



1                   **I.       INTRODUCTION AND PURPOSE OF TESTIMONY**

2   **Q.     Please state your name and business address.**

3   A.     My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri  
4           64105.

5   **Q.     Are you the same Darrin R. Ives who filed Direct testimony in this docket?**

6   A.     Yes, I am.

7   **Q.     By whom are you employed and in what position?**

8   A.     I am employed by Evergy Metro, Inc. and serve as Senior Vice President – Regulatory  
9           and Governmental Affairs for Evergy Metro, Inc. d/b/a Evergy Kansas Metro (“Evergy  
10          Kansas Metro” or “EKM”), and Evergy Kansas Central, Inc. and Evergy Kansas South,  
11          Inc., collectively d/b/a as Evergy Kansas Central (“Evergy Kansas Central” or “EKC”),  
12          the operating utilities of Evergy, Inc., as well as Evergy Missouri Metro (“Evergy  
13          Missouri Metro”), and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy  
14   **Q.     Missouri West”).**

15   **A.     On whose behalf are you testifying in this proceeding?**

16          I am testifying on behalf of Evergy Kansas Metro and Evergy Kansas Central  
17   **Q.     (collectively the “Company”).**

18   **A.     What is the purpose of your testimony?**

19          The purpose of my testimony is to support the Unanimous Settlement Agreement  
20          (“Settlement Agreement”) filed in this docket on August 18, 2025, and to explain why the  
21          Settlement Agreement should be approved by the State Corporation Commission of the  
22          State of Kansas (“Commission” or “KCC”) under its standard three-part test for evaluating  
        unanimous settlements. Specifically, I explain how the Settlement Agreement is supported

1 by substantial competent evidence based on the record taken as a whole; why it results in  
2 just and reasonable rates; and why it is in the public interest.

3 In summary: the Company's Large Load Power Service ("LLPS") Rate Plan, as  
4 modified by the Settlement Agreement, appropriately balances both the risks and benefits  
5 presented by new large load customers. Among other things, the Settlement Agreement  
6 establishes reasonable protections and safeguards for the Company's existing customers,  
7 ensures that new large load customers will pay their share of system costs associated with  
8 serving new large loads, and provides a competitive rate program that will help drive  
9 economic development in Kansas. The Settlement Agreement is supported by a diverse  
10 range of stakeholders who collectively bring forward multiple viewpoints and perspectives,  
11 all of which are reflected in the negotiated Settlement Agreement.

12 **Q. How is the remainder of your testimony organized?**

13 A. The remainder of my testimony is organized as follows:

- 14 • Section II: Background and Overview of Application
- 15 • Section III: Overview of Settlement Agreement Terms
- 16 • Section IV: Application of Test for Commission Approval of Unanimous Settlements

17 **Q. Are any other witnesses testifying on behalf of Evergy in this proceeding?**

18 A. Yes, in addition to my testimony, Mr. Bradley D. Lutz is also providing testimony on behalf  
19 of the Company. Mr. Lutz supports the Company's updated tariff sheets, which reflect the  
20 terms agreed to in the Settlement Agreement.

1                   **II.     BACKGROUND AND OVERVIEW OF APPLICATION**

2   **Q.     Please provide an overview of the issues raised and positions advanced by the**  
3       **Company in its application and Direct testimony.**

4   A.     The electric industry is experiencing a period of unprecedented change in demand trends,  
5           driven largely by the extreme energy needs of data centers and other large manufacturing  
6           customers and the electrification of industry. There is significant growth in electric demand  
7           nationwide driven by the emergence of large-scale, energy-intensive customers –  
8           particularly those in the data center services and advanced manufacturing sectors. Much  
9           of this demand is due to increased need for cloud data services, the growing digitization of  
10          business and daily life, and the rapid evolution of generative artificial intelligence (“AI”)  
11          technologies, which has led to a surge in demand for high performance computing  
12          infrastructure that requires vast amounts of electricity to support intensive computational  
13          workloads.<sup>1</sup>

14   **Q.     Are there benefits to serving large loads for the state of Kansas?**

15   A.     Yes. Kansas is well-positioned to benefit from serving these large loads, and attracting  
16          such customers to the state will drive economic benefits. There is significant interest in  
17          large load customers constructing facilities in Kansas. As stated in my Direct testimony,  
18          the Company is working with over 20 prospective large load customers representing more  
19          than 6 GW of incremental demand to locate in its service territory.<sup>2</sup> Since filing my Direct  
20          testimony, interest from and activity with prospective large load customers across our  
21          service territories has only intensified and accelerated while the prospective customers

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<sup>1</sup> Ives Direct at 4-6.

