Exhibit No.:	
Issue:	Annualized/Normalized Revenues; Class Cost of Service; Electric Rate Design
Witness:	Marisol E. Miller
Type of Exhibit:	Rebuttal Testimony
Sponsoring Party:	Evergy Missouri West Company
Case No.:	ER-2024-0189
Date Testimony Prepared:	August 6, 2024

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2024-0189

REBUTTAL TESTIMONY

OF

MARISOL E. MILLER

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri
August 2024

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REBUTTAL TESTIMONY

OF

MARISOL E. MILLER

Case No. ER-2024-0189

Q: Please state your name and business address.

A: My name is Marisol E. Miller. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: Are you the same Marisol E. Miller who submitted direct testimony on February 2, 2024?

A: Yes.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW" or the "Company").

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to offer response to Direct testimonies offered by Staff witnesses Kimberly Cox, Marina Stever, Francisco Del Pozo, Sarah Lange, and Hari Poudel, specific to Rate Case revenues, Time of Use ("TOU") revenue adjustments to Rate Case revenues, and Net Margin Rates ("NMR").

The Company addresses the TOU issues related to rate case revenues, annualization/normalization, and the need for a tracker across multiple Company witnesses including this rebuttal testimony and the rebuttal testimonies of Al Bass, Ron Klote, and Darrin Ives.

I will also provide testimony in response to Rate Design testimonies offered by Staff witness, Sarah Lange and MECG witness Kavita Maini. Finally, I also offer a correction to a table included in my Direct testimony.

I. RATE CASE REVENUES (CUSTOMER COUNTS)

Q: Did you review the Direct testimonies of Staff witnesses Kim Cox, Marina Stever, and Francisco Del Pozo?

A: Yes. All staff witnesses described calculations of rate case revenues for all rate codes including Lighting and the Large Power class. Please see the rebuttal testimony of Company witness Brad Lutz who addresses Del Pozo's recommendations concerning special lighting contracts.

Q: Specific to rate case revenue testimony offered by Staff, what are you providing rebuttal testimony for?

A: I will be providing response to Staff witness Kim Cox's testimony and Staff's calculation of rate case revenues, specifically, Staff's desire for inconsistent use of customer count in calculating customer growth and average use per customer.

Q: Can you elaborate?

Yes. According to Ms. Cox's Direct Testimony offered in this case, Staff utilizes customer charge count for calculating customer growth. That means that in estimating customer growth, <u>customer charge counts</u> are being used as representative of customer count. Inexplicably, Staff appears to want to use something different for average use per customer. The Company recognizes this inconsistency in defining customer counts as an issue.

Q: What is the Company looking for in terms of consistency?

A: The Company is seeking consistency in how customer count is defined and for it to be consistent through all Staff calculations. The same customer count definition should be used to determine customer growth, as well as, normalized use per customer ("NUPC").

Q: What does the Company utilize for calculating customer growth and average use per customer?

A: Evergy used Customer Charge Count for both calculating customer growth and average use per customer in this rate case.

Q: Has Evergy always used customer charge count to calculate customer growth?

A: No. For many historical rate cases, Evergy utilized the number of service agreements for customer count and consistently utilized the number of service agreements in calculating customer growth AND average use per customer.

Q: What made Evergy modify their definition for customer count and their calculation for customer growth and average use per customer?

A: Through testimony, Evergy received extensive feedback from Staff in the 2022 rate cases regarding concerns around the calculation of customer growth.

According to Staff's Direct testimony in EMW's 2022 rate case, Ms Cox's stated the following:

> Q. What customer growth adjustment did Staff make?
>
> A. Staff made a customer growth adjustment to EMM and EMW to reflect the impact in change of **customer levels** (**emphasis**)on the update period kWh sales, kW demand and rate revenue. The adjustment reflects the level of kWh sales, kW demand and rate revenue that would have occurred if **the number of customers taking service** (**emphasis**) at the end

> of November 2021 had existed throughout the entire 12 months ending December 31, 2021.[1]

According to Staff's Rebuttal testimony in EMW's 2022 rate case, Ms Cox's stated the following:

