

# Exhibit No. 103

*Exhibit No.:*  
*Issues:* *Staff's Prudence Review of  
Evergy's Fuel Adjustment  
Clause*  
*Witness:* *Brad Fortson*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *ER-2020-0262 (Consolidated  
with EO-2020-0263)*  
*Date Testimony Prepared:* *December 4, 2020*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**BRAD J. FORTSON**

**EVERGY METRO, INC. and EVERGY MISSOURI WEST, INC.  
d/b/a EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**CASE NO. EO-2020-0262 (Consolidated with Case No. EO-2020-0263)**

*Jefferson City, Missouri  
December 2020*

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **BRAD J. FORTSON**

4 **EVERGY MISSOURI METRO**

5 **and**

6 **EVERGY MISSOURI WEST**

7 **CASE NO. EO-2020-0262 (Consolidated with Case No. EO-2020-0263)**

8 Q. Please state your name and business address.

9 A. My name is Brad J. Fortson. My business address is 200 Madison Street,  
10 Jefferson City, Missouri 65101.

11 Q. By whom are you employed and in what capacity?

12 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
13 a Regulatory Compliance Manager.

14 Q. Are you the same Brad J. Fortson who filed direct testimony in this case on  
15 October 29, 2020, sponsoring *Staff’s Ninth Prudence Review Report* for Evergy Missouri West,  
16 Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) filed in Case No. EO-2020-0262  
17 and *Staff’s Third Prudence Review Report* for Evergy Metro, Inc. d/b/a Evergy Missouri Metro  
18 (“Evergy Missouri Metro”) filed in Case No. EO-2020-0263?<sup>1</sup>

19 A. Yes. Staff filed for leave to correct my Direct Testimony on December 1, 2020.  
20 The correction noted that a disallowance was recommended in Staff’s Ninth Prudence Review  
21 Report for Evergy Missouri West. Staff recommended that the Commission order an Ordered

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<sup>1</sup> These cases were consolidated into Case No. EO-2020-0262 on September 22, 2020, in the Commission’s *Order Consolidating Cases and Directing Filing of Proposed Procedural Schedule*.

Rebuttal Testimony of  
Brad Fortson

1 Adjustment in the amount of \$1,039,646, as Evergy Missouri West can seek recovery of these  
2 costs through another mechanism, Evergy Missouri West has agreed to remove those costs.

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

4 A. My rebuttal testimony will respond to the Office of the Public Counsel (“OPC”)  
5 witness Ms. Lena M. Mantle’s direct testimony regarding Evergy Missouri Metro’s resource  
6 planning and Evergy Missouri Metro and Evergy Missouri West’s demand response programs.

7 Q. What does Ms. Mantle recommend in regards to Evergy Missouri Metro’s  
8 resource planning and Evergy Missouri Metro and Evergy Missouri West’s demand response  
9 programs?

10 A. Ms. Mantle recommends a disallowance of \$1,979,572 (without interest) for  
11 Evergy Missouri Metro due to including sales from excess capacity in its 2017 resource  
12 planning process which resulted in a lower net present value revenue requirement, but then not  
13 actually entering into contracts for its excess capacity during the Review Period like what was  
14 modeled in its 2017 resource planning. Ms. Mantle also recommends a disallowance, without  
15 interest included, of \$43,310 for Evergy Missouri Metro and \$85,590 for Evergy Missouri West  
16 for not utilizing their demand-response programs to reduce the energy costs charged to their  
17 customers. She further recommends an additional disallowance, without interest included, of  
18 \$42,024 for Evergy Missouri Metro and \$125,986 for Evergy Missouri West for not utilizing  
19 their demand-response programs to reduce the Southwest Power Pool (“SPP”) Schedule 11 fees  
20 charged to their customers.

21 Q. Are the demand response issues, including not entering into contracts for  
22 excess capacity, raised by Ms. Mantle in this proceeding being addressed in any other  
23 proceeding currently?

1           A.     Yes. These are issues that are currently being disputed in Evergy’s MEEIA  
2 prudence review proceeding, Case No. EO-2020-0227.

3           Q.     Can you expand on why those issues are being addressed in a MEEIA prudence  
4 review proceeding?

5           A.     Yes. Staff raised these very same issues in *Staff’s Report of Second MEEIA*  
6 *Prudence Review of Cycle 2 Costs Related to the Missouri Energy Efficiency Investment Act*  
7 filed on June 30, 2020, in Case Nos. EO-2020-0227 and EO-2020-0228.<sup>2</sup> On July 29, 2020,  
8 Evergy filed its *Motion to Limit Scope of Proceeding* (“Motion to Limit Scope”) arguing that  
9 several of Staff’s proposed disallowances are not related to “costs subject to the DSIM” and,  
10 therefore, are not properly the subject of the MEEIA prudence review proceedings. On  
11 August 7, 2020, Staff filed its *Staff Response to Evergy Motions to Limit Scope of Proceeding*  
12 (“Response to Motion to Limit Scope”) arguing those issues were properly the subject of the  
13 MEEIA prudence review proceedings since they were the result of decisions made during the  
14 implementation of the MEEIA Cycle 2 demand response programs.

