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

REBUTTAL TESTIMONY OF

DARRIN R. IVES

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

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri 64105.

Q. Are you the same Darrin Ives who filed direct testimony in this docket on January 31, 2025?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony will address the following topics and witnesses:

- Capital Structure
  - Gatewood – Staff
  - Woolridge – CURB direct and cross-answering testimony
  - Gorman – KIC Corporate Group
- Return on Equity (ROE)
  - Gatewood – Staff
  - Woolridge – CURB
  - Gorman – KIC Corporate Group
- Western Plains Wind Farm
  - Unrein - Staff
- Panasonic
  - Unrein – Staff
  - Garret – CURB cross-answering testimony
- Nuclear Production Tax Credit (PTC)
  - Unrein – Staff
  - Gorman – KIC Commercial Group

- Special Contracts
  - Bieber – HF Sinclair
- Rate Affordability and Rate Competitiveness
  - Lowell – USD 259
  - Gorman - KIC Corporate Group
  - Giacchino - Gas Companies
- The "Stay Connected Pilot" Program ("SCP Program")
  - Franz – CURB
  - Jackson - Staff
- Employee Compensation
  - Jackson – Staff
  - Garret – CURB
  - Gorman – KIC Commercial Group

II. EXECUTIVE SUMMARY OF TESTIMONY

Q. Please provide an overview of the positions presented in your rebuttal testimony.

A. The following is a summary of EKC's responses to the positions of other parties in the proceeding regarding the issue indicated. A full discussion of each response is set out in sections III through X of my testimony below.

Capital Structure – Staff's rejection of the standalone approach and proposed imputation of nonutility parent company debt into EKC's capital structure are inconsistent with Kansas law, Commission policy, NARUC guidance, and widely accepted finance theory. EKC has provided sufficient evidence to demonstrate that any imputation of holding company debt would be the first such outcome for a regulated utility in the United

States in recent history, clearly resulting in a capital structure and rate of return that fails the "comparable return" tests and "capital attraction" standards of *Bluefield* and *Hope*.

Staff's proposal also ignores the realities of how the investment community views EKC, is unsupported by the record, and runs afoul of settled constitutional principles governing fair rate of return.[1] *Bluefield* and *Hope* mandate that a utility's authorized rate of return must be (1) commensurate with returns on investments having corresponding risks, (2) sufficient to assure confidence in the utility's financial integrity, and (3) sufficient to maintain the utility's creditworthiness and ability to attract capital on reasonable terms. Capital structure plays a critical role in determining fair rate of return because it directly influences both the cost of capital and the financial risk borne by investors. Therefore, the approach utilized in determining capital structure is not merely a matter of regulatory preference, it is a constitutional imperative. The unwarranted assignment of a consolidated or hypothetical capital structure violates the *Bluefield* and *Hope* standards because it artificially and unfairly skews the utility's cost of capital, resulting in an allowed rate of return that is not commensurate with returns on investments having corresponding risks. Based on the undisputed facts of this case, and the governing law, the Commission must reject Staff's "consolidated" approach to regulatory capital structure and use EKC's actual operating capital structure as part of a just and reasonable overall rate of return.

<u>Return on Equity ("ROE")</u> – EKC's proposed ROE is supported by capital market conditions, investment needs, business and regulatory risks, and peer utility benchmarking. EKC witness Ann Bulkley provides substantial testimony and analyses in both direct and rebuttal testimony demonstrating the reasonableness of EKC's requested ROE. Ms.

[1] *See Bluefield Water Works & Improvement Co. v. Public Service Commission of West Virginia,* 262 U.S. 679 (1923) and *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

Bulkley also provides rebuttal testimony demonstrating the flaws and shortcomings in the Staff and Intervenor ROE testimony and advises the Commission that when those flaws and shortcomings are corrected, the corrected analyses by Staff and Intervenor ROE witnesses also supports EKC's requested 10.50% ROE.

Panasonic - Staff's recommendation, and CURB's concurrence in cross-answering testimony, to track and defer into a regulatory liability, sales margin revenues and incremental costs relating to the Panasonic load and returning it to customers in the next rate case is inconsistent with traditional ratemaking policy and the statutory economic development incentives and utility infrastructure investment mechanisms enacted by the Kansas legislature. Further, the Staff recommendation is an imbalanced mechanism not supportable by record evidence in this case, which is unnecessary given EKC's historical underearning of its authorized ROE in every year since Evergy's formation in 2018. In other words, if Staff's recommendation is adopted, EKC's ability to earn at or near its authorized ROE will be materially diminished. So much so, that if adopted, the authorized ROE would logically require an upward adjustment to address the increased regulatory risk. It is apparent that no incremental risk adjustment for this deferral has been reflected in the ROEs being proposed by intervenors in this case. Importantly, Staff's proposal is ill-timed as specific efforts have been made to identify and ensure that no Panasonic costs are included in this proceeding. The Commission should not adopt Staff's imbalanced and unreasonable future revenue deferral request.

Nuclear PTC – EKC disagrees with Staff's recommendation to return to customers the benefits of nuclear PTC credits (if there are any; none have yet been received, and the relevant federal regulations have yet to be issued) at the time the credits are claimed on a federal tax return rather than waiting until the credits are used to offset the tax liability of the Company or sold to a third party, as EKC proposes. Unlike Staff's recommendation, the Company's proposal will ensure EKC and its customers receive the benefits of the credits at approximately the same time. Moreover, EKC's proposal is designed to avoid unnecessary incremental credit metric risk and likely borrowing costs that would impact customers if Staff's pre-usage deferral timing were adopted. In other words, if Staff's recommendation is adopted, it is possible that EKC would be required to reduce customer rates prior to PTC cash benefits to the Company, causing a significant degradation of EKC's financial integrity, a weakening of credit metrics, a possible credit rating downgrade, and an increase in the cost of debt and equity of the Company.

KIC Commercial Group witness Mr. Gorman recognizes the potential for nuclear PTC offsets that could warrant future rate adjustments, asserting that nuclear PTC offsets should be passed on to customers through offsets to nuclear fuel expense amortizations in the Company's energy cost adjustment. EKC disagrees with Mr. Gorman's opinion that the ECA is the appropriate mechanism to return utilized PTCs to customers.

The Commission should adopt the deferral timing more fully described in the rebuttal testimony of EKC witness Melissa Hardesty, and then whichever return strategy is ultimately approved by the Commission (amortization in base rates or return through the ACA mechanism) can be evaluated at the appropriate time to establish the amount and period for the PTC return to customers in such future proceeding. As for the method of implementing the return of the credits to customers, EKC believes it should be done in base rates or through the ACA, not the ECA/RECA, and should not be in the form of separate bill credits.

Special Contracts – HF Sinclair's request to modify its existing contract with EKC should be rejected. Special contracts are negotiated agreements that are not dictated by, and in fact, are explicitly not priced utilizing pure class cost of service allocations. It is inappropriate, and beyond the negotiated framework of the Special Contract, for HF Sinclair to argue in this case for a lower allocation of the revenue increase resulting from this case, with the difference shifted to EKC's other two special contract customers.

Rate Affordability and Rate Competitiveness – While the financial challenges educational institutions face as described by USD 259 are widely recognized across the country, forcing a subsidy through electric rates is not the answer. Schools should have rates established that accurately reflect the cost of services provided. Subsidies to assist their operation is an issue that has to be addressed by the Kansas legislature and local government authorities.

However, USD 259's argument that the increase requested by EKC will take dollars away from educating students to pay for electricity, thus having a negative impact on the ability of EKC's service territories to compete with other jurisdictions and detrimentally affecting Kansas students is inaccurate. As the third-party data provided by EKC in this case shows, EKC's rates for schools and other customers are competitive in comparison to other jurisdictions. Rather, restricting EKC's recovery of its cost of service and a reasonable return for its investors, would negatively impact economic development and customer growth in Kansas, ultimately leading to decreased service reliability and a higher cost of capital for all EKC customers.

Other parties stated affordability concerns focus on collateral impacts to cost. For example, KIC witness Mr. Gorman reminds the Commission that customers' bills are affected by more than just EKC's base tariff rate increase, and the Gas Companies' witness Mr. Giacchino alleges that EKC's residential rates are subsidized by other customer classes making it problematic for the Gas Companies to compete. To state the obvious, the Commission is aware of the full breadth of EKC's rate structure and the impact of each component on our customers' bills. Any rate charged by EKC has been subject to review and approval by the Commission and found to be just and reasonable. As a result, even when all components of EKC's rate structure are taken into consideration, EKC's rates remain competitive with the rates of other jurisdictions.

Stay Connected Pilot Program ("SCP Program") – EKC appreciates CURB's support of the proposed SCP Program as a vehicle for making rates more affordable for low-income customers, which will help keep them on the system. EKC agrees with CURB's assessment of the overall benefits to EKC's customers of implementing this program. However, CURB's recommendation that the administrative costs of the program should be paid 100% by Evergy shareholders is without merit and should be rejected.

EKC disagrees with Staff's conclusion that the Commission does not have the authority to approve the SCP Program based on previous KCC orders and court decisions. Those orders and decisions allow for approval of the program as designed.

Employee Compensation – Recommended disallowances for employee incentive compensation programs are inconsistent with Commission policy and overall regulatory policy and should be rejected. Incentive plans are an integral component of a market competitive and independently benchmarked employee compensation plan designed to attract and retain high quality employees, and the related expenses are prudent and reasonable.

Q. Please provide an overview of EKC's rebuttal testimony.

A. 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 not 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.

Following is a summary of the rebuttal issues addressed by other EKC witnesses:

- Geoffrey Ley
  - ❖ The Erroneous Allocation of Evergy, Inc. Debt to EKC
  - ❖ Updated Debt Balances to be Used to Calculate EKC's Revenue Requirement
- Ronald Klote
  - ❖ Maintenance Expenses (Nuclear, Distribution, Generation, IT Software)
  - ❖ 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
- Lesley Elwell

- ❖ Incentive Compensation
- Darcie Kramer
  - ❖ Staff's Revised Revenue Requirement
  - ❖ Industry Dues
  - ❖ Director and Officer Insurance
  - ❖ Rate Case Expense
  - ❖ Forfeited Discounts and Bad Debt
  - ❖ Transmission Elimination
  - ❖ Customer Advances
  - ❖ Materials and Supplies
  - ❖ Amortization of TOU
- Aron Branson
  - ❖ Customer Deposits
  - ❖ Construction Work in Progress ("CWIP")
  - ❖ Cash Working Capital ("CWC")
- Ryan Mulvany
  - ❖ Evidence Showing EKC's Level of Capital Investment Has Not Kept Pace with an Aging Distribution System
  - ❖ The Need for Added Investment
  - ❖ EKC's Performance Metrics
  - ❖ Vegetation Management Program
  - ❖ EKC's Storm Reserve
- Melissa Hardesty

- ❖ Nuclear Production Tax Credit
- Kim Winslow
  - ❖ The "Stay Connected" Pilot Program
- Brad Lutz
  - ❖ Optional Time of Use Rate for Commercial & Industrial Customers
  - ❖ Non-Light Emitting Diode ("LED") Lighting Conversion Plan
  - ❖ Street Lighting Schedule Modifications
  - ❖ Miscellaneous Tariff and Rules & Regulations Changes
  - ❖ Voltage Differentiation for RECA and ECA
  - ❖ Schools Load Analysis
  - ❖ "Stay Connected Pilot" Program
- Marisol Miller
  - ❖ Retail Revenue Adjustments
  - ❖ Class Cost of Service Studies
  - ❖ Revenue Allocation and Rate Design
  - ❖ Off-Peak Rider
- Albert Bass
  - ❖ Test-year Weather Normalized kWh Sales and Peak Loads
  - ❖ Test-year Customer Annualization
  - ❖ Energy Efficiency Annualization
- Jennifer Nelson
  - ❖ Capital Structure
- Ann Bulkley

❖ Return on Equity and Capital Structure

III. CAPITAL STRUCTURE AND RETURN ON EQUITY

Q. Which witnesses are you responding to regarding their testimony on capital structure and ROE?

A. I am responding to Staff witness Mr. Gatewood, CURB witness Mr. Woolridge, and KIC Corporate Group witness Mr. Gorman.

(1) <u>Capital Structure</u>

Q. What capital structure did Staff use in calculating EKC's authorized rate of return?

A. Mr. Gatewood acknowledges that the Commission's longstanding capital structure policy is to determine a utility's revenue requirement based on the capital structure that will result in the lowest overall cost of capital that is "representative of utility operations." According to Mr. Gatewood, however, this policy permits indiscriminate use of either the parent company's or the subsidiary utility's capital structure so long as the selected capital structure will result in the lowest overall cost of capital.

Like he did in the 2023 rate case, Mr. Gatewood's capital structure for EKC in this case incorporates a significant amount of Evergy, Inc. parent company debt into EKC's capital structure based on its proportionate share of net property plant and equipment. Specifically, Staff proposes to attribute 26% (roughly $700 million) of Evergy's nonutility parent company debt to EKC.

Q. Has Staff properly applied the standard it claims to rely on to justify its capital structure recommendation?

A. No. Mr. Gatewood's interpretation of the Commission's standard is flawed because it ignores the fundamental principle that a utility's regulatory capital structure must be ***representative of utility operations*** *and/*or is based on the erroneous presumption that, irrespective of the facts in evidence, a proforma adjustment to an operating utility's capital structure should be made merely because the operating utility is part of a holding company.

This approach is contrary to Kansas law, longstanding Commission policy, NARUC guidance,[2] and accepted regulatory practice throughout the United States. It is widely recognized that a subsidiary utility should be treated as an independent corporate entity and regulated on a standalone basis unless there is sufficient record support to justify the use of a consolidated or hypothetical capital structure. In other words, the standalone approach is the default approach, and justification for deviating from the standalone approach must be proved, not presumed.

Stated plainly, *the facts of the case absolutely matter.* It is not consistent with Kansas law or regulatory policy to create a particular capital structure that allows you to arrive at a lower revenue requirement than what the utility's actual capital structure supports. The debt at the Evergy holding company level is non-recourse to EKC's utility operations, and Staff's recommendation to look through EKC's actual standalone capital structure and attribute parent company debt to EKC's balance sheet is inappropriate and inconsistent with the standard Staff claims to have applied.

[2] *See* National Association of Regulatory Utility Commissioners (NARUC): *A Cost of Capital and Capital Markets Primer for Utility Regulators* (April 2020) (stating that regulators should rely on actual capital structure ratios unless those ratios significantly diverge from sound industry practices or hinder financial flexibility in a way that may lead to higher overall costs).

Q. What about Mr. Gatewood's claim that his recommendation is consistent with the three Kansas court decisions he cites on capital structure?

A. Mr. Gatewood repeatedly cites these cases in his testimony failing to recognize the critical distinctions in those cases compared to EKC. While I am not a lawyer, I have read the cases he relies upon, and they clearly and definitively support EKC's position in this case, not Staff's.

Q. Please explain.

A. The first case cited by Mr. Gatewood, *Wheat State Telephone Co. v. State Corp. Com'n of Kansas*[3], involved a regulated utility company, Wheat State, which was wholly owned by Golden Wheat. Wheat State did not carry any long-term debt on its books, giving it a 100/0 equity-to-debt ratio.[4] All of the debt was on Golden's books.[5] Staff's position was to apply the capital structure of the parent company (Golden) in the case because use of the actual operating company capital structure of the utility (Wheat State) would have been inequitable as it allowed for a return on equity which did not exist anywhere in the company.[6] The Commission agreed and indicated that Wheat State did *"not have an appropriate capital structure for ratemaking purposes,"* but whose "*assets are collateral for the loans of a parent company"* with a high debt capital structure.[7] ***This is absolutely not the situation in this case, where the capital structure of EKC is wholly within the range considered appropriate for a regulated utility and financial separation as provided for in the merger financial commitments has been maintained.***

---

[3] *Wheat State Telephone Co. v. State Corp. Com'n of Kansas,* 88 P.3d 260 (2004), unpublished decision of the Kansas Court of Appeals ("Wheat State Decision") (emphasis added).
[4] *In the Matter of an Audit and General Rate Investigation of Wheat State Telephone Company, Inc.*, Order, Docket No. 03-WHST-503-AUD, ¶ 20 (Sept. 29, 2003) ("KCC Wheat State Order").
[5] *Id. at* ¶ 25.
[6] *Id*. at ¶ 27; Gatewood Direct Testimony, Docket No. 03-WHST-503-AUD, at pp. 10-11.
[7] KCC Wheat State Order, at ¶ 29.

The second case cited by Mr. Gatewood, *Aquila, Inc. v. State Corp. Com'n of Kansas*,[8] involved an appeal by Aquila from a Commission order applying Aquila's aggregated capital structure, which was heavily weighted with debt, instead of the capital structure Aquila proposed to attribute to the operating division. Complicating that case was the fact that WPK (Aquila's Kansas operating division) did not have its own books, did not borrow money independently, and did not issue its own stock. Instead, Aquila allocated corporate costs between its various operating units and arbitrarily assigned new issuances of debt or equity to divisions regardless of which division the issuance was supporting but instead based on the levels already assigned to the divisions.[9] As such, the Commission was faced with using Aquila's actual capital structure or determining an appropriate hypothetical capital structure.[10] ***Those are not the facts of this case, where the operating company, EKC, is a separate legal company (not an operating division) and has been completely separated financially, with its own debt, its own books, its own credit ratings, its own restrictive merger financial commitments, and a capital structure within the range of capital structures employed by utilities across the United States with similar risk profiles.***

Also, completely different from EKC's situation, in *Aquila*, the Commission was concerned with the possibility that, under Aquila's structure, "public utility ratepayers" could "become responsible for paying the debts attributable to Aquila's non-utility business or investments"[11] and concerned with the fact that "Aquila's present internal cash management practices and its Business Unit Plan allow[ed] the commingling of funds

---

[8] *Aquila, Inc. v. State Corp. Com'n of Kansas,* 115 P.3d 794 (2005), unpublished decision of the Kansas Court of Appeals ("Aquila Decision").
[9] Aquila Decision at *6-7; *see also In the Matter of the Application of Aquila, Inc. d/b/a Aquila Networks – WPK for Approval of the Commission to Make Certain Changes in its Rates for Electric Service*, Order on Application, Docket No. 04-AQLE-1065-RTS, ¶¶ 109 and 115 (Jan. 28, 2005) ("KCC Aquila Order").
[10] Aquila Decision, at 7.
[11] KCC Aquila Order, at ¶ 121.

between the divisions and parent company."[12] On reconsideration, the Commission found that the WPK operating division had been negatively impacted by Aquila's unregulated businesses.[13] The Court found that, under these circumstances, the Commission's use of the hypothetical capital structure was within the zone of reasonableness.[14] To state the obvious, ***those circumstances are not even remotely involved in EKC's case.***

The third case cited by Mr. Gatewood, *Moundridge Telephone Co., Inc. v. Kansas Corp. Com'n*,[15] involved a wholly owned utility subsidiary, Moundridge, whose actual capital structure was heavily weighted in equity capital (95.34% equity and 4.66% debt).[16] Staff proposed, and the Commission approved, use of a hypothetical capital structure of 60% equity and 40% debt because the actual capital structure was not reasonable and was outside the norm of other similarly situated LECs.[17] In response to a suggestion by Moundridge that it faced higher levels of risk compared to other utilities because of a need to make investments in infrastructure, the Commission explained that "Moundridge apparently decided to return higher profits to its investors rather than to invest in its infrastructure prior to 2013."[18] The Commission therefore disregarded the company's claim of higher risk supporting a need for its requested capital structure.[19] On appeal, the Court of Appeals upheld the Commission decision, explaining that:

---

[12] *Id*.
[13] *In the Matter of the Application of Aquila, Inc. d/b/a Aquila Networks – WPK for Approval of the Commission to Make Certain Changes in its Rates for Electric Service*, Order on Reconsideration, Docket No. 04-AQLE-1065-RTS, ¶ 14 (March 14, 2005).
[14] *Id.* at *9-10.
[15] *Moundridge Telephone Co., Inc. v. Kansas Corp. Com'n,* 361 P.3d. 523 (2015), unpublished decision of the Kansas Court of Appeals ("Moundridge Decision").
[16] *In the Matter of the Application of Moundridge Telephone Company, Inc. for Additional Kansas Universal Service Fund Support*, Order Setting Annual Cost-Based Universal Service Support for Moundridge Telephone Company, Inc., Docket No. 15-MRGT-097-AUD, ¶ 18 (April 27, 2015) ("KCC Moundridge Order").
[17] Moundridge Decision, at * 34; KCC Moundridge Order, ¶¶ 18-19.
[18] KCC Moundridge Order, ¶ 20; Moundridge Decision, at *36.
[19] KCC Moundridge Order, ¶ 20.

> When a capital structure is considered unbalanced, issues arise. A utility heavy in equity as opposed to debt increases the company's revenue requirement under the standard formula … Using a hypothetical capital structure ***when actual structures are unbalanced*** has been consistently viewed as a legitimate means of balancing the investors' interests with the costs to the utility's customers.[20]

Again, the obvious imbalance that existed in Moundridge's actual capital structure does not exist with EKC.

Contrary to Mr. Gatewood's assertion, none of these three cases stands for the proposition that the Commission can or should impose a consolidated or hypothetical capital structure on a utility just because it results in the lowest rates for customers absent evidence to show that the actual capital structure of the company is somehow inappropriately imbalanced, is not representative of utility operations or is otherwise suspect.

Q. Are there any other important takeaways from the cases Mr. Gatewood relies on?

A. Yes. First, in the *Wheat State* case, the Commission recognized the connection between capital structure and the return on debt and equity when it decided to authorize a higher ROE for Wheat State than the level recommended by Staff due to the impact the high debt level used for ratemaking purposes could have on the company's ability to raise capital. That is an essential piece of the Commission's decision in that case and must be recognized for EKC as well. As Ms. Bulkley explained in her direct testimony,

> [t]he capital structure and return on debt and equity are not severable and therefore must be evaluated as a set of assumptions. It is important to recognize that the changes in the capital structure will affect the cost rates of the components of the capital structure . . . Higher leverage will likely result in higher debt costs … the investor required return on equity will also change as the capitalization of a company changes . . . the greater the leverage … the higher the investor-required return on the equity investment.[21]

---

[20] Moundridge Decision, at *38 (emphasis added).
[21] Ann Bulkley Direct Testimony filed January 31, 2025 ("Bulkley Direct"), at pp. 53-54.

If the Commission were to adopt Staff's proposal for capital structure - even though it is inconsistent with Commission policy and Kansas precedent – the Commission would need to recognize the impact such a decision would have on ensuring a reasonable ROE in this case and the impacts it could have on the cost of debt for the operating utilities in the future. Notably, Staff chose not to recognize that correlation in its ROE recommendation.

Second, in the *Wheat State* case, Staff recognized that applying one approach for capital structure to all companies, regardless of their actual capital situation, was bad policy.[22] Yet, Staff takes a contradictory position in EKC's case, suggesting that a consolidated capital structure approach should be applied to EKC regardless of EKC's distinguishing actual capital situation, extensive merger financial commitments and demonstrated flow of funds.

Q. Is there other court guidance on capital structure that Mr. Gatewood does not acknowledge?

A. Yes. The following analysis can be found in the motion on capital structure EKC filed with our Application in this case, and I have relied on that legal analysis in my summary here.

There is a case involving Western Resources, Inc., where Commission use of a hypothetical capital structures was examined.[23] In that case, the Kansas Court of Appeals affirmed the Commission's decision to adopt a Staff-recommended hypothetical capital structure after finding the decision was supported by substantial competent evidence. At the outset, the court observed that the appellant, KIC, "seemed to recognize the capital structure issue was being determined in the 'extraordinarily unusual circumstance' of a

[22] *See* Wheat State Decision, at *10 ("at the evidentiary hearing, Gatewood cautioned against a specific rate of return that would be applied to all companies, regardless of its actual capital situation").
[23] *Kansas Indus. Consumers [KIC] v. State Corp. Comm'n*, 30 Kan. App. 2d 332, 340, 42 P.3d 110, 116 (2002).

public utility with no equity and significant debt unrelated to its electric operations."[24] In affirming the Commission's decision, the court noted that the Commission had concluded "Staff's recommendation was reasonable and valid and was directly related to the actual conditions and operations of the utility."[25] (emphasis added). Turning to the record evidence, the Court noted that "Staff's capital structure was based on a cash flow analysis that attempted to ascertain the debt and equity associated with the utility rather than [its corporate affiliate]."[26] (emphasis added). The Court went on to explain that the hypothetical capital structure adopted by the Commission "was set up to ensure that the debt-equity balance most closely resembled that directly associated solely with the electric business" and did not increase the burden on ratepayers beyond what was reasonably attributable to the regulated utility.[27](emphasis added).

Here it is important to note that in the *KIC* case, the Court of Appeals was presented with an "extraordinarily unusual circumstance" that justified the imputation of a hypothetical capital structure. Nevertheless, the court's opinion is replete with language that aligns squarely with the Standalone Approach, namely that:

(1) risk and return must align at the utility level;

(2) capital structures should be representative of actual utility operations; and

(3) hypothetical capital structures may be imputed only when they are supported by substantial competent evidence.

Q. How do you view Staff's capital structure position taken in this case and in the 2023 rate case?

---

[24] 30 Kan. App. 2d at 332.
[25] *Id.* at 336
[26] *Id.* at 340
[27] *Id.*

A. Mr. Gatewood is promoting a new policy for the Commission to adopt. By using generalized assumptions regarding the impact of parent company debt on the credit ratings and financial flexibility of the subsidiary utility companies instead of considering whether EKC's capital structure meets the standards of *Bluefield* and *Hope*, Mr. Gatewood is deviating from the Commission's established practice of using "the lowest overall cost of capital that is *representative of utility operations.*"

Q. What about Mr. Gatewood's statement that "... Staff would allocate EKC 51% of the Evergy Debt to be consistent with Staff's position in the 23-775 Docket settlement and consistent with the revenue requirement in place for Evergy Kansas Metro, Staff is allocating half of that amount to EKC or roughly 26% of the total"?[28]

A. To the extent his statement might be interpreted as saying his position is consistent with the agreement reached in the 2023 rate case or the Commission's decision in that case, I want to make clear that it is not accurate. EKC never accepted Staff's capital structure, and no capital structure was agreed to as part of the settlement nor ruled upon by the Commission. That settlement was what we commonly refer to as a "black box" settlement, where each party does its own internal analysis, using its own components and factors that go into the black-box revenue requirement amount. Staff may have used its proposed capital structure in determining whether it would accept the overall settlement terms, but EKC and other signatories most likely relied on different assumptions in their respective internal analysis of the settlement.

Q. Did EKC anticipate Staff's approach to capital structure in this case based upon misplaced reliance on the cases you have discussed above?

---

[28] Gatewood Direct, p. 19.

A. Yes. When the Company filed its Application on January 31, 2025, we also filed a *Motion of Joint Applicants for Leave to File Legal Analysis Regarding Standards for Determining Capital Structure*, with the *Memorandum Regarding Subsidiary Utility Capital Structure Determinations* included as Attachment A to the Motion. In the Memorandum we explained why the cases cited by Mr. Gatewood in his testimony in the 2023 rate case did not support his allocation of parent debt to EKC, and in fact, they support EKC's position of using EKC's standalone capital structure.

Q. Why did EKC feel it would be helpful to address this disagreement on standard early in this docket?

A. Because EKC believed a clear standard, adopted and evenly applied, would serve the best interests of customers, shareholders, investors, creditors, the Commission, and the parties to this rate proceeding. It would allow the parties to focus in their prefiled testimony in this case under the appropriate standard.

Q. Did the Commission address the issue as EKC requested?

A. No. Staff objected to the Motion and the Commission ultimately denied it.

Q. EKC and Evergy, Inc. agreed to expansive structural separation conditions and requirements as part of the settlement agreement reached in the Westar/Great Plains merger in 2018. Have the companies adhered to those structural separation requirements since then?[29]

[29] Order, *In the Matter of the Joint Application of Great Plains Energy Incorporated, Kansas City Power & Light Company and Westar Energy, Inc., for Approval of the Acquisition of Westar Energy, Inc. by Great Plains Energy Incorporated*, Docket No. 16-KCPE-593-ACQ (April 19, 2017).

A. Yes. All separation requirements have been implemented and followed. Neither Staff, nor any other party, has suggested that EKC or Evergy, Inc. has failed to adhere to those requirements.

Q. Has Staff, or any other party, submitted testimony showing that EKC's capital structure (debt-equity ratio) is outside the range of typical operating electric utilities?

A. No. The debt-equity ratios drawn from the proxy groups relied upon by witnesses for all parties, including Staff, CURB, KIC, and EKC, reflect the typicality of EKC's capital structure.

Q. Has Staff, or any other party, submitted testimony even suggesting that EKC and Evergy have manipulated EKC's capital structure to create a higher level of equity and weighted capital cost?

A. No. The parties have not submitted any such testimony, nor would there be a factual basis for any such claim.

Q. Has Staff, or any other party, submitted factual evidence showing that EKC's cost of debt has been elevated because of the relationship between Evergy and EKC?

A. No. The parties have not submitted any such testimony, nor would there be a factual basis for any such claim.

Q. Has Staff, or any other party, submitted evidence showing that EKC's investment grade ratings have been lowered because of EKC's relationship with Evergy?

A. No. The testimony is devoid of such evidence.

Q. Staff has allocated almost $700 million of Evergy debt to EKC for the purpose of creating an ROR for EKC. Is any of that debt the obligation of EKC?

A. No, it is not.

Q. Is the EKC capital structure created by Mr. Gatewood representative of EKC's utility operations?

A. No, it is not. The equity component of 48.74% Mr. Gatewood recommends is substantially lower than the authorized industry average over the last 10 years. As Mr. Gorman testifies in his direct testimony, the industry average and median common equity ratios for electric utilities over the last 10 years have been consistently around 50.0% - 51.0%.[30]

Q. What capital structure does Mr. Gorman recommend in his direct testimony?

A. Mr. Gorman proposes a capital structure with a common equity ratio of 51.25%, which he says is consistent with the capital structure authorized by the Commission in EKC's last rate case.[31] He testifies that his capital structure contains "adequate amounts of common equity, to manage the Company's overall leverage risk, both on balance sheet and off-balance sheet, while also minimizing cost to customers."[32] He recommends developing a rate making capital structure that contains a common equity ratio that aligns with the industry common equity ratio, and will support the Company's financial integrity and access to capital.[33]

Q. What capital structure did CURB recommend?

A. CURB witness J. Randall Woolridge, PhD, recommended a 50% equity ratio for EKC in his direct testimony. While the process and standards followed by Mr. Woolridge in analyzing this issue are arbitrary, it is notable that even CURB proposed an equity ratio higher than Staff's.

---

[30] Gorman Direct, p. 40. While not agreeing that comparative capital structures is the way to adopt a capital structure for EKC, Ms. Bulkley points out in her rebuttal testimony that Mr. Gorman has recently testified in another proceeding that this range went up to 52%. (Bulkley Rebuttal, pp. 128-129.)
[31] Gorman Direct, p. 41.
[32] Gorman Direct, p. 39.
[33] Gorman Direct, p. 41.

Q. Didn't Dr. Woolridge change his recommendation in his cross-answering testimony?

A. He did. Dr. Woolridge adopts Mr. Gatewood's capital structure in his cross-answering testimony, claiming he made a mistake in his initial analysis. As I said above, Dr. Woolridge's analysis is fairly arbitrary, as evidenced further by his cross-answering testimony, and it should carry little or no weight. However, and notably, he had no trouble recommending a 50% equity component for EKC as a reasonable level of equity based on his knowledge of the industry from a national perspective.

Q. Dr. Woolridge also discusses the "double leverage" issue related to parent and subsidiary companies. Do you have any comments in response to his testimony on this topic?

A. My response is that Dr. Woolridge's generalized assertion has no bearing in this case. Because EKC's actual standalone capital structure reflects the true economic capital structure supporting EKC's utility investments and operations, there is no justification for abandoning the widely accepted standalone approach in favor of an artificial capital structure that is not commensurate with the financial and business risks attendant to EKC's individual regulated utility operations.[34]

Q. In the Motion filed with EKC's Application that you discuss above, what standard did EKC propose for the Commission to adopt for purposes of determining the appropriate capital structure for EKC in this docket?

A. EKC recommended that the Commission adopt the following framework for determining the regulatory capital structure of EKC in this proceeding:

[34] See Order Approving Merger, Docket No. 18-KCPE-095-MER, Attachment A, p. 12.

1. Capital structure proposals by all parties shall be consistent with the Commission's commitment to use a capital structure that will result in the lowest overall cost of capital that is representative of utility operations.
2. Capital structure proposals by all parties shall be consistent with the 2018 merger condition requiring the cost of service and rates of Evergy, Inc.'s operating utility companies be set commensurate with financial and business risks attendant to each company's individual regulated utility operations.
3. Capital structure proposals by all parties shall be supported by substantial competent evidence based on the record taken as whole and shall not be based solely upon theoretical concepts or speculation.
4. EKC's actual capital structure will be used as the basis for determining its regulatory capital structure if the Company shows that:
   a) EKC issues its own non-guaranteed debt, has its own bond rating, and has an equity ratio within the historical range approved by the Commission; and
   b) the 2018 merger and post-merger operations of Evergy, Inc. and its non-EKC and non-Evergy Metro affiliates have not resulted in capital cost increases for EKC.
5. To overcome the presumption that the actual standalone capital structure of EKC should be used, a party must present substantial competent evidence demonstrating that EKC's actual capital structure is imprudent or inconsistent with industry norms, or that there has been intentional manipulation of corporate capitalization to defeat public convenience or accomplish a wrongful purpose on the shareholders' behalf. [35]

[35] *Memorandum Regarding Subsidiary Utility Capital Structure Determinations*, Attachment A to *Motion of Joint Applicants for Leave to File Legal Analysis Regarding Standards for Determining Capital Structure*, filed January31, 2025, pp. 13-15.

Q. Is this the standard EKC has applied in this case and is asking the Commission to follow in determining its capital structure in setting its rates?

A. Yes, it is.

(2) *Return on Equity*

Q. What is your response to ROE recommendations provided by Staff witness Mr. Gatewood, CURB witness Mr. Woolridge and KIC Commercial Group witness Mr. Gorman?

A. EKC's proposed ROE of 10.50% is supported by capital market conditions, investment needs, business and regulatory risks, and peer utility benchmarking. EKC witness Ann Bulkley provides substantial testimony and analyses in both direct and rebuttal testimony demonstrating the reasonableness of EKC's requested ROE. Ms. Bulkley also provides rebuttal testimony demonstrating the flaws and shortcomings in the Staff and Intervenor testimony and advises the Commission that when those flaws and shortcomings are corrected, the corrected analyses of these witnesses also support EKC's requested 10.50% ROE.