> Q. Did Staff make a growth adjustment?
>
> A. Yes. As stated in my direct testimony, Staff made a customer growth adjustment to EMM and EMW to reflect the impact in change of **__customer levels__** (**__emphasis__**) on the update period kWh sales, kW demand, and rate revenue as if the __customers taking service__ (**__emphasis__**) at the end of November 2021 had existed throughout the twelve months ending December 31,2021. **__Staff used the number of customer charges per month for the customer growth adjustment calculation.__** (**__emphasis__**)[2]
>
> Q. Did Evergy make the same adjustment?
>
> A. No. Mr. Bass used the number of customer bills and not the number of customer charges per month to calculate a two month average for each month of the test year. He then performed a trend analysis (with the new monthly average number of bills) to get a projected number of bills as of May 2022. The growth factor that was applied was the new monthly average divided by the projected number of bills as of May 2022.[3]
>
> Q. Does Staff agree with using the number of customer bills for the customer growth adjustment?
>
> A. No. In order to determine revenues that account for the customer charge, **__the customer charge counts__** (**__emphasis__**) should be used to calculate the customer growth adjustment.[4]

According to Staff's surrebuttal testimony in EMW's 2022 rate case, Ms Cox's stated the following:

> Q. Did Staff make a true-up customer growth adjustment?
>
> A. Yes. Staff made a true-up growth adjustment to EMM residential, SGS, MGS and LGS rate classes and EMW

[1] Cox Direct, p. 6, lns. 10-15, File Nos. ER-2022-0129/0130.
[2] Cox Rebuttal, p. 8, lns. 5-11, File Nos. ER-2022-0129/0130.
[3] __Id.__, p. 8, lns. 12-17.
[4] __Id.__, p. 8, lns. 19-22.

> residential, SGS and LGS rate classes. The adjustment reflects the levels of kWh sales, kW demand and rate revenue that would have occurred if the if the **<u>number of customers taking service</u>** (**<u>emphasis</u>**) at the end of April 2022 had existed throughout the entire 12 months ending May 2022.[5]

According to Staff's True-up Rebuttal testimony in EMW's 2022 rate case, Ms Cox's stated the following:

> Q. Why did Staff use actual customer charge counts and not a two-month average customer bill count to calculate the customer growth adjustment?
>
> A. The billing determinants such as the customer charge are what a revenue requirement is divided by to produce rates. Therefore, Staff maintains using the customer charge to calculate the growth adjustment.[6]

Q: What should the Commission take away from referencing of EMW's 2022 t rate case and Staff's testimony?

A: The historical testimony excerpts above are intended to remind the Commission that Evergy used to utilize service agreements (Bill count per Staff) in our calculation of customer growth and average use per customer in 2022 (and many rate cases before that). Staff had significant concern about the utilization of service agreement as customer count and provided expansive testimony as to the accuracy of customer charge count rather than service agreement in the determination of customer growth. According to Staff testimony, customer charge count represented customer count or "*the number of customers taking service*" during a specific time period.

In my 2022 surrebuttal testimony, I outlined the historical inconsistency by Staff and utilization of customer charge count and service agreement throughout

[5] Cox Surrebuttal/True-Up, p. 11, lns. 8-13, File Nos. ER-2022-0129/0130.
[6] Cox True-Up Rebuttal, p. 4, lns. 7-11, File Nos. ER-2022-0129/0130.

various historical rate cases.[7] I also stated then and reiterate now that the most important issue is consistency in the definition for the customer count and utilization in customer growth and average use per customer. Customer count should be customer count should be customer count, not one thing for customer growth and another thing for use per customer.

Q: What is Bill Count?

A: Bill Count is the number of unique service agreements in the billing system for each month for each rate code.

Q: What is Customer Charge Count?

A: Customer Charge Count is the sum of the Customer Charge billing determinants for each month for each rate code.

Q: Can you provide an example of the difference?

A: Example: If a customer has a regular bill with an end date of July 2nd and a final bill with an end date of July 22nd in a single month:

- Bill Count: 1 customer.
- Customer Charge count: 1.67 customers (as the customer would get billed for 1.67 customer charges in the month of July).

