

Issue: Renewable Energy Credit Revenues  
and the FAC,  
Witness: Linda J. Nunn  
Type of Exhibit: True-Up Rebuttal Testimony  
Party: Evergy Missouri Metro and Evergy  
Missouri West  
Case No.: ER-2022-0129 / 0130  
Date Testimony Prepared: August 25, 2022

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2022-0129 / 0130**

**TRUE-UP REBUTTAL TESTIMONY**

**OF**

**LINDA J. NUNN**

**ON BEHALF OF**

**EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**Kansas City, Missouri  
August 2022**

**TRUE-UP REBUTTAL TESTIMONY**

**OF**

**LINDA J. NUNN**

**Case No. ER-2022-0129 / 0130**

1 **Q: Please state your name and business address.**

2 A: My name is Linda J. Nunn. My business address is 1200 Main, Kansas City,  
3 Missouri 64105.

4 **Q: Are you the same Linda J. Nunn who submitted direct, rebuttal, surrebuttal,**  
5 **and true-up direct testimony in these dockets?**

6 A: Yes.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro  
9 (“EMM”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”)  
10 (collectively, the “Company”).

11 **Q: What is the purpose of your True-up Rebuttal testimony?**

12 A: The purpose of my testimony is to respond to the true-up direct testimony of Office  
13 of Public Counsel (“OPC”) witness Lena Mantle regarding the Fuel Adjustment  
14 Clause (“FAC”) base factors.

15 **Q: Please briefly summarize Ms. Mantle’s testimony.**

16 A: Ms. Mantle notes that EMM and EMW sold Renewable Energy Credits (“RECs”)  
17 in the months of February 2022 through May 2022 and that neither Staff nor the  
18 Company included these REC revenues in the revenue requirement or FAC base

1 factor. Ms. Mantle recommends that a normalized level of REC revenues, which  
2 she argues is equal to the actual REC revenues received for the 12-months ending  
3 May 2022, be included in each company's revenue requirement and FAC base  
4 factor calculation. (True-up direct testimony OPC witness Mantle at 4-5).

5 **Q: Do you agree with Ms. Mantle?**

6 A: No,

7 **Q: Why shouldn't RECs be included in the FAC base or the revenue requirement**  
8 **calculation?**

9 A: First, REC sales are unpredictable and non-repetitive.

10 Second, the REC sales that Ms. Mantle references were for RECs related to  
11 prior years and not forward looking.

12 Finally, the market value for RECs varies wildly.

13 It would be irrational to set a base level for revenues that are inconsistent,  
14 non-repeatable, and unpredictable. Ms. Mantle's proposal should be rejected.

15 **Q: If REC sales revenues are not included in the FAC base factor and revenue**  
16 **requirements in this case will customers appropriately receive the benefit of**  
17 **future REC sales made by EMM and EMW?**

18 A: Yes, absolutely. Even though REC sales should not be reflected in the FAC base  
19 factor or revenue requirements in this case for the reasons I outlined, consistent  
20 with what has occurred for the REC sales that have already been made by the  
21 companies, including those listed by Ms. Mantle, customers receive the benefit of  
22 REC sales through inclusion in the FAC accumulation filings made every 6 months  
23 by the companies. Ms. Mantle's argument that the 95%/5% sharing between

1 customers and the Company of net FAC costs could benefit the Company, is  
2 irrelevant.

3 **Q: Does that conclude your true-up rebuttal testimony?**

4 **A:** Yes, it does.

