Exhibit No. 314

OPC – Exhibit 314
Geoff Marke
Surrebuttal
File No. ER-2024-0189

Exhibit No.: ________________
Issue(s): Consolidation of Affiliates/ Decoupling Tracker/Public Service Announcements/ Quarterly Customer Service Meetings/Income Eligible Program Evaluations
Witness/Type of Exhibit: Marke/Surrebuttal
Sponsoring Party: Public Counsel
Case No.: ER-2024-0189

SURREBUTTAL TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST

CASE NOS. ER-2024-0189

September 10, 2024

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EVERGY MISSOURI WEST

CASE NO. ER-2024-0189

I. INTRODUCTION

Q. Please state your name, title and business address.

A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. Are you the same Dr. Marke that filed direct this case?

A. I am.

Q. What is the purpose of your surrebuttal testimony?

A. I am responding to the rebuttal testimony of Evergy Missouri West's ("Evergy" or Evergy West") witnesses on select topics. The following is a list of those topics and the witnesses:

- Consolidation of Missouri Affiliates
    - Evergy West witnesses Darrin R. Ives and Kevin D. Gunn
- Decoupling Tracker
    - Evergy West witness Darrin R. Ives
- Public Service Announcement ("PSA")
    - Evergy West witness Katie R. McDonald
- Quarterly Customer Service Meetings
    - Evergy West witness Charles A. Caisley
- Income Eligible Program Evaluations
    - Evergy West witness Charles A. Caisley and Kevin D. Gunn

My silence regarding any issue should not be construed as an endorsement of, agreement with, or consent to any other party's filed position.

II. CONSOLIDATION OF AFFILIATES

Q. Can you specifically restate your recommendation in direct testimony regarding the consolidation of Evergy Missouri Metro with Evergy Missouri West.

A. Yes. My direct testimony concludes with the following Q&A articulating my recommendation.

> **Q. What is your recommendation to the Commission?**
>
> A. This should not be a contentious issue. Evergy management should file rebuttal testimony agreeing to a path forward. In fact, they should take this time to articulate a clear path forward with decision-points, deliverable dates, and appropriate financial penalties if they fail to deliver in a timely fashion. They have certainly had enough time for that.
>
> Absent that initiative or if the Company takes a reverse position from its study, I recommend that the Commission open a separate docket to start that process with explicit opportunity for input from parties surrounding the schedule and accountability provisions to ensure this obvious benefit to all parties is not indefinitely delayed. Finally, the Commission should approve Ms. Mantle's ratio adjustment to the FAC sharing mechanism. The ratio has clearly not worked in practice with this Company and reform is warranted.[1]

To summarize, my recommendation was for the Company to respond with a path forward in rebuttal testimony. Absent that, I recommended that the Commission open up a separate docket to continue this discussion.

I also used the recommendation to highlight the reasonableness of instituting a 75/25 FAC sharing mechanism in the face of a utility that has costs its customers over $1 billion in fuel

[1] Direct Testimony of Geoff Marke p. 13, 18-24 & p. 14, 1-4

related costs over the past five FAC prudence review periods due to management's inability to provide sufficient generation to meet its customers' demand.

Q. How did the Company respond?

A. Not well. A fair amount of ink was spent singling me out and misrepresenting my position.

Q. Can you highlight select quotes where you were called out for illustrative purposes?

A. Yes. From Mr. Ives testimony:

- *Tellingly, Dr. Marke makes no effort to conduct analysis or even attempt to identify potential hurdles, roadblocks, or benefits to consolidation.*[2]
- *Dr. Marke basically suggests that consolidation would be quick, simple and cost free.*[3]
- *Not only is there no basis for Dr. Marke's recommendations, his proposal could cause unnecessary and avoidable harm to customers, communities or other stakeholders.*[4]
- *Dr. Marke's recommendations are another example of an attempt to overreach into management's discretion to operate the business.*[5]
- *With no facts or analysis to substantiate his testimony, Dr. Marke basically suggests that consolidation would be quick, simple and cost free.*[6]
- *Yes, we have, but first let me be clear that what Dr. Marke seeks is not part of this rate case. We are responding to Dr. Marke to provide the Commission with accurate information and context rather than leaving Dr. Marke's unfounded statements stand without comment.*[7]

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[2] Rebuttal Testimony of Darrin R. Ives p. 4, 15-17
[3] *Ibid*. p. 4, 8-9
[4] *Ibid*. p. 4, 22-23 & p. 5, 1.
[5] *Ibid*. p. 5, 3-5.
[6] *Ibid*. p. 4, 17-19
[7] *Ibid*. p. 6, 9-12.

