

## Exhibit No. 52

Exhibit No.:

Issue: Emergency Conservation Plan, Net Metering Application modifications, Distributed Generation Interconnection terms, Class Cost of Service ("CCOS"), Solar Subscription Rider modifications, the Company Privacy Policy including treatment of Data Disaggregation, Developer-installed streetlighting, Limited Large Economic Development rider modifications, and TOU for Net Metering customers

Witness: Bradley D. Lutz

Type of Exhibit: Surrebuttal Testimony

Sponsoring Party: Evergy Missouri Metro and Evergy Missouri West

Case No.: ER-2022-0129 / 0130

Date Testimony Prepared: August 16, 2022

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2022-0129 / 0130**

**SURREBUTTAL TESTIMONY**

**OF**

**BRADLEY D. LUTZ**

**ON BEHALF OF**

**EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**Kansas City, Missouri  
August 2022**

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**SURREBUTTAL TESTIMONY**

**OF**

**BRADLEY D. LUTZ**

**Case No. ER-2022-0129 / 0130**

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

2 A: My name is Bradley D. Lutz. My business address is 1200 Main, Kansas City, Missouri  
3 64105.

4 **Q: Are you the same Bradley D. Lutz who submitted direct testimony in these dockets**  
5 **on January 7, 2022 and July 13, 2022?**

6 A: Yes.

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

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

11 **Q: What is the purpose of your surrebuttal testimony?**

12 A: The purpose of my surrebuttal testimony is to respond to rebuttal testimony concerning the  
13 Emergency Conservation Plan, Net Metering Application modifications, Distributed  
14 Generation Interconnection terms, Class Cost of Service (“CCOS”), Solar Subscription  
15 Rider modifications, the Company Privacy Policy including treatment of Data  
16 Disaggregation, Developer-installed streetlighting, Limited Large Economic Development  
17 rider modifications, and TOU for Net Metering customers raised by the Staff of the  
18 Missouri Public Service Commission (“Staff”) witnesses, Claire Eubanks, Cedric Cunigan,  
19 Sarah Lange, and Michael Rush, Renew Missouri witness Peter Fracica and James Owen,

1 and Office of Public Counsel (“OPC”) witnesses, Lisa Kremer and Geoff Marke. Given  
2 the number of topics and witnesses addressed in my testimony, I will respond on the basis  
3 of each topic.

#### 4 **I. Emergency Conservation Plan**

5 **Q: Please identify the rebuttal testimony you will address related to the Emergency**  
6 **Conservation Plan topic?**

7 A: I will be responding to the rebuttal testimony of Claire M. Eubanks on behalf of Staff and  
8 Dr. Geoff Marke on behalf of the Office of the Public Council (“OPC”)

9 **Q: Please describe the rebuttal of Ms. Eubanks?**

10 A: Ms. Eubanks highlights recent recommendations from Staff’s report In the Matter of the  
11 Cause of the February 2021 Cold Weather Event and its Impact on Evergy Missouri Metro,  
12 Inc. d/b/a Evergy Missouri Metro, and Evergy Missouri West, Inc. d/b/a Evergy Missouri  
13 West. Further, she recommends two modifications to the proposed tariff sheets.

14 **Q: Do you support the recommendations made by Ms. Eubanks concerning the**  
15 **Emergency Conservation Plan tariffs?**

16 A: Yes.

17 **Q: Please describe the rebuttal testimony of Dr. Geoff Marke?**

18 A: Dr. Marke recommends the Company perform a Value of Lost Load Study (“VOLL”) and  
19 recommend changes to the Company’s Emergency Energy Conservation Plan Tariff sheet  
20 before July 2023.

21 **Q: Do you support the recommendation made by Dr. Marke?**

22 A: No. I don’t believe the VOLL study is applicable to the need being addressed by this  
23 proposed tariff revision.

1 **Q: Why is it not applicable?**

2 A: The revisions proposed to the Emergency Energy Conservation Plan are intended to allow  
3 Evergy to respond to emergency conditions identified by the Southwest Power Pool  
4 (“SPP”) and take steps to ensure the stability and availability of the electric grid. The  
5 actions anticipated in the Emergency Energy Conservation Plan and its associated Load  
6 Management and Manual Load Shed Plan are time sensitive and not appropriate for  
7 cost/benefit analysis. As noted by Dr. Marke on page 43, line 5, the VOLL study will  
8 “determine the price levels at which customers would prefer Evergy to take action to reduce  
9 load instead of paying extreme prices.” This is a decision to be made in advance of an  
10 emergency condition, potentially suited for demand response consideration. Therefore, to  
11 make these proposed tariff revisions contingent on a VOLL study is inappropriate. The  
12 Commission should evaluate the revisions proposed to the Emergency Energy  
13 Conservation Plan independent of the VOLL study recommendation.

14 **Q: Do you have other concerns about the OPC proposal to link the Company’s response**  
15 **to SPP emergencies to the VOLL results?**

16 A: Yes. I believe it would represent bad policy to proactively turn off power to customers on  
17 the basis of an economic study. The conditions that lead to price fluctuations this proposal  
18 is intended to address are most commonly associated with extreme temperatures, hot or  
19 cold. These are not ideal conditions to remove critical electric service. Multiple regulatory  
20 processes exist to manage costs resulting from these price fluctuations (deferrals and  
21 accounting authority orders) and have proven reliable and generally acceptable to  
22 customers in the past and now recent legislation has added securitization. I firmly believe

1 that these methods of cost treatment would be preferred by customers over rolling  
 2 blackouts or other planned interruptions based on a VOLL price.

3 **Q: Do you have concerns that the VOLL results will be problematic for the Company?**

4 A: I do. The VOLL study process itself cannot fully represent the varied conditions and  
 5 needs of all customers. Looking to the ERCOT study referenced by Dr. Marke, the VOLL  
 6 amounts identified for customer classes vary dramatically and further vary from  
 7 jurisdiction to jurisdiction.<sup>1</sup> See Figure 1. Values that vary this dramatically are sure to  
 8 produce varied impacts across the classes. The Company will bear the burden of these  
 9 impacts if VOLL price thresholds are deployed as suggested.

| Region/Market              | Methodology  | System-wide VOLL | Residential | Non-Residential |            | Applicability to ERCOT |
|----------------------------|--|------------------|-------------|-----------------|------------|------------------------|
|                            |  |                  |             | Large C/I       | Small C/I  |                        |
| US - Southwest             | Analysis of past survey results                            |                  | \$0         | \$8,774         | \$35,417   | High                   |
| US - MISO                  | Analysis of past survey results/<br>Macroeconomic analysis |                  | \$1,735     | \$29,299        | \$42,256   | Moderate               |
|                            |  |                  |             | Commercial      | Industrial |                        |
| Austria                    | Survey   |                  | \$1,544     |                 |            | Low                    |
| New Zealand                | Survey   | \$41,269         | \$11,341    | \$77,687        | \$30,874   | Low                    |
| Australia - Victoria       | Survey   | \$44,438         | \$4,142     | \$28,622        | \$10,457   | Moderate               |
| Australia                  | Analysis of past survey results                            | \$45,708         |             |                 |            | Low                    |
| Republic of Ireland (2010) | Macroeconomic analysis                                     | \$9,538          | \$17,976    | \$10,272        | \$3,302    | Low                    |
| Republic of Ireland (2007) | Macroeconomic analysis                                     | \$16,265         |             |                 |            | Low                    |
| US - Northeast             | Macroeconomic analysis                                     | \$9,283-\$13,925 |             |                 |            | Low                    |

*\*All values in 2012 US dollars/MWh*

10  
 11 I question, does OPC expect Evergy to manage four different VOLL cost thresholds in its  
 12 operations? Considering operations under a VOLL threshold, would the Company be  
 13 expected to curtail once cost levels are exceeded regardless of duration? In my view,  
 14 utilizing a VOLL study to guide utility operations in the SPP market is simple in concept,

<sup>1</sup> London Economics (2013) Estimating the Value of Lost Load.  
[http://www.ercot.com/content/gridinfo/resource/2014/mktanalysis/ERCOT\\_ValueofLostLoad\\_LiteratureReviewandMacroeconomic.pdf](http://www.ercot.com/content/gridinfo/resource/2014/mktanalysis/ERCOT_ValueofLostLoad_LiteratureReviewandMacroeconomic.pdf) p. 8.

