

Exhibit No. 105

Staff – Exhibit 105
Testimony of Cedric E. Cunigan
Surrebuttal
File No. ET-2024-0182

Exhibit No.:
Issue: *Tariff Issue*
Witness: *Cedric Cunigan, PE*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case Nos.: *ET-2024-0182*
Date Testimony Prepared: *March 22, 2024*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS

SURREBUTTAL TESTIMONY

OF

CEDRIC E. CUNIGAN, PE

EVERGY METRO, INC. & EVERGY MISSOURI WEST, INC.

CASE NO. ET-2024-0182

Jefferson City, Missouri
March 2024

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OF

CEDRIC E. CUNIGAN, PE

EVERGY METRO, INC. & EVERGY MISSOURI WEST, INC.

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1 **SURREBUTTAL TESTIMONY**
2 **OF**
3 **CEDRIC E. CUNIGAN, PE**
4 **EVERGY METRO, INC. & EVERGY MISSOURI WEST, INC.**
5 **CASE NO. ET-2024-0182**

6 Q. Are you the same Cedric E. Cunigan that filed direct and rebuttal testimony in
7 this case?

8 A. Yes.

9 **Executive Summary**

10 Q. What is the purpose of your surrebuttal testimony?

11 A. I respond to Company witness Bradley D. Lutz regarding changes to
12 Solar Subscription Rider (“SSP”) program pricing and subscription levels.

13 Q. What is Staff’s position on changes to program pricing?

14 A. Staff disagrees that multiple price increases for one facility were contemplated
15 in the first tariff, and provides evidence below stating the opposite. Staff also reasserts its
16 legal opinion that rates must not be changed outside of a rate case.

17 Q. What is Staff’s position on the subscription levels?

18 A. Staff recommends rejecting the subscription level change, but supports Evergy
19 adding language to allow customers to be credited for excess generation at the rate in the
20 Parallel Generation tariff. This is discussed further in the Subscription Level section below.

1 **Program Pricing**

2 Q. What does Mr. Lutz state on page 3 of his rebuttal testimony regarding timing
3 of the rate change?

4 A. He states:

5 No. I do not support that the rate change must occur within a rate case, and I
6 do not believe further time is needed for the merits of the rate change. The
7 purpose and timing of this proposed change has been anticipated since the
8 Company proposed the pilot program and received Commission approval of
9 the solar subscription pilot tariff in ER-2018-0145/0146. All parties have been
10 aware of the pricing change process and the Company has been working to
11 complete this process.

12 Q. Is this an accurate statement?

13 A. Partially. Staff was aware that the estimated pricing listed in the tariff would
14 be updated once the final costs of the Hawthorn solar facility were known. Staff did not know
15 and had no intention that the estimated price would be charged to customers. It was Staff's
16 understanding that the estimated price would be used to market the program and that the
17 estimated price would not be charged. At the time the tariff was filed, the Company had not
18 even selected a project, as can be seen in the original tariff language below:

19 The Company will seek to construct systems aggregating up to 2.5 MW
20 systems to be located in the KCP&L-Missouri jurisdiction and one in the
21 KCP&L-Greater Missouri Operations Company (GMO) jurisdiction, or up to
22 one 5.0 MW system located in the most economic Missouri location, selecting
23 the alternative with the lowest cost for implementation. Information
24 concerning the decision will be provided to the Commission Staff and the
25 Office of Public Counsel. KCP&L-Missouri and GMO will combine the
26 subscription requirements in sizing the solar resource.¹

27 That same tariff submission had a price associated with it as well.

28 The Solar Block Subscription Charge for energy sold through this Program is
29 estimated to be \$0.15367 per kWh, made up of two costs:

¹ P.S.C. MO. No. 7 Forth Revised Sheet No. 39, effective December 6, 2018, Purpose section, third paragraph.

1 1. The Solar Block cost of \$0.11567 per kWh (*based on an engineering*
2 *estimate. Rate will be updated once a project is selected.*) (The Solar Block
3 cost will not exceed \$0.13880 per kWh.); and

4 2. The Services and Access charge of \$0.038 per kWh.²

5 Staff was aware that the price would change, but had no expectation that customers
6 would be paying prior to project cost being finalized. It is an overstep on Mr. Lutz's part
7 when he states that "The purpose and timing of this proposed change has been anticipated
8 since the Company proposed the pilot program." Staff expected one price change of the solar
9 block cost portion of the project at the time the costs were known, and potentially future price
10 decreases as additional facilities were added. Staff did not anticipate customers being charged
11 one estimated solar block cost and then an increased actual cost for the same facility.

12 Q. When did Evergy begin charging for the program?

13 A. Evergy began billing customers for the program in April 1, 2023. However,
14 Evergy also stated in response to Staff Data Request MPSC 0025 in Case No. EO-2023-0424,
15 that "subscriptions have been back billed to the in-service date." While the date was not
16 mentioned in the DR response, Staff took that to be a date prior to April 1, 2023.

17 Q. When did the facility meet in-service criteria?

18 A. The facility was deemed in-service as of May 29, 2023, the completion date of
19 a capacity test for the facility, though that report was not sealed by a licensed engineer until
20 July 7, 2023. Staff's memo confirming that the facility met the in-service criteria was not
21 filed until September 15, 2023.

22 Q. So given that, did Evergy begin billing for the SSP before the site was
23 in-service?

² P.S.C. MO. No. 7 Second Revised Sheet No. 39A, effective December 6, 2018, Pricing section. Emphasis added.

1 A. Yes. Evergy began billing before the site was in service and even back billed
2 customers for energy produced by the resource prior to that date.

3 Q. When is a utility allowed to charge customers for plant?

4 A. Costs associated with a facility aren't allowed to be put into rates until they are
5 used and useful. For a facility like this, in-service criteria need to be met and submitted to the
6 Commission prior to making this determination. The Commission opened a docket on
7 June 1, 2023 to allow Staff time to audit the costs and evaluate the in-service criteria of the
8 Hawthorn solar facility. Evergy began billing almost half a year before Staff confirmed the
9 facility met in-service criteria and 2 months before they even finished the testing required by
10 the in-service criteria.

11 **Subscription Levels**

12 Q. What does Lutz state on pages 6 and 7 of his rebuttal testimony?

13 A. Mr. Lutz agrees that Staff's concern about the treatment of excess solar
14 generation, and even proposes language to allow customers to be credited for the net
15 excess energy at the current rate in the Company's Parallel Generation tariff.³
16 However, Mr. Lutz disagrees with keeping the limit on subscription level at 50%.
17 He states that, "expanding the subscription level to 100% is an important element in
18 addressing the renewable needs for non-residential participants,⁴" which Staff does
19 not contest. He also states:

³ Rebuttal Testimony of Bradley D. Lutz page 6, lines 13 -20.

⁴ Rebuttal Testimony of Bradley D. Lutz page 7, lines 7-8.

1 This approach is consistent with the subscription level approved by the
2 Commission for Ameren's Community Solar program. In Ameren's
3 Community Solar program tariff. state regarding the solar block cost cap?⁵

4 Q. Does Mr. Lutz accurately describe the Ameren Community Solar Program?

5 A. No. Ameren Missouri ("Ameren") has two similar tariffs for community solar
6 programs, the Community Solar Pilot Program ("CSPP") starting at Sheet NO. 158, and the
7 Community Solar Program ("CSP") starting on Sheet NO. 89. The idea behind the programs
8 is similar, but the program pricing and limitations are different. Ameren's CSPP, which is
9 subscribed in blocks similar to Evergy's SPP, is limited to 50% for the very same reasons
10 Staff outlined and that Mr. Lutz agreed with. Ameren's CSP is not subscribed in blocks, but
11 subscribers agree to purchase a percentage of their actual monthly usage through the CSP.
12 A \$/kWh facilities charge is then applied to the customer's bill based off of the percentage
13 (1-100%) of their energy they want to replace. Ameren has eliminated the risk of excess
14 generation being subscribed to in its CSP. Mr. Lutz has not acknowledged the different
15 subscription and pricing structures in his response.

16 Q. Is Staff treating Evergy the same as other utilities in this manner?

17 A. Yes. Ameren's CSPP which uses subscription block pricing is limited to 50%
18 of the participants expected annual energy. Liberty's Community Solar Pilot Program uses
19 subscription block pricing and limits customers to 50% of the participants average annual
20 energy. Evergy's currently approved SSP tariff uses subscription block pricing and limits
21 customers to 50% of the participants average annual energy. Approving Evergy's proposed
22 change would treat them differently than the other Missouri utilities.

23 Q. What is Staff's recommendation?

⁵ Rebuttal Testimony of Bradley D. Lutz page 7, lines 3-4.

Surrebuttal Testimony of
Cedric E. Cunigan, PE

1 A. Staff recommends rejecting the subscription level change, but supports Evergy
2 adding language to allow customers to be credited for excess generation at the rate in the
3 Parallel Generation tariff. This would bring Evergy in line with other Missouri utilities'
4 subscription based solar programs.

5 Q. Does this conclude your testimony?

6 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a)
Evergy Missouri Metro's and Evergy Missouri) Case No. ET-2024-0182
West, Inc. d/b/a Evergy Missouri West's Solar)
Subscription Rider Tariff Filings)

AFFIDAVIT OF CEDRIC E. CUNIGAN, PE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CEDRIC E. CUNIGAN, PE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of Cedric E. Cunigan, PE*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


CEDRIC E. CUNIGAN, PE

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 March 2024.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public