Exhibit No.: Issue(s): Witness: Sponsoring Party: Type of Exhibit: Case No.: Date Testimony Prepared:

Variable Fuel Expense Brodrick Niemeier MoPSC Staff Surrebuttal / True-Up Direct Testimony ER-2024-0189 September 10, 2024

# **MISSOURI PUBLIC SERVICE COMMISSION**

# **INDUSTRY ANALYSIS DIVISION**

### **ENGINEERING ANALYSIS DEPARTMENT**

# SURREBUTTAL / TRUE-UP DIRECT TESTIMONY

OF

# **BRODRICK NIEMEIER**

### **EVERGY MISSOURI WEST, INC.,**

d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Jefferson City, Missouri September 10, 2024

\*\* Denotes Confidential Information \*\*

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1		SURREBUTTAL / TRUE-UP TESTIMONY		
2		OF		
3		BRODRICK NIEMEIER		
4 5		EVERGY MISSOURI WEST, INC., d/b/a Evergy Missouri West		
6		CASE NO. ER-2024-0189		
7	EXECUTIVI	E SUMMARY		
8	Q.	Please state your name and business address.		
9	А.	My name is Brodrick Niemeier. My business address is 200 Madison St,		
10	Jefferson City, MO 65101.			
11	Q.	Are you the same Brodrick Niemeier that filed Direct and Rebuttal testimony in		
12	this case?			
13	А.	Yes, I am.		
14	Q.	What is the purpose of your surrebuttal / true-up testimony?		
15	А.	The purpose of my surrebuttal / true-up testimony is to respond to the rebuttal		
16	testimony of	Evergy Missouri West ("EMW") Witness Hsin Foo and the changes she		
17	recommends for Staff's production cost model, as well as explain any changes that have been			
18	made to the model. Specifically, I will be addressing locational marginal prices ("LMP") for			
19	Cimarron Bend 3, the Dogwood Facility's inclusion in the fuel model, Energy Payment Rates			
20	for Ensign and Gray County, and all changes that have been made to the production cost model			
21	since rebuttal testimony was filed. All of this supports Staff's recommendation of \$244,583,657			
22	as the Fuel an	d Purchased Power Expense.		

Surrebuttal / True-up Direct Testimony of Brodrick Niemeier

- 1 MARKET PRICES
- Q. EMW witness Foo claims<sup>1</sup> in her rebuttal testimony that the wrong local market
  price was used in the model for Cimarron Bend 3 ("CB3"). Is that correct?
- A. Yes. In the fuel run Staff conducted for its direct filing, Staff did overlook the
  structural difference of the CB3 contract from the other wind purchase power agreements
  ("PPAs"). This error was corrected within my Rebuttal Testimony filing.
- Q. Do the corrections made within your rebuttal testimony address all issues EMW
  8 Witness Foo raised in rebuttal?
- A. No. They do correct for the issues EMW Witness Foo had with Cimarron and
  Nucor,<sup>2</sup> as both relate back to the choice of LMP data used for Cimarron, but the corrections
  do not address Dogwood Energy Center ("Dogwood"), Gray County, and Ensign.
- 12 Q. Did EMW Witness Foo also comment on Staff's market price inputs13 more generally?

A. Yes. Staff witness Justin Tevie responds to the comments Ms. Foo made
regarding Staff's market price inputs in his surrebuttal / true-up direct testimony.

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### **DOGWOOD INCLUSION**

Q. EMW Witness Foo states "Dogwood is not included in Staff's production cost model, and the costs associated with the Dogwood generating station are omitted in their fuel and purchase power expense calculation."<sup>3</sup> Does Staff agree?

21

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A. Yes. Dogwood was not initially included in Staff's fuel run because EMW did not own any portion of it in the 2023 test year. EMW's Certificate of Convenience and

<sup>&</sup>lt;sup>1</sup> On page 6 of Witness Foo's rebuttal testimony.

<sup>&</sup>lt;sup>2</sup> On pages 5 through 8 of Witness Foo's rebuttal testimony.

<sup>&</sup>lt;sup>3</sup> ER-2024-0189 Evergy Witness Foo's rebuttal testimony, page 10 lines 5-7.

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Necessity to acquire Dogwood did not go into effect until April 20, 2024,<sup>4</sup> and EMW did not 1 2 complete the purchase of a portion of the plant until April 24, 2024. As such, Staff viewed it 3 as reasonable to include Dogwood only in true-up, as EMW did own a portion of the facility 4 before the end of the true-up period, June 30, 2024. 5 **PURCHASE POWER EXPENSES** Can you explain the issue with Gray County's fuel and purchase power expense? 6 Q. 7 A. Yes. EMW Witness Foo claims that Staff used the incorrect value for Gray \*\* and that the correct value is \*\* \*\*5. 8 County's Energy Payment Rate of \*\* 9 Staff did use the incorrect PPA amendment to determine the Gray County Energy Payment Rate 10 for its fuel runs in its direct and rebuttal testimonies. This has been updated in the true-up run 11 to the value of \*\* \*\* Did Evergy use the Gray County Energy Payment rate of \*\* 12 0. \*\* in its 13 direct case? No. The fuel workpapers provided in response to Staff DR<sup>6</sup> 0041 show a price 14 A. of \*\* \*\* was used by Evergy in its direct run for Grav County wind farm. 15 16 О. Can you explain the issue with Ensign Wind's fuel and purchased 17 power expense?

18 A. Yes. EMW Witness Foo claims that Staff used the incorrect value for Ensign
19 Wind's Energy Payment Rate of \*\* with and that the correct value is \*\* with \*\*7

20

Does Staff agree?

Q.

<sup>&</sup>lt;sup>4</sup> According to the response to Staff Data Request 0444.

<sup>&</sup>lt;sup>5</sup> ER-2024-0189 Evergy Witness Foo rebuttal page 10 lines 13-22.

<sup>&</sup>lt;sup>6</sup> Data Request

<sup>&</sup>lt;sup>7</sup> ER-2024-0189 Evergy Witness Foo rebuttal page 11 lines 5-15.

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1	А.	In part. Staff agrees that in its direct and rebuttal fuel runs, it used an Energy	
2	Payment Rate	e of ** **. However, Staff is surprised by the price of ** ** for	
3	the Ensign W	ind's Energy Payment Rate. In response to Staff DR 0065, EMW provided the	
4	second revision	on of Ensign Wind's Purchase Power contract. According to the second revision	
5	of Ensign's P	PA, **	
6			
7			
8		**. So either	
9	another contra	act has been entered into by the parties for a higher Energy Payment Rate than	
10	was already a	greed to contractually and provided to Staff in the Company response to Staff DR	
11	0065, or EMV	W Witness Foo's claim of that Energy Payment Rate is incorrect.	
12	Q.	Did EMW Witness Foo use ** ** for the Ensign Wind Energy Payment	
13	Rate in EMW	's Direct case?	
14	А.	No. The fuel workpapers provided in response to Staff DR 0041 show a price	
15	of **	** for Ensign wind farm.	
16	Q.	Did Evergy's workpapers imply that Ensign's new Energy Payment Rate	
17	reflects the cost of repowering?		
18	А.	Yes. Evergy asserted that the new Ensign price reflects the cost of repowering.	
19	Q.	Was this a timing issue that the Repowering was just completed?	
20	А.	No. In Response to Staff DR 0065.1, **	
21			
22		**.	

Surrebuttal / True-up Direct Testimony of Brodrick Niemeier

**TRUE-UP CHANGES** 1 2 For true-up, has Staff included Dogwood? Q. 3 A. Yes. For true-up, Staff's production cost model run includes changes such as 4 the inclusion of Dogwood as an Evergy Missouri West resource. Staff's outages, renewable 5 generation, load, market prices, and fuel prices has been updated to account for changes in the 6 true-up period. I developed Staff's True-up production cost model inputs for the inclusion of 7 Dogwood, outages, and renewable generation. Staff witnesses Stahlman, Tevie, and Giacone 8 provides surrebuttal / true-Up direct testimony regarding load, market price inputs, and fuel 9 prices, respectively. 10 Q. With these changes applied, what is Staff's recommended Fuel and Purchased 11 Power Cost? 12 A. It becomes \$244,583,657 with all the above changes. 13 Does this conclude your Surrebuttal testimony? Q. 14 A. Yes, it does.

#### 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 BRODRICK NIEMEIER**

STATE OF MISSOURI	)	
	)	SS.
COUNTY OF COLE	)	

**COMES NOW BRODRICK NIEMEIER** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Brodrick Niemeier*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

BRODRICK NIEMEIER

### 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 542 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

gellankin Notary Pub