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Tariff Design*
Witness: *Sarah L.K. Lange*
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

Tariff/Rate Design Department

REBUTTAL TESTIMONY

OF

SARAH L.K. LANGE

EVERGY MISSOURI WEST, INC.,

d/b/a EVERGY MISSOURI WEST

CASE NO. EF-2022-0155

Jefferson City, Missouri
June 2022

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SARAH L.K. LANGE
EVERGY MISSOURI WEST, INC.,
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1 **REBUTTAL TESTIMONY OF**

2 **SARAH L.K. LANGE**

3 **EVERGY MISSOURI WEST, INC.,**

4 **d/b/a EVERGY MISSOURI WEST**

5 **CASE NO. EF-2022-0155**

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 Service
8 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”) and
11 my title is Economist, Tariff/Rate Design Department, Industry Analysis Division.

12 Q. What is your educational background and work experience?

13 A. A copy of my credentials and case experience is attached as Schedule SLKL-r1.

14 **Summary of Recommendation**

15 Q. Do you recommend that the Commission order filing of tariff sheets in substantial
16 conformance with those sheets provided by Evergy witness Mr. Bradley D. Lutz in its Report and
17 Order in this case?

18 A. No. Both the language and rates contained in these tariff sheets are unreasonable.

19 Q. Is Staff proposing an alternative that is more reasonable?

20 A. Yes. Staff recommends implementation of any financing order approved in these
21 cases through the tariff and rate design provided as Schedule SLKL-r2, attached, as modified to
22 accommodate any changes ordered by the Commission. Staff recommends that the Commission
23 order state the rates related to the Securitized Utility Tariff Charges be recovered from all

1 applicable customers on the basis of loss-adjusted energy sales, and that no detailed allocation
2 discussion is therefore necessary.

3 ***Brief Overview of Mechanism and Underlying Rationale***

4 Q. Could you provide an outline of the key characteristics of the Securitized Utility
5 Tariff Charge (“SUTC”) mechanism recommended by Staff?¹

6 A. Yes.

- 7 1. The SUTC will be recovered from all customers based on each customer’s
8 consumption of energy, adjusted to reflect that customer’s consumption of energy
9 at transmission voltage.
- 10 2. The SUTC will be billed to customers with a rate in effect over 6-month Recovery
11 Periods. To determine that rate Evergy will aggregate the revenue required to pay
12 bondholders over a 6-month Accumulation Period that is staggered from the
13 Recovery Period with the following components:
 - 14 a. A projection of the transaction costs associated with servicing the bond and
15 administering this tariff during the next Accumulation Period;
 - 16 b. A reconciliation of the projected and actual transaction costs for the
17 most-recently concluded Accumulation Period;
 - 18 c. A true-up of the difference between the prorated portion of the annual
19 recovery amount expected to be billed and the prorated portion of the annual
20 recovery amount actually billed for the most-recently concluded
21 Accumulation Period;
 - 22 d. A Revenue Adjustment ordered by the Commission in a separate annual
23 proceeding to increase the otherwise-applicable Rate to account for net
24 uncollected revenue.
 - 25 e. A carrying cost adjustment.

¹ For purposes of clarity within this recommendation, I will generally use the following terms:
Securitized Utility Tariff Charge (SUTC): will refer to the general authority provided under the statute.
Rate: will refer to a per-kWh amount to be applied to customer usage for purposes of rendering a bill, whether
subject to further voltage adjustment or not, expected to be in cents or mills.
Charge amount: will refer to the upfront ordered amount, expected to be in the millions.
Annual charge amount: The charge amount, divided by the number of years applicable.
Annual recovery amount: the Annual Charge Amount, plus whatever additional costs or expenses are expected to
be recovered through the SUTC in a given year, such as transaction costs or an allowance for past uncollected rate
recovery.

1 f. An Emergency Adjustment, when ordered, to maintain sufficient ability to
2 make bond payments.

3 3. Everygy shall make a tariff filing 45 days prior to the beginning of each Recovery
4 Period, and concurrently file certain required information under affidavit.

5 4. Note, any changes in the overall amount to be appropriately reflected in the
6 securitized bond issuance pursuant to 393.1700.2(3)(c)k will be handled
7 prospectively in a suitable general rate case.

8 Q. What additional details are necessary to design an effective tariff to implement
9 SUTC recovery?

10 A. Each of the following items will require resolution by this Commission to create a
11 compliance tariff packet in this case.

12 1. The treatment of partial payments and late payments. If a payment –
13 whether made timely or not - is not adequate to cover the full bill
14 rendered, how the payment should be allocated between the SUTC, other
15 charges for usage, and local taxes. Interactions with the requirements of
16 the Cold Weather Rule at 20 CSR 4240-13.055 must also be fully vetted
17 prior to tariff promulgation.

18 2. Depending on the frequency of payments on securitized utility tariff
19 bonds, treatment of interest earned on any general account, capital
20 subaccount, excess funds subaccount, or any other subaccount used to
21 collect securitized utility tariff charges and make payments on securitized
22 utility tariff bonds. Whether to base the SUTC on projected and actual
23 collections, projected and actual bills, or projected and actual bills
24 adjusted for net projected and actual collections.

25 3. The dates of Recovery and Accumulation periods, and whether such
26 periods should be designed to align with billing months, revenue months,
27 calendar months, or be of a fixed calendar date.

28 4. Treatment of changes in customer base and service territory.

29 5. Allocation of the SUTC to ultimate customers.

1 Staff's recommended resolution of these items is embodied in the specimen tariff provided.
2 The specific tariff provided is for illustrative purposes only. Additional discussion of detailed
3 provisions is provided in the body of this testimony.

4 Q. What considerations should guide resolution of these issues?

5 A. The resolution of these issues should result in an objective mechanism that enables
6 timely review and turnaround by the Staff and Commission in rate implementation, and is easily
7 understood and administered by the Evergy billing department, and that is sufficiently predictable
8 and protected so that an optimal rate is obtained from the financial community.

9 **SUTC Tariff and Mechanism**

10 Q. Have you reviewed Schedule BDL-1, appended to the direct testimony of
11 Mr. Bradley D. Lutz?

12 A. Yes. This Schedule purports to be two draft tariff sheets, comprising the
13 "Securitized Utility Tariff Rider," "Schedule SUR."

14 Q. Do those sheets reasonably accommodate implementation of any financing order
15 that may result from this case?

16 A. No.

17 Q. What true-up mechanism is specified in this draft tariff?

18 A. None. However, Mr. Lutz's testimony in his direct testimony on page 5 states
19 "As explained in Company witness Steffen Lunde's testimony, EMW recommends an issuance
20 date as soon as practicable. Each Charge will remain in effect, subject to the periodic adjustment
21 mechanism required by Section 393.1700.2(3)(c)e, until the related Securitization Bonds have
22 been paid in full or legally discharged and the financing costs and other charges associated with

1 such Securitization Bonds have been paid in full or fully recovered.” On page 7, Mr. Lutz includes
2 the following exchange:

3 Q: After initial approval would the Charge be revised periodically?

4 A: Yes. The formula-based true-up mechanism that is required by
5 Section 393.1700.2(3)(c)e and is described in the testimony of Ron Klote
6 would result in periodic revisions to the Charge listed on Schedule SUR.
7 The formula based true-up mechanism will allow for any necessary
8 revisions to these charge amounts consistent with the provisions and
9 requirements of Section 393.1700.2(3)(e).

10 Q. What content must be contained in any tariff provisions authorizing recovery of a
11 securitized balance pursuant to RSMo. Section 393.1700?

12 A. In addition to the typical provisions necessary to bill customers applicable charges
13 to effectuate any mechanisms necessary to adjust those charges pursuant to ordered terms, Section
14 393.1700 imposes additional requirements as discussed below.

