

Exhibit No. 301

Midwest Energy Consumers' Group and Missouri Industrial Energy Consumers – Exhibit 301
Greg R. Meyer
Surrebuttal Testimony
File No. EU-2020-0350
Sept. 4, 2020

Issue:	Covid-19 Accounting Authority Order
Witness:	Greg R. Meyer
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Parties:	Midwest Energy Consumers Group and Missouri Industrial Energy Consumers
Case No.:	EU-2020-0350
Date Testimony Prepared:	September 4, 2020

**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 for an Accounting
Authority Order Allowing the Companies to
Record and Preserve Costs Related to
COVID-19 Expenses**

Case No. EU-2020-0350

Surrebuttal Testimony of

Greg R. Meyer

On behalf of

Midwest Energy Consumers Group

and

Missouri Industrial Energy Consumers

September 4, 2020



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**BEFORE THE PUBLIC SERVICE COMMISSION
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Metro, Inc. d/b/a Evergy Missouri Metro
and Every Missouri West, Inc. d/b/a
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Case No. EU-2020-0350

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS) SS

Affidavit of Greg R. Meyer

Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Midwest Energy Consumers Group and the Missouri Industrial Energy Consumers in this proceeding on their behalf.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony which was prepared in written form for introduction into evidence in the Missouri Public Service Commission, Case No. EU-2020-0350.
3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.

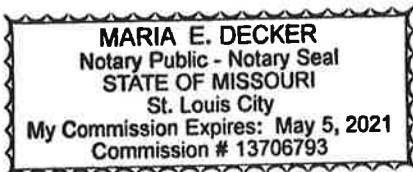


Greg R. Meyer

Subscribed and sworn to before me this 4th day of September, 2020.



Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION
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In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro)
and Evergy Missouri West, Inc. d/b/a)
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Case No. EU-2020-0350

Surrebuttal Testimony of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q ARE YOU THE SAME GREG R. MEYER WHO PREVIOUSLY FILED REBUTTAL**
5 **TESTIMONY IN THIS PROCEEDING?**

6 A Yes. I have previously filed rebuttal testimony in this matter.

7 **Q ARE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE OUTLINED IN**
8 **YOUR PRIOR TESTIMONY?**

9 A This information is included in Appendix A to my rebuttal testimony.

10 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

11 A I am appearing on behalf of the Midwest Energy Consumers Group (“MECG”) and the
12 Missouri Industrial Energy Consumers (“MIEC”).

1 Q **WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

2 A My surrebuttal testimony will address the rebuttal testimonies of the other intervening
3 parties, noting similarities and differences.

4 Q **PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.**

5 A My rebuttal testimony outlined specific guidelines for granting an Accounting Authority
6 Order (“AAO”) for the deferral of certain expenses/revenues associated with COVID-19
7 (“pandemic”). Those guidelines are summarized below:

- 8 1. Denial of recovery of lost usage revenues associated with reduced customer usage
9 and other lost revenues except as specified.
- 10 2. Acceptance of increased uncollectible expenses above the level established in
11 Evergy’s last rate case.
- 12 3. Acceptance of any shortfall in revenues from the amount included in Evergy’s last
13 rate case associated with late fees, reconnection and disconnection charges.
- 14 4. Acceptance of specific expenses directly related to the pandemic. For example,
15 increased cleaning costs, personal protective equipment, temperature testing,
16 costs incurred for employees to work from home, and employee sequestration
17 costs. MECG/MIEC opposed costs for internet connectivity for employees working
18 from home or other costs that are normally incurred by the employee.
- 19 5. Acceptance of customer payment plan costs. MECG/MIEC opposed recovery of
20 charitable donations to agencies to address pandemic issues.
- 21 6. The term of the AAO should be for one year: March 1, 2020 – February 28, 2021
22 with the possibility of the period being extended if the pandemic still exists at that
23 time.
- 24 7. The issue of whether carrying charges should be applied to the deferred regulatory
25 asset should be addressed in Evergy’s next rate case as it is a revenue requirement
26 issue. That said, however, MECG/MIEC opposes recovery of carrying charges on
27 deferred costs.

28 Q **DID YOU REVIEW THE REBUTTAL TESTIMONY OF OTHER PARTIES’
29 WITNESSES?**

30 A Yes. I reviewed the following testimonies:

- 1 1. Commission Staff (“Staff”) – Kimberly Bolin, Robin Kliethermes, and Byron Murray;
- 2 2. Office of the Public Counsel (“OPC”) – Robert Schallenberg, Geoff Marke, and
- 3 David Murray;
- 4 3. Sierra Club – Cheryl Roberto; and
- 5 4. National Housing Trust (“NHT”) – Roger Colton.

6 **Q WHAT WERE THE GENERAL POSITIONS EXPRESSED IN THE PARTIES’**
7 **REBUTTAL TESTIMONY?**

8 A Similar to my position, the Staff generally supported the recognition of certain increased
9 expenses and reduced non-usage revenues for deferral in an AAO. The Staff’s rebuttal
10 testimony, in many respects, was similar to my rebuttal testimony as outlined above,
11 including the deferral period and applicability of carrying costs. The OPC’s rebuttal
12 testimony generally opposed any deferral of expenses and revenues due to the lack of
13 evidence from Evergy that the amounts subject to deferral would be material or
14 extraordinary. In addition, OPC witness Geoff Marke addresses certain consumer
15 programs / safeguards that could result in equitable risk sharing between ratepayers
16 and shareholders. OPC witness Marke believes that if these customer programs are
17 instituted, the need for certain deferrals may be reduced. Finally, NHT witness Roger
18 Colton addresses low income consumer concerns that the pandemic has placed on
19 these customers.

20 **Q IN THE AREA OF LOST USAGE REVENUES, WHAT WERE THE PARTIES’**
21 **POSITIONS?**

22 A Every party (Staff, OPC, Sierra Club, and NHT) opposed the recovery of lost revenues
23 due to declining usage. Sierra Club witness Roberto’s rebuttal testimony was entirely
24 dedicated to the lost usage revenue issue and her opposition to allow any recovery.

1 Q IN THE AREA OF BAD DEBT EXPENSE, LATE FEES, AND RECONNECTION
2 FEES, IS IT CORRECT TO SAY THAT THE STAFF AND MECG/MIEC SUPPORTED
3 THE DEFERRAL OF THESE EXPENSES/REVENUES?

4 A Yes, both the Staff and MECG/MIEC supported deferral of increased bad debt
5 expenses as well as decreased revenues associated with late fees and reconnection
6 revenues. Both parties placed limits of the deferred amounts to what was included in
7 Evergy's previous rate case. The OPC opposed deferral of these expenses/revenues.

8 Q DID ANY PARTY ADDRESS OTHER ISSUES RELATED TO SERVICE
9 DISCONNECTIONS/RECONNECTIONS AND LATE FEES?

10 A Yes. Both OPC and NHT recommend that service disconnections/reconnection fees
11 and late fees be waived during the duration of any approved AAO. NHT even goes
12 further with its recommendation and seeks waiver of these fees until 180 days beyond
13 the end of the pandemic and the availability of a vaccine. I will discuss the term
14 requests in a separate section of my testimony.

15 Q IN THE AREA OF OTHER PANDEMIC EXPENSES, WHAT WERE THE POSITIONS
16 OF THE PARTIES?

17 A Again, the Staff supported deferral of those incremental expenses, while the OPC
18 opposed recovery. The MECG/MIEC supported recovery of expenses that could be
19 currently identified and opposed recovery of internet costs incurred by individuals
20 working at home or other costs normally incurred by employees.

1 Q ONE AREA IN WHICH EVERGY REQUESTED DEFERRAL RECOGNITION WAS
2 FOR RATEPAYER CREDITS ASSOCIATED WITH SPECIFIC RATEPAYER
3 ASSISTANCE PROGRAMS. WHAT WERE THE POSITIONS OF THE PARTIES?

4 A The Staff supported deferral of these costs. The MECG/MIEC also supported the
5 recovery of these costs with the exception of charitable donations made to certain
6 agencies by Evergy. OPC and NHT extensively addressed customer payment plans.
7 Both OPC and NHT recommended that the Commission expand customer payment
8 plans beyond the ones offered by Evergy.

9 Q DO YOU BELIEVE THE PROGRAMS OFFERED BY OPC WITNESS MARKE AND
10 NHT WITNESS COLTON GO BEYOND THE PARAMETERS OF THIS AAO CASE?

11 A The application filed by Evergy requests Commission authority to defer to a regulatory
12 asset for potential recovery in future rate case proceedings, all extraordinary costs, and
13 financial impacts incurred as a result of the pandemic plus associated carrying charges.

14 Given this, I believe the purpose of this case is to determine what, if any,
15 expenses or lost revenues that Evergy is currently experiencing should be deferred.
16 That said, however, outside of this case, Evergy has already introduced a couple of
17 payment plans to assist ratepayers who may struggle with paying their bills. Evergy
18 has requested that the costs of these programs, especially customer payment credits,
19 be included as a deferred expense in the requested AAO.

20 OPC and especially NHT have used this case to expand the programs being
21 offered and establish a much broader array of programs aimed at customer
22 affordability. I support the concept that customer payment plans can be modified to
23 address specific concerns about an existing proposed program. However, I must

1 question some of the programs proposed by NHT as possibly going beyond the
2 confines of this case.

