

Exhibit No. 61

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CCOS, Tariffs, Rate Design, AMI
Witness: Marisol E. Miller
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Testimony
Sponsoring Party: Evergy Missouri Metro / West
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2022-0129 / 0130

SURREBUTTAL & TRUE-UP DIRECT TESTIMONY

OF

MARISOL E. MILLER

ON BEHALF OF

EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

**Kansas City, Missouri
August 2022**

Table of Contents

I. INTRODUCTION	1
II. REVENUES	2
III. CCOS, REVENUE REQUIREMENT ALLOCATION, & RATE DESIGN	7
IV. TIME RELATED PRICING (“TRP”) RATE.....	18
V. TARIFF LANGUAGE & GENERAL UPDATES.....	21

SURREBUTTAL TESTIMONY

OF

MARISOL E. MILLER

Case No. ER-2022-0129 / 0130

1 **I. INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: My name is Marisol E. Miller. My business address is 1200 Main, Kansas City, Missouri
4 64105.

5 **Q: Are you the same Marisol E. Miller who submitted direct and rebuttal testimony in**
6 **these dockets?**

7 A: Yes.

8 **Q: On whose behalf are you testifying?**

9 A: I am testifying on behalf of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro
10 (“Evergy Missouri Metro” or “EMM”) and Evergy Missouri West, Inc. d/b/a Evergy
11 Missouri West (“Evergy Missouri West” or “EMW”) (collectively the “Company”).

12 **Q: What is the purpose of your surrebuttal testimony?**

13 A: The purpose of my surrebuttal testimony is to respond to concerns offered in rebuttal
14 testimony regarding Revenues, Class Cost of Service (“CCOS”), Rate Design, the Time
15 Related Pricing (“TRP”) rate, and general tariff language raised by Staff witnesses,
16 Kimberly Cox and Sarah Lange, Midwest Energy Consumer Group (“MECG”) witness

1 Kavita Maini, Missouri Industrial Energy Consumers (“MIEC”) witness Maurice
2 Brubaker, and the Office of the Public Counsel (“OPC”) witness, Geoff Marke.

3 **Q: Is your surrebuttal testimony responsive to all issues raised impacting test year**
4 **revenues, rate design, and CCOS?**

5 A: No. For adjustments impacting revenues including weather normalization, customer
6 growth, or COVID, etc., please see the surrebuttal testimony of Company witness Albert
7 Bass. For MEEIA demand adjustments, please see the surrebuttal testimony of Company
8 witness, Kimberly Winslow. For issues raised specific to the CCOS Study, please see the
9 surrebuttal testimony of Company witness Craig Brown. For issues raised regarding data
10 to support CCOS and data requested by Staff, please see the surrebuttal testimony of
11 Company witness Bradley Lutz.

12 II. REVENUES

13 **Q: Staff witness Kimberly Cox outlines concern regarding revenues. What are they?**

14 A: Ms. Cox’s testimony outlines the impact of the Company reflecting jurisdictional
15 alignment proposals in actual revenues and determinants, utilization of customer count vs.
16 bill count to reflect customer growth, and the weather normalization of parallel generation
17 and net metering customers.

18 **Q: Starting with Ms. Cox’s concerns regarding the Company reflecting proposed**
19 **jurisdictional alignment changes that would eliminate certain frozen rates in**
20 **revenues, what is the Company response?**

21 A: Though the Company took a reasonable approach in trying to reflect the proposed
22 jurisdictional alignment changes in revenues and determinants, there is neither a prescribed
23 nor perfect method. Ms. Cox states in her Rebuttal testimony that revenue and determinant

1 changes are addressed in Staff witness, Sarah Lange's Direct testimony. However, Ms.
2 Lange's Direct testimony, only addresses Staff's version of revenue impact, which is
3 limited to Residential consolidation only and it does not prescribe or describe how the
4 billing determinants get moved for final rate design. This lack of detail or understanding
5 is concerning to the Company since not reflecting the determinants could ignore the
6 revenue impact of these expected movements. For example, if the Commission was to
7 order the Company to adopt Staff's determinants and those determinants were reflective of
8 the current revenues, any shortfall/gain from the Company as a result of jurisdictional
9 alignment would be ignored and negatively impact the Company's ability to recover its
10 costs and earn its revenue requirement.

11 **Q: Since the Company is proposing broad recommendations beyond just Residential**
12 **consolidation for jurisdictional alignment, including the elimination/consolidation of**
13 **rate codes impacting Non-Residential customers, as well as, a Seasonal**
14 **adjustment/alignment in the Evergy Metro jurisdiction, could the revenue impact be**
15 **material?**

16 A: Yes. Based on Ms. Cox's rebuttal testimony, it appears that Staff recognizes that changes
17 like these will have a revenue impact. As such, the Company is willing to work with
18 Staff on a common method provided the affected revenues and associated determinants
19 are reflected in the final revenues and rate design, but Staff's proposal, as understood by
20 the Company does not work.

1 **Q: Ms. Cox’s rebuttal testimony also outlines concerns regarding customer growth and**
2 **the utilization of customer count. What is customer count and how is it used?**

3 A: The Company has used Customer/Bill Count as a proxy for customer count in all rate cases
4 since 2014 – it is based on the number of unique service agreements in the billing system
5 for each month. Staff used Customer Charge Count as a proxy for customer count in this
6 case – it is based on the number of customer charges that are billed in the billing system
7 each month.

8 Example: If a customer has a regular bill with an end date of July 2nd and a final bill
9 with an end date of July 22nd in a single month:

- 10 • The Company counts this as 1 customer.
- 11
- 12 • Staff counts this as 1.67 customers (as the customer would get billed
- 13
- 14 for 1.67 customer charges in the month of July).
- 15

16 This “customer counting,” in turn, ultimately determines the Customer Growth factor
17 which affects the use per customer (“UPC”) and normal use per customer (“NPC”) which
18 Ms. Cox recognized in her rebuttal testimony. Ms. Cox also noted the importance of
19 maintaining the accuracy of the normalization and annualization processes.

20 **Q: Has Staff consistently utilized the same methodology for counting customers and**
21 **calculating customer growth?**

22 A: No. In ER-2014-0370 and ER-2016-0285, Staff witness Michael Young used Customer/Bill
23 Count, not Customer Charge Count to calculate customer growth which was used in Staff’s
24 Direct revenue work paper for the customer growth calculation. In ER-2016-0156, Staff

1 witness Robin Kliethermes used Customer Charge Count to calculate customer growth
2 which was used in Staff’s Direct revenue work paper for the customer growth calculation.

3 Additionally, in Staff’s determination of customer growth, the time period typically
4 utilized to determine customer growth was inconsistent in this case. Staff utilized
5 November 2021 counts rather than December 2021, straying from its own typical practice
6 presumably because the December 2021 customer counts were lower than previous months
7 and would have resulted in lower normalized revenues. The Company used December 2021
8 Customer/Bill Counts which has been the consistent practice by both Staff and the
9 Company in past cases.

10 The Company agrees with Staff on the importance of consistency in data utilized.
11 The Company is willing to work with Staff in determining whether customer charge counts
12 or Customer/Bill Count (service agreement counts) constitute the correct “customer count”
13 in the normalization process; however, the Company does not agree with Staff:

- 14 • straying from the process by arbitrarily picking a different month to use as the
15 anchor for an adjustment simply because the month dictated by the process
16 produces lower Company revenues
- 17 • being inconsistent in which determinant (Customer/Bill count or Customer Charge
18 count) to use for the customer growth adjustment

19 This inconsistency conflicts with the desire to maintain accuracy of the
20 normalization and annualization processes which Ms. Cox mentions in her testimony and
21 for all of the same reasons that she outlines.

1 **Q: Does the Company have any concerns with Ms. Cox's request that the Commission**
2 **order the Company to break out Net Metering and Parallel Generation customers**
3 **into their own rate codes?**

4 A: As noted in my Rebuttal testimony, this is something that the Company is already exploring
5 to have consistency in reporting across the Missouri jurisdictions. However, Ms. Cox also
6 stated that she believed Net Metered and Parallel Generation Customers kwh should not be
7 weather normalized. Company witness Albert Bass provides surrebuttal testimony that
8 explains the Company's position and how it differs from Staff on this issue.

9 **Q: Given all of the above, do you believe Ms. Cox's concerns are valid?**

10 A: The calculation of expected revenues is important and accuracy is critical. However, Ms.
11 Cox's testimony largely just points out differences between the Company and Staff's
12 calculation of revenues. The Company has highlighted above that neither method is
13 perfect-either the Company's or Staff's. For jurisdictional alignment proposals, Ms. Cox
14 acknowledges the potential revenue impact, so we are open to the final methodology, as
15 long as revenue loss/change is recognized in both determinants and revenues so the
16 Company is able to collect its full revenue requirement resulting from these expected
17 changes. Regarding customer charge count or bill count, either could be used, but
18 consistency is important. The Company has been consistent in its method for many years
19 and Staff has been less consistent. Agreement here would limit future discussions
20 regarding an issue that should largely be a non-issue. Lastly, while we do plan to separate
21 Net Metered and Parallel Generation customers, I defer to Company witness Albert Bass

1 on the appropriateness of weather normalization adjustment for these customers which he
2 covers in his surrebuttal testimony.

3 **III. CCOS, REVENUE REQUIREMENT ALLOCATION, & RATE DESIGN**

4 **Q: Staff witness Sarah Lange offers rebuttal testimony on various topics. To which will**
5 **you be specifically responding?**

6 A: In the sections that follow, I will be providing response to testimony regarding CCOS,
7 interclass revenue shifts, rate design, the Limited Time Related Pricing Rate, Tariff
8 language changes and comments offered regarding extra time needed for implementation.

9 **Q: Staff provides extensive opinions about the Company's CCOS Study. Does the**
10 **Company have a response?**

11 A: Yes. Given Staff's convoluted statements regarding data needs and the perceived broad
12 implication of that issue and its impact to the CCOS Study and Rate Design, several
13 Company witnesses offer response. Regarding the CCOS Study and the Production Cost
14 allocation methodology used, Company witness Craig Brown offers surrebuttal testimony
15 clarifying how the Company utilized established industry methodologies in the completion
16 of the CCOS Study. He also highlights typical data provided by utilities to support cost
17 allocation and establish allocators. Bradley Lutz provides surrebuttal testimony that
18 describes the history of Missouri specific filings that included CCOS studies which utilized
19 similar Company data provided in this rate case and were useful and informative in those
20 cases. I respond regarding revenue allocation and rate design.

1 **Q: What was Staff's response to the Company's recommended application of the rate**
2 **increase by rate class?**

3 A: Based on page 16 of Staff witness Sarah Lange's rebuttal testimony, Staff deems the
4 Company's CCOS studies not reliable for recommending shifts in interclass revenue
5 responsibility.

6 **Q: Please describe what was offered by Staff regarding revenue shifts and recovery by**
7 **class.**

8 A: Staff offered the following with regards to revenue allocation and changes or "corrections"
9 made to the Company's CCOS results:

- 10 • Changed the Company's Production Cost Allocation Method from A&E 4CP to
11 A&E 4NCP
- 12 • 1% of rate base was moved from Residential, Lighting, and SGS to LGS and LPS
13 classes recalculated a return by class
- 14 • 1% of net expense was moved from Residential, Lighting, and SGS to LGS and
15 LPS classes recalculated a return by class
- 16 • 1% of rate base and 2% of net expense was moved from Residential, Lighting, and
17 SGS to LGS and LPS classes recalculated a return by class

18 **Q: Are Staff's adjustments as appropriate or reasonable?**

19 A: No. I am puzzled by Staff's rebuttal testimony primarily because Staff essentially throws
20 out the Company's CCOS study and haphazardly adjusts the Company's results to meet
21 some expected or even desired result. Staff then utilizes the adjusted results to assign
22 an increase by class.

1 **Q: Do you believe it is appropriate to completely disregard the Company’s CCOS**
2 **study?**

3 A: No, for the following reasons:

- 4 • First, Staff did not perform a full CCOS Study.¹ A lack of a full Class Cost of Service
5 Study to compare against the Company results greatly diminishes Staff’s ability to
6 provide credible evidence/contrast of any potential deficiency Staff is claiming exists
7 in the Company CCOS Study.
- 8 • Secondly, Staff provides sharp criticism regarding allocation methodologies used, but
9 fails to clarify or support their unsubstantiated claims.²
- 10 • Lastly, Staff appears to have a preconception of data availability that is not based on
11 reality or that has ever been provided to them by any Missouri utility to date.³ If the

¹ Sarah Lange Direct, pg. 3.

² ER-2022-0129 Data Request 550 and ER-2022-0130 Data Request 546 state: 2) On pg 28 of Staff’s Direct testimony, it states, “Based on this reality, and based on the relationship I have observed in other CCOS studies between the costs allocated under an Average & Excess approach versus any study approach acknowledging the existence of the SPP integrated marketplace” Please explain and elaborate what is meant by this statement with specific clarification offered on what is meant by ”approach”. Additionally, what methods or “approaches” does Staff believe acknowledges the existence of an integrated marketplace. Please provide documentation and explanation that supports Staff’s observation noted specifically in lines 4-5 of direct testimony pg. 28. That would point to their source concern. This documentation/explanation should include any analysis of comparison that would demonstrate one “method” or approach being superior or deficient.

Objection: Staff objects to these data requests as overbroad and unduly burdensome. Everygy has full access to Staff’s prior CCOS studies in EFIS. Staff also objects to these data requests to the extent it calls for additional analyses that do not exist and would have to be created.

ER-2022-0129 Data Request 546 and ER-2022-0130 Data Request 550 state: 1) On pg 27 of Staff’s Direct testimony, it’s states “...I made the decision to essentially treat these areas as though the SPP integrated marketplace does not exist, for purposes of conducting the CCOS studies in this case.” Please elaborate on this comment by listing the specific “areas” being referred to. If you’re referring to cost categories and allocation methods utilized, please list areas and the method used and method that would’ve been preferred for each and what data Staff would’ve wanted to support said allocation/allocator. Please reference/provide the specific workpapers (and specific file/tab/cell references) that point to how Staff had to “treat these areas as though the SPP integrated marketplace does not exist”. Objection: Staff objects to these data requests as vague. Subject to this objection, Staff will provide a response.

³ DR MIEC-1-3/493 “Please provide a list of all electric utilities for which staff witness Sarah Lange has conducted an in-depth. analysis of the design and operation of the distribution system and the nature and detail of records of investment and expenses that are maintained”

Response: “Staff objects to this portion of the data request 493 as Staff does not have access to utilities data and information systems as to have direct knowledge of what a given utility has or in what form. Subject to this objection,

1 crux of the concern is the Company not using specific data or methods, it would seem
2 critical that Staff size the impact to estimate the materiality of not using said methods
3 or provide evidence of how the method/data utilized by the Company is erroneous-but
4 Staff was unable to do so. Further, even if one could fathom the possibility that the
5 significant amount of data requested might provide some marginal improvement, there
6 was no evidence presented by Staff that holds any promise that the costs to obtain that
7 precision would not exceed the possible benefit-all for data that Staff has never received
8 or even heard that other utilities have provided before.

9 **Q: On page 27 of Staff witness Sarah Lange’s rebuttal testimony, she references her**
10 **Direct testimony which says that a “A robust CCOS is a reasonable guide to designing**
11 **the rates of each customer class, both in the sense of establishing the magnitude of a**
12 **given rate element within a class and the relative revenue to recover from each class”.**
13 **Do you agree with this statement?**

14 A: Yes. Specific words jump out at me in Staff’s statement including robust, guide, and
15 reasonable. Merriam Webster’s dictionary defines robust as “strongly formed or
16 constructed”, guide as “a device for steadying or directing the motion of something”, and
17 reasonable as “not extreme or excessive”.

Staff will provide its indirect understanding of what information utilities have asserted can or will be provided in past and future cases, to the extent such disclosures are not subject to general confidentiality requirements or case specific protective orders.”

DR-MIEC1-4, “At pages 31-34 of the direct testimony of staff witness Sarah Lange several data requests of staff to Evergy are set forth along with the responses. Please provide a listing of all utilities of which witness Lange is aware that maintain their records in such a way that they could provide the specific information requested in these data requests.

Response: “We are told that Ameren will be able to provide most or all of this information soon, but we have requested improved information access in each recent case.”

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1 **Q: Do you believe the CCOS study was robust?**

2 A: To avoid redundancy, I will not repeat testimony offered by Company witness Craig Brown
3 who focuses on the reasonable approaches taken in completing the Company's CCOS
4 Study, how it was based on utility general/best practices, and utilized established cost
5 allocation methods as supported by NARUC. Instead, I'll offer the data provided to
6 support the study spans various departments, multiple systems, and is firmly rooted in the
7 best data available based on the collective judgement and expertise of subject matter
8 experts across the Company responsible for key systems/data. The CCOS Study took
9 months in preparation and has utilized consistent practices utilized by Evergy, other
10 utilities, Staff, and other parties for many years in cases before the Commission. While
11 reasonable minds may disagree, this meets the criteria for being robust in my view.

12 **Q: As it relates to how a CCOS study is used in the determination of revenue requirement**
13 **recovery responsibility by class and rate design, do you think CCOS studies should**
14 **serve as a reasonable guide?**

15 A: Absolutely. I believe that the CCOS study is an important guide to be used for the
16 primary purpose of exploring the distribution of costs to the respective classes. By
17 extension, I believe that the data used and the methods to obtain data should also be
18 reasonable or "not extreme or excessive".

19 **Q: Do you believe that Staff's request for data is reasonable?**

20 A: While Company witness Bradley Lutz provides surrebuttal testimony regarding data
21 requested by Staff, I observe that Staff utilized **16** total pages of their Direct
22 testimony to describe additional data that they believed they would need to complete a
23 "robust" CCOS (pgs. 25-36 Direct 61-64). This seems excessive and extreme in the

1 amount of additional data being requested and the level of effort that will likely be
2 needed to accommodate Staff's request.

3 **Q: How does this relate to Revenues to be recovered by rate class or Rate Design**
4 **overall?**

5 A: Since Staff witness Lange completely dismisses the Company CCOS Study because it's
6 not "robust" or "precise" enough by her measure, limited comment was offered beyond
7 changing it completely.

8 **Q: Do you believe that Staff's claim that the data provided to them or that the Company**
9 **used wasn't precise enough by their measure is enough reason to throw out or dismiss**
10 **a CCOS study?**

11 A: No. First, the Company vehemently disagrees with Staff's opinion. Secondly, Staff's
12 continued characterization of precision or lack thereof appears so extreme and requiring of
13 such exactness that the Company might fathom to guess that the right level of precision
14 from Staff's view is direct assignment of all costs and the elimination of allocation
15 altogether. However, to answer the ultimate question, no, I don't believe this is a good
16 reason.

17 For rate design purposes and the determination of revenue responsibility by class,
18 CCOS study results are an important guide, but ultimately, many factors come into play
19 including bill impacts, revenue stability, rate stability and public acceptance should also be
20 considered. With that, CCOS modelers should select tried and true cost allocation
21 methodologies based on how they believe costs are incurred and use reasonable data to
22 gauge how each class of customers are contributing to the overall rate of return. Then in
23 rate design, good judgement should be used to determine how rate increases should be

1 applied, considering cost causation and other factors outlined above, etc. The expectation
2 of utilization of extremely granular data-that may not exist or be worth the effort to create-
3 and do away with allocation methods that are sufficient and widely used, all for a study
4 that is primarily meant to serve as a guide and not provide an absolute answer, seems
5 exorbitant.

6 **Q: Given all of the above, what is your ultimate recommendation regarding revenue**
7 **shifts and recovery by rate class?**

8 A: Since the Company is the only party to do a full Class Cost of Service Study utilizing
9 established methods as supported by NARUC and relying on consistent, reasonable, and/or
10 enhanced data to support allocations, I recommend that the Commission approve the
11 Company's original recommendations as laid out in my Direct testimony which relies on
12 the full results of that robust study. Those recommendations include:

13 **EMM:**

- 14 ▪ Apply approximately 136% of the jurisdictional rate increase to the
15 Residential class and CCN class
- 16 ▪ Apply approximately 75% of the jurisdictional rate increase equally to the
17 remaining classes

18 **EMW:**

- 19 • Apply approximately 128% of the jurisdictional rate increase to the
20 Residential class and CCN class
- 21 • Apply approximately 50% of the jurisdictional rate increase to the SGS
22 class
- 23 • Apply approximately 75% of the jurisdictional rate increase to the
24 remaining classes

1 **Q: On page 76 of Ms. Lange’s rebuttal, she offers testimony to address ROE risk and**
2 **includes revenue exposure based on her recommendations to further the existing**
3 **incline in Evergy’s summer energy charge blocks. What is your response?**

4 A: I will limit my response to the base recommendation of furthering the existing incline to
5 the summer energy charge blocks. The Commission should reject this recommendation
6 for two reasons. First, 90% of all Residential costs are recovered through the energy
7 charge.⁴ Increasing the incline will further jeopardize Evergy’s ability to recover their
8 fixed costs, and, increasing the incline will almost certainly have a negative impact on ROE
9 as outlined in the Direct and Surrebuttal testimony of Company witness Ann Bulkley.
10 Secondly, Staff does not know the true customer impact of their rate design proposals,
11 which folds in this change. The Company’s recommendations included a complete pull of
12 every single customers bill/usage to determine the impact of moving a customer from one
13 rate to another to reflect consolidation, and associated pricing changes for ALL Company
14 recommendations. In contrast, Staff utilized hi/low usage⁵estimates to guess customer
15 impacts for only some of their recommendations, so Staff doesn’t truly know the real
16 impact of each of their recommendations on individual customers or the combined effect
17 of all of their proposals on each customer.⁶ The customer impacts of IBR will also be
18 greatly impacted by weather and so it would seem prudent to have run sensitivity analysis
19 to understand the potential bill impacts a hot summer might have on customers under a

⁴ Brown Surrebuttal, pg.24.

⁵ Sarah Lange Direct, pg. 50-51.

⁶ Sarah Lange Direct, pg. 50, “Note the consolidated results do not incorporate ToU overlays, as these will vary significantly by customer.

1 more severe incline. There is no obvious analysis performed by Staff that appears to
2 contemplate this probable phenomenon.

3 **Q: On page 78 of Ms. Lange’s rebuttal testimony, Staff quotes my Direct testimony**
4 **acknowledging the Company as being summer peaking and the assertion that price**
5 **signals should be offered through higher pricing in the summer. Do you have a**
6 **response?**

7 A: Yes. I stand by my Direct testimony and confirm that the current and proposed summer
8 energy charges are still higher than the winter energy charges and therefore continue to
9 send the appropriate price signals acknowledging that Evergy is a summer peaking utility.

10 **Q: Staff further states in rebuttal testimony that, “Transferring revenue recovery to the**
11 **customer charge is inconsistent with the price signal that Ms. Miller should emphasize**
12 **the “peak””. What is your response?**

13 A: I believe that Staff is referring to the Company’s recommendation to increase the customer
14 charge. Given the energy charge’s seasonal differential remains, one can only surmise that
15 Staff is mixing apples and oranges in this part of testimony or just unaware of the continued
16 seasonal differential in Evergy’s Residential energy charge.

17 **Q: What is the Company’s recommendation regarding the Residential Customer**
18 **Charge?**

19 A: The Company is recommending to increase the Customer Charge to \$16.00 in both the
20 EMM and EMW jurisdictions.

21 **Q: What is the basis for the Company’s recommendation?**

22 A: The Company utilized the results of the only full CCOS study performed in this rate case
23 to inform recommended adjustment to the customer charge. Given a continued interest in

1 alignment across its Missouri jurisdictions, the Company opted to propose a consistent
2 customer charge in both EMW and EMM.

3 **Q: Is this recommendation the full recommended customer charge amount that resulted**
4 **from the CCOS study?**

5 A: No. The CCOS study, based on an equalized rate of return, would recommend EMM be
6 increased to \$28.39 and EMW be increased to \$35.94.

7 **Q: Does the Company recommendation of \$16.00 only include customer classified costs**
8 **as outlined in the CCOS study?**

9 A: Yes. I only considered customer classified costs such as meters, meter reading, records,
10 and customer service in the recommended amount. Although we would contend local
11 facilities such as the service and a portion of the distribution transformer should be part of
12 the customer charge, I have excluded these costs with this recommended amount.

13 **Q: On page 53 of Ms. Lange's rebuttal testimony, Staff offers testimony regarding**
14 **lessening the winter declines in the Residential General Use Rate codes and**
15 **Residential Space Heating Rate Codes. What is your response?**

16 A: In this case, I include a proposal to eliminate 2 meter/separately metered space heat rates
17 and move these customers to a single meter heat rate. In a future rate case, the Company
18 plans to eliminate the remaining all electric rates/heat rates in Evergy Missouri Metro and
19 Evergy Missouri West. As it did in this rate case, the Company will perform extensive bill
20 impact analysis to understand the full impact of moving these remaining approximately
21 160,000 Residential customers to the Residential General Use Rates. At that time, the
22 Company will evaluate the changes appropriate to manage the impact to these customers,
23 while maintaining the appropriate pricing/signal to recognize seasonal differences. It is

1 critical for the Company to understand the full effects of all proposals to ensure that
2 customer impact is known and managed. The Company’s ongoing plan and supporting
3 analysis will be comprehensive, so that the bill/revenue impacts are fully known and
4 understood and data to support those recommendations will include the collective
5 reflection of all proposals/recommendations rather than a partial view offered by Staff.⁷
6 As such, premature change without knowing the full effects would not be prudent.

7 **Q: On page 75 of Ms. Lange’s rebuttal testimony, Staff offered some feedback regarding**
8 **rate modernization recommendations, specific to Hours Use and Bright Lines. Are**
9 **there any aspects of Ms. Lange’s testimony that concern you?**

10 A: Yes. The Company appreciates the feedback offered, but within Ms. Lange’s testimony
11 the phrase “separate rates for each class will be superfluous and no longer necessary or
12 appropriate” is a cause for some concern. She goes on to state that implementation of her
13 proposals will result in “negating the need for class distinctions.” While it is unclear
14 exactly what Staff is proposing to the extent that the Company cannot effectively take a
15 stance, it is concerning. Without a clear understanding of how such lack of class
16 distinctions could be fair and would not promote subsidization, Evergy promotes its own
17 rate modernization proposals for approval by the Commission, which continues to
18 recognize distinct customer classes with unique usage patterns.

⁷ Sarah Lange Direct, pgs. 50-52.

1 **Q: MECG witness Kavita Maini offers rebuttal testimony⁸ regarding revenue allocation**
2 **by class and CCOS. What is the Company's response?**

3 A: I noted a good deal of alignment including agreement on the Production Cost Allocation
4 method used, as well as, reliance/support of the CCOS study performed by the Company.
5 While I continue to recommend the revenue allocations by class included in my Direct
6 testimony, as the rate case evolves, the Company is not opposed to exploring other
7 possibilities offered by MECG.

8 **Q: MIEC witness Maurice Brubaker offers rebuttal testimony regarding rate design.**
9 **What is the Company's response?**

10 A: Similar to MECG, I noted a good deal of alignment with MIEC including the observation
11 that Staff did not utilize allocation methods typically used in the industry which is
12 problematic and agreement as to the reasonableness of the CCOS study completed by the
13 Company.

14 **IV. TIME RELATED PRICING ("TRP") RATE**

15 **Q: On page 7 of Ms. Lange's rebuttal testimony, Staff characterizes their RTP proposal**
16 **as similar to the Company's. Do you agree?**

17 A: No.

18 **Q: How is Staff's proposal very different?**

19 A: The two proposals are similar only in that they attempt to draw a relationship between
20 variable hourly costs of service to the customers' hourly pricing. Beyond that possible
21 similarity, there are many differences. First, the Company is not attempting to repackage
22 a structure that was not attractive or appealing to most customers, while Staff's proposal

⁸ Kavita Maini Rebuttal, pgs. 3-4.

1 appears to largely retain elements of complexity that hindered current customer
2 participation as well as introduce new levels of complexity. Secondly, the Company is
3 attempting to emphasize simplicity and stability. Evergy's proposal is superior to Staff's
4 in that it provides constancy and predictability for customers, not to mention that it benefits
5 from a system implementation perspective, and would not come with the administratively
6 burdensome aspects of Staff's actual Day Ahead LMP proposal. Staff's proposal could
7 create wide hourly variability for customers and expose them directly to negative impacts
8 due to market volatility, which would decrease the number of customers interested in or
9 capable of taking advantage of the rate. Evergy's TRP proposal considers customer
10 feedback in its design to create a more predictable environment for customers to reap the
11 benefits of shifting load on a variable hourly structure, without exposing them to the harsh
12 realities of Day Ahead LMP's or the requirement to actively monitor energy prices and
13 adjust their operations in response.

14 **Q: Do you agree with Staff's recommendation of adding a demand charge to the Limited**
15 **Time-Related Pricing proposal?**

16 A: No. Overall, Staff appears to have misunderstood the relationship between the class costs
17 and their application to the time-based rates proposed. Power class costs, related to both
18 energy and demand, were assigned to the variable hourly energy rates for the Power Load
19 customers. Large class costs were likewise assigned. Given that the cost to serve these
20 customers is different, their respective TRP rates differ. Also, given the inclusion of
21 demand-related costs within the energy rates, inclusion of a separate demand charge, as
22 suggested by Staff, would be duplicative and result in overcharging of the participating
23 customers.

1 **Q: Do you agree with Staff's recommendation of changing the Facilities Demand**
2 **calculation of the Limited Time-Related Pricing proposal?**

3 A: No, such changes would not be prudent. The current proposal aligns with the calculation
4 of the Facilities demand charge present in all other commercial rates: isolating the peak to
5 the current 12-month period instead of extending it to a three-to-five-year period as Staff
6 proposes. Evergy's current proposal solidifies Time-Related Pricing as an extension of
7 current offerings, rather than the introduction of something wholly new, foreign, and less
8 favorable to current customers.

9 **Q: Do you agree with Staff's recommendation of adding a Reactive Demand charge to**
10 **the Limited Time-Related Pricing proposal?**

11 A: This was initially omitted out of a desire for simplicity, but it's inclusion would align with
12 the current Commercial and Industrial rates in place.

13 **Q: Do you agree with Staff's recommendation related to the energy portion of the**
14 **Limited Time-Related Pricing proposal?**

15 A: No. Staff recommends adding further complexity to the energy pricing by subdividing the
16 "Winter" season to include a shoulder of October, April, and May. The introduction of
17 another set of differing charges would only serve to complicate this rate schedule for
18 customers. The current proposal is closely tied to the real and variable costs to serve Large
19 and Power customers, while still remaining a static framework against which these
20 customers can align their usage in order to save money and decrease stress on the overall
21 system. Adding a shoulder season on top of the existing summer and winter seasons and
22 day-types would only serve to convolute, when the replacement of RTP is meant to

1 simplify the current offering, establish it as an extension of the existing Large and Power
2 rates, while still accommodating time variant rates for interested customers.

3 **V. TARIFF LANGUAGE & GENERAL UPDATES**

4 **Q: Do you agree with Staff’s interpretation of the new Residential Service language filed**
5 **by the Company?**

6 A: No. Staff seems confused about the intentions for the change and believes the new
7 language is more restrictive to Residential Other Use customers. In actuality, the
8 Company’s plan, as clearly demonstrated in the customer impact analysis in the Company’s
9 Direct filing, is to move all current Residential Other Use customers onto a Residential
10 Service rate, without any current Residential Other Use customers being subject to the
11 Small General Service rate as mistakenly speculated by Staff. However, given Staff’s
12 confusion regarding the new Residential Service language, the Company is willing to
13 mitigate concerns regarding the availability of the Residential Service rate to Residential
14 Other customers by replacing the term “ordinary farm use” with “ordinary domestic and
15 farm use” as well as adding language to clarify the acceptance of well pumps, barns,
16 machine sheds, and home workshops on the Residential Service rate. The Company hopes
17 the clarification offered above and the language modification will assuage remaining
18 concerns regarding the Company’s recommendation to expand availability of the
19 Residential Standard tariff to include Residential Other customers.

1 **Q: Both Staff and the OPC made references to the Residential Service frozen multiple**
2 **occupancy provision. Can you clarify the Company’s recommendation related to this**
3 **provision?**

4 A: Yes. When considering this recommendation, it is important to emphasize two main
5 points. First, the recommendation would transition “single metered” multiple occupancy
6 customers from the Residential Service rate to a commercial rate. An example of a “single
7 metered” multiple occupancy customer would be a building that measures usage for
8 multiple residential dwellings within the building, as well as parts of the building that serve
9 commercial purposes, on a single meter. The Company’s recommendation would not
10 impact “individually metered” multiple occupancy buildings where each residential
11 dwelling within the building has their own meter and can therefore be appropriately billed
12 on a Residential Service rate. Secondly, this recommendation only applies to 22 single
13 metered multiple occupancy customers. These customers are currently allowed to remain
14 on the Residential Service rate due to a provision that allowed customers who had been
15 served on the rate prior to June 1, 1981, to remain as such after the residential service
16 qualifications were changed to no longer provide service to this customer type. Therefore,
17 apart from the 22 customers who qualify for the frozen provision, the Company’s existing
18 tariffs already limit Residential Service to “single-occupancy private residence and

1 individually-metered, multiple occupancy residential dwellings” and consider single
2 metered multiple occupancy buildings to be commercial customers.

3 **Q: Can you respond to comments made by Staff and OPC⁹ related to the Company’s**
4 **recommendation to remove the frozen multiple occupancy provision?**

5 A: Yes. The Company takes issue with how both parties summarize the recommendation.
6 Staff describes the recommendation as “the transitioning of dormitories, nursing homes,
7 and other multiple occupancy buildings with residential purposes to SGS or MGS”. OPC
8 describes the recommendation as “designed to move dorms and nursing homes out of
9 Residential and into Small General Service”. In their interpretation of the Company’s
10 recommendation, both parties fail to distinguish between “single metered” and
11 “individually metered” multiple occupancy dwellings. The “single metered” and
12 “individually metered” distinction is the primary factor in determining whether the building
13 should be billed based on each residential dwelling or all together on a commercial rate.
14 Furthermore, there seems to be confusion as to the purpose of the recommendation. The
15 purpose of the recommendation is not to target dormitories, nursing homes, or other
16 specific types of multiple occupancy buildings. The purpose of the recommendation is to
17 apply the same qualification standards that all other customers must abide by to the 22
18 customers who currently qualify for residential service under the frozen multiple

⁹ Geoff Marke Rebuttal, pg. 29.

1 occupancy provision. As such, the comments offered by Staff and OPC appear to be
2 unnecessary.

3 **Q: On page 39 of Ms. Lange’s rebuttal testimony, Staff references a commission order**
4 **related to Empire District Electric Company. Is this order relevant to the Company’s**
5 **recommendation to remove the frozen multiple occupancy provision?**

6 A: Staff did not provide or reference any documentation to support the existence or relevance
7 of this order. Therefore, there is no reason to consider Staff’s reference as relevant to the
8 Company’s recommendation. The Company’s request to obtain and Staff’s failure to
9 provide the documentation necessary to evaluate the forementioned order is provided
10 below:

11 Question: 0545
12 In the “Rebuttal Testimony of Sarah L. K. Lange” filing on page 39, lines 19-20, a
13 reference to a customer complaint and commission order was referenced. Please
14 provide the docket number as well as any other documents to support the existence
15 of this complaint and the commission order.
16 Response:

17 The language referenced is not intended to refer to any dispositive outcome, and as
18 indicated in the referenced testimony “The transitioning of dormitories, nursing
19 homes, and other multiple occupancy buildings with residential purposes to SGS or
20 MGS is not unreasonable.” The language is intended simply to acknowledge
21 relatively recent commission interest in the matter. Response provided by Sarah
22 Lange (sarah.lange@psc.mo.gov).

23 **Q: Starting on page 40 of Ms. Lange’s rebuttal testimony, Staff recommends a list of**
24 **changes related to Residential tariffs. Does the Company agree with this list?**

25 A: No. The Company has several issues with language included and excluded from Staff’s
26 recommendation. For instance, Staff removes language from the Residential Service tariff
27 related to electric space heating as part of their recommendation to eliminate all space
28 heating rates. The Company is recommending a more gradual approach by only
29 eliminating the 2-meter space heating rate in this rate case and reevaluating the 1-meter

1 space heating rate in future cases. Given the lack of customer impact analysis to support
2 Staff's proposal, it would be reckless to transition over 160,000 customers across both MO
3 jurisdictions onto new rates without a clear understanding of the implications such a
4 recommendation would entail.

5 **Q: Are there any other concerns with Staff's recommendations regarding the Residential**
6 **Service tariff?**

7 A: Yes. In the applicability section of the tariff, Staff recommends exclusionary language that
8 reads "this schedule is not applicable for crop irrigation, commercial dairies, hatcheries,
9 feed lots, feed mills or any other commercial enterprise, or for dormitories, nursing homes,
10 or other multiple occupancy structures or customers." In the same recommendation, Staff
11 maintains the current tariff language which limits Residential Service to "single-occupancy
12 private residence and individually-metered, multiple occupancy residential dwellings." By
13 excluding multiple occupancy structures from the tariff, while also including multiple
14 occupancy residential dwellings, Staff succeeds at writing language that is contradicting
15 and difficult to interpret. In opposition to Staff, the Company only supports excluding
16 single metered multiple occupancy structures from the Residential Service rate and does
17 not wish to exclude specific types of structures such as dormitories or nursing homes as
18 Staff recommends. The Company maintains that Staff's recommendation to add language
19 to exclude dormitories, nursing homes, or other multiple occupancy structures is
20 unnecessary. The removal of the frozen multiple occupancy provision can be
21 accomplished strictly by removing language that allows customers served prior to June 1,
22 1981, to remain on the Residential Service rate, as demonstrated in the Company's
23 recommendation.

1 **Q: The Company describes a residential dwelling unit as having separate kitchen**
2 **facilities, sleeping facilities, living facilities and permanent provisions for sanitation.**
3 **Does Staff support this description?**

4 A: Staff includes the same provision in their recommendation. However, whereas the
5 Company includes the provision in the availability section of the Residential Service tariff,
6 Staff includes the provision under the Residential Single Family extension policy as part
7 of the Rules and Regulations. The Company recommends such provisions remain in the
8 availability section of the tariff, consistent with other similar language in its rate book.

9 **Q. Regarding general tariff changes or updates, do you agree with Ms. Lange's Direct**
10 **Testimony on page 5, that a number of updates are appropriate where required by**
11 **the tariff or to incorporate the ordered revenue requirement?**

12 A. Yes. MEEIA margin rates, Standby Service Rider rates, Community Solar distribution
13 service rates, Clean Charge Network rates, and any other miscellaneous rate schedules will
14 be updated to reflect the change in rates.

15 **Q. Do you agree with the statement from Ms. Lange's Direct testimony, page 61, that for**
16 **Compliance Filing, all rate schedules including Cogeneration and Community Solar**
17 **should be updated consistent with related rate schedules and that MEEIA TD should**
18 **be updated?**

19 A. No, I do not agree that all rate schedules listed should be updated and included in the Rate
20 Case Compliance Filing. For example, the Cogeneration rate schedule is required to be
21 updated in accordance with the Missouri Code of State Regulations 20 CSR 4240-3.155
22 Requirements for Electric Utility Cogeneration Tariff Filings section (4) which states
23 updates are required to be made on or before January 15 of every odd-numbered year as

1 required. I agree that the Community Solar rate schedule and the MEEIA TD will be
2 updated with the Rate Case Compliance filing, as set forth in their related rate schedule.

3 **Q: Can you discuss the request for potential “extra time” to “work through various**
4 **implementation scenarios,” in the promulgation of tariffs at the conclusion of this case**
5 **past the effective date of rates that was mentioned in Staff’s rebuttal testimony?**

6 A: Yes. Evergy’s proposals in this case will require a large effort to implement, given the
7 changes proposed and the number of customers impacted. For example, as referenced in
8 Evergy witness Kimberly Winslow’s direct testimony, many proposals can be
9 implemented at the effective date of rates, while others are known to require more time for
10 which Evergy has made request from the Commission. Given the number of customers
11 impacted by the proposals within my own testimony, transitions may need to be completed
12 by bill-cycle, due to system and workforce constraints, but would also serve as a better
13 customer experience. New changes that have not been anticipated/that are ordered in this
14 case, could warrant even more time and deviation from a normal effective date of rates
15 implementation. Given the complexity and variation from current structures and rates,
16 Staff’s current proposals would require a larger effort to implement. Likewise, the added
17 uncertainty of the final ordered proposals magnifies this issue, given the time constraint
18 between final order and the effective date of rates. While it is yet unclear how much extra
19 time may be required, considering the extent of the Company and Staff proposals, and the
20 uncertainty therein, the Company foresees a need for extra time beyond the effective date
21 of rates.

1 **Q: After consideration of all testimony offered to date, can you please summarize your**
2 **surrebuttal testimony and key recommendations?**

3 A: *Revenues*

4 1. Jurisdictional Alignment recommendations will have a revenue impact, so final
5 determinants in this case must reflect that impact.

6 ■ The Company is willing to work with stakeholders to ensure this impact is
7 properly reflected in final determinants and revenues at the conclusion of
8 the rate case.

9 2. Either Customer Bill count or Customer Charge count can be used to calculate
10 customer growth.

11 ■ The Company is willing to work with stakeholders to determine a common
12 methodology that should be used consistently.

13 ***Rate Increase by Rate Class***

14 3. The Company's CCOS study was the only full study performed in this case and
15 utilized standard allocation methodologies used across the industry and supported
16 by NARUC. As such, the results from that study can be relied upon to make
17 inter-class revenue shift recommendations.

18 4. The Company used that CCOS study to recommend the following increases by
19 class which I continue to recommend be approved:

20 **EMM:**

21 ■ Apply approximately 136% of the jurisdictional rate increase to the
22 Residential class and CCN class
23 ■ Apply approximately 75% of the jurisdictional rate increase equally to the
24 remaining classes

1 **EMW:**

- 2 ▪ Apply approximately 128% of the jurisdictional rate increase to the
3 Residential class and CCN class
4 ▪ Apply approximately 50% of the jurisdictional rate increase to the SGS
5 class
6 ▪ Apply approximately 75% of the jurisdictional rate increase to the
7 remaining classes

8 ***Rate Design***

9 5. The Company recommends an increase to the Residential customer charge in both
10 EMM and EMW to \$16.00. This recommendation is based on cost causation
11 and supported by the CCOS study and customer classified costs.

12 6. The Company does not recommend further change or incline to the summer
13 inclining block rate due to the likely negative billing impact to customers and the
14 potential harmful effect to the Company’s ability to cover its fixed costs and ROE
15 risk.

16 7. The Company completed a consolidation study, rate modernization plan,
17 jurisdictional alignment review, and collected customer feedback to propose and
18 support the following changes. These changes include:

- 19 ▪ A new TRP Rate
20 ▪ Seasonal Alignment (MO-Metro)
21 ▪ Consolidation of rates/codes
22 ▪ Elimination of End use rates
23 ▪ Future plan for a redesign of the C&I energy charge and Hour Use Rate and
24 “Bright Lines” to better define rate classes

25 8. Like the Company, Staff also supports rate consolidation and the elimination of
26 end use rates. However, Staff’s recommendations are far too prescriptive to be

1 manageable with rigid suggestions for specific rate code use.¹⁰ Additionally,
2 all of the Company recommendations are supported by full bill impacts-
3 meaning every single customer's bill was pulled for the test year and modeled to
4 understand the impact of every single change being recommended. This goes
5 further in understanding customer impacts than recommendations offered Staff
6 that only use a high/low usage assumption to estimate impact for some of their
7 recommendations.

8 9. The Company does not support any rates that removes customer choice. (e.g.
9 default TOU rates). While Company witness, Kimberly Winslow offers extensive
10 testimony on Residential TOU rates, including testimony countering Staff's
11 proposals, my summary point refers specifically to the Non-Residential TOU
12 suggested by Staff. Staff has demonstrated no basis of need for such a proposal
13 for these customers and given the broad set of customers and the unique rate
14 structures that exist across jurisdictions, much more support and analysis would
15 be needed to realistically consider such a proposal.

16 **Q: Does that conclude your surrebuttal testimony?**

17 A: Yes, it does.

¹⁰ Sarah Lange Direct, pg. 10.

TRUE-UP DIRECT TESTIMONY

OF

MARISOL E. MILLER

ER-2022-0129 / 0130

1 **Q: Please state your name and business address.**

2 A: My name is Marisol E. Miller. My business address is 1200 Main, Kansas City, Missouri
3 64105.

4 **Q: Are you the same Marisol E. Miller who submitted direct and rebuttal testimony in**
5 **these dockets?**

6 A: Yes.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro
9 (“Evergy Missouri Metro” or “EMM”) and Evergy Missouri West, Inc. d/b/a Evergy
10 Missouri West (“Evergy Missouri West” or “EMW”) (collectively the “Company”).

11 **Q: What is the purpose of your true-up direct testimony?**

12 A: The purpose of my true-up direct is explain changes made to billed revenues since the
13 Direct filing.

14 **Q: How did the Company adjust revenues for the True Up?**

15 A: The Company had included the jurisdictional alignment effects in the beginning revenues
16 along with the associated determinants in the Direct filing. However, Staff did not include
17 the adjustment for the jurisdictional alignment in its Direct and computed normalized,
18 annualized revenues through the Update period, December 31, 2021, rather than using the
19 test year, which ended June 30,2021. In an effort to align and compare to Staff revenues,

1 the Company recomputed its revenues using the year ending December 31, 2021. The
2 revenues associated with the jurisdictional alignment were added/subtracted as needed to
3 these annualized, normalized revenues at the end of the process. As previously stated in
4 surrebuttal testimony, the Company is open to collaborating with Staff regarding the best
5 way to handle the substantial number of jurisdictional alignment changes to ensure they
6 are included in the final revenues and determinants.

7 **Q: Does that conclude your true-up direct testimony?**

8 A: Yes, it does.

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

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro's Request for Authority to) Case No. ER-2022-0129
Implement A General Rate Increase for Electric)
Service)


In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West's Request for Authority to) Case No. ER-2022-0130
Implement A General Rate Increase for Electric)
Service)

AFFIDAVIT OF MARISOL E. MILLER

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

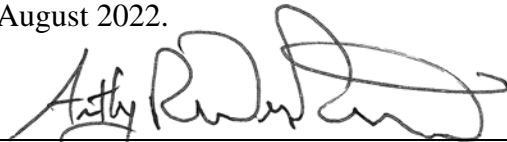
Marisol E. Miller, being first duly sworn on his oath, states:

1. My name is Marisol E. Miller. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Senior Manager – Regulatory Affairs.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal & True-Up Direct Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of thirty-two (32) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Marisol E. Miller

Subscribed and sworn before me this 16th day of August 2022.



Notary Public

My commission expires: 4/26/2025

