

Exhibit No.:
Issue: Fuel Adjustment Clause
Witness: Linda J. Nunn
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri West
Case No.: ER-2025-_____
Date Testimony Prepared: December 31, 2024

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2024-_____

DIRECT TESTIMONY

OF

LINDA J. NUNN

ON BEHALF OF

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

**Kansas City, Missouri
December 2024**

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Evergy)
Missouri West for Authority to Implement) Case No. ER-2025 _____
Rate Adjustments Required by 20 CSR)
4240-20.090(8) and the Company's)
Approved Fuel and Purchased Power Cost)
Recovery Mechanism)

AFFIDAVIT OF LINDA J. NUNN

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Linda J. Nunn, being first duly sworn on her oath, states:

1. My name is Linda J. Nunn. I work in Kansas City, Missouri, and I am employed by Evergy, Inc. as Manager, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri West Inc. d/b/a Evergy Missouri West, consisting of consisting of eleven (11) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Linda J. Nunn

Linda J. Nunn

Subscribed and sworn to before me this 31st day of December 2024.

Anthony R. Westenkirchner

Notary Public

My Commission expires:

4/26/2025



DIRECT TESTIMONY

OF

LINDA J. NUNN

Case No. ER-2025-___

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

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

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc. as Manager, Regulatory Affairs for Evergy
6 Metro, Inc. d/b/a Evergy Missouri Metro (“EMM”), Evergy Missouri West, Inc.
7 d/b/a Evergy Missouri West (“EMW”), Evergy Metro, Inc. d/b/a Evergy Kansas
8 Metro (“Evergy Kansas Metro”), and Evergy Kansas Central, Inc. and Evergy
9 South, Inc., collectively d/b/a Evergy Kansas Central (“Evergy Kansas Central”).
10 These are the operating utilities of Evergy, Inc.

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

12 A: I am testifying on behalf of EMW (“Company”).

13 **Q: What are your responsibilities?**

14 A: My responsibilities include the coordination, preparation, and review of financial
15 information and schedules associated with fuel or transmission impacts on rate case
16 filings, and the coordination, preparation and review of financial information and
17 schedules associated with retail rider mechanism tariff filings for Evergy including:
18 Evergy Kansas Central, Evergy Kansas Metro, Evergy Missouri Metro and Evergy
19 Missouri West.

1 **Q: Please describe your education.**

2 A: I received a Bachelor of Science Degree in Business Administration with a
3 concentration in Accounting from Northwest Missouri State University.

4 **Q: Please provide your work experience.**

5 A: I became a Senior Regulatory Analyst with Kansas City Power & Light
6 (“KCP&L”) in 2008, as a part of the acquisition of Aquila, Inc., by Great Plains
7 Energy. In 2013, I was promoted to Supervisor - Regulatory Affairs. In 2018 I
8 became Manager, Regulatory Affairs. Prior to my employment with KCP&L, I was
9 employed by Aquila, Inc. for a total of eleven years. In addition to Regulatory, I
10 have had experience in Accounting, Audit, and Business Services, where I had
11 responsibility for guiding restructuring within the delivery division. In addition to
12 my utility experience, I was the business manager and controller for two area
13 churches. Prior to that, I was an external auditor with Ernst & Whinney.

14 **Q: Have you previously testified in a proceeding before the Missouri Public
15 Service Commission (“MPSC” or “Commission”) or before any other utility
16 regulatory agency?**

17 A: Yes, I have testified before the MPSC, and I have provided written testimony in
18 various dockets before the MPSC. I have also worked closely with many MPSC
19 Staff on numerous filings as well as on rate case issues. Additionally, I have
20 provided written testimony in Kansas Corporation Commission dockets.

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

22 A: The purpose of my testimony is to support the Fuel Adjustment Clause (“FAC”)
23 that has been filed by Every Missouri West (“Company”). This FAC tariff filing

1 consists of actual fuel and purchased power costs, net of off-system sales revenues
2 incurred by the Company. My testimony supports the rate schedule filed to adjust
3 rates for the adjusted FAC includable costs experienced during the six-month
4 period of June 2024 through November 2024. This six-month period represents the
5 35th accumulation period under Evergy Missouri West's FAC, which was
6 originally approved by the Commission in Case No. ER-2007-0004 ("2007 Case")
7 and modified in Case Nos. ER-2009-0090, ER-2010-0356, ER-2012-0175, ER-
8 2016-0156, ER-2018-0146, and ER-2022-0130. The proposed FAC charge for
9 residential customers is a credit rate of (\$0.00345) per kWh. Based on usage of
10 1,000 kWh per month, the customer will see a monthly credit of \$3.45.
11 This represents a decrease of \$9.12 to an Evergy Missouri West residential
12 customer's monthly bill compared to the current monthly FAC charge of \$5.67.

