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Kevin D. Gunn  
Rebuttal  
File No. ER-2024-0189

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**MISSOURI PUBLIC SERVICE COMMISSION**

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

**REBUTTAL TESTIMONY**

**OF**

**KEVIN D. GUNN**

**ON BEHALF OF**

**EVERGY MISSOURI WEST**

**Kansas City, Missouri  
August 2024**

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**REBUTTAL TESTIMONY**

**OF**

**KEVIN D. GUNN**

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

**I. INTRODUCTION**

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

2 A: My name is Kevin D. Gunn. My business address is 1200 Main Street, Kansas  
3 City, Missouri 64105.

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

5 A: I am employed by Evergy Metro, Inc. and serve as Vice President-State and Federal  
6 Regulatory Policy for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy  
7 Missouri Metro”), Evergy Missouri West, Inc. d/b/a Evergy Missouri West  
8 (“EMW” or the “Company”), Evergy Metro, Inc. d/b/a Evergy Kansas Metro  
9 (“Evergy Kansas Metro”), and Evergy Kansas Central, Inc. and Evergy Kansas  
10 South, Inc., collectively d/b/a as Evergy Kansas Central (“Evergy Kansas Central”)  
11 the operating utilities of Evergy, Inc.

12 **Q: On behalf of who are you testifying?**

13 A: I am testifying on behalf of EMW.

14 **Q: What are your responsibilities?**

15 A: My responsibilities include developing and implementing Evergy’s regulatory  
16 policy at the state and federal level, including managing regional transmission  
17 organization (“RTO”) policy. Currently, my state duties are limited to Missouri  
18 regulatory policy.

1 **Q: Please describe your education, experience, and employment history.**

2 A: I received a Bachelor of Arts from American University in 1992 and a Juris  
3 Doctorate from St. Louis University School of Law in 1996. I was a Commissioner  
4 on the Missouri Public Service Commission from 2008 to 2013 and served as Chair  
5 from 2011-2013. Prior to being on the Commission, I served as a lawyer in private  
6 practice and as a Congressional Chief of Staff. Subsequent to serving on the  
7 Commission, I have served as a regulatory affairs consultant and as Executive  
8 Director of Regulatory and Political Affairs, Central Region for NextEra Energy  
9 Resources.

10 **Q: Have you previously testified in a proceeding at the Missouri Public Service  
11 Commission (“MPSC” or “Commission”) or before any other utility  
12 regulatory agency?**

13 A: Yes. I have provided testimony in EO-2023-0369/0370, commonly referred to as  
14 EMW’s MEEIA Cycle 4 filing.

15 **Q: What is the purpose of your rebuttal testimony?**

16 A: The purpose of my rebuttal testimony is to provide general rebuttal to Commission  
17 Staff (“Staff”) and the Office of the Public Counsel (“OPC”) filings, as well as  
18 respond to OPC witnesses Lena Mantle and Geoff Marke, and Staff witness  
19 Contessa King. I respond to Ms. Mantle on the issues of sharing in the Fuel  
20 Adjustment Clause (“FAC”) mechanism and resource planning, and I respond to  
21 witnesses Marke and King on the issues of jurisdictional consolidation.

22 Ms. Mantle’s response to resource planning decisions made by the  
23 Company – that sharing in the FAC should be increased – is overly punitive and

1 would make the state of Missouri not only an outlier with respect to industry norms,  
2 but the only jurisdiction in the United States to require this magnitude of sharing.

