Exhibit No.:
Issue(s): *Large Power Revenue*
Witness: *Marina Stever*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Direct Testimony*
Case Nos.: *ER-2024-0189*
Date Testimony Prepared: *June 27, 2024*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

DIRECT TESTIMONY

OF

MARINA STEVER

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

CASE NO. ER-2024-0189

Jefferson City, Missouri
June 2024

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DIRECT TESTIMONY

OF

MARINA STEVER

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

CASE NO. ER-2024-0189

Q. Please state your name and business address.

A. My name is Marina Stever, 200 Madison Street, Jefferson City, MO 65101.

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

A. I am employed by the Missouri Public Service Commission ("Commission") as a Senior Research/Data Analyst for the Tariff/Rate Design Department in the Industry Analysis Division.

Q. Please describe your educational and work background.

A. I have a Master's of Science in Environmental and Natural Resource Economics from the University of Rhode Island. Additionally, I hold a Bachelor's of Science in Business Administration with a concentration in Economics from the University of Central Missouri. My work experience prior to becoming of member of the Commission Staff includes two years as an Energy Analyst at Missouri's Department of Natural Resources- Division of Energy, as well as one year as an Economic Development Specialist at Missouri's Department of Economic Development.

EXECUTIVE SUMMARY

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to provide the billed rate revenue adjustments for Evergy Missouri West's ("EMW") Large Power Service ("LPS") rate class which are applied to the update period[1] revenues experienced by the Company.

RATE REVENUES AND BILLING DETERMINANTS

Q. What are rate revenues?

A. Rate revenues are the revenues a utility earns from its customers based on rates approved by the Commission. The rates consist of a fixed customer charge and variable rates that are dependent on usage and the season. For example, an energy charge rate for the winter could be different than an energy charge rate for the summer.

Q. What are billing determinants?

A. Billing determinants are the unit of measurement of different items on a customer's bill that rates are applied to calculate the customer's total bill. Examples of billing determinants include, but are not limited to: customer charge, energy usage in kilowatt-hours ("kWh"), and demand in kilowatts ("kW").

Q. How are the billing determinants used in Staff's analysis?

A. For example, the energy charge on a LPS customer bill varies depending on the season[2] and the usage block[3] and is determined by the amount of energy used. For each customer, Staff multiplies the monthly amount of energy usage by the appropriate rate and sums the quantities, along with all other billing determinants, to determine the monthly rate revenue.

[1] Twelve months ending December 31, 2023.
[2] The summer season is June through September. The winter season is October through May.
[3] EMW's LPS energy charge is billed at the first 180 hours, the next 180 hours, and over 360 hours.

Q. How did Staff determine the rate revenue for the LPS class?

A. Staff began by calculating the test year revenue[4] based on billing determinants provided by EMW. Staff requested the billing determinants for January 1, 2023, through December 31, 2023.[5] It is important to note that a rate change went into effect on January 9, 2023. In Staff's calculations, this new rate was applied to the whole month of January and to the remaining months of the update period. Staff then calculated the revenue for the 12 months ending December 31, 2023. Staff normalizes and annualizes the billing units for the update period and then applies the appropriate rates and discounts.

Q. What is normalization?

A. Normalization adjusts a utility's billing determinants to account for unusual events that would likely not happen in future years. Accounting for extreme weather conditions is an example of normalization.

Q. What is annualization?

A. Annualization adjusts a utility's billing determinants to account for known conditions at the end of the update period as if these conditions were carried out through the entire 12-month period. Adjustments for customers that switch rates are an example of an annualization adjustment.

Q. What rate revenue adjustments did Staff make to the LPS rate class?

A. Staff made the following adjustments to the LPS rate class:

a. Update period adjustments;
b. Remove rate switchers;
c. 365 days adjustment; and
d. Missouri Energy Efficiency Investment Act ("MEEIA") adjustment.

[4] Twelve months ending June 30, 2023.
[5] Data Request Response 0144.0, *Q0144S_CONF_Large Power Actuals MO West TYE202312.*

Q. How did Staff calculate its update period adjustment?

A. As mentioned above, Staff requested the billing determinants for January 1, 2023, through December 31, 2023.[6] It is important to note that a rate change went into effect on January 9, 2023. In Staff's calculations, this new rate was applied to the whole of month of January and to the following months thereafter. Staff then calculated the revenue for the 12 months ending December 31, 2023. The update period adjustment is the difference of billed usage and revenue through December 31, 2023, compared to the billed usage and revenue through the 12 months ending June 30, 2023.

Q. What rate switcher adjustment did Staff make?

A. During the update period, one customer switched from LPS to the Large General Service ("LGS") rate class. To adjust for this change Staff removed the customer billing units and revenue from the LPS rate class and added them to the LGS rate class[7].

Q. How did Staff calculate the 365 Days and MEEIA adjustment?

A. The need for a 365-Days Adjustment stems from the fact that calendar months and revenue months do not often cover the same period of time. As the name suggests, calendar months begin on the first day of the month and end on the last day of the month. Revenue months coincide with when a utility reads a customer's meter and issues the customer a bill. For example, a bill for the revenue month of February may cover usage from the calendar months of January and February. With that being said, a revenue year may contain more than or less than 365 days of usage. For example, if the revenue month of February accounts for 30 days, then that would exceed the number of days for the calendar month of February. For this

[6] Data Request Response 0144.0, *Q0144S_CONF_Large Power Actuals MO West TYE202312*
[7] Staff witness Kim Cox provides testimony on the customer being added to the LGS rate class.

reason, Staff determines an annualization adjustment to bring the revenue year usage (kWh) into a 365-day interval. In order to do so, Staff calculates a 365-Days factor by determining the difference in the customer's actual days of service from 365 days and dividing that by 365 days. This fraction is then multiplied by the customer's kWh for the year to yield the 365-days kWh. The sum of the actual kWh and the 365-days kWh is divided by the actual kWh giving Staff the days adjustment factor to apply to all energy usage in the rate class.

Staff witness Hari Poudel provided the monthly MEEIA kWh adjustments for applicable LPS customers.

Q. Once the LPS adjustments were completed, what did Staff do with the results?

A. Staff provided the LPS revenue and usage adjustments to Staff witness Kim Cox for a full analysis of rate revenue adjustments of all of EMW's rate classes. The normalized and annualized usage was provided to Staff witness Michael Stahlman for the Net System Input ("NSI") calculation. Staff witnesses Alan Bax and Broderick Niemeier use the normalized and annualized usage to determine jurisdictional allocations. Additionally, the revenue adjustments are included in Staff witness Matthew Young's overall revenue requirement.

CONCLUSION

Q. What is your recommendation?

A. Staff recommends that the Commission assign the revenue requirement based on the rate revenue adjustments provided in Staff witness Kim Cox's testimony, as well as the billing determinants as attached[8] and as updated in true-up direct.

[8] Schedule MS-d2

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2024-0189

AFFIDAVIT OF MARINA STEVER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MARINA STEVER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Marina Stever*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

MARINA STEVER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of June 2024.

Notary Public

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

Credentials and Background of
Marina Stever

I have a Master's of Science in Environmental and Natural Resource Economics from the University of Rhode Island. Additionally, I hold a Bachelor's of Science in Business Administration with a concentration in Economics from the University of Central Missouri. My work experience prior to becoming of member of the Commission Staff includes two years as an Energy Analyst at Missouri's Department of Natural Resources- Division of Energy, as well as one year as an Economic Development Specialist at Missouri's Department of Economic Development.

I am currently employed as a Data Analyst in the Tariff/Rate Design Department of the Industry Analysis Division of the Missouri Public Service Commission Staff. I have been employed at the Missouri Public Service Commission since October 2023 and am responsible for preparing staff recommendations and ensuring that Staff presents recommendations in a neutral, independent manner to inform the Commission of Staff's position and possible alternatives.

Case Number	Company	Issues
ER-2024-0112	Ameren Missouri	RESRAM Rate Adjustment
ER-2024-0187	Ameren Missouri	MEEIA EEIC Rider Adjustment
GR-2024-0106	Liberty MNG	Rate Revenues
ER-2024-0189	Evergy Missouri West	Large Power Services Rate Revenues

