

Exhibit No. 101C

Staff – Exhibit 101C

CONFIDENTIAL

Brad J. Fortson

Corrected Direct Testimony

File No. EO-2020-0262

October 29, 2020 (Corrected: December 17, 2020)

Exhibit No.:

Issue(s): *Staff's Prudence Review of
Evergy's Fuel Adjustment
Clause*

Witness: *Brad J. Fortson*

Sponsoring Party: *MoPSC Staff*

Type of Exhibit: *Corrected Direct Testimony*

Case No.: *EO-2020-0262 (Consolidated
with EO-2020-0263)*

Date Testimony Prepared: *October 29, 2020*

Date Testimony Corrected: *December 17, 2020*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

CORRECTED DIRECT TESTIMONY

OF

BRAD J. FORTSON

**EVERGY METRO, INC. and EVERGY MISSOURI WEST, INC.
d/b/a EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**CASE NO. EO-2020-0262 (Consolidated with
Case No. EO-2020-0263)**

*Jefferson City, Missouri
December 2020*

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**** Denotes Confidential Information ****

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1 **CORRECTED DIRECT TESTIMONY**

2 **OF**

3 **BRAD J. FORTSON**

4 **EVERGY MISSOURI METRO**

5 **And**

6 **EVERGY MISSOURI WEST**

7 **CASE NO. EO-2020-0262 (Consolidated with Case No. EO-2020-0263)**

8 Q. Please state your name and business address.

9 A. Brad J. Fortson, 200 Madison Street, Jefferson City, MO 65102.

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

11 A. I am employed by the Missouri Public Service Commission (“Commission”
12 or “PSC”) as a Regulatory Compliance Manager.

13 Q. Please describe your educational background and work experience.

14 A. Please refer to Schedule BJJF-d1 attached hereto.

15 Q. Have you previously filed testimony before this Commission?

16 A. Yes, I have. Please refer to Schedule BJJF-d2 attached hereto for a list of
17 cases in which I have previously filed testimony as well as the issues that I have addressed in
18 testimony.

19 Q. Have you participated in the Commission Staff’s audit of Evergy Metro, Inc.
20 d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc.
21 d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or “the
22 Companies”) concerning the Staff’s Fuel Adjustment Clause (“FAC”) prudence reviews in
23 this proceeding?

24 A. Yes, I have, with the assistance of other members of the Staff.

1 **EXECUTIVE SUMMARY**

2 Q. Please summarize your direct testimony in this proceeding.

3 A. I am sponsoring the *Staff's Ninth Prudence Review Report* ("Evergy
4 Missouri West Staff Report") which was originally filed on August 28, 2020 in Case No.
5 EO-2020-0262 and the *Staff's Third Prudence Review Report* ("Evergy Missouri Metro Staff
6 Report" collectively "Staff Reports") which was originally filed on August 28, 2020 in
7 Case No. EO-2020-0263,¹ copies of which (both Public and Confidential) are attached hereto
8 as Schedule BJF-d3 and Confidential Schedule BJF-d4 for Evergy Missouri West, and as
9 Schedule BJF-d5 and Confidential Schedule BJF-d6 for Evergy Missouri Metro. Staff
10 analyzed items affecting Evergy's fuel costs; purchased power costs; net emission costs;
11 transmission costs; off-system sales revenue; and renewable energy credit revenues during
12 the review period² of the FAC for the Companies. My testimony provides an overview of the
13 Staff Reports.

14 **PRUDENCE REVIEW AND STAFF REPORT**

15 Q. Please describe Staff's prudence review.

16 A. Staff analyzed items affecting Evergy's fuel costs; purchased power costs; net
17 emission costs; transmission costs; off-system sales revenue; and renewable energy credit
18 revenues during the review period of the FAC for the Companies. As noted in the attached
19 public and confidential Staff Reports, Staff provided a description of the components it
20 reviewed, a discussion of its review, a summary of any cost implications and Staff's

¹ These cases were consolidated into Case No. EO-2020-0262 on September 22, 2020, in the Commission's *Order Consolidating Cases and Directing Filing of Proposed Procedural Schedule*.

² Evergy Missouri Metro Staff Report covered the Review Period of July 1, 2018 through December 31, 2019. Evergy Missouri West Staff Report covered the Review Period of June 1, 2018 through November 30, 2019.

1 conclusions based on its review of the components. During it's review, Staff found no
2 evidence of imprudence by Evergy.

