

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

In the Matter of a Collaborative Workshop for )  
Customer Education and Outreach Regarding )  
the Introduction of Default Time-of-Use Rates ) File No. EW-2023-0199  
by Evergy Metro, Inc. d/b/a Evergy Missouri )  
Metro and Evergy Missouri West, Inc. d/b/a )  
Evergy Missouri West )

**EVERGY’S REPLY TO COMMENTS OF THE OFFICE OF THE PUBLIC  
COUNSEL, AND RESPONSE TO OTHER PRIOR FILINGS**

COMES NOW, Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or the “Company”) submits its *Reply to Comments of the Office of the Public Counsel and Response To Other Prior Filings* filed on July 14, 2023 (“Reply”) to the Missouri Public Service Commission (the “Commission”), and states as follows:

1. On July 14, 2023, the Office of the Public Counsel (“OPC”) filed its Comments and Response to Other Prior Filings. (“OPC Comments”). This pleading will briefly reply to the OPC’s Comments.

**Feedback on Evergy’s Initial Phase 1 Message**

2. As OPC points out, Evergy did share early proposed messaging for Phase 1 of the education campaign during our workshops together. Evergy took the feedback and suggestions from parties during that workshop and the Company removed “how to prepare” from our Phase 1 messaging, at OPCs request. We agree that as part of this 16-month campaign, it will be important to share the rationale behind the price change and additional details on how TOU rates work. Evergy has developed a 5-phase campaign, where the messaging and tactics adjust as a customer moves from early awareness to action. Phase 1 was focused on gaining attention and awareness

that the new rate structures were coming, and early data from Phase 1 shows that approach worked. In less than one month, Evergy was able to increase awareness of the new rate plans by 24 points.

3. The example of the Phase 1 billboard shared by OPC is also a good example of a mass awareness tactic. Mass awareness tactics, like Billboards, are used for high-level awareness and to capture attention and encourage customers to seek information and learn more. Mass awareness tactics are not appropriate for detailed educational messages due to space limitations and how the media is used by consumers. We believe our Phase 1 messages were successful in capturing attention and preparing customers for Phase 2 messaging. Phase 2 messaging will use one-to-one tactics best used for educating customers because these tactics are designed for longer attention, allowing for more details about the switch to TOU rates. Based on the success of Phase 1, we believe customers are now prepared and eager to learn more and pay attention to the more detailed, educational materials coming in Phases 2 and 3.

### **Demand Chart and Video Suggestions**

4. We appreciate OPC providing examples from other utilities, as learning from our peers is invaluable. Although the graphics shared by Tucson Electric and Evoenergy focus on Demand rates, which differ from Evergy's time-based rates, we currently do leverage similar graphics for Evergy's demand rate in our Kansas territories. Additionally, we have developed TOU-focused graphics, for our time-based rate plans, and they are currently featured on our rate plan landing pages and will be used in additional marketing materials in later phases of the campaign.

5. We agree with OPC's assessment that videos can be a powerful educational tool in explaining TOU rates (MEMORANDUM, p. 6). Evergy previously produced a TOU video during our TOU pilot program and is actively developing new TOU educational videos for this campaign.

While the new videos were not ready for Phase 1 due to the time-consuming animation and video creation process, they will be effectively deployed in Phases 2 to 5.

### **Community Outreach**

6. Evergy has provided our customer service training materials to Staff and OPC in previous data request responses. As with all materials provided in this workshop, the Company welcomes feedback and suggestions to further enhance our outreach efforts. Evergy takes pride in its seasoned team of outreach professionals, each boasting extensive event experience, especially with income-eligible groups. We are confident that their expertise will play a pivotal role in effectively informing and educating customers about this meaningful change.

### **Accurate and Informational Education**

7. Evergy believes we have found the right balance between ensuring customers are aware of and prepared to be successful on the new time-based rate plans, and being able to provide an answer to why mandatory time-based rate plans are happening across Missouri. Evergy also agrees that “education regarding the TOU rates offered by Evergy customers should be accurate and informational, without being alarmist.” (Memorandum, p. 3) However, Evergy disagrees that informing customers that “Missouri is moving to time-based electric plans this fall” is alarmist, but instead correctly informs customers that they should be aware of a significant change in the way that their electricity will be priced and billed beginning this fall.

8. We believe our statements on the issue match those of the Missouri Public Service Commission, as stated in the FAQ document posted on the Commission’s website, which reads “Evergy was ordered to transition all residential customers to time-based rate plans...”. The Company is using very similar language. Unfortunately, TOU rates will not benefit every individual residential customer unless behavioral changes are implemented--especially for those

customers that typically are high on-peak users of electricity. Those customers also need to be informed and aware of the pending changes in the electric rate structure.

