

Exhibit No.:  
Issue: Fuel Adjustment Clause  
Witness: Lisa A. Starkebaum  
Type of Exhibit: Supplemental Testimony  
Sponsoring Party: Evergy Missouri Metro  
Case No.: ER-2020-0221  
Date Testimony Prepared: February 25, 2020

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2020-0221**

**SUPPLEMENTAL TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**ON BEHALF OF**

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

**Kansas City, Missouri  
February 2020**

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Evergy Metro, Inc. for )  
Authority to Implement Rate Adjustments )  
Required by 20 CSR 4240-20.090(8) and )  
the Company's Approved Fuel and Purchased )  
Power Cost Recovery Mechanism ) Case No. ER-2020-0221

**AFFIDAVIT OF LISA A. STARKEBAUM**

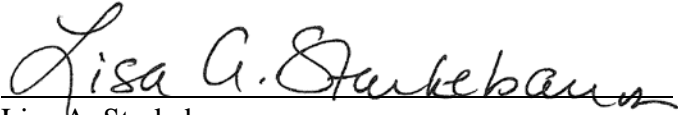
**STATE OF MISSOURI** )  
 ) ss  
**COUNTY OF JACKSON** )

Lisa A. Starkebaum, being first duly sworn on her oath, states:


1. My name is Lisa A. Starkebaum. I work in Kansas City, Missouri, and I am employed by Evergy, Inc. as Manager, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Supplemental Testimony on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro, consisting of four (4) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Lisa A. Starkebaum

Subscribed and sworn before me this 25<sup>th</sup> day of February 2020.

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

My commission expires: 4/26/2021



**SUPPLEMENTAL TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**Case No. ER-2020-0221**

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

2 A: My name is Lisa A. Starkebaum. My business address is 1200 Main, Kansas  
3 City, Missouri 64105.

4 **Q: Are you the same Lisa A. Starkebaum who filed direct testimony in this case?**

5 A: Yes, I am.

6 **Q: What is the purpose of your supplemental testimony in this case?**

7 A: In Evergy Missouri Metro’s initial FAC tariff filing made on January 31, 2020,  
8 the Company included Actual Net Energy Costs (“ANEC”) that related to the  
9 Montrose generating station totaling \$132,271 (Total Evergy Metro). These  
10 expenses were incurred during this ninth accumulation period (“AP”), subsequent  
11 to the retirement of the Montrose generating station at the end of 2018. My  
12 supplemental testimony will describe the various components that make up the  
13 \$132,271 and the Company’s proposed adjustment following discussions with  
14 MPSC Staff.

15 **Q: What are the components that make up the \$132,271 in Montrose expenses  
16 that have been included in ANEC in this ninth AP?**

17 A: There are three components that make up this amount.

18       ▪ An invoice amounting to \$7,723 for unit train expense that was  
19       incorrectly recorded to the Montrose generating station

- 1           ▪       An invoice amounting to \$1,674 that relates to tax true-up  
2                               adjustments for 2017 Montrose coal shipments
- 3           ▪       Fuel residual expenses amounting to \$122,874 related to ash  
4                               cleanup and landfill work at Montrose

5 **Q:   Please explain each of these components in more detail and the Company’s**  
6 **proposed treatment in this FAR filing.**

7 A:           The first invoice related to unit train expense amounting to \$7,723 was  
8 coded in error as a Montrose expense in the general ledger in September 2019;  
9 however, it relates to the Iatan generating station. Due to the small amount of  
10 miscoding involved and since the majority of this invoice amount will remain an  
11 expense of Evergy Metro following system allocations, the Company proposes to  
12 leave this amount in the current ninth AP filing and will make a correcting entry  
13 for this in February 2020. This correction will be included in the next semi-  
14 annual filing to be made in July 2020 with the appropriate amount of expense  
15 refunded to customers with interest.

16           The second invoice amounting to \$1,674 consists of severance and ad-  
17 valorem tax true-up adjustments received from a coal supplier in 2019 during this  
18 ninth AP and relates to the true-up of coal shipments dating back to 2017, prior to  
19 the retirement of the Montrose generating station. This type of tax true-up  
20 adjustment is not uncommon and is routine in nature as the mine calculates coal  
21 shipments and bills the Company based on tax rates known at the time; however,  
22 these tax rates change. Once the final tax rates are known, the mine recalculates  
23 the coal shipments resulting in either an additional expense or refund to the

1 Company. The Company believes that this expense should remain included for  
2 recovery through the Fuel Adjustment Clause (“FAC”) as this expense relates to a  
3 true-up of expenses incurred while Montrose was providing electric generation to  
4 serve retail customers.

5 Finally, the Company included fuel residual costs totaling \$122,874 for  
6 recovery in this filing. These expenses consist of ash disposal costs, contractor  
7 costs, materials and landfill work that continues at the Montrose generating  
8 station in order to appropriately dispose of the residuals. Based on internal  
9 discussions following MPSC Staff’s review of the filing, the Company will  
10 remove these costs for recovery through the FAC.

