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Filed Date: 09/05/2025
State Corporation Commission
of Kansas

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION OF EVERGY KANSAS METRO, INC., EVERGY EVERGY KANSAS SOUTH, INC., AND EVERGY KANSAS CENTRAL, INC. FOR APPROVAL OF LARGE LOAD SERVICE RATE PLAN AND ASSOCIATED TARIFFS.	))))))	DOCKET NO. 25-EKME-315-TAR

TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT

JOSH FRANTZ

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

SEPTEMBER 5, 2025

I. Statement of Qualifications

Q. Please state your name, employer, and business address.

A. My name is Joshua (Josh) Frantz. I am employed by the Citizens' Utility Ratepayer Board ("CURB") as a Senior Regulatory Analyst. My business address is 1500 SW Arrowhead Road, Topeka, Kansas 66604.

Q. Describe your educational background and qualifications.

A. I earned a Master of Business Administration degree from Washburn University of Topeka, Kansas. I also earned a Bachelor of Business Administration degree from Washburn University. My undergraduate majors were finance, marketing, and management.

Q. Describe your professional background and qualifications.

A. Since April 2019, I have served in my current position as Senior Regulatory Analyst with CURB.

From August 2015–April 2019, I was employed by the Kansas Corporation Commission ("KCC" or "Commission") in the Utilities division. I began my employment with the KCC as a Senior Research Economist and was promoted to Managing Rate Analyst.

Q. Have you previously testified before the Commission?

A. Yes. Over the course of my employment with CURB and prior employment with KCC

Staff, I have provided testimony and recommendations in several proceedings before the Commission. A list of my prior filings is available, upon request.

II. Introduction

Q. What is the purpose of your testimony?

A. I am testifying in support of the *Unanimous, Comprehensive Settlement Agreement* ("Agreement") filed in this docket on August 18, 2025. My testimony provides the reasons CURB recommends approval of the Agreement.

II. Background

Q. Please provide a brief overview of the Company's Application.

A. On February 11, 2025, Evergy Metro, Inc. d/b/a/ Evergy Kansas Metro ("EKM") and Evergy Kansas South, Inc., and Evergy Kansas Central, Inc. (together, "EKC") (collectively, "Evergy" or "Company") filed an Application with the Commission seeking approval of the proposed Large Load Power Service ("LLPS") Rate Plan, along with accompanying new and modified tariffs that are needed to implement the LLPS Rate Plan.[1]

The LLPS Rate Plan builds on the Company's existing rate structures for commercial and industrial ("C&I") customers but incorporates a variety of modifications and optional programs designed to accommodate the unique needs and desires of large load customers, while proposing numerous provisions designed to protect non-participants from

[1] Application of Evergy Kansas Metro, Inc., Evergy Kansas South, Inc., and Evergy Central, Inc. for Approval of Large Load Service Rate Plan and Associated Tariffs (Feb. 11, 2025) ("Application").

undue risk and costs.[2]

Q. Please briefly describe the Company's "Path to Power" it plans to implement for evaluation of new prospective load.

A. The pace and scale of growth in large load has prompted the Company to transition from individually evaluating new large customers to implementing a more streamlined and holistic study process which it calls the Path to Power.[3]

Customers seeking service for new loads expected to be greater than 25 MW shall be subject to an initial evaluation and study by the Company prior to receiving service. Such customers must provide advance notice to the Company concerning the expected load, project location, and project schedule. The Company will respond with an initial evaluation detailing its conditions of service. The Company will study new load on a "cluster" basis with up to four projects at a time moving through the active queue.[4]

Customers choosing to move forward and seek service for a project must complete and comply with terms set forth in a Letter of Agreement and submit a refundable deposit of $200,000 that will be used to offset costs associated with project planning. Should costs exceed the initial deposit, additional refundable deposits in increments of $200,000 will be required such that the customer pays all project planning costs associated with their project.[5]

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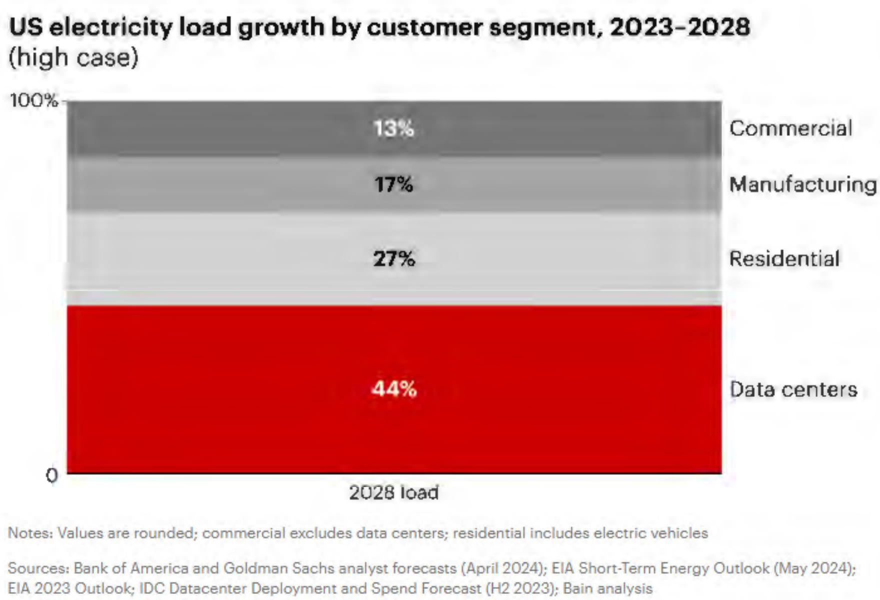
[2] Application, ¶6.
[3] Martin Direct, pp. 7–8.
[4] *See* Martin Direct, pp. 8–9.
[5] *See* Martin Direct, pg. 9.

Once details including the prospective customer's forecasted load ramp are finalized, the customer will sign an Initial Projects Agreement and then the Company will send necessary details to the Southwest Power Pool ("SPP") for its review.[6]

After SPP evaluation, the necessary facilities will be constructed. Once all the necessary facilities are in service, the customer will start taking service under all applicable rates.[7]

Q. Which kinds of customers are driving forecasted demand growth?

A. Data centers are forecasted to account for the largest share of new electricity demand growth in the U.S. over the next several years.



[8]

[6] *See* Martin Direct, pg. 11.
[7] Martin Direct, pg. 12.
[8] Rouch, Denman, Hanbury, Renno, and Gray. (Oct. 2024). *Utilities Must Reinvent Themselves to Harness the AI-Driven Data Center Boom.* Bain & Company. https://www.bain.com/insights/utilities-must-reinvent-themselves-to-harness-the-ai-driven-data-center-boom/.

Data centers are crucial for the operations of cloud computing and artificial intelligence which are being increasingly utilized across all sectors of the economy. As server computer systems process data, they generate heat, requiring effective cooling to protect the equipment. The energy required for cooling accounts for a significant portion of a data center's overall energy consumption.

Q. Please describe the unique risks large load customers pose to other ratepayer classes.

A. Because of the magnitude of large customers' demand, large customers impose significant risks on other ratepayer classes. Data centers' projected usage levels greatly surpass even the largest customers currently being served by utilities. As a result, many utilities across the country, including Evergy, are developing plans to build new generation resources to meet the needs of these energy-intensive customers that exceed projected needs of current customers.

One risk is that the loss of a large customer or a significant reduction to a large customer's demand could result in stranded or under-utilized generation assets. Regardless of whether the asset is used, the remaining customers would be on the hook to pay for these resources for decades.

Another risk is that the need for energy to serve such large demands will significantly impact (i.e., accelerate) the Company's generation resource acquisition plans. In addition to new generation investments, utilities may also experience additional costs due to required upgrades and assets to facilitate service that would not have been needed but for the new large load customer.