1 but difficult to implement. It would seem to me that a VOLL study would be more  
2 beneficial and applicable within the SPP.

3 **Q: Are you aware of what SPP does concerning scarcity pricing?**

4 A: I have been told by our Market Operation team that SPP does not currently use VOLL  
5 methodologies, but it has identified a need to consider VOLL. In the *SPP Report on*  
6 *February 2021 Winter Weather Event*, published on July 14, 2021, the SPP Market  
7 Monitoring Unit recommended that the SPP determine the VOLL amount for the SPP  
8 footprint and work with MISO to petition FERC to consider whether a single value or  
9 approach would be appropriate. It seems clear to me that these VOLL concepts are  
10 important at the market level and SPP is considering taking steps to incorporate VOLL  
11 methodologies in its operations.

12 **Q: Conceptually, what would occur if the Company performed a VOLL study and**  
13 **established new operating procedures only to have the SPP perform their own VOLL**  
14 **study and make changes to the market operations?**

15 A: In Figure 6 (shown below) of the Rebuttal Testimony of Dr. Marke he identifies four VOLL  
16 estimation methodologies listed by the ERCOT document.<sup>2</sup>

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<sup>2</sup> Id. p. 9.



| Approach   | Description  | Strength   | Weakness   |
|--|--|--|--|
| Revealed preference (market behavior)                      | Use of surveys to determine expenditures customers incur to ensure reliable generation (i.e., back-up generators and interruptible contracts) to estimate VOLL | <ul style="list-style-type: none"> <li>Uses actual customer data that is generally reliable</li> </ul>   | <ul style="list-style-type: none"> <li>Only relevant if customers actually invest in back-up generation</li> <li>Limited consideration of duration and/or timing of outages</li> <li>Difficult for residential customers to quantify expenses</li> </ul> |
| Stated choice (contingent valuation and conjoint analysis) | Use of surveys and interviews to infer a customer's willingness-to-pay, willingness-to-accept and trade-off preferences  | <ul style="list-style-type: none"> <li>More directly incorporates customer preferences</li> <li>Includes some indirect costs</li> <li>Considers duration and/or timing of outages</li> </ul> | <ul style="list-style-type: none"> <li>Experiment and survey design is time-consuming and effort intensive</li> <li>Need to manage for potential biases</li> <li>Residential customers may give unreliable answers due to lack of experience</li> </ul>  |
| Macroeconomic (production function)                        | Uses macroeconomic data and other observable expenditures to estimate VOLL (e.g. GDP/ electric consumption)  | <ul style="list-style-type: none"> <li>Few variables</li> <li>Easy to obtain data</li> <li>GDP reasonable proxy for business VOLL</li> </ul>   | <ul style="list-style-type: none"> <li>Does not consider linkages between sectors, productive activities</li> <li>Proxies for cost of residential outages may be arbitrary or bias</li> </ul>  |
| Case Study   | Examines actual outages to determine VOLL  | <ul style="list-style-type: none"> <li>Uses actual, generally reliable data</li> </ul>   | <ul style="list-style-type: none"> <li>Costly to gather data</li> <li>Available case studies may not be representative of other outages/jurisdictions</li> </ul>   |

1

2 It would seem likely to me that organizations acting independently would select different

3 approaches or would execute the surveys, interviews, and data observations in a different

4 manner resulting in differences in results. To me, it is probable that if the Company

5 executes a study, the results will vary and possibly conflict with the results from an SPP

6 effort. With different results, it is probable that any operational changes made by the

7 Company would be in conflict with, or at least out of alignment with operational changes

8 resulting from the SPP effort. In short, preempting the work of SPP could result in a waste

9 of time and resources for the Company. It would seem more prudent to allow the SPP to

1 act first and apply the VOLL results within the SPP market operations context, applicable  
2 to all participants and allowing for a more reliable integration.

3 **Q: It has been noted that Liberty Utilities agreed to perform the VOLL study in their**  
4 **jurisdiction and that some joint study could be useful. Is this compelling to you?**

5 A: No. Liberty Utilities agreed to the VOLL study as part of a Stipulated Agreement. We  
6 cannot know the assessment made by Liberty to establish the “value” of this term within  
7 the settlement; however, it is clear to me they did not agree to this study on its merits alone.  
8 Further, the fact Liberty and Evergy are both in SPP does not cause me to expect any more  
9 useful data than studies performed separately. As mentioned previously in this testimony,  
10 the application of VOLL considerations is best completed at the SPP level. There are  
11 indications that SPP is considering VOLL methodologies for scarcity pricing and has  
12 identified potential benefit in working with MISO to approach FERC for implementation  
13 guidance. These potential benefits exceed anything I would expect from a joint effort at  
14 the utility level.

## 15 II. Solar Subscription Rider

16 **Q: Please identify the testimony you will address concerning the Company’s Solar**  
17 **Subscription Rider proposal?**

18 A: I will be responding to the testimony of Cedric E. Cunigan on behalf of Staff, Dr. Geoff  
19 Marke on behalf of OPC, and Phillip Fracica on behalf of Renew Missouri.

1 **Q: What is Staff's position concerning the proposed changes to the Solar Subscription**  
2 **Rider?**

3 A: Mr. Cunigan is opposed to the proposed changes. He asserts that since the solar facility  
4 used for the pilot has not been completed and stakeholders have not been able to evaluate  
5 the cost and benefits of Evergy's offering, expansion, and changes are premature.

6 **Q: Do you agree with the reasoning for Staff's opposition?**

7 A: Not entirely. While it is reasonable to resist changes to the program at these early stages,  
8 the Staff position does not seem to account for the Company commitment to complete the  
9 evaluations set forth in the original program design. On page 56 of my Direct Testimony,  
10 I state:

11 **Q: Will these proposed changes materially impact the efforts**  
12 **underway to execute the first solar resource under the existing**  
13 **tariff?**

14 A: No, due to the progress made to this point, many of the criteria,  
15 particularly the enrollment thresholds and system size limitations  
16 have been met. The most significant changes will be the removal of  
17 delay for future expansion. As previously stated, Evergy commits to  
18 still provide the identified reporting in the Pilot Evaluation section  
19 for the proposed solar facility currently being developed under the  
20 existing tariff, following two years of operation.

