

FILED  
November 1, 2024  
Data Center  
Missouri Public  
Service Commission

# Exhibit No. 225

Staff – Exhibit 225  
Teresa Denney (Rate Design)  
Direct  
File No. ER-2024-0189

*Exhibit No.:*  
*Issue(s):* *Fuel Adjustment  
Clause*  
*Witness:* *Teresa Denney*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *ER-2024-0189*  
*Date Testimony Prepared:* *July 12, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**TERESA DENNEY**

**EVERGY MISSOURI WEST, INC.,**

**d/b/a Evergy Missouri West**

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

*Jefferson City, Missouri*  
*July 12, 2024*

**TABLE OF CONTENTS OF  
DIRECT TESTIMONY OF  
TERESA DENNEY  
EVERGY MISSOURI WEST, INC.,  
d/b/a Every Missouri West  
CASE NO. ER-2024-0189**

1	
2	
3	
4	
5	
6	
7	EXECUTIVE SUMMARY .....1
8	REVISED BASE FACTOR.....2
9	REVISED TRANSMISSION PERCENTAGE .....2
10	FAC VOLTAGE ADJUSTMENT FACTORS .....3

1 **DIRECT TESTIMONY**

2 **OF**

3 **TERESA DENNEY**

4 **EVERGY MISSOURI WEST, INC.,**

5 **d/b/a Every Missouri West**

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

7 Q. Please state your name and business address.

8 A. My name is Teresa Denney. My business address is 200 Madison Street, P.O.  
9 Box 360, Jefferson City, MO 65102.

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

11 A. I am employed by the Missouri Public Service Commission (“Commission”)  
12 as a Lead Senior Utility Regulatory Auditor.

13 Q. Have you provided your credentials in this file?

14 A. Yes. They were provided in this case as Schedule TLD-d1 with my Direct  
15 Testimony filed on June 27, 2024.

16 **EXECUTIVE SUMMARY**

17 Q. What tariff modifications does Staff propose in this case?

18 A. Staff reviewed the current Evergy Missouri West (“EMW’s”) Fuel Adjustment  
19 Clause (“FAC”) tariff sheets that were approved by the Commission in Case No. ER-2022-0130  
20 and became effective January 9, 2023. The current FAC tariff sheets reflect EMW’s  
21 participation in the Southwest Power Pool’s (“SPP”) Integrated Marketplace (“IM”) and  
22 account for transmission costs in a manner consistent with the way transmission costs are  
23 treated in Ameren Missouri’s and Liberty-Empire’s current FACs.

24 In summary, Staff proposes the following modifications to EMW’s FAC:

1. Replace the current Base Factor (“BF”)<sup>1</sup> with the revised BF of \$0.03467 per Kilowatt hour (“kWh”) for EMW that is based upon Staff’s revenue requirement for this case;
2. Replace the current pass-through percentage of SPP transmission costs<sup>2</sup> with the revised pass-through percentage of SPP transmission costs of 69.50% for EMW as Staff calculated for this case, as described in the Revised Transmission Percentage section of this report; and,
3. Continue to use the voltage adjustment factors presently included in the FAC tariff sheets.

**REVISED BASE FACTOR**

Q. What is Staff recommending for EMW’s Base Factors?

A. Staff calculated the BF rate based upon the following information in Staff’s revenue requirement direct testimony in this case: (1) net base energy costs (fuel and purchased power costs less OSS revenue) including Staff’s accounting adjustments to test year;<sup>3</sup> and (2) normalized net system inputs (“NSI”):

Net Fuel and PP	\$ 308,695,012
NSI	<u>\$8,904,146,661</u>
EMW Base Factor	\$0.03467 per kWh

**REVISED TRANSMISSION PERCENTAGE**

Q. What are the percentages Staff recommends for EMW’s transmission costs?

A. As provided in Staff witness Brodrick Niemeier’s workpapers,<sup>4</sup> Staff calculated the pass-through percentage of SPP transmission costs<sup>5</sup> in the FAC as 69.50% for EMW. This

<sup>1</sup> The existing Base Factors are \$0.02983 per kWh for EMW.

<sup>2</sup> The existing SPP pass through percentages are 74.57% for EMW.

<sup>3</sup> To be in compliance with Commission Orders in ER-2018-0145, EO-2019-0244, and ER-2022-0130, EMW’s Cimarron Bend III PPA will not be included in the FAC or base factor calculation.

<sup>4</sup> Workpaper titled “EMW Direct Fuel Model Results – Direct” tab “FAC%”.

<sup>5</sup> The pass-through percentage of SPP transmission costs are a representation of transmission expenses that are associated with energy purchases from the SPP IM in excess of energy generation by EMW’s generation units.

1 calculation is based on the output from Staff's fuel models that were used to develop the revenue  
2 requirements found in Staff's revenue requirement direct testimony for this case. The  
3 calculations are appropriate since they are consistent with the method used to calculate the  
4 pass-through percentage of SPP transmission costs for EMW's current FAC.

5 **FAC VOLTAGE ADJUSTMENT FACTORS**

6 Q. What is Staff recommending as the FAC Voltage Adjustment Factors at  
7 this time?

8 A. At this time, Staff witness Alan J. Bax continues to use the voltage adjustment  
9 factors presently included in the FAC tariff sheets for EMW's most recent general rate cases in  
10 this current general rate case as provided in the following table:

11

	<b>EMW</b>
<b>Voltage Level</b>	<b>Voltage Adjustment Factor</b>
Transmission	1.0300
Substation	1.0388
Primary	1.0503
Secondary	1.0766

12  
13 These voltage adjustment factors adjust for the energy losses experienced in the delivery of  
14 electricity from the generator to customers with transmission, substation, primary, and  
15 secondary voltage levels. These factors will be utilized in Staff's determination of a Fuel  
16 Adjustment Rate, for each voltage service classification.

17 Q. Does this conclude your testimony?

18 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     )  
Authority to Implement A General Rate     )  
Increase for Electric Service     )                      Case No. ER-2024-0189

**AFFIDAVIT OF TERESA DENNEY**

STATE OF MISSOURI     )  
  )  
COUNTY OF COLE     )                      ss.

**COMES NOW TERESA DENNEY** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Teresa Denney*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
**TERESA DENNEY**

**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 3<sup>rd</sup> day of July 2024.

**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