

Exhibit No. 141

Evergy Missouri West – Exhibit 141
Marisol E. Miller
Rebuttal
File No. ER-2024-0189

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Sponsoring Party: Evergy Missouri West
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2024-0189

REBUTTAL TESTIMONY

OF

MARISOL E. MILLER

ON BEHALF OF

EVERGY MISSOURI WEST

**Kansas City, Missouri
August 2024**

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REBUTTAL TESTIMONY

OF

MARISOL E. MILLER

Case No. ER-2024-0189

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,
3 Missouri 64105.

4 **Q: Are you the same Marisol E. Miller who submitted direct testimony on**
5 **February 2, 2024?**

6 A: Yes.

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

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

10 **Q: What is the purpose of your testimony?**

11 A: The purpose of my testimony is to offer response to Direct testimonies offered by
12 Staff witnesses Kimberly Cox, Marina Stever, Francisco Del Pozo, Sarah Lange,
13 and Hari Poudel, specific to Rate Case revenues, Time of Use (“TOU”) revenue
14 adjustments to Rate Case revenues, and Net Margin Rates (“NMR”).

15 The Company addresses the TOU issues related to rate case revenues,
16 annualization/normalization, and the need for a tracker across multiple Company
17 witnesses including this rebuttal testimony and the rebuttal testimonies of Al Bass,
18 Ron Klote, and Darrin Ives.

1 I will also provide testimony in response to Rate Design testimonies offered by Staff
2 witness, Sarah Lange and MECG witness Kavita Maini. Finally, I also offer a
3 correction to a table included in my Direct testimony.

4 **I. RATE CASE REVENUES (CUSTOMER COUNTS)**

5 **Q: Did you review the Direct testimonies of Staff witnesses Kim Cox, Marina**
6 **Stever, and Francisco Del Pozo?**

7 A: Yes. All staff witnesses described calculations of rate case revenues for all rate
8 codes including Lighting and the Large Power class. Please see the rebuttal
9 testimony of Company witness Brad Lutz who addresses Del Pozo's
10 recommendations concerning special lighting contracts.

11 **Q: Specific to rate case revenue testimony offered by Staff, what are you providing**
12 **rebuttal testimony for?**

13 A: I will be providing response to Staff witness Kim Cox's testimony and Staff's
14 calculation of rate case revenues, specifically, Staff's desire for inconsistent use of
15 customer count in calculating customer growth and average use per customer.

16 **Q: Can you elaborate?**

17 Yes. According to Ms. Cox's Direct Testimony offered in this case, Staff utilizes
18 customer charge count for calculating customer growth. That means that in
19 estimating customer growth, customer charge counts are being used as
20 representative of customer count. Inexplicably, Staff appears to want to use
21 something different for average use per customer. The Company recognizes this
22 inconsistency in defining customer counts as an issue.

1 **Q: What is the Company looking for in terms of consistency?**

2 A: The Company is seeking consistency in how customer count is defined and for it to
3 be consistent through all Staff calculations. The same customer count definition
4 should be used to determine customer growth, as well as, normalized use per
5 customer (“NUPC”).

6 **Q: What does the Company utilize for calculating customer growth and average
7 use per customer?**

8 A: Evergy used Customer Charge Count for both calculating customer growth and
9 average use per customer in this rate case.

10 **Q: Has Evergy always used customer charge count to calculate customer growth?**

11 A: No. For many historical rate cases, Evergy utilized the number of service
12 agreements for customer count and consistently utilized the number of service
13 agreements in calculating customer growth AND average use per customer.

14 **Q: What made Evergy modify their definition for customer count and their
15 calculation for customer growth and average use per customer?**

16 A: Through testimony, Evergy received extensive feedback from Staff in the 2022 rate
17 cases regarding concerns around the calculation of customer growth.

18 According to Staff’s Direct testimony in EMW’s 2022 rate case, Ms Cox’s
19 stated the following:

20 Q. What customer growth adjustment did Staff make?

21 A. Staff made a customer growth adjustment to EMM and
22 EMW to reflect the impact in change of **customer levels**
23 **(emphasis)** on the update period kWh sales, kW demand and
24 rate revenue. The adjustment reflects the level of kWh sales,
25 kW demand and rate revenue that would have occurred if **the**
26 **number of customers taking service (emphasis)** at the end

1 of November 2021 had existed throughout the entire 12
2 months ending December 31, 2021.¹

3 According to Staff's Rebuttal testimony in EMW's 2022 rate case, Ms Cox's
4 stated the following:

5 Q. Did Staff make a growth adjustment?

6 A. Yes. As stated in my direct testimony, Staff made a customer
7 growth adjustment to EMM and EMW to reflect the impact
8 in change of **customer levels (emphasis)** on the update
9 period kWh sales, kW demand, and rate revenue as if the
10 **customers taking service (emphasis)** at the end of November
11 2021 had existed throughout the twelve months ending
12 December 31,2021. **Staff used the number of customer**
13 **charges per month for the customer growth adjustment**
14 **calculation. (emphasis)**²

15
16 Q. Did Everyy make the same adjustment?

17 A. No. Mr. Bass used the number of customer bills and not the
18 number of customer charges per month to calculate a two
19 month average for each month of the test year. He then
20 performed a trend analysis (with the new monthly average
21 number of bills) to get a projected number of bills as of May
22 2022. The growth factor that was applied was the new
23 monthly average divided by the projected number of bills as
24 of May 2022.³

25
26 Q. Does Staff agree with using the number of customer bills for
27 the customer growth adjustment?

28 A. No. In order to determine revenues that account for the
29 customer charge, **the customer charge counts (emphasis)**
30 should be used to calculate the customer growth
31 adjustment.⁴

32
33 According to Staff's surrebuttal testimony in EMW's 2022 rate case, Ms
34 Cox's stated the following:

35 Q. Did Staff make a true-up customer growth adjustment?

36 A. Yes. Staff made a true-up growth adjustment to EMM
37 residential, SGS, MGS and LGS rate classes and EMW

¹ Cox Direct, p. 6, lns. 10-15, File Nos. ER-2022-0129/0130.

² Cox Rebuttal, p. 8, lns. 5-11, File Nos. ER-2022-0129/0130.

³ Id., p. 8, lns. 12-17.

⁴ Id., p. 8, lns. 19-22.

1 residential, SGS and LGS rate classes. The adjustment
2 reflects the levels of kWh sales, kW demand and rate
3 revenue that would have occurred if the if the **number of**
4 **customers taking service (emphasis)** at the end of April
5 2022 had existed throughout the entire 12 months ending
6 May 2022.⁵

7 According to Staff’s True-up Rebuttal testimony in EMW’s 2022 rate case,
8 Ms Cox’s stated the following:

9 Q. Why did Staff use actual customer charge counts and not a
10 two-month average customer bill count to calculate the
11 customer growth adjustment?

12 A. The billing determinants such as the customer charge are
13 what a revenue requirement is divided by to produce rates.
14 Therefore, Staff maintains using the customer charge to
15 calculate the growth adjustment.⁶

16 **Q: What should the Commission take away from referencing of EMW’s 2022 t**
17 **rate case and Staff’s testimony?**

18 A: The historical testimony excerpts above are intended to remind the Commission that
19 Evergy used to utilize service agreements (Bill count per Staff) in our calculation of
20 customer growth and average use per customer in 2022 (and many rate cases before
21 that). Staff had significant concern about the utilization of service agreement as
22 customer count and provided expansive testimony as to the accuracy of customer
23 charge count rather than service agreement in the determination of customer growth.
24 According to Staff testimony, customer charge count represented customer count or
25 “*the number of customers taking service*” during a specific time period.

26 In my 2022 surrebuttal testimony, I outlined the historical inconsistency by
27 Staff and utilization of customer charge count and service agreement throughout

⁵ Cox Surrebuttal/True-Up, p. 11, lns. 8-13, File Nos. ER-2022-0129/0130.

⁶ Cox True-Up Rebuttal, p. 4, lns. 7-11, File Nos. ER-2022-0129/0130.

1 various historical rate cases.⁷ I also stated then and reiterate now that the most
2 important issue is consistency in the definition for the customer count and utilization
3 in customer growth and average use per customer. Customer count should be
4 customer count should be customer count, not one thing for customer growth and
5 another thing for use per customer.

6 **Q: What is Bill Count?**

7 A: Bill Count is the number of unique service agreements in the billing system for each
8 month for each rate code.

9 **Q: What is Customer Charge Count?**

10 A: Customer Charge Count is the sum of the Customer Charge billing determinants for
11 each month for each rate code.

12 **Q: Can you provide an example of the difference?**

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

- 15 ▪ Bill Count: 1 customer.
- 16 ▪ Customer Charge count: 1.67 customers (as the customer would get
17 billed for 1.67 customer charges in the month of July).

18 **Q: Does the Company view the difference between Mr. Bass' Residential**
19 **Customer Bill Count and Residential Customer Charge Count, highlighted by**
20 **Ms. Cox's Direct Testimony as significant?**

21 A: No, for each month the % difference is under 1% with each month highlighted
22 below:

⁷ Miller Surrebuttal, pg. 5 ER-2022-0129/0130.

Res	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Bill Count	290,798	291,113	291,802	292,427	292,895	293,832	294,730	295,024	294,721	294,428	294,321	293,655
Customer Charge	292,712	293,174	293,794	294,275	294,441	295,441	296,549	297,029	296,875	296,470	296,186	293,161
Delta	1,914	2,061	1,992	1,848	1,546	1,609	1,819	2,005	2,154	2,042	1,865	(494)
% Change	0.658%	0.708%	0.683%	0.632%	0.528%	0.548%	0.617%	0.680%	0.731%	0.694%	0.634%	-0.168%

1 **Q: Given these very small differences, why have you offered such extensive**
2 **testimony on this topic?**

3 A: Historically, the Company has made every effort to adopt Staff’s methods to limit
4 rate case misalignments to material differences and issues. In the 2022 rate case,
5 after review of Staff’s extensive testimonies on this issue, Evergy acquiesced and
6 adopted Staff’s method utilizing customer charge count vs. service agreement to
7 calculate customer growth-modifying their processes in order to accommodate
8 alignment with Staff and took necessary steps to ensure that all data necessary to
9 provide Staff was produced and available. What Evergy failed to realize at the time
10 was that Staff was being inconsistent in their definition of customer count and
11 cherry-picking methodologies.

12 As the Company continues to receive feedback from Staff on the need for
13 timelier rate case data (e.g. in the Data Production docket), the Company continues
14 to modify processes as best they can for purposes of streamlining processes. Given
15 the complexities of systems and processes, it requires significant planning, testing,
16 and configuration and support by multiple groups and IT resources. It is examples
17 like these and seemingly small requests that multiply the complexity of our
18 processes, the time to create and process data, and the technical support to

1 implement. For this reason, the Company is attempting to highlight various
2 examples where the devil in the details type data and seemingly simple requests
3 create unnecessary complexity.

4 **Q: What do you recommend the Commission order in this case?**

5 A: Given the extensive historical Staff testimony supporting utilization of customer
6 charge count for the calculation of customer growth and Evergy's modifications to
7 historical processes to align with Staff on this methodology, as well as, ensure the
8 ability to produce the data Staff needs to utilize Customer Charge Count in this (and
9 future) rate case, Evergy recommends the utilization of Customer Charge Count as
10 the count for customers in the calculation for customer growth and average use per
11 customer. However, whichever method is used (service agreement or customer
12 charge), there is no reason to have differing definitions of customer count.

13 **Q: Ms. Cox mentions "uncertainty" with customer counts in Direct testimony.**
14 **Do you agree?**

15 A: No. On page 13, Staff states in Cox Direct:

16 It is not clear how many customers EMW served or how many
17 customer charges EMW issues in any given month (or as any given
18 day) during the test year and update period.⁸

19 Staff has received customer charge counts by rate code for each month of the test
20 year in the Direct filing and customer charge counts for each month through the
21 Update period as was communicated in the 2022 rate case (through testimony) that
22 was needed for their calculation for customer growth. Staff has also received
23 customer charge counts by rate code for each month through the True- Up period.

⁸ Cox Direct, p. 13, lns. 18-20, File No. ER-2024-0189.

1 **Q: Did EMW’s actual test year revenues and billing determinants or update**
2 **period revenues and billing determinants show that 100% of residential**
3 **customers were on the RPA rate?**

4 A: No.

5 **Q: In addition to the rate case determinants and revenues for the Direct and**
6 **update showing customer participation across multiple TOU rates, did EMW**
7 **inform the Commission on TOU participation by TOU rate?**

8 A: Yes, Evergy has been providing customer TOU participation via TOU status
9 reporting in the File No. EW-2023-0199 docket and those Commission updates have
10 continued to reflect varied Residential participation across TOU rates.

11 **Q: Given all of the facts above, do you understand why Staff would reflect**
12 **all/majority of Residential usage and revenues on the RPA rate?**

13 A: No. Actual EMW billing determinants show a varied mix of participation across
14 TOU rates and revenues should reflect that.

15 **Q: Has Staff provided any support for its Residential Interclass Rate Switch**
16 **adjustment (annualization/reflection that all residential customers be moved to**
17 **the RPA rate)?**

18 A: According to pg. 12 of Ms. Cox’s Direct testimony “Without having a full twelve
19 months of billing determinants for the new rate codes, **Staff concluded that the**
20 **customers should be moved to the default rate (emphasis).”¹⁰**

¹⁰ Cox Direct, p. 12, Ins. 4-6, File No. ER-2024-0189.

1 **Q: Is this reasonable support for moving all/majority of Residential usage to the**
2 **RPA rate, given actual participation shows Residential participation across all**
3 **TOU rates?**

4 A: No. With specific data in hand that reflects Residential participation across TOU
5 rates, it is inappropriate to ignore this fact. It seems that Staff arbitrarily chose to
6 move the majority of Residential determinants to the RPA rate with no overt
7 declaration of the support relied upon for that decision.

8 **Q: Did Staff include anything more in their Direct testimonies to support their**
9 **decision to adjust revenues to reflect all Residential customers on the RPA rate?**

10 A: No. Ms. Cox's Direct testimony referenced Staff witness Sarah Lange's Direct
11 testimony. However, based on my review of Ms. Lange's Direct testimony, she
12 mainly emphasized the challenges associated with Evergy's test year and update
13 (and True-up) not reflecting 12 months of residential usage on time-based rates. The
14 absence or lack of existence of data doesn't seem to support an assumption that
15 all/majority Residential customers should be moved to RPA rates in the calculation
16 of rate case revenues.

17 **Q: Did Staff's assumption cause an error or otherwise unsupported adjustment to**
18 **rate case revenues that merit correction?**

19 A: Yes. The above issue appears to amount to approximately \$380,818 reduction to
20 rate case revenues.

1 **Q: Did EMW make an annualization adjustment for TOU rates?**

2 A: No. EMW did not move or change billing determinants to reflect annualization of
3 TOU rates because the Company did not have any reliable support to do so nor did
4 it have Residential usage reflective of 12 months on TOU rates.

5 **Q: Did EMW make an adjustment to test year revenues to reflect the expected**
6 **change in revenues related to TOU rates?**

7 A: Yes. As explained in my Direct testimony, EMW included a reduction to revenues
8 in the amount of \$3.1M.

9 **Q: How is this different than what Staff did?**

10 A: Staff arbitrarily assumed that all¹¹ customers will move to the RPA rate and reflected
11 rate case revenues with that assumption with no support for the assumption. EMW
12 relied on extensive analysis to inform its \$3.1M revenue adjustment.

13 **Q: What was the Company's support for the \$3.1M revenue adjustment?**

14 A: As outlined in greater detail in my Direct testimony, Evergy leveraged analyses from
15 Oracle's online customer tool that allows customers to explore the different TOU
16 rate options available and choose the rate option best suited to their usage profile.
17 The tool shows a customer the bill impacts of the different TOU rates for comparison
18 and selection. The analysis included most Residential customers, but not all and
19 therefore represents conservative estimates. The tool compared each individual,
20 "available" customer's usage and calculated individual bills across each TOU rate.
21 The analysis was based on historical usage in the test year and does not account for
22 changes in customer behavior that may as a result from the TOU price signals – even

¹¹ Staff excluded AMI opt-out customers.

1 if a customer is taking service under a TOU rate that has a low-price signal, like the
2 RPA rate.

3 **Q: What do you mean by an “available” customer’s usage?**

4 A: As I stated in my Direct testimony, the Oracle analyses was not developed for rate
5 case purposes and has limitations for that were compensated for in the Company’s
6 adjustment. For example, customers with less than 9 months of data (new movers)
7 are not included in Oracle’s analysis and certain rates were also excluded.¹² The
8 Company’s \$3M adjustment reflects the actual usage difference between the Oracle
9 analysis and the test year.

10 **Q: While you describe the comprehensive process that the Company undertook to**
11 **adjust test year revenues to reflect the usage impact of TOU rates that were not**
12 **in effect, aren't there foundational concerns with not having billing**
13 **determinants that reflect a full 12 months of usage under the TOU rates that**
14 **parties and the Commission will rely upon to develop rates?**

15 A: Yes. While EMW relied on the best analysis available to the Company and
16 performed a comprehensive calculation to adjust revenues, there are many
17 assumptions and the revenue adjustment is not perfect or 100% certain. The future
18 might differ from the assumptions relied upon in the calculation of the \$3.1M
19 revenue adjustment. Changes in customer behavior resulting from adoption of TOU
20 rates is unknown at this time and may impact customer usage and Company
21 revenues. Any claims to certainty or even minimization of expected change, like
22 those made by Staff, is overconfident at best, misleading at worst. This is the exact

¹² Refer to Miller’s Direct testimony, Page 8-9.

1 reason that that it is so critical that a TOU Revenue Tracker be implemented as a
2 part of this rate case. Please refer to the testimony of Company witness Ron Klote
3 who outlines in greater detail the importance of a revenue tracker and the benefits.

4 **Q: Is this the only error or otherwise unsupported revenue adjustment**
5 **recommended by Staff that the Company discovered that merits correction?**

6 A: No. In addition to the inappropriate reflection of all Residential determinants in the
7 RPA rate, the Company noted the following additional errors/concerns reflected in
8 revenues:

- 9 ▪ TOU weather normalization that utilizes partial year TOU usage and
10 an oversimplified residential load profile applied to TOU rates and
11 the ripple effect to revenues.
- 12 ▪ 365 Days adjustment differences that varies significantly from
13 precedence and results in \$1.9M overstatement in revenues.
- 14 ▪ MEEIA program energy savings errors resulting in approximately
15 \$600k in overstatement of revenues.

16 Please see Company witness Albert Bass’s testimony for more details on the issues
17 outlined above.

18 **III. MISSOURI ENERGY EFFICIENCY INVESTMENT ACT (MEEIA)**

19 **Q: Staff witness Hari Poudel offers Direct testimony spanning multiple MEEIA**
20 **topics, including Net Margin Rates (“NMR”). Did you review?**

21 A: Yes.

1 **Q: Does your rebuttal testimony address all items outlined in Dr. Poudel’s Direct**
2 **testimony?**

3 A: No. Dr. Poudel offers testimony encompassing MEEIA specific topics best covered
4 and addressed in the MEEIA specific docket. The Company addresses Dr. Poudel’s
5 points directly in the most recent Evergy MEEIA docket File No. EO-2023-0369.

6 **Q: Why are you not addressing MEEIA topics in this rate case testimony?**

7 A: There is an active MEEIA docket that is proposing changes to the next MEEIA cycle
8 portfolio and refinements to the Demand Side Investment Mechanism (DSIM) by
9 the Company and multiple intervenors in that case. Through testimony, agreements,
10 and Commission orders, MEEIA dockets provide guidance, specificity, that
11 typically informs what is done in a rate case, related to MEEIA impacting elements,
12 such as the NMR and rate case annualization. Historically in a rate case, these
13 adjustments and calculations are based on final settled determinants and revenues
14 that are supported by a Commission Order. Given this, calculations for final NMR’s
15 are done after a rate case Commission order and when Evergy files Compliance
16 tariffs at the conclusion of a rate case.

17 **Q: What aspects of Dr. Poudel’s Direct testimony are you addressing here then**
18 **and what is being recommended by Staff?**

19 A: Dr. Poudel recommends modifications to the Net Throughput Disincentive
20 (“NTD”), such that an NMR is calculated for each TOU rate to reflect price
21 variations that exist across TOU rates. He also recommends a further break out by
22 time period. (peak/off-peak). While the Company’s position on this will be more
23 broadly explained in the MEEIA docket, generally, in a rate case, MEEIA specific

1 calculations will follow whatever framework is ordered by the Commission in a
2 MEEIA docket. Should the Commission approve a MEEIA DSIM framework with
3 an NMR by TOU rate, Evergy should be able to provide and calculate, if it has the
4 billing determinants and revenues to do so.

5 **Q: Why do you point out the need for determinants in order to calculate an NMR**
6 **by TOU rate by time period?**

7 A: This is specifically mentioned because the rate case test year (12 months ending June
8 30, 2023) would not reflect 12 months of TOU rate determinants since customers
9 were not fully moved to TOU rates until December 2023.

10 **Q: Will True up determinants and revenues (period ending June 30, 2024) provide**
11 **the data needed to accommodate Staff's recommendation?**

12 A: No. True up determinants and revenues only reflect customers on TOU rates for 6
13 months. In order to accommodate Staff's recommendation and have more precise
14 NMR, there will need to be resolution (adjustment and assumptions made) in order
15 to refine settled determinants to reflect an annualized view of TOU rates. This will
16 be addressed more fully in the MEEIA docket.

17 **Q: So should the Commission take from your responses to Dr. Poudel that you**
18 **believe it would be premature and inappropriate to adjust NMR by TOU rate**
19 **in developing final rate design in this case?**

20 A: Yes. With only roughly 6 months of actual billing determinant history at the true-
21 up date, and importantly not yet having experienced summer period billing
22 determinants, and such adjustment would require substantial speculation and
23 assumptions to implement in this case. I recommend the Commission fully

- 1 ▪ Ms. Lange appears to retain the use of annual billing demand
2 (“ABD”) for the purposes of calculating the demand charge portion
3 of the customer’s bill.
- 4 ▪ Given the use of a TOU overlay, the underlying hours use rate
5 structure remains in the rate design.

6 **Q: Do you have concerns with Staff’s proposed changes to C&I rate design**
7 **structures?**

8 A: Yes. Many are covered in detail by Company witness Brad Lutz’s rebuttal.
9 However, I share his primary concerns regarding Staff’s lack of bill impact analysis
10 to support their recommendations to ensure that customers will not be materially
11 impacted, as well as, the mandatory nature of Staff’s proposed overlay, and added
12 complexity.

13 **Q: Did you review Ms. Lange’s workpapers?**

14 A: Yes. I reviewed the files named “Rate Design.xlsx” and “CONFIDENTIAL load i
15 information.xlsx”.

16 **Q: Did you identify any errors in her workpapers?**

17 A: Yes, I noted two sets of errors.

18 **Q: Please describe the first set of errors in Ms. Lange’s workpapers.**

19 A: In the first set of errors, Ms. Lange copies and pastes class load data to incorrect
20 months of the year. Specifically, Ms. Lange copies and pastes load data from the
21 load information file (e.g., workbook tab “Sml_hrWN”) to the rate design file (e.g.,
22 workbook tab “SGS Determinants”) but does not account for the different start dates
23 in the two datasets. The incorrect pasting of the load data means that hourly load for

1 July 1, 2022 (the start date of the load dataset in the Load Information workbook) is
2 assigned to January 1, 2023 (the start date of the load dataset in the Rate Design
3 workbook). In other words, the load data in Rate Design workbook is not consistent
4 with the load data in the Load Information spreadsheet. This error propagates into
5 Ms. Lange's calculation of energy usage by class by pricing period and ultimately
6 her estimates of revenue impacts. She makes this error when calculating the revenue
7 impacts for all three rate classes (SGS, LGS, and LP).

8 **Q: Please describe the second set of errors in Ms. Lange's workpapers.**

9 A: In the second set of errors, Ms. Lange incorrectly calculates the average energy
10 prices and the average class load by pricing period. When calculating the average
11 on-peak, off-peak, and super off-peak energy prices, Ms. Lange omits prices for
12 period between 10 pm and 12 am for every day of the year. This error affects the
13 calculation of the proposed time-of-use overlay and the revenue impacts. Similarly,
14 Ms. Lange's calculation of the average class load for each pricing period excludes
15 the hourly usage between 10 pm and 12 am across the year, affecting her estimates
16 of energy usage by class by pricing period and the revenue impacts. Again, Ms.
17 Lange makes this error for SGS, LGS, and LP revenue impact calculations.

18 **Q: What are the consequences of these two sets of errors?**

19 A: The two sets of errors affect each other, compounding their individual effects. For
20 that reason, I only report cumulative effects. After correcting the identified
21 errors, I estimate that:

- 22 ▪ For the SGS class, the revenue impact changes from -\$2.9 million to
23 -\$0.2 million (a relative difference of 94%)
- 24 ▪ For the LGS class, the revenue impact changes from -\$2.8 million to
25 -\$0.8 million (a relative difference of 73%)

- 1 ▪ For the LP class, the revenue impact changes from -\$6.4 million to -
2 \$3 million (a relative difference of 52%)
- 3 ▪ These changes to the revenue shortfall also affect the final rates that
4 Ms. Lange calculated.

5 **Q: Are there other problems with how Ms. Lange designed the time-of-use**
6 **overlay?**

7 A: Yes. Ms. Lange defines the overlay’s pricing for the summer super-off-peak period
8 as the difference between the average hourly energy price during the super-off-peak
9 hours and the average hourly energy price during the off-peak hours. She applies the
10 same method to calculate the overlay’s pricing for the non-summer pricing periods.
11 However, instead of following the same cost-based approach to establish the
12 summer peak period price, Ms. Lange sets it to be the inverse of that of the summer
13 super off-peak period.¹⁶ She does not justify this design decision, or explain its
14 advantages over alternatives (e.g., first calculate the pricing for the summer on-peak
15 period, and use that to set the pricing for the summer super off-peak period; or apply
16 the cost-based approach to all pricing calculations). While this design decision may
17 appear trivial, it can have a significant effect on the overall revenue impacts.

18 **Q: What should the Commission take away from your discussion above?**

19 A: For the reasons above, it is important not to draw any conclusions from Ms. Lange’s
20 testimony about the appropriateness of developing and applying a TOU overlay to
21 the hours use rates, or about the appropriateness of the proposed pricing periods and
22 the underlying method to develop them.

¹⁶ Lange Workpaper: Rate Design.xlsx, [pricing] tab, cell G7.

1 **Q: As described in Ms. Lange’s Direct testimony, will Staff’s proposed rate fully**
2 **recover Evergy’s allowed revenues?**

3 A: No. Based on my understanding of Ms. Lange’s calculations, the proposed rates
4 would under-collect Evergy’s allowed revenues.

5 **Q: Please elaborate on why Staff’s rate design proposal would under-collect**
6 **revenues.**

7 A: Ms. Lange calculates the revenue loss that would be associated with introducing the
8 TOU overlay.¹⁷ In order to maintain revenue neutrality, my understanding is this
9 lost revenue should be recovered with an upward adjustment to prices. However, in
10 her calculations Ms. Lange adjusts prices downward by this amount.¹⁸ In this way,
11 it would appear that she is effectively doubling the revenue loss associated with her
12 rate changes, rather than offsetting it with a price increase.

13 **Q: If all of the above were corrected perfectly to ensure adequate collection of**
14 **revenues, would that be adequate to address your concerns?**

15 A: No. The main concern with Staff’s rate design recommendations are the mandatory
16 nature, complexity, and ultimately, the lack of individual bill impacts to ensure
17 clarity is to impact to individual customers. Company witness Lutz elaborates on
18 these concerns in his rebuttal testimony.

19 **Q: Did you review the Direct testimony of MCEG witness Ms. Kavita Maini?**

20 A: Yes.

¹⁷ This lost revenue is due exclusively to the addition of the overlay in the absence of any changes in customer usage patterns. It does not represent additional revenue loss that could be associated with customers shifting usage away from the peak period.

¹⁸ Reflected in Lange Workpaper: Rate Design.xlsx, tab [Rate Design 2], cells M3-M14.

1 **Q: What does MECG recommend?**

2 A: Ms. Maini recommends lower increases to the facility charges compared to the
3 Company's proposal. In addition, retaining the existing customer charge, retaining
4 the same percentage increase to energy charges as proposed by the Company and
5 increasing the billed demand charge to recover the remaining revenue requirement.

6 **Q: Do you agree?**

7 A: No. The Company acknowledges the possibilities for refinement to future CCOS
8 studies that might support future alignment with MECG and utilization of single
9 phase/three phase detail if/when available. (see rebuttal testimonies of Craig Brown
10 and Brad Lutz) However, at this time, the Company must act on the results of its
11 CCOS study on hand and make progress to have greater cost alignment and adjust
12 C&I customer charges and facilities charges as outlined in my Direct testimony.

13 **V. CONCLUSION**

14 **Q: Do you have anything else to add to your testimony that hasn't been covered**
15 **already?**

16 A: Yes. I have a correction to my Direct Testimony. Table 7- Summary of Customer
17 & Facilities charges transposed the Facilities Charges for Primary and Secondary
18 customers. Below is the corrected Table.

1
2
3

Corrected Table 7
Summary of Customer & Facilities charges to replace erroneous table in Miller
Direct Testimony

	Voltage		SGS	LGS	LPS
Customer Charge	Secondary	Current	23.97	74.84	675.46
		Proposed	20.06	19.89	29.53
	Primary	Current	23.97	246.21	675.46
		Proposed	20.06	19.89	89.81
	Substation	Current	-	-	675.46
		Proposed	-	-	89.81
	Transmission	Current	-	-	675.46
		Proposed	-	-	89.81
Facilities Charge	Secondary	Current	1.448	2.290	3.223
		Proposed	3.120	4.318	5.457
	Primary	Current	1.448	1.483	2.815
		Proposed	2.959	3.028	4.576
	Substation	Current	-	-	-
		Proposed	-	-	1.294
	Transmission	Current	-	-	-
		Proposed	-	-	-

4 **Q: Would you please summarize the recommendations made in your rebuttal**
5 **testimony?**

6 A: Yes. My rebuttal responds to the testimony of multiple Staff witnesses and the
7 MECG witness concerning a number of topics. I address Customer Count
8 inconsistency, Test Year Revenue determination, adjustment to revenues associate
9 with the residential TOU implementation, timing of NMR calculation for MEEIA,
10 and Rate Design issues. For the benefit of the Commission, I will summarize my
11 recommendations.

- 12 ▪ Consistent use of customer counts should be used in all calculations
13 representing customer count in a rate case. In this case, either Bill
14 counts (number of service agreements) or Customer Charge Counts

1 can be used. Given Customer Charge Counts were used by both Staff
2 and EMW to calculate customer growth and average use per
3 customer, that would be the count recommended by Evergy, not one
4 count for customer growth and another for average use per customer.

- 5 ▪ Test Year Revenues should reflect actual determinants and not have
6 unsupported adjustments like the reflection that all Residential
7 customers are on an RPA rate, when actual determinants show varied
8 participation across multiple TOU rates.
- 9 ▪ The EMW TOU Revenue Adjustment is the only adjustment
10 reflective of comprehensive analysis appropriate to reflect an
11 expected change in test year revenues due to TOU rates and should
12 be utilized as an estimate of the expected change in revenues
13 resulting from TOU rates.
- 14 ▪ NMR should be calculated at the time of compliance based on
15 Commission order in the MEEIA docket.
- 16 ▪ While MEEG's recommendation may be viable with new data that
17 might refine CCOS studies in the future, at this time, the CCOS
18 results uses the best information available and the results are reliable.
19 As such, EMW's C&I Rate Design recommendations-adjustment of
20 Customer Charges and Facilities charges utilizing recommendations
21 from its CCOS study and that are included in the Corrected Table 7
22 above, should be approved by the Commission.

1 ▪ Staff's C&I rate design recommendations should be viewed with
2 caution. In addition to the lack of bill impact analysis to truly
3 measure customer impacts, as well as, the complexity of the
4 proposals, several calculation errors were found throughout the
5 analyses that would impact the reliability of the results as presented
6 by Staff, as well as, basic collection of the revenue requirement.

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

8 A: Yes, it does.

