

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

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**In the Matter of the Application of  
Evergy Kansas Metro, Inc., Evergy  
Kansas South, Inc., and Evergy  
Kansas Central, Inc. for Approval of  
Large Load Service Rate Plan and  
Associated Tariffs.**

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**Docket No. 25-EKME-315-TAR**

Settlement Testimony of

**Michael P. Gorman**

On behalf of

**Kansas Industrial Consumers (“KIC”)**

September 5, 2025



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Evergy Kansas Metro, Inc., Evergy  
Kansas South, Inc., and Evergy  
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<b>Kansas South, Inc., and Evergy</b>	)	<b>Docket No. 25-EKME-315-TAR</b>
<b>Kansas Central, Inc. for Approval of</b>	)	
<b>Large Load Service Rate Plan and</b>	)	
<b>Associated Tariffs.</b>	)	
<hr/>	)	

**Settlement Testimony of Michael P. Gorman**

1    **Q     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2    A     Michael P. Gorman. My business address is 16690 Swingley Ridge Road, Suite 140,  
3           Chesterfield, MO 63017.

4    **Q     WHAT IS YOUR OCCUPATION?**

5    A     I am a consultant in the field of public utility regulation and a Managing Principal with  
6           the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory  
7           consultants.

8    **Q     PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
9           **EXPERIENCE.**

10   A     This information is included in Appendix A to my Settlement Testimony.

1    **Q     HAVE YOU BEEN INVOLVED WITH PRIOR PROCEEDINGS BEFORE THE**  
2           **STATE CORPORATION COMMISSION OF THE STATE OF KANSAS**  
3           **(“COMMISSION”)?**

4    A     Yes. I have been involved in prior proceedings before this Commission and have  
5           presented testimony in some of those proceedings.

6    **Q     ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

7    A     I am testifying on behalf of the Kansas Industrial Consumers (“KIC”).

8    **Q     WHAT IS THE PURPOSE OF YOUR SETTLEMENT TESTIMONY IN THIS**  
9           **PROCEEDING?**

10   A     The purpose of my Settlement Testimony is describing my support for the Unanimous  
11           Comprehensive Settlement Agreement (“CSA”) in the creation of a new tariff for  
12           Evergy Central and Evergy Metro, for a rate that applies to Large Load Power Service  
13           (“LLPS”) – Schedule LLPS.

14   **Q     PLEASE SUMMARIZE YOUR RECOMMENDATIONS AND CONCLUSIONS**  
15           **ON THE CSA.**

16   A     I recommend the Commission approve the CSA.

**Q WHY SHOULD THE COMMISSION APPROVE THE CSA?**

A The CSA represents negotiated settlement of the tariff rate terms and prices for LLPS customers, that it is designed along with Service Agreement (“SA”), that it provides Everygy reasonable assurance of fully recovering its cost to provide service to a LLPS customer, and do so without creating negative impacts on remaining Everygy customers. The effect of the SA is to provide fair and equitable treatment to all customers served by Everygy, including a new very large customer served under Schedule LLPS.

**Q PLEASE DESCRIBE THE SA OUTLINE OF THE LLPS RATE.**

A As outlined in Attachment 1 to the application, Schedule LLPS includes the following provisions:

- The rate applies to new customers with a monthly maximum demand of 75MW. This rate also applies to existing customers with load growth of at least 75MW.
- Schedule LLPS provides service for large customers served at substation or transmission level delivery voltages. The Rate specifies that the distribution interconnection for the large customers will be based on either customer owned distribution facilities or distribution facilities leased from Everygy. The contract acknowledges that the LLPS customers will bear financial responsibility for the construction and operation cost of the distribution interconnection costs.
- Schedule LLPS SA features:
  - A service term that consists of minimum term up to five years for a transitional load for the facility as it consumes electric power while developing its facility up until the point the customer becomes fully operational. After full operation, the SA contract term includes a minimum term of 12 years, again from the start of permanent service based on full operation. The SA term would automatically extend for five years at the conclusion of the initial term unless one of the parties provides written notice 36 months prior to the end of the existing term.

