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

In the Matter of the Application of Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. for Approval to Make Certain Changes in their Charges for Electric Service	))))	**Docket No. 25-EKCE-294-RTS**

DIRECT TESTIMONY

PREPARED BY

CHAD UNREIN

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

June 6, 2025

[CONFIDENTIAL VERSION]

**** __** Denotes Confidential Information**

Contents

I. Introduction, Qualifications, Assigned Responsibilities

Q. Would you please state your name?

A. My name is Chad Unrein.

Q. What is your business address?

A. My business address is 1500 Southwest Arrowhead Road, Topeka, Kansas 66604.

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

A. I am employed by the Kansas Corporation Commission (Commission) as the Chief of Accounting and Financial Analysis.

Q. Would you please describe your educational background and business experience?

A. I graduated with a Bachelor's of Business Administration with an emphasis in Accounting and a Certificate in Leadership Studies from Washburn University in 2004. In addition, I earned a Masters Degree in Business Administration from Washburn University that was completed in 2010.

I started an Accounting/Finance internship with Westar Energy, Inc. (d/b/a Evergy Central) prior to graduation in 2023. I accepted a position as an Associate Accountant in the Financial Reporting Department of Westar Energy with various responsibilities, including the preparation of financial statements, Federal Energy Regulatory Commission (FERC) Regulatory Reporting, and financial analysis for managerial reports. In 2005, I accepted a position as a Risk Management Analyst in Westar's Risk Management Department, which is responsible for the oversight of Westar's energy marketing portfolios. My primary responsibilities in this position included counterparty credit analytics, the determination of credit limits, and virtual transaction reporting.

In 2006, I accepted a position at Security Benefit Group as a Portfolio Performance Analyst in their Asset Management Department. I was responsible for a variety of benchmarking analysis, risk/return evaluations, and portfolio performance assessments to aid fund managers in assessing fund performance.

I began my employment with the Commission as an Auditor in January of 2014. At the Commission, I served in a variety of auditing positions with differing levels of responsibilities in the Commission's review of State, Regional, and Federal regulatory matters. My most recent promotion to the Chief of Accounting and Financial Analysis occurred in February of 2024. My current role includes the management of the Audit section of the Utilities Division.

While employed with the Commission, I've participated in and directed the review of various tariff/surcharge filings and rate case proceedings involving electric, natural gas distribution, water distribution and telecommunications utilities. In my new capacity as Chief of Accounting and Financial Analysis, I am responsible for supervising the activities of the Audit section. As the Chief Auditor, I plan, manage, and perform audits of utility rate cases, tariff/surcharge filings, fuel cost recovery mechanisms, transmission delivery charges, and other utility filings that impact utility rates in Kansas.

Q. Have you ever testified before the Commission?

A. Yes I filed testimony in Docket Nos. 14-SPEE-507-RTS, 14-BHCG-502-RTS, 14-MRGT-097-KSF, 15-SPEE-519-RTS, 15-SPEE-161-RTS, 15-KCPE-116-RTS, 16-MKEE-023-TAR, 16-SPEE-497-RTS, 16-KGSG-491-RTS, 17-SPEE-476-RTS, 18-WSEE-328-RTS, 18-KCPE-480-RTS, 19-MPCE-064-COC, 19-GBEE-253-ACQ, 19-EPDE-223-RTS, 24-EKCE-775-RTS, 24-KGSG-640-RTS, & 25-BHCG-298-RTS.

Q. What were your responsibilities in the review of Evergy Kansas Central's Application in Docket No. 25-EKCE-294-RTS (25-294 Docket)?

A. My responsibilities as the Chief of Accounting and Financial Analysis were to analyze and audit the rate case Application filed by Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (Evergy Central or EKC). I was responsible for the direction and management of the Audit Section's responsibilities in the analysis of the rate case application submitted by EKC in the 25-294 Docket, and the assignment of the Lead Auditor, Andria Jackson.

In addition to providing supervisory oversight of the audit of Evergy Kansas Central's application, my testimony will: (1) review EKC's application for a base rate revenue increase in base rates of $192 million; (2) present Staff's proposed revenue increase of $113.8 million; (3) discuss cost drivers of Staff's recommended revenue increase and review EKC's historical capital investment and its 2025 Capital Plan; (4) analyze EKC's proposal to modify the regulatory treatment of the Western Plains Wind

Farms for similar treatment to the terms and conditions in place for Persimmon Creek Wind Farm approved in Docket No. 23-EKCE-775-RTS (23-775 Docket); (5) review Evergy's treatment of Panasonic-related infrastructure investment and recommend deferred accounting treatment for Panasonic's revenue margins and applicable costs; and (6) examine EKC's treatment of any applicable Production Tax Credits (PTC) for Wolf Creek, using deferred accounting treatment and a proposed tracker for nuclear PTC's to return the credits to customers in a future rate proceeding. The recommendations resulting from Staff's audit of Evergy's Application and supported rate adjustments as contained in my Direct Testimony were overseen by Justin T. Grady, Director of the Utilities Division.

II. <u>Executive Summary</u>

Q. Please explain the structure of your testimony and the purpose of each Section.

A. The remaining portion of my testimony is summarized into four sections, and the objective of each section is detailed below.

<u>Section III: Revenue Requirement, Cost Drivers, & 2025 Capital Plan</u>

This section provides an overview of EKC's requested revenue requirement increase of $192 million and provides a breakdown of Staff's recommended revenue requirement increase of $113.8 million. I discuss EKC's capital investment and the drivers of the revenue requirement increase due to rate base growth, return on rate base, and depreciation and amortization expenses. Finally, I analyze EKC historical capital investment from 2022 through 2024 and examine EKC's projected capital investments included in its 2025 Capital Plan.

Section IV: EKC's Western Plains Wind Farm Request

This section discusses EKC's proposed modifications for the Western Plains Wind Farm from the Stipulation and Agreement included in Docket No. 18-WSEE-328-RTS (18-328 Docket). EKC is requesting that the Western Plains Wind Farm receive similar regulatory treatment to the terms and conditions for the Persimmon Creek Wind Farm in the 23-775 Docket. EKC requested a modification to remove the performance-based bands related to EKC's operation of Western Plains, pertaining to maintaining a three-year average of its capacity factor based on the Western Plains output.[1] Next, EKC requests the corresponding transfer of the residual value of the Western Plains Wind Farm from EKC shareholders to ratepayers, as a traditional asset in rate base. Finally, EKC requests to maintain its rate recovery for Western Plains through a levelized revenue requirement for ongoing operations and maintenance costs, as well as any decisions to extend the life of the Western Plains Wind Farm.

Based on Staff's analysis of the arguments and data provided by EKC, Staff is recommending the removal of Western Plains performance-based bands established in the 18-238 Docket from its yearly ACA filing, the inclusion of Western Plains O&M and future capital expenditures similar to the treatment of Persimmon Creek, and a modification of Western's Plains levelized revenue requirement from a 20-year useful life to a 25-year useful life to align with the treatment of Persimmon Creek as presented

[1] *See* the Stipulation & Agreement p. 7, ¶24, filed in the 18-328 Docket. The S&A established a fixed-price PPA approach for the Western Plains Wind Farm that included a 20-year levelized revenue requirement of $23,697,593, equating to $20.70 per MWh. EKC's baseline capacity factor for Western Plains equals a capacity factor of 46.57%, which equates to production of 1,193,878 MWh per calendar year. A performance band mechanism was established for EKC in the S&A that would add a charge to EKC's ACA, if the Western Plains Wind Farm produced a capacity factor greater than 48.57%, producing more than 1,193,878 MWh, multiplied by $20.70/MWh. EKC would add a credit to the ACA filing if the Western Plains Wind Farm produced a capacity factor less than 44.57%, producing less than 1,095,556 MWh, multiplied by the $20.70/MWh.

in KCC adjustment No. IS-10, which reduces the revenue requirement by $514,857 annually.[2]

Section V: EKC's Treatment of Panasonic Investment

This section provides an overview of EKC's removal of any directly assigned Panasonic infrastructure investment. Panasonic would have been responsible for reimbursing EKC directly for these costs; and therefore, Evergy Central removed these costs for inclusion in the rate case. Staff will review the remaining Panasonic-related infrastructure investments including generation and transmission investments that are retained in the cost of service in this rate case and/or through EKC's Transmission Formula Rates (TFR), which is recovered through EKC's Transmission Delivery Charge filings and is paid for by retail customers. Evergy's generation and transmission investments have allowed Evergy to serve Panasonic pre-production load and expected load ramp throughout the remainder of 2025 into 2026.

For these reasons, Staff is recommending the Commission employ regulatory accounting treatment to defer sales margin revenues and any applicable incremental cost to serve the load by EKC not included in this docket. The sales margin revenues would be recorded as a regulatory liability to be returned to customers in EKC's next rate proceeding. Staff is recommending the Commission authorize EKC to record the

[2] Staff Adjustment No. KCC IS-10 for Western Plains Wind Farm includes a revision to the 20-year useful life calculation filed in the 18-328 Docket. Staff revises the original workpaper to expand the rate recovery of Western Plains to a 25-year useful life, without any other modification of the agreed upon terms in the S&A. A revision to a 25-year useful life would result in the levelized revenue requirement of $23,182,736 or an annual reduction of $514,857 per year. The 25-year useful life would result in a cost of $20.25/per MWh, down from the $20.70 per MWh included in the Commission Order in the 18-328 Docket. This aligns with the 25-year useful life approved by Commission Order for Persimmon Creek in the 23-775 Docket.

deferral at its Pre-tax Weighted Average Cost of Capital (WACC) of 8.27%, as a carrying charge.[3]

Section VI: EKC's Treatment of Nuclear PTC

This section reviews EKC's requested treatment of the potential Production Tax Credits (PTC) associated with the operation of Wolf Creek. Beginning in 2024 tax year, the Internal Revenue Service (IRS) allowed a federal tax credit on the amount of electricity generated and sold by nuclear facilities. Evergy Central is proposing to use deferred accounting treatment and use a tracker mechanism to return the PTC to customers for any benefits received from the operations of its Wolf Creek Nuclear Unit. Evergy is proposing to defer any benefits from PTC credits into a Regulatory Liability and return all benefits to Kansas ratepayers in a future rate case. Staff is recommending the Commission require EKC to use deferred accounting treatment and return these credits as soon as administratively feasible - either through a specified line-item refund or via the Retail Energy Cost Adjustment (RECA). Based on the calculation methodology used by the IRS, Wolf Creek's nuclear PTC credit could be valued at an estimated customer credit of \$60 to \$70 million annually from 2024 to 2032, using the market pricing methodology, or no credit, if generated gross receipts (revenues) from customers is used.[4] EKC believes that the market pricing method is reasonable to determine gross receipts, but IRS guidance is needed before a final determination is made.

If the Commission accepts EKC's proposal for deferred accounting treatment for the PTC tracker and refund customers in its next rate case filing, Staff recommends the

[3] *See* Direct Testimony of Adam Gatewood in the instant docket, filed June 6, 2025.
[4] *See* Direct Testimony of Melissa Hardesty p.14, filed in the 25-394 Docket on January 31, 2025.

Commission approve a carrying charge equal to the approved Pre-tax Rate of Return (ROR), which is supported by the testimony of Staff witness Adam Gatewood.

III. Revenue Requirements, Cost Drivers, & 2025 Capital Plan

A. Summary of EKC's Proposed Revenue Requirement

Q. Please provide a brief discussion of Evergy Central's revenue requirement request included in the Application.

A. On January 31, 2025, EKC filed its Application for a net revenue requirement increase of $196,412,088, offset by a reduction in the current refund included in the Property Tax Surcharge (PTS) of $4,325,236. As part of the rate case application, EKC includes the rebasing of 2023 property taxes of $151,368,758 in its CS-126 Adjustment with an equivalent reduction in the PTS base. Including the PTS adjustment, EKC's request represents an actual base rate change of $192,086,852, constituting a net increase of 8.64% percent in total retail revenues. EKC's Application included a test period for 12-months ending June 30, 2024.

EKC's requested base rate increase of $192.1 million includes a capital structure of 48.03% debt and 51.97% equity.[5] Evergy is requesting a cost of debt of 4.64% and a 10.5% return on equity (ROE), which calculates to a WACC of 7.6856% and a Pre-Tax ROR of 9.1361%

B. Summary of Staff's Proposed Revenue Requirement

Q. Please provide an overview of Staff's revenue requirement calculation.

A. In the audit of EKC's Application, Staff reviews EKC's filed revenue requirement and presents its analysis for rate adjustments in its testimony. Staff incorporates its rate

[5] The actual base rate change of $192.1 million includes the reduction in the PTS surcharge of $4.3 million.

adjustments into its revenue requirement model and class cost of service, which is sponsored in Staff Schedules filed by Staff witness Kristina Luke-Fry.

In accordance with FERC Order No. 898, EKC implements FERC's revised Uniform System of Accounts (USoA) to add functional detail concerning the accounting treatment of certain renewable and storage technologies and creates new accounts for renewable energy credits. FERC Order No. 898 includes the realignment of computer hardware, software, and communication equipment in newly created FERC rate base and income statement accounts and an effective date of January 1, 2025.

As a result, EKC's reclassification of its plant in service, accumulated depreciation, and depreciation expense is contained in its response to KCC Data Request No. 194: FERC Order No. 898. Staff includes the reclassification of EKC's filed position in its plant, accumulated depreciation, and depreciation expense updates through March 31, 2025. EKC reclassification of plant, accumulated depreciation, and depreciation expense results in a revenue neutral change from its filed position, as EKC maintains its Commission-approved depreciation rates from the 23-775 Docket in its reclassification. EKC plans to file a new depreciation study in its next rate case.

Staff's proposed change in EKC's base rate revenues is an increase of $113,770,652.[6] Staff's calculation of EKC's revenue requirement includes a capital structure consisting of long-term debt of 44.91%, short-term debt of 6.35%, and equity of 48.74%. Staff's filed position includes a long-term debt rate of 4.38%, an allocated Evergy long-term

[6] Staff's Adjustment No. IS-9 includes a reduction in the 2024 Property Tax Expense of $4,097,000, which accounts for a reduction in property taxes in base rates from $155,693,994 to $147,271,759 in the 25-256 Docket. Staff's adjustment represents a total reduction in property tax expense of $8,422,236 in base rates.

debt rate of 5.03%, and a cost of equity of 9.70%. For comparison purposes, Staff's filing includes a WACC of 7.0142% and a Pre-tax ROR of 8.2709%.

C. Methodology for Calculating the Impact of EKC's Capital Investments

Q. Please provide a general summary of the accounting methodology EKC uses to track plant in service and the depreciation reserve.

A. When plant additions are completed and placed into service by Evergy, the project gets recorded and functionalized to various FERC accounts for the investment to its electric plant in service and begins to record depreciation expense on the books of Evergy's operating companies for the asset class, which is based on the depreciation rates approved in the Commission's Orders in the most recent rate case filing.[7]

Evergy uses a mass-plant accounting convention, so investments are grouped by the capital investment, which gets functionalized to a FERC account, rather than tracked individually. When the investment is functionalized, Evergy begins to accumulate depreciation expense to its reserve for accumulated depreciation. For plant retirement, a credit is applied against the plant in service balance and a debit is applied against the accumulated provision for depreciation. The cost of removal or salvage value also gets debited (cost of removal) or credited (positive net salvage) to the accumulated reserve for depreciation. All of these effects impact the plant in service and depreciation reserve balances between rate cases.

[7] For utility investment, EKC utilized the Commission's approved depreciation rates from the 23-775 Docket, and did not propose any changes to depreciation expense in the 25-775 Docket.

Q. How do the gross plant and accumulated depreciation balances impact EKC's revenue requirement?

A. The gross plant and accumulated depreciation balances net against each other to calculate the difference in EKC's net plant position. The net plant balances and other adjustments, such as ADIT, CWIP, regulatory assets and liabilities, etc. are reflected in a utility's rate base. The rate base represents the amount on which EKC's investors are allowed to earn a return, as determined by the Commission-approved ROR. The Commission authorized ROR results from EKC's costs of debt and return on equity, which are applied based on the weightings of each type of capital in the company's capital structure.

The inclusion of depreciation and amortization expenses in the revenue requirement provides investors the return of the investment for the assets across their useful life. The fully adjusted Pro Forma plant in service balances will have a calculated depreciation rate applied to determine the total depreciation expense included in the revenue requirement. Depreciation rates are proposed in depreciation studies that are designed to evaluate the useful life of asset classes for utility project investment. Like depreciation expense, amortization expense is used for intangible assets, such as IT systems, by spreading the costs of the asset across the assets useful life. These costs are combined to recover the return of the capital investment cost.

D. Revenue Requirement Impact for EKC's Capital Investments

Q. Please provide a breakdown of EKC's revenue requirement impact for its capital investment between rate case filings.

A. Staff provided the following analysis that calculates the revenue requirement impact for EKC's capital investments. In the following calculation, Staff presents a summary table providing a breakdown of EKC's growth in net plant, plant-related working capital, pre-tax rate of return, return on rate base and depreciation and amortization expense. The summary table provides EKC's revenue requirement for plant investments between rate filings in the 23-775 Docket and its 25-294 Docket.

EKC: REVENUE REQUIREMENT IMPACT OF CAPITAL INVESTMENT[1]			
ELECTRIC PLANT IN SERVICE:	25-294 DOCKET	23-775 DOCKET	Increase/(Decrease)
INTANGIBLE	$ 23,920,052	$ 283,949,975	$ (260,029,923)
STEAM PRODUCTION PLANT	4,285,377,242	3,996,985,682	288,391,560
NUCLEAR PRODUCTION PLANT	2,098,816,796	1,968,917,405	129,899,391
OTHER PRODUCTION PLANT	993,143,677	965,228,787	27,914,890
TRANSMISSION PLANT	5,373,429	-	5,373,429
DISTRIBUTION PLANT	3,937,471,554	3,361,186,683	576,284,871
BATTERY STORAGE PLANT	5,000,991	-	5,000,991
GENERAL PLANT	854,989,821	536,860,444	318,129,377
TOTAL ELECTRIC PLANT IN SERVICE	$ 12,204,093,562	$ 11,113,128,976	$ 1,090,964,586
ACCUM. PROV. FOR DEPR. & AMORT.	(4,576,293,811)	(4,125,123,579)	(451,170,232)
NET ELECTRIC PLANT IN SERVICE	$ 7,627,799,751	$ 6,988,005,397	$ 639,794,354
WORKING CAPITAL:			
CONSTRUCTION WORK IN PROGRESS	$ 39,273,302	$ 87,934,600	$ (48,661,298)
DEFERRED INCOME TAXES	(1,293,974,440)	(1,360,960,483)	66,986,042
WORKING CAPITAL:			18,324,744
TOTAL - RATE BASE IMPACT			$ 658,119,098
PRE-TAX RATE OF RETURN			8.2709%
RETURN INCREASE FOR PLANT INVESTMENTS			$ 54,432,055
DEPRECIATION & AMORTIZATION EXPENSE	$ 471,288,315	$ 423,104,610	48,183,705
TOTAL REVENUE REQUIREMENT IMPACT			$ 102,615,760

[1] See: Staff Schedules filed in Docket No. 25-EKCE-294-RTS & Settlement Schedules in the Docket No. 23-EKCE-775-RTS.

As seen in the table above, EKC's investment in plant in service increased by roughly $1.1 billion, since the closing of the 23-775 Docket's update period of June 30, 2023, through the closing of the 25-294 Docket's update period of March 31, 2025. Over the same period, EKC's accumulated depreciation balance increased by $451.2 million, resulting in a net plant in service increase of $639.8 million. Working capital impacts for Construction Work in Progress (CWIP) declined by $48.7 million while the decline in ADIT offset of ($70.0 million), resulted in net working capital increase of $18.3 million.

In total, Evergy Central's rate base increased by $658.1 million between EKC's rate filings. Multiplying the plant-related rate base additions of $658.1 million by Staff's proposed Pre-Tax ROR of 8.2709%, results in a $54.4 million increase to return on plant investments. The difference in depreciation and amortization expenses between the rate cases yielded an increase of $48.2 million. Therefore, EKC's revenue requirement increased by $102.6 million related to Evergy Central's plant-related investments between rate cases. EKC's capital investment projects account for roughly 90.2% of Staff's proposed revenue requirement increase of $113.8 million.

D. Summary of EKC's Capital Investments from 2022 - 2024

Q. Please provide an overview of Evergy Central's actual capital investments from 2022 through 2024.

A. In its annual compliance filing in Docket No. 19-KCPE-096-CPL, Evergy files an annual update to Capital Plan, pursuant to the Commission's Order in Docket No. 18-KCPE-095-MER. In the table below, Staff presents EKC's actual capital investment as filed in its yearly compliance filings by operational categories: New Generation, Legacy Generation, Distribution, General Facilities/Information Technology /Other Investment, and Transmission for 2022 – 2024.[8]

[8] EKC's compliance filings include a category for its yearly transmission investment. While EKC removes the vast majority of its transmission-related plant and expenses from its rate case filings, transmission-related investment is recovered through EKC's transmission formula rate and through the Transmission Delivery Charge from retail customers. Therefore, Staff included the transmission investment in its own category to illustrate the complete infrastructure investment that Evergy Central has made in its system to the benefit of customers.

Evergy Kansas Central: 2025 Capital Plan (Data in Millions)								
	2022		2023		2024		Total	
New Generation	$	1	$	211	$	23	$	235
Legacy Generation		176		273		225		674
Generation:	$	177	$	484	$	248	$	909
Distribution:		252		358		364		974
General Facilities, IT Other		156		151		166		473
Capital Expenditures - Total/Exc. Trans.	$	585	$	993	$	778	$	2,356
Transmission:		360		433		468		1,261
Capital Expenditures - Total	$	945	$	1,426	$	1,246	$	3,617
Source:								
Evergy Compliance filings in 19-KCPE-096-CPL: 2022, 2023 & 2024 Capital Plan Compliance Filing								

As seen in the table, Evergy Central invested $2.36 billion in its generation, distribution, and, General/Intangible/IT/Other from 2022 – 2024. During this period, EKC invested an additional $1.26 billion in its transmission system, with average transmission projects totaling $420 million per year over the three-year period. In total, EKC's total capital spend was $3.62 billion or $1.2 billion annually over the three-year period.

Outside of transmission, EKC's distribution investment had the second largest capital spend, totaling $974 million over the three period or an average of $325 million annually. Evergy Central's generation investment projects totaled $909 million across the three-year period or an average of $303 million per year. The remaining category included general, information technology, and other plant projects, totaling $473 million across the three-year period or an average of $158 million annually.

Q. Did EKC provide any analysis of its Rate Base and Earned ROE for historical periods?

A. Yes, EKC provided its net rate base and earned ROE for its historical operating periods in its Confidential Data Request response to KIC Data Request No. 1-11: Earned ROE. In the following table, Staff summarizes EKC's rate base calculation and earned ROE from 2019 – 2023.

[redacted]

EKC anticipated its Earned ROE included in the 2024 Surveillance Report would be finalized by the end of May. On May 30, 2025, Staff reached out to Evergy to request a supplement to KIC DR1-11 for the 2024 earned ROE; however, Evergy had not finalized the 2024 Surveillance Report. Staff request EKC provide its 2024 Earned ROE in its rebuttal filing for the Commission's informational purposes.

E. Summary of EKC's Capital Investment Plan from 2025 - 2029

Q. Please provide a review of Evergy Central's capital investments from 2025 - 2029.

A. In its Confidential Response to KIC Data Request No. 1-12 (KIC DR-1-12): Capital Investment Workpaper, Evergy provided its capital investment budget into the following operational categories for New Generation, Legacy Generation, Distribution, General Facilities/Information Technology/Other Investment, and Transmission for 2025 –

2029.[9] Staff incorporated Evergy confidential response to KIC DR-1-12 in the following table detailing EKC's 2025 Capital Plan.

[redacted]

As seen in the table above, EKC plans to invest $7.72 billion in Capex from 2025 through 2029. While transmission investment accounts for $2.13 billion, Evergy Central's capital investment recoverable through rate cases is anticipated to total $5.59 billion through 2029, with new generation accounting for $2.34 billion or 41.8% of the total investment in non-transmission related Capex. In EKC's No. 25-EKCE-207-PRE, Evergy Central filed a Unanimous Settlement Agreement for the construction and ownership of Sky Solar facility of 159W Sky Solar Generating Facility at an estimated

[9] EKC's compliance filings include a category for its yearly transmission investment. While EKC removes the vast majority of its transmission-related plant and expenses from its rate case filings, transmission-related investment is recovered through EKC's transmission formula rate and through the Transmission Delivery Charge from retail customers. Therefore, Staff included the transmission investment in its own category to illustrate the complete infrastructure investment that Evergy Central has made in its system to the benefit of customers.

cost of [redacted] (excluding AFUDC) through a levelized revenue requirement of [redacted] in the next general rate case.[10]

In addition, EKC filed a Non-Unanimous settlement agreement for EKC's 50% ownership stake in each of the Viola and McNew Combined Cycle Generating Turbines of 710 MW CCGTs.[11] The definitive cost estimates for the Viola plant is [redacted] (excluding AFUDC) and [redacted] (excluding AFUDC). These projects are responsible for driving the new generation development included in EKC Capital Plan from 2025 through 2029.

EKC's projected distribution investment totals [redacted] over the five-year period, with average Capex of $356 million in annual distribution investment. EKC legacy generation investment totals [redacted] over the five-year period, with average Capex of $217 million in annual legacy generation investment. Finally, General/IT/Other capital projects total [redacted] over the five-year period, with an average Capex of $77 million in annual projects for the General/IT/Other plant.

Staff notes that EKC's total Capex spend is projected to grow from [redacted] in 2025 to [redacted] in 2028 and [redacted] in 2029. Staff included the percentage of annual CapEx growth year-over-year from 2026 through 2029. The year-over-year growth in EKC's CapEx spend was calculated for both plant recovered in its

[10] *See* Joint Motion to Approve Unanimous Partial Settlement Solar Facility; filed April 16, 2025. http://estar.kcc.ks.gov/estar/ViewFile.aspx?Id=33cbdc63-f7f6-458d-a7df-907cd219dd76.

[11] *See* Joint Motion for Approval of Non-Unanimous Partial Settlement Agreement Regarding Natural Gas Facilities; filed April 16, 2025.
http://estar.kcc.ks.gov/estar/ViewFile.aspx?Id=fca81f2a-b821-4e84-a22f-379522d5a98b.
For clarity, each CCGT is 710 MWs and EKC is requesting to own 50% of each CCGT or 335 MW of each plant for a total of 710 MWs. The other 50% ownership interest is expected to be allocated to Evergy Missouri West.

base utility rates without transmission, and Evergy Central's total capital investments, including projects that would be recoverable in EKC's TFR.

IV. Western Plains Wind Farm

Q. Please summarize EKC's requests as it pertains to the Western Plains Wind Farm.

A. EKC is requesting the Commission modify the terms of the Stipulation & Agreement related to Western Plains Wind Farm approved by the Commission in its Order approving the Settlement and Agreement (S&A) in the 18-328 Docket.[12] EKC's request is to align the terms and conditions in place for the Persimmon Creek Wind Farm approved in the 2023 rate case in the 23-775 Docket.[13] EKC's witness John T. Bridson outlines the specifics of EKC's proposal in his testimony:

- Remove the performance bands applicable to Western Plains
- Remove the transfer of the residual value of the wind farm at the end of the 20-years to EKC. This would permit the wind farm asset to remain in rate base and continue operating to the benefit of EKC's retail customers consistent with traditional regulatory generation assets.
- After twenty years, EKC requests the Commission allow the levelized revenue requirement to consider any maintenance capital expenditures, costs associated with life extension of the plant, or other additional costs incurred to operate and maintain the resource.[14]

[12] *See* Order Approving the Non-Unanimous Stipulation and Agreement, 18-328 Docket (Sep. 27, 2018), http://estar.kcc.ks.gov/estar/ViewFile.aspx?Id=6a4e143a-438b-4437-8364-894d8b7310d5.
[13] *See* Order Approving Unanimous Settlement Agreement, 23-775 Docket (Nov. 21, 2023), http://estar.kcc.ks.gov/estar/ViewFile.aspx?Id=75b40eaf-bc48-48f1-9162-596aeaecbdcb.

[14] Direct Testimony of John Bridson on Behalf of Evergy Kansas Central and Evergy Kansas South, p. 4 (Jan. 31, 2025) (Bridson Direct).

Q. Please provide a brief background of the Western Plains Wind Farm.

A. Western Plains is a 281 MW Wind Farm located in Ford County, Kansas. EKC first invested in Western Plains through its Westar Energy (Pre-merger, predecessor company), beginning in 2015. As discussed in Mr. Bridson's testimony, Westar Energy viewed the Western Plains generation asset as an attractive lower cost wind energy project to add to its generation portfolio.[15] Western Plains went into service in February of 2017. EKC acquired the asset as the successor to Westar Energy at the time of the Great Plains Westar merger and has owned and operated the asset since then. While the performance bands were agreed by Westar Energy, Staff will refer to EKC's ownership of the wind farm through the remained of my testimony to avoid confusion.

