

*Exhibit No.:*  
*Issue(s):* *Data retention*  
*Witness:* *J Luebbert*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *EO-2024-0002*  
*Date Testimony Prepared:* *December 15, 2023*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**TARIFF/RATE DESIGN DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**J LUEBBERT**

**EVERGY MISSOURI METRO, INC.,  
d/b/a EVERGY MISSOURI METRO**

**and**

**EVERGY MISSOURI WEST, INC.,  
d/b/a EVERGY MISSOURI WEST**

**CASE NO. EO-2024-0002**

*Jefferson City, Missouri*  
*December 15, 2023*

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**J LUEBBERT**

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **J LUEBBERT**

4 **EVERGY MISSOURI METRO, INC.,**  
5 **d/b/a EVERGY MISSOURI METRO**

6 **and**

7 **EVERGY MISSOURI WEST, INC.,**  
8 **d/b/a EVERGY MISSOURI WEST**

9 **CASE NO. EO-2024-0002**

10  
11 Q. Please state your name and business address.

12 A. My name is J Luebbert. My business address is P. O. Box 360, Suite 700,  
13 Jefferson City, MO 65102.

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

15 A. I am the Tariff/Rate Design Department Manager for the Missouri Public  
16 Service Commission (“Commission”).

17 Q. Please describe your educational background and work experience.

18 A. I graduated from the University of Missouri in Columbia, Missouri, with a  
19 Bachelor of Science in Biological Engineering, in May 2012. My work experience prior to  
20 becoming of member of the Missouri Public Service Commission Staff includes three years of  
21 regulatory work for the Missouri Department of Natural Resources. Prior to holding my current  
22 position, I was employed as Case Manager of the Commission Staff Division and as an  
23 Associate Engineer in the Energy Resources and Engineering Analysis Departments of the  
24 Industry Analysis Division of Commission Staff.

25 Throughout my positions with Staff, I have experience in various aspects of utility  
26 functions including, but not limited to, resource planning, general rate cases, risk-sharing

1 mechanisms, Certificate for Convenience and Necessity (“CCN”) applications, and prudence  
2 reviews of electric investor-owned utilities (“IOU”).

3 Q. Have you previously filed testimony before the Commission?

4 A. Yes, numerous times. Please refer to Schedule JL-r1, attached to this  
5 Rebuttal Testimony, for a list of the cases in which I have assisted and filed testimony with  
6 the Commission.

7 **EXECUTIVE SUMMARY**

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

9 A. I will discuss the existing issue of information asymmetry, and the heightened  
10 importance of the information Evergy Metro, Inc., d/b/a Evergy Missouri Metro and  
11 Evergy Missouri West, Inc., d/b/a Evergy Missouri West (collectively, “Evergy”) committed  
12 to provide in the 2022 Stipulation and Agreement,<sup>1</sup> in light of the transition of many Evergy  
13 residential customers to time-based rate plans. I will also outline the difficulties of processing  
14 a Missouri Energy Efficiency Investment Act (“MEEIA”) mechanism without detailed  
15 billing information.

16 Q. Please provide a brief overview of the various Staff witnesses that will be filing  
17 rebuttal testimony in this docket.

18 A. Staff witness Sarah L.K. Lange describes the information Evergy committed to  
19 provide in the 2022 Stipulation and Agreement. Her testimony explains that to date, Evergy has  
20 failed to provide the aforementioned information and provides Staff’s recommendations for

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<sup>1</sup> Stipulation and Agreement dated August 30, 2022 (“August 2022 Stipulation”), which the Commission approved in its *Order Approving Four Partial Stipulations and Agreements* in Case Nos. ER-2022-0129 and ER-2022-0130 (“*Stipulation Order*”), effective October 2, 2022.

1 each item included in the 2022 Stipulation and Agreement considering the cost estimates  
2 provided by Evergy in this case.

3 Staff witness Michael Stahlman describes the weather normalization process and  
4 explains that Time of Use (ToU) rates with large differentials weakens the assumptions used in  
5 the current process. He also explains the information necessary to improve the process in the  
6 context of general rate case.

7 Staff witness Kim Cox explains the importance of accurate billing determinants and the  
8 resultant calculated rate revenue in the context of a general rate case. Her testimony describes  
9 the differences that can occur between rate codes within a given class, and provides an overview  
10 of various billing determinant and revenue adjustments made by Staff in general rate cases.

11 Q. What was the purpose of the 2022 Stipulation and Agreement?

12 A. The 2022 Stipulation and Agreement was intended to provide a path forward  
13 toward realizing the benefit of Advanced Metering Infrastructure (“AMI”) for use in setting  
14 rates and also to lessen the reliance on unsubstantiated assumptions for purposes of designing  
15 rates. This information will be utilized by Staff to inform the calculation of annualization and  
16 normalization adjustments, calculated rate revenues, appropriate revenue requirement  
17 increases, class cost of service (CCOS) studies, proposed rate designs, and rates that comply  
18 with Commission orders. To the extent that the information already exists, Evergy should be  
19 able and willing to provide it to Staff and other stakeholders, however Evergy has so far been  
20 resistant to providing the information in a useable format. This reluctance is concerning to Staff  
21 and should be concerning to other stakeholders, including the Commission.<sup>2</sup> The importance

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<sup>2</sup> As noted by Kim Cox and Sarah Lange, Evergy has not indicated that information such as premise counts, customer charge counts, or similar information could be provided to compensate for Evergy’s inability to report monthly customer counts.

1 of specific items are discussed in the testimonies of Kim Cox, Michael Stahlman,  
2 and Sarah Lange.

3 Q. Does Staff have a recommendation to address this lack of transparency and  
4 sharing of basic data?

5 A. Yes. Staff recommends that the Commission order Evergy ensure access to  
6 actual hourly customer load data by rate code and ensure access to accurate customer counts by  
7 rate code. This access must be provided in a timely manner to avoid months of regulatory lag  
8 when processing rate cases. Staff further recommends this docket remain open for resolution  
9 of discovery disputes related to data provision. Specifically, Staff recommends this docket be  
10 used as a means to resolve areas where Evergy asserts that it cannot provide requested data  
11 because production of this data would require Evergy to perform additional analysis to provide  
12 required data in a usable format.<sup>3</sup>

### 13 **INFORMATION ASYMMETRY**

14 Q. What does Staff mean by asymmetric information?  
15

16 A. When Staff uses the phrase asymmetric information it means that the utility has  
17 all of the information and Staff and other stakeholders do not. In other words, stakeholders are  
18 100% reliant on the utility providing information to them in order for the stakeholders to  
19 analyze the utilities' requests or to work on alternative proposals for the Commission's  
20 consideration. When the utility, in this case Evergy, indicates that the data or information  
21 cannot be provided because it is not retained in a manner that can be provided to the requesting  
22 party, this prohibits the other parties to fully undertake the required analysis.

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<sup>3</sup> These recommendations are in addition to those presented by Staff witness Sarah Lange.

1           Generally speaking, this puts the Commission in a difficult position as it does not have  
2 access to quality recommendations from other parties based on the type of data that is required  
3 to support various recommendations for the Commission's consideration.

4           Q.     If information exists within Evergy's various software systems, but the  
5 information is not available without manual processing or in a useable format, does that create  
6 an issue of asymmetric information?

7           A.     Yes. Put very simply, Staff should have access to the information that is relevant  
8 to making recommendations for setting rates in a general rate case or other proceedings in front  
9 of the Commission where this type of data might be useful.

10          Staff, and other stakeholders, do not have access to Evergy's various software systems,  
11 and does not have the ability to query the systems to compile the information that would aid in  
12 the development of recommendations for the Commission's consideration. Staff's discovery  
13 in the context of cases has often been met with objections by the utility. By creating or refusing  
14 to remove barriers to crucial information, Evergy limits the results of the queries to data sets or  
15 time periods in its favor or insists that the information is unavailable in the format requested.  
16 Staff is then unable to review whether Evergy's positions in rate cases are based in reasonable  
17 data and perspectives or are skewed to protect investor interests. Staff is further unable to  
18 review whether or not Evergy's direct testimonies in proceedings are factually accurate when  
19 Staff's access to basic customer and investment information is fully shielded by Evergy.

20          Q.     Is this a problem that existed historically?

21          A.     Historically, Staff was able to visit company office buildings and review the  
22 same paper documents that were relied upon by utility personnel. Industry consolidation and  
23 population growth has drastically increased the number of customers per utility, and proprietary

1 data storage has reduced data access. While it would seem to make sense that advances in  
2 technology would have made the availability of data and sharing data easier among parties, it  
3 appears that technology is being used as a shield from providing basic data that is critical to  
4 Staff and other stakeholders able to do their job. Historically, a utility would recognize the  
5 need (and associated recoverable litigation expense) of running paper copies of information  
6 Staff required to process a rate case. Today, it seems that there may be a need for a utility to  
7 assign a developer to write a data query to provide to Staff the information required to process  
8 a rate case. Of note, Staff is concerned why Evergy apparently did not require that its “data  
9 hub” be built with the capability to produce the standard information of hourly loads and  
10 customer counts.

11 Q. Does Staff have a recommendation to address this information asymmetry?

12 A. Yes. Staff recommends this docket remain open for resolution of discovery  
13 disputes related to data provision. Specifically, Staff recommends this docket be used as a  
14 means to resolve areas where Evergy asserts that it cannot provide requested data because  
15 production of this data would require the utility to perform an analysis.

16 Q. Why is this recommendation reasonable?

17 A. This recommendation is reasonable because apparently the manner in which  
18 Evergy stores information requires “analysis” to provide any information. Staff understands  
19 that one cannot simply pick up data out of a database and run a copy in the same manner that  
20 could historically be done with paper records, but the simple development of a query (where  
21 that is the case) should not stand as a barrier to the production of information needed to provide  
22 a recommendation concerning fundamental issues in a case.



1 **NECESSITY OF IMPROVED DATA DUE TO TIME-BASED RATE STRUCTURES**

2 Q. If one of the benefits of AMI meters is the ability for the utility to know how  
3 much energy each customer consumed in each hour, is there a reason to ignore the existence of  
4 that data in general rate cases?

5 A. No. Evergy apparently relies on load research techniques that pre-date  
6 AMI deployment. Based on the testimony presented in this docket, by Evergy witnesses  
7 Ms. Dragoo and Mr. Lutz, Evergy cannot sum up residential customer usage from the AMI  
8 meters to provide residential customer usage as used in rate cases for weather normalization,  
9 fuel and production runs, revenue determination and billing determinant creation, or class cost  
10 of service. Evergy's witnesses testify in this case that they cannot sum up the AMI usage for  
11 each rate schedule (and therefore each class) for each hour.<sup>4</sup>

12 Q. Does the adoption by a large number of customers of high-differential ToU rate  
13 structures affect the necessity of the information sought by Staff?

14 A. Yes.

15 Q Can you provide some of the reasons why this data is important for ToU rate structures?

16 A. Yes, there are several reasons. Differences between the price for energy usage on one  
17 rate schedule can vary by 300% in a single day depending on the hour of usage. The rate  
18 differentials are also variable across rate schedules with differing rate structure. Many of the  
19 historical billing determinants and revenue adjustments relied upon monthly usage by entire  
20 rate classes considering flat or blocked rate structures. Introduction of large quantities of  
21 customers being served under rate schedules with high rate differentials that occur during the  
22 course of a single day (and that vary by the day of the week) exacerbates issues of the accuracy

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<sup>4</sup> Page 35 of the rebuttal testimony of Sarah L.K. Lange.

1 of assumptions made for billing determinant and revenue adjustments within the context of  
2 general rate cases.

3 Not only will it be imperative that this information is available to ensure that any tweaks  
4 or changes to peak periods, off-peak periods, differentials, etc. will not lead to unintended  
5 consequences in future cases, this information is needed to simply calculate revenues and billing  
6 determinants applicable to the rate structures authorized in the most recent rate cases. The  
7 Commission is tasked with the responsibility to develop rates that are just and reasonable to the  
8 customers while also providing the utility with a fair opportunity to achieve its Commission  
9 approved rate of return. If rates are developed with bad or missing information, then the  
10 chances of rates being developed that can lead to customers paying too much or the utility  
11 underperforming increase.

12 **NECESSITY OF IMPROVED DATA RELATED TO MEEIA AND TIME BASE RATE**  
13 **STRUCTURES**

14 Q. Does the adoption rate of high-differential ToU rates complicate the billing  
15 determinant and revenue adjustments attributable to Evergy's Demand-side Investment  
16 Mechanism ("DSIM") in the context of future general rate cases?

17 A. Yes. The Throughput Disincentive ("TD") component of the DSIM is premised  
18 on lost margin revenue that, to date, has assumed block rate structures and monthly energy  
19 savings assumptions. High differential ToU adoption further complicates this issue, and may  
20 require separate net margin rates by rate code by time period, with the ability to account for  
21 measure installation type differences. Introduction of rate differentials that vary upwards of  
22 300% in a single day puts substantially more pressure on the accuracy of the lost marginal

1 revenue included in the TD component as well as the DSIM billing determinant and revenue  
2 adjustments made in the context of a general rate case.

3 Q. Could you provide an illustration of this concept?

4 A. Yes. First we will consider a hypothetical measure (Measure A) that is assumed  
5 to reduce 1 kWh of energy usage per hour of a device that is assumed to operate in all hours of  
6 all days, throughout the year. Under the currently designed TD mechanism, when Staff  
7 annualizes revenues in a rate case for this measure, for one month, Staff would remove the  
8 expected billed rate under the blocked rate structure for the usage that was avoided. An example  
9 calculation for

Measure	Savings per Hour	Timing of Savings	Savings per Month	Rate Plan Type	Average Rate less FAC Base	TD Value
A	1	Every hour	720	Declining Block	\$ 0.06	\$ 43.20

10  
11 This calculation for Measure A would be functionally identical with a Time-Based rate,  
12 because the energy use is avoided in every hour.

Measure	Savings per Hour	Timing of Savings	Savings per Month	Rate Plan Type	Average Rate less FAC Base	TD Value
A	1	Every hour	720	Declining Block	\$ 0.06	\$ 43.20
A	1	Every hour	720	Time-Based	\$ 0.06	\$ 43.20

13  
14 However, if a measure, (Measure B) avoids energy consumption every day at 5:00 PM,  
15 this calculation should look very different, as shown in the examples below:

Measure	Savings per Hour	Timing of Savings	Savings per Month	Rate Plan Type	Average Rate less FAC Base	TD Value
B	1	5:00 PM	30	Declining Block	\$ 0.06	\$ 1.80
B	1	5:00 PM	30	Time-Based	\$ 0.42	\$ 12.60

1 Similarly, if Measure C avoids energy consumption every day at 5:00 AM, this  
2 calculation should look very different, from either of the prior examples, as shown in the  
3 examples below:

Measure	Savings per Hour	Timing of Savings	Savings per Month	Rate Plan Type	Average Rate less FAC Base	TD Value
C	1	5:00 AM	30	Declining Block	\$ 0.06	\$ 1.80
C	1	5:00 AM	30	Time-Based	\$ 0.01	\$ 0.30

4  
5 Q. How are these values used in establishing revenues and billing determinants in  
6 a rate case?

7 A. In a rate case, the MEEIA TD annualization adjustment does not just concern  
8 dollars of revenue. The sales of energy must be removed from the appropriate billing  
9 determinants, and ideally, the overall sales shape would be adjusted. The sales shape is captured  
10 in the net system input which is the basis of fuel and production modeling, which is the basis  
11 of the FAC base and a major component of the revenue requirement.