Q: Does the Company view the difference between Mr. Bass' Residential Customer Bill Count and Residential Customer Charge Count, highlighted by Ms. Cox's Direct Testimony as significant?

A: No, for each month the % difference is under 1% with each month highlighted below:

[7] Miller Surrebuttal, pg. 5 ER-2022-0129/0130.

Res	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Bill Count	290,798	291,113	291,802	292,427	292,895	293,832	294,730	295,024	294,721	294,428	294,321	293,655
Customer Charge	292,712	293,174	293,794	294,275	294,441	295,441	296,549	297,029	296,875	296,470	296,186	293,161
Delta	1,914	2,061	1,992	1,848	1,546	1,609	1,819	2,005	2,154	2,042	1,865	(494)
% Change	0.658%	0.708%	0.683%	0.632%	0.528%	0.548%	0.617%	0.680%	0.731%	0.694%	0.634%	-0.168%

Q: Given these very small differences, why have you offered such extensive testimony on this topic?

A: Historically, the Company has made every effort to adopt Staff's methods to limit rate case misalignments to material differences and issues. In the 2022 rate case, after review of Staff's extensive testimonies on this issue, Evergy acquiesced and adopted Staff's method utilizing customer charge count vs. service agreement to calculate customer growth-modifying their processes in order to accommodate alignment with Staff and took necessary steps to ensure that all data necessary to provide Staff was produced and available. What Evergy failed to realize at the time was that Staff was being inconsistent in their definition of customer count and cherry-picking methodologies.

As the Company continues to receive feedback from Staff on the need for timelier rate case data (e.g. in the Data Production docket), the Company continues to modify processes as best they can for purposes of streamlining processes. Given the complexities of systems and processes, it requires significant planning, testing, and configuration and support by multiple groups and IT resources. It is examples like these and seemingly small requests that multiply the complexity of our processes, the time to create and process data, and the technical support to implement. For this reason, the Company is attempting to highlight various examples where the devil in the details type data and seemingly simple requests create unnecessary complexity.

Q: What do you recommend the Commission order in this case?

A: Given the extensive historical Staff testimony supporting utilization of customer charge count for the calculation of customer growth and Evergy's modifications to historical processes to align with Staff on this methodology, as well as, ensure the ability to produce the data Staff needs to utilize Customer Charge Count in this (and future) rate case, Evergy recommends the utilization of Customer Charge Count as the count for customers in the calculation for customer growth and average use per customer. However, whichever method is used (service agreement or customer charge), there is no reason to have differing definitions of customer count.

Q: Ms. Cox mentions "uncertainty" with customer counts in Direct testimony. Do you agree?

A: No. On page 13, Staff states in Cox Direct:

> It is not clear how many customers EMW served or how many customer charges EMW issues in any given month (or as any given day) during the test year and update period.[8]

Staff has received customer charge counts by rate code for each month of the test year in the Direct filing and customer charge counts for each month through the Update period as was communicated in the 2022 rate case (through testimony) that was needed for their calculation for customer growth. Staff has also received customer charge counts by rate code for each month through the True- Up period.

[8] Cox Direct, p. 13, lns. 18-20, File No. ER-2024-0189.

Additionally, it is my understanding that Staff has also received switcher and count information for each TOU rate as part of the File No. EW-2023-0199 docket and reporting provided by the Commission. With all of these various data points, Staff would seem to have adequate information to support their analysis for customer growth and average use per customer as the Company understands it.

Q: Was the Company able to use the Customer Charge Counts that were provided to Staff to calculate customer growth factors that adjusted rate case revenue?

A: Yes. Company witness Al Bass explains in his testimony how he used Customer Charge Counts in his calculation for the customer growth adjustments made to rate case revenues. It is my understanding that Mr. Bass had ample information to calculate customer growth and he utilized Customer Charge Counts in his calculation.

II. RATE CASE REVENUES (TOU ADJUSTMENT)

Q: Beyond concerns with inconsistent and varied definition for customer count, were there other concerns with Staff's calculation of rate case revenues and testimony?

A: Yes. Based on review of Staff calculated revenues, Staff assumed that all[9] Residential customers were on the Residential Peak Adjustment ("RPA") rate, which is the default rate, and moved those determinants to this rate and calculated revenues with that assumption.

[9] Staff excluded AMI opt-out customers.

Q: Did EMW's actual test year revenues and billing determinants or update period revenues and billing determinants show that 100% of residential customers were on the RPA rate?

A: No.

Q: In addition to the rate case determinants and revenues for the Direct and update showing customer participation across multiple TOU rates, did EMW inform the Commission on TOU participation by TOU rate?

A: Yes, Evergy has been providing customer TOU participation via TOU status reporting in the File No. EW-2023-0199 docket and those Commission updates have continued to reflect varied Residential participation across TOU rates.

Q: Given all of the facts above, do you understand why Staff would reflect all/majority of Residential usage and revenues on the RPA rate?

A: No. Actual EMW billing determinants show a varied mix of participation across TOU rates and revenues should reflect that.

Q: Has Staff provided any support for its Residential Interclass Rate Switch adjustment (annualization/reflection that all residential customers be moved to the RPA rate)?

A: According to pg. 12 of Ms. Cox's Direct testimony "Without having a full twelve months of billing determinants for the new rate codes, **Staff concluded that the customers should be moved to the default rate (emphasis)**."[10]

[10] Cox Direct, p. 12, lns. 4-6, File No. ER-2024-0189.

Q: Is this reasonable support for moving all/majority of Residential usage to the RPA rate, given actual participation shows Residential participation across all TOU rates?

A: No. With specific data in hand that reflects Residential participation across TOU rates, it is inappropriate to ignore this fact. It seems that Staff arbitrarily chose to move the majority of Residential determinants to the RPA rate with no overt declaration of the support relied upon for that decision.

Q: Did Staff include anything more in their Direct testimonies to support their decision to adjust revenues to reflect all Residential customers on the RPA rate?

A: No. Ms. Cox's Direct testimony referenced Staff witness Sarah Lange's Direct testimony. However, based on my review of Ms. Lange's Direct testimony, she mainly emphasized the challenges associated with Evergy's test year and update (and True-up) not reflecting 12 months of residential usage on time-based rates. The absence or lack of existence of data doesn't seem to support an assumption that all/majority Residential customers should be moved to RPA rates in the calculation of rate case revenues.

Q: Did Staff's assumption cause an error or otherwise unsupported adjustment to rate case revenues that merit correction?

A: Yes. The above issue appears to amount to approximately $380,818 reduction to rate case revenues.

Q: Did EMW make an annualization adjustment for TOU rates?

A: No. EMW did not move or change billing determinants to reflect annualization of TOU rates because the Company did not have any reliable support to do so nor did it have Residential usage reflective of 12 months on TOU rates.

Q: Did EMW make an adjustment to test year revenues to reflect the expected change in revenues related to TOU rates?

A: Yes. As explained in my Direct testimony, EMW included a reduction to revenues in the amount of $3.1M.

Q: How is this different than what Staff did?

A: Staff arbitrarily assumed that all[11] customers will move to the RPA rate and reflected rate case revenues with that assumption with no support for the assumption. EMW relied on extensive analysis to inform its $3.1M revenue adjustment.

Q: What was the Company's support for the $3.1M revenue adjustment?

A: As outlined in greater detail in my Direct testimony, Evergy leveraged analyses from Oracle's online customer tool that allows customers to explore the different TOU rate options available and choose the rate option best suited to their usage profile. The tool shows a customer the bill impacts of the different TOU rates for comparison and selection. The analysis included most Residential customers, but not all and therefore represents conservative estimates. The tool compared each individual, "available" customer's usage and calculated individual bills across each TOU rate. The analysis was based on historical usage in the test year and does not account for changes in customer behavior that may as a result from the TOU price signals – even

[11] Staff excluded AMI opt-out customers.

if a customer is taking service under a TOU rate that has a low-price signal, like the RPA rate.

Q: What do you mean by an "available" customer's usage?

A: As I stated in my Direct testimony, the Oracle analyses was not developed for rate case purposes and has limitations for that were compensated for in the Company's adjustment. For example, customers with less than 9 months of data (new movers) are not included in Oracle's analysis and certain rates were also excluded.[12] The Company's $3M adjustment reflects the actual usage difference between the Oracle analysis and the test year.

Q: While you describe the comprehensive process that the Company undertook to adjust test year revenues to reflect the usage impact of TOU rates that were not in effect, aren't there foundational concerns with not having billing determinants that reflect a full 12 months of usage under the TOU rates that parties and the Commission will rely upon to develop rates?

A: Yes. While EMW relied on the best analysis available to the Company and performed a comprehensive calculation to adjust revenues, there are many assumptions and the revenue adjustment is not perfect or 100% certain. The future might differ from the assumptions relied upon in the calculation of the $3.1M revenue adjustment. Changes in customer behavior resulting from adoption of TOU rates is unknown at this time and may impact customer usage and Company revenues. Any claims to certainty or even minimization of expected change, like those made by Staff, is overconfident at best, misleading at worst. This is the exact

[12] Refer to Miller's Direct testimony, Page 8-9.

reason that that it is so critical that a TOU Revenue Tracker be implemented as a part of this rate case. Please refer to the testimony of Company witness Ron Klote who outlines in greater detail the importance of a revenue tracker and the benefits.

Q: Is this the only error or otherwise unsupported revenue adjustment recommended by Staff that the Company discovered that merits correction?

A: No. In addition to the inappropriate reflection of all Residential determinants in the RPA rate, the Company noted the following additional errors/concerns reflected in revenues:

- TOU weather normalization that utilizes partial year TOU usage and an oversimplified residential load profile applied to TOU rates and the ripple effect to revenues.
- 365 Days adjustment differences that varies significantly from precedence and results in $1.9M overstatement in revenues.
- MEEIA program energy savings errors resulting in approximately $600k in overstatement of revenues.

Please see Company witness Albert Bass's testimony for more details on the issues outlined above.

III. MISSOURI ENERGY EFFICIENCY INVESTMENT ACT (MEEIA)

Q: Staff witness Hari Poudel offers Direct testimony spanning multiple MEEIA topics, including Net Margin Rates ("NMR"). Did you review?

A: Yes.

Q: Does your rebuttal testimony address all items outlined in Dr. Poudel's Direct testimony?

A: No. Dr. Poudel offers testimony encompassing MEEIA specific topics best covered and addressed in the MEEIA specific docket. The Company addresses Dr. Poudel's points directly in the most recent Evergy MEEIA docket File No. EO-2023-0369.

Q: Why are you not addressing MEEIA topics in this rate case testimony?

A: There is an active MEEIA docket that is proposing changes to the next MEEIA cycle portfolio and refinements to the Demand Side Investment Mechanism (DSIM) by the Company and multiple intervenors in that case. Through testimony, agreements, and Commission orders, MEEIA dockets provide guidance, specificity, that typically informs what is done in a rate case, related to MEEIA impacting elements, such as the NMR and rate case annualization. Historically in a rate case, these adjustments and calculations are based on final settled determinants and revenues that are supported by a Commission Order. Given this, calculations for final NMR's are done after a rate case Commission order and when Evergy files Compliance tariffs at the conclusion of a rate case.

Q: What aspects of Dr. Poudel's Direct testimony are you addressing here then and what is being recommended by Staff?

A: Dr. Poudel recommends modifications to the Net Throughput Disincentive ("NTD"), such that an NMR is calculated for each TOU rate to reflect price variations that exist across TOU rates. He also recommends a further break out by time period. (peak/off-peak). While the Company's position on this will be more broadly explained in the MEEIA docket, generally, in a rate case, MEEIA specific calculations will follow whatever framework is ordered by the Commission in a MEEIA docket. Should the Commission approve a MEEIA DSIM framework with an NMR by TOU rate, Evergy should be able to provide and calculate, if it has the billing determinants and revenues to do so.

