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# Exhibit No. 4

Evergy – Exhibit 4  
Lutz Surrebuttal  
Surrebuttal  
File No. EO-2024-0002

Exhibit No.:  
Issue: Data Retention  
Witness: Bradley D. Lutz  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Evergy Missouri Metro  
and Evergy Missouri West  
Case No.: EO-2024-0002  
Date Testimony Prepared: January 8,  
2024

**MISSOURI PUBLIC SERVICE COMMISSION**

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

**SURREBUTTAL TESTIMONY**

**OF**

**BRADLEY D. LUTZ**

**ON BEHALF OF**

**EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**Kansas City, Missouri  
January 2024**

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**SURREBUTTAL TESTIMONY**

**OF**

**BRADLEY D. LUTZ**

**Case No. EO-2024-0002**

1 **Q: Please state your name and business address.**

2 A: My name is Bradley D. Lutz. My business address is 1200 Main, Kansas City, Missouri  
3 64105.

4 **Q: Are you the same Bradley D. Lutz who submitted direct testimony in these dockets**  
5 **on November 1, 2023?**

6 A: Yes.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy  
9 Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy  
10 Missouri West”) (collectively, the “Company”).

11 **Q: What is the purpose of your surrebuttal testimony?**

12 A: The purpose of my surrebuttal testimony is to respond to rebuttal testimony of Staff  
13 Witnesses, Michael Stahlman, Kim Cox, J Luebbert, and Sarah Lange. Specifically, I will  
14 offer the following:

15 1) Company View of the Data Retention Commitment

16 2) Transitional state of Company rates and associated ratemaking

17 3) Company systems and responsiveness

18 4) Asymmetric Information

19 5) Commitment response



1 deliverability in the manner and detail sought by Staff is the primary issue. A critical point  
2 to make clear is many of the statements made by the Company concern data being  
3 unavailable is focused on the unavailability due to specific attributes requested by Staff.  
4 For many of the requests, requiring data by voltage or in 15-minute intervals are the aspects  
5 most problematic to provide as they deviate from data retained for normal Company  
6 operations. That said, it is a misrepresentation to say data for ratemaking is unavailable;  
7 instead, it would be more correct to say data in the precise format and granularity requested  
8 by Staff is unavailable.

9 **Q: What is the value of opening this docket?**

10 A: The Company seeks a focused consideration of the data requested by Staff and the  
11 Commission's direction on how rate design should be supported going forward.

12 **Q: Why is this important?**

13 A: The requests received from Staff now and as part of prior rate cases are complex, costly  
14 and impactful to Company operations. Despite the assertions of Staff, having electronic  
15 systems with data does not automatically mean the data is easily retrieved in the desired  
16 format or combination, processed, or useful for analysis. I also question the idea that more  
17 data is always better. The "law" of diminishing returns applies here. Need and value  
18 should be considered as well. Further, there is concern that the analysis sought by Staff  
19 may or may not be in line with Commission direction. Without question, rate design is  
20 impacted by policy-related decisions exercised by the Commission as much as data-related  
21 details. The Company believes it is important for the Commission to consider these factors  
22 when deciding how much detail is valuable to support ratemaking.

1 **Q: Do you believe Staff views this docket in the same way?**

2 A: It is difficult to say. Staff acknowledges that the 0129/0130 Stipulation, in part sought to  
3 prioritize data that was reasonably available versus that which is unjustifiably expensive to  
4 provide<sup>1</sup> but Staff also went to great lengths in testimony to emphasize that the data is  
5 “required” and a “necessity” for ratemaking. In the opinion of Staff, failure to provide the  
6 data as requested by Staff will jeopardize future ratemaking. I don’t believe this is true.  
7 Further, Staff casts doubt on past ratemaking practice, stating these data are intended to  
8 “*realizing the benefit of Advanced Metering Infrastructure (“AMI”) for use in setting rates*  
9 *and also to lessen the reliance on unsubstantiated assumptions for purposes of designing*  
10 *rates.*”<sup>2</sup> This statement misrepresents prior ratemaking efforts and the data used in the past.  
11 For decades, the Staff and Company have executed rate designs and prosecuted general  
12 rate proceedings successfully. Many aspects of the granular and costly to produce data  
13 being requested by Staff in this proceeding has never been necessary in all the rate design  
14 and rate case proceedings that I am aware of before the Commission. I trust that both  
15 parties took appropriate care to make sure the data and assumptions used in those cases to  
16 be appropriate. And since all of those prior cases were examined by the Commission and  
17 the rates were found to be just and reasonable, I disagree with the assertion that the past  
18 approaches were flawed or based on “unsubstantiated assumptions” or that provision of the  
19 data requested by Staff will now correct some historic error.

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<sup>1</sup> Page 52, line 24 Lange Rebuttal.

<sup>2</sup> Page 3, line 13 Luebbert Rebuttal.

