

Exhibit No. 244

Exhibit No.:
Issue(s): Special incremental load
Witness: Justin Tevie
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2024-0189
Date Testimony Prepared: August 6, 2024

MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION

TARIFF AND RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

JUSTIN TEVIE

EVERGY MISSOURI WEST, INC.,

d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Jefferson City, Missouri
August 6, 2024

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **JUSTIN TEVIE**

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

6 **CASE NO. ER-2024-0189**

7 Q. Please state your name and business address.

8 A. Justin Tevie, 200 Madison Street, Jefferson City, MO 65102.

9 Q. Are you the same Justin Tevie who provided direct testimony in this case?

10 A. Yes.

11 Q. What is the purpose of your rebuttal testimony?

12 A. My rebuttal testimony provides updated results to Staff’s Exhibit 1¹ based upon:
13 (1) the terms of the non-unanimous Stipulation and Agreement (“Stipulation”) between Evergy
14 Missouri West (“EMW”) (formerly KCP&L Greater Missouri Operations Company),
15 Commission Staff (“Staff”), and Nucor Steel Sedalia, LLC (“Nucor”)², and (2) Article 7 of the
16 power purchase agreement (“Agreement”) between Cimarron Bend Wind Project III, LLC and
17 Evergy, Inc.³

18 **REVENUE REQUIREMENT ADJUSTMENT FOR SCHEDULE SIL**

19 Q. Has Staff’s recommendation for the value of the revenue requirement
20 adjustment associated with service under Schedule SIL changed since the filing of
21 direct testimony?

¹ Attached as Schedule JT-r1.

² Non-Unanimous Stipulation and Agreement filed on September 19, 2019 in Case No. EO-2019-0244 and approved by the Missouri Public Service Commission on November 13, 2019.

³ The Agreement was submitted as part of Data Request No. 0065 in this general rate case.

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1 A. Yes. Staff updated the NUCOR adjustment based on the Agreement between
2 Cimarron Bend III and Evergy, Inc. The updates are attached to this testimony as
3 Schedule JT-r1.

4 Q. What is the Agreement?

5 A. **

[REDACTED]

11 Q. What is Schedule SIL?

12 A. Schedule SIL⁴ is the Special Rate for Incremental Load Service, which is the
13 applicable rate for Nucor⁵ service. Nucor is currently the sole EMW customer served under
14 Schedule SIL.

15 Q. Why is an adjustment to EMW's revenue requirement related to Schedule SIL
16 service necessary in this case?

17 A. In Staff's direct filing an incorrect settlement node was used for the
18 Cimarron Bend III wind farm. Staff's work papers for EMW have been updated to use the
19 MPS_MPS node for calculating revenue from the Cimarron Bend III wind farm. In addition, as
20 discussed more thoroughly in my direct testimony in this case, the incremental cost to serve
21 Nucor exceeds the EMW revenues from Nucor service for the 12-month period ending

⁴ Schedule SIL - P.S.C. MO. No. 1 Original Sheet Nos. 157, 157.1, 157.2, and 157.3.

⁵ My direct testimony in this case provides some background of Schedule SIL as well as Nucor.

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1 December 31, 2023.⁶ Schedule SIL and the Stipulation from Case No. EO-2019-0244 include
2 provisions that non-Schedule SIL customers will be held harmless from the service under
3 Schedule SIL.

4 Q. How does this correction affect Staff's revenue calculations?

5 A. Incorporating the correct LMP stipulated by the Agreement decreased the total
6 cost by approximately 51% or ** [REDACTED] **. Hence, the amount of under recovery
7 decreased to approximately ** [REDACTED] **. The amount of under recovery is the net of
8 revenues and costs during the period under review.

9 Q. Does the error detected in light of the Agreement call into question the overall
10 results of the analysis that Staff performed for Nucor?

11 A. No. The error that Staff identified reflects a good-faith effort made by Staff
12 to calculate the total revenue from the wind Purchase Power Agreement. Changing to the
13 correct input LMP did affect the amount of under-recovery, but the overall analysis itself was
14 done correctly.

15 Q. Has the correction that Staff has made to the cost of serving Nucor been applied
16 to the revenue requirement?

17 A. Yes

18 Q. What other adjustments did Staff make to the revenue requirement?

19 A. Staff calculated the cost of Nucor exceeding its peak load forecast of
20 ** [REDACTED] **. Staff also made
21 changes to the event balancing cost, to include the months of November and December of 2023,

⁶ The 12-months ending December 31, 2023 coincides with the update period utilized by Staff in this case.

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1 to reflect SPP balancing charges bringing the total amount to approximately ** [REDACTED] .**

2 These adjustments were then used to calculate the amount of under recovery determined above.

3 Q. In light of Nucor exceeding its peak load forecast, what should be the new
4 capacity requirement for Nucor?

5 A. Including the SPP planned reserve margin of 15%, the new capacity requirement
6 should be approximately ** [REDACTED] .**

7 Q. Does this conclude your rebuttal testimony?

8 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 JUSTIN TEVIE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JUSTIN TEVIE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Justin Tevie*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



JUSTIN TEVIE

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 31st day of July 2024.



Notary Public



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SCHEDULE JT-r1

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY