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*Issue(s):* Retail Rate Revenue  
*Witness:* Michelle Bocklage  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Direct Testimony  
*Case Nos.:* ER-2022-0129 and  
ER-2022-0130  
*Date Testimony Prepared:* June 8, 2022

**MISSOURI PUBLIC SERVICE COMMISSION**

**IDUSTRY ANALYSIS DIVISION**

**TARIFF/RATE DESIGN DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**MICHELLE BOCKLAGE**

**Evergy Metro, Inc. d/b/a Evergy Missouri Metro  
Case No. ER-2022-0129**

**Evergy Missouri West, Inc. d/b/a Evergy Missouri West  
Case No. ER-2022-0130**

*Jefferson City, Missouri  
June 2022*

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**TABLE OF CONTENTS OF  
DIRECT TESTIMONY OF  
MICHELLE BOCKLAGE**

**Evergy Metro, Inc. d/b/a Evergy Missouri Metro  
Case No. ER-2022-0129**

**Evergy Missouri West, Inc. d/b/a Evergy Missouri West  
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EXECUTIVE SUMMARY .....1  
RATE REVENUES AND BILLING DETERMINANTS .....2  
DATA AVAILABILITY.....6  
CONCLUSION.....8

1 **DIRECT TESTIMONY**

2 **OF**

3 **MICHELLE BOCKLAGE**

4 **Evergy Metro, Inc. d/b/a Evergy Missouri Metro**  
5 **Case No. ER-2022-0129**

6 **Evergy Missouri West, Inc. d/b/a Evergy Missouri West**  
7 **Case No. ER-2022-0130**

8 Q. Please state your name and business address.

9 A. My name is Michelle Bocklage, 200 Madison Street, Jefferson City, MO 65101.

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

11 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
12 a Senior Research/Data Analyst for the Tariff/Rate Design Department, in the Industry Analysis  
13 Division.

14 Q. Please describe your educational and work background.

15 A. Please see Schedule MAB-d1.

16 **EXECUTIVE SUMMARY**

17 Q. What is the purpose of your direct testimony?

18 A. The purpose of my direct testimony is to provide the billed rate revenue  
19 adjustments for the Large Power (LP) class for Evergy Metro (“EMM”) and Evergy West  
20 (“EMW”), which are applied to the test year actual revenues experienced by EMM and  
21 EMW in the respective Staff accounting schedules. These adjustments are also applied to the  
22 test year billing determinants of EMM and EMW that underlie the Staff’s fuel and production  
23 cost modeling, and will be the basis of Staff’s recommended rate designs.

1 Q. Do you make any recommendations in your testimony regarding the outcome of  
2 your analysis?

3 A. Yes, I recommend that the Commission Order reflect Staff's billing  
4 determinants that were used to calculate the adjusted LP rate revenues reflected in Staff witness  
5 Kim Cox's testimony. I also recommend that the Commission Order require that "EMM" and  
6 "EMW" provide individual LP customer billing determinants for test year, update, and true up  
7 periods for future rate cases.

8 **RATE REVENUES AND BILLING DETERMINANTS**

9 Q. What are rate revenues?

10 A. Rate revenues are defined as the revenue a utility collects from its customers  
11 based on its Commission approved base rates. Base rates are made up a fixed monthly customer  
12 charge and variable rates that are dependent on usage (demand, energy, etc.) and the season  
13 (summer vs. winter).

14 Q. What are billing determinants?

15 A. Billing determinants are what a revenue requirement is divided by to produce  
16 rates. Billing determinants are the combination of components to which rates are applied to  
17 calculate the customer's bill. Examples of billing determinants used are: facilities demand,  
18 monthly billing demand per block, monthly energy usage per block, voltage level, etc.

19 Q. Could you summarize the composition of each LP class?

20 A. Yes. There were 52 customers in the Missouri LP rate class at the beginning of  
21 the update period for EMM and 178 customers for EMW. There were 50 customers for EMM  
22 and 176 customers for EMW at the end of the update period.

1 Q. How did you calculate the billing determinants for the EMM and  
2 EMW LP classes?

3 A. Annualization adjustments are required when changes have occurred during the  
4 test year, update and/or true-up period, which are not fully reflected in the unadjusted test year  
5 results. Because Evergy's test year is for the twelve months ended June 30, 2021, if a customer  
6 began service in January 2021, an average calculation of the billing determinants for that  
7 customer would be performed and applied as though that account was served by EMM or EMW  
8 for the entire test year period in order to capture the most up to date revenues for customers.  
9 I annualized each customer's billing determinants based on that customer's usage and  
10 characteristics during the test year, due to the significant amounts of electricity used by each  
11 LP customer and the heterogeneous nature of the electric use and load factor among customers  
12 in each of the LP classes. For the update period, Staff was unable to obtain the individual  
13 LP customer data for "EMM" and "EMW"; therefore Staff was unable to annualize customers  
14 for the update period. So, the annualization adjustment for the update period is solely for the  
15 last six months of the test year period January 2021 – June 2021.

