BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

DIRECT TESTIMONY OF

RYAN P. MULVANY

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

January 31, 2025

I. INTRODUCTION

Q: Please state your name and business address.

A: Ryan P. Mulvany. My business address is 1200 Main, Kansas City, Missouri 64105.

Q. By whom and in what capacity are you employed?

A. I am employed by Evergy Metro, Inc. and serve as Vice President, Distribution for Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("EKM"), Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central, Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("EMM"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW"), the operating utilities of Evergy, Inc.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (referred to collectively as "EKC" or "Company").

Q: What are your responsibilities with the Company?

A: My responsibilities include oversight of construction, operation, and maintenance functions for Distribution throughout all the jurisdictional territories of the operating utilities owned by Evergy, Inc. This includes the execution of Distribution projects identified as part of Evergy, Inc.'s capital plan, as well as all customer outage restoration field activities.

Q: Please describe your education, experience and employment history.

A: I received a bachelor's degree with a major in Business Administration from the University of Kansas in 2001 and a master's degree in Business Administration in 2006. I began my career as a Staff Auditor for the KCC in 2001. I have worked for the Evergy companies (including one of its predecessors, KCP&L) since 2003. During my tenure with the

Company, I have gained broad experience across many functions in both administrative areas and utility operations. My present position is Vice President, Distribution, which includes responsibility for all distribution plant and operations.

Q: Have you previously testified in a proceeding before the Kansas Corporation Commission ("Commission" or "KCC") or before any other utility regulatory agency?

A: Yes. I have previously filed testimony as a member of the KCC Staff in Docket No. 03-KGSG-02-RTS and Docket No. 02-EPDE-488-RTS; then for the Company in Docket No 23-EKCE-775-RTS.

Q: What is the purpose of your testimony?

A: My testimony (a) describes the EKC distribution systems; (b) identifies and discusses reliability performance; (c) describes specific challenges to maintaining and/or improving EKC's distribution system reliability; (d) explains our distribution system investment strategy and the underlying process for selecting projects based on affordability and maximizing customer value; (e) identifies the major investments and programs that are the product of this strategic process; (f) discusses the approach utilized for EKC's storm reserve in the last rate case; and (g) discusses Evergy, Inc.'s approach to Hazard Trees.

II. EVERGY KANSAS CENTRAL DISTRIBUTION SYSTEM: MAGNITUDE, COMPONENTS AND PERFORMANCE

Q. Please describe the major components of EKC's distribution system.

A. EKC's distribution system includes approximately 30,995 line-miles, 666,823 distribution poles, 210,094 overhead distribution transformers, and 73,169 underground distribution transformers. EKC serves more than 735,000 retail customers.

Q. What is the average age of EKC's distribution assets?

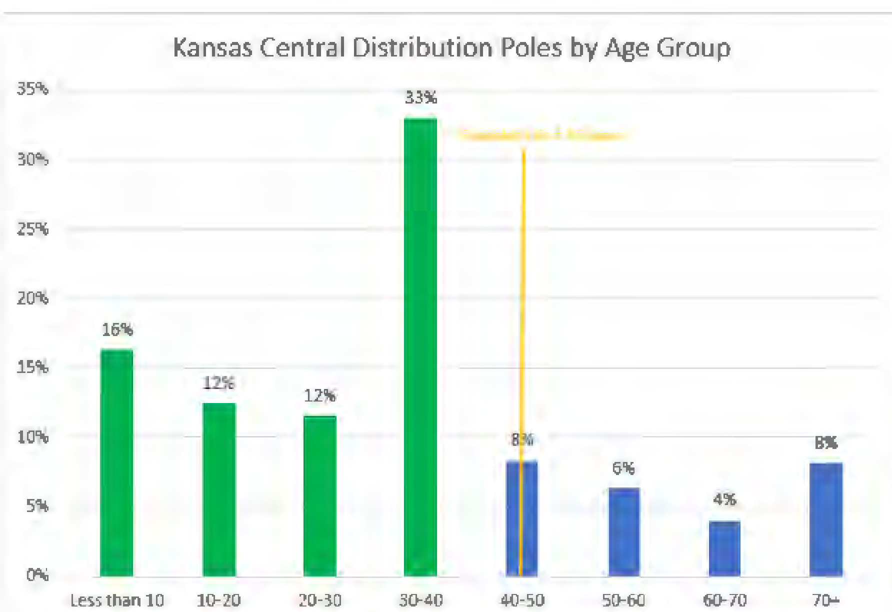
A. **Table 1** below shows the average age of key asset types (conductors, poles, and transformers) for EKC as well as the expected lives for those asset types.

