BEFORE THE STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

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.	))))))	**Docket No. 25-EKCE-294-RTS**

Revised Cross-Answering Testimony of

Brian C. Andrews

On behalf of

Associated Purchasing Services,
Cargill, Incorporated,
Goodyear Tire & Rubber Company,
Kansas Agribusiness Retailers Association,
Kansas Biofuels Association,
Kansas Grain and Feed Association,
Lawrence Paper Company,
Occidental Chemical Corporation,
and Spirit AeroSystems, Inc.

&

CVR Refining CVL, LLC

June 20, 2025

BAI
BRUBAKER & ASSOCIATES, INC.

Projects 11807

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STATE OF MISSOURI)
) **SS**
COUNTY OF ST. LOUIS)

Affidavit of Brian C. Andrews

Brian C. Andrews, being first duly sworn, on his oath states:

1. My name is Brian C. Andrews. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Associated Purchasing Services, Cargill, Incorporated, Goodyear Tire & Rubber Company, Kansas Agribusiness Retailers Association, Kansas Biofuels Association, Kansas Grain and Feed Association, Lawrence Paper Company, Occidental Chemical Corporation, and Spirit AeroSystems, Inc., & CVR Refining CVL, LLC.

2. Attached hereto and made a part hereof for all purposes is my revised cross-answering testimony which was prepared in written form for introduction into evidence in the Kansas State Corporation Commission Docket No. 25-EKCE-294-RTS.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.

Brian C. Andrews

Subscribed and sworn to before me this 30th day of June, 2025.

ADRIENNE J. FOLLETT
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: Mar. 22, 2029
Commission # 21989987

Notary Public

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Revised Cross-Answering Testimony of Brian C. Andrews

I. INTRODUCTION

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Brian C. Andrews. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017.

Q ARE YOU THE SAME BRIAN C. ANDREWS WHO PREVIOUSLY FILED DIRECT TESTIMONY IN THIS PROCEEDING ON JUNE 6, 2025?

A Yes. On June 6, 2025 I filed Direct Testimony and Exhibits on behalf of multiple Commercial Intervenors and Kansas Agricultural Associations in this Docket, including the Associated Purchasing Services, Cargill, Incorporated, Goodyear Tire & Rubber Company, Kansas Agribusiness Retailers Association, Kansas Biofuels Association, Kansas Grain and Feed Association, Lawrence Paper Company, Occidental Chemical Corporation, and Spirit AeroSystems, Inc., & CVR Refining CVL, LLC. These parties are referenced throughout this testimony as "Commercial Intervenors." These Commercial customers purchase substantial amounts of retail electric service from Kansas Central, Inc. and Evergy Kansas South, Inc. (collectively referred to as "Evergy

Kansas Central" or "EKC") and Evergy Kansas Metro Inc. ("EKM"). The companies collectively will be referred to as "Evergy" or "Company".

Q WHAT IS THE PURPOSE OF YOUR CROSS-ANSWERING TESTIMONY?

A I will address three parties' proposed class cost of service and class revenue spread recommendations. First, my cross-answering testimony will respond to the Kansas Corporation Commission ("KCC" or "Commission") Staff's ("Staff") proposed Class Cost of Service Study ("CCOSS") and recommended class revenue allocation, supported in the Direct Testimony of Ms. Kristina Luke Fry, and Dr. Lana J. Ellis, respectively, witnesses for Staff. Staff's revenue allocation as recommended by Dr. Ellis does not align with Ms. Fry's CCOSS. Ms. Fry's CCOSS fails to accurately allocate Evergy's cost of service across its rate classes. Staff's recommended revenue allocation is flawed and does not follow the results of Staff's CCOSS.

Second, I address The Citizens' Utility Ratepayer Board ("CURB") witness Mr. Glen Watkins' testimony with respect to the Base, Intermediate, Peak ("BIP"), Peak and Average ("P&A"), and 12 Coincident Peak ("12CP") CCOSS methodologies described in his Direct Testimony and his recommendation to rely upon these flawed CCOSS results to determine an appropriate class revenue allocation in this proceeding.

