

Exhibit No. 272

MoPSC Staff – Exhibit 272
Michael L. Stahlman
Surrebuttal Testimony
File Nos. ER-2022-0129 & ER-2022-0130

Exhibit No.:
Issue(s): Normal Weather,
Covid Adjustment
Witness: Michael L. Stahlman
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case Nos.: ER-2022-0129 and
ER-2022-0130
Date Testimony Prepared: August 16, 2022

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

MICHAEL L. STAHLMAN

**Evergy Metro Inc., d/b/a Evergy Missouri Metro
Case No. ER-2022-0129**

**Evergy Missouri West, Inc. d/b/a Evergy Missouri West
Case No. ER-2022-0130**

*Jefferson City, Missouri
August 2022*

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **MICHAEL L. STAHLMAN**

4 **Evergy Metro Inc., d/b/a Evergy Missouri Metro**
5 **Case No. ER-2022-0129**

6 **Evergy Missouri West, Inc. d/b/a Evergy Missouri West**
7 **Case No. ER-2022-0130**

8 Q. Please state your name and business address?

9 A. Alan J. Bax, P.O. Box 360, Jefferson City, Missouri, 65102.

10 Q. Please state your name and business address.

11 A. My name is Michael L. Stahlman, and my business address is Missouri Public
12 Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

13 Q. Are you the same Michael L. Stahlman that previously provided testimony in this
14 case with direct testimony on June 8, 2022, rebuttal testimony on July 13, 2022, and during
15 the discovery conference held on May 5, 2022?

16 A. Yes I am.

17 **EXECUTIVE SUMMARY**

18 Q. What is the purpose of your surrebuttal testimony?

19 A. The purpose of my surrebuttal testimony is to address statements made by Evergy
20 witness Albert R. Bass Jr. in his rebuttal testimony.

21 Q. Please summarize your testimony.

22 A. My surrebuttal testimony will cover three issues. First, Staff and the Company
23 used the same 30-year weather period method to estimate normal weather. Second, Staff has

1 | been consistent with its other rate cases concerning COVID-19 adjustments. Finally, contrary
2 | to Mr. Bass's assertions, data was not timely provided in these cases.

3 | **NORMAL WEATHER**

4 | Q. On page 2 lines 1 through 3 of Mr. Bass's rebuttal testimony, he states that Staff
5 | did not use the current National Oceanic and Atmospheric Administration (NOAA) 30-year
6 | climate normals. Is this correct?

7 | A. Yes, however Mr. Bass also did not use the current NOAA 30-year
8 | climate normals.

9 | Q. What 30-year weather period did Mr. Bass use?

10 | A. Mr. Bass used the same 30-year weather period that Staff used; the 30-year
11 | normal period ending December 31, 2018, both including updated weather for the time period
12 | of January 1, 2011 through December 31, 2018. The workpapers Mr. Bass used for weather
13 | were developed by me and sent to him on 7/7/2021 (See Attachment MLS-s1).

14 | **COVID-19 ADJUSTMENT**

15 | Q. On page 3 lines 6 through 8 of Mr. Bass's rebuttal testimony he states, "The
16 | Google mobility (COVID-19) variable Staff used in the residential, large general service and
17 | large power models all had significant T-stat's and coefficients, indicating that an adjustment
18 | is warranted." Does a significant regression result mean that an adjustment is warranted?

19 | A. No. All a significant regression result indicates is that the dependent variable
20 | has correlation with the independent variable. Since Staff's regression period was from
21 | January 1, 2019 to December 31, 2021, it is expected that variable to account for COVID-19
22 | would be significant. But there is a difference between accounting for factors in a regression
23 | analysis and normalizing those factors. Normalizing requires making an assumption that

1 there is an unusual event in the test period that is not likely to persist, and assumptions about
2 its “normal” value.

3 Q. Mr. Bass states on page 3 lines 12 through 15 of his rebuttal that Staff adjusted
4 for COVID-19 in the Ameren and Liberty rate cases. Is this correct?

5 A. Yes, but only for the months prior to September or October 2020. From my
6 rebuttal testimony in the Ameren Missouri Electric rate case (ER-2021-0240, p. 9, ll. 13-17):

7 Staff judged that the Google Mobility Data largely stabilized by
8 September or October 2020. Thus Staff simulated the months prior to
9 September 2020 by substituting the actual Google Mobility Data in that
10 time period with values approximating the stabilized value of the
11 Google Mobility Data around October 2020.¹ The months after this
12 maintained the actual Google Mobility Data, so there was no
13 adjustment for Covid-19.

14 This same method was also used in the Liberty case (ER-2021-0312).

15 Though Mr. Bass refers to the Liberty case, his footnote references the Spire Missouri
16 natural gas case (GR-2021-0108). Staff did not make a COVID-19 adjustment in that case.

17 **DATA AND PROCEDURE**

18 Q. On page 3 lines 18 through 19 of his rebuttal, Mr. Bass states,
19 “The Company adequately and timely responded to all data requests by the required
20 deadlines.” Do you agree?

21 A. No. For instance, Staff Data Request 0250 in ER-2022-0129 (Staff Data
22 Request 0247 in ER-2022-0130), issued on February 16, 2022, asked to provide “hourly load
23 information...for the period **Jan 1, 2020 – Dec 31, 2021**” [Emphasis added.]. In response, on
24 March 3, 2022, Evergy provided, “In the attached file “MPSC_20220216_Q0250_Metro”

¹ The dates are for the non-residential customer classes that were weather normalized. The Google Mobility Data for the residential class seemed to have stabilized a month earlier.