3 Q. Please explain the organizational format of the Staff Reports.

4 A. The Staff Reports have been organized by topic as follows:

5 I. Executive Summary

6 II. Introduction

7 III. Fuel Costs, Purchased Power Costs, Transmission Costs, Net
8 Emission Costs, Off-System Sales Revenue

9 IV. Interest

10 Signed affidavits for all Staff members who are responsible for a portion of the Staff
11 Reports and for whom those portions constitute direct testimony in this proceeding are
12 attached to the Staff Reports. The individual Staff member(s) responsible for each area of
13 Staff's direct case is identified in the Staff Reports following the written discussion he or she
14 authored, and is the expert witness with respect to that section of the Staff Reports.

15 **PROPOSED DISALLOWANCE AND ADDITIONAL INFORMATION**

16 Q. In its review of the FACs for Evergy in Case Nos. EO-2020-0262 and
17 EO-2020-0263, did Staff recommend any disallowances in its Staff Reports?

18 A. Yes. Based on its review, Staff found that Evergy Missouri West included
19 costs associated with the retirement of the Sibley generating station during the Review
20 Period. Evergy Missouri West has agreed to remove these costs and seek recovery through
21 another mechanism. Therefore, in its Evergy Missouri West Staff Report, Staff recommends
22 the Commission order an Ordered Adjustment in the amount of \$1,039,646 as Evergy
23 Missouri West can seek recovery of these costs through another mechanism, such as its next

1 general rate case. Staff did not propose a disallowance in the Staff Report for Evergy
2 Missouri Metro. However, based on information obtained since the filing of the Staff
3 Reports, Staff is now proposing a disallowance for Evergy Missouri Metro as further
4 discussed in the direct testimony of Staff witness Ms. Brooke Mastrogiannis.

5 Q. Is there anything else Staff would like to note at this time?

6 A. Yes. In the current Evergy MEEIA prudence review proceedings, Case Nos.
7 EO-2020-0227 and EO-2020-0228,³ Evergy filed a *Motion to Limit Scope of Proceeding*⁴ on
8 July 29, 2020, taking the position that certain of Staff's proposed disallowances are not
9 related to "costs subject to the DSIM" and therefore are not properly the subject of MEEIA
10 prudence review proceedings and would be more properly addressed in the context of the
11 FAC. On August 7, 2020, Staff filed its *Staff Response to Evergy Motions to Limit Scope of*
12 *Proceeding* reaffirming its position that Staff's proposed disallowances were properly the
13 subject of MEEIA prudence review proceedings. On August 19, 2020, the Commission
14 issued its *Order Denying Motion to Limit Scope*.

15 Q. Why does Staff believe this is important to note in this proceeding?

16 A. Staff has taken the position, and the Commission has agreed, that the disputed
17 proposed disallowances are appropriate to address in the current MEEIA prudence review
18 proceeding as previously mentioned. However, if the Commission were to determine
19 otherwise throughout the MEEIA prudence review proceeding, Staff reserves the right to
20 address the proposed disallowances in this FAC prudence review proceeding as necessary.

³ These cases were consolidated into Case No. EO-2020-0227 on August 5, 2020, in the Commission's *Order Consolidating Cases and Setting Procedural Schedule*.

⁴ On July 30, 2020, Evergy filed a *Notice of Filing and Corrected Motion to Limit Scope of Proceeding* to correct for an incorrect tariff sheet reference.

1 Staff and OPC both agree that the best venue to resolve the disputed proposed disallowances
2 on these issues is in the pending MEEIA prudence review proceeding. However, because
3 Evergy argued that the disputed proposed disallowances should be applied in an FAC
4 prudence review, OPC has raised the issue in this proceeding to ensure the disputed proposed
5 disallowances are not passed through the FAC.⁵

6 Q. Does this conclude your prepared direct testimony in this proceeding?

7 A. Yes, it does.

⁵ *Response to Staff's Ninth Prudence Review Report for Evergy Missouri West and Third Prudence Review Report for Evergy Missouri Metro and Request for an Evidentiary Hearing*, pgs. 5 – 6.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Ninth Prudence)
Review of Costs Subject to the)
Commission-Approved Fuel Adjustment)
Clause of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West

Case No. EO-2020-0262

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COME NOW Brad J. Fortson, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Corrected Direct Testimony*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Brad J. Fortson
Brad J. Fortson