

Exhibit No.:
Issue: Rate design studies and rate case commitments, Rate Modernization Plan, Developer installed streetlighting, SIL tariff
Witness: Bradley D. Lutz
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Evergy Missouri Metro and Evergy Missouri West
Case No.: ER-2022-0129 / 0130
Date Testimony Prepared: July 13, 2022

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2022-0129 / 0130

REBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

ON BEHALF OF

EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

**Kansas City, Missouri
July 2022**

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REBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

Case No. ER-2022-0129 / 0130

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

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

4 **Q: Are you the same Bradley D. Lutz who submitted direct testimony in these dockets**
5 **on January 7, 2022?**

6 A: Yes.

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

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

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

12 A: The purpose of my Rebuttal Testimony is to address a number of issues presented by the
13 Staff of the Missouri Public Service Commission (“Staff”), and the City of St. Joseph,
14 Missouri (“City”). Those issues include:

15 I. Address comments and proposals concerning Evergy Missouri West’s
16 administration of the Special Incremental Load tariff, Schedule SIL;

17 II. Address comments and proposals concerning Developer installed
18 streetlighting in the Evergy Missouri West jurisdiction; and

19 III. Respond to proposals concerning data retention.

1 Given the number of witnesses and the distribution of topics, if I did not, or inadvertently failed to
2 address an issue raised by any party the absence of a response does not constitute agreement by
3 the Company with that party.

4 **I. SPECIAL INCREMENTAL LOAD TARIFF, SCHEDULE SIL**
5 **ADMINISTRATION**

6 **Q: What is the purpose of this portion of your testimony?**

7 A: I will respond to the Staff's testimony concerning Evergy Missouri West's administration
8 of the Special Incremental Load tariff, Schedule SIL ("SIL Tariff") and related efforts to
9 comply with the Non-Unanimous Stipulation and Agreement approved in EO-2019-0244
10 ("SIL Stipulation") in providing service to Nucor Steel Sedalia, LLC ("Nucor"). My
11 testimony is offered in conjunction with the testimony of Linda Nunn and John Carlson on
12 this matter. Ms. Nunn speaks to treatment of Nucor costs in the Evergy Missouri West
13 Fuel Adjustment Charge, documentation of Net Capacity Costs in the quarterly cost
14 reporting for Nucor, and Purchase Power annualizations. Mr. Carlson discusses Mr.
15 Luebbert's analyses of Nucor's purchased power costs and customer event balancing. My
16 testimony speaks to the expectations of Evergy Missouri West concerning Nucor's
17 operations, Evergy Missouri West's efforts to monitor the operations, and our expectations
18 for the Nucor operations going forward. My testimony responds in general to the Staff
19 revenue requirement adjustment and concludes that costs have been tracked appropriately
20 and the SIL Tariff rate revenue received from Nucor more than covers the cost to provide
21 service when Staff's analysis is corrected for errors and flawed assumptions.

22 **Q: Have you reviewed the testimony and work papers of Mr. Leubbert?**

23 A: Yes.

1 **Q: Do you think the testimony and analysis of Mr. Leubbert accurately represents**
2 **Evergy Missouri West’s efforts to provide service to Nucor, administer the tariff, and**
3 **comply with the terms of the SIL Stipulation?**

4 A: No.

5 **Q: Do you think the non-participant protections of the tariff and SIL Stipulation have**
6 **been maintained in this rate case?**

7 A: Yes.

8 **Q: Do you think the proposed Staff Revenue Requirement adjustment related to Nucor**
9 **is appropriate?**

10 A: No.

11 **Q: Let us begin by examining Evergy Missouri West's expectations for the Nucor facility.**
12 **Please describe the plant and its operations.**

13 A: The Nucor facility is a first of its kind, “micro mill”, utilizing an electric arc furnace to
14 recycle scrap steel into steel rebar. ** [REDACTED]