1 **Q: Staff Witness Sarah Lange describes that changes to Company rates are driving this**  
2 **need. Do you agree?**

3 A: Not entirely. In some respect I can support that the rate changes contribute to the potential  
4 change in Staff's approach, but in this case, the data requested by Staff predates<sup>3</sup> the  
5 Residential Time of Use ("TOU") rate changes the Company has experienced. Instead,  
6 Staff appears to leverage these recent changes to further substantiate their need for the data  
7 requested. For example, on page 4 of her Rebuttal testimony, Ms. Lange states, "*It is*  
8 *unthinkable to attempt to calculate revenues and billing determinants for these rate codes*  
9 *without having access to the energy sold in each hour to each rate code as metered by*  
10 *automated metering infrastructure (AMI) meters.*" This statement does not reflect the way  
11 revenues are determined. In truth, the Company would compile the billing determinants  
12 for the pricing periods outlined in the respective tariff (peak period, off-peak period, super  
13 off-peak) and as actually billed to customers to establish the revenues. Energy sales for  
14 each hour are not required to determine revenues. Ms. Lange goes on to state that, "*AMI*  
15 *hourly reads summed by rate code, at a consistent voltage, for the test year and update*  
16 *period are now essential and critical to processing an Evergy Missouri West or Evergy*  
17 *Missouri Metro rate case.*"<sup>4</sup> This is not entirely true. To begin, hourly data is most  
18 beneficial to understanding the Company Residential TOU rates, but that is not the case  
19 for the non-Residential rates. For the Residential customers, the transition to TOU rates  
20 concluded in December of 2023 and we have yet to record a full year of customer usage  
21 under these rate designs. The transitional status is explored more later in this testimony.  
22 At a minimum, many the assertions for change made by Staff are premature and  
23 misleading.



1 **Q: Staff Witness Sarah Lange further suggests that changes to the Company distribution**  
 2 **system are driving this need<sup>5</sup>. Do you agree?**

3 A: Again, not entirely. While it is true that Company distribution systems are subject to  
 4 change over the years, I do not believe the rate of change warrants a complete change to  
 5 the methods used to allocate these costs. To confirm this view, the Company examined  
 6 the relationship of distribution plant relative to total plant for the Missouri jurisdictions  
 7 using the Company class cost of service studies from the ER-2016-0285/0156 cases  
 8 compared to the ER-2022-0129/0130 rate cases. The following table, Table 1, details the  
 9 results.

10 **Table 1**  
 11

		2022 Study (ER-2022-0129/0130)			2016 Study (ER-2016-0285/0156)		
		Net Plant	Distribution	Dist % of Total	Net Plant	Distribution	Dist % of Total
<b>EMW</b>	Rate Base	\$ 2,484,954,467	\$ 869,746,168	35.0%	\$ 1,906,001,706	\$ 653,824,661	34.3%
	Growth from 2016		30%	33%			
<b>EMM</b>	Rate Base	\$ 3,153,481,360	\$ 1,027,208,571	32.6%	\$ 2,576,273,286	\$ 669,994,555	26.0%
	Growth from 2016		22%	53%			

12  
 13 You will note that Missouri West (“EMW”) distribution plant has grown at a similar  
 14 rate to total rate base. For Missouri Metro (“EMM”), distribution plant has grown faster  
 15 over the six years than total rate base but remains a smaller percentage of total rate base  
 16 than compared to Missouri West, 32.6% versus 35.0%. Based on this comparison, I cannot  
 17 support there is a requirement for cost allocation change based on distribution plant change.  
 18 Existing cost allocation methods, based on existing Company recordkeeping approaches  
 19 and class-level factors are appropriate, particularly given how cost data is used to support  
 20 the ratemaking process. Seeking device level costs by voltage or rate code is unwarranted.

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<sup>3</sup> Please refer to the Lutz Direct testimony in this case, page 14, starting on line 18. Also, Lange Rebuttal testimony in this case, page 60, line 21.

<sup>4</sup> Page 5, line 4 Lange Rebuttal.

<sup>5</sup> Page 54, line 8 Lange Rebuttal.

1 **Q: In your opinion, what is Staff seeking with these Data Requests?**

2 A: Staff is seeking comprehensive access to customer data, possibly made available at all  
3 times and at a level of detail beyond Company need, for the purpose of supporting their  
4 independent recommendations for rate designs. They are seeking data access outside of  
5 general rate proceedings in the name of reducing regulatory lag. They are not seeking to  
6 affirm Company rate design proposals, but instead to pursue rate design plans in spite of  
7 Company recommendations. J Luebbert states in his testimony (highlight added), “*The*  
8 *Commission is tasked with the responsibility to develop rates that are just and reasonable*  
9 *to the customers while also providing the utility with a fair opportunity to achieve its*  
10 *Commission approved rate of return.*” Starting on page 59 of her Rebuttal Testimony Ms.  
11 Lange details Staff’s Rate Modernization plan for Evergy. Staff is asserting that it is their  
12 role to manage rate design for Evergy.

13 **Q: It is expected that Staff will present their own views during rate cases, why has this**  
14 **become problematic?**

15 A: The data requests by Staff to support these independent proposals have grown considerably  
16 and has moved beyond the data granularity and frequency the Company maintains for its  
17 own operational and ratemaking purposes. As a result, these requests would compel the  
18 Company to devote incremental effort, taxing a wide cross-section of corporate resources,  
19 to provide.

## 20 **2. Company Rate Transition**

21 **Q: Is it true that the Company rates have changed significantly?**

22 A: Yes, but mainly for Residential customers. Residential customers have been transitioned  
23 by self-selection or by migration to TOU or TOU-styled rates on or before December 31,

1 2023. Non-residential rates are largely consistent with historic rate designs, retaining  
2 structures that do not vary with time of use.