15 ***Statutory Requirements to Define to Whom and for what Term the Rates Are Applicable***

16 Q. What statutory language governs the amounts the tariff is to be designed to collect?

17 A. “The tariff applicable to customers shall indicate the securitized utility tariff charge
18 and the ownership of the charge.”² The tariff provisions must contain the “securitized utility tariff
19 charge(s)”³ designed to recover the “securitized utility tariff costs.”⁴

² Section 393.1700. 4.(1).

³ 393.1700.1.(16) “Securitized utility tariff charge”, the amounts authorized by the commission to repay, finance, or refinance securitized utility tariff costs and financing costs and that are, except as otherwise provided for in this section, nonbypassable charges imposed on and part of all retail customer bills, collected by an electrical corporation or its successors or assignees, or a collection agent, in full, separate and apart from the electrical corporation's base rates, and paid by all existing or future retail customers receiving electrical service from the electrical corporation or its successors or assignees under commission-approved rate schedules, except for customers receiving electrical service under special contracts as of August 28, 2021, even if a retail customer elects to purchase electricity from an alternative electricity supplier following a fundamental change in regulation of public utilities in this state.

⁴ 393.1700.1. (17) “Securitized utility tariff costs”, either energy transition costs or qualified extraordinary costs as the case may be.

1 Q. To whom are the rates to collect the SUTC applicable?

2 A. The rates are applicable to all existing or future retail customers receiving electrical
3 service from the electrical corporation or its successors or assignees under commission-approved
4 rate schedules, except for customers receiving electrical service under special contracts as of
5 August 28, 2021, even if a retail customer elects to purchase electricity from an alternative
6 electricity supplier following a fundamental change in regulation of public utilities in this state.^{5, 6}

7 Q. For what term will charges under the SUTC be applicable?

8 A. The SUTC charges are applicable for so long as the securitized utility tariff bonds
9 are outstanding and until all financing costs have been paid in full.⁷ The Commission is to specify
10 in its Report and Order “the period over which securitized utility tariff costs and financing costs
11 may be recovered.”⁸

12 Q. Can the rates change over that time?

13 A. Yes. The Commission is to describe in its Report and Order “[h]ow securitized
14 utility tariff charges will be allocated among retail customer classes. The initial allocation shall
15 remain in effect until the electrical corporation completes a general rate proceeding, and once the
16 commission's order from that general rate proceeding becomes final, all subsequent applications
17 of an adjustment mechanism regarding securitized utility tariff charges shall incorporate changes
18 in the allocation of costs to customers as detailed in the commission's order from the electrical
19 corporation's most recent general rate proceeding;”⁹ Also, the statute includes references to
20 establishment of a true-up mechanism.

⁵ 393.1700.1.(16).

⁶ Section 393.1700. 2.(3)(c)d.

⁷ Section 393.1700. 2.(3)(c)d.

⁸ Section 393.1700. 2.(3)(c)a.

⁹ Section 393.1700. 2.(3)(c)h.

1 Q. When will rates to collect the SUTC take effect?

2 A. After the final terms of an issuance of securitized utility tariff bonds have been
3 established and before the issuance of securitized utility tariff bonds, Evergy is to issue a
4 compliance tariff sheet bearing the appropriate rates.¹⁰

5 Q. Are the rates avoidable or bypassable?

6 A. No. The imposition and collection of SUTC rates authorized under a financing
7 order shall be nonbypassable.¹¹

8 Q. What does this mean for net metered customers?

9 A. Pursuant to the definition of “Securitized utility tariff charge,” rates authorized
10 through a securitization process are nonbypassable charges imposed on and part of all retail
11 customer bills, separate and apart from the electrical corporation's base rates[.]”¹² In pertinent
12 part, Section 386.890.5 provides “Consistent with the provisions in this section, the net electrical
13 energy measurement shall be calculated in the following manner: (1) For a customer-generator,
14 a retail electric supplier shall measure the net electrical energy produced or consumed during
15 the billing period in accordance with normal metering practices for customers in the same rate
16 class, either by employing a single, bidirectional meter that measures the amount of electrical
17 energy produced and consumed, or by employing multiple meters that separately measure the
18 customer-generator's consumption and production of electricity; (2) If the electricity supplied by
19 the supplier exceeds the electricity generated by the customer-generator during a billing period,
20 the customer-generator shall be billed for the net electricity supplied by the supplier in accordance
21 with normal practices for customers in the same rate class; (3) If the electricity generated by the

¹⁰ Section 393.1700. 2.(3)(c)i.

¹¹ Section 393.1700. 2.(3)(c)d.

¹² Section 393.1700.1.(16).

1 customer-generator exceeds the electricity supplied by the supplier during a billing period, the
2 customer-generator shall be billed for the appropriate customer charges for that billing period in
3 accordance with subsection 3 of this section and shall be credited an amount at least equal to the
4 avoided fuel cost of the excess kilowatt-hours generated during the billing period, with this credit
5 applied to the following billing period[.]” Staff interprets the interaction of these provisions to
6 result in the applicability of rates for collection of the SUTC to the net metered amount, by month,
7 if the net of the energy consumed exceeds the energy produced by net metering customers, but
8 SUTC rate shall not be credited against the net metered amount, by month, if the net energy
9 produced exceeds the energy consumed for that month.

10 Q. Is tariff language necessary to guide the applicability of the SUTC under future
11 scenarios related to changes in the utility’s certificated territory?

12 A. Yes. From time to time, utilities may request additional authority to serve a larger
13 geographic area, or to exchange certificated areas with another investor owned utility, a municipal
14 utility, or a cooperative utility. Further, utilities may merge or be acquired. A well-designed tariff
15 will include necessary details to guide the applicability of the SUTC to customers and entities
16 under each of these circumstances. In general, the SUTC must remain nonbypassable, even if a
17 premise or customer ceases service with Evergy and initiates service with a different utility,
18 whether or not regulated by this Commission. However, in the event that an entire existing
19 customer base of a different utility is merged with the customer base of Evergy, it would not be
20 appropriate for the separate customer base to become responsible for the Evergy SUTC,
21 particularly if that customer base, as a whole, was part of a different utility during the time of
22 Winter Storm Uri.

1 Q. Does the draft Evergy tariff address the issues of net metering and other customer
2 generators or the potential for changes in certificated territory?

3 A. No.

4 Q. Did Evergy West provide service to any customers pursuant to a “special contract,”
5 as defined by 393.1700.1(19) as of August 28, 2021?

6 A. As defined by 393.1700.1.(19) a “Special contract”, refers to “electrical service
7 provided under the terms of a special incremental load rate schedule at a fixed price rate approved
8 by the commission.” In EO-2019-0244, the Commission ordered, inter alia, that “The Special
9 Incremental Load Rate Contract between Evergy Missouri West and Nucor Steel Sedalia, LLC is
10 approved,” and “The Special Incremental Load Tariff pending before the Commission as Tariff
11 No. YE-2020-0002 is rejected. Evergy Missouri West may file for approval the Special
12 Incremental Load Tariff attached to the stipulation and agreement as exhibit 4.” Service to Nucor
13 appears to fit this definition.

14 Q. Does the “Special High-Load Factor Market Rate” tariff, Schedule MKT that
15 Evergy was authorized to file in File No. EO-2022-0061 satisfy the definition of a “special
16 contract,” as defined by 393.1700.1(19)?

17 A. It will not. Further, Evergy West has filed a MKT tariff in YE-2022-0202, the tariff
18 packet associated with its pending general rate case, ER-2022-0130, however no version of the
19 MKT tariff is currently effective. Necessarily, service was not provided to any customers on a
20 MKT tariff as of as of August 28, 2021.