21 The Company understands the need to evaluate the original program, however, it is  
22 clear that positions toward customer solar programs are changing. The provisions included  
23 in the Evergy tariff in 2018 are a significant barrier to solar development and steps taken  
24 with the Ameren Community Solar Program are more reasonable. The Company is seeking  
25 to align the initial build threshold, unsubscribed threshold, sizing constraint, participation  
26 limit, and expansion constraint with the similar provisions established for the Ameren  
27 program. Under the current Company tariff, interested customers may be required to wait  
28 for years before being allowed to receive service under the program. The proposed changes

1 will improve that accessibility. I would also like to point out that the unsubscribed  
2 threshold change is an important change. Under the proposed change, shareholders will  
3 bear the risk for any undersubscribed portion of the program at or less than 50% of the  
4 array's available capacity. If the subscription rate falls below 50% non-participant rate  
5 payers will bear the costs. This represents a significant commitment by the shareholders  
6 to assume more risk for the program. Under the current tariff any undersubscribed costs  
7 will be shared with shareholders bearing 75% of the cost of any unsubscribed capacity and  
8 customers bearing the remaining 25%.

9 **Q: Mr. Cunigan points out that the Ameren program is not identical to the Evergy**  
10 **program. How do you respond?**

11 A: While it is true the comparative sizes of the solar resource are different and Ameren was  
12 able to complete the required reporting, the comparison fails to note the changes requested  
13 by Evergy are mainly related to customer participation and program expansion, elements  
14 that are identical between the programs. As stated, Evergy will submit the required  
15 reporting as the program is deployed. As knowledge and experience with customer solar  
16 programs is gained within the state and approaches changed, there is little benefit to  
17 withholding that advancement in other jurisdictions.

18 **Q: What is OPC's position concerning the proposed changes to the Solar Subscription**  
19 **Rider?**

20 A: Dr. Marke is opposed to the proposed change, stating it would be premature and  
21 inappropriate to modify a tariff when there is no data from the pilot to inform regulators.

1 He also asserts that Evergy has failed to build or offer the Solar subscription program under  
2 the terms of the current tariff.

3 **Q: How do you respond to the assertion?**

4 A: First, I disagree with the tone and implication of the statement. Evergy has not been idle  
5 in its efforts. The OPC is well aware of our efforts to execute on the program including  
6 ongoing customer enrollment and recent efforts to receive a Certificate of Convenience and  
7 Necessity to execute the construction of the solar resource. It has been the requirement  
8 that the Company enroll 90% of the solar resource before beginning construction that has  
9 contributed most to the time required to get the program deployed. Construction planning  
10 is a time-consuming process and waiting for the enrollment threshold simply exacerbates  
11 the perceived delay in execution. The changes proposed by the Company would help  
12 alleviate these delays in the future. The changes proposed are not designed to avoid  
13 oversight of the program and ensure successful implementation of a customer solar  
14 program.

15 **Q: How will the proposed changes retain this oversight and control?**

16 A: To begin, none of the controls set out in the original tariff are being removed, instead the  
17 threshold points and terms are being changed to reduce the time required to move through

1 the deployment process. The intention is to provide better responsiveness to customers  
2 expressing interest in the program.

3 **Q: What is Renew Missouri’s position concerning the proposed changes to the Solar**  
4 **Subscription Rider?**

5 A: Mr. Fracica offers his support for the proposed changes to the Solar Subscription Rider.  
6 Specifically, he states,

7 The proposed changes to Evergy’s SSP are consistent with the terms of  
8 similar, previously approved programs in the state. These modifications will  
9 allow the Company to reduce waiting times and accommodate customers  
10 that may currently be excluded or stuck on a waitlist. The Company has  
11 shown — through its high level of enrollment and through the initiation of  
12 construction on the first facility — it is committed to supporting the  
13 expansion of this program, and that high customer demand for community  
14 solar exists. These changes will help the program grow and bring more  
15 direct access to clean energy to Evergy’s Missouri customers.

16 **Q: How do you respond to this support?**

17 A: I appreciate the testimony and believe it captures our intention for the tariff revisions. In  
18 particular, I appreciate Mr. Fracica’s detail of discovery on this topic. The discovery issued  
19 by Renew Missouri explored customer interest and helped establish that there is demand  
20 for this program. It is this demand that we seek to satisfy in a more timely way with the  
21 proposed tariff changes.

### 22 **III. Net Metering & Distributed Generation Interconnection**

23 **Q: Please identify the testimony you will address related to Net Metering?**

24 A: I will be responding to the rebuttal testimony of Claire M. Eubanks on behalf of Staff  
25 concerning the Company’s proposed changes to its Net Metering Interconnection  
26 Application Agreements and the rebuttal testimony of James Owen on behalf of Renew  
27 Missouri concerning Time-of-Use Rates for Distributed Generation (“DG”) Customers.

1 **Q: What is Staff's position concerning the proposed changes to the Net Metering**  
2 **Interconnection Application Agreements?**

3 A: The Company proposed changes to the Applicability section of its net metering tariff to  
4 exclude customers who participate in time-related pricing from participating in net  
5 metering. This language was inadvertently omitted from the Evergy Missouri West tariff.  
6 Further changes to limit the availability of net metering and Standby Service for customer  
7 participating in distributed energy resource aggregations in the wholesale market were  
8 inadvertently proposed and should be withdrawn.

9 **Q: What is Staff's position concerning these parts of the Company proposal?**

10 A: I interpret the testimony to indicate support for these parts, excluding customers who  
11 participate in time-related pricing from participating in net metering and withdrawing  
12 changes concerning the availability of net metering and Standby Service for customer  
13 participating in distributed energy resource aggregations.

14 **Q: Do you agree with this part of Staff's recommendation?**

15 A: Yes, I do.

16 **Q: Are there other parts to the Staff recommendation?**

17 A: Yes. Staff recommends an edit to the Company Parallel Generation tariffs to clarify the  
18 pricing components applicable to net metering.

19 **Q: Do you agree with this part of Staff's recommendation?**

20 A: Yes, I do.

1 **Q: What is Staff’s recommendation concerning the Company’s DER Interconnect Study**  
2 **tariff changes?**

3 A: Staff appears to support the proposed changes, but also recommends the Company add  
4 language detailing the timelines for application review and response and clarify the  
5 applicability of fees to interconnections greater than or equal to 100 kW.

6 **Q: Do you agree with this part of Staff’s recommendation?**

7 A: Yes, I do.

8 **Q: What is Renew Missouri’s position concerning Time-of-Use Rates for Distributed**  
9 **Generation Customers?**

10 A: Renew Missouri recommends that Evergy should conduct a study on the different TOU  
11 rate designs for DG customers, which should result in a proposal for a solution for  
12 incorporating DG customers into Evergy’s TOU rate design.

13 **Q: Do you agree with Renew Missouri’s recommendation?**

14 A: No. Although Renew Missouri mentions the Net Metering and Easy Connection Act and  
15 refers to part of it, they do not provide any assessment of the “billing period” provisions  
16 identified in my direct testimony. In my view, the language of the Net Metering and Easy  
17 Connection Act was crafted with traditional monthly non-time-based rates in mind. There  
18 is no provision of the Act that accommodates time-based rates. Any selective interpretation  
19 of the Net Metering and Easy Connection Act is likely to lead to challenges. Only a  
20 purposeful revision of the statute, incorporating the concepts of time-based rates and other  
21 recent DG developments can insure a stable and productive outcome for customers. A  
22 TOU study, particularly a study of solutions not under the same statutory construct, is  
23 unlikely to produce any usable result. Further, I would point out that the Company’s



1 concern is limited to technologies that seek to net generation with consumption under net  
2 metering and time-based rates. Deployment of DG technologies that can rely on other non-  
3 time-based ratemaking treatments are not a concern.