Finally, I will respond to HF Sinclair's witness Mr. Justin Bieber's CCOSS recommendations.

My silence with respect to any position taken by Evergy or any other party in this application or testimonies in this proceeding should not be interpreted as an endorsement of that position.

Q ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH YOUR CROSS-ANSWERING TESTIMONY?

A No.

Q PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS.

A My conclusions and recommendations are as follows:

1. Staff witness Ms. Fry's CCOSS does not accurately allocate costs between rate classes for the following reasons:

    a. She proposes a P&A methodology which does not accurately reflect cost-causation or accurately allocate costs across rate classes.

    b. Ms. Fry does not properly allocate distribution costs across rate classes because she does not recognize the dual demand and customer classification aspects of distribution cost incurrence.

2. Staff's revenue spread, as supported by Dr. Ellis is not based on the results of Ms. Fry's P&A CCOSS. Staff's revenue apportionment does not make a meaningful movement toward an accurate measure of cost of service. Staff's CCOSS shows that the Residential class does not provide enough revenue to cover the costs incurred to serve them, yet she recommends the Residential classes receive an increase just lower than the system average increase. Staff's class revenue allocation proposal must be rejected.

3. CURB witness Mr. Glen Watkins describes the P&A, BIP, and 12CP CCOSS methodologies in his Direct Testimony, but does not recommend a singular method. Mr. Watkins recommends a revenue allocation that gives consideration to all three of these methods and arrives at a revenue allocation similar to what Evergy proposed. There are shortcomings to each of Mr. Watkins' proposed CCOSS methods which will be addressed in this testimony. These CCOSS methods and Mr. Watkins' resulting revenue apportionment should be rejected by the Commission.

4. HF Sinclair witness Mr. Bieber recommends parsing out the three special service contract customers into unique classes in the CCOSS. This proposal should not be implemented in this case, as the allocators used for each individual customer are not accurate.

II. RESPONSE TO STAFF
WITNESS KRISTINA A. LUKE FRY

Q PLEASE DESCRIBE THE MAJOR DIFFERENCES BETWEEN STAFF'S CCOSS AND EVERGY'S CCOSS.

A The major differences between Evergy's CCOSS and Staff's CCOSS exist within the allocation of production plant and the classification and allocation of distribution plant.

For production capacity costs, the Company uses a Four Coincident Peak ("4CP") Average and Excess Demand ("AED") methodology. This method largely allocates production capacity costs on the basis of contribution to Evergy's system peak demands. In contrast, Staff relies on a P&A methodology for allocating these production capacity costs. The P&A methodology allocates production capacity costs on the basis of demand and energy use across the rate classes. The P&A methodology places an unjustified weight on energy consumption compared to demand in the allocation of capacity costs.

The Company allocates distribution costs by classifying it to both demand and customer classifications. In contrast, Staff allocates the majority of distribution cost predominantly by demand.

Q DO YOU BELIEVE STAFF'S COSS ACCURATELY ALLOCATES EVERGY'S COST OF SERVICE ACROSS ITS RATE CLASSES?

A No. Staff's reliance on the P&A methodology allocates too much production capacity costs on the basis of energy. This is inconsistent with the cost-causation nature of production capacity and does not accurately allocate the Company's production capacity costs across rate classes.

Staff also failed to recognize that distribution costs are designed not only to meet the demands of customers that take service at primary and secondary delivery

voltage, but also to have adequate length of conductors and numbers of transformers in order to connect all the customers to the system. As a result, the Company's use of a minimum distribution system to classify part of the distribution costs as customer-related is a more accurate means of allocating Evergy's distribution cost across rate classes.

Q CAN YOU GENERALLY SUMMARIZE THE FLAWS IN ALLOCATING PRODUCTION CAPACITY COST USING P&A ALLOCATORS?