- *Unlike Dr. Marke, while we have posited an ideal state, we have not presupposed the outcome of this important work.*[8]
- *The IRP process is in place to assist the Company, and this Commission, in the evaluation and review of appropriate resource plans and should not be set aside in favor of any alleged "quick fix" espoused without analysis by the OPC or any party.*[9]
- *A premature order as requested by Dr. Marke would necessarily rush consolidation and penalize the Company for deliberately developing and executing a robust roadmap plan.*[10]
- *While Dr. Marke offers consolidation of Evergy Metro and Evergy West as a quick and easy fix that would resolve resource planning issues for the Company, the historical treatment of generation asset assignment necessarily belies his position.*[11]
- *Dr. Marke's testimony also ignores the fact that the Kansas Commission will also have oversight over any consolidation and its impact on Kansas customers' share of Evergy Metro generation resources and any resultant or possible impacts to costs or reliability for Evergy Kansas customers.*[12]
- *In effect, Dr. Marke is advocating that the Commission rush to judgment on this complex topic, which runs the very real risk of creating harm.*[13]
- *Penalizing the Company, as Dr. Marke and his colleagues recommend, is entirely without basis or merit and would only serve to harm the Company, the jurisdiction, and customers.*[14]
- *Finally, as I noted earlier, I consider Dr. Marke's recommendations to be an overreach into management's discretion to operate the business.*[15]

[8] *Ibid*. p. 6, 23 & p. 7 1-2
[9] *Ibid*. p. 7, 17-20
[10] *Ibid*. p. 8, 16-18
[11] *Ibid*. p. 15, 3-6
[12] *Ibid*. p. 15, 6-9
[13] *Ibid*. p. 18, 7-9
[14] *Ibid*. p. 18, 14-15
[15] *Ibid*. p. 18, 16-17

- *In other words, full legal consolidation is not the fait accompli that Dr. Marke suggests.*[16]

From Mr. Gunn's testimony:

- *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.*[17]
- *While Dr. Marke raises the issue of jurisdictional consolidation in his testimony, he characterizes it as a quick fix for potential resource planning issues rather than a process to be analyzed and considered by all stakeholders.*[18]
- *As anyone experienced in this industry knows, however, the issues presented by consolidation are significantly more complex than contemplated by Dr. Marke.*[19]
- *The suggestion that consolidation by fiat as part of this case is somehow in the best interest of customers or even possible in an immediate cutover defies logic and is not supported by the evidence.*[20]

Q. What is your response to these accusations?

A. The OPC formally raised consolidation concerns in the last (pre-Westar merger) Kansas City Power and Light and KCPL Greater Missouri Operations 2018 rate cases (Case Nos. ER-2018-0145/0146). In fact, the value of consolidating the Missouri affiliates was great enough for us to hire expert consultants to raise this issue. This was no small commitment given OPC's minimal budget. As a result of settlement negotiations, parties agreed to the following non-unanimous stipulation and agreement condition:

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[16] *Ibid*. p. 19, 9-10.
[17] Rebuttal Testimony of Kevin D. Gunn p. 3, 4-6
[18] *Ibid*. p. 16, 13-16
[19] *Ibid*. p. 16, 19-21
[20] *Ibid*. p. 17, 4-7

> **Consolidation Study**
>
> The Company will perform a study investigating the consolidation of KCP&L and GMO rates and will make a recommendation regarding consolidation of rates in these dockets within two years of the date of approval of this Stipulation. KCP&L and GMO will provide quarterly stakeholder updates concerning the study.[21]

The study was completed and submitted in those dockets in 2020. No regulatory action has occurred since then — four years ago.

My analysis and recommendations in this case were based on my professional experience, Evergy's 2020 Rate Consolidation Study (see GM-2 in Marke Direct), and the repeated and expected market exposure faced by Evergy West customers due to Evergy's managerial decision to not build enough sufficient generation to meet its load.

Furthermore, my recommendation in direct testimony was for the Company to file a plan of action in its rebuttal testimony. Absent that, I recommended that the Commission open up a separate docket where this issue could be addressed front-and-center.

At no point did I posit this would be a quick process or there wouldn't be winners and losers from consolidation efforts. I also explicitly acknowledged the interplay with the Kansas Corporation Commission, and the complexity involved with the various surcharge mechanisms. I did suggest and continue to maintain that progress can occur incrementally. I also suggested and continue to maintain that Evergy will do nothing unless the Commission holds them accountable and even then, that is no guarantee for success.[22] That observation is based on professional experience and is accounted for in my recommendation that the Commission consider including financial penalties for inaction.

[21] Case Nos. ER-2018-0145/0146 non-unanimous partial stipulation and agreement 9/19/2018 p. 9.
[22] I am defining success as the consolidation of Evergy Missouri Metro and Evergy Missouri West in this context.

At this point, I can only conclude that Mr. Ives and (to a lesser extent) Gunn did not actually read my testimony or, alternatively, that there is a deliberate, collective decision to misrepresent my recommendation and professional judgment.

Q. Did Evergy commit to the future consolidation of its Missouri affiliates in rebuttal testimony?

A. No. I do not believe they have and have certainly not agreed to anything that would hold them accountable for this endeavor in a timely fashion.

The only commitment we received was that the Company is comfortable with "potential" informal communication with the Commission, Staff, and OPC possibly in mid to late 2025. Mr. Ives also later references a request-for-proposal "roadmap" to demonstrate their commitment to consolidation is already underway.[23] Beyond that, the response was largely dismissive or padded with an expectation that this will take a very long time embedded in criticism leveled at me.

Q. What is your response?

A. I think it is telling that I was not surprised by this response and that speaks volumes for the current state of relations with this Company and certainly does not bode well for future regulatory settlements. Why relationships have eroded to such a degree is both complex and beyond the scope of this testimony, but it leaves me with very little confidence that Evergy is willing to meaningfully exercise any action on consolidation. To level-set the facts before this Commission:

- Evergy West has charged its ratepayers more than $1 billion dollars collectively in in fuel related costs since 2019 due to the Company's risk exposure to the SPP market.

[23] See Ives Rebuttal Testimony p. 9, 20-23 through p. 10, 1-6 & p. 19, 3-4.

- There is every reason to believe this number will increase in the years ahead due to the fact that there are no applications pending before the SPP from Evergy for thermal dispatchable units.

- OPC has formally raised consolidation in past rate cases and parties agreed to a stipulated study that was completed four years ago.
  - However, no action has taken place towards the consolidation of Evergy West and Metro despite the completion of that study.
- The history behind the various utility companies that have fallen under the current Evergy corporate umbrella include many examples of consolidation and mergers demonstrating that this is not an impossible exercise or one that needs to take a decade.
- Evergy appears willing to "potentially" have informal discussions with Staff and OPC maybe a year from now. Additionally, there is a passing reference to an RFP "roadmap" that is underway to apparently demonstrate the Company is committed to exploring this issue.
  - This is not a commitment. It is a "maybe" we will talk about consolidation in the future.
  - Six years ago Evergy agreed to its first roadmap study. Four years ago, a 24-page study was completed and filed with the Commission. [24]
- The Commission has already signaled that consolidation of the Missouri affiliates is an action they want the Company to exercise as seen in the Commission's Report and Order in Case No. EO-2023-0277 that concludes with the following statement:
  - *While acknowledging the potential complexities and issues to sort through, the Commission would encourage EMW and EMM to consider merging these*

[24] "The objective of the study is to outline the current state of operations, costs, and rates, as well as, the potential obstacles with immediate rate consolidation given the current state, and finally, the steps recommended to consolidate rates properly (leveraging past learnings) with a possible execution timeline."

See page 3 of GM-2 from the Direct Testimony of Geoff Marke in ER-2024-0189.

> *two companies to greater take advantage of economies of scale. This would give EMW customers greater access to EMM's generation capacity, and should thereby reduce FAC costs for EMW customers.*[25]

Q. What is your recommendation?

A. I recommend that the Commission keep pressing Evergy West to figure out how they are going to stop the bleeding of fuel related costs due to management's inaction. I also recommend the Commission question why the Company has made no meaningful actions to consolidate Evergy Missouri Metro and West especially in light of the historic challenges Evergy has had in providing enough generation to serve its current load let alone potential future load growth.[26]

To be clear, the Commission should not reward a utility for poor performance.

The Commission should also consider the facts driving costs for Evergy West customers today and in the future due to managerial actions/inactions. This can best be done by expanding the FAC sharing mechanism to 75/25 to incentivize Evergy West to have some "skin in the game" in terms of its risk exposure to the situation they have created. Absent that movement, I recommend that the Commission consider the facts at hand as well as the Company's caustic response to this seemingly obvious directional solution in setting the Company's return on equity.

Moving forward, I recommend that the Commission create a separate docket and order the Company to file its position on consolidation in detail. This should include a timeframe with specific deliverable dates, meaningful actions that need to occur and concrete actions the Company is undertaking to consolidate its Missouri affiliates. I would also encourage that the Commission order periodic, public, on-the-record presentations and status reports from the Company on its progress to date where stakeholders can also participate. Finally, I would

[25] Case No. EO-2023-0277 Report and Order p. 14.
[26] These concerns were expressed recently in OPC's comments to Evergy Metro/West's Triennial Integrated Resource Plan Filing in Case Nos. EO-2024-0153 and EO-2024-0154 and included here in GM-1 for reference.

recommend that the Commission consider penalties if the Company is non-responsive to these directives.

In short, I renew my recommendation to the Commission to hold the Company accountable for its managerial inactions.

Consolidation is not a panacea for what has ailed Every West, nor will it fully solve the problems on the horizon in the immediate future, but it is one part of the directional answer towards ensuring rates are set in the public interest that has been woefully ignored to date and will most certainly continue to be ignored absent clear Commission direction.

III. DECOUPLING TRACKER

Q. Mr. Ives suggests that regulatory trackers are consistent with the regulatory compact. Do you agree?

A. No. This is patently not true.

The regulatory compact is the obligation of the utilities to provide safe and reliable service to customers, usually in an exclusive territory, in exchange for regulated rates. A utilities unique service and large capital investments create the setting for natural monopolies and market imperfections. To control for those inefficiencies economic regulation is put in place as substitute for a competitive market.

A close reading of Mr. Ives Q&A on this topic shows that he understands this truth. Consider the following Q&A from Mr. Ives's rebuttal testimony with emphasis placed on the textual sleight-of-hand he attempts to perform:

> **Q: Are regulatory trackers consistent with the regulatory compact?**
>
> A: Yes. The regulatory compact allows utilities to collect revenue from customers to cover the costs of providing services, while also requiring that those services are provided at a fair and reasonable cost. <u>The compact</u> also <u>gives utilities the **opportunity** to earn a reasonable return on their investments</u>. Regulatory trackers

> do not remove the company's obligation to provide service at fair and reasonable rates. Trackers support the regulatory compact because they **ensure** that a utility is allowed to earn a reasonable return on investments without being penalized based on fluctuations in costs that are beyond the company's control.[27]

To further emphasize that subtle difference:

> **Opportunity**: Allows for a chance of assurance.
>
> **Ensure**: Guarantees that assurance.

Every surcharge, every tracker, every rider, every modified accounting treatment requested, all singularly unique regulatory creations that Evergy is able to secure from the Commission or the General Assembly to adopt will almost certainly result in mitigating risk to shareholders and redirecting it to captive ratepayers. This is effectively what I would characterize as "cruise-control regulation" where risks are minimized or eliminated without a corresponding reduction to the risk premium customers pay for the privilege of having only one investor-owned utility to service it.

Q. Can Evergy West propose a decoupling tracker?

A. No. RSMo § 386.266.3 states:

> 3. Subject to the requirements of this section, any gas or electrical corporation may make an application to the commission to approve rate schedules authorizing periodic rate adjustments outside of general rate proceedings to adjust rates of customers in eligible customer classes to account for the impact on utility revenues of increases or decreases in residential and commercial customer usage due to variations in either weather, conservation, or both. For purposes of this section: for electrical corporations, "eligible customer classes" means the residential class and classes that are not demand metered; and for gas corporations, "eligible customer classes" means the residential class and the smallest general service class. As used

[27] Rebuttal Testimony of Darrin R. Ives p. 35, 9-17.

> in this subsection, "revenues" means the revenues recovered through base rates, and does not include revenues collected through a rate adjustment mechanism authorized by this section or any other provisions of law. This subsection shall apply to electrical corporations beginning January 1, 2019, and shall expire for electrical corporations on January 1, 2029. <u>An electrical corporation may make a one-time application to the commission under this subsection if such corporation has provided notice to the commission under subsection 5 of section 393.1400, provided the corporation shall not concurrently utilize electric rate adjustments under this subsection and the deferrals set forth in subsection 5 of section 393.1400</u>. (underlined emphasis added)

In 2018 Senate Bill 564 was passed allowing utilities the option to select “PISA” (“Plant In Service Accounting”) or decoupling treatment. Not both. Evergy West has already selected PISA treatment. It cannot have it both ways.

Q. Putting aside the legal prohibition on what the Company is requesting, why would you reject a decoupling tracker if it guarantees that the Company would not over earn its revenues?

A. Because utility regulation, when done correctly, is supposed to serve as a proxy for a competitive market. There are no guaranteed revenues for companies operating in a competitive environment. In fact, it is generally frowned upon for government to intervene in the business of free enterprise. The unfortunate reality of the existence of natural monopolies does not mean economic regulators tasked with ensuring economic efficiency in the face of zero competition should go out of their way to further minimize the benefits to customers from competition. Quite the opposite. Whenever possible, regulators should be promoting or at least not minimizing regulatory lag as it is the primary incentive mechanism within the method of “cost plus” regulation (which has been used for over 100+ years) that is designed to <u>increase</u> utility efficiency in a manner similar to competitive markets. That is, it allows managerial efficiencies to generate increased profitability for a utility. A tracker represents an antithesis to this feature since it is not tied to performance.

In other words, it allows the utility to fully recover costs regardless of how efficiently the utility operates.

Like many items being requested in this case, this raises a larger question as to whether or not Evergy want to be rewarded for operational efficiencies or rather insulate themselves from any cost-recovery risk? The Company, of course, wants both, but sound regulation is supposed to ensure that the risks and rewards between ratepayers and utilities are balanced and not one-sided. Having an over/under recovery tracker in place may sound balanced in a vacuum, but trackers minimize the incentive for operational efficiencies fundamental to utility regulation and result in a further departure from the economic ideal that underpins government regulatory involvement in failed markets to begin with.

Q. What is your recommendation?

A. The Commission should support the Staff's position on this issue and reject the decoupling tracker the Company is proposing.

IV. PUBLIC SERVICE ANNOUNCEMENTS

Q. What was your recommendation in direct testimony regarding TOU public service announcements?

A. I recommended that the Commission order the Company to explain the four following items to the public in the most easily understood means possible through a series of PSAs :

1. Exactly why TOU rates are being offered and encouraged (Value statement);
2. That the TOU option allows for choice (which previously did not exist);
3. That customers should save money in both the short (monthly bill savings) and long (deferred capital investments) term if they adjust their behavior (and often if they don't change at all); and
4. That savings do not require excessive actions on the customers part (e.g., you don't need to turn off your AC in the summer, etc…).

Additionally, I recommended that the Commission order the Company to meet periodically with OPC and Staff on content of the campaign and the Company provide periodic updates to the Commission as well as an in-person presentation at an Agenda.

Q. What was the Company's response?

A. Company witness McDonald did not support my recommendation and countered with arguments to that effect for over fourteen pages. To summarize, Ms. McDonald suggests that Evergy has done enough, the Company was successful, and that any further marketing/education on the topic will further erode customer satisfaction with the utility.

Q. What is your response to the claim that Evergy has done enough?

A. I will respectfully disagree with Ms. McDonald on Evergy's performance to date and would instead like to highlight what Ms. McDonald failed to acknowledge. Namely, not responding to my testimony as to why such a Commission directive is necessary. Look no further than Table 1 taken directly from Evergy West's triennial integrated resource plan ("IRP") which shows a breakdown by resource type from its executive summary with the assumed demand side management ("DSM") summer contributions emphasized.

Table 1: Evergy West Preferred Plan with DSM emphasized.

Year	Wind (MW)	Solar (MW)	Battery (MW)	Thermal (MW)	Capacity Only (Summer MW)	DSM (Summer MW)	Retirements (MW)
2024	0	0	0	143	0	91	0
2025	0	0	0	0	0	140	0
2026	0	0	0	0	28	180	0
2027	0	150	0	0	0	211	0
2028	0	0	0	0	0	225	0
2029	0	0	0	325	0	240	0
2030	0	0	0	415	0	254	0
2031	150	0	0	0	0	268	212
2032	150	0	0	0	0	283	0
2033	150	0	0	0	0	295	0
2034	150	0	0	0	0	312	0
2035	0	0	0	0	0	325	0
2036	0	0	0	0	0	338	0
2037	0	0	0	0	0	352	0
2038	0	0	0	0	0	362	0
2039	0	0	0	0	0	377	0
2040	0	0	0	0	0	388	187
2041	150	0	0	0	0	399	0
2042	0	150	0	0	0	408	0
2043	0	0	0	0	0	417	0

Q. What should the Commission note from that table?

A. That Evergy West is planning on **a 358% increase** in its demand side management ("DSM") demand savings over its twenty-year planning period. This would represent an extraordinary amount of savings with year-over-year increases.

Q. What actions are driving those large year-over-year DSM gains?

A. Today, DSM demand savings are almost entirely driven by business demand response (curtailments), and to a lesser extent, residential demand response thermostats. However, the 358% increase in demand savings that support Evergy West's preferred plan envisions is in large part predicated on opt-out TOU adoption with larger differentials than what were ultimately ordered.

Q. Do you agree with those assumptions?

A. No. I have articulated my concerns about Evergy West's DSM assumptions in both the Company's most recent MEEIA application as well as in comments alleging both deficiencies and concerns filed by the OPC in the Company's most recent triennial integrated resource plan.

However, this exercise is irrelevant and ultimately doesn't matter if customers are not being charged for service that is more in line with the cost to provide that service. Which is exactly where we are and will continue to be if TOU rates are abandoned.

At this point, Evergy clearly has no intention of ensuring that this future can be met with the sunk investments (hardware, software, and private LTE network) ratepayers have already paid for as the Company continues to earn a healthy profit with no offsetting benefits. The end result will be that ratepayers will be called on to pay, again, for some other investment to meet this deficiency — or, the more likely scenario in the near future — customers will just continue to pay unnecessary marked up SPP costs for Evergy's failure to meet its customers load.

The Commission should also be cognizant that this issue is even more pronounced for Evergy Metro as seen in Table 2 where **there is a 749% increase** in DSM demand savings from 2024 to 2043.

Table 2: Evergy Metro Preferred Plan with DSM emphasized

Year	Wind (MW)	Solar (MW)	Battery (MW)	Thermal (MW)	Capacity Only (Summer MW)	DSM Summer MW	Retirements (MW)
2024	0	0	0	0	0	65	0
2025	0	0	0	0	0	130	0
2026	0	0	0	0	126	181	0
2027	0	300	0	0	34	231	0
2028	0	150	0	0	26	272	0
2029	150	0	0	0	0	294	0
2030	150	0	0	0	0	326	0
2031	150	0	0	0	0	355	0
2032	0	0	0	415	0	375	0
2033	150	0	0	0	0	395	375
2034	150	0	0	0	0	417	0
2035	150	0	0	0	0	435	0
2036	0	0	0	325	10	451	0
2037	0	0	0	0	0	464	0
2038	0	0	0	325	0	476	0
2039	0	0	0	325	0	491	0
2040	0	150	0	0	34	508	832
2041	0	0	0	325	47	524	0
2042	150	0	0	0	0	539	0
2043	0	0	0	0	0	552	0

Q. What is your response to the claim Evergy's marketing campaign worked?

A. I will initially answer that question with a question myself. Will Evergy West be able to meet the articulated DSM demand savings in its preferred triennial IRP plan? The answer to that should be the very definition of whether or not Evergy's market campaign worked. I submit that no, it will certainly not be able to meet those projections. Under that standard, which is really the only one that matters, I do not know how anyone involved in the process can reasonably say that this roll-out has been a success.

Q. What is your response to the claim that further marketing will result in further customer satisfaction declines?

A. Unnecessarily increased rates also drive down customer satisfaction.

The Commission should be cognizant that Evergy has and continues to have some of the lowest customer satisfaction scores in the nation. Figure 2 and 3 provides Evergy scores from Escalent's electric and gas brand trust survey from 2023 and 2024.

Figure 2: 2023 Escalent Utility Brand Trust Scores: Evergy [28]

	2023 Brand Trust Score
Evergy	Score: 660 (average survey score 686) Rank: 115 out of 141 81.5% of utilities scored higher than Evergy

Figure 3: 2024 Escalent Utility Brand Trust Scores: Evergy [29]

	2024 Brand Trust Score
Evergy	Score: 627 (average survey score 680) Rank: 129 out of 141 91.5% of utilities scored higher than Evergy

Figure 4 provides the breakdown of each utility by sector and highlights Evergy's position for 2024.

[28] *Ibid*.
[29] Escalent (2023) Utilities Investing More in Communication Continue to See Elevated Brand Trust. https://escalent.co/news/brand-trust-is-higher-for-utilities-that-spend-more-on-communication-and-highlight-savings-and-environmental-programs-for-customers/

Figure 4: 2024 Escalent Utility Brand Trust Rankings (Electric & Gas)

