

Exhibit No. 148

Evergy Missouri West – Exhibit 148
Linda J. Nunn
True-Up Rebuttal
File No. ER-2024-0189

Public Version

Exhibit No.:

Issue: NUCOR; Maintenance Expense;

Witness: Linda J. Nunn

Type of Exhibit: Tru-Up Rebuttal Testimony

Sponsoring Party: Evergy Missouri West

Case No.: ER-2024-0189

Date Testimony Prepared: September 18, 2024

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2024-0189

TRUE-UP REBUTTAL TESTIMONY

OF

LINDA J. NUNN

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri

September 2024

TRUE-UP REBUTTAL TESTIMONY

OF

LINDA J. NUNN

CASE NO. ER-2024-0189

1

I. INTRODUCTION

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

3 A: My name is Linda J. Nunn. My business address is 1200 Main, Kansas City,
4 Missouri 64105.

5 **Q: Are you the same Linda J. Nunn who submitted direct testimony on February**
6 **2, 2024, rebuttal testimony on August 6, 2024, and surrebuttal/true-up direct**
7 **testimony on September 10, 2024?**

8 A: Yes.

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

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

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

13 A: The purpose of my testimony is to respond to the true-up direct testimonies of the
14 following Staff witnesses and topics:

- 15 ▪ Justin Tevie - NUCOR
- 16 ▪ Nathan Bailey - Maintenance

17 Please note that the Company has attempted to address all substantive issues raised
18 by Staff, OPC, or other parties which the Company contests. If the Company
19 inadvertently failed to address an issue raised by any party, the absence of a

1 response does not constitute agreement by the Company with the party, and the
2 Company may respond on the topic at hearing.

3 **II. NUCOR**

4 **Q: Please explain Staff's proposed true-up adjustment for NUCOR.**

5 A: Staff witness Mr. Tevie annualized Schedule SIL revenues at June 30, 2024, the
6 new rates stipulated in Schedule SIL-1, and EMW's billing determinants. Based
7 on this calculation, Mr. Tevie proposes a true-up increase of \$231,792 to Schedule
8 SIL revenues.

9 **Q: Once Mr. Tevie annualized Nucor revenues, did he use those revenues in his
10 calculation of whether Nucor revenues covered its costs?**

11 A: No, he did not.

12 **Q: Did Mr. Tevie use the normalized/annualized net purchased power costs
13 associated with Nucor in the analysis on whether Nucor revenue covered its
14 costs?**

15 A: No.

16 **Q: How did Staff calculate the over/under associated with Nucor revenues and
17 costs?**

18 A: Although Staff annualizes and normalizes both Nucor's revenues and net purchased
19 power expenses, it does not use those levels in the calculation of whether Nucor's
20 revenues cover its costs. Therefore, the level of revenue and expense included in
21 base rates is not considered when analyzing whether Nucor was able to cover its
22 costs. This is a mismatch.

23 Whether Nucor has covered its costs in between rates cases has no impact
24 on EMW's other customers. While Nucor activity is removed from the FAC,

1 further event tracking is performed prior to each semi-annual rate update to ensure
2 non-Nucor customers are not adversely impacted from Nucor operations.
3 Adjustments are made within the FAC calculation only on an as-needed basis based
4 on the analysis performed. It is appropriate to true-up to the current
5 normalized/annualized revenues and expenses.

6 Witness Tevie provided the support for the annualization of revenues and
7 EMW provided work papers to support the fuel and purchased power levels used
8 by the Company to analyze whether Nucor’s revenues exceed its costs. I included
9 as a schedule (**Confidential Schedule LJN-10**) attached to my testimony below
10 the appropriate calculation showing that Nucor’s revenues cover all of its costs.
11 Exhibit 1 includes the summary calculation, the calculation of Nucor’s purchased
12 power costs, as calculated in the Company’s true-up workpapers provided to Staff,
13 as well as the support for the lack of capacity purchases need, as discussed in
14 Company Witness, JP Meitner’s Rebuttal and Surrebuttal testimonies.

15 III. MAINTENANCE EXPENSE

16 **Q: Please describe Staff witness Nathan Bailey’s proposed maintenance expense**
17 **true-up adjustment.**

18 A: With the exception of Federal Energy Regulatory Commission (“FERC”) account
19 593, Mr. Bailey used a three-year average of 2021, 2022, and 2023 maintenance
20 expenses to calculate Staff’s true-up adjustment rather than including costs through
21 the true-up period of June 30, 2024.

22 **Q: Do you agree with Staff’s calculation?**

23 A: No, I do not agree with Staff’s calculation.

1 **Q: Why do you disagree?**

2 A: We are currently in a very volatile inflationary period. We've requested a storm
3 reserve which would help to mitigate some of the uncertainty. Staff opposes the
4 reserve but then also limits our ability to cover increased costs by not updating
5 through the true-up period.

6 **Q: What is the appropriate calculation of the true-up adjustment for maintenance
7 expenses?**

8 A: The true-up period is through June 30, 2024. Updating the averaging to include
9 costs through the true-up period would allow the capture of the most current costs
10 available just as was done with account 593.

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

12 A: Yes, it does.

**SCHEDULE LJN-10
CONTAINS CONFIDENTIAL
INFORMATION
NOT AVAILABLE TO THE PUBLIC.

ORIGINAL FILED UNDER SEAL.**

**Evergy Metro, Inc. d/b/a Evergy Missouri Metro and
Evergy Missouri West, Inc. d/b/a Evergy Missouri West**

Docket No.: ER-2024-0189

Date: September 18, 2024

CONFIDENTIAL INFORMATION

The following information is provided to the Missouri Public Service Commission under CONFIDENTIAL SEAL:

Document/Page	Reason for Confidentiality from List Below
Schedule LJM-10	1, 3, 4, and 6

Rationale for the “confidential” designation pursuant to 20 CSR 4240-2.135 is documented below:

1. Customer-specific information;
2. Employee-sensitive personnel information;
3. Marketing analysis or other market-specific information relating to services offered in competition with others;
4. Marketing analysis or other market-specific information relating to goods or services purchased or acquired for use by a company in providing services to customers;
5. Reports, work papers, or other documentation related to work produced by internal or external auditors, consultants, or attorneys, except that total amounts billed by each external auditor, consultant, or attorney for services related to general rate proceedings shall always be public;
6. Strategies employed, to be employed, or under consideration in contract negotiations;
7. Relating to the security of a company's facilities; or
8. Concerning trade secrets, as defined in section 417.453, RSMo.
9. Other (specify) _____.

Should any party challenge the Company’s assertion of confidentiality with respect to the above information, the Company reserves the right to supplement the rationale contained herein with additional factual or legal information.