Exhibit No.:

Issue(s): Fuel Adjustment Clause Witness: Amanda C. Conner

Sponsoring Party: MoPSC Staff

Type of Exhibit: Surrebuttal and True-Up

Direct Testimony

Case Nos.: ER-2022-0129 and

ER-2022-0130

Date Testimony Prepared: August 16, 2022

# MISSOURI PUBLIC SERVICE COMMISSION INDUSTRY ANALYSIS DIVISION ENERGY RESOURCES DEPARTMENT

# SURREBUTTAL AND TRUE-UP DIRECT TESTIMONY

**OF** 

**AMANDA C. CONNER** 

Evergy Metro, Inc., d/b/a Evergy Missouri Metro Case No. ER-2022-0129

Evergy Missouri West, Inc., d/b/a Evergy Missouri West Case No. ER-2022-0130

> Jefferson City, Missouri August 2022

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7 8	Evergy Missouri West, Inc., d/b/a Evergy Missouri West Case No. ER-2022-0130		
9	Q. Please state your name, employment position, and business address.		
10	A. Amanda C. Conner, Utility Regulatory Auditor with the Missouri Public Servi	ice	
11	Commission ("Commission" or "PSC"), 200 Madison Street, Jefferson City, Missouri 65102	2.	
12	Q. Are you the same Amanda C. Conner who previously provided testimony	in	
13	this case?		
14	A. Yes. I filed direct and rebuttal testimony in the Evergy Metro, Inc., d/b/a Ever	gу	
15	Missouri Metro ("EMM") and Evergy Missouri West, Inc., d/b/a Evergy Missouri West		
16	("EMW") (collectively "Company") rate cases designated as Case No. ER-2022-0129 and Case		
17	No. ER-2022-0130, respectively, on June 8, 2022, direct testimony for Class Cost of Service		
18	filed on June 22, 2022, and rebuttal testimony filed on July 13, 2022.		
19	Q. What is the purpose of your surrebuttal and true-up direct testimony?		
20	A. The purpose of my surrebuttal testimony is to address EMM and EMW witne	ess	
21	Linda J. Nunn's Fuel Adjustment Clause (FAC) rebuttal testimony in which she requests the		
22	continuation of the Company's FAC with modifications. The purpose of my true-up testimo	ny	
23	is to provide an update to the FAC.		
24	EXECUTIVE SUMMARY		
25	Q. What is the purpose of your surrebuttal testimony?		

- A. The purpose of my surrebuttal testimony is to address the concerns Company witness Linda Nunn mentions in her rebuttal testimony to my direct testimony. This essentially consists of clarifying Staff's position in regards to the FAC tariff.
  - Q. What is the purpose of your true-up direct testimony?
- A. I will discuss a true-up of Staff's FAC base factor as of the true-up date of December 31, 2021.

#### **SURREBUTTAL**

- Q. On page 16, lines 6-10 of Ms. Nunn's rebuttal testimony, she states that Staff did not provide a proposed tariff sheet to clarify that the only transmission costs included in EMM's and EMW's tariff sheets are those that are incurred for purchased power (PP) and off system sales (OSS). Was it your intention to request a change in the language in the current tariff sheets?
- A. No, I was not suggesting that new tariff language was needed. The recommendation should not have been to clarify, but to keep the current tariff language that states that the only transmission costs to be included in EMM's and EMW's FAC tariffs are only those that are incurred for PP and OSS.
- Q. On page 16, lines 11-20, of Ms. Nunn's rebuttal testimony, Ms. Nunn agrees to continue to provide the FAC monthly reports, but she stated that Staff describes the monthly reports differently from what the Company provides or different from one jurisdiction to another. Was it your intention to request changes to the monthly reports?
- A. No, Staff agrees the current information provided in both EMM's and EMW's FAC monthly reports is sufficient. I included the requested language from the last rate cases,

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- ER-2018-0145 and ER-2018-0146, for reference of what was requested. However, there is no need to make any changes to the FAC monthly reports provided by the Company.
  - Q. On page 17, lines 11-16 of Ms. Nunn's rebuttal testimony, she questions why Staff believes that EMW's base factor calculation should be modified to take into consideration the Company's proposed industrial steam auxiliary power calculation. Ms. Nunn explains that this is not appropriate, as costs associated with auxiliary power will be moved from an account included in the FAC calculation to an account not included in the FAC calculation. Why did Staff make this recommendation?
  - A. Staff sent Data Request No. 0258 and subsequent Data Request No. 0258.1 regarding the industrial steam auxiliary power calculation. Though Staff received the calculation, EMW's response to the data requests was not clear on how EMW would account for it. However, since Ms. Nunn explains in her rebuttal testimony in the sections stated above that the fuel runs used to establish base rates in the EMW electric case includes electric usage only and does not include costs associated with EMW's industrial steam production, Staff's initial recommendation to account for this adjustment in the FAC base factor is no longer needed. However, as the Company stated in its response to Data Request No. 0258S, the auxiliary power general ledger entry will be separate from the already existing steam transfer credits. If Staff understands EMW's process to be that the auxiliary power amount used to produce industrial steam is reduced from the fuel accounts before these fuel accounts hit the FAC, then Staff would agree that a further adjustment to reduce fuel costs for auxiliary power for industrial steam is not needed for purposes of future Fuel Adjustment Rate (FAR) filings. If the FAC recoverable fuel accounts are not already reduced for the auxiliary power for industrial steam, then Staff expects this adjustment to be made within the FAR filings, to