Table 1: EKC Average Age and Expected Life of Key Asset Types

Key Asset Type	Average Age (years)	Expected Life (years)
Overhead Conductors	36	30
Underground Conductors	24	30
Poles	32	40-45
Overhead Transformer	28	20
Underground Transformers	21	20

Figures 1 below contains a more granular display of the age of distribution poles by 10-year age groupings for each entity.

Figure 1: EKC Distribution Pole Age Groupings



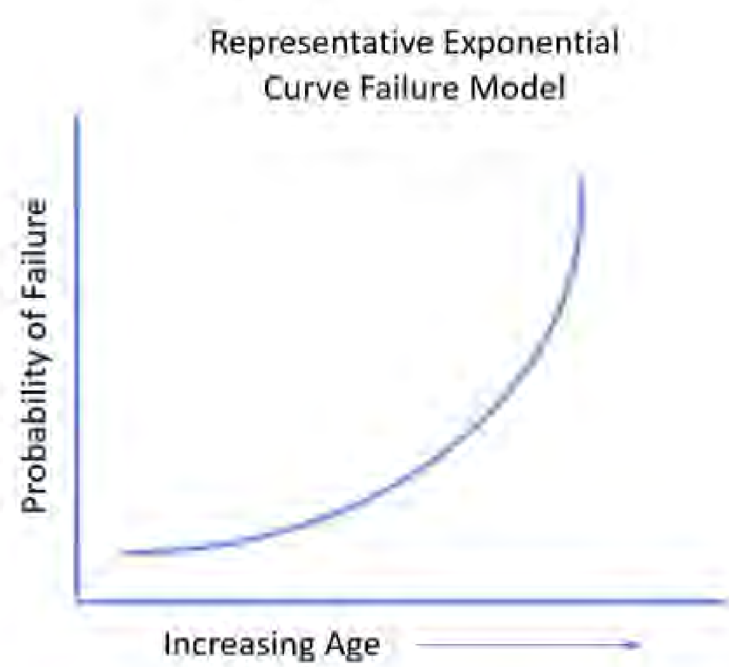
Q. Although you do not have direct administrative responsibility for the Company's transmission system, are you familiar with the age of those assets?

A. Yes. I am familiar with the age of the Company's transmission assets. Similar to our distribution system, much of the transmission system is relatively old with a significant percentage of those assets exceeding their expected useful lives.

Q. Does the age of key distribution and transmission assets affect reliability of performance?

A. Yes. A common characteristic of all asset classes is that the rate of failure increases dramatically as they age – ultimately occurring at an exponential rate. An illustration of this "hockey stick" failure curve is displayed in Figure 3 below.

Figure 3: Failure Curve



To avoid the negative age-driven impacts on system reliability, assets should be replaced at a pace that stays ahead of their respective failure curves. Accomplishing this objective in a manner that is consistent with our focus on affordability and maximizing customer value is an important element of our distribution system investment strategy.

III. RELIABILTY PERFORMANCE MEASURES AND CHALLENGES

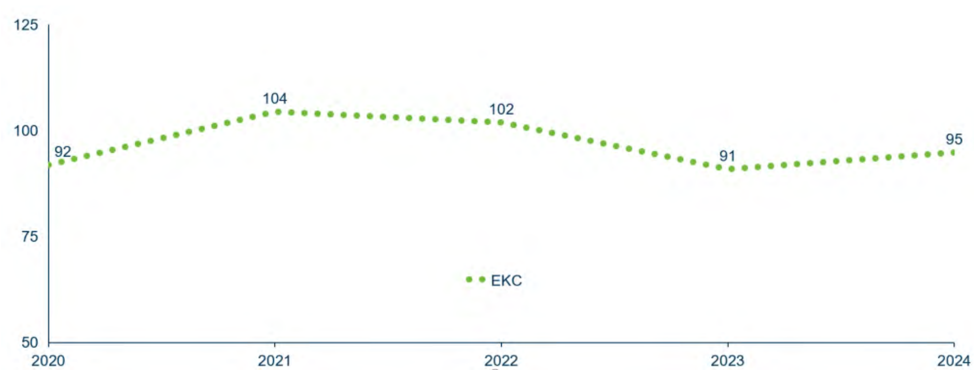
Q. What industry metrics are generally utilized to assess an electric utility's reliability performance?

