

# Exhibit No. 227

*Exhibit No.:*  
*Issue(s):* *Fuel Adjustment  
Clause*  
*Witness:* *Amanda C. Conner*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case Nos.:* *ER-2022-0129 and  
ER-2022-0130*  
*Date Testimony Prepared:* *June 22, 2022*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**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  
2022*

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AMANDA C. CONNER**

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Case No. ER-2022-0129**

**Evergy Missouri West, Inc. d/b/a Evergy Missouri West  
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1 **DIRECT TESTIMONY**

2 **OF**

3 **AMANDA C. CONNER**

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

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

8 Q. Please state your name and business address.

9 A. My name is Amanda C. Conner

10 Q. By whom are you employed and in what capacity?

11 A. I am employed by the Missouri Public Service Commission (“Commission” or “PSC”)  
12 as a Utility Regulatory Auditor.

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

14 A. Please refer to Schedule ACC-d1 attached hereto.

15 Q. Have you previously filed testimony before this Commission?

16 A. Please refer to Schedule ACC-d1 for a list of cases in which I have previously lead  
17 or participated.

18 **EXECUTIVE SUMMARY**

19 **Q. What are the issues that Staff is providing recommendations for that have an**  
20 **impact on Evergy Missouri Metro’s (“EMM’s”) and Evergy Missouri West’s (“EMW’s”)**  
21 **respective fuel adjustment clauses (“FAC”) and FAC tariff sheets?**

22 A. Staff provides the following recommendations for issues that have an impact on EMM’s  
23 and EMW’s respective FACs and FAC tariff sheets:

1 1. Continue EMM’s and EMW’s FACs with the modifications discussed below:

- 2 a. Include a new Base Factor (“BF”) for EMM and a new BF for EMW in the  
3 FAC tariff sheets calculated from the Net Base Energy Cost<sup>1</sup> that the  
4 Commission includes in the revenue requirement upon which it sets EMM’s  
5 and EMW’s general rates in this case;
- 6 b. Clarify that the only transmission costs that are included in EMM’s and  
7 EMW’s FACs are those that EMM and EMW incur for purchased power<sup>2</sup>  
8 and off-system sales (“OSS”), as the current FAC tariff sheets allow for;
- 9 c. Add language in regards to the Purchase Power Agreement (“PPA”) to  
10 include shareholder sharing in the cost of losses for PPAs entered into after  
11 May 2019;

12 **FUEL ADJUSTMENT CLAUSE TARIFF SHEETS MODIFICATIONS**

13 **Q. What Modifications does Staff propose in this case?**

14 A. Staff reviewed the current EMM FAC tariff sheets that were approved by the  
15 Commission in Case No. ER-2018-0145 and became effective December 6, 2018, and EMW’s  
16 FAC tariff sheets that were approved by the Commission in Case No. ER-2018-0146 and  
17 became effective December 6, 2018. The current FAC tariff sheets reflect EMM’s and EMW’s  
18 participation in the Southwest Power Pool’s (“SPP”) Integrated Marketplace (“IM”) and  
19 account for transmission costs in a manner consistent with the way transmission costs are  
20 treated in Ameren Missouri’s and Empire’s current FACs.

21 In summary, Staff proposes the following modifications to the EMM and EMW FACs:

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<sup>1</sup> Net Base Energy Cost is defined in EMM’s 2<sup>nd</sup> Revised Sheet No. 50.18 and defined in EMW’s 5<sup>th</sup> Revised Sheet No. 127.10 as Net base energy costs ordered by the Commission in the last general rate case for EMM and EMW and consistent with the costs and revenues included in the calculation of the FPA.

<sup>2</sup> Purchased power for native load that is served by power that EMM and EMW did not generate.