Q. Please provide an outline of the key features of the LLPS Rate Plan, as initially proposed by the Company.

A. From CURB's perspective, the key features of the Company's initial LLPS rate plan proposal are as follows:

a) Applicability: Schedule LLPS rates will be applicable for new or expanding facilities reasonably expected to have a maximum monthly demand of 100 MW or higher. The Contract Capacity shall be the annual peak load requirement, specified by the Customer, for the term of the Service Agreement.[9]
   - Such customers locating in the state as a result of a state program established for attracting large capital investments in new facilities and operations by businesses engaged in advanced manufacturing; aerospace; distribution; logistics and transportation; food and agriculture; or professional and technical services may instead enter into a special contract with the Company subject to the Commission's applicable standards.[10]

b) Term: Schedule LLPS customers will be required to take service for an initial term of 15 years. Within that term, a transitional load ramp period is limited to five years.[11]

c) Initial Pricing: The initial Schedule LLPS rates align with Schedule LPS rates, from a structure and pricing perspective.[12]

d) Minimum Monthly Bill: Schedule LLPS customers will be subject to a minimum monthly bill requirement equal to the sum of the non-energy components of the tariff.[13] The Minimum Demand shall be 80% of the annual Contract Capacity.[14]

e) Contract Capacity Reductions: After the first five years of the term, the Company will allow for a reduction of Contract Capacity by up to 20%, subject to 36-months prior

[9] Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 1.
[10] Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 1.
[11] Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 1.
[12] Ives Direct, pg. 20.
[13] Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 4.
[14] Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 2.

notification.[15] Reductions beyond 20% are subject to a Capacity Reduction Fee, however the Company will use reasonable efforts to mitigate the capacity reduction fee amount.[16]

f) Early Termination Fee: If the Customer chooses to terminate service under Schedule LLPS prior to the end of their term, they must provide 36 months prior written notice. They must pay an exit fee equal to their minimum charges over the remaining term. If the customer fails to provide sufficient notice, they will be subject to an additional early termination penalty equal to double the minimum charge for each month short of the required 36-month required notice.[17]

g) Collateral Requirements: The Company will require the customer to post sufficient collateral to cover 36 months of maximum expected monthly bill payments established for the upcoming year. The amount of collateral will be recomputed annually, and the customer shall provide the recomputed amount if it is greater than or equal to 10% of the current amount held. The tariff details how the required collateral amount may be reduced depending upon the customer's creditworthiness. The tariff also lists the various eligible forms of collateral payment.[18]

h) System Support Rider ("Schedule SR"): Schedule SR applies a new, mandatory charge to customers receiving service under Schedule LLPS. There are two components to Schedule SR: 1) a cost recovery component to ensure the LLPS customer's rate is set to recover the cost of service established in the Schedule LLPS rate design[19] and 2) an acceleration component designed to address the acceleration of resource investment required to serve large loads.[20]

i) Customer Capacity Rider ("Schedule CCR"): Schedule CCR is a new, optional rider applicable to Schedule LLPS that is designed to allow large load customers who own generating resources to contract that capacity to the Company and have that capacity apply to their service.[21]

j) Demand Response & Local Generation Rider ("Schedule DRLR"): Schedule DRLR provides a new rider option for Schedule LLPS customers to be compensated for using load flexibility or local generation to provide demand response services to the Company when needed.[22]

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[15] Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 3.
[16] *See* Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheets 3–4.
[17] Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 4.
[18] *See* Lutz Direct, Exhibit DBL-1 Schedule LLPS at Sheet 5.
[19] Lutz Direct, pp 28–29.
[20] Lutz Direct, pp 29–31.
[21] *See* Lutz Direct, Exhibit DBL-1 Schedule CCR.
[22] *See* Lutz Direct, Exhibit DBL-1 Schedule DRLR.

k) Clean Energy Rider ("Schedule CER"): Schedule CER is designed to interact with the Company's Integrated Resource Planning ("IRP") process. As the Company performs its triennial formal resource planning, it establishes a Preferred Resource Plan which is designed to represent the Company's preferred resource deployment, based on lowest cost and alignment with other goals. Schedule CER provides the opportunity for eligible customers to sponsor modifications to the Company's Preferred Resource Plan. The Company will engage with the requesting customer to understand their desired modifications, will study the alternative resource scenarios, and may then develop a Clean Energy Preferred Resource Plan. The customer would execute an agreement detailing their support and willingness to pay all actual costs associated with the cost differential between the Preferred Resource Plan and the Clean Energy Preferred Resource Plan. The Company would bill the customer on its monthly bill, over a term that is no greater than the expected life of the sponsored resource, until payment of the cost differential is complete.[23]

l) Other Renewable/Carbon-free Programs: Other optional renewable/carbon-free programs within the LLPS rate plan are the Renewable Energy Program Rider,[24] Green Solution Connections Rider,[25] and Alternative Energy Credits Rider.[26]

Q. Based upon the proposed applicability, would any existing customers be reassigned to Schedule LLPS?

A. No. The Company indicated there is only one Kansas customer with a maximum monthly demand of 100 MW or higher,[27] but that customer is served under a special contract.