4 **Q: Is the Company supportive of DG technologies?**

5 A: Yes. Steps are being taken by the Company in this rate case to promote programs related  
6 to distributed resource technologies and achieve the goals of lowering peak demand,  
7 improving reliability and resiliency, and avoiding the need to construct peak generation  
8 capacity identified by Mr. Owen. The Low-Income Solar Subscription Pilot Program and  
9 Residential Battery Energy Storage Pilot Program described by Company witness  
10 Kimberly H. Winslow are examples.

#### 11 **IV. Data Privacy Policies**

12 **Q: Please identify the testimony you will address related to Data Privacy Policies?**

13 A: I will be responding to the rebuttal testimony of Michael L Rush on behalf of Staff  
14 concerning data disaggregation and the rebuttal testimony of Lisa Kremer on behalf of  
15 OPC concerning additional recommendations for the Company's Privacy Policy.

16 **Q: What is your response to Staff witness Rush testimony regarding disaggregation?**

17 A: Staff expresses concerns that the Company's disaggregation efforts are not adequately  
18 addressed in the Company's Privacy Policy so that customers are made aware of this  
19 potential use of customer data by the Company. I do not agree that the current Privacy  
20 Policy does not provide this awareness.

1 **Q: Is disaggregation a specific request, recommendation, or program being offered by**  
2 **the Company in this rate case?**

3 A: No. Disaggregation was identified as one of the additional capabilities provided to the  
4 Company as a result of the Automated Metering Infrastructure (“AMI”) deployment.  
5 Disaggregation is not a specific program in itself, but it is a task that may be completed  
6 within a program or other work process.

7 **Q: Do you agree with Staff’s definitions of “data”, “information” and “intelligence” and**  
8 **how they are covered in the Company’s Privacy Policy?**

9 A: The definitions themselves are reasonable academically, but Staff uses these definitions to  
10 introduce distinctions that, in turn are used to parse the Company Privacy Policy. I disagree  
11 with this approach. The Company’s Privacy Policy clearly discloses to the customer that  
12 the Company gathers energy usage information and broadly uses it to monitor and analyze  
13 individual customer trends, usage and activities. To introduce that “intelligence” and  
14 “information” are distinct definitions, enough to warrant different privacy treatments, is a  
15 context I do not support.

16 **Q: Why is this distinction troubling?**

17 A: First, in my view, “intelligence” and “information” are linked, two sides of the same coin  
18 if you will. As noted by Mr. Rush, “data” is different, raw numbers without meaning.  
19 However, using terms from Mr. Rush’s definitions, once the data is “processed”,  
20 “aggregated”, and “calculated” it becomes meaningful and the act of observing the  
21 meaningful data informs some action. Separating the processing/calculation from the  
22 observation/action is inappropriate. How else would data be used? This is particularly true  
23 in the context of the Privacy Policy.

1 **Q: What does the Company Privacy Policy say concerning the use of customer**  
2 **information?**

3 A: Mr. Rush provides a portion of the Privacy Policy in his rebuttal. However, in full, the  
4 Privacy Policy<sup>3</sup> states:

5 *We may use information about you for various purposes, including to:*

- 6 • *Provide, maintain and improve our services;*
- 7 • *Provide and deliver the products and services you request, process transactions*  
8 *and send you related information, including confirmations and invoices;*
- 9 • *Send you technical notices, updates, security alerts and support and administrative*  
10 *messages;*
- 11 • *Respond to your comments, questions and requests and provide customer service;*
- 12 • *Verify your identity and prevent fraudulent transactions;*
- 13 • *Communicate with you about products, services, offers, promotions, rewards and*  
14 *events we offer and provide news and information we think will be of interest to*  
15 *you;*
- 16 • *Monitor and analyze trends, usage and activities in connection with our websites,*  
17 *systems, and applications;*
- 18 • *Personalize and improve our websites, systems, and applications and provide*  
19 *advertisements, content or features that match user profiles or interests;*
- 20 • *Process and deliver contest entries and rewards;*
- 21 • *Link or combine with information we get from others to help understand your needs*  
22 *and provide you with better service; and*
- 23 • *Carry out any other purpose for which the information was collected.*

24 *We may use advance metering technology to automatically collect your energy usage*  
25 *information for various purposes, including to:*

- 26 • *Efficiently collect and bill you for your energy usage*
- 27 • *Identify outages, potential service equipment problems, or meter malfunctions*
- 28 • *Monitor and analyze individual customer trends and usage*
- 29 • *Plan for distribution system upgrades*
- 30 • *Develop proposals for rate structures such as time of use rates*
- 31 • *Evaluate and propose demand side management programs*

32 Taken as a whole, a reasonable person should conclude that the Company will be taking  
33 action on the data it collects.

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<sup>3</sup> <https://www.evergy.com/privacy-policy>

1 **Q: Do other Missouri electric utilities mention “intelligence” usage or analytics in their**  
2 **privacy policies?**

3 A: Not that I could find. My review of the publicly available privacy policies of Ameren and  
4 Liberty made available on their respective corporate websites did not show anything that  
5 disclosed special terms related to “intelligence” analytics of customer usage information.  
6 However, I would assert that the policies did support an expectation that the data collected  
7 would be used. For me, that is an appropriate level of disclosure.

8 **Q: Do you agree with Staff’s recommendation that customers should be given insight**  
9 **into analysis being performed or provided an “opt out” provision?**

10 A: I do not. The existing Privacy Policy provides appropriate granularity to inform the  
11 Customer. As the disaggregation processes are being used as part of providing service to  
12 customers, an opt-out is not appropriate.

13 **Q: What are OPC’s additional recommendations concerning the Company’s Privacy**  
14 **Policy?**

15 A: OPC suggests that the Company edit its Privacy Policy to,  
16 

- providing reference to the Missouri Public Service Commission’s rule reference  
17 20 CSR 240-20.015 1 (2) (C) within the Privacy Policy section: “*When Do We*  
18 *Share Your Information.*”
- notify customers when the Company makes changes to the Privacy Policy and  
19 provide them a summary of those changes.
- indicate clearly that the Company does not “own” customer information  
20  
21

1 **Q: Do you agree with these additional recommendations?**

2 A: Not entirely. While these recommendations appear useful, the Company Corporate  
3 Compliance Department has evaluated this request and does not believe the revision is  
4 productive. The Company believes Evergy's Privacy Policy posted on its website already  
5 explains to customers how their information is shared with Evergy affiliates, subsidiaries,  
6 and service providers consistent with applicable law including the Commission's rule.  
7 Providing a cite is not expected to provide any additional information to the customer.