Like the comparatively low equity percentages proposed by the Staff and Intervenor witnesses, the ROEs proposed by Staff and Intervenor witnesses are below the level authorized for most utility companies across the United States with similar risks as EKC. For vertically integrated electric utility company rate cases, companies with similar risks and profiles as EKC, the average of authorized ROEs for the twelve months ended March 31, 2025, was 9.87%[36]and, arguably, represents a minimally reasonable approach that meets the "comparable return" and "capital attraction" standards mandated by the U.S. Supreme Court in Bluefield and Hope. The Staff and Intervenor positions advanced in this case fall well short of this mark.

[36] S&P Global, "Major energy rate case decisions in the US – January-March 2025", April 25, 2025, p. 3.

Q. What is your recommendation after reviewing the other parties' positions on ROE?

A. The ROEs proposed by these witnesses are below the level recently authorized for the substantial majority of vertically integrated electric utility companies across the United States with similar risks as EKC and thus are not consistent with the *Bluefield* and *Hope* standard. As stated, application of an unreasonably low ROE harms Kansas customers through its impact on investment, competition with other localities and higher capital costs. Rather, maintaining a competitive ROE is essential to supporting and advancing Kansas' growing infrastructure needs and economic development efforts. EKC's requested 10.50%, or at a minimum a commensurate ROE with similar companies with similar risks, should be approved as part of a just and reasonable overall rate of return.

IV. WESTERN PLAINS WIND FARM

Q. What comment would you like to make in response to Staff's recommendation regarding the Western Plains Wind Farm ("Western Plains")?

A. The Company appreciates Staff's consideration of the issues presented concerning Western Plains and Staff's recommendation for approval. Mr. Unrein conditions his recommendation for approval on the extension of the lease period from 20 to 25 years. EKC accepts his condition as modified in Mr. Klote's rebuttal testimony in which he provides the accounting adjustments to reflect this change.

V. PANASONIC

Q. What did Staff witness, Mr. Unrein, recommend regarding the Panasonic plant being built in EKC's territory in De Soto, Kansas?

A. Mr. Unrein recommended the Commission order EKC to begin tracking for deferral into a regulatory liability sales margin revenues and incremental costs to serve the Panasonic load. This regulatory liability would then be returned to customers in the next rate case over a period to be determined by the Commission at that time.

Q. How does EKC respond to this recommendation?

A. Staff's recommendation is inconsistent with traditional ratemaking policy, the statutory economic development incentives and utility infrastructure investment regulatory mechanisms enacted by the Kansas legislature, and it is not workable from a practicable standpoint, as was the case in previous dockets where this type of regulatory accounting mechanism was proposed. It is also unnecessary, as specific efforts have been made to identify and ensure that no Panasonic costs are included in this proceeding. Staff's deferral recommendation is imbalanced and could result in a potential taking considering EKC's demonstrated history of achieving less than designed industrial revenues and significantly underearning its authorized ROE. If Staff's recommendation is adopted, EKC's ability to earn at or near its authorized ROE will be impaired, placing an outsized regulatory risk on the Company. In sum, creating a new revenue deferral without demonstration of EKC earning in excess of its authorized ROE will result in an unreasonable and unbalanced regulatory outcome.

Q. How is it inconsistent with traditional ratemaking policy?

A. The Commission uses a historic test-year in establishing rates; it does not project costs and revenues forward. Any adjustments to that historical data must be based on changes that are "known and determinable" at the time of the rate case.[37] Out-of-period adjustments

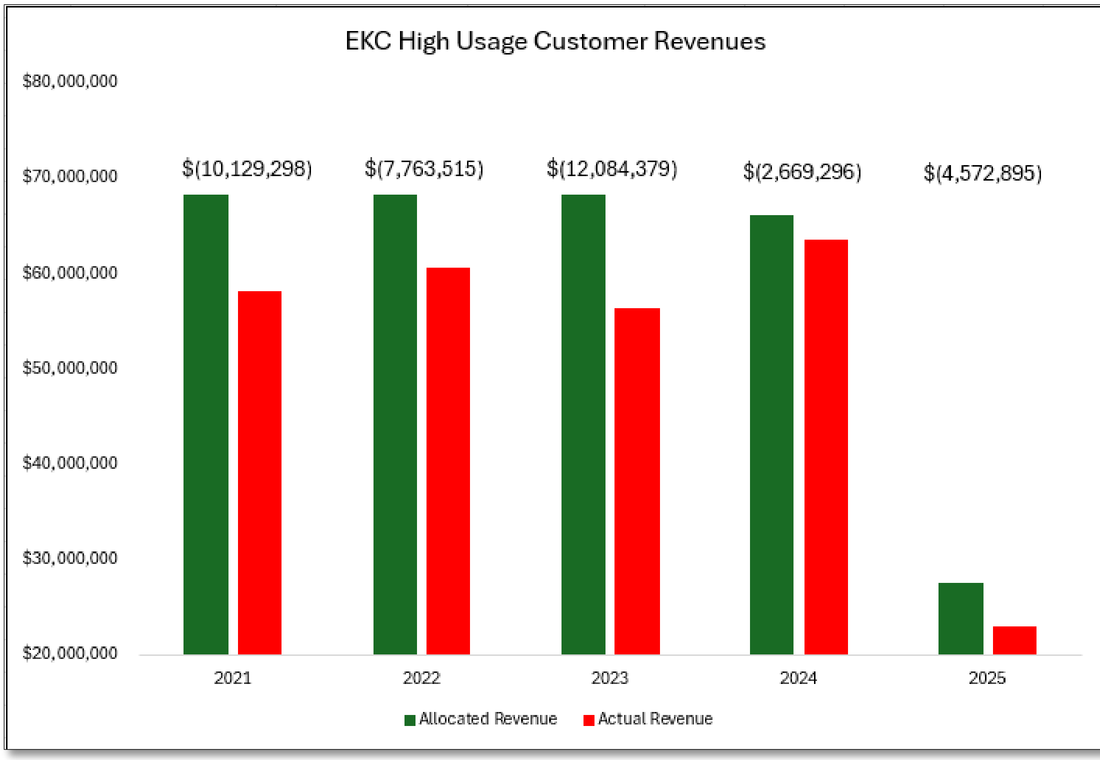
[37] K.A.R. 82-1-231(c)(4)(I)(ii) – A utility's rate case filing uses test year data, but it can include "adjustments for known or determinable changes in revenue and expenses."

must be for known and measurable changes occurring at a time certain.[38] They are only appropriate if they can be reasonably quantified[39], and are not conjectural or based on projections and assumptions.[40] Future potential revenues and costs for serving Panasonic that are incurred after the update in this case do not meet this standard.

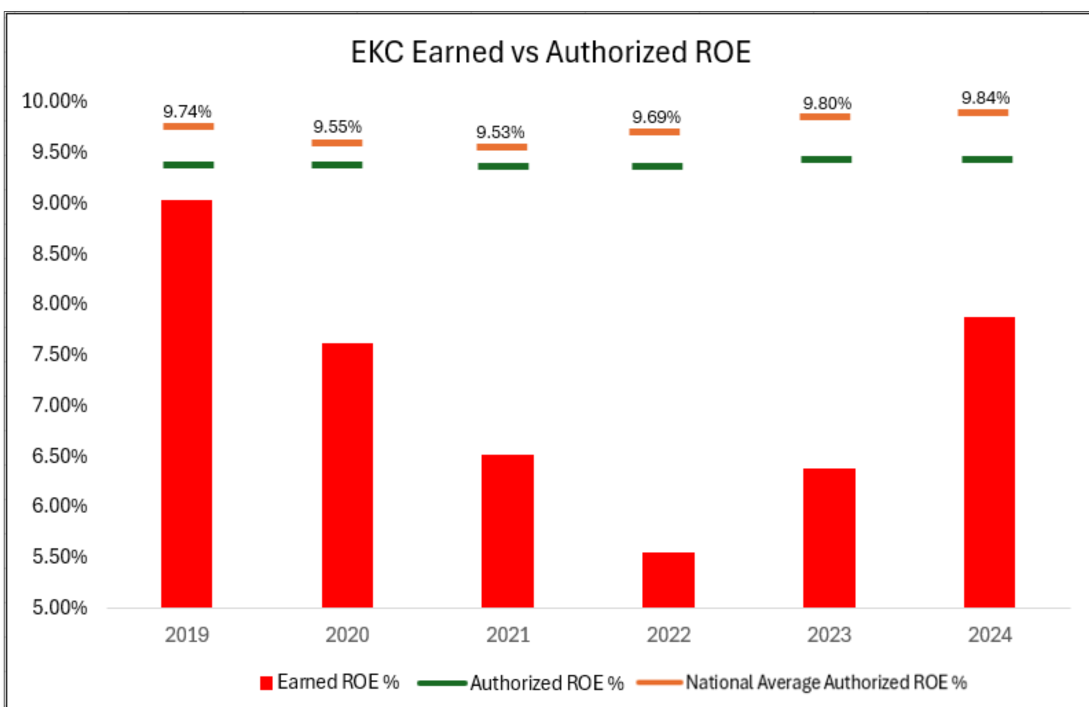
Additionally, traditional ratemaking places upon the utility the risks and rewards of changes that may occur in costs and customer growth between rate cases. Oftentimes, increases in customer growth between rate cases is the only way a utility can meet the inevitable increases in costs that occur between rate cases. This is illustrated best by looking at EKC's present situation.

The table below, and attached as **Exhibit DRI-2**, shows EKC's Actual High-Usage Customer revenues earned versus the level rates were based upon.

[38] *Columbus Telephone Co., Inc. v. Kansas Corporation Commission,* 31 Kan.App.2d 828, 835 (2003) – "claims for future expenses which are merely conjectural are not generally allowed unless the claims are based on known and measurable post-test year changes."
[39] *Kansas Industrial Consumers v. State Corporation Commission,* 30 Kan.App.2d 332, 342 (2002) ("*KIC*").
[40] *KIC* at 345-346.



This impact follows in the table below, and attached as **Exhibit DRI-3**, showing EKC's Earned vs. Authorized ROE for the past six years.



This demonstrates that EKC has been under-earning consistently since the merger, including since the last rate case in 2023, and there are no fundamentals expected to change that would narrow that gap looking forward. The most likely opportunity for EKC to narrow the gap to authorized ROE is from the potential new revenues it might experience through improved revenue growth between cases resulting from economic development. Staff's recommendation inappropriately and unfairly takes away from the utility this one opportunity to earn closer to its Commission-authorized ROE.

Q. How is it inconsistent with statutory economic development incentives?

A. In the 2024 session, the Kansas Legislature adopted House Bill 2527, which amended various sections of K.S.A. Chapter 66.[41] This legislation provides incentives for investment in Kansas, both for delivery infrastructure and natural gas generation in support of customer load. It does not in any way – directly or indirectly – provide an indication or opportunity that it would be appropriate to offset that incentive through other mechanisms. To do so with a new revenue deferral undermines the legislative economic development incentives in regard to utility infrastructure investment incentives advanced by the legislation.

Q. Why do you say Staff's recommendation is unworkable as a practical matter?

A. It fails to recognize problematic details, such as whether EKC will be able to track customer outages to return revenues and how to track large customer revenue shortfalls from large storm outages. As an example, EKC had a large refinery customer with an extended maintenance outage this year after a fire at the facility. It is not infrequent that EKC has large customers go out of business or materially alter their businesses in a way that substantially impacts EKC's revenues. But, in Staff's scenario, EKC would not be allowed

[41] 2024 Kansas Session Laws Ch. 60 § 4 (H.B. 2527), eff. July 1, 2024.

to recover the revenues lost from those incidents or events outside the control of the Company.

If the Commission wanted to track large customer revenue differentials, which should not be done in the context of this general rate proceeding, it could be done symmetrically, as there are large customer revenue shortfalls for multiple reasons. However, creating such a symmetrical tracker would have practical implementation difficulties and would start to look like industrial revenue decoupling, which would be a much larger policy issue for the state than should be addressed in this EKC rate case proceeding.

Q. Has this type of adjustment been proposed in a previous Commission docket?

A. Yes. Because the COVID pandemic and resulting Commission emergency orders had such an extreme impact on EKC's operations and revenues in a situation that was essentially unprecedented, EKC proposed in its 2023 rate case the ability to recover lost revenues it had tracked for commercial and industrial customers related to the COVID situation. The parties to that docket uniformly rejected EKC's request.

In summary, I am unaware of a case where the Commission has required a utility to engage in large customer revenue and cost tracking for the purpose of the utility recovering or refunding the accounting liability or asset in its future rate case, as Staff has recommended here.

VI. <u>NUCLEAR PRODUCTION TAX CREDIT</u>

Q. How does EKC respond to Staff's recommendation regarding the potential Nuclear PTC credit?

A. Mr. Unrein's review and explanation of this issue is generally consistent with EKC's understanding and testimony. Where we differ is that Mr. Unrein urges the Commission to rule proactively that a future opinion of the IRS allowing EKC to begin receiving a Nuclear PTC credit, should trigger immediate returns of the credits to customers rather than in the next general rate case as was proposed by the Company. EKC disagrees with Staff's recommendation in this regard. Company witness Ms. Hardesty addresses this issue also.

Q. Why do you disagree?

A. Evergy has not included any nuclear PTC benefit in the income tax expense or as a deferred tax asset for rate-making purposes because of uncertainty regarding how gross receipts should be calculated under the Internal Revenue Code, this uncertainty impacts the potential nuclear PTC benefit. The Company is awaiting IRS guidance on whether market-based electricity prices or retail revenue should be used, which significantly affects the credit amount. To protect customers' interests, EKC is requesting approval of a nuclear PTC tracker to defer any realized PTC benefits into a regulatory liability account. These deferred amounts would be addressed and returned to customers in a future proceeding to ensure customers receive the full value of any credits ultimately realized. To be clear, EKC does not object to Staff's alternative recommendation that the benefit be provided through ACA, as discussed below, as long as the appropriate definition and timing for deferral is established.

Q. What about Staff's recommendation that the refund be made in a line-item credit to bills or through the ACA, and Mr. Gorman's recommendation that it should be

passed on to customers through offsets to nuclear fuel expense amortizations in the Company's ECA?

A. Although EKC objects to the return of the credit *before* it results in improved cash flows from the reduction of income tax payments otherwise due by EKC or cash inflows from the sale of the credit, if that deferral timing is accepted by the Commission, then flow through of the benefit to customers could be in the next ACA (rather than through an amortization determined in a general rate case), not in the ECA/RECA, and it should not be in the form of separate bill credits. The ACA has historically been the adjustment process for items such as this, whereas the ECA/RECA addresses projected fuel, purchase power, wholesale revenue impacts and should not be cluttered with monetized nuclear PTCs. If the ACA is utilized, any such ACA adjustment should be evaluated in the ACA filing to determine the appropriate period over which to provide the benefits back to customers taking into account bill volatility and other relevant considerations at that time.

VII. SPECIAL CONTRACTS

Q. What issues are involved in this case concerning the special contracts of EKC's larger customers?

A. HF Sinclair's witness, Mr. Bieber, testifies that the special contract under which EKC provides service to HF Sinclair should be modified so that a lower amount of the revenue increase granted in this case is allocated to HF Sinclair than would otherwise be under the terms of HF Sinclair's special contract.

Q. How does Mr. Bieber support this request for a deviation?

A. He asserts that it is not appropriate to treat the aggregate of EKC's three special contracts customers, each of whom pay different rates for electric service, as a single customer class for cost allocation purposes. Instead, he recommends the Commission adopt his modified class cost of service study ("CCOS") which separately allocates costs to each special contract customer. Of course, his CCOS calculation shows (1) the cost of providing service to HF Sinclair is lower than the rate HF Sinclair agreed to in its special contract that it will be paying after the revenue increase adjustment in this docket, and that (2) the cost to provide service to HF Sinclair would require a below-average rate increase to align with its cost of service, while the other two special contract customers in the class would require significantly higher-than-average rate increases to reflect cost causation.

Q. Is it appropriate to request a special contract be modified in a rate case based upon a cost-of-service analysis?

A. No. It is inappropriate because (1) the Commission has found that special contracts should only be evaluated once, at the time they are filed with the Commission for approval and that a second review in a later rate case is inappropriate[42], (2) HF Sinclair fails to meet the high burden of proof required to abrogate a term of a private contract[43], (3) special contracts are negotiated agreements that are not based on cost of service allocations, and (4) shifting the revenue increase away from HF Sinclair to EKC's other two special contract customers is unreasonable, unjustifiable and unfair. I will address these reasons in turn.

Company witness Marisol Miller provides rebuttal testimony explaining why the cost-of-service calculations of Mr. Bieber are incorrect.

Q. What is the standard for modifying a private contract in Kansas?

[42] Docket No. 01-GIME-813-GIE, Order dated Oct. 3, 2001, pp. 2-3, paragraph 6.

[43] "Once a private contract has been approved, the contract can be modified only if it is unreasonable and is adversely affecting public welfare." See *Farmland Indus., Inc. v. State Corp. Comm'n of State of Kan.*, 25 Kan. App. 2d 849, 853 (1999); *Kansas Power & Light Co. v. Mobil Oil Co.,* 198 Kan. 556, 559 (1967).

A. I'm not a lawyer, but my many years involved in regulatory proceedings allows me to read and understand what these standards are, so I am answering this question in that context. Contracts are negotiated instruments, especially contracts between sophisticated parties like EKC and HF Sinclair, and they will not be abrogated by a court or agency like the KCC unless abrogation is necessary to protect a compelling public interest. "Once a private contract has been approved, the contract can be modified only if it is unreasonable and is adversely affecting public welfare."[44]

Q. Does Mr. Bieber appear to be in agreement that this is the applicable standard for the Commission to modify a special contract?

