

Exhibit No. 235

*Issue(s): Fuel Adjustment
Clause*
Witness: Amanda C. Conner
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
*Case Nos.: ER-2022-0129 and
ER-2022-0130*
Date Testimony Prepared: July 13, 2022

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

REBUTTAL 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
July 2022*

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**TABLE OF CONTENTS OF
REBUTTAL TESTIMONY**

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EXECUTIVE SUMMARY2
FUEL ADJUSTMENT CLAUSE3

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **AMANDA C. CONNER**

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

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

8 Q. Please state your name, employment position, and business address.

9 A. Amanda C. Conner, Utility Regulatory Auditor with the Missouri Public Service
10 Commission (“Commission” or “PSC”), 200 Madison Street, Jefferson City, Missouri 65102.

11 Q. Are you the same Amanda C. Conner who has previously provided testimony in
12 this case?

13 A. Yes. I filed direct testimony in the Evergy Metro, Inc. d/b/a Evergy Missouri
14 Metro (“EMM”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”)
15 (collectively “Company”) rate cases designated as Case No. ER-2022-0129 and Case No.
16 ER-2022-0130, respectively, on June 8, 2022. I also filed direct testimony for Class Cost of
17 Service filed in the same cases on June 22, 2022.

18 Q. What is the purpose of your rebuttal testimony?

19 A. The purpose of my rebuttal testimony is to address EMM and EMW witness
20 Linda J. Nunn’s Fuel Adjustment Clause (“FAC”) direct testimony in which she requests the
21 continuation of the Company’s FAC with modifications, as well as OPC witness Lena Mantle’s
22 direct testimony in regards to the FAC.

23

1 **EXECUTIVE SUMMARY**

2 Q. Please summarize your rebuttal testimony.

3 A. Staff opposes the following proposals made by EMM and EMW witness Linda

4 J. Nunn:

- 5 1. Update the Southwest Power Pool (“SPP”) transmission costs for EMM and
6 EMW.
- 7 2. Include SPP charge types a) Integrated Marketplace Clearing Administrative
8 Service; b) Integrated Marketplace Facilitation Administration Service; and c)
9 Transmission Congestion Rights Administration Service.
- 10 3. Include FERC account 555070.

11 Staff does not oppose the following proposals made by EMM and EMW witness Linda J. Nunn:

- 12 1. Include the following accounts:
 - 13 ♦ 547027;
 - 14 ♦ 501420 (EMM only);
 - 15 ♦ 411800;
 - 16 ♦ 411900;
 - 17 ♦ 501 (EMW only); and
 - 18 ♦ 547300 (EMM only).
- 19 2. Include amounts for Firm Bulk Sales.
- 20 3. EMW’s updating the Off Systems Sales Revenue (“OSSR”) and Purchase Power
21 (“PP”) definitions.
- 22 4. Include two new SPP charge types a) Day Ahead CIR Adjustment Amount and
23 b) Real Time CIR Adjustment Amount.

1 5. The request to cease submission of monthly surveillance reports.

2 On page 3, lines 10-23 of OPC witness Lena Mantle’s direct testimony, Ms. Mantle
3 proposes the following FAC recommendations that Staff does not oppose:

- 4 1. Transmission revenues from the SPP that are provided under the same
5 transmission costs schedules included in the FACs;
6 2. Changes to SPP energy market charge types currently provided that have
7 been filed with the Commission since the Company’s last general rate
8 case;
9 3. Language that explicitly prohibits recovery of retirement and/or
10 decommissioning costs related to the retirement of a generation plant;
11 4. Language that would allow the mitigation of the impact of extraordinary
12 net fuel and purchase power costs;
13 5. Language that explicitly prohibits recovery of fuel and purchase power
14 costs for research and development; and
15 6. Language in EMW’s FAC tariff sheets to incorporate the provision in
16 EMW’s Special High-Load Factor tariff ordered by the Commission in
17 Case No. EO-2022-0061 relating to the interaction of taking service
18 under the MKT rate and Evergy’s FAC.

