

CONFIDENTIAL VERSION

Exhibit No.:
Issue: Data Retention
Witness: Bradley D. Lutz
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri Metro and Evergy
Missouri West
Case No.: EO-2024-0002
Date Testimony Prepared: November 1, 2023

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EO-2024-0002

DIRECT TESTIMONY

OF

BRADLEY D. LUTZ

ON BEHALF OF

EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

**Kansas City, Missouri
November 2023**

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DIRECT TESTIMONY

OF

BRADLEY D. LUTZ

Case No. EO-2024-0002

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

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

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc. I serve as Director, Regulatory Affairs for Evergy
6 Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy Missouri Metro”), Evergy Missouri
7 West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”), Evergy Metro, Inc. d/b/a
8 Evergy Kansas Metro (“Evergy Kansas Metro”), and Evergy Kansas Central, Inc. and
9 Evergy South, Inc., collectively d/b/a as Evergy Kansas Central (“Evergy Kansas Central”)
10 the operating utilities of Evergy, Inc.

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

12 A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West
13 (collectively, the “Company” or “Evergy”).

14 **Q: What are your responsibilities?**

15 A: My current responsibilities are focused on rates, regulatory operations and customer issues,
16 providing support and oversight for a wide range of regulatory work including
17 determination of retail revenues, load analysis, rate design, class cost of service, tariff
18 administration, compliance reporting, response to customer complaints, docket
19 management system administration, general tariff administration, and relationship

1 development for the Company's regulatory activities in the Missouri and Kansas
2 jurisdictions.

3 **Q: Please describe your education, experience and employment history.**

4 A: I hold a Master of Business Administration from Northwest Missouri State University and
5 a Bachelor of Science degree in Engineering Technology from Missouri Western State
6 University.

7 I joined Evergy, then Kansas City Power & Light, in August 2002 as an Auditor in
8 the Audit Services Department. I moved to the Company's Regulatory Affairs group in
9 September 2005 as a Regulatory Analyst where my primary responsibilities included
10 support of our rate design and class cost of service efforts. I was promoted to Manager in
11 November 2010 and was promoted to my current position in March 2020.

12 Prior to joining Evergy, I was employed by the St. Joseph Frontier Casino for two
13 years as Information Technology Manager. Prior to St. Joseph Frontier Casino, I was
14 employed by St. Joseph Light and Power Company for nearly 14 years. I held various
15 technical positions at St. Joseph Light and Power Company, including Engineering
16 Technician-Distribution, Automated Mapping/Facilities Management Coordinator, and
17 my final position as Senior Client Support Specialist-Information Technology.

18 **Q: Have you previously testified in a proceeding before the Missouri Public Service
19 Commission ("Commission" or "MPSC") or before any other utility regulatory
20 agency?**

21 A: Yes, I have testified multiple times before the Commission concerning tariff, class cost of
22 service and rate design topics as part of various recent proceedings. Additionally, I have
23 testified multiple times before the Kansas Corporation Commission.

1 **Q: What is the purpose of your testimony?**

2 A: I will address the following topics in my testimony:

3 I. The Data Retention Commitment

4 II. Company Position concerning the data requested

5 **I. THE DATA RETENTION COMMITMENT**

6 **Q: Please explain the Data Retention Commitment driving this case.**

7 A: As part of Stipulation and Agreement reached and approved in its last general rate
8 proceeding under case No. ER-2022-0129/0130 (“0129/0130 Stipulation”), Evergy agreed
9 to:

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

17 1. Identify and provide the data required to determine: line transformer
18 costs and expenses by rate code; primary distribution costs and
19 expenses by voltage; secondary distribution costs and expenses by
20 voltage; primary voltage service drop costs and expenses; line
21 extension costs, expenses, and contributions by rate code and
22 voltage; and meter costs by voltage and rate code;.

23 2. For each rate code, provide the total number of customers served on
24 that rate schedule on the first day of the month and the last day of
25 the month;

26 a. For each rate schedule on which customers may take service
27 at various voltages, the number of customers served at each
28 voltage on the first day of the month and the last day of the
29 month;

30 3. For each rate code, the number of customers served on that rate
31 schedule on the first day of the month and the last day of the month
32 for which interval meter readings are obtained;

- 1 a. For each rate code on which customers may take service at
2 various voltages, the number of customers served at each
3 voltage on the first day of the month and the last day of the
4 month which interval meter readings are obtained;
- 5 4. For each rate code for which service is available at a single voltage,
6 the sum of customers' interval meter readings, by interval;
- 7 a. For each rate code on which customers may take service at
8 various voltages, the sum of customers' interval meter
9 readings, by interval and by voltage;
- 10 5. If any internal adjustments to customer interval data are necessary
11 for the company's billing system to bill the interval data referenced
12 in parts 4. and 4.a., such adjustments should be applied to each
13 interval recording prior to the customers' data being summed for
14 each interval;
- 15 6. From time to time the Commission may designate certain customer
16 subsets for more granular study. If such designations have been
17 made, the information required under parts 1 – 5 should be provided
18 or retained for those instances.
- 19 7. Individual customer interval data shall be retained for a minimum of
20 fourteen months. If individual data is acquired by the Company in
21 intervals of less than one hour in duration, such data shall be retained
22 in intervals of no less than one hour.
- 23 8. Evergy shall:
- 24 a. Retain individual hourly data for use in providing bill
25 comparison tools for customers to compare rate alternatives.
- 26 b. Retain coincident peak determinants for use in future rate
27 proceedings.
- 28 c. Provide to Staff upon request:
- 29 1) the information described in part 1;
- 30 2) a minimum of 12 months of the data described in
31 parts 2-5;
- 32 3) for rate codes with more than 100 customers, a
33 sample of individual customer hourly data, and
34 identified peak demands for those 100 customers in
35 the form requested at that time (i.e. monthly 15
36 minute non-coincident, annual 1 hour coincident);

