the direct testimony of KCC Staff witness Chad Unrein, the Company provided its historical earned ROEs in response to BAI-11 for years 2019-2023 and requests Evergy provide its 2024 Earned ROE in rebuttal testimony. The 2024 Earned ROE was 7.8738%.

Q: Will the Company provide the 2024 earned ROE report?

A: Yes. The Company has updated data request BAI-11 and CURB-14 with supplemental data request to include a revised 2023 report as well as the completed 2024 Earned ROE report.

Q: Does this conclude your testimony?

A: Yes, it does.

GL Business Unit	Month Number	Voucher ID	Vendor Name	Voucher Line Descr	EXP Ln Descr	Notes	**Staff Disallowed**	EKC Agree or Disagree	Rebuttal Comments
WSTR	202308				Office Supplies/Material		**(808.73)**	Agree	
KCPL	202307	S0481339	MARCAR PRINTING SERVICES LLC	IESS POSTCARDS		Postcards for income eligible solar subscription	**(200.69)**	Agree - income eligible solar subscription is MO only.	
KCPL	202307	20176161	ALLIANCE FOR TRANSPORTATION	MARC Event Sponsorship		EV rebate sponsorship	**(1,238.25)**	Disagree	As part of EV education, Evergy offers rebates on the purchase of electric vehicle chargers. This is a key tactic to engage customers with incentives to consider and purchase EVs. This expense is part of the program communication and customer engagement plan for a Commission-approved Kansas program for Kansas.
KCPL	202308				FB Ads- LIHEAP event at Connect promo from 7/12 through 7/17	Missouri program	**(114.45)**	Agree	
KCPL	202309	S0503492	SEEDBOMB CREATIVE LLC	As needed marketing provided b		Create ads and materials for EV rebate	**(2,591.44)**	Disagree	As part of EV education, Evergy offers rebates on the purchase of electric vehicle chargers. This is a key tactic to engage customers with incentives to consider and purchase EVs. This expense is part of the program communication and customer engagement plan for a Commission-approved Kansas program for Kansas.
KCPL	202309	20183333	MASON ENTERPRISES LLC	HAKC Robo Calls-Riverview		Missouri program	**(74.30)**	Agree	
KCPL	202309	S0502307	SEEDBOMB CREATIVE LLC	Connect Center marketing suppo		EV & Thermostat collateral placed in KC Connect	**(482.92)**	Disagree	This expense is to produce materials to educate customers about EV charging rebate, which is a Commission-approved program.
KCPL	202310				FB promotion for Sept Connect LIHEAP event	Missouri program	**(49.53)**	Agree	
KCPL	202310				HPS and AC Rebate and solar	Social advertising for solar subscription	**(341.24)**	Disagree	This advertising expense is to promote the solar subscription program, which is a Commission-approved program for Kansas.
KCPL	202310				HPS expense		**(27.83)**	Agree	
KCPL	202310	S0518336	GREENABILITY MAGAZINE	Programmatically Generated		Advertising for renewables/solar subscription	**(328.00)**	Disagree	This advertising expense is to educate customers about solar subscription, which is a Commission-approved residential customer program.
KCPL	202311	S0520829	SEEDBOMB CREATIVE LLC	Connect Center marketing suppo		EV & Thermostat Connect collateral	**(844.65)**	Disagree	As part of EV education, Evergy offers rebates on the purchase of electric vehicle chargers. This is a key tactic to engage customers with incentives to consider and purchase EVs. This expense is part of the program communication and customer engagement plan for a Commission-approved Kansas program for Kansas.
KCPL	202311				NAFA Regional Fleet Event - Holiday Lunch Sponsorship	fleet EV rebates promotion	**(111.23)**	Disagree	As part of EV education, Evergy offers rebates on the purchase of electric vehicle chargers. This is a key tactic to engage customers with incentives to consider and purchase EVs. This expense is part of the program communication and customer engagement plan for a Commission-approved Kansas program for Kansas.
KCPL	202311				FB Solar, AC Rebate and HPS	Social advertising for solar subscription	**(31.25)**	Disagree	This advertising expense is to educate customers about solar subscription, which is a Commission-approved program for Kansas.
KCPL	202311				FB Solar, AC Rebate, and HPS	Social advertising for solar subscription	**(871.84)**	Disagree	This advertising expense is to educate customers about solar subscription, which is a Commission-approved program for Kansas.
KCPL	202312	S0538902	GREENABILITY MAGAZINE	Programmatically Generated		advertising for renewables/solar subscription	**(162.46)**	Disagree	This advertising expense is to educate customers about solar subscription, which is a Commission-approved residential customer program.
KCPL	202312				FB Ads for LIHEAP for 11/20/23	Missouri program	**(1.75)**	Agree	
KCPL	202312	S0537268	GLOBAL PRAIRIE PUBLIC BENEFIT	Programmatically Generated		paid media: Safety, Holiday Lights	**(375.93)**	Disagree	This advertising expense is customer education about safety measures to take during the holidays to stay safe around electricity, as well as promote the various holiday lights displays.
KCPL	202312	S0537269	GLOBAL PRAIRIE PUBLIC BENEFIT	PLAZA LIGHTING FEE		Missouri image	**(700.60)**	Agree	

