

*Exhibit No.:*

*Issue(s):* *Time of Use Revenue Adjustment,  
Time of Use Revenue Trackers,  
Time of Use Implementation Tracker*

*Witness:* *Sarah L.K. Lange*

*Sponsoring Party:* *MoPSC Staff*

*Type of Exhibit:* *Direct Testimony*

*Case No.:* *ER-2024-0189*

*Date Testimony Prepared:* *June 27, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**TARIFF/RATE DESIGN DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**SARAH L.K. LANGE**

**EVERGY MISSOURI WEST, INC.,**

**d/b/a Evergy Missouri West**

**CASE NO. ER-2024-0189**

*Jefferson City, Missouri*

*June 27, 2024*

**TABLE OF CONTENTS OF  
DIRECT TESTIMONY OF  
SARAH L.K. LANGE  
EVERGY MISSOURI WEST, INC.,  
d/b/a Evergy Missouri West  
CASE NO. ER-2024-0189**

1		
2		
3		
4		
5		
6		
7	EXECUTIVE SUMMARY .....	1
8	Time of Use Residential Revenue Adjustment.....	1
9	Time of Use Revenue Tracker .....	5
10	Rate Switching .....	6
11	Estimated Revenue Impacts of Rate Plan Switching .....	7
12	Uncertainty of trackable balance.....	11
13	A tracker would be duplicative of Staff’s recommended MEEIA Avoided Net Variable	
14	Revenue mechanism, if granted, in EMW’s pending MEEIA dockets.....	12
15	Revenue Recovery Risk .....	13
16	Time of Use Implementation Tracker.....	14
17	MEEIA-related Customer Materials .....	15
18	Rate Plan Names and Descriptions .....	16
19	CONCLUSION.....	36

1 **DIRECT TESTIMONY OF**

2 **SARAH L.K. LANGE**

3 **EVERGY MISSOURI WEST, INC.,**  
4 **d/b/a Evergy Missouri West**

5 **CASE NO. ER-2024-0189**

6 Q. Please state your name and business address.

7 A. My name is Sarah L.K. Lange, 200 Madison Street, Jefferson City, MO 65101.

8 Q. By whom are you employed and in what capacity?

9 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
10 an Economist for the Tariff/Rate Design Department, in the Industry Analysis Division.

11 Q. Please describe your educational and work background.

12 A. Please see Schedule SLKL-drr1.

13 **EXECUTIVE SUMMARY**

14 Q. What is the purpose of your direct testimony?

15 A. My testimony will:

- 16 1. Provide support for the testimony of Staff Expert Kim Cox with regard to  
17 calculation of residential revenues for the test year, as updated.
- 18 2. Present Staff’s review and decision making process resulting in its decision  
19 to not recommend a residential revenue tracker or other possible rate relief.
- 20 3. Provide support for the TOU education tracker balance presented in the  
21 testimony of Staff Expert Jared Giacone.

22 **TIME OF USE RESIDENTIAL REVENUE ADJUSTMENT**

23 Q. For purposes of calculating annualized and normalized revenues, how did Staff  
24 address the transition of Evergy Missouri West (“EMW”) customers to time-based rate plans?

25 A. Staff calculated revenues as though all residential customers with advanced  
26 metering infrastructure (“AMI”) meters were billed on the RPKA<sup>1</sup> rate code for the entire

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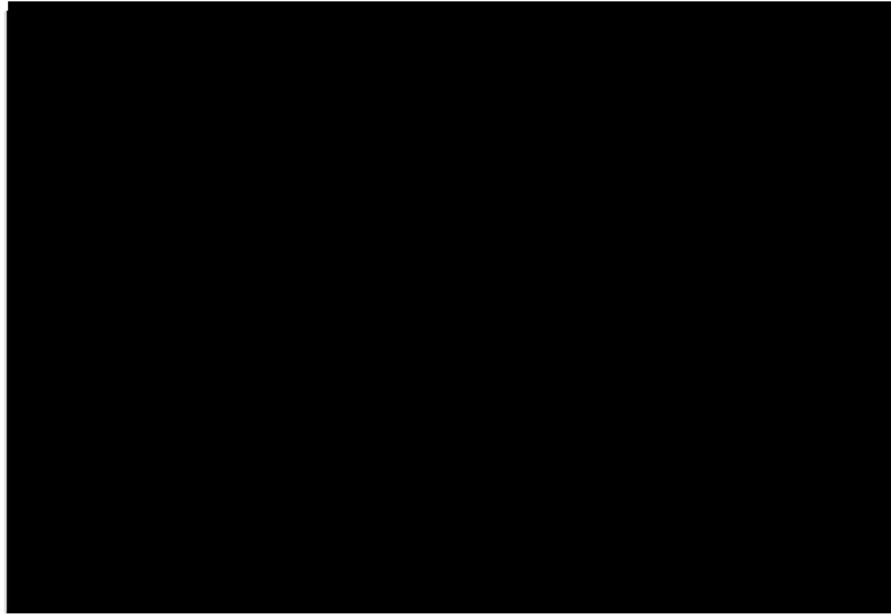
<sup>1</sup> “Residential Peak Adjustment Service”

1 period. Revenues for customers without AMI meters were calculated as though they were on  
2 the Residential General Service rate code for the entire period.

3 Q. Have you monitored the level of rate plan switching that has occurred to date?

4 A. Yes, to the extent Evergy Missouri West has been able to provide this data.<sup>2</sup>  
5 EMW has provided monthly responses to Staff Data Request (DR) No. 0002.1 in ET-2024-0061  
6 that include reporting of transactions that EMW approximates to customer counts by rate plan.  
7 Those counts, with negative gross customer amounts removed, are summarized below:<sup>3</sup>

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<sup>2</sup> Evergy's response to Staff DR No. 0002.2 in ET-2024-0061 \*\*



\*\*

In other words, the counts provided in the responses to DR No. 0002.1 in ET-2024-0061 are not literally accurate.

<sup>3</sup> There are separate rate codes within the discontinued rate plans and within the Default ToU rate plan for customers with net metering and who participate in the Solar Subscription Rider. An additional discontinued plan with low customer counts is the Residential Other plan.

1 \*\*

3 \*\*

4 Q. Has EMW provided any alternative quantifications of the level of customer  
5 participation in each rate plan?

6 A. Yes. EMW's witness Marisol Miller's workpapers include the following  
7 hard-coded slide from a presentation:

### Time of Use Rate Enrollments

*Active Customers on TOU rates as of October 13, 2023*

Rate Plan	MO West	MO Metro	Total
Nights & Weekends Max Plan (3-period/high differential)	12,947	7,153	20,100
Nights & Weekends Plan* (3-period)	7,284	5,303	12,587
Default Time Based Plan (peak adjustment charge/low diff/default)	32,973	23,504	56,477
Summer Peak Time Based Plan (2-period)	25,693	27,533	53,226
EV Only Plan (separately metered/3-period/high differential EV rate)	-	-	-
<b>Total</b>	<b>78,897</b>	<b>63,493</b>	<b>142,390</b>

\* Inclusive of pre-existing enrollments

Exhibit A - Page 1 of 1



9  
10 Q. Why didn't Staff simply normalize and annualize customer determinants and  
11 revenues for each rate plan based on the customer count per rate plan as of December 31, 2023?

12 A. Evergy's timing of filing this case results in a period in which customers are not  
13 on the time-based rates for a full year, and Evergy's data retention decisions have resulted in  
14 Evergy being unable to provide the data needed to perform weather normalization for each  
15 separate rate plan.

1 Q. Why would it be appropriate to separately estimate weather response for each  
2 rate plan?

3 A. It is reasonable to assume that customers on highly-differentiated rate plans,  
4 such as RTOU,<sup>4</sup> RTOU2,<sup>5</sup> and RTOU3<sup>6</sup> will have a different response to weather than  
5 customers on rate plans such as the default residential rate plan, RPKA,<sup>7</sup> and the discontinued  
6 General Use and Discounted Space Heating rate plans. However, EMW has not provided  
7 hourly load data separately by rate plan which would be necessary to study those responses.<sup>8</sup>

8 Q. Would it be possible, in this particular time period, to produce reasonable  
9 annualized and normalized usage and revenues even if hourly load data by rate plan were  
10 available?

11 A. No. The months of June, July, August, and September are when customers have  
12 the greatest price signal from highly-differentiated time-based rates and are likely to be  
13 divergent in weather-responsiveness based on a price signal to the extent that customers do  
14 respond to price signals. However, during the summer of 2023 there were few, if any months,  
15 in which enough customers took service on any one of these rate schedules to extrapolate their  
16 behaviors to the larger customer counts that exist on these rate plans as of December 2023.

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<sup>4</sup> “MORT” is the current rate code designation of the legacy time-based rate plan, tariff name “Residential Time of Use,” rate schedule “RTOU”, currently marketed as “Nights & Weekends Saver.”

<sup>5</sup> “MORT2” is the current rate code designation of the rate plan which was the default-ordered residential rate plan from December, 2022 – September, 2023, tariff name “Residential Time of Use Two Period, rate schedule “RTOU-2”, currently marketed as “Summer Peak Time Based Plan.”

<sup>6</sup> “MORT3” is the current rate code designation of the rate plan with the tariff name “Residential Time of Use Three Period, rate schedule “RTOU-3”, currently marketed as “Nights & Weekends Max Saver.”

<sup>7</sup> “RPKA” is the tariff designation of the current default residential plan, “Residential Peak Adjustment Service,” which has been marketed as “Peak Reward Saver,” and is now marketed as “Default Time Based Plan.” This rate plan has three rate codes, depending on whether or not a customer is net-metered or participates in a subscriber solar program. Those designations are variations of the rate code “MORPA.”

<sup>8</sup> Further, the weather responsiveness of customers who net-meter customer-side solar generation or who participate in the Subscriber Solar rider will vary in terms of the net consumption reported in billing from % in customers with usage not netted against solar generation.