11 In summary, the Company proposes to exclude \$122,874 of the total  
12 \$132,271 in ANEC described above from this semi-annual filing. The impact to  
13 Evergy Missouri Metro customers after applying the Missouri jurisdictional factor  
14 and 95% customer responsibility is a reduction in expense of \$65,201, before  
15 interest.

16 **Q: What impact does this adjustment have on the proposed FAC charge?**

17 A: This adjustment does not change the Company’s proposed rates as originally filed  
18 on January 31, 2020. The proposed FAC charge for Missouri residential  
19 customers is \$0.00011 per kWh. Based on usage of 1,000 kWh per month, the  
20 customer will see a monthly charge of \$0.11. This represents a decrease of \$0.62  
21 to an Evergy Missouri Metro residential customer’s monthly bill compared to the  
22 prior FAC. Attached to my supplemental testimony, as Schedule LAS-1, is a  
23 copy of the substitute tariff sheet with the current FAR, the prior period FAR and

1 the total FAR that will be billed to customers over the recovery period. The  
2 annual FARs for Evergy Missouri Metro customers are shown in the table below:

| <b>Proposed Current Annual FARs</b> |              |
|-------------------------------------|--------------|
| <b>(\$ per kWh)</b>                 |              |
| <b>Voltage</b>                      | <b>Rates</b> |
| Transmission                        | \$0.00012    |
| Substation                          | \$0.00012    |
| Primary                             | \$0.00011    |
| Secondary                           | \$0.00011    |

3

4 **Q: What action is Evergy Missouri Metro requesting from the Commission with**  
5 **respect to the rate schedules that the Company has filed?**

6 A: The Company requests the Commission approve the rate schedules to be effective  
7 as of April 1, 2020.

8 **Q: Does this conclude your testimony?**

9 A: Yes, it does.

**Schedule LAS-1**  
**Page 1 of 1**

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

P.S.C. MO. No. 7 3rd Revised Sheet No. 50.31  
 Canceling P.S.C. MO. No. 7 2nd Revised Sheet No. 50.31

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC  
 FUEL AND PURCHASE POWER ADJUSTMENT ELECTRIC  
 (Applicable to Service Provided December 6, 2018 and Thereafter)  
 Effective for Customer Usage Beginning April 1, 2020 through September 30, 2020

| Accumulation Period Ending: |  | December 31, 2019 |
|-----------------------------|--|-------------------|
| 1                           | Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)              | \$144,722,059     |
| 2                           | Net Base Energy Cost (B)   | - \$137,892,131   |
|                             | 2.1 Base Factor (BF)   | \$0.01675         |
|                             | 2.2 Accumulation Period NSI (S <sub>AP</sub> )                   | 8,232,366,000     |
| 3                           | (ANEC-B)   | \$6,829,928       |
| 4                           | Jurisdictional Factor (J)  | x 57.80378%       |
| 5                           | (ANEC-B)*J   | \$3,950,349       |
| 6                           | Customer Responsibility  | x 95%             |
| 7                           | 95% *((ANEC-B)*J)  | \$3,752,832       |
| 8                           | True-Up Amount (T)   | +                 |
| 9                           | Interest (I)   | +                 |
| 10                          | Prudence Adjustment Amount (P)                                   | +                 |
| 11                          | Fuel and Purchased Power Adjustment (FPA)                        | = \$3,433,909     |
| 12                          | Estimated Recovery Period Retail NSI (S <sub>RP</sub> )          | ÷ 8,880,647,913   |
| 13                          | Current Period Fuel Adjustment Rate (FAR)                        | = \$0.00039       |
| 14                          |  |                   |
| 15                          | Current Period FAR <sub>Trans</sub> = FAR x VAF <sub>Trans</sub> | \$0.00040         |
| 16                          | Prior Period FAR <sub>Trans</sub>                                | +                 |
| 17                          | Current Annual FAR <sub>Trans</sub>                              | = \$0.00012       |
| 18                          |  |                   |
| 19                          | Current Period FAR <sub>Sub</sub> = FAR x VAF <sub>Sub</sub>     | \$0.00040         |
| 20                          | Prior Period FAR <sub>Sub</sub>                                  | +                 |
| 21                          | Current Annual FAR <sub>Sub</sub>                                | = \$0.00012       |
| 22                          |  |                   |
| 23                          | Current Period FAR <sub>Prim</sub> = FAR x VAF <sub>Prim</sub>   | \$0.00040         |
| 24                          | Prior Period FAR <sub>Prim</sub>                                 | +                 |
| 25                          | Current Annual FAR <sub>Prim</sub>                               | = \$0.00011       |
| 26                          |  |                   |
| 27                          | Current Period FAR <sub>Sec</sub> = FAR x VAF <sub>Sec</sub>     | \$0.00041         |
| 28                          | Prior Period FAR <sub>Sec</sub>                                  | +                 |
| 29                          | Current Annual FAR <sub>Sec</sub>                                | = \$0.00011       |
| 30                          | VAF <sub>Trans</sub> = 1.0129                                    |                   |
| 31                          | VAF <sub>Sub</sub> = 1.0162                                      |                   |
| 32                          | VAF <sub>Prim</sub> = 1.0383                                     |                   |
| 33                          | VAF <sub>Sec</sub> = 1.0592                                      |                   |