12 **CONCLUSION**

13 Q. Does this conclude your Rebuttal testimony?

14 A. Yes it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

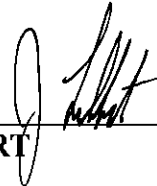
In the Matter of Requests for Customer )  
Account Data Production from Evergy )  
Metro, Inc. d/b/a Evergy Missouri Metro and ) Case No. EO-2024-0002  
Evergy Missouri West, Inc. d/b/a Evergy )  
Missouri West )

**AFFIDAVIT OF J LUEBBERT**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW J LUEBBERT** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of J Luebbert*; and that the same is true and correct according to her best knowledge and belief.

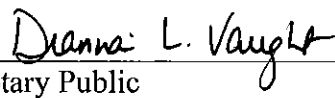
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**J LUEBBERT**

**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 13<sup>th</sup> day of December 2023.

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: July 18, 2027  
Commission Number: 15207377

  
\_\_\_\_\_  
Notary Public

**Case Participation of  
J Luebbert**

<b>Case Number</b>	<b>Company</b>	<b>Issues</b>
EO-2015-0055	Ameren Missouri	Evaluation, Measurement, and Verification
EO-2016-0223	Empire District Electric Company	Integrated Resource Planning Requirements
EO-2016-0228	Ameren Missouri	Utilization of Generation Capacity, Plant Outages, and Demand Response Program
ER-2016-0179	Ameren Missouri	Heat Rate Testing
ER-2016-0285	Kansas City Power & Light Company	Heat Rate Testing
EO-2017-0065	Empire District Electric Company	Utilization of Generation Capacity and Station Outages
EO-2017-0231	Kansas City Power & Light Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2017-0232	KCP&L Greater Missouri Operations Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0038	Ameren Missouri	Integrated Resource Planning Requirements
EO-2018-0067	Ameren Missouri	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0211	Ameren Missouri	Avoided Costs and Demand Response Programs
EA-2019-0010	Empire District Electric Company	Market Protection Provision
GO-2019-0115	Spire East	Policy
GO-2019-0116	Spire West	Policy
EO-2019-0132	Kansas City Power & Light Company	Avoided Cost, SPP resource adequacy requirements, and Demand Response Programs
ER-2019-0335	Ameren Missouri	Unregulated Competition Waivers and Class Cost Of Service
ER-2019-0374	Empire District Electric Company	SPP resource adequacy
EO-2020-0227	Evergy Missouri Metro	Demand Response programs
EO-2020-0228	Evergy Missouri West	Demand Response programs
EO-2020-0262	Evergy Missouri Metro	Demand Response programs
EO-2020-0263	Evergy Missouri West	Demand Response programs
EO-2020-0280	Evergy Missouri Metro	Integrated Resource Planning Requirements

<b>Case Number</b>	<b>Company</b>	<b>Issues</b>
EO-2020-0281	Evergy Missouri West	Integrated Resource Planning Requirements
EO-2021-0021	Ameren Missouri	Integrated Resource Planning Requirements
EO-2021-0032	Evergy	Renewable Generation and Retirements
GR-2021-0108	Spire Missouri	Metering and Combined Heat and Power
ET-2021-0151	Evergy	Capacity costs
ER-2021-0240	Ameren Missouri	Market Prices, Construction Audit, Smart Energy Plan, AMI
ER-2021-0312	Empire District Electric Company	Construction Audit, Market Price Protection, PISA Reporting
EO-2022-0193	Empire District Electric Company	Retirement of Asbury
ER-2022-0129	Evergy Missouri Metro	MEEIA annualization
ER-2022-0130	Evergy Missouri West	MEEA annualization, Schedule SIL revenue and incremental costs
EF-2022-0155	Evergy Missouri West	Customer event balancing
EC-2022-0315	Evergy Missouri West	Compliance with Stipulation and Agreement, Commission Order, and Schedule SIL
GR-2022-0179	Spire Missouri	Compressed Natural Gas
EA-2022-0244	Ameren Missouri	Huck Finn Solar CCN
EA-2022-0245	Ameren Missouri	Boomtown Solar CCN
EA-2022-0328	Evergy Missouri West	Persimmon Creek CCN
ER-2022-0337	Ameren Missouri	Billing determinant adjustments
EA-2023-0286	Ameren Missouri	Solar CCNs