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 Implement A General Rate Increase for Electric Service	))))	**Case No. ER-2022-0129**
In the Matter of Evergy Missouri West Inc. d/b/a Evergy Missouri West's Request for Authorization to Implement A General Rate Increase for Electric Service	))))	**Case No. ER-2022-0130**

STATEMENT OF POSITIONS

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

I. Cost of Capital

A. What return on common equity should be used for determining the rate of return?

1. What impact, if any, should the passage of RSMo. section 393.400 have in determining the appropriate return on common equity?

Staff recommends an authorized ROE of 9.62% in a range of reasonableness of 9.37% to 9.87%, as indicated in Staff's Schedule SJW-d16 in Appendix 2 of Seoung Joun Won's direct testimony.

B. What capital structure should be used for determining the rate of return?

The most economical capital structure to use is Evergy Missouri Metro's and Evergy Missouri West's target capital structure composed of 50.00% common equity, and 50.00% long-term debt, as indicated in Staff's Schedule SJW-d16 in Appendix 2 of Seoung Joun Won's direct testimony.

C. What cost of debt should be used for determining rate of return?

The appropriate cost of debt to use in setting the prospective rates of Evergy Missouri Metro and Evergy Missouri West is 3.96%, as indicated in Staff's Schedule SJW-TR1 in Appendix 2 of Seoung Joun Won's true-up rebuttal testimony.

D. Should short-term debt be included in the capital structure of each company?

1. If so, at what level and at what cost?

Short-term debt should not be included in the capital structure of Evergy Missouri Metro and Evergy Missouri West, as indicated in Staff's Schedule SJW-d16 in Appendix 2 of Seoung Joun Won's direct testimony.

E. Should Evergy's rate base be adjusted to reflect a lower Allowance for Funds Used During Construction ("AFUDC") rate?

F. Should the Commission order Evergy's AFUDC rate to be consistent with the cost of short-term debt?

G. Should Evergy Metro's revenue requirement be reduced to capture the authorized financing charges/carrying costs for the loans Evergy Metro provided to Evergy MO West to finance Storm Uri?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record. If the Commission should have general questions for Staff, Staff will make Kimberly Bolin available.

II. Sibley AAO and Net Book Value

A. Was the retirement of the Sibley generating facility before the end of its useful life prudent?

Staff does not dispute the decisional prudence to retire the Sibley generating facility. Majors Surrebuttal Testimony, page 2.

1. If no, what if any disallowance should the Commission order?

Staff does not recommend any disallowance related to the retirement of the Sibley generating facility. Majors Surrebuttal Testimony, page 2.

B. What is the appropriate value for the regulatory liability from Case No. EC-2019-0200?

Staff recommends a value of $91.2 million of regulatory liability consisting of $41.7 million related to labor and non-labor operations and maintenance expense, and $49.5 million of rate of return. Majors Direct Testimony, page 14. If the Commission does not include the net book value of Sibley in rate base, the Commission should consider not including the rate of return portion of the Sibley regulatory liability. Majors Rebuttal Testimony, page 10.

C. What is the amount of unrecovered investment associated with the Sibley Unit Retirements?

Staff recommends a value of $145.6 million of unrecovered investment for the Sibley generating station. Cunigan Surrebuttal Testimony, page 9, Majors Surrebuttal Testimony, page 5. This amount is reduced by the deferred depreciation of $41.4 million. Majors Direct Testimony, page 14. The decommissioning costs of $37.5 million should be removed from rate base and added to the net book value determined by the Commission. Majors Surrebuttal Testimony, page 5.

D. What reserve balances should be used for purposes of determining depreciation expense for Evergy West steam production units, consistent with the Commission's determination of Sibley's unrecovered investment?

Staff recommends that the Commission use Staff's position presented in Staff's Accounting Schedules in this case. These use a $145.6 million net book value for Sibley. Cunigan Surrebuttal, page 9.

E. What is the proper amortization period for the regulatory liability related to Sibley?

Staff recommends a five-year amortization period of the regulatory liability, when used as a reduction of the net book value. Majors Direct, page 14. If the Commission uses a higher net book value or a lessor regulatory liability as an offset, the Commission should consider lengthening the amortization period to mitigate the rate impact. Majors Surrebuttal, page 6.

F. What is the proper amortization period for the unrecovered depreciation investment from the Sibley retirement?

Staff recommends a five-year amortization period of the net book value, as reduced by the regulatory liability resulting from Case No. EC-2019-0200. Majors Direct, page 14. If the Commission uses a higher net book value or a lessor regulatory liability as an offset, the Commission should consider lengthening the amortization period to mitigate the rate impact. Majors Surrebuttal, page 6.

G. Should the net book value be included in rate base?

No. Majors Direct Testimony, pages 13-14.

H. Should the Regulatory liability for Sibley include a rate of return on the undepreciated balance from the time of retirement through the rates effective in this rate case?

Staff recommends a value of $91.2 million of regulatory liability consisting of $41.7 million related to labor and non-labor operations and maintenance expense, and $49.5 million of rate of return. Majors Direct Testimony, page 14. If the Commission does not include the net book value of Sibley in rate base, the Commission should consider not including the *rate of return portion of the Sibley regulatory liability from the time of retirement through the rates effective in this rate case. Majors Rebuttal Testimony, page 10.*

I. Should the unrecovered investment in Sibley earn a weighted average cost of capital return on a going forward basis?

No. Majors Direct Testimony, pages 13-14.

III. Resource Planning

A. Has Evergy West been imprudent in its resource planning process?
1. If yes, how should Evergy West's fuel and purchased power costs be determined?
2. If yes, how should Evergy West's FAC base factor be calculated?
3. If yes, how should Evergy West's accumulation period actual costs be adjusted for its FAC?

B. Should the Commission require Evergy to conduct a full retirement study of its coal fleet using optimized capacity expansion software, which identifies the optimal retirement date for each of its coal-fired units?

Staff filed informational testimony regarding issue III(A) in the Rebuttal Testimony of Jordan Hull, pages 4-8. Staff takes no position at this time on resolution of these issues, but reserves the right to take a position based on evidence in the record.

IV. AMI

A. Should the Commission approve a disallowance related to the replacement of AMI meters with AMI meters that have the capability to disconnect/reconnect service (AMI-SD)?

Yes. Staff recommends that the Commission approve a disallowance of ($6,321,846) for EMM and ($2,957,124) for EMW's FERC Account 370.2. Eubanks Surrebuttal/True-Up page 3, lines 5-6.

B. Should the Commission order Evergy to change its deployment strategy so that it no longer prioritizes customers in arrearage?

Although Staff did not specifically recommend Evergy change its deployment strategy, Staff did express concerns with Evergy's practices in the Direct Testimony of Claire Eubanks, page 6, line 8-12.

C. Did Evergy exceed the 6% annual PISA spend limit on AMI meters?
1. If yes, what actions, if any, should the Commission take in response?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

V. Fuel Adjustment Clause ("FAC")

A. Should SPP transmission costs be included in Evergy's FAC?

1. What is the appropriate percentage of transmission expenses that should be recovered through the FAC?

As provided in Staff witness Shawn E. Lange's true-up workpapers, Staff calculated the pass-through percentage of Southwest Power Pool (SPP) transmission costs in the FAC as 33.1% for EMM. As provided in Staff witness Charles T. Poston's true-up workpapers, Staff calculated the pass-through percentage of SPP transmission costs in the FAC as 75.43% for EMW. This calculation is based on the output from Staff's fuel models that were used to develop the revenue requirements found in Staff's COS report for this case. The calculations are appropriate because they are consistent with the method used to calculate the pass-through percentage of SPP transmission costs for EMM's and EMW's current FAC.

B. Should EMM and EMW be allowed to resume hedging activities as a mitigating strategy for its fuel and purchase power risk in both long and short term positions and be allowed to include its costs, gains, and losses in its FAC tariff sheets?

Yes. Staff supports the proposed hedging language in the FAC tariff sheets in order to mitigate the market volatility and ensure the reliability of the power supply. K. Poudel Rebuttal at page 2, line 3, page 3, lines 4-5, pages 4-5, lines 15-22 and 1-8.

1. Should hedging gains and losses be included in Evergy's FAC?

a) If no, should the hedging costs and gains be recorded in regulatory asset and regulatory liability accounts for treatment determination in Evergy's next general rate case?

C. Should EMM and EMW's FAC tariffs include language that excludes net costs associated with purchased power agreements entered into after May 2019 whose costs exceed its revenues resulting in a net loss?

Yes. Staff recommended including language to the FAC tariffs in both EMM and EMW in regards to future PPAs that lead to costs in excess of revenues. These costs flow through the FAC, therefore charging ratepayers for the majority of losses in these contracted PPAs. Staff's recommendation would hold shareholders responsible for the net costs associated with PPAs entered into after May 2019, whose costs exceed its revenues resulting in a net loss. Fortson Direct at p. 2, lines 3-7.

1. How should the margins for any wind purchased power agreements Evergy entered into after May 2019 be treated?

Staff recommended including language to the FAC tariffs in both EMM and EMW in regards to future PPAs that lead to costs in excess of revenues. These costs flow through the FAC, therefore charging ratepayers for the majority of losses in these contracted

PPAs. Staff's recommendation would hold shareholders responsible for the net costs associated with PPAs entered into after May 2019, whose costs exceed its revenues resulting in a net loss.

D. How should the costs and revenues of Evergy's current wind purchased power agreements be treated?

Staff does not oppose Ms. Mantle's recommendation. Ms. Mantle's recommendation is a reasonable expansion to the recommendation Staff made in regards to PPA's in its direct testimony. Staff's recommendation applies to PPAs entered into after May 2019. Ms. Mantle's recommendation expands on Staff's recommendation and includes all PPA's whose costs and revenues pass through the FAC. Current PPAs have net losses of approximately $468 million to date that have passed through the FAC to the detriment of ratepayers, so it is more than reasonable for the Company to share in those costs going forward. Fortson Surrebuttal at pages 3-4, lines 16-21 & 1-11.

E. ***FAC Base Factor and Tariff & Eligible Accounts***

1. What are the base factors for EMM and EMW?

For EMM's FAC, Staff's recommendation is to re-compute the Base Factor and the transmission costs percentages. Staff's updated Base Factor is $0.01736. EMM proposes to decrease the transmission costs from 26.4% to 7.18% of SPP costs (tariff page 50.35). Staff's position is to remain using the percentage of total purchases over total market load (this comes from Shawn Lange's calculation) resulting in 33.1% of SPP costs.

For EMW's FAC, Staff's recommendation is to re-compute the Base Factor and the transmission costs percentages. Staff's updated Base Factor is $0.02870. Staff updated the transmission costs. EMW proposes to increase the transmission costs from 47.2% to 43.00% of SPP costs (tariff page 127.27). Staff's position is to remain using the percentage of total purchases over total market load (this comes from Chuck Poston's calculation) resulting in 75.43% of SPP costs.

a) Should the cost of the Central Nebraska Public Power and Irrigation District ("CNPPID") hydro purchased power agreement be included in the FAC base factor calculation for Evergy Metro? (Metro Only)

No. The CNPPID Hydro PPA contract began in 2014, and it is Staff's understanding this PPA was entered into to meet the Kansas Renewable Energy Standard ("RES"). It is also Staff's understanding that this PPA is not needed to meet the Missouri RES. In EMM's last general rate case, ER-2018-0146, the Company agreed to exclude the costs and revenues associated with the CNPPID Hydro PPA from the Company's FAC calculations. While the stipulation and agreement explicitly stated the costs and revenues associated with the CNPPID Hydro PPA would be excluded from the Company's FAC, it was silent *on any further cost recovery. Staff did not include the costs and revenues associated with the CNPPID Hydro PPA in its calculation of EMM's variable fuel and purchased power expense in this rate case. For all of these reasons, Staff recommends the costs and revenues associated with the CNPPID Hydro PPA continue to not be included in* the *Company's FAC, but also not be included in the Company's base rates. Fortson Surrebuttal at page 12, lines 3-14.*

b) Should the cost of Evergy Metro's Ponderosa and Evergy West's Cimarron Bend III wind PPAs be included in the FAC base factor calculation?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

2. What are the updated transmission costs for EMM and EMW?

Staff calculated the pass-through percentage of SPP transmission costs in the FAC as 33.1% for EMM and 75.43% for EMW. This calculation is based on the output from Staff's fuel models that were used to develop the revenue requirements found in Staff's COS report for this case.

3. Should Southwest Power Pool ("SPP") transmission revenues be included in Evergy's FAC?

a) If yes, what percentage of transmission revenues should be included?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

4. What are the appropriate FAC Voltage Adjustment Factors for EMM and EMW?

For EMM, Staff agrees with EMM's proposal for the following VAFs change: transmission from 1.0129 to 1.0300; substation 1.0162 to 1.0378, primary from 1.0383 to 1.0497; and secondary from 1.0592 to 1.0690 (tariff page 50.43).

For EMW, Staff agrees with EMW's proposal for the following VAFs change: secondary from 1.0427 to 1.0766; primary 1.0268 to 1.0503, substation from 1.0133 to 1.0388; and transmission from 1.0100 to 1.0300 (tariff page 127.35).

5. What, if any, SPP charge types should the Commission include in EMM and EMW's FAC tariff sheets?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

6. Should the Commission allow EMM and EMW to include account 555070 for SPP purchased power administration fees in their FAC?

No. Staff does not agree as these are administration fees, and therefore, should not be allowed to run through the FAC.

7. Should the Commission allow EMM and EMW to include natural gas reservation charges to the tariff to include account 547027 "Fuel OnSys Oth Prod-Demand in their FAC?

Yes. It appears these costs are variable, and Ameren also allows these types of costs, so Staff is in agreement with this proposal.

8. Should costs recorded in Account 501420 be included in Evergy's FAC?

Yes.

a) Should the Commission allow EMM to include account 501420 to record fuel residual costs previously charged to account 502 and included in base rates?

Yes. Staff is in agreement with this proposal so that EMM will be consistent with EMW.

9. Should the Commission allow Evergy to expand the FERC accounts impacted by the gains or losses to be reported for the sale of Renewable Energy Credits to be consistent throughout Evergy as well as to add more to the definition of a Renewable Energy Credit for accounts 411800 and 411900?

Staff does agree to include costs descriptors in the tariff, however, Evergy will not be recovering any losses in regards to these costs.

10. Should the Commission allow EMW to include account 501, Unit Train Maintenance and Property Taxes?

Yes. Staff agrees, since these property taxes are already included in the EMM FAC tariff definition. Additionally, the costs are variable, and it is consistent with other companies.

11. Should the Commission allow EMM to include amounts for Premium Ammonia, which was excluded in the previous rate case Base Factor calculation as account 547300?

Yes. Since these costs are variable, and consistent with other companies, Staff agrees with this proposal.

12. Should the Commission allow Evergy to include amounts for Firm Bulk Sales (Capacity & Fixed), which was excluded in the previous rate case Base Factor calculation, in their FAC?

Yes. Staff agrees because it will eliminate the complexity of administering the clause.

13. Should the Commission allow EMW to update the OSSR and PP definition to be more consistent with EMM's same definitions, on tariff sheets 127.26 and 127.28?

Yes. Staff is agreeable to these changes.

14. Should the Commission allow EMW to include an aux power adjustment in the FAC base factor calculation?

No, not for the FAC base factor calculation. However, Staff thinks there should be an adjustment for this in every Fuel Adjustment Rate filing.

15. Should the Commission allow Evergy to change tariff language and the OSSR definition, for additional solar subscription pilot unsubscribed revenues to be imputed at 75%. EMM also updated their proposed tariff language in DR 257.2, "For future solar subscription projects, additional revenue will be added at an imputed 100% of the unsubscribed portion up to 50%"?

Yes. Staff is agreeable to these changes.

16. Should language that explicitly prohibits recovery of retirement and/or decommissioning costs related to the retirement of a generation plant be added to Evergy's FAC tariff sheets?

Yes.

a) If yes, what language should be added?

Fuel costs, excluding decommissioning and retirement costs, incurred to support sales and revenues associated with the Company's in-service generating plants consisting of the following:

17. Should language that would allow the mitigation of the impact of extraordinary net fuel and purchase power costs be added to Evergy's tariff sheets?

a) If yes, what language should be added?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

18. Should language that explicitly prohibits recovery of fuel and purchased power costs for research and development be added to Evergy's tariff sheets?

Yes.

a) If yes, what language should be added?

PP = Costs and revenues for purchased power reflected in FERC Account 555, excluding (1) all changes under Southwest Power Pool ("SPP") Schedules 1a and 12, and (2) amounts associated with energy purchased from the SPP market to serve research and development projects of the Company. Such costs include:

19. Should language be added to Evergy West's FAC tariff sheets to incorporate the provision in its Special High-Load Factor tariff ("Scheduled MKT"), ordered by the Commission in Case No. EO-2022-00611, relating to the interaction of taking service under the MKT rate and Evergy West's FAC?

Yes.

a) If yes, what language should be added?

Evergy has been approached by multiple potential customers seeking to locate high load factor facilities in the Kansas City area. Most of these high load factor loads are data centers. These customer loads have the potential to be much larger and more consistent than loads currently served by EMW. There is a common need expressed by these customers for dynamic rate designs that allow them to competitively meet their corporate renewable goals.

20. Should language be added to Evergy Metro's FAC tariff sheets to incorporate the interaction of Evergy's FAC and future customers taking service under a rate schedule similar to the Evergy West's MKT rate?

Yes.

a) If yes, what language should be added?

Service under this tariff shall be excluded from projected energy calculations used to establish charges under Rider FAC and Customer will not be subject to any such charges, unless otherwise ordered by the Commission when approving a contract for service under this tariff. The Company will remove all identifiable costs of service under this tariff from the FAC charge recovered from all customers, and the Company will track those costs and identify those costs separately from other costs specifically identified in the FAC monthly reports submitted to the Commission.

21. Should language be added to Evergy's FAC tariff sheets reflecting additional rate schedules and customer programs?

a) If yes, what language should be added?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record. If the Commission should have general questions for Staff, Staff will make Amanda Connor available.

22. Should FAC tariff sheets be modified to take into account impacts from Evergy's low-income solar subscription project, Green Pricing Renewable Energy Credit ("REC") program, and Business EV Charging Service Carbon Free Energy Options?

Yes.

a) If yes, what changes should be made to the tariff sheets?

For future solar subscription projects, additional revenue will be added at an imputed 75% of the unsubscribed portions.

23. Should revenues from Evergy's low-income solar subscription project, Green Pricing REC program, and Business EV Charging Service Carbon Free Energy Options program flow through Evergy's FAC?

a) If no, what should the ratemaking treatment be to return revenues from these programs back to customers?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record. If the Commission should have general questions for Staff, Staff will make Amanda Connor available.

24. Should the procedure relating to changes to SPP schedules that is currently in Evergy's FAC tariff sheets be retained?

Yes.

25. Should the Evergy West FAC tariff sheets reflect the adjustments to the FAC costs due to electricity usage of Evergy West's steam heat utility?

Yes.

26. If the Commission allows deferment of the FAC costs in Case No. ER-2023-0011, should that deferral be recovered in this rate case?

a) If yes, how would it be treated?

F. What reporting requirements, in addition to the requirements of 20 CSR 4240-20.090 should Evergy Metro be required to provide?

- *Monthly SPP market settlements and revenue neutrality uplift charges;*

- *FAC monthly reports;*
- *As part of the information EMM submits when it files a tariff modification to change its Fuel and Purchased Power Adjustment rate, include EMM's calculation of the interest included in the proposed rate;*
- *Maintain at EMM's corporate headquarters or at some other mutually agreed-upon place and make available within a mutually-agreed-upon time for review, a copy of each and every coal and coal transportation, natural gas, fuel oil and nuclear fuel contract EMM has that is in or was in effect for the previous four years;*
- *Within 30 calendar days of the effective date of each and every coal and coal transportation, natural gas, fuel oil, nuclear fuel, and purchased power contract EMM enters into, EMM provide both notice to the Staff of the contract and opportunity to review the contract at EMM's corporate headquarters or at some other mutually-agreed-upon place;*
- *Provide a copy of each and every EMM hedging policy that is in effect at the time the tariff changes ordered by the Commission in the rate case go into effect for Staff to retain;*
- *Notify Staff within 30 calendar days of any material change in EMM's fuel hedging policy and provide the Staff with access to new written policy;*
- *Provide a copy of EMM's internal policy for participating in the Southwest Power Pool's Integrated Market;*
- *Maintain at EMM's corporate headquarters or at some other mutually agreed-upon place and make available within a mutually agreed-upon time for review, a copy of each and every bilateral energy or demand sales/purchase contract;*
- *If EMM revises any internal policy for participating in the SPP, within 30 calendar days of that revision, provide a copy of the revised policy with the revisions identified for Staff to retain; and, the monthly as-burned fuel report supplied by EMM required by 20 CSR 4240-3.190(1)(B) shall explicitly designate fixed and variable components of the average cost per unit burned including commodity, transportation, emissions, tax, fuel blend, and any additional fixed or variable costs associated with the average cost per unit reported.*
- *Continue to provide Staff access to all contracts and policies upon Staff's request, at EMM's corporate office in Kansas City, Missouri.*

Please see the direct testimony of Amanda C. Conner, page 15.

1. Should Evergy Metro provide this information to OPC in addition to Staff?

Yes.

VI. Fuel and Purchased Power

A. What is the appropriate level of variable fuel and purchased power expense for the Commission to order?

*For Evergy Metro, the Commission should order the use of Staff's true-up variable fuel and purchased power expense of $252,156,695. (**Surrebuttal and True-Up Direct Testimony of Shawn E. Lange, page 6**). For Evergy West, the Commission should order the use of Staff's true-up variable fuel and purchased power expense of $216,688,119. (**Surrebuttal and True-Up Direct Testimony of Charles T. Poston, page 6**).*

B. How should recent price volatility be reflected in the market prices used in the production cost models?

*The market prices used in the production cost models should be reflective of the average of actual historic day-ahead market prices at the settlement nodes used by Evergy Metro and Evergy West. (**Surrebuttal and True-Up Direct Testimony of Charles T. Poston, page 5**).*

C. What is the appropriate level of Sales for Resale Revenue?

*For Evergy Metro, the Commission should order the level of Sales for Resale Revenue consistent with Staff's true-up variable fuel and purchased power expense of $252,156,695. (**Surrebuttal and True-Up Direct Testimony of Shawn E. Lange Pg. 4 ln 7- Pg. 6 ln 2**).*

D. How should the net cost of the Central Nebraska Public Power and Irrigation District ("CNPPID") hydro purchased power agreement ("PPA") be treated?

The CNPPID Hydro PPA contract began in 2014, and it is Staff's understanding this PPA was entered into to meet the Kansas Renewable Energy Standard ("RES"). It is also Staff's understanding that this PPA is not needed to meet the Missouri RES. In EMM's last general rate case, ER-2018-0146, the Company agreed to exclude the costs and revenues associated with the CNPPID Hydro PPA from the Company's FAC calculations. While the stipulation and agreement explicitly stated the costs and revenues associated with the CNPPID Hydro PPA would be excluded from the Company's FAC, it was silent on any further cost recovery. Staff did not include the costs and revenues associated with the CNPPID Hydro PPA in its calculation of EMM's variable fuel and purchased power expense in this rate case. For all of these reasons, Staff recommends the costs and revenues associated with the CNPPID Hydro PPA continue to not be included in the Company's FAC, but also not be included in the Company's base rates. Fortson Surrebuttal at page 12, lines 3-14.

*Staff's fuel model is reflective of Staff's position on the CNPPID hydro PPA cost inclusion in Evergy Metro's fuel adjustment clause ("FAC") base factor calculation. (**Fortson Surrebuttal Pg. 12 lines 3-14**)*

1. Should a normalized cost be included in the calculation of the fuel and purchased power costs of Evergy Metro's revenue requirement?

Staff's fuel model is reflective of Staff's position on the CNPPID hydro PPA cost inclusion in Evergy Metro's fuel adjustment clause ("FAC") base factor calculation.

2. Should a normalized cost be included in the Evergy Metro fuel adjustment clause ("FAC") base factor calculation?
3. Should the actual CNPPID hydro PPA costs be included in Evergy Metro's actual accumulation period FAC costs?

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

F. How should Evergy Metro's Ponderosa and Evergy West's Cimarron Bend III wind purchased power agreements be treated?

1. Should a normalized cost be included in the calculation of the fuel and purchased power costs of Evergy Metro and Evergy West's revenue requirement, respectively?

Yes. (Surrebuttal and True-Up Direct Testimony of Shawn E. Lange, Surrebuttal and True-Up Direct Testimony of Charles T. Poston)

a) If yes, how should the amount be calculated?

*Generation at the Ponderosa and Cimarron Bend III should be based on historic actual hourly generation levels. Energy costs should be the product of the modeled hourly generation and the energy prices contained in the contracts for each wind farm. **(Direct Testimony of Shawn E. Lange, page 4, Direct Testimony of Charles T. Poston, page 5).***

2. Should a normalized cost be included in the FAC base factor calculation for Evergy Metro and Evergy West, respectively?
3. Should the actual costs be included in Evergy's actual accumulation period FAC costs?

VII. Transmission Expense and Revenues

A. Should the Transource incentives adjustment account for the cost of debt included with other Federal Energy Regulatory Commission (FERC) incentives?

No. Majors Direct Testimony, pages 6-10 and Surrebuttal Testimony, pages 11-15.

B. Should transmission revenues received from SPP OATT be reduced for the difference between FERC authorized ROE and the ROE granted in this case?

No. Lyons Rebuttal Testimony, pages 11-14 and Surrebuttal Testimony pages 13-15.

VIII. SERP

A. What level of SERP expense should be included in rates?

The amount of SERP to include in rates should be based on a four-year average of SERP payments, with any lump-sum payments during that time converted to an annuity. Giacone Direct Testimony, pages 17-18 and Surrebuttal Testimony, page 12.

IX. Incentive Compensation:

A. Should the costs of Evergy's incentive compensation be included in base rates?

Yes Giacone Direct Testimony, pages 18-20, Rebuttal Testimony, pages 2-5 and Surrebuttal Testimony, pages 2-4.

B. What is the appropriate level of incentive compensation to include in rates?

The normalized cost of Evergy's incentive compensation plans should be included in base rates. Giacone Direct Testimony, pages 18-20, Rebuttal Testimony, pages 2-5 and Surrebuttal Testimony, pages 2-4.

X. Kansas City Earnings Tax

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

XI. Bad Debt Expense

A. Should bad debt expense be grossed-up for the revenue requirement change the Commission finds for Evergy Metro and Evergy West in these cases?

No. Majors Rebuttal Testimony, page 16.

B. What level of bad debt expense should the Commission recognize in each company's revenue requirement?

Staff has included a level of 0.58% and 0.38% of bad debts as a percentage of revenues for Evergy Metro and Evergy West, respectively. Majors Surrebuttal Testimony, page 6.

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

No, Staff does not support the use of a tracking mechanism.

XII. Dues and Donations

A. What level of dues and donations expense should the Commission recognize in Evergy Metro's and Evergy West's revenue requirements?

The Commission should recognize all dues and donations that provide direct benefit to ratepayers or are necessary for the provision of safe and adequate service. Nieto Direct Testimony pages 17-18.

B. What level of Edison Electric Institute expense should the Commission recognize in Evergy Metro's and Evergy West's revenue requirements?

The Commission should not recognize any of the Edison Electric Institute expenses. Historical Commission (and Staff,) position on this issue is that "…until the Company can better quantify the benefit and the activities that were the causal factor of the benefit, the Commission must disallow EEI dues and expenses." (ER-82-66) In this case, the Company did not provide any quantification or analysis of that sort; therefore, none of the EEI expenses should be recognized. Nieto Surrebuttal and True-up Direct Testimony pages 7-13.

XIII. Rate Case Expense

A. What level of rate case expense should be included in rates?

The amount of rate case expense to include in rates should be the amount of rate case expense incurred through the true-up cutoff date of May 31, 2022 plus an average of the amount of rate case expense the Company incurred post-true up in their prior two general rate cases, with that amount split 50/50 between ratepayers and shareholders. The ratepayer portion should also include 100% of the cost of the depreciation study and line loss study expenses, with that total ratepayer portion normalized over 4 years. This results in an annual amount of $152,850 for Evergy Metro and $180,206 for Evergy West. Giacone Surrebuttal and True-up Direct Testimony pages 17-24.

XIV. Depreciation

A. What depreciation rates should be ordered?

The Commission should order the depreciation rates attached to the direct testimony of Cedric Cunigan in schedule CEC-d2 for Evergy Missouri West. Cunigan Direct page 10.

Staff recommends that the Commission order the depreciation rates included in the direct testimony of Staff Witness David Buttig as Scheduled DTB-d2, be used for the assets of Evergy Missouri Metro.

1. Should terminal net salvage be included in rates?

Terminal net salvage should not be included in rates as the cost is largely speculative. Cunigan Surrebuttal page 6.

2. What should the reserve balances for steam production accounts be?

The reserve balances for steam production plant should be calculated using the same method used to determine the net book value of Sibley. Staff's reserve balances are reflected in Staff's Accounting Schedules. Cunigan Surrebuttal page 10.

3. What reserve balances should be used for purposes of determining depreciation expense for Evergy?

The reserve balances from Staff's EMS run should be used. Cunigan Surrebuttal page 10.

B. What is the appropriate level of depreciation rates for the Wolf Creek nuclear generation? (Metro)

Staff recommends that the Commission order the depreciation rates included in the direct testimony of Staff Witness David Buttig as Scheduled DTB-d2, be used for the Wolf Creek nuclear generation facility.

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

XV. Rate Base

A. Should Evergy recognize any net operating loss as a reduction to rate base?

B. What level of costs related to the ONE CIS/CFP investments should be included in rates?

1. How should costs related to the ONE CIS/CFP investments be allocated to plant in service accounts among the related Evergy utilities?

C. Has Evergy met its burden of proof to permit recovery from ratepayers of capital and O&M costs proposed in the test year for Iatan Unit 1, Jeffrey Units 1-3, and La Cygne Units 1 and 2?

XVI. Greenwood Solar Energy Center —

A. Should the Commission allocate any of the energy, capital costs, operating and maintenance costs, etc., attributable to the Greenwood Solar Energy Center between Evergy Metro and Evergy West?

1. If so, how should it be allocated?

Yes. The Greenwood Solar project was constructed to allow Evergy employees to gain experience designing, constructing, maintaining, and operating a utility scale solar facility. The percentage of Evergy West customers that will actually benefit from the energy is approximately 0.1%. However, both Evergy Metro (Missouri and Kansas operations) and Evergy West will benefit from the knowledge acquired from building and operating a utility-scale solar facility. Staff recommends the Commission allocate the facility costs and related expenses between Evergy Metro and Evergy West based on customers. Lyons Direct Testimony, pages 32-34 and Surrebuttal Testimony pages 6-12.

*Energy from the Greenwood Solar Energy Center should be allocated between Evergy Metro and Evergy West in the same proportions as the expenses. (**<u>Surrebuttal and True-up Direct Testimony of Charles T. Poston, pages 4-5</u>**).*

XVII. Revenues

A. Should the billing determinants developed by Staff or the billing determinants developed by Evergy serve as the basis for any further adjustments ordered in these cases?

Staff's billing determinants should be used as a basis for any further adjustments ordered in these cases. Staff developed billing determinants resulting from adjustments for the update period, true-up growth, true-up rate switchers, true-up MEEIA energy annualization, Large Power annualization, weather normalization, 365 days, and true-up Nucor. (See True-up testimony of Kim Cox, Pg. 14.) (Stahlman reference and Luebbert direct and true-up reference TBD).

B. What methodology should be utilized to measure customer growth?

Staff's method of using customer charges should be used to measure growth of customers for the non-LPS classes. Staff used customer charge per month to reflect the impact in change of customer levels through the true-up period kWh sales, kW demand and rate revenues as if the customers taking service at the end of April 2022 had existed throughout the twelve months ending December 31, 2021. (See Rebuttal testimony of Kim Cox, Pgs. 8-9 and True-up Direct testimony of Kim Cox, Pgs. 11-12.)

