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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good morning, and welcome to Evergy's third quarter 2025 earnings conference call. (Operator Instructions) Please be advised that today's conference is being recorded. I would now like to hand the conference over to Peter Flynn, Senior Director of Investor Relations and Insurance. Please go ahead.

Peter Flynn - *Evergy Inc - Director of Investor Relations*

Thank you, Haley, and good morning, everyone. Welcome to Evergy's third quarter 2025 earnings conference call. Our webcast slides and supplemental financial information are available on our Investor Relations website at investors.evergy.com. Today's discussion will include forward-looking information.

Slide 2 and the disclosure in our SEC filings contain a list of some of the factors that could cause future results to differ materially from our expectations. They also include additional information on our non-GAAP financial measures.

Joining us on today's call are David Campbell, Chairman and Chief Executive Officer; and Bryan Buckler, Executive Vice President and Chief Financial Officer. David will cover third quarter highlights and provide updates on economic development activities and our regulatory agenda. Bryan will cover our third quarter results, retail sales trends and our financial outlook. Other members of management are with us and will be available during the Q&A portion of the call.

I'll now turn the call over to David.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Thanks, Pete, and good morning, everyone. I will begin on slide 5. This morning, we reported third quarter adjusted earnings of $2.03 per share compared to $2.02 per share a year ago. The increase over last year was driven by a recovery of regulated investments and growth in weather-normalized demand, partially offset by higher interest and depreciation expense and dilution from convertible debt.

Our year-to-date adjusted earnings are $3.41 per share compared to $3.46 per share a year ago. With these results year-to-date, we are narrowing our 2025 adjusted EPS guidance range to $3.92 to $4.02 per share from our original 2025 adjusted EPS guidance range of $3.92 to $4.12 per share. The lower midpoint is primarily due to weather headwinds from below normal cooling degree days in the second and third quarters, which negatively impacted our results by $0.13 per share.

I would like to compliment the team for implementing mitigating actions across the business, offsetting more than half of the weather headwinds. However, we have not been able to offset the full magnitude in what has otherwise been a strong year of regulatory and operational execution, while advancing our strategic objectives.

Our fundamental long-term outlook remains very strong, bolstered by tailwinds from a generational economic development opportunity and the investment needed to enable it. Brian will discuss the quarterly drivers and our earnings outlook in more detail in his remarks. We've achieved strong operational and reliability performance through September.

Year-to-date, our generation availability as measured by the forced outage rate as well as our overall grid reliability, as measured by SAIDI, are both favorable to target. These results demonstrate the benefits of our continued infrastructure investments and the hard work of our operations teams.

I'd also like to recognize Wolf Creek as it nears completion of our 27th refueling outage with strong safety and overall performance. Wolf Creek generates around 1,200 megawatts of noncarbon meeting energy enough to power more than 800,000 homes. I'd like to thank everyone on our nuclear team for their hard work and focus on sustaining the excellent operational performance of the plant.

I'm happy to announce a 4% increase in our quarterly dividend or $2.78 per share on an annualized basis. This increase is consistent with our updated growth outlook and working toward the midpoint of our 60% to 70% target payout ratio. Looking ahead, we will provide a comprehensive financial outlook update on our year-end call in February. We will include refreshed views on our low forecast based on large customer impacts, our five-year capital investment plan, the related financing plan and our long-term adjusted EPS growth outlook.

The five-year capital plan will incorporate expected generation investments to serve load and meet SPP's increasing reserve margin requirements as well as transmission and distribution projects to support reliability. As Bryan will discuss with respect to the long-term update, we believe there are noteworthy tailwinds to earnings power as we advance our plans to support growth and economic development that will benefit our Kansas and Missouri customers and communities.

Slide 6 outlines our economic development pipeline and opportunities over 15 gigawatts switch relative to our size, represents one of the most robust backlogs in the country. Reflecting the geographic advantages of our region, the overall pipeline is strong in both Kansas and Missouri, and we are well positioned to continue to attract new businesses. Large customer interest in the energy service territory remains very strong.

Focusing on the top three categories of the pipeline we outlined a 4 to 6 gigawatt opportunity, large new customer load that represents the most active part of our queue. This Tier 1 demand represents a transformative 10-year growth opportunity for Evergy. When executed, we expect these products will deliver significant regional benefits across our states, supporting a leading-edge digital economy, creating jobs and expanding the tax base, while enabling us to spread system costs over more megawatt hours helping to maintain affordability for all customers.

We continue to work closely with Tier 1 large low to develop and implement transmission and distribution solutions to serve their expected ramp rates over the coming years. We are confident that we will be successful in winning and serving a large portion of this queue, which would in turn transform the size and growth of our company and enhance the economic prosperity of our region. The remaining pipeline totaling well over 10 additional gigawatts highlights the robust activity and sustained interest in Kansas and Missouri.

Many customers have already secured land or land rights, finalized site plans and are actively participating in capacity study. While not all of this load will ultimately be addressable, the ongoing dialogue underscores the depth of engagement and the readiness of customers to step in should others exit the queue.

Slide 7 expands upon the 4 to 6 gigawatt Tier 1 large customer load opportunity. Beginning with the actively building category, I'm happy to report that last week, Lambda announced its plan to transform an unoccupied data center located in Kansas City, Missouri into a state-of-the-art AI factory in data center.

Their facility is expected to launch in early 2026 with 24 megawatts of capacity and as potential scale up to more than 100 gigawatts -- 100 megawatts, excuse me, in the future. This product is a great example of a data center leveraging existing infrastructure with an ability to ramp low relatively quickly with minimal grid investment required and exemplifies why Missouri is an attractive destination for projects of all sizes.

For the balance of our actively building customers, Panasonic and Meta are up and running, and our third large customer is making good progress through its heavy construction phase. Inclusive of Lambda, we now anticipate peak demand at 1.2 gigawatts from these customers with over 500 megawatts to online by 2029, supporting our demand growth forecast of 2% to 3%.

Moving to the finalizing agreements category. We remain in the final stage of the negotiation with large customers for two data center projects. Subject to final agreements and product announcements, we expect to see an impact on our demand growth from these customers of 2027 and '28 and into the next decade which would raise the overall company demand forecast to 4% to 5% load growth through 2029. Approval of the LPS tariffs in both states is a key next step for finalizing the negotiations.

Additionally, we recently added a third data center to this category, reflecting significant progress and initial executed agreements. This product was previously in our advanced discussions category and demonstrates the high interest for large customers in advancing their products.

We also remain in advanced discussions with multiple customers whose load will represent approximately 2 to 3 additional gigawatts of peak demand. These customers have secured land and land rights shared site plans and in some cases, reached letters of agreement and provided financial commitments to move the evaluation forward. Load from these customers is not contemplated and our upside view of 4% to 5% annual load growth and effort would be incremental.

Overall, we continue to see an incredible level of interest in our service territories, and we are making progress with potential new large customers across all stages of the discussion. Each category reflects potential new entrants that will empower growth, investment and drive prosperity for our region.

Now moving to slide 8, I'll touch on our latest regulatory developments. 2025, as you know, has been a busy year for our regulatory team, and we've demonstrated considerable progress in advancing our strategic objectives. The team's results this year reflect the constructive policy framework and economic development opportunities in both states as well as our ability to find alignment with broad groups of stakeholders and achieve constructive settlement agreements.

Beginning with Kansas, we filed for and received approval of redetermination to own parcel shares of two new combined cycle natural gas units and the solar farm, both are all in Kansas Central. These projects were identified in our IRP preferred plan and reflect our all of the above approach to meeting growing customer demand and higher capacity margin requirements in the SPP.

The Kansas Corporation Commission issued an order approving a unanimous settlement agreement for Kansas Central rate case on September 25. The settlement achieved a balanced outcome for all parties, including adequate recovery for the investments needed to provide reliable and affordable electric service.

A key open agenda item in Kansas is the unanimous settlement agreement we filed on our large load power service tariff docket on August 18. The proposed tariff applies to customers with demand exceeding 75 megawatts and establishes a rate structure with the focus on large customers paying their fair share and being subject to additional protections that I'll describe later in my remarks.

We believe the LPS establishes a competitive rate at physicians Evergy to attract, serve large new loads, enabling growth and prosperity for our communities. We anticipate an order from the KCC on the settlement agreement as part of the commission's business meeting later today. Pending to Missouri, we've successfully advanced plans to construct new generating resources. The MDSC approved settlement agreements in our CCN applications for 2 solar farms, partial ownership in 2 combined cycle natural gas units and full ownership of a simple cycle natural gas plant.

We believe these projects form a cost-effective package of reliable energy solutions for our customers, and this outcome demonstrates alignment with the Public Service Commission's interest in securing additional generation resources for Missouri utilities.

Similar to Kansas, to large load, power service tariff proceeding continues to advance in Missouri. [Party] filed a nonunanimous settlement agreement earlier this fall with terms similar to those filed in Kansas including contractual protections, provisions to ensure that large customers pay their fair share of system costs and a competitive rate that supports economic development. We anticipate an order from the MPSC by the end of the year. Last, the planning process for our upcoming Missouri Metro rate case is underway, and we expect to file the case in February 2026.

Slide 9 highlights legislation and regulatory mechanisms that support growth in our region and helps to position Kansas and Missouri as premier destinations for infrastructure investment to assure reliability and new advanced manufacturing facilities, data centers on the large customers. These mechanisms are the product of broad-based alignment between Evergy, the governor's office, state legislators or regulatory commissions and key stakeholders as well as our shared commitment to seize on the growth opportunities ahead of us for our customers and communities.

Constructive regulatory frameworks that enable timely infrastructure investment to meet the needs of both existing and new customers are critical to our success and the bills passed over the past two years in both states advance these priorities. This supportive landscape reinforces our agents position as a top destination for growth.

Evergy is committed to delivering safe, affordable and reliable service to our 1.7 million customers. As large new customers join our system, all stakeholders benefit from broader cost sharing and unprecedented economic development.

I'll conclude my remarks on slide 10, which highlights the core tenets of our strategy. I'll focus specifically on affordability. Since the merger that created Evergy, we have achieved tremendous progress on affordability and regional rate competitiveness, driven by significant reductions to our cost structure and investing at a slower pace than peer utilities.

Over that time, our rate trajectory has remained well below regional peers and far below inflation. This requires hard decisions and the full focus and dedication of everyone in our company. I'm very proud of the results that these activities enable us to deliver for all of our customers.

It is critical that we sustain this momentum as we enter a new era of growth and demand and economic development. This new era will require the same level of dedication and focus from our company, and that's exactly what we intend to deliver.

As part of that focus, we will continue to invest in infrastructure and operate our business in a way that maintains reliability and benefits all of our communities. Higher levels of investment to serve new large customers must be fairly borne by those customers, and we designed our large load power service tariffs to do exactly that.

Under both LLPS tariff, new large customers, will pay a higher rate than that paid by our existing large customers. As a result, the revenues from new customers will directly mitigate future rate increases for our existing customers as we're able to spread the fixed cost of our system over a broader base. In short, new large customers will pay a reasonable premium to the cost to serve them while also maintaining a competitive rate. And all customers will benefit from a motorized grid and new highly efficient generation resources.

The tariffs are also designed with key safeguards in place. These include, among others, customer commitments of 12- to 17-year terms, an 80% minimum monthly bill requirement, exit fees upon early termination and collateral posting. It's important to note this tariff structure is consistent with the intent of our large new customers to be good stewards as part of our Kansas and Missouri communities.

In the LLPS dockets, they were active participants throughout the process and along with many other stakeholders, contributed to and signed on to the settlement agreement. As I noted earlier, these agreements are currently pending approval by the Kansas Corporation Commission and Missouri Public Service Commission with the KCC's decision expected later today.

Collaboration with large customers does not stop at paying their fair share. Their projects will create construction jobs, permanent jobs, and expanded property tax base and community health development benefits. As an example, one of our customers announced it will bring its skilled trades and readiness or STAR program to the Kansas City area. The company is collaborating with the Missouri Works initiative and the Urban League to help increase the entry-level pipeline in the skilled trades with a focus on underrepresented communities.

All STAR pre-employment programs are paid training programs, and offer networking opportunities to help participants move directly to employment on local construction products. We hope and expect that this example will be just one of many. The vitality of our region has made it an attractive destination for advanced manufacturing and data center customers and their investments in turn have tremendous potential to drive a virtuous cycle of growth and prosperity in Kansas and Missouri for years to come.

I will now turn the call over to Brian.

W. Bryan Buckler *- Evergy Inc - Executive Vice President & Chief Financial Officer*

Thank you, David. Thank you, Pete, and good morning, everyone. Let's begin on slide 12 with a review of our results for the quarter. For the third quarter of 2025, Evergy delivered adjusted earnings of $475 million or $2.03 per share compared to $465 million or $2.02 per share in the third quarter of 2024.

As shown on the slide from left to right, the year-over-year drivers are as follows: First, a 2% increase in weather-normalized demand growth drove the majority of the increase of $0.06 per share and the margin shown on the slide and recovery of and return on regulated investments contributed an additional $0.11 of EPS.

Offsetting these favorable drivers are higher depreciation and interest expense related to our infrastructure investments, leading to a $0.07 decrease in EPS and dilution from our convertible notes led to a $0.03 decrease for the quarter.

Turning to slide 13, I'll provide more detail on our sales trends. On the left-hand side of the page, you'll see weather-normalized demand increased by 2% in the third quarter as compared to last year, following the 1.4% year-over-year increase we experienced in the second quarter. This continued strong momentum was driven by increases in both residential and commercial usage, including load from the Meta data center in Missouri that is reflected in our commercial customer class.

At a macro level, the continued robust customer demand in our service areas is supported by a strong labor market as the Missouri, Kansas and Kansas City metro area and employment rates remain below the national average of 4.3%.

Moving to slide 14. I'll provide some further detail on our expectations for full year 2025 results. As David mentioned, we are narrowing our guidance range to $3.92 to $4.02 as compared to the original guidance range of $3.92 to $4.12. Our mitigation efforts of approximately $0.10 of EPS benefit are expected to offset a substantial portion of the $0.13 of headwinds experienced by below normal cooling degree days in the second and third quarters.

In addition, we now anticipate an incremental $0.02 of dilution related to our convertible notes given our recent strong stock performance. We have forecasted incremental dilution from the convertible notes in our 2026 EPS modeling and continue to expect to achieve the top half of 4% to 6% growth in EPS in 2026, off of the midpoint of our 2025 original guidance range.

As I'll discuss shortly, Evergy's fundamental long-term outlook remains stronger than it has been in decades, bolstered by tailwinds from a generational economic development opportunity and the investment needed to enable it, which will benefit all future years in our financial plan.

Slide 15 outlines a recap of our long-term financial expectations. and considerations for our comprehensive growth update, we will share with you during our fourth quarter call in February. First, we highlight our Tier 1 customer opportunity of 4 to 6 gigawatts of peak load. As a reminder, our current five-year plan incorporates low growth of 2% to 3% annually through 2029, reflecting solid growth in our current customer base and buoyed by the Panasonic, Meta and Google projects.

This loan growth expectation is further bolstered by rapid development data centers, such as the Lambda facility discussed by David earlier, which is able to scale more quickly than the Meta data centers via the use of existing buildings and existing electric infrastructure. Also, we are nearing final agreements with 2 data center customers that could drive an incremental 600 megawatts by 2029. And which would raise our loan growth forecast substantially to 4% to 5% on a CAGR basis through 2029.

We've also made great progress with customers in the advanced discussions category which represents a 2 to 3 gigawatt opportunity, driving even more low growth toward the back half of our five-year plan. We certainly believe we have one of the most compelling customer growth opportunities in the entire industry that we expect will drive robust growth, not just in our five-year forecast, but into the next decade for Evergy and for the communities we serve.

Next, I'll discuss our capital expenditure and rate base growth forecast. The foundational earnings power of the company will be fortified by our capital investment program. Higher levels of infrastructure investment are needed for grid modernization and incremental generation capacity to support the expansion of our existing customer base and new large load customers.

These are tailwinds to our current $17.5 billion capital plan and corresponding 8.5% rate base growth through 2029. On the regulatory front, to maintain the credit profile of our utilities, and to incorporate the affordability benefits of large loads, which allow us to spread system costs over a broader base, we plan to be on a somewhat regular cadence of rate case proceedings.

With the large infrastructure plan comes regulatory lag and over the past couple of years, the states in which we operate have taken proactive steps to help utilities better manage elevated depreciation and interest expense through the use of plant and service accounting mechanisms. We also utilized natural gas sale provisions in both Kansas and Missouri. These constructive mechanisms helped to reinforce our solid credit profile.

There in this phase of significant infrastructure build out, we will utilize equity and equity content financing options to fund a portion of our capital requirements and to support our strong investment-grade credit rating and FFO to debt threshold of 14%.

It is important for you all to know that we will continually evaluate the overall level of equity funding needs, recognizing that large load customers in our pipeline could significantly improve our cash flows from operations. beginning in 2026 and accelerating throughout the next several years. Thus, there is a real opportunity to moderate our equity needs for the current $17.5 billion capital investment plan.

Now our company can only be successful when our communities strive and we maintain affordability for our customers. We are committed to staying laser-focused throughout the years ahead on affordability for our current customers, and we believe our long-term plan will be successful in doing so. As we look to rolling out our updated five-year plan in February, I'll mention again the many tailwinds to our current adjusted EPS growth outlook and a transformational opportunity for us here at Evergy.

We're excited for us to come and look forward to sharing details with you on our year-end call. And with that, we will open up the call for your questions.

QUESTIONS AND ANSWERS

W. Bryan Buckler - *Evergy Inc - Executive Vice President & Chief Financial Officer*

(Operator Instructions)

Paul Zimbardo, Jefferies.

Paul Zimbardo - *Jefferies LLC - Equity Analyst*

Hi. Good morning, team. Thank you very much. The first one I wanted to touch on, just as we think about 2026 in Missouri legislative session, obviously, there's been a lot of progress in recent years for all the different flavors of utilities. Do you have any priorities or anticipate efforts for 2026? And could this influence the rate case cadence?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

No, Paul, we were real pleased to work closely with many stakeholders last year in Missouri. It had a list, obviously, the commission Charhon, the Governor's office legislative leadership of the utilities and key stakeholders. So there's a lot of progress they did us before. A lot of next year will be around implementing and following through on the elements of SB4 related rule-makings.

So I don't anticipate. There's -- I always talk with the team, we always talking to the team about ways that we continue to advance constructive mechanisms. But after such a busy year and such consequential legislation last year, I think you might be able to letter calendar in 2026, but important steps to undertake to advance forward on the constructive mechanisms on SB4.

Paul Zimbardo - *Jefferies LLC - Equity Analyst*

Okay. Understood. Thank you very much. And then obviously, you've got the big refresh coming ahead. Just maybe a little bit of a sneak peak, not so much on the numbers, but even just the cadence. In the current plan, it's slower up front and then accelerates with whatever to the extent you do change the growth rate, should we think about that as kind of a linear profile or also accelerating as you move towards the end of the decade?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Paul, it's hard to answer that question without getting into what will be in our year-end update. So I think that Brian did a nice job of describing the multiple tailwinds that are make us so excited about the prospects for growth in our region and all that's going to bring for our customers and communities, and that's both the low growth element, the investments needed to make sure that we can serve that load and meet SPP's higher reserve market requirements and the benefit of the pacing have enough financing plan.

So our prior capital plan, we laid that out by a year, we'll lay it out a year in our upcoming capital plan, there's obviously a significant amount of investment. And you can see what that is by year, but there's also loan growth that helps to mitigate any regulatory lag. So we're really excited about the tailwinds around it, and I won't get ahead around that profile.

I think Bryan did describe for 2026 itself. We got we're reaffirming our confidence being the top [half of '26], and then we'll be talking about the -- how those tailwinds manifest up themselves and upgraded an updated set of an updated financial plan that will outline recall.

Paul Zimbardo - *Jefferies LLC - Equity Analyst*

Okay. I understand. Thank you. I had to try.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

We're excited, Paul, as you know, because we're excited because the benefit it's going to rain to our region, our customers and communities and it's a comprehensive set of factors that are driving the acceptance.

Operator

Travis Miller, Morningstar.

Travis Miller - *Morningstar Inc - Analyst*

Good morning. Thank you. Good morning. It seems like Kansas and Missouri has been working pretty well together here over the last few years. I'm wondering within your service territory, how much competition is there at the local level in terms of attracting some of these large loads, I got to think just the way all states work that there might be some competition here the legislatively politically local to try to get some of this economic development. Is that happening?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

That's a great question. It is a person I'm now nearly five years in this region, and I've been very impressed. And of course, our service territory expands over to Central Kansas and Wichita. So we're it's much broader than just the Kansas City or in there are parts of the states that are more distant from the state line. But that's the question narrowly about our region. I'm by Chairman group called the Kansas city area Development Council. It represents counties on both sides of the state line extending all the way from Topica to Kansas City and East toward a Northward and southward.

So and it's a collaborative approach. There's actually been legislative truce in the past to mitigate potential poaching of that might go on across state lines. So they really do a nice job of collaborating the in the great state of Texas, I live 50 miles from any state lines, and I was reasonably close to them.

Here, I'm a quarter mile from the state line and it's the collaboration that happens when you've got that kind of seamless integration I've been very impressed to see I've got an older brother. There are times when within a family, you might have dynamics and that can happen. But in general, the teamwork is strong in the collaboration time.

Travis Miller - *Morningstar Inc - Analyst*

Okay. We'll hear more family stories later on. And then other question, in terms of that $17.5 billion CapEx, assuming that you get the large load tariff there, you've got you'll have that, you'll have the PISA, the CWIP. How much of that 17.5 billion would actually be subject to a typical rate case filing, right? I like how much of that can you recover without going through a regular rate case as you call it the cadence of base rate cases.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Yes. So there's ultimately, all of our investments are subject to reviews of to make sure they are prudent and reasonable. There's a set of different mechanisms that help to mitigate the cash regulatory lag. PISA in both states, that mitigates the earnings lag, but we've got riders in place in both states, a [Cisco] always property taxes to pension to other elements. And the CWIP will help with our new natural gas plants. We lay out the different parts of our capital plan in the appendix. So the new generation component is shown -- I think it's on slide 21. So that could give you a good measure for what which pieces of the capital plan are in the more traditional category versus what's in the new generation category.

The SWIP mechanism is slightly different between Kansas and Missouri. But in both states, we were pleased to get that those provisions introduced to was in Kansas '24 and Missouri '25, reflecting the support of both states. We're building new natural gas generation and recognizing that with the investment programs of that size is important to have some mitigant to lag.

So that's out of our total capital plan, you'll see that new generation is about third, two-third is in the traditional categories, grid modernization, ensuring reliability keeping the lights on and providing great service to our customers.

Travis Miller - *Morningstar Inc - Analyst*

Okay. That makes sense. So then the other one, transmission would be happy to see FERC so to pull that out. So it would be the three buckets of potential base rate will be legacy generation distribution in general.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Yeah. And most of the transition Kansas side, you've got that road.

Travis Miller - *Morningstar Inc - Analyst*

Yes. Okay. Very good. That's all right. Thanks.

Operator

Nicholas Campanella, Barclays.

Nathan Richardson - *Barclays Bank - Analyst*

Everybody. It's actually Nathan Richardson on for Nick. I just have a quick one for you. So I was wondering if you could talk a little bit about the third data center you mentioned and given the 4% to 5% sales growth guidance, I was wondering how impactful that third data center specifically could be in moving the needle for the sales growth.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Nathan, that's a great question, and I'm glad you asked it. So the as you know, we've included in our financial plan that we provided last year, a 2% to 3% annual loan growth, but we have quantified that the two customers in the actively building category potentially to raise that annual load growth to 4% to 5%. The addition of the third customer, and this is in the finalizing agreements category, not mixing up the categories. So the 2% to 3% low growth is from the actively building category.

The potential to go to 4% to 5% is from the first two customers in the finalizing agreements category. You're absolutely right, that third data center customer we've now added to the finalizing agreements category would be additive to 4% to 5%. As with the customers in the advanced discussions category. So thank you for that clarification.

Nathan Richardson - *Barclays Bank - Analyst*

Is there any quantification there or just that it's incremental?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

No. The bulk of that, we expect would be post 2029, but we've not quantified it, but that will be part of our obviously, update the year-end call with the overall views on low growth tailwinds. We added it to the category of finalizing given just the sheer amount of progress we've made with that customer in terms of advancing discussions advancing agreements and a commitments related to dose.

So it's it makes sense that it included in that category. We've not quantify the incremental amount. But we just noted that it's those additional customers beyond the 2 that are in the final agreements category would actually be additive to the 4% to 5% annual load growth potential.

Operator

Steve D’Ambrisi, RBC Capital Markets.

Stephen D’Ambrisi - *RBC Capital Markets - Analyst*

David, Bryan Yes, I just had a quick one on the LLPS tariff discussions. Given you guys have a settlement, I know it's not unanimous, but can you just talk about like effectively at a high level, what's left there, what the main sticking points are?

And what you think kind of the time line for resolution around some of this stuff is. I'm pretty sure there's a settlement conferences coming up and then expected time line as the end of February, but just want to hear about that and then how that works into kind of moving some of these finalizing agreement buckets into the actively building bucket or signing ESAs associated with it.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

You bet. I'm glad you had the question because I'll clarify because I think you may be thinking about the time line that's occurring on the different side of the state in Missouri. So for us, we have 2 LLPS proceedings. One is in Kansas. We have a unanimous settlement agreement that we signed in Kansas. And there's already been briefing on that.

And it's actually we expect a decision on that by the Kansas Corporation Commission later today. It's on the docket for today. So given that they've already had a hearing on that animal settlement agreement. We actually anticipate a decision in Kansas later today. And that was the unanimous agreement covering all issues, including all parties.

In our Missouri LPS proceeding, we did have a partial settlement. We have gone through a hearing. Not all parties were alignment on that. The structure of the settlement that included many parties, but not all, have terms that are very similar to the ones in Kansas, so it's protections. It has a rate that is higher for the LPS customers. And it's a structure that ultimately like as we saw in Kansas, was a result of robust dialogue and included the large customer.

So I think it's a competitive rate as well. We think it aligns with the governor's policy in the state in support for growth and development. And with the commission's overall focus on that. But we'll have a decision on that. We expect by the end of the year in our case. There are other proceedings in Missouri for other utilities that are a little behind our we filed our first. So hopefully, that makes sense with respect to different contexts in Kansas.

Stephen D’Ambrisi - *RBC Capital Markets - Analyst*

That's helpful. And so basically, the comment on the slide that talks about announcements expected after LLPS tariffs are finalized. To the extent these facilities are in Kansas, that could be freed up as early as tomorrow, and then we'll see when Missouri gets done, hopefully, by the end of the year. Is that those are like kind of the gating items from a time line perspective?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

I like, you're thinking, I've got some team members in the room now, and I'll tell if they need to be -- no, I was kidding. Jokes aside, yes, I think the LPS being signed is a very important enabling step. So that's -- and we do hope Kansas has always been a little bit schedule-wise, but they're not far behind. So we think that the time line sets us up well for what we know is going to be an important update on the year-end call. And it's important for these customers as well.

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The queue is a very active one. Folks are here to come online. A big chunk of why we have such a big queue is because we've got customers lined up for any reason, and we don't see those reasons happening. There's tremendous interest in the customers who are in our actively building and finalize agreements category, a lot of momentum. But we've got folks lined up behind them. So we believe that the LPS decisions, being on the time they are, should enable us to move on the time line we're hoping to achieve.

Operator

Paul Patterson, Glenrock Associates.

Paul Patterson - *Glenrock Associates - Analyst*

Just on the financing plan and the $2.8 billion, and I see the [port]. We obviously had the forward and what have you. But I'm just wondering how we should think about this? I mean you're also mentioning obviously the potential for which you guys mentioned earlier about the cash coming from these potential new agreements being finalized. How should we -- if you could just sort of quantify like how that -- how much that you think that would impact the $2.8 billion? And sort of the sort of timing -- or if you could just elaborate a little bit more on how we should think about the finalizing of those agreements and what have you.

W. Bryan Buckler - *Evergy Inc - Executive Vice President & Chief Financial Officer*

Paul, it's Bryan. Thanks for the question. As a reminder for everyone, our current capital investment plan five years is $17.5 billion. In total, we believe that will be funded in part by up to $2.8 billion of equity and equity content capital market instruments, such as JSN, junior subordinated notes. I do think it's important for you to know that we'll continually evaluate the overall level of equity funding needed recognizing that, as you say, that energy usage from customers in our pipeline could significantly improve our cash flows from operations beginning in earnest in 2026 and then accelerating throughout the next several years.

Thus, there's a real opportunity to bring that level of equity down by what I've said before, hundreds of millions of dollars. I should also mention that we continue to see upside bias in our capital investment needs to serve our existing and expected new customers in the year ahead, which will also necessitate a somewhat balanced approach to debt and equity financing. Is that helpful.

Paul Patterson - *Glenrock Associates - Analyst*

Yes, that does. I mean but just to sort of clarify, so that would be something that would obviously have required more capital needs and therefore, might be an offset to some of this cash flow that you'd be seeing as well. Is that how we should think about it?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Yes, that's the way to think of it for modeling for sure.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. And I guess we'll get more clarity, obviously, as time goes on. But -- and then I guess I wanted to on the 10 of mitigation measures that you guys had with respect to the earnings, how should we think about those mitigation measures going forward? Do those -- are those timing issues and they'll show up next year? Or are those things that you found that you think are more ongoing or some mixture of the two?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Paul, I'll describe those are in-year mitigation measures. So obviously, we are size of the weather headwinds and a little bit of incremental headwind from the convert was we've would hope that we could offset all of it, but we were able to offset $0.10 of it that's really in year mitigation measures. It doesn't impact our fundamental long-term outlook.