Q. If the Company were to maintain the status quo, what is the applicable rate schedule for large load customers?

A. The current applicable rate schedule for customers with average Billing Demand greater

[23] *See* Lutz Direct, Exhibit DBL-1 Schedule CER.
[24] *See* Lutz Direct, Exhibit DBL-1 Schedule RENEW.
[25] *See* Lutz Direct, Exhibit DBL-1 Schedule GSR.
[26] *See* Lutz Direct, Exhibit DBL-1 Schedule AEC.
[27] *See* Evergy response to data request Google-5 [confidential].

than 25 MW is Industrial and Large Power Service ("Schedule ILP"). However, I believe it is more likely that customers over 50 MW of demand would negotiate an individual special contract with the Company, subject to Commission approval.

Q. Has CURB filed a response on the record regarding the initial Application?

A. No, the procedural schedule in this docket is atypical. Settlement negotiations took place before any responsive testimonies from CURB, KCC Staff, or other intervenors. Responsive testimony was contemplated in the procedural schedule only if an agreement could not be reached during settlement negotiations.

III. Settlement

Q. Have the parties reached a settlement on this matter?

A. Yes. The Agreement was filed on August 18, 2025.

Q. Who are the signatory parties to the Agreement?

A. The signatory parties are: Evergy; CURB; KCC Staff; the Data Center Coalition ("DCC"); Google LLC ("Google"); Sierra Club; National Resources Defense Council; the Kansas Industrial Consumers Group; Occidental Chemical Corporation; Lawrence Paper Company; Spirit AeroSystems, Inc.; Associated Purchasing Services; Goodyear Tire & Rubber Company; and Unified School District ("USD") Nos. 229, 232, 233, and 512.[28]

[28] Panasonic Energy Corporation of North America ("Panasonic") and USD 259 are not a signatories, but have indicated they do not oppose the Agreement.

Q. Is the Agreement a unanimous settlement agreement?

A. Yes, the Agreement meets the criteria of a "unanimous settlement agreement," as defined in K.A.R. 82-1-230a(2).[29]

Q. Please outline the key provisions of the Agreement.

A. From CURB's perspective, the key provisions in the Agreement modify the Application as follows:

a) Path to Power: Section 2 of the Company's General Rules and Regulations will be revised to reflect the framework of the Company's Path to Power load interconnection process.[30]
b) Applicability: Schedule LLPS rates will be applicable for new facilities with a peak demand forecast of 75 MW and existing customers whose monthly maximum demand is expected to expand by 75 MW.[31]
c) Term: Schedule LLPS customers must take service for a minimum initial term that includes up to five years of an optional transitional load ramp period plus twelve years ("Term").[32] Thus, the initial Term will be between 12–17 years, inclusive of any ramp.
d) Capacity Reduction: After the first five years of the Term, the Company will allow for reduction of Contract Capacity by the lesser of 25 MW or 10% of contract capacity ("permissible capacity reduction") without charge for such reduction if provided 24-months prior notification.[33] Reductions beyond the permissible capacity reduction parameters require 36-months prior notice and will be subject to a Capacity Reduction Fee, however the Company will use reasonable efforts to mitigate the capacity reduction fee amount.[34]
e) Collateral Requirements: The Company will require the customer to post sufficient collateral to cover two years of Minimum Monthly Bills.[35] A significant modification

[29] "Unanimous settlement agreement" means an agreement that is entered into by all parties to the proceeding or an agreement that is not opposed by any party that did not enter into the agreement.
[30] Agreement, ¶51.
[31] Agreement, ¶8.
[32] Agreement, ¶12.
[33] Agreement, ¶14.
[34] Agreement, ¶14.
[35] Agreement, ¶24.