A Yes. Those flaws are summarized as follows:

1. The P&A allocator does not allocate production capacity costs, or production cost in total, consistent with how utility resource planning is done, or stated differently, how production costs are incurred in order to serve customers' loads.

2. The P&A allocator is predominately an energy-based allocator of production demand costs. This allocation does not accurately reflect the need to design the system for both capacity and energy costs and does not allocate production costs in a balanced manner across rate classes.

Q PLEASE DESCRIBE WHY STAFF'S PROPOSED P&A METHOD DOES NOT ALLOCATE PRODUCTION CAPACITY COSTS ACROSS RATE CLASSES CONSISTENT WITH COST-CAUSATION.

A Utilities plan for production capacity by selecting resources that will minimize the cost of providing production service while meeting the utility's customers' demands (capacity and energy). Utility planners consider the lowest-cost resource option that allows the utility to meet its customers' peak and energy demands. Utility planners usually are confronted with the option of choosing between a high-capacity cost resource (baseload) that produces energy at a low price, or a low capacity cost resource (intermediate or peaking) that produces energy at a high cost.

If a resource is expected to operate at a high-load factor, a high-capacity resource with low energy cost is more economical than other resources. However, if the capacity resource is not expected to operate at a high-load factor, then a low capital cost resource with higher energy cost may be a more cost-effective resource option. The system planning nature of production cost recognizes that there is a symmetrical and balanced relationship between the cost of production capacity and the relative cost of production energy.

The P&A method produces an asymmetrical allocation of production capacity costs, which does not properly balance the Staff's uniform per unit cost ($/kWh) allocation of production energy costs. Staff's production cost allocation method would result in the higher load factor classes paying above-system average production capacity cost without the benefit of below-system average production energy costs. Conversely, lower-load factor customers would benefit by receiving a below-system average capacity cost without the cost of an above-average energy charge.

The Company's proposed 4CP AED CCOSS produces a more symmetrical and balanced allocation of production capacity costs and energy costs across rate classes.

Q PLEASE EXPLAIN WHY THE P&A PRODUCTION ALLOCATION ALLOCATES PRODUCTION COST PRIMARILY ON ENERGY.

A The P&A methodology advocated by Staff in this case does not properly develop allocations based on class capacity and energy usage. The P&A methodology distorts capacity and energy usage characteristics because it double counts base usage (average demand or energy) in the P&A method by including it in both the peak demand portion of the allocator and the average demand portion of the allocator. In other jurisdictions, commissions avoid this double-counting by using an AED allocation

method which separates average demand from excess demand components in developing a capacity allocator.

Allocating purely on energy over-allocates production capacity costs to high-load factor customers and to rate classes that use more energy during the off-peak periods than they do in the on-peak period. Therefore, Staff's proposed P&A methodology, which does not symmetrically allocate production capacity and energy costs, does not produce an accurate or fair allocation of production cost across rate classes.

Q HAVE OTHER COMMISSIONS RULED ON THE USE OF THE P&A APPROACH OR OTHER SIMILAR ENERGY BASED APPROACHES IN THE ALLOCATION OF FIXED PRODUCTION PLANT COSTS?

A Yes. For example, in a May 28, 2010 Final Order in Docket No. ER-2010-0036, the Public Service Commission of the State of Missouri ("Missouri Commission") found the P&A method to be "unreliable." Specifically, the Missouri Commission stated that:

> "The Peak and Average method, in contrast, initially allocates average costs to each class, but then, instead of allocating just the excess of the peak usage period to the various classes to the cost causing classes, the method reallocates the entire peak usage to the classes that contribute to the peak. Thus, the classes that contribute a large amount to the average usage of the system but add little to the peak, have their average usage allocated to them a second time. Thus, the Peak and Average method double counts the average system usage, and for that reason is unreliable." (Public Service Commission of the State of Missouri, Docket No. ER-2010-0036, May 28, 2010 Report and Order, page 85).

As another example, the State of Iowa Department of Commerce Utilities Board ("Iowa Board") found that the Average & Peak Demand ("APD") approach, which is another name for P&A, produces a non-symmetrical allocation of capacity and energy costs. Specifically, the Iowa Board stated that:

> "…the APD method uses average demand twice, first in the allocation of average system demand, and again in the allocation of excess system peak demand, which effectively incorporates a double-counting of class energy usage in the allocation of capacity costs. In the context of class A&E demands, this results in higher capacity costs being allocated to high load factor customers on a per-kW basis. According to Consumer Advocate, this treatment is intended to allocate more of the higher capacity costs of base load generating units based on the sustained energy usage of high load factor customers. However, since the tradeoff of higher base load capacity costs is lower fuel costs, and since energy costs are allocated on an average per-kWh basis, the APD method would produce a non-symmetrical allocation of capacity and energy costs." (State of Iowa Department of Commerce Utilities Board, Docket No. RPU-2010-0001, January 10, 2011 Final Decision and Order, page 113-114).

Q HAVE OTHER REGULATORY COMMISSIONS REJECTED THE P&A METHOD ADVOCATED BY STAFF IN THIS PROCEEDING?

A Yes. The Kansas State Corporation Commission rejected the P&A method in a Kansas City Power and Light Company case (Docket No. 10-KCPE-415-RTS). However, the P&A method was also rejected by the Missouri Commission and the Iowa Board. The Iowa Board rejected the P&A method because it double-counts Base energy (in both the energy and peak demand factors) and the Peak demand component does not properly allocate production resources based on their capacity costs and energy costs. (Interstate Power and Light Company, Iowa Department of Commerce Utilities Board Docket No. 2010-0001 at pages 110113).

Q HOW DOES MS. FRY'S CCOSS DIFFER FROM THE COMPANY'S STUDY WITH RESPECT TO THE CLASSIFICATION OF DISTRIBUTION COSTS?

A The Company recognized a minimum distribution system component of distribution costs and classified a portion of all poles, towers and fixtures, overhead conductors, underground conductors and line transformers as customer-related. Ms. Fry's

proposed CCOSS does not utilize the minimum distribution system approach and instead classifies the majority of all distribution costs as demand-related.

Q WHY IS IT APPROPRIATE TO CLASSIFY A PORTION OF DISTRIBUTION COSTS AS CUSTOMER-RELATED?

A Classifying a component of distribution costs as customer-related recognizes that there is a utility cost simply to connect each customer to the grid, regardless of demand. This classification is common and widely accepted in the industry and one that is strongly supported by the National Association of Regulatory Utility Commissioners' ("NARUC") Electric Cost Allocation Manual ("NARUC Manual"). Chapter 6 of the NARUC Manual discusses the classification and allocation of distribution costs. In this chapter, the NARUC Manual describes methods for classifying distribution costs in Accounts 364 through 368 and classification methods containing both customer and demand components. None are shown as demand only. Multiple methods for determining the demand and energy classification are discussed, such as "Minimum Size Method" and "Zero Intercept Method," yet none yield results of zero cost being classified as customer-related for these accounts.

In addition to the wide acceptance in the industry and inclusion in the NARUC Manual, it requires little more than common sense to understand that some portion of the installation of poles, conductors, underground conduit and conductors, and line transformers are undertaken simply to connect customers to the grid, even though their demands may be very small, well below the capacity of the minimum sized facilities needed to serve them. The aggregate demand level of customers certainly affects the sizing of these distribution facilities (over and above the minimum levels), but that does

not in any way nullify the fact that a portion of the investment is in the minimum system and caused by the existence of the customers.

Staff's CCOSS ignores this reality, and therefore, departs from cost-causation.

Q HOW SHOULD DISTRIBUTION COSTS BE CLASSIFIED IN THIS PROCEEDING?

A Consistent with Evergy's Direct Testimony, a portion of distribution costs should be classified as customer-related based on the minimum distribution system concept. The remaining distribution costs should be classified as demand-related. This is consistent with cost-causation principles.

Q DO YOU HAVE ANY OTHER CONCERNS ABOUT STAFF'S DISTRIBUTION ALLOCATION?

