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 to Implement A General Rate Increase for Electric Service	))))	**<u>Case No. ER-2022-0129</u>**
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	))))	**<u>Case No. ER-2022-0130</u>**

<u>CORRECTED STATEMENT OF POSITIONS</u>

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its *Statement of Positions* states:

Staff inadvertently omitted stated positions on a few issues from its *Statement of Positions* filing on August 22, 2022. As all inadvertently omitted positions can be found in Staff's prefiled testimony, and Staff takes no new positions, no party should be prejudiced by Staff's correction. To prevent unnecessary duplication in the record, Staff presents only the inadvertently omitted position statements below.

I. Fuel and Purchased Power

E. Should forecasted or actual gas prices be used in the fuel expense calculation?

<u>Gas prices based on historical known and measurable costs are more reliable than forecasted gas prices. Young surrebuttal/true-up direct page 9.</u>

II. Kansas City Earnings Tax

A. What level of Kansas City Earnings Tax Expense should the Commission include when determining Evergy Metro's and Evergy West's revenue requirement?

The Commission should use historical tax liabilities to set an ongoing level of expense for Kansas City Earnings tax. Since Evergy Metro's known and measurable tax liabilities have been fluctuating, a three-year average is an appropriate normalization. Since Evergy West's known and measurable tax liabilities have been inclining, the last-known payment is representative of going-forward costs. Young surrebuttal/true-up direct page 6.

III. Depreciation

C. What is the remaining net book value for the Montrose generating facility and how should it be treated?

Staff recommends the Commission order the depreciation rates included in the direct testimonies of Staff witnesses David Buttig and Cedric Cunigan.

IV. Pilot Programs

E. ***Low-Income Solar Subscription Pilot Program Issue***

1. Should the Commission approve the Low-Income Solar Subscription Pilot Program as proposed by the Company, through the 1 MWac portion of the 10 MWac solar resource that is to be built?

Staff recommends the Commission reject the proposed pilot program. See Surrebuttal Testimony of Kory Boustead.

a) If so, should the Commission order the shareholder cost-sharing mechanism for unsubscribed portions of the solar resource with a 90% cost burden for shareholders as proposed by OPC?

If the Commission should choose to approve the proposal, Staff recommends the Commission order the inclusion of the shareholder cost-sharing component as described in Mr. Jordan Seaver's rebuttal testimony. See Surrebuttal Testimony of Kory Boustead.

b) If so, should the Commission order the Company to modify it as proposed by Renew Missouri?

If the Commission should choose to reject the proposal, Staff recommends the Commission order Evergy to redesign the program as described in Mr. Phillip Fracica's rebuttal testimony with regards to partnering with the Division of Energy Weatherization State Plan team to leverage available LIWAP funds.

V. Tariff Revisions

E. Should Evergy retain the word “pilot” in its Economic Relief Pilot Program tariff?

Yes. Evergy did not support changes to the ERPP in its testimony. All proposed tariff changes to the ERPP should be rejected per 20 CSR 4240-2.065(1) which states “. . . Any public utility which submits a general rate increase request shall simultaneously submit its direct testimony with the tariff.”

Additionally, Staff’s concern with the removal of “pilot” from the Program is based on Staff’s understanding on how utilities can lawfully design low-income programs. It is Staff’s understanding that low-income utility programs that include discounted rates on utility bills have to include the pilot designation to avoid the appearance of undue discrimination given the applied credit changes the rate that a program participant pays to the utility. Staff is of the opinion that conceivably Evergy cannot remove the “Pilot” designation from its tariff because ERPP is a low-income program that includes a fixed credit on participating customers’ monthly bills. Keeping the pilot designation provides some coverage from any potential legal challenges regarding permanent low-income rates. Staff presumes that for marketing purposes Evergy can remove “pilot” from the name only and promote the program as the Economic Relief Program, and where appropriate keep the pilot description of the Program in the tariff. King Rebuttal pages 5-6.

VI. Income Taxes

A. How should the General Business Credit~~s~~ (“GBC”) carryforward by Evergy Metro be treated?

1. Should any portion of the accrued GBC carryforward utilized be used to offset the income tax expense to be collected through Evergy Metro’s rates?

No. Ratepayers have already received the full benefits of GBCs through a reduction of income tax expense in prior rate cases. The balance of the GBC carryforward represents tax benefits that Evergy has been permitted to claim but to date, has not been able to offset its tax liability. It would be inappropriate to pass GBC to ratepayers more than once. Young surrebuttal/true-up direct page 4.

2. Should any portion of the accrued GBC carryforward be included as a reduction to Evergy Metro’s rate base?

No. Ratepayers have received a reduction to income tax expense in prior rate cases and have not provided Evergy a source of cost-free funds. Young surrebuttal/true-up direct page 4.

C. Should the deferred income taxes associated with tax losses claimed on IRS Form 4797 from 2018-2020 be used to offset deferred taxes for net operating losses in rate base?

3. If included, should the method and period for the amortization of excess deferred income taxes for net operating losses be changed?

The net operating losses on Evergy's books are related to the 2017 tax reform and were settled by stipulation in the 2018 rate cases. As there has not been any evidence that the stipulation was flawed, including net operating losses in rate base is appropriate. Young Direct page 17.

XI. Bad Debt Expense

C. Should Evergy Metro and Evergy West institute a tracking mechanism for bad debt expense?

No, Staff does not recommend a tracker for bad debts. Bolin Rebuttal testimony, Majors Rebuttal testimony pages 16-25 and Majors Surrebuttal testimony pages 6-11.

XLI. Prospective Tracking

A. What period of time should prospective tracking be measured, through the true-up period May 2022, or through the estimated implementation of rates, November 2022?

The true-up date, May 31, 2022. Young surrebuttal/true-up direct page 2.

XLII. Uplight

A. Should the Uplight transaction be excluded from Evergy Metro's and Evergy West's cost of service?

1. If not, should the costs of the Uplight transaction be allocated to Missouri and Kansas?

Yes, the cost of the Uplight transaction should be excluded. Evergy has not shown how the Uplight transaction will be used and useful in the provision of Electric service. If the Commission elects to include the cost of Uplight, the costs should be allocated to Missouri and Kansas since Evergy intends to implement programs under the KEEIA legislation. Young surrebuttal/true-up direct page 11.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 24th day of August, 2022.

s/ Nicole Mers