- 1 4) for rate codes with 100 or fewer customers,
2 individual customer hourly data, and identified peak
3 demands for those customers in the form requested
4 at that time (i.e. monthly 15 minute non-coincident,
5 annual 1 hour coincident).
- 6 d. For purposes of general rate proceedings, Evergy shall
7 provide all data described above for a period of not less than
8 36 months, except that Staff does not request individual
9 customer data for 36 months except as described in part
10 8.c.3.
- 11 9. Develop the determinants for assessment of an on-peak demand
12 charge to replace the current monthly billing demand charge, and
13 for potential implementation for customers not currently subject to
14 a demand charge; and
- 15 10. EMM and EMW begin to retain and study data related to the reactive
16 demand requirements of each rate code, and sample customers
17 within each rate code.¹

18 **Q: Was the Company able to provide the data requested by the established date?**

19 A: No.

20 **Q: Did the Company determine the data is not available or cost-prohibitive to produce?**

21 A: Yes.

22 **Q: Did the Company file a motion to establish an EO docket prior to July 1, 2023, as
23 indicated in the Stipulation and Agreement?**

24 A: Yes.

25 **Q: Is the Direct Testimony offered in this EO docket intended to provide the reason why
26 the Company cannot provide the requested data and the Company's individual
27 estimate of the cost to provide each set of requested data, for the further consideration
28 of the parties and the Commission?**

29 A: Yes.

¹ See, p. 12, ER-2022-0129/0130 Stipulation and Agreement, filed August 30, 2022.

1 **Q: What is the structure of the Company testimony?**

2 A: The Company offers the testimony of three witnesses to address this commitment. In
3 addition to my testimony, described earlier, the Company offers the testimony of,

4 ▪ Julie Dragoo, Senior Director of Strategy and Support – explaining the Company
5 systems, detailing the data relationships and providing further support for the cost
6 estimates detailed in my testimony. She has responsibility for many of the Company
7 systems related to these data retention requests.

8 ▪ Sean Riley, Partner with PricewaterhouseCoopers LLP (“PwC”) - offering insights
9 into industry practices and confirmation that Evergy is following normal practice
10 with its systems and data management. He also offers reaction to select Staff data
11 retention requests.

12 **Q: Please describe why the Company was unable to provide the requested data and**
13 **provide an individual estimate of the cost to provide each set of requested data.**

14 A: The issues varied across the data requests. Given the complexity and detail of the data
15 requested, the Company has prepared a summary table of the assessment, provided as
16 **Confidential Exhibit BDL-1**, detailing the respective requests, providing a response for
17 each concerning the,

18 ▪ Availability - Is the requested data present in the Company systems?

19 ▪ Deliverability - Can the data be extracted and processed/formatted in a manner
20 consistent with the request?

21 ▪ Estimated Cost to provide - the cost to produce the data in the format, interval, and
22 other criteria set within the request as specified by the Company through analysis
23 of the request.

1 ▪ Applicable Notes - additional information informative to the assessment.

2 To aid in examination of the assessment, the Company has used traffic signal
3 coloring to represent the relative comparisons.

4 **Q: Please describe the process used to evaluate the data and produce the summary**
5 **assessment.**

6 A: The assessment summary table was prepared to capture the efforts of a team of Company
7 subject matter experts to provide the data. Given the breadth of data being requested, a
8 cross functional team was assembled to respond to the availability of the requested data.
9 The team included representatives of Evergy’s Customer Operations, Customer Analytics,
10 Customer Systems, Application Systems, Property Accounting, Geographic Information
11 Services Support, Engineering & Analytics, Support Services Departments. This team
12 included individuals with direct administrative and operational knowledge of Company
13 Billing, Mapping, Work Management, Plant Accounting, and Meter Data Management
14 systems. These individuals have direct experience with managing the data within the
15 systems.

16 Some individuals on the team have been involved with this work since the first data
17 requests were received from Staff with the complete team beginning formal work in
18 September 2022 shortly after the 0129/0130 Stipulation was filed. Work to provide the
19 data requested continued until June 2023 when it was clear that that the data would not be
20 provided by the July 1 target date. Work then focused on the EO case and documenting
21 the data availability and deliverability.

1 **Q: The cost estimates are offered in ranges of cost. Why is this necessary?**

2 A: In general, the cost to configure or customize computer systems can vary dramatically.
3 Precise estimates require detailed specifications to account for all required modifications.
4 Absent these specifications, there is variability in the final cost results. With the summary
5 table the Company provides informative cost estimates to facilitate examination in this
6 docket, but asserts that precision is not possible at this stage. Company witnesses Julie
7 Dragoo and Sean Riley further make this assertion in their respective testimonies.

8 **Q: Is it possible to summarize why was the Company was unable to provide the data as**
9 **requested?**

10 A: Yes. In general, the data requested from Staff is either new data or new combinations of
11 data not normally retained by the Company or existing data requested in a form not
12 normally maintained or exported by the Company. The Company systems are designed to
13 accumulate, process, and retain data for the purpose of producing customer bills, managing
14 Company work, and maintaining Company books and records. These systems are designed
15 to perform limited data analytics and export, mainly in direct support of the primary system
16 purpose.

