

rate billing data by June 30, 2019, it shall file a rate design case by June 30, 2019 that includes 12 months consolidated rate billing data using the April 30, 2018 resample of load research as the basis of GMO's direct filing. For any rate case or rate design case filed prior to June 30, 2019, GMO commits to provide hourly load data for GMO's test year and Staff's update period no later than three months and one week after the end of each period and weather normalized class hourly load data for each period no later than six months after the end of each period. For any rate case or rate design case filed prior to June 30, 2019, the data used in GMO's analysis will utilize a prior sample design.

2. On September 28, 2016, the Commission issued an Order Approving Stipulations And Agreements, Rejecting Tariffs, Cancelling True-Up Hearing, And Ordering Filing Of Compliance Tariffs.

3. On September 25, 2018, parties to the above-captioned dockets filed a Non-Unanimous Partial Stipulation and Agreement Concerning Rate Design Issues which included the stipulation that:

By June 30, 2020, KCP&L will file a rate design case limited to TOU issues. For GMO, signatories further agree the September 20, 2016 Non-Unanimous Stipulation and Agreement in ER-2016-0156 will be expanded to include TOU, with the TOU rate design case to commence by June 30, 2020.

4. On October 31, 2018, the Commission issued its *Order Approving Stipulations and Agreements* approving the Agreement.

5. On May 9, 2019, Evergy Missouri West filed a motion requesting an extension of time, until June 30, 2020, to file the stipulated rate design case. In support, EMW stated an extension was needed “[d]ue to issues that impact the load research sample to be used in the rate design case.”

6. On May 22, 2019, the Commission issued its *Order Granting Extension to File Rate Design Case*.

7. On June 15, 2020, Evergy Missouri Metro and Evergy Missouri West, (collectively, Evergy Missouri) filed a *Motion for Extension of Time*. In support, Evergy Missouri stated,

The Company seeks additional time to file a rate design case so that the case is supported by 12 months of Time of Use (“TOU”) information inclusive of the summer season. Staff for the Commission (“Staff”) has requested, and the Company agrees, that it will include the TOU data in its rate design case and share that information with stakeholders. That data will include hourly Advanced Metering Infrastructure (“AMI”) information for the TOU participants and their control group, as well as, any other data used in the evaluation of the rate and used in the Evaluation Measurement & Verification (“EM&V”).

8. Staff supported this request, as Staff recognizes the necessity of accurate usage data to provide any meaningful results from a rate design case. Inaccurate usage data renders inaccurate results from a rate design case, for residential TOU rates as well as for business and commercial class rates.

9. Normalization of billing determinants, class cost of service studies, and many rate designs depend on accurate information about how much energy each rate class or group of customers used at which time. Some hours are more important than others. The relative usage of classes in each of the 12 months of the year and each of the 4 summer months in particular is a factor that determines more than half of the allocation of revenue responsibility in a rate case. Prior to the advent of AMI, the only way to estimate the consumption of each rate class in each hour was through a process known as load research.

10. Load research uses a sample of customers within each rate class to estimate the usage for that rate class, in conjunction with known or estimated total company usage, and known or estimated usage for other rate classes, all adjusted

for system losses. Evergy has typically grouped sample customers within a studied class into “strata,” and the weighting of each sample customer within the strata depends on Evergy’s judgment as to how representative that sample customer is of each strata. Each strata is then weighted into a studied rate class. Weights will vary month to month, day by day, and may vary hour by hour. From time to time it is necessary to change which customers are used in the sample to ensure that they are representative. This analysis is based on the actual usage of a subset of the approximately 580 sample customers across both Evergy West and Evergy Metro jurisdictions for metered non-census rate classes. The current Evergy sample relies on 126 residential heating customers and 137 non-heating schedule customers, across both Missouri jurisdictions. SGS relies on approximately 200 customers, and LGS relies on approximately 120 customers. Not all data points are utilized in each study.

11. Load research for weather normalization requires 18 to 24 months of usage data, meaning meters for each sample customer need to be collecting data for 2 years in order to use that data to estimate class-level loads to perform weather normalization, do a class cost of service study, or design rates. Time to conduct the analysis is also necessary. So, for a class-level analysis to be produced today, the sample customers would have needed to be identified and metered approximately 26-27 months ago.

12. However, AMI meters, if properly integrated with a billing and customer information system, should be able to largely displace the more intensive current load research methods described above. While there will be customers who

change classes, meters that fail from time to time, and some usages such as lighting that are not generally metered, AMI should provide a near-definitive answer to the question “how much energy did residential customers consume at 3:00 pm on June 1,” or “how did the energy consumption of SGS customers change from the first week of March 2020 to the last week of March?” Moreover, these answers should be available with a week or a month of lag, at the very most.