1 the hourly loads are provided for the period of **January 1, 2020 – June 30, 2021...**”

2 [Emphasis added.]² The data requested was not provided until April 4, 2022.

3 Q. Mr. Bass, on page 6, lines 3 through 6 of his rebuttal, indicates an agreement to
4 weather-normalize the update period. Do you recall any agreement?

5 A. No. As mentioned in direct, Staff conducted its weather normalization in
6 the update period to attempt to capture a more likely forward-looking indicator of
7 non-weather electricity usage per customer.³ In this case in particular, looking at the
8 update period helps to remove uncertainty about the impact of COVID-19 on consumer usage.
9 Mr. Bass indicated on a phone call that he would update the weather normalization, but I did
10 not request him to do so.

11 Q. Please summarize your testimony.

12 A. Staff and the Company used the same 30-year weather period method to
13 estimate normal weather. No party has provided any other weather in these cases. Staff’s
14 treatment of COVID-19 has been consistent with the process used in Ameren Missouri and
15 Liberty. Finally, Staff had difficulty in obtaining timely data these cases.

16 Q. Does this conclude your testimony?

17 A. Yes it does.

² The initial response for Staff Data Request 0247 in ER-2022-0130 was not provided until March 7, 2022. Although the referenced file is different, the time period is the same.

³ This is also consistent with Staff’s practice in Evergy’s predecessor’s 2018 general rate cases (ER-2018-0145-and ER-2018-0146) and 2016 general rate cases (ER-2016-0285 and ER-2016-0156).

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) Case No. ER-2022-0130
Authority to Implement a General Rate)
Increase for Electric Service)

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MICHAEL L. STAHLMAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of Michael L. Stahlman*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


MICHAEL L. STAHLMAN

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 11th day of August 2022.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public

Stahlman, Michael

From: Stahlman, Michael
Sent: Wednesday, July 07, 2021 2:06 PM
To: Albert Bass
Subject: RE: Weather data

One other factor I thought of after talking with other Staff is that an update period, depending on when a case may be filed and the data that is available, could get all of 2021 data in a model. Thus I could get 3 years of data (all of 2019, 2020, and 2021) while still using the 1989-2018 30 year period. I'm also open to discussing any weather station adjustments from the new NOAA climatic normals if you become aware of any.

From: Stahlman, Michael
Sent: Wednesday, July 07, 2021 8:57 AM
To: Albert Bass <albert.bass@evergy.com>
Cc: Kliethermes, Robin <Robin.Kliethermes@psc.mo.gov>
Subject: RE: Weather data

Here are the files for a three year period (7/2018-6/2021) WITH THE 30 YEAR AT 1988-2017. I don't know which files I would use at this point (two or three year), so giving you the option of both.

Sorry for not getting these to you yesterday; was stuck in a meeting all day without much of a break.

From: Stahlman, Michael
Sent: Tuesday, July 06, 2021 8:03 AM
To: Albert Bass <albert.bass@evergy.com>
Cc: Kliethermes, Robin <Robin.Kliethermes@psc.mo.gov>
Subject: RE: Weather data

Ending May or June 2021?

From: Albert Bass <albert.bass@evergy.com>
Sent: Tuesday, July 06, 2021 7:51 AM
To: Stahlman, Michael <Michael.Stahlman@psc.mo.gov>
Cc: Kliethermes, Robin <Robin.Kliethermes@psc.mo.gov>
Subject: RE: Weather data

Thanks for the update. I normally try to run two years through the models, but you can send it with three years.

Thanks
Al

From: Stahlman, Michael <Michael.Stahlman@psc.mo.gov>
Sent: Tuesday, July 6, 2021 6:59 AM
To: Albert Bass <albert.bass@evergy.com>
Cc: Kliethermes, Robin <Robin.Kliethermes@psc.mo.gov>
Subject: RE: Weather data

****CAUTION: This email originated from outside of the Evergy network. Do not click links or open attachments unless you recognize the sender and know the content is safe****

Sorry, I missed this email. I'll get it to you as soon as I can, hopefully today if everything goes well. Are you wanting just one year or do you want to have a two or three? Because of the odd usage in 2020, I've been tending to look at three years of usage to get a better look at the trend. Since we use a rolling period, I'm fairly close to the 2020 time period, but I try to keep the 30 year period separate from the observed or test period.

I've looked at the KCI station a bit for the NOAA normals, but haven't gotten the intermediary product, the Serially-Complete Monthly Temperatures, from NOAA yet; the person I asked doesn't quite understand what data we need, so I'm trying to get an example from the last ten year period. The averages are published, but doesn't give us the data needed because it is strictly ranked on the calendar day and not ranked. But it seems from NOAA's website that the KCI station was not moved in the last ten years, so I'm not expecting any large adjustments to the observed data over that period.

From: Albert Bass <albert.bass@evergy.com>
Sent: Monday, July 05, 2021 10:26 AM
To: Stahlman, Michael <Michael.Stahlman@psc.mo.gov>
Subject: RE: Weather data

Any update on getting an update file?

Thanks
Al

From: Albert Bass
Sent: Tuesday, June 22, 2021 9:38 AM
To: Michael.Stahlman@psc.mo.gov
Subject: Weather data

Could you send me an updated weather file through May 2021 for KCI. I will add June after the month ends. Also, has staff updated the NOAA 30yr normal to end in 2020?

Thanks

Albert Bass
SR. Manager Energy Forecasting & Analytics
Evergy
1200 Main 19FL, Kansas City MO 64105
816-652-1276
albert.bass@evergy.com



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