3 **Q: Please summarize the overarching concerns that you are addressing through**  
4 **this rebuttal testimony.**

5 A: While I will respond specifically to certain portions of Staff and OPC's testimonies,  
6 I would like to also offer some general rebuttal to their filings. I have recently joined  
7 Evergy (about seven months ago) and there are some aspects of this case that are  
8 concerning. I deeply respect and believe in the oversight mission of Staff and OPC.  
9 Their vigilance in making sure that the correct balance is being struck by the  
10 Commission is vital to the system of regulation that has existed in Missouri for over  
11 a century. However, that oversight does not include being able to substitute what  
12 are essentially management decisions by the Company. I remain concerned and  
13 believe the Commission should be concerned with Staff advancing similar issues  
14 across multiple dockets, potentially as a means to gain leverage through parallel  
15 proceedings. We have seen Staff leveling complaints against the Company in this  
16 case while other dockets were open regarding the same subjects reiterated here. In  
17 at least two of the dockets, the Company received favorable Orders by the  
18 Commission and yet the complaint remains to be relitigated by Staff and defended  
19 by the Company. In the current rate case, Staff expends significant energy alleging  
20 misconduct by the Company, generally but also particularly focused on TOU  
21 implementation, instead of allowing the Staff Complaint case to conclude. This is  
22 not a proper use of the complaint or rate request proceedings. More importantly,  
23 almost all of the issues that Staff raises are simply disagreements with how the

1 Company decided to proceed. Staff and OPC take philosophical differences in  
2 approach and attempt to either turn them into disallowances or requests for punitive  
3 orders. Whether it is the requested TOU disallowance or OPC's request for an  
4 immediate order of jurisdictional consolidation, Staff and OPC are at risk of  
5 expanding the reasonable and prudent standard to a substitution of judgment  
6 standard. I am in no way suggesting that Staff and OPC should lower their standards  
7 for oversight, but I respectfully submit that they should thoughtfully examine their  
8 positions and determine if they are subject to that oversight or are they just  
9 disagreements with management decisions that are in the province of the Company.  
10 As the Commission will see, the Company takes Staff and OPC's concerns  
11 seriously. For example, as other witnesses will testify, the Company agrees that  
12 jurisdictional consolidation should be explored and has already started down the  
13 path to develop a roadmap to deal with the complex issues that are sure to arise.  
14 However, to demand an order in this case clearly impedes on the Company's  
15 fiduciary responsibility to both its customers and shareholders.

16 The Company will continue to work in good faith with Staff and OPC to  
17 come to equitable resolutions to any issues that they raise. But levelling collateral  
18 attacks and subjective disagreements in multiple dockets is neither fair nor efficient  
19 for anyone. Rather, each of us should respect the dockets as they stand by putting  
20 forth only those issues relevant to the docket with a view as to what the purpose of  
21 that docket is and whether the issue is in the legitimate purview of the Company's  
22 management or not.

1 **II. FAC**

2 **Q: What is the primary purpose of EMW’s FAC mechanism?**

3 A: The primary purpose of the FAC mechanism is to true up actual total energy  
4 expenses to those accounted for in base rates. FACs are a commonly used  
5 ratemaking tool and standard regulatory treatment for fuel and purchased power  
6 expenses, which are generally considered volatile and beyond the control of the  
7 utility. These tools were designed by the Missouri General Assembly to allow a  
8 utility a more reasonable opportunity to earn its authorized return on equity by  
9 enacting Missouri Statute RSMo. §386.266, known as the “FAC statute.”

10 **Q: Please describe the sharing mechanism in EMW’s current FAC.**

11 A: EMW’s FAC accumulates the Company’s total energy costs (made up generally of  
12 fuel costs, purchased power, and transmission expenses, net of off system sales)  
13 during a six-month period. The accumulated total energy and short-term capacity  
14 costs are compared to the amounts accounted for in base rates, and 95% of the  
15 difference is either returned to or collected from customers in the subsequent six-  
16 month period. The remaining 5% is either absorbed by the Company, or retained  
17 by the Company, depending on the direction of the over or under collection.  
18 Therefore, the FAC includes a 95/5 sharing mechanism by which the Company  
19 passes on 95% of over- or under-recoveries to its customers (“95/5 sharing”). If  
20 actual total energy costs exceed the base rate amount, EMW recovers 95% of the  
21 difference through the FAC and absorbs 5%. If actual total energy costs drop below  
22 the amount in base rates, EMW’s FAC credits customers with 95% of the difference  
23 and retains the remaining 5%.



