

Exhibit No.:
Issue(s): Analysis of Proposed Tariff
Witness: Dr. Carolyn A. Berry
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Google LLC
File No.: EO-2025-0154
Date Testimony Prepared: September 12, 2025

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO.

EO-2025-0154

SURREBUTTAL TESTIMONY

OF

DR. CAROLYN A. BERRY

ON BEHALF OF

GOOGLE LLC

September 12, 2025

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1 I. INTRODUCTION

2 Q. Please state your name and business address.

3 A. My name is Carolyn A. Berry. I work at Bates White Economic Consulting (“Bates
4 White”). My business address is 2001 K Street NW, North Building, Suite 500, Washington, D.C.
5 20006.

6 Q. What is your position with Bates White?

7 A. I am a Partner.

8 Q. Are you the same Carolyn A. Berry that filed rebuttal testimony in this
9 proceeding?

10 A. Yes.

11 Q. On whose behalf are you submitting this testimony?

12 A. I am submitting this testimony on behalf of Google LLC (“Google”).

13 Q. What is the purpose of your testimony?

14 A. I respond to the Staff Recommendation filed by the Missouri Public Service
15 Commission (“MPSC”) Staff witnesses on July 25, 2025, to create an alternative tariff for large
16 load customers that is fundamentally different from Evergy’s proposed Large Load Power Service
17 (“LLPS”) tariff.

18 Q. Are you sponsoring any schedules or exhibits as part of your direct testimony?

19 A. Yes, I am sponsoring the following exhibits/schedules:

- 20 • Schedule CB-8 – Referenced Staff Responses to Google Data Requests

21 A. SUMMARY OF RECOMMENDATIONS

22 Q. What do you recommend?

23 A. I recommend that the Commission reject Staff’s large load tariff proposal in its
24 entirety for the following reasons:

- 1 ● Staff’s proposal is primarily a cost allocation and rate design proposal that does not
- 2 adequately address the terms and conditions required for a large load tariff; is
- 3 insufficiently supported; and is inappropriately offered and considered without the
- 4 cost of service models and expertise that would be used in a rate case.
- 5 ● Staff’s proposal is unduly discriminatory in its proposed treatment of each large
- 6 load customer as a separate commercial pricing node and in imposing new charges
- 7 on large load customers that are not imposed on other customers taking embedded
- 8 cost service.
- 9 ● Staff’s proposal is not based on costs to serve large load customers.
- 10 ● Staff’s proposal creates unjustified rate instability for large load customers.
- 11 ● Staff’s proposal does not address large load customer needs and is impractical to
- 12 implement.

13 **Q. Are there any elements of the Commission Staff proposal that you find**
14 **acceptable?**

15 A. Yes. I find the proposed 10-year contract term, starting after a ramping period of
16 up to five years,¹ to be a reasonable element that provides long-term certainty for both the utility
17 and large customers. However, this single point of agreement cannot justify a proposal that is
18 otherwise unduly discriminatory, not cost-based, and inappropriately considered outside of a rate
19 case. For these reasons, and as detailed in my testimony, I recommend rejecting the proposal in its
20 entirety.

¹ Staff Recommendation, Appendix 2, Schedule 1, p. 2.

1 **B. DESCRIPTION OF STAFF’S PROPOSED LARGE LOAD TARIFF**

2 **Q. Please describe Staff’s proposal.**

3 A. Staff proposes a rate plan for large load customers (defined as customers with peak
4 load of 25 MW or greater or taking service at 34 kV or greater)² that is fundamentally different
5 from the rate structure and design for existing large customers. Staff proposes new methods to
6 compute all or almost all charges including base demand and energy charges. Additionally, Staff
7 proposes a new set of charges that would apply only to large load customers such as the Variable
8 Fixed Revenue Contribution, Stable Fixed Revenue Contribution, Demand Deviation, and
9 Imbalance charges. Staff’s proposal would require the Company to register each large load
10 customer with the Southwest Power Pool (“SPP”) as a separate commercial pricing node to assign
11 SPP charges that are currently determined and allocated on a system basis. Overall, Staff’s
12 proposal would separate and treat large load under a completely distinct set of rules and conditions,
13 with distinct pricing determinants and charges, than those that apply to other embedded cost
14 customers.