I've now been is my fifth year at the company. There were two years where we had really warm weather and adjust the range upwards didn't change our long-term fundamentals. This is a year where weather headwind, so it's going to impact our performance this year, but it's both the weather impacts and the mitigation measures are really within the content of this calendar year are the drivers for our fundamental plan, as Brian mentioned, or you on 2026 and then the drivers for our long-term plan remains intact. It's sort of unaffected by the vagaries of weather.

Paul Patterson - *Glenrock Associates - Analyst*

Okay. And then with respect to the Lambda deal, which seems sort of interesting here, I was just wondering, would that -- I guess, first of all, when would it go -- what time frame would it go from 25 to the 100? I guess 25, it sounds like it would the 25 megawatts would be beginning of next year. But then it goes to 100, I'm just wondering how long does that ramp up take? I'm just curious or is it now?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Yes. We as I described, it's in the 25-megawatt range, sort of, next year, and it's probably in the next 4 to 5 years that it gets to that potential overall size. Really excited about that project -- need company, deploying advanced technology in their data center and AI factors he described it. So it's a we were pleased to see that announcement. It was timed well with some economic development meetings here in town and reflects how attractive our region is and really impressed by how they leverage an existing building and existing T&D infrastructure largely, and that's how they were able to ramp up to that level.

Historically, a 25-megawatt customer would be considered very large on the [new era that is anywhere]. But it's still obviously a creative approach we're pleased to have advanced facility like that, taking advantage of a building like that.

Paul Patterson - *Glenrock Associates - Analyst*

Right. That sounds kind of unique. I guess what I also wondered was like in terms of the context of these large low tariffs that you were describing, since it's under 75 megawatts and then going to 100 megawatts would a scenario like that be subject to -- obviously, this hypothetical hasn't all been approved. But just wondering in the context of these settlements that you've had with these large low tariffs, how would a customer like that be treated? Would that be a large load, since it came in initially below the 75 megawatts but what would go to100 megawatts? Do you follow what I'm saying? Or would it be because if final number is 100, it would be a large load? It makes sense?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Typically, these customers are focused on what their ultimate loan level is going to be because they want to make sure that they've got the infrastructure and capacity to get there. And this is an example. So the tariff addresses as you ramp up getting up to those higher levels. And again, these customers the ones that go into the large lows definitely want to make sure they've got the capacity and the ability to do this. So they know and are contemplating getting up to the LPS. It's ultimately stayed in the 25-megawatt range to be a different tariff level. But the ones that these customers are very interested in those higher levels of loads. So and they know that as they get there, they get to that tariff rate.

Paul Patterson - *Glenrock Associates - Analyst*

Right. So it's what they ultimately get to, would it be one of these like --. Okay. I understand.

Operator

Anthony Crowdell, Mizuho.

Anthony Crowdell - *Mizuho Securities USA LLC - Analyst*

If I could follow up, I think, on Steve's question earlier on slide 7, is the actively building category, is that what's currently in the 4% to 6% EPS growth rate and the finalizing advanced discussion is what's not included in the current growth rate?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Yeah. We actively building that was probably my follow-up how I answered it earlier. So if you look at slide 7, good place to go, the actively building, which is Panasonic and Meta and third customers in the heavy near incompletion of construction, that's in the 2% to 3% low growth rate.

Anthony Crowdell - *Mizuho Securities USA LLC - Analyst*

And in the 4% to 6%, right?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

No, the 4% to 6% you get to if you include the 2 data center customers that are in the finalizing agreements category. This is the annual low growth rate. You're talking about if you're talking about the earnings growth rate of 4% to 6%, so the earnings growth rate of 4% to 6% that we've said we're targeting the top half and then we're going to update on the year-end call. That is reflected in the two that are in the actively building category.

Anthony Crowdell - *Mizuho Securities USA LLC - Analyst*

Great. Just the two, not the third?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Correct.

Anthony Crowdell - *Mizuho Securities USA LLC - Analyst*

Great. And then I think when I look at your spread between your rate base growth and your earnings CAGR, it's roughly about 250 basis points. Is that a good spread going forward or the adoption of the large load tariff or the additional load, if you expect that to change, where is a good place to think where that settles out?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Yes. So we haven't given guidance on that specific range. But I think if you look at our the $17.5 billion capital plan, it going back in time, there were higher levels of capital in the out years in that in that plan. We know that we will be presenting as part of the year-end call, an integrated financial plan that reflects the relationship between rate base growth, incremental loan growth is obviously helping reducing regulatory lag and the relationship that you see between that rate base growth and earnings growth.

And there's a range that you see across different companies, and there's no reason why we would be outside of that range. So obviously, links as well to what the phasing is of both the loan growth and the capital in the plant. So we would we know that that's a question that we'll be addressing as part of our year-end update and the low growth and as we move into higher years in our capital plan, that will be reflected in the update that we provide.

Anthony Crowdell - *Mizuho Securities USA LLC - Analyst*

Great. And then just lastly, you talked earlier, I think, in your five years there, you've seen some big weather swings, I think, for three to five years. this year, very mild weather you ended up lowering '25. As you work on rolling out a new capital plan with the new load, does the very big swings in weather will that cause you either to give a wider range or bake in more conservatism in your plan, given you've seen how much of a swing weather could be in our yearly performance?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

I think it's a very insightful question. I think it's something I really like having Bryan and Pete join the team work with a couple of different utilities. I know my background, I like being able to describe to investors here are the factors that we can control and he are the factors that are clearly outside of our control and are readily quantifiable but recognize that the number of our peer utilities and there's a like the investors can like to see, Hey, you can offset even if it's something easily to easily track and identify like weather, and you find mechanisms in your plan or build in an approach in the plan that can offset that.