C. Should net metering and parallel generation customer usage be adjusted for weather normalization?

No. Net metering and parallel generation customer usage should not be adjusted for weather and annualization since the amount of kWh the customer uses in any given month is adjusted for net metering and therefore is not a true representation of the amount of kWh used in that month. (See Rebuttal testimony of Kim Cox, Pgs. 10-11.)

D. Should net metering and parallel generation customers be in a separate code by themselves?

Yes. Staff recommends creation of a separate rate code for net-metered customers which will facilitate provision of hourly load data for these customers distinct from non-net metered customers. This data is necessary for the sole purpose of studying appropriate normalization techniques for potential application in future rate cases. These normalization techniques are likely to include a solar-generation factor in addition to the weather-normalization factor that is generally applied to weather-sensitive customers. This will facilitate more accurate estimate of billing determinants, revenues, and net system input in future rate cases. Sarah Lange CCoS Direct, pages 12-13.

E. Should the Company's proposal of the seasonal bill period for Evergy Missouri Metro be approved and if so, what revenue impact should be applied? (Metro Only)

Yes. Staff recommends the Commission order Evergy Missouri Metro season billing periods to align with Evergy Missouri West. Staff recommends no revenue adjustment since Staff is not able to review the Company's study and Staff's calculations do not capture all the winter and summer usage within May and September. (See True-Up testimony of Kim Cox, Pgs. 8-11).

F. What, if any, further adjustments to revenues and billing determinants should be made for MEEIA Cycle 2?

Staff's recommended billing determinants and revenues include adjustments for MEEIA energy annualization. Direct and True-up testimony of J Luebbert.

XVIII. Rate Design/Class Cost of Service

A. What is the appropriate allocation of revenue requirement among the rate classes of each company?

For purposes of aligning EMW class revenue requirements with cost causation, Staff recommends that if an increase is ordered in this case in excess of approximately $15 million, the first $15 million be applied as a 1% increase to SGS, LGS, and LPS a 3% increase to the residential class, and a 5% increase to the lighting class and to the miscellaneous rate schedules associated with the "Other" class.

	Residential	SGS	LGS	LPS	Lighting	Other
Potential Increase Level 1	3.0%	1.0%	1.0%	1.0%	5.0%	5.0%
Increase to Current Revenue	$ 11,247,223	$ 1,193,082	$ 914,736	$ 1,165,739	$ 652,930	$ 26,640
Difference from System-Average RoR $	$ 44,955,310	$ (12,981,888)	$ (6,918,200)	$ (1,327,333)	$ 2,438,148	$ 764,138
Revenue Available for RoR	$ 27,264,460	$ 28,386,763	$ 17,953,238	$ 14,458,789	$ 2,054,515	$ (570,003)
Increase Level 1 RoR	2.07%	9.45%	8.04%	5.45%	3.03%	-19.85%

Any additional increases should be applied as an equal percentage increase to the current rate revenues of each class:

	Residential	SGS	LGS	LPS	Lighting	Other
Potential Increase Level 2	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%
Increase to Current Revenue	$ 14,103,875	$ 4,488,328	$ 3,441,203	$ 4,385,466	$ 491,260	$ 20,044
Difference from System-Average RoR $	$ 30,851,435	$ (17,470,215)	$ (10,359,403)	$ (5,712,799)	$ 1,946,889	$ 744,095
Revenue Available for RoR	$ 41,368,335	$ 32,875,091	$ 21,394,442	$ 18,844,256	$ 2,545,775	$ (549,959)
Increase Level 2 RoR	3.14%	10.95%	9.58%	7.11%	3.76%	-19.15%

Any increase less than $15 million should be applied as an equal percentage adjustment to the class revenue requirements of the Residential, Lighting, and "Other" classes. Any overall reduction in revenue requirement should be allocated to the SGS and LGS classes, although it would likely be appropriate to perform a new study if the case enters the posture of an overall revenue decrease. Sarah Lange CCoS Direct, page 39-41.

For purposes of aligning EMM class revenue requirements with cost causation, Staff recommends that if an increase is ordered in this case in excess of approximately $22 million, the first $22 million be applied as a 1% increase to SGS, MGS, LGS, and LPS, and as a 5% increase to the residential class, the lighting class, and to the miscellaneous rate schedules associated with the "Other" class:

	Residential	SGS	MGS	LGS	LPS	Lighting	Other	Total
Potential Increase Level 1	5.0%	1.0%	1.0%	1.0%	1.0%	5.0%	5.0%	2.6%
Increase to Current Revenue	$ 16,434,755	$ 709,509	$ 1,234,891	$ 1,827,830	$ 1,209,066	$ 494,387	$ 5,164	$ 21,915,602
Difference from System-Average RoR $	$ 47,593,317	$ (9,038,553)	$ (13,597,870)	$ (17,825,623)	$ (4,800,957)	$ 2,628,848	$ 1,251,221	$ 6,210,384
Revenue Available for RoR	$ 5,750,815	$ 15,637,886	$ 22,007,065	$ 28,413,239	$ 12,355,211	$ 564,844	$ (934,072)	$ 83,794,988
Increase Level 1 RoR	0.39%	7.18%	5.74%	5.22%	3.60%	1.23%	-21.23%	2.80%

Any additional increases should be applied as an equal percentage increase to the current rate revenues of each class:

	Residential	SGS	MGS	LGS	LPS	Lighting	Other	Total
Potential Increase Level 2	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%
Increase to Current Revenue	$ 2,439,394	$ 526,558	$ 916,468	$ 1,356,514	$ 897,302	$ 73,381	$ 767	$ 6,210,384
Difference from System-Average RoR $	$ 45,153,923	$ (9,565,111)	$ (14,514,338)	$ (19,182,137)	$ (5,698,259)	$ 2,555,467	$ 1,250,455	$ -
Revenue Available for RoR	$ 8,190,209	$ 16,164,444	$ 22,923,533	$ 29,769,754	$ 13,252,513	$ 638,226	$ (933,306)	$ 90,005,372
Increase Level 2 RoR	0.56%	7.42%	5.97%	5.47%	3.86%	1.39%	-21.22%	3.00%

If an increase of less than $17 million is ordered in this case, Staff recommends it be allocated to the Residential, Lighting, and "Other" classes. If an increase of more than $17 million and less than $22 million is awarded, the first $17 million should be allocated to the Residential, Lighting, and "Other" classes, and the remainder should be applied as in Step 2, above. Sarah Lange Surrebuttal pages 28-29.

B. What are the appropriate rate schedules, rate structures, and rate designs for the non-residential customers of each Company?

Staff recommends this case be taken as an opportunity to begin the modernization of the rate structures of EMM and EMW. Staff recommends that all non-lighting rate schedules be transitioned to simple time-based time of use ("ToU") rate structures in this case, with an eye towards eventual transition to more complex time-variant rate structures that better reflect cost causation. Staff further recommends elimination of end-use distinctions in customer rate schedules with regard to appliance configurations. Finally, Staff recommends better delineation of distinct customer groups within general customer classes to facilitate more accurate and meaningful data acquisition and retention. Sarah Lange CCoS Direct, page 9-10.

The Commission should order default ToU rate structures for all customers in this case, excluding the lighting, RTP, and special customer rate schedules. Staff recommends a summer off-peak discount for the "Super Off-Peak" period of -$0.01, from midnight to 6:00 am, and an on-peak premium of $0.01, from 4:00 pm until 8:00 pm. For the non-summer months, in conjunction with Staff's recommended rate schedule changes, Staff recommends the Super Off-Peak discount be held constant at $0.01, but that the on-peak premium be moderated to $0.025. Sarah Lange CCoS Direct, page 18. Sarah Lange CCoS Direct, page 2.

Any remaining end-use distinctions within the EMM and EMW rate schedules should be eliminated, with the relevant determinants transitioned to the generally-applicable rate code. This process will not be revenue neutral, and the resulting revenue increase will need to be netted from the applicable revenue requirement increase for each class.

Time-of-use elements be incorporated into each rate schedule, using a class-wide calculation for each class to determine the revenue impact of the time-based overlays. This process will not be revenue neutral, and the applicable revenue requirement increase for each class will need to be adjusted for the resulting revenue change.

After the revenue-neutral consolidation within each class, and the incorporation of the time-based rate elements, except as specified otherwise herein, each rate element should be adjusted by an equal percentage to achieve the revenues targeted for that class.

The EV rates should be increased consistent with the underlying non-residential rate schedule. Further, the EV bus rate schedule should be updated to change the demand determinant to Facilities demand from billing demand. Sarah Lange CCoS Direct pages 60-61.

Because Evergy has been unable or unwilling to provide adequate information concerning the distribution system to enable a reasonable classification of the system, it is not reasonable to rely heavily on CCOS results of any party in this case. Further, the A&E allocators used by all parties in this case fail to acknowledge the existence of the integrated energy market, or the timing of energy consumption. For these reasons, the CCOS results are simply not precise enough to use as a basis for rate design in any real detail. Sarah Lange Rebuttal page 56.

To the extent end-use rate codes are not being eliminated in this case, freezing them to new customers is a reasonable interim step. Note, it will be necessary to include tariff language indicating what specifically is meant by "frozen" as in the past EMM has interpreted similar language to mean that a customer at a new location who is on a frozen rate at another location can participate in the frozen rate at the new location, AND that a location that has been on a frozen rate can remain on the rate even if the customer identity at that location changes entirely.

Special use billing provisions should also be eliminated, thus Staff does not oppose Ms. Miller's recommended change to the Schools and Churches billing provision. Sarah Lange Rebuttal page 54-55.

The Staff's "Real Time Pricing" rate schedule recommendations should be incorporated into the company's proposed "Limited Time-Related Pricing" program, or the "Limited Time-Related Pricing" should be modified to address concerns that include, (1) the rate differential offered for "Power Load," and "General Load" customers does not appear cost-based, (2) It would be more reasonable to base the facilities demand charge on the around-the-clock customer non-coincident peak occurring in the last 3 to 5 years, as the local facilities in place to safely serve the customer do not vary on an annual basis. (3) the "Minimum Demand," provisions appear to reflect a drafting error in that minimum demand is typically the amount subject to a monthly demand charge, whether or not that level of demand is met in a given month. However, the draft tariff indicates that the bill will consist only of a customer charge, a facilities charge, and an energy charge. While the availability section refers to demands, it sets a floor of an average capacity of 150 kW over the past twelve months. It is unclear if a monthly demand charge was intended, but *omitted. . It would be reasonable to include a monthly demand charge, and it would be best practice for that demand charge to be associated with the customer's peak during some period of "on peak" time, such as summer days between the hours of 4 pm and 8 pm, or winter days between the hours of 6 am and 10 am, and 4 pm and 8 pm, (4) While it is unclear why different charges are prescribed for "General" and "Power" customers are charged different energy charges, the "summer" rates appear generally consistent with expectations. The weekday/weekend distinctions are likely not necessary, but not particularly problematic. However, the "Winter" season should be subdivided for a shoulder season including the months of October, April, and May, and a true winter season consisting of November, December, January, and February. Staff would also accept mid-month seasonal changes for the shoulder months, (5) it does not appear that a reactive demand charge is applicable, but it would be reasonable to incorporate one.*

With incorporation of the recommendations described above, Staff does not oppose promulgation of the Limited Time-Related Pricing Service Electric rate schedule. Sarah Lange Rebuttal pages 6-7.