17 The Staff requests are also problematic because much of the data requested would
18 require combining data from distinct systems that aren't integrated in a manner to facilitate
19 reporting/extraction on a combined basis- i.e., reporting or query capability isn't readily
20 available that pulls data from all of these systems simultaneously and needed common
21 characteristic to establish these linkages are not in place. It was also noted that the systems
22 often "feed" into other systems in one direction, therefore edits and adjustments in one

1 system are not populated backwards to the source systems, resulting in differences in the
2 data.

3 **Q: Building on this response, are there specific details that would be helpful for the**
4 **Commission to understand?**

5 A: Yes. I want to be clear that these systems are not deficient in their design or inadequate to
6 support Company operations or even to support historic ratemaking methods. The bulk of
7 the data requested is associated with new concepts being promoted by Staff and do not
8 align with these system purposes or with historic ratemaking.

9 Another important detail is that consideration of these data requests occurred during
10 the time constraints of discovery in the Company rate cases or during a time when
11 Company resources were committed to implementing the Commission's Order concerning
12 deployment of mandatory Time of Use rates. In both cases, limited availability of time has
13 impacted the Company response to these requests.

14 **Q: The summary table includes significant information about the Company's assessment**
15 **of the data requested. Is there additional information or context for the Commission**
16 **to consider on any of the items?**

17 A: Yes. I believe it would be helpful to highlight a number of the items. Specifically, I would
18 like to further comment on data requests 1, 5, 6 and 8.

19 **Q: What are your comments on data request 1?**

20 A: Data request 1 is the most problematic of all the data requested. Staff requests:

21 1. Identify and provide the data required to determine: line transformer costs
22 and expenses by rate code; primary distribution costs and expenses by
23 voltage; secondary distribution costs and expenses by voltage; primary
24 voltage service drop costs and expenses; line extension costs, expenses, and
25 contributions by rate code and voltage; and meter costs by voltage and rate
26 code;

1 Data does not exist in these combinations within the Company's systems to support
2 this request. Where some part of the cost data exists, it is not linked to customer accounts,
3 rate codes, or readily identified by voltage. Some of the elements of the request are not
4 supported within the Company's accounting practices. The testimony of Julie Drago and
5 Sean Riley explores this concern as well.

6 **Q: If ordered, could the Company take the steps needed to produce the data requested?**

7 A: Yes, but the effort would be significant. To establish a reliable and repeatable process to
8 support this data basic Company processes and accounting treatments would need to be
9 reworked. Application systems would need to be modified. New interfaces and linkages
10 between systems would need to be designed and implemented. Following this project level
11 work scope are estimated to cost in excess of ****\$80 million****.

12 **Q: In your opinion, is the request for data identified in data request 1 appropriate?**

13 A: No. If additional detail about these costs is deemed necessary, I believe alternate data be
14 considered.

15 **Q: What are your comments on data request 5?**

16 A: This request is problematic, not because the source systems do not have the updated and
17 billed data information, but because the Data Hub was not built to be a replica of our
18 business source systems. The requests states,

19 5. If any internal adjustments to customer interval data are necessary for the
20 company's billing system to bill the interval data referenced in parts 4. and
21 4.a., such adjustments should be applied to each interval recording prior to
22 the customers' data being summed for each interval;

23 Data request 5 is not requesting specific data, but instead seeks to require updates
24 to original interval data if adjustments are made in systems using the data later in the
25 process. More specifically, this request sets an expectation for alignment between the Data

1 Hub and the MDM/CCB systems. As addressed in more detail by Company witness, Julie
2 Dragoo, the Data Hub is the Company source for data extraction, similar to the requests
3 raised by Staff in this proceeding. Systems such as CCB and MDM feed data to the Data
4 Hub which is used to aggregate and analyze point in time data. To achieve alignment,
5 significant process change would be needed to continually feed updates to the Data Hub,
6 in a sense fully replicating the data. This form of interface does not exist and was never
7 the intended use for Data Hub. Considerable enhancement would be required to both
8 systems to enable it going forward. This concern does not account for the processing
9 overhead associated with maintaining a live connection between systems.

10 **Q: If ordered, could the Company change work processes and systems to achieve this**
11 **adjustment?**

12 A: It is uncertain, but again, the effort would be significant. If the Staff request for alignment
13 between the data retained in separate systems is ordered, the Company will have to seek a
14 fundamental redesign of its data retention logic to achieve this level of relationship.
15 Further, work processes would need to change to address the resulting size and complexity
16 of the Data Hub. An additional element of concern would be the potential impact of this
17 logic change on our corporate infrastructure. It is possible that these levels of alignment
18 will require additional enhancement and expansion to incorporate this new demand within
19 other existing business needs. Due to the expected extensive modification and controls
20 needed to ensure data consistency the Company estimated this effort would cost in excess
21 of ****\$3.75M****.

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1 **Q: What are your comments on data request 6?**

2 A: Staff's request is unworkable because the request is undefined and places an unrealistic
3 expectation on the Company. The request states,

4 *6. From time to time the Commission may designate certain customer*
5 *subsets for more granular study. If such designations have been made, the*
6 *information required under parts 1 – 5 should be provided or retained for*
7 *those instances.*

8 The request lacks the detail needed to properly evaluate within this case. The
9 second sentence identifying part 1 – 5 as the information to be provided does not clarify
10 the purpose of the request.

11 **Q: Since this data request is undefined, is this why the Company did not provide a cost**
12 **estimate for this item?**

13 A: Yes. Data request 6 is a speculative request. The individual responses to data requests 1
14 through 5 provide information about the costs to provide. Nothing more could be added
15 for data request 6 at this time.