- The Schedule LLPS SA includes a contract capacity which must be adequate to serve the Company's steady state peak load of its facility. ESA includes permissible capacity reductions any time after the initial five years of the SA term up to 25MW, or 10% of the contract capacity.
- SA includes a termination provision where the customer can request 36 months prior to date of requested early termination of the SA term. Under early termination, the customer will be obligated to pay exit fees equal to the nominal value of a minimal monthly bill for each of the remaining months of the current contract term - either the original term, or remaining period of a term extension.
- Schedule LLPS also includes applicable rates for Evergy Central and Evergy Metro based on the results of the most recent rate case. These rates will be adjusted in each subsequent rate case filing before the Commission.
- LLPS customer will also be subject to several Riders including: Retail Cost Adjustment ("RECA"), an Efficiency Rider ("EER"), Property Tax Surcharge ("PTS"), Tax Adjustment ("TA"), and the Transmission Delivery Charge ("TDC").
- The agreement also includes an interim capacity adjustment if the Company determines it does not currently have the resources available to serve the load under the LLPS SA contract. In which case, the Company can enter market contract supply procurement to provide service to the LLPS customer until the Company has sufficient resources to supply the new customer.
- SA also includes a minimum bill, set at 80% of the contract capacity, customer charge, GRID charge, reactive demand charge, TDC charge, other demand-based rider charges, and the Cost Stabilization Rider ("COS Rider").
- SA specifies Reactive demand adjustments based on KVAR measurements for the load.
- Schedule LLPS also includes the application of COS Rider and various optional riders including Customer Capacity Rider (CCR), and a Demand Response Generation Rider (DRLR). These riders allow for economic adjustment to supply and demand in meeting the LLPS customers' contract demands and loads.

- The SA also specifies customer credit metric and credit collateral/security enhancements, including cash deposits, for customers that do not meet the SA specified financial creditworthiness requirements.

**Q DO YOU BELIEVE THE LLPS RATE WILL ALLOW EVERGY TO RECOVER ITS COST OF PROVIDING SERVICE TO CUSTOMERS WHO TAKE SERVICE UNDER THIS RATE?**

**A** Yes. This rate will be revisited in each rate case to ensure that the rate charged will provide full recovery of Evergy's cost to provide service to the LLPS customer under this rate and provides reasonable financial assurance that Evergy will recover its cost of service from the LLPS customer.

**Q WILL OTHER CUSTOMERS BE HARMED IF THE COMMISSION APPROVES RATE LLPS?**

**A** No. This rate is designed to fully recover Evergy's cost of serving the LLPS customer, it provides SA termination financial protection to Evergy and its other customers if the LLPS customer leaves the system, it provides credit enhancement obligations that enhance Evergy's assurance that it will fully recover its service charges from the LLPS customer. While protecting Evergy and its existing customers, the SA also ensures that LLPS customers are treated fairly and receive reliable and high-quality electric service priced at Evergy's cost of service, and mitigate early termination risk and default risk by requiring credit enhancement based on reasonable credit standing assurances. Other customers will not be harmed by approval of Schedule LLPS as developed in this stipulation.

1    **Q       DOES THIS CONCLUDE YOUR SETTLEMENT TESTIMONY?**

2    **A       Yes, it does.**

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**Qualifications of Michael P. Gorman**

1    **Q     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2    A     Michael P. Gorman. My business address is 16690 Swingley Ridge Road, Suite 140,  
3       Chesterfield, MO 63017.

4    **Q     PLEASE STATE YOUR OCCUPATION.**

5    A     I am a consultant in the field of public utility regulation and a Managing Principal with  
6       the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory  
7       consultants.

8    **Q     PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND WORK**  
9       **EXPERIENCE.**

10   A     In 1983 I received a Bachelor of Science Degree in Electrical Engineering from  
11       Southern Illinois University, and in 1986, I received a Master's Degree in Business  
12       Administration with a concentration in Finance from the University of Illinois at  
13       Springfield. I have also completed several graduate level economics courses.

14         In August of 1983, I accepted an analyst position with the Illinois Commerce  
15       Commission ("ICC"). In this position, I performed a variety of analyses for both formal  
16       and informal investigations before the ICC, including marginal cost of energy, central  
17       dispatch, avoided cost of energy, annual system production costs, and working capital.  
18       In October of 1986, I was promoted to the position of Senior Analyst. In this position,  
19       I assumed the additional responsibilities of technical leader on projects, and my areas

1 of responsibility were expanded to include utility financial modeling and financial  
2 analyses.

