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MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
TARIFF/RATE DESIGN DEPARTMENT

DIRECT TESTIMONY

OF

SARAH L.K. LANGE

**Evergy Metro, Inc d/b/a Evergy Missouri Metro and
Evergy Missouri West, Inc., d/b/a Evergy Missouri West**

CASE NO. EC-2024-0092

Jefferson City, Missouri
February 2024

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EXECUTIVE SUMMARY 1

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1 **DIRECT TESTIMONY**

2 **OF**

3 **SARAH L.K. LANGE**

4 Q. Please state your name and business address.

5 A. My name is Sarah L.K. Lange, 200 Madison Street, Jefferson City, MO 65101.

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

7 A. I am employed by the Missouri Public Service Commission (“Commission”) as
8 an Economist for the Tariff/Rate Design Department, in the Industry Analysis Division.

9 Q. Please describe your educational and work background.

10 A. Please see Schedule SLKL-d1.

11 **EXECUTIVE SUMMARY**

12 Q. What is the purpose of your direct testimony?

13 A. This testimony is organized by the counts pled in Staff’s November 20, 2023,
14 Amended Complaint. Concerning Counts 1, 2, 3, 4, and portions of Counts 5 and 6, I will
15 provide (1) Staff’s evidence of violation of the indicated Commission Order, (2) recommended
16 curative actions to avoid imposition of penalties under Sections 386.560 through 386.600,
17 RSMo., and (3) explain why imposition of penalties is appropriate if curative actions are not
18 immediately undertaken.

19 Q. Are other witnesses providing testimony?

20 A. Yes. Sarah Fontaine will provide additional testimony concerning Counts 5
21 and 6.

1 **COUNT 1 - EVERGY DID NOT FILE TESTIMONY AS IT AGREED TO DO IN THE**
2 **STIPULATION APPROVED BY THE COMMISSION IN ITS ORDER APPROVING**
3 **FOUR PARTIAL STIPULATIONS AND AGREEMENTS IN CASE NOS. ER-2022-0129**
4 **AND ER-2022-0130 (“STIPULATION ORDER”), EFFECTIVE OCTOBER 2, 2022,**
5 **NOR HAS EVERGY ESTIMATED THE COST TO PROVIDE THE DATA IT**
6 **COMMITTED TO PROVIDE, NOR IDENTIFIED THE PROCESS THAT IT WOULD**
7 **REQUIRE TO PROVIDE THE DATA TO ESTIMATE THE COST OF CARRYING**
8 **OUT THAT PROCESS.**

9
10 Q. What is Staff’s evidence in support of Count I?

11 A. On July 7, 2023, Evergy filed its Motion to Establish Docket for Further
12 Consideration of Data Production, docketed as Case No. EO-2024-0002. This filing did not
13 include any direct testimony nor did the motion state “the reason why it cannot provide the
14 requested data and its individual estimate of the cost to provide each set of requested data, for
15 the further consideration of the parties and the Commission,” as Evergy committed to do in the
16 August 30, 2022, Stipulation and Agreement and which the Commission ordered it to do in the
17 October 2, 2022, Stipulation Order.

18 On November 1, Evergy filed the direct testimony of three witnesses, Sean P. Riley,
19 Julie Dragoo, and Bradley Lutz. Only two pages of this testimony, Schedule BDL-1,
20 pages 1 and 2, can be construed as providing information as to why Evergy asserts it could not
21 provide any of the information specified in the August 30, 2022, Stipulation and Agreement.
22 The two pages cited above did not provide information at a useful level of detail. Mr. Lutz’s
23 direct testimony in EO-2024-0002 is attached as Schedule SLKL-d2. While it was filed as
24 confidential, that designation has since been removed.

25 Q. Did Evergy Missouri Metro or Evergy Missouri West provide any of the data to
26 Staff prior to July 1, 2023, that they committed to provide in the August 30, 2022, Stipulation
27 and Agreement.

1 A. No.

2 Q. Has Evergy Missouri Metro or Evergy Missouri West provided the data in
3 question to date?

4 A. No.

5 Q. Did the Evergy direct filing in EO-2024-0002 explain why the information
6 cannot be provided?

7 A. No. The Evergy direct filing in EO-2024-0002 did not explain why the
8 information cannot be provided beyond the explanation known at the time the Stipulation was
9 signed, as discussed below.

10 Q. Did the Evergy direct filing in EO-2024-0002 include any information
11 concerning data availability that Evergy had not conveyed to Staff prior to the execution of the
12 Stipulation?

13 A. No. It does not appear to include any information, beyond very high-level cost
14 estimates, that Evergy did not provide to Staff prior to the execution of the Stipulation.

15 Q. Did Evergy contact Staff at any time after August of 2022 and prior to July 1,
16 2023, to discuss clarification of the stipulated data items, to discuss potential modification of
17 the stipulated data items, or to address any concerns it may have had with the stipulated
18 data items?

19 A. No.

20 **Evergy's data commitments in the August 2022 Agreement**

21

22 Q. What were Evergy's commitments pursuant to the Stipulation Order?

1 A. On August 30, 2022, Evergy Metro and Evergy West entered into a *Stipulation*
2 *and Agreement* (“*August 2022 Agreement*,”), the terms of which were approved in the
3 *Stipulation Order*.

4 At page 12 of the *August 2022 Agreement*, Evergy made the commitment set out below:

5 4) Data Retention: a) Prior to July 1, 2023, the Company will
6 identify and provide the data requested in the direct testimony of Sarah
7 Lange. If the requested data is not available or cost-prohibitive to
8 produce, the Company will file a motion to establish an EO docket. In
9 that docket the Company will provide the reason why it cannot provide
10 the requested data and its individual estimate of the cost to provide each
11 set of requested data, for the further consideration of the parties and
12 the Commission.

13 The “requested data,” was outlined in my referenced Direct testimony in ER-2022-0129
14 and ER-2022-0130 at pages 62 -64. This testimony is attached as Schedule SLKL-d3.

15 Q. What information did Evergy agree to provide prior to July 1, 2023?

16 A. Among other things, Evergy agreed to provide distribution plant and expense
17 information to calculate the discount provided through its current rate structures to customers
18 served at voltages other than secondary and information to improve the accuracy of rate design,
19 and Evergy agreed to provide information to study implementation of on-peak demand charges
20 and expansion of reactive demand charges.

21 **Distribution and Rate Design Data**

22 Q. What data did Evergy commit to provide related to its distribution system costs
23 and expenses?

24 A. Evergy committed to provide information to calculate the discount provided
25 through its current rate structures to customers served at voltages other than secondary.
26 Specifically, Evergy committed to provide information to better quantify the plant that
27 comprises the secondary distribution system and the plant that comprises the primary

1 distribution system.¹ Evergy’s current rate schedules exempt certain customers from paying a
2 return on the plant that comprises its secondary distribution system and also exempt those
3 customers from paying the same percentage of distribution expense (including depreciation) as
4 the exempted plant amount.²

5 Q. What information did Evergy commit to provide to improve the accuracy of
6 rate design?

7 A. Evergy’s current rate schedules charge different rates for customers within the
8 rate schedule by providing different rate codes for customers served at primary voltage distinct
9 from secondary voltage, (and substation voltage and transmission voltage, as applicable).
10 Within a schedule, these differences are defined by “rate code.” Evergy committed to provide
11 information to better quantify the plant that is associated with customers within each rate
12 schedule served at these different voltages, and billed on different rate codes.³

13 Q. Did Evergy provide the distribution and rate design-related information prior to
14 July 1, 2023?

15 A. No.

16 Q. Has Evergy provided a good faith estimate of the cost to provide the distribution
17 and rate design-related information?

¹ The text of the Evergy commitment is “Identify and provide the data required to determine: line transformer costs and expenses by rate code; **primary distribution costs and expenses by voltage; secondary distribution costs and expenses by voltage**; primary voltage service drop costs and expenses; **line extension costs, expenses, and contributions by rate code and voltage; and meter costs by voltage and rate code.**” [emphasis added]

² These customers are also exempted from paying the same percentage of distribution expense and a proportionate amount of indirect expenses as the percent of distribution plant from which they are exempted.

³ The text of the Evergy commitment is “Identify and provide the data required to determine: **line transformer costs and expenses by rate code**; primary distribution costs and expenses by voltage; secondary distribution costs and expenses by voltage; primary voltage service drop costs and expenses; **line extension costs, expenses, and contributions by rate code and voltage; and meter costs by voltage and rate code.**” [emphasis added]

1 A. No. It has not. The text of the Evergy commitment is “Identify and provide the
2 data required to determine: **line transformer costs and expenses by rate code; primary**
3 **distribution costs and expenses by voltage; secondary distribution costs and expenses by**
4 **voltage; primary voltage service drop costs and expenses; line extension costs, expenses,**
5 **and contributions by rate code and voltage; and meter costs by voltage and rate code.”**
6 [emphasis added]. However, instead of providing discrete cost estimates, Evergy simply
7 provided a lump sum amount of “\$80M - \$110M,” “Design Phase \$5M - \$10M based on other
8 enterprise efforts,” “Implementation Phase \$75-100M+ based on other enterprise efforts,”
9 noting “[f]or distribution system costs that are attributable to specific individual customers and
10 rate schedule/code would require an overhaul of the entire cost tracking and work management
11 recording processes and systems. Individual systems are separate and have singular purposes
12 with no natural alignment that would enable syncing and connection. As such, it would require
13 consultation with system experts to not only configure the individual systems for linkage, but
14 also assist with creating dynamic integrated processes to allow for the tracking and reporting of
15 the data being requested. To support this request, Evergy would also likely need to hire on-
16 going resources to sustain these processes to support an expectation of continual creation,
17 tracking, storing, and reporting of this data.”

18 Q. Why do you consider that Evergy’s estimate was provided in bad faith?

19 A. In the August 2022 Agreement, Evergy undertook to provide “the reason why it
20 cannot provide the requested data **and its individual estimate of the cost to provide each set**
21 **of requested data”** (emphasis added). Evergy’s failure to do what it had agreed to do signifies
22 bad faith.

On-Peak and Reactive Demand Data

1
2 Q. Evergy committed to develop the determinants for assessment of an on-peak
3 demand charge to replace the current monthly billing demand charge, and for potential
4 implementation for customers not currently subject to a demand charge.⁴ Evergy also
5 committed to retain and study the reactive demand requirements of each rate code and of sample
6 customers served on each rate code.⁵ Did Evergy provide to Staff the information related to any
7 of these items prior to July 1, 2023?

8 A. No.

9 Q. Has Evergy provided any of these items to date?

10 A. No.

11 Q. Did Evergy file an estimate of the cost of providing information concerning
12 reactive demand or on peak demand in its direct filing in File No. EO-2024-0002?

13 A. No. Mr. Lutz testified that the cost of these elements (aggregated, not separate)
14 was “TBD,” and “No context for generating estimate.” He further noted that, “[c]urrently,
15 MDM systems collect meter interval data for all hours of the day, 365 days of the year for
16 customers with AMI meters. Configuration would be needed to create reporting for the

⁴ The text of the Evergy commitment is “Staff recommends that EMM and EMW be ordered to develop the determinants for assessment of an on-peak demand charge to replace the current monthly billing demand charge, and for potential implementation for customers not currently subject to a demand charge. At this time, Staff recommends that in summer months the period be noon – 10 pm, and during non-summer months the period be 6 am – 10 pm, but Staff welcomes the input of other parties to refine this time periods. Staff does not recommend that weekends and holidays be excluded.”

⁵ The text of the Evergy commitment is “Staff recommends the EMM and EMW begin to retain and study data related to the reactive demand requirements of each rate code, and sample customers within each rate code. While in recent history reactive demand has not been a determinant in CCOS studies or a rate element for many customers, emerging system conditions associated with changes in regional generation fleets may occasion further study of reactive demand requirements.”

1 collection of hourly kw during any peak period identified. Evergy does not have a study design
2 in place to inform the portion of the is [sic] data request related to reactive demand.”

3 Q. Was the August 2022 Agreement informed by Evergy’s testimony in
4 File Nos. ER-2022-0129 and ER-2022-0130 related to on-peak and reactive demand studies?

5 A. Yes. Mr. Lutz’s rebuttal testimony in File Nos. ER-2022-0129
6 and ER-2022-0130 at pages 20-21 includes the following exchange:

7 Q: What is your position concerning the Staff recommendation to retain
8 data related to on-peak demand charges and reactive demand?

9 A: I support the intent of these recommendations but must clarify that
10 **the Company will study only those rates where a reactive demand**
11 **charge is part of the current design or a demand charge could be**
12 **added without material configuration of [sic] customization of the**
13 **Company metering or billing systems.** The Staff recommendation
14 appears inclusive of all rate codes. Demand charges are not commonly
15 associated with residential customers. Reactive demand is not commonly
16 associated with residential or small commercial & industrial customers.
17 To devote study effort to those customer rates would not be practical
18 with this initial effort.

19 Q. Has Evergy provided information concerning reactive demand for those rate
20 schedules under which reactive demand charges are a current part of the rate structure, or
21 concerning on-peak demand for those rate schedules under which a demand charge is a current
22 part of the rate structure?

23 A. No. Further, in his surrebuttal testimony in File No. EO-2024-0002, Mr. Lutz
24 requested that, “[t]he Commission should reject Data Request #9. Deployment of on-peak
25 demand charges or changes to reactive demand charges have not been ordered for the Company
26 by the Commission nor explored in any detail as part of a recent general rate proceeding.”

27 Q. Is this position reflective of good faith execution of Evergy’s commitments in
28 ER-2022-0129 and ER-2022-0130.

1 A. No.⁶

2 Q. Why not?

3 A. The response indicates that Evergy is simply evading its commitment.

4 **Evergy's testimony in EO-2024-0002 fails to satisfy its obligations under the**
5 **August 2022 Stipulation**

6
7 Q. The data retention provisions that became the subject of the August 2022
8 Stipulation were included in your direct testimony in File Nos. ER-2022-0129 and ER-2022-
9 0130. At the time you provided that recommendation, with regard to distribution and rate
10 design data, were you aware that Evergy did not generally retain information in its accounting
11 records or continuing property records by rate schedule or voltage?