Q. Please provide the origin of the performance band for Western Plains.

A. The performance bands were the result of a Settlement Agreement filed in the rate proceeding in the 18-328 Docket. Staff supported the inclusions of the proposed levelized revenue requirement, with the condition that EKC establish a performance-based mechanism to track and ensure that wind farm output would remain consistent with the modeled factors included in the levelized revenue requirement. Justin Grady provided a detailed explanation in his direct testimony filed in the 18-328 Docket.[16]

Staff's concern was that that EKC decided to invest in Western Plains Wind Farm for the potential to reduce costs for customers over long-term instead of pursue the option to purchase the power through a Purchase Power Agreement (PPA). A PPA would set a levelized revenue requirement without the risks associated with deviations in the

[15] Bridson Direct, p. 5.
[16] *See* Direct Testimony of Justin T. Grady on Behalf of the Kansas Corporation Commission, pp. 19 – 20, 18-328 Docket (Jun. 11, 2018).

possibility of a lower ***capacity factor*****,** lower ***energy production***, higher ***transmission congestion costs***, or higher ***O&M expenses***. PPA prices were attractive in SPP at the time of the Western Plains purchase, and Staff requested a tracking and performance-based incentive that would aid in the Commission's review of EKC's decision to purchase the wind farm, to ensure it remained a value to its ratepayers.

Each of the variables discussed above would result in alterations of the modeled revenue requirement calculation, resulting in deviations from the calculated levelized revenue requirement included in the model. In the analysis presented, Mr. Grady discussed the alteration of the capacity factor as an example for the Commission. The net change in the capacity factor from lost production results in both a net decline in the PTC credits, as the PTC credits are based on unit production, and a net reduction in the denominator used to calculate the cost per MWh in the revenue requirement model. Therefore small reductions in the capacity factor across the life of the wind asset can be magnified when calculating the levelized revenue requirement. Mr. Grady calculated the net impact that would result in a decline in the capacity factor from the 46.57% to 45.6%, which resulted in the levelized revenue requirement growing to $24.92 million, or a net cost of $22.23 per MWh.

For these reasons, Mr. Grady contended that PPA transaction is more predictable, consistent, and results in less risk than the case for EKC's ownership of the wind farm.

Q. Why was the residual value of the Western Plains Wind Farm retained by EKC?

A. The execution of the PPA would have resulted in the residual value of the wind farm production being retained by the developer at the end of the 20-year PPA agreement. With the performance bands being added to EKC's ACA, EKC would be at risk or receive the reward for net production losses or gains from the net output of the Western Plains Wind Farm. In addition, EKC would be at risk for deviations in the projected O&M expenses; therefore, EKC was allowed to retain the residual rights for production volumes after the conclusion of the 20-year levelized revenue requirement and receive the energy margins generated from sales of the asset into the SPP market.

Q. Please discuss how the performance bands result in an adjustment to EKC's recovery in the ACA filing.

A. The S&A established a fixed-price PPA approach for the Western Plains Wind Farm that included a 20-year levelized revenue requirement of $23,697,593, equating to $20.70 per MWh.[17] EKC's baseline capacity factor for Western Plains equals a capacity factor of 46.57%, which equates to production of 1,193,878 MWh per calendar year. A performance band mechanism was established for EKC in the S&A that would add a charge to EKC's ACA if the Western Plains Wind Farm produced a capacity factor greater than 48.57%. The performance band would result in an adder if Evergy Central produced greater than 1,193,878 MWh, multiplied by the rate of $20.70/MWh included in the levelized revenue requirement model. EKC would add a credit to the ACA filing if the Western Plains Wind Farm produced a capacity factor less than 44.57%, producing less than 1,095,556 MWh, multiplied by the $20.70/MWh included in the levelized revenue requirement model.

Furthermore, the S&A included the calculation of the performance bands using a three-year average of Western Plains energy production beginning in 2020, using the three-year average for 2018 – 2020. As Mr. Bridson indicated in his testimony, EKC

[17] *See* Joint Motion to Approve Non-Unanimous Stipulation and Agreement, Attachment 1, p. 7, ¶ 24, 18-328 Docket (Jul. 17, 2018) (18-328 S&A).

has operated Western Plains within the capacity factor bounds of the performance bands during every reporting period since the wind farm went into service.[18]

Q. Did the S&A contain any provisions for modifications to be made by EKC in the future to the Western Plains settlement terms?

A. Yes, the S&A included the following provision:

> In the event of changes in law or regulations, or the occurrence of events outside the control of [EKC] that result in a material adverse impact to [EKC] with respect to recove1y of the Western Plains revenue requirement, [EKC], as applicable, may file an application with the Commission proposing methods to address the impact of the events, including adjusting the credit due to customers through the ACA described above. The other Parties to this settlement shall have the right to contest any such application, including whether the impact of the change or event is material to [EKC], and whether the proposed remedy in the application is reasonable.[19]

Q. Please discuss EKC's support for requesting the modifications of the Western Plains terms and conditions for the performance bands to align it with the Commission-approved terms and conditions for Persimmon Creek Wind Farm.

A. Generally, EKC states that changes in the governmental subsidies and pro-wind policies included from the federal government in the Inflation Reduction Act (IRA) resulted in the extension of the PTC for wind farms upon which construction began before December 31, 2024.[20] These events were outside the control of EKC and result in material adverse impacts with respect to the recovery of the Western Plains revenue requirement when the 10-year PTC expires for the Western Plains wind farm in 2026.

[18] Bridson Direct, p. 7.
[19] *See* 18-328 S&A, Attachment 1, pp. 6-7.
[20] *See* Bridson Direct, p. 8.

These PTC credits were originally approved by Congress in 1992 and scheduled to lapse at a number of points of time in recent decades. The IRA extends PTCs for new wind farm projects and may continue to take advantage of PTC beyond 2034.

Q. How do PTC credits impact wholesale generation prices and economic dispatch in RTO markets like SPP?

A. PTC credits establish an artificially low generation production price in wholesale generation markets like SPP, as wind farms that have PTC credits can benefit from generation production, even when wholesale power prices are negative. In addition, PTC credits alter SPP's economic dispatch model, as wind farms with PTC credits can still benefit through energy production, even when wholesale power prices are negative.

Staff provides updates to the impact of negative pricing intervals on EKC's generation in its Report and Recommendations in annual ACA filings. In the Annual State of the Market Report for 2024, the MMU reports that negative wholesale power pricing intervals account for 9.9% of total market intervals in the SPP day-ahead market and 15.2% of real-time market negative intervals.[21] These negative pricing intervals impact both the energy margins and capacity factors for existing renewable generation units and traditional coal, nuclear, and natural gas generation to varying degrees.

Q. Does EKC raise any additional concerns related to the negative impact of the performance bands in its request to alter the performance bands established for the Western Plains Wind Farm?

A. Yes, EKC discusses the negative impact related to both the number of wind farms qualifying for PTC and the proximity of demand can result in less delivery constraints

[21] *See* the SPP Annual State of the Market Report for 2024, page 2, https://www.spp.org/documents/73953/2024_annual_state_of_the_market_report.pdf.

than those far away. Therefore, the number of wind assets in the marketplace, the greater the chance the economic dispatch model may dispatch other units with less constraints than Western Plains to satisfy portions of the overall load and at a more economic price. Therefore, Western Plains must compete with wind farms that may be more proximately located to the load they are serving. EKC notes that it had no control over the PTC extension or the national political environment, and no control over other renewable generating resources that are constructed in the region.

Q. Does EKC address the market performance of the Western Plains Wind Farm and its ability to operate the unit effectively?

A. Yes, Mr. Bridson provides a table of EKC's operations of the Western Plains Wind Farm tracking the three-year rolling average of its capacity factor.[22] Based on its operational performance, EKC has effectively established its ability to operate the unit within the performance bands metrics while retaining its PTC. The capacity factor tracked within 1.5% of the 46.57% capacity factor established in its 20-year revenue requirement calculation.[23]

Q. How does the expiration of the PTC for the Western Plains impact EKC's ability to maintain the operational performance within the capacity factor bands?

A. The performance bands were intended to incentivize EKC to operate the unit economically to the benefit of its customers. The performance bands provided a check against the capacity factor used to model the 20-year levelized revenue requirement. Due to Western Plain's operational history maintaining within the performance bands, EKC

[22] Bridson Direct, p. 13, Table 1: Western Plains 3-Yr Rolling RNCF Each Month.
[23] *Id.*

has continued to show that Western Plains has provided value to customers during the period the PTC credits were effective.

With the expiration of EKC's PTC for Western Plains dropping off at the end of 2026 and the extension of the PTC contained in the IRA, EKC has made the argument that maintaining the performance bands would provide the incorrect incentives. Under the current framework, the performance bands could possibly incentivize EKC to market Western Plains generation through uneconomic dispatch of the unit to preserve its capacity factor, resulting in EKC's customers purchasing energy from a more expensive market resource. Conversely, EKC would be punished by the proper marketing of the unit curtailing production when production is not economical.

Q. Does EKC discuss its view of whether the performance band metrics should focus on other factors that may provide tangible benefits to customers?

A. Yes, EKC stated that the availability of an asset like Western Plains adds value to customers that may not be demonstrated solely focusing on the productivity of the asset through a capacity factor analysis.[24] EKC reiterates that it has full control over the availability and proper maintenance of the Western Plains Wind Farm and keeping the unit available for economic dispatch (as long as fuel, i.e., wind, is available). The productivity measured in the performance band metrics incorporates economic factors that EKC argues is outside of its control, representing capital investment decisions made by other participants in the SPP marketplace.

In addition, EKC argues that Western Plains ownership provides substantial benefits through the balancing of renewable portfolio, as prior to Western Plains ownership EKC

[24] *See* Bridson Direct, p. 14.

owned 12% of its wind resources with 88% of its wind generation purchased through PPAs.[25] Staff generally agrees that some generation diversity adds value to customer to customers and avoids the over reliance on the PPA marketplace to acquire renewable energy lowering the long-term risk.

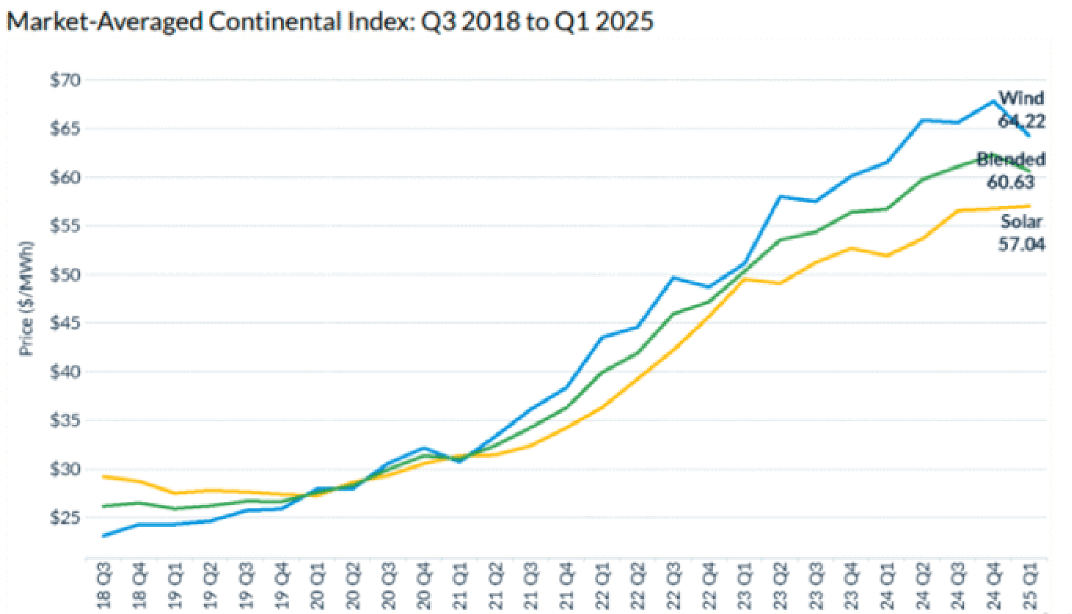
Q. Has Staff analyzed any market trends in the current Wind PPAs in its review of EKC proposed modification for Western Plains?

A. Yes, PPA trends are tracked by LevelTen Energy that provides historical analysis of PPA prices for wind and solar in various RTO and ISO energy markets in 2025. LevelTen Energy provides RTO market analysis for SPP; however, LevelTen requires a subscription to access the most recent market data.

In Q1 2025, PPA trends in US renewable energy market Q1 2025 ranged from a low of $40.00 in SPP to $76 in PJM, with SPP & PJM maintaining the low and highest wind PPA prices in North America.[26] Level LevelTen Energy has indicated that the North American Power Purchase Agreement (PPA) market remains strong and resilient, with clean energy buyers and sellers continuing to advance deals marked by creativity and collaboration.

Staff was able to find a regionalized Market Average for the Continental Index from Q3 2018 to Q1 2025, which is detailed in the graph below.[27]

[25] *See* Bridson Direct, p. 14.
[26] *See* PPA trends in US Renewable Energy Market Q1 2025; published by greentechlead.com, https://greentechlead.com/renewable-energy/ppa-trends-in-us-renewable-energy-market-q1-2025-49486.
[27] *See* PPA trends in US Renewable Energy Market Q1 2025; published by greentechlead.com, https://greentechlead.com/renewable-energy/ppa-trends-in-us-renewable-energy-market-q1-2025-49486.



Q. Did EKC address whether customers would have been exposed to economic curtailments through a PPA compared to EKC's decision to acquire the ownership interest of Western Plains?

A. Yes, Mr. Bridson discusses the PPA ownership option in his testimony on page 17. At the time Western Plains was developed, PPAs contained a standard term requiring payment for economic curtailments. If the developer had the power available to sell into the marketplace, but the economics at the time did not result in SPP clearing the unit, the developer would still be allowed to charge the purchaser under the PPA. Evergy provided the following Confidential example of a PPA it executed in 2015.

[redacted]

[redacted]

Based on the analysis presented above, EKC argues that removing the performance band keeps customers on par with their exposure under a PPA, if economic conditions or congestion would cause EKC to fall below the lower boundary of the performance band in the future. In contrast, EKC argues that maintaining the performance bands would penalize Evergy in a way that would not have occurred under a PPA.

Q. Does Staff support EKC's arguments to align its regulatory treatment of the Western Plains Wind Farm similar to the Persimmon Creek Wind Farm?

A. Yes, with minor modifications. Staff believes EKC has adequately demonstrated that the provisions of the Settlement Agreement that provide for the event of a change in law or regulation, or occurrence of events outside the control of EKC, apply to the revisions of the IRA in extending PTC for wind units beyond 2034. Staff believes EKC has adequately demonstrated that the change to the IRA results in a material adverse impact to EKC, as it relates to the performance bands that are currently in place.

