

Exhibit No.:
Issue: Fuel Adjustment Clause
Witness: Linda J. Nunn
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri Metro
Case No.: ER-2025-0217
Date Testimony Prepared: January 31, 2025

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2025-0217

DIRECT TESTIMONY

OF

LINDA J. NUNN

ON BEHALF OF

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

**Kansas City, Missouri
January 2025**

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

In the Matter of the Application of Evergy)
Metro, Inc. for Authority to Implement) Case No. ER-2025-0217
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

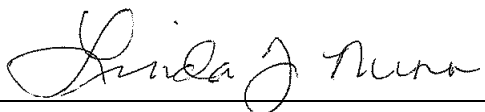
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

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.

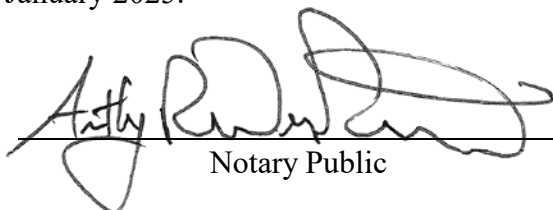
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Metro Inc. d/b/a Evergy Missouri Metro consisting of consisting of nine (9) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

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.



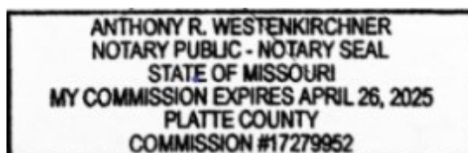
Linda J. Nunn

Subscribed and sworn to before me this 31st day of January 2025.



Notary Public

My Commission expires:
4/26/2025



DIRECT TESTIMONY

OF

LINDA J. NUNN Case

No. ER-2025-0217

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, Missouri
3 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. d/b/a
7 Evergy Missouri West (“EMW”), Evergy Metro, Inc. d/b/a Evergy Kansas Metro
8 (“EKM”), and Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., collectively
9 d/b/a Evergy Kansas Central (“EKC”). These are the operating utilities of Evergy, Inc.

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

11 A: I am testifying on behalf of EMM.

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

13 A: My responsibilities include the coordination, preparation, and review of financial
14 information and schedules associated with fuel or transmission impacts on rate case
15 filings, and the coordination, preparation and review of financial information and
16 schedules associated with retail rider mechanism tariff filings for Evergy including:
17 EKC, EKM, EMM and EMW.

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

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

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

2 A: I became a Senior Regulatory Analyst with Kansas City Power & Light (“KCP&L”) in
3 2008, as a part of the acquisition of Aquila, Inc., by Great Plains Energy. In 2013, I was
4 promoted to Supervisor - Regulatory Affairs. In 2018 I became Manager, Regulatory
5 Affairs. Prior to my employment with KCP&L, I was employed by Aquila, Inc. for a
6 total of eleven years. In addition to Regulatory, I have had experience in Accounting,
7 Audit, and Business Services, where I had responsibility for guiding restructuring within
8 the delivery division. In addition to my utility experience, I was the business manager
9 and controller for two area churches. Prior to that, I was an external auditor with Ernst
10 & Whinney.

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

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

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

19 A: The purpose of my testimony is to support the Fuel Adjustment Clause (“FAC”) that
20 has been filed by Evergy Missouri Metro (“Company”). This FAC tariff filing consists
21 of a Fuel Adjustment Rate (“FAR”) calculated using actual fuel and purchased power
22 costs, net of off-system sales revenues incurred by the Company. My testimony supports
23 the rate schedule filed to adjust rates for the FAC includable costs experienced during

1 the six-month period of July 2024 through December 2024. This six-month period
2 represents the 19th accumulation period under EMM’s FAC, which was originally
3 approved by the Commission in Case No. ER-2014-0370 (“2014 Case”) and modified
4 in Case Nos. ER-2016-0285 (“2016 Case”), ER-2018-0145 (“2018 Case”) and ER-
5 2022-0129 (“2022 Case”). The proposed FAC charge for Missouri residential
6 customers is a charge of \$0.00132 per kWh. Based on usage of 1,000 kWh per month,
7 the customer will see a monthly charge of \$1.32. This represents an increase of \$0.45
8 to an EMM residential customer’s monthly bill compared to the current monthly FAC
9 charge of \$0.87.

10 **Q: Please explain why EMM filed the FAC adjustment rate schedules at this time.**

11 A: The Commission’s rule governing fuel and purchased power cost recovery mechanisms
12 for electric utilities – specifically 20 CSR 4240-20.090(8)(A) – requires EMM to make
13 periodic filings to allow the Commission to review the actual net FAC includable costs
14 the Company has incurred and to allow rates to be adjusted, either up or down, to reflect
15 those actual costs. The Commission’s rule requires at least one such review and
16 adjustment each year. EMM’s approved FAC calls for two annual filings – one filing
17 covering the six-month accumulation period running from January through June and
18 another filing covering the accumulation period running from July through December.
19 Any increases or decreases in rates in these filings are then included in the customers’
20 bills over a subsequent 12-month recovery period.

