

*Exhibit No.:*  
*Issue(s):* *Fuel Adjustment  
Clause*  
*Witness:* *Teresa Denney*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *ER-2024-0189*  
*Date Testimony Prepared:* *July 12, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**TERESA DENNEY**

**EVERGY MISSOURI WEST, INC.,**

**d/b/a Evergy Missouri West**

**CASE NO. ER-2024-0189**

*Jefferson City, Missouri*  
*July 12, 2024*

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DIRECT TESTIMONY OF  
TERESA DENNEY  
EVERGY MISSOURI WEST, INC.,  
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- 1 1. Replace the current Base Factor (“BF”)<sup>1</sup> with the revised BF of \$0.03467
- 2 per Kilowatt hour (“kWh”) for EMW that is based upon Staff’s revenue
- 3 requirement for this case;
- 4 2. Replace the current pass-through percentage of SPP transmission costs<sup>2</sup> with
- 5 the revised pass-through percentage of SPP transmission costs of 69.50% for
- 6 EMW as Staff calculated for this case, as described in the Revised
- 7 Transmission Percentage section of this report; and,
- 8 3. Continue to use the voltage adjustment factors presently included in the FAC
- 9 tariff sheets.

10 **REVISED BASE FACTOR**

11 Q. What is Staff recommending for EMW’s Base Factors?

12 A. Staff calculated the BF rate based upon the following information in Staff’s  
13 revenue requirement direct testimony in this case: (1) net base energy costs (fuel and purchased  
14 power costs less OSS revenue) including Staff’s accounting adjustments to test year;<sup>3</sup>  
15 and (2) normalized net system inputs (“NSI”):

16	Net Fuel and PP	\$ 308,695,012
17	NSI	<u>\$8,904,146,661</u>
18	EMW Base Factor	\$0.03467 per kWh

19 **REVISED TRANSMISSION PERCENTAGE**

20 Q. What are the percentages Staff recommends for EMW’s transmission costs?

21 A. As provided in Staff witness Brodrick Niemeier’s workpapers,<sup>4</sup> Staff calculated  
22 the pass-through percentage of SPP transmission costs<sup>5</sup> in the FAC as 69.50% for EMW. This

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<sup>1</sup> The existing Base Factors are \$0.02983 per kWh for EMW.

<sup>2</sup> The existing SPP pass through percentages are 74.57% for EMW.

<sup>3</sup> To be in compliance with Commission Orders in ER-2018-0145, EO-2019-0244, and ER-2022-0130, EMW’s Cimarron Bend III PPA will not be included in the FAC or base factor calculation.

<sup>4</sup> Workpaper titled “EMW Direct Fuel Model Results – Direct” tab “FAC%”.

<sup>5</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 EMW’s generation units.

1 calculation is based on the output from Staff's fuel models that were used to develop the revenue  
2 requirements found in Staff's revenue requirement direct testimony for this case. The  
3 calculations are appropriate since they are consistent with the method used to calculate the  
4 pass-through percentage of SPP transmission costs for EMW's current FAC.

5 **FAC VOLTAGE ADJUSTMENT FACTORS**

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

8 A. At this time, Staff witness Alan J. Bax continues to use the voltage adjustment  
9 factors presently included in the FAC tariff sheets for EMW's most recent general rate cases in  
10 this current general rate case as provided in the following table:

11

	<b>EMW</b>
<b>Voltage Level</b>	<b>Voltage Adjustment Factor</b>
Transmission	1.0300
Substation	1.0388
Primary	1.0503
Secondary	1.0766

12  
13 These voltage adjustment factors adjust for the energy losses experienced in the delivery of  
14 electricity from the generator to customers with transmission, substation, primary, and  
15 secondary voltage levels. These factors will be utilized in Staff's determination of a Fuel  
16 Adjustment Rate, for each voltage service classification.

17 Q. Does this conclude your testimony?

18 A. Yes it does.