C. For the Large Power Class should the Commission require the company to have voltage differentials for the winter seasonal energy charges? (West only)

Yes. Sarah Lange Rebuttal page 56.

D. What are the appropriate rate schedules, rate structures, and rate designs for the Residential customers of each utility?

Additional rate schedule issues are discussed under discrete issue headings below.

Staff recommends elimination of duplicative rate codes because most are the legacy of prior territorial mergers and rate schedule consolidations that have become obsolete with the passage of time and prior rate consolidations. Staff further recommends use of the rate codes in conjunction with Staff's data retention recommendations to facilitate future studies. At this time, Staff recommends distinctive rate codes be defined within the tariff, and utilized in the billing and/or metering systems, as provided in the example below. Staff appreciates input from other parties to develop a reasonable number of manageable rate codes. Sarah Lange CCoS Direct pages 10-23

Concerning the Evergy requested changes to the residential rate schedules, Staff recommends the following tariff changes:

1. Eliminate the existing Residential Other Use rate schedules,

2. Revise Evergy's proposed Residential Service Rate Schedule to read, in totality:

For secondary electric service to a single-occupancy private residence and individually-metered, multiple occupancy residential dwellings for ordinary domestic and farm use, including but not limited to well pumps, barns, machine sheds, detached garages and home workshops. This schedule is not applicable for crop irrigation, commercial dairies, hatcheries, feedlots, feed mills or any other commercial enterprise, or for dormitories, nursing homes, or other multiple occupancy structures or customers.

For billing purposes, usage from separately metered installations (prior to July 1, 1996) will be combined by the Company and treated as a single meter.

Temporary or seasonal service will not be supplied under this schedule.

This schedule is available for three-phase electric service for residential customers being served residential three-phase prior to the effective date of this revision or, at the Company's discretion, for residential customers requesting ordinary domestic use residential three-phase service subsequent to the effective date of this revision. The Customer shall bear all costs related to provision of three-phase service greater than the costs associated with providing normal, single-phase residential service.

3. Revise the Residential Single Family facilities extension policy at 7.11 B at EMW sheet PSC Mo No 1 Sheet No. R-53, and the related EMW sheet to include the following new provision:

(a) Any dwelling, domestic well, or other structure not having separate kitchen facilities, sleeping facilities, living facilities and permanent provisions for sanitation shall be subject to the provisions of part D. Commercial or Industrial. Sarah Lange Rebuttal pages 39-40.

1. What is the appropriate residential customer charge?

Staff recommends that the residential customer charge for both utilities be established by increasing the current EMM residential customer charge by the percentage adjustment to the Metro Residential class revenue requirement, rounded to the nearest quarter. Staff estimates that value at $12.00. Lange surrebuttal at pages 30-31

E. What measures are appropriate to facilitate implementation of the appropriate default or mandatory rate structure, rate design, and tariff language for each rate schedule?

Given the customer education provisions of the 2018 stipulation, and since that EMM has spent $1,386,936 and EMW has spent $1,692,041 on ToU program costs, and EMM has spent $98,788 on customer education costs related to ToU and EMW has spent $24,000, Evergy's customers at large should be well-educated on both the general the economic *underpinning and the potential bill impacts of rates that vary with the time of day at which energy is consumed. Sarah Lange CCoS Direct page 15-16.*

F. Should the Company's proposed Time of Use rate schedules be implemented on an opt-in basis?

No. It would be in the best interest of Evergy's customers as a whole to eliminate the opt-in ToU as presently designed. In general the Evergy EM&V Report shows that the program allowed participants to avoid contributing to revenue, but did not avoid peak demands that relate to the generation, transmission, and distribution sizing requirements of the utility. Evergy's EM&V did not indicate the level of energy costs savings – if any – that were passed through the FAC, nor did it demonstrate that less energy was consumed by participating customers in the hour of monthly or annual system peaks. Sarah Lange CCoS Direct page 13

In general, Staff recommends rejection of Evergy's designs of residential time-based rates. The RTOU rate design is less reasonable than the RTOU-2 design. The Staff understands that certain policy considerations have underlain the Commission's interest in making these rate schedules available, therefore Staff takes no position as to whether the existing R-ToU schedule should remain available on an opt-in basis at this time (or if it should be superseded by the RTOU-2 design), should the Commission determine that policy considerations other than cost causation justify its promulgation. Sarah Lange CCoS Direct page 13

The rate differentials Evergy has designed for opt-in time-based rates exceed the cost-based differentials that exist in the average DA-LMP for each period. Evergy designed these rates by assuming participants will operate as statistically "average" residential customers. However, Evergy's stated goal of time-based rates is that participating customers will deviate from typical consumption patterns. The evidence in this case demonstrates that it not reasonable to expect a participating customer will make up enough revenue during the high-price time to make up the bill savings during the low-price time.

If authorized, care must be taken that rates – particularly the Super Off Peak rate – meet or exceed the average cost of wholesale energy adjusted to secondary voltage for the indicated period.

For purposes of the Extension of Electric Facilities Tariff, a construction allowance formula is necessary in determining any non-refundable construction charge in connection with any non-basic extension requests. EMM and EMW should consider the specific residential rate schedule on which service will be sought in determining the applicable non-refundable construction charge associated with any non-basic extension *requests, as it would be reasonable to conclude that the estimated margin associated with service on new Optional ToU rate schedules will be very close to zero.*

Staff does not recommend promulgation of the Residential High Differential Time of Use RTOU-3 Rate Schedule. The evidence shows that the wholesale cost of energy at secondary compared to the rate values proposed for the RTOU-3 rate schedule, and the average rate experienced for a customer consuming 1,500 kWh of energy per month on the non-time-based rate schedules proposed by EMM indicates that the energy sold during summer months during the "Super Off-Peak" time period is not expected to be sold at any margin. This comparison further illustrates that energy sold during the summer "On-Peak" period, is sold at an unreasonably large margin. Other than the non-summer "Super Off-Peak" period, other rates are more or less comparable to the residential general use rate.

The requested $3.25 customer charge for a second meter is not reasonable. A more reasonable customer charge for a second meter would be in the range of $4.25 - $5.00. Sarah Lange Rebuttal page 43-53.

Chargepoint recommends eliminating the requirement for a separate meter, eliminating the corresponding customer charge, and allowing submetering through a non-utility meter. While these recommendations on their face appear consistent with the resolution of the Empire EV case, these recommendations do not incorporate the full sets of agreements made in that case that enabled Staff to recommend approval of the redesigned Empire program. Sarah Lange Rebuttal page 15-16

Concerning the proposed Residential Time of Use – Two Period RTOU-2 Rate Schedule, and assuming correction of various drafting errors, this rate design is less extreme than others, but appears to exceed the differential levels that are cost justified due to energy price difference between time periods. Sarah Lange Rebuttal page 43-53.

G. Should the Staff's proposed Time of Use rate schedules be implemented on a mandatory basis?

Yes. Consistent with the Ameren Missouri default ToU approach, in which a modest on-peak overlay was included in the default residential rate design, and the Empire default ToU approach in which a modest off-peak discount overlay was included in the default residential rate design, Staff recommends the EMM and EMW rate structures for each residential and non-residential rate schedule (excluding the lighting, RTP, and special customer rate schedules) incorporate an on-peak overlay as a result of this rate case, to operate in conjunction with an off-peak discount overlay. Sarah Lange CCoS Direct page 2.

For EMM and EMW, for the last several years, during the non-summer months, particularly during winter seasonal weather, there is not a difference between on-peak and other day-time hours to justify a significant price differential. Ideally based on the EMM and EMW load node LMPs, during winter seasonal weather, the price signal would actually be inverted, with morning periods and evening periods at a slight premium to the daytime periods. However, to improve customer understandability, Staff recommends holding the hours of each charge period constant, and simply varying the charge amounts.

The hour-weighted average cost of energy by time period in the summer and non-summer months, and by weekday versus weekend are reproduced below:

EMM results:

	Midnight to 6	Shoulders	4 pm - 8 pm
Summer:	$ 0.01282	$ 0.02673	$ 0.04359
Non-Summer:	$ 0.01299	$ 0.02650	$ 0.02922
	Off-Peak Discount	**On-Peak Premium**	**Maximum Range**
Summer:	$ (0.014)	$ 0.017	$ 0.031
Non-Summer:	$ (0.014)	$ 0.003	$ 0.016

EMW results:

	Midnight to 6	Shoulders	4 pm - 8 pm
Summer:	$ 0.01367	$ 0.02689	$ 0.04199
Non-Summer:	$ 0.01474	$ 0.02755	$ 0.02995
	Off-Peak Discount	**On-Peak Premium**	**Maximum Range**
Summer:	$ (0.013)	$ 0.015	$ 0.028
Non-Summer:	$ (0.013)	$ 0.002	$ 0.015

EMM results:

	Midnight to 6	Shoulders	4 pm - 8 pm
Weekend:	$ 0.01309	$ 0.02392	$ 0.03184
Weekday:	$ 0.01311	$ 0.02798	$ 0.03534
	Off-Peak Discount	**On-Peak Premium**	**Maximum Range**
Weekend:	$ (0.011)	$ 0.008	$ 0.019
Weekday:	$ (0.015)	$ 0.007	$ 0.022

EMW results:

	Midnight to 6	Shoulders	4 pm - 8 pm
Weekend:	$ 0.01439	$ 0.02445	$ 0.03184
Weekday:	$ 0.01436	$ 0.02846	$ 0.03507
	Off-Peak Discount	**On-Peak Premium**	**Maximum Range**
Weekend:	$ (0.010)	$ 0.007	$ 0.017
Weekday:	$ (0.014)	$ 0.007	$ 0.021

Staff recommends a summer off-peak discount for the "Super Off-Peak" period of -$0.01, from midnight to 6:00 am, and an on-peak premium of $0.01, from 4:00 pm until 8:00 pm. For the non-summer months, in conjunction with Staff's recommended rate schedule *changes, Staff recommends the Super Off-Peak discount be held constant at $0.01, but that the on-peak premium be moderated to $0.025. Sarah Lange CCoS Direct, page 17.*

H. Should the Commission order the Company to conduct a comprehensive study to determine how to offer Time of Use rates to all customers, including customers with net metered solar and other forms of distributed generation?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

I. Should Staff's recommended data retention measures be ordered?

Yes. The information sought by Staff is necessary for review of the various rate structures Evergy states it intends to deploy, and for development of Staff counterproposals. There seems to be a consensus among Staff and Evergy that the electric industry continues to evolve both in terms of the costs utilities incur costs to serve customers and how customers will be billed. To accommodate these changes it is important for Staff to access information possessed by Evergy for those changing operating practices and rate base amounts, and it is important for Staff to have access to the customer information that can underlie development of modern rate structures Evergy has intimated are just on the horizon. Without this data, the chances for developing rates that impose unintended consequences on customers is higher and the risk of hindrance of the Commission's ability to appropriately establish just and reasonable rates to move the State of Missouri forward in the pricing of electricity are greater. Sarah Lange Surrebuttal pages 2-27

J. Should the following updates be ordered for the compliance tariff filings in these cases?

a. Update MEEIA margin rates.
b. Update Standby Service Rider rates consistent with changes made to underlying rate schedules.
c. Update Community Solar distribution service rates.
d. Update Clean Charge Network rates, and other miscellaneous rate schedules to coincide with the overall ordered percentage increase.