Rank	Utility	Service	Score
1	Florida City Gas	Gas	764
2	Salt River	Elect	756
3	TECO Gas	Gas	752
4	Cascade Gas	Gas	749
5	MS Power	Elect	747
6	Piedmont	Gas	746
7	Chattanooga Gas	Gas	743
8	Columbia– South	Gas	741
9	Spire MS	Gas	737
10	CenterPoint S	Gas	735
11	WA. Gas	Gas	733
12	Georgia PWR	Elect	731
13	Xcel Midwest	Comb	729
14	Intermountain	Gas	729
15	Philadelphia	Gas	725
16	MO-Dakota	Comb	725
17	OUC	Elect	725
18	Atmos South	Gas	721
19	Ind MI Power	Elect	720
20	Columbia Gas	Gas	719
21	NIPSCO	Comb	718
22	Seattle City	Elect	717
23	Atmos Midwest	Gas	716
24	Wisconsin PS	Comb	715
25	FPL	Elect	714
26	Spire Gulf Coast	Gas	714
27	SMUD	Elect	714
28	New JerseyGas	Gas	713
29	NW Natural	Gas	712
30	Black Hills MW	Comb	711
31	Dominion NC	Gas	711
32	New Mexico Gas	Gas	709
33	PSE&G	Comb	708
34	Snohomish PUD	Elect	708
35	Spire Alabama	Gas	707
36	Virginia NG	Gas	707
37	Elizabethtown	Gas	705
38	Nicor Gas	Gas	705
39	Green Mountain	Elect	704
40	CenterPoint MW	Gas	704
41	Alabama Power	Elect	703
42	Texas Gas	Gas	703
43	SoCalGas	Gas	702
44	Con Edison	Comb	701
45	Consumers Ener	Comb	701
46	National Fuel	Gas	700
47	South Jersey Gas	Gas	698
48	Peoples Gas	Gas	698
49	Duke Progress	Elect	696
50	Dominion– West	Gas	696
51	Dominion W	Gas	696
52	Alliant	Comb	695
53	Oklahoma NG	Gas	695
54	MidAmerican	Comb	694
55	Ameren MO.	Elect	694
56	TECO Tampa	Elect	694
57	Dominion S.	Comb	692
58	Puget Sound	Comb	692
59	Idaho Power	Elect	692
60	Tucson Electric	Elect	692
61	Columbia Gas	Gas	691
62	Peoples	Gas	691
63	APS	Elect	691
64	LA Water PWR	Elect	691
65	UGI Utilities	Gas	690
66	Dominion VA	Electric	690
67	National Grid	Comb	689
68	Ameren Illinois	Comb	688
69	Spire MO East	Gas	688
70	Duke Florida	Elect	687
71	Entergy MS	Elect	687
72	SW Electric	Elect	686
73	RockyMountain	Elect	685
74	Avista	Comb	684
75	SW Gas	Gas	684
76	BGE	Comb	683
77	Delmarva	Comb	683
78	Dominion Ohio	Gas	683
79	Louisville G&E	Comb	682
80	Duquesne Light	Elect	681
81	PPL Electri	Elect	681
82	DTE Energy	Comb	681
83	Entergy Texas	Elect	681
84	Citizens Energy	Gas	680
85	ColoradoSpring	Comb	680
86	NorthWestern	Comb	680
87	PECO	Comb	679
88	ComEd	Elect	679
89	Pepco	Elect	678
90	JEA	Elect	678
91	Spire MOWest	Gas	676
92	Xcel– South	Elect	675
93	Ohio Edison	Elect	674
94	PSC Oklahoma	Elect	674
95	Xcel Colorado	Comb	674
96	Kansas Gas	Gas	673
97	Duke Carolinas	Elect	673
98	Nashville	Elect	671
99	Pacific Power	Elect	671
100	Duke Midwest	Comb	669
101	PNM	Elect	667
102	Penelec	Elect	666
103	Penn Power	Elect	666
104	We Energies	Comb	666
105	Entergy L	Elect	666
106	Kentucky Ut	Elect	665
107	OPPD	Elect	664
108	CPS Energy	Comb	661
109	West Penn P	Elect	660
110	AEP Ohio	Elect	660
111	Portland GE	Elect	660
112	Entergy Ark	Elect	659
113	AES Indiana	Elect	658
114	Illuminating	Elect	657
115	Black HillsW	Elect	657
116	Potomac Edi	Elect	656
117	Met-Ed	Elect	655
118	Eversource	Comb	653
119	OG&E	Elect	651
120	El Paso E	Elect	650
121	Mon Power	Elect	649
122	PSEG L.I.	Elect	647
123	Toledo Edi	Elect	647
124	Atlantic City	Elect	644
125	Jersey C.P&L	Elect	639
126	NV Energy	Elect	633
127	Austin E.	Elect	630
128	Entergy NO	Elect	629
129	**EVERGY**	**Elect**	**627**
130	Until	Comb	623
131	AES Ohio	Elect	622
132	NYSEG	Comb	617
133	RG&E	Comb	591
134	Kentucky P.	Elect	586
135	FPL NW FL	Elect	583
136	MLGW	Comb	581
137	PG&E	Comb	577
138	Appalachian	Elect	570
139	C. Maine P.	Elect	562
140	CenterPoint Indiana	Comb	514
141	SDG&E	Comb	511

Source:

https://escalent.co/news/brand-trust-is-higher-for-utilities-that-spend-more-on-communication-and-highlight-savings-and-environmental-programs-for-customers/

Q. What do these low scores say to you?

A. It says many things—all of which are not good. Specifically, to this topic, it suggests to me that Evergy's very poor customer satisfaction scores (that existed pre-TOU rates) almost certainly had a negative part to play in the questionable reception by customers to date. At a minimum, it certainly didn't help. How much of a factor negative pre-existing Evergy customer perceptions had on unsuccessful roll-out and how much can be attributed to the marketing campaign as seen in Figure 5 is probably worth exploring so no further set-backs occur.

Figure 5: Evergy Missouri TOU billboard

Q. Do you have any final comments on this topic?

A. I cannot understate how big of a disappointment this decade long ordeal has been in rolling out TOU rates for Evergy.

The Company certainly had the time to prepare and execute a roll-out that not one, but two independent consultants concluded would save most of its customers money without any behavioral modifications. The Company could easily have come in and asked for TOU tracker (like it is now) and it would likely have received a very different response from OPC if it had treated this roll-out differently.

Instead, the roll-out failed in executing its objectives. Customers are categorically worse off and the net impact of Evergy's failed roll-out will extend far beyond its territorial borders. The Evergy experience with TOU rates will certainly cloud stakeholders perceptions with Ameren Missouri and Liberty Electric in Missouri and in turn negatively impact resource planning for each utility moving forward. It has already clouded perceptions at our State's Capital and it will likely back TOU pricing in states across the country who will no doubt cite to the Evergy Missouri experience as evidence that pricing electricity more in line with its costs is simply not possible despite the fact this sort of pricing occurs throughout the world every day in various industries. The collective impact of the Company's poor roll out is both tragic and will be far-reaching, likely for years to come.

