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*Witness:* *Sarah L.K. Lange*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Surrebuttal Testimony*  
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**MISSOURI PUBLIC SERVICE COMMISSION**  
**INDUSTRY ANALYSIS DIVISION**  
**ENERGY RESOURCES DEPARTMENT**

**SURREBUTTAL TESTIMONY**

**OF**

**SARAH L.K. LANGE**

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

**CASE NO. EC-2024-0092**

*Jefferson City, Missouri*  
*June 2024*

**\*\* Denotes Confidential Information \*\***

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5 **Evergy Missouri West, Inc., d/b/a Evergy Missouri West**

6 **CASE NO. EC-2024-0092**

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1 **SURREBUTTAL TESTIMONY OF**

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4 **Evergy Missouri West, Inc., d/b/a Evergy Missouri West**

5 **CASE NO. EC-2024-0092**

6 Q. Are you the same Sarah L.K. Lange who has prefiled direct testimony in this  
7 matter?

8 A. Yes.

9 **EXECUTIVE SUMMARY**

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

11 A. I will respond to the rebuttal testimony of Evergy's witnesses,  
12 Mr. Bradley D. Lutz and Ms. Katie McDonald.

13 **COUNT 1 – DATA PRODUCTION COMMITMENTS<sup>1</sup>**

14 **Relationship to EO-2024-0002**

15 Q. Since the filing of this case, has the Commission entered an order in File No.  
16 EO-2024-0002?

17 A. Yes.

18 Q. Did the Commission's *Report and Order* in File No. EO-2024-0002, issued  
19 May 22, 2024, and effective June 1, 2024, (attached as Schedule SLKL-s1) conclude that some  
20 of the information was not cost-prohibitive to produce?

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<sup>1</sup> Paragraph 13 of Staff's Amended Complaint reads as follows: "Evergy did not file testimony as it agreed to do in the Stipulation approved by the Commission in its Order Approving Four Partial Stipulations and Agreements in Case Nos. ER-2022-0129 and ER-2022-0130 ("Stipulation Order"), effective October 2, 2022, nor has Evergy estimated the cost to provide the data it committed to provide, nor identified the process that it would require to provide the data to estimate the cost of carrying out that process."

1           A.       Yes. The Commission’s *Report and Order* in File No. EO-2024-0002  
2 concluded at page 24 that “the information being sought in Data Sets 2,<sup>2</sup> 3,<sup>3</sup> 4,<sup>4</sup> 7,<sup>5</sup> 8a,<sup>6</sup> 8c(2),<sup>7</sup>  
3 8c(3),<sup>8</sup> and 8c(4)<sup>9</sup> has been found available and not prohibitively expensive to produce.”

4           Because the cost to provide this information is minimal in the context of a regulated  
5 utility, Evergy should have provided this information prior to July 1, 2023, in compliance with  
6 the *Order Approving Four Partial Stipulations and Agreements* in Case Nos. ER-2022-0129  
7 and ER-2022-0130, effective October 2, 2022, approving the *Stipulation and Agreement* dated  
8 August 30, 2022. That document includes, at page 12, the following language:

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

17           Based on that reasoning, the Commission ordered Evergy to produce Data Sets 2, 3, 4,  
18 7, 8a, 8c(2), 8c(3), and 8c(4), and to provide “individual dates when Evergy can provide the  
19 information for each of [those] Data Sets” no later than June 12, 2024.

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<sup>2</sup> Customers per rate code 1st/last day of month, *Report and Order* in File No. EO-2024-0002, page 20.

<sup>3</sup> AMI customers per rate code 1st/last day of month, *Report and Order* in File No. EO-2024-0002, page 20.

<sup>4</sup> Sum of AMI readings per rate code at a single voltage, based on hourly intervals, *Report and Order* in File No. EO-2024-0002, page 20.

<sup>5</sup> Retain AMI data for 14 months, *Report and Order* in File No. EO-2024-0002, page 20.

<sup>6</sup> Retain AMI hourly data for customer bill comparison, based on delivery of hourly data, *Report and Order* in File No. EO-2024-0002, page 20.

<sup>7</sup> 12 months of data from Data Sets 2-5, *Report and Order* in File No. EO-2024-0002, page 21.

<sup>8</sup> Sample of individual AMI data with identified peak demands for the sample – for rate codes with more than 100 customers, based upon delivery of hourly data, *Report and Order* in File No. EO-2024-0002, page 21.

<sup>9</sup> Sample of individual AMI data with identified peak demands for the sample – for rate codes with less than 100 customers, based upon delivery of hourly data, *Report and Order* in File No. EO-2024-0002, page 21.

1 Q. Did the Commission order the production of "Data Set 1," regarding the  
2 information needed to study distribution costs and expenses?<sup>10</sup>

3 A. No. The Commission did not order the production of distribution data in EO-  
4 2024-0002, including in the Discussion portion of its *Report and Order* as follows:

5 The Commission is not persuaded that it would be just and reasonable to  
6 order Evergy to produce the information sought by the Data Sets that had  
7 no cost estimate provided or where the cost estimate appeared to  
8 overshadow the potential benefits of the Staff having the information.  
9 Specifically, those are:

- 10 • Data Set 1 at an estimate of \$80 million - \$100 million;
- 11 • Data Set 6 with no estimate;
- 12 • Data Set 8c(1) at an estimate of \$80 million - \$100 million;
- 13 • Data Set 8d at an estimate of over \$80 million - \$100 million;
- 14 • Data Set 9 with no estimate; and
- 15 • Data Set 10 with no estimate.<sup>11</sup>

16  
17 The Commission also included findings that, "No party supported ordering Evergy to  
18 provide the information requested in Data Set 1 at a cost of \$80 to \$100 million,"<sup>12</sup> and "Evergy  
19 did not consider looking at the cost to provide individual items listed in Data Set 1."<sup>13</sup>

20 Q. Did the Commission find in EO-2024-0002 that Evergy complied with the  
21 *Order Approving Four Partial Stipulations and Agreements* in Case Nos. ER-2022-0129 and  
22 ER-2022-0130, effective October 2, 2022, approving the Stipulation and Agreement dated  
23 August 30, 2022?

24 A. No. Whether or not Evergy complied with that *Order and Stipulation* was not  
25 at issue in Case No. EO-2024-0002.

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<sup>10</sup> *Report and Order* in File No. EO-2024-0002, page 20.

<sup>11</sup> *Report and Order* in File No. EO-2024-0002, pages 21 -22.

<sup>12</sup> *Report and Order* in File No. EO-2024-0002, page 8.

<sup>13</sup> *Report and Order* in File No. EO-2024-0002, page 8.

1           **Distribution data**

2           Q.     In what appears to be a discussion of the information required to produce a  
3 distribution system cost study, Mr. Lutz testifies at pages 9-10 of his rebuttal testimony in this  
4 case, EC-2024-0092, that:

5                     Staff insists that individual estimates be in the form of itemized estimates  
6 for each component of data requested within the respected data requested,  
7 the level the Company prepared its estimate. In short, we disagree on the  
8 meaning of “individual.” Since the Company approach is not aligned with  
9 the Staff expectation, we are accused of non-compliance.

10                    Looking at the estimate process from a practitioner’s perspective, Staff  
11 fails to acknowledge that system configuration for the purpose of data  
12 analytics does not occur granularly and as a result, the process to estimate  
13 work is a “top down” exercise. Company experts were consulted to  
14 prepare the estimates offered in EO-2022-0002. Evergy has experience  
15 defining specific business and system requirements as well as securing the  
16 necessary internal and external resources for many enterprise projects. We  
17 often work with our business partners and system integrators to ensure a  
18 more comprehensive view of the project requirements. In fact, the practice  
19 of creating detailed business and system requirements allows for more  
20 accurate estimates and may even reduce project costs overall when scope  
21 is well-defined and the complexity of the solution is known and accounted  
22 for up front. Rarely do cost estimates go down as business requirements  
23 and solution design begin to take shape.

