Exhibit No.:

Issue(s): Fuel Adjustment Clause Witness: Brooke Mastrogiannis

Sponsoring Party: MoPSC Staff

Type of Exhibit: Surrebuttal Testimony

Case No.: ER-2024-0189

Date Testimony Prepared: September 10, 2024

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION ENERGY RESOURCES DEPARTMENT

SURREBUTTAL TESTIMONY

OF

BROOKE MASTROGIANNIS

EVERGY MISSOURI WEST, INC., d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Jefferson City, Missouri September 10, 2024

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	SURREBUTTAL TESTIMONY		
	OF		
	BROOKE MASTROGIANNIS		
	EVERGY MISSOURI WEST, INC., d/b/a Evergy Missouri West		
	CASE NO. ER-2024-0189		
Q.	Please state your name and business address.		
A.	My name is Brooke Mastrogiannis, and my business address is 200 Madison		
Street, Jefferson City, Missouri 65102.			
Q.	Are you the same Brooke Mastrogiannis who has previously provided testimony		
in this case?			
A.	Yes. I filed rebuttal testimony in this case on August 6, 2024.		
EXECUTIVE SUMMARY			
Q.	What is the purpose of your surrebuttal testimony?		
A.	The purpose of my surrebuttal testimony is to address Evergy Missouri West,		
Inc. d/b/a Evergy Missouri West ("EMW") witness Linda J. Nunn's rebuttal testimony as in			
clarifies her original request of Crossroads transmission expense in the Fuel Adjustment Clause			
("FAC"). I will also briefly respond to EMW witness Kevin D. Gunn's rebuttal testimony as in			
relates to the FAC sharing mechanism and EMW witness James (JP) Meitner's rebutta			
testimony as it relates to hedging activities in the FAC. Lastly, I will respond to the Office of			
the Public	Counsel ("OPC") witness Lena M. Mantle as it relates to the FAC		
sharing mechanism.			
	A. Street, Jeffer Q. in this case? A. EXECUTIV Q. A. Inc. d/b/a Exclarifies her Q. ("FAC"). I was related to the testimony as the Public		

FAC CROSSROADS

- Q. What did EMW originally propose in direct testimony regarding Crossroads transmission costs in the FAC?
- A. Included as Schedule LJN-4 to Ms. Nunn's direct testimony were FAC red lined tariff sheets that removed the following language on Original Sheet No. 124.3: "excluding any transmission costs associated with the Crossroads Power Plant." In addition, her direct testimony on page 4 states that EMW is proposing to make the following changes to the FAC tariff: "language excluding Crossroads transmission costs from the FAC has been removed."
- Q. Does EMW seem to have changed its original position to remove the language in the FAC tariff sheets that currently excludes Crossroads transmission costs from FAC recovery?
- A. I believe so. It appears that after reviewing Ms. Nunn's rebuttal testimony and the response to Data Request 0464, the transmission costs would not flow through the FAC with or without the wording currently included in the tariff. Therefore, it is Staff's opinion there should be no update to the current FAC tariff sheets, the language of "excluding any transmission costs associated with the Crossroads Power Plant" should stay in the FAC tariff sheets, and the costs should continue to be excluded from all FAC base factor calculations.

FAC HEDGING ACTIVITIES

Q. EMW witness Mr. James (JP) Meitner provides extensive testimony on gas and purchased power hedging transactions included in the FAC. Do you agree with some of the points he makes?

¹ Rebuttal testimony of Ms. Linda Nunn, page 3, lines 13 through 16.

A. Yes. As I explained in my rebuttal testimony, EMW is hedging to reduce the volatility of fuel and purchased power costs for customers. Also, Mr. Meitner goes over the timeline from when EMW first raised concerns with Staff and OPC in the winter prior to 2022.² This is similar to the timeline I provided in my rebuttal testimony, providing support for why EMW starting hedging again based on the gas prices that were known at that time, and the results of the losses that have occurred based on the timeline.

FAC SHARING MECHANISM

- Q. EMW witness Mr. Kevin D. Gunn provides extensive testimony on the FAC sharing mechanism. Do you agree with some of the points he makes?
- A. Yes. Mr. Gunn points out that the Commission has never been persuaded by OPC, Staff, or any other party's proposal to adjust the level of sharing. As he states, it is a fact that the Commission has maintained the 95/5 sharing mechanism for the duration of time that the FAC has been in place in Missouri, for all four electric utilities. In addition, Mr. Gunn points out there are only eight out of fifty-two US jurisdictions that actually utilize a FAC sharing mechanism, none of which include a sharing provision as large as the one proposed by Ms. Mantle.³ My rebuttal testimony also touched on this, although different data points and sources were found, it is clear that if the Commission adopted Ms. Mantle's recommendation in this case, Missouri would be an outlier of ratemaking policy and precedent.
- Q. What additional support does OPC witness Ms. Lena Mantle provide in her rebuttal testimony for the recommended change of the FAC sharing mechanism to 75%/25%?

² Rebuttal testimony of Mr. James (JP) Meitner, page 7.

³ Rebuttal testimony of Mr. Kevin D. Gunn, pages 9 and 10.

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- One of her main points she discusses is the disparity between the FAC base A. factors recommended by EMW and Staff. She provides charts for EMW estimates that its net FAC costs will be lower than they currently are going forward, and Staff's estimates that its net FAC costs will be over 16% higher.⁴
 - Q. What does Ms. Mantle tie these estimated differences to?
- A. She states that the large net normalized costs recommended by both EMW and Staff demonstrates that EMW is heavily reliant on energy from other utilities to meet its customer requirements and this is something that both EMW and Staff expect to continue into the future. She also points out in Table 2 and Table 3 that the large differences are between the normalized purchased power costs and off-system sales revenues, and also the net of the two.⁵
 - Q. Do you agree with this rationalization?
- I agree that the large differences between EMW and Staff, at direct, were due to A. the normalized purchased power costs and off-systems sales revenues, and the net of the two. However, Staff updated its production cost modeling as discussed by Brodrick Niemeier in his true-up direct testimony. Additionally, Staff made adjustments to its market prices and fuel price inputs as discussed by Justin Tevie and Jared Giacone, respectively, in their true-up direct testimonies. Staff's true-up direct base factor is now much closer with EMW; this is reflected in Staff witness Teresa L. Denney's true-up direct testimony and associated workpaper.
- Q. What is Staff's position regarding Ms. Mantle's recommendation to change the current FAC sharing mechanism to 75%/25%?

⁴ Rebuttal testimony of Ms. Lena M. Mantle, pages 11 through 13.

⁵ Rebuttal testimony of Ms. Lena M. Mantle, pages 12 through 15.

Surrebuttal Testimony of Brooke Mastrogiannis

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- A. It is Staff's position that changing the current sharing percentage in this rate case is inconsistent with prior Commission rulings and the sharing percentages of other Missouri regulated utilities with FACs. Staff has not found sufficient evidence to support a recommendation to change the sharing mechanism at this time. Staff's position is to continue to recommend the current sharing mechanism of 95%/5%.
 - Q. Does this conclude your surrebuttal testimony?
 - A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West's Request for)	Case No. ER-2024-0189
Authority to Implement A General Rate)	
Increase for Electric Service)	
AFFIDAVIT OF BROO	OKE M	ASTROGIANNIS
STATE OF MISSOURI)		

SS.

COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal / True-Up Direct Testimony of Brooke Mastrogiannis; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

COUNTY OF COLE

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 September 2024.

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

Suziellankin
Notary Public