

Exhibit No.:
Issue(s): Business Demand Response
Witness/Type of Exhibit: Payne/Surrebuttal
Sponsoring Party: Public Counsel
Case No.: EO-2023-0408

SURREBUTTAL TESTIMONY
OF
MANZELL PAYNE

Submitted on Behalf of the Office of the Public Counsel

EVERGY MISSOURI WEST, INC. D/B/A
EVERGY MISSOURI WEST

CASE NO. EO-2023-0408

**

Denotes Confidential Information that has been redacted

April 29, 2024

PUBLIC

SURREBUTTAL TESTIMONY

OF

MANZELL M PAYNE

EVERGY MISSOURI WEST, INC., D/B/A EVERGY MISSOURI WEST

CASE NO. EO-2023-0408

1 **Q. Please state your name, title, and business address.**

2 A. Manzell Payne, Utility Regulatory Auditor, Office of the Public Counsel (“OPC” or “Public
3 Counsel”), P.O. Box 2230, Jefferson City, Missouri 65102.

4 **Q. Are you the same Manzell Payne who filed direct testimony for the OPC in this case?**

5 A. Yes.

6 **Q. What is the purpose of your surrebuttal testimony?**

7 A. The purpose of my surrebuttal testimony is to respond to Staff witness Jordan Hull’s rebuttal
8 testimony concerning the Business Demand Response (“BDR”) Program and to address
9 updates mentioned in my rebuttal testimony.

10 **BUSINESS DEMAND RESPONSE**

11 **Q. Mr. Hull addresses the earnings opportunity that Evergy Missouri West was awarded
12 for allowing Nucor Sedalia to participate in the MEEIA BDR Program. What amount
13 does Mr. Hull identify?**

14 A. Mr. Hull identifies the earnings opportunity amount that was awarded to Evergy Missouri
15 West from rate payers for Nucor Sedalia’s participation in the MEEIA BDR program as
16 \$379,321.¹

17 **Q. How does Mr. Hull calculate his identified amount of earnings opportunity?**

18 A. Mr. Hull derives this amount using Nucor-Sedalia’s curtailment amount—18.9071 MW in
19 2021 and 19.025 MW in 2022—multiplied by \$10,000/MW curtailed.² This \$10,000/MW is
20 identified in Evergy Missouri West’s MEEIA earnings opportunity matrix.

¹ EO-2023-0408, Jordan Hull Rebuttal, Page 4, Lines 1-6.

² EO-2023-0408, Jordan Hull Rebuttal, Page 4, Lines 1-6.

1 **Q. What is the earnings opportunity matrix?**

2 A. The earnings opportunity matrix comes from “FIGURE 4.3: EO MATRIX”³ in the document
3 named “MEEIA Cycle 3 2019–2022 Filing,” filed by the company as Document No. 5 in
4 Case No. EO-2019-0132. The earnings opportunity matrix is used to determine the earnings
5 opportunity Evergy Missouri West receives for each program on an annual basis. The
6 Commission approved the use of the earnings opportunity matrix in Case No. EO-2019-0132.
7 The excerpt below is the “Figure 4.3: EO MATRIX” mentioned above:

| Program | KCP&L–MO Cycle 3 Rates | KCP&L–GMO Cycle 3 Rates | Cumulative Annual Cap % |
|-------------------|------------------------|-------------------------|-------------------------|
| EE \$/MWh | \$8.31 | \$12.97 | 130% |
| EE \$/MW | \$114,741.01 | \$122,507.02 | 150% |
| BDR \$/MWh per PY | \$10,000.00 | \$10,000.00 | 150% |
| Thermostat \$/MW | \$91,941.81 | \$92,799.91 | 150% |
| HER \$/PY | \$115,000.00 | \$175,000.00 | 100% |
| IE-HER \$/PY | \$10,000.00 | N/A | 100% |
| IEMF \$/PY | \$66,666.66 | \$66,666.66 | 130% |

8
9 **Q. In your rebuttal testimony, you mentioned updating the monetary value associated with
10 the earnings opportunity harm to ratepayers. Do you believe that the earnings
11 opportunity amount identified by Staff Witness Jordan Hull is the appropriate amount?**

12 A. Yes. The earnings opportunity harm associated with Nucor Sedalia’s participation in the
13 MEEIA BDR Program is \$379,321, the amount identified by Mr. Hull.

14 **Q. In your rebuttal testimony, you mention outstanding Data Requests for Nucor Sedalia’s
15 portion of the BDR target. Did you receive the responses?**

16 A. Yes. I received responses to Data Requests #2500-2502.

17 **Q. What does the response to Data Request No. 2500 tell you about Nucor Sedalia’s
18 participation in the BDR program?**

19 A. The response from the Company shows that Nucor Sedalia’s curtailed load was a significant
20 portion of the total curtailed MW Evergy Missouri West achieved in 2021 and 2022.
21 Specifically, in 2021, Nucor Sedalia curtailed 18.9071 MW, which was **____ **⁴ of the total

³ EO-2019-0132, Doc. 5, meeia_2018_report_public.pdf, Page 58, Attached as MMP-S-1.

⁴ Data Request No. 2500 response, attached as MMP-S-2 Confidential.

1 amount of curtailed MW for that year. In 2022, Nucor Sedalia curtailed 19.025 MW, which
2 was **__ **⁵ of the total amount of curtailed MW for that year.

3 Overall, Nucor Sedalia helped Evergy Missouri West reach its BDR Program target easier by
4 curtailing a considerable portion of the overall curtailed MW for each year.

5 **Q. Can you derive other comparisons from Evergy Missouri West’s response to Data
6 Request No. 2500?**

7 A. Yes, Nucor Sedalia’s curtailment in 2021 is even more considerable when considering that
8 141 other businesses participated in Evergy Missouri West’s MEEIA BDR Program. The
9 same can be said for 2022 when 145 other businesses participated. Nucor Sedalia’s
10 participation made it easier for the Company to reach its BDR Program target.

11 Another comparison can be made when looking at the total curtailed MW of Evergy Missouri
12 Metro’s MEEIA BDR Program in 2021 and 2022. Nucor Sedalia’s curtailed MW of 18.9071
13 MW in 2021 is **_____** of the total curtailed MW of **_____**⁶ for Evergy
14 Missouri Metro’s *entire* BDR Program. In 2022, Nucor Sedalia’s curtailed 19.025 MW was
15 **_____** curtailed MW of Evergy Missouri Metro’s *entire* MEEIA BDR
16 Program, which was **_____**⁷ in 2022.

17 **Q. Do you recommend updating the Ordered Adjustment (“OA”) you identified in your
18 rebuttal testimony to account for the amount of earnings opportunity you discuss in this
19 testimony and as identified by Mr. Hull in his rebuttal testimony?**

20 A. Yes. In my rebuttal testimony, I stated that “[o]nce outstanding data requests are received, I
21 will have additional recommendations for a disallowance related to the earnings opportunity
22 awarded to Evergy Missouri West due to Nucor Sedalia’s participation.”⁸ I now recommend
23 updating the OA identified in by rebuttal testimony by adding \$379,321. This amount
24 recognizes the earnings opportunity awarded to Evergy Missouri West for Nucor Sedalia’s
25 participation in the MEEIA BDR Program. Again, this is based on the \$10,000/MW curtailed

⁵ Data Request No. 2500 response, attached as MMP-S-2 Confidential.

⁶ Data Request No. 2500 response, attached as MMP-S-2 Confidential.

⁷ Data Request No. 2500 response, attached as MMP-S-2 Confidential.

⁸ EO-2023-0408, Manzell Payne Rebuttal, Page 9, Lines 15-17.

1 multiplied by the curtailed amounts associated with Nucor Sedalia of 18.9071 in 2021 and
2 19.025 in 2022.

3 As I explained in my rebuttal testimony, customers are harmed by having to pay for the
4 additional earnings opportunity awarded to Evergy Missouri West by allowing Nucor Sedalia
5 to participate in the MEEIA BDR Program, which violated Evergy Missouri West's tariff.
6 The MEEIA BDR Program targets and the earnings opportunity were set by the Company
7 and approved by the Commission in this case. Those targets could not have included Nucor
8 Sedalia's participation. If Nucor Sedalia's participation was factored in originally, the BDR
9 Program targets should have been set much higher. The Company has harmed its customers
10 by allowing Nucor Sedalia's unlawful participation in the MEEIA BDR Program. This harm
11 comes in the form of unlawful incentives paid to Nucor Sedalia, an increased earnings
12 opportunity awarded to Evergy Missouri West, and the tariff violation.

13 **Q. Can you summarize your position on Nucor Sedalia's participation in Evergy Missouri**
14 **West's MEEIA BDR Program during the Review Period for this case?**

15 A. Yes. Evergy Missouri West violated its Special Rate for Incremental Load Service ("SIL")
16 tariff and should be held accountable for doing so. The Commission should order an OA in
17 the amount of \$1,143,651.18 (including interest), for Evergy Missouri West's next DSIM
18 filing to account for the unlawful incentives Nucor Sedalia received from its participation in
19 the BDR Program. The Commission should order an OA in the amount of \$379,321⁹ for the
20 earnings opportunity awarded to Evergy Missouri West due to Nucor Sedalia's participation.
21 The total OA I recommend is, therefore, \$1,517,101 plus \$5,871.18 in interest.

22 **Q. Does this conclude your surrebuttal testimony?**

23 A. Yes, it does.

⁹ Interest associated with the earnings opportunity is omitted due to the interdependencies of the EM&V.

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

In the Matter of the Second Prudence Review of the)
Missouri Energy Efficiency Investment Act (MEEIA))
Cycle 3 Energy Efficiency Programs of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri West) Case No. EO-2023-0408

AFFIDAVIT OF MANZELL PAYNE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

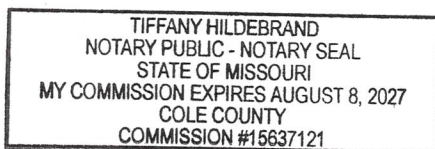
Manzell Payne, of lawful age and being first duly sworn, deposes and states:

1. My name is Manzell Payne. I am a Utility Regulatory Auditor for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

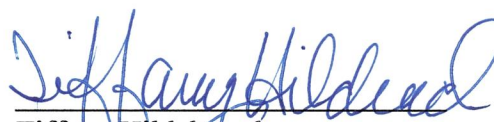


Manzell Payne
Utility Regulatory Auditor

Subscribed and sworn to me this 26th day of April 2024.



My Commission expires August 8, 2027.



Tiffany Hildebrand
Notary Public