12 A. Yes. On page 31 of my CCoS direct testimony in File Nos. ER-2022-0129 and
13 ER-2022-0130, attached as Schedule SLKL-d3, I testified as follows:

14 Q. For which allocators do you rely on company allocators?

15
16 A. I relied on the EMM and EMW allocators for customer deposits, meter
17 investment and expense, uncollectible accounts, and customer services and
18 information. I also rely on the Company's classification and allocation of
19 substantial components of the distribution system. I also relied on the
20 Companies' class-level demand estimates. Use of these values, even if they are
21 suboptimal, minimizes inconsistencies in study results among the parties. **I have**
22 **been unable to obtain the information necessary to either independently**
23 **calculate these classifiers and allocators, which would also be necessary to**
24 **the accuracy of the Companies' valuation. [emphasis added]**

25
26 Q. What information did you request that the company was unable to
27 provide?

28 A. Relevant data requests and responses from the EMM case are provided
29 below:⁷

30
31 Question: 0211

⁶ Evergy made additional data commitments and cost estimate commitments, but for purposes of brevity, Staff will focus in this complaint on the items related to distribution and the demand studies.

⁷ Substantially identical questions and responses were made and received in the EMW case. I did not seek to independently verify the Companies' allocations of customer deposits.

1 For each voltage and phase combination at which the company operates
2 transmission or distribution equipment, please identify the typical or
3 representative retirement units and quantities associated with providing 1
4 span of overhead (and the equivalent distance of underground)
5 infrastructure including devices. For each combination, by overhead and
6 underground, please indicate the number of pole miles, and the typical
7 number of conductors. If multiple conductor numbers are in common use,
8 please identify the number of pole miles associated with each number of
9 conductors. Sarah Lange (sarah.lange@psc.mo.gov)

10 RESPONSE:

11 The Company does not retain information in a form that would facilitate a
12 response to this question.

13 Information provided by: Brad Lutz

14
15 Question: 0212

16 Please identify, by retirement unit and account, the transmission or
17 distribution plant associated with providing service to isolated customers.
18 Please identify, by rate schedule and voltage and phase at which service is
19 taken, the retirement unit and account associated with transmission or
20 distribution plant associated with providing service to isolated customers.
21 For example, if a customer is served at 34kV but is adjacent to a 69kV,
22 please identify the transformation equipment, conductor, switchgear, etc,
23 used to facilitate service to that customer; or the line transformer and
24 conductor combination used as a service drop for a given size of secondary
25 customer. Please specify plant that may be shared to a limited extent by
26 adjacent customers, such as line transformers. Sarah Lange
27 (sarah.lange@psc.mo.gov)

28 RESPONSE:

29 The Company does not retain information in a form that would facilitate a
30 response to this question.

31 Information provided by: Brad Lutz

32
33 Question: 0214

34 A. Please identify each voltage and phase combination at which service is
35 provided to customers, and identify the number of customers taking service
36 on each, by rate schedule. B. For each voltage and phase combination at
37 which service is provided to customers, identify (1) the typical or
38 representative retirement units and quantities associated with providing 1
39 span of overhead (and the equivalent distance of underground)
40 infrastructure including devices, and (2) the typical or representative
41 meter(s) and related installations, by retirement unit or more specific
42 information if available. (3) if these items vary with usage characteristics of
43 customers, Company shall provide items 1 & 2 for a minimum of high,
44 medium, and low infrastructure customers. Sarah Lange
45 (sarah.lange@psc.mo.gov)

1 RESPONSE:

2 The Company does not retain information in a form that would facilitate a
3 response to this question.

4 Information provided by: Brad Lutz

5
6 Question: 0215

7 A. Please identify each voltage and phase combination at which customers
8 are billed, and identify the number of customers billed on each, by rate
9 schedule. For each rate schedule, please identify the number of customers
10 served and billed at each combination of voltages and phases at which the
11 company provides service and bills customers, at the beginning and 15th of
12 each calendar month, for the period 1/1/2018-12/31/2022. B. For each rate
13 schedule voltage and phase service and billing combination identified above
14 on which fewer than 100 customers are served, please provide individual
15 hourly load data for each customer for the period 1/1/2018-12/31/2022.
16 C. For each rate schedule voltage and phase service and billing combination
17 identified above on which more than 100 customers are served, please
18 provide individual hourly load data for each of 100 randomly sampled
19 customers for the period 1/1/2018-12/31/2022. D. For each rate schedule
20 voltage and phase service and billing combination, please provide the sum
21 of all customers' hourly loads for each hour for the period 1/1/2018-
22 12/31/2022. Sarah Lange (sarah.lange@psc.mo.gov)

23 RESPONSE:

24 The Company does not retain information in a form that would facilitate a
25 response to this question.

26 Information provided by: Brad Lutz

27
28 Question: 0216

29 Please identify the number of employees or contractors and level of payroll
30 associated with providing customer service to customers, by rate schedule.
31 Sarah Lange (sarah.lange@psc.mo.gov)

32 RESPONSE:

33 The Company does not retain information in a form that would facilitate a
34 response to this question.

35 Information provided by: Brad Lutz

36
37 Question: 0217

38 Please identify the number of employees or contractors and level of payroll
39 associated with repairing, maintaining, or installing the distribution or
40 transmission equipment used to provide service to isolated customers, by
41 rate schedule. Sarah Lange (sarah.lange@psc.mo.gov)

42 RESPONSE:

43 The Company does not retain information in a form that would facilitate a
44 response to this question.

45 Information provided by: Brad Lutz

46

1 Question: 0248

2 Please refer to the Company's "Allocators Workpapers 202106 – Direct
3 Filing" at Tab "Cust3_Acct 369" and explain why LGS, LPS, and Lighting
4 customers were excluded from this allocator calculation. Explain where
5 equipment analogous to the equipment recorded in account 369 is booked
6 for each of these customer classes served at secondary, and served at any
7 other applicable voltage level. Clarify if the average cost of a service is the
8 same for all customers, regardless of the voltage or amperage of the
9 customer served. DR requested by Sarah Lange (sarah.lange@psc.mo.gov).

10 RESPONSE:

11 Customer classes allocated a portion of Account 369 are known to typically
12 experience service drops. This assumption is consistent with our
13 examination standards and historical methods. No ready source for
14 alternative allocation is available.

15 Account 369's equipment is booked for each of the customer classes served
16 at secondary. The allocation calculation does not incorporate a breakdown
17 of Account 369 equipment, but rather utilizes secondary customer counts to
18 allocate the broader Account 369.

19 Actual costs will vary by customer. Allocation used is consistent with
20 historical and standard expectation for this unit of plant.

21 Information provided by: Brandon Lombardino, Regulatory Analyst II,
22 Regulatory Affairs

23 Q. What improvements to the CCOS Studies would have been possible with
24 the information sought above?

25
26 A. This information would have facilitated more reasonable classification
27 and allocation of the distribution system, as well as enabled more reasonable
28 allocation of the costs, expenses, and revenues associated with EMW and
29 EMM's generation of energy, participation in the SPP integrated energy market,
30 and acquisition of wholesale energy to serve customers, at a rate code level.
31 Given the significant growth of distribution, transmission, and non-dispatchable
32 generation anticipated over the next five years, it is necessary at this time to
33 review these costs and expenses and the allocation thereof in greater detail than
34 may have been acceptable in the past. Given the growth of rate base and
35 expenses associated with services that have not been historically subject to
36 regulation (such as electric vehicle charging services and optional rate structures
37 and designs) the level of data needed to review the proper assignment or
38 allocation of costs associated with these elements will only increase.
39

40 Additional discussion of the problems with data unavailability was provided at
41 pages 25 – 36 of that testimony.

1 Q. In ER-2022-0129 and ER-2022-0130, how did Evergy respond to your
2 testimony identifying key data requests in that case to which Evergy’s response was that “The
3 Company does not retain information in a form that would facilitate a response to this question,”
4 and to your recommendations that became the August 2022 Stipulation?

5 A. In his rebuttal testimony File Nos. ER-2022-0129 and ER-2022-0130 (attached
6 as Schedule SLKL-d4), Mr. Lutz devoted pages 13 – 21 to discussion of Staff’s recommended
7 data retention provisions.⁸ At pages 19 – 20 of his rebuttal testimony in File Nos. ER-2022-
8 0129 and ER-2022-0130, Mr. Lutz provides the following exchange:

9 Q: Does the Company have a sense of the effort required to
10 produce the data in Staff’s list of requested data?

11 A: Unfortunately, no. **In the time allowed, we are unable to**
12 **fully capture the expected significant investment, technical**
13 **systems/software needs, technical personnel, and system**
14 **reconfiguration likely needed to accommodate their request.** Based
15 on a cursory review of the data retention requested by Staff, I can offer
16 that **the Company does not currently capture the information**
17 **requested on a report or in a manner that can be easily pulled or**
18 **exported,** particularly because none of the information requested is
19 generally utilized by the Company. In other words, the Company itself
20 does not require this degree of detail to perform a CCOS Study or rate
21 design analysis intended to serve as a general “guide”. This means that
22 the information being requested to be housed/created (if it doesn’t
23 readily exist), pulled or retained would need to be accommodated and
24 represent a new utilization of data/systems that **the Company would**
25 **need to fully explore to best estimate the full expected incremental**
26 **cost that Staff’s request is necessitating being incurred.**

27 **[emphasis added]**

⁸ Staff’s response to this testimony was provided in my Surrebuttal testimony in File Nos. ER-2022-0129 and ER-2023-0130, which is attached as Schedule SLKL-D5.

1 Q. How would you summarize Mr. Lutz's testimony in File Nos. ER-2022-0129
2 and ER-2022-0130 rebutting Staff's recommendation that the Commission order Evergy to
3 provide specified data?

4 A. Mr. Lutz's testimony in the rate cases was that Evergy would need additional
5 time to figure out the processes and estimate the costs of executing those process to provide the
6 data that Staff recommended be provided.

7 Q. At pages 8-9 of his testimony in EO-2024-0002 Mr. Lutz states, "The Staff
8 requests are also problematic because much of the data requested would require combining data
9 from distinct systems that aren't integrated in a manner to facilitate reporting/extraction on a
10 combined basis- i.e., reporting or query capability isn't readily available that pulls data from all
11 of these systems simultaneously and needed common characteristic to establish these linkages
12 are not in place. It was also noted that the systems often "feed" into other systems in one
13 direction, therefore edits and adjustments in one system are not populated backwards to the
14 source systems, resulting in differences in the data." Is this accurate?

15 A. This is no more than the situation Evergy testified to in its rebuttal testimony in
16 ER-2022-0129 and ER-2022-0130 in its assertion that it could not provide the requested
17 information to Staff during the rate cases. However, this is the reason that Staff stipulated with
18 Evergy to allow an additional year for Evergy to determine how to cost-effectively obtain the
19 specified data, or to provide an explanation of the process and cost to obtain the data if it was
20 not able to cost-effectively produce it.

21 Q. To what extent did Evergy's direct testimony in EO-2024-0002 provide
22 estimates of the cost to provide the distribution and expense information for the further
23 consideration of the parties and the Commission?

1 A. Unfortunately, Evergy’s testimony in EO-2024-0002 was very vague
2 concerning cost information, and Evergy’s responses to Staff’s data requests in this case reveal
3 that Evergy did not undertake a good faith effort to comply with its commitments made in the
4 2022 Stipulation and Agreement. Specifically, the stipulation language refers to the filing of
5 an EO docket for Evergy to provide “its individual estimate of the cost to provide each set of
6 data described, for the further consideration of the parties and the Commission,” in reference to
7 the following sets of data:

8 line transformer costs and expenses by rate code;
9 primary distribution costs and expenses by voltage;
10 secondary distribution costs and expenses by voltage;
11 primary voltage service drop costs and expenses;
12 extension costs, expenses, and contributions by rate code and voltage;
13 and meter costs by voltage and rate code.

14 However, Evergy provided a single lump sum estimate of \$80 million to \$110 million.

15 Q. Why do you say that Evergy did not undertake a good faith effort?

16 A. Evergy’s failure to do what it had agreed to do, that is, provide “its individual
17 estimate of the cost to provide each set of data described,” indicates that it is not acting in
18 good faith.

19 Q. At page 10 of his testimony in EO-2024-0002, Mr. Lutz states “Q: In your
20 opinion, is the request for data identified in data request 1 appropriate? A: No. If additional
21 detail about these costs is deemed necessary, I believe alternate data be considered.” Do you
22 have any comments on this testimony?

23 A. Yes. First, Mr. Lutz does not include in his testimony, nor do any other Evergy
24 witnesses, a discussion of this alternative data or an estimate of the cost of acquiring that
25 alternative data. Second, Mr. Lutz has not had a discussion with Staff concerning alternate data

1 since the conclusion of the rate cases.⁹ In response to Staff DR 1 in EO-2024-0002, Mr. Lutz
2 declined to provide any discussion of alternative data beyond what he provided in his direct
3 testimony in EO-2024-0002.¹⁰ Staff’s attempts to explore alternative data through discovery
4 in this docket have not been productive. Evergy’s responses to Staff DRs are provided
5 Schedule SLKL-r2 to Schedule SLKL-D3, attached to this testimony.

6 Q. Did Staff’s testimony in ER-2022-0129 and ER-2022-0130 indicate a
7 willingness to accept data in formats that were more readily available to Evergy?