A. The most common industry metric used to track a utility's reliability performance is the System Average Interruption Duration Index ("SAIDI"). SAIDI measures the total duration an average customer experiences a sustained service interruption over a predefined period. Another common reliability metric is the System Average Interruption Frequency Index ("SAIFI"). SAIFI measures how often customers, on average, experience a sustained service interruption over a predefined period. This metric is derived by dividing the total number of customer interruptions by the total number of customers served.

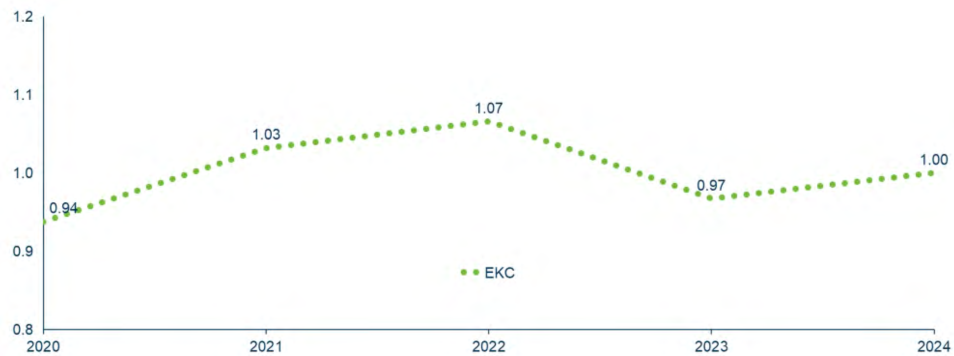
Q. What are the historical reliability metrics for EKC from 2020 to 2024?

A. Historical SAIDI and SAIFI performance for EKC is shown in Figure 4 below.

Figure 4: Historical SAIDI



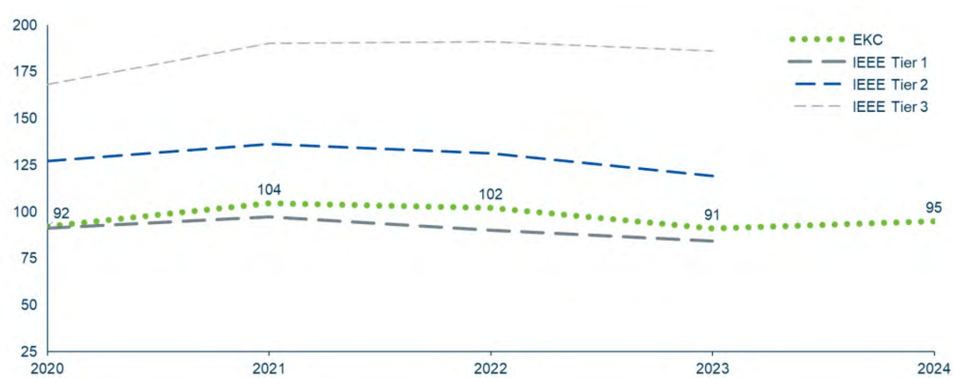
Historical SAIFI



Q. How has SAIDI performance for EKC compared historically with the industry generally?

A. Reliability benchmarking shows that EKC's SAIDI performance compares favorably with the industry at large. As shown in **Figure 5** below, EKC has maintained Tier 2 normalized SAIDI performance levels.

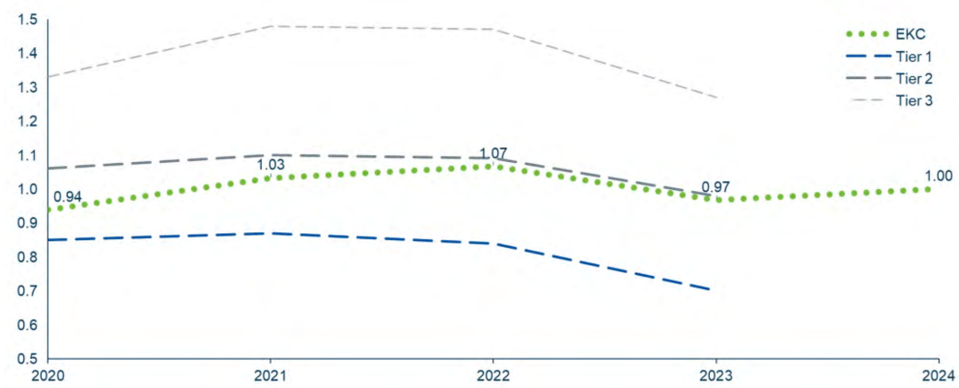
Figure 5: Historical IEEE Normalized SAIDI Comparison



Q. How has SAIFI performance for EKC compared historically with the industry generally?

A. Reliability benchmarking shows that EKC's SAIFI performance also compares favorably with the industry at large. As shown in Figure 6 below, EKC has maintained Tier 2 normalized SAIFI performance levels. .

Figure 6: Historical IEEE Normalized SAIFI Comparison



Q. What trends do you draw from these metrics?

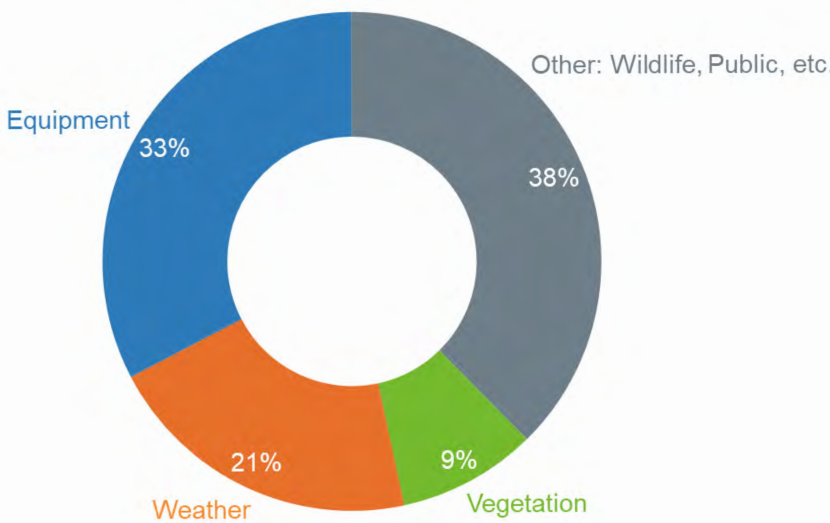
A. EKC has a track record of strong reliability performance. Since 2020, EKC's SAIDI and SAIFI performance has remained relatively consistent with strong performance relative to peer utilities.

Q. What are the most significant factors affecting EKC's reliability performance?

A. A number of factors affect our reliability performance. As I have testified, the age of assets is a significant factor. Other significant factors include asset condition and maintenance, weather, response times, vegetation management, and various impacts from the public and wildlife. **Figure 7** below shows the relative percentage of customer outages by cause for EKC in the past five years.

Figure 7: Drivers of Customer Outage by Cause – 5 Year Average

Institute of Electrical and Electronics Engineers (IEEE) normalized percent of EKC SAIDI



Q. What specific challenges do you perceive to maintaining and strategically improving EKC's system reliability and overall quality of service?

A. From a distribution perspective there are five broad challenges we must address to continue meeting the reliability and service expectations of our customers: (a) managing and replacing aging infrastructure; (b) improving our ability to withstand more severe weather patterns; (c) maintaining a proactive vegetation management schedule; (d) meeting changing demands occasioned by the addition of large-scale renewable generation and behind-the-meter resources as well as the increase in EV penetration; and (e) efficiently deploying new cost-effective technologies that enhance outage performance and improve our predictive maintenance capability. Our ability to meet these challenges is largely dependent on investments I grid technologies. Grid enhancements, and customer programs.

IV. <u>DISTRIBUTION SYSTEM INVESTMENT STRATEGY & PROCESS</u>

Q. Historically, has EKC's investment in distribution assets been adequate to address the problem of aging distribution infrastructure?

A. EKC's level of investment in distribution assets has not kept pace with the aging distribution infrastructure. As shown above in Table 1, the average age of many key distribution assets is beyond the expected lives of those assets.

Q. What is the magnitude of the increase in distribution asset investments from the 2024 to the 2025 five-year plans?

A. From 2024 to 2025 the planned five-year investment in distribution assets increased by approximately $440 million.

Q. Please identify the most significant factors contributing to the increase in those planned investment levels.

A. The most significant factors contributing to the increase in planned investments are: (a) targeted, condition-based asset replacement, (b) deployment of automation, (c) growth in new customers, (d) and inflation increasing input cost. The increased investment will enhance distribution grid resiliency and public safety and will reduce outages resulting from equipment failure. Moreover, increased deployment of distribution automation and technology will support efficient operations of the distribution grid.