Furthermore, EKC demonstrated that in practice, the performance bands have the potential to incentivize uneconomic dispatch of the wind unit or penalize EKC for

[28] *See* Bridson Direct, p. 18.

operating in the best interest of the ratepayer by pursuing the economic dispatch of the unit, if EKC were to pursue the capacity factor targets created by the performance bands. The creation of the performance bands was meant to incentivize the productive operations of the unit in the best interests of the customer.

The two primary goals for Staff in pursuing a levelized revenue requirement approach were: 1) to smooth out the rate impact after the drop off in PTC credits that would otherwise result in a lower revenue requirement upfront while the PTC credits were active and a higher revenue requirement once the PTC credits expired; and 2) to minimize customer exposure to higher unplanned operating and maintenance costs that may come from ownership versus a PPA. Removing the performance bands does not implicate either of these two goals. Additionally, Staff recognizes that ratepayers can be exposed to uneconomic production and transmission congestion under either an ownership model or a PPA approach. Staff contends that it would be unreasonable to ask Evergy to bear that risk, when that risk cannot be eliminated through a PPA approach.

As a result of using a levelized revenue requirement, Staff relies on Evergy's modeled operation of the Western Plains revenue requirement upfront, which includes several variables including energy production, capacity factor, modeled O&M, congestion cost, and PTC that are a product of energy production. As Staff witness Justin Grady points out the reliance on these variables may result in significant costs shifts in the model, especially around the capacity factor and energy production. The performance metrics around the capacity factor was a measurement tool to incentivize efficient modeling and operations of the Western Plains Wind Farm. As part of the performance measurement process, EKC has demonstrated that it operated Western

Plains close to the stated capacity factor included in the Settlement Agreement model and within the performance bands agreed upon by the parties. Staff is comfortable recommending the removal of these performance bands because Evergy has shown that it is capable of operating and maintaining the wind farm such that its production levels will be maintained as long as the wind farm remains competitive in the integrated marketplace.

To add further clarity regarding the treatment of Persimmon Creek Wind Farm, Staff would note that the levelized revenue requirement utilizes a 25-year useful life in EKC's calculation of depreciation expense and we did not recommend the use of performance bands when incorporating Persimmon Creek in 23-775 Docket. In the 23-775 Docket, EKC had demonstrated that need for both capacity and energy to support EKC's economic development gains and respond to improvements in the accreditation practices for both convention and renewable capacity resources (which generally has the effect of reducing existing accredited capacity values). These factors continue to support the need to add additional generation resources, which Staff detailed in EKC's recent predetermination filing in Docket No. 25-EKCE-207-PRE.

For the reasons detailed above, Staff supports EKC's request for the removal of the performance bands applicable to Western Plains in its Annual ACA filing. Staff will continue to monitor the performance of Western Plains through our audits in EKC's annual ACA filings. That includes the operating performance of the unit, as well as Evergy's practices to dispatch the wind farm into the SPP Integrated Marketplace for the benefit of customers. Ultimately, Staff does not expect the removal of these performance bands to be harmful to customers.

While the parties agreed to include the performance bands in the Settlement Agreement, Staff had not contemplated transferring the residual value of Western Plains Wind Farm in its direct testimony in the 18-328 Docket. The residual value transfer to EKC shareholders was a product of the settlement agreement and resulted from the transfer of risk to operate and maintain the unit, effectively making Western Plains into a merchant renewable generation unit at the end of the 20-year period of the levelized PPA approach. As part of the modifications of the performance bands, EKC is proposing to transfer the residual value to ratepayers for the asset as a part of the traditional ratemaking process going forward. EKC is confident that it will be able to operate Western Plains productively and maintain residual value past the 20-year useful life of the Western Plains Wind Farm.[29] Staff supports EKC's request for the transfer of the residual value for the Western Plains wind farm, resulting in similar treatment to the Persimmon Creek Wind Farm.

Finally, EKC requests that after the twenty-year period the Western Plains revenue requirement be reevaluated to consider any maintenance capital expenditures, costs associated with life extension for the plant, or other additional costs incurred to operate and maintain the resource. While Staff does support EKC's inclusion to re-evaluate the maintenance and capital expenditures to EKC when it comes to maintenance capital and any discussions on repowering the unit, Staff is proposing a modification to extend the useful life of Western Plains to a 25-years in the calculation of its levelized revenue requirement to match the treatment of Persimmon Creek's Wind Farm depreciation life.

[29] *See* Bridson Direct, p. 16.

Q. Please discuss how Staff calculated the extension of the Western Plains Wind Farm to a 25-year levelized revenue requirement.

A. Staff calculated the 25-year levelized revenue requirement using EKC's original levelized rate model. In the model, Staff extends the depreciation expense to a 25-year useful life and modified the Net Present Value equations over a 25-year period, retaining all other variables consistent with the original modeled approach. In total, KCC Adjustment No. IS-10: Western Plains Wind Farm would reduce the levelized revenue requirement by $514,857, resulting in a reduction in the levelized revenue requirement, totaling $23,182,736 or a $20.25/MWh. The S&A in the 18-328 Docket supported a levelized revenue requirement of $23,697,593 or $20.70/MWh.[30]

As conditioned on Staff's recommendation to extend the life of the Western Plains wind farm to 25-years, Staff supports EKC's requests to eliminate the performance bands, transfer the residual value to customers, and allow EKC to re-evaluate Western Plains revenue requirement when the Western Plains Wind Farm is fully depreciated and consider costs of future capital costs for maintenance expenditures or repowering/life extension and other costs to operate and maintain the generating unit.

Staff contends that our request to extend the life of Western Plains to 25 years is reasonable, as it is consistent with the Commission's treatment of Persimmon Creek, and it reflects the reality of Western Plains being fully transferred to a regulated asset for the full benefit of ratepayers. This request appropriately balances against Evergy's request to remove the performance bands and transfer of some of the economic risk for future capital and O&M costs to ratepayers. While this transfer may result in increased

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[30] *See* Exhibit CCU-1, CCU-1(a), and CCU-1(b) for the supporting workpapers.

exposure to maintenance capital and future O&M increases, the Western Plains Wind Farm adds value to EKC generating portfolio and increases the available generation resources to continue to serve customers through the economic dispatch of the wind unit from a low-cost renewable resource. The residual value and modification of the revenue requirement will allow ratepayers to continue to receive benefits from EKC's purchase of the wind resource over the long-term rather than seeking a replacement PPA resource.

Q. Please discuss how Staff handled the update of EKC Adjustments for the removal of rate base for Western Plains and Persimmon Creek.

A. EKC performed its original removal of the Western Plains and Persimmon Creek rate base, O&M, and taxes credits in its Adjustment No. RB-28/CS-28 for Western Plains and RB/CS-32 for the Persimmon Creek Wind Farms.

Staff's adjustments related to the rate base update for the Western Plains and Persimmon Creek Wind Farms were removed directly in Staff's update to its in KCC Adjustment Nos. RB-12: Plant in Service and RB-13: Accumulated Depreciation, supported by Tim Rehagen; KCC Adjustment No. RB-2: ADIT, supported by Bill Baldry; and KCC Adjustment No. RB-8: Materials & Supplies, support by KCC Staff Witness Joseph Nilges.[31]

V. <u>EKC's Treatment of Panasonic Investment</u>

Q. Please summarize EKC treatment of Panasonic Investment.

A. As stated in the Testimony of Patrick Aron Branson, EKC attempted to remove all capital additions that are directly assignable to the ability to provide electric generation for the Panasonic facility, as to not include these directly assignable costs in the revenue

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[31] *See* EKC's response to KCC Data Request No. 348: Western Plains Wind Farm Update and KCC Data Request No. 349: Persimmon Creek Wind Farm Update.

requirement for determining rates for all retail customers.[32] Panasonic is responsible for reimbursing EKC for these investments for directly assignable cost incurred.

Following the finalization of its initial rate model, EKC identified Panasonic-related investments that were already in service that EKC inadvertently included in revenue requirement model due to the timing differences between amounts incurred by EKC and the reimbursements from Panasonic. EKC worked with Staff to ensure that the removal of these costs from the revenue requirement at the time of the true-up. EKC indicated that no costs to serve the Panasonic facility will be reflected in the revenue requirement resulting from this proceeding.

EKC quantified its adjustments associated with Panasonic in its list of Issues/ Updates/Errors. After Direct Model lock down, EKC noted that it had inadvertently included $3,855,142 in directly assigned plant and accumulated depreciation costs in its Adjustment Nos. RB-20: Plant in Service & RB-30: Accumulated Depreciation in the test period of June 30, 2024, which resulted in a revenue requirement impact of $352,210. EKC noted that it had removed these costs in its update to KCC Adjustment Nos. RB-12: Plant in Service and RB-13: Accumulated Depreciation update through March 31, 2025, supported by Tim Rehagen.

Q. Please discuss how the relative size of adding Panasonic Load resulted in EKC's investments to serve from a generation perspective.

A. Panasonic is building a new EV battery plant located in Johnson County, Kansas, which is in EKC's service territory. Initially, Panasonic had indicated the new plant was

[32] *See* Direct Testimony of Patrick Aron Branson, p. 5.

scheduled to be operational in 2024, which presented some resource adequacy challenges to EKC, as described in Kayla Messamore's direct testimony in the 23-775 Docket.[33]

Ms. Messamore estimated the increase in load plus SPP reserve requirements from the Panasonic facility, not including any incremental attendant load activity was estimated to be approximately [redacted] by 2026, with an expected load capacity factor of [redacted][34] The expected Panasonic load alone will be roughly double the size of EKC's current largest customer and will significantly increase EKC current peak load. At the time of the last rate case, Ms. Messamore states that EKC's current peak load and total annual energy demand would increase by [redacted] respectively.[35]

Beyond the sheer magnitude of load and load factor, EKC indicated that Panasonic's construction schedule, and, in turn, its energy needs, are being planned on a very aggressive schedule. With energy needs starting to ramp in 2024 and full load requirements by 2026, there is urgency to secure capacity and energy to fulfill the expected energy usage schedule. Under normal operating conditions this timeline would present a significant challenge. Given the supply chain constrained conditions of the current market, it is nearly impossible to design, develop, construct and commercialize a resource to fulfill Panasonics needs within their required timeline. Utilizing existing resources will be key to successfully meeting Panasonic's demand requirements over the next few years.[36]

[33] *See* Direct Testimony of Kayla Messamore, p. 5, 23-775 Docket (Apr. 25, 2023) (Messamore 23-775 Direct).
[34] *See id.*
[35] *See id.*
[36] *See id.,* p. 6.

In the 23-775 Docket, EKC requested to include the new generation investment for the Persimmon Creek Wind Farm and include the 8% share of Jeffrey Energy Center in rate base to support on-going resource adequacy, both of which Staff supported in the Docket and the Commission-approved in its Approval of the Unanimous Settlement Agreement.

Q. Please discuss EKC's economic development projects and on EKC's requests for a predetermination of new generation projects in the 25-207 Docket.

A. In the Rebuttal Testimony of Cody VandeVelde, Mr. VandeVelde rebuts Mr. Gorman assertion that preferred portfolio includes the forecasted additions of significant large new customers loads and new loads are uncertain and costs to serve them are material, making the preferred portfolio as unreliable.[37] Mr. VandeVelde states that EKC's IRP does include some components of new large load demand; however, the 2024 IRP Model includes demand projections for the addition of Panasonic as a large load customer, *which has already agreed to receive service from EKC* (emphasis added).

Q. Did EKC include a discussion of the economic development opportunities and what it impact for Kansas?

A. Throughout his Direct Testimony, EKC Witness David Campbell addresses the significant economic development that has occurred in the past few years. New load related economic development projects include several companies currently and actively evaluating Kansas for advanced manufacturing and data centers. Mr. Cambell stated that

[37] *See* Rebuttal Testimony of Cody VandeVelde, p. 2, Docket No. 25-EKCE-207-PRE (Apr. 4, 2025).

Evergy's development pipeline across Evergy's operating utilities' footprint includes over 20 customers with more than 6 GWs of incremental demand.[38]

Recent developments in the US economy are being driven by AI and cloud computing data centers and advanced manufacturing. Data centers are looking to expand beyond their traditional footprint and have the potential to benefit the region. Mr. Campbell indicates that these technology and manufacturing facilities are seeking quick integration and prioritize 1) reliability, 2) speed to market to serve the load.[39]

If executed effectively, EKC has the potential to increase its load demand to the benefit of all customers, spreading costs over a greater number of billing determinants and positively impacting the Kansas economy.

Q. Has EKC provided an overview of the impact of the Panasonic facility on EKC's investment in its transmission system?

A. EKC has filed an annual compliance filing with the Commission that detail its transmission investments in zonal transmission projects in Docket No. 24-EKCE-254-CPL. The compliance filings are made pursuant to House Bill 2225, pursuant to K.S.A. 66-1237. In its Confidential response to KCC Data Request No. 346 (KCC DR-346), EKC summarized it total capital investment in Panasonic-related transmission projects and provided a breakout for Zonal and Base-plan funded project investment, in which EKC received a Notice to Construct from SPP.

[38] *See* Direct Testimony of David Campbell on Behalf of Evergy Kansas Central and Evergy Kansas South, p. 13 (Jan. 31, 2025) (Campbell Direct).
[39] *See id.,* p. 16.

[redacted]

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In total, EKC spent [redacted] on Panasonic-related transmission investments. As EKC points out in its response, the transmission-related Capex would flow through the transmission formula rate and TDC rates for EKC's ratepayers, with customers paying the return on equity for the plant investment, depreciation expenses, and any transmission operation and maintenance expense for the transmission projects. These costs would be allocated differently for Zonal and Base Plan Funded projects, based on SPP's cost allocation process in its Revenue Requirement and Rates model and would result in an adjustment to the based ROE for the Zonal projects. Due to these issues with cost allocation, EKC did not quantify the actual revenue requirement impact that customers would pay in their TDC rates for the Panasonic-related investments.

Q. Did Staff request an update on the anticipated Panasonic related revenues and expected load ramp rates for the Panasonic facility?

A. Yes, Staff requested EKC provide an update on the progress of negotiations related to its revenue estimates and load ramp rate. In its Confidential Response to KCC Data Request No. 343A: Panasonic Load. EKC presented the following confidential analysis as it relates to the Panasonic facility.