Q: Why do you point out the need for determinants in order to calculate an NMR by TOU rate by time period?

A: This is specifically mentioned because the rate case test year (12 months ending June 30, 2023) would not reflect 12 months of TOU rate determinants since customers were not fully moved to TOU rates until December 2023.

Q: Will True up determinants and revenues (period ending June 30, 2024) provide the data needed to accommodate Staff's recommendation?

A: No. True up determinants and revenues only reflect customers on TOU rates for 6 months. In order to accommodate Staff's recommendation and have more precise NMR, there will need to be resolution (adjustment and assumptions made) in order to refine settled determinants to reflect an annualized view of TOU rates. This will be addressed more fully in the MEEIA docket.

Q: So should the Commission take from your responses to Dr. Poudel that you believe it would be premature and inappropriate to adjust NMR by TOU rate in developing final rate design in this case?

A: Yes. With only roughly 6 months of actual billing determinant history at the true-up date, and importantly not yet having experienced summer period billing determinants, and such adjustment would require substantial speculation and assumptions to implement in this case. I recommend the Commission fully consider parties' positions in the active MEEIA docket and, if such an adjustment is ordered or agreed to by the parties, such adjustment should not be utilized in a general rate case until the test year fully reflects TOU billing determinants.

IV. RATE DESIGN

Q: Did you review the Direct testimony of Staff witness Sarah Lange?

A: Yes.

Q: What has Ms. Lange proposed with respect to rate changes for non-residential customers?

A: Ms. Lange has proposed several changes to Evergy's existing rates for non-residential customers. In particular, I note the following proposed changes:

- Introduce a TOU overlay, which includes a modest surcharge during peak period hours and a modest credit during super off-peak period hours[13]
- Eliminate seasonality from the energy portion of the hours-use rate.[14]
- Eliminate Evergy's technology-specific rates, specifically (SGS separately metered heat rates).[15]

I also would like to note two aspects of Evergy's non-residential rates that are *not* changed in Ms. Lange's proposal:

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[13] Lange Direct, p. 19, lines 7-14.

[14] Ibid, p. 26, lines 9-11. As I note later in my testimony, based on my review of her workpapers, Witness Lange is not proposing to fully remove seasonal price differences from the hours use rate structure. Seasonal differences remain with respect to the treatment of demand.

[15] Ibid, p. 2, lines 15-16.

- Ms. Lange appears to retain the use of annual billing demand ("ABD") for the purposes of calculating the demand charge portion of the customer's bill.
- Given the use of a TOU overlay, the underlying hours use rate structure remains in the rate design.

Q: Do you have concerns with Staff's proposed changes to C&I rate design structures?

A: Yes. Many are covered in detail by Company witness Brad Lutz's rebuttal. However, I share his primary concerns regarding Staff's lack of bill impact analysis to support their recommendations to ensure that customers will not be materially impacted, as well as, the mandatory nature of Staff's proposed overlay, and added complexity.

Q: Did you review Ms. Lange's workpapers?

A: Yes. I reviewed the files named "Rate Design.xlsx" and "CONFIDENTIAL load i information.xlsx".

Q: Did you identify any errors in her workpapers?

A: Yes, I noted two sets of errors.

Q: Please describe the first set of errors in Ms. Lange's workpapers.

A: In the first set of errors, Ms. Lange copies and pastes class load data to incorrect months of the year. Specifically, Ms. Lange copies and pastes load data from the load information file (e.g., workbook tab "Sml_hrWN") to the rate design file (e.g., workbook tab "SGS Determinants") but does not account for the different start dates in the two datasets. The incorrect pasting of the load data means that hourly load for

July 1, 2022 (the start date of the load dataset in the Load Information workbook) is assigned to January 1, 2023 (the start date of the load dataset in the Rate Design workbook). In other words, the load data in Rate Design workbook is not consistent with the load data in the Load Information spreadsheet. This error propagates into Ms. Lange's calculation of energy usage by class by pricing period and ultimately her estimates of revenue impacts. She makes this error when calculating the revenue impacts for all three rate classes (SGS, LGS, and LP).

Q: Please describe the second set of errors in Ms. Lange's workpapers.

A: In the second set of errors, Ms. Lange incorrectly calculates the average energy prices and the average class load by pricing period. When calculating the average on-peak, off-peak, and super off-peak energy prices, Ms. Lange omits prices for period between 10 pm and 12 am for every day of the year. This error affects the calculation of the proposed time-of-use overlay and the revenue impacts. Similarly, Ms. Lange's calculation of the average class load for each pricing period excludes the hourly usage between 10 pm and 12 am across the year, affecting her estimates of energy usage by class by pricing period and the revenue impacts. Again, Ms. Lange makes this error for SGS, LGS, and LP revenue impact calculations.

Q: What are the consequences of these two sets of errors?

A: The two sets of errors affect each other, compounding their individual effects. For that reason, I only report cumulative effects. After correcting the identified errors, I estimate that:

- For the SGS class, the revenue impact changes from -$2.9 million to -$0.2 million (a relative difference of 94%)
- For the LGS class, the revenue impact changes from -$2.8 million to -$0.8 million (a relative difference of 73%)

- For the LP class, the revenue impact changes from -$6.4 million to -$3 million (a relative difference of 52%)
- These changes to the revenue shortfall also affect the final rates that Ms. Lange calculated.

Q: Are there other problems with how Ms. Lange designed the time-of-use overlay?

A: Yes. Ms. Lange defines the overlay's pricing for the summer super-off-peak period as the difference between the average hourly energy price during the super-off-peak hours and the average hourly energy price during the off-peak hours. She applies the same method to calculate the overlay's pricing for the non-summer pricing periods. However, instead of following the same cost-based approach to establish the summer peak period price, Ms. Lange sets it to be the inverse of that of the summer super off-peak period.[16] She does not justify this design decision, or explain its advantages over alternatives (e.g., first calculate the pricing for the summer on-peak period, and use that to set the pricing for the summer super off-peak period; or apply the cost-based approach to all pricing calculations). While this design decision may appear trivial, it can have a significant effect on the overall revenue impacts.

Q: What should the Commission take away from your discussion above?

A: For the reasons above, it is important not to draw any conclusions from Ms. Lange's testimony about the appropriateness of developing and applying a TOU overlay to the hours use rates, or about the appropriateness of the proposed pricing periods and the underlying method to develop them.

[16] Lange Workpaper: Rate Design.xlsx, [pricing] tab, cell G7.

Q: As described in Ms. Lange's Direct testimony, will Staff's proposed rate fully recover Evergy's allowed revenues?

A: No. Based on my understanding of Ms. Lange's calculations, the proposed rates would under-collect Evergy's allowed revenues.

Q: Please elaborate on why Staff's rate design proposal would under-collect revenues.

A: Ms. Lange calculates the revenue loss that would be associated with introducing the TOU overlay.[17] In order to maintain revenue neutrality, my understanding is this lost revenue should be recovered with an upward adjustment to prices. However, in her calculations Ms. Lange adjusts prices downward by this amount.[18] In this way, it would appear that she is effectively doubling the revenue loss associated with her rate changes, rather than offsetting it with a price increase.

Q: If all of the above were corrected perfectly to ensure adequate collection of revenues, would that be adequate to address your concerns?

A: No. The main concern with Staff's rate design recommendations are the mandatory nature, complexity, and ultimately, the lack of individual bill impacts to ensure clarity is to impact to individual customers. Company witness Lutz elaborates on these concerns in his rebuttal testimony.

Q: Did you review the Direct testimony of MECG witness Ms. Kavita Maini?

A: Yes.

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[17] This lost revenue is due exclusively to the addition of the overlay in the absence of any changes in customer usage patterns. It does not represent additional revenue loss that could be associated with customers shifting usage away from the peak period.

[18] Reflected in Lange Workpaper: Rate Design.xlsx, tab [Rate Design 2], cells M3-M14.

Q: What does MECG recommend?

A: Ms. Maini recommends lower increases to the facility charges compared to the Company's proposal. In addition, retaining the existing customer charge, retaining the same percentage increase to energy charges as proposed by the Company and increasing the billed demand charge to recover the remaining revenue requirement.

Q: Do you agree?

A: No. The Company acknowledges the possibilities for refinement to future CCOS studies that might support future alignment with MECG and utilization of single phase/three phase detail if/when available. (see rebuttal testimonies of Craig Brown and Brad Lutz) However, at this time, the Company must act on the results of its CCOS study on hand and make progress to have greater cost alignment and adjust C&I customer charges and facilities charges as outlined in my Direct testimony.

V. CONCLUSION

Q: Do you have anything else to add to your testimony that hasn't been covered already?

A: Yes. I have a correction to my Direct Testimony. Table 7- Summary of Customer & Facilities charges transposed the Facilities Charges for Primary and Secondary customers. Below is the corrected Table.

Corrected Table 7
Summary of Customer & Facilities charges to replace erroneous table in Miller Direct Testimony

	Voltage		SGS	LGS	LPS
Customer Charge	Secondary	Current	23.97	74.84	675.46
		Proposed	20.06	19.89	29.53
	Primary	Current	23.97	246.21	675.46
		Proposed	20.06	19.89	89.81
	Substation	Current	-	-	675.46
		Proposed	-	-	89.81
	Transmission	Current	-	-	675.46
		Proposed	-	-	89.81
Facilities Charge	Secondary	Current	1.448	2.290	3.223
		Proposed	3.120	4.318	5.457
	Primary	Current	1.448	1.483	2.815
		Proposed	2.959	3.028	4.576
	Substation	Current	-	-	-
		Proposed	-	-	1.294
	Transmission	Current	-	-	-
		Proposed	-	-	-

Q: Would you please summarize the recommendations made in your rebuttal testimony?

A: Yes. My rebuttal responds to the testimony of multiple Staff witnesses and the MECG witness concerning a number of topics. I address Customer Count inconsistency, Test Year Revenue determination, adjustment to revenues associate with the residential TOU implementation, timing of NMR calculation for MEEIA, and Rate Design issues. For the benefit of the Commission, I will summarize my recommendations.

- Consistent use of customer counts should be used in all calculations representing customer count in a rate case. In this case, either Bill counts (number of service agreements) or Customer Charge Counts can be used. Given Customer Charge Counts were used by both Staff and EMW to calculate customer growth and average use per customer, that would be the count recommended by Evergy, not one count for customer growth and another for average use per customer.

- Test Year Revenues should reflect actual determinants and not have unsupported adjustments like the reflection that all Residential customers are on an RPA rate, when actual determinants show varied participation across multiple TOU rates.
- The EMW TOU Revenue Adjustment is the only adjustment reflective of comprehensive analysis appropriate to reflect an expected change in test year revenues due to TOU rates and should be utilized as an estimate of the expected change in revenues resulting from TOU rates.
- NMR should be calculated at the time of compliance based on Commission order in the MEEIA docket.
- While MECG's recommendation may be viable with new data that might refine CCOS studies in the future, at this time, the CCOS results uses the best information available and the results are reliable. As such, EMW's C&I Rate Design recommendations-adjustment of Customer Charges and Facilities charges utilizing recommendations from its CCOS study and that are included in the Corrected Table 7 above, should be approved by the Commission.

- Staff's C&I rate design recommendations should be viewed with caution. In addition to the lack of bill impact analysis to truly measure customer impacts, as well as, the complexity of the proposals, several calculation errors were found throughout the analyses that would impact the reliability of the results as presented by Staff, as well as, basic collection of the revenue requirement.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2024-0189

AFFIDAVIT OF MARISOL E. MILLER

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Marisol E. Miller, being first duly sworn on his oath, states:

1. My name is Marisol E. Miller. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Senior Manager – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Evergy Missouri West consisting of twenty-five (25) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Marisol E. Miller

Subscribed and sworn before me this 6th day of August 2024.

Notary Public

My commission expires: 4/26/2025

ANTHONY R. WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2025
PLATTE COUNTY
COMMISSION #17279952