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Service Commission

Exhibit No. 243

Staff – Exhibit 243 Michael Stahlman Rebuttal File No. ER-2024-0189

Exhibit No.:

Issue(s): Weather Normalization

Adjustment Factors

Witness: Michael L. Stahlman

Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony

Case No.: ER-2024-0189

Date Testimony Prepared: August 6, 2024

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

MICHAEL L. STAHLMAN

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

CASE NO. ER-2024-0189

Jefferson City, Missouri August 6, 2024

1	REBUTTAL TESTIMONY	
2	OF	
3	MICHAEL L. STAHLMAN	
4	EVERGY MISSOURI WEST, INC.,	
5	d/b/a Evergy Missouri West	
6	CASE NO. ER-2024-0189	
7	Q. Please state your name and business address.	
8	A. My name is Michael L. Stahlman, and my business address is Missouri Public	
9	Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.	
10	Q. By whom are you employed and in what capacity?	
11	A. I am employed by the Missouri Public Service Commission ("Commission") as a	
12	Regulatory Economist in the Tariff/Rate Design Department in the Industrial	
13	Analysis Division.	
14	Q. Are you the same Michael L. Stahlman that filed direct testimony in this case?	
15	A. Yes.	
16	EXECUTIVE SUMMARY	
17	Q. What is the purpose of your testimony?	
18	A. I will provide rebuttal testimony regarding the weather normalization adjustments	
19	provided by Evergy Missouri West's ("EMW") witness Albert Bass.	
20	Q. Please summarize your rebuttal testimony.	
21	A. With the exception of the input data, Staff has no significant issues with how	
22	Mr. Bass performed the regression analysis. However, there are differences in how the factors	
23	were applied. Staff's method accounts for the differences in how weather impacts peak and	
24	off-peak periods.	

WEATHER NORMALIZATION ADJUSTMENT FACTORS

- Q. Does Staff have any significant issues with the weather normalization regression analysis performed by Mr. Bass?
- A. Generally no. There are some differences in the approach, such as Staff using only two years of data since that avoided including a factor to account for the impacts of COVID, but the method that Mr. Bass used is largely consistent with Staff's approach. The main issues with the analysis stem from the weather input data, which is further discussed in the rebuttal testimony of Staff witness Francisco Del Pozo.
 - Q. Does Staff have issues with how the factors from Mr. Bass's analysis were applied?
- A. Yes. To be fair to Mr. Bass, the method he used is completely consistent with how both EMW and Staff applied weather normalization adjustment factors in prior rate cases. However, since nearly all residential customers in this case now have time-of-use ("TOU") rates, Staff applied the factors in a way that better accounts for weather impacting peak hours differently than off-peak hours, as discussed in my direct testimony.
- Q. Is there evidence that weather does impact peak hours differently than off-peak hours?
- A. Yes. Both Staff and EMW perform two separate regression analyses; one for daily energy consumption and the other for hourly peak usage. The resulting regression shows significant differences between the weather's impacts on hourly peak usage and daily energy consumption. In particular, the sign in front of the CDD2 (a cooling degree day variable) coefficient in Mr. Bass's regression analysis changes between a positive and negative from the energy regression to the peak regression.

Q. Should these factors be applied to the net-metered customers?
A. No. A net-metered customer's response to weather will be different than a general customer. For a net-metered customer, a clear sunny day would tend to bring about that customer's highest generation generally around the same time that usage would be highest.
Q. Is Staff willing to look at an analysis specifically for net-metered customers?
A. Yes. Staff would be happy to review data of customers in a net metered class; however, at this time EMW has been unable to provide data for these customers as an isolated class.
Q. Was there any coefficient included in the regression analyses of Mr. Bass that would account for the generation of net-metered customers?
A. I did not see any generation coefficients included in his models.
Q. Does this conclude your rebuttal testimony?
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 Implement A General Rate Increase for Electric Service) Case No. ER-2024-0189		
AFFIDAVIT OF MICHAEL L. STAHLMAN			
STATE OF MISSOURI)			
COUNTY OF COLE) ss.			
COMES NOW MICHAEL L. STAHLMAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing <i>Rebuttal Testimony of Michael L. Stahlman</i> ; and that the same is true and correct according to his best knowledge and belief.			
Further the Affiant sayeth not.			
MIC	CHAEL L. STAHLMAN		
JURAT			
Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this day of			
D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070	Dizzellankini ary Public		