8 Concerning notification, the Company Corporate Compliance Department has  
9 evaluated how to notify users of its websites, systems, or applications and currently  
10 determined updating the "effective date" of the Privacy Policy is least complicated and  
11 most efficient mechanism to notify users. This is consistent with how Policy changes are  
12 managed by other electric utilities in the state. As shown in Figure 2 below, the effective  
13 date is listed as the first line of the Policy. Those seeking the Privacy Policy would be the  
14 customers interested in the effective date. To notify all customers of Privacy Policy  
15 changes would consume resources and displace other messages while failing to be  
16 meaningful to all but a small number of customers. Based on page visits counts,  
17 *evergy.com* was visited approximately 10,400,000 times in the twelve months ending July  
18 31, 2022. During that same period, the Privacy Policy page was visited 2,154 times.



Home | Privacy Policy

## Privacy Policy

The effective date of this Privacy Policy is March 11, 2022.

Evergy, Inc. ("Evergy" or "we" or "us"), and its subsidiaries and affiliates providing utility services understand your concerns about the use of your personal information and are committed to protecting your privacy. We have implemented the following Privacy Policy to give you a better understanding of how we manage your information. This Privacy Policy applies to information we collect when you obtain service from us, use our websites, systems, or applications, or otherwise interact with us. Evergy and its subsidiaries control and retain information collected on our websites, our systems, and applications.

Please read this Privacy Policy carefully. By using our websites, systems, or applications, you agree to our collection, use, and sharing of your personal information as described in this Privacy Policy.

From time to time, we may change this Privacy Policy. Any changes will be immediately effective upon the posting of the updated Privacy Policy.

1

2           Concerning ownership, Evergy collects, manages, and maintains customer

3 information, which is necessary for the Company to maintain, operate, bill usage, provide

4 services, and plan its systems. It is true that Evergy has the responsibilities of an owner of

5 the customer information for its reasonable use and protection when in its possession.

6 Evergy’s Privacy Policy posted on its website already explains to customers how it handles

7 “your personal information” including what information the company collects, how used,

8 and when shared.

9 **Q: After considering the testimony of Mr. Rush and Ms. Kremer do you believe the**

10 **Company Privacy Policy is appropriate and provides customers with necessary detail**

11 **for them to understand the obligation of the Company, the way information is used**

12 **and their responsibilities concerning that data?**

13 A: Yes, I do.

14 **Q: Do you believe any further revisions to the Privacy Policy are needed?**

15 A: No, I do not.

1           **V.      Class Cost of Service Methods, Data Availability & Study Reliability**

2   **Q:    Please identify the testimony you will address related to the series of topics, Class Cost**  
3       **of Service Methods, Data Availability & Study Reliability?**

4   A:    Staff witness Sarah Lange provides testimony on these topics. My responsive comments  
5       are intended to complement the testimony of Marisol Miller and Craig Brown on these  
6       similar topics. In general, testimony will be divided between the three witnesses with Mr.  
7       Brown providing insights from an industry perspective and speak to the CCOS modeling  
8       he performed, my testimony speaking to the Evergy experience with these topics, and Ms.  
9       Miller will address the specific impact of these topics on the revenue allocation and rate  
10      design recommendations offered by the Company in this rate case.

11 **Q:    Please describe how these topics are related and why they are being addressed by you**  
12 **in this fashion?**

13 A:    These topics are centered around the Class Cost of Service (“CCOS”) efforts taken by  
14      parties in this case. The CCOS studies are large, data intensive studies. Throughout the  
15      direct, rebuttal and now surrebuttal testimony there has been conflicting opinions offered  
16      about the data and methods used for the CCOS study. These differences have caused  
17      disagreement about the quality of the results and the applicability of the studies to further  
18      work on the revenue requirement allocation and rate design. The most significant  
19      disagreement is with the availability of distribution data and its impact on the CCOS study  
20      itself.

1 **Q: Ms. Lange’s Direct testimony includes approximately 16 pages and her rebuttal**  
2 **testimony includes approximately 15 pages to describe additional data being**  
3 **requested or the perceived insufficiency of data provided. How do you view this**  
4 **volume of testimony?**

5 A: I believe in a way it helps show the complexity of the issue and the effort to get the data  
6 requested. I note that the Staff testimony tends to start by expressing a desire for more data  
7 to help improve “precision” of allocations in the CCOS study. The testimony then evolves  
8 into broad conclusions of insufficiency of the Company’s CCOS study without the new  
9 distribution data. I have been personally involved in efforts to obtain detailed distribution  
10 data requested by Staff and have observed first-hand the difficulty to get the granularity  
11 desired and present it in a format relatable to customer rates and classes. Despite my early  
12 optimism that something could be produced, the Company was unable to compile the  
13 requested data. While we might have some success with some items of distribution plant,  
14 others proved unavailable. The testimony of Mr. Brown explores how the FERC  
15 accounting processes and use of mass property accounting limits the detail available.

16 **Q: As you were working on this data, did you have any reason to believe its unavailability**  
17 **would be so impactful to Staff’s CCOS study?**

18 A: No. I have been involved with CCOS studies in the context of rate cases since 2005 and I  
19 had every reason to believe that Staff could complete a CCOS similar to how it had in the



1 past. I thought these efforts to utilize new distribution data might represent a special study  
2 to guide rate design.

3 **Q: Looking back to the previous rate cases, was the level of data utilized to complete the**  
4 **CCOS studies similar?**

5 A: Yes. The first case I examined was ER-2006-0314 for then KCP&L-Missouri. In this case,  
6 Janice Pyatte served as the Staff witness concerning CCOS. Ms. Pyatte sponsored a full  
7 CCOS study and provided recommendations concerning revenue requirement allocation  
8 and rate design. On page 12 of her direct testimony, she details steps taken to refine the  
9 cost analysis of distribution costs in her functionalization. This study was used to inform  
10 two subsequent cases that were part of the Comprehensive Energy Plan. In ER-2010-0355,  
11 the final case of the Comprehensive Energy Plan, a new CCOS study was performed and  
12 supported by Staff witnesses Manisha Lakhanpal and Michael Scheperle. On page 16 of  
13 the Staff Rate Design and Class Cost of Service Report, the witnesses detail the steps taken  
14 to allocate distribution costs. Without offering specific details, I would represent that in  
15 rate cases ER-2012-0174 (ER-2012-0175 for KCP&L Greater Missouri Operations  
16 Company (“GMO”)), ER-2014-0370, and ER-2016-0285 these processes were largely  
17 replicated. Turning to ER-2018-0145/0146, the case prior to the current case and best  
18 indication of what would be expected, Staff witness Robin Kliethermes sponsored a CCOS  
19 study with allocation of distribution costs that largely mirrored the earlier Staff efforts. I  
20 would note that the bulk of Ms. Kliethermes testimony was devoted to supporting

1 production allocation methods. Taken in total, this offers a consistent track record  
2 concerning distribution allocation.

3 **Q: Considering this history and the nature of the studies performed as recently as 2018,**  
4 **is it reasonable to believe that the level of distribution data needed to produce a**  
5 **reliable CCOS study has changed?**

6 A: No. As supported by the Company surrebuttal testimony of Mr. Brown, reliable cost  
7 studies can be completed and used to inform ratemaking with much less data granularity  
8 than is being requested by Staff.

9 **Q: Turning to the rebuttal testimony, Ms. Lange proposes the Company perform surveys**  
10 **or sampling to establish distribution costs within the different voltages. What is your**  
11 **expectation for this recommendation?**

12 A: If the goal is to improve the quality of CCOS studies, I expect the resulting improvements  
13 will be minor but the effort to be significant. On page 23, Staff offers an example of the  
14 data expected.