1 Moreover, it is possible that these early adopters \*\* [REDACTED] \*\*<sup>9</sup>  
2 were not particularly representative of the \*\* [REDACTED] \*\*% of customers taking service on those rate  
3 plans as of December, 31, 2023.

4 Q. Is it reasonable to adjust to fully switched usage as part of true-up in this case?

5 A. No. At the time of true-up a full year of hourly usage data for customers  
6 on time-based rates will still not be available, and will not be available until  
7 approximately January 2025 or later. The months when customers on highly-differentiated  
8 Time of Use (TOU) rate plans are most likely to respond differently to weather are the months  
9 which will be absent from the true-up period, and for which few customers took service on  
10 highly-differentiated TOU rate plans during the update period – namely, July, August, and  
11 September (and, depending on timing, June). These are also the months in which customers on  
12 highly-differentiated time-based rates see the greatest potential for savings, and are at the  
13 greatest risk of relatively high bills.

14 Further, even if data was provided immediately at the conclusion of the true-up cut off,  
15 complete recreation of revenue and billing determinant annualization and normalization cannot  
16 be done in the limited time allocated for true up in this case.

17 **TIME OF USE REVENUE TRACKER**

18 Q. Has Staff considered whether it may be appropriate to track or otherwise account  
19 for the revenue impact of residential rate switching?

20 A. Yes. Staff has concluded that it would not be reasonable.

21 Q. Why not?

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<sup>9</sup> Because the counts reflect bills issued during a month, the percentage of customers for which that month's data would be available would be the percentage of customers taking service on a rate plan at the end of the prior month.

- 1           A.     There are a number of reasons.
- 2                     1. Rate switching will be minimal per existing tariff,
- 3                     2. Revenue impacts of switching appear to be in line with typical regulatory
- 4                     risks,
- 5                     3. Insufficient certainty of calculating the amount to be tracked,
- 6                     4. Interactions with Evergy Missouri West’s Missouri Energy Efficiency
- 7                     Investment Act (“MEEIA”) program:
- 8                             a. A tracker would overlap with EMW’s current and requested Net
- 9                             Throughput Disincentive (“NTD”) mechanisms in MEEIA,
- 10                            b. A tracker would be duplicative of Staff’s recommended MEEIA
- 11                            Avoided Net Variable Revenue mechanism, if granted, in EMW’s
- 12                            pending MEEIA dockets.
- 13                     5. A tracker would violate the regulatory compact by eliminating the risks for
- 14                     which Evergy’s shareholders are compensated. This is especially
- 15                     inappropriate where EMW has made “customer choice,” a centerpiece of its
- 16                     investor relations and advertising campaigns.

17 **Rate Switching**

18           Q.     What rate change frequency is allowed under Evergy Missouri West’s effective

19 tariffs?

20           A.     Generally, customers may switch between the RPKA and RTOU2 rate plans as

21 needed. However, customers who take service on RTOU or RTOU3 rate plan, and then switch

22 off, are not allowed to switch back to that rate plan for a period of one year.<sup>10</sup> However, a

23 customer could, for example, take service on MORT, switch to a different rate plan, and then

24 switch to RTOU3 within a one-year period.

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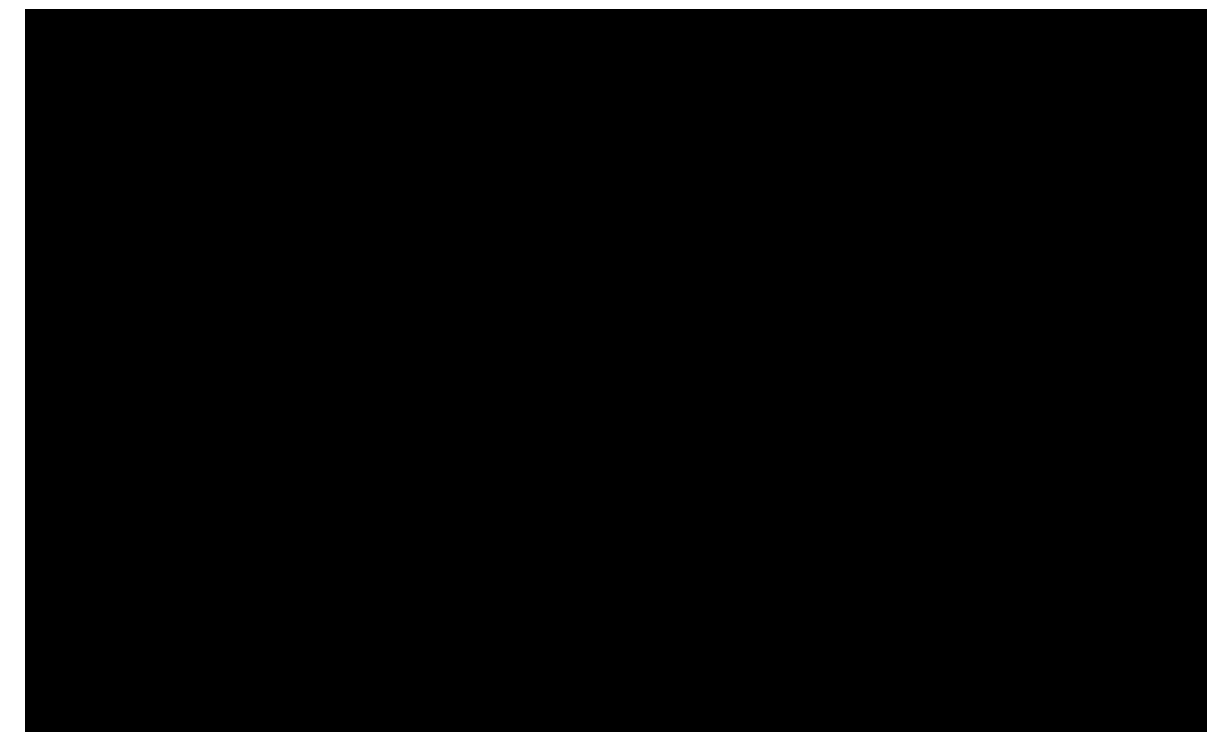
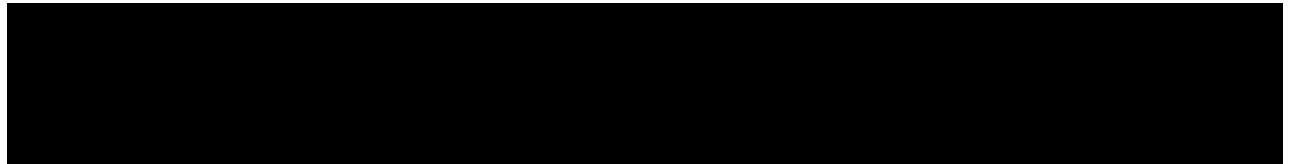
<sup>10</sup> West sheet 146.9 RTOU includes a provision that “Customers may transfer from this rate to another residential TOU rate schedule at any time, however, a Customer exiting the program will be required to wait 12 months before they will be eligible to take service under this rate.” West Sheet 165 RTOU-3 includes a provision that “Customers may transfer from this rate to another residential TOU rate schedule at any time, however, a Customer exiting the program will be required to wait 12 months before they will be eligible to take service under this rate.” West sheet 146.7 RTOU-2 includes a provision that “Contracts under this schedule shall be for a period of not less than one year from the effective date thereof, however, customers may switch their residential service to a different residential rate subject to the terms of use and provisions of those rates.” West Sheet 146.9 RPKA includes a provision that “This rate shall be available as an optional rate to customers otherwise served under the Company’s Residential Service (Schedule R) subject to the Availability and Applicability sections herein.”



1 Q. Can customers with net metering or customers who participate in the Solar  
2 Subscription Rider switch their rate plan?

3 A. No. Rate switching is not possible for those customers. The number of these  
4 customers, and the percent that these customers comprise, by month, of Evergy Missouri West's  
5 residential class, based on responses to DR No. 0002.1 in ET-2024-0061 are set out below:

6 \*\*



10 \*\*

11 **Estimated Revenue Impacts of Rate Plan Switching**

12 Q. Is it likely that Evergy Missouri West's residential customers will be able to  
13 switch rates at a level to impact EMW's earnings?

1           A.     No. Among other factors in considering whether or not to recommend a  
2 residential rate switching tracker, Staff requested and reviewed information concerning an  
3 analysis that EMW directed be undertaken by Oracle. This analysis estimated EMW's revenues  
4 if every ratepayer knew ahead of time which rate plan would produce the lowest rates over  
5 12 months and then took service on those rates for 12 months. This analysis relied on the actual  
6 weather and customer usage in place for the months of July 2022 – June 2023. I have  
7 summarized the results of this analysis below:<sup>11</sup>

8     \*\*



9  
10    \*\*

11           Q.     How does the magnitude of a \*\* [REDACTED] \*\* change in revenue compare  
12 to normalization and annualization adjustments typically applied to the residential class?

13           A.     These changes are well within the range of weather normalization factors.

14           Q.     Would you expect actual results to be more or less than those indicated by a  
15 scenario where every customer knew in advance which rate plan would produce the lowest bill  
16 and moved to that rate plan?

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<sup>11</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           A.       Actual weather and actual customer usage responses and decisions will result in  
2 different levels of revenue variation between rate plans. But, obviously, if an analyst looks  
3 back on existing customer usage to select the rate plan where each customer was on the rate  
4 plan that produces the lowest bill, that calculation will result in the lowest possible level of  
5 revenues. Because customers cannot predict future usage precisely, and may weigh the risks  
6 and potential benefits of highly-differentiated rate plans conservatively, it is reasonable to  
7 expect actual results to produce higher revenues than those modeled as “best fit,” by Oracle at  
8 EMW’s request. Essentially the Oracle “best fit” result is the lowest level of revenue possible,  
9 were all actors relying on perfect information about the future, for the particular weather and  
10 usage during the time period studied.

