

**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	)	<u>File No. ER-2026-0143</u>
a General Rate Increase for Electric Service	)	

STAFF OBJECTION TO NON-UNANIMOUS PARTIAL SETTLEMENT – RATE DESIGN

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), by and through counsel, and for its *Objection to Non-Unanimous Partial Settlement – Rate Design* respectfully states as follows:

1. On October 5, 2026, Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro (“EMM”) and Midwest Energy Consumers Group (“MECG”) filed their *Non-Unanimous Partial Settlement – Rate Design* (“Agreement”) resolving certain pending issues in this docket.

2. That same day, the Commission issued its *Order Shortening Time to Object to Stipulation and Agreements*, directing the parties to file any objections no later than midnight on October 7, 2026.

3. Pursuant to the Commission’s order and Commission Rule 20 CSR 4240-2.115, Staff objects in part to the Agreement reached between EMM and MECG.

4. As counsel for Staff indicated in its general opening statement in this matter on the afternoon of October 5, 2026, Staff does not object to restructuring of the EMM rates using the “Bright Lines” proposed by EMM, the energy time periods proposed by EMM, and a 15 minute on-peak demand measure as proposed by EMM, modified for a winter demand measurement to begin at 7:00 am. Staff’s support of this rate structure, as modified, is to enable EMM’s immediate work on a customer migration and determinants study, which is necessary to calculate rates to be ordered in compliance tariffs in this case.

5. Further discussion of specific objections, Staff's recommendations for customer education, and Staff's recommendations for the customer migration and determinants study are provided below.

I. Revenue Allocation

6. Staff objects to the Revenue Allocation detailed on page 2, paragraph 2 of the Agreement for the following reasons:

- a. The percentage adjustments indicated result in excessive total revenues when applied to the settled-upon billing determinants;
- b. No reliable CCOS study is available in this case to support a result other than an equal percentage increase to all classes. The CCOS studies relied upon by EMM and MEGG, among other things, misclassify distribution cost of service such that the revenue responsibility of MGS, SGS, and Residential customers is significantly overstated, and the revenue responsibility of LGS and LPS¹ customers is significantly understated.² Additionally, these results rely upon a study approach that, among other concerns with the allocation of production-related, energy-related, and transmission-related cost of service, has Residential and Small business customers pay disproportionately for the cost of owning renewable generation, while the largest customers benefit disproportionately from the value of the energy generated, and from the renewable energy credits generated;³ and

¹ Small General Service ("SGS"), Medium General Service ("MGS"), Large General Service ("LGS"), Large Power Service ("LPS"), and Large Load Power Service ("LLPS").

² Staff's testimony addressing this issue includes the Rebuttal Testimony of Sarah Lange, at pages 39 - 44.

³ Staff's testimony addressing this issue includes the Rebuttal Testimony of Sarah Lange, at pages 30-36.

- c. Staff objects to this stipulation's result that LLPS rates be increased by a smaller percentage increase in this case than those applied to residential and small business customers.

II. Commercial and Industrial Rate Design – Implementation

7. Staff objects to the immediate implementation of new rates by bill cycle as contemplated by the Agreement on page 2 for the following reasons:

- a. Immediate implementation will result in a rate increase and a significant change in rate structure in the peak winter billing months, without the benefit of any meaningful customer education. This runs unnecessary and unreasonable risk of rate shock and customer disgruntlement, as opposed to providing an opportunity for customers to understand the purposes behind the pricing of the new rate structure, and to modify usage, if applicable, accordingly.
- b. This proposal was not brought forth until surrebuttal testimony, and no party has had an opportunity to address the impacts of its interaction with riders such as Fuel Adjustment Clause ("FAC") and Missouri Energy Efficiency Investment Act ("MEEIA") riders.
- c. Staff's recommended customer education plan was provided in the Staff Rate Design Report beginning at page 27 and is attached for reference as Attachment A.

III. Default Non-LLPS Rates

8. The Agreement contemplates, on page 3, increasing the demand component 1.25 times the class average assigned to the LPS/LGS classes, with the energy

component increasing 0.75, with the remainder of the class revenue requirement recovered from the remaining rate elements. Staff objects to the demand and energy increases for the following reasons:

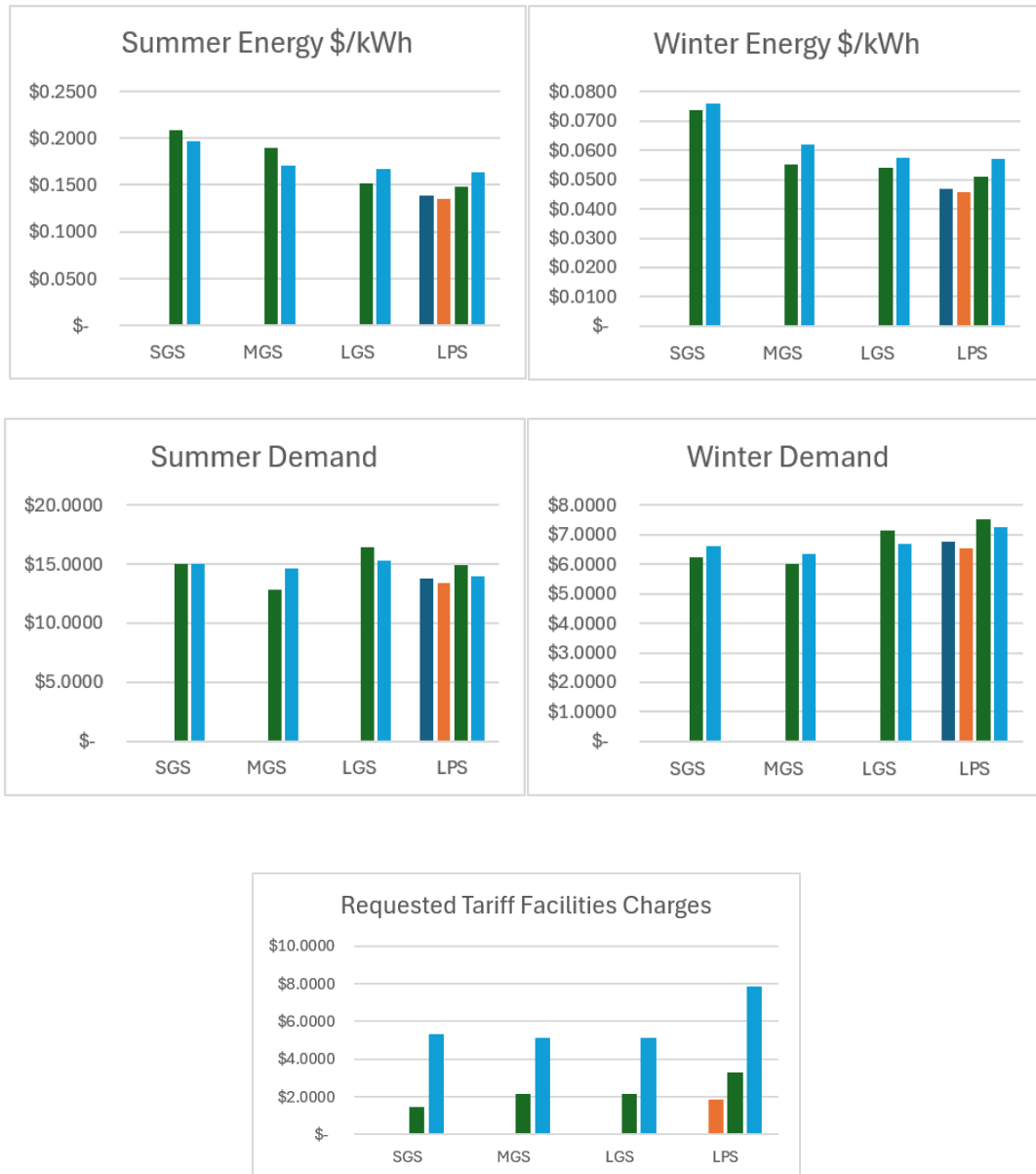
- a. This change in intraclass revenue responsibility is arbitrary and may result in unreasonably low energy rates.
- b. The language is far too vague for implementation, and it is not clear what it actually applies to, in terms of (1) whether the adjustment applies on a class basis or on a subclass basis, and (2) whether the language refers to the existing revenues by charge type, or EMM's proposed rate revenues by charge type. If applied to EMM's proposed rates, it does not address the intraclass and interclass continuity problems of EMM's rate design; instead, it will exacerbate those problems. Further, EMM's proposed rates were designed by EMM to collect the entire initially-requested revenue requirement. Increasing those rates, if that is what is contemplated in the stipulation, would be improper.
- c. The intraclass revenue responsibility modifications required by this language will undoubtably induce rate shock to customers not educated about the increases, compounded by the timing of the implementation of these rates contemplated in the stipulation.
- d. Without a customer migration and determinants study prior to implementation, there are no relevant determinants to use in calculating the applicable rates to result from this case. To be very clear – there are no determinants to calculate the rates EMM and MEEG have stipulated to, and any attempt to rely on the factors and relationships that EMM provided in its direct testimony as applied

to the stipulated-to determinants is unreasonable and improper. Instead, EMM should be ordered to promptly complete a customer migration and determinants study based on the restructured rates and the time period of July 2025 – June 2026 to coincide with the current-class determinants that have been stipulated to by EMM and Staff in the *Partial Stipulation and Agreement – Non-C&I Rate Design*, filed on October 2, 2026. The Staff's recommended customer migration and determinants study was provided in the Staff Rate Design Report beginning at page 24. Staff has included slight modifications in the version attached as Attachment B for consistency with the revisions to Staff's positions related to accepting additional elements of the EMM-requested rate structure as modified by the Agreement.

9. Staff objects to the removal of reactive demand from Medium and Large General service, as contemplated on page 3 of the Agreement, for the reasons stated in the rebuttal testimony of Sarah Lange, beginning at page 68. Namely, with the changes in the regional generation fleet, recovery of the cost of service associated with voltage stability is more important, not less important.

10. Staff objects to the Agreement language on page 3 contemplating a review of voltage of differentiated rates in the next EMM rate case because this review should happen **prior to the calculation of the rates and the implementation of the revised rate structure.** Implementation of the new rate structure should not occur without addressing this issue consistent with Staff's recommendations in its direct testimony concerning inter- and intraclass pricing relationships, provided in the Staff Report at pages 32 – 39, modified to

reflect the time periods identified here-in. The unreasonable interclass results of the EMM approach were discussed in the rebuttal testimony of Sarah Lange, and are illustrated below:



IV. Optional Time of Use

11. Staff objects to the incorporation of the high differential opt-in time-based rates contemplated on page 3 of the Agreement as they are not cost-based and are poorly priced. Staff further objects to incorporation of opt-in time-based rates absent a commitment

from EMM to not burden future cases with an attempt to recover revenues avoided by participating customers.

12. The Agreement contemplates on page 3 incorporating the resolving items from the standard rate. Staff agrees that if, against its objection, high differential opt-in time-based rates are made available, that the demand period for non-summer months and any energy pricing periods should be modified to avoid exacerbating winter morning peaks. Staff does not support application of the demand-energy pricing relationship described above to opt-in high differential time-based rates, if authorized by the Commission over Staff's objections herein.

V. All Electric Rates

13. While Staff does not object to the elimination of all C&I electric rates as contemplated by the Agreement on page 3, Staff notes that if the Commission adopts Staff's recommendation to delay the implementation of rate structure changes to outside of the peak winter months (and peak summer months), the all electric rates should remain available with an equal percentage increase until the restructured rates take effect.

VI. TRP⁴ Rate

14. While Staff does not object to the freezing of the TRP rate for current customers in the non-residential class as contemplated on page 3 of the Agreement, Staff does object to increasing the components of this rate by 1.1 times the system average rate increase. Staff objects because this provision is being utilized to provide additional avoidance of applicable rate increases to LPS customers.

⁴ Time Related Pricing

WHEREFORE, Staff respectfully requests the Commission accept this objection and reject the objected to portions of the Agreement reached between EMM and MEEG.

Respectfully submitted,

/s/ Tracy D. Johnson

Tracy D. Johnson

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Missouri Bar No. 65991

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 7th day of October 2026.

/s/ Tracy D. Johnson

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 SARAH L.K. LANGE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

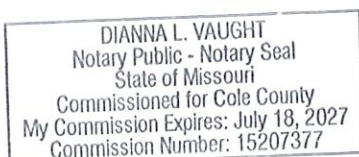
COMES NOW SARAH L.K. LANGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Objection*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sarah L.K. Lange
SARAH L.K. LANGE

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 7th day of October 2026.



Dianna L. Vaught
Notary Public

Customer Education Recommendations

Staff recommends that EMM inform its non-residential customers of the restructured rates and provide reasonable education to those customers. This should include a statement of the rate schedule the customer has been billed on, the rate schedule the customer will be billed on, simple and clear education concerning the time-based periods ordered in this case, an explanation of the recommended delay in restructuring until November 2027, and a one-time report of the following:

1. A statement of the total energy and 30-minute demand for 12 historic billing months,
2. A statement of the total energy, energy by time-based period, 15-minute NCP demand, and 15 minute on-peak demand for the same 12 historic billing months,
3. A calculation of the bill the customer would owe for the usage and demand for those 12 historic months on the increased non-restructured rates that are ordered in this case, and
4. A calculation of the bill the customer would owe for the usage and demand for those 12 historic months on the restructured rates that are ordered in this case and effectuate the rate increase.

The Commission should also order EMM to test its billing system's ability to accurately bill the restructured rates, and to inform the Commission and the parties of any shortcomings or delays in its ability to bill through a filing in this docket.

Customer Migration and Determinants Study Recommendation

Staff recommends that customer migrations be established using the highest 15-minute interval demand of the customers as it coincides with the on-peak demand period for summer demand in EMM's direct filing, and the period for winter demand set out in the Agreement which begins at 7:00 am.

A reasonable sequence of a customer migration and determinants study is set out below.

1. Identify the applicable on-peak time interval and the applicable "Bright Lines".
 - a. Using 15-minute demands during the applicable seasonal demand periods.
 - b. Using EMM's selection of the 31 MW, 250 MW, and 3,000 MW thresholds as "Bright Lines."
2. Find the 15-minute on-peak demand of each customer for each of the 12 historic billing months. Determine which restructured rate class the customer should be served under based on that customer's 15-minute on-peak demand and the selected "Bright Lines."
3. For each restructured class, calculate the monthly determinants for each charge, as the sum of the determinants of the customers migrated to that restructured class based on 15-minute on-peak demand:
 - a. Customer charge determinants,
 - b. 15-minute facilities demand, by service voltage, and as applicable, billing block,

- c. 15-minute on peak billing demand, including minimum demands, by service voltage,
- d. Reactive demand,
- e. Total energy, by service voltage, and
- f. Energy by time period, consistent with EMM's direct-filed energy time periods, by service voltage.