

Exhibit No. 271

MoPSC Staff – Exhibit 271
Charles T. Poston, PE
Surrebuttal & True-up Direct Testimony
File Nos. ER-2022-0129 & ER-2022-0130

Exhibit No.:
Issue(s): *Variable Fuel, Solar
Energy Allocations*
Witness: *Charles T. Poston, PE*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal and True-Up
Direct Testimony*
Case Nos.: *ER-2022-0129 and
ER-2022-0130*
Date Testimony Prepared: *August 16, 2022*

MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
ENGINEERING ANALYSIS DEPARTMENT

**SURREBUTTAL AND
TRUE-UP DIRECT TESTIMONY**

OF

CHARLES T. POSTON, PE

**Evergy Metro, Inc., d/b/a Evergy Missouri Metro
Case No. ER-2022-0129**

**Evergy Missouri West, Inc., d/b/a Evergy Missouri West
Case No. ER-2022-0130**

*Jefferson City, Missouri
August 2022*

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**SURREBUTTAL AND
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**Evergy Missouri West, Inc., d/b/a Evergy Missouri West
Case No. ER-2022-0130**

9 Q. Please state your name and business address.

10 A. My name is Charles T. Poston and my business address is Public Service
11 Commission, P.O. Box 360, Jefferson City, MO 65102.

12 Q. By whom are you employed and in what capacity?

13 A. I am employed by the Missouri Public Service Commission (“Commission”) as
14 a Senior Professional Engineer in the Engineering Analysis Department of the Industry
15 Analysis Division.

16 Q. Are you the same Charles T. Poston who filed direct testimony in these cases on
17 June 8, 2022, and rebuttal testimony on July 13, 2022?

18 A. Yes, I am.

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EXECUTIVE SUMMARY

20 Q. What is the purpose of your surrebuttal and true-up direct testimony?

21 A. My surrebuttal testimony addresses two issues: my response to Evergy witness
22 Eric T. Peterson concerning a number of issues he identified related to Staff’s Evergy West
23 production cost model, and my response to Evergy witness Darrin R. Ives regarding the
24 allocation of energy from the Greenwood solar station. My true-up direct testimony includes
25 updated results to the variable fuel and purchased power expense for Evergy West.

1 Q. Is your testimony applicable to the general rate case filed by Evergy West in
2 ER-2022-0130, or the general rate case filed by Evergy Metro in ER-2022-0129?

3 A. My surrebuttal testimony concerning corrections to Staff's production cost
4 model applies only to Evergy West while the discussion about the allocation of energy from the
5 Greenwood solar station affects both Evergy Metro and Evergy West. My true-up direct
6 testimony is only applicable to Evergy West.

7 **SURREBUTTAL TESTIMONY**

8 **PRODUCTION COST MODEL CORRECTIONS**
9 **(EVERGY WEST)**

10 Q. In Mr. Peterson's rebuttal testimony he stated that Staff's production cost model
11 for Evergy West used an incorrect settlement location for the Cimarron Bend III wind farm.¹
12 Was he correct?

13 A. Yes. In Staff's direct filing an incorrect settlement node was used for
14 the Cimarron Bend III wind farm. Staff's production cost model for Evergy West has
15 been corrected to use the MPS_MPS node for calculating revenue from the Cimarron Bend III
16 wind farm.

17 Q. Did Mr. Peterson's rebuttal testimony identify any other issues or inadvertent
18 errors related to Staff's production cost model for Evergy West?

19 A. Mr. Peterson identified issues with the way Staff calculated the Purchased Power
20 Agreement (PPA) cost at the Gray County Wind Farm, the revenue calculation for Lake Road,
21 Nevada, and the St. Joseph Landfill Gas station. He also cited inconsistencies between the

¹ ER-2022-0129/ER-2022-0130, Rebuttal Testimony of Eric T. Peterson, page 5, lines 12-17.

1 production cost models used by Staff for Evergy West and Evergy Metro with regard to the
2 operating assumptions for the Iatan Generating Station.²

3 Q. How have you addressed those additional issues raised by Mr. Peterson?

4 A. Staff has changed its production cost model to correct the PPA cost at the Gray
5 County Wind farm to match the value used by Evergy West. Staff also changed its workpapers
6 to properly calculate revenue for the Lake Road, Nevada, and the St. Joseph Landfill Gas
7 stations. Finally, Staff took measures to ensure that the operation assumptions for the Iatan
8 Generating Station were equivalent in its production cost models for both Evergy West and
9 Evergy Metro.

10 Q. What was the magnitude of the impact to the results of Staff's production cost
11 model from addressing the issues that Mr. Peterson pointed out in his rebuttal testimony?