16 **Q: What are your comments on data request 8?**

17 A: Staff's request 8 is a multi-part request, mainly focused on data retention. The data request
18 states:

19 8. *Evergy shall:*

20 a. *Retain individual hourly data for use in providing bill*
21 *comparison tools for customers to compare rate*
22 *alternatives.*

23 b. *Retain coincident peak determinants for use in future rate*
24 *proceedings.*

25 c. *Provide to Staff upon request:*

26 1) *the information described in part 1;*

1 **Q: The summary table represents that several items exist or are retained but have issues**
2 **with the deliverability. Why is this?**

3 A: Several of the Staff data requests are for data used in our regular billing processes, so these
4 are data which is available. However, there are elements in each that require work to
5 execute. For example, in most cases these data extractions are not part of current processes.
6 The queries would need to be created and processes established to execute the extractions
7 as part of regular computer systems operations.

8 **Q: Are there any other factors impacting the Company's ability to provide this data?**

9 A: Yes. It should be noted that the Company relies on the same personnel and the same
10 computer environments to perform daily operations as it does to support regulatory and
11 ratemaking needs. In its normal course of business, the Company must allocate time
12 between these needs, often setting aside customer related work to support regulatory
13 demands. These additional data requests from Staff add to that pressure. It is particularly
14 difficult because many of the data requests are outside of our normal business operations
15 and require special, one-off efforts to produce.

16 **II. THE COMPANY POSITION CONCERNING THE DATA REQUESTED**

17 **Q: In your opinion, why has this data has been requested by the Staff?**

18 A: Staff is under the opinion that current cost allocation methods are insufficient to support
19 ratemaking, mainly in differentiating distribution plant costs by voltage. Further, Staff
20 believes the data requested is needed to support development of rate design structures they
21 endorse. The views concerning cost of service first took shape in an Ameren Missouri rate
22 case, ER-2019-0335, expressed in the Rebuttal Testimony of Sarah L.K. Lange. In that
23 testimony, Staff supported guidance published by the Regulatory Assistance Project

1 (“RAP”), titled “Electric Cost Allocation for a New Era,” by Jim Lazar, Paul Chernick and
 2 William Marcus, edited by Mark LeBel. These views extended into the Liberty Utilities
 3 rate case, ER-2019-0374 and Evergy rate cases, ER-2022-0129/0130. Most recently these
 4 views toward class cost of service studies were addressed again in Ameren rate case ER-
 5 2022-0337.

6 The views concerning rate design structures have been more aligned with Staff’s
 7 visions for rate design and with data made available with the Automated Metering
 8 Infrastructure (“AMI”) deployments and I believe originated within the Evergy rate cases
 9 ER-2022-0129/0130 and again appeared in Ameren rate case ER-2022-0337. The Staff
 10 views parallel those offered by RAP in their report “Smart Rate Design for a Smart
 11 Future.”² If I understand the Staff intentions correctly, they prefer to ultimately move all
 12 customers to a rate structure similar to the following example from the RAP report³.

| Illustrative Residential Rate Design | | |
|---|---|--------------------------|
| Rate Element | Based On The Cost Of | Illustrative Rate |
| Customer Charge | Service Drop, Billing, and Collection Only | \$4.00/month |
| Transformer Charge | Final Line Transformer | \$1/kVA/month |
| Off-Peak Energy | Baseload Resources + transmission and distribution | \$.07/kWh |
| Mid-Peak Energy | Baseload + Intermediate Resources + T&D | \$.09/kWh |
| On-Peak Energy | Baseload, Intermediate, and Peaking Resources + T&D | \$.14/kWh |
| Critical Peak Energy (or PTR) | Demand Response Resources | \$.74/kWh |

² Lazar, J. and Gonzalez, W. (2015). Smart Rate Design for a Smart Future. Montpelier, VT: Regulatory Assistance Project. Available at: <http://www.raponline.org/document/download/id/7680>.

³ Id., p. 50

1 As Staff has brought these cost allocation methods and rate design alternatives forward,
2 they have sought data from the Company to support them.

3 **Q: What has been the position of the Company to these requests?**

4 A: Evergy has contested these cost allocation views as part of testimony, mainly in the ER-
5 2022-0129/0130 cases. The primary concern is that most of the requested data is not
6 readily available nor easily produced. These points have been detailed in the Summary
7 Table offered earlier. The Company believes current cost allocation methods are suitable
8 to inform ratemaking, particularly since the alignment between the rates and the respective
9 costs have been managed through other policy considerations over the years. Any
10 incremental precision offered by these new approaches is not worth the high cost of
11 development and maintenance.

12 The Company position concerning the data to support rate design is more nuanced.
13 In some respects, the Company supports examination of new approaches, but the realities
14 of “big data” require higher levels of consideration. Availability of large amounts of data
15 does not mean that the data is easily accessible. Computer systems have limited capability
16 to store and manage large data sets. As a result, the Company has contested these data
17 requests as well.

18 **Q: Following the efforts to produce this data, what is the Company’s view of the Staff
19 request?**

20 A: As the Company began to explore the requested data more deeply with the systems experts,
21 our prior positions were largely affirmed. While we understand Staff’s desire to leverage
22 data now captured in Evergy’s systems, the expectation that the various independent
23 systems/processes can be treated as an integrated database that will provide reporting and

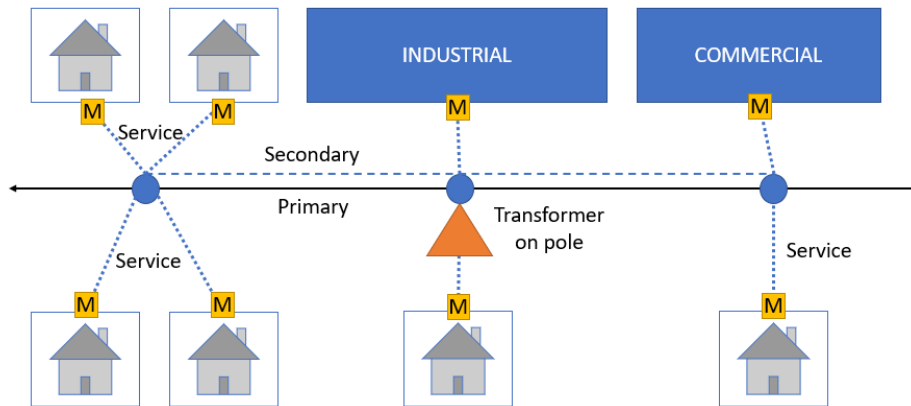
1 data analytics based on dynamic end user requirements is unrealistic. Given the limitations
2 and estimated cost to provide associated with many of the requests as described in the
3 collective Company testimony, the Company cannot approach the Staff's requests lightly.

4 **Q: Beyond providing the reason why it cannot provide the requested data and an**
5 **estimate of the cost to provide the requested data what does the Company wish to**
6 **achieve within this docket?**

7 A: Responding to this data request is complicated and the Company believed moving the effort
8 outside of the constraints of a rate case would provide the best opportunity to provide the
9 data. Alternatively, if the Company were unable to provide the data, the specific EO case
10 would allow the Staff request to be evaluated by the Commission and a determination given
11 on the provision of this data.

12 **Q: In an earlier response you expressed particular concern with the data requested**
13 **around distribution costs by voltage. Please describe why.**

14 A: Staff seeks line transformer costs and expenses by rate code; primary distribution costs and
15 expenses by voltage; secondary distribution costs and expenses by voltage; primary voltage
16 service drop costs and expenses; line extension costs, expenses, and contributions by rate
17 code and voltage; and meter costs by voltage and rate code. To begin, in practice,
18 distribution facilities do not lend themselves to quantification by rate code. It is the nature
19 of distribution facilities to be shared across customers to provide service. The Company
20 operates a comprehensive grid to provide service to customers, not a collection of
21 individualized services. The following figure is helpful to detail this point.



1
 2 In this graphic, there are three spans of primary conductor (solid lines). On the middle pole
 3 (shaded circle) is a distribution transformer (shaded triangle) that steps down the primary
 4 voltage to serve the Secondary conductors (dashed lines) or Service conductors (dotted
 5 lines). In this example, the Secondary conductors in turn feed Service conductors on other
 6 poles. The Service conductors ultimately feed customer meters (squared “M”). In this
 7 example, most metered customers are residential, but one is commercial, and one is
 8 industrial. Within this scenario, the transformer provides service to multiple customer
 9 types and as a result, multiple rate codes. Costs cannot be directly attributable to the rate
 10 codes being served. Some approach to allocate the cost is required.

11 Second, accounting for distribution costs as mass property is a common allowable
 12 practice across many electric utilities. Within each book entry, the detail addresses a
 13 general description of the property and quantity; the quantity placed in service by vintage
 14 year; the average cost; and the plant control account to which the costs are charged.
 15 However, as mass property, FERC Uniform System of Accounts standards allow these
 16 asset costs to be treated in bulk, removing methods to individually track attributes, such as
 17 customer specific or rate code specific detail.

1 A third concern is with line extension costs, expenses, and contributions being
2 desired to be tracked and/or recorded by rate code and voltage. Beyond the fact that line
3 extension costs are not retained by rate code, all Evergy jurisdictions are subject to Line
4 Extension policies. The policies, detailed in the Company Rules and Regulations, set forth
5 methods to identify terms for extension of facilities including methods to identify cost
6 responsibility. In general, the Company provides a standard allowance or method to
7 calculate the allowance and the customer causing the extension is responsible for paying
8 the remainder of these extension costs. This policy ensures that customers causing the
9 extension of facilities, pays an appropriate amount for those facilities. These customer
10 contributions serve to offset the cost of extensions and are not considered in the Staff
11 request. With this detail, the value of “line extension costs, expenses, and contributions by
12 rate code and voltage” data would be questionable.

13 A fourth concern is with how Company labor and overheads are attributed to
14 distribution facilities. When distribution facilities are installed, they are normally done so
15 through distinct “jobs.” The jobs are work orders within the Company work management
16 systems. These jobs detail all of the construction components needed to achieve a certain
17 project. These components will include all forms of facilities, primary, secondary, service,
18 poles, devices, and equipment. Once the job is completed, labor costs and company
19 overheads incorporated in the components are unitized, converted into a single value and
20 recorded in the Company book and records. Additionally, accounting functions such as
21 depreciation, Allowance for Funds Used During Construction (“AFUDC”) and
22 depreciation are applicable to plant costs and would be introduced through the accounting
23 process. The inclusion of these costs may cause the costs studies to vary from the expected

1 values and make the results unreliable for rate setting purposes. Company witness Sean
2 Riley explores these facts in more detail within his testimony.

