

Exhibit No. 27

Exhibit No.:
Issue: Nucor SIL; Capacity Costs; and SPP
Charges
Witness: John R. Carlson
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Evergy Missouri West
Case No.: ER-2022-0130
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: ER-2022-0130

SURREBUTTAL TESTIMONY

OF

JOHN R. CARLSON

ON BEHALF OF

EVERGY MISSOURI WEST

**Kansas City, Missouri
August 2022**

SURREBUTTAL TESTIMONY

OF

JOHN R. CARLSON

Case No. ER-2022-0130

I. INTRODUCTION

1

2 **Q. Please state your name and business address.**

3 A: My name is John R. Carlson. My business address is 1200 Main, Kansas City, Missouri
4 64105.

5 **Q: Are you the same John R. Carlson who previously filed rebuttal testimony in these**
6 **dockets?**

7 A: Yes.

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

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

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

12 A: The purpose of my surrebuttal testimony is to further address revenue requirement
13 adjustments recommended by Commission Staff (“Staff”) regarding the non-unanimous
14 stipulation and agreement (“Stipulation”) between Nucor Steel Sedalia, LLC (“Nucor”),
15 Evergy Missouri West, and Staff.

1 **Q: Has the Company’s position regarding purchased power costs and customer event**
2 **balancing, detailed in your rebuttal testimony, changed since the filing of that rebuttal**
3 **testimony?**

4 A: No. First, it is still appropriate to correct the Nucor load data used in any revenue
5 requirement calculation by removing duplicate lines from the Nucor load data. Second, it
6 is still appropriate to accurately calculate revenue from the Cimarron Bend III (“CBIII”)
7 wind farm by taking the locational marginal price (“LMP”) at the Evergy Missouri West
8 load node, as specified in the CBIII contract, versus the CBIII pricing node, as calculated
9 by Staff witness J Luebbert. Lastly, it is still appropriate to calculate customer event
10 balancing by looking at times when there was a 25% deviation for more than 4 hours and
11 accounting for the Nucor load included in Evergy Missouri West’s day-ahead load forecast.
12 All of these are discussed in detail in my rebuttal testimony.

13 **Q: Company witness Linda Nunn discusses weather normalized costs in her surrebuttal**
14 **testimony. How would the CBIII revenues change in your rebuttal analysis if you**
15 **normalized for Winter Storm Uri?**

16 A: Removing February 2021 from my analysis would reduce the 2021 CBIII revenue from
17 **** [REDACTED] ** to ** [REDACTED] **.**

18 **Q: With regards to your customer event balancing analysis, how would that change if**
19 **you removed the impacts of Winter Storm Uri?**

20 A: The customer event balancing number would change from a benefit of **** [REDACTED]**
21 **[REDACTED] **** if February 2021 was removed from the analysis.

1 **Q: Did your rebuttal testimony suggest that an adjustment to the Company's revenue**
2 **requirement was warranted?**

3 A: No, it did not. The revenue received from the CBIII wind farm and the customer event
4 balancing impact from purchasing all of Nucor load in the RT market resulted in no
5 under collection from Nucor.

6 **Q: Does the same hold true, that no adjustment to revenue requirement is warranted,**
7 **when normalizing for Winter Storm Uri?**

8 A: Yes, it does. This is discussed in more detail in the testimony of Company witness Linda
9 Nunn.

10 **Q: Does that conclude your testimony?**

11 A: Yes, it does.