15           Q.     Did OPC file a response to Evergy’s Motion to Limit Scope?

16           A.     Yes. On the same day that Staff filed its Response to Motion to Limit Scope,  
17 OPC filed its *Public Counsel’s Response to Evergy Missouri Metro and Evergy Missouri West’s*  
18 *Motion to Limit Scope of Proceeding* (“OPC Response to Motion to Limit Scope”).

19           Q.     What was OPC’s position on Evergy’s Motion to Limit Scope?

20           A.     OPC agreed with Staff that these issues were properly the subject of

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<sup>2</sup> Consolidated to EO-2020-0227 on August 5, 2020, with the Commission’s *Order Consolidating Cases and Setting Procedural Schedule*.

1 the MEEIA prudence review proceedings. In the OPC Response to Motion to Limit  
2 Scope, OPC stated:

3 Evergy's SPP fees and alleged foregone benefits from capacity  
4 sales contracts corroborates Staff's position as to the imprudence of  
5 costs expended and charged to customers through the DSIM, and  
6 bears upon the principle issue of Evergy's prudence as to its DSIM.  
7 Evergy's SPP fees and alleged foregone savings also speak to the  
8 extent of Evergy's alleged imprudence. Staff's recommended  
9 disallowances related to capacity sales contracts and SPP fees are  
10 then **wholly relevant and proper** for the Commission to consider  
11 in these proceedings. **[Emphasis added.]**

12 Q. Did the Commission rule on Evergy's Motion to Limit Scope?

13 A. Yes. On August 19, 2020, the Commission issued its *Order Denying Motion to*  
14 *Limit Scope* stating that, "The Commission finds that Staff has raised allegations of imprudence  
15 by Evergy that are relevant to the Commission's determination of whether Evergy has operated  
16 its MEEIA programs in a prudent manner. Whether the alleged imprudent acts are costs subject  
17 to the DSIM is a question of fact in addition to a question of law. Ultimately, after hearing the  
18 evidence, the Commission will find that Evergy has, or has not been prudent. But it must first  
19 hear that evidence. Evergy's request to limit the scope of the review is not well founded and  
20 will be denied."

21 Q. What is the status of that case, Case No. EO-2020-0227?

22 A. On October 29, 2020, Evergy filed its *Motion to Suspend Procedural Schedule*  
23 ("Motion to Suspend") in order to accommodate parties' settlement discussions. Evergy also  
24 stated in its Motion to Suspend that no later than December 4, 2020, Evergy would apprise the  
25 Commission of whether settlement discussions appear likely to produce agreement. On October  
26 30, 2020, the Commission issued its *Order Granting Motion to Suspend Procedural Schedule*.

1 Case No. EO-2020-0227 is still a pending case and the very same demand response and excess  
2 capacity issues that Ms. Mantle raises in this FAC prudence review proceeding are still the  
3 subject of the MEEIA prudence review proceeding, the very same proceeding that OPC agreed  
4 was the proper proceeding for the demand response and excess capacity issues.

5 Q. What is your recommendation regarding the demand response issues Ms. Mantle  
6 raises in this proceeding?

7 A. As I previously stated, the demand response issues Ms. Mantle raises in this  
8 proceeding are the subject of Evergy's current MEEIA prudence review proceeding and that is  
9 the proper proceeding for those issues to be addressed, not in this proceeding.

10 Q. How do you respond to Ms. Mantle's statement in her direct testimony that  
11 Evergy included unrealistic assumptions in its resource planning process, in this case sales of  
12 excess capacity, that resulted in a modeled net present value revenue requirement that was not  
13 achievable?

14 A. I would agree that it is a concern given the support Ms. Mantle offered in her  
15 direct testimony. However, it was one of many assumptions Evergy's resource plan was built  
16 on and Staff recommends all assumptions be further reviewed and addressed going forward in  
17 Evergy's resource planning process. Staff further recommends, similar to the demand response  
18 issues, that since the sales of excess capacity, or the lack thereof, is currently the subject of the  
19 MEEIA prudence review proceeding, that is the proper proceeding for this issue to be  
20 addressed.

21 Q. Does this conclude your rebuttal testimony?

22 A. Yes, it does.

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

In the Matter of the Ninth Prudence                    )  
Review of Costs Subject to the                        )  
Commission-Approved Fuel Adjustment                )  
Clause of Evergy Missouri West, Inc.                 )  
d/b/a Evergy Missouri West

Case No. EO-2020-0262

**AFFIDAVIT OF BRAD J. FORTSON**

STATE OF MISSOURI        )  
  )  
COUNTY OF COLE         )        ss.

**COME NOW** Brad J. Fortson, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Brad J. Fortson*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Brad J. Fortson  
Brad J. Fortson