3 **Q: Are these costs represented in the class cost of service studies currently prepared by**
4 **the Company?**

5 A: Yes. Specific Plant Accounts and Expense Accounts identify costs related to distribution
6 facilities. The costs are not differentiated by voltage or rate code but are allocated between
7 the customer classes. The Company studies provide detailed information about the
8 following distribution costs.

| Distribution Plant | |
|---------------------------|---|
| Account | Description |
| 360.00 | Land and Land Rights |
| 360.00 | Depreciable Land Rights |
| 361.00 | Structures and Improvements |
| 362.00 | Station Equipment |
| 362.00 | Station Equipment - Communications |
| 363.00 | Battery Storage Equipment |
| 364.00 | Poles, Towers and Fixtures |
| 365.00 | Overhead Conductors and Devices |
| 366.00 | Underground Conduit |
| 367.00 | Underground Conductors and Devices |
| 368.00 | Line Transformers |
| 369.00 | Services |
| 370.00 | Meters |
| 371.00 | Installations on Customers' Premises |
| 372.00 | Leased Property on Customers' Premises |
| 373.00 | Street Lighting and Signal Systems |
| 374.00 | Asset Retirement Costs for Distribution Plant |

9

| Distribution Operations | |
|--------------------------------|---|
| Account | Description |
| 580.00 | Distribution Operation - Supr & Engineering |
| 581.00 | Distribution Operation - Load Dispatching |
| 582.00 | Distribution Operation - Station Expense |
| 583.00 | Dist Operation Overhead Line Expense |
| 584.00 | Dist Operation Underground Line Expense |
| 585.00 | Distrb Oper Street Light & Signal Expense |
| 586.00 | Distribution Operation Meter Expense |
| 587.00 | Distrb Operation Customer Install Expense |
| 588.00 | Dist Operation Miscl Distribution Expense |
| 589.00 | Distribution Operations Rents |

1

| Distribution Maintenance | |
|---------------------------------|--|
| Account | Description |
| 590.00 | Distribution Maint-Suprv & Engineering |
| 591.00 | Distribution Maintenance-Structures |
| 592.00 | Distribution Maintenance-Station Equipment |
| 593.00 | Distribution Maintenance-Overhead lines |
| 594.00 | Distrib Maint-Maintenance Underground Lines |
| 595.00 | Distrib Maint-Maintenance Line Transformer |
| 596.00 | Distrib Maint- Maintenance St Lights/Signal |
| 597.00 | Distrib Maint-Maintenance of Meters |
| 598.00 | Distrib Maint-Maint Miscl Distribution Plant |

2

3 **Q: Are these costs aligned with representative charges in the Company rate designs?**

4 A: No. There is no single charge in the current rate design to recover cost associated with
5 distribution facilities. These costs are currently spread across the bill elements of the rate
6 designs, recovered at some level, through the Facilities Demand, Demand, and Energy
7 charges of the non-residential rates. For residential rates, these costs are contained within
8 the energy charges. Steps could be taken to better align costs with rate elements before
9 seeking greater detail for distribution plant.

1 **Q: You describe that other parts of the data requested by Staff are to support new rate**
2 **design approaches. What is your opinion concerning this design?**

3 A: The Company is in the process of considering the design elements suggested by RAP and
4 endorsed by Staff. Specific to the application of this design to non-Residential customers,
5 the Company is actively discussing the design with Staff, representatives of Industrial
6 customers and other utilities. The Company has interest in exploring the designs further.

7 **Q: Given that you support further examination of the designs, do you support Staff's**
8 **requests for the data requested for rate design support?**

9 A: In part. I support that additional data will be needed to understand the potential value of
10 these rate designs, but we must remain practical in our execution of these requests. For
11 example, Staff seeks determinants to support reactive demand charges - an issue that may
12 or may not be of concern. As expressed throughout this testimony, Company resources and
13 available time are limited, so steps should be considered to prioritize needs and look for
14 alternative approaches that can leverage existing data to execute early studies and confirm
15 need.

16 **Q: You mentioned that these topics have been raised with other Missouri utilities. Are**
17 **you aware if the other Missouri utilities are providing this or similar data?**

18 A: We have been monitoring case activity in the state and note that Liberty Utilities has agreed
19 to provide some aspects of the data requested from Evergy, but at this point I am unaware
20 if the data has been provided.

1 For Ameren Missouri we note that many similar data retention requests occurred in
2 their 2019 rate case, ER-2019-0355. Following testimony on the respective positions,
3 Ameren Missouri addressed the issue in a negotiated settlement. ⁴

4 Questions related to data and data retention continued into Ameren Missouri's next
5 rate case, ER-2022-0337, ultimately going to hearing before the Commission. After cross
6 examination on the topic, the Commission ordered,

7 So that sufficient information and data is available for analysis, The
8 Commission finds it reasonable to direct Ameren Missouri to conduct and
9 provide a study of the customer-specific infrastructure, by account, by rate
10 schedule, by voltage, in its next general rate case. Additionally, the
11 Commission finds it reasonable to direct Ameren Missouri to retain
12 customer and rate schedule characteristics related to draws of reactive
13 demand. Ameren Missouri is also directed to provide data concerning the
14 level of rate base and expense associated with radial transmission facilities,
15 including substation components by customer, for its next rate case. Staff
16 expressed multiple times that it was unable to complete analysis necessary
17 for an exploration of rate modernization because the information that Staff
18 requested was unavailable. Staff also stated that it did not know "the
19 universe" of what information exists. Staff supplied, at the hearing and in
20 testimony, an extensive list of information that would assist its analysis in
21 any rate modernization workshop. The Commission is reluctant to order
22 Ameren Missouri to provide all the information that Staff requested, not
23 because the Commission believes it unnecessary, but because the
24 Commission does not know the full extent of information Ameren Missouri
25 can provide, or the expense associated with collecting that information. The
26 Commission finds it reasonable that Ameren Missouri provide more
27 granular data for any rate modernization workshop, nonresidential working
28 docket, and the Company's next rate case. Therefore, the Commission
29 directs Ameren Missouri to provide the information Staff requested that it
30 can provide at reasonable expense. Ameren Missouri shall also work with
31 Staff to provide a better understanding of what information is available, so
32 that Staff can better request information the Company can access. Finally,
33 Staff has requested that the Commission direct Ameren Missouri to study
34 potential rate structures and make available related determinants. The
35 Commission does not find this request reasonable and will not order
36 Ameren Missouri to conduct such a study.⁵

⁴ See, p. 16, ER-2019-0355 Non-Unanimous Stipulation and Agreement, February 28, 2020.