15 **Q. Does Staff support any part of Evergy’s LLPS rate plan?**

16 A. No, not that I can identify. Staff recommends that the Commission reject Evergy’s
17 proposed tariffs and associated riders.

18 **Q. What is your overall assessment of Staff’s proposal?**

19 A. Staff’s proposal lacks balance and disproportionately centers on cost allocation and
20 rate design instead of the broader terms and conditions that are needed to address the risks
21 associated with large loads. It imposes new costs and requirements on large load customers with

² Staff’s proposed large load tariff is found in Staff’s Recommendation in Appendix 2 – Schedule 1.

1 little acknowledgment of the significant benefits they contribute to the broader system. Under the
2 proposed framework, large load customers face charges disconnected from actual costs and are
3 denied any viable pathway to achieving their clean energy goals. If enacted, this proposal would
4 deprive ratepayers of the substantial advantages large load customers bring, as it risks diminishing
5 the incentive for them to invest in and locate in Missouri. From an electrical infrastructure
6 perspective, these advantages include benefits that enhance reliability, improve efficiency, and
7 prepare the utility for a sustainable energy future.

8 **Q. Please summarize how your testimony leads to the conclusion that this**
9 **proposal should be rejected.**

10 A. My testimony highlights the key flaws and deficiencies in the Staff's proposal.
11 While the Staff proposal ostensibly aims to protect non-large load customers, it ultimately falls
12 short of adhering to core regulatory principles and thus is ineffective in achieving that objective.
13 I've structured my testimony to demonstrate these shortcomings by focusing on the proposal's
14 deviation from emerging industry standards, its development without sufficient input from large
15 customers and the Company, and its failure to prevent undue discrimination, align with cost
16 causation, and ensure equitable treatment, rate stability, and practical implementation. Rather than
17 addressing every flawed provision of the proposal individually, my testimony focuses on these
18 broader critical flaws to demonstrate that the proposal, in its entirety, is not consistent with core
19 regulatory principles and should therefore be rejected.

1 Indeed, Staff’s proposal presents a redesign of all or almost all charges for large load
2 customers by attempting to separate out costs attributable to large load using new rate
3 determinants. In doing so, Staff assumes, without good justification, that the current rate-making
4 framework and methods for cost allocation for large load customers will not work and will not
5 result in an allocation based on cost causation.⁴ In fact “Staff has significant concerns with the
6 current cost recovery framework of both [Eversource Missouri Metro (“EMM”)] and [Eversource Missouri
7 West (“EMW”)]” for current customers.⁵

8 Meanwhile, the emerging industry standard prioritizes the establishment of terms and
9 conditions that ensure large load customers contribute their fair share of costs while minimizing
10 the risk to other customers if anticipated large load growth fails to materialize following significant
11 investments. Common terms and conditions adopted in emerging tariffs include contract term, a
12 threshold size for applicability, minimum demand or bill charges, collateral requirements,
13 provisions for reducing contract capacity and exiting, and options for clean energy. Changes in
14 rate design are generally minor. As a package these terms and conditions ensure, to an acceptably
15 high degree, that the rates paid by large load customers reflect their representative share of costs.
16 In my opinion as an economist, a package of terms and conditions such as these would satisfy the
17 requirements of Senate Bill 4.

⁴ For example, See Schedule CB-8 at 3-4, Staff Response to DR 0168(c), (Q. Does the current method of flowing each of these expenses through the FAC result in a reasonable allocation of costs? A. The Commission has authorized the current FAC treatments as contained in the active FAC tariffs for each respective utility. The concerns Staff raises with regard to LLPS customers is that the scale of LLPS customers will differ significantly for current customers such that differing treatment is appropriate.).

⁵ Schedule CB-8 at 12, Staff Response to DR 0203(b).

1 **Q. Does Staff’s proposal include all of the key provisions in the emerging industry**
2 **standard?**

3 A. No. While the proposal does include an eligibility threshold, a contract term, and a
4 collateral requirement,⁶ it notably fails to include minimum demand or bill charges, options to
5 reduce contract capacity, or options to secure renewable or clean energy, which are all key
6 components of the emerging standard.

7 **Q. What is the basis for Staff's conclusion that the current rate making and cost**
8 **allocation framework will not work for large load customers?**

9 A. Staff provides little evidence to support this conclusion. When asked why the
10 current cost allocation methodology is insufficient, Staff was non-responsive, stating that “[t]here
11 is no current cost allocation for LLPS cost of service.”⁷ Staff has not identified deficiencies in the
12 current framework that would provide a basis for proposed changes nor have they done a
13 comparison to its proposed methodologies to demonstrate their superiority. Moreover, Staff has
14 not vetted its proposal to evaluate the impact on the rates of non-large load customers, ensure there
15 is no over-recovery of costs, or verify that the rates charged to large load customers will reasonably
16 reflect cost causation.

17 **Q. Is a complete overhaul of rates outside of a rate case appropriate?**

18 A. No, it is not appropriate. A complete overhaul of this kind should only occur within
19 a formal rate case. Staff does not have the tools or data required to determine if such a major
20 change is needed, or how it would be best implemented outside of that established regulatory
21 process.

⁶ Staff also outlines the conditions under which a large load customer would be required to pay termination charges.

⁷ Schedule CB-8 at 5, Staff Response to DR 0170(a).

1 **Q. What do you recommend?**

2 A. I recommend that the Commission reject Staff’s proposal. It is a flawed proposal
3 that is primarily a cost allocation and rate design proposal, and fails to adequately address the full
4 scope of terms and conditions required for a large load tariff. It is also insufficiently supported and
5 was inappropriately offered and considered, as this process lacks the necessary cost of service
6 models and expert rate design analysis that a rate case would provide.

7 C. **STAFF’S PROPOSAL IS UNDULY DISCRIMINATORY**

8 **Q. Is Staff’s proposed cost allocation and rate design for large load customers**
9 **unduly discriminatory?**

10 A. Yes. Staff proposes to separate large load customers from all other customers and
11 then allocate costs and design rates for them using completely different methods. Staff proposes
12 new charges for large load customers that other customers will not have to pay. Such a complete
13 departure from the existing rate structure and methodology for current large customers is unduly
14 discriminatory.

15 **Q. Can you provide some examples of undue discrimination?**

16 A. Yes. One example is Staff’s proposal to require the Company to register each large
17 load customer with the Southwest Power Pool (“SPP”) as a separate commercial pricing node
18 (“PNode”)⁸ and then assign charges based on that node. Currently, EMM and EMW customer
19 loads are each aggregated into single nodes that use weighted average prices. This approach
20 reduces price volatility for individual customers. Under Staff’s proposal, large load would not be
21 afforded the same protection from price volatility.

⁸ Staff Recommendation, 22:12-13.

1 **Q. What is Staff’s justification for requiring registration of each large load**
2 **customer as a separate PNode?**

3 A. Staff’s main argument is that separate PNodes “would allow for a much cleaner
4 isolation of costs.”⁹ Staff contends that “it is difficult to isolate the expenses caused by LLPS
5 customers that would otherwise be flowed through the FAC [Fuel Adjustment Charge] and which
6 may cause unreasonable impacts on captive ratepayers.”¹⁰

7 **Q. Has Staff presented any evidence that expenses at the SPP nodal level caused**
8 **by large load customers would have unreasonable impacts on other ratepayers?**

9 A. No. Staff speculates that this might be possible, but has not performed any analysis
10 or even provided a plausible example to establish the likelihood or importance of this issue.

11 **Q. Are you aware of any other utility that has created a separate PNode and**
12 **assigned Regional Transmission Organization (“RTO”)-level charges based on that node to**
13 **each large load customer in a large load tariff?**

14 A. No.

15 **Q. Are there other examples of undue discrimination in Staff’s proposal?**

16 A. Yes. Staff proposes a set of new charges that would apply to large load customers
17 but not to other customers taking service under embedded cost rates. There is no basis for this
18 discriminatory treatment. The additional charges for large load customers are:

- 19 ● Load-Servicing Energy Charge
20 ● Capacity Shortfall Rate
21 ● Variable Fixed Revenue Contribution
22 ● Stable Fixed Revenue Contribution
23 ● Demand Deviation Charge
24 ● Imbalance Charge
25

⁹ *Id.* at 30:32-33.

¹⁰ *Id.* at 22:14-16.

1 **Q. The six charges you have identified are all examples of undue discrimination.**
2 **Do these charges violate other regulatory principles?**

3 A. Yes. All of these additional charges lack a cost foundation; they are not tied to the
4 cost of serving large load customers. I will address two of these charges, the Load-Serving Energy
5 Charge and the Capacity Shortfall Rate in this section focussing primarily on discrimination and
6 the remaining four charges in the next section focussing on the lack of a cost basis for those
7 charges.

8 **Q. What is the Load-Servicing Energy Charge and why is it unduly**
9 **discriminatory?**

10 A. The Load-Servicing Energy Charge “will recover the cost of service associated with
11 real time deviations, ancillary services, and those transmission expenses that vary with load versus
12 demand.”¹¹ Staff proposes a set of initial rates for the Load-Servicing Energy Charge and explains
13 that “[t]hese are placeholders provided by Staff with the expectation that Evergy would provide
14 meaningful input into calculating updated values.”¹² Staff does not know yet which costs the
15 Load-Serving Energy Charge would be based on or how it would be calculated.¹³ Imposing new
16 charges with no cost foundation or demonstration of need on large load customers is
17 discriminatory. It should be further noted that real time deviations and ancillary services are normal
18 components of electricity market operations for all customer classes. As such, it is improper for
19 Staff to frame these issues as uniquely applicable to large load.

¹¹ *Id.* at 56:2-3.

¹² Schedule CB-8 at 10-11, Staff Response to DR 0194 (b).

¹³ *Id.* at -(i), (Q. Please identify the specific transmission expenses that vary with load versus demand as used in the passage above. A. Staff intends to work with Evergy to identify specific SPP billings that vary with load, and that vary with demand.).

1 **Q. What is the Capacity Shortfall Rate and why is it unduly discriminatory?**

2 A. Staff proposes this rate “for the potential recovery of revenue associated with any
3 SPP action through which EMM or EMW ratepayers become responsible for payments associated
4 with capacity shortfalls.”¹⁴ Staff would make large load customers liable for capacity shortfall
5 penalties associated with the Company’s management of the system-wide capacity position. A
6 capacity shortfall, if it occurs, would be due to system capacity requirements relative to measured
7 system capacity, not to any individual customer load. Charging a single class for costs that are
8 attributable to all classes is unduly discriminatory.

9 **Q. What do you recommend?**

10 A. I recommend that the Commission reject Staff’s proposal as unduly discriminatory
11 in its treatment of large load customers as a separate commercial pricing node and assigning
12 charges based on that node, and imposing additional new charges on large load customers that are
13 not imposed on other customers taking embedded cost service.

14 **D. STAFF’S PROPOSAL IS NOT COST-BASED**

15 **Q. In the previous section you identified four discriminatory charges (Demand**
16 **Deviation Charge, Imbalance Charge, Variable Fixed Revenue Contribution, and Stable**
17 **Fixed Revenue Contribution) developed by Staff for which you will focus on a lack of cost**
18 **basis. Please explain these charges.**

19 A. The charges fall into two categories: those related to demand deviations and those
20 related to fixed revenue contributions.

¹⁴ Staff Recommendation, 59:3-6.

1 • Demand Deviation Charges: The charges include the Demand Deviation Charge
2 and the Imbalance Charge. Based on my understanding of Staff's proposal, these
3 charges penalize a large load customer when their actual or contract demand differs
4 from their forecasted demand. The Demand Deviation Charge penalizes a large
5 load customer if its annual forecasted demand is different from its initial contract
6 demand. The Imbalance Charge penalizes the customer if its actual monthly
7 demand is different from its forecasted monthly demand (demand for all months is
8 forecast annually).¹⁵

9 • Fixed Revenue Contributions: The Fixed Revenue Contribution Charges include
10 the Variable Fixed Revenue Contribution and the Stable Fixed Revenue
11 Contribution. Both charges are expressed as percentages and are calculated by
12 applying those percentages to the kW and kWh charges on a large load customer's
13 bill. The purpose of these charges is to collect a contribution toward fixed costs.¹⁶

14 **Q. Please elaborate on the Demand Deviation Charge.**

15 A. This charge would apply to differences between the initial contract demand and an
16 updated yearly contract demand.¹⁷ My interpretation of this is that a large load customer will
17 forecast its yearly demand (kW), and if it is different (higher or lower) than its initial contract
18 demand (kW), then it will pay a Demand Deviation Charge (\$/kW) times the difference in
19 quantities (kW) for deviations greater than +/- 5% of the initial contract demand. Staff proposes
20 a Demand Deviation Charge of \$107.02/kW-year or \$8.9177/kW-month based on an estimate of

¹⁵ *Id.* at 59:9-28.

¹⁶ *Id.* at 58:11.

¹⁷ *Id.* at 59:18-19.

1 the charge (\$/MW) within SPP's Deficiency Payment applicable to a Load Responsible Entity
2 (LRE) that fails to obtain sufficient capacity to meet its Resource Adequacy Requirement.

3 **Q. How is SPP's Deficiency Payment related to the difference between a large**
4 **load customer's initial contract demand and its updated yearly contract demand?**

5 A. It is not related. The SPP Deficiency Payment is calculated as the LRE Deficient
6 Capacity * Cost of New Energy ("CONE") * CONE FACTOR.¹⁸ It applies to a LRE who has not
7 met its Resource Adequacy Requirement. The Company's management of its Resource Adequacy
8 Requirement is a system issue. Although a large load's forecasted annual peak demand may be
9 one piece of information used by the Company when managing its reserve margin, there is no
10 direct relationship between a large load's forecasted annual peak demand relative to its initial
11 contract demand and an SPP Deficiency Payment. Using SPP's CONE * CONE FACTOR of
12 \$107.02/kW-year to penalize large load customers for differences between forecasted and
13 contracted annual demand is inappropriate as this charge has nothing to do with the actual costs,
14 if any, of a large load customer's forecast deviation. (It is also, as previously mentioned, unduly
15 discriminatory.)

16 **Q. Do you have any other concerns with Staff's Demand Deviation Charge**
17 **proposal?**

18 A. Yes. It is excessively stringent and unnecessarily complicated. Penalties would
19 kick in for any annual forecast demand level less than 95% (or greater than 105%) of initial
20 contract demand. This provides very little flexibility to large load customers who must manage
21 business risk and are subject to market fluctuations that affect actual demand. Demand Deviation
22 Charges (\$/kW) would presumably need to be reset from year to year, creating more risk for large

¹⁸ *Id.* at 27:6-7.

1 load customers and increasing regulatory burden. Moreover, no other customer is held accountable
2 for deviations in forecast demand. It is the utility’s responsibility to forecast annual demand for
3 all its customers. A minimum demand charge, not the deviation framework proposed by Staff, is
4 a superior way to guarantee a revenue stream that would protect non-large load customers from
5 the risk of stranded costs.

6 **Q. Please elaborate on the Imbalance Charge.**

7 A. This charge would apply to the difference between a monthly demand forecast and
8 actual monthly demand.¹⁹

9 **Q. What is the basis for this charge?**

10 A. Staff explains that the Imbalance Charge “accounts for differences in realized
11 demand during peak periods compared to the contracted demand for that year providing the LLPS
12 customer a financial incentive to operate consistent with the contracted demand.”²⁰ Staff proposes
13 to set this charge at \$8.9177/kW-month.

14 **Q. How do you respond?**

15 A. Staff’s proposed Imbalance Charge would penalize a large load customer for not
16 forecasting load exactly, holding a large load customer to an unrealistic standard—and one that is
17 applicable to no other customer. This is unduly discriminatory, inequitable and unreasonable.
18 Moreover, differences between forecasted and actual monthly peaks for an individual large load
19 customer have not been shown to be a problem that needs to be solved.

20 Staff’s proposed charge, which like the Demand Deviation Charge is based on SPP’s
21 $CONE * CONE FACTOR$ of \$8.9177/kW-month, has nothing to do with monthly demand

¹⁹ *Id.* at 59:26-28.

²⁰ *Id.* at 60:1-3.

1 deviations of a single customer. This charge has no cost foundation. SPP's Deficiency Payment
2 is not applicable.

3 Staff's focus on short-term imbalances reflects a fundamental misunderstanding of large
4 load tariffs. These tariffs are designed with a broader purpose: to establish long-term protections
5 for the recovery of infrastructure costs and ensure large load customers pay their fair share.

6 **Q. Please elaborate on the Variable Fixed Revenue Contribution Charge.**

7 A. It is charge equal to 24.77% times the following charges on the monthly bill: (1)
8 Customer Charge; (2) Facilities Charge; (3) Energy Charges (including the Day Ahead, Load
9 Servicing, and RES Compliance Charges, but not the Economic Development Discount
10 Responsibility Charge); and the, (4) Reactive Demand Charge.²¹

11 **Q. Please elaborate on the Stable Fixed Revenue Contribution Charge.**

12 A. It is a monthly charge equal to 24.77% times the (1) monthly Generation Capacity
13 Charge or the Generation Capacity Charge based on the updated contract demand, whichever is
14 greater, and the (2) monthly Transmission Capacity Charge or the Transmission Capacity Charge
15 based on the updated contract demand, whichever is greater.²²

16 **Q. Do these charges, in effect, scale up a large load customer's entire bill by**
17 **24.77%?**

18 A. Yes.

²¹ *Id.* at 58:11-16.

²² *Id.* at 58:17-24.

1 **Q. Why is Staff proposing to scale up a large load customer’s entire bill by**
2 **24.77%?**

3 A. Staff proposes that these additional charges be required as contributions to fixed
4 cost recovery.

5 **Q. What is the cost basis for these charges?**

6 A. There is no cost basis. Staff’s recommendation is that the LLPS rate “be set to
7 collect 120% of the cost of service that varies with the addition of a new LLPS customer.”²³ Staff
8 states that this is essentially the floor established by Section 393.1640, RSMo,²⁴ and that Staff is
9 using this statute as guidance for a minimal level of fixed cost of service contribution from a new
10 customer.²⁵ Given how Staff is applying the charges, it appears that Staff views the large load
11 customer’s entire bill as “the cost of service that varies with the addition of a new LLPS
12 customer.”^{26,27} To account for income tax, as Staff explains, the bill components actually need to
13 be multiplied by 24.77% to accomplish a 20% contribution to “fixed costs.”²⁸

14 When asked if Staff verified that LLPS rates set to recover 120% of the cost of service
15 correctly captures costs incurred on behalf of LLPS customers, Staff replied, “As there are
16 currently no LLPS customers, such an analysis is not possible,”²⁹ confirming that Staff has no cost

²³ *Id.* at 34:28-29.

²⁴ *Id.* at 34:27-28.

²⁵ Schedule CB-8 at 6-7, Staff Response to DR 0173 (a).

²⁶ Staff Recommendation, 58: 8-10.

²⁷ Staff also states that, “[i]t is Staff’s intention that LLPS customers make a contribution to the overall cost of service of Evergy that is 20% of the cost of serving LLPS customers.” See Schedule CB-8 at 8-9, Staff Response to DR 0174 (e).

²⁸ Staff Recommendation, 34:27-29; 40:8-10; 58:3-10.

²⁹ Schedule CB-8 at 8-9, Staff Response to DR 0174 (d).

1 basis to support its proposal. Since a large load customer’s existing bill already includes charges
2 that recover fixed costs, scaling up the bill by 24.77% is highly likely to result in an over-recovery
3 of those fixed costs.

4 **Q. Does your testimony's focus on certain charges imply support for others you**
5 **did not address?**

6 A. No. My testimony focuses on the critical flaws in the Staff’s proposal, and I have
7 chosen to provide detailed examples of specific charges to demonstrate the fundamental issues
8 with the overall approach. While I do not explicitly testify on every single charge, a lack of
9 testimony should not be interpreted as support for those charges. I do not support these charges as
10 they also contribute to the overall discriminatory nature of the Staff’s proposal.

11 **Q. What do you recommend?**

12 A. I recommend that the Commission reject Staff’s proposal because it is not based on
13 costs to serve large load customers.

14 **E. STAFF’S PROPOSAL CREATES RATE INSTABILITY**

15 **Q. What does Staff propose to charge large load customers for energy?**

16 A. With respect to energy pricing, Staff recommends that large load customers be
17 charged SPP nodal energy prices. They argue that “[e]very kWh of energy required by an LLPS
18 customer will cause the respective utility, EMM or EMW, to purchase an additional kWh of energy
19 through the IM [Integrated Market] in the interval in which it is needed, at the price of the LMP
20 [Locational Marginal Price] at the interconnection node.”³⁰ This is incorrect. As Staff
21 acknowledges, “[e]ach day, generators owned by its market participants, including EMM and

³⁰ Staff Recommendation, 50:16-19.

1 EMW, are bid into the market, and SPP chooses which ones to dispatch to serve its system-wide
2 load on a least-cost basis.”³¹ Additionally, EMM and EMW bid their load into the market. As a
3 result of being on both sides of the market, EMM’s and EMW’s exposure to nodal prices is largely
4 hedged, since their sales and purchases will effectively net out. For vertically integrated utilities
5 in SPP, the cost of energy to serve their load is driven predominantly by their fuel costs, not SPP
6 nodal prices. Consequently, the energy cost to serve large load customers primarily consists of fuel
7 costs, with only a minor portion influenced by SPP nodal prices.

8 **Q. Does charging large load customers, who are taking service under an**
9 **embedded cost tariff, nodal prices for their energy consumption reflect the actual cost of**
10 **service?**

11 A. No. This is another example of charging large load customer rates that are not cost
12 based. It is also another example of undue discrimination. Large load customers should be
13 afforded the same rate treatment as other embedded cost customers.

14 **Q. Does Staff’s proposal to charge nodal prices create rate instability for large**
15 **load customers?**

16 A. Yes. The proposal to require registration of each large load customer with SPP as
17 a separate commercial pricing node and then to base a large load’s energy price on that nodal price
18 will introduce significant rate instability for large load customers. Staff admits that nodal prices
19 can fluctuate significantly and unpredictably due to changes in local supply and demand.³²
20 However, Staff did not conduct any analysis of potential price volatility that could be introduced

³¹ Staff Recommendation, fn. 99.

³² Schedule CB-8 at 2, Staff Response to DR 0166(d).

1 by creating separate commercial pricing nodes for LLPS customers to assess the impact on these
2 customers.³³ This treatment of large load customers is not equitable.

3 **Q. What do you recommend?**

4 A. I recommend that the Commission reject Staff's proposal to charge nodal energy
5 prices to large load customers based on undue discrimination, a lack of cost basis, and the
6 unjustified creation of rate instability for large load customers.

7 **F. STAFF'S PROPOSAL DOES NOT ADDRESS LARGE LOAD CUSTOMER**
8 **NEEDS AND IS IMPRACTICAL TO IMPLEMENT**

9 **Q. Does Staff's proposal address the needs of large load customers?**

10 A. No. As the Company explained in its Direct Testimony, "Many large customers
11 have aggressive corporate clean energy goals and desire energy options that allow them to manage
12 the energy mix that serves them."³⁴ As such, the Company has proposed four optional renewable
13 or carbon-free riders. In my experience, I too have found that large load customers have ambitious
14 clean energy goals, and as I proposed in my Rebuttal Testimony, the Company should go even
15 further and offer a Clean Transition Tariff. Staff has recommended that the Commission reject the
16 Company's optional renewable and carbon-free riders³⁵ and proposes no replacement riders or
17 other clean energy alternatives. Offering renewable and clean options is a good way to attract and
18 retain large load. Yet, Staff's proposal fails to address the renewable/clean energy needs of large
19 load customers, diminishing its value to them.

³³ *Id.* at -(c).

³⁴ Direct Testimony of Bradley Lutz, 41:7-9.

³⁵ Staff Recommendation, 86:1-2 (regarding the Clean Energy Choice Rider); 106:2-3 (regarding the Renewables Rider); 107:19-21 (regarding Green Solution Connections Program); and 109:17 (regarding Alternative Energy Credits Rider).

1 on large load customers that are not imposed on other customers taking embedded
2 cost service.

- 3 ● Staff's proposal is not based on costs to serve large load customers.
- 4 ● Staff's proposal creates unjustified rate instability for large load customers.
- 5 ● Staff's proposal does not address large load customer needs and is impractical to
6 implement.

7 **Q. Does this conclude your testimony?**

8 A. Yes, it does. Thank you.

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

In the Matter of the Application of Evergy Metro,)
Inc. d/b/a Evergy Missouri Metro and Evergy)
Missouri West, Inc. d/b/a Evergy Missouri West) File No. EO-2025-0154
for Approval of New and Modified Tariffs for)
Service to Large Load Customers)

AFFIDAVIT OF CAROLYN A. BERRY

1. My name is Carolyn A. Berry, and I am a Partner at Bates White Economic Consulting. My business address is 2001 K Street NW, North Building, Suite 500, Washington, D.C. 20006.

2. I have read the above and foregoing Testimony and the statements contained therein are true and correct to the best of my information, knowledge, and belief.

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

Carolyn A. Berry
Carolyn A. Berry
Partner
Bates White Economic Consulting

Date: 9/12/2025