<sup>2</sup> Ives Direct at 13.

1        await regulatory clarity from this proceeding and a companion proceeding in Missouri.  
2        These customers are expected to provide substantial economic development benefits to the  
3        state, including thousands of jobs (both construction and permanent), incremental tax  
4        revenues, and economic growth in communities near data centers.<sup>3</sup> There are also  
5        important national and economic security reasons for bringing data centers to Kansas.<sup>4</sup>  
6        Recognizing these and other benefits, the state has engaged in efforts to attract large loads  
7        to Kansas.<sup>5</sup> For these reasons, the Commission should encourage the development of large  
8        load tariffs designed to attract prospective customers. Additionally, for Kansas to be  
9        nationally competitive, the terms of large load tariffs should be competitive with tariffed  
10       offerings in other states where customers could choose to locate their facilities.

11    **Q.    Are there risks or other considerations associated with serving large load customers**  
12       **that are distinct from other customers?**

13    A.    Yes. As detailed in the Company's Direct testimony, the nature and magnitude of today's  
14       new large loads, including the system costs needed to support them, presents unique risks  
15       to existing customers and the utilities that serve them. Traditional approaches to serving  
16       industrial customers do not adequately mitigate these risks. In particular, the size of  
17       today's large loads is often multiples of many of the largest load customers historically  
18       served by utilities. As the Company stated in its Direct testimony, "[e]ven at half the  
19       projected growth levels, these [large load] projects remain significant and are multiple  
20       times larger than existing customers."<sup>6</sup> Large load customers seeking service from the

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<sup>3</sup> Ives Direct at 11.

<sup>4</sup> Ives Direct at 4.

<sup>5</sup> Ives Direct at 12-13.

<sup>6</sup> Ives Direct at 11.

1 Company are often highly engaged in their understanding of energy utility ratemaking, and  
2 some even maintain their own portfolio of renewable resources to support their  
3 comprehensive corporate sustainability goals.<sup>7</sup>

4 Given these differentiating factors, large load customers have the potential to  
5 profoundly impact the Company's resource adequacy; they are also driving investment in  
6 new generation in a way unlike any other customer or customer class.<sup>8</sup> The large  
7 investments needed to safely and reliably serve large load customers present a risk of  
8 stranded costs if a large load customer leave the Company's service area, making it  
9 necessary for the Company to consider ways to mitigate the possibility of such costs.<sup>9</sup>

10 Broader market and policy dynamics present additional considerations. Capacity  
11 across the nation is extremely constrained, driven by decades of clean energy transition  
12 work, permitting challenges, retirement of generation, and load growth. In turn, this is  
13 driving extreme demand but without the corresponding supply side resources to serve that  
14 demand, especially in Midwestern markets.<sup>10</sup> Costs of generation are increasing, and  
15 supply chain challenges are adding complexity, delay, and cost to deployment of new  
16 generation. Tariff and tax policy changes are also driving uncertainty, cost, and delay.

17 These factors—where both the high costs of new generation and the size of the  
18 existing rate base compared to the magnitude of new large loads—create risk for a financial  
19 shortfall if a utility invests heavily in new generation to serve large customers that then  
20 withdraw from its service territory, and also cross-subsidization risk if utility rates are not

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<sup>7</sup> Lutz Direct at 9.

<sup>8</sup> Lutz Direct at 29-30.

<sup>9</sup> Ives Direct at 15-16.

<sup>10</sup> See Southwest Power Pool, *"Our Generational Challenge: A Reliability Future for Electricity"* at 10-14.

1 designed to ensure costs are allocated appropriately. As such, it is critical to manage and  
2 mitigate these risks through: (1) effective rate design, and (2) implementation of  
3 standardized commercial principles. Through the LLPS Rate Plan, as modified by the  
4 Settlement Agreement, the Company will help ensure that Kansas is well-positioned to  
5 benefit from serving large loads, while also reasonably mitigating the potential risks these  
6 important customers present.