12 A. Incorporating the corrections suggested by Mr. Peterson decreased the total
13 fuel and purchases power cost filed in Staff's direct testimony by approximately 2.2% or
14 \$4.7 million.

15 Q. Do the errors that Mr. Peterson identified call into question the overall results of
16 the production cost model that Staff developed for Evergy West?

17 A. No. The errors that Mr. Peterson identified reflected inadvertent errors made by
18 Staff while using the output of the production cost model to calculate the total variable fuel and
19 purchased power expense. The model itself functioned correctly and those errors did not
20 change the dispatch of any of the power plants within Staff's model.

² ER-2022-0129/ER-2022-0130, Rebuttal Testimony of Eric T. Peterson, page 8, line 20 to page 9, line 4.

1 Q. Have the corrections that you made to Staff's Evergy West production cost
2 model been carried forward into the model update presented in your true-up direct testimony?

3 A. Yes. The corrections that Staff made to its Evergy West production cost model
4 are all included in the calculation of true-up variable fuel and purchased power expense
5 discussed in my true-up direct testimony.

6 **GREENWOOD SOLAR ENERGY ALLOCATION**
7 **(EVERGY METRO & EVERGY WEST)**

8 Q. In his rebuttal testimony, Evergy witness Darrin R. Ives disagrees with Staff's
9 proposed allocations for the Greenwood solar station capital costs and all related expenses.
10 Does Mr. Ives make any statements concerning what he considers to be the proper allocation
11 of the energy generated at that facility?

12 A. Yes. Mr. Ives states that, "The Greenwood solar station provides power and
13 other benefits exclusively to EMW's customers and does not benefit EMM."³

14 Q. How do Staff's production cost models allocate the energy from the Greenwood
15 solar station?

16 A. Within Staff's production cost models, the generation from the solar facility is
17 allocated on an hourly basis between Evergy Metro and Evergy West using the customer-based
18 allocation factors supported by Staff witness Karen Lyons.⁴ Evergy Metro receives 61.82% of
19 the energy and Evergy West receives the remaining 38.12%.

20 Q. Why does Staff use witness Lyons' cost allocation factors for allocating the
21 energy from the Greenwood solar station between Evergy Metro and Evergy West?

³ ER-2022-0129/ER-2022-0130, Rebuttal Testimony of Darrin R. Ives, page 15, lines 10-11.

⁴ ER-2022-0129/ER-2022-0130, Direct Testimony of Karen Lyons, page 34, lines 6-11.

1 A. It is Staff's position that Evergy Metro and Evergy West should share the costs
2 related to the Greenwood solar station. For the sake of consistency and fairness, it is only
3 proper that Staff should recommend that Evergy Metro and Evergy West should also share the
4 facility's benefits. Within Staff's production cost models, the allocated solar energy is used to
5 offset customer load and decreases the load expense for both Evergy Metro and Evergy West.

6 Q. Does this conclude your surrebuttal testimony?

7 A. Yes.

8 TRUE-UP DIRECT TESTIMONY

9 **VARIABLE FUEL & PURCHASED POWER EXPENSE** 10 **(EVERGY WEST)**

11 Q. Has Staff's production cost model been revised for its true-up filing?

12 A. Yes. The time period under consideration for certain model assumptions
13 has been changed to reflect the true-up date of May 31, 2022. The model inputs updated for
14 known and measureable changes include net system input and the generation from renewable
15 energy sources.

16 Q. How did Staff address the fuel prices (coal, natural gas, oil) and market prices
17 used in Staff's true-up production cost model?

18 A. Staff used the same fuel prices and market prices in its true-up production cost
19 model that it used in its direct filing. This was done to minimize the effects of recent price
20 volatility. Staff witness Matthew R. Young also addresses recommendations related to true-up
21 fuel prices in his true-up direct testimony.

22 Q. What is the trued-up level of Staff's variable fuel and purchased power expense
23 for Evergy West?

Surrebuttal and True-Up Direct Testimony of
Charles T. Poston, PE

1 A. For known and measurable changes through May 31, 2022, Staff determined the
2 variable fuel and purchased power expense for Evergy West to be \$216,688,119.

3 Q. Does this conclude your true-up direct testimony?

4 A. Yes.

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) Case No. ER-2022-0130
Authority to Implement a General Rate)
Increase for Electric Service)

AFFIDAVIT OF CHARLES T. POSTON, PE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CHARLES T. POSTON, PE 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 Charles T. Poston, PE*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

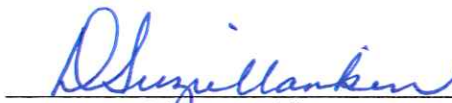


CHARLES T. POSTON, PE

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 10th day of August 2022.

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


Notary Public