[redacted]

Q. What is Staff's recommendations to the Commission regarding the treatment of EKC's margin revenues in this Docket?

A. Staff has demonstrated its support for EKC's ongoing investments in maintaining resource adequacy to serve its existing retail load and bringing online its largest customer once Panasonic's facility becomes fully operational. Staff supported EKC's

[40] *See* EKC's Confidential Response to KCC Data Request No. 343_A: Panasonic Load

inclusion of the 8% share of JEC in rate base and the additions of the Persimmon Creek Wind Farm's in the 23-775 Docket, both of which EKC claimed were needed to support the ongoing load growth of the system (including Panasonic) and SPP resource adequacy initiatives related to the accreditation of EKC's existing generating resources.

The Panasonic-related transmission investment will be included in rates in its 2025 TFR projection and future true-up filings, as well as TDC filings. For projects that went into service in 2024, these projects would have been incorporated into its 2024 Zonal revenue requirement and were discussed in Staff's Report and Recommendation filed in the 24-EKCE-269-RTS in Staff's review of EKC compliance filing. While EKC did not quantify the net impact on the TDC revenue requirements, these transmission costs will be recovered in its TDC filings on a going-forward basis.

While EKC is still working out the details and Panasonic's expected load ramp data will likely continue to fluctuate from the initial projections from 2025 – 2027, EKC's current treatment of retaining the revenue margins would allow the utility to capture increases in the revenues while customers are currently paying for its existing generation investments and transmission investments that supported the integration of the Panasonic facility.

Staff recommends that the Commission utilize regulatory accounting treatment to defer sales margin revenues and any applicable cost to serve the Panasonic load by EKC not included in this docket.[41] The sales margin revenues would be recorded as a regulatory liability to be returned to customers in EKC's next rate proceeding. Staff

[41] Staff notes that EKC is recommending the Nuclear PTC credits be recorded, using deferred accounting treatment. Similar to the Panasonic revenues, the Nuclear PTC credits are uncertain at this time and result in a material cost saving impact to EKC ratepayers.

is recommending the Commission authorize EKC to record the deferral at its Pre-tax Weighted Average Cost of Capital (WACC) of 8.27%, as a carrying charge.[42]

VI. EKC's Treatment of Nuclear PTC

Q. Please summarize EKC treatment of the Nuclear PTC.

A. EKC witness Melissa K. Hardesty provides testimony regarding EKC's position on the PTC credits for its Wolf Creek Nuclear Generating Unit.[43] Beginning with the 2024 tax year, Internal Revenue Code Section 45U allows for a federal tax credits based on the amount of electricity generated and sold by a nuclear facility. The amount of the base credit is determined by multiplying the kilowatt hours generated by $0.03. The law also requires the base credit to be reduced by 16% of gross receipts received for the sale of the electricity. Ms. Hardesty provides the formula for the Nuclear PTC Credits in her Direct Testimony table on page 13.

Ms. Hardesty explains the amount of the credit is increased five times to $0.15 per kilowatt hour if prevailing wage requirements are met. To meet the requirements, all individuals (including contractors) who work on repairs or alterations of the facility, must be paid a prevailing wage determined by the federal Department of Labor for the County in which it is located. EKC is in the process of gathering all necessary documentation to ensure all of the prevailing wage requirements are met.

Q. Does EKC believe Wolf Creek will generate any nuclear PTC for 2024?

A. Ms. Hardesty states that EKC is still uncertain whether it will be able to claim any nuclear PTC for Wolf Creek for 2024 at this time. Internal Revenue Code Section 45U(b)(2)(A)(ii)(I) provides that the gross receipts to be considered in calculating the

[42] *See* Direct Testimony of Adam Gatewood in the 25-394 Docket filed on June 6, 2025.
[43] *See* Direct Testimony of Melissa K. Hardesty, p.12.

reduction amount are those derived "from any electricity produced by such facility (including any electricity services or products provided in conjunction with the electricity produced by such facility) and sold to an unrelated person during such taxable year." Therefore, the determination of gross receipts is critical to the calculation of the amount of credit available under Section 45U. EKC expects that the gross receipts from the facility will either be computed using the prices determined by the Southwest Power Pool when electricity is sold into the market or by the amount of revenue received from customers related to Wolf Creek as provided in EKC general rate case.

Ms. Hardesty provides two computational methodologies that illustrate that the two methods are significantly different and would materially impact the resulting PTC credit. Ms. Hardesty states that using the estimated amount of credit using the market pricing methodology yields between $60 million and $70 million on an annual basis from 2024 to 2032 while the second methodology generated by the gross receipts results in no PTC credit. EKC believes the market pricing methodology to determine gross receipts is a reasonable method, but IRS guidance is need before a final determination can be made by EKC.

Q. Did EKC include PTC credits in its income tax calculation when calculating its revenue requirement in this case?

A. No. Due to the uncertainty related to the method required to compute gross receipts EKC did not include any Nuclear PTC Credit from the sale of electricity from the facility in the computation of income taxes or in a deferred tax asset in this filing. EKC anticipates that the IRS will issue guidance before the 2024 federal tax returns are due on October

15, 2025; however, EKC would adjust the amount of nuclear PTC credits if guidance was provided prior to the true-up filing.

Q. Did Staff request updates on IRS guidance and the calculation of the PTC credits in this case?

A. Yes, Staff requested EKC provide any updates on IRS guidance and the calculation of the PTC credits in KCC Data Request No. 350 (KCC DR-350). In its response to KCC DR-350, EKC states,

> The IRS has not issued any guidance for the computation of gross receipts related to IRC Section 45U yet. If we do not receive guidance before the 2024 tax return is due, we will claim the credits on the return to ensure that any benefits due to customers is preserved. We also intend to record a regulatory liability for any credits we ultimately get to ensure that customers receive the full benefit of any credits in a future rate proceeding.[44]

In addition, EKC provides a detailed calculation of the competing methodologies with PTC estimates under Gross Receipts from Customer producing no PTC value, while the Gross Receipts from SPP yielded a net customer benefit of $65.1 million.[45]

		Receipts from Customers			Receipts from SPP		
	Year	Volume (MWh)	Amount ($)	Rate	Volume (MWh)	Amount ($)	Rate
	2024	4,481,400	$ 218,207,315	$ 48.69	4,341,575	$ 76,326,110	$ 17.58
			EKS			EKS	
Receipts/MWh		$ 48.69	218,207,315		$ 17.58	76,326,110	
Base/MWh		$ 25.00	112,035,000		$ 25.00	108,539,383	
Receipts exceeding base rate			106,172,315			(32,213,273)	
Reduction (16% over $25MWh)		16%	16,987,570		16%	-	
Base PTC							
PTC b4 Reduction (Base)		$ 3.00	13,444,200		$ 3.00	13,024,726	
Less Reduction (do not go negative)			(13,444,200)			-	
Potential PTC ytd 2024			-			13,024,726	
Bonus PTC							
PTC (@ Base, after Reduction) 2024			-			13,024,726	
PTC (after Reduction x 5) 2024		x5	-		x5	**65,123,630**	

[44] *See* KCC Data Request No. 350: part 2.
[45] *See Id, Part 1: Nuclear PTC calculation.*

Q. Did Staff include any value in its revenue requirement for Nuclear PTC?

A. No, Staff agrees with EKC's position to not include an estimated impact in its calculation of income taxes in this filing. Due to the uncertainty of the PTC credits, Staff supports EKC's recommendation to utilize deferred accounting treatment and its proposed tracker.

As Ms. Hardesty states a tracker will ensure that all benefits related to the nuclear PTC's, are returned to customers.[46] In addition, Ms. Hardesty addresses other costs that may be used to offset the income tax liabilities for up to 20 years before they expire. Due to the magnitude of the potential credits available, EKC may potentially sell a portion of the nuclear PTC credits before this happens. To ensure that customers do not lose out on the benefits, EKC may engage outside parties to sell the credits at a discount. If sold at a discount, EKC believes it would be appropriate to include an offset to the deferral of any nuclear PTC for the reduction in the benefit received. EKC's intention is to ensure that any return of any nuclear PTC to EKC's retail customers matches the actual realized value from the PTCs.

Staff supports EKC's proposal as it relates to preserving the benefit of the potential benefits and the use of outside parties to sell the credits, if necessary, and include any offset to the deferral of the PTC credits to ensure that any return matches the actual realized value of the PTC.

Q. When does EKC recommend returning the tax benefits to customers in rates of any deferral?

A. EKC proposes to retain the deferral at the time of the next rate case to match the amortization of any deferred nuclear PTC to begin once the credits are used to offset the

[46] See Direct Testimony of Melissa Hardesty, page 15.

tax liability of EKC or once any funds are received upon the sale of these credits in the future.

Q. Does Staff agree with the proposed timing of the return at the next rate case?

A. No, Staff would support an expedited return of the PTC credits to customers at the time the credits are received either through a line-item credit to customer bills or through the ACA filing. If the Commission accepts EKC's proposal for deferred accounting treatment for the PTC tracker and refund customers in its next rate case filing, Staff recommends the Commission approve a carrying charge equal to the approved Pre-tax Rate of Return (ROR), which is supported by the testimony of Staff witness Adam Gatewood.

Q. Does this conclude your testimony?

A. Yes.

EXHIBITS

Exhibit No.	Exhibit Description:
CCU-1	KCC Adjustment No. IS-10: Western Plains Wind Farm

Staff Adjustment to Western Plains Wind Farm - Levelized Revenue Requirement
(RB-28/CS-28) - Western Plains Adjustment

FERC Acct.	Description of Adjustment	Amount	
923	25-year Levelized Revenue Requirement	$	23,182,736
923	20-year Levelized Revenue Requirement - Approved in the 18-328 Docket		23,697,593
923	Staff Adjustment for Western Plains Wind Farm	$	(514,857)

* Staff's Adjustments for Western Plains Wind Farm Update in RB-28 are contained in its update to Plant In Service, Accumulated Depreciation, ADIT and Materials & Supplies.

Source:
Evergy Response to KCC Data Request No. 348 - Western Plains Update

Evergy Kansas Central (Westar Energy, Inc.)
Western Plains - Exhibit CCU-1(a)
Docket No. 25-EKCE-294-RTS - Levelized Revenue Requirement - 25-year
dollars in thousands

1	**Ownership Assumptions:**																									
2	Yr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
3		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
4	**Western Plains Wind Farm**																									
5	MW Capacity	280.6																								
6	Capacity Factor	46.57%	48.57%	44.57%																						
7	Annual MWh	1,144,717	1,193,878	1,095,556																						
8																										
9	Land	$ 12,574	***Gross plant per ledger 6/30/2017***																							
10	Depreciable Basis	402,183	***Gross plant per ledger 6/30/2017***																							
11	Decommissioning	13,471	***Exclude from rate base***																							
12	Total Project Cost	$ 428,228																								
13																										
14	O&M:																									
15	Labor and overheads	$ 645																								
16	Subcontract labor	5,353																								
17	Other O&M	807																								
18	O&M excluding Royalty and PILOT payments	$ 6,806																								
19	Variable O&M inflated in annual dollars	$ 6,806	$ 6,976	$ 7,150	$ 7,329	$ 7,512	$ 7,700	$ 7,893	$ 8,090	$ 8,292	$ 8,500	$ 8,712	$ 8,930	$ 9,153	$ 9,382	$ 9,617	$ 9,857	$ 10,103	$ 10,356	$ 10,615	$ 10,880	$ 11,152	$ 11,431	$ 11,717	$ 12,010	$ 12,310
20	Royalty Payments:	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,583	$ 3,583	$ 3,583	$ 3,583	$ 3,583	$ 3,583	$ 3,583	$ 3,583	$ 3,583	$ 3,583
21	PILOT and Other fees:	$ 1,227	$ 1,264	$ 1,302	$ 1,341	$ 1,381	$ 1,423	$ 1,465	$ 1,509	$ 1,555	$ 1,601	$ 1,649	$ 1,699	$ 1,750	$ 1,802	$ 1,856	$ 1,912	$ 1,969	$ 2,028	$ 2,089	$ 2,152	$ 2,152	$ 2,152	$ 2,152	$ 2,152	$ 2,152
22																										
23		Wind																								
24	Book Depreciation	3.96%	***Ties to Depreciation for 20-years***																							
25	MACRS 5	20.00%	32.00%	19.20%	11.52%	11.52%	5.76%																			
26	MACRS 5 with 50% Bonus	60.00%	16.00%	9.60%	5.76%	5.76%	2.88%																			
27																										
28	Property Tax - Wind	Lifetime exemption		0.00%	**Property Tax Rate - *Western Plains qualifies for the lifetime property tax exemption***																					
29																										
30	Wind Production Tax Credit	$ (24.00)	per MWh	1	1 = tax credit, 2 = no tax credit																					
31	Fuel $/MWh - Wind	$ (24.00)	$ (24.60)	$ (25.22)	$ (25.85)	$ (26.49)	$ (27.15)	$ (27.83)	$ (28.53)	$ (29.24)	(29.97)															
32	Ten Year Tax Credit from In-Service	$ (24.00)	$ (25.00)	$ (25.00)	$ (26.00)	$ (26.00)	$ (27.00)	$ (28.00)	$ (29.00)	$ (29.00)	(30.00)															
33																										
34	Annual Insurance	$ 170																								
35	Insurance Rates (inflated)	$ 170	$ 179	$ 188	$ 197	$ 207	$ 217	$ 228	$ 240	$ 252	$ 264	$ 277	$ 291	$ 306	$ 321	$ 337	$ 354	$ 372	$ 390	$ 410	$ 430	$ 452	$ 474	$ 498	$ 523	$ 549
36																										
37	General Inflation	2.5%																								
38	Insurance Inflation	5.0%																								
39	Tax Rate	26.53%	*Reflects 21% federal and 7% state tax rates*																							
40																										

41	Capital Structure:					
42				After Tax	Pretax	After Tax
43		Percent	Cost	WACC	WACC	w/Tax Shield
44	Debt	48.54%	4.68%	2.27%	2.27%	1.67%
45	Equity	51.46%	9.30%	4.79%	6.51%	4.79%
46				7.06%	8.79%	6.45%
47						
48						

Evergy Kansas Central (Westar Energy, Inc.)
Western Plains - Exhibit CCU-1(a)
Docket No. 25-EKCE-294-RTS - Levelized Revenue Requirement - 25-year
dollars in thousands