Q. Describe the process that has resulted in these adjustments to planned distribution asset investments?

A. EKC has a systematic annual investment planning process that we use to develop our updated five-year capital investment plan. Identification of specific distribution investments is also part of EKC's ongoing budget planning process. This investment planning process is summarized in the chart attached as **EXHIBIT RPM-1**.

Q. How are these projects prioritized?

A. Our asset management strategy is to minimize or prevent customer outages by identifying high-impact assets that can be maintained or replaced prior to failure. Ranking methodologies have been developed based on data and analytics to support the identification of lines, circuits, laterals, substations, and individual assets at risk. These methodologies utilize asset data (such as age, manufacturer model, and condition) gathered through inspections and testing, historical outage information, and various other inputs. Risk scores are used to prioritize individual asset replacement and as inputs to prioritize larger capital projects. Projects can have a variety of benefits, from improving system resiliency through the addition of contingency options to replacing aged assets. Projects are scored across several differently weighted value dimensions to create an overall score that can be used to gauge the relative benefits provided by various multi-faceted projects. The benefit categories used in calculating these scores are outlined below:

- *Customer Reliability.* The Customer Reliability score is based on a composite of Asset Criticality, Health and Risk, Power Quality Impacts, Risk of Potential Overload, and Availability of Contingency. Transmission projects also incorporate the benefits of relieving congestion.
- *Public Impact.* The Public Impact score includes potential benefits for critical customers or mitigation of public impact risks (e.g., environmental events).
- *Employee Benefit.* The Employee Benefit score focuses on reducing employee safety risk and improving workforce productivity.

- *Growth & Technology*. The Growth & Technology score measures the potential benefits of implementing new, strategic technologies (e.g., automation) or supporting a strategic initiative in some way (e.g., conversion to standard voltages).
- *Financial*. The Financial score measures the Net Present Value ("NPV") of Revenue Requirements and Net Income. These financial metrics are still being refined and do not currently impact the relative score of distribution projects because they essentially offset each other. Fundamentally, they are meant to represent the customer cost impact (revenue requirement) and the net income impact of capital expenditures.

Q. Please describe the major program initiatives directed toward economically improving distribution system reliability that are the product of EKC's annual planning process.

A. There are multiple programs that support improving distribution system reliability:

- The Lateral Improvement Program targets aging infrastructure and excessive lateral outage events as well as customer complaints related to those events. A risk-based investment model (AssetLens) was developed to identify overhead distribution primary conductor and poles for replacement. The model uses several sources of data including asset characteristics, asset condition, and historical outage information.
- The Wood Pole Life Extension and Replacement Program focuses on wood pole replacement or reinforcement based on the results of intrusive wood pole inspections. These inspections are on a 12-year cycle. The intrusive inspection includes ground line inspection via soil excavation, bore/plug, and chemical treatment. This program improves the reliability and resiliency of our system by replacing or reinforcing poles identified as having an increased risk of failure.

- The Proactive Cable Replacement/Rehabilitation Program targets direct buried underground residential distribution ("URD") primary cables that are identified as having an elevated risk of failure based on historical cable failure analysis. The program targets high-risk URD cables based on age, condition, performance, and various other factors. High-risk cable segments are evaluated using partial discharge testing to determine the cable's condition. Cable segments are selected for replacement based on the results of these tests. Replacement of high-risk cable segments prevents failures on the system and reduces customer outage minutes.
- The Manhole Vault Top Replacement Program focuses on degraded underground manhole ceilings identified during detailed manhole inspections. Replacement of degraded manhole vault tops prevents damage to installed underground electrical equipment and reduces public safety concerns.
- The Network Rehabilitation Program uses EKC craft knowledge and results from the detailed manhole inspections to identify structures for replacement or remediation. EKC uses an independent contractor who is an expert in manhole restoration and high-voltage electrical repairs. The work is prioritized based on greatest risk to worker/public safety and impact to customer reliability.
- The High Outage Count Customers Program, also known as the "Worst Performing Circuit" Program, is a circuit-based program that addresses service reliability issues associated with customers experiencing abnormally high outage counts under KCC regulatory standards. EKC identifies high outage count customers, investigates their outage events, and develops solutions to improve their circuit reliability. Analyzing

annual outage management system records and field inspection results assists in understanding root causes and the ensuing action required to mitigate future incidents.

- The Customers Experiencing Multiple Interruptions ("CEMI") Improvement Program focuses on making repairs and improvements for customers experiencing six or more interruptions over a 12-month period. Interruption cause code data is analyzed to determine the root causes and appropriate corrective actions required to mitigate future incidents.

