Exhibit No.:	
Issue(s):	*Rate Design*
Witness:	*Marina Gonzales*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal Testimony*
Case No.:	*ER-2026-0143*
Date Testimony Prepared:	*September 10, 2026*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF & RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

MARINA GONZALES

EVERGY METRO, INC.,
d/b/a Evergy Missouri Metro

CASE NO. ER-2026-0143

Jefferson City, Missouri
September 2026

** Denotes Confidential Information **

SURREBUTTAL TESTIMONY

OF

MARINA GONZALES

**EVERGY METRO, INC.,
d/b/a EVERGY MISSOURI METRO**

CASE NO. ER-2026-0143

Q. Please state your name and business address.

A. My name is Marina Gonzales, 200 Madison Street, Jefferson City, Missouri 65101.

Q. Are you the same Marina who has provided testimony within Staff's Rate Design Report and rebuttal testimony in this case?

A. Yes.

SUMMARY

Q. What is the purpose of your surrebuttal testimony?

A. To respond to Evergy Missouri Metro ("EMM") witness, Graham A. Jaynes' rebuttal testimony on the residential customer charge and to correct misrepresentations of Staff's position contained in Mr. Jaynes' testimony.

SURREBUTTAL CONCERNING RESIDENTIAL CUSTOMER CHARGE

Q. Can you explain Staff's approach to evaluating the residential customer charge in this case, and clarify Staff's residential customer charge recommendation?

A. Yes. As stated in Staff's Rate Design Report, the information necessary to complete a full class cost of service study was not available.[1] In this case, Staff reviewed the reasonableness of the current residential customer charge of $12.00 to determine whether a change in the residential customer charge is appropriate. Staff recommends retaining the current residential customer charge of $12.00. Staff uses a marginal customer methodology to determine the residential customer charge. The marginal customer methodology analyzes what costs vary with the connection or removal of a single customer to the grid in order to recover direct, customer-specific costs, rather than shared distribution system infrastructure. As noted in Staff's Rate Design Report, EMM's customer-related classification factor inherently produces a high-end valuation of the appropriate recovery of certain infrastructure costs.[2] It is more common for multiple residential customers to be served by a single service line or transformer than other rate class customers.[3] Additionally, the infrastructure to serve residential customers is less costly than the infrastructure to serve LGS, MGS, and many SGS customers, as well as the infrastructure to serve LPS customers served at secondary.[4,5] In general, and consistent with a "basic customer" approach, Staff does not recommend inclusion of network distribution systems in the customer charge valuation.

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[1] Staff Rate Design Report, page 4, lines 9-12.
[2] Staff Rate Design Report, page 17, lines 12-18.
[3] Staff Rate Design Report, page 16, lines 10-13.
[4] Large General Service (LGS), Medium General Service (MGS), Small General Service (SGS), and Large Power Service (LPS).
[5] Staff Rate Design Report, page 16, lines 5-8.

Staff estimated the cost of service for the residential customer charge as approximately $5.59 per customer per month but does not recommend reducing the residential customer charge in this case.

Q. On page 19 of his rebuttal testimony, EMM witness Graham A. Jaynes identified certain unit costs of service that Staff either approached differently or did not include in the residential customer charge. What were they?

A. Mr. Jaynes discusses metering costs, customer record keeping, uncollectible accounts, and customer assistance in the residential customer charge.

Q. Please explain the difference in how Staff and EMM evaluated meters as it pertains to the residential customer charge.

A. Mr. Jaynes states that "…Staff estimated $1.85 per month for metering, that estimate falls well short of the per books monthly metering cost of $5.17."[6]

Mr. Jaynes' calculation of $5.17 is a combination of EMM's Monthly Cost per Customer of Meters ($4.54 and the Monthly Cost per Customer of Customer Meter Reading of ($0.63) from his direct workpapers. Staff and EMM have very comparable book values for the AMI meters as shown in Account 370.002 (Table 2) and Account 370 – AMI Meters (Table 1), but EMM also functionalized intangible and general plant expenses as "Meter." In contrast, Staff only included the AMI meter expense to determine the capital-related cost component of a meter and AMI meter maintenance expense for the

[6] Graham A. Jaynes Rebuttal Testimony, page 19, lines 15-16.

O&M-related cost component of a meter.[7] The tables below compare EMM's and Staff's net plant for the meters function.[8]

Table 1 – EMM Net Plant for Meters Function:

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[redacted]

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Table 2 – Staff Net Plant for Meters Function:

Account	Staff Line Item	Gross Plant	Depreciation Reserve	Net Plant
370.002	Dist-AMI Meters- Elec	$ 72,780,096.00	$ (14,450,841.00)	$ 58,329,255.00

Historically, meter reading would have been included in Staff's recommended residential customer charge calculation because each additional customer meter would

[7] Staff did not include the annual Missouri jurisdictional operations expense in this calculation because it is a negative expense because of intra-corporate allocations.
[8] Schedule MG-s1 provides a full cost breakdown.

add an additional stop and time for their meter to be read. However, with the introduction of advanced technology like AMI meters, traditional meter reading is generally obsolete and is no longer a marginal customer cost.

Q. Why did Staff only include the cost of AMI meters found in Account 370.002?

A. 99.99% of EMM residential customers are on a residential time of use rate ("TOU") and that is why Staff chose to exclude non-AMI Meters from the residential customer charge.[9]

Q. Mr. Jaynes testifies that EMM includes "…customer record keeping amounts to $4.19 per month…"[10] Is it reasonable to recover customer record keeping costs through the Residential customer charge?

A. It can be reasonable to include the portions of this account that are related to issuing bills and processing routing monthly payments from customers. However, Account 903, Customer Records and collection expenses includes "the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints."[11] Aside from billing and bill processing, generally speaking, these are not costs that vary with the addition or subtraction of a customer. In addition to Account 903,

[9] CONFIDENTIAL Current Class Structure External Allocators.xlsx.
[10] Graham A. Jaynes Rebuttal Testimony, page 19, line 16.
[11] 18 C.F.R. § 367.9030.

the table below provides the general plant line items that EMM also functionalizes under Customer Records.[12]

Table 3

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[redacted]

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Q. Is it reasonable to recover uncollectible accounts costs through the residential customer charge?

A. No. EMM includes "…uncollectible accounts amount to $1.65 per month…"[13] Uncollectible accounts include costs associated with customers who have not paid their bills. These are not costs that vary with adding or subtracting a customer.

Q. Is it reasonable to recover customer assistance costs through the residential customer charge?

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[12] Schedule MG-s1 provides EMM's cost of service calculation.
[13] Graham A. Jaynes Rebuttal Testimony, page 19, line 17.

A. No. EMM includes "…customer assistance amounts to $2.09 per month" in their residential customer charge.[14] Account 908, which FERC identifies as customer assistance expenses, "… must include the cost of labor, materials used and expenses incurred in providing instructions or assistance to customers, the object of which is to encourage safe, efficient and economical use of the associate utility company's service."[15] These are not costs necessary to connect a customer to the system nor do they vary with the addition or subtraction of a customer.

Q. Mr. Jaynes states that "Staff's approach does not even touch on the customer-classified portion of the primary and secondary distribution system that the Company's CCOSS recognizes."[16] What is Staff's response?

A. Staff agrees that it has not included network distribution cost of service in the customer charge quantification. Staff addresses its concerns with EMM's quantification of the customer classified portion of network distribution accounts in the rebuttal testimony of Sarah L.K. Lange.

Q. Does this conclude your surrebuttal testimony?

A. Yes it does.

[14] Graham A. Jaynes Rebuttal Testimony, page 19, lines 17-18.
[15] 18 C.F.R. § 367.9080.
[16] Graham A. Jaynes Rebuttal Testimony, page 18, lines 10-11.

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 Implement a General Rate Increase for Electric Service	))))	Case No. ER-2026-0143

AFFIDAVIT OF MARINA GONZALES

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MARINA GONZALES and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Marina Gonzales*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

MARINA GONZALES

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 8th day of September 2026.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2029
Commission Number: 12412070

D Suzie Mankin
Notary Public

Case No. ER-2026-0143

SCHEDULE MG-s1

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY