

# Exhibit No. 105

PSC Staff – Exhibit 105  
Seoung Joun Won, PhD  
Rebuttal Testimony  
File No. EA-2022-0328

*Exhibit No.:*  
*Issue(s):* *Financial Ability to  
Provide the Service*  
*Witness:* *Seoung Joun Won, PhD*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *EA-2022-0328*  
*Date Testimony Prepared:* *January 17, 2023*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL AND BUSINESS ANALYSIS DIVISION**  
**FINANCIAL ANALYSIS DEPARTMENT**

**REBUTTAL TESTIMONY**  
**OF**  
**SEOUNG JOUN WON, PhD**

**EVERGY MISSOURI WEST, INC.,  
d/b/a Evergy Missouri West**

**CASE NO. EA-2022-0328**

*Jefferson City, Missouri*  
*January 2023*

1 **REBUTTAL TESTIMONY OF**

2 **SEOUNG JOUN WON, PhD**

3 **EVERGY MISSOURI WEST, INC.,**  
4 **d/b/a Evergy Missouri West**

5 **CASE NO. EA-2022-0328**

6 Q. Please state your name and business address.

7 A. My name is Seoung Joun Won and my business address is P.O. Box 360,  
8 Jefferson City, Missouri 65102.

9 Q. Who is your employer, and what is your present position?

10 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
11 a member of Commission Staff (“Staff”) and my title is Regulatory Compliance Manager for  
12 the Financial Analysis Department, in the Financial and Business Analysis Division.

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

14 A. Please refer to Schedule SJW-r1, attached to this Rebuttal Testimony, for my  
15 educational background and work experience and a list of cases in which I have filed testimony  
16 or recommendations.

17 Q. What is the purpose of your rebuttal testimony?

18 A. I am responding to the testimonies of Evergy Missouri West, Inc.  
19 (“Evergy Missouri West,” “EMW,” or the “Company”) witnesses, including the Direct  
20 Testimonies of Matthew W. Dority and Jason O. Humphrey regarding the financial ability to  
21 acquire Persimmon Creek Wind Farm (“Persimmon Creek,” “Project” or the “Asset”) and to  
22 operate, manage, maintain, and control the Asset.

23 Q. What is the overview of the financing plans for the purchase and operation of  
24 the Asset?

1           A.     EMW signed a Membership Interest Purchase Agreement (“MIPA”) with  
2 GSQ, LLC (“Project Company”) on August 8, 2022 to purchase all the membership shares in  
3 the Project Company that owns Persimmon Creek and its shared facilities agreement for the  
4 generator interconnection agreement.<sup>1</sup> The total cost of the Project is a purchase price of  
5 \$245,700,000 plus working capital adjustments and adjustments for production tax credit  
6 (“PTC”) value, both to be finalized at closing.<sup>2</sup> EMW plans to finance this Asset through its  
7 rate base at its authorized weighted average cost of capital (“WACC”).<sup>3</sup>

8           Q.     What is EMW witnesses’ position related to the financial ability of EMW in this  
9 docket?

10          A.     EMW witnesses insisted EMW has the ability to finance the purchase and  
11 operation of the Project because EMW can pay the total estimated purchase price of the Project  
12 through its rate base at its authorized WACC.<sup>4</sup> To operate and maintain the Project, EMW  
13 plans to keep the current GE Full Service Agreement in place for at least 6 months until EMW  
14 transitions to self-performance of plant maintenance and asset management.<sup>5</sup> In addition, EMW  
15 has experience in financing the purchase and operation of large projects.<sup>6</sup>

16          Q.     Do you agree with EMW’s witnesses that EMW has financial ability to  
17 construct, operate, and maintain the Project in this docket?

18          A.     Yes. With consideration of EMW’s financial capacity, the Applicant has the  
19 financial ability to provide the service. Standard & Poor’s (“S&P”) expects EMW will account

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<sup>1</sup> Paragraphs 13-15, The Application.

<sup>2</sup> Page 4, lines 10-14, Dority’s Direct Testimony.

<sup>3</sup> Page 10, lines 19-20, Humphrey’s Direct Testimony.

<sup>4</sup> Page 9, lines 12-15, Dority’s Direct Testimony.

<sup>5</sup> Page 15, lines 1-5 and page 13, lines 17-21, Humphrey’s Direct Testimony.

<sup>6</sup> Page 9, lines 11-12, Dority’s Direct Testimony.

1 for 20% of Evergy Inc.'s \$10.4 billion in consolidated capital spending through 2025.<sup>7</sup> EMW  
2 is a wholly owned subsidiary of Evergy Inc., and the parent company, Evergy Inc., estimated  
3 cash funds from operations ("FFO") of about \$1.7 billion and credit facility availability of  
4 \$2.5 billion.<sup>8</sup> In addition, EMW has about \$900 million in cash and liquid investments,  
5 estimated cash FFO, and assumed credit facility availability.<sup>9</sup> S&P and Moody's rated both  
6 EMW and Evergy Inc. as investment grade. S&P rated both EMW and Evergy Inc. as "A-",  
7 while Moody's rated them as "Baa2".<sup>10</sup> Considering the fact that the proposed cost for the  
8 purchase is less than 2.5% of the overall expected consolidated capital spending through 2025,  
9 it is reasonable to conclude that EMW has the financial ability to purchase, operate, manage,  
10 maintain, and control Persimmon Creek Wind Farm.

11 Q. Does this conclude your rebuttal testimony?

12 A. Yes.

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<sup>7</sup> Evergy Missouri West Inc. Ratings Score Snapshot, RatingsDirect, S&P Global Ratings. December 14, 2021.

<sup>8</sup> Evergy Inc. Ratings Score Snapshot, RatingsDirect, S&P Global Ratings. September 8, 2022.

<sup>9</sup> Evergy Missouri West Inc. Ratings Score Snapshot, RatingsDirect, S&P Global Ratings. December 14, 2021.

<sup>10</sup> S&P Capital IQ Pro.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of the Application of Evergy )  
Missouri West, Inc. d/b/a Evergy Missouri West )  
for Permission and Approval of a Certificate of )  
Public Convenience and Necessity Authorizing )  
It to Purchase, Own, Operate, Maintain and )  
Otherwise Control and Manage an Existing )  
Wind Generation Facility in Oklahoma )

Case No. EA-2022-0328

**AFFIDAVIT OF SEOUNG JOUN WON, PhD**

STATE OF MISSOURI     )  
                                          )     ss.  
COUNTY OF COLE     )

**COMES NOW SEOUNG JOUN WON, PhD** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Seoung Joun Won, PhD*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
**SEOUNG JOUN WON, PhD**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 13<sup>th</sup> day of January 2023.



  
\_\_\_\_\_  
Notary Public

## **Credentials and Background of**

### **Seoung Joun Won, PhD**

I am currently employed as a Regulatory Compliance Manager in the Financial Analysis Department of the Financial and Business Analysis Division of the Missouri Public Service Commission. I have been employed at the Missouri Public Service Commission since May 2010.

I received my Bachelor of Arts, Master of Arts, and Doctor of Philosophy in Mathematics from Yonsei University and my Bachelor of Business Administration in Financial Accounting from Seoul Digital University in Seoul, South Korea, and earned my Doctor of Philosophy in Economics from the University of Missouri - Columbia. Also, I passed several certificate examinations for Finance Specialist in South Korea such as Accounting Management, Financial Risk Manager, Enterprise Resource Planning Accounting Consultant, Derivatives Investment Advisor, Securities Investment Advisor, and Financial Planner.

Prior to joining the Commission, I taught both undergraduate and graduate level mathematics at the Korean Air Force Academy and Yonsei University for 13 years. I served as the director of the Education and Technology Research Center in NeoEdu for 5 years. Before starting my current position at the Missouri Public Service Commission, I had served as a regulatory economist in Tariff/Rate Design Department.

My current duties at the Commission include financial analysis of rate of return and cost of equity, valuation analysis on merger and acquisition, due diligence review and supporting economic and statistical analysis.

## List of Previous Testimony Filed

### Seoung Joun Won, PhD

<u>Case Number</u>	<u>Company</u>	<u>Issue</u>
ER-2022-0337	Union Electric Co., d/b/a Ameren Missouri	Rate of Return, Capital Structure
EA-2022-0245	Union Electric Co., d/b/a Ameren Missouri	Financial Capability
EA-2022-0244	Union Electric Co., d/b/a Ameren Missouri	Financial Capability
EA-2022-0234	NextEra Energy Transmission Southwest, LLC	Financial Capability
GR-2022-0179	Spire Missouri, Inc., d/b/a Spire	Rate of Return, Capital Structure
GF-2022- 0169	Spire Missouri, Inc.	Financing Authority
EF-2022-0164	Union Electric Co., d/b/a Ameren Missouri	Financing Authority
WF-2022-0161	Missouri-American Water Company	Financing Authority
ER-2022-0130	Evergy Missouri West, Inc., d/b/a Evergy Missouri West	Rate of Return, Capital Structure
ER-2022-0129	Evergy Missouri Metro	Rate of Return, Capital Structure
EF-2022- 0103	Evergy Missouri West, Inc.	Financing Authority
WF-2022-0066	Missouri American Water Company	Financing Authority
WF-2021-0427	Raytown Water Company	Financing Authority
GR-2021-0320	Empire District Gas Company	Rate of Return, Capital Structure
ER-2021-0312	Empire District Electric Company	Rate of Return, Capital Structure
GR-2021-0241	Union Electric Co., d/b/a Ameren Missouri	Rate of Return, Capital Structure