A. It appears he does not. He acknowledges that EKC has the right to raise rates for special contract customers under the terms of their contracts and that those terms require EKC to apply the same overall percentage increase or decrease to special contract customers as is allocated to the Industrial and Large Power Service class of customers (which EKC has done in this case).[45] But then he says, "... however, the final allocation of any increase or decrease is under the full purview of the KCC."[46] While I agree EKC's contracts with its customers remain subject to the Commission's jurisdiction and that the Commission has the power to abrogate a contract if it meets the high standard I've described above, to the extent Mr. Bieber is saying the Commission can modify a contract at will and not have to meet that high public interest standard, he is mistaken.

---

[44] See *Farmland Indus., Inc. v. State Corp. Comm'n of State of Kan.*, 25 Kan. App. 2d 849, 853 (1999); *Kansas Power & Light Co. v. Mobil Oil Co.,* 198 Kan. 556, 559 (1967).
[45] In fact, HF Sinclair has been under this exact provision since 2019 and under general increase terms since its first special contract in 2013.
[46] Bieber Direct, pp. 14-15.

Q. Does Mr. Bieber provide any evidence that would support a finding by the Commission that the public interest requires a modification of HF Sinclair's special contract?

A. He does not. His argument is strictly based upon his cost-of-service analysis. He simply claims that the allocation of revenues to the HF Sinclair special contract that he recommends "will improve the alignment between revenue allocation and cost causation."[47]

Q. Is it appropriate to use a cost-of-service analysis to support a rate change under an existing special contract?

A. It is not. As I explained above, opening up a contract in a rate case in an attempt to abrogate or rewrite some of its terms is contrary to Kansas law and KCC Orders. That is what Mr. Bieber is trying to do by proposing a new rate based on his cost-of-service analysis that conflicts with the terms of HF Sinclair's special contract. Additionally, it is fundamentally incorrect to try to modify a special contract this way because the contract is a negotiated agreement, not a strictly cost-based rate. HF Sinclair received concessions in its special contract that must be taken as a whole. Mr. Bieber's attempt to dissect it and modify only the term he wants for his client's benefit defies the basic concept of "a negotiated contract".

Q. How does HF Sinclair recommend the reduction in its allocation of the revenue increase be recovered by EKC?

A. As I indicated above, he says it should be shifted for recovery to EKC's other two special contract customers. EKC objects to HF Sinclair's position in its entirety and requests the Commission to reject HF Sinclair's modification to the allocation of revenue requirement from this rate proceeding to the Special Contract.

[47] Bieber Direct, p. 15.

VIII. RATE AFFORDABILITY AND RATE COMPETITIVENESS

Q. Which witnesses have testified about rate affordability and rate competitiveness in this case?

A. Ms. Lowell of USD 259 testifies about the impact of EKC's requested rate increase on its school budget, Mr. Gorman of the KIC Commercial Group addresses the competitiveness of EKC's rates if this requested increase is granted, and Mr. Giacchino of the Gas Companies testifies about the Gas Companies claim that EKC's low residential rates impact their ability to compete.

Q. How do you respond to Ms. Lowell's concerns?

A. While EKC understands the financial challenges educational institutions can face, USD 259 is asking that other electric utility customers subsidize school budgets and that is just not appropriate. Schools, like other worthy institutions, should have rates established that accurately reflect the cost of providing them with service. They are supposed to be supported by the state and their local communities, not electric customers, many of whom have their own financial challenges. Financial issues and problems meeting their legitimate costs should be addressed by the Kansas legislature and local government.

Q. Ms. Lowell includes quite a bit of financial information in her testimony. Have you had an opportunity to consider publicly available financial information regarding the USD 259?

A. Yes, I have. Following are a few relevant facts from publicly available financial information I was able to review online[48]:

---

[48] District Checkbook - Wichita Public Schools – https://www.usd259.org/finance/district-checkbook.

- Review of published budget information and the district checkbook shows that for the 2024/2025 school year, payments to Evergy total a little under $9 million annually, or just over 1% of the district's overall budget, and electricity costs look to have increased by about 6.5% over the last seven school years when comparing to district payments to Evergy's predecessor, Westar, in the 2017/2018 school year, or less than 1% annually over that period.
- Over that same seven-year period the district's overall budget appears to have increased from $664 million to $966 million, or over 45%.
- The operations and maintenance ("O&M") expense component of the total budget from the 2017/2018 school year to the 2023/2024 school year has increased by $24 million, or approximately 43%, for an O&M increase of roughly seven (7) times the rate of increase of electricity costs for the district.
- From the level in the 2017/2018 school year budget to the 2023/2024 school year, the Administration Budget appears to have increased by approximately 24% while over the same timeframe the Student Instruction Budget appears to have increased at a slower pace, at approximately 17%.

Q. What are your thoughts on Ms. Lowell's electricity affordability testimony after reviewing the district's publicly available financial information?

A. It is apparent that Ms. Lowell and the district are faced with many budgetary pressures. Like all of us - individuals, businesses and agencies - the inflationary pressures and costs we face annually are real and are impactful. However, with a growth in our electricity prices over the last seven years of an annual 1% or less impact on the district, the share of the district's budget devoted to electricity is very small and the impact on the district's budget over the same period for electricity appears to be relatively insignificant in relation to other budgetary impacts. My review of the publicly available financial information indicates that consistent with the other third-party analyses of EKC rates and relative competitiveness that EKC has provided in this proceeding, we remain competitive and are in no way having a disproportionately negative impact on the district and its overall budget.

I continue to believe that if the district is experiencing financial issues and having problems meeting their legitimate costs, those issues should be addressed by the Kansas legislature and local government or through considering other areas of the district's annual budget that are experiencing more inflationary pressures and growth than the 1% of the district's overall budget that electricity represents.

Q. What about Mr. Gorman's assertion that customers are impacted by more than just base rates, that the combined impact of all EKC's rate changes results in a material increase in electric service monthly costs to customers, and that this full impact is not embodied in the Company's claimed change in its cost of service for modifying its proposed base tariff rates?

A. First, the Commission is well aware of the various elements of EKC's rate structure and their impact on customers. Second, all elements of EKC's rates have been audited and approved by the Commission as just and reasonable. Third, the Company's representations and analyses appropriately focus on the rate changes proposed in this docket.

Q. Is there data showing Mr. Gorman is incorrect in his assertions regarding the affordability and competitiveness of EKC's rates?

A. Yes. The Jefferies Report attached as **Exhibit DRI-4** shows significant improvement of 6.8% for Evergy in residential bills from 2022 to 2023; some of the best improvements in the country. Evergy's residential bills of $117 for 2023 are lower than the full sample average of $133.[49] The Wallet Share data shows Evergy with a significant move towards customer relief from 2022 to 2023.[50]

Similarly, recent data from the Edison Electric Institute (EEI) demonstrates that Evergy and its operating utilities inclusive of EKC, are not unaffordable or uncompetitive in its electric rates examining data from the twelve months ending December 31, 2024. The EEI data shows EKC(KPL) residential rates rank 70th in the country and EKC(KGE) ranks 68th in the country out of 165 utilities. Evergy, as a whole, is 52nd in the country in the EEI analysis.

State level residential data from EIA using the twelve months ending March 2025 shows Kansas ranks 32nd highest in residential rate in the country, but that is a fifteen place improvement from Kansas' rank in 2017 and the percentage increase from 2017 to March 2025 of 7.00% is the 2nd lowest increase in the country, behind only Utah which came in at 6.00%.

Again, utilizing state level residential data, but this time considering average residential bills, EKC's average residential bill for the twelve months ending March 2025, is 3.3% below the average residential bill for the surrounding regional states to Kansas.

These examples of third-party data and analyses demonstrate that Mr. Gorman's assertions surrounding affordability and competitiveness of EKC's rates are overstated. Evergy's commitment to and focus on affordability, reliability and sustainability are demonstrated by the relative affordability of rates described above and supported by the record established in this case.

---

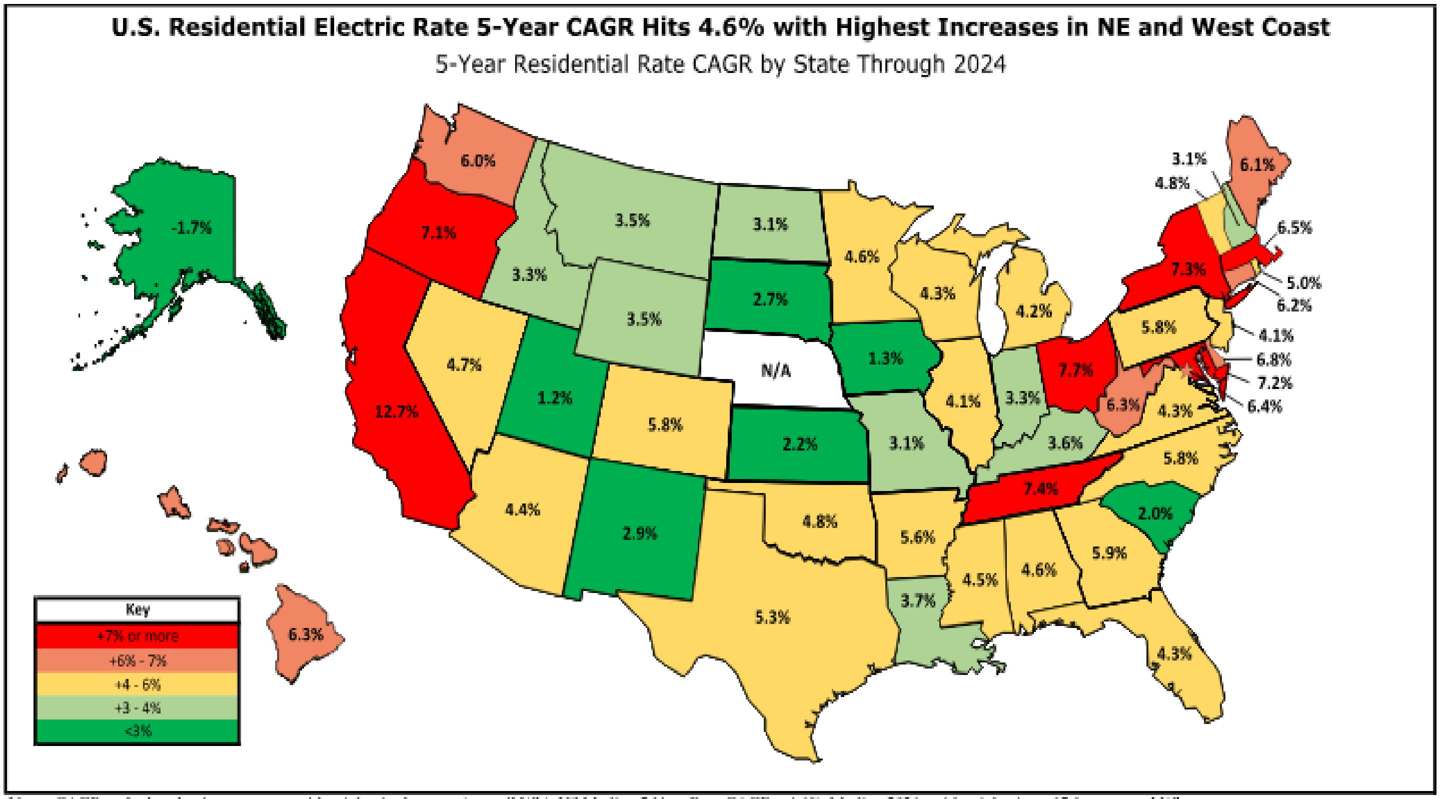
[49] Jefferies – "Pocket Book Pain: Spiking Electric Rates A Sector Headwind", June 2, 2025, p. 4.
[50] *Id.*

Q. Will EKC's rates, when all components of those rates are considered, remain competitive if the increases requested in this docket are granted?

A. Yes, the comparison data we have presented shows this to be true. However, as I mentioned above, denying EKC the ability to recover its legitimate costs of providing service, which includes a fair and reasonable return to our shareholders on their investment, would eventually result in our inability to build the facilities needed to spur new investment and bring in new businesses to our service territory, it would reduce our ability to continue providing reliable service, and it would result in a higher cost of capital for our customers to pay.

Q. How has Kansas fared in rate competitiveness over the last five years compared to other states?

A. The map below shows the 5-year residential rate Compound Annual Growth Rate ("CAGR") for Kansas compared to other states. The summarized data from SNL and Wells Fargo pictured below, and attached as **Exhibit DRI-5**, shows very favorable rate impacts for Kansas, proving further than EKC's rates, which make up a major portion of rates paid in Kansas, remain competitive.



Note: CAGRs calculated using average residential price by state (cents/kWh); US Median 5-Year Rate CAGR = 4.6%; Median 2024 residential price = 15.1 cents per kWh
Note: Nebraska does not have any Investor-Owned Utilities
Source: SNL Financial LC and Wells Fargo Securities, LLC
SNL Disclaimer: SNL FINANCIAL LC. CONTAINS COPYRIGHTED AND TRADE SECRET MATERIAL DISTRIBUTED UNDER LICENSE FROM SNL. FOR RECIPIENT'S USE ONLY

Q. Mr. Giacchino, witness for the Gas Companies, argues that EKC's Class Cost of Service (CCOS) study under-allocates costs to residential customers, resulting in a subsidy to residential that makes it problematic for gas companies competing with EKC. How do you respond to his assertions?

A. I recognize Mr. Giacchino's testimony as representing a very unique special interest in the EKC rate case and I disagree with his assertion that the Commission has historically approved EKC residential rates that are unfairly subsidized by other customers. I also dispute that EKC's Commission-approved rates constitute an unreasonable competitive detriment to the Gas Companies. While EKC's CCOS shows the residential class as contributing less than its fully distributed share of costs, inclusive of returns (which in my experience is not an unusual CCOS result for a residential class), CCOS studies are just one consideration, among many, the Commission weighs in determining just and reasonable rates. This includes social and policy issues among many others. Each time the Commission orders rates for residential customers they are required to determine that the rates are just and reasonable, something the Commission has done for many, many years and will continue to do. EKC has provided appropriate analyses and support demonstrating that its rates, including its residential rates, are just and reasonable, and the Commission should give weight to the CCOS and rate design analyses and testimony provided by EKC, Staff and CURB in this proceeding while giving little consideration to the special interest consideration/complaint from the Gas Companies.

IX. STAY CONNECTED PILOT PROGRAM

Q. What positions have CURB and Staff taken regarding the proposed SCP Program?

A. CURB witness Mr. Franz addresses the low-income program proposed by EKC called "Stay Connected" that is intended to assist residential customers in keeping their account current and avoiding the loss of service. CURB is supportive of the SCP Program but makes certain recommendations for modifications. While EKC witness Ms. Kimberly Winslow addresses the majority of the recommended modifications in her rebuttal testimony, I address CURB's recommendation that the administrative costs of the program should be borne 100% by Evergy, Inc.'s shareholders and CURB' suggested treatment for potential increases in revenue and decreases in costs due to fewer disconnections as a result of the program.

Staff has recommended the Commission reject the SCP Program on the basis that it violates Kansas law directed at Lifeline rates for low-income customers. While Ms. Winslow touches on this aspect of Staff's position, I address it in more detail below.

Q. How do you respond to Mr. Franz's suggestion that Evergy, Inc.'s shareholders should pay the administrative costs associated with offering the SCP Program to its customers?

A. Mr. Franz' suggestion is completely inappropriate in recommending shifting this program from a customer assistance program reasonably demonstrated to be funded by electric customers to a shareholder funded charitable giving for the administrative costs. A customer program that is found to be in the public interest and resulting in just and reasonable rates is an appropriate utility service, like all of our other services, for which recovery in rates is allowed. CURB's position is inconsistent with Commission precedent and applicable legal standards for recovery of legitimately incurred utility expenses. All EKC expenses are subject to review by the Commission and if they are found to be reasonable and prudent, they are included in rates for recovery. Any requested disallowances must be based on actual evidence, not social theory. Evergy's shareholders should be afforded the opportunity to select their own choices for charitable giving, not have the Commission or stakeholders in the State of Kansas dictate the recipients of their charitable giving.

Q. Do you believe Evergy, Inc. should provide assistance to its customers?

A. Yes, I believe a corporation should take an active interest in supporting the vitality and growth of its communities and assisting its vulnerable customers. Evergy does this through donating millions annually to nonprofit agencies across its territories. These donations are funded by shareholders.

Q. Since the Company is proposing a program of discounts for low-income customers, but objecting to a subsidy in rates for schools such as USD 259, can you explain how EKC distinguishes the two for this purpose?

A. Our CCOS study filed in this case, as well as prior work we have completed on EKC's school rates clearly show, contrary to the testimony from USD 259, that other EKC customers are substantially subsidizing the school rates that USD 259 participates in. As more fully described above, EKC's rates have been demonstrated to be competitive, USD 259 has many larger influences on its budgets than electric rates and has more appropriate avenues to address budget shortfalls than through any additional EKC customer subsidies beyond the significant subsidies already provided in their electric rates.

It is much more reasonable to establish a pilot program to examine the viability of a residential low-income bill credit program for Kansas customers than to exacerbate other customer subsidies for the benefit of a single class of customers. Importantly, schools have other forums such as their local communities and the state legislature from which to pursue budget support. That is not the case for customers who would qualify for the SCP Program; a program that benefits all customers and not just one class of customers.

Q. How do you respond to Mr. Franz' comments about his desire to discuss in settlement negotiations rate treatment for potential increases in revenue and decreases in costs due to fewer disconnections as a result of the program?

A. EKC has advanced the SCP Program with limited participants utilizing a reasonable budget in order to evaluate the potential for such a bill credit program in the state. In implementing the SCP Program, EKC and stakeholders should absolutely agree on measures and metrics to assess the success of the SCP Program. During the pilot, EKC should evaluate the frequency of customers entering into the threat of disconnection, actual disconnections, accumulated arrearages and bad debt of participants against non-participants. Additionally, EKC would help 'braid' additional resources, such as LIEAP, to help the customer become current on their account prior to enrolling in the SCP Program. While we can give some directional results from our Missouri program, such as participants enter into threat of disconnect at a rate of 10-15%, much lower rate than the national estimate of 25-35% of low-income customers, it would be premature at this time, without adoption and experience with this program in Kansas, to make any revenue requirement adjustments such as those recommended by Mr. Franz. The agreed upon measures and metrics can certainly be instructive in both future program design changes and size as well as informative for appropriateness of any revenue or cost adjustments as Mr. Franz describes – but must be done in future cases based upon program performance, not at this time based on theory and speculation.

Q. Do you agree with Staff's analysis relied upon to conclude the SCP Program is not permitted under Kansas law?

A. No. As Ms. Winslow states in her rebuttal testimony, EKC does not view this program as unjustly discriminatory or unduly preferential. Customers who are low-income can be viewed as reasonably distinct among other customer classes or circumstances. Additionally, the program, arguably benefitting all customers, provides a reasonable basis for approval as allowed under the applicable law. While I'm not a lawyer, I have been involved in this issue in many KCC dockets, and I have read the cases relied upon by Staff. My opinion is from that perspective.

Q. How are low-income customers distinct from other customer classes?

A. The SCP Program is grounded in a rational distinction: it is proposed to target customers with income levels at or below 250% of the FPL, which is a defined, federally recognized threshold of economic hardship[51]. Many regulated rates and tariffs apply differently to different classes of customers (residential, commercial, industrial, etc.). Differences in rates among different types of customers is appropriate as long as they are not *unduly* preferential or *unreasonably* discriminatory. The SCP Program does not give an unfair advantage to anyone; it helps offset an affordability gap that disproportionately affects this class of low-income customers. Additionally, by providing monthly credits, low-income customers are able to more effectively manage their account on an ongoing basis, not fall behind and not enter into crisis situations and possible disconnection. Other forms of assistance such as LIEAP are only applicable when the customer is behind and in an emergency situation.

The SCP Program is open to all residential customers whose circumstances and conditions allow them to qualify. Thus, it treats similarly situated customers alike - all customers at or below 250%[52] FPL are eligible to apply, regardless of geography, race, or household type. This is a reasonable distinction, and it meets the requirement in K.S.A. 66-101d that states special rates, charges or privileges "shall be open to all users of a like kind of service under similar circumstances and conditions."

---

[51] In her rebuttal testimony, Ms. Winslow recommends accepting CURB's recommendation to change the SCP Program eligibility from 250% to 200% FPL.
[52] *Id*.

Q. How do the benefits of these types of programs provide a reasonable basis for approval of the SCP Program?

A. All customers benefit when arrearages, collection activity, and disconnections are reduced, lowering utility costs, bad debt, and operational overhead. The SCP bill credit is not a permanent entitlement but a targeted tool for keeping more customers on the system using energy while also reducing their energy burden. Without proactive assistance, arrearages, service disconnections, reconnections, and collection costs increase.

Q. Please explain why Staff recommends removal of the SCP Program costs from EKC's cost of service.

A. Staff maintains the SCP Program is impermissible under Kansas law. Staff classifies the SCP Program as a "lifeline" rate and cites to a few decisions by Kansas courts and the Commission to conclude the SCP Program is legally prohibited. However, Kansas law allows for reasonable classifications among customer types if they are not arbitrary. Courts and commissions have upheld distinctions where the classification is based on real differences, and the underlying policy supports the public interest.

Q. Why do you believe Staff's legal conclusion is flawed?

A. Because Staff's view is overly strict and narrow, unnecessarily limiting the Commission's rate setting authority. It overplays the *Jones*[53] decision while ignoring the language in other KCC and court decisions that would allow for approval of the SCP Program. The courts have repeatedly stated that the Commission has very broad discretion in establishing a rate design[54], and all that is required is that there be a reasonable basis for the rates adopted.[55]

---

[53] *Jones v. Kansas Gas and Electric Company,* 222 Kan. 390 (1977).
[54] *Kansas Gas & Electric Co. v. Kansas Corporation Commission*, 239 Kan. 483, 497 (1986).
[55] *See Id.* at 491 (holding courts will not substitute their judgment for that of the Commission when the Commission's order is reasonable).

While the full legal analysis on this will be in the parties' post-hearing briefs, my lay person review concludes that Kansas law allows for reasonable classifications among customer types if they are not arbitrary.[56] Courts and commissions have upheld distinctions where the classification is based on real differences, and the policy supports the public interest.[57]

Q. Why do you say Staff overplays the *Jones* decision?

A. Staff reads the *Jones* decision too broadly. That case dealt with a very specific late payment fee situation – not general rate design. Furthermore, the concept that "one class of consumers shall not be burdened with the costs created by another class" is not the end-all in the inquiry. A CCOS study is a starting point for setting rate design, and the courts and KCC frequently approve or adopt rates that reflect other important considerations – such as keeping customers on the network so they can contribute to fixed cost recovery and reducing disconnection and collection expenses that are paid by all customers.[58]

For these reasons, EKC disagrees with Staff's recommendation and believes the KCC has flexibility to approve the SCP Program as it is supported by evidence and sound policy, and it is reasonable and not unduly preferential or unreasonably discriminatory. The Commission has broad discretion to determine what is in the public interest, especially when it comes to rate design. Assisting low-income households with maintaining electric service promotes health, safety, and economic stability, consistent with the goals of Kansas and past regulatory decisions. Providing bill credits to support residential customers to keep them on

[56] *Jones*, 222 Kan. at 399 ("A classification is not arbitrary or discriminatory if it rests upon some ground of difference having a fair and substantial relation to the object of the legislation.")
[57] Id.
[58] *See, generally,* Docket No. 01-GIME-813-GIE, Order dated Oct. 3, 2001, pp. 3-4.

the system, reducing costs for all customers, and strengthening the communities EKC services is sound regulatory policy and within the purview of the Commission to approve.

Q. What is your recommendation for the Stay Connected Pilot Program?

A. I recommend that the Commission approve Evergy's Stay Connected Pilot Program as proposed with only the following modifications agreed to and discussed by EKC witness Ms. Kimberly Winslow in her rebuttal testimony. The modifications Ms. Winslow has agreed to are:

- Reducing the percentage of the Federal Poverty Level from 250% to 200% to enhance availability to the most needed customers.
- Modifying the definition of a Qualified Customer to "a customer who satisfies the eligibility requirements of the Stay Connected Pilot Program."
- Carrying forward any remaining funds at the end of the SCP Program for the next iteration of the program until all funds are used by eligible customers.

X. <u>EMPLOYEE COMPENSATION</u>

Q. What recommendations on compensation have other parties made to which you want to respond?

A. Ms. Jackson, Mr. Garret and Mr. Gorman recommend certain adjustments to remove EKC's short-term, long-term and power marketing incentive compensation expense. These recommendations are inconsistent with Commission standards as set out in previous decisions. Company witness Lesley Elwell addresses this issue in detail in her rebuttal testimony. She explains the incentive compensation plans, how they are consistent with Commission policy, and why these programs are important for the effective and efficient operation of the utility. I have only a few additional comments from a regulatory policy perspective.

Q. What are your comments?

A. I present a general discussion of how the Commission should view EKC's recovery of its costs as a regulated utility, including compensation costs. As a regulated utility, EKC has the legal obligation to serve all customers willing to pay the just and reasonable regulated rate; meaning we cannot ever refuse a customer. With that comes the legal right to recover our prudently incurred costs and have the opportunity to earn a reasonable return commensurate with returns earned by investors in other enterprises having similar risks. Moreover, there should be recognition that an authorized return is simply a permission, not a guarantee. The returns for investors are necessarily residual; that is, they are "what's left over" when all the other bills – most of which have been rising – are paid. In a generally rising price environment, the deck is stacked against the utility ever earning that allowed return. Due process requires the Commission to balance the interests of customers with the interests of investors when making decisions regarding EKC's recovery of costs and allowed return.

Q. Does the principle regarding recovery of prudently incurred costs also apply in the context of employee compensation?

A. Most definitely. In previous cases, as well as this one, other parties have suggested that portions of our employee compensation that relate to the financial performance of the Company should be disallowed. This position taken by other parties ignores the central principle of utility regulation that I discussed above – that a regulated utility is to be given the opportunity to recover actual costs prudently incurred in connection with providing public service. There is no question that the costs related to employee compensation we included in our revenue requirement have been prudently incurred and are reasonable.

In Ms. Elwell's rebuttal testimony, she amply demonstrates the reasonableness of our compensation philosophy and practice. Moreover, our customers enjoy quality utility service and our rates remain competitive with other investor-owned electric utilities in the region. Absent evidence that our compensation levels are the result of imprudent practices or that we are otherwise failing our customers or the public in some meaningful manner, there is no sound basis for disallowing costs related to employee compensation.

Q. Does this conclude your testimony?

A. Yes, thank you.

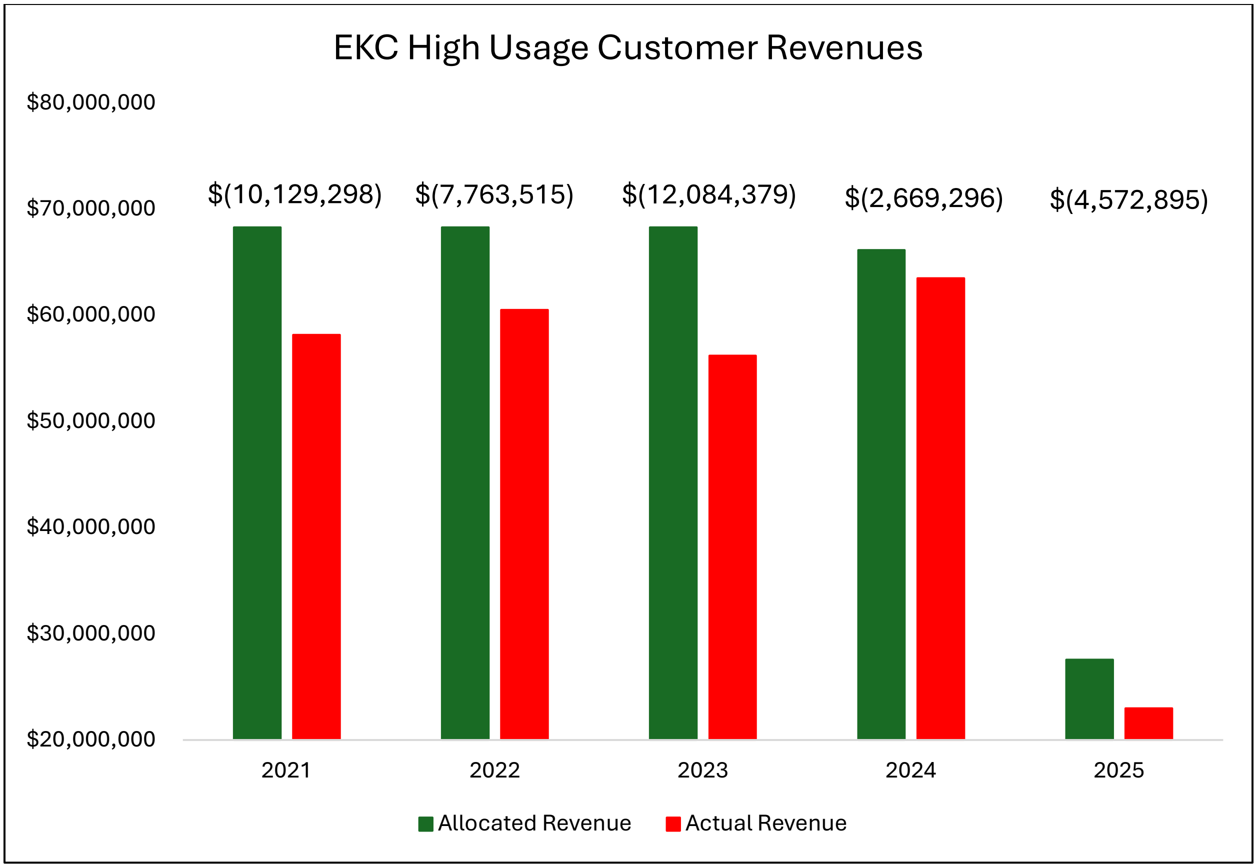

EKC High Usage Customer Revenues
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$(10,129,298)
$(7,763,515)
$(12,084,379)
$(2,669,296)
$(4,572,895)
2021
2022
2023
2024
2025
Allocated Revenue
Actual Revenue

EXHIBIT DRI-3

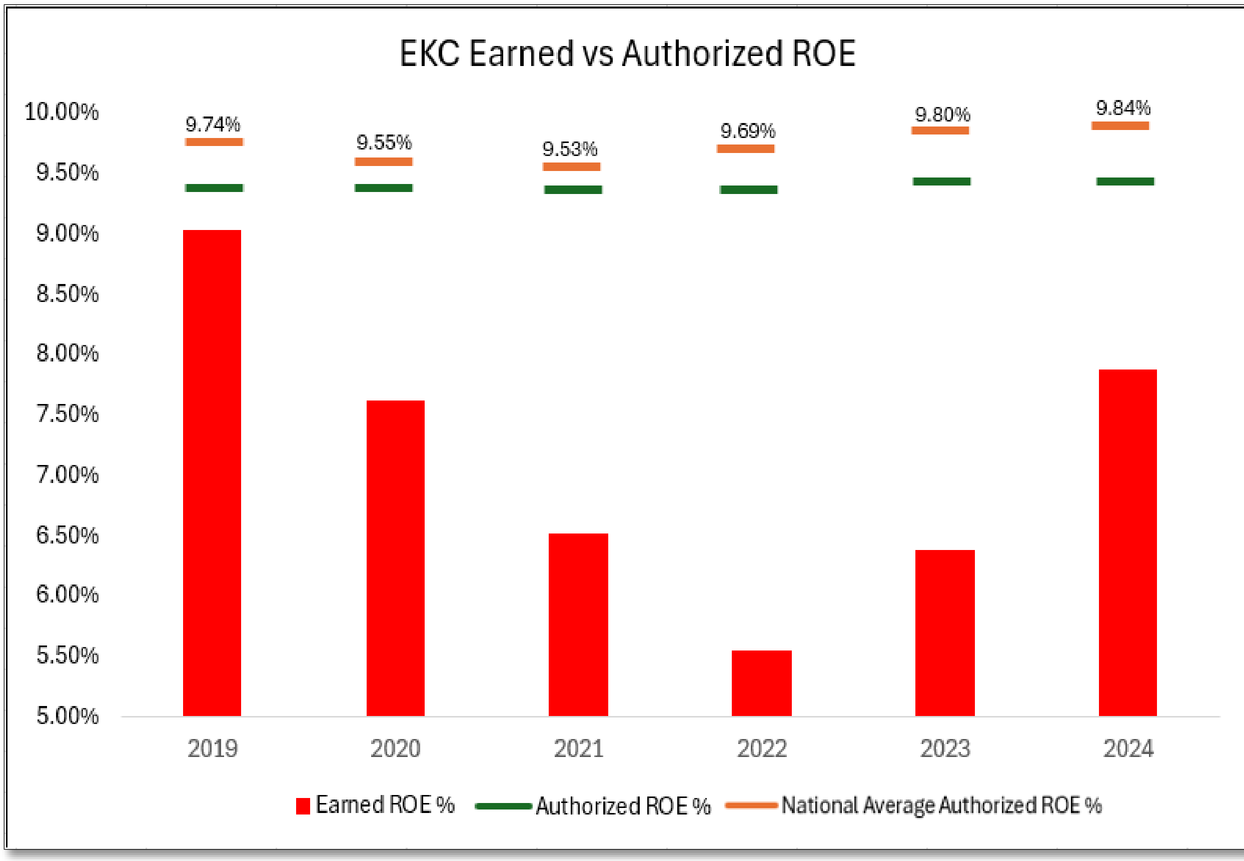


EXHIBIT DRI-4

Jefferies

USA | Power & Utilities

Evergy

Equity Research
June 10, 2025

Kansas Staff Strong Starting Point in Rate Case: Charting the Path Ahead. Buy

Improving regulatory backdrop and new credit metric latitude increase our confidence in 5-year EPS guide increase to 5-7% by year-end. We raise FY27 EPS to high-end of guidance ($4.63) for TSR of 19.9%. Reit BUY.

Visibility toward 2H25 EPS guidance raise continues to strengthen. We raise our FY27 EPS estimate +$0.04 to $4.63 and lift our FY25-FY29 EPS CAGR to 6.8% from 6.4% off reduced equity needs and regulatory progress. Despite recent share price volatility, we see an increasingly offensive outlook for EVRG given continued economic load pipeline growth and sustained regulatory improvement (in KS especially). Although our FY27 estimate stands at the high-end of management's current "top half 4-6%" EPS CAGR, our FY25-FY29 CAGR of 6.8% is well above the

Consensus projection of 5.6% even without incorporating any expected investment from the now ~7 GW of potential load in preliminary discussions. We see an even clearer path to raising long-term EPS growth guidance to 5-7% from 4-6%, possibly as soon as the next full capital plan refresh (likely 4Q25).

