

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

In the Matter of the Rate Design Case of)
Evergy Metro, Inc. d/b/a Evergy Missouri) **File No. EO-2021-0349**
Metro)

In the Matter of the Rate Design Case of)
Evergy Missouri West, Inc. d/b/a Evergy) **File No. EO-2021-0350**
Missouri West)

STAFF RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission and for its *Staff Response* respectfully states as follows:

1. In 2016, Evergy Missouri West¹ reconfigured its rate schedules. The rate schedules under which many non-residential customers received service changed, including customers who were used as sample customers in Evergy’s load research process.² For example, a customer who had been a sample customer for the MGS rate class would have been switched to now be a customer in the SGS or the LGS rate class

¹ Effective October 7, 2019, Evergy Metro, Inc. d/b/a Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company (“KCP&L”) and Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”). Staff will use the current Evergy titles in the remainder of this document.

² Load research uses a sample of customers within each studied rate class to estimate the usage for that rate class, in conjunction with known or estimated total company usage, and known or estimated usage for other rate classes, all adjusted for system losses. From time to time it is necessary to change which customers are used in the sample to ensure that they are representative. This analysis is based on the actual usage of a subset of the approximately 580 sample customers across both Evergy West and Evergy Metro jurisdictions for metered non-census rate classes. Load research for weather normalization requires 18 to 24 months of data usage data, meaning, meters for each sample customer need to be collecting data for 2 years in order to use that data to estimate class-level loads to perform weather normalization, do a class cost of service study, or design rates. Time to conduct the analysis is also necessary. So, for a class-level analysis to be produced today, the sample customers would have needed to be identified and metered approximately 26-27 months ago. However, AMI meters, if properly integrated with a billing and customer information system, should be able to largely displace the more intensive current load research methods described above.

and be billed under a very different rate structure. This change accelerated the normal need for resampling of load research customers.

2. On September 20, 2016, Evergy Missouri West, Staff, 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 Case No. ER-2016-0156. This stipulation contained a provision stating,

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 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.[emphasis added]

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*.

4. Evergy’s most recent rate case, File No. ER-2018-0146, did not include at least 12 months of resampled consolidated rate billing data. On September 25, 2018, parties to ER-2018-0146 filed a *Non-Unanimous Partial Stipulation and Agreement Concerning Rate Design Issues* which included the stipulation that:

By June 30, 2020, KCP&L will file a rate design case limited to TOU issues. For GMO, signatories further agree 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.

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

6. On May 9, 2019, Evergy Missouri West filed a motion requesting an extension of time, until June 30, 2020, to file the stipulated rate design case. In support, EMW stated an extension was needed “[d]ue to issues that impact the load research sample to be used in the rate design case.”

7. On May 22, 2019, the Commission issued its *Order Granting Extension to File Rate Design Case*.³

8. On June 30, 2020 in File No. EO-2020-0422, Evergy submitted a “Rate Design Case Compliance Filing,” which did not include any testimony or tariff sheet revisions, nor a Class Cost of Service Study, nor the input data for performance of a Class Cost of Service Study. It, therefore, did not reflect 12 months’ consolidated rate

³ On June 15, 2020, Evergy Missouri Metro and Evergy Missouri West, (collectively, Evergy Missouri) filed a *Motion for Extension of Time*. In support, Evergy Missouri stated,

The Company seeks additional time to file a rate design case so that the case is supported by 12 months of Time of Use (“TOU”) information inclusive of the summer season. Staff for the Commission (“Staff”) has requested, and the Company agrees, that it will include the TOU data in its rate design case and share that information with stakeholders. That data will include hourly Advanced Metering Infrastructure (“AMI”) information for the TOU participants and their control group, as well as, any other data used in the evaluation of the rate and used in the Evaluation Measurement & Verification (“EM&V”).

Staff supported this request, as Staff recognizes the necessity of accurate usage data to provide any meaningful results from a rate design case. Inaccurate usage data renders inaccurate results from a rate design case, for residential TOU rates as well as for business and commercial classes.

billing data using the April 30, 2018 resample of load research as the basis of the direct filing.

9. On July 10, 2020 in File No. EO-2020-0422, Staff filed its Response to Rate Design Compliance Filing noting that the stipulated requirements had not been met, and recommending “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”.

10. The June 15, 2021 filings in File Nos. EO-2021-0350 and EO-2021-0349 do not include a CCoS study that includes at least 12 months of resampled consolidated billing data, in fact, Evergy has not filed any CCoS study. Evergy has not provided class hourly loads that reflect at least 12 months of resampled consolidated billing data. In its June 15, 2021 filing, Evergy states “The Company hopes that this docket will enable discussion and provide further understanding of stakeholder positions on the latest TOU proposals, as well as, result in Commission guidance concerning how TOU rates could be proposed in the Company’s 2022 rate case filings. At page 6 of Exhibit A to its filing, Evergy notes that “[m]oving forward, the Company anticipates a general rate case filing in early 2022.”

11. Evergy has not filed a rate design case consistent with the 2016 Stipulation or the 2018 Stipulation and the issues raised in Evergy's filings are not ripe at this time. However, a proper forum for their examination and decision is eminent. 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.⁴

WHEREFORE Staff submits its *Staff Response*, consistent with the Order issued on August 18, 2021, for the Commission's information and consideration.

Respectfully submitted,

/s/ Jamie S. Myers

Jamie S. Myers
Deputy Counsel
Mo. Bar No. 68291
Attorney for the Staff of the
Missouri Public Service Commission
200 Madison St, Ste. 800
P.O. Box 360
Jefferson City, MO 65102
Phone: 573-526-6036
Fax: 573-751-9285
E-mail: jamie.myers@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record on this 7th day of September, 2021.

/s/ Jamie S. Myers

⁴ 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.