16 Q. How did you annualize the usage of customers in each LP class?

17 A. I annualized the usage of the customers in each of the LP classes by calculating  
18 the average usage of each of the customers that started service during the test year with less  
19 than 12 months of usage, then used the calculated average usage in order to reflect 12 months  
20 of usage for that customer in the LP class. The usage for customers that stopped service during  
21 the test year period were removed.

22 Q. What other adjustments did you make to the LP billing determinants?

Direct Testimony of  
Michelle Bocklage

1           A.     I applied an adjustment referred to as a 365 Days Adjustment.<sup>1</sup>

2           Q.     Did you apply an adjustment related to changes in load associated with the  
3 Missouri Energy Efficiency Investment Act (“MEEIA”) program as implemented by EMM  
4 and EMW?

5           A.     Yes. Staff witness, J Luebbert provided the monthly MEEIA kWh adjustments  
6 for each rate class. I applied the combined MEEIA kWh and 365 days factor for each of the  
7 LP classes. For example, if the annualized kWh factor is .97 for the month of September in the  
8 EMM LP rate class, then the total actual usage for that month and for that rate class is decreased  
9 by .03. Mr. Luebbert discusses the data he provided in his direct testimony of these cases.

10          Q.     How did you apply these adjustments to each customer of the LP class?

11          A.     The adjustments discussed above are applied by adjusting the total actual billing  
12 determinants to equal the adjusted monthly kWh via the annualization, 365 Days, and  
13 MEEIA adjustments. I also used the relationship between percentage of usage priced in the  
14 first rate block and the second rate block to distribute annualized monthly kWh to the rate  
15 blocks. This calculation resulted in annualized usage by rate block, which was then converted  
16 to total annualized revenues by multiplying the adjusted rate block usage by the  
17 appropriate rates.

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<sup>1</sup> The purpose of this adjustment is to ensure that the test year and update period have precisely 365 calendar days. Staff performs this calculation due the differences between calendar months and revenue months. Calendar months coincide the calendar; however, customer usage and rate revenues are collected over a period referred to as a revenue month. Customer bills rendered for a given revenue month may contain charges from two calendar months as the revenue month doesn't necessarily follow the beginning and ending of calendar months. This may result in a revenue month containing more than or less days than a calendar month. Since the costs and expenses are accounted for over a calendar year, Staff calculates an adjustment to bring the revenue year kWh into a 365-days interval. This adjustment is stated in kWh and is referred to as the 365-Days Adjustment. I calculated the 365-Days Adjustment by adjusting individual bill cycles that had more than or less than 365 days' usage from the first date in that cycle's revenue update period to the last meter read date in that cycle's revenue update period. Each LP customer's usage was then multiplied by the days over/under 365 days to determine the kWh adjustment.

Direct Testimony of  
Michelle Bocklage

1 Q. How did Staff determine the retail rate revenue for EMM and EMW LP  
2 rate classes?

3 A. I applied the existing tariffed rates for the LP classes to the billing determinants  
4 that resulted from the process I described above. This results in rate revenues based upon  
5 information that is “known and measurable” as of the end of the update period. In these two  
6 particular cases, the test year is the twelve months ended June 30, 2021. Since EMM and EMW  
7 did not provide the requested individual customer data for the update period, I was not able to  
8 update for known and measurable changes through December 31, 2021.

9 Q. How did Staff calculate its update period adjustment?

10 A. I first calculated the test year revenue<sup>2</sup> based on EMM and EMW billing  
11 determinants provided by the company, on an individual customer basis as described above.  
12 Then, I calculated the update period revenue, 12 months ending December 31, 2021, using the  
13 individual customer data provided for January 2021 – June 2021, then on a class level basis for  
14 July 2021 – December 2021. I was unable to make the appropriate adjustments to the update  
15 period due to the billing data being provided at the rate class level; rather than by individual  
16 customer data. <sup>3</sup>The resulting update period adjustment is the difference of summed test year  
17 billed usage and revenue and summed update period billed usage and revenue.

18 Q. What is a rate switcher and why are rate switching adjustments necessary?

19 A. Rate switchers are customers that switch service from one rate class to a different  
20 rate class. Due to the varying rate structures of the classes, it is necessary to recalculate the

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<sup>2</sup> Twelve months ending June 30, 2021.