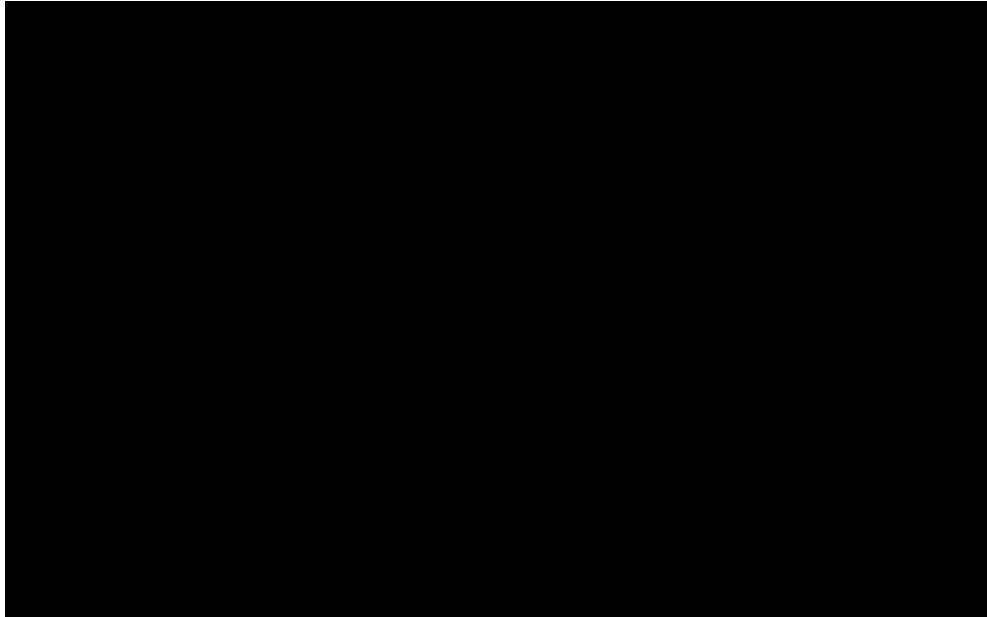
15 [REDACTED]

16 [REDACTED]** Being that this type of facility did not exist
17 elsewhere, that some of the major components were being used together for the first time,
18 and the plain fact of the expected load factor, all set the expectation that the loads would
19 be variable and that it might take time for the facility to achieve operational stability. The
20 following two-hour load profile (Figure 1) helps show the load variability expected at the
21 time.¹

¹ This load profile was offered in response to data request #0002 from Staff in Case EO-2019-0244.

1

****Figure 1****



2

3 **Q: Was this information known at the time of the SIL Stipulation?**

4 A: Yes, but Evergy Missouri West was not aware of the challenge associated with obtaining
5 load projections suitable for our daily forecasting. The Schedule SIL tariff was created for
6 Nucor and the terms of the SIL Stipulation were predicated on our best understanding at
7 the time. Had we known of the forecast suitability concerns, our approach toward
8 monitoring would have been defined in the SIL Stipulation accordingly.

9 **Q: Do you understand why suitable load projections were not available?**

10 A: I understand that Nucor continues to modify their operations to adjust to the new
11 equipment, refine manufacturing processes, and respond to demands for their product.
12 These conditions conspire to create load variations that can undermine advance load
13 planning, particularly from hour to hour. Despite these conditions, Evergy Missouri West
14 personnel have maintained contact with Nucor to ensure awareness of planned outages and
15 other anticipated operational events.

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1 Q: How did Evergy Missouri West adjust to the availability of load information?

2 A: Early in the interactions with the Nucor operations staff, it became understood that daily
3 load projections suitable for operational monitoring could not be produced because of hour-
4 to-hour changes in load projections. For example, while a load projection was being
5 documented and shared, the projections would change reacting to start-up conditions. The
6 pace of possible load change from hour to hour was problematic. Nucor has been entirely
7 focused on defining what it meant to have “ordinary” operations, so it became a challenge
8 to identify what was “extraordinary.” ** [REDACTED] to

9 [REDACTED]
10 [REDACTED] ** Company Market Operations personnel maintain a strong understanding of the
11 energy market dynamics and used their expertise to respond to the lack of reliable load
12 data. ** [REDACTED]

13 [REDACTED]
14 [REDACTED]
15 [REDACTED] — [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 [REDACTED] ** The rebuttal testimony of John Carlson details this
19 process more fully. ** [REDACTED]

20 [REDACTED]
21 [REDACTED] **

22 In summary, after reviewing the Schedule SIL tariff and the Stipulation from the
23 EO-2019-0244 case, Evergy Missouri West relied on the fact that Nucor load was to be

1 monitored and tracked as part of the overall Evergy Missouri West load. This, in addition
2 to steps taken as part of the Evergy Missouri West Day-Ahead load forecasting and Nucor
3 cost tracking to remove all Nucor usage from the Fuel Adjustment Clause at a rate that
4 includes both Day-Ahead and Real-Time amounts, provided Evergy Missouri West
5 comfort that the operations of Nucor were not impacting other customers, consistent with
6 the goals of the ratepayer protections.

7 **Q: Do you believe these steps are consistent with the expectation of the tariff and the SIL**
8 **Stipulation?**

9 A: Yes. The tariff and the SIL Stipulation both include an overarching expectation to have
10 Nucor pay all costs for its service. Evergy Missouri West does not dispute this expectation
11 and took steps in response to observed conditions to maintain this goal. The combination
12 of these steps achieves that goal within the precision allowed by Southwest Power Pool
13 (“SPP”) load tracking.

14 **Q: What do you mean by “within the precision of the SPP load tracking”?**

15 A: ** [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]

21 [REDACTED] ** It is reasonable to expect that the Nucor load deviations could result in
22 reductions of cost as much as the deviations could cause increases in costs.

1 **Q: Is this a problem for the tracking of costs as anticipated by the SIL Stipulation?**

2 A: No. It does mean some assumptions will be made to quantify the costs. When required,
3 Every Missouri West is conservative in its assumptions so that cost subsidization does
4 not occur.

5 **Q: Are the adjustments made by Every Missouri West concerning this monitoring**
6 **temporary?**

7 A: Yes, we believe so. ** [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED] **

12 **Q: Turning to the Staff Revenue Requirement adjustment performed by Mr. Luebbert**
13 **and rebuttal testimony of John Carlson, do you believe the Staff Revenue Adjustment**
14 **properly estimates the costs to serve Nucor, including the impact of possible**
15 **deviations in Nucor load?**

16 A: No. Staff witness Leubbert indicated he made three primary updates to represent his view
17 of Nucor costs, updating the Purchased Power cost, Customer Event Balancing costs, and
18 Net Capacity costs. As explained by Every Missouri West witness John Carlson, errors in
19 the hourly data provided by Every Missouri West combined with an error by Staff in the
20 choice of SPP load node used to determine locational marginal price for wind energy used
21 to serve Nucor resulted in material underestimation of the revenue from the Cimarron Bend
22 III renewable resource by ** [REDACTED] ** For the Customer Event Balancing, Staff utilized
23 the wrong number of hours as a threshold and relied on a setpoint approach to estimate a

1 potential imbalance. Despite expected issues with accuracy, the setpoint approach assumed
2 a single, static load for all hours instead of a fluctuating load more representative of the
3 actual Nucor load. The overall impact of these corrections completed by Mr. Carlson is to
4 change the ** [REDACTED] ** estimated financial impact at the ** [REDACTED] ** setpoint to a
5 ** [REDACTED] ** benefit. On the final point, the Net Capacity Costs, these were omitted in the
6 original quarterly cost tracking reports but were corrected and provided to Staff through
7 data request No. 0248, too late to be included in the analysis, as correctly noted in footnote
8 27 of Staff's testimony. I have confirmed that the Net Capacity Costs included in the Staff
9 analysis matches the amount in the updated Evergy Missouri West quarterly cost tracking
10 reports. Net Capacity Costs and the updated quarterly reports are discussed in more detail
11 in the rebuttal testimony of Ms. Linda Nunn. These details support the Evergy Missouri
12 West position that no costs have been purposely or inadvertently passed to other customers.

13 **Q: Could Staff have used actual Nucor load data instead of the "setpoint" approach?**

14 A: Yes. ** [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED] **

20 **Q: After the corrections and updates described, have Nucor revenues covered the cost to
21 provide service?**

22 A: Yes. These corrections and updates better reflect the cost to serve Nucor on the SIL rate,
23 but contrary to the Staff analysis, the SIL rate paid by Nucor continues to more than cover

1 the costs to provide service for the test year period of the rate case. This is detailed in
2 Adjustment R-99 to the Evergy Missouri West revenue requirement.

3 **Q: Do you believe that any further adjustment to Evergy Missouri West revenue**
4 **requirement is needed concerning Nucor?**

5 A: No, I do not.

6 II. DEVELOPER INSTALLED STREETLIGHTING

7 **Q: What is the purpose of this portion of your testimony?**

8 A: I will respond to the direct testimony of Bryan E. Carter, submitted on behalf of the City,
9 providing the view of Evergy Missouri West and responding to the proposal to enable
10 developer installed streetlighting under the Evergy Missouri West Municipal Street
11 Lighting tariff.

12 **Q: What does the City recommend regarding developer installed streetlighting?**

13 A: Mr. Carter recommends revision to Sheet 150 to permit a municipality to build streetlights
14 as part of a public works project, or have them built by a contractor as part of a city-
15 approved development, and deem ownership of the streetlights to be in Evergy. Mr. Carter
16 also recommends these streetlights should also be exempt from extra monthly charges for
17 any "Optional Equipment" charges for such things as undergrounding and breakaway
18 bases.

19 **Q: Are you familiar with the history and recent developments concerning streetlighting**
20 **for Evergy Missouri West?**

21 A: Yes.

1 **Q: Do you agree with the details offered by Mr. Carter in his direct testimony?**

2 A: Generally, yes. However, I will offer additional detail regarding the Evergy Missouri West
3 perspective.

4 **Q: Please describe your understanding of developer installed streetlighting.**

5 A: The practice detailed by Mr. Carter was utilized by St. Joseph Light and Power Company
6 (“SJLP”) as part of its municipal street lighting service. Efforts in 2017 and 2018 to
7 identify the genesis of the practice or the specific tariff language supporting the practice
8 were inconclusive. To the best of our knowledge, the practice of allowing developer
9 installed streetlighting in the City began through a memorandum of understanding with the
10 utility that followed the SJLP purchase of the City streetlighting system in the 1980’s or
11 early 1990’s.

12 **Q: What led Evergy Missouri West to change the practice?**

13 A: In 2016 under case ER-2016-0156 the tariffs of SJLP and Missouri Public Service
14 Company (“MPS”), former companies of Aquila, then operating as KCP&L Greater
15 Operations Company (“GMO”) were consolidated, including the Municipal Streetlighting
16 tariffs.

17 During the tariff consolidation in the rate case, Evergy Missouri West examined the SJLP
18 and MPS versions of the Municipal Streetlighting tariffs and brought them together under
19 a unified GMO tariff. This step allowed the Evergy Missouri West to deploy common
20 lighting options and tariff terms but led Evergy Missouri West to end practices not in line
21 with current operations and standards of the consolidated Company. Further, Evergy
22 Missouri West sought to end practices or lighting options that were not suited for universal

1 application across the GMO jurisdiction. Provisions for a developer installed option were
2 not included in the new, consolidated GMO tariff.

3 **Q: The testimony of Mr. Carter indicates the change occurred in 2018. How does that**
4 **relate to the 2016 rate case?**

5 A: Issues with the developer installed approach did not develop until the Spring of 2018. At
6 that time the City lifted a suspension on City-initiated streetlight expansion. For about 12
7 years the City had suspended the installation of new streetlights, allowing only the
8 developer installed lighting. Also in the Spring of 2018, GMO completed a conversion of
9 all non-decorative streetlighting fixtures to Light Emitting Diode (“LED”) technologies,
10 replacing all High-Pressure Sodium (“HPS”) and Mercury Vapor (“MV”) based fixtures.
11 The Evergy Missouri West tariffs were revised to enable this conversion under Tracking
12 No.: JE-2017-0203. Collectively these ultimately highlighted the change in practice
13 concerning developer installed streetlighting. Following multiple meetings between GMO
14 and the City a formal letter was sent in December of 2018 to explain options for
15 streetlighting to the City.

16 **Q: Was the City aware of the changes in the streetlighting tariff and the LED**
17 **conversion?**

18 A: Yes. The City should have been aware of the tariff changes since the City was a party to
19 the ER-2016-0156 rate case.

20 **Q: Were there further interactions with the City on the developer installed streetlighting**
21 **practice after 2018?**

22 A: Yes. In 2019, driven by construction projects occurring in multiple locations around St.
23 Joseph, the City again sought to utilize developer installed lighting. After additional

1 meetings to detail the changes, another letter was delivered to the City in April 2020 again
2 detailing the options afforded by the consolidated tariff.

3 **Q: Mr. Carter questions the inclusion of charges for undergrounding and breakaway**
4 **bases. Are these charges appropriate for streetlights installed by developers?**

5 A: Yes. The purpose of including these charges is to cover the ongoing maintenance of the
6 underground conductors and breakaway bases. These costs are not accounted for
7 elsewhere in the rate paid by the City.

8 **Q: Did Evergy Missouri West consider adding the developer installed streetlighting**
9 **option to the Municipal Streetlighting tariff?**

10 A: Yes. During the 2018 and 2020 meetings with the City, Evergy Missouri West considered
11 the value of adding the approach to the tariff. However, both times Evergy Missouri West
12 concluded it should not utilize the approach. While it is clear there is benefit for the City
13 to have the developer installed approach, the City was the only Evergy Missouri West
14 customer to have this option. Further, the developer installed approach is not used in any
15 of the other Evergy jurisdictions. If made part of the Evergy Missouri West Municipal
16 Streetlighting tariff, Evergy Missouri West would need to be prepared to support the
17 approach for all Evergy Missouri West customers wishing to use this option. Would this
18 then require the option for Evergy Missouri Metro? What about the Evergy jurisdictions
19 in Kansas? Our primary concern is Evergy Missouri West would need to have personnel
20 available to inspect and approve compliance with applicable material and construction
21 standards, potentially across its approximately 28,000 square mile combined service
22 territory. Evergy Missouri West would have to implement internal processes and controls
23 to manage the accounting for lighting plant. Considering that under the current Evergy

1 Missouri West Municipal Street Lighting tariff, customers are afforded two approaches
2 that Every Missouri West believes addresses the needs of most customers, a Company
3 installed option or a customer installed option. In considering these facts, we have chosen
4 not to add the developer installed option.

5 **Q: Turning to the recommendation of Mr. Carter, what is your recommendation?**

6 A: For the reasons noted previously, I recommend the Commission reject the City's
7 recommendation.

8 **III. DATA RETENTION**

9 **Q: What is the purpose of this portion of your testimony?**

10 A: I will respond to the Staff's recommendation to require the Company to retain specific data.
11 The data proposed for retention is detailed in the direct testimony of Sarah Lange beginning
12 on page 62.