8 A. Yes. For example, at pages 16 – 17 of my Surrebuttal testimony in the rate
9 cases, I testified, with regard to distribution data, that “[t]he intent of this requirement is to be
10 able to align cost causation with revenue responsibility at the class and customer level. To the
11 extent that a different characteristic than demand better or more readily facilitates that
12 alignment, I support revision of this requirement accordingly so long as determinants associated

⁹ Staff DR 2, “At page 10 Mr. Lutz states “Q: In your opinion, is the request for data identified in data request 1 appropriate? A: No. If additional detail about these costs is deemed necessary, I believe alternate data be considered.” Please identify the date, time, and location of any discussion Mr. Lutz or another Evergy employee inquired of Sarah Lange or any other member of PSC staff the suitability of alternate data to address Staff’s concerns.” Evergy 11/13/2023 Response, “Other than similar suggestions made in Company rebuttal testimony, discussions about alternate data have not occurred. In the ER-2022-0129/0130 rate case, the Company replied to Staff discovery that the distribution data is not available. Staff presented their position in Rebuttal testimony and the topic became part of the large data retention question memorialized in the stipulation and leading to this EO docket.”

¹⁰ Staff DR 1, “At page 10 Mr. Lutz states “Q: In your opinion, is the request for data identified in data request 1 appropriate? A: No. If additional detail about these costs is deemed necessary, I believe alternate data be considered.” Please describe the alternative data that Mr. Lutz believes can be considered concerning each of the following items, separately: (1) line transformer costs and expenses by rate code; (2) primary distribution costs and expenses by voltage; (3) secondary distribution costs and expenses by voltage; (4) primary voltage service drop costs and expenses; (5) line extension costs, expenses, and contributions by rate code and voltage; and (6) meter costs by voltage and rate code.” Evergy 11/13/2023 Response, “None of this data is available in the association requested. This issue is detailed in the Company testimony. Distribution costs by rate code are particularly problematic. The testimony concerning alternatives, focuses mainly on existing data from the Company CCOS studies could be more fully utilized to establish pricing. Views of Unbundled cost data provides further details about the class cost allocations that has been largely underutilized for ratemaking purposes. The presumption that distribution costs can be accurately expressed at such granular levels will plague any effort to satisfy the construct of the Staff data requests.”

1 with that characteristic are also made available and linkage within the customer billing system
2 between customers and determinants is established in a reasonable timeframe.”

3 With regard to “meter costs by voltage and rate code,” I testified that “[p]erformance of
4 a study requires data, which may be either a representative sample, or may be comprehensive
5 of virtually all customers. Sample data is likely sufficient to (1) determine the appropriate
6 allocation of meter costs among classes in the context of a CCOS, and (2) to evaluate whether
7 different charges should be established within a class. More comprehensive data is needed to
8 (3) review the reasonableness of existing differing charges within a class, and (4) to create new
9 differing charges within a class.”¹¹

10 My surrebuttal testimony concerning “secondary distribution costs and expenses by
11 voltage references “*A representative identification of the infrastructure and cost of the*
12 *distribution system components that operate at various secondary service voltage,*”
13 [*emphasis added*].¹² My surrebuttal testimony at pages 5 – 6 cements the context of the
14 requested distribution and rate design data in the current Evergy rate structures, which “were
15 an outgrowth of a series of proceedings and detailed studies that occurred in the mid-1990s.”¹³

16 My surrebuttal testimony was filed August 16, 2022, in ER-2022-0129
17 and ER-2022-0130, prior to the execution on August 30, 2022, of the August 2022 Stipulation
18 in ER-2022-0129 and ER-2022-0130.

19 Q. How would you summarize the August 2022 Stipulation with regard to
20 data retention?

¹¹ Sarah Lange Surrebuttal in ER-2022-0129 and ER-2022-0130, at page 17.

¹² Sarah Lange Surrebuttal in ER-2022-0129 and ER-2022-0130, at page 23.

¹³ Sarah Lange Surrebuttal in ER-2022-0129 and ER-2022-0130, at pages 5 -6.

1 A. Staff agreed to the settlement of various issues as contained in the August 2022
2 Stipulation in exchange for Evergy’s commitment to figure out the processes and estimate the
3 costs of executing those processes to provide the data that Staff recommended be provided.

4 Q. Is it reasonable to conclude that Evergy either entered into the Stipulation in bad
5 faith with the knowledge that it would be unable to provide the information it committed to
6 provide, or, in the alternative, that Evergy has willfully failed to develop the information it
7 committed to provide, including reasonable and reliable cost estimates of the cost to produce
8 the data?

9 A. Yes.

10 **Recommended relief to avoid statutory penalties**

11
12 Q. As an alternative to seeking statutory penalties, what relief is appropriate?

13 A. As an alternative to statutory penalties, the Commission should maintain an open
14 docket, such as EO-2024-0002, for discovery related to the production of customer and usage
15 information and distribution cost and expense information. As I recommended in that case, at
16 page 18 of my rebuttal testimony, “The Commission should leave this docket open as a
17 repository for discovery and for resolution of potential discovery disputes, as Staff proceeds to
18 request information to complete a distribution system study. For example, Staff has asked
19 Evergy to estimate the time and cost of conducting surveys of equipment, and Evergy has
20 objected to those DRs and responded that they cannot be compelled to provide an answer. Staff
21 recommends this docket be used as a means to resolve areas where Evergy asserts that it cannot
22 provide requested data because production of this data would require Evergy to perform
23 additional analysis. Some analysis of distribution system costs must occur at some point.”

24 Also, as recommended by Staff expert J Luebbert in his rebuttal testimony at page 4, “Staff

1 further recommends this docket remain open for resolution of discovery disputes related to data
2 provision. Specifically, Staff recommends this docket be used as a means to resolve areas
3 where Evergy asserts that it cannot provide requested data because production of this data
4 would require Evergy to perform additional analysis to provide required data in a usable
5 format.” Additional recommendations concerning production of specific data are contained in
6 the testimony in that docket.

7 **Statutory Penalties are Appropriate**
8

9 Q. Why are statutory penalties appropriate regarding Count 1?

10 A. Statutory penalties are appropriate because to date, Evergy has not provided a
11 good faith estimate of the cost to produce the requested data related to distribution capital costs
12 and expenses; and data spoliation is occurring.

13 Q. Why did Staff request individual cost estimates of the items included in the 2022
14 Stipulation and Agreement?

15 A. Staff is aware of the lack of cross-references included in the accounting, plant
16 record, and operating record data systems of Evergy Missouri Metro and Evergy Missouri West.
17 Staff is also aware of the history of Evergy Missouri West and the fact that records may have
18 been lost or compromised through the purchase of St. Joseph Light and Power, and the
19 transition of Missouri Public Service to Utilicorp United, and then to Aquila, and its purchase
20 by Great Plains Energy. If Evergy made a good faith estimate that it would cost \$5 million
21 dollars to figure out how many service drops are used by residential customers versus small
22 general service customers versus large general service customers, Staff would not recommend
23 using \$5 million dollars to better allocate the balance of this relatively small account. However,
24 if a few thousand dollars would support the survey of poles by voltage, and that poles’ study

1 could be used to make educated inferences about overhead conductor cost by voltage, then Staff
2 likely would support that relatively small expenditure as necessary. In other words, while Staff
3 entered the 2022 Stipulation and Agreement believing it was bargaining for delivery of actual
4 data, Staff also entered the 2022 Stipulation and Agreement bargaining for the delivery of
5 information to prioritize data that was reasonably available versus that which Evergy
6 unjustifiably asserts is too expensive to provide.

7 Q. If Evergy did not attempt individual cost estimates of items as different as meters
8 and transmission towers, what reasonable conclusion can you draw about the quality of
9 Evergy's total cost estimate for the distribution plant and expense cost estimates?

10 A. Evergy's inability to provide individual cost estimate suggests that its total cost
11 estimate is unreliable, and it evades Staff's intention to use the information obtained through
12 the Stipulation to prioritize collection of more important, less costly data, from less important,
13 more costly data.

14 Q. Is information being lost by Evergy's continued delay of the retention
15 of information?

16 A. Yes. Staff is concerned that Evergy

- 17 1) cannot provide customer counts per rate code after a given day has passed,
- 18 2) cannot access customer usage by rate code after a given hourly interval has
19 passed, without first modifying its billing system, and
- 20 3) cannot access information to generate demand charge determinants for classes
21 that do not have a demand charge, nor to generate on-peak demands for any
22 class, unless modifications are first made.

1 Q. Have Evergy data request responses confirmed that some sort of manual action
2 needs to occur on a consistent basis to preserve access to customer counts per rate code?

3 A. Yes. Evergy has stated in EO-2024-0002 that it cannot provide customer counts
4 per rate code without hundreds of hours of work and significant costs.¹⁴ However, Evergy filed
5 customer counts by rate code weekly in File No. EW-2023-0199. Staff submitted DR 175 in
6 EO-2024-0002 to better understand this seeming contradiction. DR 175 and Evergy's response
7 are reproduced below:

8 In File No. EW-2023-0199 Evergy files weekly what it purports to be
9 the number of customers served on each residential rate schedule as of
10 an indicated date. (a) Please explain from start to finish how these
11 customer numbers are summed or calculated. . (b) can the same process
12 be used to provide customer numbers by rate schedule by day or month,
13 if not, why not, if yes, please explain the timing and intervals at which
14 such information could be provided. Please provide all pertinent answers
15 for both Evergy Missouri Metro and Evergy Missouri West. Data
16 Request submitted by Sarah Lange (sarah.lange@psc.mo.gov).

17 Response: Answers below cover both Evergy Missouri Metro
18 and Evergy Missouri West.

19 (a) A query is executed that counts the number of active service
20 agreements as of the day/time the query runs for a specific list of rate
21 codes. The counts are then summarized by rate code within the query.
22 Each active service agreement has a count of '1' towards the rate code
23 listed on the service agreement.

24 (b) The process in (a) is a short-term, manually executed, and ad hoc
25 solution intended to gather a count of service agreements for a subset of
26 MO residential rate codes where the service agreements are active at the
27 time the query executes. The query will not gather data for historical
28 purposes and report counts based on a specific historical date nor will it
29 provide counts based on a monthly view. In order to provide historical
30 views of customer counts on either a specific date historically, a specific
31 month historically, or a month-over-month view, additional queries
32 would need to be developed for each request to provide those different
33 data sets. Additionally, the queries would need to be further developed
34 if request requirements stipulate a one-time data pull or if the data is

1 required to be pulled regularly at some frequency (e.g., execute
2 monthly).

3 Information provided by: Brad Walsh, Sr. Manager Customer
4 Analytics & Automation

5 Q. Did Staff inquire as to whether this process could be routinely undertaken to
6 preserve data for future rate cases?

7 A. Yes. Staff DR 175.1 in EO-2024-0002 asked:

8 Please refer to the 11/28/2023 response to DR 175. (a) Please describe the amount of
9 time it takes, and the personnel involved in running the query described in Evergy's
10 answer to part a of the response to DR 175. (b) Could the query described in Evergy's
11 answer to part a of the response to DR 175 be run every Tuesday morning of each week,
12 and also on the 1st and last calendar day of each month until Evergy develops the queries
13 described in part b of Evergy's response to DR 175? (c) If these queries can be run for
14 nominal cost, please preserve the customer count data as described in part b of this
15 question for use in future Evergy rate cases or related matters. Please provide all
16 pertinent answers for both Evergy Missouri Metro and Evergy Missouri West.

17 Evergy's response is provided below, indicating an apparent unwillingness to exert
18 minimal effort to preserve customer count data:

19 a. Given that the query has been developed and tested, the ongoing
20 process takes approximately 15 minutes to execute the query and
21 document the results for the TOU subset of Missouri rates. Personnel
22 involved in this part of the process has been the Sr. Manager,
23 Customer Analytics & Automation.

24 b. Although possible, it is not Evergy's intention to utilize manual
25 queries designed for a specific purpose to be executed in this way as
26 a makeshift solution.

27 c. Although possible, it is not Evergy's intention to utilize manual
28 queries designed for a specific purpose to be executed in this way as
29 a makeshift solution.

30 Q. Has Evergy's counsel made any representations concerning these issues?

1 A. Yes. In response to concern 2, on October 2, 2023, Mr. Jim Fisher represented
2 by email that “Evergy is retaining hourly billing information and Evergy can pull it by rate plan
3 (i.e. rate code).”

4 Regarding item 3, Schedule BDL-1 in EO-2024-0002 notes that “15 minute interval
5 data is not currently stored in the Data Hub and therefore cannot be aggregated as described.”
6 Access to this information is lost each day. Following a discovery conference counsel for
7 Evergy, Mr. Roger Steiner, made the following representation by email:

8 During yesterday’s Discovery Conference, Staff member Sarah Lange
9 asserted concerns that Evergy 15-minute meter reading data is being
10 deleted. This is not the case. The Company is not deleting meter reading
11 data. Evergy retains all data necessary for reliable and accurate billing
12 of its customers. Operationally, the Meter Data Management (MDM)
13 system manages the interval meter data for all AMI meters, including
14 15-minute data for all capable meters. The data is retained in the MDM
15 in accordance with the billing standards for the purposes of
16 billing customers. As disclosed in Evergy’s Direct Testimony in this
17 case, this 15-minute meter reading data is retained in the operational
18 system (MDM) but not available for analysis within that operational
19 system. Also explained in Evergy’s Direct testimony, making the 15-
20 minute data available for analysis would require new tools/systems to
21 create the summarization of the 15-minute data across multiple
22 customers for a given rate, day, month, etc. Staff has apparently confused
23 this data availability with data retention. The Company is retaining 15-
24 minute interval data and there no risk of data being deleted in the
25 foreseeable future.

26 Staff’s concerns about data deletion are misplaced.

27 Given that Evergy has been unable, to date, to produce any of the 15 minute data
28 requested, Staff is concerned that its concerns are not “misplaced.”

29 Q. To what extent is the information Evergy committed to provide necessary?

30 A. Regarding the distribution cost and rate design data, Evergy’s tariffs bill
31 customers differently based on the relationships of characteristics last studied in the early 1990s.
32 Evergy’s nonresidential customers pay a different customer charge based on how many kW of

1 demand that customer has, based on the relative costs of different-sized meters in the
2 early 1990s. Evergy's nonresidential customers pay different facilities charges based on
3 whether they are served at secondary or primary, based on the relative difference in the costs
4 of those distribution networks in the 1990s. The Commission's statutory purpose is to set rates
5 that are not unjustly discriminatory or unduly preferential. Evergy's current rate schedules
6 provide discounts and disparate treatment based on the specific characteristics that are the
7 subject of the first stipulation provision. At some point, Staff cannot say that these relationships
8 remain reasonable and do not result in unjust discrimination or undue preferences when those
9 relationships have not been studied in nearly 40 years and billions of dollars of changes in
10 distribution infrastructure have occurred. However, in a given case, rates could be set absent
11 this information.

12 Regarding on-peak demand and reactive demand information, the determinants in the
13 August 2022 Stipulation are necessary for consideration to improve the existing Evergy rate
14 schedules, but are not literally necessary. Similarly, sample customer data is not literally
15 necessary for ordering changes in rates, but is important to evaluate customer impacts in
16 consideration of whether ultimate rates are just and reasonable.

17 Regarding customer and usage data - If Staff cannot get the customer usage data by rate
18 code to see how the rates are actually affecting the way customers are using their energy, then
19 we cannot estimate what revenues Evergy would have for a test period as normalized and
20 annualized. This is now necessary due to highly-differentiated TOU rates. For the residential
21 rate schedules, time-based rate differences range from \$0.02 - \$0.29 per kWh. Because of these
22 differentials, finding the right answer on weather normalization requires more detail than ever
23 before, and getting the wrong answer is now worth exponentially more than it was before.

1 Prior to ToU rate schedules, Staff had to apply factors describing the weather response
2 to customer total monthly data. The rate for selling the 1,000th kWh in a month to a customer
3 was different than the rate for selling the 200th kWh to that customer, but the day or the hour
4 that the customer used the energy didn't matter for purposes of revenue calculation. The
5 difference in price for the 1000th kWh versus the 200th kWh was a matter of a few cents.

6 Now, for 15% of customers, the difference between a kWh used at 2 pm and a kWh
7 used at 4 pm is close to 30 cents or more. Now, 15% of the customers are hopefully responding
8 very differently to weather than 85 % of customers. Now, even for 85% of customers, there's
9 an extra one to two cent difference in rate depending on the time of day when energy is
10 consumed. As compliance rates are calculated, revenue inaccuracy compounds billing
11 determinant inaccuracy, which compounds compliance rate inaccuracy. This results in rates
12 that are not just and reasonable.

13 Finally, Evergy has historically lagged weeks behind other utilities in provision of
14 billing data for Staff's update period. Staff's use of an update period in rate cases is a key tool
15 to minimize regulatory lag. Evergy's extended time for data provision has resulted in Staff
16 relying on less-timely revenue update cut offs in order to process the overall case as
17 expeditiously as possible.

18 We are at a point where the customer and usage data, provided timely, is necessary.
19 Absent hourly customer load data by rate code, and reliable customer billing data that ties to
20 that load data, in rate cases:

- 21 1. Staff is unable to calculate reliable normalized revenues for classes with time-
22 based rate structures with reasonable adjustments for customer response to
23 weather.

- 1 2. Staff is unable to reliably estimate the hourly loads used in fuel and production
- 2 modeling that are used to create the FAC base and the transmission sharing
- 3 percentage.
- 4 3. Staff is unable to find the weather-normalized class demands that underlie every
- 5 major CCoS allocation method.
- 6 4. Staff is unable to calculate reliable billing determinants.
- 7 5. Staff is unable to calculate reliable compliance tariff rates.
- 8 6. The Commission is unable to determine that an overall revenue requirement is
- 9 just and reasonable.
- 10 7. The Commission is unable to determine that rates are just, reasonable, and
- 11 nondiscriminatory.

12 **COUNT 2 - EVERGY DID NOT MEET WITH STAKEHOLDERS TO DISCUSS RATE**
13 **MODERNIZATION WITHIN 180 DAYS OF ITS TARIFF EFFECTIVE DATE AS**
14 **ORDERED BY THE COMMISSION IN THE AMENDED REPORT AND ORDER**
15 **ISSUED IN CASE NOS. ER-2022-0129 AND ER-2022-0130.**

16 Q. Ordered Paragraph 14 of the Amended Report and Order, in ER-2022-0129 and
17 ER-2022-0130, entered December 8, 2022, provided, “Evergy shall host a meeting with
18 interested stakeholders related to its rate modernization plan within 180 days of the effective
19 date of Evergy’s tariffs filed in compliance with this order.” Ordered Paragraph 14 of the
20 Amended Report and Order is related to a paragraph found in the same order at page 76, titled
21 “Meeting with Stakeholders.” This heading falls under the “Non-residential Rates, Schedules
22 and Structures,” heading. What actions did Evergy take to comply with the Commission’s
23 Amended Report and Order?

1 A. On Friday, July 7, 2023, Roger Steiner, in-house counsel for Evergy, emailed
2 counsel for various stakeholders the following message, “You may recall that Evergy agreed in
3 the last rate cases to host a meeting with interested stakeholders regarding its rate modernization
4 plan. Would you let Evergy know if you are interested in attending such a meeting as well as
5 provide dates in the next 4 weeks that you can participate in a virtual meeting.” On August 8,
6 at 9:01 AM, Mr. Steiner scheduled the “rate modernization discussion,” for 3:00 PM on
7 August 9, 2023. In its presentation sent to stakeholders the morning of August 8, 2023,
8 Evergy referenced the meeting described above and the 180-day requirement stated in
9 Ordered Paragraph 14 of the Amended Report and Order. The rate modernization discussion
10 in the presentation attached as Schedule SLKL-d6 was primarily related to residential rate
11 options. Evergy has not met with interested stakeholders concerning its non-residential rate
12 modernization plan as ordered by the Commission in Ordered Paragraph 14 of the Amended
13 Report and Order.

14 Q. Did Staff follow-up with Evergy to attempt to make progress?

15 A. Yes. Staff scheduled a meeting for August 28, 2024, at which it presented the
16 presentation attached as Schedule SLKL-d7. Staff subsequently met telephonically
17 with Kavita Maini, who did not attend the August 28 meeting, to discuss the content of the
18 presentation.

19 Q. Has Evergy made further progress?

20 A. No.

21 Q. Is the on-peak demand time period the only relevant information to be developed
22 in the rate modernization process?

1 A. No. Work on development of facilities charges is expected to be data-intensive,
2 and discussion of the universe of data is key.

3 Q. Why is it appropriate to consider imposition of statutory penalties?

4 A. Eversource is exhibiting a pattern of disregard to its stipulated commitments and to
5 Commission orders. Additionally, progress on rate modernization should include development
6 of on-peak demand time periods, as discussed under Count 1. Assuming general consensus can
7 be reached among interested parties as to time periods to consider, then the spoliation
8 of 15-minute interval data is easier to mitigate.

9 **COUNT 3: EVERGY HAS NOT FILED ITS SOLAR SUBSCRIPTION ET CASE AS IT**
10 **COMMITTED TO DO IN CASE NOS. ER-2022-0129 AND ER-2022-0130 AND AS**
11 **REFLECTED IN RELATED CASE FILINGS EO-2023-0423 AND EO-2023-0424.**

12 Q. In December of 2023, the Commission order in Case Nos. ER-2022-0129 and
13 ER-2022-0130 directed Eversource to place all residential customers on the RTOU2 time-based
14 rate schedule. What actions did Eversource take for customers on the Solar Subscription Rider
15 (SSR) with regard to the rate plan defaulting process?

16 A. An email from Brad Lutz to Staff on January 31, 2023, informed Staff of
17 Eversource's decision to make changes to its tariff to restrict the availability of the SSR to customers
18 taking service on the Residential Peak Adjustment rate plan. At that time, Eversource indicated to
19 Staff its intention to seek a tariff change to default customers on the SSR to the RPKA rate plan,
20 rather than the RTOU2 plan which was ordered as the default residential rate plan.

21 Ultimately, through the Commission's September 27, 2023, order in ET-2024-0061, the
22 RPKA rate plan became the default residential rate plan. However, from January of 2023 until
23 the filing of ET-2024-0061 on September 8, 2023, Eversource did not make any filing to make a
24 tariff change to default SSR customers to a rate plan other than the RTOU2 rate plan, and

1 Evergy's decision to prohibit SSR customers from taking service on the RTOU2 rate plan was
2 in violation of the Commission's December 8, 2022, Order in Case Nos. ER-2022-0129 and
3 ER-2022-0130.

4 Q. Did Staff bring this concern to Evergy's attention?

5 A. Yes. Staff clearly and repeatedly, through formal and informal channels,
6 communicated to Evergy that Evergy could not unilaterally default SSR customers to any tariff
7 other than the default tariff, nor restrict the ability of SSR customers to opt-in to available
8 rate plans.

9 From those discussions Staff understood that Evergy would be filing an ET case
10 requesting promulgation of new tariff sheets reflecting Evergy's preferred outcome and that
11 Staff and other parties would have the opportunity to present alternative solutions to the
12 Commission. This did not occur prior to the change in default rate plans.

13 Q. Did Staff cooperate with Evergy to explore billing options for SSR customers?

14 A. Yes. While Staff indicated to Evergy that Evergy should file a case to notify the
15 Commission of the issue and to get the matter before the Commission so that the Commission
16 would have an opportunity to make policy decisions related to energy arbitrage pricing, Staff
17 cooperated with Evergy to explore options.

18 On May 19, 2023, EMM and EMW filed tariff sheets associated with
19 File Nos. ER-2022-0129 and ER-2022-0130. On June 7, 2023, Evergy filed its response to a
20 Staff recommendation concerning the tariff sheets in which Evergy stated that it would file a
21 new ET docket for the Commission's consideration of the Time-of-Use (TOU) and the
22 Service and Access charge issues contained in Staff's Recommendation. In particular, in its
23 response, Evergy stated, "However, the "appropriate rate plan" issue discussed on p. 4 of

1 Staff's Recommendation, which the Company understands to be made up of the Time-of-Use
2 ("TOU") and the Service and Access charge issues contained in Staff's Recommendation,
3 should not be addressed in the EO docket, which will be focused on Staff's construction audit.
4 **The Company will file a new ET docket by June 30, 2023, for those issues to be addressed."**
5 **[emphasis added]**

6 Evergy did not file a new ET docket by June 30, 2023. It was not until December 1,
7 2023, that Evergy submitted three tariff sheets for Evergy Metro as Tariff Tracking
8 No. YE-2024-0081 and four tariff sheets in Tariff Tracking No. YE-2024-0082, each bearing
9 an issue date of December 1, 2023, with an effective date of January 1, 2024. Although it did
10 nominally open an "ET docket," File No. ET-2024-0182, Evergy filed no testimony or
11 supporting documentation in that ET docket. The proposed tariff would not allow
12 SSR customers to take service on a rate plan other than the RPKA rate plan until October 1,
13 2024.¹⁵ The Evergy tariff calculation relied on an obviously incorrect worksheet, which
14 assumes that solar generation peaks at 8:00 pm.

15 **Statutory Penalties are Appropriate**

16 Q. Why are statutory penalties appropriate regarding Count 3?

17 A. Statutory penalties are appropriate because, from January 2023 until the
18 September 27, 2023, Agenda approving the order changing the default rate plan, in
19 File ET-2024-0061, Evergy's stated intent was to violate the Commission's rate case order
20 regarding the default rate plan for residential customers, and restricting the rate plan options
21 of SSR customers without tariff authority. Evergy did not communicate this plan to the
22

¹⁵ Significant other tariff changes are included in the suspended tariff sheets that are not necessary for the ToU billing issue, and that should not be expected to be easily resolved.

1 Commission nor did Evergy request relief in any proceeding as it related to the default rate plan
2 for SSR-participating customers prior to December 1, 2023, nearly a year after the rate case
3 order was entered. Evergy's willful refusal to cooperate in billing customers as ordered by the
4 Commission, or to even alert the Commission to the situation for appropriate relief pending
5 resolution of billing matters, is a serious concern.

6 **COUNT 4: EVERGY DID NOT FILE ITS PROPOSED PLAN FOR DEFAULT TOU**
7 **RATES AS ORDERED BY THE COMMISSION IN PRIOR RATE CASE**

8 Q. In the September 25, 2018, Non-Unanimous Stipulation and Agreement
9 Concerning Rate Design Issues in Case Nos. ER-2018-0145 and ER-2018-0146, approved by
10 the Commission in its October 31, 2018, Order Approving Stipulations and Agreements,
11 KCP&L and GMO, corporate predecessors of EMM and EMW, agreed as follows: "KCP&L
12 and GMO will submit a Residential TOU rate design in their next rate cases based on lessons
13 learned from the TOU service." Did Evergy submit a plan?

14 A. No. Evergy did not submit a Residential TOU rate design in their next rate cases,
15 ER-2022-0129 and ER-2022-0130, based on lessons learned from the TOU service as ordered
16 by the Commission in its October 31, 2018, Order Approving Stipulations and Agreements.
17 Evergy submitted additional optional rate plans, but that is simply not the same as a
18 "Residential TOU rate design." Submitting additional optional time-based rate plans is exactly
19 that, and is not significantly different from the time-based rate schedules approved in
20 Case Nos. ER-2018-0145 and ER-2018-0146.

21 Q. In Case Nos. ER-2022-0129 and ER-2022-0130, did the Commission have the
22 benefit of an Evergy direct proposal describing billing limitations, customer education or
23 communication concerns, potential interactions of a Residential TOU rate design with other

1 customer programs – such as the Subscriber Solar Rider – or the potential expense of
2 developing compatibility between these items?

3 A. No. The Commission lacked this information, as well as the information that
4 would have been contained in Staff and OPC responses to such an Evergy proposal to inform
5 its decisions in the ER-2022-0129 and ER-2022-0130 rate cases. Subsequently, the
6 Commission ordered a default time-based rate plan, the “two-period” rate plan. Subsequently,
7 Evergy sought modification of the results of this order, in File No. ET-2024-0061, requesting
8 the Commission approve the Staff-recommended “training wheel” rates that Evergy had
9 opposed in the ER-2022-0129 and ER-2022-0130 rate cases.