A Yes. Staff's CCOSS does not distinguish between primary and secondary distribution voltage levels. Evergy's CCOSS models do not make this distinction either; however, the impact on rates of not distinguishing primary and secondary costs is exacerbated under the Staff's CCOSS.

Q WHY IS THE ABILITY TO DISTINGUISH VOLTAGE LEVELS WITHIN THE CCOSS A CONCERN?

A A CCOSS that does not, or cannot, recognize voltage levels runs the risk of allocating secondary distribution system costs to customers taking service directly from the primary distribution system. If such were the case, the CCOSS would ensure the subsidization of secondary distribution costs by customers taking service at primary voltages.

Q WHAT IS YOUR PROPOSAL CONCERNING DISTRIBUTION VOLTAGE DIFFERENTIATION?

A As noted in my Direct Testimony, I recommend the continuation of delivery voltage differentials in the rate design for classes with customers that take service from multiple voltage levels.

Q DO YOU HAVE ANY ADDITIONAL CONCERNS ABOUT STAFF'S CCOSS RESULTS?

A Yes. In addition to the issues previously discussed, the loss factors used to create Allocator 4, titled "Energy (MWh) @ Generation", are inconsistent with the loss factors utilized in the Company's study. These values are hard coded within Staff's CCOSS workpaper and have no source note attached to them. The loss factors are also only applied to the overall customer class and are not separately distinguished by voltage level and applied to the subclasses. For instance, the allocator for the Large General Service ("LGS") class is the KCC annual energy for the total LGS class, divided by 1 minus the loss factor applied to the full LGS class. However, the LGS class is comprised of Primary, Secondary, and Transmission level customers. As previously discussed, not recognizing the voltage differentials disproportionately allocates costs among customers.

Q WHAT IS YOUR RECOMMENDATION TO THE KCC REGARDING THE STAFF CCOSS?

A I recommend that the KCC give the Staff CCOSS no weight. This study improperly allocates costs to high voltage customers for low voltage distribution equipment they do not require. This study penalizes high-load factor customers by double-counting

energy usage in the allocation of production costs. For the reasons discussed above, the Staff CCOSS should be rejected, and Evergy's CCOSS should be relied upon for spreading revenue and designing rates.

III. RESPONSE TO STAFF WITNESS LANA J. ELLIS PH.D.

Q HAVE YOU COMPARED STAFF'S PROPOSED REVENUE ALLOCATION TO THE COMPANY'S PROPOSED REVENUE ALLOCATION?

A Yes. Staff's proposed spread is claimed to be based on the results of its P&A CCOSS, with adjustments to reflect gradualism. However, inspection of the results clearly shows this is not the case. Staff's CCOSS shows that the largest customers class, Residential, is not generating enough revenue to cover its cost to serve. Staff's CCOSS shows that Residential only produces a relative Rate of Return ("ROR") of 0.88. In order to allocate the revenue requirement increase in a manner that follows the CCOSS results, this class should be receiving an increase greater than the system average increase. Staff's revenue apportionment proposal should be rejected. A comparison of Staff's proposed revenue allocation to the Company's proposed revenue allocation is presented in Table 1.

