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Sponsoring Party: Evergy Missouri Metro and Evergy
Missouri West
Case No.: EC-2024-0092
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EC-2024-0092

REBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

ON BEHALF OF

EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

**Kansas City, Missouri
April 2024**

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REBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

Case No. EC-2024-0092

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: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc. I serve as Director, Regulatory Affairs for Evergy
6 Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy Missouri Metro”), Evergy Missouri
7 West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”), Evergy Metro, Inc. d/b/a
8 Evergy Kansas Metro (“Evergy Kansas Metro”), and Evergy Kansas Central, Inc. and
9 Evergy South, Inc., collectively d/b/a as Evergy Kansas Central (“Evergy Kansas Central”)
10 the operating utilities of Evergy, Inc.

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

12 A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West
13 (collectively, the “Company”).

14 **Q: What are your responsibilities?**

15 A: My current responsibilities are focused on rates, regulatory operations and customer issues,
16 providing support and oversight for a wide range of regulatory work including
17 determination of retail revenues, load analysis, rate design, class cost of service, tariff
18 administration, compliance reporting, response to customer complaints, docket

1 management system administration, general tariff administration, and relationship
2 development for Evergy's regulatory activities in the Missouri and Kansas jurisdictions.

3 **Q: Please describe your education, experience and employment history.**

4 A: I hold a Master of Business Administration from Northwest Missouri State University and
5 a Bachelor of Science degree in Engineering Technology from Missouri Western State
6 University.

7 I joined Evergy, then Kansas City Power & Light, in August 2002 as an Auditor in
8 the Audit Services Department. I moved to the Company's Regulatory Affairs group in
9 September 2005 as a Regulatory Analyst where my primary responsibilities included
10 support of our rate design and class cost of service efforts. I was promoted to Manager in
11 November 2010 and was promoted to my current position in March 2020.

12 Prior to joining Evergy, I was employed by the St. Joseph Frontier Casino for two
13 years as Information Technology Manager. Prior to St. Joseph Frontier Casino, I was
14 employed by St. Joseph Light and Power Company for nearly 14 years. I held various
15 technical positions at St. Joseph Light and Power Company, including Engineering
16 Technician-Distribution, Automated Mapping/Facilities Management Coordinator, and
17 my final position as Senior Client Support Specialist-Information Technology.

18 **Q: Have you previously testified in a proceeding before the Missouri Public Service
19 Commission ("Commission" or "MPSC") or before any other utility regulatory
20 agency?**

21 A: Yes, I have testified multiple times before the Commission concerning tariff, class cost of
22 service and rate design topics as part of various recent proceedings. Additionally, I have
23 testified multiple times before the Kansas Corporation Commission.

1 **Q: What is the purpose of your rebuttal testimony?**

2 A: The purpose of my Rebuttal Testimony is to address Counts 1, 2, 3, and 4 of Staff's
3 Amended Complaint. Those issues include:

4 I. Claims that Evergy did not file testimony concerning Data Retention as
5 agreed to do in the Stipulation and Agreement approved in ER-2022-
6 0129/0130;

7 II. Claims that Evergy did not meet with stakeholders to discuss Rate
8 Modernization within 180 days of the effective date as Ordered in ER-2022-
9 0129/0130;

10 III. Claims that Evergy has not filed its Solar Subscription ET case as it
11 committed in ER-2022-0129/0130.;

12 IV. Claims the Evergy did not files its proposed plan for default TOU rates as
13 ordered by the Commission.

14 V. I will also address a portion of the Staff Complaint Count 6, specifically
15 alleged violations of Commission Rule 3.015(C) with Company witness
16 Katie McDonald addressing the remaining counts included in the
17 Complaint.

