

Exhibit No. 54

Exhibit No.:
Issue: Hedging
Witness: James Meitner
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Evergy Missouri Metro and Evergy
Missouri West
Case No.: ER-2022-0129 / 0130
Date Testimony Prepared: August 16, 2022

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2022-0129 / 0130

SURREBUTTAL TESTIMONY

OF

JAMES MEITNER

ON BEHALF OF

EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

**Kansas City, Missouri
August 2022**

SURREBUTTAL TESTIMONY

OF

JAMES MEITNER

Case No. ER-2022-0129 / 0130

I. INTRODUCTION

1

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

3 A: My name is James Meitner. My business address is 818 S. Kansas Avenue, Topeka,
4 Kansas.

5 **Q: Are you the same James Meitner who previously filed rebuttal testimony in these**
6 **dockets?**

7 A: Yes.

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

9 A: I am testifying on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy
10 Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy
11 Missouri West”) (collectively, the “Company”).

12 **Q: What is the purpose of your surrebuttal testimony?**

13 A: The purpose of my surrebuttal testimony is to respond to the Rebuttal Testimony of
14 Missouri Public Service Commission Staff (“Staff”) witness Krishna L. Poudel regarding
15 hedging.

1 **Q: Do you agree with witness Poudel's testimony that Commission approval of the**
2 **Company's hedging activities and recovery of hedging costs, gains, and losses in the**
3 **fuel adjustment clause would supersede the previous agreements in ER-2016-0156**
4 **and ER-2016-0285 in regards to hedging?**

5 A: Yes, I do. Market dynamics have changed significantly since 2016 and it is prudent to
6 pursue hedging products consistent with the hedging policy when market liquidity allows.
7 The hedging policy should not be limited to physical power and/or physical natural gas.

8 **Q: Do you agree with Staff witness Poudel's description of hedging on page 5 of his**
9 **rebuttal testimony?**

10 A: Yes, I do. The main objective of hedging, in this case, is to mitigate price/volatility risk of
11 fuel and purchased power. Hedging is the opposite of a risky proposition. Hedging is not
12 a tool to make money and, in many cases, acts much like insurance. It is possible,
13 depending on the percentage amount of hedge volume procured compared to the total
14 forecasted position, that the desired outcome for the portfolio is for the hedge to lose
15 money. This would result in a lower total cost for the portfolio when compared to the total
16 cost in a scenario where the hedge would have resulted in a profit.

17 **Q: Does Evergy's hedging strategy avoid spot market pricing exposure?**

18 A: No, not necessarily. Unless an actual net position is 100% hedged, the hedging strategy
19 acts to lessens the amount of exposure at spot market pricing and instead diversifies that
20 exposure over periods of time.

21 **Q: Does that conclude your testimony?**

22 A: Yes, it does.

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

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro's Request for Authority to) Case No. ER-2022-0129
Implement A General Rate Increase for Electric)
Service)

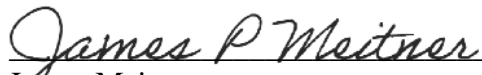
In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West's Request for Authority to) Case No. ER-2022-0130
Implement A General Rate Increase for Electric)
Service)

AFFIDAVIT OF JAMES MEITNER

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

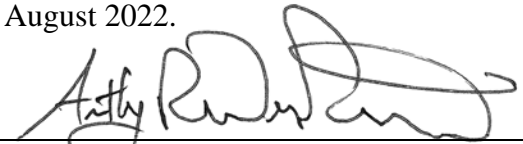
James Meitner, being first duly sworn on his oath, states:

1. My name is James Meitner. I work in Topeka, Kansas, and I am employed by Evergy Kansas Central, Inc. as Director Market Operations.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of two (2) 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.



James Meitner

Subscribed and sworn before me this 15th day of August 2022.



Notary Public

My commission expires: 4/26/2025