19 **FUEL ADJUSTMENT CLAUSE**

20 **Response to Company witness Linda Nunn**

21 Q. What does EMM and EMW propose in regards to the percentages of SPP
22 transmission costs?
23

24 A. The proposal is for EMM to decrease the transmission costs from 26.4% to 7.6%
25 of SPP costs (tariff page 50.35) and EMW to increase the transmission costs from 47.2% to
26 59.31% (tariff page 127.27).

27 Q. What does Staff recommend for transmission costs?

28 A. Staff’s position is to retain the existing calculation for transmission costs, which
29 is the percentage of total purchases over total market load.¹

¹ This is the Subaccount 565000: non-SPP transmission used to serve off system sales or to make purchases for load and 26.40% of the SPP transmission service costs.

1 Q. What language does EMM and EMW propose to include in the FAC tariff sheets
2 for SPP charge types?

3 A. In the FAC tariff sheets provided in Ms. Nunn's direct testimony, EMM and
4 EMW propose to include the following SPP charge type language:

- 5 1. Integrated Marketplace Clearing Administrative Service;
- 6 2. Integrated Marketplace Facilitation Administrative Service; and
- 7 3. Transmission Congestion Rights Administration Service.

8 Q Does Staff agree with the Company's inclusion of the above language in the
9 FAC tariff sheets, and if not, why not?

10 A. No. These fees are, as stated in the title of these charge types, are administrative
11 fees, and are therefore not eligible expenses under the FAC. For this reason, Staff does not
12 agree to include this language in EMM or EMW's FAC tariff sheets.

13 Q. Does Ms. Nunn include SPP charge types that Staff does agree with?

14 A. Yes. Ms. Nunn includes two new SPP charge types that Staff is in agreement
15 with: "Day Ahead Combined Interest Resource Adjustment Amount" and "Real Time
16 Combined Interest Resource Adjustment Amount."

17 Q. What other SPP charge types does EMM propose to include?

18 A. EMM also proposes to include several new SPP charge types on EMM tariff
19 sheet pages 50.38 and 50.39 that were provided to Staff in Data Request 257.1 as follows:

- 20 1. Day-Ahead Ramp Capability Up Amount
- 21 2. Day-Ahead Ramp Capability Down Amount
- 22 3. Day-Ahead Ramp Capability Up Distribution Amount
- 23 4. Day-Ahead Ramp Capability Down Distribution Amount

1 5. Real Time Ramp Capability Up amount

2 6. Real Time Ramp Capability Down amount

3 7. Real Time Ramp Capability Up Distribution Amount

4 8. Real Time Ramp Capability Down Distribution Amount

5 9. Real Time Ramp Capability Non-Performance Amount

6 10. Real Time Ramp Capability Non-Performance Distribution Amount

7 Q. Does Staff agree to allow these new SPP charge types?

8 A. Yes.

9 Q. On page 4, line 14 of Ms. Nunn’s direct testimony, she proposes including
10 account 555070 for SPP purchased power administration fees. Does Staff agree with including
11 this account?

12 A. No. As stated above, this is an administrative fee that is not allowed in the FAC.
13 Therefore, Staff does not support this account being included in the FAC.

14 Q. EMM and EMW propose including account 547027 in its base factors. What is
15 the purpose of this account, and does Staff agree with including this account?

16 A. The title for account 547027 is “Fuel OnSys Oth Prod-Demand.” The account’s
17 purpose is to include natural gas reservation charged to the tariff and to the FAC base factor.
18 Since it appears these costs are variable, and since the Commission has allowed similar charges
19 for Ameren, Staff agrees including this account for both EMM and EMW.

20 Q. EMM proposes including account 501420 to record fuel residual costs
21 previously charged to account 502 and include it in base rates. Does Staff agree with including
22 this account?

1 A. Yes. Including this account as well as including it in base rates will ensure that
2 EMM is consistent with what is already included in EMW, so Staff agrees with including
3 account 501420.

4 Q. What is the purpose for EMM and EMW including accounts 411800 and
5 411900?

6 A. The purpose is to expand FERC accounts impacted by the gains or losses to be
7 reported for the sale of Renewable Energy Credits (“RECs”), to be consistent throughout the
8 Company, as well as to add to the definition of a REC for accounts 411800 and 411900.