1 **I. COUNT I - EVERGY DID NOT FILE TESTIMONY AS IT AGREED TO DO IN**
2 **THE STIPULATION APPROVED BY THE COMMISSION IN ITS ORDER**
3 **APPROVING FOUR PARTIAL STIPULATIONS AND AGREEMENTS IN CASE NOS.**
4 **ER-2022-0129 AND ER-2022-0130 (“STIPULATION ORDER”), EFFECTIVE OCTOBER**
5 **2, 2022, NOR HAS EVERGY ESTIMATED THE COST TO PROVIDE THE DATA IT**
6 **COMMITTED TO PROVIDE, NOR IDENTIFIED THE PROCESSES THAT IT WOULD**
7 **REQUIRE TO PROVIDE THE DATA TO ESTIMATE THE COST OF CARRYING**
8 **OUT THAT PROCESS**

9 **Q: What is the purpose of this portion of your testimony?**

10 A: I will respond to the testimony of Staff witness Sarah Lange concerning Count 1 of the
11 Complaint. Much of this testimony is repeated from testimony in the still active EO-2024-
12 0002 case concerning Data Retention.

13 **Q: Please explain the Data Retention Commitment related to Count 1 of the Complaint.**

14 A: As part of Stipulation and Agreement reached and approved in its last general rate
15 proceeding under case No. ER-2022-0129/0130 (“0129/0130 Stipulation”), Evergy agreed
16 to:

17 Prior to July 1, 2023, the Company will identify and provide the data
18 requested in the direct testimony of Sarah Lange. If the requested
19 data is not available or cost-prohibitive to produce, the Company
20 will file a motion to establish an EO docket. In that docket the
21 Company will provide the reason why it cannot provide the
22 requested data and its individual estimate of the cost to provide each
23 set of requested data, for the further consideration of the parties and
24 the Commission.

- 25 1. Identify and provide the data required to determine: line
26 transformer costs and expenses by rate code; primary
27 distribution costs and expenses by voltage; secondary
28 distribution costs and expenses by voltage; primary voltage
29 service drop costs and expenses; line extension costs,
30 expenses, and contributions by rate code and voltage; and
31 meter costs by voltage and rate code;.
- 32 2. For each rate code, provide the total number of customers
33 served on that rate schedule on the first day of the month and
34 the last day of the month;

- 1 a. For each rate schedule on which customers may take
2 service at various voltages, the number of customers
3 served at each voltage on the first day of the month
4 and the last day of the month;
- 5 3. For each rate code, the number of customers served on that
6 rate schedule on the first day of the month and the last day
7 of the month for which interval meter readings are obtained;
- 8 a. For each rate code on which customers may take
9 service at various voltages, the number of customers
10 served at each voltage on the first day of the month
11 and the last day of the month which interval meter
12 readings are obtained;
- 13 4. For each rate code for which service is available at a single
14 voltage, the sum of customers' interval meter readings, by
15 interval;
- 16 a. For each rate code on which customers may take
17 service at various voltages, the sum of customers'
18 interval meter readings, by interval and by voltage;
- 19 5. If any internal adjustments to customer interval data are
20 necessary for the company's billing system to bill the
21 interval data referenced in parts 4. and 4.a., such adjustments
22 should be applied to each interval recording prior to the
23 customers' data being summed for each interval;
- 24 6. From time to time the Commission may designate certain
25 customer subsets for more granular study. If such
26 designations have been made, the information required
27 under parts 1 – 5 should be provided or retained for those
28 instances.
- 29 7. Individual customer interval data shall be retained for a
30 minimum of fourteen months. If individual data is acquired
31 by the Company in intervals of less than one hour in
32 duration, such data shall be retained in intervals of no less
33 than one hour.
- 34 8. Evergy shall:
- 35 a. Retain individual hourly data for use in providing bill
36 comparison tools for customers to compare rate
37 alternatives.