in the Agreement regarding the form of collateral is that during the first five-year period, the first $40 million of the required collateral amount will be reduced by 25% if such collateral is provided in the form of cash. Any cash collateral held will be considered as an offset to the amount of Construction Work in Progress ("CWIP") subject to the CWIP Rider.[36]

f) Schedule SR: The proposed Schedule SR has been removed and functionally incorporated into other aspects of the Agreement, including the new Cost Stabilization Rider ("CSR") and the initial pricing structure.

g) CSR: Schedule LLPS customers eligible to receive service under the Company's Economic Development Rider ("EDR") will be subject to the CSR, a new adjustment clause designed to ensure recovery of costs incurred to serve Schedule LLPS customers.[37] The CSR reimplements the cost recovery component originally proposed in Schedule SR.

h) Initial Pricing: The Demand Charge component of Schedule LLPS for both EKC and EKM has been significantly increased.[38] This corresponds with the removal of Schedule SR's acceleration component.

i) Clean Energy Rider ("Schedule CER"): The Agreement modifies the eligible replacement resources customers can support to include distributed energy resources such as demand-side management and energy efficiency. It also expands the scope of alternative plan options that customers can support to include the replacement of identified existing resources.[39]

Q. Based upon the applicability provision of the Agreement, would any existing customers be reassigned to Schedule LLPS?

A. No existing customers would be reassigned to Schedule LLPS. The 75 MW demand threshold is only applicable for new facilities or expansion by existing customers.

[36] Agreement, ¶38.
[37] Agreement, ¶20.
[38] Agreement, Attachment 1 Exhibit A.
[39] Agreement, ¶41.

IV. Evaluation

Q. Do electric public utilities in Kansas have an obligation to serve large load customers?

A. Yes, within reasonable parameters. Under K.S.A. 66-101b, electric public utilities in Kansas are "required to furnish reasonably efficient and sufficient service and facilities for the use of any and all products…" but are also required "to establish just and reasonable rates, charges and exactions and to make just and reasonable rules, classifications and regulations."

Thus, there is a duality underlying the terms between the utility and its customers, particularly between the utility and large C&I customers whose strategic plans for development and expansion are strongly influenced by energy cost. The utility must furnish electric service, but, ultimately, it is the customer's decision whether to accept the utility's Commission-approved terms for service or reject those terms and elect to operate/expand elsewhere.

Q. Is there public policy in Kansas designed to attract data centers to locate in the state?

A. Yes. In particular, K.S.A. 79-3606 provides a sales tax exemption for the construction, reconstruction, enlarging, or remodeling of certain qualified data centers. I believe that this recent legislation demonstrates decisionmakers' desire to incentivize such customers to locate and do business in Kansas.

Q. Is there federal public policy designed to accelerate the development of data centers?

A. Yes. On July 23, 2025, President Trump issued Executive Order 14318 Accelerating Federal Permitting of Data Center Infrastructure. Its stated Policy and Purpose includes the following statement:

> We will pursue bold, large-scale industrial plans to vault the United States further into the lead on critical manufacturing processes and technologies that are essential to national security, economic prosperity, and scientific leadership. These plans include artificial intelligence (AI) data centers and infrastructure that powers them, including high-voltage transmission lines and other equipment.[40]

Although I am unaware of any specific plans that have been put forward, this is a clear policy signal from the federal government to promote activity that facilitates the proliferation of data center infrastructure in the U.S.

A. Three-Factor Test for Unanimous Settlement Agreements

Q. What criteria does the Commission generally consider when reviewing unanimous settlement agreements?

A. Generally, the Commission will accept a unanimous settlement agreement if the following three criteria are met: 1) the agreement is supported by substantial competent evidence; 2) the agreement will result in just and reasonable rates/charges; and 3) the results of the agreement are in the public interest.[41]

[40] Executive Order 14318 §1.

[41] In Docket No. 08-ATMG-280-RTS, the Commission developed a five-factor test for review of non-unanimous settlement agreements. More recent Commission Orders have used a three-factor test for review of unanimous settlement agreements (e.g., Order Approving Unanimous Settlement Agreement, ¶17–18, Docket No. 21-BHCG-418-RTS [Dec. 30, 2021]).