21 Q. Does Mr. Lutz’s Figure 1 include service pursuant to the MKT tariff authorized
22 in File No. EO-2022-0061, *In the Matter of the Application of Evergy Missouri West, Inc.*

1 *d/b/a Evergy Missouri West for Approval of a Wholesale Energy Market Rate for a Data Center*
2 *Facility in Kansas City, Missouri?*

3 A. No. Under Mr. Lutz's allocations in Figure 1 any customers under the MKT tariff
4 would pay a SUR rate of \$0.00/kWh.

5 Q. What allocation of revenue does Mr. Lutz's Figure 1 include for the EV rate
6 schedules?

7 A. Under Mr. Lutz's allocations in Figure 1 EV rate schedules would pay a SUR rate
8 of \$0.00/kWh.

9 Q. Does Mr. Lutz's Figure 1 include the Clean Charge Network (CCN) rate schedule?

10 A. No. Under Mr. Lutz's allocations in Figure 1 the Clean Charge Network users
11 would pay a SUR rate of \$0.00/kWh. This no-charge rate would also apply to customers taking
12 service under one of the proposed EV charging rates,¹³ if promulgated.

13 Q. Is it consistent with the statute to exclude sales to customers on the CCN or other
14 rate schedules from applicability of the SUTC?

15 A. No. With the exception of Nucor, compliance with the statute requires a non-zero
16 charge be applicable to all customers consuming energy at retail from Evergy.

17 ***Statutory Requirements to Define the Mechanisms for True-up and Other Adjustments***

18 Q. Is it contemplated that a reconciliation between (a) the actual securitized utility
19 tariff costs financed by securitized utility tariff bonds and (b) the final securitized utility tariff costs
20 incurred by the electrical corporation or assignee will occur through operation of the tariff?

¹³ Evergy has proposed EV charging rates within the context of Case Nos. ER-2022-0129 and ER-2022-0130, and promulgated EV Transit charging rates in File No. ET-2021-0151.

1 A. No. Section 393.1700. 2.(3)(c)k. requires that an authorizing Report and Order
2 includes “[a] statement specifying a future ratemaking process to reconcile any differences
3 between the actual securitized utility tariff costs financed by securitized utility tariff bonds and the
4 final securitized utility tariff costs incurred by the electrical corporation or assignee provided that
5 any such reconciliation shall not affect the amount of securitized utility tariff bonds or the
6 associated securitized utility tariff charges paid by customers[.]”

7 Q. What statutory authority exists for a true-up mechanism?

8 A. Section 393.1700. 2.(3) (e)¹⁴ requires

9 (1) a formula-based true-up mechanism relating to the appropriate amount
10 of any overcollection or undercollection of securitized utility tariff charges

11 (2) that is effectuated at least annually

12 (3) that is based on estimates of consumption for each rate class and other
13 mathematical factors

14 (4) adjustments shall ensure the recovery of revenues sufficient to provide
15 for the payment of principal, interest, acquisition, defeasance, financing costs, or
16 redemption premium and other fees, costs, and charges in respect of securitized
17 utility tariff bonds approved under the financing order

18 (5) the Commission shall either approve the request or inform the electrical
19 corporation of any mathematical or clerical errors in its calculation within thirty
20 days. If the commission informs the electrical corporation of mathematical or

¹⁴ If the commission issues a financing order, the electrical corporation shall file with the commission at least annually a petition or a letter applying the formula-based true-up mechanism and, based on estimates of consumption for each rate class and other mathematical factors, requesting administrative approval to make the applicable adjustments. The review of the filing shall be limited to determining whether there are any mathematical or clerical errors in the application of the formula-based true-up mechanism relating to the appropriate amount of any overcollection or undercollection of securitized utility tariff charges and the amount of an adjustment. The adjustments shall ensure the recovery of revenues sufficient to provide for the payment of principal, interest, acquisition, defeasance, financing costs, or redemption premium and other fees, costs, and charges in respect of securitized utility tariff bonds approved under the financing order. Within thirty days after receiving an electrical corporation's request pursuant to this paragraph, the commission shall either approve the request or inform the electrical corporation of any mathematical or clerical errors in its calculation. If the commission informs the electrical corporation of mathematical or clerical errors in its calculation, the electrical corporation shall correct its error and refile its request. The time frames previously described in this paragraph shall apply to a refiled request.

1 clerical errors in its calculation, the electrical corporation shall correct its error and
2 refile its request.

3 Further, the Commission is required to include in its order “A formula-based true-up
4 mechanism for making, at least annually, expeditious periodic adjustments in the securitized utility
5 tariff charges that customers are required to pay pursuant to the financing order and for making
6 any adjustments that are necessary to correct for any overcollection or undercollection of the
7 charges or to otherwise ensure the timely payment of securitized utility tariff bonds and financing
8 costs and other required amounts and charges payable under the securitized utility tariff bonds,”
9 pursuant to Section 393.1700.2.(3)(c)e.

10 Q. Did Evergy’s draft tariff include a proposed true-up mechanism in its filing, as
11 required by Section 393.1700.2.(2)(f)?

12 A. No. However, beginning at page 3 of Mr. Lunde’s Schedule SL-2, he provides the
13 following draft order language:

14 **11. True-Up of Securitized Utility Tariff Charges**

15 60. Under Section 393.1700.2.(3)(c)e, the servicer of the securitized utility
16 tariff bonds will use a formula-based true-up mechanism to make periodic,
17 expeditious adjustments, at least annually, to the securitized utility tariff
18 charges to:

19 (a) correct any undercollections or overcollections that may have
20 occurred and ensure that the SPE receives payments that are required to
21 satisfy the debt obligations and other required amounts, including
22 without limitation any caused by defaults, during the preceding 12
23 months; and

24 (b) ensure the billing of securitized utility tariff charges necessary to
25 generate the collection amounts sufficient to timely provide all
26 scheduled payments of principal and interest (or deposits to sinking
27 funds in respect of principal and interest) and any other amounts due in
28 connection with the securitized utility tariff bonds (including ongoing
29 fees and expenses and amounts required to be deposited in or allocated
30 to any collection account or subaccount, trustee indemnities, payments
31 due in connection with any expenses incurred by the indenture trustee
32 or the servicer to enforce bondholder rights and all other payments that
33 may be required under the waterfall of payments set forth in the

1 indenture) during the period for which such adjusted securitized utility
2 tariff charges are to be in effect.

3 With respect to any series of securitized utility tariff bonds, the servicer
4 will make true-up adjustment filings with the Commission annually, and
5 if the servicer forecasts undercollections, semi-annually.

6 61. True-up filings will be based upon the cumulative differences,
7 regardless of the reason, between the periodic payment requirement
8 (including scheduled principal and interest payments on the securitized
9 utility tariff bonds) and the amount of securitized utility tariff charge
10 remittances to the indenture trustee. True-up procedures are necessary to
11 ensure full recovery of amounts sufficient to meet the periodic payment
12 requirement over the expected life of the securitized utility tariff bonds. To
13 assure adequate securitized utility tariff charge revenues to fund the periodic
14 payment requirement and to avoid large overcollections and
15 undercollections over time, the servicer will reconcile the securitized utility
16 tariff charges using Evergy Missouri West's most recent forecast of
17 electricity deliveries (i.e., forecasted billing units) and estimates of
18 transaction-related expenses. The calculation of the securitized utility tariff
19 charges will also reflect both a projection of uncollectible securitized utility
20 tariff charges and a projection of payment lags between the billing and
21 collection of securitized utility tariff charges based upon Evergy Missouri
22 West's most recent experience regarding collection of securitized utility
23 tariff charges.