- 1 1. Replace the current BF<sup>3</sup> with the revised BF of \$0.01033 per kWh for EMM  
2 and \$0.04924 per kWh for EMW that is based upon Staff's revenue requirement  
3 for this case;
- 4 2. Replace the current pass-through percentage of SPP transmission costs <sup>4</sup>with the  
5 revised pass-through percentage of SPP transmission costs of 32.8% for  
6 EMM and 75.16% for EMW as Staff calculated for this case, as described in  
7 the Revised Transmission Percentage section of this report;
- 8 3. Include language to EMM and EMW's tariffs regarding the burden of the costs  
9 of PPAs that have losses to be shared by customers and shareholders equally;

10 **Q. What recommendations and modifications in regards to EMM and EMW's**  
11 **FAC will your testimony address?**

12 A. My testimony will address Staff's proposals to replace the current FAC BF, to  
13 replace the current pass-through percentage of SPP transmission costs, and for  
14 EMM and EMW to continue to provide the additional information in its monthly reports  
15 as was previously ordered.

16 **Q. Is any other Staff member providing testimony in regards to EMM and**  
17 **EMW's FAC?**

18 A. Yes. Staff witness Brad Fortson is providing testimony which provides Staff's  
19 proposed additional FAC tariff sheet language in regards to PPA cost-sharing.

20 **REVISED BASE FACTOR**

21 **Q. What is Staff recommending for EMM's and EMW's Base Factors?**

22 A. Staff calculated the BF rate based upon the following information in Staff's COS Report  
23 in this case: (1) net base energy costs (fuel and purchased powercosts less OSS revenue)

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<sup>3</sup> The existing Base Factors are \$0.01657 per kWh for EMM and \$0.02186 per kWh for EMW.

<sup>4</sup> The existing SPP pass through percentages are 27.5% for EMM and 47.5% for EMW.

1 including Staff's accounting adjustments to test year; and (2) normalized net system  
2 inputs (NSI):

3                                   ▪ EMM Base Factor:

4                   Net Fuel and PP       \$225,020,464

5                   NSI                         \$21,791,889,323

6                   BF                         \$0.01033 per kWh

7                                   ▪ EMW Base Factor: \$0.02186 per kWh

8                   Net Fuel and PP       \$248,254,960

9                   NSI                         \$5,042,226,235

10                  BF                         \$0.04924 per kWh

11 **REVISED TRANSMISSION PERCENTAGE**

12 **Q.     What are percentages Staff recommends for EMM's and EMW's transmission**  
13 **costs?**

14 A.     As provided in Staff witness Shawn E. Lange's workpapers,<sup>5</sup> Staff calculated the  
15 pass-through percentage of SPP transmission costs<sup>6</sup> in the FAC as 32.8% for EMM.  
16 As provided in Staff witness Charles T. Poston's workpapers,<sup>7</sup> Staff calculated the pass-through  
17 percentage of SPP transmission costs<sup>8</sup> in the FAC as 75.16% for EMW. This calculation is  
18 based on the output from Staff's fuel models that were used to develop the revenue requirements  
19 found in Staff's COS report for this case. The calculations are appropriate because they are

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<sup>5</sup> Workpaper titled "EMM DIRECT FUELSummary 53121d" tab "FAC%".

<sup>6</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>7</sup> Workpaper titled "EMW Direct Fuel Model Results – Direct" tab "FAC%".

<sup>8</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.

1 consistent with the method used to calculate the pass-through percentage of SPP transmission  
2 costs for EMM's and EMW's current FAC.

3 **FAC VOLTAGE ADJUSTMENT FACTORS**

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

5 Staff is currently reviewing a line loss study which was received in January 2022. At  
6 this time, Staff witness Alan J. Bax continues to use the voltage adjustment factors presently  
7 included in the FAC tariff sheets for EMM's and EMW's most recent general rate cases in the  
8 current general rate case as provided in the following table.