Improving regulatory backdrop supports capex upside, validates further re-rating. KCC Staff's position in EVRG's KS Central rate case came in more favorable than anticipated, fruit likely borne from the company's Nov. 2024 workshop on cost of capital. The proposed 9.7% ROE (vs. 10.50% requested) is 30 bps higher than the FY23 settlement, and includes a smaller allocation of parent debt to the subsidiary's capital structure. Settlement discussions set for early July could enable further improvement. While less impactful, Evergy's ability to reach non-unanimous settlements (not yet approved) in its recent natural gas/solar proceedings in both KS and MO (Dockets 25-EKCE-207-PRE, EA-2025-0075) is a positive sign given the 5+ GW of net generation additions outlined in the company's updated 2025 IRPs. With the 2025 IRPs largely focused on natural gas additions, we see less exposure to IRA reform/tariffs relative to peers as well as clear regulatory support for the proposed generation build out.

Lower downgrade threshold from Moody's offers additional latitude for planned equity issuance. Moody's recent revision of Evergy's FFO/Debt downgrade threshold down to 14% from 15% prior could potentially support more capex to further accelerate EVRG's growth strategy relative to current guidance. Per last month's report Moody's expects EVRG's FFO/Debt to approximate ~14% near-term, with an improvement towards 15% by FY29 with the current guidance of $2.8+ in equity issuance. However, accelerating load growth from pipeline customers can further offset equity needs - we reduce our FY26-FY29 equity issuance assumptions by $454Mn in light of the latitude.

Valuation: Raise PT by $1/sh to $78. Increasing growth prospects, an improving regulatory and legislative backdrop, and new credit metric latitude further cement our confidence in EVRG as one of the better risk-adjusted return opportunities in the space.

FY (Dec)	2024A	2025E	2026E	2027E
EPS	3.81	4.04	4.32	4.63
Cons. EPS	3.81	4.05	4.29	4.50
Capex	2,337	2,542	3,238	3,750
Rate Base Total	19,500	21,158	22,956	24,907

2025 ($)	Q1A	Q2	Q3	Q4	FY
EPS	0.54	0.94	1.99	0.56	4.04
PREV					4.05

TARGET | ESTIMATE CHANGE

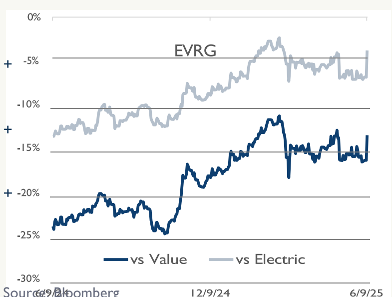
RATING	BUY
PRICE	$67.32^
PRICE TARGET | % TO PT	$78.00 ($77.00) | +16%
52W HIGH-LOW	$70.36 - $52.10
FLOAT (%) | ADV MM (USD)	96.6% | 164.05
MARKET CAP	$15.8B
TICKER	EVRG

^Prior trading day's closing price unless otherwise noted.

FY (Dec)	CHANGE TO JEFe		JEF vs CONS	
	2025	2026	2025	2026
EPS	NM	NA	NM	+1%
EPS	NM	NA	NM	+1%

Shares are in the best position in years. Expect clear EPS guide up ahead in 2H. Shares should further pivot off their latest gains with capex upsides to come.

Exhibit 1 - FY26 EVRG Relative P/E Discount



Source: Bloomberg

Paul Zimbardo * | Equity Analyst
+1 (212) 778-8497 | pzimbardo@jefferies.com
+1 (212) 788-8667 | tjames@jefferies.com

Whitney Mutalemwa * | Equity Associate
+1 (212) 707-6413 | wmutalemwa@jefferies.com

Hannah Velasquez * | Equity Associate
+1 (347) 982-6038 | hvelasquez@jefferies.com

Ethan Corcoran * | Equity Associate
+1 (212) 284-2462 | ecorcoran@jefferies.com

Spark Li * | Equity Associate
+1 (713) 308-4573 (office) | sli8@jefferies.com

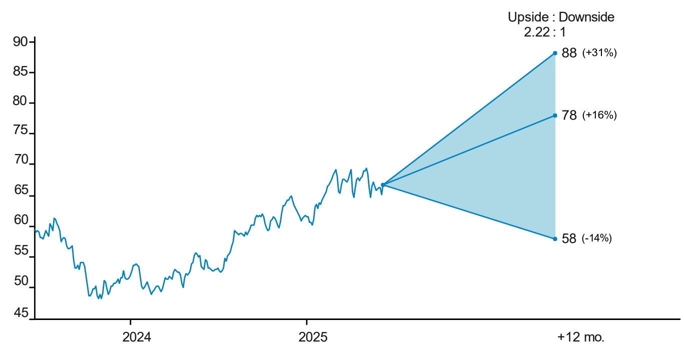
Qudrat Qureshi * | Equity Associate
(646) 530-5925 | qqureshi@jefferies.com

The Long View: Evergy

Investment Thesis / Where We Differ

The company's maintained its confidence in achieving EPS CAGR in the "top half" of its 4-6% guidance from 2025 to 2029 after 1Q25 results below expectations. The elevated rate base growth (~8.5%) and potential load growth (4-5%) show a clearer path to the ~6%+ CAGR we expect long-term. Shares responded positively to Staff's position in the Kansas Central rate case, with its current discount of ~-4% reflecting an improvement from the 10-15% in early 2024.

Risk/Reward - 12 Month View



Base Case,
$78, +16%

Assumes a ~2% discount on a consolidated basis vs. ~4% recent discount. The group discount consists of a 5% discount applied to Kansas operations, and a 5% premium for Missouri operations (resulting in a 0% adjustment at Evergy Metro, given its even split between states). The current ~4% discount vs. peers is an improvement over its May average of ~6%. We view the projected improvement as appropriate given recent regulatory advancements in each state, particularly Kansas.

Upside Scenario,
$88, +31%

Applies a 10% premium for all segments, reflecting a scenario where Kansas and Missouri continue their the regulatory progress of late. Management achieves top-end of EPS CAGR (6%), as generation build out encounters no additional delays, and customer load growth targets are met.

Downside Scenario,
$58, -14%

This scenario assumes EVRG achieves the low-end of EPS CAGR (4%) through 2027, and assumes current premiums/discounts fall to -20% in both states due to a reversal of regulatory progress. This discount is roughly 16 percentage points below recent P/E values relative to Electric peers.

Sustainability Matters

Top Material Issues:

1) Transition to Renewable Energy and Carbon Emission Reduction: Evergy is committed to reducing its carbon footprint by transitioning from fossil fuel-based generation to renewable energy sources. This includes the planned retirement of coal generation assets and the addition of renewable resources, with a target of reducing carbon emissions by 70% by 2030 and achieving net-zero carbon emissions by 2045.

2) Climate Risk Management: Evergy actively manages climate-related risks, including physical risks from extreme weather events and transitional risks related to policy and regulatory changes. The company integrates climate risk assessments into its Enterprise Risk Management framework to ensure resilience and compliance in a rapidly changing environment.

Company Target(s):

1) Achieve a 70% reduction in carbon emissions by 2030 relative to 2005 levels.

2) Attain net-zero carbon emissions by 2045.

Question to Management:

Catalysts

Kansas Central Rate Case Order (3Q25)

Large Load Tariff orders (KS/MO)

Capital Plan Refresh (Est. 4Q25)

Additional large load customer announcements

1) What specific strategies are being implemented to ensure the reliability and affordability of energy during the transition to renewable resources?

Even with shares trading up on Monday +3% after Staff's constructive position in the Kansas Central rate case, we maintain our BUY rating with load growth opportunities providing a clear means of exceeding the current EPS growth guidance of 4-6% and rate base growth of 8.5%. While ongoing IRA uncertainty is a headwind (as it is for their peers), we note that Evergy's near-term focus on natural gas plant development is relatively lower risk compared to renewable build outs, as well as benefiting from legislative developments in both Kansas and Missouri. The company's balance sheet and credit metrics presented one constraint previously, with the recent downgrade threshold reduction and accelerating load demand from customers reducing those concerns in the near-term. Although settlement conferences in the Kansas Central rate case take place next month, the initial filing from Staff suggests the company's collaborative discussions have generated modest positive results. We reiterate our expectation for an improvement to the company's long-term EPS CAGR guidance, with our FY25-FY29 EPS CAGR of 6.7% underscoring their ability to push above their current top half of 4-6% guidance. Meaningful equity is still on the come, but see sizable opportunities to re-rate further. Hybrid/JSN issuances still on the table to enhance outlook. Reiterate one of our favorite smid-cap Buys.

Recapping Staff's Position in the Kansas Central Rate Case

On Friday Staff filed its position in Evergy subsidiary Kansas Central's rate case (Docket 25- EKCE-294-RTS), recommending a 9.7% ROE and $113.8 Mn revenue requirement increase vs. the requested 10.50% ROE and $196.3 Mn. The difference was primarily driven by Staff's 48.74% equity mix (51.97% requested), as well as the ROE gap vs. requested, partially offset by Staff's higher rate base proposal of $6.784 Bn vs. $6.7324 Bn (reflecting investments since March 2025).

For added context, in Kansas Central's previous rate case Staff recommended a revenue requirement increase below 20% of Evergy's request, compared to ~58% in the current proceeding.

As it has argued in previous rate cases, the Staff contended that a portion of Evergy's (the parent) debt should be reflected in Kansas Central's capital structure, which contributes to the lower equity ratio in part. Staff's 9.7% proposed ROE represents a material improvement from the prior 2023 rate case, which settled at a 9.4% ROE (Docket 23-EKCE-775-ETS). The same is true for Staff's HoldCo debt adjustment, which now allocates a reduced proportion of Evergy's debt to Kansas Central. Regarding potential for improvement, we also flag that in testimony staff noted "if the Commission sets the ROE at a different point, [the] analysis supports staying within the range of 9.30% to 9.95%" and that "market data supports an allowed ROE greater than was appropriate in [Kansas Central]'s last dockets".

Exhibit 2 - EVRG Kansas Central Rate Case - Staff Position Overview

Kansas Central Summary	Jan '25 EVRG Ask	Jun '25 Staff Position	Difference
Rate Base ($ Bn)	6.732	6.784	0.052
Revenue Req. ($ Mn)	196.3	113.8	(82.5)
ROE	10.50%	9.70%	-0.80%
Cost of Debt	4.64%	4.46%	-0.18%
Equity Mix	51.97%	48.74%	-3.23%
Debt Mix	48.03%	51.26%	3.23%
WACC	7.69%	7.01%	-0.67%

Source: Kansas Corporation Commission

After the company's Capital Structure & Return on Equity Policy Workshop in November 2024, the recommendation shows solid improvement from the 2023 rate case outcome. The 30bps uptick in ROE (current Staff proposal vs. prior settlement) still has the potential for incremental improvement, although we expect Staff to maintain their position on reflecting a portion of parent level debt in the subsidiary's capital structure. The focus on debt follows Moody's Ratings' recent lowering of Evergy's downgrade threshold to 14% from 15%, and their expectation that the metric will "improve and stabilize in the 14-15% range." Settlement conferences take place July 8/9, and although the settlement agreement deadline is July 14 discussions can continue until the start of evidentiary hearings July 21. The deadline to submit a settlement agreement is July 14 leaving time for discussions for improvement relative to Staff's current position. As highlighted in their November Conference, a one percentage point improvement in equity ratio enables ~$70 million in incremental infrastructure investments, as does a 10 bps improvement in ROE.

Updating financing outlook post-Kansas Central IRP & lowered Moody's downgrade threshold.

We update our capital expenditure estimates after the updated 2025 Kansas Central IRP, which reduces the current FY25-FY29 plan's capital needs by ~$125Mn, but adds ~$1.5Bn in FY30-FY35 (total increase ~$1.4Bn). While we maintain our assumptions for $500Mn JSN issuances in FY28 and FY29 prior to the full capital plan refresh expected later this year, we reduce our equity needs given the additional latitude from an FFO to Debt perspective. The following tables detail the IRP driven capital expenditure estimate changes at Kansas Central, still using our prior generation build assumptions:

Exhibit 3 - Kansas Central IRP-related Incremental Capital Expenditure Outlook

Central Capex ($ Mn)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Prior JEFe	0.0	75.0	75.0	450.0	150.0	0.0	0.0	0.0	0.0	0.0	750.0
Current JEFe	0.0	81.8	(17.3)	363.0	198.0	226.0	166.0	627.0	284.0	225.0	2,153.5
Total Incremental	**0.0**	**6.8**	**(92.3)**	**(87.0)**	**48.0**	**226.0**	**166.0**	**627.0**	**284.0**	**225.0**	**1,403.5**

Source: Jefferies LLC, Company Filings

Exhibit 4 - IRP Investment Cost Assumptions

Generation Type	$/kW
Wind	1,600.0
Solar	1,500.0
Natural Gas	2,000.0
Battery	1,000.0
Coal Retirement	0.0

Source: Jefferies LLC
Kansas Central FY29 355 MW Natural Gas investment assumes $750Mn cost based on public management commentary.

Exhibit 5 - Generation Build Assumptions

Build Type	Cost ($/kW)	Timeline (Yrs)
Wind	1,600.0	2
Solar	1,500.0	2
Natural Gas	2,000.0	4
Battery	1,000.0	2

Source: Jefferies LLC
Natural gas allocates 10%/10%/60%/20% across the four years. All other types assume ratable spending.

Only reflecting this IRP update, our incremental equity issuance needs (still in excess of equity credit from FY28/FY29 JSN assumed issuances) drop by $54Mn within the current planning period, though FY30-FY34 require an additional ~$500Mn (net increase of $448Mn in total):

Exhibit 6 - Updated IRP Incremental Equity Issuance Assumption Overview

Total ($ Mn)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Prior Incremental Capex	0.0	92.3	295.8	777.5	844.5	1,418.0	1,201.5	1,096.5	910.5	888.5	7,525.1
Prior Incremental Equity	0.0	42.0	126.0	61.0	67.0	496.0	390.0	356.0	296.0	289.0	2,123.0
Current Incremental Capex	0.0	99.0	203.5	690.5	892.5	1,644.0	1,367.5	1,723.5	1,194.5	1,113.5	8,928.6
Current Incremental Equity	0.0	45.0	86.0	26.0	85.0	575.0	444.0	560.0	388.0	362.0	2,571.0
Capex Change (Current - Prior)	**0.0**	**6.8**	**(92.3)**	**(87.0)**	**48.0**	**226.0**	**166.0**	**627.0**	**284.0**	**225.0**	**1,403.5**
Equity Change (Current - Prior)	**0.0**	**3.0**	**(40.0)**	**(35.0)**	**18.0**	**79.0**	**54.0**	**204.0**	**92.0**	**73.0**	**448.0**

Source: Jefferies LLC

With the additional credit metric latitude, we further reduced our equity issuance assumptions by $100Mn each year across FY26-FY29, which combined with the IRP-driven adjustments results in an in-plan equity issuance reduction of $454Mn. The following table shows the total change from these two adjustments:

Exhibit 7 - Updated Total Equity Issuance Assumption Overview

Equity Issuance ($ Mn)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Prior JEFe	0.0	592.0	676.0	811.0	1,017.0	746.0	640.0	606.0	546.0	539.0	250.0	6,423.0
Current JEFe	0.0	495.0	536.0	676.0	935.0	825.0	694.0	810.0	638.0	612.0	250.0	6,471.0
Total Incremental	**0.0**	**(97.0)**	**(140.0)**	**(135.0)**	**(82.0)**	**79.0**	**54.0**	**204.0**	**92.0**	**73.0**	**0.0**	**48.0**

Source: Jefferies LLC

Updated Estimates

Refreshing our capital expenditure forecast and adjusting our equity issuance assumptions as described above, we provide our updated EPS projections. We increase our valuation EPS CAGR to 6.7% from 6.4%, with reduced equity dilution from lower in-plan assumptions the primary driver. On a consolidated basis we project FY27 EPS of $4.63 (+$0.04), vs. $4.50 Consensus/$4.48 Guidance:

Exhibit 8 - EVRG Financial Snapshot

EVRG EPS	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	'24-'27 CAGR	'25-'29 CAGR
Central	$1.98	$2.41	$2.54	$2.69	$2.86	$3.06	$3.27	5.9%	6.5%
Metro	$1.44	$1.41	$1.48	$1.59	$1.71	$1.86	$2.00	6.8%	7.7%
West	$0.42	$0.38	$0.44	$0.47	$0.52	$0.59	$0.66	10.9%	10.8%
Corp	-$0.31	-$0.39	-$0.43	-$0.44	-$0.47	-$0.60	-$0.67	6.3%	11.8%
Consolidated	**$3.54**	**$3.81**	**$4.04**	**$4.32**	**$4.63**	**$4.91**	**$5.26**	**6.7%**	**6.8%**
Prior	$3.54	$3.81	$4.05	$4.32	$4.59	$4.84	$5.19		
% Change vs Prior	*0.0%*	*-0.1%*	*-0.3%*	*-0.1%*	*0.8%*	*1.5%*	*1.3%*		
Consensus	**$3.54**	**$3.81**	**$4.05**	**$4.29**	**$4.50**	**$4.76**	**$5.05**	**5.8%**	**5.6%**
JEF vs Consensus	0.0%	0.0%	-0.4%	0.6%	2.7%	3.2%	4.2%		
EPS Guide: 5-6% ('25-'29)	**$3.60**	**$3.83**	**$4.02**	**$4.24**	**$4.48**	**$4.72**	**$4.98**	**5.3%**	**5.5%**
JEF vs Guidance	-1.7%	-0.6%	0.4%	1.7%	3.4%	4.0%	5.5%		
EPS Guidance Low	*$3.55*	*$3.73*	*$3.92*	*$4.08*	*$4.24*	*$4.41*	*$4.59*		
EPS Guidance High	*$3.65*	*$3.93*	*$4.12*	*$4.37*	*$4.63*	*$4.91*	*$5.20*		
Dividend per Share	$2.48	$2.60	$2.70	$2.84	$2.97	$3.14	$3.36	4.6%	5.6%
Payout Ratio: 60-70% Target	70%	68%	67%	66%	64%	64%	64%	-2.0%	-1.2%
FFO / Debt: ~14%	15.5%	14.7%	15.2%	14.9%	14.9%	14.8%	14.9%	0.4%	-0.5%
Moody's: New 14% Downgrade Threshold; Forecasting 14-15% with an increase toward 15%									
Equity Issuance ($Mn)	$0	$0	$0	$495	$536	$676	$935		
% of Current Market Cap	*0.0%*	*0.0%*	*0.0%*	*3.0%*	*3.2%*	*4.1%*	*5.7%*		
JSN Issuance ($Mn)	$0	$0	$0	$0	$0	$500	$500		

Source: Jefferies LLC, Company Filings, Bloomberg, FactSet, Visible Alpha

Although we expect EVRG to maintain a reasonable buffer to its new downgrade threshold of 14%, the above estimates show a declining FFO to Debt outlook FY26+ relative to our previous report (driven by primarily by the reduced equity issuance). The following table show the changes over the above window:

Exhibit 9 - Updated Adjusted FFO / Adjusted Debt Comparison

Adjusted FFO / Adjusted Debt	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Previous Estimates	15.5%	14.7%	15.0%	15.0%	15.1%	15.0%	15.2%
Current Estimates	15.5%	14.7%	15.2%	14.9%	14.9%	14.8%	14.9%
Current - Previous	**0.0%**	**(0.0%)**	**0.2%**	**(0.0%)**	**(0.1%)**	**(0.2%)**	**(0.3%)**

Source: Jefferies LLC, Company Filings

Updated Valuation

We increase our PT to $78 from $77. Main drivers of the valuation change are:

- Reducing in-plan equity issuance by $454Mn, and reducing in-plan capital expenditures by $124.5Mn.
- Refreshing our corporate parent interest rate assumption (+24 bps), which partially offsets the above benefits.