<sup>3</sup> Individual billing data was provided for July 2020 through June 2021. Rate class level billing data was provided for July 2021 through December 2021.

1 usage for rate switchers at the new rates and remove the usage and revenue from the rate class  
2 the customer left.

3 Q. What rate switcher adjustment did you make?

4 A. During the update period, one EMM customer switched from LGS to  
5 Large Power (“LP”). Staff removed the customer, billing units and revenue from the LGS rate  
6 class. The customer billing units and revenues were added to the LP rate class. There were no  
7 EMW customers that switched between the LP and LGS classes during the twelve months of  
8 the update period.

9 Q. Once Staff completed its analysis of the rate revenue adjustments as discussed  
10 above, what did Staff do with its results?

11 A. Staff provided the annualized usage for EMM and EMW to Staff witness  
12 Michael Stahlman for inclusion in his calculation of Net System Input (“NSI”). Staff also  
13 provided each revenue adjustment discussed above to Staff witness Keith Majors to include in  
14 the overall revenue requirement. The billing determinants produced by this analysis will be the  
15 basis for Staff’s rate design recommendations.

16 Q. Does Staff have any additional adjustments that will be made in true up direct?

17 A. No.

18 **DATA AVAILABILITY**

19 Q. Is the process you described above typical of Staff’s normalization  
20 of LP classes?



Direct Testimony of  
Michelle Bocklage

1           A.     No. In this case EMM and EMW filed individual LP customer data for the LP  
2 classes for the test year period; however, did not provide the requested individual LP customer  
3 data for the update period.<sup>4</sup>

4           The respective data requests regarding this issue are DR 0274 in ER-2022-0129  
5 and DR 0278 in ER-2022-0130. Both of these data requests requested the individual customer  
6 data for the true up and update periods. Staff had telephone conversations and exchanged  
7 emails in an attempt to find a solution, but were unable to reach an agreement on the data. On  
8 April 21, 2022, Mr. Roger Steiner, counsel for “EMM” and “EMW” responded to  
9 Staff attorney, Ms. Casi Aslin, with the following information:

10           The data for large power individual customers is only pulled for the test year as  
11 that is all that is needed to prepare test year revenues. The update and true up  
12 period is adjusted for customer growth and energy efficiency only. Large power  
13 individual data needed for customer growth and energy efficiency is start and  
14 stop service along with switchers – this data was provided for the update period  
15 and will be provided for the true up period in late June. Since the Company did  
16 not pull the data requested in the data request to prepare the true-up, it was not  
17 provided.

18           This response is incorrect as Staff updates the adjustments for the update and true up  
19 periods. Staff has consistently requested, and prior to this case received, individual  
20 LP customer data in rate cases for an extended period of time. Requesting individual LP  
21 customer data is not new and provided by all regulated utilities during the course of rate cases<sup>5</sup>.  
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<sup>4</sup> Data Request 0274 Requested on 2/26/2021. DR response received 4/1/2021.  
Data Request 0278 Requested on 3/1/2021. DR response received 4/22/2021.

<sup>5</sup> ER-2014-0370, Data Requests 0316, 0316.1, 0585  
ER-2016-0023, Data Request 0139.2  
ER-2016-0156, Data Request 0117  
ER-2016-0179, Data Request 0535  
ER-2018-0145 – Data Request 0125  
ER-2018-0146, Data Request 0125  
ER-2021-0312, Data Request 0139

1 This data is essential for review and calculations for the LP customer classes due to the volume  
2 of usage and structure of the LP rate classes for EMM and EMW.

3 **CONCLUSION**

4 Q. What are your recommendations in these cases?

5 A. The Commission should base its awarded revenue requirement on Staff's rate  
6 revenue adjustments as provided in the testimony of Staff witness Kim Cox. The Commission  
7 should also order EMM and EMW to provide individual customer information for each billing  
8 determinant for the LP class that includes, but not limited to, monthly facilities demand,  
9 monthly billing demand per block, monthly metered demand, reactive demand, monthly energy  
10 usage per block, voltage level, customer name, premise ID, and service address ID for each  
11 customer as it has been provided in the past. Staff requested individual customer data for the  
12 update period; however, both EMM and EMW refused to provide the requested data because it  
13 had not been prepared by either company and indicated it would take extensive review and  
14 modification to provide the requested data. For EMM, Data Request 0274 requested individual  
15 LP customer data on February 26, 2022, EMM responded on April 1, 2022, and provided a  
16 supplemental response on May 3, 2022. For EMW, Data Request 0278 requested individual  
17 LP customer data on March 1, 2022, EMW responded on April 22, 2022, and provided a  
18 supplemental response provided on May 4, 2022. The supplemental responses provided by  
19 EMM and EMW were not in a useable format that would allow Staff to utilize it for any of the  
20 adjustment calculations.

