Exhibit No.: Issue(s): Witness: Sponsoring Party: Type of Exhibit:

Inclining Block Rate Proposals Sarah L.K. Lange MoPSC Staff Supplemental Surrebuttal Testimony Case No.: ER-2019-0335 Date Testimony Prepared: February 20, 2020

## **MISSOURI PUBLIC SERVICE COMMISSION**

### INDUSTRY ANALYSIS DIVISION

### **TARIFF/RATE DESIGN DEPARTMENT**

## SUPPLEMENTAL SURREBUTTAL TESTIMONY

OF

## SARAH L.K. LANGE

UNION ELECTRIC COMPANY, d/b/a Ameren Missouri

**CASE NO. ER-2019-0335** 

Jefferson City, Missouri February 2020

1	SUPPLEMENTAL SURREBUTTAL TESTIMONY OF
2	SARAH L.K. LANGE
3 4	UNION ELECTRIC COMPANY, d/b/a Ameren Missouri
5	CASE NO. ER-2019-0335
6	Q. Please state your name and business address.
7	A. My name is Sarah L.K. Lange and my business address is Missouri Public
8	Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.
9	Q. Who is your employer and what is your present position?
10	A. I am employed by the Missouri Public Service Commission ("Commission")
11	and my title is Regulatory Economist III, Tariff/Rate Design Department of the Industry
12	Analysis Division. A copy of my credentials is attached to the Staff's Class Cost of Service
13	Report ("CCOS Report") filed on December 18, 2019, in this matter, to which I contributed.
14	I also provided Supplemental Direct Testimony and Rebuttal Testimony in this matter
15	concerning rate design.
16	Q. What is the purpose of your testimony?
17	A. I will provide a portion of Staff's response to Commissioner Rupp's Order
18	Regarding Inclining Block Rate Proposals.
19	I will also make minor corrections to prior testimonies. Specifically, at page 36
20	of my Rebuttal testimony, the words "customer, demand, and" should proceed the word
21	"energy" at line 14; and at page 23 of the Staff CCOS Report, the bottom table should be labeled
22	"Version B."

# 1Response to Portions A & B of Commissioner Rupp's Order Regarding Inclining2Block Rate Proposals

Q. Could you compare the currently experienced residential rates with that
recommended in your supplemental direct testimony and the inclining block design described
in Ameren Missouri's direct testimony?

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A. Those rate designs are provided in the table below:

		rrent net of Tax	Sup	Staff plemental Direct	Ameren Missouri Direct		
Customer Charge	\$ 9.00		\$	9.00	\$	9.00	
Summer							
First 750 kWh/Month	\$	0.11959	\$	0.10977	\$	0.10590	
Over 750	\$	0.11959	\$	0.11959	\$	0.13140	
Non-Summer							
First 750 kWh/Month	\$	0.08139	\$	0.79800	\$	0.07930	
Over 750	\$	0.05379	\$	0.05379	\$	0.06010	

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Q. What are the current rate designs applicable to Evergy Missouri Metro and

10 Evergy Missouri West?

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A. The currently tariffed rates for Evergy Missouri Metro and Evergy Missouri

West are provided in the table below:

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	Eve	rgy Metro	Eve	ergy West
Customer	\$	11.47	\$	11.47
Summer				
First 600 kWh	\$	0.13511	\$	0.10938
Next 400	\$	0.13511	\$	0.10938
Over 1000	\$	0.14916	\$	0.11927
Non-Summer				
First 600 kWh	\$	0.12013	\$	0.09888
Next 400	\$	0.07396	\$	0.07800
Over 1000	\$	0.06561	\$	0.07800

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Q. Could you compare the bill impact a customer typically using 1,000 kWh of
 energy per month would expect from consuming 10% more energy and 10% less energy in a
 month under each of the above rate designs?

A. Yes. The tables and graphs that follow indicate a base level of customer usage.
The first column provides the bill that would result from a 10% reduction in usage, the next
column shows the bill that would result from the indicated usage, then the next column provides
the bill that would result from a 10% increase in usage. The final two columns provide the
percentage change in customer bill that would be associated with a 10% reduction in usage and
a 10% increase in usage. A customer using 1,000 kWh of energy – regardless of the time of
consumption – would experience the following impact under each of the above rate designs:

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Custo	r Usage:		1,000						
		-10%	1,000 kWh		10%	10% Reduction	10% Increase		
Evergy Metro	\$	133.07	\$	146.58	\$161.50	-9.22%	10.18%		
Evergy West	\$	109.91	\$	120.85	\$132.78	-9.05%	9.87%		
Ameren Missouri Direct	\$ 108.14		\$ 121.28		\$134.42	-10.83%	10.83%		
Staff Supplemental Direct \$ 109		109.27	\$	121.23	\$133.18	-9.87%	9.87%		
		-10%	Non	-Summer	10%	10% Reduction	10% Increase		
Evergy Metro	\$	105.74	\$ 113.13		\$119.69	-6.54%	5.80%		

102.00

83.50

\$109.80

\$ 89.51

121.23 \$126.60

-7.65%

-7.20%

-4.44%

7.65%

7.20%

4.44%

1	1	2

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**Evergy West** 

Ameren Missouri Direct

Staff Supplemental Direct

Q. Could you compare the bill impact a customer typically using 2,000 kWh of energy per month would expect from consuming 10% more energy and 10% less energy in a month under each of the above rate designs?

\$

\$

94.20

77.49

115.85 \$

\$

\$

\$

A. Yes. A customer using 2,000 kWh of energy – regardless of the time of
consumption – would experience the following impact under each of the above rate designs:

## Supplemental Surrebuttal Testimony of Sarah L.K. Lange

1

Custon	ner Usage:		2,000			
	-10%	2,000 kWh		10%	10% Reduction	10% Increase
Evergy Metro	\$ 265.91	\$	295.74	\$ 325.57	-10.09%	10.09%
Evergy West	\$ 216.27	\$	240.12	\$ 263.97	-9.93%	9.93%
Ameren Missouri Direct	\$ 226.40	\$	252.68	\$ 278.96	-10.40%	10.40%
Staff Supplemental Direct	\$ 216.90	\$	240.82	\$ 264.73	-9.93%	9.93%
• •				•		
· · ·						
	-10%	Non-	Summer	10%	10% Reduction	10% Increase
Evergy Metro	-10% \$ 165.62	Non- \$	Summer 178.74	10% \$ 191.86	10% Reduction -7.34%	
						7.34%
Evergy Metro	\$ 165.62	\$	178.74	\$ 191.86	-7.34%	7.34%





Q.

A.

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## Yes. A graphical comparison of the above information is provided below:

Could you provide summary graphs of the above values?





Page 4

Q. 1 Could your provide an annual bill comparison for a customer using 2,000 kWh 2 in four summer months, 2,000 kWh in four non-summer months, and 1,000 kWh in the remaining four non-summer months? 3

A. Yes. The annual estimated bills resulting from that usage, and for the bills resulting from 10% increase and decreases in that usage, are provided below, in tabular and graphic form:

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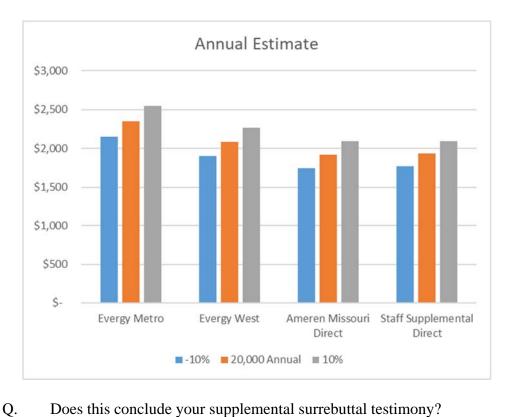
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	-10%	20,000	Annual	10%	10% Reduction	10% Increase
Evergy Metro	\$ 2,149	\$	2,350	\$ 2,549	-8.57%	8.43%
Evergy West	\$ 1,899	\$	2,088	\$ 2,268	-9.05%	8.58%
Ameren Missouri Direct	\$ 1,742	\$	1,919	\$ 2,096	-9.24%	9.24%
Staff Supplemental Direct	\$ 1,773	\$	1,933	\$ 2,093	-8.29%	8.29%

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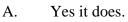


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Does this conclude your supplemental surrebuttal testimony?



### **BEFORE THE PUBLIC SERVICE COMMISSION**

### **OF THE STATE OF MISSOURI**

)

)

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Decrease Its Revenues for Electric Service

Case No. ER-2019-0335

### **AFFIDAVIT OF SARAH L.K. LANGE**

STATE OF MISSOURI ) ) ss. COUNTY OF COLE )

**COMES NOW SARAH L.K. LANGE** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Supplemental Surrebuttal Testimony of Sarah L.K. Lange*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

L.K. Lanze

SARAH L.K. LANGE

#### 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 20<sup>th</sup> day of February, 2020.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri **Commissioned for Cole County** My Commission Expires: December 12, 2020 Commission Number: 12412070

Notary Public