24 62. The servicer will make true-up adjustments in the following manner,
25 known as the standard true-up procedure:

26 (a) allocate the upcoming period's periodic revenue requirement based
27 on the customer rate classes approved in this Financing Order;

28 (b) calculate undercollections or overcollections, including without
29 limitation any caused by defaults, from the preceding period in each class
30 by subtracting the previous period's securitized utility tariff charge
31 revenues collected from each rate class from the class revenue
32 requirement determined for that rate class for the same period;

33 (c) sum the amounts allocated to each customer class in steps (a) and (b)
34 to determine an adjusted class revenue requirement for each securitized
35 utility tariff charge customer rate class; and

36 (d) divide the amount assigned to each customer class in step (c) above
37 by the appropriate forecasted billing units to determine the securitized
38 utility tariff charge rate by class for the upcoming period.

39 **12. Interim True-Up**

40 63. In addition to these annual and semi-annual true-up adjustments, true-up
41 adjustments may be made by the servicer more frequently at any time during
42 the term of the securitized utility tariff bonds to correct any undercollection,
43 as provided for in this Financing Order, in order to assure timely payment
44 of securitized utility tariff bonds based on rating agency and bondholder
45 considerations. Further, the servicer must make a mandatory interim true-up
46 adjustment semi-annually (or quarterly beginning 12 months prior to the

1 final scheduled payment date of the last tranche of the securitized utility
2 tariff bonds):

- 3 (a) if the servicer forecasts that securitized utility tariff charge collections
4 will be insufficient to make all scheduled payments of principal, interest,
5 and other amounts in respect of the securitized utility tariff bonds on a
6 timely basis during the current or next succeeding payment period; or
7 (b) to replenish any draws upon the capital subaccount.

8 64. In the event an interim true-up (whether mandatory or optional) is
9 necessary, the interim true-up adjustment must use the methodology utilized
10 in the most recent annual true-up and be filed not less than 30 days before
11 the first billing cycle of the month in which the revised securitized utility
12 tariff charges will be in effect. In no event will mandatory interim true-up
13 adjustments occur more frequently than every six months if semi-annual
14 securitized utility tariff bond payments are required, or every three months
15 if quarterly securitized utility tariff bond payments are required; provided,
16 however, that mandatory interim true-up adjustments beginning 12 months
17 prior to the final scheduled payment date of the last tranche of the
18 securitized utility tariff bonds must occur quarterly.

19 **13. Additional True-Up Provisions**

20 65. The true-up adjustment filing will set forth the servicer's calculation of
21 the true-up adjustment to the securitized utility tariff charges. As provided
22 in Securitized Utility Tariff Rider, the Commission will have 30 days after
23 the date of a true-up adjustment filing in which to confirm the mathematical
24 accuracy of the servicer's adjustment. As provided in the Securitized Utility
25 Tariff Rider, any true-up adjustment filed with the Commission should be
26 effective on its proposed effective date, which must be not less than 30 days
27 after filing. Any necessary corrections to the true-up adjustment, due to
28 mathematical errors in the calculation of such adjustment or otherwise, shall
29 be corrected and refiled.

30 66. The true-up procedures contained in the Securitized Utility Tariff Rider
31 are reasonable and will reduce risks related to the securitized utility tariff
32 bonds, resulting in lower securitized utility tariff bond charges and greater
33 benefits to customers and should be approved.

34 **14. Non-Standard True-Up Provisions**

35 67. The servicer may also submit for approval a non-standard true-up
36 adjustment to propose revisions to the methodology in the Securitized
37 Utility Tariff Rider. The Commission will have 60 days to review any
38 non-standard true-up adjustment. Absent a resolution that modifies or
39 rejects the non-standard true-up adjustment, the servicer may implement the
40 adjustments 60 days after the date of its submission.

41 Q. Is it best practice for any applicable mechanism to be reflected in the tariff to
42 mitigate the need for reference to external sources when executing the tariff?

43 A. Yes.

1 Q. Is the Evergy-proposed approach reasonable and implementable?

2 A. No. The class-level reconciliation process is not reasonable, and could produce
3 unreasonable results in its own operation, and potentially contribute to problematic rate switching.
4 As a class experiences growth, the customers within that class will pay lower SUTC charges;
5 however, a large customer changing rate schedules or ceasing service could cause wild fluctuations
6 in customer bills within the subject classes. As described below, Staff recommends an
7 energy-based recovery design, which fully renders class-level reconciliation unnecessary. This
8 approach eliminates SUTC charge volatility associated with rate-switching, and not only mitigates
9 SUTC charge volatility associated with customers leaving the system and mitigates SUTC charge
10 volatility associated with customer growth, but actually allows those changes to offset, which will
11 smooth the potential variation in SUTC charges in place over time.

12 Q. Are there particular classes that would be susceptible to bill variability under the
13 Evergy design?

14 A. Yes. The MKT rate class is expected to consist of very few, very large, customers.
15 Although under the existing Evergy design the class will be allocated no revenue recovery until an
16 initial rate case completed after one or more customers have taken service under the MKT
17 schedule, which could be 4 years from now, upon allocation of revenues to that class, that revenue
18 responsibility will remain with that class until a future rate case recognizes any change in customer
19 numbers within that class. To the point, if two customers are in that class, and one leaves, that
20 customer will be forced to absorb the revenue responsibility of the departing customer, potentially
21 doubling – or more - the SUTC portion of the remaining customer’s bill.

22 Q. What Accumulation and Recovery Periods are the most reasonable under any tariff
23 design for implementation of changes in the SUTC charge due to true-ups?

1 A. Detailed discussion among Evergy, Staff, and other interested stakeholders is
2 necessary to ascertain the optimal dates and method for the specific application of the mechanism
3 recommended in the attached specimen tariff. Considerations will include coincidence of the rate
4 changes under this mechanism with one or more of the following:

5 1. Existing Rate Schedule Rate effective dates, currently defined as
6 “For determination of Seasonal periods, the four (4) summer months shall be
7 defined as the four (4) monthly billing periods of June through September. The
8 eight (8) winter months shall be defined as the eight (8) monthly billing periods of
9 October through May.” Under this definition, it is Staff’s understanding that the
10 date on which a given customer’s rate is changed depends on that customer’s billing
11 cycle, with approximately 30 days difference from the first to last cycle, and the
12 usage is neither metered nor prorated for the actual date specified.

13 2. Existing Fuel Adjustment Clause effective dates, which are the
14 billing months of March and September. Under this definition, it is Staff’s
15 understanding that the date on which a given customer’s rate is changed depends
16 on that customer’s billing cycle, with approximately 30 days difference from the
17 first to last cycle, and the usage is neither metered nor prorated for the actual date
18 specified.

19 3. Existing Demand Side Investment Mechanism Rider effective date,
20 became effective February 1, 2022.

21 4. Existing RESRAM effective date, which is the December billing
22 month. Under this definition, it is Staff’s understanding that the date on which a
23 given customer became responsible for payment of the charge varied depending on
24 that customer’s billing cycle, with approximately 30 days difference from the first
25 to last cycle, and the usage is neither metered nor prorated for the actual date
26 specified.

27 Given the deployment of AMI infrastructure, Staff has recommended in appropriate cases that rate
28 effective dates be transitioned to fixed dates, meaning that usage at midnight on that calendar date

1 would dictate the portion of a customer’s bill that is to be billed under one set of rates versus the
2 successive set of rates. For purposes of its specimen tariff attached to this testimony as
3 Schedule SLKL-r2, consider the dates provided as illustrative only. Within this illustrative
4 language, calendar months are used to define Accumulation periods, and the mid-month is used to
5 define Recovery periods, intended as a stand-in for the average billing month start.

