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Exhibit No. 259

MoPSC Staff – Exhibit 259 Amanda C. Conner Surrebuttal & True-up Direct Testimony File Nos. ER-2022-0129 & ER-2022-0130

Exhibit No.: Issue(s): Witness: Sponsoring Party: MoPSC Staff

Fuel Adjustment Clause Amanda C. Conner *Type of Exhibit:* Surrebuttal and True-Up Direct Testimony *Case Nos.: ER-2022-0129 and* ER-2022-0130 August 16, 2022

Date Testimony Prepared:

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL AND **TRUE-UP DIRECT TESTIMONY**

OF

AMANDA C. CONNER

Evergy Metro, Inc., d/b/a Evergy Missouri Metro Case No. ER-2022-0129

Evergy Missouri West, Inc., d/b/a Evergy Missouri West Case No. ER-2022-0130

> Jefferson City, Missouri August 2022

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1 2	SURREBUTTAL AND TRUE-UP DIRECT TESTIMONY
3	OF
4	AMANDA C. CONNER
5 6	Evergy Metro, Inc., d/b/a Evergy Missouri Metro Case No. ER-2022-0129
7 8	Evergy Missouri West, Inc., d/b/a Evergy Missouri West Case No. ER-2022-0130
9	Q. Please state your name, employment position, and business address.
10	A. Amanda C. Conner, Utility Regulatory Auditor with the Missouri Public Service
11	Commission ("Commission" or "PSC"), 200 Madison Street, Jefferson City, Missouri 65102.
12	Q. Are you the same Amanda C. Conner who previously provided testimony in
13	this case?
14	A. Yes. I filed direct and rebuttal testimony in the Evergy Metro, Inc., d/b/a Evergy
15	Missouri Metro ("EMM") and Evergy Missouri West, Inc., d/b/a Evergy Missouri West
16	("EMW") (collectively "Company") rate cases designated as Case No. ER-2022-0129 and Case
17	No. ER-2022-0130, respectively, on June 8, 2022, direct testimony for Class Cost of Service
18	filed on June 22, 2022, and rebuttal testimony filed on July 13, 2022.
19	Q. What is the purpose of your surrebuttal and true-up direct testimony?
20	A. The purpose of my surrebuttal testimony is to address EMM and EMW witness
21	Linda J. Nunn's Fuel Adjustment Clause (FAC) rebuttal testimony in which she requests the
22	continuation of the Company's FAC with modifications. The purpose of my true-up testimony
23	is to provide an update to the FAC.
24	EXECUTIVE SUMMARY
25	Q. What is the purpose of your surrebuttal testimony?

1	A. The purpose of my surrebuttal testimony is to address the concerns Company			
2	witness Linda Nunn mentions in her rebuttal testimony to my direct testimony. This essentially			
3	consists of clarifying Staff's position in regards to the FAC tariff.			
4	Q. What is the purpose of your true-up direct testimony?			
5	A. I will discuss a true-up of Staff's FAC base factor as of the true-up date of			
6	December 31, 2021.			
_				
7	SURREBUTTAL			
8	Q. On page 16, lines 6-10 of Ms. Nunn's rebuttal testimony, she states that Staff			
9	did not provide a proposed tariff sheet to clarify that the only transmission costs included in			
10	EMM's and EMW's tariff sheets are those that are incurred for purchased power (PP) and			
11	off system sales (OSS). Was it your intention to request a change in the language in the current			
12	tariff sheets?			
13	A. No, I was not suggesting that new tariff language was needed. The			
14	recommendation should not have been to clarify, but to keep the current tariff language that			
15	states that the only transmission costs to be included in EMM's and EMW's FAC tariffs are			
16	only those that are incurred for PP and OSS.			
17	Q. On page 16, lines 11-20, of Ms. Nunn's rebuttal testimony, Ms. Nunn agrees to			
18	continue to provide the FAC monthly reports, but she stated that Staff describes the monthly			
19	reports differently from what the Company provides or different from one jurisdiction to			
20	another. Was it your intention to request changes to the monthly reports?			
21	A. No, Staff agrees the current information provided in both EMM's and EMW's			
22	FAC monthly reports is sufficient. I included the requested language from the last rate cases,			

Surrebuttal and True-Up Direct Testimony of Amanda C. Conner

ER-2018-0145 and ER-2018-0146, for reference of what was requested. However, there is
 no need to make any changes to the FAC monthly reports provided by the Company.