⁵ See, Ameren Order ER-2022-0337 p. 48.

1 As of the date of this testimony, the nonresidential working docket is underway and
2 the Company has participated in the initial meeting.

3 **Q: The Company analysis shows that the effort to obtain much of the data would be**
4 **expensive to execute. Do you feel this is a prudent use of resources?**

5 A: No, data requests 1, 5 and 6 should be rejected by the Commission as impractical requests.
6 The remainder of the data requests are individually more reasonable, but collectively
7 significant. Data requests 2, 3, 4, 8, and 9 should only be provided with support from the
8 Commission to do so. Data request 7, a request detailing data retention timing, is already
9 being done by the Company, so there are no concerns with complying.

10 The Company must be good stewards with respect to cost. I believe it is important
11 to affirm that costs produce a benefit. The Company testimony is offered to provide the
12 Commission a full view of the cost.

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

14 A: Yes, it does.

DATA REQUEST ASSESSMENT SUMMARY

| <u>DATA REQUEST #</u> | <u>DATA REQUESTED</u> | <u>AVAILABILITY ASSESSMENT</u> | <u>DELIVERABILITY ASSESSMENT</u> | <u>ESTIMATED COST TO PROVIDE</u> | <u>NOTES</u> |
|-----------------------|--|---|---|---|---|
| 1 | Prior to the next rate case, the Company will 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; extension costs, expenses, and contributions by rate code and voltage; and meter costs by voltage and rate code. If the required data is not readily available, the Commission should order Evergy to file an EO docket explaining why it cannot provide the data, and its individual estimate of the cost to provide each set of data described, for the further consideration of the parties and the Commission. | NOT AVAILABLE Neither capital investments nor maintenance expenses are currently tracked by voltage class or rate code. In some instances current capital investments and expenses impact multiple primary voltages and rate codes. | COMPLEX DELIVERABILITY Neither capital investments nor maintenance expenses are currently tracked by voltage class or rate code. In some instances current capital investments and expenses impact multiple primary voltages and rate codes. | \$80M - \$110M Design Phase \$5M - \$10M based on other enterprise efforts. Implementation Phase \$75-100M+ based on other enterprise efforts. | For distribution system costs that are attributable to specific individual customers and rate schedule/code would require an overhaul of the entire cost tracking and work management recording processes and systems. Individual systems are separate and have singular purposes with no natural alignment that would enable syncing and connection. As such, it would require consultation with system experts to not only configure the individual systems for linkage, but also assist with creating dynamic integrated processes to allow for the tracking and reporting of the data being requested. To support this request, Evergy would also likely need to hire on-going resources to sustain these processes to support an expectation of continual creation, tracking, storing, and reporting of this data. |
| 2 | For each rate code, provide the total number of customers served on that rate schedule on the first day of the month and the last day of the month; a. For each rate schedule on which customers may take service at various voltages, the number of customers served at each voltage on the first day of the month and the last day of the month (this is only applicable if rate codes are not used to delineate the voltage at which customers are served) | AVAILABLE The data exists in MDM/CCB at individual customer and meter level. | PLAUSABLE DELIVERABILITY This still requires work to pull out, aggregate and validate based on specific requirements. See questions in notes. | ~140 Hours/\$21K plus ongoing maintenance | Based on total number of active service agreements on each rate code. |
| 3 | For each rate code, the number of customers served on that rate schedule on the first day of the month and the last day of the month for which interval meter readings are obtained; a. For each rate code on which customers may take service at various voltages, the number of customers served at each voltage on the first day of the month and the last day of the month which interval meter readings are obtained (this is only applicable if rate codes are not used to delineate the voltage at which customers are served); | AVAILABLE The data exists in MDM/CCB at individual customer and meter level. | PLAUSABLE DELIVERABILITY This still requires work to pull out, aggregate and validate based on specific requirements. And will require components from both CCB/MDM to complete. See questions in notes. | ~140 Hours/\$21K plus ongoing maintenance | Based on total number of active service agreements with meters that can collect interval data. i.e. AMI meters. |
| 4 | For each rate code for which service is available at a single voltage, the sum of customers' interval meter readings, by interval; a. For each rate code on which customers may take service at various voltages, the sum of customers' interval meter readings, by interval and by voltage (this is only applicable if rate codes are not used to delineate the voltage at which customers are served); | PARTIALLY AVAILABLE Interval meter reading is stored at an individual meter level in MDM. The aggregate suggested is not stored in MDM or the data hub. (interval by rate code). | PLAUSABLE DELIVERABILITY Data recording processes currently exist to capture summarized hourly interval data by class. Such processes could be explored to be modified to capture individual rate codes. Currently processes, capture hourly data only. | ~360 hours/\$54K plus ongoing maintenance | Based on hourly intervals. |
| 5 | If any internal adjustments to customer interval data are necessary for the company's billing system to bill the interval data referenced in parts 4. and 4.a., such adjustments should be applied to each interval recording prior to the customers' data being summed for each interval | NOT AVAILABLE The data hub does not reflect any updates to interval usage information. | COMPLEX DELIVERABILITY Do not believe this to be a report ask, but believe this to be a process and system change for data hub. | \$3.75M - \$30M Design Phase \$1M - \$10M based on other enterprise efforts. Implementation Phase \$2.75-20M+ based on other enterprise efforts. | Evergy's MDM/CCB systems house corrections/updates of data in near real time. Data is posted to the Data Hub, the source for reporting, periodically. Modifications to align data within these systems would require extensive configuration and the utilization of MDM/CCB/Data Warehouse consultants to enable. |
| 6 | From time to time the Commission may designate certain customer subsets for more granular study. If such designations have been made, the information required under parts 1 – 5 should be provided or retained for those instances. | PARTIALLY AVAILABLE For the items in 1-5 above where the Company can provide the data, it will be retained for data availability. | COMPLEX DELIVERABILITY Ability to comply with an unknown future request of additional more granular data cannot be proactively ensured. | TBD No context for generating estimate. | See comments for Items #1 through #5. |
| 7 | Individual customer interval data shall be retained for a minimum of fourteen months. If individual data is acquired by the Company in intervals of less than one hour in duration, such data shall be retained in intervals of no less than one hour. | AVAILABLE Evergy retains interval data for individual customers as billing standards require in the CCB/MDM systems. | NOT APPLICABLE | NO ADDITIONAL COST | Evergy retains interval data for six years in MDM, and summarized usage is retained the data hub. Data hub aggregations began in January of 2020. |
| 8 | a. Retain individual hourly data for use in providing bill-comparison tools for customers to compare rate alternatives. | AVAILABLE Evergy retains interval data for individual customers as billing standards require in the CCB/MDM systems. | NOT APPLICABLE | NO ADDITIONAL COST | Based on retaining individual hourly data. Evergy via a third party, offers a customer facing tool creating bill comparisons for residential customers (with qualifying data). The individual analysis for rate compares is dynamic and Evergy does not store or retain these individual comparisons. |