6 ***Tariff provisions required to implement billing procedures and customer bill contents***

7 Q. What tariff requirements are stated or implied in the language contained in
8 Section 393.1700. 4?

9 A. Based on this language, the tariff provisions should clearly state the following:

10 1. State the securitized utility tariff charge, including that the
11 amounts authorized are “nonbypassable charges imposed on and part of all retail
12 customer bills, collected by an electrical corporation or its successors or assignees,
13 or a collection agent, in full, separate and apart from the electrical corporation's
14 base rates, and paid by all existing or future retail customers receiving electrical
15 service from the electrical corporation or its successors or assignees under
16 commission-approved rate schedules, except for customers receiving electrical
17 service under special contracts as of August 28, 2021, even if a retail customer
18 elects to purchase electricity from an alternative electricity supplier following a
19 fundamental change in regulation of public utilities in this state.”^{15, 16}

20 2. State each rate applicable to service with identification of the case
21 number approving each applicable financing order issued to the electrical
22 corporation.¹⁷

23 3. State the ownership of the charge including that upon transfer of the
24 utility tariff property to an assignee that the assignee is the owner of the rights to
25 securitized utility tariff charges and that Evergy is acting as a collection agent or
26 servicer for the assignee.

¹⁵ Section 393.1700. 4.(1).

¹⁶ Section 393.1700.1.(16).

¹⁷ Section 393.1700. 4.(1).

1 4. Include a requirement that the securitized utility tariff charge on
2 each customer's bill appear as a separate line item and include both the rate and the
3 amount of the charge on each bill. ¹⁸

4 5. Clarify how these charges are collected if no/partial/late payment.

5 Q. What priorities should be balanced in determining a suitable treatment of partial
6 and late payments?

7 A. While the investment community is anticipated to reward payment certainty with
8 overall lower costs, access to electricity is also a concern, as well as compliance with other
9 applicable statutes such as the Cold Weather Rule. Ease of administration including certainty of
10 estimates and replacement with actual data on a timely basis are also priorities. Staff's
11 recommended tariff seeks to strike a reasonable balance between these objectives, particularly in
12 the design of the Revenue Adjustment provision to complement the partial payment provision.
13 With regards to the Cold Weather Rule, payments are prorated among charge categories in
14 proportion to their percentage of the overall bill. Otherwise, all amounts collected go first to the
15 Securitized Utility Tariff Charge. Under the interaction of these provisions, full repayment of the
16 SUTC will not be a barrier to service for a customer who has been disconnected or is in threat of
17 disconnection, but the Revenue Adjustment provision will ensure a steady cash flow pursuant to
18 the SUTC charge.

19 **Revenue Allocation and Rate Design**

20 Q. What revenue allocation and rate design are proposed by Evergy?

21 A. In his testimony at pages 8-10, Mr. Lutz provides the following exchanges:

22 Q: Please discuss the calculation of the Charge.

¹⁸ Section 393.1700. 4.(2).

1 A: To calculate the specific Charge for Winter Storm Uri, I allocated
2 the total first year revenue requirements presented in Klote Schedule
3 RAK-3 to each of the Company's rate classes based on the class revenues
4 set at the conclusion of ER-2018-0146, the Company's last general rate
5 proceeding. I then used the energy billing determinants also from the
6 conclusion of the ER-2018-0146 case to calculate the class per kWh Charge
7 for each class, dividing total class securitization revenue requirement for
8 each customer rate class by the kWh sales for that customer rate class. The
9 calculation is detailed in Figure 1, later in this testimony.

10 ***

11 Q: Will each rate class's Charge remain fixed over time?

12 A: No. Each rate class's Charge will be subject to periodic
13 adjustment as required by Section 393.1700.2(3)(c)e and 393.1700.2(3)(e).
14 Further, the calculation of the Charge will be subject to change over the life
15 of the Charge if there are changes to the customer classes utilized by the
16 Company or if there a new or updated basis for the class allocations. These
17 changes would be incorporated at the time of the contemplated periodic
18 adjustments.

19 Q: How will the periodic adjustments to the Charge be determined?

20 A: A formula-based true-up process will be used to make periodic
21 adjustments to the Charge for Winter Storm Uri Storm. As described in the
22 testimonies of Company witnesses Ron Klote and Steffen Lunde, in any
23 given period, differences between the estimated and actual amount of the
24 Charge collections and on-going financing costs will result in an adjustment
25 to the Charge.

26 Q. What required testimony is the utility to provide in a request for a financing order
27 related to qualified extraordinary costs?

28 A. Among other things, Evergy was to provide "A description of the qualified
29 extraordinary costs, including their magnitude, the reasons those costs were incurred by the
30 electrical corporation and the retail customer rate impact that would result from customary
31 ratemaking treatment of such costs;"¹⁹

32 Q. What causation does Evergy identify for the extraordinary costs?

¹⁹ Section 393.1700. 2.(2)(a).

1 A. Beginning at page 14, Mr. Darrin R. Ives provides an “Overview of Storm Uri
2 Impacts to Customers,” in which he includes an exchange acknowledging that “[The Company’s
3 fuel and purchased power costs] are normally recovered through the Fuel Adjustment Charge
4 (“FAC”), a ratemaking mechanism in the Company’s tariffs that allows EMW to recover costs
5 through a volumetric charge that appears on customer bills.”

6 Q. What would be the basis for recovery of the net costs through the FAC?

7 A. Through the FAC, the net costs would be recovered from customers on the basis of
8 energy consumption, as adjusted for losses.

9 Q. What language should be included in the Commission’s order regarding allocation
10 of the annual recovery amount associated with Winter Storm Uri?²⁰

11 A. The Commission order should state the Winter Storm Uri SUTC should be
12 recovered from all applicable customers on the basis of loss-adjusted energy sales. No further
13 detailed allocation discussion is necessary.

14 Q. Under this approach, what rate per kWh would new customers served on
15 newly-promulgated EV and MKT rate schedules be billed?

16 A. Under Staff’s recommended approach, these customers would be billed the same
17 rate in place at a given time as other customers served at the same level of distribution service.
18 The differences in rates between levels of distribution service would be the loss factors,
19 comparable (if not identical) to those in place under the FAC.

20 Q. Under the Evergy approach, what rate per kWh would new customers served on
21 newly-promulgated EV and MKT rate schedules be billed?

²⁰ Section 393.1700. 2.(3)(c)h.

1 A. New customers under these tariffs, as well as existing CCN customers, would be
2 subject to a SUTC rate of \$0.00/kWh. This result is not reasonable, nor consistent with the
3 non-bypassibility requirements of the statute.

4 **Conclusion and Recommendation**

5 Q. What tariff design should be ordered to comply with the Commission's Report and
6 Order in these cases?

7 A. Staff recommends the tariff design contained in the specimen tariff sheets attached
8 as Schedule SLKL-r2, and the allocation of any authorized SUTC charges on the basis of
9 loss-adjusted energy consumption.

10 Q. Does this conclude your rebuttal testimony?

11 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri) Case No. EF-2022-0155
West for a Financing Order Authorizing the)
Financing of Extraordinary Storm Costs)
Through an Issuance of Securitized Utility)
Tariff Bonds)

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 *Rebuttal Testimony of Sarah L.K. Lange*; and that the same is true and correct according to her best knowledge and belief.

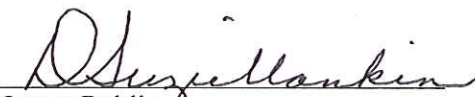
Further the Affiant sayeth not.


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 28th day of June 2022.




Notary Public

Sarah L.K. Lange

I received my J.D. from the University of Missouri, Columbia, in 2007, and am licensed to practice law in the State of Missouri. I received my B.S. in Historic Preservation from Southeast Missouri State University, and took courses in architecture and literature at Drury University. Since beginning my employment with the MoPSC I have taken courses in economics through Columbia College and courses in energy transmission through Bismarck State College, and have attended various trainings and seminars, indicated below.