21 This individual customer data is consistently requested in every rate case, as illustrated  
22 by footnote 3, and was provided by the predecessor in prior cases. This information is necessary  
23 due to the nature of usage by LP customers. Due to the significant amounts of electricity used

Direct Testimony of  
Michelle Bocklage

1 by each LP customer and the heterogeneous nature of the electric use and load factor, it is  
2 important to make adjustments to the class sales and revenues on an individual customer  
3 account basis.

4 In these cases the inconsistencies in the manner in which the data was provided for  
5 July 1, 2021 through December 31, 2021, made it impossible for Staff to perform the  
6 adjustments discussed previously in this testimony. Due to the nature of service and volume of  
7 energy used by the LP class, it is essential that Staff is able to verify accuracy of billing  
8 determinants as well. By not providing individual LP customer data, Staff was unable to  
9 consistently adjust the usage of the LP customers.

10 Q. Does this conclude your direct testimony?

11 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy )  
Missouri Metro's Request for Authority to ) Case No. ER-2022-0129  
Implement a General Rate Increase for Electric )  
Service )

In the Matter of Evergy Missouri West, Inc. )  
d/b/a Evergy Missouri West's Request for ) Case No. ER-2022-0130  
Authority to Implement a General Rate )  
Increase for Electric Service )

**AFFIDAVIT OF MICHELLE A. BOCKLAGE**

STATE OF MISSOURI     )  
  )     ss.  
COUNTY OF COLE     )

COMES NOW MICHELLE A. BOCKLAGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Michelle A. Bocklage*; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.

  
MICHELLE A. BOCKLAGE

**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 7<sup>th</sup> day of June 2022.



  
Notary Public

# **MICHELLE A. BOCKLAGE**

## **Present Position**

I am currently employed as a Senior Research/Data Analyst with the Tariff/Rate Design Department within the Industry Analysis Division of the Missouri Public Service Commission (Commission). The Tariff/Rate Design Department participates and makes recommendations on tariff filings and various case filings at the Commission; such as, rate, complaint, applications, territorial agreements, sales and merger cases. We also perform and provide technical support on the issues of rate design, class-cost-of-service studies and weather normalizations.

## **Educational and Employment Background and Credentials**

I have been employed as a Senior Research/Data Analyst within the Tariff/Rate Design Department since July 16, 2013. I began my employment with the Commission as a Clerk IV in December 1997. In June 1999, I moved to the Consumer Services section where my responsibilities included investigating informal and formal consumer complaints for compliance with the rules and regulations of the Commission. In January 2011, I moved to the Energy Resource Analysis section where my testimony and responsibility topics included tariff issues relating to Missouri Energy Efficiency Investment Act (MEEIA), Fuel Adjustment Clause (FAC), and promotional programs. Prior to joining the Commission I was employed by the Missouri Department of Transportation.

In December 2010, I earned a Bachelor of Science degree in Business Administration with majors in Management and Human Resources Management from Columbia College. In May 2014, I earned a Masters in Business Administration degree from Columbia College.

## Case Proceedings Participation

**Michelle A. Bocklage**

<b>Case Number</b>	<b>Company Name</b>	<b>Testimony Type</b>	<b>Issue(s)</b>
EO-2012-0009	Greater Missouri Operations	Rebuttal	Tariff Issue
EO-2012-0142	Ameren Missouri	Rebuttal	Tariff Issue
EO-2012-0142	Ameren Missouri	Surrebuttal	Tariff Issue
GR-2014-0007	Laclede Gas Co.	Cost of Service Report	Weather Normalization
GR-2014-0086	Summit Natural Gas	Cost of Service Report	Weather Normalization
GR-2014-0086	Summit Natural Gas	Rebuttal	Weather Normalization
GR-2014-0086	Summit Natural Gas	Surrebuttal	Weather Normalization
ER-2016-0179	Ameren Missouri	Cost of Service Report	Weather Normalization
ER-2016-0023	Empire District Electric Company	Cost of Service Report	Weather Normalization
GR-2017-0215	Laclede Gas Company	Cost of Service Report	Weather Normalization
GR-2017-0215	Laclede Gas Company	Rebuttal	Weather Normalization
GR-2018-0013	Liberty Utilities	Cost of Service	Case Manager
GR-2018-0013	Liberty Utilities	Class Cost of Service	Case Manager
ER-2019-0374	Empire Gas Utilities	Cost of Service	Co-Case Coordinator and Revenues
ER-2019-0374	Empire Gas Utilities	Class Cost of Service	Co-Case Coordinator and Tariff Issues
GR-2021-0241	Ameren Missouri	Cost of Service	Revenues