1 **Q: Did the Company determine the data is not available or cost-prohibitive to produce?**

2 A: Yes.

3 **Q: Did the Company file a motion to establish an EO docket prior to July 1, 2023, as**
4 **indicated in the Stipulation and Agreement?**

5 A: Yes.

6 **Q: Is the Direct Testimony offered in EO-2024-0002 intended to provide the reason why**
7 **the Company cannot provide the requested data and the Company's individual**
8 **estimate of the cost to provide each set of requested data, for the further consideration**
9 **of the parties and the Commission?**

10 A: Yes.

11 **Q: Please describe the Company testimony offered in EO-2024-0002.**

12 A: The Company offered the testimony of three witnesses to address this commitment.

- 13 ▪ Bradley Lutz, Director of Regulatory Affairs – explaining the Data
14 Retention Commitment and the Company Position concerning the data
15 requested. Given the complexity and detail of the data requested, the
16 testimony included a summary table of the assessment, detailing the
17 respective requests, providing a response for each concerning the,
- 18 ○ Availability - Is the requested data present in the Company systems?
 - 19 ○ Deliverability - Can the data be extracted and processed/formatted
20 in a manner consistent with the request?
 - 21 ○ Estimated Cost to provide - the cost to produce the data in the
22 format, interval, and other criteria set within the request as specified
23 by the Company through analysis of the request.

1 ○ Applicable Notes - additional information informative to the
2 assessment.

3

4 ▪ Julie Dragoo, Senior Director of Strategy and Support – explaining the

5 Company systems, detailing the data relationships and providing further

6 support for the cost estimates detailed in my testimony. She has

7 responsibility for many of the Company systems related to these data

8 retention requests.

9 ▪ Sean Riley, Partner with PricewaterhouseCoopers LLP - offering insights

10 into industry practices and confirmation that Evergy is following normal

11 practice with its systems and data management. He also offers reaction to

12 select Staff data retention requests.

13 **Q: Did the Company comply with the terms of the Stipulation & Agreement?**

14 A: Yes. The Company agreed to the entire language of the Data Retention commitment found

15 in the Stipulation and Agreement reached and approved in its last general rate proceeding

16 under case No. ER-2022-0129/0130 (“0129/0130 Stipulation”), not just the portion of the

17 commitment to provide the data. For reference, the commitment states in part,

18 Prior to July 1, 2023, the Company will identify and provide the data

19 requested in the direct testimony of Sarah Lange. If the requested

20 data is not available or cost-prohibitive to produce, the Company

21 will file a motion to establish an EO docket. In that docket the

22 Company will provide the reason why it cannot provide the

23 requested data and its individual estimate of the cost to provide each

24 set of requested data, for the further consideration of the parties and

25 the Commission.

26 The terms established a deadline for the provision of the data and then provided for the EO

27 case to provide for the further consideration of the reasons why the data could not be

28 provided. Staff implies with their testimony that the Company agreed to provide the data

29 and then failed to honor the agreement by opening the EO docket. This is untrue and can

1 be seen plainly by full review of the S&A language. Further, the Staff testimony
2 misrepresents the Company testimony and discovery responses to contend the Company is
3 not retaining data needed to support future rate cases. The Company’s direct testimony
4 clearly notes that much of the requested data is available in the Company systems, but
5 deliverability in the manner and detail sought by Staff is the primary issue. A critical point
6 to make clear is many of the statements made by the Company concern data being
7 unavailable is focused on the unavailability due to specific attributes requested by Staff.
8 For many of the requests, requiring data by voltage or in 15-minute intervals are the aspects
9 most problematic to provide as they deviate from data retained for normal Company
10 operations. That said, it is a misrepresentation to say data for ratemaking is unavailable;
11 instead, it would be more correct to say data in the precise format and granularity requested
12 by Staff is unavailable.

13 **Q: Staff asserts the Company did not provide an individual estimate for each set of**
14 **requested data. You state the Company did provide the individual estimates. What**
15 **is the disconnect?**

16 A: Staff insists that individual estimates be in the form of itemized estimates for each
17 component of data requested within the respected data requested, the level the Company
18 prepared its estimate. In short, we disagree on the meaning of “individual.” Since the
19 Company approach is not aligned with the Staff expectation, we are accused of non-
20 compliance.

