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## Exhibit No. 277P

MoPSC Staff – Exhibit 277P Amanda C. Conner True-up Rebuttal Testimony File Nos. ER-2022-0129 & ER-2022-0130

Exhibit No.:

Issue: Fuel Adjustment Clause Witness: Amanda C. Conner

Sponsoring Party: MoPSC Staff Type of Exhibit: True-Up

Rebuttal Testimony

Case Nos.: ER-2022-0129 &

ER-2022-0130

Date Testimony Prepared: August 25, 2022

# MISSOURI PUBLIC SERVICE COMMISSION INDUSTRY ANALYSIS DIVISION ENERGY RESOURCES DEPARTMENT

### TRUE-UP REBUTTAL TESTIMONY

**OF** 

**AMANDA C. CONNER** 

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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| 1           |  | TRUE-UP REBUTTAL TESTIMONY  |  |  |  |  |  |  |
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| 4 5         |  | Evergy Metro, Inc., d/b/a Evergy Missouri Metro<br>Case No. ER-2022-0129      |  |  |  |  |  |  |
| 6<br>7<br>8 | Evergy Missouri West, Inc., d/b/a Evergy Missouri West<br>Case No. ER-2022-0130                |   |  |  |  |  |  |  |
| 9           | Q.   | Please state your name and business address.                                  |  |  |  |  |  |  |
| 10          | A.   | Amanda C. Conner, 200 Madison Street, Jefferson City, Missouri 65101.         |  |  |  |  |  |  |
| 11          | Q.   | Are you the same Amanda C. Conner who has filed direct, rebuttal, surrebuttal |  |  |  |  |  |  |
| 12          | and true-up direct testimony in this case?   |   |  |  |  |  |  |  |
| 13          | A.   | Yes.  |  |  |  |  |  |  |
| 14          | Q.   | What is the purpose of your true-up rebuttal testimony?                       |  |  |  |  |  |  |
| 15          | A.   | The purpose of my true-up rebuttal testimony is to update Staff's Fuel        |  |  |  |  |  |  |
| 16          | Adjustment Clause ("FAC") base factors. I will also address company witness Linda J. Nunn      |   |  |  |  |  |  |  |
| 17          | true-up direct testimony schedules LJN-9 in regards to changes made to the FAC tariff's        |   |  |  |  |  |  |  |
| 18          | Jurisdictional factor ("J factor") for Evergy Metro Inc. d/b/a Evergy Missouri Metro ("EMM").  |   |  |  |  |  |  |  |
| 19          | Lastly, I will be addressing the Office of the Public Counsel ("OPC") witness Lena M. Mantle's |   |  |  |  |  |  |  |
| 20          | true-up direct testimony recommending the inclusion of Renewable Energy Credit ("REC")         |   |  |  |  |  |  |  |
| 21          | revenues to EMM's and Evergy Missouri West Inc. d/b/a Evergy Missouri West's ("EMW")           |   |  |  |  |  |  |  |
| 22          | FAC Base Factor.   |   |  |  |  |  |  |  |
| 23          |  | ASE FACTOR  |  |  |  |  |  |  |
| 24          | Q.   | What is Staff recommending for EMM's and EMW's True-Up Rebuttal               |  |  |  |  |  |  |
| 25          | Base Factors   | ?   |  |  |  |  |  |  |

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| 1  | A. Staff's updated Base Factors are:                      |             |                   |  |  |
|----|---|-------------|-------------------|--|--|
| 2  | EMM Base Factor:  |             |                   |  |  |
| 3  | Net   | Fuel and PP | \$279,834,767     |  |  |
| 4  | NSI   |             | 15,300,113,486    |  |  |
| 5  | Base  | e Factor    | \$0.01829 per kWh |  |  |
| 6  | • EMW Base Factor:  |             |                   |  |  |
| 7  | Net   | Fuel and PP | \$259,252,892     |  |  |
| 8  | NSI   |             | 8,593,186,157     |  |  |
| 9  | Base  | e Factor    | \$0.03017 per kWh |  |  |
| 10 | Q. Why is Staff updating its recommended Base Factors aga |             |                   |  |  |

A. Staff found revenues and load related to Nucor and the Renewable Energy Rider ("RER") that were inadvertently not removed from the true-up direct base factor calculation for both EMW and EMM<sup>1</sup>. To be in compliance with Commission Order in ER-2018-0145 and EO-2019-0244, the costs, revenues, and load for Nucor for EMW and the costs and revenues for the RER for EMM would need to be removed from the FAC base factors. Since Nucor and the RER were updated to reflect removing their associated Purchased Power Agreements from the base factors, this revised the calculated pass-through percentage of SPP transmission costs in the FAC of 74.57% for EMW and 28.50% for EMM. Also, Staff inadvertently did not include non-firm off system sales for EMW in its true-up direct base factor calculation. Lastly, the unit train maintenance was inadvertently not included in the

<sup>&</sup>lt;sup>1</sup> Nucor is associated with the Cimarron Bend III Purchased Power Agreement, and the Renewable Energy Rider is associated with the Ponderosa Purchased Power Agreement.