7 **Q. What did the Company request in its initial application?**

8 A. The Company filed its application on February 11, 2025, seeking approval of a new tariffed  
9 offering specifically tailored to serving customers with substantially greater demand for  
10 electricity than other customers.<sup>11</sup> The LLPS Rate Plan builds on the Company's existing  
11 rate structures for commercial and industrial customers but is enhanced to accommodate  
12 large load customers. Key among the features of the LLPS Rate Plan is a new rate offering,  
13 Schedule LLPS, which sets forth the specific terms for service to large load customers.  
14 The LLPS Rate Plan also includes a selection of new and existing tariffed offerings that  
15 will address the unique needs of large customers while protecting existing customers and  
16 non-participants. Another key feature of the LLPS Rate Plan is the "Path to Power," which  
17 reflects strategic updates to the Company's queue process that will enable more transparent  
18 and efficient interconnection for new customers over twenty-five megawatts (25 MW).

19 The Company's Schedule LLPS tariff includes a number of commercial principles  
20 that respond to the unique risks and circumstances presented by large load customers,  
21 including:

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<sup>11</sup> Evergy's Application for Approval of Large Load Service Rate Plan and Associated Tariffs (Feb. 11, 2025).

- (1) A minimum load threshold to qualify as a large load;
- (2) A minimum service contract term;
- (3) Minimum demand charges and a minimum monthly bill;
- (4) Creditworthiness and collateral requirements;
- (5) Permissible capacity reductions in limited cases without a fee; and,
- (6) Fees for substantial capacity reductions or early termination of the service agreement.

The Company also included provisions in its LLPS Rate Plan to ensure that large load customers pay the costs of dedicated facilities needed to serve them, without shifting dedicated facility costs to other customers. Many, if not all, of these principles align with nationally emerging large load tariff designs.

**Q. What other requests did the Company include in its application?**

A. In addition to the Schedule LLPS tariff, the Company also included a number of other proposals designed to support implementation of the LLPS Rate Plan, including several new and updated optional riders, revisions to existing tariffs, and updates to the Company's General Rules and Regulations to reflect adoption of the LLPS Rate Plan.<sup>12</sup> These additional proposals are also discussed in more detail in the settlement testimony of Company witness Mr. Lutz.

**Q. Did intervenors file testimony in this proceeding?**

A. No. This proceeding is somewhat unique from a procedural perspective. Recognizing the nature of the substantive issues involved, Evergy and parties to this proceeding (collectively, the "Parties") negotiated a procedural schedule that included multiple rounds

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<sup>12</sup> Lutz Direct at 55-56.



1 of technical conferences, along with two potential deadlines for filing settlement  
2 agreements. This structure was intentionally developed to facilitate open and transparent  
3 dialogue between the Parties regarding the Company’s proposals, with the goal of reaching  
4 a collaborative resolution—ideally supported by all Parties. We accomplished that.  
5 Although the Parties needed to make relatively minor adjustments to the procedural  
6 schedule to accommodate our ongoing settlement negotiations, the unique procedural  
7 schedule enabled us to reach a Settlement Agreement prior to the deadline for Staff and  
8 intervenor testimony. While other Parties did not ultimately file responsive testimony, they  
9 had significant opportunity to vet the Company’s proposals through discovery, technical  
10 conferences, and settlement meetings.

11 **III. OVERVIEW OF SETTLEMENT AGREEMENT TERMS**

12 **Q. Did the parties reach a unanimous global settlement in this case?**

13 A. Yes. In accordance with the Commission’s Order Setting Procedural Schedule entered on  
14 May 6, 2025, the Parties participated in multi-day settlement discussions. As a result of  
15 these and subsequent negotiations, the Parties have reached a unanimous settlement that  
16 comprehensively resolves all issues in this proceeding.

17 **Q. Is the Settlement Agreement unanimous?**

18 A. Yes. All but two Parties signed the Settlement Agreement, and the two parties that did not  
19 sign, Panasonic Energy Corporation of North America and Unified School District No.  
20 259, Sedgwick County, Kansas (“USD 259”), are not opposed to the Settlement

Agreement. Therefore, under Commission regulation,<sup>13</sup> the Settlement Agreement is considered a unanimous settlement agreement.

**Q. Please provide an overview of changes between the Company's application and the Settlement Agreement.**

A. Broadly speaking, the Settlement Agreement is generally consistent with the Company's initial application, but the Parties have agreed to several modifications from Company's initial application, including, for example, the load threshold, minimum service term, collateral/creditworthiness requirements, permissible capacity reductions, and initial pricing provisions. A summary of key modifications is reflected in the following table:

**Table 1: Comparison of Key Changes to Schedule LLPS Between Evergy's Initial Application and the Settlement Agreement**