11           Q.       Did Oracle’s modeling at EMW’s request align with customers expressing risk  
12 aversion?

13           A.       No. In fact, the Oracle modeling requested by EMW relies on a calculation that  
14 59% of customers would have taken service on RTOU3,<sup>12</sup> the most risky rate plan, and only  
15 19% would have taken service on RPKA,<sup>13</sup> the default rate plan. As illustrated below, this  
16 assumption is divergent from the TOU rate plan utilization Ms. Miller has provided for Staff’s  
17 reference in her direct workpaper, and is also divergent from the responses to DR No. 0002.1  
18 in ET-2024-0061, as illustrated below:

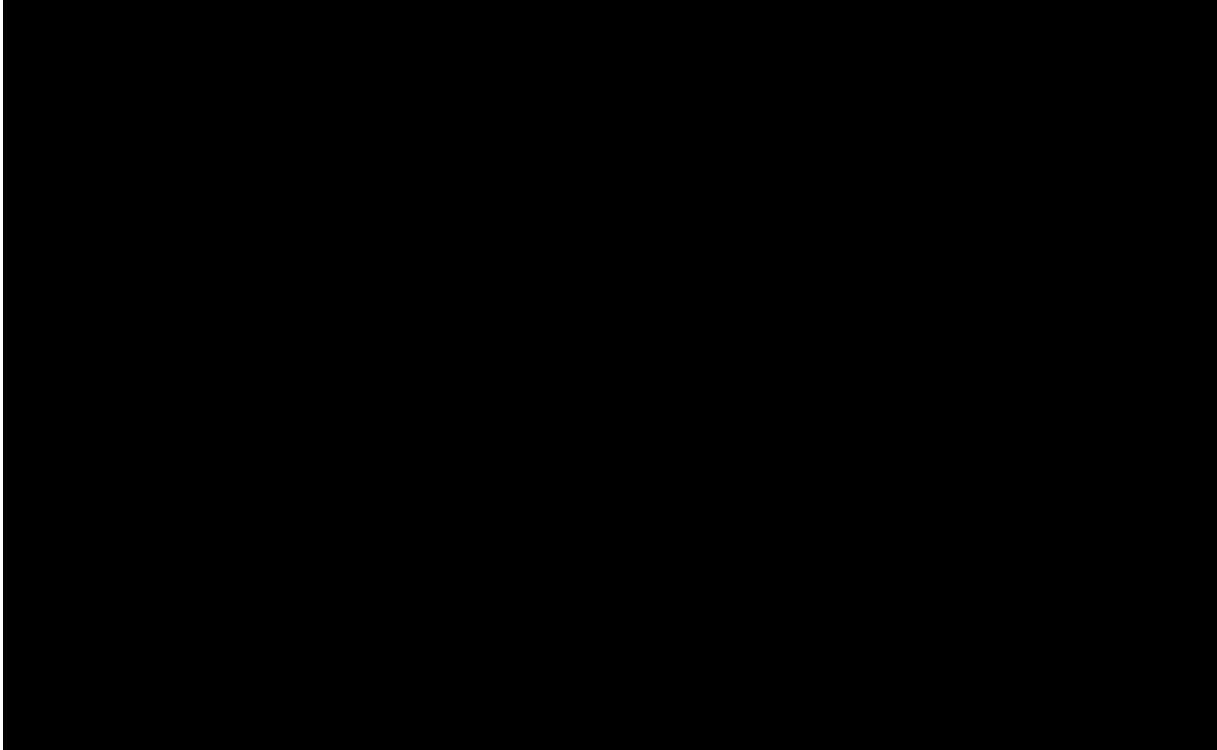
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<sup>12</sup> “MORT3” is the current rate code designation of the rate plan with the tariff name “Residential Time of Use Three Period, rate schedule “RTOU-3”, currently marketed as “Nights & Weekends Max Saver.”

<sup>13</sup> “RPKA” is the tariff designation of the current default residential plan, “Residential Peak Adjustment Service,” which has been marketed as “Peak Reward Saver,” and is now marketed as “Default Time Based Plan.” This rate plan has three rate codes, depending on whether or not a customer is net-metered or participates in a subscriber solar program. Those designations are variations of the rate code “MORPA.”

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Q. Have you reviewed on a per-kWh basis the revenue per rate plan that EMW estimated it would have received for the period of July 2022 – June 2023 had each customer been on their “best fit,” rate plan?

5

6

7

A. Yes. Even with the unlikely scenario where customers could prospectively know and utilize the “best fit,” rate plan, the per-kWh revenue received by Evergy is generally within the bounds of revenue per kWh under both the general service and discounted space heating rate plans:<sup>14</sup>

8

9

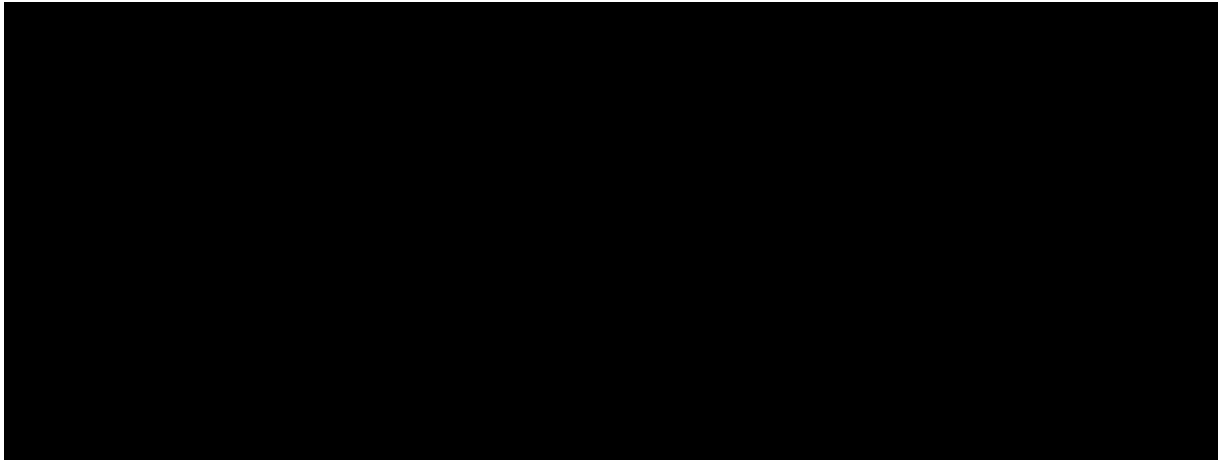
10

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<sup>14</sup> None of the results for July 2022 appear reasonable. The “best fit” results for the MORT rate plan on which over 7,000 customers take service according to Ms. Miller’s workpaper were that fewer than \*\* [REDACTED] \*\* customers were “best fit,” on this rate plan. Further, the usage levels reported indicated usage per customer of less than 100 kWh per month, which is very atypical for residential usage. Accordingly, Staff has omitted MORT “best fit” customers from this graph.

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Staff's review of the Oracle analysis indicates that for the period studied, the variation in variable energy revenue recovered between customers on the RPKA rate plan and other time-based rate plans – even if those customers had perfect information -- does not rise to the level that a tracker is necessary, even if it were otherwise reasonable.

7

8

**Uncertainty of trackable balance**

9

Q. Are trackers a specific grant of accounting authority?

10

A. Yes. When authorized, trackers record the difference between an established baseline amount, and the actual amounts incurred or experienced. For example, a vegetation management tracker may be established with a baseline amount of \$10,000,000 in vegetation management expense for each year. If the amount of actual vegetation management expense in Year 1 is \$11,000,000, then a \$1,000,000 tracker balance exists at the end of Year 1.

11

12

13

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15

Q. What would be the baseline amount for any tracking of changes in revenue associated with rate plan switching for Residential customers?

16

1           A.       Necessarily, the baseline amount for tracking changes in energy revenue among  
2 residential customers would be the energy revenue for residential customers in the development  
3 of compliance tariffs at the conclusion of the rate case.

4           Q.       Would it be reasonable to establish a counterfactual<sup>15</sup> of what energy costs and  
5 revenues would have existed but-for a customer's participation on a particular rate plan?

6           A.       No. There is not a manner to calculate what revenue Evergy would have  
7 received by assuming customers on highly-differentiated rate plans were not on  
8 highly-differentiated rate plans. Attempting to base such a counterfactual on what energy usage  
9 those customers would have had under different circumstances would not be reasonable, nor  
10 reliable, nor feasible, much less all three.

11          Q.       Does anyone else address the need for certainty in authorizing a tracker or in  
12 calculating tracker balances?

13          A.       Yes. Staff's position regarding the establishment of other trackers is addressed  
14 by Staff Expert Karen Lyons.

15 **A tracker would be duplicative of Staff's recommended MEEIA Avoided Net Variable**  
16 **Revenue mechanism, if granted, in EMW's pending MEEIA dockets.**

17          Q.       What has Staff proposed in the pending Evergy Missouri West MEEIA dockets  
18 to align ratepayer and shareholder interests with EMW's facilitation of customer-funded  
19 supply-side programs?

20          A.       Staff recommends that if the Commission authorize a Fourth MEEIA cycle for  
21 Evergy Missouri West (and Evergy Missouri Metro) that the Energy Efficiency Investment  
22 Charge (EEIC) tariff would set out the Rate Case Net Variable Revenue (RCNVR) for the

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<sup>15</sup> A counterfactual is a scenario and outcome that did not occur, instead of the scenario and outcome that did occur.

1 Residential Class and the SGS class by month. Each month, each Evergy utility will prepare a  
2 report of its actual billings, and calculate the Actual NVR (ANVR) for that month for each of  
3 the two classes. At the time of an EEIC rate change, each Evergy utility will provide as its  
4 workpapers the running difference between RCNVR and ANVR for all months for which  
5 billing is complete at that time. The difference for each class will be incorporated into the new  
6 EEIC rate for the Residential Class and the SGS Class, respectively.<sup>16</sup> My testimony proposing  
7 this mechanism in File No. EO-2023-0370 is attached as Schedule SLKL-drr2.

8 Q. What is the effect of this recommended mechanism?

9 A. Effectively, the mechanism would adjust Evergy's realized residential (and  
10 SGS) energy revenues to the amount relied upon in developing compliance tariffs in this rate  
11 case. Essentially, this would function not only as a MEEIA mechanism, but a de facto TOU  
12 rate plan switching tracker, tracking in near-real time, without need for intervening rate cases.

### 13 **Revenue Recovery Risk**

14 Q. Based on the Oracle analysis requested by EMW, as supplemented by analysis  
15 performed by Marisol Miller, for the period of July 2022 – June 2023, had all EMW customers  
16 been on the RPKA rate plan, Evergy Missouri West's residential revenues would have been  
17 \$71,362 less than the rates on which customers actually took service. A reduction of 0.78%.  
18 Does this indicate that any revenues shortfalls Evergy Missouri West may experience are  
19 caused by the Commission's order to default customers to the RPKA rate plan?

20 A. No. This indicates that the RPKA rate plan, for the period studied, produces  
21 revenues generally consistent with historic rate plan options as utilized by Evergy Missouri

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<sup>16</sup> The subsequent EEIC rate calculation will include any months for which billing was not complete at the time of the EEIC rate calculation.

1 West's residential customers. Given the relationship of the elements of the RPKA rate plan to  
2 historic residential rate plans, Staff would not expect that much more variation would be  
3 experienced regardless of the time period.

4 Q. To the extent that Evergy Missouri West experiences revenue shortfalls or  
5 overages associated with customer usage on time-based rates, is this a function of the  
6 time-based rates, or of Evergy's own decisions?

7 A. Evergy's own decisions. Evergy has made customer optionality a centerpiece  
8 of its brand, particularly with regard to time-based rate options. If customers execute on these  
9 options, revenue variances are not because of the Commission's order to default customers to  
10 a single time-based rate plan.

11 **TIME OF USE IMPLEMENTATION TRACKER**

12 Q. Did the Commission's Amended Report and Order in ER-2022-0130 authorize  
13 any tracking mechanisms related to TOU rate implementation?

14 A. Yes. The Commission issued an Amended Report and Order in Case Nos.  
15 ER-2022-0129 and ER-2022-0130 on December 8, 2022, which included at page 99,  
16 paragraph 10, "Evergy is authorized to track the education and outreach costs associated with  
17 TOU rate implementation for consideration and possible recovery in a future rate case."

18 The order also included at page 74:

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



1 Q. Did EMW appropriately engage and estimate its customers with regard to the  
2 implementation of time-based rates and the elimination of the discounted rate codes?

3 A. No. As addressed in EC-2024-0092, EMW failed to apprise customers of the rate  
4 impacts of the elimination of the discounted rate codes on all customers, and the materials that  
5 it disseminated regarding time-based rates were alarmist and misleading.

6 Additional testimony concerning time of use implementation is provided by Staff Expert  
7 Tammy Huber, and additional testimony concerning the costs deferred is provided by Staff  
8 Expert Jared Giacone. My testimony will address EMW's confusing and misleading customer  
9 materials related to time-based rate plan names and descriptions., and concerning the EMW's  
10 failure to accurately book costs related to MEEIA that occurred concurrent to the EMW  
11 time-based media and customer material campaign.

12 **MEEIA-related Customer Materials**

13 Q. Did EMW's rate plan transition education and marketing campaign include  
14 promotion and marketing for its MEEIA programs?

15 A. Yes. While EMW promoted thermostats, demand response, and other  
16 MEEIA programs in its rate plan transition materials, it did not allocate any costs for those  
17 materials or the development of those materials to its MEEIA programs. An example of  
18 MEEIA-promotional materials is attached as Schedule SLKL-drr3, and Evergy's response  
19 to Staff DR No. 0293 concerning allocation of the costs for these materials is attached as  
20 Schedule SLKL-drr4.

21 Q. Why is this problematic?



1           A.     In Evergy Missouri West’s last rate case, Case No. ER-2022-0130, EMW  
2 proposed time-based rate plans “Residential Time of Use,”<sup>20</sup> and “Residential High Differential  
3 Time of Use.”<sup>21</sup> Evergy Missouri Metro’s tariff filing initiating Case No. ER-2022-0129,  
4 YE-2022-0201, included a third rate plan, “Residential Time of Use – Two Period,”<sup>22</sup> which  
5 was inadvertently omitted from the Evergy Missouri West tariff filing. The Evergy Missouri  
6 West proposed tariff also included a rate plan denominated “Separately Metered Electric  
7 Vehicle Time of Use.”<sup>23</sup>

8           Staff is not aware that Evergy involved a consultant in the development of the rate plan  
9 names “Residential Time of Use,” Residential Time of Use – Two Period,” Residential High  
10 Differential Time of Use,” or “Separately Metered Electric Vehicle Time of Use.” To the extent  
11 outside services were retained for the development of its plan names, those expenses would  
12 have been reflected in rate case expense normalizations in Case No. ER-2022-0130.

13           Q.     Did Evergy develop its rate plan names for time-based rates as promulgated in  
14 its currently effective tariff with outside consultants?

15           A.     No. It is Staff’s understanding that these plan names were developed without  
16 outside consultants. These plan names proposed by EMW in its initial rate case are set out in  
17 the left column, and the plan names ultimately promulgated as compliance tariffs are set out  
18 below in the right column, with the addition of the Staff-designed “Residential Peak  
19 Adjustment,” rate plan:

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<sup>20</sup> Rate code, “MORT,” rate schedule “RTOU.”

<sup>21</sup> Rate code “MORT3,” rate schedule, “RTOU-3.”

<sup>22</sup> Evergy Metro “Schedule RTOU-2.”

<sup>23</sup> Rate schedule, “RTOU-EV.”

EMW Proposed Plan Names	Tariffed Rate Plan Names
Residential Time of Use	Residential Time of Use <sup>24</sup>
Residential Time of Use – Two Period	Residential Time of Use Two Period <sup>25</sup>
	Residential Peak Adjustment <sup>26</sup>
Residential High Differential Time of Use	Residential High Differential Time of Use <sup>27</sup>
Separately Metered Electric Vehicle Time of Use	Separately Metered Electric Vehicle Time of Use <sup>28</sup>

Q. How would you describe these tariffed rate plan names?

A. These rate plan names convey basic information concerning the characteristics of the rate plans, and do not include any information which could be misleading or confusing.

Q. Did Evergy elect to conduct its education and outreach using the tariffed rate plans names, or under newly-developed brand names?

A. After the tariffed names had been established Evergy elected to retain as a consulting firm \*\* [REDACTED] \*\* for the purposes outlined with the Statement of Work effective \*\* [REDACTED] \*\* which is attached as Confidential Schedule SLKL-drr5, and included as deliverables,

\*\* [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] \*\*

and the compensation schedule included there-in is set out below:

<sup>24</sup> Rate code, "MORT."

<sup>25</sup> Rate code, "MORT2"

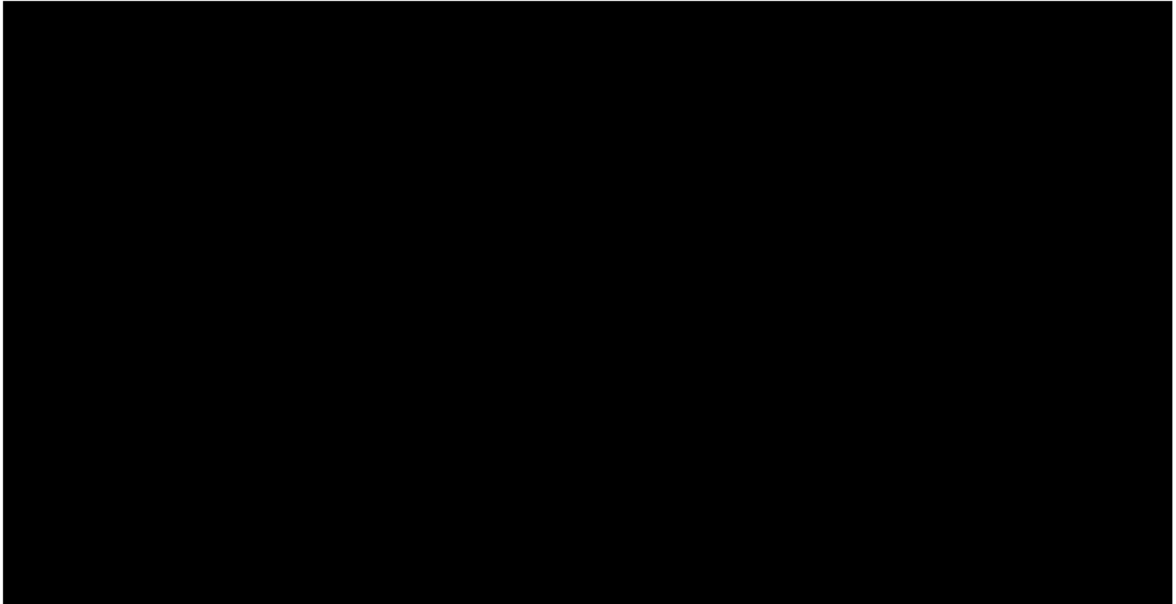
<sup>26</sup> Rate code, "MORPA," for customers who are not net metered or who are not subscriber solar customers.

<sup>27</sup> Rate code, "MORT3."

<sup>28</sup> Rate schedule, "RTOU-EV."

1

\*\*



2

3

\*\*

4

Q. Is recovery for \*\*



5

. \*\* reasonable for recovery related to Evergy Missouri West's education and outreach costs associated with TOU rate implementation?

6

7

A. No.

8

Q. What are the current names under which Evergy markets its rate plans?

9

A. Currently, in addition to the "Default Time Based Plan," Evergy markets the

10

time-based residential rate schedules under the names, "Summer Peak Time Based Plan,"

11

"Nights & Weekends Plan," and "Nights & Weekends Max Plan."

12

Q. Is the name "Summer Peak Time Based Plan" a reasonable description of

13

the plan?

14

A. No. Each of the plans include a peak period during the summer.

15

The "Summer Peak Time Based Plan," has time-based elements during both the summer and

16

non-summer seasons.

1 Q. What are the current descriptions of each rate plan?

2 A. Around the time EMW filed this rate case, Evergy's website included the  
3 following:

4 Default Time Based Plan

5 Closest to the current standard residential rate plan

6 *Formerly called the Peak Reward Saver plan.* This rate plan is closest to Evergy's past  
7 residential rate and is the default plan for residential customers. This plan has the lowest  
8 difference in price between peak hours and off-peak hours. This rate is not seasonal and applies  
9 all year. Customers who are not able to easily shift the time they use energy should consider  
10 this rate plan.

11  
12 Summer Peak Time Based Plan

13 Only has peak pricing during the summer months

14 *Formerly called the Standard Peak Saver plan.* Under this rate, the time of day you use energy  
15 affects your bill. Customers who can reduce energy usage during summer (June-Sept.) peak  
16 hours of 4-8 pm on weekdays should consider this rate plan. Customers who shift energy usage  
17 to off-peak times on weekdays in the summer are rewarded with discounted rates.

18  
19 Nights & Weekends Plan

20 Three time periods, overnight and weekend discount

21 Pay a lower price for energy during off-peak times and on weekends. It's as easy as shifting  
22 energy use away from 4-8 pm to save. This plan is designed for those who can make a larger  
23 effort to shift their energy use to overnight hours or weekends to avoid the higher prices during  
24 peak times. This means you can save more if you can plan to avoid the peak times.

25  
26 Nights & Weekends Max Plan

27 Three time periods, largest difference in price

28 This plan is a whole-home rate plan created with electric vehicle (EV) drivers in mind who  
29 want to save even more on vehicle charging without having to have an electrician install a  
30 second meter. BUT you don't have to have an EV to save.

31 Q. Do these plan names and descriptions accurately describe each rate plan?

32 A. No. The plan descriptions continue to rely on written descriptions the need to  
33 shift timing of energy consumption to save. In reality overall bill savings relative to the Default  
34 Time Based Rate Plan may result for many customers without any behavior modification.

35 The Default description states that "Customers who are not able to easily shift the time  
36 they use energy should consider this rate plan," but based on the sample bill information Evergy

1 has provided to date, most customers would receive the lowest annual bill under the  
2 “Summer Peak Time Based Plan,” without any behavior modification.

3 The plan name and description for the “Summer Peak Time Based Plan,” is needlessly  
4 confusing. While there is, in fact, a peak period in the summer billing months that does not  
5 nominally exist in non-summer billing months, the non-summer “off-peak” rate is almost  
6 double the non-summer “super off-peak” rate. For customers paying twice as much for energy  
7 used at 2 pm versus 2 am, the name of the periods is likely not of concern. The title and  
8 description could easily cause customers to conclude that no rate differential exists during  
9 non-summer months, which is inaccurate.

10 The rate names and descriptions for the Nights & Weekends Plan and the Nights &  
11 Weekends Max plan are not unreasonable.

12 Q. Are different or additional materials found on the Evergy website at the time of  
13 this filing?

14 A. Yes. The most problematic of the current descriptions is for the rate plan tariffed  
15 as Residential Time of Use -- Two Period.

16 As of June 4, 2024, Evergy’s website included the following:

17 **Summer Peak Time Based Plan**

18 *Formerly called the Standard Peak Saver plan. Only has peak pricing during the*  
19 *summer months*

- 20 • **Who's it for:** Customers who can reduce their usage during the peak time period in  
21 the summer months of June through September. If you enjoy using smart home  
22 products, like a smart thermostat or programmable appliances, and already pay  
23 attention to your energy usage, this rate option may work for you.
- 24 • **Savings level:** Some energy shifting effort and flexibility needed during the summer  
25 (June-Sept)
- 26 • **Tip:** Set your thermostat to avoid cooling during summer peak hours of 4-8 pm

1 This plan features 2 time periods in the summer (peak and off-peak) and 2 time  
2 periods in non-summer months (off-peak and super off-peak). To avoid paying a  
3 higher price for energy during the summer peak period, it will be important to shift  
4 energy usage to mornings, overnight, or weekends in the summer. The peak price  
5 occurs only during the summer months and is roughly 4 times as much as the off-peak  
6 rate. There is only a peak price during the summer months.

7 In fact, customers do not have to enjoy using smart home products and may not have to  
8 pay attention for this rate option to work for them. Customers do not have to shift energy usage  
9 away from times when cooling may be important for comfort, health, or safety, as the lower  
10 prices in places during non-peak hours mean that many customers can continue using HVAC  
11 equipment as needed without significant bill changes. The description language also fails to  
12 address the time-based rates that are in effect for eight months of the year, which is misleading  
13 to customers.

14 The written descriptions as of June 4 for the other rate plans is set out below:

#### 15 **Default Time Based Plan**

16 *Formerly called the Peak Reward Saver plan. Closest to the current standard*  
17 *residential rate, with the lowest rate difference between time periods*

- 18 • **Who's it for:** Customers who are not able to easily shift the time they use energy and  
19 are worried about the higher energy rates in the Standard Peak Saver rate plan during  
20 the peak time period from 4-8 pm
- 21 • **Savings Level:** Less savings potential, but less need to shift energy usage into off-peak  
22 time periods
- 23 • **Tip:** Earn bill credits when you shift your large appliance use overnight. Shifting  
24 energy usage from 4-8 pm will help reduce your overall bill year round

25 This rate plan is closest to Evergy's past residential rate and is the default plan for  
26 residential customers. This plan has the lowest difference in price between peak hours  
27 of 4-8 pm, and off-peak hours. This plan is not seasonal and applies all year.  
28 Customers who are not able to easily shift the time they use energy should consider  
29 this rate plan. Customers get a set rate most of the day, plus earn bill discount credits  
30 for electricity used overnight. This plan has a small increase in price from 4-8 pm on  
31 energy every day, so minimizing heavy energy usage during on-peak time period, will  
32 help reduce your bill.



### Nights & Weekends Plan

*Three time periods with different prices, with a overnight and weekend discount*

- **Who's it for:** Customers who want to save money on their energy bill by working to shift their energy usage away from 4-8pm during the weekdays
- **Savings Level:** Effort and flexibility needed to shift your usage away from the peak hours of 4-8 pm
- **Tip:** Use smart thermostats and appliance settings to shift when you use energy

This is an optional plan that features 3 time periods during the weekdays (peak, off-peak, and super off-peak) and 2 time periods on the weekends (off-peak and super off-peak). The plan offers a lower energy price overnight and during the day but also has a higher energy price during peak hours. To avoid an increase in your bill, work to shift your large appliance usage away from 4-8 pm. The three time periods are in affect all year during the weekdays, but there are no peak hours during the weekends or holidays.

### Nights and Weekends Max Plan

*Three time periods with different prices, with the highest difference in prices between time periods*

- **Who's it for:** EV drivers or flexible energy users
- **Savings level:** High effort and flexibility needed to avoid using large amounts of energy during the peak hours
- **Tip:** Schedule your EV charger and large appliances to run overnight

This optional plan is similar to the Nights and Weekends Plan with three time periods, but this plan offers a higher difference in prices between the peak times and super off-peak times. It features 3 time periods during the weekdays (peak, off-peak, and super off-peak) and 2 time periods on the weekends (off-peak and super off-peak).

Designed with EV drivers in mind, this plan offers a very low energy price overnight but also has the highest cost for energy during the weekday peak hours of 4-8 pm. If you can avoid the peak hours and shift usage of your large appliances to overnight, you can save money. The three time periods are in affect all year during the weekdays, but there are no peak hours during the weekends or holidays.

Q. Under what names did Evergy market the rate plans during its “education” campaign?

A. Evergy used the names “Standard Peak Saver,” “Peak Reward Saver,” “Night & Weekends Saver,” and “Nights and Weekends Max Saver,” until approximately mid October 2023.

1 Q. Is “Saver,” a meaningful descriptor for these rate plans?

2 A. No, “Saver,” does not provide useful information to customers. Using the same  
3 word, “Saver,” to describe each rate plan conveys no information to distinguish the plans.

4 Q. What promotional language did Evergy use to describe each rate plan in its  
5 “Rate Education Reports?”

6 A. During the TOU education phase, Evergy used the following:

7 **Standard Peak** *No Peak pricing for 8 months of the year*

8 To save, shift your energy use away from weekday Peak hours in the  
9 summer (June – Sept.)

10 **Peak Reward** *Earn discount credits*

11 Keep your electricity use low during Peak hours and earn discount  
12 credits by using large appliances during Super Saver hours

13 **Nights & Weekends** *Lower overnight prices*

14 To save, schedule your smart thermostat and large appliances to run  
15 during Saver and Super Saver hours.

16 **Nights & Weekends Max** *Lowest overnight prices*

17 To save, charge your EV overnight and set your large appliances to run  
18 during Super Saver hours.

19 Q. Does the then “Standard Peak” plan have time-based pricing all year-round?

20 A. Yes.

21 Q. Do customers on the then “Peak Reward” plan need to keep use low during  
22 peak hours?

23 A. No. Nor do those customers need to use large appliances during Super Saver hours.

24 Q. Do customers on the Nights & Weekends plan need to schedule thermostats and  
25 large appliances to experience bill reductions?

26 A. No.

1 Q. Do customers on Nights & Weekends Max need to have an EV?

2 A. No.

3 Q. When did Staff first communicate to Evergy's Staff's concerns with Evergy's  
4 education plans?

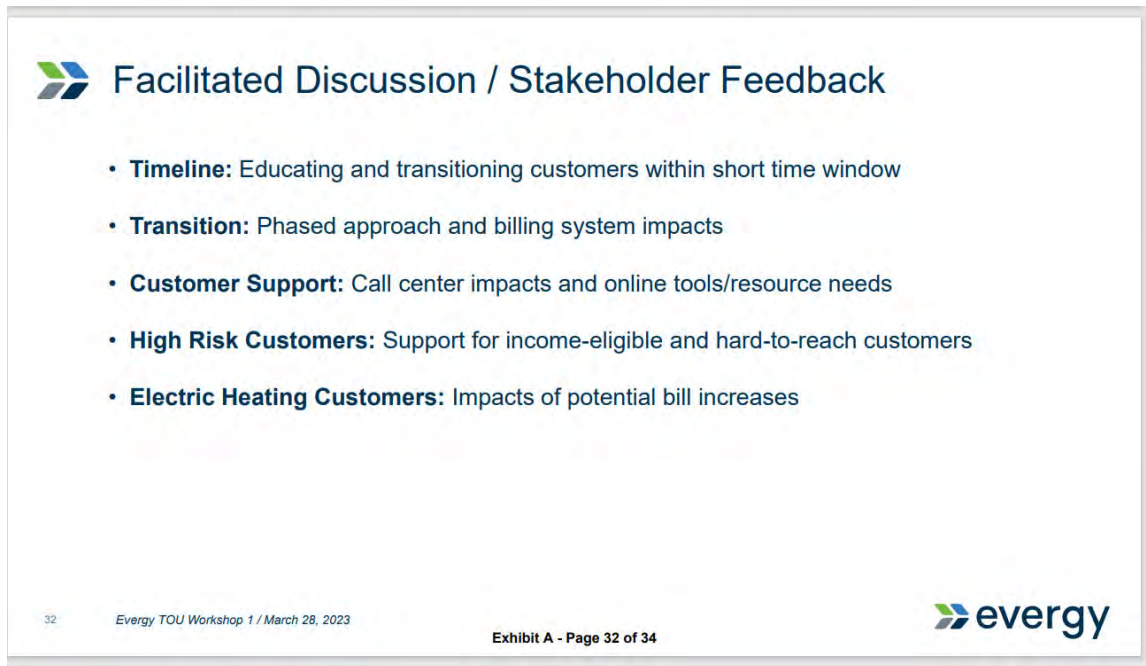
5 A. On March 28, 2023, Evergy held a workshop in File No. EW-2023-0199,  
6 *In the Matter of a Collaborative Workshop for Customer Education and Outreach Regarding*  
7 *the Introduction of Default Time-of-Use Rates by Evergy Metro, Inc. d/b/a Evergy Missouri*  
8 *Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West* ("Workshop Docket"),  
9 presenting the slides attached as Schedule SLKL-drr6. The presentation included, inter alia,  
10 the following slides:  
11



## Customer Marketing and Education RFP Timeline


	Milestone	Tentative Completion Date
<input checked="" type="checkbox"/>	RFP Sent Out to Potential Agencies	February 8, 2023
<input checked="" type="checkbox"/>	Proposal Responses Due	February 27, 2023
<input checked="" type="checkbox"/>	Proposal Review	March 2023
	Stakeholder Discussion and Input	March 28, 2023
	Selection Process and Strategy Development	April 2023
	Strategy Review with Stakeholders	May 2023

1



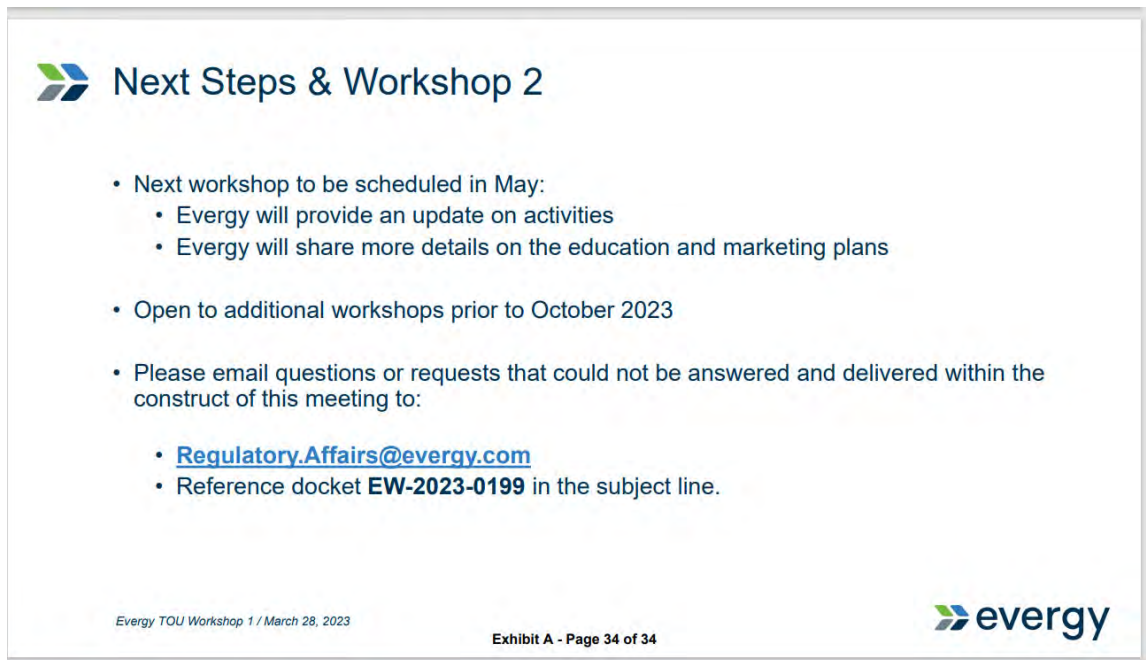
**Facilitated Discussion / Stakeholder Feedback**

- **Timeline:** Educating and transitioning customers within short time window
- **Transition:** Phased approach and billing system impacts
- **Customer Support:** Call center impacts and online tools/resource needs
- **High Risk Customers:** Support for income-eligible and hard-to-reach customers
- **Electric Heating Customers:** Impacts of potential bill increases

32      Evergy TOU Workshop 1 / March 28, 2023      Exhibit A - Page 32 of 34      


2

3



**Next Steps & Workshop 2**

- Next workshop to be scheduled in May:
  - Evergy will provide an update on activities
  - Evergy will share more details on the education and marketing plans
- Open to additional workshops prior to October 2023
- Please email questions or requests that could not be answered and delivered within the construct of this meeting to:
  - [Regulatory.Affairs@evergy.com](mailto:Regulatory.Affairs@evergy.com)
  - Reference docket **EW-2023-0199** in the subject line.

Evergy TOU Workshop 1 / March 28, 2023      Exhibit A - Page 34 of 34      

4

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6

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Although limited time was afforded for “Facilitated Discussion/Stakeholder Feedback,” Staff stated its concerns that a workshop would be needed prior to May, and that opportunity for review of draft education and marketing plans was needed. During this discussion Evergy

1 disclosed that it expected that it would begin to “educate” customers approximately 90 days  
2 prior to the transition to default time-based rate schedules.

3 Staff formally presented its concerns in its April 14, 2023 filing, “Staff Response  
4 to March 28, 2023 Presentation and Requests for Additional Information,” attached as  
5 Schedule SLKL-drr7. It included,

6 -Staff’s recommendation that education be provided earlier than contemplated by Evergy,

7 -Staff’s recommendation that the education provided to customers, include, at a  
8 minimum, “the default rate and the full-range of the optional rates that a customer can  
9 choose. However, information on the default rate should take priority if there other timing  
10 limitations due to the number of optional rates in effect. The primary focus should be on  
11 educating customers of the bill impacts expected under default ToU rate, and education  
12 on how rate applies to customers’ usage. Care must be taken that marketing of optional  
13 rates does not distract from education on the default rate.”

14 -Staff’s suggestion that Evergy begin “including a line on customer bills as soon as it is  
15 possible to do so stating essentially ‘Your current rate plan will no longer be available  
16 beginning in late 2023. Please keep an eye out for further information concerning this  
17 important change. Information concerning your expected bill impact based on your  
18 current usage pattern will be available online at WEBSITE, beginning in  
19 MONTH/DATE. Starting with your MONTH bill, information concerning your expected  
20 bill impacts and usage patterns will be included on your bill.’ Staff suggests then  
21 including a line on customer bills as soon as it is possible to do so stating essentially  
22 “Your current bill this month was \$xx.xx. In late 2023 you will be transitioned to the  
23 2 Part ToU Rate Plan, unless you select a different optional Time Based rate plan. If you  
24 had been on the 2 Part ToU Rate Plan this month, your bill would have been \$xx.xx.”

25 - Staff’s suggestion that “Evergy consider whether different and/or additional information  
26 should be provided to customers currently served on discounted rates, such as space  
27 heating, and net metering customers.”

28 - Staff’s concern that “Slide 22 mentions ‘focus on price discount,’ Staff is concerned  
29 that this is not the most reasonable aspect to emphasize under the circumstances and time  
30 constraints of this case.”

31 - Staff requested that Evergy identify the marketing names it was considering for each  
32 rate plan.

33 On 4/26/2023, Evergy filed its “Evergy Response to Staff’s Concerns, Feedback, and  
34 Request for Additional Information.” That response included, inter alia,

1 - “We agree with Staff’s suggestion and approach that the default TOU rate and the TOU  
2 rate options should be presented in customer education material. Evergy will create an  
3 education campaign that is designed to help customers understand the default TOU rate,  
4 enable success to manage their usage and bill, and share other TOU rate options. This  
5 approach will empower the customer to choose a rate option that best fits the customer’s  
6 lifestyle. We believe that prior MPSC orders and Commissioners’ comments also support  
7 this approach. We appreciate and understand Staff’s concerns about possible message  
8 distraction, and we will strive to develop a campaign that will minimize distraction to  
9 customers and that will support and balance the default rate and rate choice.”

10 -“Evergy believes that Staff’s suggestion is that Evergy implement shadow billing on the  
11 customer bill. As a result of Case Nos. ER-2018-0145, ER-2018-0146 NonUnanimous  
12 Partial Stipulation and Agreement Concerning Rate Design Issues (“2018 Rate Design  
13 S&A”), Evergy has presented industry best practices to stakeholders and do not agree that  
14 using the customer bill for shadow billing is the best option to educate customers on bill  
15 impact under a different rate. In the 2018 Rate Design S&A, Evergy agreed to and  
16 completed a business case that evaluated shadow billing for the implementation of its  
17 optional 3-period TOU rate. The business case included industry research on traditional  
18 shadow billing approaches, goals of shadow billing, best practices and pitfalls. This  
19 research was presented to stakeholders. Understanding the 5 advantages of shadow billing  
20 allowed Evergy to establish goals and criteria to evaluate customer education options.  
21 Evergy recommended a shadow billing approach that included three tools - Rate  
22 Education Reports, Online Rate Analysis Tool, and Post-Enrollment Rate Coach Reports,  
23 rather than utilizing the customer bill for shadow billing. These tools are delivered  
24 strategically and cohesively to customers today (and have been since 2019) to provide  
25 personalized information that allow customers the ability to better make decisions on  
26 managing their energy. This shadow billing strategy formed the foundation for Evergy’s  
27 previous TOU engagement strategy, and Evergy plans to continue to build on these tools  
28 to implement the mandatory default TOU rate.”

29 -“ The analyses that Brattle presented at the March 28, 2023, was invaluable for Evergy  
30 and stakeholders to begin understanding the default TOU bill impact on space heating  
31 customers and vulnerable customers. These analyses are foundational for the Company to  
32 understand how it should educate these customers. Additionally, Staff has identified net  
33 metering customers as a group to provide specialized messaging. Evergy agrees that  
34 additional education and touchpoints will be needed to support some customer groups  
35 (like space heating, vulnerable and net metering customers) and, Evergy has added this to  
36 its campaign plan and approach. The Company appreciates the suggestion and looks  
37 forward to discussing this specialized messaging further at the at the May 23, 2023,  
38 workshop.”

39 -(Response to Staff concern that focus on price discount as presented on Slide 22 is not the  
40 most reasonable focus under the circumstances of this case) “Slide 22 was shared by  
41 Brattle and its observations are based on research and interviews with other jurisdictions.  
42 As stated on Slide 21, Brattle was not presenting Evergy’s TOU transition plans. Evergy

1 is evaluating these observations holistically. The Company acknowledges the concern and  
2 will address the topic further at the May 23, 2023, workshop.”

3 -“Evergy is working to develop the rate plan names that will be used in the education  
4 campaign. Evergy will be prepared to share the rate plan names during the May 23, 2023,  
5 workshop.”

6 -“Stakeholder feedback from the March 28, 2023, workshop was important and as a result,  
7 Evergy modified its proposed timeline. Evergy has brought forward its education  
8 campaign launch by approximately two months, beginning in June. Evergy’s TOU  
9 education strategy, objectives and campaign phases and timeline are detailed in  
10 Attachment A. Evergy is developing is education and engagement plan and materials,  
11 incorporating feedback provided at the workshop, and will be prepared to share with  
12 stakeholders on May 23, “Stakeholder feedback from the March 28, 2023, workshop was  
13 important and as a result, Evergy modified its proposed timeline. Evergy has brought  
14 forward its education campaign launch by approximately two months, beginning in June.  
15 Evergy’s TOU education strategy, objectives and campaign phases and timeline are  
16 detailed in Attachment A. Evergy is finalizing its deployment plans and will provide more  
17 detailed information on May 23, 2023.”

18 Q. At what point did Evergy provide Staff with Evergy’s chosen marketing names  
19 and promotion strategy?

20 A. On May 19, 2023, Evergy provided its slides for a workshop to be held on  
21 May 23, 2023, attached included the following:<sup>29</sup>

**Rate Naming**

**Naming Strategy:**  
Create clear and descriptive names for the new TOU rate plans that can be organized as a cohesive set of rate options.

**Guiding Principles:**

- Choose names that emphasize the customer benefit of TOU rate, such as “Savings”
- When possible, utilize the rate name to indicate how the rate works
- Develop names that can be linked to one another and suggest different levels of effort

New Rate Name	Description	Rate Code (Metro & West)
Seasonal Peak Saver	Default rate, w/ on-peak in Summer	1RTOU2 & MORT2
Peak Reward Saver	Credit & extra charge rate	1RPKA & MORPA
Nights & Weekends Saver	Original TOU rate, w/ 3-periods	1RTOU & MORT
Nights & Weekends Max Saver	3-period rate w/ high differential	1RTOU3 & MORT3

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<sup>29</sup> The full slide deck, including confidential slides, is included as Confidential Schedule SLKL-drr8.

1

## Campaign Creative

### Strategy:

The creative will align with the messaging and objectives of each stage of the customer journey. Starting with creating awareness, we'll gradually build understanding and consideration until the customer is ready to enroll. The new plan options will be clearly highlighted with the use of vibrant colors, and our expert support coaches will step in to guide customers seamlessly toward rate understanding.

Phase 1



Phase 2



Phase 3



Phase 4 & 5



\* Some copy and design may continue to be changed

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## Customer Default Rate Changes

Current Rate	New Default Rate	Rate Code	Rate Name
Current TOU customers	Stay on current selected rate	1RTOU & MORT	Nights & Weekends Saver
Net Meter, Solar Subscription, Low Income Solar, Parallel Gen	Residential Peak Adjustment	1RPKA & MORPA	Peak Reward Saver
All Other Rates (General, Residential Heat, Separately Metered Heat, Other)	Two Part TOU	1RTOU2 & MORT2	Seasonal Peak Saver
Non-AMI Meters	Stay on current rate	<i>Customer's Current Rate</i>	<i>Customer's Current Rate</i>

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Q. Did Staff indicate concerns with this?



1           A.     Yes.   On June 8, 2023, Staff filed its “Staff Response to May 23, 2023  
2 Presentation and Requests for Additional Information,” attached as Schedule SLKL-drr9 stating  
3 inter alia,

4           -“Staff is concerned that the names selected for rate plans, and sample promotional  
5 language provided concerning rate plans do not adequately apprise customers of the  
6 differences between rate plans, are likely to mislead customers concerning the relative bill  
7 risk of various rate plans, and fail to meaningfully educate customers concerning either the  
8 relationship between aggregated customer energy usage and the rate plan design or the  
9 relationship between individual customer energy usage and that customer’s resultant bill.”

10          -“ Staff notes that the rate plan names and sample promotional language were provided at  
11 a point in the development process that will not facilitate meaningful feedback from Staff  
12 and other stakeholders, despite Staff’s invitation that Evergy communicate with Staff  
13 between formal presentations as necessary.”

14          -“Staff notes that the direction of the promotional materials and rate plan names fails to  
15 achieve the primary focus, which should be on educating customers of the bill impacts  
16 expected under default ToU rate, and education on how the rate applies to customers’  
17 usage. Staff notes that the plan names and promotional materials focus on the potential for  
18 discounts and savings, which is not the most reasonable aspect to emphasize under the  
19 circumstances and time constraints of this case. Rather, Evergy should prioritize its  
20 educational materials to the time period prior to rate plan changes in fall of 2024, and  
21 should focus the messaging to education on the actual designs and rates of the rate plan -  
22 with particular emphasis on the default rate plan – and on warning of potential bill  
23 increases.”

24          -“Staff recommends that Evergy prioritize education of customers who will be getting  
25 seasonal or annual bill increases on the default rate plan. Staff warns against dilution of  
26 this priority education with marketing that is less educational and more corporate puffery  
27 related to “savings.” It is not necessary to educate those customers that are expected to  
28 experience seasonal and annual bill reductions due to elimination of space heating  
29 discounts. (fn: Because of the elimination of the space heating discounts, those customers  
30 who were not served on discounted rates will be experiencing reductions in revenue  
31 responsibility. This change is occurring in tandem with the transitioning of customers to  
32 the time-based rate plans.) It is Staff’s understanding that the 10 month delay in rate  
33 implementation was intended to educate customers about the potential for bill increases,  
34 and would not be necessary for customers experiencing bill reductions. However, Staff  
35 recommends that Evergy provide information about the times of day associated with higher  
36 and lower rate elements to all customers, whether or not those customers are anticipated to  
37 be automatic savers due to the elimination of the space heating discounts or those  
38 customers’ prior usage patterns.”

1 On June 23, 2023, Evergy filed “Evergy’s Reply to Staff Response to May 23, 2023  
2 Presentation and Requests for Additional Information,” attached as Schedule SLKL-drr10  
3 which included, inter alia,

4 -“**Rate Names:** In response to feedback from Staff and OPC, Evergy has modified the name  
5 of the default rate from "Seasonal Peak Saver" to "Standard Peak Saver." This change is in  
6 response to concerns expressed during Workshop #2 and aims to clarify which TOU rate is  
7 the new default plan while minimizing the emphasis on seasonal differentials. Although the  
8 Company holds a respectful difference of opinion regarding Staff’s assessment that the rate  
9 names were shared without sufficient time for substantial feedback, Evergy views altering  
10 the rate name in response to Staff’s input as a genuine commitment to actively engage in the  
11 discussion and incorporate their feedback.

12 The new rate names were developed after conducting customer research and analyzing  
13 industry comparisons. Evergy also incorporated best practices for naming based on research  
14 from ESource, a utility research organization. These best practices include emphasizing  
15 customer benefits through descriptive words or phrases, using customer-friendly  
16 terminology, employing simple language devoid of jargon, and highlighting potential cost  
17 savings. Evergy is confident that the Company’s approach aligns with these best practices.

18 Furthermore, the rate names follow similar naming structures used by peer utilities, such as  
19 Ameren Missouri, which employs "Saver" for each of their residential TOU rates;  
20 Consumers Energy, which features a "Nighttime Savers" rate; WE Energy; which uses  
21 “savings”; and Georgia Power and Alliant Energy, which utilizes the "Nights and  
22 Weekends" name description. Like these peer utilities, Evergy finds “Saver” to be an  
23 important element to the name that signals both a customer benefit and illustrates the need  
24 for customer action, such as the customer shifting usage to off-peak.”

25 -“**Updating Overarching Campaign Message and Adding More "Why" to TOU**  
26 **Materials:** During the two workshops and the Staff’s May 23rd Response, there was  
27 discussion regarding the inclusion of more prominent messaging around the rationale  
28 behind the Commission’s mandate to transition all rate plans to TOU - specifically  
29 emphasizing the significance of time-based energy usage and the price differentials at  
30 different times of the day. In response to this feedback, Evergy is adapting its campaign  
31 messaging to prioritize these "why" messages earlier in its campaign. While including a  
32 detailed explanation in every piece of educational material will not be feasible due to space  
33 limitations, the Company will make a concerted effort to incorporate more "why"  
34 statements across educational materials, starting with Phase 1.

35 Based on feedback from Staff and OPC, Evergy is including additional educational details  
36 within the messaging, enabling more detailed explanations. Evergy plans to incorporate  
37 information that highlights how the plans charge higher rates during peak times and lower  
38 rates during off-peak periods into our Phase 1 messaging, consistently reinforcing this  
39 message throughout the campaign.

40 Example: Timing is everything when it comes to energy costs. Time-based rates match the  
41 cost you pay with the cost to produce energy. With time-based rate plans, you’ll pay less

1 for energy during off-peak times, when demand for energy is lower, and more for energy  
2 used during the peak hours of 4-8 pm.”

3 Q. Evergy presented on “Evergy Mandatory Residential Customer TOU  
4 Implementation,” at an Agenda session on August 10, 2023, attached as Schedule SLKL-drr11.  
5 This included a slide noting as “Examples of adjustments made to campaign based on Staff and  
6 OPC feedback” that Evergy “Modified the name of the default rate from "Seasonal Peak Saver"  
7 to "Standard Peak Saver. "" Under what name does Evergy currently market this name?

8 A. Evergy currently markets this name as “Summer Peak Time Based Plan,” which  
9 is problematic, as discussed above.

10 Q. On September 8, 2023, in File No. ET-2024-0061, Evergy filed its *Application*  
11 *for Approval of Tariff Revisions to Time-of-Use Program, Request for Waiver of 60 Day Notice*  
12 *Requirement, and Motion for Expedited Treatment*, which included, under the heading “Notice  
13 of Rate Plan Name Changes,”

14 While the Company is not required or seeking approval from the  
15 Commission to change the brand name of its various tariffed rate plans,  
16 the Company is providing notice that it intends to modify the name for  
17 certain rate plans. The Company proposal to change the default rate from  
18 the Commission’s previously ordered high differential 2-period TOU  
19 rate to the low differential Peak Adjustment TOU rate necessitates a  
20 change to the name of the rate plans in order to avoid future confusion  
21 on which rate is the standard or default rate. In order to be more  
22 descriptive for customers who are choosing their rate plans, Evergy  
23 proposes to change the names of (1) the high differential 2-period TOU  
24 rate from “Standard Peak Saver” to “Summer Peak Time Based Plan”  
25 and (2) the low differential Peak Adjustment TOU rate from “Peak  
26 Reward Saver” to “Default Time Based Plan.” This also addresses some  
27 stakeholder feedback so each name describes the rate option without  
28 emphasizing a “savings” aspect for the rate since other TOU rate options  
29 are likely to result in larger savings if customers modify their usage  
30 behavior. In addition, in the event that the Commission approves  
31 continuation of the traditional residential rate structure as a rate plan  
32 option, the Company intends to name this rate plan the “Anytime Plan”.

33 Did this filing provide inaccurate information?

1           A.     Yes. On September 15, 2023, Staff filed “Staff’s Interim Recommendation,”  
2 attached as Schedule SLKL-drr12, noting, inter alia, that Evergy’s efforts to date have  
3 misled customers to believe that time-based charges on this plan will exist only during summer  
4 months, and caused substantial confusion through emphasis on “savings” and a claim of a  
5 Missouri-wide electric rate changes.

6                     And

7                     Please note that if the Commission approves Evergy’s request to change  
8 the default TOU rate plan, Staff supports changing the name of “Peak  
9 Reward Saver” to “Default Time Based Plan.” However, Staff does not  
10 support Evergy’s efforts to rename the high differential 2-period TOU  
11 rate from “Standard Peak Saver” to “Summer Peak Time Based Plan.”

12                    Staff notes that the “summer” description for the currently-tariffed  
13 Schedule RTOU-2, “Residential Time of Use – Two Period,” rate plan  
14 is not accurate. Evergy initially stated its intent on May 23, 2023, to  
15 brand this rate plan “Seasonal Peak Saver: You can save from October  
16 to May on discounted energy prices. From June to September you can  
17 save by avoiding using energy from 4 pm to 8 pm when energy prices  
18 peak.”

19                    Staff in its *Staff Response to May 23, 2023 Presentation and Requests*  
20 *for Additional Information*, submitted June 8, 2023, in File No.  
21 EW-2023-0199, (attached as Schedule 1) that this brand name and  
22 marketing were misleading. Specifically, Staff stated “Evergy’s proposal  
23 does not provide any indication of the time periods in play in the  
24 non-summer season. Evergy’s proposal promotes a seasonal discount  
25 although for the average customer the seasonal revenue recovery on this  
26 rate plan is equal to the seasonal revenue recovery on the Staff’s  
27 recommended transition rate design (Rate Plan B). This rate plan does  
28 not, in fact, produce a discount for all customers, and seasonal variations  
29 in pricing are subject to change in every rate case....” The name, Two  
30 Period Time of Use” is appropriate for the tariff and brand name for this  
31 plan if it is not maintained as the standard residential rate plan.

32           Q.     On September 21, 2023, Evergy filed its *Notice Regarding Time-of-Use*  
33 *Program Names*, stating, inter alia, that "in order to be more descriptive for customers who are  
34 choosing their rate plans, Evergy will change the names of (1) the high differential Residential

1 Time of Use - Two Period rate from “Standard Peak Saver” to “Summer Peak Time Based  
2 Plan” and (2) the low differential Residential Peak Adjustment Service rate from “Peak Reward  
3 Saver” to “Default Time Based Plan.”” Did Staff indicate its concerns with these names?

4 A. Yes. On September 25, 2023, Staff filed *Staff’s Second Interim Recommendation*  
5 *and Renewed Motion to Suspend*, stating, inter alia

6 In its initial Application and again in its “Notice Regarding Time-of-  
7 Use Program Names,” Evergy states that it is not required or seeking  
8 approval from the Commission to change the brand name of its various  
9 tariffed rate plans, but is providing notice that it intends to modify the  
10 name of certain rate plans.

11 If the Commission approves Evergy’s request to change the default  
12 TOU rate plan, Staff supports changing the name of “Peak Reward  
13 Saver” to “Default Time Based Plan.” However, Staff does not support  
14 Evergy’s efforts to rename the high differential 2-period TOU rate from  
15 “Standard Peak Saver” to “Summer Peak Time Based Plan.”

16 Staff notes that the “summer” description for the currently-tariffed  
17 Schedule RTOU-2, “Residential Time of Use – Two Period,” rate plan  
18 is not accurate. Evergy initially stated its intent on May 23, 2023, to  
19 brand this rate plan “Seasonal Peak Saver: You can save from October  
20 to May on discounted energy prices. From June to September you  
21 can save by avoiding using energy from 4 pm to 8 pm when energy  
22 prices peak.”

23 Staff in its *Staff Response to May 23, 2023 Presentation and*  
24 *Requests for Additional Information*, submitted June 8, 2023, in File No.  
25 EW-2023-0199 that this brand name and marketing were misleading.  
26 Specifically, Staff stated “Evergy’s proposal does not provide any  
27 indication of the time periods in play in the non-summer season.  
28 Evergy’s proposal promotes a seasonal discount although for the average  
29 customer the seasonal revenue recovery on this rate plan is equal to the  
30 seasonal revenue recovery on the Staff’s recommended transition rate  
31 design (Rate Plan B). This rate plan does not, in fact, produce a discount  
32 for all customers, and seasonal variations in pricing are subject to change  
33 in every rate case....” The name, “Two Period Time of Use” is  
34 appropriate for the tariff and brand name for this plan if it is not  
35 maintained as the standard residential rate plan.

36 Q. What did the Commission order in Case No. ET-2024-0061?

1           A.     The Commission ordered that the Residential Peak Adjustment rate schedule be  
2 the default residential rate schedule. This is consistent with Staff's initial recommended rate  
3 plan in Case No. ER-2022-0129, for which Staff recommended that minimal education would  
4 be necessary given the exposure of EMW's customers to the existing "Wait 'til 8," campaign.

5     **CONCLUSION**

6           Q.     Does this conclude your direct testimony?

7           A.     Yes it does.