Q: Can you provide specific examples of recent distribution system investment projects, and the benefits those projects have created for EKC's customers?

A: EKC recently completed a multi-year project to upgrade the distribution system located near the southern part of Hutchinson, Kansas and surrounding areas. The project upgraded the existing 4kV distribution system to a 12kV system, as well as making other equipment and reliability upgrades in the process. The upgrades have the dual benefits of improving both capacity and reliability. The limited capacity provided by the previous 4kV system had limited EKC's ability to support economic growth in the area. The new 12kV system can carry three times the capacity of the 4kV system and has thus helped to improve EKC's ability to support and serve important growth in the area. Additionally, in the event of an outage, the increased capacity provides operational flexibility by allowing switching to alternate sources, thereby expediting outage restoration. Furthermore, the higher voltage system enhances efficiency by reducing line losses. Therefore, as is the case with most of EKC's important distribution improvement projects, the Hutchinson project not only improved efficiency and capacity, but it also provided additional reliability and redundancy improvements to the system as a whole, which are in turn shared by all of EKC's customers in the area.

Q: Are there any additional distributions projects you would like to highlight for the Commission?

A: Yes. EKC has successfully upgraded 1.4 miles of #4 copper conductor in the Wichita area, which serves as the mainline tie between the circuit emanating from Eastborough and Pawnee substations. The #4 copper conductor on the Eastborough circuit was operating near its capacity, which presented challenges and risks to EKC's ability to reliability of service to customers in the area. Over the past three years, this section has experienced eight sustained outages on the recloser feeding the Eastborough section, with two of these outages resulting from conductor failure.

To address these issues, EKC upgraded the mainline tie between the two circuits. This enhancement provides greater operational flexibility, allowing for more efficient switching between the Eastborough and Pawnee substations. Additionally, the #4 cooper conductor was replaced with a higher capacity conductor to handle load demands. This improvement is particularly beneficial for the area, which is predominantly residential with some small commercial customers.

In addition, in Topeka, Kansas, EKC successfully completed a reconductor project, replacing 0.5 miles of 1/0 copper weatherproof conductor with standard 477 ACSR (Aluminum Conductor Steel Reinforced) on the Quinton Heights distribution circuit. The circuit largely serves residential customers along with some small commercial customers. The 1/0 copper conductor had reached its normal ampacity rating, limiting operational flexibility, and preventing its use for emergency switching on the system. The conductor replacement of the existing 1/0 copper weatherproof conductor with 477 ACSR offers higher current-carrying capacity and improved mechanical strength. ACSR conductors are more resistant to environmental factors such as wind, ice, and corrosion, ensuring a longer lifespan and reduced maintenance requirements. Additionally, 477 ACSR conductor doubles the ampacity of the circuit by two allowing the conductor to carry higher system loads.

Q. How will EKC customers benefit from increased investment in distribution assets?

A. There will be multiple customer benefits from increased distribution investment. These benefits include lower operating costs, upgraded system visibility for quicker outage response times, improved asset data quality to enable predictive maintenance (*i.e.,* systematic and timely replacement of aging infrastructure), more flexibility to incorporate distributed generation into the system, meeting evolving expectations relating to increasingly sensitive customer equipment and power quality requirements, and reducing energy losses experienced in older equipment and assets.

Q. Are there other drivers of reliability performance beyond asset management?

A. Yes. Additional drivers of reliability performance of note include improved design and construction standards, and proper vegetation management practices. Both are important factors in continuing to maintain reliability performance of the system as a whole to the benefit of all of EKC's customers.

Q. How do design, and construction standards help to maintain reliability?

A. EKC follows the National Electrical Safety Code (NESC) rules and guidelines. The NESC includes loading requirements and clearances for the design, construction, and operations of power lines. Power lines experience mechanical forces that develop from the weight of the conductor, the weight of ice on the conductor, plus the wind pressure on the conductors and supporting structures. Given Kansas falls within the NESC Heavy Loading District and to account for mechanical forces, EKC has adopted NESC's Grade B construction standard. Grade B construction results in high strength and safety factors and to support a combination of 40 mph winds with ½" of radial ice accumulation which is often the hardest condition to meet.