9 Q. Did EMM and EMW provide any descriptors, and is Staff in agreement with the
10 inclusion of accounts 411800 and 411900 related to these descriptors?

11 A. In Data Request (“DR”) 257.3, the Company included additional tariff language
12 for RECs that would allow additional costs for purchases of RECs for the Green Pricing REC
13 program and any other sales. Staff agrees with including cost descriptors in the tariff,
14 i.e. specific NAR fees,² however, the Company will not be recovering any losses from the
15 purchase of additional RECs as compared to how much those RECs are sold.

16 Q. EMW proposes to include subaccount 501000. What is this subaccount for, and
17 is Staff in agreement with including this account in the FAC tariff?

18 A. Subaccount 501000 title is “Unit Train Maintenance³ and Property Taxes⁴”.
19 Staff agrees to include this since these property taxes are already included in EMM’s FAC tariff
20 definition and since these costs are variable.

² NAR fees are fees incurred to administer the Green Pricing REC.

³ Completion of unloading of a unit train and its release for movement, delay for removal of frozen coal, destination detention, diversion of empty unit train (including administration fee, holding charges, and out-of-route charges which may include fuel surcharge), diversion of loaded coal trains, diversion of loaded unit train fees.

⁴ The property taxes that coincide with the unit train costs.

1 Q. EMM has proposed to include amounts for Premium Ammonia⁵ as account
2 547300. Does Staff recommend allowing this account in the Base Factor (“BF”) calculation?

3 A. Yes. These costs are variable, and it will ensure that EMM is acting consistently
4 with other companies.

5 Q. The Company proposes to include amounts for Firm Bulk Sales (Capacity &
6 Fixed), which was excluded in the previous rate case BF calculation. Is Staff in agreement with
7 allowing these amounts to both EMM and EMW BF calculations?

8 A. Yes. By including these amounts, the complexity of administering the
9 transmission costs for the FAC will be eliminated. Therefore, Staff is in agreement with
10 allowing these amounts in the BF calculations for both EMM and EMW.

11 Q. EMW proposes to update the Off System Sales Revenue (“OSSR”) and
12 Purchased Power (“PP”) definition of its FAC tariff sheets 127.26 and 127.28 to be more
13 consistent with EMM’s FAC tariff. Does Staff have any issue with this?

14 A. No. Staff has no issue with EMW using the same language in its tariff sheets as
15 EMM uses.

16 Q. The Company proposes to change tariff language and the OSSR definition for
17 additional solar subscription pilot unsubscribed revenues to be imputed at 75%. Then in DR
18 257.2, Evergy added “For future solar subscription projects, additional revenue will be added
19 at an imputed 100% of the unsubscribed portion up to 50%.” Does Staff have any recommended
20 language in regards to the Company’s proposed tariff language?

21 A. Yes. Staff’s recommended tariff language be modified as follows:

⁵ Ammonia has several potential applications including storing energy from renewables, storing thermal and chemical energy, and for use as a zero-carbon fuel source.

1 “For future solar subscription projects, additional revenue will be added at an
2 imputed 75% of the unsubscribed portions.”

3 This FAC tariff recommendation by Staff is consistent with the recommendation of Staff
4 witness Cedric Cunigan.

5 Q. The Company has proposed to discontinue sending monthly surveillance reports
6 to Staff since they are already required to file quarterly and monthly reports for MEEIA and the
7 FAC respectively. Is this agreeable to Staff?

8 A. Yes, provided that the Company continues to file its required FAC monthly
9 reports.

10 **Response to OPC witness Lena Mantle**

11 Q. On page 11, lines 5-11 of Ms. Mantle’s direct testimony, she provides language
12 for the recovery of extraordinary costs. What is that language?

13 A. “When extraordinary net costs have been incurred in an accumulation period for
14 good cause the Commission may allow (after opportunity for any party to be heard) the recovery
15 period to extend beyond twelve months. The amount not recovered will be added to subsequent
16 recovery periods with a true-up for the extraordinary cost at the end of the Commission
17 approved recovery time period for extraordinary cost.”

