

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Rate Design Case of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri West) **File No. EO-2020-0422**

STAFF RESPONSE TO RATE DESIGN COMPLIANCE FILING

COMES NOW the Staff of the Missouri Public Service Commission, through counsel, and states:

1. Everygy Missouri West (“Everygy”)¹ reconfigured its rate schedules in 2016. As a result, the rate schedules changed for many non-residential customers, including customers who were sample customers in Everygy’s load research process. For example, a customer who was a sample customer for the Medium General Service (“MGS”) rate class became a customer in the Small General Service (“SGS”) or Large General Service (“LGS”) rate classes and is billed under a different rate structure. This change accelerated the need to resample load research customers.

2. On September 20, 2016 Evergy, Staff, the Missouri Department of Economic Development – Division of Energy, Midwest Energy Consumers Group, and Missouri Industrial Energy Consumers filed a non-unanimous stipulation (“2016 Stipulation”) in its second more recently filed rate case, case number ER-2016-0156. This stipulation contains the following provision:

GMO will file a CCOS in a rate case or rate design case that includes at least 12 months of resampled consolidated billing data in GMO's test year. Class hourly load data for GMO's test year and Staff's update period shall be provided no later than three months and one week after the end of each period. Weather normalized class hourly load data for each period shall be provided no later than six months after the end of each period. If GMO does not file a rate case including at least 12 months of resampled consolidated

¹ Effective October 7, 2019, Evergy Missouri West adopted the service territory and tariffs of Kansas City Power & Light Greater Missouri Operations Company (“GMO”).

rate billing data by June 30, 2019, it shall file a rate design case by June 30, 2019 that includes 12 months consolidated rate billing data using the April 30, 2018 resample of load research as the basis of GMO's direct filing. For any rate case or rate design case filed prior to June 30, 2019, GMO commits to provide hourly load data for GMO's test year and Staff's update period no later than three months and one week after the end of each period and weather normalized class hourly load data for each period no later than six months after the end of each period. For any rate case or rate design case filed prior to June 30, 2019, the data used in GMO's analysis will utilize a prior sample design.²

3. On September 28, 2016 the Commission issued an *Order Approving Stipulations and Agreements, Rejecting Tariffs, Cancelling True-Up Hearing, and Ordering Filing of Compliance Tariffs*, approving the 2016 Stipulation.

4. In its most recently filed rate case, case number ER-2018-0146, Evergy did not include at least 12 months of resampled consolidated rate billing data. On September 25, 2018 the parties filed a *Non-Unanimous Partial Stipulation and Agreement Concerning Rate Design Issues* (2018 Stipulation) which includes the following provision:

By June 30, 2020, KCP&L will file a rate design case limited to TOU issues. For GMO, signatories further agree in the September 20, 2016 Non-Unanimous Stipulation and Agreement in ER-2016-0156 will be expanded to include TOU, with the TOU rate design case to commence by June 30, 2020.³

5. On October 31, 2018, the Commission issued an *Order Approving Stipulations and Agreements*, approving the 2018 Stipulation.

² *Non-Unanimous Stipulation and Agreement*, Case No. ER-2016-0156, P. 10 (Sep 20, 2016) (emphasis added).

³ *Non-Unanimous Partial Stipulation and Agreement Concerning Rate Design Issues*, Case Nos. ER-2018-0145, ER-2018-0146, P. 7 (Sep 28, 2018).

6. On May 9, 2019 Evergy requested an extension of time until June 30, 2020 in its 2016 rate case to file the stipulated rate design case, citing “issues that impact the load research data sample to be used in the rate design case.”⁴

7. The Commission granted Evergy’s motion for an extension of time in the 2016 rate case on May 22, 2019, extending the deadline for the rate design case to June 30, 2020.⁵

8. On June 15, 2020, in the 2018 rate case, Evergy requested additional time to June 15, 2021 to file its rate design case in order to have 12 months of time of use data.⁶ Staff supported this request, recognizing the necessity of accurate time of use data to provide meaningful results, and the inability of Evergy to access hourly load data derived from summing the loads of its customers on advanced metering infrastructure (AMI) devices.⁷

9. The Commission granted Evergy’s motion in the 2018 rate case, extending the deadline for the rate design case to June 15, 2021.⁸

10. On June 22, 2020 Evergy filed its *Evergy Missouri West Rate Design Case Compliance Filing* (“Rate Design Compliance Filing”) in the instant docket. However, this filing is deficient and inconsistent with the 2016 Stipulation and 2018 Stipulation in numerous ways. Notably, it does not include a class cost of service study or the input data for a class cost of service study. Additionally, it is uncertain if the analysis that was performed reflects “12 months of resampled consolidated billing data,” because Evergy

⁴ *Motion for Extension of Time*, ER-2016-0156, ¶ 3 (May 9, 2019).