21 For the 19th accumulation period covering the period of July 2024 through
22 December 2024, EMM’s actual FAC includable costs were higher than the base energy
23 costs included in base rates by approximately \$3.1 million. In accordance with the

1 Commission's rule and the Company's approved FAC, EMM has calculated the FAC
2 tariff that provides for a change in rates to recover 95% of those cost changes, or
3 approximately \$2.9 million to be collected from customers. This amount is before true-
4 up, interest or any other adjustments.

5 In addition, a true-up filing is being made concurrent with this filing covering
6 the 16th accumulation period of January 2023 through June 2023 and its corresponding
7 recovery period of October 2023 through September 2024. The proposed 16th recovery
8 period results in a true-up amount of \$872,202 over-collected to be returned to
9 customers.

10 In summary, these amounts combined with interest amounting to \$288,915
11 result in a proposed Fuel and Purchased Power Adjustment ("FPA") of approximately
12 \$2.3 million. The tariff being submitted with this filing reflects rates effective April 1,
13 2025.

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

15 A: EMM's Actual Net Energy Costs ("ANEC") is higher than the base energy costs
16 included in base rates by approximately \$3.1 million. When compared to the prior 18th
17 accumulation period, the ANEC is \$2.5 million higher. This is due to a \$23.6 million,
18 or 24%, increase in fuel costs, plus a \$21.5 million, or 20% decrease in off system sales
19 revenue, which is offset by a \$42.8 million, or 29%, decrease in purchased power
20 expense. The 19th accumulation period of July through December typically has higher
21 retail load requirements than the previous 18th accumulation period of January through
22 June. Summer weather contributed to a 7% increase in retail load demand over the 18th

1 accumulation period. Wolf Creek was back online after its 26th refueling outage, from
2 March 28 through May 11, 2024.

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

5 A: Yes, the Company did not perform the plant in service accounting (“PISA”) calculations
6 as the PISA caps for FAC filings were no longer effective beginning January 1, 2024.¹

7 **Q: How did you develop the various values used to derive the proposed FARs that are**
8 **shown on Schedule LJN-1?**

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

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

15 A: The proposed current period FARs for EMM’s customers by voltage level is shown
16 below:

Proposed Current Period FARs	
	\$ per kWh
Voltage	Rates
Transmission	\$0.00027
Substation	\$0.00027
Primary	\$0.00027
Secondary	\$0.00028

17

¹ 393.1655(1) RSMo.

1 This is the difference between the base FAC includable costs and the actual costs
2 incurred by the Company including interest and any adjustments during the current 19th
3 accumulation period of July 2024 through December 2024 and will be included in billed
4 FAC rates over a recovery period running from April 2025 through March 2026.

5 The proposed FAR was calculated in the manner specified in the Company's
6 FAC. Attached to my testimony, as Schedule LJM-1, is a copy of the proposed tariff
7 sheet with the current FAR, the prior period FAR and the total FAR that will be billed
8 to customers over the recovery period. The FAR calculated for the 17th accumulation
9 period has been removed as its recovery period will cease in March 2025. The FAR for
10 the prior 18th accumulation period is added to the FAR for the current 19th
11 accumulation period to provide the annual FAR. Thus, given the proposed current FAR
12 calculations, the annual FARs for EMM customers are shown in the table below:
13

	ER-2025-0039		
Service	Proposed 4th Revised Sheet No. 50.42	Current 3rd Revised Sheet No. 50.42	Impact
Transmission	\$0.00127	\$0.00084	\$ 0.00043
Substation	\$0.00128	\$0.00084	\$ 0.00044
Primary	\$0.00129	\$0.00085	\$ 0.00044
Secondary	\$0.00132	\$0.00087	\$ 0.00045

14
15 These proposed rates will be billed to customers from April 2025 through September
16 2025. As stated earlier, based on usage of 1,000 kWh per month this will result in a
17 monthly FAC charge of \$1.32, which is an increase of \$0.45 to an EMM residential
18 customer's monthly bill compared to the current monthly FAC charge of \$0.87.

1 **Q: If the rate schedules filed by EMM are approved or allowed to go into effect, what**
2 **safeguards exist to ensure that the revenues the Company bills to its customers do**
3 **not exceed the fuel and purchased power costs that EMM actually incurred during**
4 **the accumulation period?**

5 A: EMM’s FAC and the Commission’s rules provide two mechanisms to ensure that
6 amounts billed to customers do not exceed the Company’s actual, prudently incurred
7 fuel and purchased power costs. First, at the end of each recovery period the Company
8 is required to true up the amounts billed to customers through the FAR with the excess
9 fuel and purchased power costs that were actually incurred during the accumulation
10 period to which the FAR applies. Second, the Company’s fuel and purchased power
11 costs are subject to periodic prudence reviews to ensure that only prudently incurred
12 fuel and purchased power costs are billed to customers through EMM’s FAC. These
13 two mechanisms serve as checks to ensure that the Company’s customers pay only the
14 prudently incurred, actual costs of fuel and purchased power used to provide electric
15 service.