15 **Q. Would it be difficult to generally identify the infrastructure**  
16 **associated with seven and sixteen customers, respectively?**  
17

18 A. It may be difficult to tie a given conductor to a given retirement unit in a  
19 continuing property record, but for many reasons I hope that it would not  
20 be difficult for Evergy to identify an employee within their utility who could  
21 provide information like, "Customer 1 location has a designated lug in XYZ  
22 transmission substation. From the substation to the meter base there are 7  
23 conductors, on three 75' towers, a total distance of 300'. Each conductor is  
24 a type ABC. The meter is a model LMNO. There are two transformers to  
25 enable metering, each is a model QRS." Additional information such as the  
26 most-recently installed cost, or the average cost, or both, of each material  
27 type would also be helpful."

28 This review amounts to producing a material list for each customer. If it were true that the  
29 Company could "identify an employee" who could provide this information, it is highly  
30 unlikely they would be able to provide the additional cost information. Additional persons

1 would be needed to cross reference that information. I would further expect a follow-up  
 2 question inquiring about the nature of “Customer 1”, their rate code, past usage, revenues,  
 3 etc. This information would require assistance from yet another group. Thinking further,  
 4 it is more common that there will be some level of shared facilities occurring within these  
 5 surveys. How would shared facilities be treated? Allocation perhaps? Cost allocation has  
 6 been accepted for CCOS studies through the years for the express purpose to avoid this  
 7 level of detailed assignment and the problems and questions it will create.

8 **Q: Can you provide an understanding of materiality of the costs associated with**  
 9 **distribution?**

10 A: Yes. Tables 1 and 2 below include the functionalized view of the COS for MO Metro and  
 11 MO West. Tables 1 and 2 show that Distribution costs represent 18% and 23% of total  
 12 cost for Evergy Missouri Metro and Evergy Missouri West respectively. Given all the  
 13 testimony offered concerning Distribution cost, these seem small as compared to other  
 14 functionalized costs like Production. Tables 1a and 2a represent the accounts making up  
 15 Total Distribution cost category.

**Table 1**  
**Cost of Service @ Requested Return (Evergy Missouri Metro)**

|                           | <b>Production</b> | <b>Transmission</b> | <b>Distribution</b> | <b>Customer</b> | <b>Direct</b> | <b>Total</b>         |
|---------------------------|-------------------|---------------------|---------------------|-----------------|---------------|----------------------|
| <b>2022 Company Model</b> | \$616,551,445     | \$ 63,052,836       | \$161,864,042       | \$ 47,207,807   | \$ 2,083,816  | <b>\$ 890,759,94</b> |
|                           | 69.22%            | 7.08%               | 18.17%              | 5.30%           | 0.23%         |                      |

**Table 1a-Cost of Service @ Requested Return – Distribution (Evergy Missouri Metro)**

|                           | <b>Substations</b> | <b>Lines &amp; Poles</b> | <b>Services</b> | <b>Meters</b> | <b>Total</b>          |
|---------------------------|--------------------|--------------------------|-----------------|---------------|-----------------------|
| <b>2022 Company Model</b> | \$ 23,009,079      | \$ 120,878,132           | \$ 6,732,159    | \$ 11,244,673 | <b>\$ 161,864,042</b> |
|                           | 14.22%             | 74.68%                   | 4.16%           | 6.95%         |                       |

**Table 2  
Cost of Service @ Requested Return (Evergy Missouri West)**

|                                   | <b>Production</b> | <b>Transmission</b> | <b>Distribution</b> | <b>Customer</b> | <b>Direct</b> | <b>Total</b>          |
|-----------------------------------|-------------------|---------------------|---------------------|-----------------|---------------|-----------------------|
| <b>2022<br/>Company<br/>Model</b> | \$ 463,075,769    | \$ 64,691,530       | \$ 177,650,637      | \$ 65,169,247   | \$ 8,224,845  | <b>\$ 778,812,028</b> |
|                                   | 59.46%            | 8.31%               | 22.81%              | 8.37%           | 1.06%         |                       |

**Tables 2a-Cost of Service @ Requested Return – Distribution (Evergy Missouri West)**

|                                   | <b>Substations</b> | <b>Lines &amp; Poles</b> | <b>Services</b> | <b>Meters</b> | <b>Total</b>          |
|-----------------------------------|--------------------|--------------------------|-----------------|---------------|-----------------------|
| <b>2022<br/>Company<br/>Model</b> | \$ 22,389,670      | \$ 128,354,964           | \$ 6,790,666    | \$ 20,115,336 | <b>\$ 177,650,637</b> |
|                                   | 12.60%             | 72.25%                   | 3.82%           | 11.32%        |                       |

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**Q: In your view, how should the Commission view the CCOS study? What would you say is the purpose?**

A: I view the CCOS study as an input or tool to be used within the regulatory process to establish cost-based rates. A complete study can be informative about rates of return provided by current rates, provide insight to the way costs are attributed to functions and classifications within the utility. I support that studies that differ in approach or allocation methods can still be informative to the ratemaking process at some level, providing alternate views or ranges of impacts. I do not believe the CCOS is intended to be a prescriptive plan, mapping out all steps to be taken by the Commission in setting rates. As an input to the ratemaking process, other inputs are considered with the goal of achieving the optimum result for the greatest number of stakeholders. Additional policy factors are critical to the ratemaking process and serve to provide for relevant adjustment. Consider the residential customer charge; although studies have been offered that would support the inclusion of other costs into the Customer Charge, the Commission has exercised its discretion to control increases to this element of customer bills for various reasons. Likewise, rate design practitioners also make recommendations that consider broad factors

1 that extend beyond the absolute results of CCOS. That detail cannot be represented within  
2 the CCOS process.

3 **Q: Staff takes issue with the Company’s expected proposed EV programs and its**  
4 **associate distribution infrastructure investment and the lack of a cost allocation plan.**  
5 **Is a cost allocation plan common?**

6 A: No. Absent legislation, stipulations or Commission orders, it is not common to see cost  
7 study treatment addressed in advance.

8 **Q: Staff asserts that these steps to improve distribution data are consistent with the**  
9 **Company’s stated intended uses of AMI. Do you agree?**

10 A: No, the contexts are different. Staff references page 41 of my direct testimony where I  
11 identify the following benefits from AMI:

- 12 • “Usage data from AMI meters can be tied to the specs and performance of  
13 distribution transformers to find overloaded transformers.”
- 14 • “Voltage Load Profile Data - Ability to gain system insight for better energy  
15 delivery options. This may drive construction designs and future planning of the  
16 system. That data can be used to identify faulty transformers and capacitor banks  
17 as well.”

18 These AMI capabilities are directed at operational improvements, not CCOS data  
19 improvements. Both of these examples highlight ways in which AMI data would support  
20 an engineering study or field design. Voltage profiles and overloaded or faulty equipment  
21 are not a direct concern of the CCOS study.

1 **Q: Can the Company provide the considerable amount of data being requested by Staff?**

2 A: No. The Company continues to be perplexed and disappointed by requests for data  
3 assumed to exist and characterized as simple and apparently presumed to be easy to capture  
4 and provide, despite continued efforts by the Company to communicate otherwise. With  
5 no established foundation to demonstrate need and with repeated claims that the providing  
6 of granular amounts of data regardless of the cost or the level of effort to provide, will  
7 make analysis better somehow; Staff's position appears immovable, despite continued  
8 efforts to clarify available data.