KCPL	202312				Facebook Dec 8 and 9	Unidentifiable ads	**(29.51)**	Agree	
KCPL	202312				Facebook Nov 9 - Dec 8	Unidentifiable ads	**(868.78)**	Agree	
KCPL	202312				FB Solar	Social advertising for solar subscription	**(28.95)**	Disagree	This advertising expense is to educate customers about solar subscription, which is a Commission-approved program for Kansas.
KCPL	202312				FB: HPS/Solar/AC Rebate	Social advertising for solar subscription	**(899.63)**	Disagree	This advertising expense is to educate customers about solar subscription, which is a Commission-approved program for Kansas.
KCPL	202401				MO LIHEAP FB Ad for 12/24 only	Missouri program	**(5.29)**	Agree	
KCPL	202401				MO LIHEAP FB Ads 12-5 through 12-23	Missouri program	**(99.85)**	Agree	
KCPL	202404	S0581595	GLOBAL PRAIRIE PUBLIC BENEFIT	2024 Customer Education Media		Paid Media - Community Campaign including: Meta + Nextdoor: Workforce Development/3 Pillars, Community Commitment YouTube: Community in Color, OOH: Spread Good Energy, Radio: Bob Kendrick Financial Assistance/Val Prop campaign including: Search	**(24,765.00)**	Disagree	This advertising expense is customer education about Evergy's commitment to and investment in the communities we serve. In addition this advertising expense includes advertising for Financial Assistance for customers seeking help with their electric bill.
KCPL	202404	S0581596	GLOBAL PRAIRIE PUBLIC BENEFIT	2024 Customer Education Media		Community Campaign including: Meta + Nextdoor: Workforce Development/3 Pillars, Community Commitment YouTube: Community in Color, OOH: Spread Good Energy, Radio: Bob Kendrick Financial Assistance/Val Prop campaign including: Search	**(24,765.00)**	Disagree	This advertising expense is customer education about Evergy's commitment to and investment in the communities we serve. In addition this advertising expense includes advertising for Financial Assistance for customers seeking help with their electric bill.
KCPL	202404	S0581597	GLOBAL PRAIRIE PUBLIC BENEFIT	2024 Customer Education Media		Paid media: Community Campaign including Workforce Development/3 Pillars, Community Commitment, Community in Color, Spread Good Energy, Radio: Bob Kendrick, Financial Assistance	**(24,765.00)**	Disagree	This advertising expense is customer education about Evergy's commitment to and investment in the communities we serve. In addition this advertising expense includes advertising for Financial Assistance for customers seeking help with their electric bill.
KCPL	202404	S0581598	GLOBAL PRAIRIE PUBLIC BENEFIT	2024 Customer Education Media		Paid media: Community Campaign including Workforce Development/3 Pillars, Community Commitment, Community in Color, Spread Good Energy, Radio: Bob Kendrick, Financial Assistance	**(21,432.56)**	Disagree	This advertising expense is customer education about Evergy's commitment to and investment in the communities we serve. In addition this advertising expense includes advertising for Financial Assistance for customers seeking help with their electric bill.
KCPL	202404				MO LIHEAP video and LIHEAP traffic- 3/23/24 to 3/24/24	Missouri program	**(22.15)**	Agree	
KCPL	202404					Community in Color	**(5,328.10)**	Disagree	This advertising expense is customer education about Evergy's commitment to and investment in the communities we serve.
KCPL	202404					Q1 Bridge Plan: OOH: Spread Good Energy (Community), Meta: Convenience/Savings (Val Prop) YouTube: Pizza/Diner (Val Prop), Search: Brand/Financial Assistance/Val Prop	**(24,765.00)**	Disagree	This advertising expense is customer education about tools and services Evergy offers customers to manage their usage and their monthly bill. In addition, this includes advertising for Financial Assistance for customers seeking help with their monthly bill.
KCPL	202404					Q1 Bridge Plan: OOH: Spread Good Energy (Community), Meta: Convenience/Savings (Val Prop) YouTube: Pizza/Diner (Val Prop), Search: Brand/Financial Assistance/Val Prop	**(9,491.81)**	Disagree	This advertising expense is customer education about tools and services Evergy offers customers to manage their usage and their monthly bill. In addition, this includes advertising for Financial Assistance for customers seeking help with their monthly bill.
KCPL	202404					Community in Color; Affordability (Strategy & Long-Form Narrative)	**(24,765.00)**	Disagree	This advertising expense is customer education about tools and services Evergy offers customers to manage their usage and their monthly bill.
KCPL	202405				FB Ads- LIHEAP traffic 4/24/24-4/24/24	Missouri program	**(4.92)**	Agree	