16 **Q: Have each of these mechanisms been in effect throughout the FAC process since**
17 **its inception in the 2014 Case?**

18 A: Yes, EMM is currently in its sixth prudence review, Case No. EO-2025-0073, for the
19 review period of January 2023 through June 2024.

20 In the previous fifth prudence review, Case No. EO-2023-0276, for the review
21 period of July 2021 through December 2022, parties resolved certain issues pertaining
22 to purchased power and subsequent FAC reporting through a Non-Unanimous
23 Stipulation and Agreement which the Commission approved on May 12, 2024.

1 On September 14, 2022, in the Company’s fourth prudence review, Case No.
2 EO-2022-0064, the Commission approved the Non-Unanimous Stipulation and
3 Agreement filed on July 25, 2022 where the Company agreed, with no admission of
4 imprudence, to a one-time FAC adjustment for 2017 vintage expired RECs. The
5 Company refunded \$703,825 plus interest of \$28,134 in the 15th accumulation period
6 filing, Case No. ER-2023-0245.

7 On May 4, 2022, in the Company’s third prudence review, Case No. EO-2020-
8 0263 later consolidated in Case No. EO-2020-0262, the Commission issued its Report
9 and Order finding Evergy was imprudent by not utilizing demand response programs
10 to reduce energy costs for its customers during the review period of July 2018 through
11 December 2019. Therefore, the Company refunded the amount of \$152,165 plus
12 interest of \$7,947 in the 14th accumulation period, Case No. ER-2023-0030. Also in the
13 third prudence review, on January 20, 2021 an ordered adjustment for Montrose was
14 stipulated by parties amounting to \$199,104. Based on the agreement by parties, rather
15 than recovering this amount through the FAC, the Company recorded this to the Cost
16 of Removal FERC account for consideration in the 2022 general rate case, Case No.
17 ER-2022-0129, and refunded the amount of \$199,104 plus interest of \$10,281 in the
18 11th accumulation period FAR filing, Case No. ER-2021-0244.

19 In the first and second prudence reviews, the MPSC Staff indicated in each of
20 their reports that there were no areas of imprudence identified within the audits.

21 In addition, the Company has made 15 true-up filings, all of which were
22 approved by the MPSC. The 16th true-up filing is being made concurrent with this
23 semi-annual filing covering the 16th accumulation period of January 2023 through June

1 2023 and its corresponding recovery period of October 2023 through September 2024.
2 The Company's calculation of the proposed true-up resulting in an over-collection of
3 \$872,202 for EMM has been included in the calculation of the current proposed tariff
4 change.

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

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

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

10 A: Yes, it does.

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

P.S.C. MO. No. 7 4th Revised Sheet No. 50.42
 Canceling P.S.C. MO. No. 7 3rd Revised Sheet No. 50.42

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASE POWER ADJUSTMENT ELECTRIC
 (Applicable to Service Provided January 9, 2023 and Thereafter)
 Effective for the Customer Usage Beginning April 2025 through September 2025

Accumulation Period Ending: December 2024			
1	Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)		\$153,568,261
2	Net Base Energy Cost (B)	-	\$148,006,228
	2.1 Base Factor (BF)		\$0.01829
	2.2 Accumulation Period NSI (S _{AP})		8,092,194,001
3	(ANEC-B)		\$5,562,033
4	Jurisdictional Factor (J)	x	55.1231%
5	(ANEC-B)*J		\$3,065,965
6	Customer Responsibility	x	95%
7	95% *((ANEC-B)*J)		\$2,912,666
8	True-Up Amount (T)	+	(\$872,202)
9	Interest (I)	+	\$288,915
10	Prudence Adjustment Amount (P)	+	\$0
11	Fuel and Purchased Power Adjustment (FPA)	=	\$2,329,380
12	Estimated Recovery Period Retail NSI (S _{RP})	÷	8,893,846,174
13	Current Period Fuel Adjustment Rate (FAR)	=	\$0.00026
14			
15	Current Period FAR _{Trans} = FAR x VAF _{Trans}		\$0.00027
16	Prior Period FAR _{Trans}	+	\$0.00100
17	Current Annual FAR _{Trans}	=	\$0.00127
18			
19	Current Period FAR _{Sub} = FAR x VAF _{Sub}		\$0.00027
20	Prior Period FAR _{Sub}	+	\$0.00101
21	Current Annual FAR _{Sub}	=	\$0.00128
22			
23	Current Period FAR _{Prim} = FAR x VAF _{Prim}		\$0.00027
24	Prior Period FAR _{Prim}	+	\$0.00102
25	Current Annual FAR _{Prim}	=	\$0.00129
26			
27	Current Period FAR _{Sec} = FAR x VAF _{Sec}		\$0.00028
28	Prior Period FAR _{Sec}	+	\$0.00104
29	Current Annual FAR _{Sec}	=	\$0.00132
30	VAF _{Trans} = 1.0300		
31	VAF _{Sub} = 1.0378		
32	VAF _{Prim} = 1.0497		
33	VAF _{Sec} = 1.0690		