

Exhibit No.:

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

Witness: Brooke Mastrogiannis

Sponsoring Party: MoPSC Staff

Type of Exhibit: Rebuttal Testimony

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

Date Testimony Prepared: December 4, 2020

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

REBUTTAL TESTIMONY

OF

BROOKE MASTROGIANNIS

**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*

**** Denotes Confidential Information ****

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1 A. The purpose of my rebuttal testimony is to address the direct testimony of OPC
2 witness Lena M. Mantle as it relates to the imprudence of the Sibley generating unit costs.
3 I will also respond to both OPC witnesses Lena M. Mantle and John S. Riley in regard to the
4 Montrose coal inventory adjustment.

5 **RESPONSE TO OPC WITNESS LENA M. MANTLE’S DIRECT TESTIMONY ON**
6 **SIBLEY GENERATING UNIT IMPRUDENCE**

7 Q. What does Ms. Mantle recommend regarding the Sibley Generating Unit in her
8 direct testimony?

9 A. Ms. Mantle recommends that the Commission Order an adjustment for the
10 \$1,039,646 in costs related to the retirement of the Sibley generating unit, and also to classify
11 this ordered adjustment as imprudent.

12 Q. Did Staff make the same recommendation?

13 A. Not entirely. My direct testimony was corrected to note that Staff recommended
14 the Commission Order an adjustment for the \$1,039,646 in costs; however, Staff did not allege
15 these costs were imprudent. Staff determined it was necessary to take action and recommend a
16 disallowance on the Sibley costs associated with the retirement and decommissioning of the
17 generating unit since Evergy Missouri West had agreed to remove those costs beginning with
18 AP24 and going forward. During this prudence review, Evergy Missouri West stated in
19 response to Staff Data Request (“DR”) 0064.2, ** _____
20 _____
21 _____
22 _____

**

23 Evergy Missouri West also stated in response to Staff’s DR 0064.2:

**

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For these reasons stated by Evergy Missouri West, Staff recommended a disallowance for these costs to be removed from the FAC, but did not deem Evergy Missouri West’s actions imprudent.

**RESPONSE TO OPC WITNESSES LENA M. MANTLE AND JOHN S. RILEY’S
DIRECT TESTIMONY ON MONTROSE COAL INVENTORY ADJUSTMENT**

Q. OPC witnesses John S. Riley and Lena M. Mantle both write testimony on the Montrose coal inventory adjustment issue; to whom are you responding?

A. Both.

Q. Do their arguments seem to conflict with their position?

A. Yes. OPC witness Ms. Mantle states the annual or biannual coal inventory adjustments that were made from 2015 until January 2018 were acceptable to include in the FAC. These inventory adjustments were provided in response to OPC DR 8002, and are attached to my testimony as Confidential Schedule BM-r1.

Ms. Mantle states in her direct testimony, “The coal inventory adjustments in 2015, 2016, 2017 and January 2018 were coal inventory adjustments that are allowed.” She further states, “the adjustments in 2015, 2016, 2017, and January 2018 were adjustments made to accurately reflect the amount and cost of coal that had been burned to generate electricity.”

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1 However, both Ms. Mantle and Mr. Riley are attempting to classify the biannual adjustment in
2 December 2018 as different compared to the annual and biannual adjustments prior to
3 December 2018. Both OPC witnesses discuss this December 2018 adjustment was not for the
4 cost of coal that had been burned to generate electricity. However, Staff finds the adjustment in
5 December 2018 was similar to the entries from 2015 through January 2018. All of the
6 adjustments were similar because they were all made with the purpose of bringing the book
7 inventory in line with the inventory amount physically on the ground, which indirectly
8 represents that the adjustment was to account for burnable coal.

9 Q. Has Evergy Missouri Metro provided explanation of the inventory adjustment
10 process?

11 A. Yes. Evergy Missouri Metro described this process for all of the 2015 through
12 2018 coal inventory adjustments in response to Staff DR 0076:

13 ** _____
14 _____
15 _____
16 _____
17 _____
18 _____
19 _____
20 _____
21 _____
22 _____
23 _____
24 _____ **¹

25 Evergy Missouri Metro also described this process in response to Staff DR 0064.3:

26 ** _____
27 _____

¹ Filed in Case No. EO-2020-0262.

1 _____
2 _____
3 _____
4 _____
5 _____ **2

6 Evergy Missouri Metro also states in response to Staff DR 0077, “The adjustment made for
7 Montrose in December 2018 was similar in that it was an adjustment to bring book inventory
8 in line with the physical inventory at the plant.”³ Based on these responses, it is Staff’s opinion
9 that this coal inventory adjustment made in December 2018 is similar to the previous coal
10 inventory adjustment entries recorded from 2015 through 2018, as they all accurately reflect
11 the inventory amount recorded on the books and the inventory amount physically on the ground
12 are in agreement, according to MIKON.

13 Q. Does Staff disagree with anything else regarding OPC’s position?

14 A. Yes. Both OPC witnesses also make the assumption that because there was no
15 physical inventory left on the ground at Montrose, this coal inventory adjustment must be for
16 the cost of basemat coal. However, Evergy Missouri Metro has never stated that any of this
17 adjustment was for basemat coal. In fact, it states in response to OPC DR 1307, “Company
18 personnel burned down the coal pile as far as possible and anything remaining was considered
19 basemat and disposed of in the landfill as part of the decommissioning work. The costs to
20 dispose of the basemat have been recorded to account 108 - Retirement Work in Progress.”

21 Evergy Missouri Metro also states in response to Staff’s DR 0074, ** _____
22 _____
23 _____ **4 Therefore, it is

² Filed in Case No. EO-2020-0263.
³ Filed in Case No. EO-2020-0262.
⁴ Filed in Case No. EO-2020-0262.

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1 clear to Staff that any “basemat coal” expenses were not included for recovery through the
2 FAC; instead they were included in account 108, and this December 2018 coal inventory
3 adjustment does not include any basemat coal costs.

4 Q. Does this conclude your rebuttal testimony in this proceeding?

5 A. Yes, it does

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Ninth Prudence)
Review of Costs Subject to the) Case No. EO-2020-0262
Commission-Approved Fuel Adjustment)
Clause of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COME NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Brooke Mastrogiannis*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Brooke Mastrogiannis
BROOKE MASTROGIANNIS

SCHEDULE BM-r1

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY