Exhibit No.:	
Issue(s):	*Revenues, Trackers, Rate Design*
Witness:	*Sarah L.K. Lange*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal Testimony*
Case No.:	*ER-2024-0189*
Date Testimony Prepared:	*September 10, 2024*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

SARAH L.K. LANGE

EVERGY MISSOURI WEST, INC.,

d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Jefferson City, Missouri
September, 2024

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

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

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Q. Please state your name and business address.

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

Q. Are you the same Sarah L.K. Lange who provided revenue requirement direct, rate design direct, and rebuttal testimony in this matter?

A. Yes.

EXECUTIVE SUMMARY

Q. What is the purpose of your surrebuttal testimony?

A. My testimony will respond to Evergy Missouri West, Inc., d/b/a Evergy Missouri West ("EMW") rebuttal testimony concerning the estimation of residential revenues, the EMW request to "track" residential revenues, and the tracked costs related to residential rate transition education. I will also respond to rebuttal testimony concerning the EMW class cost of service (CCOS) study and non-residential rate design. Finally, I will briefly respond to EMW's position on the billing of net metered customers.

TIME OF USE (TOU) REVENUES

Q. Ms. Marisol E. Miller testifies at page 11 of her rebuttal testimony that,

> Ms. Cox's Direct testimony referenced Staff witness Sarah Lange's Direct testimony. However, based on my review of Ms. Lange's Direct testimony, she mainly emphasized the challenges associated with Evergy's test year and update (and True-up) not reflecting

> 12 months of residential usage on time-based rates. The absence or lack of existence of data doesn't seem to support an assumption that all/majority Residential customers should be moved to RP[K]A rates in the calculation of rate case revenues.

Could you more directly state the link between these two issues?

A. Yes. For a rate case, revenues have to be determined using some set or sets of rates. The formerly-available rate plans which were not time-based are no longer available, and each of the rate plans were designed to collect different levels of revenue, however those differences are averaged out in the Residential Peak Adjustment ("RPKA") rate plan. The new highly-differentiated rates have monthly revenue-redistribution aspects not present in the RPKA rate, and require a much higher level of detail as to the hour of consumption to accurately calculate revenues. As of the end of the update period in this case, there was not a single month of billing data available with customers fully transitioned from the discontinued rate plans.

The absence or lack of existence of data absolutely supports the practical exercise of doing math using known numbers and existing rates, as opposed to doing math using unknown numbers, or doing math with rate plans that no longer exist.

Q. Can you better explain this concept?

A. Yes. What is known is that all of the rates in the prior case were designed around the average revenue recovery of the RPKA rate, which is least influenced by the timing of customer usage. The transitioning of customers to TOU rate structures does not add or take away any revenue from EMW. What is unknown, because data has not been made available, is the hourly usage of any subclass of residential customers. Therefore, with the current data available, it makes the most sense to use the RPKA rate plan for calculating residential customers revenues as the revenues it will produce are the least influenced by the timing of customer consumption, and it relies the least on data that is not available. This is also

consistent with the weather normalization of Staff witness Michael L. Stahlman who treated all residential customers as a single class because subclass data was not available.[1]

TOU REVENUE TRACKER

Q. At page 38 of his rebuttal testimony, Mr. Ronald A. Klote testifies:

> The goal of the deferrals is to reflect actual individual bill differences from class level revenue pricing established for TOU rates (reflect non-revenue neutral impacts of current and forward periods as incurred for TOU rates that were implemented) for those customers who are included in the test year and will account for customers that are new to EMW or cancel service during the respective periods.

Will this show under-recovery every single time because that rate is not revenue neutral to the time-based rates?

A. Yes. In designing rates for the compliance tariffs in ER-2022-0130, the MORG rate plan rates were set to provide an average summer $/kWh of $0.1187 per kWh, and an average non-summer $/kWh of $0.0966. The RPKA, TOU2 and TOU3 rate plans were each designed to produce average summer $/kWh of $0.1220 and a non-summer average of $0.0862. These time-based plans were designed to produce different revenue because they averaged the revenue produced by MORG and MORH. MORH was designed to provide average summer $/kWh of $0.1187, and average non-summer kWh of $0.0766.

[1] Given the ability of customers to switch rate plans, Staff will continue to monitor the data available and the reasonableness of the data available in calculating residential revenues in general rate cases for EMW and other utilities.

	Total Determinants	Total Revenue Goal	$/kWh
MORG Summer	758,085,449	$ 89,964,827	$ 0.1187
MORH Summer	529,606,815	$ 66,852,268	$ 0.1262
RPKA Summer	1,312,797,398	$ 160,132,159	$ 0.1220
TOU2 Summer	1,312,797,398	$ 160,136,515	$ 0.1220
TOU3 Summer	1,312,797,398	$ 160,131,360	$ 0.1220
MORG NonSummer	1,056,387,793	$ 102,002,698	$ 0.0966
MORH NonSummer	1,170,123,298	$ 89,647,420	$ 0.0766
RPKA NonSummer	2,279,116,086	$ 196,567,325	$ 0.0862
TOU2 NonSummer	2,279,116,086	$ 196,551,135	$ 0.0862
TOU3 NonSummer	2,279,116,086	$ 196,553,324	$ 0.0862

If every customer had used energy exactly as had been assumed in setting billing determinants and calculating rates for ER-2022-0130, and Mr. Klote's methods were applied, EMW would have still recovered total summer revenues of $1,312,797,398, and non-summer revenues of $2,279,116,086, but would also claim an additional $19 million was due to EMW as Mr. Klote proposes to calculate the requested tracker:

	$/kWh	Total Determinants	Total Revenue	Excess Recovery
RPKA/TOU2/TOU3 Summer	$ 0.1220	1,312,797,398	$ 160,132,159	
RPKA/TOU2/TOU3Non Summer	$ 0.0862	2,279,116,086	$ 196,553,324	
RPKA/TOU2/TOU3 Summer at MORG rate	$ 0.1187	1,312,797,398	$ 155,794,562	**$ (4,341,953)**
RPKA/TOU2/TOU3Non Summer at MORG rate	$ 0.0966	2,279,116,086	$ 220,066,903	**$ 23,513,578**
				$ 19,171,626

Also, the general service rate will no longer exist on the tariff sheets of EMW when new rates are promulgated in this rate case. Simply modifying the general service rate on a revenue-neutral basis in this rate case would not address changes in customer behavior discussed in my rebuttal testimony that will likely increase the overall energy sales of EMW by customers responding to EMW's highly-differentiated time-based rate plans.

Q. Mr. Klote acknowledges changes in customer behavior in his rebuttal testimony at page 39, lines 12 – 23 and page 42, lines 5 - 12. Would those changes have any other impacts on the company?

A. Yes. The sort of changes Mr. Klote references would reduce EMW's operating costs, and would reduce EMW's revenue requirement. Mr. Klote's complaint appears to be that EMW is concerned that the highly-differentiated rates that EMW proposed in the last rate case are poorly designed in that they do not align cost causation and revenue responsibility. Of note, Mr. Klote does not propose to track these changes in operating costs to offset his requested tracker. Calculation of those avoided or reduced operating costs would be incredibly difficult, but would be essential to calculate an accurate quantification of the full financial impact of time-based rates on EMW, which further supports rejection of the requested tracker.

Q. Mr. Ives testifies at page 34 of his rebuttal testimony that:

> The Company does not have adequate history to rely upon to estimate implications of TOU rates for customer behavior generally or in response to the impact of weather under the ordered TOU rates. The Company's proposed TOU rate deferral mechanism will ensure that neither a windfall nor a loss will occur as a result of the implementation of TOU rates as ordered by the Commission until such time as a general rate review can be conducted and rates developed based upon a full historical test year with TOU rates in effect. This is entirely consistent with the regulatory compact.

How does comparing bills of customers on new rates to customer bills on the same usage overcome this concern?

A. It doesn't. Of note, this testimony appears inconsistent with Mr. Albert R. Bass, Jr.'s rebuttal testimony at page 5 in which he states, "Staff's TOU adjustment is speculative and may not represent the real usage under each TOU rate code. The Company's TOU block adjustment is superior as it uses 12 months of available actual rate code data and did not utilize overly general assumptions."

RESIDENTIAL RATE STRUCTURE TRANSITION EDUCATION EXPENSES TRACKER

Q. Mr. Charles A. Caisley criticizes Staff's concerns with EMW's improper recording of Missouri Energy Efficiency Investment Act (MEEIA") promotion as a TOU education expense. Is his concern reasonable?

A. No. Staff's position is not that MEEIA promotion is improper, it is that MEEIA marketing should be booked to MEEIA marketing. In the case of reasonable overlap, allocation of a shared expense should be booked to MEEIA promotion and to TOU marketing. Staff witness Jared Giacone's Surrebuttal Schedule JG-s11 summarizes the recovery EMW has requested through the tracker. I recommend that the Commission order that ** [redacted] ** be rebooked by EMW to MEEIA administrative costs, as 25% of the booked costs that promoted MEEIA in TOU marketing materials.

**

[redacted]

**

Q. Ms. Katie R. McDonald testifies at page 4 that Staff:

> . . . also makes the argument that the customer education campaign should have started right after the Amended Report and Order but also suggests that Evergy did not take the time to consider their feedback before building the campaign. These are contradictory and I would suggest, irreconcilable statements.

Are these contradictory statements?

A. No. EMW did not have to reserve communication concerning the TOU rate implementation to formal workshops months apart. As an example, on August 1, 2024,

Stephanie Gates with Evergy emailed me requesting feedback on several pages of tariff language changes with issues spanning multiple departments and involving legal issues and interpretation of Commission orders. Despite tight deadlines in multiple cases, the resignation of the Staff employee who had handled the case, and planned absences of involved Staff employees, Staff provided a response in just six business days. While all tariffs and Commission orders are important, the case in which informal feedback was sought impacted only a relative handful of Evergy's customers, as opposed to the rollout of time-based rates and the elimination of the space heating discounts that are the subject of Staff's concerns to which Ms. McDonald is responding.

Q. Concerning criticisms raised by Ms. McDonald and Ms. Miller, does experience with other utilities emphasize the importance of non-alarmist education concerning time-based rate plans, as well as the importance of discontinuing non time-based rate plans?

A. Yes. Cost-based time-based rates will have small bill impacts for most customers, simply shifting revenue recovery to better align with cost causation. In general, about half of all customers will be a little better off on their bills, and about half of customers will be a little worse off on their bills. As an illustration of the degree of customer impact, when Liberty recently shifted customers to the default time-based rate plan, less than half of a percent of Liberty's residential customers opted out of their time-based rate plan.[2]

Q. With the combination of the elimination of the heating discount and the alignment of revenue responsibility and cost causation through introduction of time-based elements, what is the expected customer impact?

[2] Approximately half of Liberty's Small Primary customers have opted out of the low-differential time-based rate plan. This is apparently indicative of the success of the design, in that those customers who experience a lower bill have stayed on, and those customers who experience a higher bill have opted-out.

A. The elimination of the discounts lowers the bills of about 60% of the customers, while raising the bills of the other 40%. The introduction of time-based rates lowers the bills for around half of the customers, while raising the bills of the other half. While not a perfect distribution because space heating usage can be more associated with off-peak hours than on-peak hours, the net result is that bills mostly stayed the same for about half of customers, went up a little bit for a quarter of customers, and went down a little bit for a quarter of customers.

Discount Elimination	Bill Goes Up	Bill Goes Down
Discounted		
Not Discounted		

Rate Restructuring	Use Energy On Peak	Uses Energy Off-Peak
Time-based Rates		

Discount Elimination with overlay of Time-Based Rates	Use Energy On Peak	Uses Energy Off-Peak
Discounted		
Not Discounted		

Expected Net Bill Increase?	Use Energy On Peak	Uses Energy Off-Peak
Discounted	**Increase**	**No Change**
Not Discounted	**No Change**	**Decrease**

Q. Did EMW effectively communicate the interaction of the elimination of the discounts and the introduction of time-based rates?

A. No. EMW did not address the elimination of the discounts until after the transition was complete or nearly complete.

Q. Does Ms. McDonald's rebuttal testimony simply restate her testimony from the complaint case starting at page 10?

A. Yes, although it is not clear why. The issues in this rate case are what amount of money spent by EMW on "customer education," was properly tracked, and of that money what should reasonably be allowed for recovery. As I discussed in my direct testimony, the ad campaign related to directing ratepayer ire at the Commission or the State of Missouri, and away from EMW was not reasonable, nor was the approach taken with naming the rate plans and conveying rate plan descriptions to customers. The vendors associated with these activities are ** [redacted], ** and ** [redacted] **, respectively. Staff witness Jared Giacone's Surrebuttal Schedule JG-s11 summarizes the recovery EMW has requested through the tracker.[3] I recommend that the Commission order that $863,476 be disallowed related to these activities, as itemized in the table below:

**

[redacted]

**

[3] As Mr. Giacone notes in his surrebuttal testimony, Staff worked diligently with EMW throughout this case to obtain this breakdown of costs. Staff received the information necessary to quantify this disallowance via email on August 9, 2024.

Staff has not made an explicit disallowance for the campaign's failure to educate customers concerning the interaction of the changes in rate structure.

Q. Did Staff, as alleged by Mr. Kevin D. Gunn, try to use a complaint case to "leverage,"[4] its positions in other cases?

A. I frankly don't understand Mr. Gunn's claim. If the accusation is that Staff used a complaint to inform the Commission that EMW was in violation of various orders and commitments, in the hope that EMW would comply with those orders and commitments, then the answer is, "yes." Staff's job includes seeing to it that utilities comply with Commission orders and utility commitments, and bringing failures to comply to the Commission's attention. However, EMW's failure to comply with various orders and commitments cannot be cured simply by complying at some point, any more so than a bank robber might simply hand over money after arrest and expect to be released without consequence.

[4] Gunn rebuttal, pages 3-4,

> I would like to also offer some general rebuttal to their filings. I have recently joined Evergy (about seven months ago) and there are some aspects of this case that are concerning. I deeply respect and believe in the oversight mission of Staff and OPC. Their vigilance in making sure that the correct balance is being struck by the Commission is vital to the system of regulation that has existed in Missouri for over a century. However, that oversight does not include being able to substitute what are essentially management decisions by the Company. I remain concerned and believe the Commission should be concerned with Staff advancing similar issues across multiple dockets, potentially as a means to gain leverage through parallel proceedings. We have seen Staff leveling complaints against the Company in this case while other dockets were open regarding the same subjects reiterated here. In at least two of the dockets, the Company received favorable Orders by the Commission and yet the complaint remains to be relitigated by Staff and defended by the Company. In the current rate case, Staff expends significant energy alleging misconduct by the Company, generally but also particularly focused on TOU implementation, instead of allowing the Staff Complaint case to conclude. This is not a proper use of the complaint or rate request proceedings. More importantly, almost all of the issues that Staff raises are simply disagreements with how the Company decided to proceed. Staff and OPC take philosophical differences in approach and attempt to either turn them into disallowances or requests for punitive orders. Whether it is the requested TOU disallowance or OPC's request for an immediate order of jurisdictional consolidation, Staff and OPC are at risk of expanding the reasonable and prudent standard to a substitution of judgment standard. I am in no way suggesting that Staff and OPC should lower their standards for oversight, but I respectfully submit that they should thoughtfully examine their positions and determine if they are subject to that oversight or are they just disagreements with management decisions that are in the province of the Company.

Q. If a management decision was poorly or unreasonably made, should the costs and expenses associated with implementing that management decision be recovered from ratepayers through a Commission-authorized tracker?

A. Absolutely not.

Q. Why is the reasonableness of EMW's actions in TOU implementation and informing customers of rate structure changes at issue in this case?

A. EMW requests recovery of millions of dollars of TOU implementation expense. Generally, advertising expenses such as those incurred by EMW would be subject to normalization; however, EMW received tracking authority. More specifically, EMW is requesting that customers pay for those ads which misinformed customers. Staff has included in its testimony in this case evidence concerning the quality of those ads, as well as the reasonableness of EWM's development of those ads, including the extent to which it permitted and accepted Staff feedback, for the Commission's consideration in determining how much, if any, ratepayers should pay for EMW's costs and expenses of informing and transitioning customers concerning the rate structure changes made as a result of the last rate case.

CLASS COST OF SERVICE STUDY

Q. Mr. Brown testifies about weighting fuel costs in the CCOS by monthly energy loads. If residential customers overwhelmingly responded to TOU price signals and used not a single kWh of energy on-peak, but used the same amount of energy overall, what change would that make in his energy cost allocation?

A. Even a change that dramatic would not produce a change in Mr. Craig E. Brown's energy cost allocation. Every kWh of energy consumed by EMW's customers except those produced by distribution-level solar or other small

distribution-tied generators is transacted through the SPP energy markets at a known cost, yet EMW's CCOS Study and the derivative study ignore this significant fact. Mr. Brown's decision to tie fuel cost, which is caused by energy market prices and the demand of the market for EMW's generation, to the class monthly energy loads is simply unreasonable.

NON-RESIDENTIAL RATE DESIGN

Q. Ms. Miller testifies at and at pages 21 and 25 in opposition to Staff's recommendation to lessen the reliance on annual bill demand and the hours use rate design, and to begin a transition to time-based energy pricing for non-residential customers, because Staff has not performed a bill impact analysis. What is your response?

A. With the intention of gathering data to perform bill impact analyses, on February 16, 2024, I sent Staff Data Request (DR) No. 159:

> Please provide hourly load data for the period 1/1/2020 - 1/1/2024 for a random sample of customers taking service throughout the identified time period, for each of the following groups of customers. (For SGS customers, include with each set of customer data identification of whether each customer receives service with or without a demand charge; for Residential customers include with each set of customer data identification which rate code the customer receives service under as of December 31, 2023.) a. 100 SGS customers who are not on the space heating rate b. 100 SGS customers who are on the space heating rate c. 100 LGS customers d. All LP customers e. 100 residential customers.

Ms. Miller responded to that DR with "Please see Company response provided in DR 0160. While that request also included an NCP component, all other components to that response also apply here." (Schedule SLKL-s1) Ms. Miller's response to DR No. 0160 was:

> The Company did not extract and prepare individual customer data in this rate case that would enable the sampling being requested. As such, the requested data is not readily available.
>
> More specifically, in order for the Company to provide the data being requested, it would have necessitated the Company manually pull

> individual customer information by bill component i.e., replicate all billing components, by individual customer, for each class from the billing system to enable sampling as requested. Secondly, because the request is asking for the hour in which the NCP occurred for each customer and that is not typically captured in the billing system, it would also require that customer interval data be pulled by individual customer from the MDM system and then manual analysis would need to be performed to determine the hour in which the NCP occurred for each customer. Lastly, because there is no searchable database that would allow sampling being requested, a specific extract would need to be created by technical personnel to pull the data from multiple systems with manual evaluation and analysis to confirm data being pulled is what was requested.
>
> Instead, the Company pulled aggregated data by rate code and class and by bill component-consistent with historical methods and rate case processes. As discussed in data docket case EO-2024-0002, automated processes and broad configuration of Evergy systems has not occurred yet and available data sets/data to be provided to the MPSC Staff are still being negotiated as part of that docket. As such, no Commission order has been issued outlining a specific approach for data production or guidance on a reasonable cost for the production of data for rate cases.
>
> Until such time that broad configuration of systems occurs, and the automation of data extracts are implemented where possible, all data provided in a rate case requires dedicated technical personnel to manually extract from Evergy systems, to process and quality check accuracy and completeness, to format for end user, and otherwise prepare for rate making and specified analysis. This means that any incremental requests of information and data not originally planned, scheduled, and prepared by the Company and analyzed for its rate case requires new creation by technical SME's. Given limited technical resources, prioritized work already scheduled, and day to day operational support, new requests like this are generally not possible without negative operational impact. (Schedule SLKL-s2)

Prior to these data requests, Staff filed a complaint case (EC-2024-0092) to prompt the development of a procedural schedule in another case, EO-2024-0002, to enforce the Stipulation EMW entered in ER-2022-0130 concerning provision of hourly load data and NCP[5] information for sample customers. This was prompted, at least in part, by EMW's position in

[5] Non-Coincident Peak Demand ("NCP").

ER-2022-0130 that it was not appropriate to make changes to non-residential rate structures in that case because a customer impact study had not been performed.

To summarize, EMW takes the position that rate structure changes cannot be made without a customer impact study, while at the same time refusing to provide the information necessary to do a customer impact study and also requesting significant rate changes be made to the demand charges in this case without a customer impact study.

Q. Ms. Miller testifies at page 21, lines 1 - 18 concerning an error in your direct that would lead to the under-recovery of revenues. Have you addressed this error?

A. Yes. Prior to Ms. Miller filing rebuttal testimony on August 6, I provided a corrected workpaper to EMW on July 30, and specifically discussed the error with EMW representatives at the August 2 technical conference. The corrected rates adjusting for this error were provided in my rebuttal testimony.

Q. Ms. Miller discusses other errors in your workpapers. Did she bring any of those concerns to your attention prior to filing her rebuttal testimony?

A. No. She did not.[6]

Q. Have you addressed those errors?

A. Yes.[7] The resulting rates are provided below, using an example 10% rate increase:

[6] These errors concern the relationship of determinants across multiple data sources, where I endeavored to tie class level hourly data which EMW internally summed to a single voltage to actual billing data which occurs across multiple voltage. Of note, completion of these calculations in the Ameren Missouri rate modernization docket was performed by Ameren Missouri drawing on actual AMI data without the dilution of accuracy necessitated by EMW's inability to provide better data during the development of Staff's case. Ameren Missouri's employee assigned to the issues, Dr. Nicholas Bowdin, completed these calculations using actual AMI data, actual billing data, and a laptop dedicated to the analysis.

[7] Use of rounding to set similarly valued charges to be equal and opposite was not an error.

	Starting Rates			New Rates		
	SGS	LGS	LPS	SGS	LGS	LPS
Sec. NonDemand-Summer-Block 1	$ 0.13902			$ 0.1506		
Sec. NonDemand-Nonsummer-Block 1	$ 0.08734			$ 0.0894		
Sec. NonDemand-Nonsummer-Seasonal	$ 0.04480					
Discounted-Nonsummer-Block 1	$ 0.06504					
Discounted-Nonsummer-Seasonal	$ 0.04480					
Secondary-Summer-Block 1	$ 0.09747	$ 0.08973	$ 0.05445	$ 0.1056	$ 0.0981	$ 0.0573
Secondary-Summer-Block 2	$ 0.07334	$ 0.06790	$ 0.04287	$ 0.0795	$ 0.0743	$ 0.0451
Secondary-Summer-Block 3		$ 0.04751	$ 0.03759		$ 0.0520	$ 0.0395
Secondary-Nonsummer-Block 1	$ 0.07080	$ 0.06836	$ 0.05083	$ 0.0786	$ 0.0756	$ 0.0555
Secondary-Nonsummer-Block 2	$ 0.06390	$ 0.06266	$ 0.03999	$ 0.0672	$ 0.0693	$ 0.0437
Secondary-Nonsummer-Block 3		$ 0.04291	$ 0.03507		$ 0.0463	$ 0.0382
Secondary-Nonsummer-Seasonal	$ 0.04480	$ 0.03753	$ 0.03274			
Primary-Summer-Block 1	$ 0.09144	$ 0.08701	$ 0.05279	$ 0.0991	$ 0.0952	$ 0.0555
Primary-Summer-Block 2	$ 0.06880	$ 0.06584	$ 0.04154	$ 0.0745	$ 0.0720	$ 0.0437
Primary-Summer-Block 3		$ 0.04606	$ 0.03642		$ 0.0504	$ 0.0383
Primary-Nonsummer-Block 1	$ 0.06953	$ 0.06588	$ 0.04930	$ 0.0772	$ 0.0729	$ 0.0538
Primary-Nonsummer-Block 2	$ 0.06276	$ 0.06038	$ 0.03879	$ 0.0661	$ 0.0668	$ 0.0424
Primary-Nonsummer-Block 3		$ 0.04132	$ 0.03400		$ 0.0433	$ 0.0371
Primary-Nonsummer-Seasonal	$ 0.04305	$ 0.03659	$ 0.03193			
Substation-Summer-Block 1			$ 0.05132			$ 0.0540
Substation-Summer-Block 2			$ 0.04041			$ 0.0425
Substation-Summer-Block 3			$ 0.03540			$ 0.0372
Substation-Nonsummer-Block 1			$ 0.04850			$ 0.0530
Substation-Nonsummer-Block 2			$ 0.03816			$ 0.0417
Substation-Nonsummer-Block 3			$ 0.03345			$ 0.0365
Substation-Nonsummer-Seasonal			$ 0.03159			
Transmission-Summer-Block 1			$ 0.05234			$ 0.0551
Transmission-Summer-Block 2			$ 0.04119			$ 0.0433
Transmission-Summer-Block 3			$ 0.03611			$ 0.0380
Transmission-Nonsummer-Block 1			$ 0.04727			$ 0.0516
Transmission-Nonsummer-Block 2			$ 0.03719			$ 0.0406
Transmission-Nonsummer-Block 3			$ 0.03259			$ 0.0355
Transmission-Nonsummer-Seasonal			$ 0.03132			

			Revenue	Determinants	Rate @ Gen	Secondary	Primary	Substation	Transmission
SGS	Summer Overlay Revenue	On Peak	$ 2,819,105	93,970,183	$ 0.03000	$ 0.03224	$ 0.03149	$ 0.03116	$ 0.03090
		Super Off-Peak	$ (3,616,783)	120,559,417	$ (0.03000)	$ (0.03224)	$ (0.03149)	$ (0.03116)	$ (0.03090)
	Non Summer Overlay Revenue	On Peak	$ 3,605,226	360,522,598	$ 0.01000	$ 0.01075	$ 0.01050	$ 0.01039	$ 0.01030
		Super Off-Peak	$ (2,968,620)	148,430,988	$ (0.02000)	$ (0.02149)	$ (0.02099)	$ (0.02077)	$ (0.02060)
LGS	Summer Overlay Revenue	On Peak	$ 2,829,446	94,314,872	$ 0.03000	$ 0.03224	$ 0.03149	$ 0.03116	$ 0.03090
		Super Off-Peak	$ (3,048,545)	101,618,173	$ (0.03000)	$ (0.03224)	$ (0.03149)	$ (0.03116)	$ (0.03090)
	Non Summer Overlay Revenue	On Peak	$ 3,301,009	330,100,935	$ 0.01000	$ 0.01075	$ 0.01050	$ 0.01039	$ 0.01030
		Super Off-Peak	$ (2,982,727)	149,136,350	$ (0.02000)	$ (0.02149)	$ (0.02099)	$ (0.02077)	$ (0.02060)
LPS	Summer Overlay Revenue	On Peak	$ 3,828,460	127,615,339	$ 0.03000	$ 0.03224	$ 0.03149	$ 0.03116	$ 0.03090
		Super Off-Peak	$ (5,312,222)	177,074,067	$ (0.03000)	$ (0.03224)	$ (0.03149)	$ (0.03116)	$ (0.03090)
	Non Summer Overlay Revenue	On Peak	$ 5,412,411	541,241,145	$ 0.01000	$ 0.01075	$ 0.01050	$ 0.01039	$ 0.01030
		Super Off-Peak	$ (5,821,069)	291,053,472	$ (0.02000)	$ (0.02149)	$ (0.02099)	$ (0.02077)	$ (0.02060)

Q. Would you be opposed to total elimination of the hours use design in favor of an appropriately designed time-variant rate structure as Mr. Bradley D. Lutz discussed on page 3 of his rebuttal testimony?

A. No. That could work, but customer impacts could be much more substantial without the damping offered by retention of the hours use design at this time. An example of full time-of-use rates for current non-residential energy revenue (equivalent to the hours use and overlay rates provided above), with an example 10% increase is provided below:

	SGS			LGS			LPS		
	Super Off-Peak	Off-Peak	On-Peak	Super Off-Peak	Off-Peak	On-Peak	Super Off-Peak	Off-Peak	On-Peak
NonDemand-Summer	$ 0.1132	$ 0.1535	$ 0.2019						
NonDemand-Nonsummer	$ 0.0663	$ 0.0878	$ 0.0985						
Secondary-Summer	$ 0.0566	$ 0.0969	$ 0.1453	$ 0.0413	$ 0.0816	$ 0.1299	$ 0.0109	$ 0.0512	$ 0.0995
Secondary-Nonsummer	$ 0.0508	$ 0.0723	$ 0.0830	$ 0.0463	$ 0.0678	$ 0.0786	$ 0.0253	$ 0.0468	$ 0.0576
Primary-Summer	$ 0.0409	$ 0.0802	$ 0.1274	$ 0.0395	$ 0.0789	$ 0.1261	$ 0.0099	$ 0.0493	$ 0.0965
Primary-Nonsummer	$ 0.0464	$ 0.0674	$ 0.0779	$ 0.0422	$ 0.0632	$ 0.0737	$ 0.0241	$ 0.0451	$ 0.0556
Substation-Summer							$ 0.0087	$ 0.0477	$ 0.0944
Substation-Nonsummer							$ 0.0232	$ 0.0439	$ 0.0543
Transmission-Summer							$ 0.0109	$ 0.0496	$ 0.0959
Transmission-Nonsummer							$ 0.0224	$ 0.0430	$ 0.0533

Q. Mr. Lutz criticizes your recommended rate structures as not mirroring EMW's intended structures and not fully studied for customer impact (page 4). What have you tried to do about this?

A. I've asked for the Bright Lines proposal. I tried to have rate modernization meetings. I've asked for customer usage data to study. **I've asked for demand determinants to study.** I've been told no.

Q. Do you agree with Mr. Lutz's discussion of moving determinants at page 5, where he criticized your placement of seasonal energy determinants into tail blocks?

A. Generally, yes. I agree that seasonal energy determinants would not all flow to the tail-block. Accurately distributing those determinants to blocks requires customer usage information which EMW has been unable or unwilling to provide in this and other proceedings. Of note, by pricing out the former seasonal energy the way I did, my calculation understates likely revenues, which is to EMW's financial benefit. This issue could be addressed in compliance tariff preparation, if EMW is cooperative.

Q. Mr. Lutz testifies at page 14 that "I believe we should transition away from the ABD methodology, both the demand and energy elements, as part of a deliberate and purposefully transition plan that best retains the seasonal balance and fully understands the individual customer impacts." Ms. Miller also criticized retention of seasonal demand rates in your direct example rates. Do you agree with elimination of seasonal demand and reliance on customer NCP as the measure of demand?

A. I agree on elimination of seasonal demand, but customer CP with a defined demand window should be utilized rather than customer NCP. However, even elimination of the seasonal demand for full reliance on customer NCP requires access to customer NCPs, which EMW has been unable or unwilling to provide in this or other proceedings. This issue could be addressed in compliance tariff preparation, if EMW is cooperative.

Q. At page 5 concerning the design of your non-residential rate structure, Mr. Lutz testifies "The most concerning feature is the use of two peak periods in the non-summer season." Is this concerning?

A. A dual peak period is not unreasonable, and can be understood by customers. This design is not uncommon, and the need for this design is exacerbated by EMW's 8 month-long "winter" period. At this time, Staff is not opposed to bridging the periods.

Q. At page 6 Mr. Lutz makes the claim that "Load is a driver of capacity costs and would be relevant only if capacity costs were being reflected in the overlay price." Is this reasonable?

A. No. Load is a driver of capacity costs, but load is also the product which is sold at an energy rate. Effectively, load at a given time represents the "demand," in the sense of the simple economic concepts of "supply" and "demand."

Q. Mr. Lutz continues at page 6, testifying that "Future system load net of non-dispatchable renewable generation (i.e., net load) is the primary consideration for capacity planning. However, Ms. Lange uses historical gross load, which accounts neither for the effects of renewable generation on the system nor how the system may evolve over time." Is this statement from Mr. Lutz relevant to aligning cost causation and revenue recovery?

A. No, not for embedded cost causation. Mr. Lutz here appears to be requesting development of rates priced on marginal cost. That may be worth considering in the future, but EMW has not put that concept on the table in its testimony, and future pursuit of highly-differentiated rates developed on some other pricing theory is no reason to continue to delay incorporation of any time-based elements into EMW's non-residential rate structures.

Q. Do you agree with Mr. Lutz's preference stated at pages 6-7 for consideration of the net load of EMW as a whole for developing time-based rate structures?

A. Yes. I agree with Mr. Lutz that the load purchased from SPP is likely the most important consideration at this time, which would be net of on-system generation and reflect all customers across all classes. However, EMW's failure to develop this issue should not bar progress on time-based rate structures for non-residential customers because the differences between these measures are likely to be negligible at this time, and are subject to change over time. Reasonable refinement of time-based rate time periods and differentials will be a necessary part of rate making going forward.

Q. Mr. Lutz discusses the Kansas collaborative at length. Has EMW conducted similar outreach with its regulatory counterparties in Missouri?

A. No.

Midwest Energy Consumer's Group (MECG)

Q. Ms. Kavita Maini quotes a portion of your testimony concerning historical assumptions concerning hours use rate structures. Are those assumptions the best information available today?

A. Absolutely not. It is not reasonable to make assumptions about when and how customers use energy using only the monthly usage and the monthly 15-minute NCP when AMI[8] metering enables EMW to access exactly how much energy a customer used in any defined time period of any day.

TOU RATE STRUCTURES AND NET METERING

Q. Would the conversion of the TOU2/TOU3 and RTOU rate plans to an overlay structure have any impact on customers who do not net meter?

A. No. Because the underlying rate is flat, unlike the declining RPKA rate, customers on the highly-differentiated rate plans would not be subject to any bill changes, and materials referencing the rate in effect at a given time would remain factually accurate. Staff witness Claire M. Eubanks, PE, provides further response concerning this issue.

CONCLUSION

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.

[8] Advanced Metering Infrastructure (AMI).

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 SARAH L.K. LANGE

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

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

Further the Affiant sayeth not.

Sarah L.K. Lange

SARAH L.K. LANGE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 3rd day of September 2024.

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

D. Suzie Mankin

Notary Public

Evergy Missouri West
Case Name: 2024 Evergy MO West Rate Case
Case Number: ER-2024-0189

Requestor Lange Sarah -
Response Provided March 12, 2024

Question:0159
Please provide hourly load data for the period 1/1/2020 - 1/1/2024 for a random sample of customers taking service throughout the identified time period, for each of the following groups of customers. (For SGS customers, include with each set of customer data identification of whether each customer receives service with or without a demand charge; for Residential customers include with each set of customer data identification which rate code the customer receives service under as of December 31, 2023.) a. 100 SGS customers who are not on the space heating rate b. 100 SGS customers who are on the space heating rate c. 100 LGS customers d. All LP customers e. 100 residential customers.

RESPONSE: (do not edit or delete this line or anything above this)

Confidentiality: PUBLIC
Statement: This response is Public. No Confidential Statement is needed.

Response:

Please see Company response provided in DR 0160. While that request also included an NCP component, all other components to that response also apply here.

Information provided by: Marisol Miller, Regulatory Affairs

Attachment(s):

Evergy Missouri West
Case Name: 2024 Evergy MO West Rate Case
Case Number: ER-2024-0189

Requestor Lange Sarah -
Response Provided March 12, 2024

Question:0160
For each of the following customer sets, for the period 1/1/2022 - 1/1/2024, for a random sample of customers taking service throughout the identified time period, for each of the following groups of customers (1) please provide hourly load data, and (2) please provide each customer's NCP by billing month for the same period, including identification of the hour in which such NCP occurred, and (3) please provide each customer's NCP by calendar month for the same period, including identification of the hour in which such NCP occurred. (For SGS customers, include with each set of customer data identification of whether each customer receives service with or without a space heating discount; for Residential customers include with each set of customer data identification which rate code the customer receives service under as of December 31, 2023.) a. 100 SGS customers who are not subject to a demand charge b. 100 SGS customers who are subject to a demand charge c. 100 LGS customers d. All LP customers e. 100 residential customers.

RESPONSE: (do not edit or delete this line or anything above this)

Confidentiality: PUBLIC
Statement: This response is Public. No Confidential Statement is needed.

Response:

The Company did not extract and prepare individual customer data in this rate case that would enable the sampling being requested. As such, the requested data is not readily available.

More specifically, in order for the Company to provide the data being requested, it would have necessitated the Company manually pull individual customer information by bill component i.e., replicate all billing components, by individual customer, for each class from the billing system to enable sampling as requested. Secondly, because the request is asking for the hour in which the NCP occurred for each customer and that is not typically captured in the billing system, it would also require that customer interval data be pulled by individual customer from the MDM system and then manual analysis would need to be performed to determine the hour in which the NCP occurred for each customer. Lastly, because there is no searchable database that would allow sampling being requested, a specific extract would need to be created by technical personnel to pull the data from multiple systems with manual evaluation and analysis to confirm data being pulled is what was requested.

Instead, the Company pulled aggregated data by rate code and class and by bill component-consistent with historical methods and rate case processes. As discussed in data docket case EO-2024-0002, automated processes and broad configuration of Evergy systems has not occurred yet and available data sets/data to be provided to the MPSC Staff are still being negotiated as part of that docket. As such, no Commission order has been issued outlining a specific approach for data production or guidance on a reasonable cost for the production of data for rate cases.

Until such time that broad configuration of systems occurs, and the automation of data extracts are implemented where possible, all data provided in a rate case requires dedicated technical personnel to manually extract from Evergy systems, to process and quality check accuracy and completeness, to format for end user, and otherwise prepare for rate making and specified analysis. This means that any incremental requests of information and data not originally planned, scheduled, and prepared by the Company and analyzed for its rate case requires new creation by technical SME's. Given limited technical resources, prioritized work already scheduled, and day to day operational support, new requests like this are generally not possible without negative operational impact.

Information provided by: Marisol Miller, Regulatory Affairs