

Exhibit No.:
Issue: Fuel Runs, Fuel Inventories, Fuel Prices, FAC
Witness: Jessica L. Tucker
Type of Exhibit: Surrebuttal & True-Up Direct Testimony
Sponsoring Party: Evergy Missouri Metro and Evergy Missouri
West
Case No.: ER-2022-0129 / 0130
Date Testimony Prepared: August 16, 2022

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2022-0129 / 0130

SURREBUTTAL & TRUE-UP DIRECT TESTIMONY

OF

JESSICA L. TUCKER

ON BEHALF OF

EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

**Kansas City, Missouri
August 2022**

SURREBUTTAL TESTIMONY

OF

JESSICA L. TUCKER

Case No. ER-2022-0129 / 0130

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

2 A: My name is Jessica L. Tucker. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: Are you the same Jessica L. Tucker who submitted direct and rebuttal testimony in**
5 **these dockets?**

6 A: Yes

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

8 A: I am testifying on behalf of Evergy Metro, Inc. ("Evergy Metro" or "EM") d/b/a Evergy
9 Missouri Metro ("Evergy Missouri Metro" or "EMM") and Evergy Missouri West, Inc. d/b/a
10 Evergy Missouri West ("Evergy Missouri West" or "EMW") (collectively, the "Company").

11 **Q: What is the purpose of your surrebuttal testimony?**

12 A: The purpose of my surrebuttal testimony is to address the concerns of staff witness, Mr.
13 Shawn E. Lange, as it relates to the level of generation used in the production cost model
14 for Spearville 1 ("SPV1") and Spearville 2 ("SPV2") for ~~EMM~~, and the OPC
15 recommendation to remove the Central Nebraska Public Power and Irrigation District
16 ("CNPPID") hydro Purchased Power Agreement ("PPA") from the revenue requirement
17 of EMM. I will also address the concern of MECG witness, Mr. Greg R. Meyer,
18 regarding Sales for Resale-Bulk ("SFRB") revenue.

1 **I. SPEARVILLE 1 AND SPEARVILLE 2**

2 **Q: What is SPV1 and SPV2?**

3 A: SPV1 and SPV2 are ~~EMM~~ owned wind farms near Spearville, KS.

4 **Q: What are the concerns of Staff regarding SPV1 and SPV2?**

5 A: Staff states that the annual generation of SPV1 and SPV2 in the Company's production
6 cost model is too high because SPV1 and SPV2 converted from a Non-Dispatchable
7 Variable Energy Resource ("NDVER") to a Dispatchable Variable Energy Resource
8 ("DVER") in the Southwest Power Pool ("SPP") market on 12/1/2020. Staff maintains
9 that the MWh produced by SPV1 and SPV2 in the Company's production cost model
10 does not reflect the impact of that SPP registration change.

11 **Q: Do you agree?**

12 A: Yes. The Company agrees, that because of the registration change, SPP can now
13 incrementally dispatch down SPV1 and SPV2, which has affected the typical annual
14 output of the wind farms.

15 **Q: Has this been addressed in the Company's production cost model?**

16 A: Yes. In the Company's True Up filing, SPV1 and SPV2 are using the 12-month ending
17 May 31, 2022 actual output of 209,428 MWh. For comparison, the 12-month ending Dec
18 31, 2021 actual output of SPV1 and SPV2 was 208,800 MWh. Given the short timeframe
19 of historical data available, this is the best representation of how much energy SPV1 and
20 SPV2 would typically generate as DVERs over the course of 12 months.

21

1 **II. CNPPID HYDRO PPA**

2 **Q: The OPC recommends removing the CNPPID hydro PPA from the revenue**
3 **requirement of EMM. Do you agree?**

4 A: No.

5 **Q: Please explain.**

6 A: OPC states that in EMM's last rate case, EMM agreed to not pass any of the cost of this
7 PPA to Missouri retail customers. This is not true. The stipulation from the rate case ER-
8 2018-0146 states that:

9 *Kansas City Power & Light ("KCP&L") agrees to exclude the costs and*
10 *revenues associated with the CNPPID Hydro PPA from KCP&L's Fuel*
11 *Adjustment Clause ("FAC") calculations and shall file a separate tab in*
12 *its FAC monthly reports showing the CNPPID hydro PPA, including*
13 *monthly operating data, costs and revenues. Similar to this commitment,*
14 *KCP&L and GMO shall file a separate tab in their FAC monthly reports*
15 *showing, for each of its PPAs, monthly operating data, costs and*
16 *revenues.*

17 The stipulation does not exclude the CNPPID Hydro PPA from being included in base
18 rates. Company witness, Ms. Linda Nunn, provides additional detail in her surrebuttal
19 testimony.

20 **Q: Has there been any cost disallowance ordered related to this contract in prior EMM**
21 **rate cases?**

22 A: No. This contract began in 2014 and was fully included in the cost of service in the rate
23 cases filed in 2014 (ER-2014-0370) and 2016 (ER-2016-0285). The issue was settled in
24 the last rate case, as described above, but the settlement does not exclude recovery of the
25 contract in base rates.

26

1 **III. SALES FOR RESALE BULK REVENUE**

2 **Q: MECG witness, Mr. Greg R. Meyer, states that the level of SFRB determined by**
3 **Staff is too low and proposes an adjustment based on historical amounts. Do you**
4 **agree with Mr. Meyer’s proposed adjustment?**

5 A: No.

6 **Q: Please explain why you do not agree with Mr. Meyer’s proposed adjustment.**

7 A: In Mr. Meyer’s testimony, he presents Table 1 that contains what he labels as SFRB
8 revenue from 2017 to Q1 2022, and Table 2 that contains the same information as Table
9 1, but with Q1 2021 adjusted for Winter Storm Uri. These values are from EMM’s FERC
10 Form 1 and FERC Form 3Q (collectively, “FERC Form 1/3Q”) filings, where the values
11 are labeled as Sales for Resale (“SFR”). Mr. Meyer then compares them to what Staff
12 labels as SFRB in their Income Statement Detail from their Accounting Schedules. The
13 FERC SFR values and Staff’s SFRB values do not represent the same sources of revenue,
14 and thus it would be incorrect to use the historical amount of one to adjust for the other.

15 **Q: What are the amounts in FERC Form 1/3Q SFR?**

16 A: In general, the amounts that make up SFR in the FERC Form 1/3Q filings include
17 recurring and non-recurring transactions with various counterparties. These
18 counterparties include cities and companies like EMW, Kansas Municipal Energy
19 Agency (“KMEA”), Independence Power & Light (“INDN”) and City of Eudora, and
20 ISOs like Southwest Power Pool (“SPP”), Midwest ISO (“MISO”) and Pennsylvania,
21 New Jersey and Maryland (“PJM”). These SFR transactions include energy and capacity
22 agreements, net sales to Full Requirement customers and Border customers, and net
23 revenue from the MINT Line.

1 **Q: What are the amounts in what Staff labels SFRB in their Income Statement Detail?**

2 A: What Staff labels as SFRB is the normalized and annualized net sales revenue received
3 when there is excess generation provided by EMM owned generators and PPAs after
4 serving native load, Full Requirement customers and Border customers. Staff's SFRB
5 amounts also include normalized and annualized net revenues from EMM Transmission
6 Congestion Rights ("TCRs"), Ancillary Services, Revenue Neutrality Uplift ("RNU") and
7 the MINT Line. The TCRs, Ancillary Services and RNU amounts are not included in the
8 FERC Form 1/3Q SFR.

9 **Q: Please explain the normalizing and annualizing that Staff performs.**

10 A: In an effort to create a normalized net sales revenue, any abnormal or one-time activity is
11 either removed entirely from the calculation or replaced with a proxy that is more
12 representative of "normal" activity. For example, transactions with MISO or PJM are
13 removed from Staff's SFRB calculation because those are not regularly recurring
14 activities for EMM. The resulting net sales revenue from this normalizing exercise will
15 generally be lower than the actual SFRB activity reported.

16 **Q: Is Staff's SFRB missing other amounts that should be included in SFR?**

17 A: No, it is not. What Staff has labeled SFRB is only a portion of what makes up SFR in the
18 FERC Form 1/3Q filings. Staff has included the other amounts of SFR in their
19 Accounting schedule, they are simply labeled differently. For example, the amount for
20 City of Eudora, KS in the FERC Form 1/3Q filings is categorized as Sales For Resale
21 SFR Retail in Staff's Income Statement Detail. Another example is the Demand Charges
22 that are part of the FERC Form 1/3Q SFR, these amounts are categorized as Sales for

1 Resale Capacity in Staff's Income Statement Detail. As a result, Staff's SFRB amounts
2 should not be compared to the SFR amount in the FERC Form 1/3Q reports.

