

Exhibit No.:  
Issue: Fuel Adjustment Clause  
Witness: Lisa A. Starkebaum  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Evergy Missouri Metro  
Case No.: ER-2025-0039  
Date Testimony Prepared: July 31, 2024

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2025-0039**

**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**ON BEHALF OF**

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

**Kansas City, Missouri  
July 2024**

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

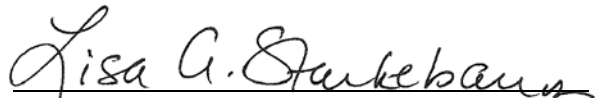
In the Matter of Evergy Metro, Inc. for )  
Authority to Implement Rate Adjustments )  
Required by 20 CSR 4240-20.090(8) and )  
the Company's Approved Fuel and Purchased )  
Power Cost Recovery Mechanism ) Case No. ER-2025-0039

**AFFIDAVIT OF LISA A. STARKEBAUM**

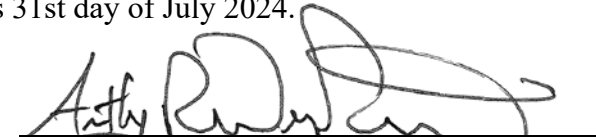
**STATE OF MISSOURI )**  
**) ss**  
**COUNTY OF JACKSON )**

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 Direct Testimony on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro, consisting of nine (9) 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 to before me this 31st day of July 2024.

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

My Commission expires:

4/26/2025



**DIRECT TESTIMONY**

**OF**

**LISA A.**

**STARKEBAUM Case**

**No. ER-2025-0039**

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

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

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc., as Manager, Regulatory Affairs for Evergy  
6 Metro, Inc. d/b/a Evergy Missouri Metro (“EMM”), Evergy Missouri West, Inc. d/b/a  
7 Evergy Missouri West (“EMW”), Evergy Metro, Inc. d/b/a Evergy Kansas Metro  
8 (“Evergy Kansas Metro”), and Evergy Kansas Central, Inc. and Evergy Kansas South,  
9 Inc., collectively d/b/a Evergy Kansas Central (“Evergy Kansas Central”). These are  
10 the operating utilities of Evergy, Inc.

11 **Q: On whose behalf are you testifying?**

12 A: I am testifying on behalf of EMM.

13 **Q: What are your responsibilities?**

14 A: My responsibilities include the coordination, preparation and review of financial  
15 information and schedules associated with the compliance and rider mechanism tariff  
16 filings for the above-mentioned operating utilities of Evergy, Inc.

17 **Q: Please describe your education.**

18 A: In 1994, I received a Bachelor of Science Degree in Finance from Northwest Missouri  
19 State University in Maryville, Missouri.

1 **Q: Please provide your work experience.**

2 A: In 1995, I joined Cerner Corporation as an Accountant in the Finance Department  
3 assisting with month-end close and reporting responsibilities. In 1997, I joined Aquila,  
4 Inc. (“Aquila”) where I worked in the Financial and Regulatory Reporting group as an  
5 Accountant, until joining Regulatory Accounting Services as a Regulatory Analyst in  
6 1999. I was employed by Aquila for a total of 11 years prior to beginning my  
7 employment with KCP&L in July 2008 as a part of the acquisition of Aquila, Inc., by  
8 Great Plains Energy Incorporated. Since that time, I have held various positions with  
9 increasing responsibilities within Regulatory Accounting Services and Regulatory  
10 Affairs. As a Lead Analyst in the Regulatory Affairs department, my main areas of  
11 responsibility included the preparation of FERC and jurisdictional reporting, and the  
12 preparation of rate cases and rate case support for both KCP&L and GMO. In December  
13 2015, I became a Supervisor, Regulatory Affairs responsible for overseeing a team  
14 dedicated to compliance reporting and was later promoted to Manager, Regulatory  
15 Affairs effective June 2018. In my current position, I am responsible for overseeing  
16 various reporting requirements to ensure Evergy is compliant with its jurisdictional rules  
17 and regulations, in addition to the implementation of new reporting or commitments  
18 resulting from various rate case orders and other regulatory filings. In addition, I  
19 oversee the coordination, review and filing of the various rider mechanisms.

20 **Q: Have you previously testified in a proceeding before the Missouri Public Service**  
21 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**  
22 **agency?**

1 A: Yes, I have testified before the MPSC, the Kansas Corporation Commission (“KCC” or  
2 “Commission”) and have provided written testimony before the Public Utilities  
3 Commission of Colorado. I have sponsored testimony in Missouri related to various  
4 tariff filings involving rider mechanisms. In addition, I have worked closely with both  
5 MPSC and KCC Staff on numerous filings and rate case matters.

6 **Q: What is the purpose of your testimony?**

7 A: The purpose of my testimony is to support the Fuel Adjustment Clause (“FAC”) that  
8 has been filed by Evergy Missouri Metro (“Company”). This FAC tariff filing consists  
9 of a Fuel Adjustment Rate (“FAR”) calculated using actual fuel and purchased power  
10 costs, net of off-system sales revenues incurred by the Company. My testimony supports  
11 the rate schedule filed to adjust rates for the FAC includable costs experienced during  
12 the six-month period of January 2024 through June 2024. This six-month period  
13 represents the 18th accumulation period under Evergy Missouri Metro’s FAC, which  
14 was originally approved by the Commission in Case No. ER-2014-0370 (“2014 Case”)  
15 and modified in Case Nos. ER-2016-0285 (“2016 Case”), ER-2018-0145 (“2018  
16 Case”) and ER-2022-0129 (“2022 Case”). The proposed FAC charge for Missouri  
17 residential customers is a charge of \$0.00087 per kWh. Based on usage of 1,000 kWh  
18 per month, the customer will see a monthly charge of \$0.87. This represents an increase  
19 of \$0.72 to an Evergy Missouri Metro residential customer’s monthly bill compared to  
20 the current monthly FAC charge of \$0.15.

21 **Q: Please explain why Evergy Missouri Metro filed the FAC adjustment rate**  
22 **schedules at this time.**

1 A: The Commission’s rule governing fuel and purchased power cost recovery mechanisms  
2 for electric utilities – specifically 20 CSR 4240-20.090(8)(A) – requires Evergy  
3 Missouri Metro to make periodic filings to allow the Commission to review the actual  
4 net FAC includable costs the Company has incurred and to allow rates to be adjusted,  
5 either up or down, to reflect those actual costs. The Commission’s rule requires at least  
6 one such review and adjustment each year. Evergy Missouri Metro’s approved FAC  
7 calls for two annual filings – one filing covering the six-month accumulation period  
8 running from January through June and another filing covering the accumulation period  
9 running from July through December. Any increases or decreases in rates in these  
10 filings are then included in the customers’ bills over a subsequent 12-month recovery  
11 period.

12 For the 18th accumulation period covering the period of January through June  
13 2024, Evergy Missouri Metro’s actual FAC includable costs were higher than the base  
14 energy costs included in base rates by approximately \$6.7 million. In accordance with  
15 the Commission’s rule and the Company’s approved FAC, Evergy Missouri Metro has  
16 calculated the FAC tariff that provides for a change in rates to recover 95% of those cost  
17 changes, or approximately \$6.3 million to be collected from customers. This amount is  
18 before true-up, interest or any other adjustments.

19 In addition, a true-up filing is being made concurrent with this filing covering  
20 the 15th accumulation period of July 2022 through December 2022 and its  
21 corresponding recovery period of April 2023 through March 2024. The proposed 15th  
22 recovery period results in a true-up amount of \$1.8 million remaining to be collected  
23 from customers.

1 In summary, these amounts combined with interest of \$0.4 million result in a  
2 proposed Fuel and Purchased Power Adjustment (“FPA”) of approximately \$8.6  
3 million.

4 **Q: What are some of the drivers impacting this accumulation period?**

5 A: Evergy Missouri Metro’s Actual Net Energy Costs (“ANEC”) is higher than the base  
6 energy costs included in base rates by approximately \$6.7 million. When compared to  
7 the prior 17th accumulation period, the ANEC is \$5.7 million higher. This is due to a  
8 \$53.3 million, or 63%, increase in purchased power, which is offset by a \$35.3 million,  
9 or 27%, decrease in fuel costs as well as a \$12.8 million or 14% increase in off-system  
10 sales revenue. Purchased power requirements were impacted by Wolf Creek’s 26th  
11 refueling outage, from March 28 through May 11, 2024. Overall, natural gas prices have  
12 decreased for the 18th accumulation period of January through June 2024. The  
13 published NYMEX natural gas contract settlement price averaged \$2.07 which is \$0.65,  
14 or 24%, lower than the prior 17th accumulation period average of \$2.71. However, the  
15 under-recovery experienced in the month of January 2024 was driven by Winter Storm  
16 Heather which resulted in increased natural gas prices between January 13 and January  
17 16, 2024.

18 **Q: Is there anything else worth noting for this semi-annual FAC filing that should be**  
19 **mentioned?**

20 A: Yes, the Company did not perform the plant in service accounting (“PISA”) calculations  
21 as the PISA caps for FAC filings were no longer effective beginning January 1, 2024.<sup>1</sup>

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<sup>1</sup> 393.1655(1) RSMo.

1 **Q: How did you develop the various values used to derive the proposed FARs that are**  
2 **shown on Schedule LAS-1?**

3 A: The proposed tariff rates are shown in Schedule LAS-1. The filing made in conjunction  
4 with this testimony contains all the information as set in 20 CSR 4240-20.090(8)(2)(A)  
5 which supports these proposed rates. In addition, I am submitting a copy of the work  
6 papers that support the determination of the current FAR.

7 **Q: Please describe the impact of the change in costs and how it will affect a typical**  
8 **customer.**

9 A: The proposed current period FARs for Evergy Missouri Metro’s customers by voltage  
10 level is shown below:

<b>Proposed Current Period FARs</b>	
	<b>\$ per kWh</b>
<b>Voltage</b>	<b>Rates</b>
Transmission	\$0.00100
Substation	\$0.00101
Primary	\$0.00102
Secondary	\$0.00104

11

12 This is the difference between the base FAC includable costs and the actual costs  
13 incurred by the Company including interest and any adjustments during the current 18th  
14 accumulation period of January 2024 through June 2024 and will be included in billed  
15 FAC rates over a recovery period running from October 2024 through September 2025.

16 The proposed FAR was calculated in the manner specified in the Company’s  
17 FAC. Attached to my testimony, as Schedule LAS-1, is a copy of the proposed tariff  
18 sheet with the current FAR, the prior period FAR and the total FAR that will be billed  
19 to customers over the recovery period. The FAR calculated for the 16th accumulation  
20 period has been removed as its recovery period will cease in September 2024. The FAR



1 for the 17th accumulation period is added to the FAR for the current 18th accumulation  
 2 period to provide the annual FAR. Thus, given the proposed current FAR calculations,  
 3 the annual FARs for Evergy Missouri Metro customers are shown in the table below:

		<b>ER-2024-0221</b>	
<b>Service</b>	<b>Proposed 3rd Revised Sheet No. 50.42</b>	<b>Current 2nd Revised Sheet No. 50.42</b>	<b>Impact</b>
Transmission	\$0.00084	\$0.00015	\$ 0.00069
Substation	\$0.00084	\$0.00014	\$ 0.00070
Primary	\$0.00085	\$0.00014	\$ 0.00071
Secondary	\$0.00087	\$0.00015	\$ 0.00072

4  
 5 These proposed rates will be billed to customers from October 2024 through March  
 6 2025. As stated earlier, based on usage of 1,000 kWh per month this will result in a  
 7 monthly FAC charge of \$0.87, which is an increase of \$0.72 to an Evergy Missouri  
 8 Metro residential customer’s monthly bill compared to the the current monthly FAC  
 9 charge of \$0.15.

10 **Q: If the rate schedules filed by Evergy Missouri Metro are approved or allowed to**  
 11 **go into effect, what safeguards exist to ensure that the revenues the Company bills**  
 12 **to its customers do not exceed the fuel and purchased power costs that Evergy**  
 13 **Missouri Metro actually incurred during the Accumulation Period?**

14 **A:** Evergy Missouri Metro’s FAC and the Commission’s rules provide two mechanisms to  
 15 ensure that amounts billed to customers do not exceed the Company’s actual, prudently  
 16 incurred fuel and purchased power costs. First, at the end of each recovery period the  
 17 Company is required to true up the amounts billed to customers through the FAR with  
 18 the excess fuel and purchased power costs that were actually incurred during the  
 19 accumulation period to which the FAR applies. Second, the Company’s fuel and

1 purchased power costs are subject to periodic prudence reviews to ensure that only  
2 prudently incurred fuel and purchased power costs are billed to customers through  
3 Evergy Missouri Metro's FAC. These two mechanisms serve as checks to ensure that  
4 the Company's customers pay only the prudently incurred, actual costs of fuel and  
5 purchased power used to provide electric service.

6 **Q: Have each of these mechanisms been in effect throughout the FAC process since**  
7 **its inception in the 2014 Case?**

8 A: Yes, Evergy Missouri Metro recently finished its fifth prudence review, Case No. EO-  
9 2023-0276, for the review period of July 2021 through December 2022. Parties resolved  
10 certain issues pertaining to purchased power and subsequent FAC reporting through a  
11 Non-Unanimous Stipulation and Agreement which the Commission approved on May  
12 12, 2024. For the remaining outstanding issues in this case, evidentiary hearings were  
13 held on May 22, 2024 and parties are awaiting a Commission Order.

14 On September 14, 2022, in the Company's fourth prudence review, Case No.  
15 EO-2022-0064, the Commission approved the Non-Unanimous Stipulation and  
16 Agreement filed on July 25, 2022 where the Company agreed, with no admission of  
17 imprudence, to a one-time FAC adjustment for 2017 vintage expired RECs. The  
18 Company refunded \$703,825 plus interest of \$28,134 in the 15th accumulation period  
19 filing, Case No. ER-2023-0245.