Yes. For compliance tariff purposes, all rate schedules including Cogeneration, and Community Solar should be updated, consistent with the related rate schedules. The MEEIA TD amounts also require updating. Sarah Lange CCoS Direct pages 60-61.

K. Should the Commission order Evergy to meet with stakeholders related to its rate modernization plan within 180 days after the effective date of rates in this case?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

L. Should Evergy work to improve the education of its customers regarding the billing options and rate plans it has currently?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record. If the Commission should have general questions for Staff, Staff will make Sarah Lange available.

XIX. Time of Use Education and Marketing

A. Should the Commission disallow $1 million in program/customer education costs for failure to comply with the terms of the non-unanimous stipulation and agreement from ER-2018-0145 and ER-2018-0146?

B. Should the Commission order Evergy to submit an open-source competitive request for proposal ("RFP") for a third party marketing and education campaign surrounding time of use ("TOU") rates as described in the rebuttal testimony of OPC Witness Geoff Marke page 15, lines 17-25?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record. If the Commission should have general questions for Staff, Staff will make Sarah Lange available.

XX. Electrification Tariffs

A. Should Evergy's requested EV charging rates, Business EV Charging Service (Schedule BEVCS), and Electric Transit Service rate be promulgated?

1. With or without modification?

No. Staff recommends any overall increase awarded in these cases be implemented as an equal percentage increase to the rates indicated on Schedules ETS for the respective utility. Sarah Lange Rebuttal page 14.

If the Commission Commercial EV Charger Rebate program is approved in any fashion, Schedule BEVCS should be promulgated with modifications. Sarah Lange Rebuttal 8-14

B. Should Evergy's proposed Commercial EV Charger Rebates be approved?

No. The proposed Schedule CECR "Commercial EV Charger Rebate" varies in certain respects from that rejected in File No. ET 2021-0151. However, as described in File No. ET-2021-0151:

(1) the proposed program is simply redundant of existing Clean Charge Network EV charging deployments,

(2) there is no reasonable reason to expect the proposed investment level to provide accretive revenues to offset its costs,

(3) there are not adequate safeguards to mitigate contributions to system and local peaks exacerbating the need for distribution, transmission, and generation capacity,

(4) Staff's review of the study in ET-2021-0151 demonstrated that the premise of the program is unsound, and

(5) to the extent the program is promulgated, it would be best practice for accretive revenues to offset any deferral authorized.

Staff recommends rejection of Schedule CECR "Commercial EV Charger Rebate". Sarah Lange Rebuttal pages 9-14

1. If yes, should there be any conditions placed on how the tariff is designed?

Staff recommends rejection of Schedule CECR "Commercial EV Charger Rebate". If the Commission does not reject the program, a cap on the available rebate amount is appropriate.

Chargepoint recommends certain modifications. Staff does not oppose the following recommendations, should Schedule CECR be promulgated:

1. Direct Evergy to require that chargers be network-capable, ENERGY STAR certified for Level 2, safety certified, and managed charging capable;

4. Direct Evergy to allow Schedule CECR participants to opt out of particular demand response events as needed;

5. Direct Evergy to subject its CCN chargers to the same demand response requirements that would apply to participants in Schedule CECR.

However, should Schedule CECR be promulgated, Chargepoint's recommended limitation on the information collected by Evergy from site hosts would limit Evergy's ability provide hourly usage information or demand information. Both pieces of information are critical to evaluating the reasonableness of the associated rate designs, and for recommending future rate designs. Also, to the extent that Evergy has portrayed Schedule CECR as a learning opportunity, additional information will likely be necessary to assess the learning objectives

It is manifestly unreasonable to direct Evergy not to impose any demand response requirements on DCFCs supported by Schedule CECR. One of the few justifications for utility-supported EV charging infrastructure deployment is load management. Demand response (with opt-out ability, or penalty) or critical peak pricing are intrinsic to load management. Further, it borders on unconscionable to cut power to customers' homes *and businesses due to system conditions without first limiting the capacity made available to utility-funded DCFC devices. Sarah Lange Rebuttal pages 9-14*

C. Should costs associated with IHS market EV adoption study be disallowed?

1. If yes, how much of the costs should be disallowed?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXI. Access to Customer Facing Information

A. Should the Commission order Evergy to develop means by which the OPC can access customer facing material and information currently locked behind a customer account login whether through the creation of simulated or anonymous account access or other means?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXII. Management Expense

A. What is the proper amount of management expense charges that Evergy should be allowed to recover?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record. If the Commission should have general questions for Staff, Staff will make Keith Majors available.

XXIII. Pilot Programs

A. ***Solar Subscription Pilot***

1. Should the Commission approve the changes to the Solar Subscription Pilot tariff?

The Commission should not approve changes to the solar subscription pilot Tariff.

a) Which changes should be denied?

The Commission should deny all changes to the Solar Subscription Pilot tariff.

b) Which changes should be accepted?

The Commission should not accept any changes to the Solar Subscription Pilot tariff at this time.

B. ***Renewable Energy Battery Storage***

1. Should the Commission approve the Renewable Energy Battery Storage Pilot tariff?

The Commission should not approve the Renewable Energy Battery Storage Pilot tariff.

a) If yes, what conditions should the Commission order related to that study?

Should the Commission approve the study, the costs associated with the battery systems should be funded by the participating customers and not general ratepayers.

b) If no, should the Commission order Evergy to conduct a meta-study or literature review as an alternative?

Staff is not opposed to a meta-study or literature review.

C. ***Advanced Easy Pay***

1. Should the Commission approve Evergy's pilot program called Advanced Easy Pay?

No. The benefits of the program that Evergy asserts can be achieved without a prepay design. At page 39 of his EMM testimony, Mr. Lutz states that currently AMI information can be used for "Energy education - Evergy has partnered with a digital solution provider to help customers manage their energy usage, provide energy savings tips, and perform a rate comparison to ensure that they are on the rate that provides them with the lowest bill, or determine if time-of-use rates would be a good fit for their home." At page 41, he identifies other potential uses of AMI's for "Home Energy Insights – While Evergy has begun to tap disaggregation capabilities using AMI data, increased disaggregation sophistication will only increase the ability for customers to use whole home usage disaggregation to make more informed home energy management decisions. For example, the ability for a customer to see their washer and dryer usage, HVAC system energy use and alerts for appliances left on. --Behavioral Conservation (Home Energy Calculator) – Assists customers with evaluation of private solar options. Customers can access a solar calculator that leverages their smart meter recorded energy usage history, rate and solar exposure. -Usage Alert Tools – Through new web capabilities, utilities can use smart meters to create alerts for customers throughout the month if their bills are projected to be higher than normal and could impact the customers expected bill at the end of the month."

Participation in any prepayment program is not necessary to achieve these benefit sand it is not reasonable that other customers should contribute $150 per participant to establish a prepay program.

If the Commission adopts this program against Staff's recommendation, participants or shareholders should bear all program costs. Sarah Lange Rebuttal page 4-5

Evergy's direct testimony has provided information concerning mobile applications to alert customers to daily consumption levels, the product of current consumption and the applicable energy rate, and other customer-friendly measures. Staff recommends Evergy solicit bids for wide-scale deployment of these interfaces on an opt-in basis. Sarah Lange CCoS Direct, page 60.

Evergy is requesting the Commission grant 34 variances or waivers of 20 CSR 4240 Chapter 13 rules regarding billing, adjustments, deposits and the notifications of discontinuance of service including during the Cold Weather Rule. These rules have protections that will be lost if a customer participates in the proposed pre-pay program. Staff contends that this pre-paid program will target the most vulnerable; including low-income, those with arrears and/or an inability to pay deposits. Customers should not lose Chapter 13 protections for options that can be obtained without a prepayment program.

Additionally, this proposed prepayment program will add confusion to customers that participate. Participants in the program would have different payment options, notifications and customer contact representatives and those would change outside of the program. This would add unnecessary confusion to the customer experience.

a) If the Commission approves the Advanced Easy Pay pilot, what Chapter 13 and tariff variances should be approved?

If the Commission approves the pre-pay pilot, the Commission should deny Chapter 13 and tariff variances if it will result decreased protections.

D. ***Subscription Pricing Pilot Program***

1. Should the Commission approve the proposed Subscription Pricing Pilot Program?

No. Evergy proposes to overcharge residential customers, remove those customers' incentives to manage their load or limit consumption, retain the proceeds for shareholders, (at best) initiate an untargeted peak pricing program or possibly an unlawful interim energy charge, and in the future, charge nonparticipating customers $150 per participant. The program is unreasonable and the Commission imprimatur should not be placed on this program. While the program is inherently unreasonable, the approach Mr. Lutz describes creates a below-the-line revenue stream associated with the program. If the program is adopted, revenues from the program should be recognized in future rate cases, but any shortfalls should be absorbed by Evergy. Staff does not recommend this program be promulgated. This program is a bad idea, with a bad design, for no real end *goal. If the Commission decides to let Evergy play in this arena, Evergy should bear any costs of that decision. Sarah Lange Rebuttal pages 3-4.*

2. Should the Commission grant Evergy's request for variances to Chapter 13.020 Billing and Payment Standards, which the Company states is needed to implement Evergy's proposed Subscription Pricing Pilot Program?

No. Staff cannot in good conscience support a pilot program that removes protections and disclosures mandated in 13.020 Billing and Payment Standards. It is important that customers are knowledgeable on their energy usage and Commission rules require utilities to provide customers billing statements with detailed information on consumption. Monthly bills based on actual usage provides information that can empower customers to make informed decisions about usage and conservation considerations. Additionally, participants could potentially under or over pay while on this program. Taking into account the potential for over payment, particularly through the adders, at this time Staff does not support residential customers paying for more than actually used, not even on a voluntary basis. King Rebuttal pages 11-12.

3. Should the Commission disallow costs related to consultant fees associated with Evergy's Subscription offering?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

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

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

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

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

   c) If yes, what other conditions or modifications should the Commission order for the program?

XXIV. Voltage Optimization Study

A. Should the Commission order Evergy to issue a request for proposals for an independent, third-party consultant to conduct a study in calendar year 2022 of its distribution system designed to gauge the costs and benefits of a voltage optimization program in Evergy's service territory?