1. Substantial Competent Evidence

Q. Is the Agreement supported by substantial competent evidence on the record?

A. Yes, I believe the Agreement is supported by substantial and competent evidence on the record.

The Company's Application was supported by testimony and workpapers from three witnesses. Parties issued discovery requests to which the Company responded.

In preparation for settlement negotiations, the parties participated in at least six extensive technical conferences/breakout sessions that were facilitated by Evergy. CURB greatly appreciates the work and preparation that Evergy put into organizing those sessions.

A record of evidence supporting the Agreement will be established in Settlement Testimony from signatories to the Agreement. Along with my testimony, I expect other signatories will also file testimony supporting the Agreement.

Lastly, the Agreement is heavily influenced by recently approved large load service plans in other states[42] (in particular, Indiana[43,44]) which have substantial and competent records of evidence on the record in those respective jurisdictions.

[42] *See* Smart Electric Power Alliance's Database of Emerging Large-Load Tariffs (DELTa) for a comprehensive comparison tool. https://sepapower.org/large-load-tariffs-database/
[43] *See* Order of the [Indiana Regulatory] Commission, Cause No. 46097 (Feb. 19, 2025) ("IN Agreement").
[44] Examples: a) The Term of 12–17 years, including up to 5 years of ramp, in the KS Agreement is equivalent to the Mandatory Term provision in the IN Agreement and b) The Minimum Demand of 80% of contract capacity in the KS Agreement is equivalent to the Monthly Billing Demand provision in the IN Agreement.

2. Just and Reasonable Rates/Charges

Q. Will the Agreement result in just and reasonable rates/charges?

A. Yes, I believe that, if approved, the Agreement will result in just and reasonable rates that fall within a "zone of reasonableness."[45]

Collaboratively developing a rate design for Schedule LLPS was challenging because Schedule LLPS introduces a new rate class for which no existing customers meet the eligibility requirements. Thus, there are no directly applicable billing determinants available to base the initial Schedule LLPS rates upon. However, given the circumstances of rapid projected growth in electric demand, I believe it is reasonable and appropriate to preemptively create a tariff for prospective large customers and fine tune the rates over time.

The initial rates for Schedule LLPS started with Schedule ILP rates as a foundation and were modified accordingly. Of particular note, the Demand Charge for Schedule LLPS is significantly higher than the Demand Charge for Schedule ILP. Though the underlying calculation of the Demand Charge is not specified in the Agreement, CURB views the LLPS Demand Charge as a reasonable measure to generate revenue to mitigate the additional costs associated with new resources dedicated to serving these customers which would otherwise not have been necessary at this time based upon projected load growth from existing customers.

[45] *See Kan. Gas and Electric Co. v. State Corp Comm'n*, 239 Kan. 483, 488 (1986).

Other charges in Schedule LLPS include an Exit Fee, a Minimum Monthly Bill, and collateral provisions. These provisions are designed to provide additional safeguards against the financial impacts associated with load growth from large customers.

The Exit Fee provisions are just and reasonable because they encourage LLPS customers to stay on the system for the length of the contract and reduce the risk that other ratepayers will be burdened with costs associated with unused assets.

The Minimum Demand coupled with the Minimum Monthly Bill provisions are just and reasonable because they will help ensure LLPS customers consistently pay their fair share of costs to serve their demand, especially in the event of significant changes to operations due to technological advances in efficiency for the energy demand of services.

The Agreement's extensive provisions regarding collateral from LLPS customers are just and reasonable because these provisions provide a pool of money to draw from in the event of default or unpaid services by the customer. Further, the Agreement encourages cash deposits to offset construction costs incurred through the Predetermination process in Kansas. Such consideration was absent in the initial Application and provides a layer of benefits for existing customers who will be paying for resources before they are placed into service.

3. Public Interest

Q. Is the Agreement in the public interest?

A. Yes, I believe approval of the Agreement is in the public interest.

Collectively, the signatories represent a wide array of ratepayer classes and diverse customer interests, with KCC Staff covering the broad perspective of the public interest. Generally, each party is unwilling to make concessions for an unreasonable position. The fact that all parties were able to collaborate and present a unanimous resolution of the issues in this case is a strong indicator that the public interest standard is met.