10 Q. Are penalties appropriate?

11 A. Penalties are appropriate because Evergy’s disregard of its commitments under
12 stipulations and its obligations under Commission orders has demonstrated a pattern of non-
13 compliance, and this particular act of non-compliance resulted in a significant and ongoing
14 waste of administrative resources as well as customer and public confusion. Evergy is
15 exhibiting a pattern of disregard of its stipulated commitments and Commission orders. The
16 refusal to give its view of a reasonable time-based rate plan or to adequately prepare resulted in
17 much of the customer confusion described in Counts 5 and 6 of this Complaint, and the
18 considerable time and expense consumed in Files No. EW-2023-0199 and ET-2024-0061.

19 **COUNT 5: EVERGY HAS NOT COMPLIED WITH THE COMMISSION’S ORDER**
20 **IN THE AMENDED REPORT AND ORDER IN CASE NOS. ER-2022-0129 AND ER-**
21 **2022-0130 TO IMPLEMENT A PROGRAM TO ENGAGE AND EDUCATE**
22 **CUSTOMERS IN THE APPROXIMATELY TEN-MONTH LEAD-IN TIME UNTIL**
23 **ITS TARIFF PROVISIONS REGARDING THE 2-PERIOD TOU RATE AS THE**
24 **DEFAULT RATE FOR RESIDENTIAL CUSTOMERS BECOMES EFFECTIVE.**

25 and

1 **COUNT 6: EVERGY'S ATTEMPTS AT CUSTOMER EDUCATION WERE**
2 **UNREASONABLE IN THAT THEY WERE ALARMIST AND FAILED TO INCLUDE**
3 **SIMPLE INFORMATION DESCRIBING TIME-BASED RATE PLANS. FURTHER,**
4 **EVERGY'S ATTEMPTS AT CUSTOMER EDUCATION ARE MISLEADING AS TO**
5 **THE DESIGN AND OPERATION OF THE RATE PLANS ACROSS SEASONS.**

6 Q. What was Evergy ordered to do relative to education concerning the transition
7 of its default residential rate structures to a time-based rate structure with additional optional
8 time-based rate structures?

9 A. In the *Amended Report and Order*, the Commission included the following
10 language relevant to this complaint:

11 1. Given the high differential in the 2-period TOU rate and Evergy's
12 customer surveys showing hesitancy regarding TOU rates, this 2-period
13 high differential rate should take effect beginning on October 1, 2023, to
14 correspond to the start of non-summer TOU season. This will allow
15 more time for customer education prior to implementation and have the
16 transition occur when the rate differential is lower. Additionally, the
17 transition to TOU default rates shall be phased-in between October 1,
18 2023 and December 31, 2023. The phase-in shall occur by appropriate
19 groupings of customers on the appropriate customer's billing cycle such
20 that the TOU implementation for all Evergy customers shall be
21 completed by December 31, 2023.¹⁶

22 2. Evergy shall implement a program to engage and educate
23 customers in the approximate ten-month lead-in time until its 2-period
24 TOU rate takes effect as the default rate for residential customers
25 beginning October 1, 2023.¹⁷

26 3. Evergy shall work with Staff and OPC and permit them a chance
27 to review materials related to the education program and to the
28 implementation of TOU rates from October 1 through December 31,
29 2023, to ensure the program and implementation have a maximum
30 potential for success.¹⁸

31 Q. Why is it appropriate to consider two separate counts related to Evergy's
32 time-based rate education efforts?

¹⁶ *Amended Report & Order*, pp. 71-72.

¹⁷ *Amended Report & Order*, p. 74.

¹⁸ *Amended Report & Order* Page 74

1 A. First, Evergy failed to adequately educate its customers consistent with the
2 Commission’s Amended Report and Order. Second, Evergy has provided to its customers
3 information that is actually wrong and misleading. Staff has filed separate counts because no
4 information at all would have been better than alarmist misinformation.

5 **Statutory penalties are appropriate**

6
7 Q. Are statutory penalties appropriate?

8 A. Penalties are appropriate because Evergy’s disregard of its obligations under
9 Commission orders has demonstrated a pattern of non-compliance, and this particular act of
10 non-compliance resulted in a significant and ongoing waste of administrative resources as well
11 as customer and public confusion.

12 Evergy did not reasonably implement a program to engage and educate customers in the
13 approximate ten-month lead-in time until its 2-period TOU rate takes effect as the default rate
14 for residential customers beginning October 1, 2023, nor did Evergy meaningfully work with
15 Staff and OPC and permit them a chance to review materials related to the education program
16 and to the implementation of TOU rates.

17 **Timing**

18 Q. When did Evergy inform Staff of Evergy’s planned implementation timeline?

19 A. On March 28, 2023 Evergy first indicated to Staff and OPC that it intended to
20 delay provision of information concerning default ToU rate deployment until July of 2023, and
21 to withhold detailed information from customers until September of 2023. Staff and OPC urged
22 Evergy to accelerate this timeline to provide meaningful education.

23 Q. When did Evergy first provide any substantive information as to its overall
24 planned education and marketing approaches?

1 Closest to the current standard residential rate plan

2 *Formerly called the Peak Reward Saver plan.* This rate plan is closest to Evergy’s past
3 residential rate and is the default plan for residential customers. This plan has the lowest
4 difference in price between peak hours and off-peak hours. This rate is not seasonal and applies
5 all year. Customers who are not able to easily shift the time they use energy should consider
6 this rate plan.

7
8 Summer Peak Time Based Plan

9 Only has peak pricing during the summer months

10 *Formerly called the Standard Peak Saver plan.* Under this rate, the time of day you use energy
11 affects your bill. Customers who can reduce energy usage during summer (June-Sept.) peak
12 hours of 4-8 pm on weekdays should consider this rate plan. Customers who shift energy usage
13 to off-peak times on weekdays in the summer are rewarded with discounted rates.

14
15 Nights & Weekends Plan

16 Three time periods, overnight and weekend discount

17 Pay a lower price for energy during off-peak times and on weekends. It's as easy as shifting
18 energy use away from 4-8 pm to save. This plan is designed for those who can make a larger
19 effort to shift their energy use to overnight hours or weekends to avoid the higher prices during
20 peak times. This means you can save more if you can plan to avoid the peak times.

21
22 Nights & Weekends Max Plan

23 Three time periods, largest difference in price

24 This plan is a whole-home rate plan created with electric vehicle (EV) drivers in mind who
25 want to save even more on vehicle charging without having to have an electrician install a
26 second meter. BUT you don’t have to have an EV to save.

27
28 Q. Are these plan names and descriptions ideal?

29 A. The plan descriptions continue to rely on copy regarding the need to shift timing
30 of energy consumption to save. In reality overall bill savings relative to the Default Time Based
31 Rate Plan may result for many customers without any behavior modification.

32 The Default description states that “Customers who are not able to easily shift the time
33 they use energy should consider this rate plan,” but based on the sample bill information
34 Evergy has provided to date, most customers would receive the lowest annual bill under the
35 “Summer Peak Time Based Plan,” without any behavior modification.

36 The plan name and description for the “Summer Peak Time Based Plan,” is needlessly
37 confusing. While there is, in fact, a peak period in the summer billing months that does not

1 nominally exist in non-summer billing months, the non-summer “off-peak” rate is almost
2 double the non-summer "super off-peak” rate. For customers paying twice as much for energy
3 used at 2 pm versus 2 am, the name of the periods is likely not of concern. The title and
4 description could easily cause customers to conclude that no rate differential exists during
5 non-summer months, which is inaccurate.

6 The rate names and descriptions for the Nights & Weekends Plan and the Nights &
7 Weekends Max plan are not unreasonable.

8 Q. Under what names did Evergy market the rate plans during its
9 “education” campaign?

10 A. Evergy used the names “Standard Peak Saver,” “Peak Reward Saver,” Night &
11 Weekends Saver,” and “Nights and Weekends Max Saver,” until approximately mid
12 October 2024.

13 Q. Is “Saver,” a meaningful descriptor for these rate plans?

14 A. No.

15 Q. What promotional language did Evergy use to describe each rate plan in its
16 “Rate Education Reports?

17 A. During the ToU education phase, Evergy used the following copy:

18 **Standard Peak** *No Peak pricing for 8 months of the year*

19 To save, shift your energy use away from weekday Peak hours in the
20 summer (June – Sept.)

21 **Peak Reward** *Earn discount credits*

22 Keep your electricity use low during Peak hours and earn discount
23 credits by using large appliances during Super Saver hours

1 **Nights & Weekends** *Lower overnight prices*

2 To save, schedule your smart thermostat and large appliances to run
3 during Saver and Super Saver hours.

4 **Nights & Weekends Max** *Lowest overnight prices*

5 To save, charge your EV overnight and set your large appliances to run
6 during Super Saver hours.

7 Q. Does the then “Standard Peak” plan have time-based pricing all year-round?

8 A. Yes.

9 Q. Do customers on the then “Peak Reward” plan need to keep use low during
10 peak hours?

11 A. No. Nor do those customers need to use large appliances during
12 Super Saver hours.

13 Q. Do customers on the Nights & Weekends plan need to schedule thermostats and
14 large appliances to experience bill reductions?

15 A. No.

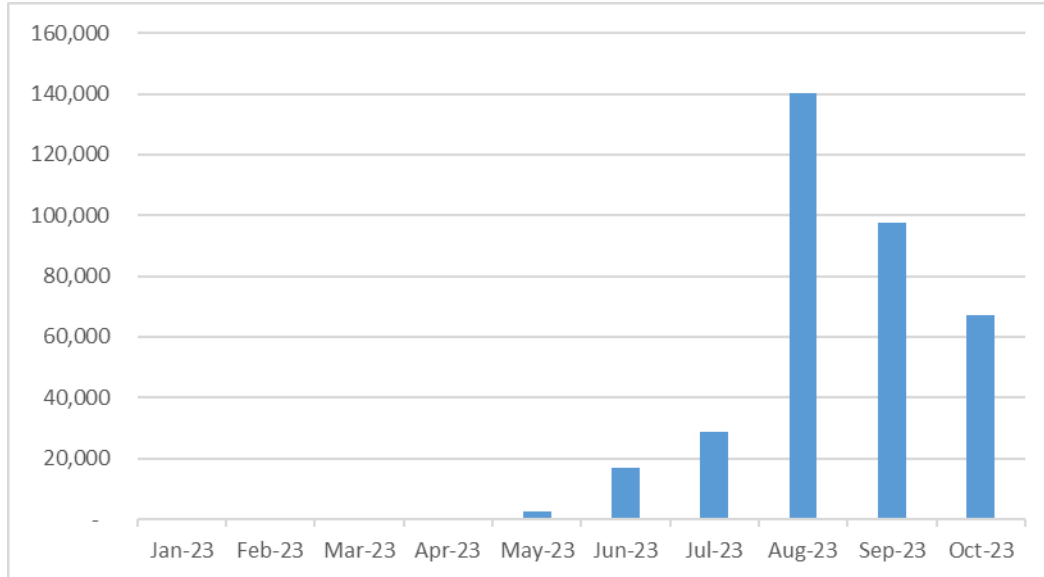
16 Q. Do customers on Nights & Weekends Max need to have an EV?

17 A. No.

18 Q. Has Evergy complicated customers understanding of the relationship between
19 the time periods for time-based rate plans, and customer usage?

20 A. Yes. During the ToU rate education campaign, Evergy distributed emails to
21 hundreds of thousands of its customers describing “when you use energy the most,” with time
22 periods that were inconsistent with the time periods for its time-based rate plans. The ramp in
23 these inconsistent materials coincided with the ramp in customer confusion related to
24 misinformation and concerns for bill increases and rate increases. A summary of this

1 information is provided below, and Evergy’s response to Staff DR 13 in EC-2024-0092 is
2 attached as Confidential Schedule SLKL-d8.



3
4
5 **Evergy’s promotional and educational materials and filings were misleading**
6 **concerning customer impact and Evergy failed to educated heating customers**
7 **concerning the elimination of promotional discounted rates**

8 Q. How did Evergy communicate with its customers regarding elimination of
9 promotional space heating discounted rate schedules?

10 A. In August 2023, Evergy emailed, “A note about electric heating,” which stated:

11 Since your home uses electric heat, it’s especially important to
12 understand how your home uses energy, and to shift large-appliance
13 usage like laundry and dishwasher use to off-peak times.

14 Smart thermostats can be a huge benefit, allowing you to create
15 a home heating schedule that optimizes usage around time-based rate
16 plans. If you don’t have a smart thermostat, Evergy offers free and
17 discounted models.

18 You can start by using our Home Profile Tool, which can show
19 you where your home uses energy, along with suggestions on how
20 to save.

1 Not until September 2023, did an Evergy email to customers, include “An important note about
2 your old rate plan,”

3 As part of the new mandate from the MPSC, your current All-Electric
4 rate plan (or electric space heating rate) is being discontinued. Your old
5 plan offered a discounted rate in the winter for electric space heating
6 customers, which is no longer offered. Due to this change, customers
7 with electric heat may experience more impact moving to time-based
8 rate plans, making it especially important to understand your home
9 energy usage, and shift large appliance usage, like doing laundry and
10 running the dishwasher, to off-peak times.

11 Q. What did Staff recommend at its earliest opportunities concerning Evergy’s
12 education of customers on discounted promotional rate plans that were to be eliminated?

13 A. On April 14, 2023, Staff noted its recommendations it had provided to Evergy
14 on March 28, 2023, that Evergy accelerate its planned education timeline and “consider whether
15 different and/or additional information should be provided to customers currently served on
16 discounted rates, such as space heating, and net metering customers.” Staff recalls stating to
17 Evergy during Evergy’s March 28, 2023 presentation that such information be provided with
18 sufficient time for affected customers to consider and implement other HVAC options.

19 Q. What information about customers on formerly discounted rates did Evergy
20 represent to the Commission?

21 A. On September 8, 2023 Evergy filed its “Application for Approval of Tariff
22 Revisions to Time-of-Use Program, Request for Waiver of 60 Day Notice Requirement, and
23 Motion for Expedited Treatment,”¹⁹ which stated, inter alia, regarding the “Anytime Plan,” i.e.
24 the existing non-discounted residential general service rate schedules, that

25 This option will be particularly beneficial to Evergy’s residential
26 all-electric customers who heat their homes with electricity, as well as
27 customers on fixed incomes and others who are less able to modify their

¹⁹ ET-2024-0062

1 usage patterns. **Unless the traditional residential rate structure is**
2 **maintained as an option for the residential all-electric and separately**
3 **metered heating customers and for vulnerable customers who are**
4 **unable to modify their usage patterns, these customers are likely to**
5 **have a significant increase in their bills.** This option is also expected
6 to be attractive to customers that are hesitant or opposed to the adoption
7 of a TOU rate structure and prefer to opt back in to their existing
8 traditional residential rate.

9 Q. Is this assertion regarding formerly discounted customers factually accurate?

10 A. No. Staff's September 15, 2023 "Staff's Interim Recommendation,"²⁰ noted,
11 inter alia, that

12 Specifically, Evergy's "Application," at page 10 includes a statement
13 that the General Use rate plan option is "particularly beneficial to
14 Evergy's residential all-electric customers who heat their homes with
15 electricity, as well as customers on fixed incomes and others who are less
16 able to modify their usage patterns. Unless the traditional residential rate
17 structure is maintained as an option for the residential all-electric and
18 separately metered heating customers and for vulnerable customers who
19 are unable to modify their usage patterns, these customers are likely to
20 have a significant increase in their bills." There is no factual basis for
21 this statement, and it is false. The increases that some of these customers
22 may experience in their bills is a consequence of the elimination of a
23 discount, not the change to TOU rates. The average realized rate for the
24 winter season for the General Use rate plan is higher than the average
25 realized rate for the winter season for the Peak and Average rate plan and
26 the Two Part Time of Use rate plan. Evergy's statement is deliberately
27 misleading, harmful to customers, and designed to increase Evergy's
28 expected revenues."

29 As explained in its December 6, 2023, "Staff Response to Evergy's November 28, 2023
30 Presentation,"²¹ regarding the bill impacts for customers who had been receiving promotional
31 discounts on their electric service:

32 For the 4,869 Evergy Missouri Metro customers who had received
33 service on a discounted rate plan prior to October of 2023, only 52
34 customers (1%) would experience a lower 12 months' bill on the General
35 Use rate plan as currently tariffed than they would on the two studied

²⁰ ET-2024-0062

²¹ EW-2023-0199

1 time-based rate plans. For the 7,306 Evergy Missouri West customers
2 who had received service on a discounted rate plan prior to October of
3 2023, only 2 customers (0.03%) would experience a lower 12 months'
4 bill on the General Use rate plan as currently tariffed than they would on
5 the two studied time-based rate plans.

6 Q. When did Staff first communicate to Evergy's Staff's concerns with Evergy's
7 education plans?

8 A. On March 28, 2023, Evergy held a workshop in the EW-2023-0199, "In the
9 Matter of a Collaborative Workshop for Customer Education and Outreach Regarding the
10 Introduction of Default Time-of-Use Rates by Evergy Metro, Inc. d/b/a Evergy Missouri Metro
11 and Evergy Missouri West, Inc. d/b/a Evergy Missouri West" ("Workshop Docket"), presenting
12 the slides attached as Schedule SLKL-d9. The presentation included, interalia, the following
13 slides:



Customer Marketing and Education RFP Timeline

	Milestone	Tentative Completion Date
<input checked="" type="checkbox"/>	RFP Sent Out to Potential Agencies	February 8, 2023
<input checked="" type="checkbox"/>	Proposal Responses Due	February 27, 2023
<input checked="" type="checkbox"/>	Proposal Review	March 2023
	Stakeholder Discussion and Input	March 28, 2023
	Selection Process and Strategy Development	April 2023
	Strategy Review with Stakeholders	May 2023




Facilitated Discussion / Stakeholder Feedback

- **Timeline:** Educating and transitioning customers within short time window
- **Transition:** Phased approach and billing system impacts
- **Customer Support:** Call center impacts and online tools/resource needs
- **High Risk Customers:** Support for income-eligible and hard-to-reach customers
- **Electric Heating Customers:** Impacts of potential bill increases

32

Evergy TOU Workshop 1 / March 28, 2023

Exhibit A - Page 32 of 34



Next Steps & Workshop 2

- Next workshop to be scheduled in May:
 - Evergy will provide an update on activities
 - Evergy will share more details on the education and marketing plans
- Open to additional workshops prior to October 2023
- Please email questions or requests that could not be answered and delivered within the construct of this meeting to:
 - Regulatory.Affairs@evergy.com
 - Reference docket **EW-2023-0199** in the subject line.

Evergy TOU Workshop 1 / March 28, 2023

Exhibit A - Page 34 of 34



1

2 Although limited time was afforded for “Facilitated Discussion /Stakeholder

3 Feedback,” Staff stated its concerns that a workshop would be needed prior to May, and that

4 education and marketing plans. During this discussion Evergy disclosed that it expected that it

5 would begin to “educate” customers approximately 90 days prior to the transition to default

6 time-based rate schedules.

7

1 Staff formally presented its concerns in its April 14, 2023 filing, “Staff Response to
2 March 28, 2023 Presentation and Requests for Additional Information,” attached as
3 Schedule SLKL-d10. It included,

4 -Staff’s recommendation that education be provided earlier than contemplated by Evergy,

5 -Staff’s recommendation that the education provided to customers, include, at a minimum,
6 “the default rate and the full-range of the optional rates that a customer can choose.
7 However, information on the default rate should take priority if there other timing
8 limitations due to the number of optional rates in effect. The primary focus should be on
9 educating customers of the bill impacts expected under default ToU rate, and education
10 on how rate applies to customers’ usage. Care must be taken that marketing of optional
11 rates does not distract from education on the default rate.”

12 -Staff’s suggestion that Evergy begin “including a line on customer bills as soon as it is
13 possible to do so stating essentially ‘Your current rate plan will no longer be available
14 beginning in late 2023. Please keep an eye out for further information concerning this
15 important change. Information concerning your expected bill impact based on your
16 current usage pattern will be available online at WEBSITE, beginning in MONTH/DATE.
17 Starting with your MONTH bill, information concerning your expected bill impacts and
18 usage patterns will be included on your bill.’ Staff suggests then including a line on
19 customer bills as soon as it is possible to do so stating essentially “Your current bill this
20 month was \$xx.xx. In late 2023 you will be transitioned to the 2 Part ToU Rate Plan,
21 unless you select a different optional Time Based rate plan. If you had been on the 2 Part
22 ToU Rate Plan this month, your bill would have been \$xx.xx.”

23 - Staff’s suggestion that “Evergy consider whether different and/or additional information
24 should be provided to customers currently served on discounted rates, such as space
25 heating, and net metering customers.”

26 - Staff’s concern that “Slide 22 mentions ‘focus on price discount,’ Staff is concerned that
27 this is not the most reasonable aspect to emphasize under the circumstances and time
28 constraints of this case.”

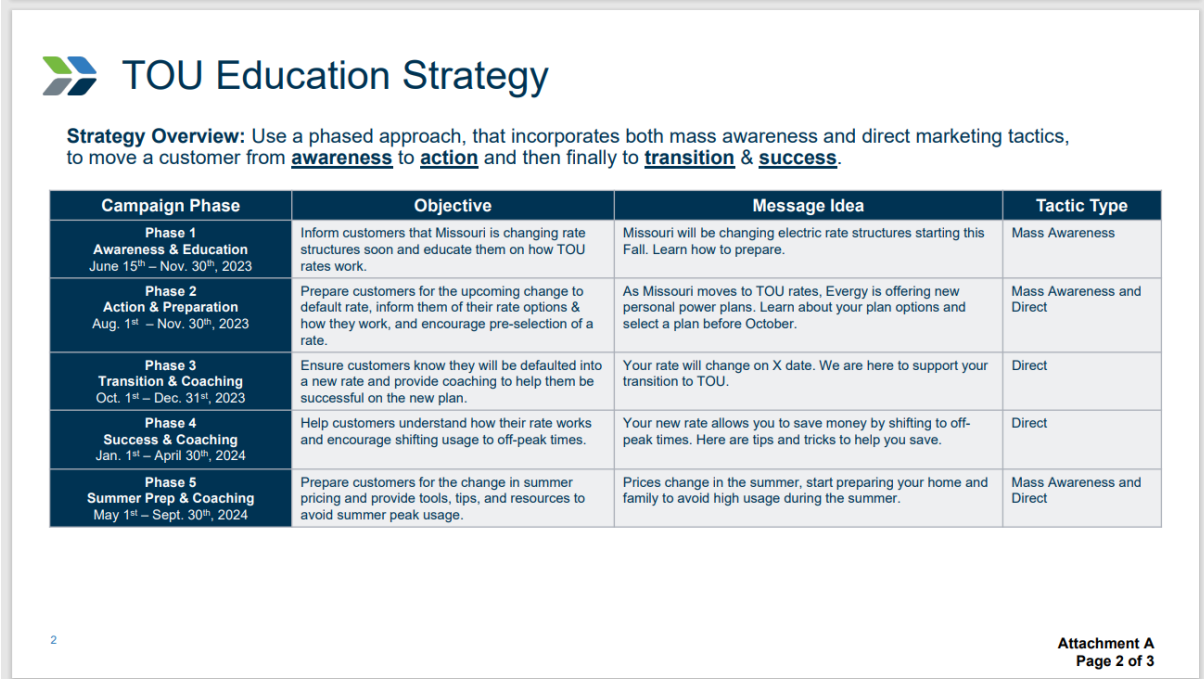
29 - Staff requested that Evergy identify the marketing names it was considering for each rate
30 plan.

31 Q. Did Evergy accelerate its education timeline beyond the “90/60/30” strategy?

32 A. Yes. On April 26, 2023, Evergy filed “Evergy Missouri Metro’s and
33 Evergy Missouri West’s Reply to OPC Questions Regarding the Planning of Time of Use
34 Campaign,” which stated, inter alia that “Based on discussion and feedback from Staff

1 and OPC during the March 28, 2023, workshop, Evergy has determined that it will modify its
2 proposed timeline to begin communicating with customers regarding the default rate. Evergy
3 will bring forward its education campaign launch by approximately two months beginning in
4 June. Evergy’s TOU education strategy, objectives and campaign phases and timeline are
5 detailed in Attachment A. Evergy will provide more detailed information regarding Attachment
6 A on May 23, 2023.”

7 Attachment A to this filing consisted of a cover slide, and these two slides:
8



TOU Education Strategy

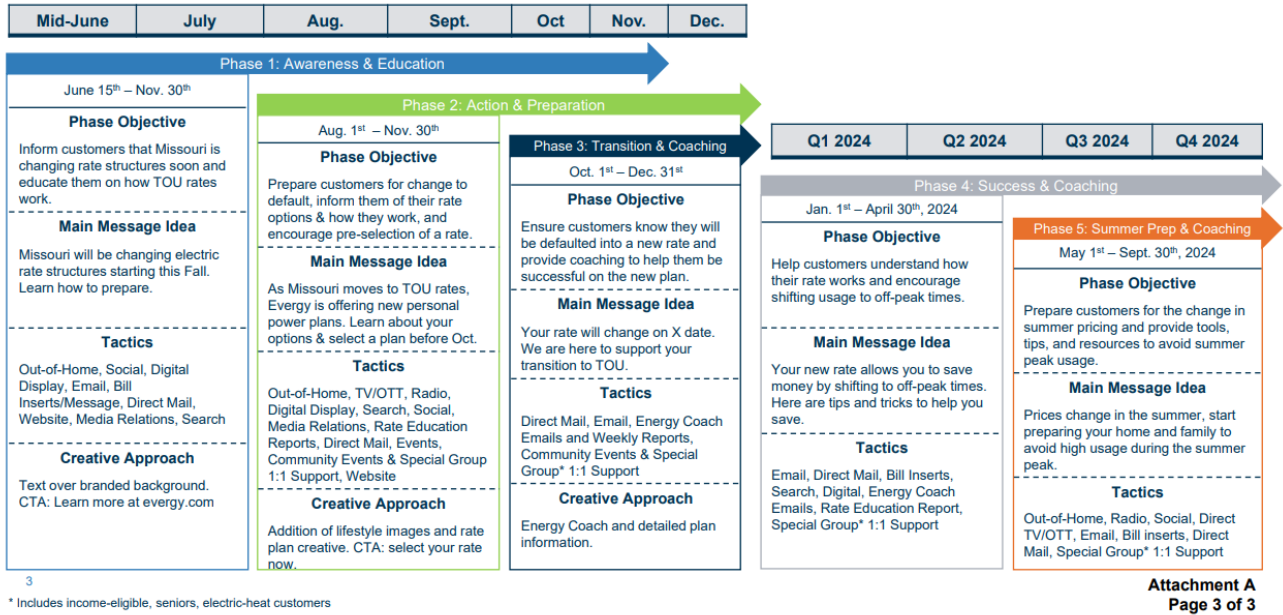
Strategy Overview: Use a phased approach, that incorporates both mass awareness and direct marketing tactics, to move a customer from awareness to action and then finally to transition & success.

Campaign Phase	Objective	Message Idea	Tactic Type
Phase 1 Awareness & Education June 15 th – Nov. 30 th , 2023	Inform customers that Missouri is changing rate structures soon and educate them on how TOU rates work.	Missouri will be changing electric rate structures starting this Fall. Learn how to prepare.	Mass Awareness
Phase 2 Action & Preparation Aug. 1 st – Nov. 30 th , 2023	Prepare customers for the upcoming change to default rate, inform them of their rate options & how they work, and encourage pre-selection of a rate.	As Missouri moves to TOU rates, Evergy is offering new personal power plans. Learn about your plan options and select a plan before October.	Mass Awareness and Direct
Phase 3 Transition & Coaching Oct. 1 st – Dec. 31 st , 2023	Ensure customers know they will be defaulted into a new rate and provide coaching to help them be successful on the new plan.	Your rate will change on X date. We are here to support your transition to TOU.	Direct
Phase 4 Success & Coaching Jan. 1 st – April 30 th , 2024	Help customers understand how their rate works and encourage shifting usage to off-peak times.	Your new rate allows you to save money by shifting to off-peak times. Here are tips and tricks to help you save.	Direct
Phase 5 Summer Prep & Coaching May 1 st – Sept. 30 th , 2024	Prepare customers for the change in summer pricing and provide tools, tips, and resources to avoid summer peak usage.	Prices change in the summer, start preparing your home and family to avoid high usage during the summer.	Mass Awareness and Direct

2

Attachment A
Page 2 of 3

TOU Education Strategy



Attachment A
Page 3 of 3

1
2 Also on 4/26/2023, Evergy filed its “Evergy Response to Staff’s Concerns, Feedback,
3 and Request for Additional Information.” That response included, inter alia,

4 - “We agree with Staff’s suggestion and approach that the default TOU rate and the
5 TOU rate options should be presented in customer education material. Evergy will create
6 an education campaign that is designed to help customers understand the default TOU rate,
7 enable success to manage their usage and bill, and share other TOU rate options. This
8 approach will empower the customer to choose a rate option that best fits the customer’s
9 lifestyle. We believe that prior MPSC orders and Commissioners’ comments also support
10 this approach. We appreciate and understand Staff’s concerns about possible message
11 distraction, and we will strive to develop a campaign that will minimize distraction to
12 customers and that will support and balance the default rate and rate choice.”

13 -“Evergy believes that Staff’s suggestion is that Evergy implement shadow billing on the
14 customer bill. As a result of Case Nos. ER-2018-0145, ER-2018-0146 Non-Unanimous
15 Partial Stipulation and Agreement Concerning Rate Design Issues (“2018 Rate Design
16 S&A”), Evergy has presented industry best practices to stakeholders and do not agree that
17 using the customer bill for shadow billing is the best option to educate customers on bill
18 impact under a different rate. In the 2018 Rate Design S&A, Evergy agreed to and
19 completed a business case that evaluated shadow billing for the implementation of its
20 optional 3-period TOU rate. The business case included industry research on traditional
21 shadow billing approaches, goals of shadow billing, best practices and pitfalls. This research
22 was presented to stakeholders. Understanding the 5 advantages of shadow billing allowed
23 Evergy to establish goals and criteria to evaluate customer education options. Evergy

1 recommended a shadow billing approach that included three tools - Rate Education Reports,
2 Online Rate Analysis Tool, and Post-Enrollment Rate Coach Reports, rather than utilizing
3 the customer bill for shadow billing. These tools are delivered strategically and cohesively
4 to customers today (and have been since 2019) to provide personalized information that
5 allow customers the ability to better make decisions on managing their energy. This shadow
6 billing strategy formed the foundation for Evergy's previous TOU engagement strategy,
7 and Evergy plans to continue to build on these tools to implement the mandatory default
8 TOU rate."

9 -"The analyses that Brattle presented at the March 28, 2023, was invaluable for Evergy and
10 stakeholders to begin understanding the default TOU bill impact on space heating customers
11 and vulnerable customers. These analyses are foundational for the Company to understand
12 how it should educate these customers. Additionally, Staff has identified net metering
13 customers as a group to provide specialized messaging. Evergy agrees that additional
14 education and touchpoints will be needed to support some customer groups (like space
15 heating, vulnerable and net metering customers) and, Evergy has added this to its campaign
16 plan and approach. The Company appreciates the suggestion and looks forward to
17 discussing this specialized messaging further at the at the May 23, 2023, workshop."

18 -(Response to Staff concern that focus on price discount as presented on Slide 22 is not the
19 most reasonable focus under the circumstances of this case) "Slide 22 was shared by Brattle
20 and its observations are based on research and interviews with other jurisdictions. As stated
21 on Slide 21, Brattle was not presenting Evergy's TOU transition plans. Evergy is evaluating
22 these observations holistically. The Company acknowledges the concern and will address
23 the topic further at the May 23, 2023, workshop."

24 - "Evergy is working to develop the rate plan names that will be used in the education
25 campaign. Evergy will be prepared to share the rate plan names during the May 23, 2023,
26 workshop."

27 -"Stakeholder feedback from the March 28, 2023, workshop was important and as a result,
28 Evergy modified its proposed timeline. Evergy has brought forward its education campaign
29 launch by approximately two months, beginning in June. Evergy's TOU education strategy,
30 objectives and campaign phases and timeline are detailed in Attachment A. Evergy is
31 developing its education and engagement plan and materials, incorporating feedback
32 provided at the workshop, and will be prepared to share with stakeholders on May 23,
33 "Stakeholder feedback from the March 28, 2023, workshop was important and as a result,
34 Evergy modified its proposed timeline. Evergy has brought forward its education campaign
35 launch by approximately two months, beginning in June. Evergy's TOU education strategy,
36 objectives and campaign phases and timeline are detailed in Attachment A. Evergy is
37 finalizing its deployment plans and will provide more detailed information on May 23,
38 2023."

39 Q. At what point did Evergy provide Staff with Evergy's chosen marketing names
40 and promotion strategy?

1 A. On May 19, 2023, Evergy provided its slides for a workshop to be held
2 on May 23, 2023. The slides are attached as Schedule SLKL-d11, and included the following:
3





Rate Naming

Naming Strategy:

Create clear and descriptive names for the new TOU rate plans that can be organized as a cohesive set of rate options.

Guiding Principles:

- Choose names that emphasize the customer benefit of TOU rate, such as "Savings"
- When possible, utilize the rate name to indicate how the rate works
- Develop names that can be linked to one another and suggest different levels of effort

New Rate Name	Description	Rate Code (Metro & West)
 Seasonal Peak Saver	Default rate, w/ on-peak in Summer	1RTOU2 & MORT2
 Peak Reward Saver	Credit & extra charge rate	1RPKA & MORPA
 Nights & Weekends Saver	Original TOU rate, w/ 3-periods	1RTOU & MORT
 Nights & Weekends Max Saver	3-period rate w/ high differential	1RTOU3 & MORT3



Campaign Creative

Strategy:

The creative will align with the messaging and objectives of each stage of the customer journey. Starting with creating awareness, we'll gradually build understanding and consideration until the customer is ready to enroll. The new plan options will be clearly highlighted with the use of vibrant colors, and our expert support coaches will step in to guide customers seamlessly toward rate understanding.

Phase 1



Phase 2



Phase 3



Phase 4 & 5



* Some copy and design may continue to be changed

Internal Use Only

 **Customer Default Rate Changes**

Current Rate	New Default Rate	Rate Code	Rate Name
Current TOU customers	Stay on current selected rate	1RTOU & MORT	Nights & Weekends Saver
Net Meter, Solar Subscription, Low Income Solar, Parallel Gen	Residential Peak Adjustment	1RPA & MORPA	Peak Reward Saver
All Other Rates (General, Residential Heat, Separately Metered Heat, Other)	Two Part TOU	1RTOU2 & MORT2	Seasonal Peak Saver
Non-AMI Meters	Stay on current rate	<i>Customer's Current Rate</i>	<i>Customer's Current Rate</i>

63



1
2
3 Q. Did Staff indicate concerns with this?

4 A. Yes. On June 8, 2023, Staff filed its “Staff Response to May 23, 2023
5 Presentation and Requests for Additional Information,” attached as Schedule SLKL-d12 stating
6 inter alia,

7 -“Staff is concerned that the names selected for rate plans, and sample promotional
8 language provided concerning rate plans do not adequately apprise customers of the
9 differences between rate plans, are likely to mislead customers concerning the relative bill
10 risk of various rate plans, and fail to meaningfully educate customers concerning either the
11 relationship between aggregated customer energy usage and the rate plan design or the
12 relationship between individual customer energy usage and that customer’s resultant bill.”

13 -“ Staff notes that the rate plan names and sample promotional language were provided at
14 a point in the development process that will not facilitate meaningful feedback from Staff
15 and other stakeholders, despite Staff’s invitation that Evergy communicate with Staff
16 between formal presentations as necessary.”

17 -“Staff notes that the direction of the promotional materials and rate plan names fails to
18 achieve the primary focus, which should be on educating customers of the bill impacts
19 expected under default ToU rate, and education on how the rate applies to customers’
20 usage. Staff notes that the plan names and promotional materials focus on the potential for
21 discounts and savings, which is not the most reasonable aspect to emphasize under the
22 circumstances and time constraints of this case. Rather, Evergy should prioritize its

1 educational materials to the time period prior to rate plan changes in fall of 2024, and
2 should focus the messaging to education on the actual designs and rates of the rate plan -
3 with particular emphasis on the default rate plan – and on warning of potential bill
4 increases.”

5 -“ Staff recommends that Evergy prioritize education of customers who will be getting
6 seasonal or annual bill increases on the default rate plan. Staff warns against dilution of
7 this priority education with marketing that is less educational and more corporate puffery
8 related to “savings.” It is not necessary to educate those customers that are expected to
9 experience seasonal and annual bill reductions due to elimination of space heating
10 discounts. (fn: Because of the elimination of the space heating discounts, those customers
11 who were not served on discounted rates will be experiencing reductions in revenue
12 responsibility. This change is occurring in tandem with the transitioning of customers to
13 the time-based rate plans.) It is Staff’s understanding that the 10 month delay in rate
14 implementation was intended to educate customers about the potential for bill increases,
15 and would not be necessary for customers experiencing bill reductions. However, Staff
16 recommends that Evergy provide information about the times of day associated with higher
17 and lower rate elements to all customers, whether or not those customers are anticipated to
18 be automatic savers due to the elimination of the space heating discounts or those
19 customers’ prior usage patterns.”

20 On June 23, 2023, Evergy filed “Evergy’s Reply to Staff Response to May 23, 2023
21 Presentation and Requests for Additional Information,” attached as Schedule SLKL-d13 which
22 included, inter alia,

23 -“**Rate Names:** In response to feedback from Staff and OPC, Evergy has modified the name
24 of the default rate from "Seasonal Peak Saver" to "Standard Peak Saver." This change is in
25 response to concerns expressed during Workshop #2 and aims to clarify which TOU rate is
26 the new default plan while minimizing the emphasis on seasonal differentials. Although the
27 Company holds a respectful difference of opinion regarding Staff’s assessment that the rate
28 names were shared without sufficient time for substantial feedback, Evergy views altering
29 the rate name in response to Staff’s input as a genuine commitment to actively engage in the
30 discussion and incorporate their feedback.

31 The new rate names were developed after conducting customer research and analyzing
32 industry comparisons. Evergy also incorporated best practices for naming based on research
33 from ESource, a utility research organization. These best practices include emphasizing
34 customer benefits through descriptive words or phrases, using customer-friendly
35 terminology, employing simple language devoid of jargon, and highlighting potential cost
36 savings. Evergy is confident that the Company’s approach aligns with these best practices.

37 Furthermore, the rate names follow similar naming structures used by peer utilities, such as
38 Ameren Missouri, which employs "Saver" for each of their residential TOU rates;
39 Consumers Energy, which features a "Nighttime Savers" rate; WE Energy; which uses
40 “savings”; and Georgia Power and Alliant Energy, which utilizes the "Nights and

1 Weekends" name description. Like these peer utilities, Evergy finds "Saver" to be an
2 important element to the name that signals both a customer benefit and illustrates the need
3 for customer action, such as the customer shifting usage to off-peak."

4 **-“Updating Overarching Campaign Message and Adding More "Why" to TOU**
5 **Materials:** During the two workshops and the Staff’s May 23rd Response, there was
6 discussion regarding the inclusion of more prominent messaging around the rationale
7 behind the Commission's mandate to transition all rate plans to TOU - specifically
8 emphasizing the significance of time-based energy usage and the price differentials at
9 different times of the day. In response to this feedback, Evergy is adapting its campaign
10 messaging to prioritize these "why" messages earlier in its campaign. While including a
11 detailed explanation in every piece of educational material will not be feasible due to space
12 limitations, the Company will make a concerted effort to incorporate more "why"
13 statements across educational materials, starting with Phase 1.

14 Based on feedback from Staff and OPC, Evergy is including additional educational details
15 within the messaging, enabling more detailed explanations. Evergy plans to incorporate
16 information that highlights how the plans charge higher rates during peak times and lower
17 rates during off-peak periods into our Phase 1 messaging, consistently reinforcing this
18 message throughout the campaign.

19 Example: Timing is everything when it comes to energy costs. Time-based rates match the
20 cost you pay with the cost to produce energy. With time-based rate plans, you’ll pay less
21 for energy during off-peak times, when demand for energy is lower, and more for energy
22 used during the peak hours of 4-8 pm.”

23 Q. Did Staff observe a change in the tenor of Evergy’s “education” during late June
24 and early July of 2023?

25 A. Yes. On June 30, 2023 Evergy submitted its “Notice of Filing,” which attached
26 a presentation of “TOU Marketing Tactics Phase 1 & Phase 2 Examples,” which emphasized
27 Evergy’s stated “Phase 1 Awareness and Education” “Objective,” to “inform customers that
28 Missouri is changing rate structures soon and educate them on how TOU rates work,” which
29 consisted of a series of slides depicting copy that “Changes are coming in Missouri,” and
30 “Missouri is moving to time-based rate plans this fall.” This presentation is attached
31 as Schedule SLKL-d14.

32 Questions and concerns from the public and legislators began to mount. On July 19,
33 2023 Staff filed “Staff’s Informational Pleading and Frequently Asked Questions,” to address

1 some of the items of confusion and misinformation. This filing is attached as
2 Schedule SLKL-d15.

3 Q. Evergy presented on “Evergy Mandatory Residential Customer TOU
4 Implementation,” at an Agenda session on August 10, 2023, attached as Schedule SLKL-d16.
5 This included a slide noting as “Examples of adjustments made to campaign based on Staff and
6 OPC feedback” that Evergy “Modified the name of the default rate from "Seasonal Peak Saver"
7 to "Standard Peak Saver”” Under what name does Evergy currently market this name?

8 A. Evergy currently markets this name as “Summer Peak Time Based Plan,” which
9 is problematic as discussed above.

10 Q. On September 8, 2023, in File ET-2024-0061, “Evergy filed “Application for
11 Approval of Tariff Revisions to Time-of-Use Program, Request for Waiver of 60 Day Notice
12 Requirement, and Motion for Expedited Treatment,” which stated, inter alia, regarding the
13 “Anytime Plan,” i.e. the existing non-discounted residential general service rate schedules, that
14 “This option will be particularly beneficial to Evergy’s residential all-electric customers who
15 heat their homes with electricity, as well as customers on fixed incomes and others who are less
16 able to modify their usage patterns. Unless the traditional residential rate structure is maintained
17 as an option for the residential all-electric and separately metered heating customers and for
18 vulnerable customers who are unable to modify their usage patterns, these customers are likely
19 to have a significant increase in their bills. This option is also expected to be attractive to
20 customers that are hesitant or opposed to the adoption of a TOU rate structure and prefer to opt
21 back in to their existing traditional residential rate.”

22 The filing also included, under the heading “Notice of Rate Plan Name Changes,”
23 “While the Company is not required or seeking approval from the Commission to change the

1 brand name of its various tariffed rate plans, the Company is providing notice that it intends to
2 modify the name for certain rate plans. The Company proposal to change the default rate from
3 the Commission's previously ordered high differential 2-period TOU rate to the low differential
4 Peak Adjustment TOU rate necessitates a change to the name of the rate plans in order to avoid
5 future confusion on which rate is the standard or default rate. In order to be more descriptive
6 for customers who are choosing their rate plans, Evergy proposes to change the names
7 of (1) the high differential 2-period TOU rate from "Standard Peak Saver" to "Summer Peak
8 Time Based Plan" and (2) the low differential Peak Adjustment TOU rate from "Peak Reward
9 Saver" to "Default Time Based Plan." This also addresses some stakeholder feedback so each
10 name describes the rate option without emphasizing a "savings" aspect for the rate since other
11 TOU rate options are likely to result in larger savings if customers modify their usage behavior.
12 In addition, in the event that the Commission approves continuation of the traditional residential
13 rate structure as a rate plan option, the Company intends to name this rate plan the "Anytime
14 Plan". Did this filing provide inaccurate information?

15 A. Yes. On September 15, 2023, Staff filed "Staff's Interim Recommendation," in
16 ET-2024-0061, attached as Schedule SLKL-d17, noting, inter alia, that "Specifically, Evergy's
17 "Application," at page 10 includes a statement that the General Use rate plan option is
18 "particularly beneficial to Evergy's residential all-electric customers who heat their homes with
19 electricity, as well as customers on fixed incomes and others who are less able to modify their
20 usage patterns. Unless the traditional residential rate structure is maintained as an option for the
21 residential all-electric and separately metered heating customers and for vulnerable customers
22 who are unable to modify their usage patterns, these customers are likely to have a significant
23 increase in their bills." There is no factual basis for this statement, and it is false. The increases

1 that some of these customers may experience in their bills is a consequence of the elimination
2 of a discount, not the change to TOU rates. The average realized rate for the winter season for
3 the General Use rate plan is higher than the average realized rate for the winter season for the
4 Peak and Average rate plan and the Two Part Time of Use rate plan. Evergy's statement is
5 deliberately misleading, harmful to customers, and designed to increase Evergy's
6 expected revenues."

7 This filing continued:

8 Staff notes that much of confusion and opposition to the adoption of a
9 time-based rate plan for the default residential rate structure lies squarely
10 with Evergy's approach to customer engagement and education. As a
11 point of comparison, Liberty utilities provided straightforward
12 information to its customers during its defaulting period, such as the
13 following:

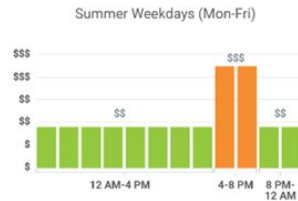
14 **Why the change?**

15 **Time matters, especially when it comes to energy costs. The higher**
16 **the demand for energy, the more it costs to generate. At peak times,**
17 **typically during the day, energy demand increases and, as a result,**
18 **energy costs increase. The opposite is true for off-peak times,**
19 **typically at night, when energy demand drops, and energy costs**
20 **decrease.**

21 While Evergy's default time-based residential rate design reflects a more
22 dramatic differential than the default time-based rate designs applicable
23 to all of Liberty's electric customers, the underlying rationale is
24 identical. Evergy's initial engagement and education consisted of a
25 "tip," to "set your thermostat to avoid cooling during summer peak hours
26 of 4-8 pm," as well as the statement "to avoid paying a higher price for
27 energy, it will be important to shift your large energy usage to mornings,
28 overnight, or weekends in the summer," which was akin to shouting
29 "fire," in a crowded theatre. This messaging appeared in various forms.
30 A screenshot of the Evergy website is provided below:

Check out your new time-based plans...

[Standard Peak Saver](#) | [Peak Reward Saver](#) | [Nights & Weekends Saver](#) | [Nights & Weekends Max Saver](#)



Standard Peak Saver

- ✓ **Who's it for:** Everyday users. This is Evergy's standard default plan.
- ✓ **Savings level:** Some energy shifting effort and flexibility needed during the summer (June-Sept)
- ✓ **Tip:** Set your thermostat to avoid cooling during summer peak hours of 4-8 pm

This is our new standard rate plan that offers a discounted price for electricity 8 months out of the year but also has a peak price from 4-8 pm during the weekday summer months (June-September). To avoid paying a higher price for energy, it will be important to shift your large energy usage to mornings, overnight, or weekends in the summer. There is only a peak price during the summer months. See peak and off-peak pricing for your area by clicking the Get More Details button.

1

Further, Evergy's efforts to date have misled customers to believe that time-based charges on this plan will exist only during summer months, and caused substantial confusion through emphasis on "savings" and a claim of a Missouri-wide electric rate changes. Page 33 of Exhibit A attached to Evergy's Application in this docket indicates that "my bill will go up", "need electricity during peak hours", and "can't use electricity when I need to" were the most common concerns cited among surveyed customers.

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Please note that if the Commission approves Evergy's request to change the default TOU rate plan, Staff supports changing the name of "Peak Reward Saver" to "Default Time Based Plan." However, Staff does not support Evergy's efforts to rename the high differential 2-period TOU rate from "Standard Peak Saver" to "Summer Peak Time Based Plan."

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Staff notes that the "summer" description for the currently-tariffed Schedule RTOU-2, "Residential Time of Use – Two Period," rate plan is not accurate. Evergy initially stated its intent on May 23, 2023, to brand this rate plan "Seasonal Peak Saver: You can save from October to May on discounted energy prices. From June to September you can save by avoiding using energy from 4 pm to 8 pm when energy prices peak."

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Staff in its *Staff Response to May 23, 2023 Presentation and Requests for Additional Information*, submitted June 8, 2023, in File No. EW-2023-0199, (attached as Schedule 1) that this brand name and marketing were misleading. Specifically, Staff stated "Evergy's proposal does not provide any indication of the time periods in play in the non-summer

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1 season. Evergy’s proposal promotes a seasonal discount although for the
2 average customer the seasonal revenue recovery on this rate plan is equal
3 to the seasonal revenue recovery on the Staff’s recommended transition
4 rate design (Rate Plan B). This rate plan does not, in fact, produce a
5 discount for all customers, and seasonal variations in pricing are subject
6 to change in every rate case....” The name, Two Period Time of Use” is
7 appropriate for the tariff and brand name for this plan if it is not
8 maintained as the standard residential rate plan.

9 Q. On September 21, 2023, Evergy filed its “Notice Regarding Time-of-Use
10 Program Names,” stating, inter alia, that “in order to be more descriptive for customers who are
11 choosing their rate plans, Evergy will change the names of (1) the high differential Residential
12 Time of Use - Two Period rate from “Standard Peak Saver” to “Summer Peak Time Based
13 Plan” and (2) the low differential Residential Peak Adjustment Service rate from “Peak Reward
14 Saver” to “Default Time Based Plan.”” Did Staff indicate its concerns with these names?

15 A. Yes. On September 25, 2023, Staff filed “Staff’s Second Interim
16 Recommendation and Renewed Motion to Suspend,” stating, inter alia

17 In its initial Application and again in its “Notice Regarding Time-of-
18 Use Program Names,” Evergy states that it is not required or seeking
19 approval from the Commission to change the brand name of its various
20 tariffed rate plans, but is providing notice that it intends to modify the
21 name of certain rate plans.

22 If the Commission approves Evergy’s request to change the default
23 TOU rate plan, Staff supports changing the name of “Peak Reward
24 Saver” to “Default Time Based Plan.” However, Staff does not support
25 Evergy’s efforts to rename the high differential 2-period TOU rate from
26 “Standard Peak Saver” to “Summer Peak Time Based Plan.”

27 Staff notes that the “summer” description for the currently-tariffed
28 Schedule RTOU-2, “Residential Time of Use – Two Period,” rate plan
29 is not accurate. Evergy initially stated its intent on May 23, 2023, to
30 brand this rate plan “Seasonal Peak Saver: You can save from October
31 to May on discounted energy prices. From June to September you can
32 save by avoiding using energy from 4 pm to 8 pm when energy
33 prices peak.”

1 Staff in its *Staff Response to May 23, 2023 Presentation and Requests*
2 *for Additional Information*, submitted June 8, 2023, in File No. EW-
3 2023-0199 that this brand name and marketing were misleading.
4 Specifically, Staff stated “Evergy’s proposal does not provide any
5 indication of the time periods in play in the non-summer season.
6 Evergy’s proposal promotes a seasonal discount although for the average
7 customer the seasonal revenue recovery on this rate plan is equal to the
8 seasonal revenue recovery on the Staff’s recommended transition rate
9 design (Rate Plan B). This rate plan does not, in fact, produce a discount
10 for all customers, and seasonal variations in pricing are subject to change
11 in every rate case....” The name, “Two Period Time of Use” is
12 appropriate for the tariff and brand name for this plan if it is not
13 maintained as the standard residential rate plan.

14 Q. On November 28, 2023, Evergy presented on “Evergy Mandatory Residential
15 Customer ToU Implementation” in a formal setting under the Workshop Docket, attached as
16 Schedule SLKL-d18. Did this presentation indicate that Evergy was providing an adequate
17 education to customers who had been receiving service on a discounted rate plan?

18 A. No. On December 6, 2023, Staff provided “Staff Response to Evergy’s
19 November 28, 2023 Presentation,” attached as Schedule SLKL-d19, which included, inter alia,
20 clarification on the bill impacts for customers who had been receiving promotional discounts
21 on their electric service, specifically, that “For the 4,869 Evergy Missouri Metro customers who
22 had received service on a discounted rate plan prior to October of 2023, only 52 customers (1%)
23 would experience a lower 12 months’ bill on the General Use rate plan as currently tariffed than
24 they would on the two studied time-based rate plans. For the 7,306 Evergy Missouri West
25 customers who had received service on a discounted rate plan prior to October of 2023,
26 only two (2) customers (0.03%) would experience a lower 12 months’ bill on the General Use
27 rate plan as currently tariffed than they would on the two studied time-based rate plans.”

1 Q. On December 18, 2023, Evergy presented informally in the workshop docket.
2 Did that presentation indicate that Evergy is providing accurate and reasonable education to
3 its customers?

4 A. No. On January 10, 2024, Staff provided Staff Response to December 18, 2023
5 Presentation and Requests for Additional Information,” attached as Schedule SLKL-d20 noting,
6 inter alia,

7 -“Copy which Evergy presented stating, “You’re already on the lowest cost rate plan,
8 ” is misleading to customers. At a minimum, this sentence should be expanded to state,
9 “Based on your most recent 12 months of usage, you’re on the lowest cost rate plan.”
10 Ideally, language should be included referencing the relative risk of rate plans, and changes
11 in usage due to weather and appliance use.”

12 -“The “Who’s it for” language observed during the presentation in the description of each
13 rate plan appeared to be misleading. Staff is available for further discussion when the
14 screenshots of this language in its current form is provided.”

15 -“Staff is concerned that the rate plan comparison tool does not provide information related
16 to the logged-in customer’s usage by rate period. Staff is of the understanding that
17 information of this sort is provided in the emailed rate coach email, but only as it pertains
18 to the plan the customer is on. Direct access to the “rate coach” email from the customer
19 portal would be an improvement. Presentation of the “rate coach” email information within
20 the customer portal for each rate plan would be preferable, if the cost of providing this
21 information is not excessive.”

22 -“On the monthly bill comparison, the inclusion of the date with the month name is
23 confusing, and should be omitted or explained if possible.”

24 -“Staff recommends Evergy develop copy for its website to include with rate comparison
25 tools discussing for effects of major weather events or atypical events to be displayed for
26 future events comparable to Storm Uri, the Polar Vortex, or major outages. Evergy should
27 also consider methods to omit months with this sort of major disruption from rate
28 comparison tools.”

29 **CONCLUSION**

30 Q. Does this conclude your direct testimony?

31 A. Yes it does.

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

The Staff of the Missouri Public Service Commission,)
)
)
Complainant,)
)
)
v.)
)
Evergy Metro, Inc. d/b/a Evergy Missouri)
Metro; and Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West,)
)
Respondents.)

File No. EC-2024-0092

AFFIDAVIT OF SARAH L.K. LANGE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW SARAH L.K. LANGE, and on her oath states that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Sarah L.K. Lange*; and that the same is true and correct according to her best knowledge and belief.

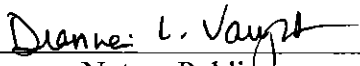
Further the Affiant sayeth not.



SARAH L.K. LANGE

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 20th day of February 2024.



Notary Public

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