3 **Q: Does that conclude your surrebuttal testimony?**

4 **A: Yes, it does.**

TRUE-UP DIRECT TESTIMONY

OF

JESSICA L. TUCKER

Case Nos. ER-2022-0129 and ER-2022-0130

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

2 A: My name is Jessica L. Tucker. My business address is 1200 Main, Kansas City, Missouri
3 64105.

4 **Q: Are you the same Jessica L. Tucker who filed Direct and Rebuttal testimony in these**
5 **dockets?**

6 A: Yes.

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

8 A: I am testifying on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy
9 Missouri Metro” or “EMM”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri
10 West (“Evergy Missouri West” or “EMW”) (collectively, the “Company”).

11 **Q: What is the purpose of your True-Up direct testimony?**

12 A: I will address the fuel price assumptions and revisions made to the production cost model
13 that is used to estimate fuel expense, purchased power expense and wholesale sales
14 revenues

15 **Q: Has the Company’s production cost model been revised for True Up?**

16 A: Yes, the time period considered for the model’s load and generation assumptions have
17 been updated to reflect the True Up date of May 31, 2022. The generation of the
18 Spearville 1 (“SPV1”) and Spearville 2 (“SPV2”) wind farms were updated as discussed
19 in my Surrebuttal testimony. Select operating characteristics of ~~EMM~~ and EMW owned

1 units were also updated to reflect the latest plant operating parameters as of May 31,
2 2022. Fuel pricing is discussed below.

3 **Q: What fuel prices did the Company utilize for True Up?**

4 A: Coal and oil pricing assumptions utilized for model dispatch were the actual pricing for
5 May 2022 if available. If May 2022 pricing was not available (for example, if a purchase
6 wasn't made in May 2022), then the nearest month with a purchase was used. For natural
7 gas, the Company utilized a pricing approach similar to what was utilized in our Direct
8 case, which was based upon a three-year average of 2022 – 2024. For True Up, we used
9 the 2023-2025 average monthly prices from** [REDACTED]

10 [REDACTED]
11 [REDACTED]**. At the time that the Direct case
12 was filed, the intention for the True Up filing was to utilize actual natural gas prices for
13 the True Up period ending May 2022. However, as addressed in my rebuttal testimony,
14 given the continued escalation of the natural gas market since our Direct case fuel run,
15 utilizing actual pricing from the True Up period would capture elevated market pricing
16 that may not be reflective of pricing over the next three years.

17 **Q: How do the natural gas pricing assumptions that the Company utilized for True Up
18 compare to actual prices during the True Up period?**

19 A: On average, the natural gas price assumptions utilized by the Company in True Up were
20 roughly 23% lower than the actual prices. The chart below illustrates the elevated nature
21 of actual pricing as compared to the Company's true up model assumptions for natural
22 gas.

COMPLETED



1

2 **Q: Would you please explain what the yellow, green, and blue lines represent in the**
3 **chart above?**

4 A: The yellow and green lines represent the ~~EMM~~ and EMW weighted average price of gas
5 purchases during the True Up period whereas the blue line represents ~~EMM~~ and EMW's
6 natural gas assumptions for the True Up model run. As discussed above, the assumptions
7 utilized in True Up for natural gas, as represented by the blue line, are based on 2023 –
8 2025 pricing for the ~~***~~***.

9 **Q: Does that conclude your True-Up direct testimony?**

10 A: Yes, it does.

CONFIDENTIAL

**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)
Implement A General Rate Increase for Electric)
Service)
Case No. ER-2022-0129

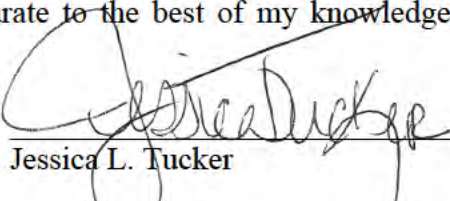
In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West's Request for Authority to)
Implement A General Rate Increase for Electric)
Service)
Case No. ER-2022-0130

AFFIDAVIT OF JESSICA L. TUCKER

STATE OF MISSOURI)
)
) ss
COUNTY OF JACKSON)

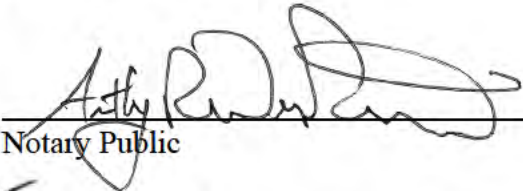
Jessica L. Tucker, being first duly sworn on his oath, states:

- 1. My name is Jessica L. Tucker. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Senior Manager, Fuels & Emissions.
- 2. Attached hereto and made a part hereof for all purposes is my Surrebuttal & True-Up Direct Testimony on behalf of Evergy Missouri Metro 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.



Jessica L. Tucker

Subscribed and sworn before me this 16th day of August 2022.



Notary Public

My commission expires: 4/26/2025