TABLE 1

EKC vs. Staff Proposed Revenue Apportionment

Line	Description	Company Proposed[1] Current Revenues	Company Proposed[1] Increase / (Decrease) Amount	Company Proposed[1] Increase / (Decrease) Percent	Company Proposed[1] Index	Staff Proposed[2] Current Revenues	Staff Proposed[2] Increase / (Decrease) Amount	Staff Proposed[2] Increase / (Decrease) Percent	Staff Proposed[2] Index
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Residential	$ 639,813,923	$ 95,690,048	14.96%	1.10	$ 640,295,893	$ 57,946,778	9.05%	1.00
2	Residential DG	5,399,673	807,571	14.96%	1.10	6,942,311	624,808	9.00%	0.99
3	Small General Service	291,934,039	36,910,063	12.64%	0.93	139,497,049	12,554,734	9.00%	0.99
4	Medium General Service	153,501,214	18,352,200	11.96%	0.88	153,360,645	13,802,458	9.00%	0.99
5	Large General Service	190,582,930	22,805,197	11.97%	0.88	182,367,978	16,413,118	9.00%	0.99
6	Industrial and Large Power Service	24,795,216	3,236,828	13.05%	0.96	8,262,314	805,959	9.75%	1.07
7	Educational Service	37,973,021	5,679,214	14.96%	1.10	37,527,798	3,660,701	9.75%	1.07
8	Restricted Time of Day Service	1,206,354	180,421	14.96%	1.10	1,887,706	184,139	9.75%	1.07
9	Special Contracts	33,416,734	4,362,302	13.05%	0.96	48,960,342	4,775,905	9.75%	1.07
10	Interruptible Contract Service	1,083,456	129,535	11.96%	0.88	305,443	29,795	9.75%	1.07
11	Large Tire Manufacturer	4,832,569	577,769	11.96%	0.88	4,789,406	467,189	9.75%	1.07
12	Electric Vehicle	717,037	87,331	12.18%	0.90	980,878	88,769	9.05%	1.00
13	Lighting	27,337,277	3,268,373	11.96%	0.88	26,699,426	2,416,298	9.05%	1.00
14	Total	$ 1,412,593,442	$ 192,086,852	13.60%	1.00	$ 1,251,877,189	$ 113,770,651	9.09%	1.00

Sources:

[1] Schedule MEM-2.

[2] Direct Testimony of KCC Witness Lana J. Ellis, Table 2

Comparing the relative increases in columns (4) and (8) shows that Staff's proposed revenue spread is more favorable than the Company's proposed revenue spread for the Residential, Educational, and Restricted Time of Use classes. All other classes are worse off relative to Evergy's proposal. Staff has also proposed a very narrow spread of the revenue requirement increase ranging from a maximum of 1.07 time the system average increase to a minimum of 99% of the system average increase. As Staff's CCOSS results show that the Residential class is not providing enough revenue to cover its cost to serve, this class must receive an increase greater than the system average increase to align with any semblance of a cost-based ratemaking.

Q DO YOU AGREE WITH STAFF'S PROPOSED REVENUE SPREAD?

A No. As described above, it does not make a meaningful movement toward an accurate measure of cost of service for several classes. Both Staff's CCOSS study and revenue apportionment proposals should be rejected.

IV. RESPONSE TO CURB WITNESS GLEN WATKINS

Q DOES MR. WATKINS AGREE WITH EVERGY'S PROPOSED CCOSS FOR EKC AND EKM?

A No.

Q WHAT CCOSS METHODOLOGY DOES MR. WATKINS SUPPORT IN HIS DIRECT TESTIMONY?

A CURB witness Mr. Glen Watkins describes the P&A, BIP, and 12CP CCOSS methods in his Direct Testimony. He does not ultimately recommend that any of the three methods be given more weight than the others. His revenue distribution also gives consideration to all three CCOSS results. I have already addressed the shortcomings of the P&A method in response to Staff. Thus, the focus of my response to Mr. Watkins will be the BIP and 12CP methods.

Q PLEASE DISCUSS THE SHORTCOMINGS OF THE BIP METHOD, AS APPLIED BY MR. WATKINS.

A The BIP CCOSS methodology is flawed for several reasons. First, it inconsistently allocates fixed production costs on the basis of BIP capacity requirements but allocates fuel costs on the basis of average energy consumed. This is inconsistent and contradictory to the BIP methodology advocated by the NARUC Manual. In addition, the BIP methodology does not reflect the changing circumstances which can shift production costs between Base and Intermediate loading categories throughout the life of an asset which are unrelated to customer usage demands. Hence, the BIP CCOSS does not accurately reflect the cost-causation nature of generation resources and the allocation of those costs between customers based on the demands and energy

consumption characteristics of customers. The BIP CCOSS methodology is unreliable and should be rejected.