13. In its 2018 rate cases, Evergy Missouri witness Forrest Archibald filed direct testimony describing Evergy Missouri’s plan to integrate with its new billing and customer information system. The testimony contained statements such as

A customer information system is a critical component of the meter-to-cash value chain for any meter based delivery type utility. The CIS interlinks the customer information to the consumption and metering processes, via the MDM (Meter Data Management system) all the way through to payments, collections and other downstream processes that affect a utility’s ability to support state commission requirements and report revenue. Customer information systems can include multiple sub-systems depending on the regulatory and operational requirements but at a minimum are inclusive of the metering and consumption (MDM), billing, and collections functions and online portals for customers to perform self-serve functions like bill payment and energy usage awareness, among others. For example, in our new One CIS Solution, the MDM will hold all the consumption data for consumers and will play a key role in consumption analysis and billing; unlike our current legacy systems.²

The One CIS Solution Project not only replaces an aging billing system that was no longer supported by the vendor or robust enough to handle today’s regulatory environment; but enables the Company to improve the way we interact with our customers, introduce better business processes, and enhance customer knowledge through data access, analytics and data sources. The forward-thinking customer engagement capabilities that are described within the Direct Testimony of KCP&L witness Charles A. Caisley are a necessity for the Company to serve customers efficiently and effectively. These capabilities can only be enabled through the One CIS Solution Project. The One CIS Solution project enhances and integrates our existing MDM and AMI network into the One CIS Solution, now providing

² Ex. 100, *Direct Testimony of Forrest Archibald*, p.3-4.

our customers with over 2,800 interval data points on energy usage, to help educate them and assist in managing their consumption more efficiently.³

14. Staff believed, based on these statements, that hourly AMI-derived individual meter data would be available in sufficient quantities to supplement and validate load research analysis for class level results to produce accurate and meaningful results for the June 2020 ToU rate cases. Hourly AMI-derived individual meter data was expected to be available to refine specific rate designs and establish customer impacts and revenue impacts associated with specific designs.

15. On January 7, 2019, Evergy Missouri related to Staff that it has not configured and integrated its Meter Data Management and CIS systems to enable answering such questions. Staff continued to meet with Evergy Missouri and discuss the configuration changes necessary to acquire this information. As of June 4, 2020, Evergy has represented to Staff that approximately 100 hours are necessary per utility to obtain class level hourly energy consumption data for one month's energy consumption, however this data would be aggregated at the voltage at which it was metered. This means that kWh metered at primary would be added to kWh metered at secondary, which is not a reasonable approach. Moreover, rate schedule level information would remain unavailable.

16. A useful ToU rate design case would consider (1) how customers who have opted to take service on a ToU rate schedule use energy on that rate schedule, (2) how they used energy before they were on that rate schedule, (3) how the residential class as a whole uses energy, and (4) how current ToU customer and

³ *Id.* at p. 7.

total residential energy usage fit into total company energy usage. Based on the information Evergy Missouri is currently capable of providing, only the first item and portions of the third item could be analyzed. Conducting a rate design case in the absence of a broader picture of usage data would not be the best utilization of resources. Therefore, Staff supports Evergy Missouri's motion for extension. Further, as Evergy Missouri must file rate cases by January 2022 to remain in compliance with Section 386.266.5 (3), Staff suggests it may be advantageous to further postpone the rate design cases until the cases can be conducted within those rate case filings, which may obviate the need for the separate rate case timelines provided in Evergy's motion.

17. In 2016, Evergy Missouri West reconfigured its rate schedules. The rate schedules under which many non-residential customers received service changed. For example, a customer who had been a sample customer for the MGS rate class could have been switched to now be a customer for the SGS rate class. This change accelerated the normal need for resampling of load research customers. Evergy Missouri West, as part of the 2016 Stipulation, agreed to resample the customers, and facilitate a review of the appropriateness of the rate designs determined in the 2016 case. This agreement stated that if Evergy Missouri West didn't file a rate case that would facilitate the review of the redesigned rate schedules and rates, then Evergy Missouri West would file a rate design case that would enable that review to take place without waiting for another general rate case to be filed.⁴ GMO's most recent rate case did not include at least

⁴ If GMO does not file a rate case including at least 12 months of resampled consolidated rate billing data by June 30, 2019, it shall file a rate design case by June 30, 2019 that includes 12 months consolidated rate billing data using the April 30, 2018 resample of load research as the basis of GMO's direct filing. See 2016 Stipulation, p. 10.

12 months of resampled consolidated rate billing data. Based on information provided to Staff by Evergy West, it is unlikely that the data that will be provided will be of sufficient quality or timeliness to warrant its examination in a non-residential rate design case separate from the impending rate case.

WHEREFORE, Staff prays the Commission grants Evergy Missouri's *Motion for Extension*, and grant any such other and further relief as the Commission considers just under the circumstances.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 25th day of June, 2020.

/s/ Nicole Mers