Q. On page 17, lines 11-16 of Ms. Nunn's rebuttal testimony, she questions why Staff believes that EMW's base factor calculation should be modified to take into consideration the Company's proposed industrial steam auxiliary power calculation. Ms. Nunn explains that this is not appropriate, as costs associated with auxiliary power will be moved from an account included in the FAC calculation to an account not included in the FAC calculation. Why did Staff make this recommendation?

9 A. Staff sent Data Request No. 0258 and subsequent Data Request No. 0258.1 10 regarding the industrial steam auxiliary power calculation. Though Staff received the 11 calculation, EMW's response to the data requests was not clear on how EMW would account 12 for it. However, since Ms. Nunn explains in her rebuttal testimony in the sections stated above 13 that the fuel runs used to establish base rates in the EMW electric case includes electric usage 14 only and does not include costs associated with EMW's industrial steam production, Staff's 15 initial recommendation to account for this adjustment in the FAC base factor is no longer 16 needed. However, as the Company stated in its response to Data Request No. 0258S, 17 the auxiliary power general ledger entry will be separate from the already existing steam 18 transfer credits. If Staff understands EMW's process to be that the auxiliary power amount 19 used to produce industrial steam is reduced from the fuel accounts before these fuel accounts 20 hit the FAC, then Staff would agree that a further adjustment to reduce fuel costs for auxiliary 21 power for industrial steam is not needed for purposes of future Fuel Adjustment Rate (FAR) 22 filings. If the FAC recoverable fuel accounts are not already reduced for the auxiliary power 23 for industrial steam, then Staff expects this adjustment to be made within the FAR filings, to

1	reduce recoverable fuel costs. Either way, Staff requests that future FAR workpapers				
2	demonstrate this calculation for industrial steam auxiliary power and its effects on the FAR				
3	filings. Staff is also open to the possibility of additional wording in the FAC tariff to clarify this				
4	process to all parties.				
5	Q. On page 17, line 17 through page 18, line 15, Ms. Nunn stated that the voltage				
6	levels set by Staff do not include the substation levels. Do you agree with the changes Ms. Nunn				
7	makes in her rebuttal testimony?				
8	A. This will be addressed in detail in Staff witness Alan J. Bax's surrebuttal				
9	testimony, but Staff agrees that the substation voltage levels should be included.				
10	Q. Does this conclude your surrebuttal testimony?				
11	A. Yes.				
10					
12	TRUE-UP DIRECT				
12 13	TRUE-UP DIRECT REVISED BASE FACTOR				
13	REVISED BASE FACTOR				
13 14	REVISED BASE FACTOR Q. What is Staff recommending for EMM's and EMW's True-Up Base Factors?				
13 14 15	REVISED BASE FACTOR Q. What is Staff recommending for EMM's and EMW's True-Up Base Factors? A. Staff calculated the base factor (BF) rate in this case based upon the following				
13 14 15 16	REVISED BASE FACTORQ.What is Staff recommending for EMM's and EMW's True-Up Base Factors?A.Staff calculated the base factor (BF) rate in this case based upon the followinginformation in Staff's cost of service (COS) Report: (1) net base energy costs (fuel and				
13 14 15 16 17	REVISED BASE FACTOR Q. What is Staff recommending for EMM's and EMW's True-Up Base Factors? A. Staff calculated the base factor (BF) rate in this case based upon the following information in Staff's cost of service (COS) Report: (1) net base energy costs (fuel and purchased power costs less OSS revenue) including Staff's accounting adjustments to test year;				
13 14 15 16 17 18	REVISED BASE FACTOR Q. What is Staff recommending for EMM's and EMW's True-Up Base Factors? A. Staff calculated the base factor (BF) rate in this case based upon the following information in Staff's cost of service (COS) Report: (1) net base energy costs (fuel and purchased power costs less OSS revenue) including Staff's accounting adjustments to test year; and (2) normalized net system inputs (NSI):				
 13 14 15 16 17 18 19 	REVISED BASE FACTOR Q. What is Staff recommending for EMM's and EMW's True-Up Base Factors? A. Staff calculated the base factor (BF) rate in this case based upon the following information in Staff's cost of service (COS) Report: (1) net base energy costs (fuel and purchased power costs less OSS revenue) including Staff's accounting adjustments to test year; and (2) normalized net system inputs (NSI): EMM Base Factor:				
 13 14 15 16 17 18 19 20 	REVISED BASE FACTOR Q. What is Staff recommending for EMM's and EMW's True-Up Base Factors? A. Staff calculated the base factor (BF) rate in this case based upon the following information in Staff's cost of service (COS) Report: (1) net base energy costs (fuel and purchased power costs less OSS revenue) including Staff's accounting adjustments to test year; and (2) normalized net system inputs (NSI): • EMM Base Factor: Net Fuel and PP \$265,580,284				