KCPL	202405				FB Ads LIHEAP traffic, LIHEAP video adn EA events 3-24-24 to 4-23-24	Missouri program	**(195.68)**	Agree	
KCPL	202405					"Safety Campaign including: Meta + Nextdoor: Harvest (June), Kids Electrical Safety (July-Safety), Meta + Nextdoor: Safe Digging (August- Safety), OOH: Oz/Allyson Affordability Campaign including: Streaming Audio: Affordable Energy Cody/Maria/Wes/Elizabeth, Meta + Nextdoor + Google Display: Unplug/AC Filter/LED Bulbs/Water Heater (June- High Usage), Influencer (various blogs and reels) Financial Assistance/Val Prop Search	**(24,755.00)**	Disagree	This advertising expense is customer education about ways for customers to stay safe around electricity as well as paid search for Financial Assistance. In addition, this advertising expense includes customer education about the measures Evergy takes to ensure customers their electric service is affordable, which is important to customer satisfaction.
KCPL	202405						**(24,755.00)**	Disagree	This advertising expense is customer education about ways for customers to stay safe around electricity as well as paid search for Financial Assistance. In addition, this advertising expense includes customer education about the measures Evergy takes to ensure customers their electric service is affordable, which is important to customer satisfaction.
KCPL	202405						**(24,755.00)**	Disagree	This advertising expense is customer education about ways for customers to stay safe around electricity as well as paid search for Financial Assistance. In addition, this advertising expense includes customer education about the measures Evergy takes to ensure customers their electric service is affordable, which is important to customer satisfaction.
KCPL	202405						**(24,755.00)**	Disagree	This advertising expense is customer education about ways for customers to stay safe around electricity as well as paid search for Financial Assistance. In addition, this advertising expense includes customer education about the measures Evergy takes to ensure customers their electric service is affordable, which is important to customer satisfaction.
KCPL	202405						**(19,373.00)**	Disagree	This advertising expense is customer education about ways for customers to stay safe around electricity as well as paid search for Financial Assistance. In addition, this advertising expense includes customer education about the measures Evergy takes to ensure customers their electric service is affordable, which is important to customer satisfaction.
KCPL	202406				FB Ads for LIHEAP and LIHEAP deadline video - 5-23-24 through 5/24/24	Missouri program	**(8.66)**	Agree	
KCPL	202406				FB Ads for LIHEAP traffic and KC Utility Event - 4-24-24 through 5-23-24	Missouri program	**(192.71)**	Agree	
KCPL	202406	S0602049	GLOBAL PRAIRIE PUBLIC BENEFIT	Agency consulting services for		Data Request - MO West	**(466.63)**	Agree	
							(290,650.31)	Total Staff Disallowances	
							(3,872.06)	Agree	
							(286,778.26)	Disagree	
							(290,650.31)		

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

VERIFICATION

Ronald Klote, being duly sworn upon his oath deposes and states that he is the Sr Director Regulatory Affairs, for Evergy, Inc., that he has read and is familiar with the foregoing Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Ronald A Klote

Ronald Klote

Subscribed and sworn to before me this 3rd day of July 2025.

Leslie R. Wines

Notary Public

My Appointment Expires:
May 30, 2026

NOTARY PUBLIC - State of Kansas
LESLIE R. WINES
MY APPT. EXPIRES 5/30/2026

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed, this 3rd day of July 2025, to all parties of record as listed below:

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/s/ Cathy Dinges
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