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
49	**Capital Outlay:**													
50														
51	**Western Plains Wind Farm**													
52	Gross Plant - Land	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574
53	Book Depreciation													
54	Accumulated Depreciation													
55	Net Book Plant	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574
56														
57														
58	Gross Plant - Generators	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183
59	Book Depreciation	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926
60	Accumulated Depreciation	15,926	31,853	47,779	63,706	79,632	95,559	111,485	127,412	143,338	159,264	175,191	191,117	207,044
61	Net Book Plant	$ 386,256	$ 370,330	$ 354,404	$ 338,477	$ 322,551	$ 306,624	$ 290,698	$ 274,771	$ 258,845	$ 242,918	$ 226,992	$ 211,066	$ 195,139
62														
63														
64	Tax Basis	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183
65	Tax Depreciation Rate	60.00%	16.00%	9.60%	5.76%	5.76%	2.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
66	Tax Depreciation	241,310	64,349	38,610	23,166	23,166	11,583	0	0	0	0	0	0	0
67	Accumulated Tax Depreciation	241,310	305,659	344,269	367,434	390,600	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183
68	Net Tax Basis	$ 160,873	$ 96,524	$ 57,914	$ 34,749	$ 11,583	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
69														
70	Current Deferred Tax	$ 59,794	$ 12,847	$ 6,018	$ 1,921	$ 1,921	$ (1,152)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)
71	Accumulated Deferred Tax	$ 59,794	$ 72,641	$ 78,659	$ 80,579	$ 82,500	$ 81,347	$ 77,122	$ 72,897	$ 68,672	$ 64,446	$ 60,221	$ 55,996	$ 51,770
72														
73														
74	**Revenue Requirement:**													
75														
76	Net Book Plant	$ 398,831	$ 382,904	$ 366,978	$ 351,051	$ 335,125	$ 319,198	$ 303,272	$ 287,346	$ 271,419	$ 255,493	$ 239,566	$ 223,640	$ 207,713
77	Accumulated Deferred Income Taxes	59,794	72,641	78,659	80,579	82,500	81,347	77,122	72,897	68,672	64,446	60,221	55,996	51,770
78	Rate Base	$ 339,037	$ 310,263	$ 288,319	$ 270,472	$ 252,625	$ 237,851	$ 226,150	$ 214,449	$ 202,748	$ 191,046	$ 179,345	$ 167,644	$ 155,943
79														
80	Average Rate Base	$ 376,897	$ 324,650	$ 299,291	$ 279,396	$ 261,549	$ 245,238	$ 232,000	$ 220,299	$ 208,598	$ 196,897	$ 185,196	$ 173,495	$ 161,794
81	Pre-Tax Rate of Return	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%
82	Pre-Tax Rate of Return on Rate Base	$ 33,113	$ 28,522	$ 26,295	$ 24,547	$ 22,979	$ 21,546	$ 20,383	$ 19,355	$ 18,327	$ 17,299	$ 16,271	$ 15,243	$ 14,215
83	Pretax Return on Equity	$ 24,551	$ 21,147	$ 19,496	$ 18,200	$ 17,037	$ 15,975	$ 15,112	$ 14,350	$ 13,588	$ 12,826	$ 12,064	$ 11,301	$ 10,539
84	Pretax Cost of Debt	$ 8,562	$ 7,375	$ 6,799	$ 6,347	$ 5,942	$ 5,571	$ 5,270	$ 5,004	$ 4,739	$ 4,473	$ 4,207	$ 3,941	$ 3,675
85														
86	Tax Expense/(Credit) (PTC grossed up for taxes)	$ (37,394)	$ (38,952)	$ (38,952)	$ (40,510)	$ (40,510)	$ (42,068)	$ (43,626)	$ (45,184)	$ (45,184)	$ (46,742)	$ -	$ -	$ -
87														
88	O&M													
89	Variable O&M	$ 6,806	$ 6,976	$ 7,150	$ 7,329	$ 7,512	$ 7,700	$ 7,893	$ 8,090	$ 8,292	$ 8,500	$ 8,712	$ 8,930	$ 9,153
90	Royalty Payments	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011
91	PILOT Payments	1,227	1,264	1,302	1,341	1,381	1,423	1,465	1,509	1,555	1,601	1,649	1,699	1,750
92	Insurance Expense	170	179	188	197	207	217	228	240	252	264	277	291	306
93	Property Tax - Wind											-	-	-
94	Total O&M	$ 11,214	$ 11,430	$ 11,651	$ 11,878	$ 12,111	$ 12,351	$ 12,597	$ 12,850	$ 13,109	$ 13,376	$ 13,649	$ 13,931	$ 14,219
95														
96	Depreciation Expense	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926
97														
98	**Total Revenue Requirement**	**$ 22,859**	**$ 16,927**	**$ 14,920**	**$ 11,841**	**$ 10,506**	**$ 7,755**	**$ 5,280**	**$ 2,947**	**$ 2,178**	**$ (141)**	**$ 45,846**	**$ 45,100**	**$ 44,360**
99														
100	Total GWh of Generation	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717
101														
102	**Total Revenue Requirement Per MWh**	$ 19.97	$ 14.79	$ 13.03	$ 10.34	$ 9.18	$ 6.77	$ 4.61	$ 2.57	$ 1.90	$ (0.12)	$ 40.05	$ 39.40	$ 38.75
103														
104	**Levelized Revenue Requirements**													
105	25 Yr NPV	$ 268,769	Lengthen Net Present Value Equation											
106	Discount Rate	7.06%												
107	25 Yr Levelized Revenue Requirement	$ 23,183	Included 25 - Year in Net Present Value											
108	**25 Yr Levelized Revenue Requirement per M**	**$ 20.25**												
109		$20.70	20 - Year Levelized Revenue Requirement											
110														
111	**Levelized Revenue Requirements**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**
112	**Delta between levelized and traditional**	$ 323	$ 6,256	$ 8,263	$ 11,342	$ 12,676	$ 15,428	$ 17,903	$ 20,236	$ 21,005	$ 23,324	$ (22,664)	$ (21,917)	$ (21,178)
113	**NPV of delta**	($0.00)	NPV Delta Ties											
114														

		2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
52	Gross Plant - Land	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574
55	Net Book Plant	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574
58	Gross Plant - Generators	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183
59	Book Depreciation	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926
60	Accumulated Depreciation	222,970	238,897	254,823	270,749	286,676	302,602	318,529	334,455	350,382	366,308	382,235	398,161
61	Net Book Plant	$ 179,213	$ 163,286	$ 147,360	$ 131,433	$ 115,507	$ 99,580	$ 83,654	$ 67,728	$ 51,801	$ 35,875	$ 19,948	$ 4,022
64	Tax Basis	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183
65	Tax Depreciation Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
66	Tax Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
67	Accumulated Tax Depreciation	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183
68	Net Tax Basis	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
70	Current Deferred Tax	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)	$ (4,225)
71	Accumulated Deferred Tax	$ 47,545	$ 43,320	$ 39,095	$ 34,869	$ 30,644	$ 26,419	$ 22,193	$ 17,968	$ 13,743	$ 9,518	$ 5,292	$ 1,067
76	Net Book Plant	$ 191,787	$ 175,861	$ 159,934	$ 144,008	$ 128,081	$ 112,155	$ 96,228	$ 80,302	$ 64,375	$ 48,449	$ 32,523	$ 16,596
77	Accumulated Deferred Income Taxes	47,545	43,320	39,095	34,869	30,644	26,419	22,193	17,968	13,743	9,518	5,292	1,067
78	Rate Base	$ 144,242	$ 132,541	$ 120,840	$ 109,138	$ 97,437	$ 85,736	$ 74,035	$ 62,334	$ 50,633	$ 38,931	$ 27,230	$ 15,529
80	Average Rate Base	$ 150,092	$ 138,391	$ 126,690	$ 114,989	$ 103,288	$ 91,587	$ 79,885	$ 68,184	$ 56,483	$ 44,782	$ 33,081	$ 21,380
81	Pre-Tax Rate of Return	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%
82	Pre-Tax Rate of Return on Rate Base	$ 13,187	$ 12,158	$ 11,130	$ 10,102	$ 9,074	$ 8,046	$ 7,018	$ 5,990	$ 4,962	$ 3,934	$ 2,906	$ 1,878
83	Pretax Return on Equity	$ 9,777	$ 9,015	$ 8,252	$ 7,490	$ 6,728	$ 5,966	$ 5,204	$ 4,441	$ 3,679	$ 2,917	$ 2,155	$ 1,393
84	Pretax Cost of Debt	$ 3,410	$ 3,144	$ 2,878	$ 2,612	$ 2,346	$ 2,081	$ 1,815	$ 1,549	$ 1,283	$ 1,017	$ 751	$ 486
86	Tax Expense/(Credit) (PTC grossed up for taxes)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
89	Variable O&M	$ 9,382	$ 9,617	$ 9,857	$ 10,103	$ 10,356	$ 10,615	$ 10,880	$ 11,152	$ 11,431	$ 11,717	$ 12,010	$ 12,310
90	Royalty Payments	3,011	3,011	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583
91	PILOT Payments	1,802	1,856	1,912	1,969	2,028	2,089	2,152	2,152	2,152	2,152	2,152	2,152
92	Insurance Expense	321	337	354	372	390	410	430	452	474	498	523	549
93	Property Tax - Wind	-	-	-	-	-	-	-	-	-	-	-	-
94	Total O&M	$ 14,516	$ 14,821	$ 15,706	$ 16,027	$ 16,358	$ 16,697	$ 17,046	$ 17,339	$ 17,640	$ 17,950	$ 18,268	$ 18,594
96	Depreciation Expense	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926	$ 15,926
98	**Total Revenue Requirement**	**$ 43,629**	**$ 42,906**	**$ 42,763**	**$ 42,056**	**$ 41,359**	**$ 40,670**	**$ 39,990**	**$ 39,256**	**$ 38,529**	**$ 37,811**	**$ 37,101**	**$ 36,399**
100	Total GWh of Generation	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717
102	**Total Revenue Requirement Per MWh**	$ 38.11	$ 37.48	$ 37.36	$ 36.74	$ 36.13	$ 35.53	$ 34.93	$ 34.29	$ 33.66	$ 33.03	$ 32.41	$ 31.80
111	**Levelized Revenue Requirements**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**	**$ 23,183**
112	**Delta between levelized and traditional**	$ (20,446)	$ (19,723)	$ (19,580)	$ (18,874)	$ (18,176)	$ (17,487)	$ (16,808)	$ (16,073)	$ (15,347)	$ (14,628)	$ (13,918)	$ (13,216)

Evergy Kansas Central (Westar Energy, Inc.)
Western Plains - Exhibit CCU-1(a)
Docket No. 25-EKCE-294-RTS - Levelized Revenue Requirement - 25-year
dollars in thousands