1 EMW Base Factor: 2 Net Fuel and PP \$253,857,113 3 NSI \$8,845,014,770 4 BF \$0.02870 per kWh 5 **REVISED TRANSMISSION PERCENTAGE** What are the percentages Staff recommends for EMM's and EMW's true-up 6 Q. transmission costs? 7 As provided in Staff witness Shawn E. Lange's true-up workpapers,¹ Staff 8 A. 9 calculated the pass-through percentage of Southwest Power Pool (SPP) transmission costs² in 10 the FAC as 33.1% for EMM. As provided in Staff witness Charles T. Poston's true-up workpapers,³ Staff calculated the pass-through percentage of SPP transmission costs⁴ in the 11 12 FAC as 75.43% for EMW. This calculation is based on the output from Staff's fuel models that 13 were used to develop the revenue requirements found in Staff's COS report for this case. The 14 calculations are appropriate because they are consistent with the method used to calculate the 15 pass-through percentage of SPP transmission costs for EMM's and EMW's current FAC.

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18

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FAC VOLTAGE ADJUSTMENT FACTORS

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

¹ Workpaper titled "TU EMM DIRECT FUEL Summary 72722" tab "FAC%".

² 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 EMM's and EMW's respective generation units.

³ Workpaper titled "EMW True-Up Fuel Model Results – 08-08-22" tab "FAC%".

⁴ 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 EMM's and EMW's respective generation units.

Surrebuttal and True-Up Direct Testimony of Amanda C. Conner

As explained in Staff witness Alan J. Bax's testimonies in this case, Staff continues to
 use the voltage adjustment factors⁵ presently included in the FAC tariff sheets for EMM's and
 EMW's most recent general rate cases in the current general rate case as provided in the
 following table.

5

	EMM	EMW	
Voltage Level	Voltage Adjustment Factor		
Transmission	1.03	1.03	
Substation	1.0378	1.0388	
Primary	1.0496	1.0503	
Secondary	1.0690	1.0766	

6

7

8

Q. Does this conclude your true-up direct testimony?

A. Yes it does.

⁵ Alan J. Bax's voltage testimony can be found in his surrebuttal testimony, page 3, line 15 through page 4, line 18.

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)	Case No. ER-2022-0129
Implement a General Rate Increase for Electric)	
Service)	
In the Matter of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West's Request for)	Case No. ER-2022-0130
Authority to Implement a General Rate)	
Increase for Electric Service)	

AFFIDAVIT OF AMANDA C. CONNER

STATE OF MISSOURI)	
)	SS.
COUNTY OF COLE)	

COMES NOW AMANDA C. CONNER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal / True-Up Direct Testimony of Amanda C. Conner; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for 10th the County of Cole, State of Missouri, at my office in Jefferson City, on this day of August 2022.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070

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