21 Looking at the estimate process from a practitioner’s perspective, Staff fails to
22 acknowledge that system configuration for the purpose of data analytics does not occur
23 granularly and as a result, the process to estimate work is a “top down” exercise. Company

1 experts were consulted to prepare the estimates offered in EO-2022-0002. Evergy has
2 experience defining specific business and system requirements as well as securing the
3 necessary internal and external resources for many enterprise projects. We often work with
4 our business partners and system integrators to ensure a more comprehensive view of the
5 project requirements. In fact, the practice of creating detailed business and system
6 requirements allows for more accurate estimates and may even reduce project costs overall
7 when scope is well-defined and the complexity of the solution is known and accounted for
8 up front. Rarely do cost estimates go down as business requirements and solution design
9 begin to take shape.

10 While estimating effort for projects is a normal practice at Evergy, the difficulty in
11 defining estimates around the requests from Staff is not only the unprecedented nature of
12 some of the requests, but the realization that even if the data could be created with change
13 to processes, procedures and systems; it would not meet the historical data requirements
14 noted in the request.

15 **Q: Staff asserts the Company did not provide on-peak and reactive demand data. How**
16 **do you respond?**

17 A: The data was not provided because the data is not available or available in the format
18 requested by Staff. The Company does not bill customers based on on-peak determinants
19 and reactive demand charges are only applied to certain rates. In order to produce the data
20 as requested, the Company would need to modify its systems to extract the data from the
21 Company meter reading systems and make the data available for reporting. As part of the

1 EO-2024-0002 case, the Company further requested the Commission rule on the need for
2 this data before incurring the costs to provide.

3 **Q: Is the Company “evading its commitment” concerning this data requested?**

4 A: Absolutely not. As noted in the Company direct testimony, a cross functional team was
5 assembled to respond to the availability of the requested data. The team included
6 representatives of Evergy’s Customer Operations, Customer Analytics, Customer Systems,
7 Application Systems, Property Accounting, Geographic Information Services Support,
8 Engineering & Analytics, Support Services Departments. This team included individuals
9 with direct administrative and operational knowledge of Company Billing, Mapping, Work
10 Management, Plant Accounting, and Meter Data Management systems. These individuals
11 have direct experience with managing the data within the system. Parts of this team began
12 formal work in September 2022 shortly after the 0129/0130 Stipulation was filed. Work to
13 provide the data requested continued until June 2023 when it was clear that that the data
14 would not be provided by the July 1 target date.

15 At the conclusion of the EO-2024-002 hearings the Company devoted time to
16 working directly with Staff leadership to discuss alternatives and seek resolutions of the
17 differences. Although resolutions were not achieved, the Company has been engaged and
18 willing to resolve the differences.

19 **Q: Staff’s complaint asserts data is being lost. Is this true?**

20 A: No. The Company is not deleting billing or meter reading data.

1 **Q: On page 25 Staff lists a number of tasks Staff claims to be unable to perform due to a**
2 **lack of hourly customer load data. How do you respond to these claims?**

3 A: I disagree. The majority of the tasks listed are basic rate case tasks that rely on billing
4 determinants to perform. At this time, the Company does not bill customers based on
5 hourly loads. Customers, specifically residential customers under the Time of Use rates,
6 are billed based on usage within time differentiated periods. Non-residential customers are
7 billed based on other distinct determinants defined in the respective tariffs. The Company
8 has and will be able to provide accurate data for all tariff defined determinants suitable for
9 Staff to execute the tasks listed. I note that in listing the tasks of concern, Staff relies on
10 qualifying words such as “reasonable” or “reliable.” If Staff is resolute that hourly data is
11 the measure to meet these qualitative terms, it represents a new level of expectation not
12 asserted in prior Company rate cases where the tariff-level billing determinant data has
13 been suitable to produce just and reasonable rates.

14 **II. COUNT II - EVERGY DID NOT MEET WITH STAKEHOLDERS TO DISCUSS**
15 **RATE MODERNIZATION WITHIN 180 DAYS OF ITS TARIFF EFFECTIVE DATE AS**
16 **ORDERED BY THE COMMISSION IN THE AMENDED REPORT AND ORDER**
17 **ISSUED IN CASE NOS. ER-2022-0129 AND ER-2022-0130**

18 **Q: When did the Company meet with stakeholders?**

19 A: The Company met with stakeholders on August 9, 2023. This was 212 days after the
20 effective date of tariffs. A second meeting was held August 28, 2023.

21 **Q: What steps were taken to set the stakeholder meeting?**

22 A: The Company contacted stakeholders on July 7, 2023 to request a meeting and confirm
23 available dates. MECG and MIEC replied on July 7, Google and Velvet replied by July

1 11. Staff replied on July 12, providing dates in July and August for a meeting. A date of
2 August 9, 2023 worked for the stakeholders.

3 **Q: Staff asserts the purpose of the meeting was to discuss Non-Residential rates. Do you**
4 **agree?**

5 A: No. To substantiate this claim Staff refers to the Amended Report and Order, in ER-2022-
6 0129 and ER-2022-0130, entered December 8, 2022, specifically Ordered Paragraph 14.
7 Staff claims Ordered Paragraph 14 is related to a paragraph found in the same order at page
8 76, titled “Meeting with Stakeholders” and that this heading falls under the “Non-
9 residential Rates, Schedules and Structures,” heading. Staff has misinterpreted the format
10 of the Amended Order. Plain reading of the format of the Amended Order shows that
11 “Meeting with Stakeholders” heading has the identical format as “Non-residential Rates,
12 Schedules and Structures”, “Residential Customer Charge”, “Net Customer Acquisition
13 Cost” and “Residential Rates, Schedules and Structures; Opt-In Versus Opt-Out; High
14 Price Differential Versus Low Price Differential; and Customer Education”. All of these
15 headings occur following the “Decision:” heading found in the “RATE DESIGN/CLASS
16 COST OF SERVICE” section beginning on page 58. There is no evidence in the Amended
17 Order that the support the connection between the “Meeting with Stakeholders” and “Non-
18 Residential Rate Design.” The “Meeting with Stakeholders” section is independent and
19 simply adjacent to the “Non-Residential Rate Design” section.

1 **Q: Staff introduces on-peak demand and development of facilities charges in conjunction**
2 **with this count of the complaint. In your opinion, were these specific obligations of**
3 **the meeting when defined in the ER-2023-0129/0130 Order?**

4 A: No. The Amended Order only required the meeting be related to the Company rate
5 modernization plan. Questions about on-peak demand and facilities charges were
6 introduced during the August 28 meeting and presented as an element of Staff's preferred
7 non-residential rate design.

8 **Q: Did the Company meet its obligation under the Amended Order?**

9 A: Although the meeting date was 32 days later than the Amended Order required, the
10 Company took action to set the meeting within the established timing. Stakeholders had
11 assurance that the meeting was going to occur. In retrospect, some flexibility around the
12 meeting date would have been appreciated given that the Company was focused on
13 preparations for the residential TOU rate implementation.

14 **III. COUNT III - EVERGY HAS NOT FILED ITS SOLAR SUBSCRIPTION ET CASE**
15 **AS IT COMMITTED TO DO IN CASE NOS. ER-2022-0129 AND ER-2022-0130 AND AS**
16 **REFLECTED IN RELATED CASE FILINGS EO-2023-0423 AND EO-2023-0424**

17 **Q: Did the Company file its Solar Subscription tariff by June 30, 2023 as planned?**

18 A: No.

19 **Q: When did the Company make the Solar Subscription tariff filing?**

20 A: The filing was made on December 1, 2023.

21 **Q: Please describe what contributed to the filing delay.**

22 A: In the Company June 7 response to Staff's June 2 recommendation, the Company did state
23 it would file a new ET docket by June 30, with the intent to address the TOU and Service
24 & Access ("S&A") charge issues in the Staff's Recommendation. In order to initiate the
25 filing, a prior filing of the Solar Subscription Program ("SSP") tariffs had to be withdrawn.

1 This step was not accomplished until July 11. Coincident with this timing, the Company
2 was exchanging messages with Staff to clarify the S&A charge approaches identified in
3 the Staff Recommendation and was approached by a large non-residential customer
4 seeking to participate in the SSP program. Communications concerning the S&A charge
5 continued with Staff until September 8, when Staff ended the dialog. This Complaint case
6 was filed on September 15. Internal discussions about additional tariff revisions to address
7 SSP expansion and non-residential participation continued until late October. Also during
8 this time, dockets EO-2023-0423/0424 were opened to allow Staff time to audit the costs
9 and evaluate the in-service criteria of the Hawthorn solar facility. Given that audit findings
10 could impact the pricing of the Solar Block Charge, this contributed to the decisions to wait
11 on filing the tariffs. Staff audit results were filed on September 15, 2023.

12 **Q: In your opinion was the Company willfully refusing to address the tariff?**

13 A: No. The topics associated with the Company commitment to file by June 30 became
14 uncertain as the Company was unable to achieve understanding of the proposed S&A
15 treatment proposed by Staff. Further, interest in the SSP program from non-residential
16 customers compelled the Company to consider further tariff revisions to revise
17 participation and expansion terms. As each impacted the tariff to be filed, it took much
18 longer than expected to resolve the needed edits and finalize a tariff for filing. The tariff
19 ultimately filed was able to incorporate all of the needed changes for consideration by the
20 Commission.

1 **Q: In your opinion was the Company willfully violating the Amended Order in ER-2022-**
2 **0129/0130?**

3 A: No. The Amended Order did not address the SSP program applicability and the SSP tariff
4 had clearly established billing procedures that could be executed in conjunction with the
5 Commission ordered default rate, the Residential Peak Adjustment rate. Given the
6 uncertainty about how to address the other, higher differential TOU rates within the SSP
7 billing procedures, the largely status quo position of limiting SSP participation to the
8 Residential Peak Adjustment rate was deemed reasonable. Evergy communicated this
9 position to Staff on January 31, 2023, and continued to work through the various
10 permutations of the SSP and Hawthorn solar resource construction to achieve a suitable
11 tariff for filing before the Commission.

12 **IV. COUNT IV - EVERGY DID NOT FILE ITS PROPOSED PLAN FOR DEFAULT**
13 **TOU RATES AS ORDERED BY THE COMMISSION IN PRIOR RATE CASE**

14 **Q: Did the Company file a Residential Time Of Use (“TOU”) rate design in ER-2023-**
15 **0129/0130 as agreed in the stipulation?**

16 A: Yes. The Non-Unanimous Stipulation and Agreement Concerning Rate Design Issues in
17 Case Nos. ER-2018-0145 and ER-2018-0146, approved by the Commission in its October
18 31, 2018, Order Approving Stipulations and Agreements, KCP&L and GMO agreed as
19 follows: “KCP&L and GMO will submit a Residential TOU rate design in their next rate
20 cases based on lessons learned from the TOU service.” In compliance with these terms, I
21 and Kimberly Winslow offered testimony proposing a comprehensive expansion of its
22 optional TOU rates, modifying the existing 3-period TOU, adding a 2-period TOU, adding
23 a high differential 3-period TOU, and adding a separately metered TOU rate targeted to

1 electric vehicle (“EV”) owners, all as part of an overarching Rate Modernization Plan in
2 the ER-2023-0129/0130 rate cases.

3 **Q: Was the filing based on lessons learned from the TOU service?**

4 A: Absolutely. The Company proposal offered in the ER-2023-0129/0130 rate cases was
5 initially informed by the original 3-period, opt-in TOU rate launched on October 1, 2019,
6 as a result of Agreements made in the ER-2018-0145/0146 rate cases. As part of that initial
7 TOU deployment, the Company and stakeholders established a rigorous list of
8 requirements that Evergy followed to offer its TOU program. The list of requirements
9 included:

- 10 ▪ Details to define the TOU rate design,
- 11 ▪ Development of a comprehensive customer research, education and
12 marketing plan,
- 13 ▪ Evaluation of leading practices on customer education and engagement on
14 TOU deployment,
- 15 ▪ Development of a process to solicit feedback from customers,
- 16 ▪ Metrics to gauge changes in customer behavior, and
- 17 ▪ Various opportunities for stakeholder engagement and update.