9 The Company's continued desire is to share with Staff information utilized by the  
10 Company in its analysis performed in support of a rate case including available load data,  
11 sales data, and cost data. However, the Company asks that the Commission and Staff  
12 understand that requests beyond what is used by the Company will likely require significant  
13 investment in new equipment and complex software which must be intentionally and  
14 seamlessly integrated with existing system operations and software to accommodate.

15 **VI. Rate Case Commitments**

16 **Q: Please identify the testimony you will address related to Rate Case Commitments?**

17 A: Sarah Lange provides rebuttal testimony on behalf of Staff.

18 **Q: What is Staff's position concerning these commitments?**

19 A: I share the intent expressed by Ms. Lange concerning prospective interactions on data  
20 availability and offer the same qualification to my testimony. Mirroring Ms. Lange's  
21 statement; while I will discuss a specific area of disagreement because it is germane to an

1 ongoing area of significant concerns, in the interest of a more productive relationship going  
2 forward, I will not specifically respond to most of Ms. Lange's discussions.

3 **Q: Staff provided detailed response to the detail offered in your Direct testimony**  
4 **regarding the commitment regarding data in the 2018 rate case S&A. Was there**  
5 **something offered that you would like to clarify or provide response?**

6 A: The Company appreciates the broader detail offered by Ms. Lange which largely reiterates  
7 much of what was summarized in my Direct testimony including, discussions with Staff  
8 regarding data availability, the inclusion of Company subject matter experts in meetings in  
9 exploring data available, significantly expanded requests for data introduced by Staff that  
10 caused confusion among Staff and the Company regarding what was being asked and for  
11 what, and finally, that the commitment was met with agreement to provide class level  
12 hourly data utilized by the Company's Load Forecasting team that expanded from sampled  
13 load research to 100% of AMI load data.

14 **Q: On page 70 of Ms. Lange's rebuttal testimony, she offers that the data described by**  
15 **Al Bass is what she's needing or wanting to use in the future. Can this data be**  
16 **provided for her?**

17 A: The data utilized by Mr. Albert Bass that Staff describes on page 70 of her rebuttal  
18 testimony can certainly be shared with Staff. In fact, it's already been provided, which is  
19 hourly data by rate class. Mr. Bass's process describes rate code hourly data aggregation  
20 that happens within the system as an intermediate data aggregation step in the data  
21 extraction process in order to produce the class hourly loads for the weather normalization  
22 process. To elaborate further, a series of database queries and programming code extracted  
23 rate code hourly loads, applied customer scaling (as referenced in the Direct testimony of

1 Al Bass), aggregation to class hourly load and then formatted for importing into MetrixND  
2 for Weather Normalization. The resulting hourly loads by class is what was used by Mr.  
3 Albert Bass and shared with Staff.

#### 4 **VII. Business Electric Vehicle (“EV”) Charging Service Rate**

5 **Q: Please identify the testimony you will address related to the Business EV Charging**  
6 **Service rate.**

7 A: Sarah Lange provides rebuttal testimony on behalf of Staff.

8 **Q: What is Staff’s position concerning this proposed rate?**

9 A: Staff acknowledges the rate design has been updated since its proposal in ET-2021-0151  
10 and she retains her issues with the rate design. However, Staff does not object to the rate  
11 design at this time. Ms. Lange does go on to question the “Carbon Free Option” of the  
12 tariff, recommends reporting requirements similar to those imposed in ET-2021-0151,  
13 recommends a revenue treatment for the rate, and a few additional modifications of the  
14 tariff.

15 **Q: What is the concern raised about the “Carbon Free Option”?**

16 A: Staff points out that the proposed Carbon Free Option rate is different than the proposed  
17 “Green Pricing REC Program Rider” rate. As both are seeking to achieve renewable status  
18 through RECs, Staff presumes the rates should be the same or similar.

19 **Q: How to you explain the price differences?**

20 A: The prices were not intentioned to be the same. According to the direct testimony of  
21 Company witness Kimberly Winslow, on page 49, starting line 17, the Green Pricing REC  
22 Program Rider price is based off of 2023 forward pricing from Amerex Brokers using  
23 Green-E/Voluntary Mid Pricing as of November 23, 2021. It is proposed that this pricing



1 would be reviewed annually to respond to REC market volatility. I believe this is a  
2 reasonable difference in rate design approach and should not be used against the Business  
3 EV Charging Service rate.

4 **Q: What is your response concerning the recommended reporting requirements?**

5 A: This is addressed by Company witness Kimberly Winslow on page 19 of her surrebuttal  
6 testimony.

7 **Q: What is your response concerning the recommended accounting treatment of**  
8 **revenues from the Business EV Charging Service rate?**

9 A: Staff recommends that revenues accrued from the BEVCS rate, net of the applicable FAC  
10 base factor, offset deferrals under the Commercial EV Charger Rebate program. I disagree  
11 with this recommendation. This is not a recommendation Evergy can accept for two  
12 primary reasons. First, it is not reasonably possible to identify whether the revenue from a  
13 particular station is new, incremental revenue. Just like most gasoline car drivers depend  
14 on more than one gas station, EV drivers depend on a range of charging locations including  
15 at their home, workplace, and other public destinations. For this reason, it is unlikely that  
16 a single new station is responsible for driving new revenue that is attributable solely to that  
17 station. It is more likely that existing charging activity, such as home or workplace  
18 charging, is transferred from one location to that new charging station because of its  
19 availability. By virtue of being a mobile load, each EV represents customer demand that is  
20 variable not only in terms of time but also location.

21 Second, the purposes of Evergy's Transportation Electrification program are to ensure  
22 Evergy has a role in managing its grid for purposes of providing efficient and effective  
23 service, to provide for the provision of electric service to more EV customers, and to allow

1 Evergy to obtain important data for the future. Usage reporting will certainly be a part of  
2 our analysis and reporting on the program. As we have detailed in our application and  
3 testimony, the electrification of the transportation sector is well underway, and these  
4 programs enable Evergy to participate and influence this transformation, which is  
5 appropriate given Evergy's central role in the mobile EV fuel supply chain. Certainly, all  
6 revenues generated will be reflected in our next general rate case and go to the benefit of  
7 all customers.

8 **Q: What is your response concerning the recommended tariff modifications?**

9 A: There are two proposed tariff modifications. The first, inclusion of a requirement that  
10 participants in the Commercial EV Charger Rebate program be required to take service  
11 under Business EV Charging Service rate, is addresses by Company witness Kimberly  
12 Winslow on page 18 of her surrebuttal testimony. Concerning the proposal that the  
13 Business EV Charging Service rate be revised to include a critical peak component, I do  
14 not support this modification. From my review of the ET-2021-0151 case, this critical  
15 peak component was not proposed or included in any way. Further, I cannot find any  
16 reference to the proposed tariff language to implement this modification. For these reasons  
17 I cannot accept this recommendation.