CURB has evaluated the relative risk that extensive litigation could result in identical or less favorable outcomes for ratepayers on a number of provisions. Additionally, if the Agreement is approved, the parties will avoid the costly and time-consuming process of preparing for and conducting a fully litigated and contentious evidentiary hearing. It is in the public interest to avoid such litigation costs when possible.

Because there is national and state-level public policy promoting economic growth and technological advancement, it is encouraging that parties representing prospective large load customers (i.e., DCC and Google) are signatories to the Agreement. Enacting tariffs that would turn away prospective large load customers (i.e., a tariff with no interested participants) would be an inefficient outcome relative to the public policy goals of economic and technological development. That is not to say CURB's mindset during negotiations was to reach an agreement at any cost, but I do feel significant relief that a reasonable agreement was reached with prospective customers as signatories.

B. Concerns

Q. Despite CURB's support for the Agreement, do you have any ongoing concerns?

A. Yes. I do still have some lingering concerns regarding a couple provisions of the Agreement and large load growth generally, which I believe are appropriate to highlight now in lieu of the filing of direct and other responsive testimony. As Kansas begins serving large load customers and gains experience and data related to the same, clarity on the following issues may be acquired and regulators and stakeholders can effectively evaluate them in the future.

1. Term

My primary concern is that the agreed-upon contract Term is substantially shorter than the presumed life of the next generation resource—the Term will range between 12–17 years, depending on the duration of ramp, yet the expected service life of a combined-cycle natural gas plant is approximately 40 years.[46] Thus, the loss of a large customer after the end of the initial Term could result in stranded or under-utilized generation assets due to this mismatch in timing.

The tariff does have considerations for extension of the initial Term, and I imagine every prospective customer will genuinely attest their intention is to continue to operate well beyond their initial Term. There may also be incoming customers or future expansion

[46] *See* Direct Testimony of Darrin Ives, Exhibit DHI-1 pg. 1, Docket No. 25-EKCE-207-PRE (Nov. 6, 2024).

projects sufficient to counteract any exiting demand. Yet, there are already tech industry pundits expressing concern of an approaching "A.I. bubble."[47]

I would have preferred a minimum term of at least 20 years, which is closer toward the high end of the range of duration for Power Purchase Agreements.[48] This is also consistent with the recommendation of the Office of the Public Counsel in Evergy's pending LLPS case in Missouri.[49] However, reaching a unanimous settlement generally requires some level of compromise. This was the main provision of compromise for CURB.

2. Incorporation of the CER into the IRP Process.

The IRP ultimately determines the Company's Preferred Resource Plan and is a foundational process for other proceedings before the Commission. This was materially evident in Evergy's most recent predetermination request in Docket No. 25-EKCE-207-PRE ("25-207 Docket"). The Commission reviews each annual IRP update, but only insofar as to evaluate whether the update complies with the reporting requirements under the IRP framework. Under the framework, the Commission is not setting out to make substantive findings or issue approval of any determination or analysis done by the Company.[50] In the past, intervenors have highlighted numerous aspects of the IRP and

[47] Butts, D. (Aug 18, 2025) "OpenAI's Sam Altman sees AI bubble forming as industry spending surges" *CNBC* https://www.cnbc.com/2025/08/18/openai-sam-altman-warns-ai-market-is-in-a-bubble.html.
[48] Customer Power Purchase Agreements, *U.S. Environmental Protection Agency* https://www.epa.gov/statelocalenergy/customer-power-purchase-agreements.
[49] Rebuttal Testimony of Geoff Marke on behalf of the [Missouri] Office of the Public Counsel, pg. 16, Case No. EO-2025-0154 (July 25, 2025).
[50] Comments of CURB Regarding the 2025 Annual Update IRP Filing, ¶6, Docket No. 24-EKCE-387-CPL (Jul. 2, 2025).

preferred portfolio that could be improved through responsive changes in analyses but were ultimately rejected by the Company.