LARGE POWER SERVICE	Current Rates	Billing Determinants	Current Revenue
A: CUSTOMER CHARGE			
SUMMER/WINTER			
Secondary	$ 675.46	1,794.00	$ 1,211,775.24
Primary	$ 675.46	252.00	$ 170,215.92
Substation	$ 675.46	72.00	$ 48,633.12
Transmission	$ 675.46	102.00	$ 68,896.92
B: DEMAND CHARGE			
SECONDARY-SUMMER:			
Billing Demand	$ 10.79	710,145.16	$ 7,661,045.94
Seasonal Billing Demand	$ 10.17		$ -
SECONDARY-WINTER:			
Base Billing Demand	$ 5.62	1,295,276.89	$ 7,276,865.57
Seasonal Billing Demand	$ -		
PRIMARY-SUMMER:			
Billing Demand	$ 10.47	296,448.85	$ 3,103,522.99
Seasonal Billing Demand	$ 10.47		
PRIMARY-WINTER:			
Base Billing Demand	$ 5.45	537,828.30	$ 2,931,702.09
Seasonal Billing Demand	$ -		$ -
SUBSTATION-SUMMER:			
Billing Demand	$ 10.24	229,750.86	$ 2,353,108.35
Seasonal Billing Demand	$ 10.24		
SUBSTATION-WINTER:			
Base Billing Demand	$ 5.33	381,543.03	$ 2,035,150.51
Seasonal Billing Demand	$ -		$ -
TRANSMISSION-SUMMER:			
Billing Demand	$ 10.17	129,772.80	$ 1,319,659.56
Seasonal Billing Demand	$ 10.17		
TRANSMISSION-WINTER:			
Base Billing Demand	$ 5.30	258,048.10	$ 1,366,364.67
Seasonal Billing Demand	$ -		$ -
C: ENERGY CHARGE			
SECONDARY-SUMMER:			
Energy			
0-180 hrs use per month	$ 0.0545	125,790,427.04	$ 6,849,288.75
181-360 hrs use per month	$ 0.0429	123,620,701.48	$ 5,299,619.47
361+ hrs use per month	$ 0.0376	109,620,575.31	$ 4,120,637.43
SECONDARY-WINTER:			
Base Energy			
0-180 hrs use per month	$ 0.0508	224,436,136.96	$ 11,408,088.84
181-360 hrs use per month	$ 0.0400	218,457,748.29	$ 8,736,125.35
361+ hrs use per month	$ 0.0351	189,046,378.93	$ 6,629,856.51
Seasonal Energy	$ 0.0327	5,687,638.00	$ 186,213.27
PRIMARY-SUMMER:			

Energy			
0-180 hrs use per month	$ 0.0528	53,302,400.64	$ 2,813,833.73
181-360 hrs use per month	$ 0.0415	53,154,095.14	$ 2,208,021.11
361+ hrs use per month	$ 0.0364	51,871,227.68	$ 1,889,150.11
PRIMARY-WINTER:			
Base Energy			
0-180 hrs use per month	$ 0.0493	96,443,601.12	$ 4,754,669.54
181-360 hrs use per month	$ 0.0388	96,330,756.05	$ 3,736,670.03
361+ hrs use per month	$ 0.0340	91,261,800.08	$ 3,102,901.20
Seasonal Energy	$ 0.0319	2,912,748.37	$ 93,004.06
SUBSTATION-SUMMER:			
Energy			
0-180 hrs use per month	$ 0.0513	41,178,669.12	$ 2,113,289.30
181-360 hrs use per month	$ 0.0404	41,178,669.12	$ 1,664,030.02
361+ hrs use per month	$ 0.0354	44,504,370.56	$ 1,575,454.72
SUBSTATION-WINTER:			
Base Energy			
0-180 hrs use per month	$ 0.0485	68,603,651.14	$ 3,327,277.08
181-360 hrs use per month	$ 0.0382	68,552,041.77	$ 2,615,945.91
361+ hrs use per month	$ 0.0335	78,892,595.98	$ 2,638,957.34
Seasonal Energy	$ 0.0316	1,140,304.45	$ 36,022.22
TRANSMISSION-SUMMER:			
Energy			
0-180 hrs use per month	$ 0.0523	19,758,441.92	$ 1,034,156.85
181-360 hrs use per month	$ 0.0412	17,213,862.36	$ 709,038.99
361+ hrs use per month	$ 0.0361	15,320,577.61	$ 553,226.06
TRANSMISSION-WINTER:			
Base Energy			
0-180 hrs use per month	$ 0.0473	37,503,998.14	$ 1,772,813.99
181-360 hrs use per month	$ 0.0372	34,707,193.01	$ 1,290,760.51
361+ hrs use per month	$ 0.0326	39,756,209.72	$ 1,295,654.87
Seasonal Energy	$ 0.0313	1,376,267.52	$ 43,104.70
D: REACTIVE DEMAND	$ 0.43	641,757.98	$ 275,955.93
E. FACILITIES CHARGE			$ -
Secondary	$ 3.22	2,309,946.72	$ 7,444,958.27
Primary	$ 2.82	1,011,008.64	$ 2,845,989.31
F. DISCOUNT			
Primary Discount	$ (1.00)	1,475,444.85	$ (1,475,444.85)
Customer Revenue Share	$ 1.00	-752,318.38	$ (752,318.38)
Rollover Credit	$ 1.00	-47,686.87	$ (47,686.87)
Parallel Generation	$ 1.00	-16.70	$ (16.70)
G. Economic Development Rider			($1,236,499)
Total Revenue			$ 119,099,690.53