24                    While estimating effort for projects is a normal practice at Evergy, the  
25 difficulty in defining estimates around the requests from Staff is not only  
26 the unprecedented nature of some of the requests, but the realization that  
27 even if the data could be created with change to processes, procedures and  
28 systems; it would not meet the historical data requirements noted in the  
29 request.

30                    First, is it reasonable for Evergy to be “accused” of non-compliance in the form of this  
31 complaint for what it describes as a “disagreement” as to the meaning of the word “individual?”

32                    A.     Yes. The proper forum for a signatory to a stipulation to seek enforcement of  
33 that party’s interpretation of a Commission-approved stipulation is before the Commission, and  
34 the Staff has an obligation to alert the Commission to instances where a utility fails to comply  
35 with a Commission order, including orders approving stipulations.

1 Q. Second, as Mr. Lutz alleges in the testimony quoted above, has Staff failed to  
2 “look at the estimate process from a practitioner’s perspective?”

3 A. No. Rather, Staff seeks to bring the matter before the Commission to enforce  
4 Everyg’s commitments, as set forth in the 2022 *Stipulation and Agreement*, to “identify and  
5 provide the data,” or to “provide the reason why it cannot provide the requested data and its  
6 individual estimate of the cost to provide each set of requested data,” and “[i]f the requested  
7 data is not available or cost-prohibitive to produce,” with regard to “line transformer costs and  
8 expenses by rate code; primary distribution costs and expenses by voltage; secondary  
9 distribution costs and expenses by voltage; primary voltage service drop costs and expenses;  
10 line extension costs, expenses, and contributions by rate code and voltage; and meter costs by  
11 voltage and rate code.”

12 Q. What would a practitioner in utility regulation or regulatory accounting notice  
13 about the quoted data sets?

14 A. A practitioner in utility regulation or regulatory accounting would notice the  
15 alignment of the indicated data sets with the FERC USOA. A table summarizing the data sets  
16 with the relevant FERC USOA accounts is set out below:

Plant	Operations Expenses	Maintenance Expenses	Plant Account Description	Line Transformer Costs and Expenses by Rate Code	Primary Distribution Costs and Expenses by Voltage	Secondary Distribution Costs and Expenses by Voltage	Primary Voltage Service Drop Costs and Expenses	Line Extension Costs, Expenses, and Contributions by Rate Code and Voltage	Meter Costs by Voltage and Rate Code
360	580*	590**	Land and land rights		x	x			
361		591 & 592.1	Structures and improvements		x	x			
362	582 & 581.1***	592	Station Equipment		x	x			
363	584.1		Storage battery Equipment						
364	583	593	Poles, towers and fixtures		x	x	x	x	
365			Overhead conductors and devices		x	x	x	x	
366	584	594	Underground conduit		x	x	x	x	
367			Underground conductors and devices		x	x	x	x	
368		595	Line transformers	x			x	x	
369			Services					x	
370	586	597	Meters						x
371	587		Installations on customers' premises				x	x	
372	589		Leased poroperty on customers' premises				x	x	

\*Operation supervision and engineering  
\*\*Maintenance supervision and engineering  
\*\*\*Line and Station expense

1           This comparison of the USOA accounts and the data sets from the *Stipulation* makes it  
2 clear that, at a minimum, discrete estimates for the costs and expenses related to line  
3 transformers and meters should have been provided.

4           Q.     Third, is Mr. Lutz’s commentary that “the difficulty in defining estimates around  
5 the requests from Staff is not only the unprecedented nature of some of the requests, but the  
6 realization that even if the data could be created with change to processes, procedures and  
7 systems; it would not meet the historical data requirements noted in the request,”<sup>14</sup> reasonable?

8           A.     No. Staff’s recognition that it is difficult to fully study the distribution system  
9 during the time constraints of a general rate case is the reason that Staff stipulated for Evergy’s  
10 provision (or cost estimate) of this data outside of a rate case. Staff does not ask Evergy  
11 to reconfigure its distribution plant accounts by voltage, and has never made that request.  
12 Evergy has portrayed the data set from the *Stipulation and Order* as some sort of  
13 all-encompassing unilateral request on the part of Staff to overhaul its books and records; that  
14 is simply not the case.

15          Q.     Rather than requiring a complete overhaul of accounting, property, and  
16 operational records as Evergy portrayed requiring it to produce the data from the *Stipulation*  
17 *and Order*, what is reasonable data Evergy could have provided which would have satisfied the  
18 data commitments related to the distribution study information?

19          A.     An example is set out below:

20           1. A calculation of each of the following, supported by detailed workpapers, under  
21 affidavit:

22           a. Reasonable estimates of an average, low range, and high range, cost for  
23 installation in the most recent 12 months of each of the following:

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<sup>14</sup> Bradley D. Lutz Rebuttal testimony, page 10, lines 10-14.



- 1                   i. 1 mile of overhead circuit operating in each voltage "bin;"<sup>15</sup>
- 2                   ii. 1 mile of underground circuit, operating in each voltage "bin;"
- 3                   and
- 4                   iii. A typical meter and associated transformers operating in each
- 5                   voltage "bin," generally associated with service of customers
- 6                   falling in each demand "bin."<sup>16</sup>
- 7                   b. A reasonable estimate of an average, low range, and high range,
- 8                   embedded cost of installation of each of the following:
- 9                   i. 1 mile of overhead circuit operating in each voltage "bin;"
- 10                  ii. 1 mile of underground circuit, operating in each voltage "bin;"
- 11                  and
- 12                  iii. A typical meter and associated transformers operating in each
- 13                  voltage "bin," generally associated with service of customers
- 14                  falling in each demand "bin."
- 15                  2. The following information, under affidavit:
- 16                  a. A list of the underground circuits operating at each voltage "bin," and
- 17                  the mileage of each circuit;
- 18                  b. A list of the overhead circuits operating at each voltage "bin," and the
- 19                  mileage of each circuit;
- 20                  c. For each feeder circuit, the number of customers served by that circuit at
- 21                  each voltage "bin," and identification of each circuit fed;
- 22                  d. For each feeder circuit, the number of customers served by that circuit at
- 23                  each voltage "bin;" and
- 24                  e. For each substation, identification of each interconnected circuit.
- 25                  3. Updates of the information described in part 1 and part 2. as part of its direct
- 26                  filing in each general rate case, and include operable workpapers for each item.

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<sup>15</sup> The voltage bins are (1) 110/240, up to 3.9 kV; (2) 4kV up to 12 kV; (3) Primary voltages; and (4) Transmission voltages.

<sup>16</sup> The demand bins are (1) up to 25 kW, (2) 25 kW to 49 kW, (3) Other voltages to be defined based on a high-level study of the costs of metering infrastructure necessary for serving various levels of demand.

Surrebuttal Testimony of  
Sarah L.K. Lange

1 Q. Has Evergy produced some of this data in its recently filed rate case,  
2 ER-2024-0189, with regard to Evergy Missouri West?

3 A. Yes. In its direct workpapers in ER-2024-0189, Evergy relied on the following  
4 information, which is generally consistent with the sort of information that Staff describes  
5 above:

Acct	Analysis of Line Miles by Voltage	Line Miles	Units	Average Cost	Weighting Factor	Weighted Line Miles	Primary/Secondary Split
				\$/mile			
364	Poles, Towers & Fixtures						
365	Overhead Conductors & Devices						
365	OH Secondary Line	2,544	miles	\$ 107,987.00	1.00	2,544	13.7%
365	OH Primary Line	7,139	miles	\$ 242,568.00	2.25	16,036	86.3%
		9,683				18,580	
366	Conduit						
367	Underground Conductors & Devices						
367	UG Secondary Line	1,127	miles	\$ 162,509.00	1.00	1,127	16.6%
367	UG Primary Line	3,570	miles	\$ 257,751.00	1.59	5,662	83.4%
		4,697				6,789	
description of the construction type used for the estimates:							
	Primary: 3-phase OH, #2 ACSR, Unshielded, 40-3 poles, horizontal construction (Pole-to-Pole)						
	Secondary: 3/0 TLPX, OH, 35-5 poles (Secondary Lift Pole-to-Pole)						
	Primary: 3-phase, UG, 1/0 Al, 4" conduit, (cabinet-to-cabinet)						
	Secondary: 3/0 TLPX, UG (Secondary Ped-to-Ped)						

6  
7 While Evergy did not provide testimony explaining the derivation of this work-product in its  
8 direct filing, this is an example of information that Staff cannot typically obtain from Evergy  
9 through discovery, as it requires analysis that Evergy Missouri Metro or Evergy Missouri West  
10 may choose not to undertake in a given rate case.