⁵ *Order Granting Extension to File Rate Design Case*, ER-2016-0156 (May 22, 2019).

⁶ *Motion for Extension of Time*, Case Nos. ER-2018-0145, ER-2018-0146, (Jun 15, 2020).

⁷ Staff Response to Evergy’s *Motion for Extension*, Case Nos. ER-2018-0145, ER-2018-0146, (Jun 25, 2020).

⁸ *Order Granting Motion for Extension of Time*, Case Nos. ER-2018-0145, ER-2018-0146, (Jun 29, 2020).

relies on a 2018 calendar year. It also lacks tariff sheets and witness testimony. Furthermore, Evergy did not include all workpapers so Staff is unable to verify Evergy's weather normalization and energy efficiency adjustments.

11. It is Staff's understanding that Evergy has not prepared 12 months of consolidated rate billing data using the resampled loads. It is also Staff's understanding that Evergy has not prepared hourly and peak load information, which would typically be derived from the consolidated rate billing data for use in a class cost of service study. This information is the necessary starting point of a rate design case to explore whether the consolidation of the schedules of the former Missouri Public Service ("MPS") and former St. Joseph Light and Power ("L&P") rate jurisdictions properly align revenue recovery with cost causation.

12. Instead, Evergy's June 30, 2020 Rate Design Compliance Filing appears to rely entirely on data that was known or knowable during the pendency of case number ER-2018-0146, and it does not appear to include new data.

13. Evergy's filing refers to adjustments for weather normalization and energy efficiency.⁹ However, Staff is unable verify the weather normalization method Evergy used, check data sources, and replicate Evergy's results, because Evergy did not provide all workpapers referenced in Evergy's workpapers.¹⁰

⁹ *Evergy Missouri West Rate Design Report*, attached to *Evergy Missouri West Rate Design Case Compliance Filing*, § 2.1 (Jun 30, 2020).

¹⁰ The referenced, but not provided, workpapers include:

Data Source: WeatherNormalization_GMOConsolidated_RD_20\Results\BillMoAdj.xls

Data Source: WeatherNormalization_GMOConsolidated_RD_20\Results\CalendarMoAdj.xls

DataSource:

WeatherNormalization_GMOConsolidated_RD_20\Data\Customers\Customers_2MonthAverage.xls

Data Source: WeatherNormalization_GMOConsolidated_RD_20\Data\DSM\kWh-kW Savings MO West MEEIA TY 2018.xlsx

14. Evergy refers to the contents of this filing being the result of “stakeholder collaboration” in the 2016 rate case.¹¹ Staff was present at these stakeholder meetings, during which resampled data was discussed; Staff does not believe that the contents of this filing were discussed during stakeholder collaboration meetings.

15. Staff opines that at this juncture, Evergy still lacks data to prepare the class cost of service study which could not be conducted in its last two rate cases. Because Evergy must file a general rate case in 2021 pursuant to the fuel adjustment clause statute, Staff suggests that it would be a more efficient use of resources for Evergy to file its rate design case as part of its next general rate case, rather than refiling this matter.

WHEREFORE, Staff recommends that the Commission dismiss this docket, because Evergy did not file a rate design case consistent with the 2016 Stipulation or the 2018 Stipulation. If at the time of its next general rate case Evergy does not rely upon 12 months of resampled load research, Staff will recommend an appropriate remedy under the agreements of the 2016 Stipulation and 2018 Stipulation. In the alternative, Staff would accept hourly load information derived from near-one hundred percent sampling of AMI-metered customers as a reasonable replacement for resampled load research in the next Evergy general rate case.

¹¹ *Evergy Missouri West Rate Design Report*, attached to *Evergy Missouri West Rate Design Case Compliance Filing*, § 1.1.1 (June 30, 2020) (“Given the comprehensive rate consolidation resulting from extensive stakeholder collaboration that was ultimately implemented in the 2016 case, the above agreement focused on billing data ... as well as load research data resampling as a means of verifying the reasonableness of the rate consolidation.”) See also at § 1.3 (“Since the Company chose to rely on the measure of success identified in the stakeholder collaboration process in the 2016 rate case...”) and § 3 (“Evergy’s rate design case focuses on analysis and the measures deemed important by all stakeholders in the 2016 rate case.” and “Using the measures of success determined by GMO and stakeholders during the 2016 case...”)

Respectfully submitted,

/s/ Karen E. Bretz

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via e-mail on counsel for the parties of record to this case on this 10th day of July, 2020.

/s/ Karen Bretz