### **Positioning of the Mandatory TOU Rate Transition**

9. At the outset, Evergy believes that several of the suggestions contained in the MEMORANDUM attached to the OPC's Comments are helpful and appear to be intended to be constructive suggestions for possible use in the roll-out of Evergy's Time-of-Use ("TOU") rate program. In particular, OPC's discussion of the Brattle Group concerning Evergy's new TOU rates is instructive and demonstrates the potential impact of TOU rates upon different groups of customers. However, there are a few comments in the OPC Memorandum that Evergy must respectfully take issue with to more accurately reflect the record related to these issues.

10. First, OPC is disingenuous when it suggests that the mandatory TOU rates ordered by the Commission were proposed by Evergy: "Moreover, the company itself proposed the adoption of TOU rates as part of this last general rate case. While the Commission may have issued the order approving the Company's rates, (like they have in every rate case preceding this one), it is ultimately Evergy's management that chose to make the investments in AMI technology that both facilitates and obliges the transition to TOU rates." (MEMORANDUM, pp. 5-6) To set the record straight, Evergy never proposed mandatory, high differential TOU rates in the Company's last rate case. Evergy was a strong advocate for giving its customers the choice to opt-in to TOU rates, and not have mandatory TOU rates mandated for Evergy's residential customers.

11. In Evergy's last general rate case, no party proposed that the Commission adopt the Company's opt-in two period TOU rate as a mandatory or default rate. Quite to the contrary, all parties who expressed a position in the hearings on residential rate design, including the

Company<sup>1</sup>, Staff<sup>2</sup>, and OPC<sup>3</sup> opposed the adoption of the Company’s opt-in two-period TOU rate proposal as a mandatory, default rate for residential or customers.

12. All Company witnesses that testified on rate design issues testified in favor of opt-in TOU rates—not mandatory TOU rates.<sup>4</sup> The Company witnesses also opposed the mandatory, low differential TOU rates proposed by Staff and OPC.<sup>5</sup>

13. Contrary to the implication of OPC’s statements in its MEMORANDUM, it is accurate to state, as Evergy has done, “that the Missouri Public Service Commission ordered Missouri utilities, including Evergy, to transition to mandatory time-based rate plans. The goal of time-based rates is to match the costs you pay with the actual cost to produce energy.” (MEMORANDUM, p. 6)

14. OPC also argues that the “Company has arguably had nine years to prepare their customers for the value proposition of TOU rates. . .” (MEMORANDUM, p. 6) While it is true that Evergy has been investing in AMI meters for several years, it was never the intention of the Company to force TOU rates upon its customers. Customer choice has always been Evergy’s goal. As Evergy explained in its last rate case, AMI meters have many customer benefits in addition to the possibility of customers choosing to utilize TOU rate options.<sup>6</sup>

15. OPC also recommends:

Finally, the OPC recommends that space heating customer outreach be a critical focus moving forward. Electric space heating customers were identified as a cohort that is likely to struggle the most with TOU rates in large part due to the fact that their previous promotional rate was

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<sup>1</sup> See File Nos. ER-2022—0129 and ER-2022-0130, Tr. 725 (Caisley); Evergy Reply Brief at 37.

<sup>2</sup> Id. at Tr. 755-56. (Sarah Lange)

<sup>3</sup> OPC opposed the adoption of a higher differential TOU rate on a mandatory basis because “Evergy customers are not prepared to experience large differentials.” (OPC Brief at 76).

<sup>4</sup> See File Nos. ER-2022-0129 and ER-2022-0130, Ex. 19C, Caisley Direct, pp. 4, 26; Ex. 83, Winslow Rebuttal, pp. 8-9; Ex. 22C, Caisley Surrebuttal, pp. 5-9.

<sup>5</sup> See File Nos. ER-2022-0129 and ER-2022-0130Ex. 83, Winslow Rebuttal, pp. 3-10; Ex. 22C, Caisley Surrebuttal, pp. 19-22.

<sup>6</sup> Evergy Reply Brief, pp. 22-27, File No. ER-2022-0129 and ER-2022-0130.

particularly favorable for high usage customers. Finding ways to help these customers in particular should therefore be given extra urgency.

### **Education on Space Heating Customers**

16. As shared during both workshops, Evergy also agrees with OPC that education and support of space heating customers is a particularly important aspect of the education campaign. Evergy recognizes that the Commission's approved mandatory TOU rates impacts residential space heating customers to a greater degree. These customers have winter space heating loads that are less flexible compared to summer space cooling loads and these all-electric customers can shift less energy out of their on-peak period when pricing is the highest. Typically, behavioral changes are not enough to offset the higher priced TOU rates and these customers will see a bill increase during the winter months. We are actively developing additional materials and touchpoints specifically tailored to support these customers, including customized informational pods on general materials that directly address spacing heating when customization is possible. It is important to point out that our campaign will not conclude in October, and we remain committed to providing materials and support for these customers throughout the next year as part of our comprehensive communication and outreach. While early preparation is important, we believe it will be even more important to provide customers with suggestions and support during the winter season when they are on the new rates.