<b>Term/Condition</b>	<b>Application</b>	<b>Settlement Agreement</b>
<b>Load Threshold/Applicability of LLPS Rate Plan</b>	Customers with a maximum monthly demand over 100 MW.	Customers with a maximum monthly demand over 75 MW, or existing customers with a maximum monthly demand expected to expand by 75 MW.
<b>Minimum Contract Term</b>	15 years, which may include a ramp of no more than 5 years.	12 years, plus an optional ramp of no more than 5 years.
<b>Mechanism for Recovering Costs Additional costs to Serve Large Loads</b>	Yes (System Support Rider).	Yes (Cost Stabilization Rider and increased Demand Charge).
<b>Capacity Reductions</b>	Permissible reduction of maximum contract capacity by up to 10% one time after the first five years with 36 months prior notice; additional reductions are subject to a Capacity Reduction Fee.	Permissible reduction of maximum contract capacity by up to 10% or 25 MW (whichever is lower) one time after the first five years with 24 months prior notice; additional capacity reductions require 36 months prior notice and are subject to a Capacity Reduction Fee.

<sup>13</sup> KAR § 82-1-230a.

Term/Condition	Application	Settlement Agreement
		Clarification regarding computation of Capacity Reduction Fee and timing of payment.
<b>Exit Fee</b>	<p>Exit fee based on the aggregate minimum demand charges for the remainder of the term after termination.</p> <p>An additional Early Termination Fee applies if customer seeks to terminate with less than 36-months' notice equal to the minimum charge multiplied by two for each month less than the required 36-month required notice will apply.</p>	Same basic requirements as initial application, but with clarification regarding computation of Exit Fee and timing of payment.
<b>Financial Security/ Credit Requirements</b>	<p>Customer must provide financial security for its obligations equal to two years of minimum monthly bills.</p> <p>Customers will be eligible for exemption from 40% or 50% of the collateral requirement if they maintain good credit and liquidity, with the amount of the exemption based on the customer's credit rating.</p> <p>The collateral requirement must be provided at the time of the Service Agreement execution and must be (ii) a guarantee from the ultimate parent or a corporate affiliate of the customer for the full collateral requirement, (ii) a standby irrevocable letter of credit for the full collateral requirement, or (iii) cash for the full collateral requirement.</p>	<p>Same basic requirements as initial application, but with the addition of:</p> <ul style="list-style-type: none"> <li>• 25% and 60% exemption tiers;</li> <li>• Additional exemption for satisfying collateral requirement with cash;</li> <li>• Expansion and clarification of scope of entities eligible to provide guarantee; and</li> <li>• Clarification regarding when the Company can draw on collateral.</li> </ul>

<b>Term/Condition</b>	<b>Application</b>	<b>Settlement Agreement</b>
<b>Initial Pricing</b>	Direct testimony included a table outlining initial pricing for large load customers.	Exhibit A of the Settlement Agreement includes an updated table on initial pricing; Settlement Agreement outlines process for future updates to pricing table.
<b>Transparency Measures</b>	Annual reports filed with the Commission on customers taking service under LLPS Rate Plan.	Same general requirements as initial application, but also includes customers who expand.  Meetings with KCC Staff and CURB at least annually to provide updates on the LLPS Rate Plan
<b>Renewable/Carbon Free Attribute Procurement Riders</b>	LLPS Rate Plan includes various optional riders to help customers to achieve renewable or carbon free goals	The Settlement Agreement includes the same riders as the initial application with clarifications on the scope and purpose of various riders; Clean Energy Choice Rider includes clarification of the types of resources that may be considered and that any agreement between the customer and the Company would be submitted to the Commission in a predetermination filing

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- 2    **Q.     For purposes of this proceeding, is the Settlement Agreement a reasonable resolution**
- 3           **of the issues involved in this case?**
- 4    A.     Yes. Taken in its entirety, the Settlement Agreement is a reasonable resolution of all issues
- 5           presented in this docket. The outcomes provided in the Settlement Agreement are aligned
- 6           with the positions taken by the Company in its Direct testimony while also responsive to
- 7           concerns raised during settlement negotiations about the Company’s initial application.
- 8           The Company expects that other Parties will explain how the Settlement Agreement
- 9           appropriately responds to their concerns through their settlement testimony.

1 **Q. Are there any changes that the Company would like to discuss in greater detail?**

2 A. Yes. While most changes are relatively straightforward and require little explanation,  
3 several changes warrant further discussion. Specifically:

4 (1) Remove the System Support Rider (“SR”) and establish the Cost Stabilization

5 Rider (“CSR”);

6 (2) Changes to initial pricing; and,

7 (3) Changes to the collateral and creditworthiness requirements.

8 **Q. Does the CSR achieve the same goals as the SR?**

9 A. Only in part. The fundamental purpose of the SR as proposed in the Company’s initial  
10 application was to ensure appropriate recovery of costs incurred to serve large load  
11 customers, including by preventing potential underpayment and/or cost-shifts from  
12 Schedule LLPS customers who also take service under an Economic Development Rider  
13 (“EDR”).<sup>14</sup> The Company noted that such a recovery mechanism is important because large  
14 load customers have needs and characteristics that could increase costs for other customers  
15 if not properly addressed, such as by causing the Company to build or procure additional  
16 generation resources to meet the new system load and maintain the Company’s Southwest  
17 Power Pool (“SPP”)-established reserve margins. As such, the Company proposed a two-  
18 part SR, including an Acceleration Component and a Cost Recovery Component  
19 explaining that the LLPS Rate Plan requires a mechanism for mitigating potential cross-  
20 subsidization, while also providing rate benefits to non-participants.<sup>15</sup>

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<sup>14</sup> Martin Direct at 18-19; Lutz Direct at 28.

<sup>15</sup> Lutz Direct at 29-30

1           The CSR is not a complete replacement for the SR but will nevertheless help to  
2           ensure that LLPS customers who also take service under an EDR pay the costs associated  
3           with serving them while avoiding an unreasonable cost-shift to non-participants. As  
4           described in the Settlement Agreement, the CSR will be calculated based on comparing a  
5           given large load customer's estimated base rate revenue and estimated final bill revenue  
6           prior to applying certain other riders. Estimated base rate revenue is calculated as the  
7           revenue produced by all applicable base rate and non-LLPS riders; the estimated final bill  
8           revenue shall be the base rate revenue plus any applicable rate discounts, including the  
9           approved EDR. Should a given Schedule LLPS customer's estimated revenue fall below  
10          the customer's estimated rate revenue, an amount, expressed in a dollar per kW (\$/kW)  
11          charge, will be added to the customer billing through this charge. The CSR is customer-  
12          specific and will be memorialized in the service agreement of each LLPS customer on an  
13          annual basis. Combined with the increased Demand Charge (which is discussed later in  
14          my testimony), the CSR minimizes the risk that costs associated with service to LLPS  
15          customers are borne by other customers.

16           As with the SR proposed in the Company's initial application, the CSR is a non-  
17          bypassable charge that is not subject to any EDR discount. Making the CSR non-  
18          bypassable will mitigate the potential for cross-subsidization and underpayment by LLPS  
19          customers.

20   **Q.   If the CSR only replaces a portion of the SR, are other costs that the Company**  
21   **discussed in its Direct testimony adequately addressed in the Settlement Agreement?**

22   **A.**   Yes. As noted above, the SR was designed to recover costs that the Company is concerned  
23          will be generated by serving LLPS customers and to ensure that such costs are not

1 subsidized by other customers in the Company's service area. The SR also included a  
2 specific mechanism for determining and recovering acceleration costs associated with  
3 serving LLPS customers. Although this specific mechanism was removed by the  
4 Settlement Agreement, these and other costs that the SR was designed to recover will be  
5 adequately addressed in the near term by the negotiated higher Demand Charge (discussed  
6 later in my testimony) that the Company agreed to in the Settlement Agreement. This  
7 negotiated Demand Charge actually results in LLPS customers paying for system costs  
8 above the current embedded cost to serve them, meaning that non-participants will benefit  
9 from adding LLPS load from a rate design perspective. In the longer term, the  
10 Commission, Company, and interested stakeholders will have the ability to review and  
11 refine the Demand Charge in future rate cases with the benefit of updated cost of service  
12 and financial modeling.

13 **Q. How has initial pricing changed under the Settlement Agreement?**

14 **A.** The Company included a table in its Direct testimony showing proposed initial monthly  
15 pricing for large load customers under the LLPS Rate Plan.<sup>16</sup> The Settlement Agreement  
16 reflects changes in rates agreed to pursuant to the settlement agreement filed on July 15,  
17 2025, in Docket No. 25-EKCE-294-RTS, and an increase to the Demand Charge as agreed  
18 to by the Parties. To the extent the Commission does not approve the settlement agreement  
19 as filed in that proceeding, the Parties agree that the Company will update the pricing table  
20 in Exhibit A of the Settlement Agreement to reflect the final Commission decision in that  
21 proceeding. Additionally, the Parties have also agreed to a process by which the Company

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<sup>16</sup> Lutz Direct at 27, Table 6.

1 will seek changes to the initial LLPS Rate Plan pricing as part of future general rate  
2 proceedings.

3 **Q. Please explain how the Parties calculated the Demand Charge as part of the**  
4 **Settlement Agreement's treatment of the SR and CSR?**

5 A. The Demand Charge agreed to in the Settlement Agreement represents something of a  
6 "black box" resolution in which the Parties have stipulated to initial pricing for service  
7 under the LLPS Rate Plan without assigning specific values to the individual components  
8 used to arrive at the settled outcome. That said, the Company was committed to ensuring  
9 that a rate mechanism is in place such that Schedule LLPS customers will pay toward  
10 system costs above the current average embedded cost to serve them, thus providing rate  
11 design benefits to non-participants. While the SR was the approach that the Company  
12 initially proposed through Direct testimony, through the course of negotiations, the  
13 Company concluded that the exact mechanism is less important than upholding this rate  
14 design principle and was therefore amenable to creating the CSR and increasing the  
15 Schedule LLPS Demand Charge. The Company views this outcome – a rate that recovers  
16 above the current embedded cost to serve – as a highly constructive outcome that is  
17 reasonable and in the public interest.

18 Speaking to the pricing and rate design structure and commitments of the  
19 Settlement Agreement as a whole, the approach to pricing in the Settlement Agreement is  
20 reasonable as it provides near-term certainty as to initial pricing, while also recognizing  
21 that these rates will need to be updated in future proceedings after large load customers  
22 begin to take service.



1 Q. **What is different about the collateral requirement and credit rating provisions of**  
2 **Schedule LLPS?**

3 A. As stated in Direct testimony, the Company included collateral requirement and credit  
4 rating provisions in the LLPS Rate Plan to ensure the creditworthiness of new large load  
5 customers given the size of their monthly bills and unique risks associated with such large  
6 transactions.<sup>17</sup> As revised in the Settlement Agreement, the collateral requirement and  
7 credit rating provisions continue to achieve this goal. Most changes to these provisions in  
8 the Settlement Agreement simply provide additional clarity as to how the provisions will  
9 be implemented. Additionally, the collateral requirement in the Settlement Agreement  
10 provides additional collateral discount tiers for customers under the LLPS Rate Plan  
11 satisfying certain liquidity and credit rating criteria, and for customers who elect to use  
12 cash to meet the collateral requirement. The Settlement Agreement also expands the scope  
13 of entities that can serve as guarantor if the customer seeks to satisfy the collateral  
14 requirement *via* a guarantee. These changes are all consistent with the Company's rationale  
15 for including collateral and credit requirements in its initial application.

16 Q. **Are there any material conflicts between the Settlement Agreement and the**  
17 **Company's Direct testimony?**

18 A. No. The Settlement Agreement is consistent with the positions expressed in the  
19 Company's Direct testimony and with the Company's application. Although the  
20 Settlement Agreement includes changes to certain terms from the Company's initial  
21 application, the agreed-to modifications continue to achieve the same goals outlined in the

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<sup>17</sup> Lutz Direct at 16.

1 Company's initial application and Direct testimony. Serving large load customers is a  
2 novel and rapidly developing area nationally, and there is no "gold" or singular standard  
3 for tariff design for serving large load customers. As such, there is room for different  
4 approaches to serving large load customers so long as key features are implemented and  
5 the tariff, taken as a whole, achieves the fundamental goals of mitigating risk and avoiding  
6 cross-subsidization by other customers.

7 Notwithstanding, the LLPS Rate Plan, as modified by the Settlement Agreement,  
8 includes all of the features characteristic of large load tariff offerings being developed  
9 nationally. Given these broader trends, it is prudent for the Company to propose, and for  
10 the Commission to approve, large load tariffs with similar features, as doing so will ensure  
11 that Kansas remains a competitive choice for large load customers and that Kansas benefits  
12 from the experience of other jurisdictions in serving these customers. Further, by including  
13 clear provisions to address costs associated with large load customers, the LLPS Rate Plan  
14 improves upon these national trends and provides additional certainty to the Company,  
15 large load customers, and native customers/non-participants.