3 **Q WHY DO YOU BELIEVE THAT NHT HAS GONE BEYOND THE CONFINES OF THIS**
4 **CASE?**

5 A In his testimony, NHT witness Colton describes several programs for lower income
6 ratepayers that will allow low income customers to pay a reduced bill coincident with
7 their ability to pay.¹ I believe Mr. Colton is using the pandemic as an opportunity to
8 introduce permanent customer payment plans to be implemented for the future, even
9 beyond the term of the pandemic. To that extent, I believe Mr. Colton has gone beyond
10 the scope of this case. However, I want to be perfectly clear that I am not critiquing the
11 programs offered by Mr. Colton, but that those programs may be more appropriately
12 introduced during a rate case because of the duration of such programs and the costs
13 involved.

14 **Q ARE THERE OTHER ASPECTS OF NHT WITNESS COLTON'S TESTIMONY THAT**
15 **YOU BELIEVE ARE BETTER ADDRESSED IN OTHER CASES?**

16 A Yes. Mr. Colton discusses energy efficiency programs and how those programs should
17 be emphasized for low income customers. Mr. Colton discusses how energy efficiency
18 programs geared towards low income customers can help reduce their bills. Mr. Colton
19 proposes to increase the funding for certain energy efficiency programs within the
20 context of this AAO case. Clearly, such concerns are better addressed in a MEEIA
21 docket where the Commission considers the cost-effectiveness of Evergy's energy

¹As reflected on its website, "The National Housing Trust protects, improves, and maintains existing affordable housing so that low-income families can live in quality neighborhoods with access to opportunities."

1 efficiency portfolio. In this regard, NHT participated in and advocated low-income
2 positions in Evergy's most recent MEEIA case (EO-2019-0132 / 0133).² Therefore, to
3 the extent that its positions were not accepted in that MEEIA case, NHT is attempting
4 to use this docket as "another bite at the apple."

5 **Q IS ANOTHER OF YOUR CONCERNS ABOUT THE SUGGESTED PROGRAMS THE**
6 **TIME IT WOULD TAKE TO IMPLEMENT THE PROGRAMS?**

7 A Yes. I do not see these programs being able to be implemented in a timely manner.
8 Many parties have expressed positions about the duration of the AAO. For example,
9 the MECG/MIEC and Staff have both proposed that the AAO expire on February 28,
10 2021, with the possibility of an extension if the pandemic continues. Implementing
11 these programs and obtaining proper funding may take more time than is proposed for
12 this AAO request.

13 **Q WHAT ARE THE PARTIES' POSITIONS ON THE TERM OF THE AAO?**

14 A The Staff proposes a one year initial AAO term (March 1, 2020 – February 28, 2021).
15 The Staff would not oppose continuing the AAO beyond February 28, 2021, if Evergy
16 can demonstrate material continuing financial impacts from the pandemic. The
17 MECG/MIEC also supports this term. The OPC expressed concerns about the
18 indefinite term of the AAO proposed by Evergy.

²For instance, as reflected in its position statement in that case, NHT asserted that "[t]he MEEIA statute expressly recognizes the importance of focusing on low income efficiency, by exempting programs targeted to low-income customers from cost effectiveness requirements. Accordingly, including specific earnings opportunity criteria rewarding the Company for appropriately serving the low-income sector will better align the DSIM with the aims of the MEEIA statute. Please refer to the Rebuttal Testimony of Annika Brink on behalf of NHT for further details on our position."

1 NHT proposes a term for the AAO to last until 180 days past the date on which
2 a COVID-19 vaccine is available. This timeline is a proposed moratorium on
3 disconnections and late payment fees. For NHT's proposed payment plans, it
4 recommends that the payment plan terms should remain in effect indefinitely. Finally,
5 NHT recommends that low income energy efficiency funding should be continued
6 indefinitely. Clearly then, some of these proposed timeframes support my arguments
7 that many of these programs are more appropriately addressed in other cases.

8 **Q PLEASE SUMMARIZE YOUR TESTIMONY.**

9 A As expressed in my rebuttal testimony, I believe that the Commission should grant
10 deferral of certain incremental costs and should not grant lost revenues, except the
11 specific decreased non-usage revenues resulting from the pandemic which are set
12 forth in my testimony. Consistent with its finding in the Joplin tornado AAO, I believe
13 that the Commission should reject Evergy's request to defer lost usage revenues.
14 Moreover, I believe that the Commission should place a one-year term on the deferral
15 of such costs, with the possibility of an extension, and postpone the issue of
16 applicability of carrying costs until Evergy's next rate case. Finally, I believe that the
17 Commission should consider NHT's proposed programs in other dockets including rate
18 cases or MEEIA dockets.

19 **Q DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

20 A Yes, it does.

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Greg R. Meyer
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