13 **Q: Please explain why Evergy Missouri West filed the FAC adjustment rate**
14 **schedules at this time.**

15 A: The Commission's rule governing fuel and purchased power cost recovery
16 mechanisms for electric utilities – specifically 20 CSR 4240-20.090(8)(A) –
17 requires Evergy Missouri West to make periodic filings to allow the Commission
18 to review the actual net FAC includable costs the Company has incurred and to
19 allow rates to be adjusted, either up or down, to reflect those actual costs. The
20 Commission's rule requires at least one such review and adjustment each year.
21 Evergy Missouri West's approved FAC calls for two annual filings – one filing
22 covering the six-month accumulation period running from June through November
23 and another filing covering the accumulation period running from December

1 through May. Any increases or decreases in rates in these filings are then included
2 in the customers' bills over a subsequent 12-month recovery period.

3 For the 35th accumulation period covering the period of June 2024 through
4 November 2024, Evergy Missouri West's actual FAC includable costs were below
5 the base energy costs included in base rates by approximately \$25.8 million. In
6 accordance with the Commission's rule and the Company's approved FAC, Evergy
7 Missouri West has calculated the FAC tariff that provides for a change in rates to
8 return to customers 95% of those cost changes, or approximately \$24.5 million,
9 plus interest. These amounts are before true-up or any other adjustments.

10 In addition, a true-up filing is being made concurrent with this filing
11 covering the 32nd accumulation period of December 2022 through May 2023 and
12 its corresponding recovery period of September 2023 through August 2024. The
13 proposed true-up amount consists of an under-recovery of \$572,520.

14 In summary, these amounts combined including interest amounting to
15 \$657,930 result in a proposed 35th accumulation period FPA of \$23.3 million to be
16 returned to customers. The tariff being submitted with this filing reflects rates
17 effective March 1, 2025.

18 **Q: What are some of the drivers impacting this accumulation period?**

19 A: Evergy Missouri West's Actual Net Energy Costs ("ANEC"), are less than the base
20 energy costs included in base rates by approximately \$25.8 million. When
21 compared to the prior 34th accumulation period, the ANEC are \$7.7 million lower
22 in the 35th accumulation. This is due to a \$22.3 million, or 25%, decrease in
23 purchased power expense. However, this was offset by an \$8.4 million, or 32%

1 increase, in fuel costs as well as a \$5.7 million decrease in off-system sales
2 revenue. The 35th accumulation period of June through November typically has
3 higher retail load requirements than the previous 34th accumulation period of
4 December through May. Summer weather contributed to a 9% increase in retail
5 load demand over the 34th accumulation period

6 **Q: Is there anything else worth noting for this semi-annual FAC filing that**
7 **should be mentioned?**

8 A: Yes, on March 21, 2024, in Case No. EA-2023-0291, the Commission approved
9 the Unanimous Stipulation and Agreement, effective April 20, 2024, for the
10 Dogwood Energy Facility acquisition. In this stipulation, the Company agreed that
11 the net revenues generated from the sale of energy and sale of capacity, ancillary
12 services revenues, and other applicable revenues (if any) associated with EMW's
13 percentage ownership in Dogwood shall not be recovered by ratepayers (through
14 the fuel adjustment clause or otherwise) and shall be retained by the Company until
15 new rates are effective from the 2024 general rate case. Dogwood amounts are
16 identified in the workpapers and are not included in the ANEC.

17 **Q: Please describe the Company's process of tracking the impact on ANEC**
18 **related to customers serviced under the Special Incremental Load tariff,**
19 **Schedule SIL.**

20 A: As noted in Staff's Recommendation on January 29, 2024, in Case No. ER-2024-
21 0205:
22 "the Company and Staff agreed to settle the Nucor methodology that Staff raised
23 concerns with. This Second Agreement resulted in a calculation that will begin with

1 hour 1 for any event where Nucor load experiences a 25% deviation from the
2 expected Nucor load for more than 4 hours, and the event tracking of qualified
3 events will include the net of both positive and negative impacts for all identified
4 qualified events in each month. Additionally, one general ledger entry will be made
5 in the last month of each 6-month Accumulation Period, and this entry will only be
6 made if the net result of the event tracking is an increase to non-Nucor customers
7 during the 6-month Accumulation period, to decrease the FAR's ANEC and reduce
8 costs to non-Nucor customers. Then after the conclusion of an Accumulation
9 Period, the amount for the event tracking will be reset to zero.”

10 **Q: What was the impact or result of the event tracking procedure as it relates to**
11 **this 35th accumulation period?**

12 A: The Company has performed the calculations of the load balancing event tracking
13 for the months of May 2024 through October 2024 for this 35th accumulation
14 period of June 2024 through November 2024. The event tracking results in an
15 increase to non-Nucor customers; therefore, an entry to reduce the ANEC by
16 \$29,808 is included in November 2024 in this filing.