1           **Customer and Usage data**

2           Q.     In his Rebuttal testimony, Mr. Lutz testifies that Evergy is “absolutely not”  
3 “evading its commitment.”<sup>17</sup> What was Evergy’s commitment with regard to customer and  
4 usage data?<sup>18</sup>

5           A.     Evergy committed to “identify and provide the data,” or “provide the reason why  
6 it cannot provide the requested data and its individual estimate of the cost to provide each set  
7 of requested data,” to Staff, and “[i]f the requested data is not available or cost-prohibitive to  
8 produce,”<sup>19</sup> with regard to the total number of customers served on each rate schedule at each  
9 voltage as of the first day of the month and as of the last day of the month, and to provide the  
10 sum of customers interval meter readings for each hour by rate schedule and voltage.

11          Q.     Was Evergy’s estimate of the costs to provide that customer and usage data “cost  
12 prohibitive?”

13          A.     No. Evergy’s estimate of the costs to provide that data were around \$100,000,  
14 as set out in Mr. Lutz’s direct testimony in that case. In contrast, Evergy’s expenditures  
15 for its outside expert, Sean P. Riley, in File EO-2024-0002 were approximately  
16 \*\* [REDACTED] \*\*. Because the cost of providing the customer and usage data were not  
17 cost-prohibitive, Evergy should have begun work on delivering that data prior to July 1, 2023,  
18 and should not have continued to delay efforts to deliver that data to date.

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<sup>17</sup> See Lutz Rebuttal, at page 11.

<sup>18</sup> These elements were generally referred to as Data Sets 2, 3, 4, 5, and 8c(2), in the Commission’s EO-2024-0002 *Report and Order*.

<sup>19</sup> See *Order Approving Four Partial Stipulations and Agreements* in Case Nos. ER-2022-0129 and ER-2022-0130, effective October 2, 2022, approving the Stipulation and Agreement dated August 30, 2022, which includes at page 12, “Data Retention: a) Prior to July 1, 2023, the Company will identify and provide the data requested in the direct testimony of Sarah Lange. If the requested data is not available or cost-prohibitive to produce, the Company will file a motion to establish an EO docket. In that docket the Company will provide the reason why it cannot provide the requested data and its individual estimate of the cost to provide each set of requested data, for the further consideration of the parties and the Commission.”

1 Q. On page 11 of his Rebuttal testimony, Mr. Lutz includes the following exchange:

2 Q: Staff's complaint asserts data is being lost. Is this true?

3 A: No. The Company is not deleting billing or meter reading  
4 data.

5 Is this consistent with Evergy's responses to data requests in other dockets?

6 A. No, Evergy's responses in other dockets make it clear that customer count  
7 information – which is conspicuously absent from Mr. Lutz's list, is effectively being lost.

8 Q. What do you mean, effectively being lost?

9 A. As Staff is experiencing in the pending Evergy Missouri West rate case,  
10 ER-2024-0189, Evergy is unable to access or retrieve customer count information as to the  
11 number of customers on a given rate plan on a given day, after that day. However, Evergy is  
12 able to access or retrieve that information on a given day. Evergy's response to Staff Data  
13 Request (DR) No. 0157 in EO-2024-0002 was that it uses a query of its active service  
14 agreements as of the date/time the query is run for a specific list of the number of customers by  
15 rate code.<sup>20</sup> Evergy's response to Staff DR No. 0175.1 states that it takes 15 minutes each time

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<sup>20</sup> Question: 0175

In File No. EW-2023-0199 Evergy files weekly what it purports to be the number of customers served on each residential rate schedule as of an indicated date. (a) Please explain from start to finish how these customer numbers are summed or calculated. . (b) can the same process be used to provide customer numbers by rate schedule by day or month, if not, why not, if yes, please explain the timing and intervals at which such information could be provided. Please provide all pertinent answers for both Evergy Missouri Metro and Evergy Missouri West.

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

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

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

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

1 to run the query and document the results for the TOU subset of Missouri rates, but that it is not  
2 Evergy's intention to use this process.<sup>21</sup> The consequence of Evergy's failure to simply run this  
3 query on, for example, the last day of every month, since July 1, 2023, is that Staff is effectively  
4 unable to reasonably normalize and annualize residential revenues in the pending Evergy  
5 Missouri West rate case, a necessary step to determining the appropriate overall increase and  
6 to calculating rates for compliance tariffs, as well as a number of other typical rate case  
7 deliverables.

8 **Hourly customer load data**

9 Q. At page 12 of his rebuttal testimony, Mr. Lutz opines that "the Company does  
10 not bill customers based on hourly loads," and attempts to draw a distinction between hourly  
11 loads and "usage within time differentiated periods." He continues with the statement that  
12 "If Staff is resolute that hourly data is the measure to meet these qualitative terms, it represents  
13 a new level of expectation not asserted in prior Company rate cases where the tariff-level billing  
14 determinant data has been suitable to produce just and reasonable rates."<sup>22</sup> Have the rates in  
15 prior rate cases depended on the time at which customers consume energy?

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<sup>21</sup> Question: 0175.1

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

Response:

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

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

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

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

<sup>22</sup> Lutz Rebuttal, page 12, lines 10-13.

1           A.       Generally, no. While a small percentage of customers have taken service on  
2 legacy time-based rates dating back to the late 1970s and early 1980s, Evergy Missouri West's  
3 currently active rate case is the first rate case in which all residential customers (except a small  
4 number who lack AMI metering) have been billed on a time-based rate schedule. Further,  
5 around 20% of Evergy's residential customers are now taking service on highly-differentiated  
6 time-based rate plans where the rate for a kWh of energy can vary by a factor of 10 from hour  
7 to hour.

8           Q.       Can't the determinants from one rate plan be adjusted so that necessary  
9 calculations can be made for other rate plans?

10          A.       Generally, no. The Residential Peak Adjustment rate schedule ("RPKA") rate  
11 schedule includes weekends and holidays in peak definitions, while others do not. The  
12 Residential Time of Use – Two Period, Schedule RTOU-2 ("RTOU-2") rate code combines the  
13 off peak and super-off peak definitions during summer billing months, and combines the peak  
14 and off peak definitions during non-summer billing months, such that usage cannot be broken  
15 back out into those periods on other rate plans from the determinants provided.<sup>23</sup>

16          Q.       Has Evergy acknowledged the need for time-differentiated billing determinants  
17 in other forums related to Evergy's implementation of mandatory TOU rates?

18          A.       Yes. In the transcript for the on-the-record presentation for the Stipulations in  
19 ER-2018-0145 and ER-2018-0146,<sup>24</sup> Mr. Fisher addressed the need for adequate determinants  
20 in an exchange with then-Commissioner Daniel Hall:

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<sup>23</sup> It is reasonable to assume that customers on highly-differentiated rate plans, such as RTOU, RTOU-2, and RTOU-3 will have a different response to weather than customers on rate plans such as the default residential rate plan, RPKA, and the discontinued General Use and Discounted Space Heating rate plans. Hourly usage by rate code is necessary to estimate the response of customers under each rate plan to test year and update period weather.

<sup>24</sup> Transcript Volume 14 in ER-2018-0145 and ER-2018-0146, October 3, 2018, pages 196-197. Attached as Schedule SLKL-s4.

1 MR. FISCHER: Well, certainly we have been doing analysis for several  
2 years and I can ask Darren or Kim Winslow to address that, but there are  
3 significant studies in the record and we have been working on it. But  
4 mandatory time of use rates raises a lot of issues from the Company's  
5 perspective. We want to take -- we want to carefully consider, customer  
6 impact being one of the main ones.

7 COMMISSIONER HALL: And I assume you're also concerned about  
8 the ability to meet your revenue requirement?

9 MR. FISCHER: Certainly, yeah. That's the other thing. **We don't**  
10 **have time differential billing determinants to ensure that will meet**  
11 **the revenue requirement. That's one of the efforts that we'll be**  
12 **working on here to try to develop that.**

13 COMMISSIONER HALL: Couldn't that concern have been addressed  
14 through decoupling?

15 MR. FISCHER: I think it is a different way to address it, but as far as -  
16 - as far as time of use rates, **we need to know the billing determinants**  
17 **in order to make sure that we're going to get the recovery.**  
18 [Emphasis added.]

19 **On Peak and Reactive Demand**

20 Q. Mr. Lutz testifies that "reactive demand charges are only applied to certain  
21 rates," at page 10 of his testimony. Did Evergy provide data for those rate plans which do  
22 include reactive demand as a charge element?

23 A. No. Evergy currently bills reactive demand to Large Power customers at  
24 Evergy Missouri West and Evergy Missouri Metro, and its Medium General Service customers  
25 and Large General Service customers at Evergy Missouri Metro. The reactive demand bill  
26 adjustment is also applied to the bills of customers on riders related to these rate schedules (such  
27 as standby service) and other service classifications, such as time-related pricing, and limited  
28 availability service classifications.

1 **COUNT 2 – RATE MODERNIZATION WORKSHOP<sup>25</sup>**

2 Q. Mr. Lutz testifies in his Rebuttal at page 13 that Staff has misinterpreted the  
3 Commission’s order related to “Meeting with Stakeholders.” Has Staff participated in meetings  
4 with other utilities indicating the substantive areas and degree of utility participation which it  
5 understood the Commission’s Order to address?

6 A. Yes. Since the Commission’s Order in ER-2022-0337, which directed Ameren  
7 Missouri to participate in a similar process, Ameren Missouri has engaged Staff and other  
8 Stakeholders in at least three formal meetings, in addition to other informal meetings, phone  
9 calls, and email exchanges, including exchange of substantive calculations and estimates related  
10 to rate modernization. The Ameren Missouri power point from the most recent workshop is  
11 attached hereto as Schedule SLKL-s2.

12 Q. Is the issue in this case the delay in the date for meeting with stakeholders, or  
13 the lack of substance in Evergy’s discussions with stakeholders?

14 A. The issue is the lack of substantive discussions with Evergy concerning rate  
15 modernization. I addressed this in my testimony in the hearing for EO-2024-0002:

16 Q. · I’m asking you whether we had a conversation 190 days after  
17 the tariffs were in effect. That was the first meeting, correct?

18 A. · A conversation about what?

19 Q. · Rate modernization whenever the Company presented its  
20 rate modernization proposal.

21 A. · The Company didn't present what I would consider a rate  
22 modernization proposal. · The Company presented a description of add-  
23 on tariffs such as subscriber tariffs and buffet-style pricing.<sup>26</sup>

24 and

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<sup>25</sup> Paragraph 23 of Staff’s Amended Complaint reads as follows: “Evergy did not meet with stakeholders to discuss rate modernization within 180 days of its tariff effective date as ordered by the Commission in the Amended Report and Order issued in Case Nos. ER-2022-0129 and ER-2022-0130.”

<sup>26</sup> EO-2024-0002, Tr. 291, Lines 6-14.



1 THE WITNESS:

2 So to clarify, the issue is a lot less with the ten days difference  
3 and a lot more with the content of the presentation. Does that answer  
4 your question? And that's what the issue is is addressed in the complaint  
5 as I recall.

6 BY MR. FISCHER:

7 Q. That wasn't my question but that's okay. It's not so much  
8 about the ten days that we were late, but it's the fact that we didn't have  
9 additional conversations about rate modernization?

10 A. The complaint is the complaint. From my personal  
11 perspective, if we had met at 190 days and had a good conversation about  
12 what the Commission directed that conversation to be, personally I  
13 wouldn't have had a problem with it.<sup>27</sup>

14 Q. Has Evergy participated in the Ameren Missouri meetings?

15 A. Yes. Mr. Lutz has provided more information concerning rate modernization  
16 plans at the Evergy utilities during the pendency of the Ameren Missouri meetings, where  
17 stakeholders have looked to Evergy's rate structures in Kansas, than has been presented by  
18 Evergy in any other forum. For example, as illustrated in the Ameren Missouri presentation,  
19 stakeholders have engaged in discussions of the rate modernization developments for Evergy's  
20 utilities operating in Kansas. Mr. Lutz participated in these discussions, and in conjunction  
21 with industrial representatives, explained the differences between the developing Kansas rate  
22 structures and the current Missouri rate structures.

23 **COUNT 3 – SUBSCRIPTION SOLAR BILLING PROVISIONS**<sup>28</sup>

24 Q. Mr. Lutz includes a statement that “[t]he Amended Order did not address the  
25 SSP<sup>29</sup> program applicability, and the SSP tariff had clearly established billing procedures that

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<sup>27</sup> EO-2024-0002 Tr. 322 Lines 9-23.

<sup>28</sup> Paragraph 33 of Staff's Amended Complaint reads as follows: “Evergy has not filed its solar subscription ET case as it committed to do in Case Nos. ER-2022-0129 and ER-2022-0130 and as reflected in related case filings EO-2023-0423 and EO-2023-0424.”

<sup>29</sup> Solar Subscription Program.

1 could be executed in conjunction with the Commission ordered default rate, the Residential  
2 Peak Adjustment rate,” at page 16, lines 3-5, of his Rebuttal testimony. Is this accurate?

3 A. No. The Residential Peak Adjustment rate was not the Commission-ordered  
4 default rate under the Amended Order, and was not the Commission-ordered for the period  
5 pertinent to this complaint, which is January of 2023 – September of 2023.

6 **COUNT 4 – EVERGY’S FAILURE TO PROPOSE A DEFAULT TIME-BASED RATE**  
7 **SCHEDULE IN ER-2022-0129 AND ER-2022-0130**<sup>30</sup>

8 Q. At page 18, lines 13-14, of his Rebuttal testimony, Mr. Lutz testifies that  
9 “It would appear there is a difference in interpretation as to what constitutes a ‘Residential TOU  
10 rate design.” In considering the *Stipulation and Agreement* in Case Nos. ER-2018-0145 and  
11 ER-2018-0146, do the transcripts provide any context as to what the *Stipulation and Agreement*  
12 was understood by the Commission to accomplish?

13 A. Yes. The transcript for the on-the-record presentation for the Stipulations  
14 in ER-2018-0145 and ER-2018-0146 includes the following from then-Commissioner  
15 Daniel Hall:

16 Well, I will say for what it's worth I am somewhat disappointed with the  
17 agreement on time of use rates. I think the Commission on numerous  
18 occasions made it clear that we would like to move significantly faster  
19 on this rate design mechanism and back in 2014 we ordered a study of  
20 this issue. I mean, this has been going on for four years so far so now  
21 under this stipulation we've got an opt-in that I sincerely doubt very  
22 many people will take advantage of. I could be proven wrong. And then  
23 we're looking at two more years.

24  
25 **I must say I would not be terribly shocked sitting somewhere else**  
26 **watching what happens here two years from now that there's some**  
27 **other reason why you're not going to get mandatory time of use rates**  
28 **on the books.** I understand that KCP&L has moved significantly quicker

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<sup>30</sup> Paragraph 42 of Staff’s Amended Complaint reads as follows: “Evergy did not file its proposed plan for default TOU rates as ordered by the Commission in its prior rate cases, Case Nos. ER-2018-0145 and ER-2018-0146.”

1 on this issue than our other utilities in the state and I appreciate that. But  
2 there's also a whole lot of money in rate base for those smart meters  
3 which leads me to my first question.<sup>31</sup>

4 Q. Is this the only portion of the discussion that makes it clear that the Stipulation  
5 under consideration contemplated that the meaning of “KCP&L and GMO will submit a  
6 Residential TOU rate design in their next rate cases based on lessons learned from the TOU  
7 service,”<sup>32</sup> consistent with the interpretation presented here by Staff?

8 A. No. An excerpt from page 243 of the transcript is included below, and multiple  
9 interactions between them corroborate this interpretation:

10 COMMISSIONER HALL: How confident are you that two  
11 years from now we will have the data analysis necessary to do either a  
12 mandatory or an opt out TOU for our residential customers?

13 MR. HYMAN: I think it is theoretically possible that you could  
14 have the data. I think part of that will be on the parties and the companies  
15 to make sure that that data is being collected. I think the other point to  
16 consider though is again this issue of education that customers would  
17 need to that there is an opt out or mandatory rate coming. That and also  
18 as has been expressed the issue with customers such as the stay-at-home  
19 seniors who couldn't necessarily adjust to something because they are at  
20 home. It's partly a data issue. It's also just an issue of looking at how to  
21 mitigate some of those impacts and how to get customers aware of the  
22 rate. If we did a flash cut today we would -- nobody would -- we  
23 wouldn't have a lot of customers that were prepared for it.

24 And Mr. Ives, as quoted at pages 205-206 of the transcript, testified that:

25 I would say Commission Rupp, I understand I understand your  
26 concern with our hesitation. You know, we have done a lot of research  
27 on this. I mean this commission -- the speed of adoption to a mandatory  
28 rate that this commission is asking for is truly something that no IUO in  
29 the country has done yet and no IOU to the best of our knowledge has a

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<sup>31</sup> Transcript Volume 14 in ER-2018-0145 and ER-2018-0146, October 3, 2018, pages 190-191. Attached as Schedule SLKL-s4.

<sup>32</sup> In the September 25, 2018, Non-Unanimous Stipulation and Agreement Concerning Rate Design Issues in Case Nos. ER-2018-0145 and ER-2018-0146, approved by the Commission in its October 31, 2018, *Order Approving Stipulations and Agreements*, KCP&L and GMO, corporate predecessors of EMM and EMW, agreed as follows: “KCP&L and GMO will submit a Residential TOU rate design in their next rate cases based on lessons learned from the TOU service.”

1 plan to do with the exception of California whose been studying it for  
2 years and is moving through legislative action. I mean, the opt-in  
3 approach has been highly successful to the tune of 100,000 customers  
4 for OG&E. It's 20 percent participation, but 100,000 customers is seen  
5 as one of the resounding successes at the TOU level. And people in our  
6 size and scale at this level of customer base just are not moving people  
7 on a mandatory basis at a flash cut.

8 **COUNT 5<sup>33</sup> AND COUNT 6<sup>34</sup> - TIME OF USE EDUCATION AND IMPLEMENTATION**

9 Q. Ms. McDonald testifies that “Staff tries to make the argument that the customer  
10 education campaign should have started right after the *Amended Report and Order* but  
11 also suggests that Evergy did not take the time to consider their feedback before building  
12 the campaign.”<sup>35</sup> Are either of these statements accurate summaries of Staff’s position on  
13 these matters?

14 A. No. Ms. McDonald fails to cite to any Staff testimony for these positions, and  
15 they are not Staff’s positions.

16 Q. Ms. McDonald testifies that “Evergy proactively included the details of our  
17 proposed implementation timeline within our initial filing in the TOU Workshop case  
18 EW-2023-0199 in January 2023.”<sup>36</sup> What details were included in this filing?

19 A. The filing is attached as Schedule SLKL-s3. The only language pertinent to  
20 Ms. McDonald’s referenced testimony is,

21 Evergy offers to engage with Staff and OPC in an initial workshop in  
22 March 2023 that will include a further update on Evergy’s activities that

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<sup>33</sup> Paragraph 47 of Staff’s Amended Complaint reads as follows: “Evergy has not complied with the Commission’s order in the Amended Report and Order in Case Nos. ER-2022-0129 and ER-2022-0130 to implement a program to engage and educate customers in the approximately ten-month lead-in time until its tariff provisions regarding the 2-period TOU rate as the default rate for residential customers becomes effective.”

<sup>34</sup> Paragraph 54 of Staff’s Amended Complaint reads as follows: “Evergy’s attempts at customer education were unreasonable in that they were alarmist and failed to include simple information describing time-based rate plans. Further, Evergy’s attempts at customer education are misleading as to the design and operation of the rate plans across seasons.”

<sup>35</sup> McDonald Rebuttal, page 4, lines 20-22.

<sup>36</sup> McDonald Rebuttal, page 10, lines 18-20.

1 have occurred and planned for the upcoming months related to the  
2 implementation; share best practices from other utilities that have  
3 implemented (or are preparing) mandatory TOU rates; and solicit ideas  
4 from Staff and OPC. At a minimum, Evergy also offers to engage with  
5 Staff and OPC in a second workshop in May to share a firmer education  
6 and marketing plan with milestones, as well as a continued update on  
7 activities. Evergy would be amenable to a further stakeholder  
8 workshop(s) and/or Commission presentation prior to October 2023.<sup>37</sup>

9 Q. Ms. McDonald testifies that Evergy’s “Status Report on January 17, 2023,  
10 clearly indicates that Evergy intended to start the implementation of a Customer Education Plan  
11 after the proposed May 2023 workshop.”<sup>38</sup> Is this accurate?

12 A. No. To the extent that Ms. McDonald believes the Status Report clearly  
13 indicates that Evergy would not start implementation of a Customer Education Plan until after  
14 a May 2023 workshop, the January Status Report clearly indicates that Evergy would not start  
15 implementation of a Customer Education Plan until after an October 2023 workshop. At any  
16 rate, there is nothing in the January Status Report that indicated Evergy intended to delay  
17 provision of information concerning default TOU rate deployment until July of 2023, and to  
18 withhold detailed information from customers until September of 2023.

19 Q. Ms. McDonald testifies that:

20 Given the absence of supporting testimony or analysis during the 2022  
21 Evergy Rate Case regarding the customer impacts of default TOU rates  
22 and the four rate plans that resulted from the Amended Report and Order,  
23 understanding the impacts to customers was imperative for our education  
24 planning. Prior to this presentation, the true impact to specific customer  
25 segments such as space heating customers or vulnerable groups like  
26 seniors and low-income customers was not fully known with the four  
27 approved TOU rate plans.”<sup>39</sup>

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<sup>37</sup> Paragraph 10 of Evergy “Status Report,” in EW-2023-0199.

<sup>38</sup> McDonald Rebuttal, page 12, lines 20-22.

<sup>39</sup> McDonald Rebuttal, page 14, lines 1-6.

1           Why was study of customer impacts of default TOU rates absent from Evergy's 2022  
2 rate cases?

3           A.     As addressed in Count 4 of Staff's *Amended Complaint*, in the September 25,  
4 2018 *Non-Unanimous Stipulation and Agreement Concerning Rate Design Issues* in Case Nos.  
5 ER-2018-0145 and ER-2018-0146, approved by the Commission in its October 31, 2018 *Order*  
6 *Approving Stipulations and Agreements*, KCP&L and GMO, corporate predecessors of EMM  
7 and EMW, agreed that "KCP&L and GMO will submit a Residential TOU rate design in their  
8 next rate cases based on lessons learned from the TOU service."<sup>40</sup> However, Evergy did not  
9 submit a Residential TOU rate design in their next rate cases, ER-2022-0129 and  
10 ER-2022-0130, based on lessons learned from the TOU service as ordered by the Commission.  
11 And, as acknowledged by counsel for Evergy in the transcript for the on-the-record presentation  
12 for the Stipulations in ER-2018-0145 and ER-2018-0146:<sup>41</sup>

13                   MR. FISCHER: Well, certainly we have been doing analysis for several  
14 years and I can ask Darren or Kim Winslow to address that, but there are  
15 significant studies in the record and we have been working on it. **But**  
16 **mandatory time of use rates raises a lot of issues from the**  
17 **Company's perspective. We want to take -- we want to carefully**  
18 **consider, customer impact being one of the main ones.**  
19 [Emphasis added.]