Q. What is your recommendation?

A. I continue to maintain my recommendation from direct testimony. Evergy should be held accountable and not be allowed to dismiss pricing out-of-hand while reaping the financial profits from its failed investments.

If not, I strongly recommend that Evergy begin quantifying any and all benefits that can be realized from its AMI investments if demand reductions cannot be counted on. I can assure the Company I will be raising "used and useful" prudence disallowance arguments in the future if the Company elects not to use its AMI meters to achieve the load reductions multiple studies claim can be achieved and for which customers have already (and continue to) pay for.

V. QUARTERLY CUSTOMER SERVICE MEETINGS

Q. In direct testimony you requested that OPC be included in the quarterly customer service meetings that occur with the Company and Staff. What was the response?

A. Mr. Caisley responded as follows:

> **Q. In regard to the quarterly customer service experience meetings between Evergy and Staff, does the Company have an issue with Dr. Marke's**

request for OPC participation in future quarterly customer service experience meetings?

A. Not at all, Evergy would welcome OPC's participation. However, in order to facilitate open dialogue, transparency and full understanding regarding the positions of parties participating in these quarterly meetings, the Company requests open communications between the parties so that, if Staff or OPC take issue with the substance of the meetings, those views are communicated directly to the Company, preferably in writing, so they can be reviewed and addressed between the parties. This would enable the Company to fully consider and mitigate or respond in a timely fashion and create meaningful dialogue that could significantly improve communication and understanding as well as improve relationships.[30]

Q. What is your response?

A. On this issue, I appreciate the Company's willingness to hear from the consumer advocate on the topic of customer service in a non-contested venue. I am little less sure exactly what the conditional ask the Company is making means. I can assure Mr. Caisley that we will openly voice any concerns/praise we have both in person, and, where appropriate, in writing if he so requests. This is a practice we already practice in IRP dockets and most recently in the various TOU dockets before the Commission over the past two years.

That being said, in the spirit of open communication and timely responses, I would request that the Company provide their results and any corresponding reference material at least one week before any scheduled meeting so as to allow OPC and Staff the opportunity to actually provide substantive comments at the meeting. This will allow the parties who attend these meetings to collectively discuss the Company's findings as opposed to the far more likely scenario of receiving a PowerPoint full of information the day the meeting happens and having no time to digest the data. This is far more efficient use of everyone's time, would

[30] Rebuttal Testimony of Charles A. Caisley p. 7, 17-23 & p. 8, 1-5.

minimize any delay Mr. Caisley voices concerns about, and should enable the meaningful dialogue he hopes to achieve.

VI. INCOME-ELIGIBLE PROGRAM EVALUATIONS

Q. In direct testimony you requested a third-party evaluation of the Company's flagship income eligible program (Economic Relief Pilot Program or "ERPP"), a third-party study examining the level of concentration of energy burden in its territory, and to begin the process of a joint evaluation of the Critical Medical Needs Program(s) across the state. What was the Company's response?

A. Evergy witness Charles A. Caisley was generally positive and supportive but suggested that the evaluations are better served outside of this rate case and then referred to Evergy witness Kevin D. Gunn as the witness to expound on this further.

Q. What did witness Gunn say?

A. Mr. Gunn provided the following response:

> The Company believes that the issues raised by Witness Marke and King are worthy of discussion. The Company is always open to constructive ideas on how to make these programs more effective and to increase participation. However, the Company believes that conversations outside the rate case would be more beneficial rather than bundling it with issues contained in the rate case. The Company would be more than happy to engage in these conversations, but respectfully suggests that regulatory efficiency is better served by dealing with those issues separately.[31]

Q. What is your response?

A. This is a rate case where we are setting rates for the cost of providing electric utility service moving forward. If the Company is fine with not including costs related to these studies in

[31] Rebuttal testimony of Kevin D. Gunn p. 17, 15-21.

its cost of service, I take no issue with that. I am merely looking for a commitment that the evaluations will occur in a timely fashion.

Q. What is your recommendation?

A. In light of the Company's participation with Renew Missouri regarding the energy burden analysis and online tool, I am amending my recommendation to the Commission from my direct testimony to now include the following studies to be completed within one year of rates going into effect (or at least reasonably soon thereafter):

- A process and impact evaluation of the Economic Relief Pilot and Rehousing programs; and
- A joint process and impact evaluation over the Critical Medical Needs Program most likely in conjunction with the rest of the participating utilities in Missouri.

Q. Does this conclude your testimony?

A. Yes.

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 GEOFF MARKE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Geoff Marke
Chief Economist

Subscribed and sworn to me this 9th day of September 2024.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

My Commission expires August 8, 2027.

Tiffany Hildebrand
Notary Public