115	**Accounting Order Journal Entries:**																									
116																										
117	**(Credit) Debit Revenue**	$ 323	$ 6,256	$ 8,263	$ 11,342	$ 12,676	$ 15,428	$ 17,903	$ 20,236	$ 21,005	$ 23,324	$ (22,664)	$ (21,917)	$ (21,178)	$ (20,446)	$ (19,723)	$ (19,580)	$ (18,874)	$ (18,176)	$ (17,487)	$ (16,808)	$ (16,073)	$ (15,347)	$ (14,628)	$ (13,918)	$ (13,216)
118	**Reg Asset (Liability)**	$ (323)	(6,256)	(8,263)	(11,342)	(12,676)	(15,428)	(17,903)	(20,236)	(21,005)	(23,324)	22,664	21,917	21,178	20,446	19,723	19,580	18,874	18,176	17,487	16,808	16,073	15,347	14,628	13,918	13,216
119																										
120	**Debit Reg Asset (Liability)**	$ (11)	$ (244)	$ (774)	$ (1,520)	$ (2,475)	$ (3,642)	$ (5,075)	$ (6,779)	$ (8,712)	$ (10,892)	$ (11,683)	$ (10,935)	$ (10,186)	$ (9,436)	$ (8,685)	$ (7,911)	$ (7,112)	$ (6,306)	$ (5,493)	$ (4,671)	$ (3,840)	$ (3,002)	$ (2,156)	$ (1,301)	$ (436)
121	**(Credit) Interest Expense**	$ 11	$ 244	$ 774	$ 1,520	$ 2,475	$ 3,642	$ 5,075	$ 6,779	$ 8,712	$ 10,892	$ 11,683	$ 10,935	$ 10,186	$ 9,436	$ 8,685	$ 7,911	$ 7,112	$ 6,306	$ 5,493	$ 4,671	$ 3,840	$ 3,002	$ 2,156	$ 1,301	$ 436
122																										
123	**Deferred Asset (Liability) Beginning Balance**	$ -	$ (335)	$ (6,835)	$ (15,872)	$ (28,734)	$ (43,886)	$ (62,955)	$ (85,933)	$ (112,947)	$ (142,665)	$ (176,880)	$ (165,900)	$ (154,918)	$ (143,927)	$ (132,916)	$ (121,878)	$ (110,208)	$ (98,447)	$ (86,577)	$ (74,583)	$ (62,446)	$ (50,213)	$ (37,869)	$ (25,397)	$ (12,781)
124	**Deferred Asset (Liability) Current Year Activit**	(323)	(6,256)	(8,263)	(11,342)	(12,676)	(15,428)	(17,903)	(20,236)	(21,005)	(23,324)	22,664	21,917	21,178	20,446	19,723	19,580	18,874	18,176	17,487	16,808	16,073	15,347	14,628	13,918	13,216
125	**Deferred Asset (Liability) Carry Charge**	(11)	(244)	(774)	(1,520)	(2,475)	(3,642)	(5,075)	(6,779)	(8,712)	(10,892)	(11,683)	(10,935)	(10,186)	(9,436)	(8,685)	(7,911)	(7,112)	(6,306)	(5,493)	(4,671)	(3,840)	(3,002)	(2,156)	(1,301)	(436)
126	**Deferred Asset (Liability) Ending Balance**	$ (335)	$ (6,835)	$ (15,872)	$ (28,734)	$ (43,886)	$ (62,955)	$ (85,933)	$ (112,947)	$ (142,665)	$ (176,880)	$ (165,900)	$ (154,918)	$ (143,927)	$ (132,916)	$ (121,878)	$ (110,208)	$ (98,447)	$ (86,577)	$ (74,583)	$ (62,446)	$ (50,213)	$ (37,869)	$ (25,397)	$ (12,781)	$ 0
127																										
128																										
129	**Accounting Order:**																									
130	Income Statement:																									
131	Revenue from customers	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183	$ 23,183
132	Revenue - accounting entries	(323)	(6,256)	(8,263)	(11,342)	(12,676)	(15,428)	(17,903)	(20,236)	(21,005)	(23,324)	22,664	21,917	21,178	20,446	19,723	19,580	18,874	18,176	17,487	16,808	16,073	15,347	14,628	13,918	13,216
133	O&M	11,214	11,430	11,651	11,878	12,111	12,351	12,597	12,850	13,109	13,376	13,649	13,931	14,219	14,516	14,821	15,706	16,027	16,358	16,697	17,046	17,339	17,640	17,950	18,268	18,594
134	Depreciation	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926
135	Operating income	$ (4,281)	$ (10,429)	$ (12,657)	$ (15,963)	$ (17,531)	$ (20,522)	$ (23,243)	$ (25,830)	$ (26,858)	$ (29,444)	$ 16,271	$ 15,243	$ 14,215	$ 13,187	$ 12,158	$ 11,130	$ 10,102	$ 9,074	$ 8,046	$ 7,018	$ 5,990	$ 4,962	$ 3,934	$ 2,906	$ 1,878
136	Theoretical interest - plant	8,562	7,375	6,799	6,347	5,942	5,571	5,270	5,004	4,739	4,473	4,207	3,941	3,675	3,410	3,144	2,878	2,612	2,346	2,081	1,815	1,549	1,283	1,017	751	486
137	Theoretical interest - short/(excess) cash	(11)	(244)	(774)	(1,520)	(2,475)	(3,642)	(5,075)	(6,779)	(8,712)	(10,892)	(11,683)	(10,935)	(10,186)	(9,436)	(8,685)	(7,911)	(7,112)	(6,306)	(5,493)	(4,671)	(3,840)	(3,002)	(2,156)	(1,301)	(436)
138	Carry charge - accounting entries	11	244	774	1,520	2,475	3,642	5,075	6,779	8,712	10,892	11,683	10,935	10,186	9,436	8,685	7,911	7,112	6,306	5,493	4,671	3,840	3,002	2,156	1,301	436
139	Income before taxes	$ (12,843)	$ (17,804)	$ (19,456)	$ (22,310)	$ (23,473)	$ (26,093)	$ (28,514)	$ (30,834)	$ (31,596)	$ (33,916)	$ 12,064	$ 11,301	$ 10,539	$ 9,777	$ 9,015	$ 8,252	$ 7,490	$ 6,728	$ 5,966	$ 5,204	$ 4,441	$ 3,679	$ 2,917	$ 2,155	$ 1,393
140	Income tax	(3,407)	(4,724)	(5,162)	(5,919)	(6,227)	(6,923)	(7,565)	(8,180)	(8,382)	(8,998)	3,200	2,998	2,796	2,594	2,392	2,189	1,987	1,785	1,583	1,381	1,178	976	774	572	369
141	Income tax credits	(27,473)	(28,618)	(28,618)	(29,763)	(29,763)	(30,907)	(32,052)	(33,197)	(33,197)	(34,342)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Net income	$ 18,037	$ 15,537	$ 14,323	$ 13,371	$ 12,517	$ 11,737	$ 11,103	$ 10,543	$ 9,983	$ 9,423	$ 8,863	$ 8,303	$ 7,743	$ 7,183	$ 6,623	$ 6,063	$ 5,503	$ 4,943	$ 4,383	$ 3,823	$ 3,263	$ 2,703	$ 2,143	$ 1,583	$ 1,023
143																										
144	ROE	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
145																										
146	Cash Flow:																									
147	Net Income:	$ 18,037	$ 15,537	$ 14,323	$ 13,371	$ 12,517	$ 11,737	$ 11,103	$ 10,543	$ 9,983	$ 9,423	$ 8,863	$ 8,303	$ 7,743	$ 7,183	$ 6,623	$ 6,063	$ 5,503	$ 4,943	$ 4,383	$ 3,823	$ 3,263	$ 2,703	$ 2,143	$ 1,583	$ 1,023
148	Add: Depreciation	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926
149	Add: Accounting Revenue	323	6,256	8,263	11,342	12,676	15,428	17,903	20,236	21,005	23,324	(22,664)	(21,917)	(21,178)	(20,446)	(19,723)	(19,580)	(18,874)	(18,176)	(17,487)	(16,808)	(16,073)	(15,347)	(14,628)	(13,918)	(13,216)
150	Add: Deferred Income Taxes (def asset/liabili	(86)	(1,660)	(2,192)	(3,009)	(3,363)	(4,093)	(4,750)	(5,369)	(5,573)	(6,188)	6,013	5,815	5,618	5,424	5,232	5,195	5,007	4,822	4,639	4,459	4,264	4,071	3,881	3,692	3,506
151	Add: Deferred Income Taxes (plant related)	59,794	12,847	6,018	1,921	1,921	(1,152)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)
152	Cash Flow	$ 93,996	$ 48,906	$ 42,338	$ 39,551	$ 39,677	$ 37,845	$ 35,957	$ 37,112	$ 37,116	$ 38,261	$ 3,913	$ 3,902	$ 3,885	$ 3,862	$ 3,834	$ 3,379	$ 3,338	$ 3,290	$ 3,237	$ 3,176	$ 3,155	$ 3,129	$ 3,097	$ 3,059	$ 3,014
153	NPV	$ 347,806																								
154																										
155																										
156	**Traditional Rate Making:**																									
157	Income Statement:																									
158	Revenue from customers	$ 22,859	$ 16,927	$ 14,920	$ 11,841	$ 10,506	$ 7,755	$ 5,280	$ 2,947	$ 2,178	$ (141)	$ 45,846	$ 45,100	$ 44,360	$ 43,629	$ 42,906	$ 42,763	$ 42,056	$ 41,359	$ 40,670	$ 39,990	$ 39,256	$ 38,529	$ 37,811	$ 37,101	$ 36,399
159	O&M	11,214	11,430	11,651	11,878	12,111	12,351	12,597	12,850	13,109	13,376	13,649	13,931	14,219	14,516	14,821	15,706	16,027	16,358	16,697	17,046	17,339	17,640	17,950	18,268	18,594
160	Depreciation	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926
161	Operating income	$ (4,281)	$ (10,429)	$ (12,657)	$ (15,963)	$ (17,531)	$ (20,522)	$ (23,243)	$ (25,830)	$ (26,858)	$ (29,444)	$ 16,271	$ 15,243	$ 14,215	$ 13,187	$ 12,158	$ 11,130	$ 10,102	$ 9,074	$ 8,046	$ 7,018	$ 5,990	$ 4,962	$ 3,934	$ 2,906	$ 1,878
162	Interest	8,562	7,375	6,799	6,347	5,942	5,571	5,270	5,004	4,739	4,473	4,207	3,941	3,675	3,410	3,144	2,878	2,612	2,346	2,081	1,815	1,549	1,283	1,017	751	486
163	Income before taxes	$ (12,843)	$ (17,804)	$ (19,456)	$ (22,310)	$ (23,473)	$ (26,093)	$ (28,514)	$ (30,834)	$ (31,596)	$ (33,916)	$ 12,064	$ 11,301	$ 10,539	$ 9,777	$ 9,015	$ 8,252	$ 7,490	$ 6,728	$ 5,966	$ 5,204	$ 4,441	$ 3,679	$ 2,917	$ 2,155	$ 1,393
164	Income tax	(3,407)	(4,724)	(5,162)	(5,919)	(6,227)	(6,923)	(7,565)	(8,180)	(8,382)	(8,998)	3,200	2,998	2,796	2,594	2,392	2,189	1,987	1,785	1,583	1,381	1,178	976	774	572	369
165	Income tax credits	(27,473)	(28,618)	(28,618)	(29,763)	(29,763)	(30,907)	(32,052)	(33,197)	(33,197)	(34,342)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Net income	$ 18,037	$ 15,537	$ 14,323	$ 13,371	$ 12,517	$ 11,737	$ 11,103	$ 10,543	$ 9,983	$ 9,423	$ 8,863	$ 8,303	$ 7,743	$ 7,183	$ 6,623	$ 6,063	$ 5,503	$ 4,943	$ 4,383	$ 3,823	$ 3,263	$ 2,703	$ 2,143	$ 1,583	$ 1,023
167																										
168	ROE	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
169																										
170	Cash Flow:																									
171	Net Income:	$ 18,037	$ 15,537	$ 14,323	$ 13,371	$ 12,517	$ 11,737	$ 11,103	$ 10,543	$ 9,983	$ 9,423	$ 8,863	$ 8,303	$ 7,743	$ 7,183	$ 6,623	$ 6,063	$ 5,503	$ 4,943	$ 4,383	$ 3,823	$ 3,263	$ 2,703	$ 2,143	$ 1,583	$ 1,023
172	Add: Depreciation	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	15,926	FALSE
173	Add: Accounting Revenue																									
174	Add: Deferred Income Taxes (def asset/liabili	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
175	Add: Deferred Income Taxes (plant related)	59,794	12,847	6,018	1,921	1,921	(1,152)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)	(4,225)
176	Cash Flow	$ 93,758	$ 44,310	$ 36,268	$ 31,218	$ 30,364	$ 26,511	$ 22,804	$ 22,244	$ 21,684	$ 21,124	$ 20,564	$ 20,004	$ 19,444	$ 18,884	$ 18,324	$ 17,764	$ 17,204	$ 16,644	$ 16,084	$ 15,524	$ 14,964	$ 14,404	$ 13,844	$ 13,284	$ (3,202)

Evergy Kansas Central (Westar Energy, Inc.)
Western Plains - Exhibit CCU-1(b)
Docket No. 18-WSEE-328-RTS - Levelized Revenue Requirement - 20-year
dollars in thousands

Ownership Assumptions:

Yr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Western Plains Wind Farm																				
MW Capacity	280.6																			
Capacity Factor	46.57%	48.57%	44.57%																	
Annual MWh	1,144,717	1,193,878	1,095,556																	
Land	$ 12,574	***Gross plant per ledger 6/30/2017***																		
Depreciable Basis	402,183	***Gross plant per ledger 6/30/2017***																		
Decommissioning	13,471	***Exclude from rate base***																		
Total Project Cost	$ 428,228																			
O&M:																				
Labor and overheads	$ 645																			
Subcontract labor	5,353																			
Other O&M	807																			
O&M excluding Royalty and PILOT payments	$ 6,806																			
Variable O&M inflated in annual dollars	$ 6,806	$ 6,976	$ 7,150	$ 7,329	$ 7,512	$ 7,700	$ 7,893	$ 8,090	$ 8,292	$ 8,500	$ 8,712	$ 8,930	$ 9,153	$ 9,382	$ 9,617	$ 9,857	$ 10,103	$ 10,356	$ 10,615	$ 10,880
Royalty Payments:	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,011	$ 3,583	$ 3,583	$ 3,583	$ 3,583	$ 3,583
PILOT and Other fees:	$ 1,227	$ 1,264	$ 1,302	$ 1,341	$ 1,381	$ 1,423	$ 1,465	$ 1,509	$ 1,555	$ 1,601	$ 1,649	$ 1,699	$ 1,750	$ 1,802	$ 1,856	$ 1,912	$ 1,969	$ 2,028	$ 2,089	$ 2,152
	Wind																			
Book Depreciation	4.95%																			
MACRS 5	20.00%	32.00%	19.20%	11.52%	11.52%	5.76%														
MACRS 5 with 50% Bonus	60.00%	16.00%	9.60%	5.76%	5.76%	2.88%														
Property Tax - Wind	Lifetime exemption		0.00%	**Property Tax Rate -** ***Western Plains qualifies for the lifetime property tax exemption***																
Wind Production Tax Credit	$ (24.00)	per MWh	1	1 = tax credit, 2 = no tax credit																
Fuel $/MWh - Wind	$ (24.00)	$ (24.60)	$ (25.22)	$ (25.85)	$ (26.49)	$ (27.15)	$ (27.83)	$ (28.53)	$ (29.24)	$ (29.97)										
Ten Year Tax Credit from In-Service	$ (24.00)	$ (25.00)	$ (25.00)	$ (26.00)	$ (26.00)	$ (27.00)	$ (28.00)	$ (29.00)	$ (29.00)	$ (30.00)										
Annual Insurance	$ 170																			
Insurance Rates (inflated)	$ 170	$ 179	$ 188	$ 197	$ 207	$ 217	$ 228	$ 240	$ 252	$ 264	$ 277	$ 291	$ 306	$ 321	$ 337	$ 354	$ 372	$ 390	$ 410	$ 430
General Inflation	2.5%																			
Insurance Inflation	5.0%																			
Tax Rate	26.53%	*Reflects 21% federal and 7% state tax rates*																		

Capital Structure:

	Percent	Cost	After Tax WACC	Pretax WACC	After Tax w/Tax Shield
Debt	48.54%	4.68%	2.27%	2.27%	1.67%
Equity	51.46%	9.30%	4.79%	6.51%	4.79%
			7.06%	8.79%	6.45%

Capital Outlay:

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Western Plains Wind Farm																				
Gross Plant - Land	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574	12,574
Book Depreciation																				
Accumulated Depreciation																				
Net Book Plant	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574	$ 12,574
Gross Plant - Generators	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183
Book Depreciation	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908
Accumulated Depreciation	19,908	39,816	59,724	79,632	99,540	119,448	139,356	159,264	179,172	199,081	218,989	238,897	258,805	278,713	298,621	318,529	338,437	358,345	378,253	398,161
Net Book Plant	$ 382,275	$ 362,367	$ 342,459	$ 322,551	$ 302,643	$ 282,735	$ 262,826	$ 242,918	$ 223,010	$ 203,102	$ 183,194	$ 163,286	$ 143,378	$ 123,470	$ 103,562	$ 83,654	$ 63,746	$ 43,838	$ 23,930	$ 4,022
Tax Basis	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183	$ 402,183
Tax Depreciation Rate	60.00%	16.00%	9.60%	5.76%	5.76%	2.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Depreciation	241,310	64,349	38,610	23,166	23,166	11,583	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated Tax Depreciation	241,310	305,659	344,269	367,434	390,600	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183	402,183
Net Tax Basis	$ 160,873	$ 96,524	$ 57,914	$ 34,749	$ 11,583	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current Deferred Tax	$ 58,738	$ 11,790	$ 4,962	$ 864	$ 864	$ (2,209)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)	$ (5,282)
Accumulated Deferred Tax	$ 58,738	$ 70,528	$ 75,490	$ 76,354	$ 77,218	$ 75,009	$ 69,728	$ 64,446	$ 59,165	$ 53,883	$ 48,601	$ 43,320	$ 38,038	$ 32,757	$ 27,475	$ 22,193	$ 16,912	$ 11,630	$ 6,349	$ 1,067

Revenue Requirement:

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Net Book Plant	$ 394,849	$ 374,941	$ 355,033	$ 335,125	$ 315,217	$ 295,309	$ 275,401	$ 255,493	$ 235,585	$ 215,677	$ 195,769	$ 175,861	$ 155,952	$ 136,044	$ 116,136	$ 96,228	$ 76,320	$ 56,412	$ 36,504	$ 16,596
Accumulated Deferred Income Taxes	58,738	70,528	75,490	76,354	77,218	75,009	69,728	64,446	59,165	53,883	48,601	43,320	38,038	32,757	27,475	22,193	16,912	11,630	6,349	1,067

Evergy Kansas Central (Westar Energy, Inc.)
Western Plains - Exhibit CCU-1(b)
Docket No. 18-WSEE-328-RTS - Levelized Revenue Requirement - 20-year
dollars in thousands