The updated and elevated outlook provides further support for an EPS growth guidance lift to 5-7% by year-end.

Exhibit 10 - EVRG Mini Financials

EVRG Mini Financials						
Income Statement	**FY2024A**	**FY2025E**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**
Revenue	5,850	6,009	6,278	6,498	6,870	7,211
Fuel	1,480	1,486	1,502	1,505	1,512	1,518
Gross Margin	**4,370**	**4,523**	**4,776**	**4,993**	**5,358**	**5,693**
O&M	959	960	979	991	1,012	1,028
D&A	1,114	1,143	1,195	1,235	1,327	1,396
Other	824	783	831	833	868	889
Operating Expense	**2,897**	**2,886**	**3,005**	**3,059**	**3,207**	**3,313**
Operating Income	**1,473**	**1,637**	**1,771**	**1,934**	**2,151**	**2,380**
Other Income	3	(1)	8	19	28	56
Interest Expense	563	641	689	751	861	964
Taxes	31	43	50	52	56	60
NCI & Other	5	5	5	5	5	5
Net Income	**878**	**947**	**1,035**	**1,145**	**1,258**	**1,407**
Balance Sheet	**FY2024A**	**FY2025E**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**
Cash	22	24	24	25	26	23
Regulatory	1,900	1,900	1,900	1,900	1,900	1,900
PP&E	24,931	26,363	28,443	30,996	34,601	38,173
Goodwill & Intangibles	2,337	2,235	2,133	2,032	1,931	1,830
Other	3,092	2,991	2,898	2,801	2,706	2,610
Total Assets	**32,282**	**33,513**	**35,398**	**37,755**	**41,164**	**44,536**
Debt	13,669	14,639	15,714	17,104	19,299	21,114
Regulatory	788	788	788	788	788	788
Deferred Taxes	2,358	2,334	2,350	2,413	2,548	2,708
Pension	371	444	508	577	643	710
Other	3,050	2,968	2,865	2,772	2,674	2,579
Total Liabilities	**22,293**	**23,231**	**24,282**	**25,711**	**28,009**	**29,956**
Total Equity	**9,989**	**10,282**	**11,116**	**12,044**	**13,155**	**14,580**
Cash Flows	**FY2024A**	**FY2025E**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**
Net Income	886	959	1,048	1,157	1,270	1,420
Depreciation	1,114	1,143	1,195	1,235	1,327	1,396
Other	49	32	77	116	184	207
Changes in Working Capital	(65)	30	(12)	9	(2)	4
Cash Flows from Operating	**1,984**	**2,164**	**2,306**	**2,517**	**2,780**	**3,027**
Capital Expenditures	(2,337)	(2,542)	(3,238)	(3,750)	(4,887)	(4,922)
Other	75	86	82	84	83	83
Cash Flows from Investing	**(2,262)**	**(2,456)**	**(3,156)**	**(3,666)**	**(4,804)**	**(4,838)**
Debt Activity	893	939	1,047	1,361	2,167	1,786
Equity Activity	0	0	495	536	676	935
Dividends	(597)	(634)	(680)	(735)	(805)	(900)
Other	(16)	(11)	(13)	(12)	(13)	(12)
Cash Flows from Financing	**280**	**294**	**849**	**1,150**	**2,024**	**1,809**

Source: Company Filings, Jefferies LLC

Company Description

Evergy

Evergy is a public utility holding company with regulated utility operations concentrated in the Midwest United States. The company primarily owns regulated electric utilities with distribution, transmission, and generation assets. The company generates electricity from coal, natural gas, nuclear, and renewables. The company has select unregulated operations.

Company Valuation/Risks

Evergy

Valuation is based on a 2027 Sum-of-the-Parts analysis.

Risk to achievement of the Price Target and Rating include 1) regulatory, state/Federal administrative, legislative, judicial, tax, environmental, and political actions; 2) prudency of regulatory actions & investments; 3) ability to earn the target regulatory authorized return on equity; 4) capital markets, equity, & rating agency requirements and access; 5) changes to the capital expenditure forecasts; 6) volatility in interest rates and pension returns; 7) changes in commodity prices; 8) natural disasters, wildfires, weather, & public health crises; 9) military actions and terrorism; 10) construction of capital projects; 11) changes in electric and natural gas volumes; 12) labor agreements and turnover of key executives; 13) cyber incidents; 14) supply chain disruptions; 15) merger and acquisition activity, 16) counterparty performance, and 17) access to insurance.

Analyst Certification:

I, Paul Zimbardo, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Julien Dumoulin-Smith, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Brian Russo, CFA, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Jamieson Ward, CFA, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Dushyant Ailani, CFA, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Tanner James, CFA, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Whitney Mutalemwa, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Hannah Velasquez, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Ethan Corcoran, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Spark Li, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, Qudrat Qureshi, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

As is the case with all Jefferies employees, the analyst(s) responsible for the coverage of the financial instruments discussed in this report receives compensation based in part on the overall performance of the firm, including investment banking income. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Aside from certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgement.

Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

Recommendation Published	June 9, 2025 23:40 P.M.
Recommendation Distributed	June 10, 2025 5:30 A.M.

Explanation of Jefferies Ratings

Buy - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

Hold - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below $10 is 20% or more within a 12- month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below $10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below $10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

NR - The investment rating and price target have been temporarily suspended. Such suspensions are in compliance with applicable regulations and/or Jefferies policies.

CS - Coverage Suspended. Jefferies has suspended coverage of this company.

NC - Not covered. Jefferies does not cover this company.

Restricted - Describes issuers where, in conjunction with Jefferies engagement in certain transactions, company policy or applicable securities regulations prohibit certain types of communications, including investment recommendations.

Monitor - Describes securities whose company fundamentals and financials are being monitored, and for which no financial projections or opinions on the investment merits of the company are provided.

Valuation Methodology

Jefferies' methodology for assigning ratings may include the following: market capitalization, maturity, growth/value, volatility and expected total return over the next 12 months. The price targets are based on several methodologies, which may include, but are not restricted to, analyses of market risk, growth rate, revenue stream, discounted cash flow (DCF), EBITDA, EPS, cash flow (CF), free cash flow (FCF), EV/EBITDA, P/E, PE/growth, P/CF, P/FCF, premium (discount)/average group EV/EBITDA, premium (discount)/average group P/E, sum of the parts, net asset value, dividend returns, and return on equity (ROE) over the next 12 months. Jefferies Franchise Picks

Jefferies Franchise Picks include stock selections from among the best stock ideas from our equity analysts over a 12 month period. Stock selection is based on fundamental analysis and may take into account other factors such as analyst conviction, differentiated analysis, a favorable risk/reward ratio and investment themes that Jefferies analysts are recommending. Jefferies Franchise Picks will include only Buy rated stocks and the number can vary depending on analyst recommendations for inclusion. Stocks will be added as new opportunities arise and removed when the reason for inclusion changes, the stock has met its desired return, if it is no longer rated Buy and/or if it triggers a stop loss. Stocks having 120 day volatility in the bottom quartile of S&P stocks will continue to have a 15% stop loss, and the remainder will have a 20% stop. Franchise Picks are not intended to represent a recommended portfolio of stocks and is not sector based, but we may note where we believe a Pick falls within an investment style such as growth or value.

Risks which may impede the achievement of our Price Target

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, the financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions based upon their specific investment objectives and financial situation utilizing their own financial advisors as they deem necessary. Past performance of the financial instruments recommended in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from, any of the financial instruments mentioned in this report can rise as well as fall and may be affected by changes in economic, financial and political factors. If a financial instrument is denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the financial instrument described in this report. To the extent prices are shown in non-US currency, please note that our local currency price targets are based on a currency conversion using an exchange rate as of the prior trading day (unless otherwise noted). Should there be fluctuations in the exchange rate after this date, that will affect the non-US target prices and should no longer be relied upon. In addition, investors in securities such as ADRs, whose values are affected by the currency of the underlying security, effectively assume currency risk.

Other Companies Mentioned in This Report

- Evergy Inc (EVRG: $67.32, BUY)

Notes: Each box in the Rating and Price Target History chart above represents actions over the past three years in which an analyst initiated on a company, made a change to a rating or price target of a company or discontinued coverage of a company.

Legend:

I: Initiating Coverage

D: Dropped Coverage

B: Buy

H: Hold

UP: Underperform

Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2107	60.49%	374	17.75%	121	5.74%
HOLD	1225	35.17%	112	9.14%	22	1.80%
UNDERPERFORM	151	4.34%	4	2.65%	3	1.99%

Other important disclosures

Other Important Disclosures

Jefferies does business and seeks to do business with companies covered in its research reports, and expects to receive or intends to seek compensation for investment banking services among other activities from such companies. As a result, investors should be aware that Jefferies may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Jefferies Equity Research refers to research reports produced by analysts employed by one of the following Jefferies Financial Group Inc. ("Jefferies") companies:

United States: Jefferies LLC which is an SEC registered broker-dealer and a member of FINRA (and distributed by Jefferies Research Services, LLC, an SEC registered Investment Adviser, to clients paying separately for such research).

Canada: Jefferies Securities Inc., which is an investment dealer registered in each of the thirteen Canadian jurisdictions and a dealer member of the Canadian Investment Regulatory Organization, including research reports produced jointly by Jefferies Securities Inc. and another Jefferies entity (and distributed by Jefferies Securities Inc.).

Where Jefferies Securities Inc. distributes research reports produced by Jefferies LLC, Jefferies International Limited, Jefferies (Japan) Limited, Tokyo Branch or Jefferies India Private Limited, you are advised that each of Jefferies LLC, Jefferies International Limited, Jefferies (Japan) Limited, Tokyo Branch and Jefferies India Private Limited operates as a dealer in your jurisdiction under an exemption from the dealer registration requirements contained in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and, as such, each of Jefferies LLC, Jefferies International Limited, Jefferies (Japan) Limited, Tokyo Branch and Jefferies India Private Limited is not required to be and is not a registered dealer or adviser in your jurisdiction. You are advised that where Jefferies LLC or Jefferies International Limited prepared this research report, it was not prepared in accordance with Canadian disclosure requirements relating to research reports in Canada.

United Kingdom: Jefferies International Limited, which is authorized and regulated by the Financial Conduct Authority; registered in England and Wales No. 1978621; registered office: 100 Bishopsgate, London EC2N 4JL; telephone +44 (0)20 7029 8000; facsimile +44 (0)20 7029 8010.

Germany: Jefferies GmbH, which is authorized and regulated by the Bundesanstalt fuer Finanzdienstleistungsaufsicht, BaFin-ID: 10150151; registered office: Bockenheimer Landstr. 24, 60323 Frankfurt a.M., Germany; telephone: +49 (0) 69 719 1870

Hong Kong: Jefferies Hong Kong Limited, which is licensed by the Securities and Futures Commission of Hong Kong with CE number ATS546; located at Level 26, Two International Finance Center, 8 Finance Street, Central, Hong Kong; telephone: +852 3743 8000.

Singapore: Jefferies Singapore Limited, which is licensed by the Monetary Authority of Singapore; located at 80 Raffles Place #15-20, UOB Plaza 2, Singapore 048624, telephone: +65 6551 3950.

Japan: Jefferies (Japan) Limited, Tokyo Branch, which is a securities company registered by the Financial Services Agency of Japan and is a member of the Japan Securities Dealers Association; located at Tokyo Midtown Hibiya 30F Hibiya Mitsui Tower, 1-1-2 Yurakucho, Chiyoda-ku, Tokyo 100-0006; telephone +813 5251 6100; facsimile +813 5251 6101.

India: Jefferies India Private Limited (CIN - U74140MH2007PTC200509), licensed by the Securities and Exchange Board of India for: Stock Broker (NSE & BSE) INZ000243033, Research Analyst INH000000701 and Merchant Banker INM000011443, located at Level 16, Express Towers, Nariman Point, Mumbai 400 021, India; Tel +91 22 4356 6000. Compliance Officer name: Sanjay Pai, Tel No: +91 22 42246150, Email: spai@jefferies.com, Grievance officer name: Sanjay Pai, Tel no. +91 22 42246150, Email: compliance_india@jefferies.com. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Australia: Jefferies (Australia) Pty Limited (ACN 623 059 898), which holds an Australian financial services license (AFSL 504712) and is located at Level 20, 60 Martin Place, Sydney NSW 2000; telephone +61 2 9364 2800.

Dubai: Jefferies International Limited, Dubai branch, which is licensed by the Dubai Financial Services Authority (DFSA Reference Number F007325); registered office Unit L31-06, L31-07, Level 31, ICD Brookfield Pace, DIFC, PO Box 121208, Dubai, UAE.

This report was prepared by personnel who are associated with Jefferies (Jefferies Securities Inc., Jefferies International Limited, Jefferies GmbH, Jefferies Hong Kong Limited, Jefferies Singapore Limited, Jefferies (Japan) Limited, Tokyo Branch, Jefferies India Private Limited), and Jefferies (Australia) Pty Ltd; or by personnel who are associated with both Jefferies LLC and Jefferies Research Services LLC ("JRS"). Jefferies LLC is a US registered broker-dealer and is affiliated with JRS, which is a US registered investment adviser. JRS does not create tailored or personalized research and all research provided by JRS is impersonal. If you are paying separately for this research, it is being provided to you by JRS. Otherwise, it is being provided by Jefferies LLC. Jefferies LLC, JRS, and their affiliates are collectively referred to below as "Jefferies". Jefferies may seek to do business with companies covered in this research report. As a result, investors should be aware that Jefferies may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only one of many factors in making their investment decisions. Specific conflict of interest and other disclosures that are required by FINRA, the Canadian Investment Regulatory Organization and other rules are set forth in this disclosure section.

***

If you are receiving this report from a non-US Jefferies entity, please note the following: Unless prohibited by the provisions of Regulation S of the U.S. Securities Act of 1933, as amended, this material is distributed in the United States by Jefferies LLC, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6 under the US Securities Exchange Act of 1934, as amended. Transactions by or on behalf of any US person may only be effected through Jefferies LLC. In the United Kingdom and European Economic Area this report is issued and/or approved for distribution by Jefferies International Limited ("JIL") and/or Jefferies GmbH and is intended for use only by persons who have, or have been assessed as having, suitable professional experience and expertise, or by persons to whom it can be otherwise lawfully distributed. Jefferies LLC, JIL, Jefferies GmbH and their affiliates, may make a market or provide liquidity in the financial instruments referred to in this report; and where they do make a market, such activity is disclosed specifically in this report under "company specific disclosures".

For Canadian investors, this material is intended for use only by professional or institutional investors. None of the investments or investment services mentioned or described herein is available to other persons or to anyone in Canada who is not a "permitted client" as defined by National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, as applicable. This research report is a general discussion of the merits and risks of a security or securities only, and is not in any way meant to be tailored to the needs and circumstances of any recipient. The information contained herein is not, and under no circumstances is to be construed as, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators, if applicable, and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon this research report, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence.