9

	<b>EMM</b>	<b>EMW</b>
<b>Voltage Level</b>	<b>Voltage Adjustment Factor</b>	
Transmission	1.03	1.03
Primary	1.0493	1.0503
Secondary	1.0686	1.0766

10  
11 These voltage adjustment factors adjust for the energy losses experienced in the delivery of  
12 electricity from the generator to customers with transmission, primary, and secondary voltage  
13 levels. These factors will be utilized in Staff's determination of a Fuel Adjustment Rate  
14 ("FAR"), for each voltage service classification. The voltage adjustment factors may change  
15 based on Staff's recommendation after the review of the line loss study is completed.

16 **Q. Does this conclude your testimony?**

17 A. Yes it does.



**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 ) Case No. ER-2022-0129  
Implement a General Rate Increase for Electric )  
Service )

In the Matter of Evergy Missouri West, Inc. )  
d/b/a Evergy Missouri West's Request for ) Case No. ER-2022-0130  
Authority to Implement a General Rate )  
Increase for Electric Service )

**AFFIDAVIT OF AMANDA C. CONNER**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**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 *Direct Testimony of Amanda C. Conner*; and that the same is true and correct according to her best knowledge and belief.

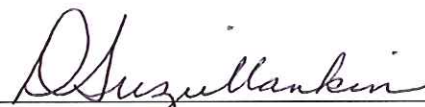
Further the Affiant sayeth not.

  
**AMANDA C. CONNER**

**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 22<sup>nd</sup> day of June 2022.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
Notary Public

**Educational Background**  
**and Work Experience of**  
**Amanda C. Conner**

My educational background includes a Bachelor of Science degree in Accounting/Finance from Columbia College in Columbia, Missouri where I graduated in May of 2012.

In February 2016, I started a new career as a Utility Regulatory Auditor I with the Missouri Office of Public Counsel, where I worked for five years providing support and testimony for several rate cases before accepting my position as Regulatory Auditor with the Energy Resources Department of the Missouri Public Service Commission. Since that point, my experience includes Fuel Adjustment Clause Prudence Reviews, Missouri Energy Efficiency Investment Act Prudence Reviews, and Fuel Adjustment Rate filings.

My prior work experience includes eight years with the Missouri Department of Revenue first in the Taxation Division, and then in the General Counsel's Office where I handled taxation issues regarding Bankruptcy.

CASE PROCEEDING PARTICIPATION  
AMANDA C. CONNER, UTILITY REGULATORY AUDITOR

OPC PARTICIPATION		ISSUE	TESTIMONY TYPE	LEAD STAFF	STATUS
COMPANY	CASE NUMBER				
EMPIRE	ER-2016-0023	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL		
KCPL	ER-2016-0285	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL		
LACLEDE GAS COMPANY	GR-2017-0215	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL, TESTIFIED AT HEARING		
MGE	GR-2017-0216	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL, TESTIFIED AT HEARING		
MAWC	WR-2017-0285	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL		
LIBERTY	GR-2018-0013	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL		
GMO	ER-2018-0146	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL		
KCPL	ER-2018-0145	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL		
EMPIRE	ER-2019-0374	GENERAL RATE CASE	DIRECT, REBUTTAL, SURREBUTTAL, TESTIFIED AT HEARING		
SPIRE	GR-2021-0108	GENERAL RATE CASE	DIRECT		
EMPIRE	ER-2021-0097	FAR FILING-9th REVISED (24th AP)	STAFF REPORT		
EMPIRE	ER-2022-0095	FAR FILING-11TH REVISED (26th AP)	STAFF REPORT		
PSC PARTICIPATION		ISSUE		LEAD STAFF	STATUS
COMPANY	CASE NUMBER				
EVERGY MO METRO (prior KCPL)	EO-2021-0417	MEEIA PRUDENCE REVIEW (3rd)	STAFF REPORT, DIRECT		*
EVERGY MO METRO (prior KCPL)	EO-2022-0129	GENERAL RATE CASE	COS Direct	*	**
EVERGY MO WEST (prior GMO)	EO-2022-0130	GENERAL RATE CASE	COS Direct	*	**

Status:       \*       In Hearing  
                 \*\*       In Process (working on case)