Q PLEASE DISCUSS THE SHORTCOMINGS OF THE 12CP CCOSS METHOD FOR THE ALLOCATION OF PRODUCTION CAPACITY COSTS.

A Mr. Watkins' 12CP CCOSS rightly classifies production capacity costs as 100% demand-related. However, it errs in using the 12CP demand allocator, rather than a 4CP demand allocator.

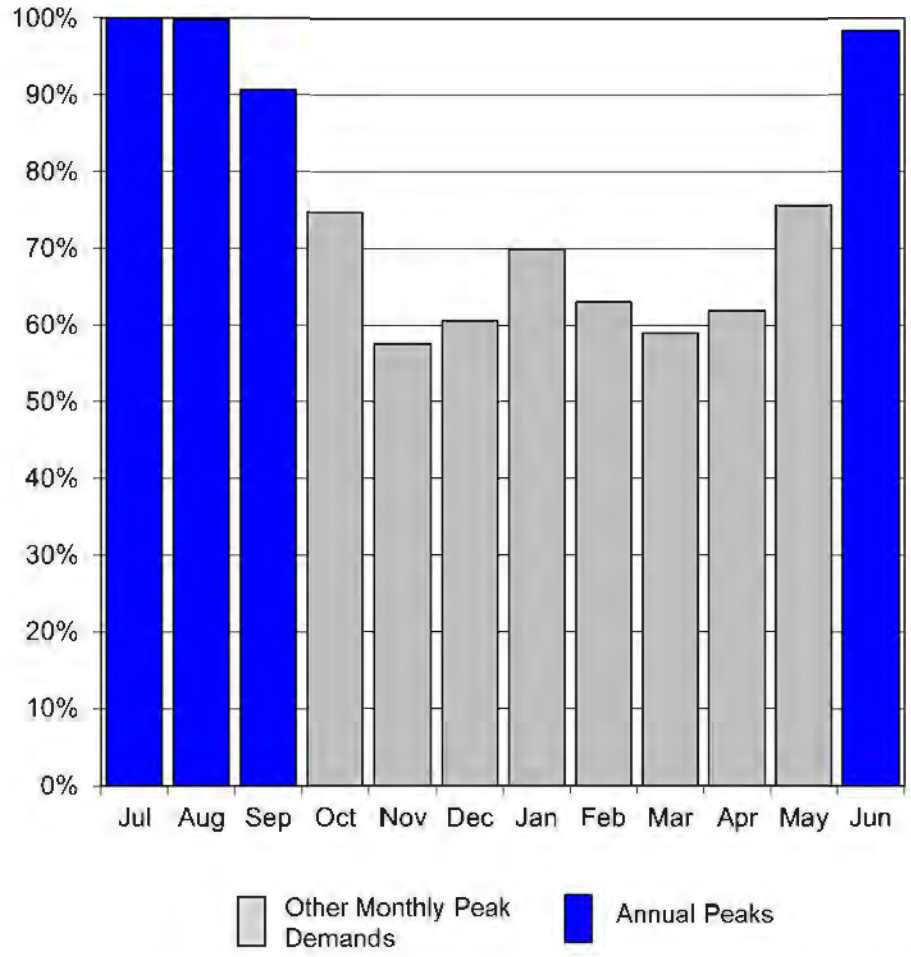
Q WHY WOULD A 12CP ALLOCATOR OF PRODUCTION CAPACITY COSTS BE INFERIOR TO A 4CP ALLOCATOR?

A A utility needs to acquire capacity to meet its peak demands, and the demand allocator is intended to reflect customers' contribution to the utility's peak demands. The 12CP demand allocator looks to the average of each of the utility's 12 monthly Coincident Peaks ("CP"), while the 4CP allocator looks to the average of its four highest monthly CPs. Evergy's monthly peaks are highly divergent, as can be seen in Figure 1 showing us that the peak demands in most months are not drivers of Evergy's need for capacity expansion.