In Singapore, Jefferies Singapore Limited ("JSL") is regulated by the Monetary Authority of Singapore. For investors in the Republic of Singapore, where this material is prepared and issued by a Jefferies affiliate outside of Singapore, it is distributed by JSL pursuant to Regulation 32C of the Financial Advisers Regulations. The material contained in this document is intended solely for accredited, expert or institutional investors, as defined under the Securities and Futures Act 2001 (Singapore). If there are any matters arising from, or in connection with this material, please contact JSL, located at 80 Raffles Place #15-20, UOB Plaza 2, Singapore 048624, telephone: +65 6551 3950. In Dubai, this material is issued and distributed by Jefferies International Limited, Dubai branch, and is intended solely for Professional Clients and should not be distributed to, or relied upon by, Retail Clients (as defined by DFSA). A distribution of ratings in percentage terms in each sector covered is available upon request from your sales representative. In Japan, this material is issued and distributed by Jefferies (Japan) Limited to institutional investors only. In Hong Kong, this report is issued and approved by Jefferies Hong Kong Limited and is intended for use only by professional investors as defined in the Hong Kong Securities and Futures Ordinance and its subsidiary legislation. In the Republic of China (Taiwan), this report should not be distributed. The research in relation to this report is conducted outside the People's Republic of China ("PRC"). This report does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves. In India, this report is made available by Jefferies India Private Limited. In Australia, this report is issued and/or approved for distribution by, or on behalf of, Jefferies (Australia) Securities Pty Ltd (ACN 610 977 074), which holds an Australian financial services license (AFSL 487263). It is directed solely at wholesale clients within the meaning of the Corporations Act 2001 (Cth) of Australia (the "Corporations Act"), in connection with their consideration of any investment or investment service that is the subject of this report. This report may contain general financial product advice. Where this report refers to a particular financial product, you should obtain a copy of the relevant product disclosure statement or offer document before making any decision in relation to the product. Recipients of this document in any other jurisdictions should inform themselves about and observe any applicable legal requirements in relation to the receipt of this document.

This report is not an offer or solicitation of an offer to buy or sell any security or derivative instrument, or to make any investment. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation, and is subject to change without notice. Jefferies assumes no obligation to maintain or update this report based on subsequent information and events. Jefferies, and their respective officers, directors, and employees, may have long or short positions in, or may buy or sell any of the securities, derivative instruments or other investments mentioned or described herein, either as agent or as principal for their own account. This material is provided solely for informational purposes and is not tailored to any recipient, and is not based on, and does not take into account, the particular investment objectives, portfolio holdings, strategy, financial situation, or needs of any recipient. As such, any advice or recommendation in this report may not be suitable for a particular recipient. Jefferies assumes recipients of this report are capable of evaluating the information contained herein and of exercising independent judgment. A recipient of this report should not make any investment decision without first considering whether any advice or recommendation in this report is suitable for the recipient based on the recipient's particular circumstances and, if appropriate or otherwise needed, seeking professional advice, including tax advice. Jefferies does not perform any suitability or other analysis to check whether an investment decision made by the recipient based on this report is consistent with a recipient's investment objectives, portfolio holdings, strategy, financial situation, or needs.

By providing this report, neither JRS nor any other Jefferies entity accepts any authority, discretion, or control over the management of the recipient's assets.

Any action taken by the recipient of this report, based on the information in the report, is at the recipient's sole judgment and risk. The recipient must perform his or her own independent review of any prospective investment. If the recipient uses the services of Jefferies LLC (or other affiliated broker-dealers), in connection with a purchase or sale of a security that is a subject of these materials, such broker-dealer may act as principal for its own accounts or as agent for another person. Only JRS is registered with the SEC as an investment adviser; and therefore neither Jefferies LLC nor any other Jefferies affiliate has any fiduciary duty in connection with distribution of these reports.

The price and value of the investments referred to herein and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

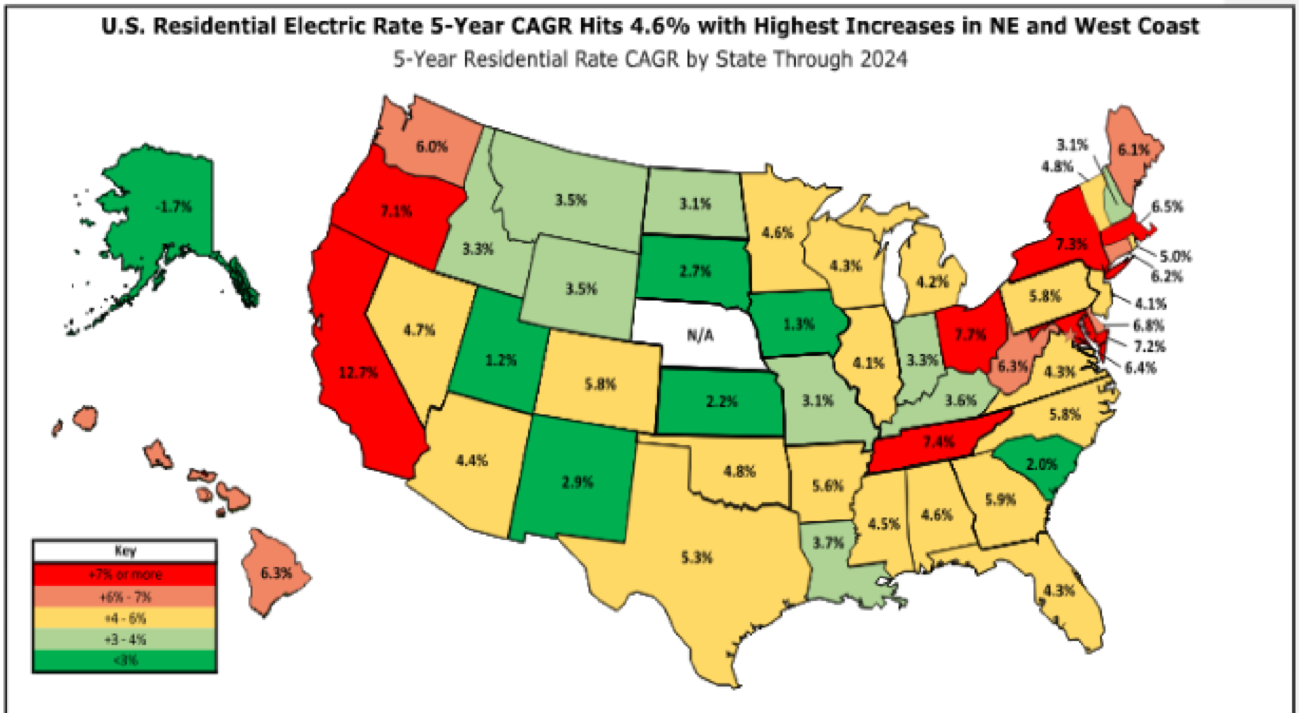
This report may contain forward looking statements that may be affected by inaccurate assumptions or by known or unknown risks, uncertainties, and other important factors. As a result, the actual results, events, performance or achievements of the financial product may be materially different from those expressed or implied in such statements.

This report has been prepared independently of any issuer of securities mentioned herein and not as agent of any issuer of securities. No Equity Research personnel have authority whatsoever to make any representations or warranty on behalf of the issuer(s). Any comments or statements made herein are those of the Jefferies entity producing this report and may differ from the views of other Jefferies entities.

This report may contain information obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party. Jefferies does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third-party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Neither Jefferies nor any third-party content provider shall be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

Jefferies research reports are disseminated and available electronically, and, in some cases, also in printed form. Electronic research is simultaneously made available to all clients. This report or any portion hereof may not be copied, reprinted, sold, or redistributed or disclosed by the recipient or any third party, by content scraping or extraction, automated processing, or any other form or means, without the prior written consent of Jefferies. Any unauthorized use is prohibited. Neither Jefferies nor any of its respective directors, officers or employees, is responsible for guaranteeing the financial success of any investment, or accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this report or its contents. Nothing herein shall be construed to waive any liability Jefferies has under applicable U.S. federal or state securities laws.

For Important Disclosure information relating to JRS, please see https://adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=483878 and https://adviserinfo.sec.gov/Firm/292142 or visit our website at https://javatar.bluematrix.com/sellside/Disclosures.action, or www.jefferies.com, or call 1.888.JEFFERIES.



Note: CAGRs calculated using average residential price by state (cents/kWh); US Median 5-Year Rate CAGR = 4.6%; Median 2024 residential price = 15.1 cents per kWh

Note: Nebraska does not have any Investor-Owned Utilities

Source: SNL Financial LC and Wells Fargo Securities, LLC

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

VERIFICATION

Darrin Ives, being duly sworn upon his oath deposes and states that he is the Vice President, 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.

Darrin R. Ives

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

Notary Public

My Appointment Expires:
May 30, 2026

NOTARY PUBLIC - State of Kansas
LESLIE R. WINES
MY APPT. EXPIRES 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:

USD 259
903 South Edgemoor Room 113
Wichita, KS 67218

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067-0017
jflaherty@andersonbyrd.com

ELIZABETH A. BAKER, ATTORNEY AT LAW
BAKER, STOREY, & WATSON
1603 SW 37TH STREET
TOPEKA, KS 66611
ebaker@bakerstorey.com

NICK SMITH, MANAGER OF KANSAS REGULATION
BLACK HILLS ENERGY CORPORATION
601 North Iowa Street
Lawrence, KS 66044
nick.smith@blackhillscorp.com

ROB DANIEL, Director of Regulatory
BLACK HILLS/KANSAS GAS UTILITY COMPANY LLC D/B/A Black Hills Energy
601 NORTH IOWA STREET
LAWRENCE, KS 66044
rob.daniel@blackhillscorp.com

DOUGLAS LAW, ASSOCIATE GENERAL COUNSEL
BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC D/B/A BLACK HILLS ENERGY
1731 WINDHOEK DRIVE
LINCOLN, NE 68512
douglas.law@blackhillscorp.com

KURT J. BOEHM, ATTORNEY
BOEHM, KURTZ & LOWRY
36 E SEVENTH ST STE 1510
CINCINNATI, OH 45202
kboehm@bkllawfirm.com

JODY KYLER COHN, ATTORNEY
BOEHM, KURTZ & LOWRY
36 E SEVENTH ST STE 1510
CINCINNATI, OH 45202
jkylercohn@bkllawfirm.com

JOSEPH R. ASTRAB, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Joseph.Astrab@ks.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Todd.Love@ks.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Shonda.Rabb@ks.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Della.Smith@ks.gov

MELISSA M. BUHRIG, Exec. Vice President, Gen. Counsel & Secretary
CVR REFINING CVL, LLC
2277 Plaza Dr., Ste. 500
Sugar Land, TX 77479
mmbuhrig@CVREnergy.com

JASON T GRAY, ATTORNEY
DUNCAN & ALLEN
1730 Rhode Island Ave., NW
Suite 700
Washington, DC 20036
jtg@duncanallen.com

Justin Bieber
ENERGY STRATEGIES, LLC
PARKSIDE TOWERS
215 S STATE ST STE 200
SALT LAKE CITY, UT 84111
jbieber@energystrat.com

CATHRYN J. DINGES, SR DIRECTOR &

REGULATORY AFFAIRS COUNSEL
EVERGY KANSAS CENTRAL, INC
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Cathy.Dinges@evergy.com

LESLIE WINES, Sr. Exec. Admin. Asst.
EVERGY KANSAS CENTRAL, INC
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
leslie.wines@evergy.com

COLE A BAILEY, CORPORATE COUNSEL DIRECTOR
EVERGY KANSAS SOUTH, INC. D/B/A EVERGY KANSAS CENTRAL
818 S KANSAS AVE, PO Box 889
TOPEKA, KS 66601-0889
cole.bailey@evergy.com

DARRIN IVES, VP - REGULATORY AFFAIRS
EVERGY METRO, INC D/B/A EVERGY KANSAS METRO
One Kansas City Place
1200 Main St., 19th Floor
Kansas City, MO 64105
DARRIN.IVES@EVERGY.COM

RONALD A. KLOTE, DIRECTOR, REGULATORY AFFAIRS
EVERGY METRO, INC D/B/A EVERGY KANSAS METRO
ONE KANSAS CITY PLACE
1200 MAIN, 19TH FLOOR
KANSAS CITY, MO 64105
ronald.klote@evergy.com

DAVID BANKS, CEM, CEP
FLINT HILLS ENERGY CONSULTANT
117 S PARKRIDGE
WICHITA, KS 67209
david@fheconsultants.net

DANIEL J BULLER, ATTORNEY
FOULSTON SIEFKIN LLP
7500 COLLEGE BOULEVARD, STE 1400
OVERLAND PARK, KS 66201-4041
dbuller@foulston.com

MOLLY E MORGAN, ATTORNEY
FOULSTON SIEFKIN LLP
1551 N. Waterfront Parkway
Suite 100
Wichita, KS 67206
mmorgan@foulston.com

LEE M SMITHYMAN, ATTORNEY
FOULSTON SIEFKIN LLP
7500 COLLEGE BOULEVARD, STE 1400
OVERLAND PARK, KS 66201-4041
lsmithyman@foulston.com

C. EDWARD WATSON, ATTORNEY
FOULSTON SIEFKIN LLP
1551 N. Waterfront Parkway
Suite 100
Wichita, KS 67206
CEWATSON@FOULSTON.COM

JAMES P ZAKOURA, ATTORNEY
FOULSTON SIEFKIN LLP
7500 COLLEGE BOULEVARD, STE 1400
OVERLAND PARK, KS 66201-4041
jzakoura@foulston.com

JAKE MILLER, COUNSEL
GRISSOM MILLER LAW FIRM LLC
1600 GENESSEE STREET
STE 460
KANSAS CITY, MO 64102
JAKE@GRISSOMMILLER.COM

Constance Chan, Senior Category Manager - Electricity & Business Travel
HF SINCLAIR EL DORADO REFINING LLC
2323 Victory Ave. Ste 1400
Dalla, TX 75219
constance.chan@hfsinclair.com

Jon Lindsey, Corporate Counsel
HF SINCLAIR EL DORADO REFINING LLC
550 E. South Temple
Salt Lake City, UT 84102
jon.lindsey@hfsinclair.com

CHRIS UBEL, BUSINESS MANAGER
IBEW LOCAL UNION NO. 304
3906 NW 16TH STREET
TOPEKA, KS 66615

BRIAN G. FEDOTIN, GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Brian.Fedotin@ks.gov

PATRICK HURLEY, CHIEF LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION

1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Patrick.Hurley@ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Carly.Masenthin@ks.gov

LORNA EATON, MANAGER OF RATES AND REGULATORY AFFAIRS
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH STREET
OVERLAND PARK, KS 66213
lorna.eaton@onegas.com

LORNA EATON, MANAGER RATES & REGULATORY - OKE01026
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH STREET
OVERLAND PARK, KS 66213
invoices@onegas.com

ROBERT E. VINCENT, MANAGING ATTORNEY
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W. 129TH STREET
OVERLAND PARK, KS 66213
robert.vincent@onegas.com

VALERIE SMITH, ADMINISTRATIVE ASSISTANT
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
vsmith@morrislaing.com

TREVOR WOHLFORD, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
twohlford@morrislaing.com

GLENDA CAFER, MORRIS LAING LAW FIRM
MORRIS LAING EVANS BROCK & KENNEDY CHTD
800 SW JACKSON STE 1310
TOPEKA, KS 66612-1216
gcafer@morrislaing.com

RITA LOWE, PARALEGAL
MORRIS LAING EVANS BROCK & KENNEDY CHTD
300 N MEAD STE 200
WICHITA, KS 67202-2745
rlowe@morrislaing.com

WILL B. WOHLFORD, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY CHTD
300 N MEAD STE 200
WICHITA, KS 67202-2745
wwohlford@morrislaing.com

TIM OPITZ
OPITZ LAW FIRM, LLC
308 E. HIGH STREET
SUITE B101
JEFFERSON CITY, MO 65101
tim.opitz@opitzlawfirm.com

ANNE E. CALLENBACH, ATTORNEY
POLSINELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
acallenbach@polsinelli.com

FRANK A. CARO, ATTORNEY
POLSINELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
fcaro@polsinelli.com

JARED R. JEVONS, ATTORNEY
POLSINELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
JJEVONS@POLSINELLI.COM

Greg Wright
Priority Power Mgt.
12512 Augusta Dr
Kansas City, KS 66109
gwright@prioritypower.com

KACEY S MAYES, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK RD STE 300
WICHITA, KS 67226
ksmayes@twgfirm.com

TIMOTHY E. MCKEE, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK RD STE 300
WICHITA, KS 67226
TEMCKEE@TWGFIRM.COM

JOHN J. MCNUTT, General Attorney

U.S. ARMY LEGAL SERVICES AGENCY
REGULATORY LAW OFFICE
9275 GUNSTON RD., STE. 1300
FORT BELVOIR, VA 22060-5546
john.j.mcnutt.civ@army.mil

KEVIN K. LACHANCE, CONTRACT LAW ATTORNEY
UNITED STATES DEPARTMENT OF DEFENSE
ADMIN & CIVIL LAW DIVISION
OFFICE OF STAFF JUDGE ADVOCATE
FORT RILEY, KS 66442
kevin.k.lachance.civ@army.mil

KEVIN K. LACHANCE, CONTRACT LAW ATTORNEY
UNITED STATES DEPARTMENT OF DEFENSE
ADMIN & CIVIL LAW DIVISION
OFFICE OF STAFF JUDGE ADVOCATE
FORT RILEY, KS 66442
kevin.k.lachance.civ@army.mil

/s/ Cathy Dinges
Cathy Dinges