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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1		DIRECT TESTIMONY			
2		OF			
3		TERESA DENNEY			
4		EVERGY MISSOURI WEST, INC.,			
5		d/b/a Every Missouri West			
6	CASE NO. ER-2024-0189				
7	Q.	Please state your name and business address.			
8	А.	My name is Teresa Denney. My business address is 200 Madison Street, P.O.			
9	Box 360, Jefferson City, MO 65102.				
10	Q.	By whom are you employed and in what capacity?			
11	А.	I am employed by the Missouri Public Service Commission ("Commission")			
12	as a Lead Senior Utility Regulatory Auditor.				
13	Q.	Have you provided your credentials in this file?			
14	А.	Yes. They were provided in this case as Schedule TLD-d1 with my Direct			
15	Testimony filed on June 27, 2024.				
16	EXECUTIVE SUMMARY				
17	Q.	What tariff modifications does Staff propose in this case?			
18	А.	Staff reviewed the current Evergy Missouri West ("EMW's") Fuel Adjustment			
19	Clause ("FAC	C") tariff sheets that were approved by the Commission in Case No. ER-2022-0130			
20	and became	effective January 9, 2023. The current FAC tariff sheets reflect EMW's			
21	participation	in the Southwest Power Pool's ("SPP") Integrated Marketplace ("IM") and			
22	account for t	transmission costs in a manner consistent with the way transmission costs are			
23	treated in Am	neren Missouri's and Liberty-Empire's current FACs.			
24	In sur	nmary, Staff proposes the following modifications to EMW's FAC:			
	l				

1	1. Replace the current Base Factor ("BF") ¹ 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 $costs^2$ 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; ³				
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, ⁴ Staff calculated				
22 the pass-through percentage of SPP transmission $costs^5$ in the FAC as 69.50% for EMW					
	The existing Page Factors are \$0.02082 per kWh for EMW				

¹ The existing Base Factors are \$0.02983 per kWh for EMW.

 $^{^2}$ The existing SPP pass through percentages are 74.57% for EMW.

³ 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.

⁴ Workpaper titled "EMW Direct Fuel Model Results – Direct" tab "FAC%".

⁵ 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.

Direct Testimony of Teresa Denney

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

6 Q. What is Staff recommending as the FAC Voltage Adjustment Factors at7 this time?

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

11

	EMW
Voltage Level	Voltage Adjustment Factor
Transmission	1.0300
Substation	1.0388
Primary	1.0503
Secondary	1.0766

12

17

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.

Q. Does this conclude your testimony?

Yes it does.

18 A.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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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-2024-0189

AFFIDAVIT OF TERESA DENNEY

STATE OF MISSOURI)	
)	SS.
COUNTY OF COLE)	

COMES NOW TERESA DENNEY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Direct Testimony of Teresa Denney; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

enne TERESA DENNE

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 day of July 2024.

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

<u>Musullankin</u> Notary Public