20 On May 4, 2022, in the Company's third prudence review, Case No. EO-2020-  
21 0263 later consolidated in Case No. EO-2020-0262, the Commission issued its Report  
22 and Order finding Evergy was imprudent by not utilizing demand response programs  
23 to reduce energy costs for its customers during the review period of July 2018 through

1 December 2019. Therefore, the Company refunded the amount of \$152,165 plus  
2 interest of \$7,947 in the 14<sup>th</sup> accumulation period, Case No. ER-2023-0030. Also in the  
3 third prudence review, on January 20, 2021 an ordered adjustment for Montrose was  
4 stipulated by parties amounting to \$199,104. Based on the agreement by parties, rather  
5 than recovering this amount through the FAC, the Company recorded this to the Cost  
6 of Removal FERC account for consideration in the 2022 general rate case, Case No.  
7 ER-2022-0129, and refunded the amount of \$199,104 plus interest of \$10,281 in the  
8 11<sup>th</sup> accumulation period FAR filing, Case No. ER-2021-0244.

9 In the first and second prudence reviews, the MPSC Staff indicated in each of  
10 their reports that there were no areas of imprudence identified within the audits.

11 In addition, the Company has made 14 true-up filings, all of which were  
12 approved by the MPSC. The 15<sup>th</sup> true-up filing is being made concurrent with this  
13 semi-annual filing covering the 15<sup>th</sup> accumulation period of July through December  
14 2022 and its corresponding recovery period of April 2023 through March 2024. The  
15 Company's calculation of the proposed true-up resulting in an under-collection of \$1.8  
16 million for Evergy Missouri Metro has been included in the calculation of the current  
17 proposed tariff change.

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

20 A: The Company requests the Commission approve the proposed rate schedules to be  
21 effective as of October 1, 2024.

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

23 A: Yes, it does.

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

P.S.C. MO. No. 7 3rd Revised Sheet No. 50.42  
 Canceling P.S.C. MO. No. 7 2nd Revised Sheet No. 50.42

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC  
 FUEL AND PURCHASE POWER ADJUSTMENT ELECTRIC  
 (Applicable to Service Provided January 9, 2023 and Thereafter)  
 Effective for the Customer Usage Beginning October 2024 through March 2025

Accumulation Period Ending: <b>June 2024</b>			
1	Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)		\$151,039,699
2	Net Base Energy Cost (B)	-	\$138,603,979
	2.1 Base Factor (BF)		\$0.01829
	2.2 Accumulation Period NSI (S <sub>AP</sub> )		7,578,128,999
3	(ANEC-B)		\$12,435,719
4	Jurisdictional Factor (J)	x	53.7257%
5	(ANEC-B)*J		\$6,681,177
6	Customer Responsibility	x	95%
7	95% *((ANEC-B)*J)		\$6,347,118
8	True-Up Amount (T)	+	\$1,809,350
9	Interest (I)	+	\$433,758
10	Prudence Adjustment Amount (P)	+	\$0
11	Fuel and Purchased Power Adjustment (FPA)	=	\$8,590,226
12	Estimated Recovery Period Retail NSI (S <sub>RP</sub> )	÷	8,868,794,365
13	Current Period Fuel Adjustment Rate (FAR)	=	\$0.00097
14			
15	Current Period FAR <sub>Trans</sub> = FAR x VAF <sub>Trans</sub>		\$0.00100
16	Prior Period FAR <sub>Trans</sub>	+	(\$0.00016)
17	Current Annual FAR <sub>Trans</sub>	=	\$0.00084
18			
19	Current Period FAR <sub>Sub</sub> = FAR x VAF <sub>Sub</sub>		\$0.00101
20	Prior Period FAR <sub>Sub</sub>	+	(\$0.00017)
21	Current Annual FAR <sub>Sub</sub>	=	\$0.00084
22			
23	Current Period FAR <sub>Prim</sub> = FAR x VAF <sub>Prim</sub>		\$0.00102
24	Prior Period FAR <sub>Prim</sub>	+	(\$0.00017)
25	Current Annual FAR <sub>Prim</sub>	=	\$0.00085
26			
27	Current Period FAR <sub>Sec</sub> = FAR x VAF <sub>Sec</sub>		\$0.00104
28	Prior Period FAR <sub>Sec</sub>	+	(\$0.00017)
29	Current Annual FAR <sub>Sec</sub>	=	\$0.00087
30	VAF <sub>Trans</sub> = 1.0300		
31	VAF <sub>Sub</sub> = 1.0378		
32	VAF <sub>Prim</sub> = 1.0497		
33	VAF <sub>Sec</sub> = 1.0690		