20           Q.     Ms. McDonald alleges, at page 14 of her Rebuttal testimony, at lines 12-17, that  
21 "Evergy was taken aback by the responses from Staff during the workshop. Staff's conduct  
22 created an atmosphere that felt unprofessional, which ultimately resulted in the workshop  
23 ending prematurely, hindering meaningful dialogue and discussion. Despite coming to the

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<sup>40</sup> Non-Unanimous Stipulation and Agreement Concerning Rate Design Issues, in Case Nos. ER-2018-0145 and ER-2018-0146, at p. 7, para. 2.j.

<sup>41</sup> Transcript Volume 14 in ER-2018-0145 and ER-2018-0146, October 3, 2018, pages 196-197. Attached as Schedule SLKL-s4.

1 workshop open to collaboration, Evergy encountered a situation where dialogue was stifled by  
2 the situation. Staff gave no indication before the meeting that they did not agree with the agenda  
3 for the meeting or offer other agenda items.”

4 Was Evergy’s proposed timeline for customer engagement shared prior to the meeting?

5 A. No. Staff became aware of Mr. Charles Caisley’s “90/60/30” marketing plan at  
6 the March 28, 2023 workshop.

7 Q. Do you agree with Ms. McDonald’s testimony that Staff hindered meaningful  
8 dialogue and discussion?

9 A. No. Staff concedes that the March 28, 2023 workshop was contentious. Evergy  
10 devoted considerable time to discussion of marketing of opt-in time based rate strategies, and  
11 to presentation of its customer impact study results. These customer impact study results  
12 generally were that the effect of consolidating discounted and non-discounted rate plans would  
13 be that customers who had been on discounted rates would experience average bill increases,  
14 and customers who had been on non-discounted rates would experience bill decreases.  
15 Ms. McDonald’s ad hominins are inaccurate. Staff does recall that the workshop concluded  
16 with Mr. Caisley conceding that if stakeholders were unhappy with the “90/60/30” marketing  
17 plan approach that there was little or nothing left to discuss that day. Following Mr. Caisley’s  
18 announcement that there was nothing left to talk about if Staff wanted to discuss implementation  
19 plans, I left the conference room.

20 To attempt to obtain answers to the questions Evergy was unable to answer during the  
21 workshop, Staff filed its *Staff Response to March 28, 2003 Presentation and Requests for*  
22 *Additional Information*,<sup>42</sup> which included, but were not limited to, the following:

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<sup>42</sup> Attached to my direct testimony in this docket as Schedule SLKL-d10.

1 9. What marketing names are being contemplated for the rate plans?

2 10. Please provide the timing and content of Company's proposed  
3 90/60/30 day marketing materials.

4 \* \* \*

5 16. Clearly identify the anticipated changes in billing systems that  
6 Evergy believes are necessary and provide the estimated cost of each  
7 change, and estimated timeline of each change.

8 17. Please describe in as much detail as possible Evergy's preliminary  
9 plans for deployment/transition, including any targeted initial  
10 deployment.

11 \* \* \*

12 20. Please provide a detailed explanation of the limitations of Evergy's  
13 current employees in implementing customer marketing and education  
14 associated with implementation of the ordered rate structures.

15 Q. Ms. McDonald testifies that "the core of Staff's Complaint ...alleges that Evergy  
16 did not conduct a campaign at all."<sup>43</sup> Are you aware of what Ms. McDonald means when she  
17 testifies that the core of Staff's complaint is that Evergy did not conduct a campaign at all?

18 A. No. Ms. McDonald does not point to any testimony in support of her claim that  
19 Staff is alleging that Evergy did not conduct any campaign. To be clear, Staff's complaint is  
20 that Evergy did not provide good information early enough, and did not cooperate with  
21 stakeholders to develop a plan to provide good information to customers in a timely manner.

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<sup>43</sup> McDonald Rebuttal, page 24, lines 15-16. Her full testimony at lines 8 – 16, states "Ms. Lange's testimony and claim is based on two items. First, she makes the claim that 'Evergy failed to adequately educate its customers consistent with the order.' While Ms. Lange's opinion may be that the campaign was inadequate, and my prior testimony and research conducted by a third party proves otherwise, her testimony admits that Evergy conducted a campaign to engage and educate customers, which was the requirement of the Order, whether it was adequate or not, was not the subject of the Order or Staff's Complaint. This admission undermines the core of Staff's Complaint, which alleges that Evergy did not conduct a campaign at all."



1 Q. Ms. McDonald attempts to quote your direct testimony at page 24, lines 17-18,  
2 of her rebuttal testimony as “[N]o information at all would have been better.” Does this  
3 mischaracterize your testimony?

4 A. Yes, this is a mischaracterization of my testimony, particularly in light of her  
5 commentary that “To suggest that customers would be better off not knowing about the  
6 opportunity to access less expensive energy during off-peak times and weekends, and to have  
7 more control over their energy is insulting to Evergy customers,”<sup>44</sup> and “Unfortunately,  
8 Ms. Lange seems to think Evergy customers should be left in the dark about their energy rates.  
9 I certainly disagree with that.”<sup>45</sup>

10 The statement from my direct testimony which Ms. McDonald partially quotes is  
11 “First, Evergy failed to adequately educate its customers consistent with the Commission’s  
12 Amended Report and Order. Second, Evergy has provided to its customers information that is  
13 actually wrong and misleading. Staff has filed separate counts because no information at all  
14 would have been better than alarmist misinformation.”<sup>46</sup> I am unable to determine the source  
15 of Ms. McDonald’s belief that I seem to think that Evergy customers should be left in the dark  
16 about their energy rates, which is not my belief and has not been my testimony.

17 Q. At pages 25 – 26 of her Rebuttal testimony, Ms. McDonald reiterates her belief  
18 that Staff “suggests that Evergy should have started our Customer Campaign exactly 10-months  
19 before the start of the transition, which would have left no time to have any meaningful  
20 discussion or time to review materials. Staff continues to contradict themselves in this area  
21 where they wanted a campaign to start immediately but also wanted time to review. Evergy

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<sup>44</sup> McDonald Rebuttal, page 24 line 22 – page 25 line 2.

<sup>45</sup> McDonald Rebuttal, page 25 line 5 – line 7.

<sup>46</sup> Lange Direct, page 34, lines 1 – 4.

1 chose to hold workshops and discussions and take feedback as guided by the Commission  
2 Orders.” Is this a reasonable summary of Staff’s position in this case?

3 A. No. Staff’s position is that (1) Evergy caused unreasonable delay in the  
4 development of educational materials and customer engagement through its reliance on  
5 Mr. Caisley’s “90/60/30” marketing plan, which Staff became aware of at the March 28, 2023  
6 workshop, (2) Evergy failed to timely disclose key elements, such as plan names, plan  
7 descriptions, education of customers concerning the elimination of the space heating discounts  
8 inhibited Staff’s ability to provide meaningful feedback, and (3) Evergy’s focus on arousing  
9 public and political backlash against the decision to order the RTOU-2 rate plan as the default  
10 rate plan superseded attempts at meaningfully engaging customers.

11 Q. Ms. McDonald generally discusses that collaboration on Evergy’s part is  
12 evidenced by (1) campaign timeline change; (2) rate name changes; (3) updating overarching  
13 campaign message and adding more “why” to TOU materials; (4) prioritizing education to  
14 impacted customers; (5) rate descriptions; (6) rate analysis tool description wording;  
15 (7) outreach to food pantries and libraries; (8) videos and YouTube videos; and (9) using visual  
16 representations like Tucson Electric.<sup>47</sup> Could you address some of these areas?

17 A. Yes, I will address prioritizing education to impacted customers; rate name  
18 changes and rate descriptions; and rate analysis tool description wording.

19 **Prioritizing education to impacted customers**

20 Q. At page 36, lines 1-7, of her Rebuttal testimony, Ms. McDonald includes the  
21 following exchange:

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<sup>47</sup> McDonald Rebuttal, pages 15-19.

1 Q: Ms. Lange direct testimony also suggests that “Evergy failed to  
2 educate heating customers concerning the elimination of promotional  
3 discounted rates.” Do you have a response to this allegation?

4 A: First, I think it’s important to point out that Evergy was not required  
5 to educate customers on the elimination of the so called “promotional  
6 discounted rates.” Our requirement, as pointed out by Staff multiple  
7 times in their Complaint, was to engage and educate customers on the  
8 time of use rates.

9 Is Ms. McDonald’s testimony accurate?

10 A. No. The Commission’s Amended Order in ER-2022-0129 and ER-2022-0130  
11 included the following at page 74:

12 Evergy shall implement a program to engage and educate customers in  
13 the approximate ten-month lead-in time until its 2-period TOU rate takes  
14 effect as the default rate for residential customers beginning October 1,  
15 2023. **Evergy shall work with Staff and OPC and permit them  
16 a chance to review materials related to the education program and  
17 to the implementation of TOU rates from October 1 through  
18 December 31, 2023, to ensure the program and implementation have  
19 a maximum potential for success. Further Evergy will eliminate the  
20 identified residential rate codes and transition customers to the  
21 identified existing codes on or after October 1, 2023, as they transition  
22 to the 2-period TOU rate.**

23 [Emphasis added.]

24 I am not aware of any reasonable reading of this language which would not include the  
25 elimination of the identified residential rate codes and the transition of customers on those rate  
26 codes to the TOU rate as somehow *not* included in the education of customers on the  
27 implementation of TOU rates. The above-referenced *Order* plainly states that the elimination  
28 of the discounted rate plans is to coincide with the implementation of TOU rates.

29 **Rate name changes and rate descriptions**

30 Q. At page 28, lines 12-15, of her Rebuttal testimony, Ms. McDonald testifies,  
31 “Notably, Evergy was unaware of any concerns raised by Staff regarding the naming  
32 conventions employed by Ameren Missouri, which were made public months before Evergy’s

1 campaign, and which very closely resembled those rate names used by Evergy.”

2 Is Ms. McDonald’s unawareness surprising?

3 A. Yes. Evergy engaged multiple outside contractors to study implementation of  
4 time-based rates at other utilities, including Ameren Missouri. In Ameren Missouri’s rate case,  
5 ER-2021-0240, a litigated issue was “Should the Company be required to change the names of  
6 its Time-of-Use rate plans?” In its *Report and Order* entered in that case, the Commission  
7 makes the following Findings of Facts:

8 8. Staff, supported by Public Counsel, take issue with the names  
9 that Ameren Missouri has chosen for marketing its time-of-use rates.  
10 Staff and Public Counsel express concern that the names are not  
11 descriptive and portray the rate schedules as money-saving opportunities  
12 without describing the risk of bill increases that may result from the rates.  
13 Staff and Public Counsel recommend adoption of more objective or  
14 informative names for Ameren Missouri’s use in education and  
15 promotional materials.

16 \* \* \*

17 10. Neither Staff, nor Public Counsel had any specific concerns  
18 about Ameren Missouri’s efforts to educate customers about time-of-use  
19 rates aside from their choice of names and an admonition to adopt less  
20 marketing and more education[.]

21 \* \* \*

22 14. The choice of names for Ameren Missouri’s time-of-use rates is  
23 important to encourage customers to explore the use of such rates with a  
24 goal of saving money on their electric bill by consuming less when  
25 electric costs are high, and more when those costs are low. The notion of  
26 saving money on their electric bill is key to getting customers to  
27 undertake the required behavior modifications. Generic names, as  
28 proposed by Staff and Public Counsel, do not attract customers to time-  
29 of-use rates since they do not suggest a savings opportunity for  
30 customers. Unless the time-of-use rates have attractive names, few  
31 people will adopt them and the very purpose of deploying time-of-use  
32 rates will be defeated.

33 \* \* \*

1           16. Customers who have received AMI meters and the subsequent  
2 rate educational materials have started to learn the rate options by name.  
3 Renaming the rate options at this time would create confusion and would  
4 set back the company's rate education efforts. Changing names would  
5 also require retraining of call center and other Ameren Missouri  
6 employees that have already been educated about the time-of-use rate  
7 options.

8           Q. Do the facts of the Ameren Missouri case cited above distinguish themselves  
9 from the Evergy case at the time Staff raised concerns with Evergy's naming choices?

10          A. Yes. While the Commission in the Ameren Missouri case was concerned that  
11 names communicating opportunities to save money was necessary to encourage opt-in time-  
12 based rate participation, Evergy's customers cannot opt-out of time-based rates. Instead of  
13 needing to encourage participation, there is a need to convey information. Additionally, the  
14 Commission in the Ameren Missouri case was concerned that customers would be confused by  
15 prospective rate plan name changes. Therefore, Staff attempted to dissuade Evergy from  
16 releasing unreasonable rate plan names, as it understood to be a central goal of the workshop  
17 process, but Evergy used those names anyway.

18          Q. The "tangible evidence that Evergy afforded Staff sufficient time to review rate  
19 names and messaging, enabling meaningful collaboration and refinement before anything was  
20 finalized and too late to make changes" Ms. McDonald cites in her Rebuttal testimony at  
21 page 28, lines 21-23, is Evergy's modification of the name "Seasonal Peak Saver" to "Standard  
22 Peak Saver," in response to Staff's feedback that the name was misleading. She testifies that  
23 "This change underscores Evergy's genuine commitment to engaging in constructive dialogue  
24 and incorporating feedback. It serves as tangible evidence that Evergy afforded Staff sufficient  
25 time to review rate names and messaging, enabling meaningful collaboration and refinement

1 before anything was finalized and too late to make changes.”<sup>48</sup> What is the current name under  
2 which Evergy markets this rate plan?

3 A. Evergy currently markets this rate plan as “Summer Peak Time Based Plan,”  
4 which is possibly more misleading than the initial “Seasonal Peak Saver,” name, in that a time-  
5 based price differential exists year round, although the names utilized in the plans vary  
6 by season.<sup>49</sup> This plan may be ideal for customers with electric space heating who should be  
7 aware of the non-summer time-based elements. The current Evergy “Rate Plan Options”  
8 webpage includes the following rate summary: “Shift energy usage to off-peak times on  
9 weekdays in the summer to get off-peak prices.” The “Learn More,” link for this rate plan  
10 provides the following copy, “Avoid peak hours on summer weekdays and pay about 2/3 less[.]  
11 The Summer Peak Time Based Plan (formerly called the Standard Peak Saver plan) features  
12 2 time periods in the summer (peak and off-peak) and 2 time periods in non-summer months  
13 (off-peak and super off-peak).”

14 However, when I filed my Direct testimony in this case, that copy stated “Summer Peak  
15 Time Based Plan [-] Only has peak pricing during the summer months[.] *Formerly called the*  
16 *Standard Peak Saver plan.* Under this rate, the time of day you use energy affects your bill.  
17 Customers who can reduce energy usage during summer (June-Sept.) peak hours of 4-8 pm on  
18 weekdays should consider this rate plan. Customers who shift energy usage to off-peak times  
19 on weekdays in the summer are rewarded with discounted rates.”

20 As I noted in my Direct testimony, the plan name and description for the “Summer Peak  
21 Time Based Plan,” is needlessly confusing. While there is, in fact, a peak period in the summer

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<sup>48</sup> McDonald Rebuttal, page 28, lines 20 – 23.

<sup>49</sup> “Peak” and “Off-peak,” in summer, and “Off-Peak” and “Super Off-Peak,” in nonsummer.

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

6 I am unaware of when Evergy made the change to the current copy, which does  
7 at least acknowledge that non-summer months do have time-based rates *if* a customer clicks to  
8 “Learn More.”

9 Q. At page 29 of Ms. McDonald’s Rebuttal testimony, lines 14-16, she testifies that  
10 “Ms. Lange's testimony suggests that Evergy should not have provided educational materials  
11 encouraging customers to shift their energy usage to off-peak times or offered tips on how to  
12 do so.” Did you so testify?

13 A. No. Ms. McDonald mistakes Staff’s criticism of Evergy’s educational materials  
14 as alarmist and misleading. Ms. McDonald’s testimony in this section continues with  
15 misleading statements such as, “I am surprised that Ms. Lange would suggest to do nothing,”<sup>50</sup>  
16 and “Ms. Lange's assertion that Evergy should not have encouraged customers to shift their  
17 energy usage or provide educational tips on TOU rates stems from her belief that some  
18 customers may save without altering their behavior. She argues against the notion of promoting  
19 behavior changes, suggesting that it may not be necessary since some customers may not need  
20 it to achieve savings under TOU rates. In her testimony, Ms. Lange expresses disagreement  
21 with the provision of educational TOU tips, indicating a preference for a more passive approach  
22 that does not actively encourage customers to modify their energy consumption habits. This

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<sup>50</sup> McDonald Rebuttal, page 30, line 13.

1 perspective implies a reluctance to advocate for behavioral changes and suggests a preference  
2 for a more hands-off approach to customer education on TOU rates.”<sup>51</sup> This is simply a  
3 mischaracterization of my testimony and the concerns Staff has raised addressing Evergy’s  
4 “education” approach.

5 Customers have been scared by Evergy’s materials to believe that they must avoid using  
6 energy during peak hours or there will be unpayable bill consequences. Regardless of long  
7 term strategies to reduce system peak or accomplish other policy objectives, in light of the  
8 chaotic response to Evergy’s materials during July 2023, the message that Evergy needed to  
9 convey to customers is that if a customer was a general service customer that customer could  
10 generally expect their electric bill to go down on time-based rates, and if the customer was a  
11 discounted heating customer, the customer could generally expect their bill to go up with the  
12 elimination of the discounted rates. These generalities are borne out in an analysis that Evergy  
13 directed be undertaken by Oracle.

14 This analysis estimated Evergy’s revenues if every ratepayer knew ahead of time which  
15 rate plan would produce the lowest rates over 12 months and then took service on those rates  
16 for 12 months. This analysis relied on the actual weather and customer usage in place for the  
17 months of July 2022 – June 2023. I have summarized the results of this analysis below:<sup>52</sup>

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<sup>51</sup> McDonald Rebuttal, page 30, lines 14 – 23.

<sup>52</sup> The elimination of the space heating discounts and the spreading of that discount to the general service customers is evident in each revenue calculation.



1

<b>Total Revenues Calculated by Oracle</b>			
Customer Class pre-transition:	General Service	Discounted Heating	Total
Current Revenue for Period	\$ 190,138,241	\$ 153,056,592	\$ 343,194,833
All move to Default Rate (RPKA)	\$ 181,791,406	\$ 157,568,014	\$ 339,359,420
All move to Two-Period (RTOU2)	\$ 185,135,715	\$ 158,088,151	\$ 343,223,866
All move to fully-predicted "best rate"	\$ 179,892,670	\$ 154,381,514	\$ 334,274,184
<b>Change in Revenues Calculated by Oracle</b>			
Customer Class pre-transition:	General Service	Discounted Heating	Total
All move to Default Rate (RPKA)	\$ (8,346,835)	\$ 4,511,422	\$ (3,835,413)
All move to Two-Period (RTOU2)	\$ (5,002,526)	\$ 5,031,559	\$ 29,033
All move to fully-predicted "best rate"	\$ (10,245,571)	\$ 1,324,922	\$ (8,920,649)
<b>% Change in Revenues Calculated by Oracle</b>			
Customer Class pre-transition:	General Service	Discounted Heating	Total
All move to Default Rate (RPKA)	-4.39%	2.95%	-1.12%
All move to Two-Period (RTOU2)	-2.63%	3.29%	0.01%
All move to fully-predicted "best rate"	-5.39%	0.87%	-2.60%

2

3

Q. Is this relationship of former rate plan with TOU impact ignored by Ms. McDonald in her discussion at page 29 through 35 of her Rebuttal testimony?

4

5

A. Yes.

6

Q. Ms. McDonald expresses concern that your Direct testimony in this Complaint focuses on the materials that Evergy first presented to customers without regard to more nuanced materials that were later distributed or were available to customers who clicked through various links. Is this a reasonable concern?

7

8

A. No. The first exposure to time-based rates of many Evergy Missouri Metro and Evergy Missouri West customers was simply the following billboard, which set off massive confusion and misinformation on social media, which Evergy was slow to address with accurate information:

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**Rate analysis tool description wording**

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Q. Ms. McDonald states at page 26, lines 9-12, of her Rebuttal testimony, that

5

“[m]any of Staff’s requests for changes were to our third-party tools, so it’s important to

6

highlight that Evergy’s ability to implement every suggestion may be limited by the

7

constraints of the software provided by our vendor.” Does this statement underscore one of

8

Staff’s main concerns?

9

A. Yes. Evergy failed to disclose key elements of its plans to Staff in a manner that

10

would allow Staff’s feedback to be incorporated. It was not reasonable for Evergy to proceed

11

with development of expensive third-party materials prior to soliciting feedback on the content

12

of those materials from Staff and other stakeholders.

13

Q. Ms. McDonald also testifies at pages 26 and 27 of her Rebuttal testimony, that

14

“[s]ome of Staff’s recommendations were concerning. For example, Ms. Lange shares in her

15

testimony (Lange. Page 58, Line 26), ‘Evergy should also consider methods to omit months

16

with this (major weather events) sort of major disruption from the rate comparison tools,’ which

17

was not possible based on the tool set Evergy purchased from the vendor. Furthermore, omitting

18

crucial data points from a customer’s billing analysis would have been inappropriate and

19

potentially misleading.” This testimony is excerpted from the January 1, 2024 “Staff Response

1 to December 18, 2023 Presentation and Requests for Additional Information.” Can you share  
2 more details concerning this suggestion?

3 A. Yes. The full quote from the “Staff Response,” which was included in my direct  
4 testimony in this case is set out below:

5 Staff recommends Evergy develop copy for its website to include with  
6 rate comparison tools discussing for effects of major weather events or  
7 atypical events to be displayed for future events comparable to Storm  
8 Uri, the Polar Vortex, or major outages. Evergy should also consider  
9 methods to omit months with this sort of major disruption from rate  
10 comparison tools.

11 Staff and Evergy discussed this topic at the December 18, 2023 meeting in significant  
12 detail. Staff’s question during the December 18 presentation was whether the rate comparison  
13 tool could be modified to include a toggle for comparing rate plans with and without a particular  
14 major weather event. Because Evergy is guiding customers to choose prospective rates based  
15 on retrospective data, and because Evergy does not provide an easy way for customers to simply  
16 view the amount of energy used day-to-day in each time period for each rate plan, Staff suggests  
17 continued exploration of a severe-weather toggle option, in which a customer has the option to  
18 replace a month containing a severe weather event with a month that customer selects of more  
19 typical usage for purposes of comparing bill impacts of various rate plans.

20 **CONCLUSION**

21 Q. Does this conclude your surrebuttal testimony?

22 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

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

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) Case No. EC-2024-0092  
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)

**AFFIDAVIT OF SARAH L.K. LANGE**

STATE OF MISSOURI )  
) ss.  
COUNTY OF COLE )

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

Further the Affiant sayeth not.

*Sarah L.K. Lange*  
\_\_\_\_\_  
SARAH L.K. LANGE

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 4<sup>th</sup> day of June 2024.

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

*D. Suzie Mankin*  
\_\_\_\_\_  
Notary Public