So we'll continue to have that discussion internally because we recognize that feedback. We'll always be very transparent, plan to be very transparent with the tax because they as I mentioned, they didn't impact their fundamentals when they were positive. They are not going to impact the fundamentals when it's a year when it's a little more mild. It's a very mild August particular year. But it's something that we'll consider.

And Bryan will be a real helpful thought partner as we consider what the best approach is there. But again, we're very excited about the long-term fundamentals. We're certainly not overreacting to the that was demonstrably a very mild Q2 and Q3, recognizing that we needed to implement the offsets that we did, and we're certainly always going to strive to be within hitting our targets in our range. So it's a good question, we'll continue to think about it.

Operator

Paul Fremont, Ladenburg.

Paul Fremont - *Ladenburg Thalmann & Co Inc - Equity Analyst*

I guess my first question, I just want to get a sense of the type of data center developments that are in your service territory when the largest of those sort of build out, how many megawatts is that in terms of demand for the largest of your customers right now?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

We haven't given the size by customer, though I suppose you can -- if you go back to our last well, we've said it's three customers in the finalizing agreements category are 1.5 to 2 gigawatts. So that gives you a pretty good sense of the average size. That's a good indicator for us. We haven't given more specificity in terms of size by customer. But that math will give you a pretty good road map for what the peak size typically. Is there some variability by customer, of course, but clearly large it's three large customers making up that 1.5 to 2 gigs.

Paul Fremont - *Ladenburg Thalmann & Co Inc - Equity Analyst*

Okay. Because it I mean, it does seem like the size is smaller than in some of the neighboring states. And I was just wondering, is there some factor that is causing sort of the size of your facilities to be more modest?

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Most of our customers want to expand past the regional peak once up. Some of these projects are similar customers involved. So I don't think there's a fundamental dynamic there. For most of the we obviously track with the other customer announcements are.

And there are a couple of very unique large ones out there. But we're it's -- an average size is in the 600 to 700-megawatt range is still a very, very large customer and very large data center and as I noted, the most want to expand best original peak if we're able to accommodate it, but we like some diversification in customers and sites, which is reflected in a robust queue. That helps keep everyone motivated as well.

Paul Fremont - *Ladenburg Thalmann & Co Inc - Equity Analyst*

And then at what point would you need to build new generation in terms of I guess, the three categories that you've outlined actively building, finalizing and advanced discussions.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

So we that's a great question. And as we noted at the going to be one of the factors that's a driver for our plan update that we plan to give. Our integrated resource plan that we filed in '25, and we outlined in the appendix, which projects and the integrated resource plan were in last year's capital plan, which we're not.

As we develop that integrated resource plan, we included because information. We had included the two customers that were in the finalizing the agreement the category. You will see in an IRP from last year, a significant amount of incremental generation required to serve that load that was not yet included in the plan.

So we have taken steps in terms of long lead time equipment, actions we need to take to be able to serve the customers that we've lined up. So we have some flexibility to do that. But I also note that we're going to be the next update to our capital plan and our integrated resource plan is going to factor in, not only low growth expectations in the plants we need to serve those SPPs reserve margin requirements, but also changes in federal local policies impacting renewables.

And if renewables are less economic or harder to build, for example, we'll look at market capacity options, we'll look at potential retirement delays. We're going to look at the whole package to make sure that we are driving reliability and affordability for our customers.

But at the end of the day, there's some incremental investments that we expect are going to need to be made, but we're going to look at that package of things in terms of what's that right mix of generation, how do we make sure we ensure reliability, take advantage of the growth opportunity, but also always keep an eye on affordability.

Paul Fremont - *Ladenburg Thalmann & Co Inc - Equity Analyst*

And last question for me. Taking into consideration all of the legislative and regulatory changes. What estimate would you have for regulatory lag on a go-forward basis in your jurisdictions?

W. Bryan Buckler - *Evergy Inc - Executive Vice President & Chief Financial Officer*

Yes. Paul, this is Bryan. We haven't given an exact number for regulatory lag, we expect compared to a lot our authorized ROEs in our states. Things we point to is that, historically, you've seen us earn have some pretty low ROEs, but the PISA and CWIP legislation certainly help in that regard.

We also have load growth that we haven't seen in many years, and we think it's going to be at a level that we haven't seen in many decades, which will help us kind of bridge that gap and get, we hope, very close to our authorized level of ROE. So that's directionally what I would want to give you, and we'll share more details in February.

Operator

This concludes the question-and-answer session. I would now like to turn it back over to David Campbell for closing remarks.

David Campbell - *Evergy Inc - Chief Executive Officer, President & Chairman of the Board*

Helen, thanks, everyone, for joining the call today. We look forward to seeing all of you at EEI this weekend and next week. And that concludes today's call. Thank you.

Operator

Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.