3 **Q: Does Staff take this transition into account within their testimony?**

4 A: Only somewhat. Generally, Staff focuses on concerns with future rate cases, even  
5 highlighting concerns about the Company's notice of intended filing in ER-2024-0189 for  
6 the Evergy Missouri West jurisdiction. For example, Staff witnesses Kim Cox and Sarah  
7 Lange both describe concerns with customer counts to support the customer growth  
8 adjustment. Staff asserts detailed, monthly counts of customers are a necessity. I would  
9 note that the rate of change is small based on early counts and as detailed by the table on  
10 page 9 of Cox testimony. It is reasonable to expect that the number of rate changes would  
11 continue to become fewer over time. In a general rate proceeding, the Company seeks to  
12 normalize customer growth. During this current time period the degree of rate switching  
13 observed is not normal and should not be used to set expectations for future processes. A  
14 similar reaction is noted in other Staff concerns raised in this case. Given the recency of  
15 the TOU implementation, the Commission should allow the rate transition to occur and  
16 experience a rate case that includes evaluation of Company support for the new structures  
17 before committing to process change.

18 **Q: You mention the Company's intention to file a rate case for Evergy Missouri West.  
19 Would the TOU transition be reflected in that filing?**

20 A: Residential Customers on TOU rates will be included but will be of minimal impact and  
21 will not result in significant change in the Company supporting documentation. Only a  
22 few hundred Residential customers self-selected the TOU rates and were billed within the  
23 expected test year period.

1 **Q: In a rate case, will the Company expect to provide suitable detail in the billing**  
2 **determinants and support for the determination of revenues?**

3 A: Yes.

4 **Q: Staff witness Kim Cox expresses concerns about data to support customer growth**  
5 **adjustments and Staff witness Michael Stahlman expresses concerns about data to**  
6 **support weather normalization adjustments. Do you believe these concerns are**  
7 **appropriate at this time?**

8 A: No, I believe they are premature at best. I am not aware of any methods proposed in this  
9 or other jurisdictions to incorporate new data into the adjustment processes as described by  
10 Staff. As noted previously, we should monitor customer rate switching behavior before  
11 considering customer growth process change. For weather adjustment, I challenge the idea  
12 that hourly behaviors will result in some form of hourly weather adjustment. Weather is  
13 simply not that consistent and seeking adjustments at that level is excessive. Discovery  
14 was sent to Staff to determine if there was a plan in place to utilize the data requested from  
15 the Company and those response are included as Schedule BDL-2. Staff replied, *“This*  
16 *process is still under discussion and development, and process testing and checks for*  
17 *reasonableness cannot occur until data has been received. Setup of workpapers cannot*  
18 *begin until the format of the data to be provided by the company is known. In particular,*  
19 *the level of rate switching within a year and within a month will need to be considered in*  
20 *developing the process and establishing expectations for the level of normalization*  
21 *experienced in the final result.”*<sup>6</sup> While fair that details such as format are reliant on the

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<sup>6</sup> Evergy data requests #0188 and #0191 to Staff. Response received 1/4/2024.

1 data provided, this response shows there is no preconceived plan or expected use for the  
2 data to change the customer growth or weather normalization processes at this time.

3 **Q: Are the data concerns expressed by Staff witness J Luebbert concerning changes to**  
4 **the MEEIA Demand-side Investment Mechanism similar and premature?**

5 A: Yes.

### 6 3. Company Systems and Responsiveness

7 **Q: In their rebuttal testimony Staff critiques the Company systems implying as well as**  
8 **directly suggesting that these systems are inappropriately configured. Do you agree**  
9 **with this assessment?**

10 A: No. Company systems are not deficient in their design or inadequate to support Company  
11 operations or even to support historic ratemaking methods. This point was addressed in  
12 the Company Direct testimony and further rebuttal offered in the Surrebuttal testimony of  
13 Ms. Julie Dragoo.

14 **Q: In their rebuttal testimony Staff asserts the Company has been unresponsive, even**  
15 **implying that the Company has been intentionally obstructive and not making a good**  
16 **faith effort with its estimates. Do you agree with this assessment?**

17 A: No. The Company has provided cost estimates as agreed, based on processes used  
18 internally to estimate large data-related work based on limited specifications. We have  
19 been transparent as to why data is unavailable in the form requested by Staff. We have  
20 replied to all discovery.

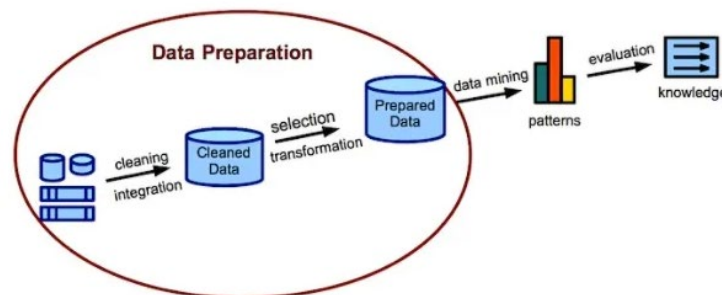
1 **Q: On page 17 of her testimony, witness Sarah Lange states that Evergy refused to**  
2 **cooperate with Staff to establish the relative cost of provision of distribution data. Do**  
3 **you agree with this allegation?**

4 A: No. The Company has addressed all questions and developed estimates consistent with  
5 processed used internally to generate initial estimates based on limited specifications. I  
6 believe the line of questions offered by Staff in discovery to explore the distribution costs  
7 in Data Request #1 as well as the cheeseburger analogy used on page 53 of Sarah Lange's  
8 testimony to challenge Company estimates reveals Staff's misunderstanding of data  
9 management and system modification approaches within the Company systems. Based on  
10 the questions received, Staff believes manual sampling of costs and durations can be used  
11 to estimate system configuration costs. This is not true. Manual sampling is not  
12 informative to estimating costs for data extraction and data analysis. I would remind the  
13 Commission of the Direct Testimony of Julie Dragoo, where, starting on page 10, she  
14 details the processes used to estimate costs of data-related efforts. The totality of the  
15 requests made by Staff are comparable to other large projects deployed by the Company.  
16 Under these levels of effort and in the absence of detailed specifications for the work, high  
17 level, top-down estimates are what is feasible and the responses to discovery on the matter  
18 were appropriate. I would also reiterate the Company direct testimony of Julie Dragoo and  
19 Sean Riley concerning the data available within Company Accounting systems and our  
20 traditional accounting practices and how this impacts the ability to satisfy Data Request  
21 #1.

1 **Q: Given this misunderstanding of the work required to provide data, should the**  
2 **Commission take caution in accepting assertions made by Staff about the Company?**

3 A: Yes. These data requests and the work required to provide can be incredibly nuanced.  
4 What seems like a small distinction, like data by voltage or hourly versus 15-minute period  
5 can have a dramatic effect on the data processing. Working with data from Company  
6 systems requires considerable analysis to align the data available with the data requested.  
7 Further, since the data in these systems are supporting operations, the data is constantly  
8 changing. Data analysis requires establishing fixed data sets that can be organized,  
9 validated, and made ready for iterative query. The following graphic, Figure 1, summarizes  
10 the work required to enable data analysis.<sup>7</sup>

11 **Figure 1**



12  
13 In the course of my career, I too have been surprised by the level of work required to obtain  
14 what might seem to be simple output from the operational systems. This level of effort is  
15 further complicated if the data is to be used in ratemaking where the data may be subject  
16 to annualization, normalization, or required to align with values from other data sources.

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<sup>7</sup> Data Preparation in Data Science. Data preparation: - | by Swapnil Bandgar | Analytics Vidhya | Medium (<https://medium.com/analytics-vidhya/data-preparation-in-data-science-16f9311760>).

1 **4. Asymmetric Information**

2 **Q: Witness J Luebbert speaks to the asymmetric nature of information between the**  
3 **Company and the Staff. What is your view of this issue?**

4 A: I do not support the view that access to the Company’s information systems has to be equal  
5 between the Company and the Staff in order for Staff to perform its job. In my opinion,  
6 general data access between the Company and the Staff has always been asymmetric. This  
7 changes to a degree during a general rate proceeding. Traditionally, within the rate case,  
8 the Staff and parties are provided a means to have additional access to Company  
9 information concerning issues in the case. The Company provides support and the data  
10 relied upon for any proposals it makes and the discovery process is used by Staff and parties  
11 to the case to affirm this support.

12 **Q: Then why is asymmetric information access viewed as a problem by Staff?**

13 A: Staff addresses this issue directly. On page 5 of Luebbert’s testimony he states, “*Staff, and*  
14 *other stakeholders, do not have access to Evergy’s various software systems, and does not*  
15 *have the ability to query the systems to compile the information that would aid in the*  
16 *development of recommendations for the Commission’s consideration.”* Said another way,  
17 Staff appears to believe that equivalent access to data is needed so that Staff can explore  
18 and develop independent rate design recommendations. These recommendations are  
19 distinct from Company proposed rate designs and Staff’s perceived data needs have moved  
20 beyond the operational data maintained by the Company.

21 **Q: Please describe the changes observed with Staff’s recommendations?**

22 A: Relatively recently, Staff has begun to offer rate design recommendations in general rate  
23 proceedings that are based solely on their views and are offered as an alternative to



1 Company rate design recommendations. Often the alternative is mutually exclusive such  
2 that the Commission must choose. In the Company's experience, this change in approach  
3 began with the ER-2018-0145/0146 rate cases. Prior to this time, Staff rate design  
4 recommendations consisted of proposed variations on the Company rate design proposal.  
5 This approach allowed for manageable rate design outcomes. For example, if the  
6 decision before the Commission is to increase a charge by 5% or 10%, the underlying work  
7 for the Company with regard to changing the rate is the same. Under Staff's current  
8 approach of competing rate designs, both the Company and Staff expend considerable  
9 effort to develop and support their respective proposals, then the Commission must choose  
10 or as in the ER-2022-0129/0130 rate cases, issue an order implementing a hybrid rate  
11 design. For example, if the decision before the Commission is to deploy a time varying  
12 energy charge or retain the blocked energy charge, a decision to deploy the time varying  
13 charge would require the Company to reconfigure its systems and operational processes to  
14 accommodate the change. This approach and the fact it occurs at the end of the rate case  
15 proceeding serves to challenge all parties to fully evaluate, respond, and ultimately deploy  
16 the ordered rate design. As we have noted with the recent deployment of Residential TOU  
17 rates, we are exposed to unanticipated issues or omissions that must be cleaned up after the  
18 fact. Given the divergent nature of the Staff and Company rate design views, the  
19 ratemaking process has become more inefficient under these competitive approaches.

20 **Q: How are these approaches complicating the regulatory process?**

21 A: I would suggest that under the competing proposal approach, Staff is blurring the lines  
22 between oversight and management. This puts the Commission in the increasingly difficult  
23 position to choose. I contend that the Company, the Staff, and Commission have different

1 roles to the benefit of the regulatory process. It has been my experience that the Company  
2 manages the business, and the Staff aids the Commission in providing its regulatory  
3 oversight provided by statute. The Commission in turn regulates the Company to ensure  
4 that customers receive safe and reliable utility services at just and reasonable rates. In  
5 exercising this regulation, the Commission may set policy or expectations for the Company  
6 to meet. Under these roles, it is not necessary that Staff have symmetric access to the  
7 Company's information systems.

8 **Q: Do you agree with Witness Luebbert's view of historic symmetry and his assertion**  
9 **that utilities have failed to continue historic practices of making data available to Staff**  
10 **in a rate case?**

11 A: No. Having the option to visit Company paper records did not provide Staff symmetric  
12 data and is not a basis to suggest symmetric information is needed now. In the past, I have  
13 observed that Staff relied on traditional auditing techniques to sample large files stores or  
14 data sets. With respect to the current systems, the Company does take steps to make sure  
15 its systems can support Company ratemaking efforts including the provision of data to Staff  
16 and other parties in the course of general ratemaking.

17 **Q: It would seem that much of this could be resolved if the Company and the Staff would**  
18 **seek common ground on these issues. Why has that not happened?**

19 A: Interactions between the Company and the Staff have become strained. As with any  
20 relationship, when the relationship falters, it is difficult to pinpoint a singular cause. For  
21 my part, I do not think the Company and Staff share the same vision of rate design and  
22 there is limited trust between the two parties. This can be observed in the collective tone  
23 of Staff's testimony, where there is the implication that the Company's attempt to clarify

1 that what can be provided to Staff and what's readily available in its systems is somehow  
2 the Company creating unnecessary barriers and obstacles for Staff. The truth is more that  
3 the complexity of Evergy's systems does not automatically lend itself to whatever  
4 independent analysis Staff is wanting to perform. For some reason, this fact is somehow  
5 interpreted by Staff as a fabrication. This mistrust has exacerbated issues because Staff  
6 has been unwilling to accept explanations offered by the Company.

### 7 **5. Response Concerning the Detailed Commitments**

8 **Q: Before we explore further testimony concerning the explicit commitments, are you**  
9 **noting anything additional about the data requests?**

10 A: Yes, I believe it is worthwhile to note that there are two distinct groupings of data requests,  
11 driven by purpose. There is one set associated with obtaining data to support rate design  
12 and a second set to support cost allocation. Numerically, based on the presentation in  
13 Schedule BDL-1, I would characterize Data Request #1 and #8(c)1 as being related to cost  
14 allocation with the remainder related to rate design.

15 **Q: Why is this distinction important?**

16 A: The rate design related items, specifically Data Requests #2, #3, and #4, those asking for  
17 detail about customer consumption and billing, are more aligned with Company process  
18 and the operational data. As noted in my direct testimony, data is generally available with  
19 the primary issue being deliverability. Provided the Commission sees value in the request,  
20 and with effort to formulate a delivery approach, the data can be provided, albeit at a cost  
21 to ratepayers

22 **Q: And what of the data related to cost allocation?**

1 A: This data requested, Data Request #1 and #8(c)1, goes well beyond normal Company  
2 process and would result in considerable change for cost of service study approaches. I  
3 address these concerns in my Direct testimony. Again, given that existing cost studies and  
4 allocation approaches are appropriate to address the distribution plant and since existing  
5 cost allocations are not fully utilized to execute ratemaking, extensive change to increase  
6 the granularity of data examined or link operationally disconnected data, are not certain to  
7 yield benefits commiserate with the cost to obtain. This particular data request should not  
8 be taken lightly by the Commission. These extensions to the cost of service process should  
9 be mandated by the Commission only after careful consideration of the potentially  
10 considerable cost to provide which will be borne by ratepayers.

11 **Q: Staff quotes considerable amounts of the 1992 NARUC Cost Allocation Manual to**  
12 **support a contention that the cost allocation approaches Staff seeks are supported by**  
13 **NARUC.<sup>8</sup> Do you agree with this testimony?**

14 A: No, I do not. While the testimony highlights that the concepts of interest to Staff are  
15 consistent with concepts addressed by NARUC, the NARUC manual nor any of the  
16 provisions cited or emphasized in testimony require the level of data detailed in Data  
17 Request #1. My views mirror those of Mr. Craig Brown who provided surrebuttal  
18 testimony in case no. ER-2022-0337 on behalf of Ameren Missouri concerning the class  
19 cost of service methods proposed by Staff, including Staff's views on distribution cost  
20 allocation. I acknowledge that the Commission ultimately did not endorse either approach  
21 and instead deferred the issue to a separate, non-residential working docket. Concerns  
22 about "sufficient data" were present in that case as they are here.

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<sup>8</sup> Page 55, line 24 continuing to page 59, line 5 Lange Rebuttal.

1 **6. Response to Staff Recommendations**

2 **Q: In their rebuttal testimony Staff details a number of specific recommendations. What**  
3 **is your response to these recommendations?**

4 A: Staff makes numerous recommendations throughout the four testimonies. I will address  
5 each in turn.

6 To begin, Staff witness Kim Cox recommends that “*the Commission order Evergy*  
7 *to have the discussions with Staff that Ms. Dragoo suggests in her direct testimony and to*  
8 *order Evergy to provide the data requested in 2, 3, and 4, which Evergy states is more*  
9 *reasonable and should only be provided with support from the Commission. To the extent*  
10 *that Evergy is unable to retrieve this information after a day, month, or billing cycle has*  
11 *passed, Evergy should retain that information so that it is available for use in future*  
12 *general rate cases.”<sup>9</sup> The Company is willing to join these discussions and retain the*  
13 *data as suggested by Staff, but requests that the Commission provide guidance concerning*  
14 *the intended timing of the provision. The Company supports this data exchange being part*  
15 *of a general rate proceeding, but is not willing to commit to ongoing work outside of a*  
16 *formal proceeding unless the Commission requires it. The Company should not be*  
17 *obligated to provide this data frequently or ad hoc, outside of a general rate proceeding.*

18 Staff witness Michael Stahlman recommends that “*the Commission direct Evergy*  
19 *to provide any usable hourly customer usage information by rate code along with the*  
20 *customer count information, and 15 minute on-peak period demand determinants by rate*  
21 *code for non-residential rate schedules, as further discussed and qualified by Staff*  
22 *Witness’s Sarah L.K. Lange in her rebuttal testimony section entitled, “Recommended Path*

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<sup>9</sup> Page 11, line 5 Cox Direct.

1        *Forward.*<sup>10</sup> Since both of these recommendations are repeated by Sarah Lange, I will  
2 respond to them later.

3                Staff witness J Luebbert recommends that “*the Commission order Evergy ensure*  
4 *access to actual hourly customer load data by rate code and ensure access to accurate*  
5 *customer counts by rate code. This access must be provided in a timely manner to avoid*  
6 *months of regulatory lag when processing rate cases. Staff further recommends this docket*  
7 *remain open for resolution of discovery disputes related to data provision. Specifically,*  
8 *Staff recommends this docket be used as a means to resolve areas where Evergy asserts*  
9 *that it cannot provide requested data because production of this data would require Evergy*  
10 *to perform additional analysis to provide required data in a usable format.*”<sup>11</sup> Since both  
11 of these recommendations are repeated by Sarah Lange, I will respond as part of  
12 consideration of her recommendations.

13                Staff witness Sarah Lange carries the bulk of Staff recommendations and states:  
14 “*this docket be used as a means to resolve areas where Evergy asserts that it cannot*  
15 *provide requested data because production of this data would require Evergy to perform*  
16 *additional analysis.*”<sup>12</sup> The Company has concerns about this recommendation as it  
17 expects questions about data to persist in some form into future rate case proceedings or  
18 other filings before the Commission. Having this docket used for ongoing purposes, may  
19 create conflicts and complicate addressing issues within those dockets. Alternatively, the  
20 Company would prefer to use this case only to resolve the Commission examination of the  
21 need and cost to provide the Data Requests in Schedule BDL-1. If there are specific issues

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<sup>10</sup> Page 8, line 10 Stahlman Direct.

<sup>11</sup> Page 4, line 5 Luebbert Rebuttal.

<sup>12</sup> Page 18, line 2 Lange Rebuttal.

1 to be resolved applicable to this Commission examination, the Company believes using  
2 this docket for that purpose is appropriate. Ongoing issues should be resolved in the  
3 context of any future rate case proceedings or other filings before the Commission. If the  
4 Commission chooses to use this case to address issues going forward, the Company is not  
5 willing to continue to agree to the abbreviated data request response time agreed for the  
6 purposes of this docket only. Given the amount of discovery sought thus far by Staff, the  
7 Company's agreement to shorten the data request response time in this proceeding has  
8 resulted in a substantial burden on Evergy's personnel and has taken away the ability of  
9 these personnel to complete other important and necessary tasks for the Company and its  
10 customers.

11 *“If usable hourly customer usage information by rate code can be provided at the*  
12 *lower end of this range through use of sub-rate codes, Staff recommends the Commission*  
13 *direct Evergy to proceed with the provision of that information, along with the customer*  
14 *count information.”*<sup>13</sup> In order to achieve the “lower end of the range” it will be necessary  
15 for Staff to accept data more in line with Company billing precision and level of rate code  
16 detail. Similar to the response to the Kim Cox recommendation, the Company is willing  
17 to further explore provision of hourly customer usage information under applicable filings  
18 before the Commission.

19 *“The Commission should order that Evergy produce 15 minute on-peak period*  
20 *demand determinants by rate code for non-residential rate schedules. Staff, Evergy, and*  
21 *the signatories to the 2022 Stipulation and Agreement should be ordered to define up to*  
22 *five sets of on-peak demand periods for this study.”*<sup>14</sup> The Commission should reject this

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<sup>13</sup> Page 18, line 15 Lange Rebuttal.

<sup>14</sup> Page 19, line 9 Lange Rebuttal.

1 recommendation. The Company does not bill customers with this level of detail and while  
2 this data does exist in the Evergy Meter Data Management, it is not stored in a format that  
3 allows for summation of the 15-minute intervals. As expressed in the Direct testimony of  
4 Julie Dragoo, this will require significant investment in systems to store, sum and deliver  
5 this data set. If the Commission supports the study of an on-peak demand, meaningful  
6 information could be achieved using the hourly demand which is used to support customer  
7 billing and is more readily available.

## 8 **7. Response to Staff Rate Modernization Plan**

9 **Q: In addition to the recommendations discussed earlier, Staff witness Sarah Lange**  
10 **details the Staff view on Rate Modernization. What is your response to this plan?**

11 A: As noted by Sarah Lange in her rebuttal testimony, these plans are known to the Company  
12 and they have been a part of recent general rate proceedings. Here, the Staff presents their  
13 plan in two parts, one focused on non-residential rates<sup>15</sup> and a second addressing all  
14 customer classes with a long-term view.<sup>16</sup> In short, the Company is not able to endorse the  
15 Staff plans. There are aspects of the plans that represent material change from existing rate  
16 structures and the impact to customers is unknown. Specifically, proposals related to  
17 elimination of customer classes or pricing based on location. There are also aspects that are  
18 forward-looking and speculative where future developments could impact the plan as  
19 proposed. Specifically, proposals related to distributed energy resource loads and revenue  
20 decoupling are problematic.

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<sup>15</sup> Page 59, line 22 Lange Rebuttal.

<sup>16</sup> Page 60, line 24 Lange Rebuttal.



1 **Q: Focusing on the non-Residential plan, are you able to offer any feedback that would**  
2 **be helpful to the Commission in this docket?**

3 A: Yes. On the topics of non-residential rate design the Company and Staff have had two  
4 meetings to explore the topic and the Company has participated in the initial non-residential  
5 rate design workshop held by Ameren, resulting from their ER-2021-0240 and ER-2022-  
6 0337 rate cases. Regarding the meetings between the Company and Staff, these resulted  
7 from the ER-2022-0129/0130 rate cases and included representatives of the Midwest  
8 Energy Consumers Group (“MECG”). Staff provided a detailed walk-through of the non-  
9 residential plan for our consideration. Although the Company and MECG have not  
10 formally replied or offered details on our respective plans, the details shared by Staff have  
11 been helpful to shape rate design proposals being finalized for the upcoming ER-2024-  
12 0189 rate case. At this point it is expected that proposals will be made by the Company to  
13 adjust non-residential customer charges and facility charges. Testimony will be offered  
14 concerning reactive demand, on-peak demand charges, and the hours-use energy charge  
15 structures, but will not suggest material change within this case. The Company will not be  
16 supporting adoption of voltage and infrastructure specific customer and facility charges  
17 without regard to class.

18 As it is expected these proposals will be fully examined in an upcoming rate case  
19 and additional views offered by other intervening parties, the Company recommends the  
20 Commission delay decision concerning on-peak demand charges as detail in Staff Data  
21 Request #9.

1 **Q: Turning to the long-term plan, are you able to offer any feedback that would be**  
2 **helpful to the Commission in this docket?**

3 A: Yes. Staff's plan was shared in 2018 and did not anticipate the residential TOU deployment  
4 that occurred in 2022 nor the repeal of the aggregator of retail customers ban occurring in  
5 EW-2021-0267. I would caution that the changing context might impact the Staff  
6 recommendations, minimally the timing.

7 **Q: Has the Commission approved Staff's long-term rate design plan?**

8 A: I am not aware of it. I do not believe there has been a proceeding in which Staff has  
9 presented its long-term vision for electric rate design in Missouri. As a result, I do not  
10 believe the Commission has had the opportunity to evaluate it. Nevertheless, the  
11 Commission is being asked by Staff in this proceeding to order the expenditure of  
12 substantial funds for the creation, preparation and production of data to support the Staff's  
13 long-term plan before it has been approved by the Commission. Further, it would appear  
14 that it was Staff's expectation that the unveiling of this plan in 2018 should have prompted  
15 the Company to reengineer and configure its systems to support their data needs to support  
16 those plans. The Company has never endorsed this plan nor would it be reasonable to  
17 expect sweeping and costly change to systems and process to accommodate without a  
18 Commission approval.

1 **8. Company Recommendations**

2 **Q: In light of the Staff rebuttal testimony does the Company wish to offer any**  
3 **recommendations to the Commission?**

4 A: Yes. There are a number of details that must be addressed by the Commission in this  
5 proceeding to help us resolve the current disputes and avoid future contention around data.

6 The Company recommends the following:

- 7 1. The Commission should provide guidance to the Company and Staff  
8 concerning rate design proposals. Should there continue to be competing,  
9 even mutually exclusive rate design proposals offered by Staff and the  
10 Company?
- 11 2. The Commission should provide guidance on the Company's obligation to  
12 support the data needs of Staff when the data needs are beyond the needs of  
13 the Company and not associated with Company proposals. This data  
14 support represents incremental work often performed in place of Company  
15 operational work. If the Commission supports this incremental work, the  
16 Company would request suitable regulatory treatment to recover these  
17 incremental costs in a future general rate proceeding. In other words, the  
18 Commission should explicitly authorize the deferral of all costs associated  
19 with any Order to create, prepare and produce the data that the Commission  
20 finds appropriate as a result of this proceeding.
- 21 3. At this time the Commission should reject the Staff recommendations to  
22 change cost allocation related to distribution infrastructure and the related  
23 data request, item #1 and #8(c)1 in Schedule BDL-1. Questions about the

1 need for change and the need for additional data remain open under ER-  
2 2022-0337. Any decision on Data Request #1 should be consistent with  
3 decisions made in that working docket. Near term efforts with Evergy  
4 should instead be focused on using cost data already available with existing  
5 data sources to effect change on rate designs.

6 4. The Commission should reject Data Request #9. Deployment of on-peak  
7 demand charges or changes to reactive demand charges have not been  
8 ordered for the Company by the Commission nor explored in any detail as  
9 part of a recent general rate proceeding.

10 5. The Commission should provide guidance concerning each of the  
11 remaining data request items detailed on Schedule BDL-1. Unless  
12 otherwise specified the Company recommends these data should be  
13 provided no more than annually and only in years that do not include a  
14 general rate proceeding

15 a. For Data Request #2, confirm appropriateness of the data requested and  
16 approve regulatory treatment for prompt Company recovery of expenditures  
17 to deliver the data requested.

18 b. For Data Request #3, confirm appropriateness of the data requested and  
19 approve regulatory treatment for prompt Company recovery of expenditures  
20 to deliver the data requested.

21 c. For Data Request #4, confirm appropriateness of the data requested and  
22 approve regulatory treatment for prompt Company recovery of expenditures  
23 to deliver the data requested.

- 1 d. For Data Request #5, confirm appropriateness of the data requested and  
2 approve regulatory treatment for prompt Company recovery of expenditures  
3 to deliver the data requested.
- 4 e. For Data Request #6, affirm that this is a prospective request and cannot be  
5 appropriately assessed at this time.
- 6 f. For Data Request #7, confirm the Company response is appropriate,  
7 satisfying the Data Request.
- 8 g. For Data Request #8a, confirm the Company response is appropriate,  
9 satisfying the Data Request.
- 10 h. For Data Request #8b, confirm the Company response is appropriate,  
11 satisfying the Data Request.
- 12 i. For Data Request #8(c)2, confirm the Company response is appropriate,  
13 satisfying the Data Request.
- 14 j. For Data Request #8(c)3, confirm appropriateness of the data requested and  
15 approve regulatory treatment for prompt Company recovery of expenditures  
16 to deliver the data requested.
- 17 k. For Data Request #8(c)4, confirm appropriateness of the data requested and  
18 approve regulatory treatment for prompt Company recovery of expenditures  
19 to deliver the data requested.
- 20 l. For Data Request #8(d), confirm the Company response is appropriate,  
21 satisfying the Data Request.

22 **Q: Does that conclude your testimony?**

23 **A:** Yes, it does.

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

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

**AFFIDAVIT OF BRADLEY D. LUTZ**

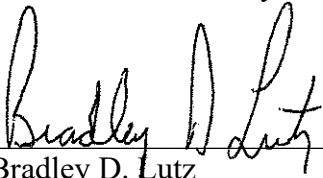
**STATE OF MISSOURI    )**  
                                   **) ss**  
**COUNTY OF JACKSON   )**

Bradley D. Lutz, being first duly sworn on his oath, states:

1.     My name is Bradley D. Lutz. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Director, Regulatory Affairs.

2.     Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of twenty-six (26) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

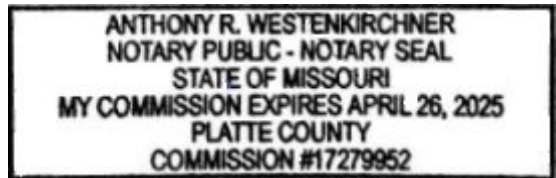
3.     I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Bradley D. Lutz

Subscribed and sworn before me this 8<sup>th</sup> day of January 2024.

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

My commission expires: 4/26/2025





Evergy MO Metro and MO West  
Case Name: 2023 EMM\_EMW Customer Account Data Production  
Case Number: EO-2024-0002

Requestor - Evergy to MPSC\_20231221

Question:0188

Please describe the structure and format (such as data periodicity and customer aggregation) of the weather adjustments or weather adjustment factors expected to result from Staff's Weather Normalization based on receiving hourly customer data from the Company.

**RESPONSE:** (do not edit or delete this line or anything above this)

**Confidentiality:** PUBLIC

**Statement:** This response is Public. No Confidential Statement is needed.

**Response:**

This process is still under discussion and development, and process testing and checks for reasonableness cannot occur until data has been received. Setup of workpapers cannot begin until the format of the data to be provided by the company is known. In particular, the level of rate switching within a year and within a month will need to be considered in developing the process and establishing expectations for the level of normalization experienced in the final result.

**Information provided by:** MPSC Staff

**Attachment(s):**



Evergy MO Metro and MO West  
Case Name: 2023 EMM\_EMW Customer Account Data Production  
Case Number: EO-2024-0002

Requestor - Evergy to MPSC\_20231221

Question:0189

Has Staff explored weather normalization methods used in other jurisdictions with Time of Use rates? If so, please identify those jurisdiction and summarize the observations.

**RESPONSE:** (do not edit or delete this line or anything above this)

**Confidentiality:** PUBLIC

**Statement:** This response is Public. No Confidential Statement is needed.

**Response:**

No, staff has not done so at this time.

**Information provided by:** MPSC Staff

**Attachment(s):**





Evergy MO Metro and MO West  
Case Name: 2023 EMM\_EMW Customer Account Data Production  
Case Number: EO-2024-0002

Requestor - Evergy to MPSC\_20231221

Question:0190

Does Staff expect to be able to differentiate changes in customer usage due to weather from changes driven by price sensitivity or other behavioral factor? If so, please describe that expected approach.

**RESPONSE:** (do not edit or delete this line or anything above this)

**Confidentiality:** PUBLIC

**Statement:** This response is Public. No Confidential Statement is needed.

**Response:**

This process is still under discussion and development, and process testing and checks for reasonableness cannot occur until data has been received. Setup of workpapers cannot begin until the format of the data to be provided by the company is known. In particular, the level of rate switching within a year and within a month will need to be considered in developing the process and establishing expectations for the level of normalization experienced in the final results.

**Information provided by:** MPSC Staff

**Attachment(s):**



Evergy MO Metro and MO West  
Case Name: 2023 EMM\_EMW Customer Account Data Production  
Case Number: EO-2024-0002

Requestor - Evergy to MPSC\_20231221

Question:0191

Please describe the structure and format (such as data periodicity and customer aggregation) of the adjustments expected to result from Staff's Customer Growth Adjustment based on receiving hourly customer data from the Company

**RESPONSE:** (do not edit or delete this line or anything above this)

**Confidentiality:** PUBLIC

**Statement:** This response is Public. No Confidential Statement is needed.

**Response:**

Potential adjustment formats and approaches are still under discussion and development, and process testing and checks for reasonableness cannot occur until data has been received. Setup of workpapers cannot begin until the format of the data to be provided by the company is known. In particular, the level of rate switching within a year and within a month will need to be considered in developing the process and establishing expectations for the level of normalization experienced in the final results.

**Information provided by:** MPSC Staff

**Attachment(s):**