1 **Q: What does OPC Witness Mantle propose with regards to the FAC sharing**  
2 **mechanism, and why?**

3 A: Ms. Mantle proposes increasing the 95/5 sharing split to a 75/25% sharing split in  
4 the FAC. Based on her Direct Testimony, this proposal is borne out of an argument  
5 about “dependency on spot market energy”,<sup>1</sup> which I understand to mean an  
6 overreliance on the Southwest Power Pool (“SPP”) market for energy and capacity.

7 **Q: What is your understanding of the history and purpose of the FAC sharing**  
8 **mechanism in Missouri?**

9 A: I understand the Commission included this 95/5 sharing mechanism in all FAC  
10 mechanisms as a response to Missouri Statute RSMo. §386.266 (the “FAC statute”  
11 or the “statute”). The statute states that “[t]he commission may, in accordance with  
12 existing law, include in such rate schedules features designed to provide the  
13 electrical corporation with incentives to improve the efficiency and cost-  
14 effectiveness of its fuel and purchased-power procurement activities.”<sup>2</sup> The statute  
15 also requires that in approving an adjustment mechanism, it must be “reasonably  
16 designed to provide the utility with a sufficient opportunity to earn a fair return on  
17 equity.”<sup>3</sup> The Commission promulgated rules to govern the provision of FACs  
18 beginning in 2006, and the first FAC was granted for Aquila, Inc. in 2007, EMW’s  
19 predecessor.<sup>4</sup> The purpose of the FAC sharing mechanism is and was to provide a  
20 sufficient level of incentive for the Company to control its fuel and purchased

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<sup>1</sup> Direct Testimony of Lena M. Mantle, File No. ER-2024-0189, June 27, 2024, p. 1.

<sup>2</sup> RSMo. §386.266(1).

<sup>3</sup> RSMo. Section 386.266.4(1)

<sup>4</sup> Docket No. ER-2007-004, Report and Order in the Matter of the Tariffs of Aquila, Inc., d/b/a Aquila Networks, May 17, 2007.

1 power costs, and in concert with prudence reviews, behave prudently, without  
2 going so far as to jeopardize its ability to earn a fair return. This has been commonly  
3 referred to as “skin in the game.”

4 **Q: Was the Commission concerned with the Company’s ability to earn a fair**  
5 **return on equity?**

6 A. Yes, absolutely. The Commission was concerned with rate stability and  
7 implementing an incentive to act efficiently, all while protecting the utility’s ability  
8 to earn a fair return on its investments.<sup>5</sup> It prioritizes this concern when it debates  
9 the level of sharing that is appropriate to include in the FAC mechanism.

10 **Q: What did the Commission conclude with regard to Aquila’s first FAC sharing**  
11 **mechanism?**

12 A: The Commission opined that the 95/5 sharing mechanism was appropriate because  
13 “[W]ith a 95% pass-through, the Commission finds Aquila will be protected from  
14 extreme fluctuations in fuel and purchased power cost, yet retain a significant  
15 incentive to take all reasonable actions to keep its fuel and purchased power costs  
16 as low as possible, and still have an opportunity to earn a fair return on its  
17 investment.”<sup>6</sup>

18 **Q: Were there counter proposals to the 95/5 sharing mechanism in Aquila’s**  
19 **FAC?**

20 A: Yes. The Commission considered other proposals on the level at which over or  
21 under collection of fuel and purchased power costs should be passed through the

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<sup>5</sup> Docket No. ER-2007-004, Report and Order in the Matter of the Tariffs of Aquila, Inc., d/b/a Aquila Networks, May 17, 2007, p. 42.

<sup>6</sup> Docket No. ER-2007-004, Report and Order in the Matter of the Tariffs of Aquila, Inc., d/b/a Aquila Networks, May 17, 2007, p. 54.

1 FAC. For example, other stakeholders proposed an asymmetrical 50% recovery of  
2 fuel and purchased power costs above the level set in base rates. As noted by Ms.  
3 Mantle, the Commission rejected those proposals, concluding that “allowing  
4 Aquila to only pass 50% of its prudently incurred fuel and purchased power costs  
5 through its fuel adjustment clause is not in keeping with the legislative intent of  
6 Section 386.266.4(1), which requires any RAM approved by the Commission be  
7 ‘reasonably designed to provide the utility with a sufficient opportunity to earn a  
8 fair return on equity.’”<sup>7</sup>

9 **Q: Does Ms. Mantle’s proposal conform with this well-established legislative and**  
10 **regulatory intent?**

11 A: No, absolutely not. Ms. Mantle’s proposal runs counter to the original intent of the  
12 FAC legislation and subsequent Commission decisions. The FAC is a mechanism,  
13 the primary purpose of which, is to true up the difference between actual total  
14 energy costs and those already collected through base rates. Ms. Mantle’s proposal  
15 shifts the purpose of the FAC from primarily a cost recovery mechanism, to  
16 primarily a mechanism to be used for cost sharing and disallowances, and  
17 ultimately penalizes the Company for prudent decision-making.

18 **Q: Has OPC broached this issue in the past?**

19 A: Yes, on more than one occasion. For example, in Docket No. ER-2008-0093  
20 (Empire’s first FAC proceeding), Ms. Mantle submitted testimony recommending  
21 a 70/30 sharing mechanism in the FAC. The Commission rejected this proposal,  
22 and established the 95/5 level of sharing it had recently put in place for Aquila. It

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<sup>7</sup> Docket No. ER-2007-004, Report and Order in the Matter of the Tariffs of Aquila, Inc., d/b/a Aquila Networks, May 17, 2007, p. 54.

1 emphasized that “[t]his incentive clause will give Empire a sufficient opportunity  
2 to earn a fair return on equity as required by Section 386.266 and the Hope and  
3 Bluefield decisions...”<sup>8</sup>

4 In Ameren Missouri’s general rate cases in Docket Nos. ER-2011-0028 and  
5 ER-2012-0166, Staff and OPC advocated for setting the fuel adjustment sharing  
6 mechanism at an 85% to 15% ratio.<sup>9</sup> In Ameren Missouri’s general rate case in  
7 Docket No. ER-2014-0258, Ms. Mantle advocated for a 90% to 10% sharing  
8 ratio.<sup>10</sup> In all three cases, the Commission dismissed arguments for changing the  
9 95/5 ratio and found that no party had provided a reason to change the  
10 percentages.<sup>11</sup> Similar advocacy by Ms. Mantle for changing the 95/5 ratio has  
11 been dismissed by the Commission in Evergy’s recent rate cases.<sup>12</sup>

12 **Q: Has the Commission ever altered its conclusions with regards to alternative**  
13 **sharing proposals?**

14 A: No. The Commission has never been persuaded by OPC, Staff, or any other party’s  
15 proposal to adjust the level of sharing. In fact, it has maintained the 95/5 sharing  
16 mechanism for the duration of time that the FAC has been in place in Missouri.

17 **Q: Do other states employ FAC sharing mechanisms?**

18 A: Yes, although they are few in number (eight out of fifty-two US jurisdictions), and  
19 none to my knowledge include a sharing provision as large as the one proposed by

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<sup>8</sup> Decision and Order ER-2008-0093, p. 47.

<sup>9</sup> File No. ER-2011-0028, Report and Order (issued July 13, 2011); and File No. ER-2012-0166, Report and Order (issued Dec. 12, 2012).

<sup>10</sup> File No. ER-2014-0258, Report and Order (issued April 29, 2015), p. 108.

<sup>11</sup> File No. ER-2011-0028, Report and Order (issued July 13, 2011), p. 86; File No. ER-2012-0166, Report and Order (issued Dec. 12, 2012), p. 83; and File No. ER-2014-0258, Report and Order (issued April 29, 2015), p. 111.

<sup>12</sup> See, ER-2016-0156; ER-2016-0285; ER-2018-0145/0146.

1 Ms. Mantle. Several states that employ FAC sharing limit that sharing to profits  
2 from off-system sales margins or renewable energy certificate (“REC”) sales. But,  
3 many of those states do not operate in a wholesale electricity market. In an  
4 organized market with central dispatch, efficiencies are already accounted for  
5 through the centralized dispatch mechanism and are implicit in the prevailing  
6 market price. In this way, the FAC sharing mechanism has less usefulness in  
7 incenting efficiencies. EMW operates within the SPP, making a sharing  
8 mechanism even less relevant.

9 A 75/25% sharing provision is not only punitive toward the utility and its  
10 customers, but it is also so far out of step with mainstream regulatory practice that  
11 it would make Missouri a clear outlier in terms of ratemaking policy and precedent.

12 **Q: What are the consequences to Missouri as an outlier in ratemaking policy?**

13 A: Regulatory oversight perceived as punitive or unproductive necessarily discourages  
14 utility investment, a real threat for the region and for investor-owned utilities.  
15 Excessive risks can shake investor confidence and deter investment in the utility  
16 and its customers. Investors seek transparency and consistency, and a punitive  
17 environment creates uncertainty and undermines market confidence. This can  
18 significantly hinder the Company’s ability to attract capital on reasonable terms,  
19 and consequently raise costs for customers, stifle innovation, and introduce new  
20 operational challenges. The 95/5 sharing mechanism was meant to be a tool to  
21 provide the electrical corporation with incentives to improve the efficiency and  
22 cost-effectiveness of its fuel and purchased-power procurement activities. It was  
23 meant to be reasonably designed to provide the utility with a sufficient opportunity

1 to earn a fair return on equity. It was not meant to be weaponized against the utility  
2 to diminish the ability of the utility to earn its authorized Return on Equity (“ROE”).  
3 If permitted, Ms. Mantle’s proposal will do exactly the opposite of what the  
4 mechanism was designed for.

### 5 III. RESOURCE PLANNING

6 **Q: Is Ms. Mantle’s proposal a response to certain resource planning decisions**  
7 **made by the Company?**

8 A: It appears to be, yes. Ms. Mantle argues that the 95/5 sharing mechanism is not a  
9 large enough “carrot” for EMW to acquire enough “insurance” generation, and  
10 instead, it incentivized the Company to put more risk on its customers. Ms. Mantle  
11 even goes so far as to say that 75/25 sharing mechanism would be “conservative”.<sup>13</sup>  
12 Ms. Mantle characterizes EMW’s resource planning decisions as “inaction”.<sup>14</sup>

13 **Q: Has OPC raised similar issues in the past?**

14 A: Yes, on numerous occasions. Both OPC and Staff have raised concerns with  
15 EMW’s resource planning decisions in multiple dockets. Ms. Mantle presents a list  
16 of dockets on page 38 of her direct testimony.

17 **Q: Has the Commission sided with OPC on any of these occasions?**

18 A: No, it has not. In none of these proceedings did the Commission agree with OPC  
19 and find that the supply portfolio of EMW, or its resource planning decisions, were  
20 imprudent.

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<sup>13</sup> Direct Testimony of Lena M. Mantle, File No. ER-2024-0189, June 27, 2024, p. 37.

<sup>14</sup> Direct Testimony of Lena M. Mantle, File No. ER-2024-0189, June 27, 2024, p. 14.

1 **Q: How do you respond, then, to Ms. Mantle’s criticism of EMW’s resource**  
2 **planning decisions?**

3 A: There has not been corporate “inaction” around resource planning as Ms. Mantle  
4 claims, but rather, decisions to pursue certain operational and managerial courses  
5 of action. In short, EMW has made rational decisions on behalf of its customers. A  
6 principle of prudent decision-making is to consider that rational actors can make  
7 decisions along a range of reasonableness, which may also produce a range of  
8 outcomes. The decisions themselves are what are prudent or imprudent, not the  
9 results. In EMW’s case, it has made resource planning decisions, and in some cases  
10 has decided to maintain certain courses of action, despite an opposing viewpoint  
11 from OPC. This is not inaction nor is it imprudence; it is a collection of  
12 management decisions made by rational actors who seek to make the best decisions  
13 possible for customers and the Company.

14 As discussed by Company witness Ives, the fact that EMW has made  
15 different decisions that others might have (fossil plant retirement timing and wind  
16 PPA contract utilization), does not mean that EMW has made a wrong or poor  
17 decision; it has simply exercised its managerial discretion to act in the best interests  
18 of its customers and itself. If the goal is to incentivize capacity resource additions,  
19 increasing the sharing mechanism in the FAC mechanism is not the best way to  
20 regulate. In fact, the consequences for increasing the sharing mechanism may make  
21 it more difficult for the Company to add other capacity resources if capital becomes  
22 more expensive. As I note above, risks penalties through the FAC can shake

1 investor confidence and deter investment for the utility and its customers,  
2 decreasing access to reasonably priced capital and increasing costs.

3 **Q: Ms. Mantle suggests that having an FAC has affected the resource planning**  
4 **decisions of EMW. Do you agree?**

5 A: No. EMW has completed comprehensive Integrated Resource Planning (“IRP”)  
6 Reports since before 2007, when the first FAC was established. The Company’s  
7 IRP efforts have supported a balanced supply portfolio that recognized that EMW’s  
8 rates are *lower* than those of Evergy Missouri Metro. Furthermore, the Commission  
9 has not found the Company to be imprudent in its resource planning decisions,  
10 despite numerous proceedings in which OPC has raised identical issues.

11 **IV. TOU**

12 **Q: Dr. Marke and OPC have asserted that the only reason to adopt AMI meters**  
13 **and related technology is to implement Time of Use (“TOU”) rates. Do you**  
14 **agree with the position?**

15 A: No, and in fact, EMW has refuted this argument many times. As the Company has  
16 previously explained, the record is replete with a wide range of customer and  
17 corporate benefits produced by adopting AMI meters and other technology  
18 improvements. Both reliability and resiliency are enhanced by the deployment of  
19 AMI meters through the improvement of data reliability, more consistent meter  
20 reads, remote connect/disconnect capabilities, improved outage management  
21 capabilities, improved meter maintenance, and the freeing up of labor resources to  
22 be reassigned to other service work. In addition, like many others, the Company  
23 has seen an increased level of threats against workers who interact with the public.



1 Our field employees are regularly confronted by hostile customers, aggressive dogs  
2 and a litany of dangerous property conditions throughout our service territory. The  
3 more we can leverage AMI meters to facilitate remote system management, the  
4 more we can expect to increase worker safety and decrease potentially dangerous  
5 confrontations.

6 **Q: Dr. Marke characterizes the lack of TOU implementation as inaction on behalf**  
7 **of the Company. Do you agree?**

8 A: Absolutely not. I reiterate my earlier statements about inaction in resource planning  
9 – and the same goes for rate design – a difference of opinion does not constitute  
10 “inaction” or imprudence – it is simply a difference of opinion. To the extent that  
11 Dr. Marke characterizes this as a “failure to promote”<sup>15</sup> on behalf of EMW, he is  
12 distorting the record. EMW’s opposition to OPC’s viewpoint is not inaction – it is  
13 simply disagreement about which set of actions should be taken, on a very  
14 complicated issue. EMW worked with the Commission, Staff, and OPC in a  
15 collaborative manner to develop a TOU Implementation Plan. Not agreeing to all  
16 of Staff and OPC’s demands is not inaction and the Company is not required to  
17 acquiesce to every demand made by Staff and OPC. In fact, the Company has a  
18 right and a duty to make decisions in the best interests of its customers and its  
19 shareholders.

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<sup>15</sup> Direct Testimony of Geoff Marke, p. 16.

1 **Q: Do you have other concerns to express with the Staff and OPC TOU testimony**  
2 **filed in this case?**

3 A: Yes. Similar to my discussion above about parties advancing the same argument  
4 in multiple cases and forms, I have the same concerns here. There has been a docket  
5 to advance TOU implementation and reporting (EW-2023-0199), a complaint filed  
6 by Staff in docket (EC-2024-0092) and now we see many of the exact same  
7 arguments in this proceeding. In addition, there have been extensive discussions,  
8 discovery, workshops and Commission presentations regarding TOU education,  
9 communication and outreach. With all of that and many months of detailed  
10 reporting on the TOU implementation efforts, there have literally been hundreds of  
11 hours and thousands of pages of information and support for its actions provided  
12 by EMW and its Public Affairs team. Despite all of this, Staff and OPC continue  
13 to disregard the successes that the EMW campaign has achieved. Despite the  
14 repeated presentations and ability for the Commissioners and Staff to comment on  
15 the education campaign, Staff attempts to relitigate the issue in multiple forums. If  
16 the Company were still in the implementation phase, this may be understandable,  
17 but the rates have been implemented and the overwhelming evidence is that in a  
18 relatively short period of time, EMW customers are aware of TOU rates and the  
19 alternative options. The rehash of the same arguments creates another wasteful,  
20 inefficient use of the time of all parties, and ultimately the Commission's time.

21 In contrast to the Staff and OPC's testimony, the rebuttal testimony of  
22 Company witness Katie McDonald gives a complete and accurate picture of the  
23 TOU implementation efforts at EMW, the demonstrated success of the program,

1 and the industry standard design of the education and awareness program.  
2 Importantly, Ms. McDonald’s testimony also shines a light on the inaccurate views  
3 of the process and outcomes portrayed by Staff witness Huber, and OPC witnesses  
4 Marke and Kramer. Given this, as well as the existence of a separate docket  
5 dedicated to this topic, I recommend the Commission move on from the TOU  
6 positions advanced by Staff and OPC in this proceeding, move on from the past  
7 contentiousness, and take a forward-looking view.

8 **V. JURISDICTIONAL CONSOLIDATION**

9 **Q: What is Dr. Marke’s proposal with regard to jurisdictional consolidation?**

10 A: Jurisdictional consolidation is not a new concept to Evergy. Not only have the  
11 legacy companies successfully navigated jurisdictional consolidation in the past  
12 but, as the Company has previously indicated, consolidation remains on the  
13 Company’s radar for regular opportunity and risk assessment. While Dr. Marke  
14 raises the issue of jurisdictional consolidation in his testimony, he characterizes it  
15 as a quick fix for potential resource planning issues rather than a process to be  
16 analyzed and considered by all stakeholders. Building on the work that has already  
17 been done, the Company is currently investigating where its jurisdictions currently  
18 stand and whether the benefits of jurisdictional consolidation outweigh the potential  
19 negative consequences. As anyone experienced in this industry knows, however,  
20 the issues presented by consolidation are significantly more complex than  
21 contemplated by Dr. Marke. Those issues, as discussed more in depth by Company  
22 witness Ives, require thoughtful and deliberate examination. The Company sees a  
23 path forward but must act with prudence to decisions are made in the best interest

1 of customers and shareholders. Additionally, assuming it is determined that  
2 jurisdictional consolidation is in the best interest of customers, the Company would  
3 want (and the Commission should expect) an implementation plan that  
4 methodically sets out the steps, timing and impact of the efforts. The suggestion  
5 that consolidation by fiat as part of this case is somehow in the best interest of  
6 customers or even possible in an immediate cutover defies logic and is not  
7 supported by the evidence. It would be inappropriate to order an immediate  
8 consolidation without thoroughly examining and understanding all of the issues that  
9 would need to be resolved in order for consolidation to take place. The Company  
10 is committed to doing this examination, but it will take some time, likely beyond  
11 the pendency of this rate case.

12 **Q: OPC Witness Geoff Marke raises issues regarding low income programs and**  
13 **Staff Witness King raises issues regarding the Economic Relief Pilot Program.**  
14 **How do you respond?**

15 A: The Company believes that the issues raised by Witness Marke and King are worthy  
16 of discussion. The Company is always open to constructive ideas on how to make  
17 these programs more effective and to increase participation. However, the  
18 Company believes that conversations outside the rate case would be more beneficial  
19 rather than bundling it with issues contained in the rate case. The Company would  
20 be more than happy to engage in these conversations, but respectfully suggests that  
21 regulatory efficiency is better served by dealing with those issues separately.

1 **Q: Renew Missouri witness Piontek requests the Company to continue TOU**  
2 **reporting as well as adding additional information to that reporting. How do**  
3 **you respond?**

4 A: The Company believes that the Commission made its position very clear when it  
5 closed the TOU reporting docket earlier this year. TOU rates have been  
6 implemented and it is no longer productive to continue to report in the same manner  
7 that was required during the implementation phase. However, Renew Missouri is  
8 an important stakeholder in this process and the Company is more than happy to  
9 engage in a dialog about TOU moving forward. As with the issues raised above,  
10 the Company suggests addressing TOU management and reporting outside of the  
11 current rate case.

12 That said, any Commission ordered TOU rate participation change for  
13 distributed generation (“DG”) customers coming out of this case will require  
14 communication to impacted DG customers and once the content of any such order  
15 is known, EMW Public Affairs will develop a timeline and approach for the  
16 communication, discuss with and consider feedback from stakeholders and update  
17 the Commission. If the Commission orders a change in availability of TOU rate  
18 participation, we will recommend after consideration of stakeholder feedback, a  
19 reasonable time to provide a report detailing DG customer enrollment details and  
20 participation by TOU plan.

21 **Q: Does that conclude your testimony?**

22 A: Yes, it does.

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

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

**AFFIDAVIT OF KEVIN D. GUNN**

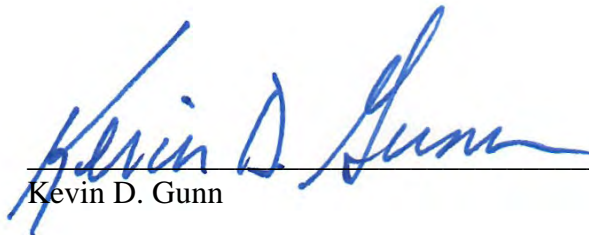
**STATE OF MISSOURI** )  
 ) ss  
**COUNTY OF JACKSON** )

Kevin D. Gunn, being first duly sworn on his oath, states:

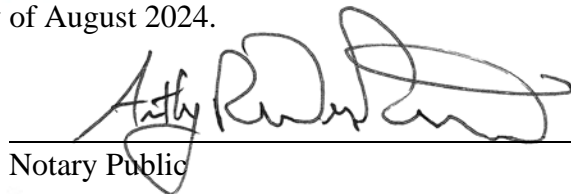
1. My name is Kevin D. Gunn. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Vice President – State and Federal Regulatory Policy.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri West consisting of twenty-four (24) 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.

  
\_\_\_\_\_  
Kevin D. Gunn

Subscribed and sworn before me this 6<sup>th</sup> day of August 2024.

  
\_\_\_\_\_  
Notary Public

My commission expires: 4/26/2025