17 **Q: How did you develop the various values used to derive the proposed FARs that**
18 **are shown on Schedule LJM-1?**

19 A: The proposed tariff rates are shown in Schedule LJM-1. The filing made in
20 conjunction with this testimony contains all the information as set in 20 CSR 4240-
21 20.090(8)(2)(A) which supports these proposed rates. In addition, I am submitting
22 a copy of the workpapers that support the determination of the current FAR.

1 **Q: Please describe the impact of the change in costs and how it will affect a typical**
2 **customer.**

3 A: The proposed current period FARs for Evergy Missouri West customers by voltage
4 level is shown below:

Proposed Current Period FARs	
Voltage	
Secondary	(\$0.00264)
Primary	(\$0.00257)
Substation	(\$0.00255)
Transmission	(\$0.00252)

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6 This is the difference between base FAC includable costs and the actual costs
7 incurred by the Company including interest and any adjustments during the 35th
8 accumulation period of June 2024 through November 2024 and will be included in
9 billed FAC rates over the recovery period running from March 2025 through
10 February 2026.

11 The proposed FAR was calculated in the manner specified in the
12 Company's FAC tariff. Attached to my testimony, as Schedule LJM-1, is a copy of
13 the tariff sheet with the current FAR, the prior period FAR and the total FAR that
14 will be billed to customers over the recovery period. The FAR calculated for the
15 33rd accumulation period has been removed as its recovery period will cease in
16 February 2025. The FAR for the 34th accumulation period is added to the FAR for
17 the current 35th accumulation period to provide the annual FAR. Thus, given the
18 proposed current FAR calculations, the annual FAR's for Evergy Missouri West
19 customers are shown in the table below:

20

	ER-2024-0382		
	35th AP	34th AP	
Voltage	Proposed 4th Revised Sheet No. 127.34	Current 3rd Revised Sheet No. 127.34	Impact
Secondary	-\$0.00345	\$0.00567	-\$0.00912
Primary	-\$0.00336	\$0.00553	-\$0.00889
Substation	-\$0.00333	\$0.00547	-\$0.00880
Transmission	-\$0.00329	\$0.00543	-\$0.00872

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These proposed rates will be billed to customers from March 2025 through February 2026. As stated earlier, based on usage of 1,000 kWh per month, this will result in a monthly FAC credit of \$3.45, a decrease of \$9.12 to an Evergy Missouri West residential customer’s monthly bill compared to the current monthly FAC charge of \$5.67.

7

Q: If the rate schedules filed by Evergy Missouri West are approved or allowed to go into effect, what safeguards exist to ensure that the revenues the Company bills to its customers do not exceed the fuel and purchased power costs that Evergy Missouri West actually incurred during the Accumulation Period?

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A: Evergy Missouri West’s FAC and the Commission’s rules provide two mechanisms to ensure that amounts billed to customers do not exceed the Company’s actual, prudently incurred fuel and purchased power costs. First, at the end of each recovery period the Company is required to true up the amounts billed to customers through the FAR with the excess fuel and purchased power costs that were actually incurred during the accumulation period to which the FAR applies. Second, the Company’s fuel and purchased power costs are subject to periodic prudence

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1 reviews to ensure that only prudently incurred fuel and purchased power costs are
2 billed to customers through Evergy Missouri West’s FAC. These two mechanisms
3 serve as checks to ensure that the Company’s customers pay only the prudently
4 incurred, actual costs of fuel and purchased power used to provide electric service.

5 **Q: Have each of these mechanisms been in effect throughout the FAC process**
6 **since its inception in the 2007 Case?**

7 A: Yes, Evergy Missouri West is currently in its twelfth prudence review, Case No.
8 EO-2025-0074, for the review period of December 2022 through May 2024.

9 In the previous eleventh prudence review, Case No. EO-2023-0277, for the
10 review period of June 2021 through November 2022. Parties resolved certain issues
11 pertaining to purchased power and subsequent FAC reporting through a Non-
12 Unanimous Stipulation and Agreement which the Commission approved on May
13 12, 2024. As part of that settlement, the Company included in the prior 34th FAR
14 filing, Case No. ER-2024-0382, an adjustment for Southwest Power Pool (“SPP”)
15 administrative fees of \$2,076 that were previously included in the FAC for
16 recovery.

17 On September 14, 2022, in the Company’s tenth prudence review, Case No.
18 EO-2022-0065, the Commission approved the Non-Unanimous Stipulation and
19 Agreement filed on July 25, 2022 where the Company agreed, with no admission
20 of imprudence, to a one-time FAC adjustment for 2017 vintage expired RECs. The
21 Company refunded \$48,796 plus interest of \$1,968 in the 31st accumulation period
22 filing, Case No. ER-2023-0210.