Q. How do vegetation management programs help maintain reliability?

A: The role of vegetation management at EKC is to prevent and reduce interactions between vegetation and electric infrastructure. This is pursued through a programmatic approach that aims to reduce the reliability impact of vegetation. Core tenets of this approach include: 1) Systematic inspections of vegetation conditions adjacent to EKC facilities, 2) Pruning trees away from facilities to establish and maintain clearance before they make contact, and 3) Seeking removal of trees that are located in such a way that the pruning frequency required to maintain clearance is neither cost effective nor is it sustainable to the health of the tree. These practices aim to stem the tide of an always changing, ever-growing and dynamic variable to system reliability.

Q. Have you noticed new reliability challenges related to vegetation management?

A. Yes. In many older urban neighborhoods, many large trees are at or nearing the end of their lifespan. We have noticed an uptick in the large tree failures both during severe storm situations and during blue sky days. These trees are sometimes referred to as hazard trees.

Q. Does EKC have a Hazard Tree Mitigation Program?

A: EKC does not deploy a stand-alone Hazard Tree Mitigation Program. While some Hazard trees are identified and removed during preventative maintenance, this is typically limited to those trees that also require line clearance trimming and/or pose an imminent threat. While no formalized program exists to mitigate Hazard trees, many are identified and worked on a reactionary basis: customer request, internal request, or other "chance" encounters. An opportunity exists to establish a proactive approach that targets removal of Hazard trees outside of the scope of the preventative maintenance program that positively impacts safety, reliability, and overall customer experience. The overwhelming majority of vegetation management work taking place at EKC occurs within the preventative maintenance program. By nature, this program emphasizes preventing vegetation "grow-in" conditions. In other words, the program has placed emphasis on trimming trees adjacent to overhead facilities. Notwithstanding, large numbers of trees are completely removed at the time of preventative maintenance. More than 80,000 trees have been removed 2019 through 2024 during preventative maintenance trimming efforts, 10% of all trees touched. In addition, another 96,000 were flagged as "Good Removal Candidates" but were not removed. Current practices require a property owner signature prior to the removal of a tree. Of the trees removed less than 1% were mature, large diameter trees that fit the profile of a Danger or Hazard tree.

Q. What is the difference between a Danger Tree and Hazard Tree?

A: A danger tree is any tree on or off the right of way that could contact electric infrastructure if it fails. A Hazard Tree is a structurally unsound tree that could strike electric infrastructure when it fails. Hazard trees are a subset of Danger trees. As defined, Hazard Trees are those trees that exhibit a structural defect and could strike EKC's infrastructure upon failure. This ultimately means: any tree with a structural defect that is likely to lead to failure (whole or partial tree failure), is of sufficient height, and is situated close enough to overhead power lines that an outage is possible and/or likely could be categorized as a Hazard Tree. This means that Hazard Trees will mostly be large, mature trees; often those reaching the end of their natural life spans. Anecdotally one could picture the most highly valued trees along a city street or in a residential neighborhood that may otherwise appear healthy, but have structural defects that have accrued over time, and now present a safety, reliability, and economic threat.

Q. Are Hazard Trees impacting reliability on the EKC Distribution system?

A. Yes. In response to circuit-breaker outages coded as caused by vegetation the Vegetation Management department performs a field investigation to collect data about the tree. The onsite investigation aims to determine whether a tree did indeed cause the outage, how the tree caused the outage, and to evaluate if current VM practices would have prevented the outage. Since 2020 85% of the outage events investigated were caused by whole or partial tree failure.

Q. Does EKC intend to develop a formalized approach to Hazard Tree mitigation?

A. EKC has made significant investments in data science and analytics specific to vegetation caused outages. One outcome of this investment is a Vegetation Risk Model that provides quantitative risk values at multiple resolutions across our distribution network. Utilizing this information we now have insights specific to Danger Trees adjacent to our overhead network: data such as the location and potential of individual trees to strike overhead lines if a failure occurs. Using this information EKC intends to have a field study conducted targeting Danger Tree locations to evaluate what proportion also qualify as Hazard Trees. The results of the field study will help form the basis for a formalized Hazard Tree Mitigation Program.

Q. What is EKC's intended course of action as it continues to develop its Hazard Tree mitigation program?

A. The Company is still in the process of developing and formalizing its program. Evergy hopes to have a sufficiently developed plan in the near future and intends to engage in further discussions with Staff as it develops and formalizes its plan moving forward.

V. STORM RESERVE FOR EKC

Q. Please describe EKC's storm reserve.

A. Over 20 years ago, the Commission approved a storm reserve for EKC and established rates that supported the maintenance of the reserve. The reserve is designed to provide a systematic method to collect revenues to be used for extraordinary storm operating and maintenance expenses. The adequacy of the reserve is reviewed in each general rate case.