B. Should Evergy be ordered to select a consultant based on ranked majority voting from Evergy, Staff and OPC to have the cost/benefit study performed?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXV. Value of Lost Load Study

A. Should Evergy be required to engage with interested stakeholders at least twice for input regarding the scope, methodology, questions and goals of a value of lost load study that will inform recommended changes to Evergy's Emergency Conservation Plan Tariff sheet, to be filed no later than July 2023?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXVI. Tariff Revisions

A. Should the Commission approve the Companies' proposed revisions to the Market Based Demand Response program tariff, or should the Commission order Evergy to cancel their currently effective MBDR tariff sheets and update the related curtailment tariff sheets in accordance with the OPC's recommendations?

Staff is not convinced that the proposed changes will increase participation, as this program has no cost to non-participants. Therefore, Staff does not oppose these two changes to allow the Company to try to drive participation which, if successful, would provide Staff evidence that this program is a viable resource for the Company going forward. Staff will reevaluate the MBDR program in the Company's next general rate case to determine if participation has increased and determine if it is needed moving forward.

B. What, if any, changes should be made to Evergy's DER interconnection tariff?

Staff recommends the timelines for review of net metering interconnection applications be included on EMW Sheet R-30.1 and EMM Sheet 1.18. Additionally, Staff recommends Evergy clarify in its tariffs that net metered customers would not be charged interconnection engineering fees. Eubanks Rebuttal page 22, lines 3-13.

C. What, if any, changes should be made to Evergy's net metering tariff?

If the Commission adopts Staff's recommended default TOU rate design no changes are needed to be made to Evergy's Net Metering Interconnection Application Agreement tariff. Eubanks Rebuttal, page 21, lines 1-3.

Staff recommends minor clean-up to the related parallel generation tariffs to clarify that the administration adjustment is not applicable to net metering. Eubanks Rebuttal, page 21, lines 5-16.

D. What, if any, changes should be made to Evergy's Emergency Energy Conservation tariff?

Staff recommends that EMM and EMW refer back to its respective existing tariff language which limiting the liability of the Company in certain situations. Eubanks rebuttal page 18, lines 1-20.

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

Yes, Staff recommends the word pilot be retained in the tariff. See Direct Testimony of Contessa King.

XXVII. Low Income Eligible Weatherization Program ("LIWAP") and other low income programs

A. Should the LIWAP funding amount be changed?

Yes. Staff proposes the annual program funding amount remain the same ($573,888), but allow the level of ratepayer funding to be reduced by half ($289,944) to allow the unspent balance to be utilized as previously done in case no. ER-2016-0285.

B. Should the Commission approve the transfer of approximately $1 million in unspent program funds to the Dollar Aide program?

No. Staff is supportive of low-income programs providing relief to customers overall. However, Staff does not support the proposal to rollover unspent program funds or ratepayer funds collected for a specific low-income program that provides more long-term relief from high energy bills overall by reduced energy usage through weatherization. There are currently programs that exist to provide bill payment relief.

C. Should the Commission approve the proposal to transfer the unspent program funds to Dollar Aide on a reoccurring annual basis?

No. Staff acknowledges the potential for funding for weatherization efforts to come in from other sources that can prohibit the utility weatherization funds being fully expended each program year.

D. If the Commission does not approve the unspent funds transfer, should the Commission approve Staff's recommendation of supplementing half of the annual program funds with an equal amount of the unspent funds each program year until the balance is utilized?

Yes.

E. Should the Commission order Evergy's Customer Service Representatives to ask for consent from customers struggling to pay their bills to forward the customers' contact information to the relevant Community Action Agency so that a representative from an Agency may contact the customers about weatherizing their home free of charge and provide other assistance if the customers are eligible?

F. Should the LIWAP tariff be modified to allow up to 50% of funding to be allocated to administrative duties such as marketing, employee training, new hires and/or maintaining existing employees to perform weatherization services until the influx of federal funding devoted to weatherization is spent down or the Company's next rate case?

G. Should the Commission order Evergy to create a Critical Needs Program consistent with the Critical Needs Program the Commission approved in Case Nos: GR-2021- 0108, ER-2021-0240, GR-2021-0320, and ER-2021-0312?

1. If so, should the Commission order annual funding of $600,000, with funding split 50/50 between customers and shareholders, and with unspent funding allocated to Evergy's bill assistance program?

H. Should the Commission order Evergy to create a Rehousing Pilot Program consistent with the Rehousing Pilot Program the Commission approved in Case No: ER-2021-0240?

1. If yes, should the Commission order annual funding of $500,000, with funding split 50/50 between customers and shareholders?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXVIII. Universal Customer Service

A. Should Evergy be required to file its plan for Universal Customer Service with the Commission including details as to how its Universal Customer Service Plan will not result in diminished service to Missouri customers and also indicate what controls the Company will have in place to ensure adequate service to all its regulated customers?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXIX. Customer Privacy

A. Should Evergy proactively notify customers when it makes changes to its Privacy Policy including identifying what the changes are?

B. Should Evergy's Privacy Policy reference the Commission's Rule 20 CSR 240-20.015(2)(C) within the Policy Section: When Do We Share Your Information?

C. Should Evergy's Privacy Policy clearly state that the Company does not assume ownership of its Customer' Data?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXX. Injuries and Damages

A. Should insurance settlement reimbursements received by Evergy Metro be included in developing an ongoing level of injuries and damages expense?

Staff's position: Yes. It is Staff's position that, in order to develop a normalized level of injuries and damages expense, it is important to mitigate the costs incurred by the ratepayers by offsetting them with insurance reimbursements received by the Company. See Nieto Surrebuttal testimony, page 4.

B. Should normalized injuries and damages expense be developed using the Company proposed three-year average?

Staff's position: No. Staff reviewed level of cash payments incurred for injuries and damages since the Company's last rate case (December 2018- December 2021). Even with insurance reimbursements Evergy Metro received in 2019 offsetting that year's cash payments, 2019 cash payments are still high compared to other three years. Using a four-year average, offset by the insurance reimbursement recoveries, best represents future Evergy Metro's injuries and damages costs. See Nieto Surrebuttal testimony, page 5.

XXXI. Annual Surveillance Report (Metro only)

A. Should Evergy Metro discontinue the annual surveillance report?

No. Lyons Direct Testimony, pages 35-36 and Surrebuttal Testimony pages 12-13.

XXXII. Jurisdictional Allocations (Metro only),

A. Should the Commission approve the continued use of the 4 CP methodology in determining demand allocation factors for the corresponding applicable jurisdictions in this case?

Yes. Bax Direct Testimony, page 8. Majors Rebuttal Testimony, page 25.

B. Should the Commission approve Evergy Metro's proposed allocation methodology in determining demand allocation factors for the Missouri and Kansas jurisdictions in this case?

No. The Commission should reject Evergy's recommendation to "average the difference" resulting from Missouri and Kansas utilizing different methodologies in their respective calculations of jurisdictional demand allocation factors. Instead, the Commission should approve the 4 CP methodology, as it has since every rate case since the 1980s. See Direct Testimony of Alan Bax, page 8.

C. Should Evergy Metro be allowed to defer to a regulatory asset the excess off-system sales net of fuel and purchased power returned to customers through the FAC related to Winter Storm Uri that occurred due to differences in jurisdictional allocators used by Kansas and Missouri?

No. Staff continues to recommend the use of the Energy Allocator for off-system sales, fuel, and purchased power costs based upon the evidence it has presented that the Energy Allocator is the appropriate allocation factor to use, thus no deferral is necessary. (Bolin Direct, pages 6-7 and Bolin Surrebuttal, pages 2-6)

1. If so, what amount should Evergy Metro be allowed to defer?

If the Commission allow the excess off-system sales net of fuel and purchased power to be deferred, Evergy Metro should only be allowed to recover $1,494,782. (Bolin Surrebuttal, pages 2-6)

2. Should rates include an amortization of this deferral and what period should the amortization be determined over?

Staff is opposed to the deferral, however if the Commission approves the deferral, $1,494,782 should be amortization over a four-year period. (Bolin Surrebuttal, pages 2-6)

XXXIII. Lake Road Plant electric/steam allocation factors (West only)

A. Recognizing that Evergy West's Lake Road Plant simultaneously serves both electric and steam customers, what factors should the Commission use to allocate total rate base, expenses, and revenues to its electric customers?

The Commission should adopt the Lake Road Plant allocation factors and allocation method put forth by Evergy West in the direct testimony of witness Linda Nunn. ***(Direct Testimony of Charles T. Poston, pages 7-12).***

XXXIV. Payroll Overtime

A. What level of payroll overtime should be included in rates?

The amount of payroll overtime to include in rates should be based on a three-year average of Wolf Creek overtime amounts in order to capture two refueling cycles and for non-Wolf Creek overtime the overtime amount should be based on the last known 2021 calendar year of overtime expense incurred. Giacone Direct Testimony, pages 17-18 and Surrebuttal Testimony, pages 5-7.

B. Should an escalation factor be applied to overtime?

No. Giacone Surrebuttal Testimony, pages 7-8.

C. Should the O&M ratio reflect an average of multiple years or the last known O&M amount for calendar year 2021?

Since the O&M ratio is in a downward trend over the last several years, an average is not appropriate. The last known 2021 calendar year O&M ratio should be used. Giacone Surrebuttal Testimony, pages 8-10.

XXXV. Cash Working Capital:

A. What is the appropriate expense lag days for measuring Evergy's Missouri income tax lag for purposes of cash working capital?

The appropriate expense lag days for measuring Evergy Missouri's income tax lag for purposes of cash working capital is 38 days. Giacone Direct Testimony, pages 9-11 and Surrebuttal Testimony, pages 4-5.

B. What is the proper calculation of income tax balances within Cash Working Capital ("CWC") to offset rate base?

The state and federal income tax balances generated in Staff's Accounting Schedules, income tax schedule 11. is the proper balance to include in CWC.

XXXVI. Property Tax:

A. What is the appropriate level of Missouri property tax expense to be included in rates?

The level of property taxes that should be included in rates base level for property tax expense for Evergy Metro on a Missouri jurisdictional basis is $66,275,232 and for Evergy West on a Missouri jurisdictional basis it is $50,495,598. Giacone Direct Testimony, pages 11-13 and Surrebuttal Testimony, pages 13-17.

B. What base level of property tax expense should the Commission approve for Evergy to track property tax?

The base level for property taxes used to track property taxes for Evergy Metro on a Missouri jurisdictional basis is $66,275,232 and for Evergy West on a Missouri jurisdictional basis it is $50,495,598. Giacone Surrebuttal Testimony, pages 13-17.

XXXVII. Income Taxes

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

1. Should any portion of the accrued GBC carryforward utilized be used to offset the income tax expense to be collected through Evergy Metro's rates?
2. Should any portion of the accrued GBC carryforward be included as a reduction to Evergy Metro's rate base?