18 Over the course of three years, Evergy met with stakeholders eight times to discuss the
19 TOU implementation and share plans for the TOU Rate Design Case, presented to the
20 Commission two times and gave an on-the-record presentation for its TOU Rate Design
21 Plan. Evergy concluded its stakeholder and Commission commitments in December 2021
22 with the submittal of the final TOU Evaluation, Measurement and Verification (“EM&V”)
23 Report.

1 Additionally, the Company’s 2022 TOU filing was informed by the results of the
2 Evergy Rate Design Case, EO-2021-0349/0350. In that proceeding the Company prepared
3 a comprehensive report confirming the reasonableness of the Company’s TOU program
4 that the Company began offering to customers on October 1, 2019. The Report described
5 in detail plans to offer an additional 2-period TOU rate to expand the Company’s TOU rate
6 options at Evergy in its next general rate case. The Report shared slight modifications to
7 the then current 3-period TOU rate offering that the Company would seek approval in its
8 next general rate case. The Report communicated this TOU expansion, refinements, and
9 important elements of the Company’s Rate Modernization Plan.

10 **Q: If the Company made the TOU filing as agreed, what is the concern driving this count**
11 **of the complaint?**

12 A: Staff confirms the Company filed the additional TOU rate designs but asserts the filing was
13 not a “Residential TOU rate design.” It would appear there is a difference in interpretation
14 as to what constitutes a “Residential TOU rate design.”

15 **Q: Does Staff offer anything more to clarify their interpretation?**

16 A: Yes. In a subsequent testimony response Staff states that the Commission did not have the
17 benefit of “*an Evergy direct proposal describing billing limitations, customer education or*
18 *communication concerns, potential interactions of a Residential TOU rate design with*
19 *other customer programs – such as the Subscriber Solar Rider – or the potential expense*
20 *of developing compatibility between these items.*”

21 **Q: Are these common components of a “Residential TOU rate design?”**

22 A: Not in my experience. I have not observed any rate design that was proposed with
23 identification of concerns, limitations, or other problem resolution elements. These points

1 are usually raised by others in rebuttal to a rate design. To me, these appear in response to
2 the challenges faced when the Commission ordered default time-based rates for all
3 residential customers. These elements are the result of hindsight and not components of a
4 rate design proposal.

5 **Q: From your perspective, was the filing a “Residential TOU rate design?”**

6 A: Yes. This rate design, inclusive of multiple TOU variants, sought to build on the success
7 of the first opt-in TOU rate design and provide alternative to further attract TOU choice.
8 The designs were established to provide energy and peak demand reductions, provide
9 opportunities for bill savings, and achieve customer satisfaction. The Company analyzed
10 dozens of TOU programs worldwide, examining the design features and when possible,
11 the results of each. Specific TOU Season Analysis, TOU Time Period Analysis, and TOU
12 Price Differential Analysis informed the designs. Through industry research and customer
13 research, Evergy evaluated different approaches to educating its customers on TOU so that
14 customers could successfully enroll, maintain their participation and effect behavior
15 change to shift energy and lower bills. Evergy developed a robust “Wait ‘til 8” campaign
16 that continues to be integral in marketing TOU and continues to utilize various channels
17 for successful customer engagement and education, which include email, digital, social,
18 mail and radio. Alongside marketing education, Evergy also implemented an online rate
19 analysis tool that simulates a customer’s historical usage to recommend the lowest cost rate
20 plan and provides a “Change My Plan” button for the customer enroll in the TOU program.

21 **Q: In your opinion, did the Commission Order specify any attributes of the plan?**

22 A: No.

1 **Q: In your opinion, did the Company comply with the order to submit a “Residential**
2 **TOU rate design?**

3 A: Yes.

4 **Q: In your opinion, did the Company TOU filing contribute in any way to Counts 5 and**
5 **6 of this complaint?”**

6 A: No. The Company Residential TOU rate design filing was offered as an opt-in alternative
7 and there was no way the Company could have anticipated the rate design outcome of the
8 ER-2022-0129/0130 rate case. Company witness Katie McDonald responds to Count 5
9 and 6 in her Direct testimony.