FIGURE 1

Evergy Kansas - Central
Case No. 25-EKCE-294-RTS

Analysis of EKC's Peak Demands
as a Percent of the Annual System Peak
(Weather Normalized and with Losses)
For the Test Year Ended June 2024



As can be seen, the peak demands in October through May are much lower than in the four peak months of June through September. Such peak demands cannot reasonably be considered to significantly contribute to the utility's need to expand its generation system capacity. Clearly, the four peak months of June, July, August, and September are the months that would cause Evergy to design its resource capacity

portfolio so it can reliably serve customers' demands in all hours of the year. If the resource portfolio was designed based on serving 12CP, the portfolio would not be able to reliably serve demands during the four month peak periods. Consequently, in using a 12CP allocator which includes the relatively small demands of months like November, the cost-causative effect of meeting peak demand is greatly diluted and, thus, distorts the allocation of the cost incurred to provide reliable firm service. Consequently, the 12CP allocator gives excessive weight to non-peak periods in the assignment of the production capacity costs incurred to provide firm service.

Q HOW DOES MR. WATKINS PROPOSE TO DISTRIBUTE ANY AUTHORIZED RATE INCREASE IN THIS PROCEEDING?

A CURB witness Mr. Watkins' recommended revenue apportionment gives consideration to the results of his P&A, BIP and 12CP CCOSS models. For the reasons described in this testimony, the P&A, BIP, and 12CP CCOSS models should be rejected. Mr. Watkins' proposed revenue apportionment should also be rejected, as it is based on CCOSS results that do not accurately assign costs to cost-causers.

V. RESPONSE TO HF SINCLAIR WITNESS JUSTIN BIEBER

Q DOES MR. BIEBER AGREE WITH EVERGY'S PROPOSED CCOSS?

A Not entirely. While he does not propose to change any of the classification or allocation of costs, he does recommend that the special contract class be parsed out into a separate class for each special contract customer.

Q DOES MR. BIEBER EXPLAIN HOW HE PARSED OUT THE THREE SPECIAL CONTRACT CUSTOMERS?

A Not in his testimony; however in response to discovery Mr. Bieber explains that he used Evergy's allocator workbook to create the individual allocators for each customer. This workbook was provided to me for inspection.

Q IS THERE AN ISSUE WITH HOW MR. BIEBER CREATED THE ALLOCATORS FOR EACH CUSTOMER?

A Yes. I have discovered two major flaws. First, the demand components for the two other special contract customers have been swapped, meaning the 4CP Average and Excess ("A&E") allocators for both of these customers are incorrect. This also affects the 4CP A&E allocator for all other classes, as Mr. Bieber's flawed workbook increases the total amount of excess demand, thus lowering the excess demand portion of the A&E allocator for all classes that do have an excess demand component.

Second, this workbook shows that both the demand and energy split among the three customers of the class are based only on the average energy of the class. Splitting the energy components in this manner is acceptable; however, it is speculative at best for Mr. Bieber to assume that energy consumption can be used to derive the demand for each of the customers within the class. This essentially assumes without justification that each of the three customers has the exact same load factor, and load shape. This is not a reasonable assumption because, as noted by Mr. Bieber, the "special contract rates were negotiated to provided discounted rates reflecting the unique loads and characteristics of the customers." Mr. Bieber's simplistic assumption would hold only if all three contract customers had the same load shape, rather than

unique load shapes. Hence, Mr. Bieber's proposal to separate the three special contract customers is flawed and unreliable.

Q WHAT DO YOU CONCLUDE ABOUT MR. BIEBER'S PROPOSAL?

A Due to the issues concerning the proper development of the customer specific allocators, I recommend that at this time Mr. Bieber's proposal to parse out the three special contracts customers be rejected.

Q DOES THIS CONCLUDE YOUR CROSS-ANSWERING TESTIMONY?

A Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of July 2025, the foregoing was electronically filed with the Kansas Corporation Commission and that one copy was delivered electronically to all parties on the service list or posted in the U.S. Mail as follows:

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