DATA REQUEST ASSESSMENT SUMMARY

| <u>DATA REQUEST #</u> | <u>DATA REQUESTED</u> | <u>AVAILABILITY ASSESSMENT</u> | <u>DELIVERABILITY ASSESSMENT</u> | <u>ESTIMATED COST TO PROVIDE</u> | <u>NOTES</u> |
|-----------------------|---|---|--|--|--|
| 8 | b. Retain coincident peak determinants for use in future rate proceedings. | AVAILABLE Evergy retains interval data for individual customers as billing standards require in the CCB/MDM systems. | COMPLEX DELIVERABILITY If this requirement suggests providing a 15 minute view of system peak, this data cannot be delivered in the format suggested. | TBD No context for generating estimate. | Evergy can provide hourly data by rate class for all hours of the day for every day of the year as is currently provided in rate cases. As noted in item 4, an aggregated view of hourly data by rate code can be pursued. 15 minute interval data is not currently stored in the Data Hub and therefore cannot be aggregated as described. |
| 8 | c. 1) the information described in part 1; | NOT AVAILABLE Neither capital investments nor maintenance expenses are currently tracked by voltage class or rate code. In some instances current capital investments and expenses impact multiple primary voltages and rate codes. | COMPLEX DELIVERABILITY Neither capital investments nor maintenance expenses are currently tracked by voltage class or rate code. In some instances current capital investments and expenses impact multiple primary voltages and rate codes. | See Item #1 | See Item #1 |
| 8 | c. 2) a minimum of 12 months of the data described in parts 2-5; | SEE INDIVIDUAL ITEMS ABOVE | SEE INDIVIDUAL ITEMS ABOVE | ~140 hours/\$20K plus ongoing maintenance | |
| 8 | c. 3) for rate codes with more than 100 customers, a sample of individual customer hourly data, and identified peak demands for those 100 customers in the form requested at that time (i.e. monthly 15 minute non-coincident, annual 1 hour coincident); | AVAILABLE The data exists in MDM/CCB at individual customer and meter level. | PLAUSABLE DELIVERABILITY Configuration would be needed to facilitate/extract data. | ~260 hours/\$42K plus ongoing maintenance | Based on delivery of hourly data for sample of 100 customers. |
| 8 | c. 4) for rate codes with 100 or fewer customers, individual customer hourly data, and identified peak demands for those customers in the form requested at that time (i.e. monthly 15 minute non coincident, annual 1 hour coincident). | AVAILABLE The data exists in MDM/CCB at individual customer and meter level. | PLAUSABLE DELIVERABILITY Configuration would be needed to facilitate/extract data. | ~250 hours/\$40K plus ongoing maintenance | Based on delivery of hourly data for sample of 100 customers. |
| 8 | d. For purposes of general rate proceedings, Evergy shall provide all data described above for a period of not less than 36 months, except that Staff does not request individual customer data for 36 months except as described in part 8.c.3. | SEE INDIVIDUAL ITEMS ABOVE | SEE INDIVIDUAL ITEMS ABOVE | SEE INDIVIDUAL ITEMS ABOVE | The creation of a sustainable dynamic process that captures all of the data above, that retroactively corrects/modifies based on downstream/future changes, and the incorporation of individual capture and manual intervention to facilitate sampling at any/all intervals based on later clarification for a 36 month period is likely not possible without extensive system/process overhaul and configuration as detailed in the individual items above. |
| 9 | 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. Second, 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. | PARTIALLY AVAILABLE Data is being retained to develop an on peak charge. Determinants are being retained for rates where reactive demand is a component. Expanded determinants dependent on study design. | PLAUSABLE DELIVERABILITY Configuration would be needed to facilitate/extract data to develop an on peak charge. Reactive demand data is currently provided as part of rate design process. Expanded reporting dependent on study design. | TBD No context for generating estimate. | Currently, MDM systems collect meter interval data for all hours of the day, 365 days of the year for customers with AMI meters. Configuration would be needed to create reporting for the collection of hourly kw during any peak period identified. Evergy does not have a study design in place to inform the portion of the is data request related to reactive demand. |