1 On May 4, 2022, in the Company’s ninth prudence review, Case No. EO-
2 2020-0262, the Commission issued its Report and Order finding Evergy was
3 imprudent by not utilizing demand response programs to reduce energy costs for
4 its customers during the review period of June 2018 through November 2019.
5 Therefore, the Company refunded the amount of \$160,892 plus interest of \$10,613
6 in the 30th accumulation period filing, Case No. ER-2023-0011. Also in the ninth
7 prudence review, on January 20, 2021 an Ordered Adjustment for Sibley retirement
8 costs was stipulated by parties amounting to \$1,039,646, or \$984,898 Missouri
9 jurisdictional with 95% sharing applied. Based on the agreement by parties, rather
10 than recovering this amount through the FAC, the Company recorded the
11 \$1,039,646 in retirement costs to the Sibley AAO account for consideration in the
12 2022 general rate case, Case No. ER-2022-0130, and refunded the amount of
13 \$984,898 plus interest of \$53,550 in the 28th accumulation period FAR filing, Case
14 No. ER-2022-0005.

15 In all previous prudence reviews, the MPSC Staff indicated in each of their
16 reports that there were no areas of imprudence identified within the audits with the
17 exception of Staff’s recommendation in the Company’s third prudence review
18 which was taken before the Commission. However, following the Commission’s
19 review, the Commission issued its order stating no indication of imprudence by the
20 Company.

21 In addition, the Company has made 31 true-up filings, all of which were
22 approved by the MPSC. The 32nd true-up filing is being made concurrent with this
23 filing covering the 32nd accumulation period of December 2022 through May 2023

1 and its corresponding recovery period of September 2023 through August 2024.
2 The Company's calculation of the proposed true-up resulting in an over-recovery
3 for Evergy Missouri West has been included in the calculation of the current
4 proposed tariff change.

5 **Q: What action is Evergy Missouri West requesting from the Commission with**
6 **respect to the rate schedules that the Company has filed?**

7 A: The Company requests the Commission approve the rate schedule to be effective
8 as of March 1, 2025.

9 **Q: Does this conclude your testimony?**

10 A: Yes, it does.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 4th Revised Sheet No. 127.34

Canceling P.S.C. MO. No. 1 3rd Revised Sheet No. 127.34

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
 FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
 (Applicable to Service Provided January 9, 2023 and Thereafter)
 Effective for the Billing Months of March 2025 through August 2025

Accumulation Period Ending: November 2024		
1	Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)	\$109,918,922
2	Net Base Energy Cost (B)	- \$135,808,617
	2.1 Base Factor (BF)	\$0.02983
	2.2 Accumulation Period NSI (S _{AP})	4,552,752,840
3	(ANEC-B)	(\$25,889,695)
4	Jurisdictional Factor (J)	x 99.80401%
5	(ANEC-B)*J	(\$25,838,954)
6	Customer Responsibility	x 95%
7	95% *((ANEC-B)*J)	(\$24,547,006)
8	True-Up Amount (T)	+ \$572,520
9	Interest (I)	+ \$657,930
10	Prudence Adjustment Amount (P)	+ \$0
11	Fuel and Purchased Power Adjustment (FPA)	= (\$23,316,556)
	11.1 PISA Deferral (Sec. 393.1400)	\$0
	11.2 FPA Subject to Recover in True-Up	(\$23,316,556)
12	Estimated Recovery Period Retail NSI (S _{RP})	÷ 9,517,963,679
13	Current Period Fuel Adjustment Rate (FAR)	= (\$0.00245)
14	Current Period FAR _{Sec} = FAR x VAF _{Sec}	(\$0.00264)
15	Prior Period FAR _{Sec}	+ (\$0.00081)
16	Current Annual FAR _{Sec}	= (\$0.00345)
17	Current Period FAR _{Prim} = FAR x VAF _{Prim}	(\$0.00257)
18	Prior Period FAR _{Prim}	+ (\$0.00079)
19	Current Annual FAR _{Prim}	= (\$0.00336)
20	Current Period FAR _{Sub} = FAR x VAF _{Sub}	(\$0.00255)
21	Prior Period FAR _{Sub}	+ (\$0.00078)
22	Current Annual FAR _{Sub}	= (\$0.00333)
23	Current Period FAR _{Trans} = FAR x VAF _{Trans}	(\$0.00252)
24	Prior Period FAR _{Trans}	+ (\$0.00077)
25	Current Annual FAR _{Trans}	= (\$0.00329)
26	VA _{Sec} = 1.0766	
27	VA _{Prim} = 1.0503	
28	VA _{Sub} = 1.0388	
29	VA _{Trans} = 1.0300	

Credits are shown in parentheses, e.g. (\$0.05).