#### 18 **VIII. Subscription Rate – Accounting Treatment**

19 **Q: Please identify the testimony you will address concerning the accounting treatment of**  
20 **the proposed Subscription rate?**

21 A: Staff witness Sarah Lange provides testimony about the proposed Subscription rate. In that  
22 testimony Ms. Lange makes the recommendation that revenues from the program should  
23 be recognized in future rate cases, but any shortfalls should be absorbed by Evergy.

1 **Q: Is this reasonable treatment for the proposed Subscription rate?**

2 A: No. The testimony of Ms. Lange emphasizes Staff's belief that the proposed rate is a bad  
3 idea, and therefore Evergy should share all positive revenues resulting from the  
4 implementation with customers, but shareholders should bear all negative revenues. There  
5 is no basis for recommending this unbalanced approach. This seems little more than a  
6 punitive recommendation.

7 **Q: What treatment did you recommend for the proposed Subscription rate?**

8 A: I proposed that any over- or under-collection of revenues from the proposed Subscription  
9 rate be absorbed by Evergy's shareholders, or said another way, treated below-the-line for  
10 rate treatment.

11 **Q: Why this this approach reasonable?**

12 A: We have observed the Subscription rate be successful in other jurisdictions and believe our  
13 customer research indicates an interest here. By having shareholders receive any over- or  
14 under-collection, the Company can demonstrate to stakeholders the rate design can work  
15 with virtually no impact on non-participants. After the Subscription rate demonstrates  
16 results from its pilot, it could potentially be converted to traditional, above-the-line  
17 treatment. It is not appropriate to make shareholders bear the negative side risk with no  
18 opportunity to benefit from the positive. How can the Company be expected to seek new  
19 solutions and explore ways to meet customer needs if this unbalanced treatment is adopted?

1                   **IX. Developer Installed Streetlighting (Every Missouri West)**

2 **Q: Please identify the testimony you will address related to Developer Installed**  
3 **Streetlighting?**

4 A: Dr. Marke with OPC offers rebuttal testimony supporting the recommendation of Bryan  
5 Carter on behalf of the City of St. Joseph (“City”) to allow Developer Installed  
6 Streetlighting.

7 **Q: Do you agree with Dr. Marke’s support of the City’s recommendation?**

8 A: No. Dr. Marke cites compliance with safety standards as his sole measure to support the  
9 City’s recommendation. This is but one of the factors Every would be required to consider  
10 to make this option work. As noted in my rebuttal testimony, Every Missouri West would  
11 need to have personnel available to inspect and approve compliance with applicable  
12 material and construction standards, potentially across its approximately 28,000 square  
13 mile combined service territory. The Developer Installed approach was practical in a  
14 limited deployment like the City of St. Joseph where its approximately 45 square miles  
15 could be traversed by Company employees in minutes to complete inspections and where  
16 the local utility could maintain relationships with limited number of Developers performing  
17 the work. If deployed in the entirety of Every Missouri West or to the extreme, all of  
18 Every’s combined jurisdictions, the commitment of resources to execute these inspections  
19 to ensure quality control would become excessive and increase the cost of providing  
20 lighting service. Current streetlighting rates do not include recovery of these levels of cost  
21 and would need to be increased if the Developer Installed approach is allowed. I believe  
22 Dr. Marke should reconsider his support for this approach and recognize the inefficiencies  
23 associated with a providing this benefit to the City.

1 **X. Miscellaneous Topics**

2 **Q: Are there any other topics you wish to address in this testimony?**

3 A: Yes. There are two items. I would like to withdraw my proposals concerning the Schedule  
4 MKT, Special High Load Factor Market rate in the Evergy Missouri West jurisdiction and  
5 will briefly respond to an OPC recommendation concerning the Company’s Limited Large,  
6 Economic Development Rider, Schedule PED tariff.

7 **Q: Why do you propose to withdraw the Evergy Missouri West Schedule MKT, Special**  
8 **High Load Factor Market rate?**

9 A: The Schedule MKT, Special High Load Factor Market rate was filed in the rate case as a  
10 precaution. In the event the Commission decided not to address the filing made before the  
11 rate case in Case No. EO-2022-0061, Evergy needed to have the rate addressed in the rate  
12 case to receive approval in time to meet the needs of a prospective customer to the rate.  
13 Timing of the rate case filing did not allow time for Evergy to get a determination from the  
14 Commission in EO-2022-0061, so the additional filing was made. Since the Commission  
15 agreed to hear the case and ultimately approve the Schedule MKT tariff in Case No. EO-  
16 2022-0061, no action is needed here and the tariff may be withdrawn from further action.

17 **Q: And what is your testimony concerning the Company’s Limited Large, Economic**  
18 **Development Rider, Schedule PED tariff?**

19 A: Dr. Marke with OPC offers a comment about the Company’s “Economic Development  
20 Tariff” but refers to the Market Rate Tariff in his answer. We learned through legal counsel  
21 representing Velvet Technical Service, that Dr. Marke meant to reference Schedule PED

1 in his answer. Dr. Marke's point was that recent legislation would require the Company to  
2 update its Schedule PED tariff.

3 **Q: Do you agree?**

4 A: Yes, I agree the Schedule PED tariff should be updated to reflect new legislation. However,  
5 I disagree that it should occur in conjunction with this rate case. The Company intends to  
6 execute any Schedule PED update within a stand-alone tariff filing, independent of the rate  
7 case.

8 **XI. Corrections to Direct Testimony**

9 **Q. Do you have any corrections to your direct testimony in this case?**

10 A. Yes. On page 11, starting on line 13 of my direct testimony in this case, I state, "*Following*  
11 *multiple meetings between GMO and the City a formal letter was sent in December of 2018*  
12 *to explain options for streetlighting to the City.*" Through discovery issued by the City, we  
13 have been unable to locate or confirm that a formal letter was sent in December 2018.  
14 Support for the existence of a December communication was taken from notes and  
15 recollections of Evergy personnel familiar with the topic and responsible for interactions  
16 with the City. However, given the inability to produce the letter I wish to strike the  
17 referenced sentence from my Direct testimony

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

19 A: Yes, it does.

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

In the Matter of Evergy Metro, Inc. d/b/a Evergy )  
Missouri Metro's Request for Authority to ) Case No. ER-2022-0129  
Implement A General Rate Increase for Electric )  
Service )

In the Matter of Evergy Missouri West, Inc. d/b/a )  
Evergy Missouri West's Request for Authority to ) Case No. ER-2022-0130  
Implement A General Rate Increase for Electric )  
Service )

**AFFIDAVIT OF BRADLEY D. LUTZ**

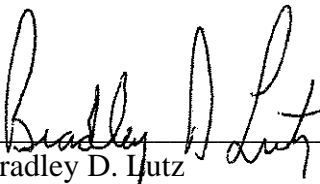
**STATE OF MISSOURI** )  
 ) ss  
**COUNTY OF JACKSON** )

Bradley D. Lutz, being first duly sworn on his oath, states:

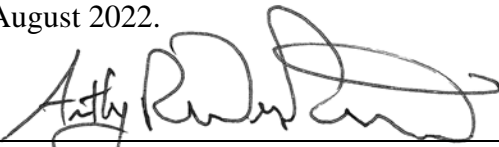
1. My name is Bradley D. Lutz. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Director – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of thirty-five (35) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Bradley D. Lutz

Subscribed and sworn before me this 16<sup>th</sup> day of August 2022.

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

My commission expires: 4/26/2025