13 **Q: What data does Staff propose be retained?**

14 A: I will not restate the precise data as the listing is extensive and detailed, spanning nearly
15 two pages of testimony. For the purpose of my rebuttal, I will refer to the data in groups.
16 I view the proposal in five groups:

- 17 ▪ Distribution data (Staff item #1),
- 18 ▪ Billing/Metering data (Staff items #2 through #7),
- 19 ▪ Bill comparison data (Staff item #8),
- 20 ▪ Demand charge data (Staff Item #9), and
- 21 ▪ Reactive demand data (Staff Item #10)

22 **Q: Do you support these recommendations?**

23 A: I support in part, the recommendations concerning Demand charge and Reactive demand
24 data, but do not support the remainder. The reasons vary, so I will explore each
25 individually. However, in general, I find these recommendations concerning.

1 **Q: Why do you find these proposals concerning?**

2 A: Each of these recommendations contain elements that seek to obtain granular levels of data
3 on aspects of service that border on minutiae. For example, expenses by voltage, customers
4 by voltage, and coincident peak bill determinants are data that does not generally exist
5 within our record keeping in a manner that is readily available and usable for analysis.
6 While on its face, data retention seems like a harmless recommendation, there are costs for
7 each that are ignored. In some cases, software or data structures will need to be created
8 and modified, in others, system interfaces may need to be built, and in all cases, there will
9 be a need for Company personnel to devote time to monitoring and maintaining data
10 quality. It is difficult to estimate the magnitude of these costs without explicit study, but
11 for the purpose of assessing these recommendations here, these details should not be
12 ignored. Further, when you view these recommendations in conjunction with other
13 statements made in the Staff testimony, it signals a troubling Staff position developing
14 toward class cost of service and rate design work.

15 **Q: What is this developing Staff position?**

16 A: In my assessment, I view the position as an attempt to reject standard practices and the
17 industry standard in favor of hyper-detailed analysis. Staff witness Lange makes multiple
18 comments qualifying her analysis completed to support testimony. Staff states that they
19 were “limited” in their ability, used “suboptimal” values, studies were not “robust” or
20 “reasonable ” or were otherwise unable to complete analysis due to a lack of data. Much
21 of the data related to these qualified assessments represents new information not utilized
22 in prior rate cases. For example, each of the data requests highlighted on page 31 through
23 page 33 of Ms. Lange’s testimony represent data or combinations of data that have not

1 been utilized in any previous proceeding. In previous cases, Staff was able to produce class
2 cost of service (“CCOS”) studies and rate designs that were offered as reasonable and
3 recommended for adoption by the Commission. Assertions that CCOS studies are now
4 inadequate, not robust, or otherwise unreliable and therefore are not worth the effort is a
5 troubling change. Staff states that in order to have “more accurate CCOS studies and rate
6 designs that more accurately reflect cost causation” this detailed data is necessary.
7 However, there is no evidence of deficiency offered from Staff here nor am I aware of any
8 deficiency noted from past Commission action signaling that traditional CCOS methods
9 are inaccurate. Simply seeking “more” does not ensure that the investment in effort is
10 warranted. Staff also mentions significant growth of distribution, transmission, and non-
11 dispatchable generation has made improvement necessary. I disagree. I would counter
12 that the CCOS study approaches and methods have long been able to respond to periods of
13 growth and change. For example, CCOS studies were found to be useful during the 1980’s
14 when there were significant utility expenditures for generation, including nuclear
15 generation. There are no changes, growth or other development occurring in the industry
16 that cannot be incorporated into the CCOS study to produce appropriate results to guide
17 ratemaking.

18 **Q: Has the data the Company provided been generally consistent with what’s been**
19 **provided in the past?**

20 A: Yes. In fact, in several cases, the Company has provided more data than in past cases. A
21 couple of examples of this includes providing 100% hourly load information for the entire
22 population of customers with an AMI meter instead of sampled hourly data and the data

1 needed to perform a minimum system study to allocated distribution costs more granularly
2 than in the past.

3 **Q: Do you believe CCOS studies remain appropriate and beneficial for the Commission**
4 **to rely on in this proceeding?**

5 A: Yes. I firmly believe that the CCOS studies and methods used in the past and currently
6 proposed by the Company and other parties in this proceeding are reasonable and
7 appropriate for consideration by the Commission in setting rates. I believe the Staff had
8 the data it needed to perform CCOS studies and rate design consistent with those
9 historically appropriate approaches. I agree with Staff that “a robust CCOS is a reasonable
10 guide to designing the rates of each customer class”. I disagree that current methods fail
11 to be considered “robust.” Staff’s assertion that additional information is needed to provide
12 greater “accuracy” is misguided. This is especially true when the requested granularity
13 represents an extreme change to operational processes, record keeping, and overall
14 reporting that the “accuracy” that such data is intended to produce comes at a cost that
15 completely negates the perceived benefit. CCOS studies are meant to serve as a reasonable
16 “guide” and not a prescriptive model intended to remove all other judgment. Counter to
17 the testimony of Staff, the CCOS results are useful to inform ratemaking, even if they are
18 not normally subject to “true-up” in the rate case. If ratemaking becomes more focused on
19 cost of service instead of other factors such as policy or gradualism, I support additional
20 true-up later in the case. Counter to the testimony offered by Staff, the allocation process
21 is effective. In its direct testimony, Staff challenges allocations. Production allocation is
22 stated to be “controversial”. Internal allocators are “imprecise”. It would seem in Staff’s
23 view, if costs cannot be directly assigned to a class, there is no reason to bother with

1 allocation. Practitioners have freedom within the CCOS process to change allocations to
2 best align with cost causation. No one is trapped into a course of action with respect to the
3 study especially in the choice of allocation. As reasonable minds can disagree, controversy
4 is to be expected and the Commission is well prepared to weigh the evidence and make
5 decisions concerning application to ratemaking.

6 **Q: Turning back to the specific data retention recommendations, why do you reject the**
7 **recommendation to retain Distribution expenses data?**

8 A: My primary concern with this recommendation is the desire to link distribution expenses
9 to rate codes or by voltage. These relationships do not exist currently in the Company
10 systems. Many of the distribution costs identified (transformers, secondary, and line
11 extension) can be associated with multiple rate codes or voltages complicating the
12 categorization. Further, some of these distribution costs are associated with mass property.
13 As mass property, FERC Uniform System of Accounts standards allow these asset costs to
14 be treated in bulk², removing methods to individually track attributes. I understand this
15 recommendation is intended to allow for improvement of the class cost of service study
16 process. As noted previously, I disagree that improvement is required here. As described
17 in the rebuttal testimony of Marisol Miller, the Company offered a complete examination
18 of the costs in the distribution accounts, suitable for use by the Commission to inform
19 ratemaking. Finally, I am concerned that any incremental improvement offered by the data
20 associated with this recommendation may not be worth the cost. As noted earlier, the
21 Company utilized a minimum system approach to better detail the allocation of distribution

² FERC Uniform System of Accounts definition, 18 CFR 101(8), for each entry and in particular mass property, the following level of detail is necessary: (1) A general description of the property and quantity; (2) The quantity placed in service by vintage year; (3) The average cost as set forth in Plant Instructions 2 and 3 of this part; and (4) The plant control account to which the costs are charged.

1 plant between customer and demand allocations, an important step for this category of cost
2 as distribution plant occurs at the transition between grid-level assets and those installed to
3 serve individual customers. Adding detail here is expected to provide little additional
4 benefit.

5 **Q: Why do you reject the recommendation to retain Billing/Metering data?**

6 A: The Company has explored this topic extensively with Staff. As outlined in my Direct
7 testimony, the Company's rate case commitment to work with Staff to define and retain
8 billing determinants led to providing 100% AMI data and corresponding hourly loads by
9 class. During these discussions with Staff, various additional requests were made and
10 explored by Staff. First Staff inquired about the possibility of sampling various customers
11 from the MDM (Meter Data Management) System and Billing system pulling information
12 from other sources. As the Company explored the original request, the Staff modified their
13 request to include retention and the provision of three years' worth of every single
14 customer's 15-minute interval data aggregated to include billing characteristics that may
15 exist in one system, but may not exist in another system or sub-system. For any remaining
16 non-AMI customers, 36 months of billing demand data would need to be provided on an
17 individual basis. For this final request, the Company explained to Staff the significant
18 amount of system constraint and dedicated technical personnel that would be required to
19 accommodate their request and Staff agreed to accept and leverage the same data that the
20 Company was utilizing to support of load forecasting and rate design.