Q. Does the storm reserve provide benefits to customers?

A. Yes. The reserve benefits customers by smoothing major storm expenses year-over-year for recovery in rates over time. This smoothing of storm expenses creates less rate volatility from rate case to rate case and helps stabilize the cost of these events in customer rates. The unpredictable nature of storms and the amount of destruction they cause create volatility in expenses. A storm reserve helps flatten the effect of these events in customer rates. The reserve also eliminates the possibility of the Company over-collecting for storm costs if the actual costs of storm damage are lower than what has been established in rates. This is done through evaluation in each general rate case of the available storm reserves remaining as compared to expected requirements in determining annual amounts to be included in rates to maintain adequate reserves. Similarly, the utility benefits from the reserve because it also realizes a smoothing of storm expenses from an operating perspective. This, in turn, reduces volatility in earnings associated with significant storm events. As the Commission is certainly aware, the reserve has worked as intended for EKC and its customers to smooth the amounts requested from customers in rates while also providing the opportunity to smooth potential utility operating earnings volatility year-to-year that may result from variations in storm intensity.

Q. Whas the Storm Reserve addressed in EKC's last rate case?

A. In EKC's most recent rate case in Docket No. 23-EKCE-775-RTS ("'23-775 Docket") the Commission approved a settlement agreement that addressed the storm reserve. Specifically, the settlement and order approving the settlement established an annual accrual amount for the storm reserve and targeted cap of $10 million, and it specified that the cap would be assessed in the next rate case, which is the current proceeding.

Q. Is EKC requesting any change in the storm reserve annual accrual amount?

A. No. There is no change requested in this case for the annual accrual amount for EKC's storm reserve.

Q: Is EKC requesting that the targeted cap be assessed in this docket?

A: Yes. As discussed above, the approved settlement set the initial targeted cap at $10 million. EKC is not requesting any change to the targeted cap for the storm reserve. The Company has reviewed the storm reserve and the targeted cap as established in the 23-775 Docket, and EKC believes the reserve with the targeted cap of $10 million has appropriately served its purposes as described above. It has adequately covered the costs associated with storm-related damage and related restoration efforts. At the established levels, it has adequately allowed for establishment of a fund to serve the stated purposes of smoothing major storm expenses year-over-year and helping to stabilize the costs of these events as shown through customer rates.

Q. Does this conclude your testimony?

A: Yes, it does.

EVERGY ANNUAL CAPITAL INVESTMENT PLANNING PROCESS

Identify Needs

For example:

- New customers / customer **growth**
- Future **capacity** requirements
- **Contingency** options to increase resiliency
- Historical **reliability** issues causing customer outages and/or increased maintenance costs
- Changes in **mix of generation** requiring investment in stability and reliability
- Aging **asset condition** or asset not aligning with current standards

Identify Solutions

Projects or Programs:

- **Projects**: Evaluated based on benefits provided, projects define an effort targeted to address one or more of the identified needs.
- **Programs**: Evaluated based on condition, reliability and criticality, programs define overall efforts that target a specific asset type within one jurisdiction.

Create Estimates

Engineering estimates, created to define funding required for each project

Program amounts are estimated based on overall needs within each respective asset category

Prioritize Projects

Projects and Programs are prioritized and moved between years based on:

- Relative **benefits** provided by different solutions
- **Funding availability** by year
- **Interdependencies** between projects or timing requirements
- **Labor availability** for execution in different areas

Create Final Budgets

Prioritized Projects and Programs are combined with annual, recurring budget items and reviewed with a cross-functional team (T&D, Generation, IT, Customer and Finance) prior to incorporation into the final budget

Develop Execution Plans

Based on Final Budgets, labor and materials plans are developed to support execution:

Labor:

- Baseline and forecast requirements
- Outline labor strategy
- Design pricing and policies to incentivize labor
- Engage in contractor partnership

Materials:

- Baseline and forecast long-term materials requirements
- Build trusted supplier discussions in-line with demand
- Lock in trusted suppliers with the right terms
- Set guardrails for procurement within the larger EPC strategy

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

VERIFICATION

Ryan Mulvany, being duly sworn upon his oath deposes and states that he is the Vice President Distribution, for Evergy, Inc. that he has read and is familiar with the foregoing Direct Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Ryan Mulvany

Subscribed and sworn to before me this 31st day of January, 2025.

Leslie R. Wines
Notary Public

My Appointment Expires: May 30, 2026

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