10 **V. COUNT VI - EVERGY’S ATTEMPTS AT CUSTOMER EDUCATION WERE**
11 **UNREASONABLE IN THAT THEY WERE ALARMIST AND FAILED TO INCLUDE**
12 **SIMPLE INFORMATION DESCRIBING TIME-BASED RATE PLANS. FURTHER,**
13 **EVERGY’S ATTEMPTS AT CUSTOMER EDUCATION ARE MISLEADING AS TO**
14 **THE DESIGN AND OPERATION OF THE RATE PLANS ACROSS SEASONS**

15 **Q: What is Staff’s position concerning the allege violation of Rule 3.015(C)?**

16 A: At the end of the Staff’s Amended Complaint filed on November 20, 2023, two paragraphs
17 are added to detail this element of the Complaint. The paragraphs state:

18 63. On November 15, 2023, technical Staff became aware that
19 Evergy confirmed practices that had been alleged in customer
20 comments and/or informal complaints. These practices include
21 violations of Commission rule 13.015(C), which requires billing
22 periods of 26 – 35 calendar days. When Evergy customers requested
23 to be switched to a ToU plan (or switched ToU plans) in the middle
24 of a billing cycle Evergy chose to issue bills closing out the service
25 on the Customer’s then-current rate code, which may be issued for
26 a service period of less than 26 days. Evergy then issues a bill for
27 service on the new rate reflecting the remaining days in the billing
28 cycle plus the next billing cycle, which may exceed 35 calendar
29 days.

30 64. On November 15, 2023, technical Staff became aware that
31 Evergy was considering (or had already begun) to address its
32 violations of Commission rule 13.015(1)(C) by waiting until the
33 next bill cycle to transition customers to a ToU plan, or to switch

1 ToU plans. Staff does not contend in this complaint that this practice
2 would be in violation of the tariffs of Evergy Missouri Metro or
3 Evergy Missouri West, however this practice would be inconsistent
4 with representations that Evergy has made to the general public and
5 to Commissioners.

6 Staff witness Sarah Fontaine provides two questions and answers in her testimony detailing
7 the Staff view on this issue.

8 **Q: Did the Company issue bills to customers for a billing period less than 26 days?**

9 A: Yes. As part of the deployment of residential TOU rates, the Company was working to
10 minimize customer issues and confusion. Rate choice quickly became a focus and the
11 ability to switch rates promptly was viewed by the Company as an enabler of that choice.
12 Further, immediate rate change assisted in getting customers on the rate they desired sooner
13 than later and allowed customers to see impacts of their behavior change right away.

14 **Q: Was the Company overt about this using this rate change approach?**

15 A: Yes. This approach was used entirely to be responsive to customer actions. Plans to follow
16 this approach were included in communications to Staff and other parties through the TOU
17 Working docket, EW-2023-0199.

18 **Q: How did the Company become aware of concerns around changing customers rates
19 at the time of the customer request?**

20 A: The Company was notified by the Commission Consumer Services Department of a
21 customer complaint concerning the bill amounts associated with the longer and shorter
22 periods resulting from the rate change. In total, the Company was made aware of five
23 customers who filed complaints on this issue.

24 **Q: In total, were the customer bills accurate concerning the billed amounts?**

25 A: Yes. Although the total bill amounts were correct, due to the customer rate change, one
26 bill was smaller and the other larger than they would be absent the rate change.

1 **Q: Please describe the Company actions around this billing?**

2 A: When the Company became aware of the concerns it worked with the Commission
3 Consumer Services Department to understand the nature of the customer concern and
4 established procedures to instead change the customer's rate at the time of the next
5 customer bill cycle. This approach struck a balance between providing responsive
6 customer service and maintaining a regular billing interval.

7 **Q: What changes were implemented to manage the customer rate change requests?**

8 A: Customer rate change requests will now be processed at the beginning of the next billing
9 cycle instead of at the time of the request. This means customer rate change requests may
10 not take effect for up to approximately 30 days.

11 **Q: Are you addressing any other aspects of this Count?**

12 A: No. Company witness Katie McDonald provides testimony concerning the Company
13 response to the remaining aspects of this Count.

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

15 A: Yes, it does.