3 In 1987, I was promoted to Director of the Financial Analysis Department. In  
4 this position, I was responsible for all financial analyses conducted by the Staff. Among  
5 other things, I conducted analyses and sponsored testimony before the ICC on rate of  
6 return, financial integrity, financial modeling and related issues. I also supervised the  
7 development of all Staff analyses and testimony on these same issues. In addition, I  
8 supervised the Staff's review and recommendations to the Commission concerning  
9 utility plans to issue debt and equity securities.

10 In August of 1989, I accepted a position with Merrill-Lynch as a financial  
11 consultant. After receiving all required securities licenses, I worked with individual  
12 investors and small businesses in evaluating and selecting investments suitable to their  
13 requirements.

14 In September of 1990, I accepted a position with Drazen-Brubaker & Associates,  
15 Inc. ("DBA"). In April 1995, the firm of Brubaker & Associates, Inc. was formed. It  
16 includes most of the former DBA principals and Staff. Since 1990, I have performed  
17 various analyses and sponsored testimony on cost of capital, cost/benefits of utility  
18 mergers and acquisitions, utility reorganizations, level of operating expenses and rate  
19 base, cost of service studies, and analyses relating to industrial jobs and economic  
20 development. I also participated in a study used to revise the financial policy for the  
21 municipal utility in Kansas City, Kansas.

1           At BAI, I also have extensive experience working with large energy users to  
2           distribute and critically evaluate responses to requests for proposals (“RFPs”) for  
3           electric, steam, and gas energy supply from competitive energy suppliers. These  
4           analyses include the evaluation of gas supply and delivery charges, cogeneration and/or  
5           combined cycle unit feasibility studies, and the evaluation of third-party asset/supply  
6           management agreements. I have participated in rate cases on rate design and class cost  
7           of service for electric, natural gas, water and wastewater utilities. I have also analyzed  
8           commodity pricing indices and forward pricing methods for third party supply  
9           agreements and have also conducted regional electric market price forecasts.

10           In addition to our main office in St. Louis, the firm also has branch offices in  
11           Corpus Christi, Texas; Louisville, Kentucky and Phoenix, Arizona.

12   **Q     HAVE YOU EVER TESTIFIED BEFORE A REGULATORY BODY?**

13   A     Yes. I have sponsored testimony on cost of capital, revenue requirements, cost of  
14           service and other issues before the Federal Energy Regulatory Commission and  
15           numerous state regulatory commissions including: Alaska, Arkansas, Arizona,  
16           California, Colorado, Delaware, the District of Columbia, Florida, Georgia, Idaho,  
17           Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts,  
18           Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New  
19           Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma,  
20           Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia,  
21           Washington, West Virginia, Wisconsin, Wyoming, and before the provincial regulatory

1 boards in Alberta, Nova Scotia, and Quebec, Canada. I have also sponsored testimony  
2 before the Board of Public Utilities in Kansas City, Kansas; presented rate setting  
3 position reports to the regulatory board of the municipal utility in Austin, Texas, and  
4 Salt River Project, Arizona, on behalf of industrial customers; and negotiated rate  
5 disputes for industrial customers of the Municipal Electric Authority of Georgia in the  
6 LaGrange, Georgia district.

7 **Q PLEASE DESCRIBE ANY PROFESSIONAL REGISTRATIONS OR**  
8 **ORGANIZATIONS TO WHICH YOU BELONG.**

9 **A** I earned the designation of Chartered Financial Analyst (“CFA”) from the CFA  
10 Institute. The CFA charter was awarded after successfully completing three  
11 examinations which covered the subject areas of financial accounting, economics, fixed  
12 income and equity valuation and professional and ethical conduct. I am a member of  
13 the CFA Institute’s Financial Analyst Society.

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## **CERTIFICATE OF SERVICE**

I hereby certify that on this 3rd day of September 2025, the above and foregoing was electronically filed with the Kansas Corporation Commission and that one copy was delivered electronically to all parties on the service list and to USD 259 by U.S. Mail as follows:

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