cont'd List of Previous Testimony Filed

**Seoung Joun Won, PhD**

<u>Case Number</u>	<u>Company</u>	<u>Issue</u>
ER-2021-0240	Union Electric Co., d/b/a Ameren Missouri	Rate of Return, Capital Structure
GR-2021-0108	Spire Missouri, Inc.	Rate of Return, Capital Structure
EA-2021-0087	Ameren Transmission Company of Illinois	Financial Capability
EA-2020-0371	Union Electric Co., d/b/a Ameren Missouri	Financial Capability
SR-2020-0345	Missouri American Water Company	Rate of Return, Capital Structure
WR-2020-0344	Missouri American Water Company	Rate of Return, Capital Structure
EF-2020-0301	Evergy Missouri Metro	Financing Authority
WR-2020-0264	Raytown Water Company	Rate of Return, Capital Structure
WR-2020-0053	Confluence Rivers Utility Operating Company, Inc.	Rate of Return, Capital Structure
HM-2020-0039	Veolia Energy Kansas City, Inc. AIP Project Franklin Bidco	Merger and Acquisition
EO-2019-0133	KCP&L Greater Missouri Operations Company, Evergy Metro	Business Process Efficiency
EO-2019-0132	Kansas City Power & Light Company, Evergy Metro	Business Process Efficiency
GR-2019-0077	Union Electric Co., d/b/a Ameren Missouri	Weather & Normalization, Net System Input
GO-2019-0059	Spire West, Spire Missouri, Inc.	Weather Variables
GO-2019-0058	Spire East., Spire Missouri, Inc.	Weather Variables
ER-2018-0146	KCP&L Greater Missouri Operations Co.	Weather & Normalization, Net System Input
ER-2018-0145	Kansas City Power & Light Co.	Weather & Normalization, Net System Input

cont'd List of Previous Testimony Filed

**Seoung Joun Won, PhD**

<u>Case Number</u>	<u>Company</u>	<u>Issue</u>
GR-2018-0013	Liberty Utilities (Midstates Natural Gas) Corp.	Weather Variables
GR-2017-0216	Missouri Gas Energy (Laclede), Spire Missouri, Inc.	Weather Variables
GR-2017-0215	Laclede Gas Co., Spire Missouri, Inc.	Weather Variables
ER-2016-0285	Kansas City Power & Light Co.	Weather & Normalization, Net System Input
ER-2016-0179	Union Electric Co., d/b/a Ameren Missouri	Weather & Normalization, Net System Input
ER-2016-0156	KCP&L Greater Missouri Operations Co.	Weather & Normalization, Net System Input
ER-2016-0023	Empire District Electric Company	Weather & Normalization, Net System Input
ER-2014-0370	Kansas City Power & Light Co	Weather & Normalization, Net System Input
ER-2014-0351	Empire District Electric Company	Weather & Normalization, Net System Input
ER-2014-0258	Union Electric Co., d/b/a Ameren Missouri	Weather & Normalization, Net System Input
EC-2014-0223	Noranda Aluminum, Inc., et al, Complaint v. Union Electric Co., d/b/a Ameren Missouri	Weather Variables
GR-2014-0152	Liberty Utilities (Midstates Natural Gas) Corp.	Weather Variables
GR-2014-0086	Summit Natural Gas of Missouri, Inc.	Weather Variables
HR-2014-0066	Veolia Energy Kansas City, Inc.	Weather Variables, Revenue
GR-2013-0171	Laclede Gas Co.	Weather Variables
ER-2012-0345	Empire District Electric Company	Weather Variables, Revenue
ER-2012-0175	KCP&L Greater Missouri Operations Co.	Weather Variables

cont'd List of Previous Testimony Filed

**Seoung Joun Won, PhD**

<u>Case Number</u>	<u>Company</u>	<u>Issue</u>
ER-2012-0174	Kansas City Power & Light Co.	Weather Variables
ER-2012-0166	Union Electric Co., d/b/a Ameren Missouri	Weather Variables, Revenue
HR-2011-0241	Veolia Energy Kansas City, Inc.	Weather Variables
ER-2011-0028	Union Electric Co., d/b/a Ameren Missouri	Weather Variables, Revenue
ER-2011-0004	Empire District Electric Company	Weather Variables, Revenue
GR-2010-0363	Union Electric Co., d/b/a Ameren Missouri	Weather Variables
ER-2010-0356	KCP&L Greater Missouri Operations Co.	Weather Variables
ER-2010-0355	Kansas City Power & Light Co.	Weather Variables, Revenue

**Work Related Publication**

Won, Seoung Joun, X. Henry Wang, and Henry E. Warren. "Climate normals and weather normalization for utility regulation." *Energy Economics* (2016).