

Exhibit: _____
Issues: Rate Design
Witness: Brad Lutz
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Evergy Missouri Metro and
Evergy Missouri West
Case No. ET-2021-0151 / ET-2021-0269
Date Testimony Prepared: September 13, 2021

MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: ET-2021-0151 / ET-2021-0269

SURREBUTTAL TESTIMONY

OF

BRAD LUTZ

ON BEHALF OF

**EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO
AND EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST**

**Kansas City, Missouri
September 2021**

SURREBUTTAL TESTIMONY

OF

BRAD LUTZ

Case No. ET-2021-0151/0269

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

2 A: My name is Brad Lutz. My business address is 1200 Main, Kansas City, Missouri 64105.

3 **Q: By whom and in what capacity are you employed?**

4 A: I am employed by Evergy Metro, Inc. I serve as Director, Regulatory Affairs for Evergy,
5 Inc., Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and
6 Evergy Kansas Metro (“Evergy Kansas Metro”); Evergy Missouri West, Inc. d/b/a Evergy
7 Missouri West (“Evergy Missouri West”); and Evergy Kansas Central, Inc. d/b/a/ Evergy
8 Kansas Central (“Evergy Kansas Central”).

9 **Q: Are you the same Brad Lutz who supported portions of the “Evergy Transportation**
10 **Electrification Portfolio Filing Report” (“Report”) filed in this proceeding with the**
11 **Application?**¹

12 A: Yes, I am.

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

14 A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West
15 (collectively, “Evergy” or “Company”).

¹ The Report was initially filed with the Application on February 24, 2021 and updated May 7, 2021. Supplemental information was filed with the Commission on July 16, 2021.

1 **I. BACKGROUND**

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

3 A: The purpose of my testimony is to respond to certain issues discussed in the rebuttal
4 testimony of Staff witness, Robin Kliethermes, filed in this docket on August 16, 2021.

5 **Q: Please provide a brief overview of your surrebuttal testimony.**

6 A: A portion of my responsibilities is to address rate design for Evergy. In that role I support
7 the rate designs offered as part of this filing. This testimony provides a response to rate
8 design-related issues.

9 **II. RESPONSE TO TESTIMONY**

10 **Q: Staff recommends the Commission reject the Company’s proposed Business EV**
11 **Charging Service (“BEVCS”) and Electric Transit Service (“ETS”) rate schedules**
12 **absent a general rate proceeding. What specific concerns do you address in this**
13 **testimony?**

14 A: Concerning the rate designs, Staff witness Robin Kliethermes offers testimony which I
15 have summarized into the three points below. I will address each.

16 1. The rate values contemplated, if lawful, require additional study and
17 refinement, as do the terms of service including the Renewable Energy Credit
18 (“REC”) acquisition/retirement program.

19 2. The Company has calculated the rate values using the assumptions
20 that an EV charging station is similar to that of a Large General Service (“LGS”)
21 customer and will cause no additional transmission and capacity costs and seeks to
22 implement these rate schedules outside of the context of a general rate proceeding
23 and without evaluating all relevant factors.

1 3. Depending on the number and type of charging station installed, a
2 customer may have the equivalent demand requirements of a Small General Service
3 customer or a Large Power customer rather than a Large General Service customer.
4 It is not reasonable to develop a rate schedule based on applying assumed revenue
5 levels from a given size of customer to customers of significantly different sizes,
6 let alone to do so in the absence of billing determinants, cost of service data, and
7 other vital information determined only in the context of a general rate proceeding.

8 **Q: To begin, do you believe that the proposed BEVCS and ETS rates are lawful?**

9 A: Yes. I am not a lawyer and these questions will be addressed by the Company legal counsel
10 in post-hearing briefs, but I support the view that these rates are lawful.

11 **Q: Do you agree that the proposed BEVCS and ETS rates require additional study and**
12 **refinement?**

13 A: Not entirely. While I expect these rates will mature as the pilot progresses and I anticipate
14 further refinement, I believe these rates are appropriate for use in this pilot and will provide
15 just and reasonable pricing for customers receiving service under these rates.

16 **Q: Would these rates be reviewed as part of a future general rate proceeding?**

17 A: Yes. As the Company prepares its cost of service studies and rate analysis associated with
18 a general rate proceeding, these rates would be reviewed.

19 **Q: What is your response to the Staff concerns about using the LGS rate as the basis for**
20 **the proposed BEVCS and ETS rates?**

21 A: I understand the uncertainty, but the Company feels the LGS rate offers the best model for
22 development of the BEVCS and ETS rates. As noted in the Staff testimony, the various
23 charging stations have a wide range of demands. The LGS rate is situated near the upper

1 middle of that range. Presuming that stations will tend to be larger to facilitate shorter
2 charging times, this positioning is well suited. Further, the LGS rate provided for Customer
3 and Facilities Demand charges more appropriate to the expected loads than the MGS rate.

4 **Q: Do you believe it was appropriate to design the proposed BEVCS and ETS rates based**
5 **on the LGS rate?**

6 A: Yes. The LGS rate provides a reasonable foundation for the BEVCS and ETS rate designs.

7 **Q: Staff further asserts that the Company's proposed BEVCS and ETS rate schedules**
8 **do not prohibit separately metered EV charging stations from being served on one of**
9 **Evergy's existing rate schedules and, therefore, the BEVCS and ETS rate schedules**
10 **are not needed in order for EV charging stations to be served. Do you agree with**
11 **assessment?**

12 A: The point is true, but the existing rate schedule designs are poorly suited for EV charging.
13 As noted in the Company Report, the use of a demand charge is commonly discouraged
14 for EV charging as it creates a significant financial obstacle for customers. The
15 combination of high power and extremely low load factor is typical for commercial and
16 industrial use cases and can subject charging stations to significant demand-based charges.

17 **Q: Staff expresses concerns that the rate values contemplated for the BEVCS and ETS**
18 **rate schedules require additional study and refinement, as do the terms of service**
19 **including the REC acquisition/retirement program. Do you agree with this concern?**

20 A: I do not. Beginning on page 3 of the Staff Rebuttal report, Staff shares concerns that the
21 potential of additional costs results in unreasonable rates. I believe it is important to note
22 that the basis for the BEVCS and ETS rate is the current LGS rate. These rates bring with
23 them an appropriate level of costs. As noted earlier, being situated near the upper end of

1 the expected demand range, there is no reason to believe the rates are unreasonable.
2 Further, given that rates will be reviewed as part of future rate proceedings, there is
3 opportunity for adjustment. Turning to REC acquisition/retirement, Staff's concerns are
4 misplaced since the Company will ensure that the necessary REC acquisition or retirement
5 steps will be taken consistent with Company processes, modified as needed to include the
6 Commission approved version of these new tariffs.

7 **Q: As a closing point, Staff recommends that if the Commission approves the Company's**
8 **BEVCS and ETS rate schedules, the Company use the revenue received from the rate**
9 **schedules to offset the costs Evergy is requesting to defer to a regulatory asset account.**
10 **Do you support this recommendation?**

11 A: No. Company Witness Darrin Ives describes in his testimony why this is not appropriate.

12 **Q: Does this conclude your testimony?**

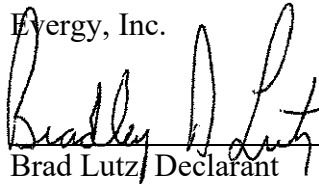
13 A: Yes.

DECLARATION OF BRAD LUTZ

County of Jackson)
) ss
State of Missouri)

Brad Lutz, being duly sworn, deposes and says that the information accompanying the attached testimony was prepared by his or under his direction and supervision.

Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.¹

Evergy, Inc.


Brad Lutz, Declarant

¹ See Letter from the Commission, dated March 24, 2020: “[A]ny person may file an affidavit in any matter before the Commission without being notarized so long as the affidavit contains the following declaration: [‘]Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.[’] _____ Signature of Declarant[.] This guidance applies both to pleadings filed in cases before the Commission and to required annual reports and statements of income.”