1 **Q: Why is this background relevant to the recommended Billing/Metering data**
2 **retention?**

3 A: The Company reiterates the past discussion because some of these meetings with Staff
4 included Evergy technical subject matter experts representing multiple key systems to
5 explain to Staff how the Billing and Metering systems were configured and linked and
6 what was feasible and what was not practical, as well as what could be achieved without
7 significant reconfiguration and dedicated resource commitments. Contrary to that
8 knowledge, Staff is now making recommendations that completely disregards these details
9 and minimizes the impact of their additional request for data as information the Company
10 “should be able to provide”.

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

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

1 data/systems that the Company would need to fully explore to best estimate the full
2 expected incremental cost that Staff’s request is necessitating being incurred.

3 **Q: Why do you reject the recommendation to retain Bill Comparison data?**

4 A: I reject this recommendation mainly because it is offered with no explanation as to why
5 the recommendation is necessary. The plain language of the recommendation only says,
6 “for customers to compare rate alternatives.” I find this odd as customers currently have
7 the ability to compare their rate plans. On the Company web site, after creating an online
8 account, the customer may examine how their past usage would compare under other rate
9 plans. The following is a screen capture of the online tool.³ As bill comparison capabilities
10 already exist, I suggest this recommendation be rejected.

Standard Tier Plan

Our Standard Tier Plan has three pricing levels based on how much energy you use. Rates go up—by tier—in the summer and down in the winter. Once you use the monthly allotment of energy in one tier, your rate changes to the next tier’s price. You can save money on energy when you limit your overall monthly usage.

Use our rate comparison tool to see how you might have performed on our other plans over the last 12 months.

[Don't have an online account? Register now.](#)

Compare My Plan

Change My Plan

11
12 **Q: What is your position concerning the Staff recommendation to retain data related to**
13 **on-peak demand charges and reactive demand?**

14 A: I support the intent of these recommendations but must clarify that the Company will study
15 only those rates where a reactive demand charge is part of the current design or a demand
16 charge could be added without material configuration or customization of the Company
17 metering or billing systems. The Staff recommendation appears inclusive of all rate codes.

³ <https://www.evergy.com/manage-account/rate-information-link/plan-options/standard-tier-plan>

1 Demand charges are not commonly associated with residential customers. Reactive
2 demand is not commonly associated with residential or small commercial & industrial
3 customers. To devote study effort to those customer rates would not be practical with this
4 initial effort.

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

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

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

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro's Request for Authority to) Case No. ER-2022-0129
Implement A General Rate Increase for Electric)
Service)

In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West's Request for Authority to) Case No. ER-2022-0130
Implement A General Rate Increase for Electric)
Service)

AFFIDAVIT OF BRADLEY D. LUTZ

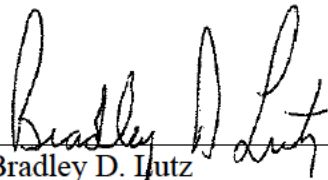
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

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

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

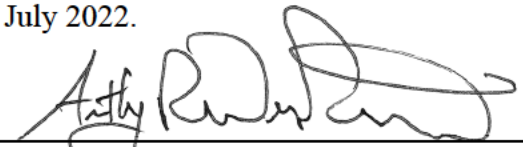
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of twenty-one (21) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

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



Bradley D. Lutz

Subscribed and sworn before me this 13th day of July 2022.



Notary Public

My commission expires: 4/26/2025