Schedule CER further complicates the IRP process by allowing LLPS customers to sponsor the procurement of clean energy resources and/or replacement of identified existing resources in lieu of or in addition to the Company's Preferred Resource Plan. Included in these broad options, LLPS customers will be allowed to support the procurement of distributed energy resources such as demand-side management and energy efficiency. LLPS customers can also sponsor the replacement (i.e., early retirement) of fossil generation resources. Schedule LLPS specifies, "All aspects of this Rider will occur within the normal timing and execution of the Company's IRP process."[51]

It can generally be inferred that any alternative resource sponsored by an LLPS customer through Schedule CER was either rejected or was not considered in the determination of the Preferred Resource Plan and, therefore, will likely have additional associated cost and/or other drawbacks. Schedule CER requires the LLPS customer to commit to cover any cost differential between the modified plan and the Preferred Resource Plan, but other drawbacks may be more difficult to quantify and compensate.

I anticipate this issue will be raised and addressed in a separate proceeding when Schedule CER is utilized and alternative resources are proposed, so I do not think it is necessary that this concern be immediately resolved in order to move forward with the Agreement.

[51] Lutz Direct, Exhibit DBL-1 Schedule CER Sheet 2.

3. Potential for "larger than large" demands.

The conceptual top-end wattage of "large" demand seems to be radically expanding week-to-week. In the time since the Agreement was signed, I have become aware of a 5 GW data center project in Louisiana[52] and a 10 GW data center project in Wyoming (for context, 10 GW in Wyoming is equivalent to 5x the residential consumption of the entire state).[53] This leads me to wonder whether an uncapped LLPS rate class will be sufficient for EKC and EKM or whether additional stratification and tariff provisions may be justified. Perhaps additional levels of large demarcation (e.g., similar to clothing: L, XL, XXL) with increasingly strict or unique provisions to protect non-participants may become necessary.

On a related note, I am concerned there is a risk that these large customers will be "too big to fail," and may attempt to use that leverage to their advantage at the end of the Term, which we have already experienced on a smaller scale (although not perceived as small scale at the time) with special contracts that are premised upon the consequences to the remaining system if certain customers would bypass service or leave the territory.

Q. Do you still support the agreement, despite your stated concerns?

A. Yes. My concerns do not deter my support of the Agreement. In every settlement, some concessions are generally made by some or all parties. Despite my lingering concerns, I

[52] Nolan, D. (Aug. 24, 2025) "Meta is sinking $10 billion into rural Louisiana to build the home of its wildest AI aspirations, setting the template for the nation's grid buildout" *Fortune* https://fortune.com/2025/08/24/meta-data-center-rural-louisiana-framework-ai-power-boom

[53] Volenik, A. (Aug. 25, 2025) "An Enormous Data Center In Wyoming Will Consume 5x More Power Than The State's People. The Owner Remains A Mystery" *Benzinga* via *Yahoo! Finance* https://finance.yahoo.com/news/enormous-data-center-wyoming-consume-154608830.html

strongly believe the Agreement is a significant improvement over the status quo. Globally, electric utilities are attempting to design tariffs and rules for prospective customers with demands larger than ever before contemplated. I expect that utility tariffs and regulations pertaining to large load customers (data centers, in particular) will continue to develop incrementally as new experiences and best practices emerge.

V. Conclusion

Q. Please summarize your comments.

A. CURB supports the Agreement because it meets the Commission's criteria for approval of unanimous settlement agreements: 1) it is supported by substantial competent evidence; 2) it will result in just and reasonable rates or charges; and 3) it is in the public interest. Thus, the Commission should approve the Agreement.

I do have some lingering concerns, but those concerns do not deter me from supporting the Agreement.

Q. Does this conclude your testimony?

A. This concludes my written testimony. A virtual Settlement Hearing is scheduled for October 8, 2025. I plan to be available to answer any Commission questions at that time.

VERIFICATION

STATE OF KANSAS)
)
COUNTY OF SHAWNEE) ss:

I, Josh P. Frantz, of lawful age and being first duly sworn upon my oath, state that I am a Senior Regulatory Analyst for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.

Josh Frantz

SUBSCRIBED AND SWORN to before me this 4th day of September, 2025.

DELLA J. SMITH
Notary Public - State of Kansas
My Appt. Expires January 26, 2029

Notary Public

My Commission expires: 01-26-2029.

CERTIFICATE OF SERVICE

25-EKME-315-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 5th day of September, 2025, to the following:

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