1 true-up direct base factor calculation for EMM. All of these errors are fixed and incorporated 2 into the base factors provided above. 3 **CHANGES TO FAC TARIFF** Where did Ms. Nunn make changes in her schedules LJN-9? 4 Q. 5 A. Ms. Nunn changed the J factor on page 13 of LJN-9, which is proposed FAC tariff sheet 50.39. 6 7 Q. What is the J factor? 8 A. The J factor is the Missouri Retail Energy Ratio. These include Missouri ("MO") 9 and Kansas ("KS") Loss percentages. 10 Q. What were the changes, and is this the first time Staff has seen this change to 11 EMM's FAC tariff sheet? 12 A. Yes, this is the first time Staff has seen this change in the FAC tariff sheet 50.39. EMM MO Losses changed from 6.32% to 6.09%, and the KS Losses changed from 13 14 7.52% to 6.51%. 15 Q. Where did EMM show the data for the change in the MO and KS Losses? 16 A. Prior to Ms. Nunn's true-up direct testimony's schedule LJN-9, these 17 percentages were shown in Table 1 of the Line Loss Study provided in Ms. Nunn's direct testimony as Schedule LJN-4.2 However, in Ms. Nunn's direct testimony, this change was not 18 19 made to page 19 of Schedule LJN-5, which is the schedule for the FAC tariff sheets. 20 Q. Has Ms. Nunn provided any testimony, outside of her schedules explaining this 21 change to the FAC J factor?

<sup>&</sup>lt;sup>2</sup> Direct Testimony of Linda J. Nunn Schedule LJN-4 page 5 of 61, Table 1, Losses-Net System Input.

- A. No. Though Staff has no issue with this change, since it can be substantiated by the line loss study, it should be mentioned that this change should have been made in Ms. Nunn's Schedule LJN-5 since it was filed in her direct testimony.
- Q. Why is the timing of when Ms. Nunn made this change to the FAC tariff important?
- A. It is important to note that EMM sent responses to Staff data requests 257.1 and 260, where EMM provided updated FAC tariff sheets without filing these tariff updates in this rate case. However yet not one of the responses provided this J factor update. Because of this, Staff had to try to verify where these changes came from after the true-up direct testimonies were filed, which left very little time for any follow-up data requests, if needed, to be sent before true-up rebuttal testimony was due to be filed in this rate case. This is especially important, since Ms. Nunn does not indicate in any of her testimony why these changes were made in true-up direct, or any other testimony she filed in this rate case. If Ms. Nunn had made a change that could not be verified in a quick and efficient manner, this could have caused issues for Staff in verifying the prudency of the changes EMM made.

#### **INCLUSION OF REC REVENUES**

- Q. In Ms. Mantle's true-up direct testimony, she recommends including REC revenues in the FAC Base Factors. Does Staff agree with Ms. Mantle's recommendation and the amounts she used for her recommendation?
- A. As Ms. Mantle states in her testimony, EMM and EMW began selling RECs in February 2022, and she provides an amount for generating revenues of these sold RECs. The true-up cutoff date in this case is May 2022. For the months of February 2022 through May 2022, Ms. Mantle recommends that \*\*

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A.

Yes.

EMW's revenue requirement and FAC base factor calculation and \*\* be included in EMM's revenue requirement and FAC base factor calculation. Staff notes that Ms. Mantle's recommendation is only four months of actual revenues, and not annualized amounts. These numbers do tie to the FAC monthly reports. However Staff is of the understanding that the number Ms. Mantle provided for EMM of \*\* is for Evergy as a whole and not specific to Missouri; the Missouri specific amount of REC sales for February through May 2022 is \*\* \*\*. Although Staff notes these numbers do tie to the FAC monthly reports, the monthly reports include other amounts in account 509 for emissions, so there could be confusion on what specific numbers to use just for REC sales. Staff has not included these amounts in its FAC base factor calculation because there is not enough months' worth of data at this time to make a fair and accurate recommendation. Therefore, Staff does not oppose some amount of revenues being included, but due to a lack of data, Staff is unaware what that amount should be. Staff recommends for all parties to meet and discuss how we should calculate for the sales of RECs and what portion should be included in EMM and EMW's base factors going forward. Staff would also like to reiterate that since adding REC sales to the FAC beginning February 2022, the FAC monthly reports have been difficult to understand what amounts are specific to REC sales and what amounts are specific to Emission allowances, etc, as mentioned above. Therefore, Staff also recommends that account 509000 be broken down by resource codes for REC sales and Emissions and that information be provided in the FAC monthly reports. Q. Does this conclude your true-up rebuttal testimony?

#### BEFORE THE PUBLIC SERVICE COMMISSION

#### OF THE STATE OF MISSOURI

| In the Matter of Evergy Missouri Metro's Request<br>Implement a General Rat<br>Service  | st for Authority to | ) | Case No. ER-2022-0129 |  |  |  |  |  |  |  |
|---|---------------------|---|-----------------------|--|--|--|--|--|--|--|
| In the Matter of Evergy Missouri West, Inc.<br>d/b/a Evergy Missouri West's Request for<br>Authority to Implement a General Rate<br>Increase for Electric Service |                     |   | Case No. ER-2022-0130 |  |  |  |  |  |  |  |
| AFFIDAVIT OF AMANDA C. CONNER   |                     |   |                       |  |  |  |  |  |  |  |
| STATE OF MISSOURI   | )<br>) ss.          |   | · ·                   |  |  |  |  |  |  |  |

COMES NOW AMANDA C. CONNER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *True-Up Rebuttal Testimony of Amanda C. Conner*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

AMANDA C. CONNER

**JURAT** 

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

lotary Public