### **Use of Third-Party Consultant and the Support of the Evergy Brand**

17. OPC also questions the level of experience of the consultant Evergy has chosen to assist it in its TOU educational efforts. (MEMORANDUM, p. 8) While we appreciate OPC's viewpoint on our selected educational campaign consultant, we respectfully disagree regarding their experience and capability to address this critical topic. As highlighted by OPC, the vendor has worked with four utilities, including several TOU projects, which demonstrates their expertise

in the field. Given that major TOU rollouts like the one conducted by Evergy remain relatively limited across the country, we consider ourselves fortunate to have a vendor with experience in TOU transitions. Communication agencies are often limited to only working with one business within an industry, due to competition clauses, so the fact that the vendor has worked with four different utilities does set them apart.

18. In addition, Evergy's brand is not the focus of our campaign, but its significance cannot be overlooked in ensuring a successful transition to TOU rates for customers. As we work to educate customers on the 'why', provide them personalized Rate Education Reports and rate comparison pricing, and send supportive educational materials, the credibility of our brand will heavily influence the trustworthiness of these resources. If the Evergy brand is not trusted or respected in the marketplace, the efforts to inform customers will not be as successful. Customers may doubt the value of our messages and support and refuse to engage in the transition process which will negatively impacting customer success on the new rate structure.

### **Campaign Measurement**

19. Finally, OPC recommends that the Evergy develop specific indicators to denote "success" that customers understand Evergy's TOU rates. (MEMORANDUM, p. 9). Evergy agrees that such metrics are important and has proposed the filing of periodic reports with the Commission that include such metrics to gauge the progress of its TOU rate education program. (See Evergy's Reply To Staff's Request For Additional Information, p. 3, filed July 28, 2023). Evergy will start adding our campaign measurement dashboard to our monthly filing of educational examples. The next filing of these materials is expected on August 11, 2023. The measurement dashboard includes performance, benchmarks, and goals for key communication tactics.

20. Evergy acknowledges that metrics such as click-through rate and page views provide valuable insights, but also recognizes that they only offer a partial view of the overall measurement picture. To gain a more comprehensive understanding, Evergy has implemented a multi-faceted approach involving various measurement methods:

- Individual Tactic Measurement: This involves tracking and analyzing the performance of each specific tactic used in the strategy.
- Internal Monthly Survey: Evergy conducts monthly surveys of customers to understand how customers are responding to the campaign and their understanding of the pending changes.
- A 3rd Party Survey: Using a third-party survey to capture feedback and insights at three points in the transition process; before, during and after the campaign.
- Monitoring Rate Comparison Tool Usage: Evergy actively observes how many customers are using Rate Comparison Tools, enabling us to assess customer engagement and interest.
- Pre-selection into a Rate: By monitoring how many customers are opting into a TOU rate before the mandatory change, we can gain insight into the effectiveness of the campaign and what motivates customers to take action rather than defaulting into the new rate.

By combining these diverse measurement methods, Evergy aims to develop a comprehensive understanding of tactic effectiveness, customers' comprehension of TOU rates, and the number of customers taking direct action and converting to the desired outcome.

21. Evergy remains committed to an open and collaborative process with OPC and all stakeholders. We value the feedback and suggestions provided by OPC and will continue to work

diligently to address concerns and improve our campaign. We are confident that with continued cooperation and coordination, our TOU campaign will achieve its objectives, benefiting both our customers and the broader community.

**WHEREFORE**, Evergy respectfully requests that the Commission consider its Reply to the *Comments of the Office of the Public Counsel and Response To Other Prior Filings* and filed on July 14, 2023.

Respectfully submitted,

*/s/ Roger W. Steiner*

Roger W. Steiner, MBN 39586  
Phone: (816) 556-2314  
E-mail: [roger.steiner@evergy.com](mailto:roger.steiner@evergy.com)  
Evergy, Inc.  
1200 Main – 16<sup>th</sup> Floor  
Kansas City, Missouri 64105  
Fax: (816) 556-2110

James M. Fischer, MBN 27543  
Fischer & Dority, P.C.  
2081 Honeysuckle Lane  
Jefferson City, MO 65109  
Phone: (573) 353-8647  
Email: [jfischerpc@aol.com](mailto:jfischerpc@aol.com)

**Attorneys for Evergy Missouri Metro and  
Evergy Missouri West**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and copy of the foregoing was emailed on this 9<sup>th</sup> day of August 2023 to counsel for all parties.

*/s/ Roger W. Steiner*

Roger W. Steiner