I began my employment with the Commission in May 2006 as an intern in what was then known as the General Counsel's Office. I was hired as a Legal Counsel in September 2007, and was promoted to Associate Counsel in 2009, and Senior Counsel in 2011. During that time my duties consisted of leading major rate case litigation and settlement, and presenting Staff's position to the Commission, and providing legal advice and assistance primarily in the areas of depreciation, cost of service, class cost of service, rate design, tariff issues, resource planning, accounting authority orders, construction audits, rulemakings and workshops, fuel adjustment clauses, document management and retention, and customer complaints.

In July 2013 I was hired as a Regulatory Economist III in what is now known as the Tariff/ Rate Design Department. In this position my duties include providing analysis and recommendations in the areas of RTO and ISO transmission, rate design, class cost of service, tariff compliance and design, and regulatory adjustment mechanisms and tariff design. I also continue to provide legal advice and assistance regarding generating station and environmental control construction audits and electric utility regulatory depreciation. I have also participated before the Commission under the name Sarah L. Kliethermes.

Presentations

Midwest Energy Policy Series – Impact of ToU Rates on Energy Efficiency (August 14, 2020)

Billing Determinants Lunch and Learn (March 27, 2019)

Support for Low Income and Income Eligible Customers, Cost-Reflective Tariff Training, in cooperation with U.S.A.I.D. and NARUC, Addis Ababa, Ethiopia (February 23-26, 2016)

Fundamentals of Ratemaking at the MoPSC (October 8, 2014)

Ratemaking Basics (Sept. 14, 2012)

Participant in Missouri's Comprehensive Statewide Energy Plan working group on Energy Pricing and Rate Setting Processes.

Relevant Trainings and Seminars

Regional Training on Integrated Distribution System Planning for Midwest/MISO Region
(October 13-15, 2020)

“Fundamentals of Utility Law” Scott Hempling lecture series (January – April, 2019)

Today's U.S. Electric Power Industry, the Smart Grid, ISO Markets & Wholesale Power Transactions (July 29-30, 2014)

MISO Markets & Settlements training for OMS and ERSC Commissioners & Staff (January 27–28, 2014)

Validating Settlement Charges in New SPP Integrated Marketplace (July 22, 2013)

PSC Transmission Training (May 14 – 16, 2013)

Grid School (March 4–7, 2013)

Specialized Technical Training - Electric Transmission (April 18–19, 2012)

The New Energy Markets: Technologies, Differentials and Dependencies (June 16, 2011)

Mid-American Regulatory Conference Annual Meeting (June 5–8, 2011)

Renewable Energy Finance Forum (Sept. 29–Oct 3, 2010)

Utility Basics (Oct. 14–19, 2007)

Testimony and Staff Memoranda

<u>Company</u>	<u>Case No.</u>
<p>Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West for a Financing Order Authorizing the Financing of Extraordinary Storm Costs Through an Issuance of Securitized Utility Tariff Bonds</p>	<p>EF-2022-0155</p>
<p>Evergy Metro, Inc. dba Evergy Missouri Metro Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Metro, Inc. dba Evergy Missouri Metro’s Request for Authority to Implement a General Rate Increase for Electric Service. In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West’s Request for Authority to Implement a General Rate Increase for Electric Service.</p>	<p>ER-2022-0129 ER-2022-0130</p>
<p>The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Energy Transition Costs Related to the Asbury Plant</p>	<p>EO-2022-0193</p>
<p>The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Qualified Extraordinary Costs</p>	<p>EO-2022-0040</p>
<p>Ameren Transmission Company of Illinois In the Matter of the Application of Ameren Transmission Company of Illinois for a Certificate of Convenience and Necessity Under Section 393.170 RSMo Relating to Transmission Investments in Southeast Missouri</p>	<p>EA-2022-0099</p>
<p>The Empire District Electric Company d/b/a Liberty In the Matter of the Request of The Empire District Electric Company d/b/a Liberty for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in its Missouri Service Area</p>	<p>ER-2021-0312</p>
<p>Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri’s Tariffs to Adjust its Revenues for Electric Service</p>	<p>ER-2021-0240</p>
<p>Ameren Transmission Company of Illinois In the Matter of the Application of Ameren Transmission Company of Illinois for a Certificate of Public Convenience and Necessity to Construct, Install, Own, Operate, Maintain, and Otherwise Control and Manage a 138 kV Transmission Line and associated facilities in Perry and Cape Girardeau Counties, Missouri</p>	<p>EA-2021-0087</p>
<p>Evergy Affiliates In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of a Transportation Electrification Portfolio</p>	<p>ET-2021-0151</p>

<u>Company</u>	<u>Case No.</u>
Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West for a Financing Order Authorizing the Financing of Extraordinary Storm Costs Through an Issuance of Securitized Utility Tariff Bonds	EF-2022-0155
Evergy Metro, Inc. dba Evergy Missouri Metro Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Metro, Inc. dba Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service. In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service.	ER-2022-0129 ER-2022-0130
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Energy Transition Costs Related to the Asbury Plant	EO-2022-0193
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Qualified Extraordinary Costs	EO-2022-0040
Spire Missouri, Inc. In the Matter of Spire Missouri Inc.'s d/b/a Spire Request for Authority to Implement a General Rate Increase for Natural Gas Service Provided in the Company's Missouri Service Areas	GR-2021-0108
Union Electric Company d/b/a Ameren Missouri In the Matter of the Request of Union Electric Company d/b/a Ameren for Approval of its Surge Protection Program	ET-2021-0082
Union Electric Company d/b/a Ameren Missouri In the Matter of the Request of Union Electric Company d/b/a Ameren Missouri to Implement the Delivery Charge Adjustment for the 1st Accumulation Period beginning September 1, 2019 and ending August 31, 2020	GT-2021-0055
The Empire District Electric Company In the Matter of The Empire District Electric Company's Tariffs Approval of a Transportation Electrification Portfolio for Electric Customers in its Missouri Service Area	ET-2020-0390
The Empire District Electric Company In the Matter of The Empire District Electric Company's Tariffs to Increase Its Revenues for Electric Service	ER-2019-0374
Union Electric Company d/b/a Ameren Missouri In the Matter of of Union Electric Company d/b/a Ameren Missouri's Tariffs to Decrease Its Revenues for Electric Service	ER-2019-0335
KCP&L Greater Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company Request for Authority to Implement Rate Adjustments Required by 4 CSR 240-20.090(8) And the Company's Approved Fuel and Purchased Power Cost Recovery Mechanism	ER-2019-0413

<u>Company</u>	<u>Case No.</u>
Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West for a Financing Order Authorizing the Financing of Extraordinary Storm Costs Through an Issuance of Securitized Utility Tariff Bonds	EF-2022-0155
Evergy Metro, Inc. dba Evergy Missouri Metro Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Metro, Inc. dba Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service. In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service.	ER-2022-0129 ER-2022-0130
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Energy Transition Costs Related to the Asbury Plant	EO-2022-0193
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Qualified Extraordinary Costs	EO-2022-0040
Union Electric Company d/b/a Ameren Missouri In the Matter of of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service	GR-2019-0077
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri Revised Tariff Sheets	ET-2019-0149
The Empire District Electric Company In the Matter of The Empire District Electric Company's Revised Economic Development Rider Tariff Sheets	ET-2019-0029
The Empire District Electric Company In the Matter of a Proceeding Under Section 393.137 (SB 564) to Adjust the Electric Rates of The Empire District Electric Company	ER-2018-0366
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Construct a Wind Generation Facility	EA-2018-0202
Kansas City Power & Light Company KCP&L Greater Missouri Operations Company In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2018-0145 ER-2018-0146
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program	ET-2018-0132
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of 2017 Green Tariff	ET-2018-0063

<u>Company</u>	<u>Case No.</u>
Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West for a Financing Order Authorizing the Financing of Extraordinary Storm Costs Through an Issuance of Securitized Utility Tariff Bonds	EF-2022-0155
Evergy Metro, Inc. dba Evergy Missouri Metro Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Metro, Inc. dba Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service. In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service.	ER-2022-0129 ER-2022-0130
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Energy Transition Costs Related to the Asbury Plant	EO-2022-0193
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Qualified Extraordinary Costs	EO-2022-0040
Laclede Gas Company Laclede Gas Company d/b/a Missouri Gas Energy In the Matter of Laclede Gas Company's Request to Increase Its Revenue for Gas Service, In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase Its Revenue for Gas Service.	GR-2017-0215 GR-2017-0216
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Demand Side Investment Rider Rate Adjustment And True-Up Required by 4 CSR 240-3.163(8)	ER-2017-0316
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Demand Side Investment Rider Rate Adjustment And True-Up Required by 4 CSR 240-3.163(8)	ER-2017-0167
KCP&L Great Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company's Annual RESRAM Tariff Filing	ET-2017-0097
Grain Belt Express Clean Line, LLC In the Matter of the Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and Necessity Authorizing It to Construct, Own, Operate, Control, Manage, and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood - Montgomery 345 kV Transmission Line	EA-2016-0358
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Demand Side Investment Rider Rate Adjustment And True-Up Required by 4 CSR 240-3.163(8)	ER-2016-0325
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Request for Authority to Implement A General Rate Increase for Electric Service	ER-2016-0285

<u>Company</u>	<u>Case No.</u>
Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West for a Financing Order Authorizing the Financing of Extraordinary Storm Costs Through an Issuance of Securitized Utility Tariff Bonds	EF-2022-0155
Evergy Metro, Inc. dba Evergy Missouri Metro Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Metro, Inc. dba Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service. In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service.	ER-2022-0129 ER-2022-0130
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Energy Transition Costs Related to the Asbury Plant	EO-2022-0193
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Qualified Extraordinary Costs	EO-2022-0040
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Offer a Pilot Subscriber Solar Program and File Associated Tariff	EA-2016-0207
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff to Increase Its Revenues for Electric Service	ER-2016-0179
KCP&L Great Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2016-0156
Empire District Electric Company In the Matter of The Empire District Electric Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2016-0023
Ameren Transmission Company of Illinois In the Matter of the Application of Ameren Transmission Company of Illinois for Other Relief or, in the Alternative, a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage a 345,000-volt Electric Transmission Line from Palmyra, Missouri to the Iowa Border and an Associated Substation Near Kirksville, Missouri	EA-2015-0146
Ameren Transmission Company of Illinois In the Matter of the Application of Ameren Transmission Company of Illinois for Other Relief or, in the Alternative, a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage a 345,000-volt Electric Transmission Line in Marion County, Missouri and an Associated Switching Station Near Palmyra, Missouri	EA-2015-0145

<u>Company</u>	<u>Case No.</u>
Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West for a Financing Order Authorizing the Financing of Extraordinary Storm Costs Through an Issuance of Securitized Utility Tariff Bonds	EF-2022-0155
Evergy Metro, Inc. dba Evergy Missouri Metro Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Metro, Inc. dba Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service. In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service.	ER-2022-0129 ER-2022-0130
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Energy Transition Costs Related to the Asbury Plant	EO-2022-0193
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Qualified Extraordinary Costs	EO-2022-0040
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri's 2nd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA	EO-2015-0055
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2014-0370
Empire District Electric Company In the Matter of The Empire District Electric Company for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area	ER-2014-0351
Union Electric Company d/b/a Ameren Missouri City of O'Fallon, Missouri, and City of Ballwin, Missouri, Complainants v. Union Electric Company d/b/a Ameren Missouri, Respondent	EC-2014-0316
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff to Increase Its Revenues for Electric Service	ER-2014-0258
Union Electric Company d/b/a Ameren Missouri Noranda Aluminum, Inc., et al., Complainants, v. Union Electric Company d/b/a Ameren Missouri, Respondent	EC-2014-0224

<u>Company</u>	<u>Case No.</u>
Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West for a Financing Order Authorizing the Financing of Extraordinary Storm Costs Through an Issuance of Securitized Utility Tariff Bonds	EF-2022-0155
Evergy Metro, Inc. dba Evergy Missouri Metro Evergy Missouri West, Inc. dba Evergy Missouri West In the Matter of Evergy Metro, Inc. dba Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service. In the Matter of Evergy Missouri West, Inc. dba Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service.	ER-2022-0129 ER-2022-0130
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Energy Transition Costs Related to the Asbury Plant	EO-2022-0193
The Empire District Electric Company d/b/a Liberty In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for Qualified Extraordinary Costs	EO-2022-0040
Grain Belt Express Clean Line, LLC In the Matter of the Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and Necessity Authorizing It to Construct, Own, Operate, Control, Manage, and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood - Montgomery 345 kV Transmission Line	EA-2014-0207
KCP&L Great Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company's Application for Authority to Establish a Renewable Energy Standard Rate Adjustment Mechanism	EO-2014-0151
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Filing for Approval of Demand-Side Programs and for Authority to Establish A Demand-Side Programs Investment Mechanism	EO-2014-0095
Veolia Energy Kansas City, Inc. In the Matter of Veolia Energy Kansas City, Inc. for Authority to File Tariffs to Increase Rates	HR-2014-0066

Non-bypassable Securitized Utility Tariff Cost Charge

Applicability and Non-bypassability of Charge

The Rate described here-in is applicable to each kWh provided to existing or future retail customers in Missouri receiving electrical service under commission-approved rate schedules from Evergy Missouri West, its successors, or assignees, even if a retail customer elects to purchase electricity from an alternative electricity supplier following a fundamental change in regulation of public utilities in Missouri.

For customers subject to billing under the Net-metering Easy Connection Act (Act), if the electricity supplied by Evergy Missouri West exceeds the electricity generated by the customer-generator during a billing period, the customer-generator shall be billed the Rate applicable to each kWh as netted pursuant to the terms of the Act and this tariff. If the electricity generated by the customer-generator exceeds the electricity generated by the customer-generator during a billing period, the customer shall not be issued a credit based on the Rate applicable to each kWh as netted pursuant to the terms of the Act and this tariff, nor shall the Rate be considered to be part of the avoided fuel cost of Evergy Missouri West for purposes of the Act. For customers who are authorized to back-flow energy under some other provision of law, or for any portion of back-flowed energy that exceeds that authorized under the terms of applicable net-metering provisions, the Rate shall be applicable to each kWh provided by the utility, without any offset.

In the event that the certificated territory defined within this tariff book becomes combined through merger or acquisition or other corporate action with territory defined within another regulated utility's tariff book, this charge shall be applicable only to the territory defined within this tariff book immediately prior to such combination. In the event the territory defined within this tariff book is modified by territorial agreement, granting of new Certificate of Convenience and Necessity, or modification of the existing Certificate of Convenience and Necessity, this charge will become applicable to any new customers or premises acquired. This charge will continue to be applicable to any customers or premises (new or existing) currently served by Evergy Missouri West, but subsequently served by some other electric service provider as a result of a territorial agreement or modification of a territorial agreement, whether the other electric service provider is regulated by this Commission or exempted from regulation by this Commission by any current or future law. In such instance applicable kWh shall be included in all applicable calculations contained herein.

The rate per kWh applicable to each customer described above shall be the Rate in effect for a given period of time, multiplied by the Voltage Adjustment Factor applicable to the voltage at which that customer receives service at that time. The on-bill charge resulting from application of such rate shall appear as a line item on each bill to each customer.

Term of Charge

The rates designed to recover this charge are applicable to each kWh for so long as the securitized utility tariff bonds are outstanding and until all financing costs have been paid in full.

Collection and Ownership of Charge

This charge is to be collected by Evergy Missouri West, its successors or assignees, or a collection agent, in full, separate and apart from the other rates, riders, and charges specified in this Tariff. Ownership of the revenues produced by the rates designed to recover this charge will reside with **[INSERT UPON FINALIZATION]**, or its successors or assignees, as applicable.

Partial Payments

If any customer does not pay the full amount it has been billed, the charge associated with this rate will have the first priority. In the event a customer under a Payment Agreement under the Cold Weather Rule, 20 CSR 440-13.055 makes late or incomplete payments, payments received will be prorated among charge categories in proportion to their percentage of the overall bill.

Time Periods:

Initial Recovery Period from Effective Date of Order through June 14, 2022.

Accumulation Period 1 from Effective Date of Order through January 31, 2022.

Recovery Period 1 from June 15, 2023 through December 14, 2023.

Accumulation Period 2 from February 1, 2023 through July 30, 2024.

Recovery Period 2 from December 15, 2024 through June 14, 2024.

Accumulation Period 3 from August 1, 2024 through January 31, 2025.

Recovery Period 3 from June 15, 2025 through December 14, 2025.

Accumulation Period 4 from February 1, 2025 through July 30, 2026.

Recovery Period 4 from December 15, 2026 through June 14, 2026.

Accumulation Period 5 from August 1, 2026 through January 31, 2027.

Recovery Period 5 from June 15, 2027 through December 14, 2027.

Accumulation Period 6 from February 1, 2027 through July 30, 2028.

Recovery Period 6 from December 15, 2028 through June 14, 2028.

Accumulation Period 7 from August 1, 2028 through January 31, 2029.

Recovery Period 7 from June 15, 2029 through December 14, 2029.

Accumulation Period 8 from February 1, 2029 through July 30, 2030.

Recovery Period 8 from December 15, 2030 through June 14, 2030.

Accumulation Period 9 from August 1, 2030 through January 31, 2031.

Recovery Period 9 from June 15, 2031 through December 14, 2031.

Accumulation Period 10 from February 1, 2031 through July 30, 2032.

Recovery Period 10 from December 15, 2032 through June 14, 2032.

Accumulation Period 11 from August 1, 2032 through January 31, 2033.

Recovery Period 11 from June 15, 2033 through December 14, 2033.

Accumulation Period 12 from February 1, 2033 through July 30, 2034.

Recovery Period 12 from December 15, 2034 through June 14, 2034.

Accumulation Period 13 from August 1, 2034 through January 31, 2035.

Recovery Period 13 from June 15, 2035 through December 14, 2035.

Recovery Periods shall coincide with the actual date listed, or the first billing period to occur after the date listed, whichever approach is used for the generally-applicable rate schedules in place at a given time during the duration of this SUTC tariff.

Securitized Utility Tariff Recovery Mechanism:

Securitized Utility Tariff Amount: Evergy Missouri West, its successors or assignees, shall abide by this tariff to accomplish collection of **[INSERT UPON FINALIZATION]** pursuant to File No. EF-2022-0155.

Seasonal Proration of Securitized Utility Tariff Amounts:

The product of [1/13 of Securitized Utility Tariff Amount_{EF-2022-0155}, divided by the total projected sales for the next two accumulation periods], times the projected sales for the next accumulation period.

Seasonal Proration of Securitized Utility Tariff Amounts:

The product of [1/13 of Securitized Utility Tariff Amount_{EF-2022-0155}, divided by the total projected sales for the next two accumulation periods], times the projected sales for the next accumulation period.

Recovery Period Amount _{EF-2022-0155} = Prorated SUTCA_{EF-2022-0155} + the sum of the Components described below for the relevant accumulation period.

Rate_N Calculation =
$$\frac{\text{Recovery Period Amount}}{\text{Forecasted Sales for relevant recovery period}}$$

Components:

Projected Transaction Costs = The expected level of costs and expenses for administering this tariff and servicing the bonds for each accumulation period, including a projection of payment lags between the collection of charge revenues and the payment of bond payments.

Transaction Cost Reconciliation = The difference between projected and actual transaction costs for a completed recovery period.

True-up Amount = [Forecasted Sales – (Actual Sales + Projected Sales)] x Rate in effect prior recovery period.

Revenue Adjustment:

1. To coincide with each June rate change, Evergy Missouri West shall initiate a docket to establish a level of projected uncollectables net of projected past due collections and proceeds on debt sales to be included in the upcoming Rate Calculation, to reflect the expected net collection shortfall for the subsequent two Recovery Periods. Recovery of this amount will be prorated between the recovery periods based on projected sales for each recovery period.
2. Each subsequent calculation under Step 1 will be adjusted to reconcile the ongoing difference between projected uncollectables, past due collections, and proceeds on debt sales.

Carrying cost-related adjustment (if any): [INSERT UPON FINALIZATION]

Emergency adjustment: An adjustment, subject to true-up, to the recovery period amount made pursuant to a Commission order in EF-2022-0155, authorizing a change in that recovery period's recovery period amount due to circumstances which raise substantial doubt as to the ability to make timely bond payments in the absence of such adjustment.

Sales definitions:

For purposes of this section, billing months shall be associated with the recovery period and accumulation periods in which the majority of the days fall. If an equal number of days for a given billing

month are in different periods, that billing month shall be associated with the period in which the larger number of sales are expected to occur.

Forecasted Sales = Forecasted Sales at Primary + Forecasted Sales at Secondary + Forecasted Sales at Transmission.

Forecasted Sales at Primary

(Sum of forecasted Missouri retail kWh sales at meter to customers served at primary voltage for the billing months included within a recovery period) x VAF_{PRIM}

Forecasted Sales at Secondary

(Sum of forecasted Missouri kWh sales at meter to customers served at secondary voltage for the billing months included within a recovery period) x VAF_{SEC}

Forecasted Sales at Transmission

(Sum of forecasted Missouri retail kWh sales at meter to customers served at transmission voltage for the billing months included within a recovery period) x VAF_{TRNS}

Actual Sales = Actual Sales at Primary + Actual Sales at Secondary + Actual Sales at Transmission.

Actual Sales at Primary

(Sum of actual billed Missouri retail kWh sales at meter to customers served at primary voltage for the billing months included within a recovery period) x VAF_{PRIM}

Actual Sales at Secondary

(Sum of actual billed Missouri kWh sales at meter to customers served at secondary voltage for the billing months included within a recovery period) x VAF_{SEC}

Actual Sales at Transmission

(Sum of actual billed Missouri retail kWh sales at meter to customers served at transmission the billing months included within a recovery period) x VAF_{TRNS}

In the event more delineated voltage adjustments become implemented in the FAC or other rate design, such service levels shall be incorporated into this rider at the next true up.

Filing Procedure:

Initial Rate Filing: Within 10 days of the issuance of **[TRIGGERING ACT]** Evergy Missouri West shall file with 30 days' notice a tariff sheet to implement an initial rate using a calculation consistent with that described below, but only for the portion of the year remaining until the next designated Filing Date. Amounts collected under this initial rate filing are subject to Reconciliation and True-up.

On or before the Filing Date, Evergy Missouri West shall prepare and file the information described below under affidavit. On the Filing Date, Evergy Missouri West shall prepare and file a tariff sheet to be sequentially designated, and bearing a heading indicating its applicability to all sales for the billing months of December of the current year to and including November of the next year.

Filing Date: 45 days prior to the start of each Recovery Period

Rate Effective Date: The start of each billing cycle associated with the first billing month following the start of each Recovery Period

Voltage Adjustment Factors Approved in Most Recent General Rate Case or in a proceeding conducted for that purpose

VAF_{PRIM} =

VAF_{SEC} =

VAF_{TRNS} =

Forecasted Sales by component

Actual Sales by component

[INSERT LINE FOR EACH COMPONENT]

Rate =

Voltage-Adjusted Rates=