18 Q. Does Staff agree with Ms. Mantle’s recommendation?

19 A. Yes. Staff believes this language is fair, since not only is the Company able to
20 request an extended recovery period, but it also allows other parties the same ability to request
21 an extended recovery period to be approved by the Commission, which could prove to be
22 beneficial to both the EMM and EMW and ratepayers.

1 Q. Ms. Mantle's direct testimony proposes changing the term Fuel Costs ("FC")
2 from "Fuel Costs Incurred to Support Sales" to "Fuel costs, excluding decommissioning and
3 retirement costs, incurred to support sales and revenues associated with the Company's
4 in-service generating plants consisting of the following:"⁶ Does Staff have any issues with
5 updating the term for FC to Ms. Mantle's recommendation?

6 A. No. As Ms. Mantle points out on page 12, lines 9-11, including this language to
7 the FAC tariff sheets makes it clear what fuel costs will be allowed to pass through the FAC,
8 which in turn will allow for less time spent between parties on such issues that have previously
9 been resolved from the current FC term.

10 Q. Does Staff agree with Ms. Mantle in regards to adding language to the FAC
11 tariff sheets in regards to prohibiting the recovery of fuel and purchased power costs for research
12 and development?

13 A. Yes. As Ms. Mantle explains in her testimony,⁷ even though neither EMM or
14 EMW have shown any research and development projects that consume a large amount of
15 energy, this issue has arisen in Ameren's FAC, therefore adding such language to EMM and
16 EMW is a necessary preventative measure to have in place.

17 Q. Where is this language in Ms. Mantle's direct testimony?

18 A. Ms. Mantle provides the language on page 13, lines 5-30⁸. The new language
19 for PP, S_{AP}, and S_{RP} are as follows:

- 20 1. PP = Costs and revenues for purchased power reflected in FERC Account 555,
21 excluding (1) all charges under Southwest Power Pool ("SPP") Schedules 1a
22 and 12, and (2) amounts associated with energy purchased from the SPP market
23 to serve research and development projects of the Company. Such costs include:
24

⁶ This language is on page 12, lines 15-20 of Lena Mantle's direct testimony.

⁷ Lena Mantle's direct testimony page 12 lines 23-28.

⁸ The original language is listed in Lena Mantle's direct testimony as well as the new language.

Rebuttal Testimony of
Amanda C. Conner

- 1 2. S_{AP} = Net system input (“NSI”) in kWh, excluding the energy used by Company
2 research and development projects, for the accumulation period
3
4 3. S_{RP} = Forecasted recovery period Missouri retail NSI in kWh, at the generation
5 level excluding energy projected to be used by Company research and
6 development projects.
7

8 Q. On page 15, line 24 through page 17, line 16, Ms. Mantle provides her last
9 recommendation for the EMW FAC tariff sheet to incorporate the provision in EMW’s
10 Scheduled MKT from Case No. EO-2022-0061⁹ relating to the interaction of taking service
11 under the MKT rate and the Company’s FAC. Is Staff in agreement with the changes
12 Ms. Mantle has made for this special circumstance?

13 A. Yes. Ms. Mantle has brought up an important reason to include this language
14 now, since adding tariff language to the FAC tariff during a rate case is the ideal time to do so.

15 Q. On page 15, lines 14-18, Ms. Mantle comments on the Commission not waiting
16 until the Schedule MKT tariff sheets are filed to change the FAC, since there is the expectation
17 that there will be new customers that request service under the new schedule. Does Staff agree
18 with Ms. Mantle’s assertion of adding the language during the rate case?

19 A. Yes.

20 Q. Does this conclude your rebuttal testimony?

21 A. Yes it does.

⁹ *In the Matter of the Application of Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of a Special High Load Factor Market Rate for a Data Center Facility in Kansas City, Missouri.*

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)
)
COUNTY OF COLE) ss.

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 *Rebuttal Testimony of Amanda C. Conner*; and that the same is true and correct according to her best knowledge and belief.

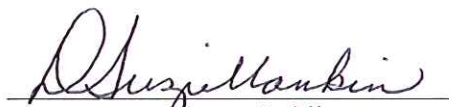
Further the Affiant sayeth not.


AMANDA C. CONNER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12th day of July, 2022.




Notary Public