16 **Q. Do you have any additional comments on the Settlement Agreement?**

17 A. Yes. The Company appreciates the positions advocated by all the Parties and their  
18 collaborative efforts to obtain a reasonable resolution of all issues in this docket. Their  
19 active participation in this unique proceeding has resulted in a Settlement Agreement that  
20 represents a reasonable and balanced compromise among diverse stakeholder positions.  
21 The Company's goal is for Kansas to have policies in place that are supportive of economic  
22 development and growth opportunities for serving large load customers in the state, while  
23 also ensuring that Kansans are appropriately protected from costs associated with serving

1 large load customers. To advance those objectives, having a tariff specific to serve large  
2 load customers, as reflected in the LLPS Rate Plan and as modified by the Settlement  
3 Agreement, is essential to achieving these positive outcomes for Kansas. The Company  
4 will continue to work with stakeholders to support economic development in Kansas and  
5 ensure Kansas is, and continues to be, a competitive environment for serving large loads.

6 **IV. APPLICATION OF THREE-PART TEST FOR COMMISSION APPROVAL OF**  
7 **UNANIMOUS SETTLEMENT AGREEMENTS**

8 **Q. Are you familiar with the test applied by the Commission in evaluating unanimous**  
9 **settlement agreements?**

10 A. Yes. The Commission applies a three-part test when evaluating unanimous settlement  
11 agreements. Approval of a unanimous settlement agreement is appropriate when the  
12 Commission finds the settlement: (1) is supported by substantial competent evidence in the  
13 record as a whole; (2) results in just and reasonable rates; and (3) is in the public interest.  
14 This standard has been affirmed in prior Commission orders and by the Kansas Court of  
15 Appeals and supersedes the five-factor test previously applied by the Commission in  
16 evaluating contested settlements.<sup>18</sup>

17 ***1. THE SETTLEMENT AGREEMENT IS SUPPORTED BY SUBSTANTIAL COMPETENT***  
18 ***EVIDENCE***

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<sup>18</sup> Order Approving Contested Settlement Agreement, Docket No. 08-ATMG-280-RTS, pp. 4-6 (May 12, 2008); Order on KCP&L's Application for Rate Change, Docket No. 15-KCPE-116-RTS, ¶¶ 15-16, at p. 6 (Sept. 10, 2015); *Citizens' Utility Ratepayer Bd. v. State Corp. Comm'n*, 16 P.3d 319, 323 (2000) (upholding Commission's authority to approve settlements based on three-part test).

1   **Q.    Is there substantial competent evidence based on the whole record to support the**  
2       **Settlement Agreement?**

3    A.    Yes. All items included in this Settlement Agreement are supported by substantial  
4       competent evidence based on the record taken as a whole. The record includes the  
5       Company's verified application along with Direct testimony submitted by three witnesses.  
6       The Parties have had the opportunity to conduct significant discovery and the Company  
7       has responded to numerous requests for information regarding its application. The Parties  
8       also spent many hours meeting collectively and in smaller groups, exchanging additional  
9       information and dialogue to achieve the Settlement Agreement.

10           The terms of the Settlement Agreement reflect a compromise of the positions  
11       advanced by the Parties and were formulated through negotiations informed by this record  
12       evidence. By all indications, the Parties would have relied on the same body of evidence  
13       if this case had proceeded to hearing. In short, the Settlement Agreement is the product of  
14       rigorous vetting, thorough expert analysis, and informed compromise, and is supported by  
15       a substantial evidentiary base.

16   **Q.    Are the terms of the Settlement Agreement consistent with the testimony filed by the**  
17       **Parties in this docket?**

18    A.    Yes. The terms of the Settlement Agreement are supported by the Company's Direct  
19       Testimony and will also be supported by testimony filed in support of the settlement by the  
20       Company, KCC Staff, Citizens' Utility Ratepayers Board ("CURB"), existing customers,  
21       and entities representing potential new LLPS customers.

22           ***2. THE SETTLEMENT RESULTS IN JUST AND REASONABLE RATES***

1   **Q.     Please explain how the Settlement Agreement results in just and reasonable rates.**

2   A.     My understanding is that in determining whether rates are just and reasonable, the focus of  
3           the inquiry is the end result, or “total effect,” of the rate order rather than the specific rate  
4           setting method employed. As I discussed above, the Settlement Agreement results in  
5           Schedule LLPS customers bearing appropriate financial risk and also being assessed rates  
6           that will adequately recover the costs to serve large load customers.