B. Should there be any income tax adjustment to offset the Sibley AAO?

1. Should the income tax expense associated with tax loss generated on the retirement of the Sibley station offset the Sibley AAO?
2. Should the deferred income taxes associated with the retirement of the Sibley station offset the Sibley AAO?
3. Should the excess deferred income taxes on the retirement of the Sibley station offset the Sibley AAO?

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

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

XXXVIII. Late Fees

A. Should Evergy's late fee be reduced from 0.5% to 0.25%?

B. Should Evergy's website be updated to explicitly state all Commission-approved fee amounts and should those amounts be easily accessible by using the Company website's search engine?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XXXIX. J.D. Power Customer Satisfaction Reports & 5-year roadmap of executable increments filings

A. Should Evergy be required to file its future annual Company-specific J.D. Power Reports (not just the scores) as well as the Company's five-year roadmap of executable increments in this docket together with memoranda that detail how Evergy is improving its relationship with customers in light of the J.D. Power Report scores of Evergy relative to its peers, as well as its relative rank across the United States, and specifically as it pertains to its cost of service by December 31 (including 2022) of each applicable year new rates are in effect?

Staff did not take a position on these issues, but reserves the right to take a position based on evidence in the record.

XL. Storm Reserve

A. Should the Commission establish a storm reserve for Evergy Metro and Evergy West?

No. Lyons Direct Testimony, pages 34-35, Rebuttal Testimony, pages 3-6, and Surrebuttal Testimony pages 4-5.

XLI. Prospective Tracking

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

XLII. Uplight

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

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

XLIII. Streetlighting (West Only)

A. Should language be added to Evergy West's Municipal Street Lighting Service Tariff providing that streetlights installed by a city contractor or a city-approved developer shall be deemed to be owned by Evergy, after inspection and approval by the Company, and shall not be subject to additional installation or structure charges?

Staff does not recommend changes to the lighting tariff except to increase charges on an equal percentage basis for the class. . If the Commission should have general questions for Staff, Staff will make Sarah Lange available.

B. Should language be added to Evergy West's Municipal Street Lighting Service Tariff providing that no "Optional Equipment" charges in Section 4.0 or 5.0 of Municipal Street Lighting Service Tariff will be charged to streetlight facilities which are deemed to be owned by the Company and installed by a city or its contractor, or by a developer of a city-approved development?

Staff does not recommend changes to the lighting tariff except to increase charges on an equal percentage basis for the class. . If the Commission should have general questions for Staff, Staff will make Sarah Lange available.

C. Should the Company be required to remove from its rate base streetlights that were installed by city contractors or city-approved developers?

This issue was raised in surrebuttal and Staff has not had an opportunity to file testimony. Staff's understanding is that contributions are reflected as an offset to ratebase. If this understanding is not accurate, further actions may be necessary. . If the Commission should have general questions for Staff, Staff will make Sarah Lange available.

D. Should the Company be required not to charge the City of St. Joseph for breakaway bases, undergrounding and other "Optional Equipment" charges under Sections 4.0 and 5.0 of the tariff for streetlights that were installed by city contractors or city-approved developers?

Staff does not recommend changes to the lighting tariff except to increase charges on an equal percentage basis for the class. . If the Commission should have general questions for Staff, Staff will make Sarah Lange available.

XLIV. Schedule SIL

A. Has Evergy imprudently implemented Schedule SIL in combination with the requirements contained within the Commission approved Stipulation and Agreement in Case No. EO-2019-0244?

Yes. EMW has not retained the data necessary to determine the hours in which payments were due in accordance with the Stipulation and Agreement filed in Case No. EO-2019-0244. Direct testimony of J Luebbert.

Paragraph 7.d. of the Case No. EO-2019-0244 Stipulation states in part that:

> *GMO will monitor Nucor operations and will identify additional SPP related costs resulting from unexpected operational events. If actual Nucor load experiences a 25% deviation from the expected Nucor load for more than 4 hours and that load change is not reflected in the GMO day-ahead commitments, GMO will quantify the balancing relationship between the hourly and day-ahead prices to identify the effect of the unplanned load change to apportion any additional SPP balancing*

charges and will incorporate the effect attributed to Nucor into the tracking of Nucor costs.

<u>If the effect of this relationship increases costs to non-Nucor customers, the amount will be reflected in a subsequent FAC rate change filing and the portion attributed to Nucor will be identified with supporting work papers and removed from the Actual Net Energy Cost prior to the calculation of the FAC rates.</u>

*EMW agreed to hold-harmless provisions in both the Stipulation and Agreement in Case No. EO-2019-0244 and Schedule SIL. One part of holding non-Nucor ratepayers harmless is the identification, mitigation, isolation, and removal of the costs incurred based on differences in SPP Day-Ahead Locational Marginal Prices and Real-Time Locational Marginal Prices coupled with variations in expected Nucor operations and actual Nucor operations. EMW agreed to the provisions of the Stipulation, which included provisions which shield non-Nucor ratepayers from the costs incurred due to Nucor service. Absent active identification, mitigation, isolation, and removal of these costs from the FAC, non-Nucor ratepayers may end up subsidizing these costs. EMW's interpretation and implementation of the provisions included in Paragraph 7.d. has resulted in EMW side-stepping the intent of the agreement, because ** <u>EMW has stated that events will not be identified and quantified unless Nucor operates beyond the historical peak usage to date. Even then, "Evergy would consider adjusting the band to account for this change."</u> ** EMW response to Staff Data Request No. 0249.4.*

This practice ignores the cost consequences of the variations in Nucor load, shifts those cost consequences onto non-Nucor ratepayers through the FAC, and shields EMW's shareholders from the agreed upon non-Nucor ratepayer protections envisioned by the Stipulation and Schedule SIL. Page 36 of the direct testimony of J Luebbert. However, no such band is contemplated in the Stipulation, and this interpretation is either a bad faith implementation of the agreement, or an imprudent execution of the Stipulation. Pages 26-27 of the direct testimony of J Luebbert.

The Stipulation and agreement does not contemplate a grace period for compliance with the terms while Nucor operational load normalizes. Page 34 of the direct testimony of J Luebbert.

B. What is the appropriate revenue requirement adjustment in this case related to Evergy's implementation of Schedule SIL?

EMW's Special Incremental Load tariff states in part,

If the Customer's rate revenues do not exceed the incremental cost to serve the Customer as reflected in the revenue requirement calculation, the Company shall make an additional revenue adjustment covering the shortfall to the revenue

> *requirement calculation through the true-up period, to ensure that non-Schedule SIL customers will be held harmless from such effects from the service under Schedule SIL.*

Paragraph 8 of the Stipulation and Agreement from Case No. EO-2019-0244 states in part,

> *If Nucor's revenues do not exceed Nucor's costs as reflected in the revenue requirement calculation through the true-up period, GMO will make an additional revenue adjustment covering the shortfall to the revenue requirement calculation through the true-up period, to ensure that non-Nucor GMO customers will be held harmless from such effects from the Nucor service.*

The appropriate adjustment is $1,494,000 to account for the revenue deficiency of Schedule SIL service. Page 22 of the surrebuttal testimony of J Luebbert.

C. Should Evergy have identified and removed costs of load imbalances attributable to Schedule SIL service in this rate case?

Yes. Paragraph 7.d. of the Case No. EO-2019-0244 Stipulation states in part that:

> *GMO will monitor Nucor operations and will identify additional SPP related costs resulting from unexpected operational events. If actual Nucor load experiences a 25% deviation from the expected Nucor load for more than 4 hours and that load change is not reflected in the GMO day-ahead commitments, GMO will quantify the balancing relationship between the hourly and day-ahead prices to identify the effect of the unplanned load change to apportion any additional SPP balancing charges and will incorporate the effect attributed to Nucor into the tracking of Nucor costs.*
>
> *If the effect of this relationship increases costs to non-Nucor customers, the amount will be reflected in a subsequent FAC rate change filing and the portion attributed to Nucor will be identified with supporting work papers and removed from the Actual Net Energy Cost prior to the calculation of the FAC rates.*

Absent identification, mitigation, isolation, and removal of the effects of these load imbalances, non-Nucor ratepayers will not be held-harmless. Absent the Commission holding EMW accountable for the record keeping necessary to quantify the cost impact of load imbalances and allowing the Company to avoid identification and removal of costs incurred due to load imbalances will render the non-Nucor ratepayer protection provided by paragraph 7.d essentially useless. Page 14 of surrebuttal testimony of J Luebbert. Page 19 of the surrebuttal testimony of J Luebbert.

D. Should Evergy be required to keep records of the finite expected hourly load of Schedule SIL customers included in the EMW SPP day-ahead commitments?

Yes. Absent identification, mitigation, isolation, and removal of the effects of these load imbalances, non-Nucor ratepayers will not be held-harmless. In order to increase the transparency of the determination of future adjustments, Staff recommends that the Commission order EMW to:

1. *Accurately account for the cost of capacity necessary to serve the entirety of Nucor's peak demand in all future Cost and Revenue tracking reports in accordance with Paragraph 7 of the Stipulation and Agreement entered in Case No. EO-2019-0244;*
2. *Establish and maintain consistent communication with Nucor to understand what impacts the expected operations at the plant will have on Southwest Power Pool ("SPP") purchased power expenses in order to facilitate accurate records;*
3. *Keep records of the finite expected hourly load of Nucor's next day operations as reflected in the EMW day-ahead ("DA") commitments in the event an adjustment in accordance with Paragraph 7.d. of the Stipulation is necessary in a future case;*
4. *Identify additional SPP related costs resulting from unexpected operational events that meet the criteria set forth in paragraph 7.d. of the Stipulation;*
5. *Quantify the balancing relationship between the hourly and DA prices to identify the effect of unplanned load changes that are not included in EMW's SPP DA commitments to apportion any additional SPP balancing charges; and*
6. *Incorporate the effect of DA and real-time ("RT") imbalances attributed to differences between actual Nucor operations and expected Nucor operations included in EMW's SPP DA commitments into the tracking of Nucor costs. Pages 5 and 6 of the surrebuttal testimony of J Luebbert.*

XLV. Reporting Requirements

A. What, if any, reporting requirements should the Commission order related to reliability?

Staff recommends the Commission order Evergy to:

As a part of its reliability improvement program filing, provide the actual spend (per reliability program) from the previous year;

Include in its next reliability improvement program filing, process improvements to improve CAIDI; and

As a part of its annual reliability metric reporting, report CEMI (monthly values).

Eubanks rebuttal page 15, lines 10-16.

B. What, if any, reporting requirements should the Commission order related to PISA investments?

Staff recommends the Commission order Evergy to annually file the following documentation in its capital budget docket for projects over $1 million (EO-2019-0045 and EO-2019-0047):

Purchase Orders; Change Orders; Final Project cost summaries Project justification summary Oversight reviews; and In-service dates. Eubanks Rebuttal, page 16 lines 9-19.

Respectfully submitted,

/s/ Nicole Mers
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 22nd day of August, 2022.

s/ Nicole Mers