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reduce recoverable fuel costs. Either way, Staff requests that future FAR workpapers demonstrate this calculation for industrial steam auxiliary power and its effects on the FAR filings. Staff is also open to the possibility of additional wording in the FAC tariff to clarify this process to all parties. Q. On page 17, line 17 through page 18, line 15, Ms. Nunn stated that the voltage levels set by Staff do not include the substation levels. Do you agree with the changes Ms. Nunn makes in her rebuttal testimony? A. This will be addressed in detail in Staff witness Alan J. Bax's surrebuttal testimony, but Staff agrees that the substation voltage levels should be included. Q. Does this conclude your surrebuttal testimony? A. Yes. TRUE-UP DIRECT REVISED BASE FACTOR What is Staff recommending for EMM's and EMW's True-Up Base Factors? Q. A. Staff calculated the base factor (BF) rate in this case based upon the following information in Staff's cost of service (COS) Report: (1) net base energy costs (fuel and purchased power costs less OSS revenue) including Staff's accounting adjustments to test year; and (2) normalized net system inputs (NSI): EMM Base Factor: Net Fuel and PP \$265,580,284 NSI \$15,300,113,486

\$0.01736 per kWh

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EMW Base Factor:
 Net Fuel and PP \$253,857,113
 NSI \$8,845,014,770
 BF \$0.02870 per kWh

#### REVISED TRANSMISSION PERCENTAGE

Q. What are the percentages Staff recommends for EMM's and EMW's true-up transmission costs?

A. As provided in Staff witness Shawn E. Lange's true-up workpapers,<sup>1</sup> Staff calculated the pass-through percentage of Southwest Power Pool (SPP) transmission costs<sup>2</sup> in the FAC as 33.1% for EMM. As provided in Staff witness Charles T. Poston's true-up workpapers,<sup>3</sup> Staff calculated the pass-through percentage of SPP transmission costs<sup>4</sup> in the FAC as 75.43% for EMW. This calculation is based on the output from Staff's fuel models that were used to develop the revenue requirements found in Staff's COS report for this case. The calculations are appropriate because they are consistent with the method used to calculate the pass-through percentage of SPP transmission costs for EMM's and EMW's current FAC.

#### FAC VOLTAGE ADJUSTMENT FACTORS

Q. What is Staff recommending as the FAC Voltage Adjustment Factors at this time?

<sup>&</sup>lt;sup>1</sup> Workpaper titled "TU EMM DIRECT FUEL Summary 72722" tab "FAC%".

<sup>&</sup>lt;sup>2</sup> The pass-through percentage of SPP transmission costs are a representation of transmission expenses that are associated with energy purchases from the SPP IM in excess of energy generation by EMM's and EMW's respective generation units.

<sup>&</sup>lt;sup>3</sup> Workpaper titled "EMW True-Up Fuel Model Results – 08-08-22" tab "FAC%".

<sup>&</sup>lt;sup>4</sup> The pass-through percentage of SPP transmission costs are a representation of transmission expenses that are associated with energy purchases from the SPP IM in excess of energy generation by EMM's and EMW's respective generation units.

As explained in Staff witness Alan J. Bax's testimonies in this case, Staff continues to use the voltage adjustment factors<sup>5</sup> presently included in the FAC tariff sheets for EMM's and EMW's most recent general rate cases in the current general rate case as provided in the following table.

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	EMM	EMW
Voltage Level	Voltage Adjustment Factor	
Transmission	1.03	1.03
Substation	1.0378	1.0388
Primary	1.0496	1.0503
Secondary	1.0690	1.0766

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- Q. Does this conclude your true-up direct testimony?
- A. Yes it does.

<sup>&</sup>lt;sup>5</sup> Alan J. Bax's voltage testimony can be found in his surrebuttal testimony, page 3, line 15 through page 4, line 18.

## BEFORE THE PUBLIC SERVICE COMMISSION

### OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service	( ) Case No. ER-2022-0129 )						
In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service	) Case No. ER-2022-0130 )						
AFFIDAVIT OF AMANDA C. CONNER							
STATE OF MISSOURI )							
COUNTY OF COLE ) ss.							
COMES NOW AMANDA C. CONNER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal / True-Up Direct Testimony of Amanda C. Conner; and that the same is true and correct according to her best knowledge and belief.  Further the Affiant sayeth not.  Conner:  AMANDA C. CONNER							
JU	RAT						
Subscribed and sworn before me, a duly cor	nstituted and authorized Notary Public, in and for						
the County of Cole, State of Missouri, at my offi	ce in Jefferson City, on this/O # day of						
August 2022.							
D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070	Suzullankin Dotary Public						