7           The Commission has stated its goal in setting rates is to determine whether rates  
8           fall within the “zone of reasonableness” based on balanced consideration of the interests  
9           of all concerned Parties. The Settlement Agreement clearly meets this standard. As in the  
10          Company’s initial application, the Settlement Agreement is broadly consistent with  
11          national trends in tariffs for service to large load customers. Moreover, the commercial  
12          terms and conditions agreed to by the Settlement Agreement protect non-participants from  
13          undue harm by way of a minimum bill requirement, paired with substantial minimum  
14          demand requirements, a minimum service term, and by virtue of a new Schedule LLPS  
15          customer class. Also consistent with the initial application, the Settlement Agreement  
16          includes mechanisms to provide protection if a large load customer terminates its service  
17          agreement before the end of the minimum service term, including requirements that the  
18          customer post and maintain collateral and pay a substantial exit fee in the event of  
19          termination. The Settlement Agreement also provides reasonable flexibility to large load  
20          customers, such as allowing capacity reductions under certain circumstances and providing  
21          relief from some of the requirements of the LLPS Rate Plan for customers with a good  
22          financial track record. Moreover, as Company witness Lutz discussed in his Direct  
23          testimony and affirms through his settlement testimony, the rates established by the

1 Settlement Agreement are based on a lawful and prudent revenue requirement, are  
2 allocated fairly and equitably among customer classes, are structured to ensure that costs  
3 associated with serving large load customers are not borne by other customers, and are in  
4 keeping with settled ratemaking principles. In fact, as explained earlier, non-participants  
5 will actually benefit from a rate design perspective as LLPS customers will pay for incurred  
6 system costs above the current embedded cost to serve them.

7 The Parties to this docket represent a broad range of diverse stakeholder interests  
8 including multiple consumer interests (KCC Staff, CURB, the Kansas Industrial  
9 Consumers Group (“KIC”), large customer interests (Data Center Coalition (“DCC”),  
10 Google), and conservation interests (Sierra Club and the Natural Resources Defense  
11 Council (“NRDC”)). The fact that there is no opposition to the Settlement Agreement is  
12 persuasive evidence that the Settlement Agreement is balanced, fair, and will result in just  
13 and reasonable rates. Accordingly, the rates established by the Settlement Agreement are  
14 equitable for both customers and the Company and fall within the range of outcomes that  
15 could be expected if this case were fully litigated.

16 ***3. THE SETTLEMENT AGREEMENT IS IN THE PUBLIC INTEREST***

17 **Q. Is the Settlement Agreement in the public interest?**

18 A. Yes. The terms of this Settlement Agreement are in the public interest and should be  
19 approved by the Commission. The Parties in this docket have a duty to protect the interests  
20 of those they represent. The Company has a duty to both its customers and shareholders.  
21 CURB represents the interests of residential and small commercial customers while DCC  
22 represents the interests of data center companies that are driving much of the load growth  
23 across the country. There are 13 other Parties who represent the broad and varied interests

1 of their companies, shareholders, members and constituents, including businesses of  
2 varying size and school districts. KCC Staff represents the overall public interest. Because  
3 all interests represented in this proceeding either join or do not oppose the Settlement  
4 Agreement, the Commission should find that the total effect the Settlement will result in  
5 just and reasonable rates and represents an equitable balancing of the interests of all Parties.

6 I also note that the Settlement Agreement avoids protracted litigation, provides rate  
7 certainty, and incorporates mechanisms such as annual reporting, that provide transparency  
8 and accountability. It is in the public interest to avoid the cost of a fully litigated hearing  
9 and to promote administrative efficiency and reduced litigation costs through compromise  
10 resolution. Thus, the Settlement Agreement is in the public interest and should be approved  
11 and adopted by the Commission in its entirety.

12 **Q. Will the Commissioners have an opportunity to obtain additional information about**  
13 **the Settlement Agreement if they have questions?**

14 A. Yes. I will be appearing at the settlement hearing scheduled for October 8, 2025, *via* Zoom.  
15 If the Commissioners have questions for any of the Company's other witnesses, those  
16 witnesses can be available to support and answer questions. We anticipate that other Parties  
17 will do the same.

## 18 **V. CONCLUSION**

19 **Q. Does this conclude your testimony?**

A. Yes, it does. Thank you.

STATE OF KANSAS                     )  
  ) ss:  
COUNTY OF SHAWNEE             )

**VERIFICATION**

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

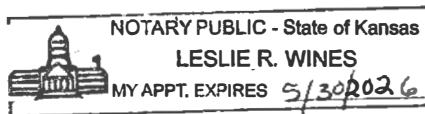
Subscribed and sworn to before me this 5<sup>th</sup> day of Septembder 2025.



Notary Public

My Appointment Expires:

May 30, 2026





## CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed, this 5<sup>th</sup> day of September 2025, to all parties of record as listed below:

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