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Witness: *Kim Cox*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *ER-2022-0129 &*
ER-2022-0130
Date Testimony Prepared: *July 13, 2022*

MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

KIM COX

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

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

Jefferson City, Missouri
July 2022

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REBUTTAL TESTIMONY**

OF

KIM COX

**EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO
CASE NO. ER-2022-0129**

**EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST
CASE NO. ER-2022-0130**

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **KIM COX**

4 **EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO**
5 **CASE NO. ER-2022-0129**

6
7 **EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST**
8 **CASE NO. ER-2022-0130**

9 Q. Please state your name and business address.

10 A. Kim Cox, 200 Madison Street, Jefferson City, Missouri 65101.

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

12 A. I am employed by the Missouri Public Service Commission (“Commission”) as
13 a Research/Data Analyst in the Tariff and Rate Design Department of the Industry Analysis
14 Division of the Commission Staff.

15 Q. Have you previously filed testimony in this case?

16 A. Yes. I provided direct testimony as part of the Cost of Service on June 8, 2022.

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

18 A. The purpose of my rebuttal testimony is to:

- 19 1. Address Company witness Marisol E. Miller’s changes to test year¹ actual
20 billing determinants.
21 2. Address Company witness Albert R. Bass, JR.’s customer growth adjustment.
22 3. Address Company witness Marisol E. Miller applying a weather normalization
23 factor to net metering and parallel generation customers.

¹ Twelve months ending June 2021.

TEST YEAR ACTUAL BILLING DETERMINANTS

Q. What are Evergy West (“EMW”) and Evergy Metro (“EMM”) residential actual billing determinants for the test year?

A. Below is the actual residential billing determinants for the test year² that consist of seven tariff rate codes³ for EMW⁴ and six tariff rate codes⁵ for EMM⁶ and the revenues associated with them.

West Actuals by Class				Metro Actuals by Class			
RS	Customer/Bill Count	3,435,123	\$ -	RS	Customer/Bill Count	3,059,966	\$ -
RS	Customer Charge	3,457,186	\$ 39,934,234	RS	Customer Charge 1 Summer	1,043,460	\$ 12,061,067
RS	Energy Charge - Block 1	1,771,808,259	\$ 184,309,623	RS	Customer Charge 1 Winter	2,049,238	\$ 23,686,731
RS	Energy Charge - Block 2	718,623,478	\$ 62,852,672	RS	Energy Charge - Summer - Blk 1	537,670,087	\$ 73,070,577
RS	Energy Charge - Block 3	1,076,402,030	\$ 88,280,504	RS	Energy Charge - Summer - Blk 2	230,644,751	\$ 31,321,163
RS	Energy Charge - On Peak	3,896,368	\$ 927,549	RS	Energy Charge - Summer - Blk 3	272,761,143	\$ 39,956,423
RS	Energy Charge - Off Peak	18,817,419	\$ 1,652,001	RS	Energy Charge - Winter - Blk 1	932,297,116	\$ 106,566,865
RS	Net Metering Credit	4,995,630	\$ (115,036)	RS	Energy Charge - Winter - Blk 2	258,445,971	\$ 21,095,369
RS	Energy Charge - Super Off Peak	5,874,910	\$ 231,444	RS	Energy Charge - Winter - Blk 3	309,976,819	\$ 19,996,576
RS	FAC/ECA Charge	3,595,422,465	\$ 2,100,930	RS	Energy Charge - Winter Separate Heat	58,586,656	\$ 3,722,010
RS	DSIM Charge	3,595,422,465	\$ 17,677,128	RS	Energy Charge - Off Peak Summer	4,798,695	\$ 520,997
RS	RESRAM Chg	3,595,422,465	\$ 3,205,046	RS	Energy Charge - Off Peak Winter	7,288,079	\$ 759,564
RS	Parallel Generation Credit	2,788	\$ (67)	RS	Energy Charge - On Peak Summer	1,068,333	\$ 342,747
RS	Bill Total	3,595,422,465	\$ 401,056,028	RS	Energy Charge - On Peak Winter	1,377,246	\$ 366,003
				RS	Net Metering Credit Summer	654,221	\$ (15,308)
				RS	Net Metering Credit Winter	998,253	\$ (22,496)
				RS	Energy Charge - Super Off Peak Summer	1,453,785	\$ 78,736
				RS	Energy Charge - Super Off Peak Winter	2,442,975	\$ 109,812
				RS	FAC/ECA Charge	2,618,811,657	\$ 714,767
				RS	DSIM Charge	2,618,811,657	\$ 16,178,629
				RS	Parallel Generation Credit	3,688	\$ (84)
				RS	Bill Total	2,618,811,657	\$ 350,510,149

Q. What residential test year actual billing determinants did the Company use for the test year rate revenues?

² 12 months ending June 2021.

³ Evergy West’s residential class consist of the following rate codes: MORG, MORH, MORO, MORN, MORHN, MORHP, and MORT.

⁴ Ms. Miller’s workpaper, CONFIDENTIAL Actuals –MO West YE 20210630, Sheet Actuals by Class.

⁵ Evergy Metro’s residential class consist of the following rate codes: 1RS1A, 1RS6A, 1RS2A, 1TE1A, 1RTOU, and 1RO1A.

⁶ Ms. Miller’s workpaper, Actuals YE 20210630-MO Metro, Sheet UI Actual by Class.

Rebuttal Testimony of
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1

A.

2

West Actuals by Class				Metro Actuals by Class			
RS	Customer/Bill Count	3,435,123.00		RS	Customer/Bill Count	3,059,702.00	
RS	Customer Charge	3,457,185.50	39,653,938.28	RS	Customer Charge 1 Summer	1,042,993.51	11,963,101.57
RS	Energy Charge - Block 1	1,765,019,923.24	183,342,164.98	RS	Customer Charge 1 Winter	2,048,336.12	23,494,729.07
RS	Energy Charge - Block 2	720,757,991.09	63,037,901.49	RS	Energy Charge - Summer - Blk 1	537,456,806.74	73,030,504.61
RS	Energy Charge - Block 3	1,081,055,852.83	88,679,490.20	RS	Energy Charge - Summer - Blk 2	230,669,253.15	31,324,400.16
RS	Energy Charge - On Peak	3,896,368.46	927,549.19	RS	Energy Charge - Summer - Blk 3	272,867,911.39	39,972,665.78
RS	Energy Charge - Off Peak	18,817,419.42	1,652,000.91	RS	Energy Charge - Winter - Blk 1	942,010,734.61	106,786,155.80
RS	Net Metering Credit	4,995,630.23	(115,036.41)	RS	Energy Charge -Winter - Blk 2	271,386,195.35	22,472,252.05
RS	Energy Charge - Super Off Peak	5,874,910.30	231,443.76	RS	Energy Charge -Winter - Blk 3	345,460,897.76	22,230,287.11
RS	FAC/ECA Charge	3,595,422,465.34	2,100,930.43	RS	Energy Charge - Winter Separate Heat		
RS	DSIM Charge	3,595,422,465.34	17,677,128.34	RS	Energy Charge - Off Peak Summer	4,680,331.75	507,019.80
RS	RESRAM Chg	3,595,422,465.34	3,205,046.23	RS	Energy Charge - Off Peak Winter	7,288,078.88	759,563.53
RS	Parallel Generation Credit	2,788.44	(66.92)	RS	Energy Charge - On Peak Summer	1,029,038.09	334,417.13
RS	Bill Total	3,595,422,465	400,392,490.48	RS	Energy Charge - On Peak Winter	1,377,245.98	366,003.29
				RS	Net Metering Credit Summer	654,221.22	(15,308.10)
				RS	Net Metering Credit Winter	998,252.71	(22,496.10)
				RS	Energy Charge - Super Off Peak Summer	1,453,785.04	78,736.15
				RS	Energy Charge - Super Off Peak Winter	2,442,974.76	109,811.51
				RS	FAC/ECA Charge	2,618,123,253.95	714,551.47
				RS	DSIM Charge	2,618,123,253.95	16,174,374.79
				RS	Parallel Generation Credit	3,687.62	(84.33)
				RS	Bill Total	2,618,123,254	350,280,685.30

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Q. Why did the Company use different actual billing determinants for the test year?

6

A. The actual billing determinants that the Company used included the movement of rate codes that have different rates. Every witness, Ms. Miller proposes elimination of some grandfathered/frozen rate codes and other rate codes.⁷ Ms. Miller's workpapers⁸ show them as migration adds and migration subtracts.

10

Q. What revenue impact did the proposal Ms. Miller made have on test year

11

starting revenues?

⁷ EMW, Ms. Miller direct testimony, page 4 and EMM, Ms. Miller direct testimony, page 5.

⁸ Workpaper, CONFIDENTIAL_BEST FIT DETS_Billed Revenue – MO West YE 20210630 and BEST FIT DETS_Billed Revenue TYE 20210630 – MO Metro.

Rebuttal Testimony of
Kim Cox

1 A. The overall residential revenue impact is a reduction for EMW of \$663,537
2 and \$224,993 for EMM. The impact not only affected the residential class, it also impacted the
3 small general class, the medium general class (EMM only) and the large general class⁹.

4 Q. Did Staff make the same adjustment to starting actual billing determinants
5 and revenue?

6 A. No. Staff's starting kWh and revenue is what the Company billed during the
7 test year. For purposes of starting revenue and billing determinants, Staff did not eliminate any
8 rate codes, as Ms. Miller did, because those rate codes and the tariffed rates were effective
9 during the test period. After normalizing and annualizing revenues and billing determinants,
10 Staff did apply adjustments to the determinants to calculate the revenue impact of case
11 consolidations. This is addressed in the Class Cost of Service Direct Testimony of Sarah Lange.

12 Q. How does changing the starting billing determinants and revenues impact the
13 remaining revenue and billing determinant annualization and normalization process?

14 A. It impacts the use per customer ("UPC") by rate code by month that is then used
15 to determine the normal use per customer ("NUPC"). For example, Ms. Miller eliminated the
16 MORO rate code¹⁰ and added the billing determinants to the MORG rate code to develop test
17 year "modified actuals." The MORG rate code UPC for the total 12 months ending June 2021,
18 before the migration was 892 and after the migration the UPC was 879. The MORO rate code
19 UPC was 314. Ms. Miller used her calculated UPC and NUPC in each of her adjustments.¹¹

20 Q. What role do the UPC and NUPC have in normalization and annualization?

⁹ The aggregate revenue impact is -\$649,274 for EMW and \$34,493 for EMM.

¹⁰ MORO rate code is available to residential customers who do not qualify under any other residential rates. They generally will be those with well pumps, barns, machine sheds, detached garages and home workshops. The meter is not connected to a single or multiple occupancy dwelling unit.

¹¹ Ms. Miller adjustments to each rate code is COVID, weather normalization, 365 days, rate switcher, energy efficiency, and customer growth.

1 A. The UPC is multiplied by the normalization and annualization factors to
2 determine the NUPC. The relationship between UPC and NUPC is used to adjust the total
3 actual blocked billing determinants to equal the normalized and annualized monthly kWh.
4 The relationship between percentage of usage priced in the first block and the second block rate
5 block is used to distribute normalized and annualized monthly kWh to the rate blocks.

6 Q. Did the Company develop its normalization and annualization factors using the
7 “modified actuals?”

8 A. It appears that the actual billing determinants for each class were used to produce
9 the factors that Ms. Miller applied to each modified rate code. In some instances, the migrations
10 moved customers from one class to a different class. Therefore, the normalization and
11 annualization factor produced on the class level was applied to a rate code in a different class.¹²

12 Q. Why is it important that the normalized and annualized usage in each block in
13 each class is accurate?

14 A. The customer could be billed a different rate depending on where its usage falls.
15 Below is an example, the MORG rate code is billed the following energy charge rates.

16 **ENERGY CHARGE:**

	<u>Summer Season</u>	<u>Winter Season</u>
17 First 600 kWh:	\$0.10938 per kWh	\$0.09888 per kWh
18 Next 400 kWh:	\$0.10938 per kWh	\$0.07800 per kWh
19 Over 1000 kWh:	\$0.11927 per kWh	\$0.07800 per kWh

21

¹² Staff is not able to determine the impact this would have on revenues and normalized and annualized billing determinants.

Rebuttal Testimony of
Kim Cox

1 Q. If the MORO customers are not moved to the MORG rate code, can Ms. Miller's
2 adjustment be readily reversed?

3 A. No. As will be addressed in the Rebuttal testimony of Sarah Lange, it is not
4 clear that all MORO customers are eligible for service on the MORG rate code under Evergy's
5 proposed availability language. However, because the Evergy UPC and NUPC relied upon the
6 inclusion of those customers in the normalization and annualization process, the normalized
7 and annualized MORG revenues and determinants will be erroneous.

8 Q. As used in Evergy's workpapers and testimony, what is the difference between
9 a migration and a rate switcher adjustment?

10 A. Based off of Ms. Miller's workpapers,¹³ a migration is the movement of a rate
11 code to another rate code due to a proposal of an elimination of that rate code and restating the
12 billing determinants and revenues as the test year.

13 Ms. Miller's testimony,¹⁴ refers to the migrated customers as "switchers;" however, in
14 Mr. Bass' testimony he describes rate switchers as "Each year a small percentage of customers
15 are switched from their current tariff to another that is expected to reduce their electric bills."
16 He goes on to say that for EMW, "there was one LP customer and for EMM, there were
17 no LP customer who switched rates during the test year."

18 Staff has typically described the rate switcher adjustment as an adjustment made to
19 account for any customer that switched rate codes or classes during the test year and or
20 update period.

¹³ CONFIDENTIAL-BEST FIT DETS_Billed Revenue – MO West and BEST FIT DETS_Billed Revenue TYE
20210630 – MO Metro.

¹⁴ ER-2022-0130, page 13 and ER-2022-0129, page 22.

1 Q. Does the order of operations employed by Staff result in more accurate
2 determinants overall than the order of operations employed by Ms. Miller's?

3 A. Yes. The processes employed by Staff and Ms. Miller differ in whether
4 complex adjustments are made on actual data, or modified data. A simple outline is
5 provided below:

Company Approach	Staff Approach
Modified actual determinants	Used actual determinants
Calculated normalizations and annualizations by reconfigured rate codes	Calculated normalizations and annualizations by actual rate codes
Applied normalizations and annualizations to reconfigured rate codes	Applied normalizations and annualizations to actual rate codes
Ending Revenues and Determinants sponsored by Marisol Miller	Revenues and Determinants Sponsored by Kim Cox
	Residential Classes consolidated and Revenue Impact calculated by Sarah Lange

6
7 For purposes of test year billing determinants and revenue, Staff recommends that it is
8 more reasonable to rely on test year actuals. Staff did not eliminate rate codes from the test
9 year, and Staff's test year billing determinants and revenues are what the Company billed their
10 customers during the 12 months ending June 2021. Relying on the actual data for the
11 normalization and annualization process maintains the accuracy of those processes. In addition,
12 under Staff's approach, the revenue impact of whatever consolidations the Commission orders
13 will be incorporated in the rate design process. Under the Every approach, if the Commission
14 ultimately does not order consolidation of the MORO rate code into the MORG rate code – or
15 if the Commission determines that all MORO customers are not eligible for MORG service –
16 the Company approach lacks the flexibility to accommodate that outcome. Staff witness

1 Sarah Lange discusses the revenue impact of Staff's recommended elimination of rate codes in
2 her direct testimony. Staff recommends that the Commission rely on Staff's test year starting
3 billing determinants and revenue.

4 **GROWTH ADJUSTMENT**

5 Q. Did Staff make a growth adjustment?

6 A. Yes. As stated in my direct testimony,¹⁵ Staff made a customer growth
7 adjustment to EMM and EMW to reflect the impact in change of customer levels on the update
8 period kWh sales, kW demand, and rate revenue as if the customers taking service at the end
9 of November 2021 had existed throughout the twelve months ending December 31,2021.
10 Staff used the number of customer charges per month for the customer growth
11 adjustment calculation.

12 Q. Did Evergy make the same adjustment?

13 A. No. Mr. Bass used the number of customer bills and not the number of customer
14 charges per month to calculate a two month average for each month of the test year. He then
15 performed a trend analysis (with the new monthly average number of bills) to get a projected
16 number of bills as of May 2022. The growth factor that was applied was the new monthly
17 average divided by the projected number of bills as of May 2022. Mr. Bass does state that he
18 will use the actual number of customers when the numbers become available.

19 Q. Does Staff agree with using the number of customer bills for the customer
20 growth adjustment?

21 A. No. In order to determine revenues that account for the customer charge, the
22 customer charge counts should be used to calculate the customer growth adjustment.

¹⁵ Direct Testimony of Kim Cox, page 6, lines 10-23 and page 7, lines 1-6.

Rebuttal Testimony of
Kim Cox

1 Below are the residential bill count and the residential customer charge count for EMW test
2 year. There is a significant difference each month.

	Jul - 2020	Aug - 2020	Sep - 2020	Oct - 2020	Nov - 2020	Dec - 2020	Jan - 2021	Feb - 2021	Mar - 2021	Apr - 2021	May - 2021	Jun - 2021
Customer/Bill Count	284,349	283,916	284,589	285,198	285,698	286,882	287,735	288,002	287,691	288,333	286,810	285,920
Customer Charge	286,752	286,005	286,913	287,116	287,651	289,020	289,333	289,745	289,316	290,866	288,951	285,520
	(2,403)	(2,089)	(2,324)	(1,918)	(1,953)	(2,138)	(1,598)	(1,743)	(1,625)	(2,533)	(2,141)	400

3
4 Q. Does Staff agree that the growth adjustment should be updated in true up direct?
5 A. Staff noted in its direct filing that we will analyze customer charge counts
6 through the true up period and adjust accordingly in true up direct. If Evergy does not update
7 its growth adjustment by customer charge counts, Staff recommends the Commission rely on
8 Staff's growth adjustment.

9 **NET METERING AND PARALLEL GENERATION CUSTOMERS**

10 Q. What is net metering and parallel generation?
11 A. EMW's tariff¹⁶ states, "net metering means using metering equipment sufficient
12 to measure the difference between the electrical energy supplied to a Customer-Generator by
13 the Company and the electrical energy supplied by the Customer-Generator to the Company
14 over the applicable billing period." EMM's tariff¹⁷ provides the same definition. EMM and
15 EMW do not have a parallel generation definition in the tariff however; both have an
16 applicability that states:

17 Applicable to a "Qualifying Facility" who contracts for service supplied at one point of
18 delivery where part or all of the electrical requirements of the Customer are provided by the

¹⁶ P.S.C. MO. No. 1, 8th Revised Sheet No. 110, Definitions, F.

¹⁷ P.S.C. MO. No. 7, Revised Sheet No. 34, Definitions, F.

1 Customer on the premises, and where the Customers source of electricity is connected for
2 parallel operation of the Customer's system with the system of the Company.

3 Q. Are the net metering and parallel generation customers in a rate code
4 by themselves?

5 A. It varies by entity. EMM has the customers combined and EMW has them
6 separated. As noted in my direct testimony on page 7, Staff is recommending that the
7 Commission order EMM to separate the customers billed a net metering and or parallel
8 generation credit.

9 Q. Can you please provide an example of an EMW net metering rate code usage
10 and revenues?

11 A. Yes. The rate code MORN for the test year had a 1,563,191 kWh net metering
12 credit that computed to -\$35,795. The MORN rate code total kWh during the test year
13 was 6,429,950, which takes into account the net metering kWh credit.

14 Q. Please explain how the customer is billed.

15 A. If the electricity supplied by the Company is greater than the electricity
16 generated by the customer, the customer is billed for the net usage. If the customer generates
17 more electricity than supplied by the Company, the customer will be credited based on the
18 excess generation at the applicable rate schedule.

19 Q. Did Ms. Miller apply Mr. Bass' computed weather normalization factor to the
20 net kWh for the net metering and parallel generation customers?

21 A. Yes.

22 Q. Does Staff agree with adjusting the net kWh for weather?

Rebuttal Testimony of
Kim Cox

1 A. No. The amount of kWh the customer uses in any given month is adjusted for
2 net metering and therefore is not true representation of the amount of kWh used in that month.

3 Q. Did Staff apply a weather normalization factor to the net kWh?

4 A. For EMW, Staff did not apply the weather normalization factor to the rate codes
5 that have net metering and or parallel generation. Staff did apply the weather normalization
6 factor¹⁸ to EMM because the rate codes do not differentiate net metering and parallel generation
7 customers. Therefore, Staff recommends the Commission use Staff's weather normalization
8 adjustment for EMM and EMW and order EMM to separate the customers billed net metering
9 and parallel generation.

10 **CONCLUSION**

11

12 Q. What is Staff's conclusion on these issues?

13 A. Staff recommends that the Commission rely on Staff's test year starting billing
14 determinants and revenue that account for how customers were billed during the 12 months,
15 accept Staff's growth adjustment utilizing customer charge counts, and updated in true up
16 direct, and accept Staff's weather normalization adjustment that only applies to customers
17 without net metering and or parallel generation for EMW and order EMM to separate net
18 metering and or parallel generation customers.

19 Q. Does this conclude your rebuttal testimony?

20 A. Yes.

¹⁸ Staff witness, Michael Stahlman provided the weather normalization factor and the 365 days, which was combined with the MEEIA adjustment that was provided by Staff witness, J Luebbert.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

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

AFFIDAVIT OF KIM COX

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KIM COX and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Kim Cox*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

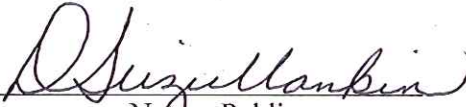


KIM COX

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 8th day of July, 2022.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070



Notary Public