78	Rate Base	$ 336,111	304,413	279,543	258,771	237,999	220,299	205,673	191,046	176,420	161,794	147,167	132,541	117,914	103,288	88,661	74,035	59,408	44,782	30,156	15,529
80	Average Rate Base	$ 375,434	320,262	291,978	269,157	248,385	229,149	212,986	198,360	183,733	169,107	154,480	139,854	125,227	110,601	95,975	81,348	66,722	52,095	37,469	22,842
81	Pre-Tax Rate of Return	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%
82	Pre-Tax Rate of Return on Rate Base	$ 32,984	28,137	25,652	23,647	21,822	20,132	18,712	17,427	16,142	14,857	13,572	12,287	11,002	9,717	8,432	7,147	5,862	4,577	3,292	2,007
84	Pretax Return on Equity	$ 24,455	20,862	19,019	17,533	16,180	14,927	13,874	12,921	11,968	11,015	10,063	9,110	8,157	7,204	6,252	5,299	4,346	3,393	2,441	1,488
85	Pretax Cost of Debt	$ 8,529	7,275	6,633	6,114	5,642	5,206	4,838	4,506	4,174	3,842	3,509	3,177	2,845	2,512	2,180	1,848	1,516	1,183	851	519
87	Tax Expense/(Credit) (PTC grossed up for taxes)	$ (37,394)	(38,952)	(38,952)	(40,510)	(40,510)	(42,068)	(43,626)	(45,184)	(45,184)	(46,742)	-	-	-	-	-	-	-	-	-	-
89	O&M																				
90	Variable O&M	$ 6,806	6,976	7,150	7,329	7,512	7,700	7,893	8,090	8,292	8,500	8,712	8,930	9,153	9,382	9,617	9,857	10,103	10,356	10,615	10,880
91	Royalty Payments	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,011	3,583	3,583	3,583	3,583	3,583
92	PILOT Payments	1,227	1,264	1,302	1,341	1,381	1,423	1,465	1,509	1,555	1,601	1,649	1,699	1,750	1,802	1,856	1,912	1,969	2,028	2,089	2,152
93	Insurance Expense	170	179	188	197	207	217	228	240	252	264	277	291	306	321	337	354	372	390	410	430
94	Property Tax - Wind											-	-	-	-	-	-	-	-	-	-
95	Total O&M	$ 11,214	11,430	11,651	11,878	12,111	12,351	12,597	12,850	13,109	13,376	13,649	13,931	14,219	14,516	14,821	15,706	16,027	16,358	16,697	17,046
97	Depreciation Expense	$ 19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908
99	**Total Revenue Requirement**	**$ 26,712**	**20,523**	**18,259**	**14,923**	**13,332**	**10,323**	**7,591**	**5,001**	**3,975**	**1,399**	**47,130**	**46,126**	**45,129**	**44,141**	**43,161**	**42,761**	**41,797**	**40,843**	**39,897**	**38,960**
100		1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717	1,144,717
101	Total GWh of Generation																				
103	**Total Revenue Requirement Per MWh**	$ 23.34	17.93	15.95	13.04	11.65	9.02	6.63	4.37	3.47	1.22	41.17	40.29	39.42	38.56	37.70	37.36	36.51	35.68	34.85	34.03
105	**Levelized Revenue Requirements**																				
106	20 Yr NPV	$ 249,935																			
107	Discount Rate	7.06%																			
108	20 Yr Levelized Revenue Requirement	$ 23,698																			
109	**20 Yr Levelized Revenue Requirement per M**	**$ 20.70**																			
112	**Levelized Revenue Requirements**	**$ 23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**	**23,698**
113	**Delta between levelized and traditional**	$ (3,015)	3,175	5,439	8,774	10,366	13,375	16,107	18,697	19,722	22,299	(23,432)	(22,428)	(21,432)	(20,443)	(19,463)	(19,063)	(18,100)	(17,145)	(16,199)	(15,263)
114	**NPV of delta**	($0.00)																			
116	**Accounting Order Journal Entries:**																				
118	**(Credit) Debit Revenue**	$ (3,015)	3,175	5,439	8,774	10,366	13,375	16,107	18,697	19,722	22,299	(23,432)	(22,428)	(21,432)	(20,443)	(19,463)	(19,063)	(18,100)	(17,145)	(16,199)	(15,263)
119	**Reg Asset (Liability)**	$ 3,015	(3,175)	(5,439)	(8,774)	(10,366)	(13,375)	(16,107)	(18,697)	(19,722)	(22,299)	23,432	22,428	21,432	20,443	19,463	19,063	18,100	17,145	16,199	15,263
121	**Debit Reg Asset (Liability)**	$ 106	108	(188)	(703)	(1,428)	(2,366)	(3,574)	(5,054)	(6,766)	(8,727)	(9,303)	(8,341)	(7,382)	(6,425)	(5,471)	(4,497)	(3,503)	(2,507)	(1,507)	(503)
122	**(Credit) Interest Expense**	$ (106)	(108)	188	703	1,428	2,366	3,574	5,054	6,766	8,727	9,303	8,341	7,382	6,425	5,471	4,497	3,503	2,507	1,507	503
124	**Deferred Asset (Liability) Beginning Balance**	$ -	3,121	55	(5,572)	(15,049)	(26,843)	(42,584)	(62,264)	(86,015)	(112,504)	(143,530)	(129,401)	(115,314)	(101,264)	(87,246)	(73,253)	(58,687)	(44,090)	(29,452)	(14,760)
125	**Deferred Asset (Liability) Current Year Activit**	3,015	(3,175)	(5,439)	(8,774)	(10,366)	(13,375)	(16,107)	(18,697)	(19,722)	(22,299)	23,432	22,428	21,432	20,443	19,463	19,063	18,100	17,145	16,199	15,263
126	**Deferred Asset (Liability) Carry Charge**	106	108	(188)	(703)	(1,428)	(2,366)	(3,574)	(5,054)	(6,766)	(8,727)	(9,303)	(8,341)	(7,382)	(6,425)	(5,471)	(4,497)	(3,503)	(2,507)	(1,507)	(503)
127	**Deferred Asset (Liability) Ending Balance**	$ 3,121	55	(5,572)	(15,049)	(26,843)	(42,584)	(62,264)	(86,015)	(112,504)	(143,530)	(129,401)	(115,314)	(101,264)	(87,246)	(73,253)	(58,687)	(44,090)	(29,452)	(14,760)	$ 0
130	**Accounting Order:**																				
131	Income Statement:																				
132	Revenue from customers	$ 23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698	23,698
133	Revenue - accounting entries	3,015	(3,175)	(5,439)	(8,774)	(10,366)	(13,375)	(16,107)	(18,697)	(19,722)	(22,299)	23,432	22,428	21,432	20,443	19,463	19,063	18,100	17,145	16,199	15,263
134	O&M	11,214	11,430	11,651	11,878	12,111	12,351	12,597	12,850	13,109	13,376	13,649	13,931	14,219	14,516	14,821	15,706	16,027	16,358	16,697	17,046
135	Depreciation	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908
136	Operating income	$ (4,410)	(10,815)	(13,300)	(16,863)	(18,688)	(21,936)	(24,914)	(27,757)	(29,042)	(31,885)	13,572	12,287	11,002	9,717	8,432	7,147	5,862	4,577	3,292	2,007
137	Theoretical interest - plant	8,529	7,275	6,633	6,114	5,642	5,206	4,838	4,506	4,174	3,842	3,509	3,177	2,845	2,512	2,180	1,848	1,516	1,183	851	519
138	Theoretical interest - short/(excess) cash	106	108	(188)	(703)	(1,428)	(2,366)	(3,574)	(5,054)	(6,766)	(8,727)	(9,303)	(8,341)	(7,382)	(6,425)	(5,471)	(4,497)	(3,503)	(2,507)	(1,507)	(503)
139	Carry charge - accounting entries	(106)	(108)	188	703	1,428	2,366	3,574	5,054	6,766	8,727	9,303	8,341	7,382	6,425	5,471	4,497	3,503	2,507	1,507	503
140	Income before taxes	$ (12,938)	(18,090)	(19,933)	(22,977)	(24,330)	(27,141)	(29,752)	(32,263)	(33,216)	(35,727)	10,063	9,110	8,157	7,204	6,252	5,299	4,346	3,393	2,441	1,488
141	Income tax	(3,433)	(4,799)	(5,288)	(6,096)	(6,455)	(7,201)	(7,893)	(8,559)	(8,812)	(9,478)	2,670	2,417	2,164	1,911	1,659	1,406	1,153	900	648	395
142	Income tax credits	(27,473)	(28,618)	(28,618)	(29,763)	(29,763)	(30,907)	(32,052)	(33,197)	(33,197)	(34,342)	-	-	-	-	-	-	-	-	-	-
143	Net income	$ 17,967	15,327	13,973	12,881	11,887	10,967	10,193	9,493	8,793	8,093	7,393	6,693	5,993	5,293	4,593	3,893	3,193	2,493	1,793	1,093
145	ROE	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
147	Cash Flow:																				
148	Net Income:	$ 17,967	15,327	13,973	12,881	11,887	10,967	10,193	9,493	8,793	8,093	7,393	6,693	5,993	5,293	4,593	3,893	3,193	2,493	1,793	1,093
149	Add: Depreciation	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908
150	Add: Accounting Revenue	(3,015)	3,175	5,439	8,774	10,366	13,375	16,107	18,697	19,722	22,299	(23,432)	(22,428)	(21,432)	(20,443)	(19,463)	(19,063)	(18,100)	(17,145)	(16,199)	(15,263)
151	Add: Deferred Income Taxes (def asset/liabili	800	(842)	(1,443)	(2,328)	(2,750)	(3,548)	(4,273)	(4,960)	(5,232)	(5,916)	6,216	5,950	5,686	5,424	5,164	5,058	4,802	4,549	4,298	4,049
152	Add: Deferred Income Taxes (plant related)	58,738	11,790	4,962	864	864	(2,209)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)
153	Cash Flow	$ 94,398	49,358	42,839	40,100	40,275	38,492	36,653	37,856	37,910	39,103	4,804	4,842	4,874	4,900	4,920	4,514	4,522	4,523	4,518	4,506
154	NPV	$ 352,572																			

Evergy Kansas Central (Westar Energy, Inc.)
Western Plains - Exhibit CCU-1(b)
Docket No. 18-WSEE-328-RTS - Levelized Revenue Requirement - 20-year
dollars in thousands

156																					
157	**Traditional Rate Making:**																				
158	Income Statement:																				
159	Revenue from customers	$ 26,712	$ 20,523	$ 18,259	$ 14,923	$ 13,332	$ 10,323	$ 7,591	$ 5,001	$ 3,975	$ 1,399	$ 47,130	$ 46,126	$ 45,129	$ 44,141	$ 43,161	$ 42,761	$ 41,797	$ 40,843	$ 39,897	$ 38,960
160	O&M	11,214	11,430	11,651	11,878	12,111	12,351	12,597	12,850	13,109	13,376	13,649	13,931	14,219	14,516	14,821	15,706	16,027	16,358	16,697	17,046
161	Depreciation	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908
162	Operating income	$ (4,410)	$ (10,815)	$ (13,300)	$ (16,863)	$ (18,688)	$ (21,936)	$ (24,914)	$ (27,757)	$ (29,042)	$ (31,885)	$ 13,572	$ 12,287	$ 11,002	$ 9,717	$ 8,432	$ 7,147	$ 5,862	$ 4,577	$ 3,292	$ 2,007
163	Interest	8,529	7,275	6,633	6,114	5,642	5,206	4,838	4,506	4,174	3,842	3,509	3,177	2,845	2,512	2,180	1,848	1,516	1,183	851	519
164	Income before taxes	$ (12,938)	$ (18,090)	$ (19,933)	$ (22,977)	$ (24,330)	$ (27,141)	$ (29,752)	$ (32,263)	$ (33,216)	$ (35,727)	$ 10,063	$ 9,110	$ 8,157	$ 7,204	$ 6,252	$ 5,299	$ 4,346	$ 3,393	$ 2,441	$ 1,488
165	Income tax	(3,433)	(4,799)	(5,288)	(6,096)	(6,455)	(7,201)	(7,893)	(8,559)	(8,812)	(9,478)	2,670	2,417	2,164	1,911	1,659	1,406	1,153	900	648	395
166	Income tax credits	(27,473)	(28,618)	(28,618)	(29,763)	(29,763)	(30,907)	(32,052)	(33,197)	(33,197)	(34,342)	-	-	-	-	-	-	-	-	-	-
167	Net income	$ 17,967	$ 15,327	$ 13,973	$ 12,881	$ 11,887	$ 10,967	$ 10,193	$ 9,493	$ 8,793	$ 8,093	$ 7,393	$ 6,693	$ 5,993	$ 5,293	$ 4,593	$ 3,893	$ 3,193	$ 2,493	$ 1,793	$ 1,093
168																					
169	ROE	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
170																					
171	Cash Flow:																				
172	Net Income:	$ 17,967	$ 15,327	$ 13,973	$ 12,881	$ 11,887	$ 10,967	$ 10,193	$ 9,493	$ 8,793	$ 8,093	$ 7,393	$ 6,693	$ 5,993	$ 5,293	$ 4,593	$ 3,893	$ 3,193	$ 2,493	$ 1,793	$ 1,093
173	Add: Depreciation	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908	19,908
174	Add: Accounting Revenue																				
175	Add: Deferred Income Taxes (def asset/liabili	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Add: Deferred Income Taxes (plant related)	58,738	11,790	4,962	864	864	(2,209)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)	(5,282)
177	Cash Flow	$ 96,613	$ 47,025	$ 38,843	$ 33,654	$ 32,659	$ 28,666	$ 24,819	$ 24,120	$ 23,420	$ 22,720	$ 22,020	$ 21,320	$ 20,620	$ 19,920	$ 19,220	$ 18,520	$ 17,820	$ 17,120	$ 16,420	$ 15,720
178	NPV	$ 352,572																			

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Chad Unrein, being duly sworn upon his oath deposes and states that he is the Chief of Accounting and Financial Analysis of the Utilities Division of the Kansas Corporation Commission of the State of Kansas, 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.

Chad Unrein
Chief of Accounting and Financial Analysis
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 4th day of June, 2025.

Kiley McManaman
Notary Public

Kiley McManaman
NOTARY PUBLIC—STATE OF KANSAS
MY APPT EXP: 07/09/2025

CERTIFICATE OF SERVICE

25-EKCE-294-RTS

I, the undersigned, certify that a true copy of the attached Direct Testimony has been served to the following by means of electronic service on June 6, 2025.

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