Exhibit No.:	
Issue(s):	*Weather Normalization Adjustment Factors*
Witness:	*Michael L. Stahlman*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal Testimony*
Case No.:	*ER-2024-0189*
Date Testimony Prepared:	*September 10, 2024*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

MICHAEL L. STAHLMAN

EVERGY MISSOURI WEST, INC.,

d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Jefferson City, Missouri
September 10, 2024

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SURREBUTTAL TESTIMONY

MICHAEL L. STAHLMAN

EVERGY MISSOURI WEST, INC.,

d/b/a Evergy Missouri West

CASE NO. ER-2024-0189

Q. Please state your name and business address.

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

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission ("Commission") as a Regulatory Economist in the Tariff/Rate Design Department in the Industrial Analysis Division.

Q. Are you the same Michael L. Stahlman that filed direct testimony in this case?

A. Yes.

Q. What is the purpose of your testimony?

A. I will provide surrebuttal testimony in response to the rebuttal testimony of Evergy Missouri West ("EMW") witness Albert Bass regarding his discussion of the 365-day adjustment and the TOU block adjustment.

365-DAY ADJUSTMENT

Q. Mr. Bass states on page 2, lines 13-14 of his rebuttal testimony that Staff changed its method of performing the 365-day adjustment in the prior rate case. Is this accurate?

A. Yes. My recollection is that between ER-2022-0130 and the prior rate case, ER-2018-0145, there was an update to Microsoft Excel which necessitated Staff to redo the weather normalization spreadsheets. As part of developing new spreadsheets, Staff reviewed and discussed various methods used to determine the 365-day adjustment.

Q. Can you clarify the differences in methods discussed by Mr. Bass on page 2 line 15 through page 3 line 7 of his rebuttal testimony?

A. Yes. Essentially, the older method that EMW applied was to shift all bill cycles into a hypothetical bill cycle that reads on a calendar month basis. Staff's method is to only adjust a bill cycle's usage, using an average day's use, to get the total number of days in the annual bill cycle to equal 365.

Q. Why did Staff decide to use the latter method?

A. Primarily, Staff's method limited the number of adjustments that needed to be changed. The older method virtually guarantees that an adjustment would be made to a bill cycle even if the cycle already had 365 days because of the move to a calendar month read rather than its actual meter read dates.[1] Secondarily, it is also easier to handle calendar years that include a leap-year. Finally, keeping the multiple bill cycles on separate read dates is consistent with how EMW actually bills its customers.

Q. Should the Commission order any particular method to perform the 365-day adjustment?

[1] As an example, if the beginning meter read date for the first month of a cycle was 12/8/2022 and the ending meter read date for the 12th month was 12/7/2023, Staff's method would have no 365-day adjustment. However, the older method would use estimates of usage for that cycle between 1/1/2023 and 12/31/2023 and make an adjustment factor based on the differences of that usage and the weather normalized usage between 12/8/2022 and 12/7/2023.

A. No. There is nothing inherently wrong with either method, and Staff has generally found the differences between the results to be small. While not necessarily a concern in this case, Staff would advise that the Commission should be cautious of EMW potentially gaming the various methods to achieve the largest rate increase. Also, the 365-day adjustment should be consistent with the period of weather normalization.

Q. Does Staff agree with Mr. Bass's discussion on the Special Contracts class?

A. Yes, however Staff does not believe it made a 365-day adjustment to the Special Contract class. It is possible that a column in Staff's workpapers was mislabeled and caused confusion. Staff is working with Evergy to remove the 365-day adjustment for the Special Contract class, to the extent that it may exist.

WEATHER NORMALIZATION ADJUSTMENT FACTORS

Q. Do you agree with Mr. Bass that "Staff's method is imprecise and overly generalized"?[2]

A. To an extent, yes. However, Staff's method is less generalized than EMW's method since it uses more information given by the data itself. As mentioned in my rebuttal, both Staff and EMW perform two separate regression analyses: one for daily energy consumption and the other for hourly peak usage. The resulting regression shows significant differences between the weather's impacts on hourly peak usage and daily energy consumption. Staff's method utilized this information and Evergy did not. Therefore, while Staff's method may be imprecise and overly generalized, it is still likely to be more accurate than the EMW's method.

[2] Rebuttal Testimony of Albert Bass, p. 3, l. 22.

Q. Do you agree with the reasoning Mr. Bass provides on pages 4 and 5 of his rebuttal as to why Evergy Missouri West did not provide Staff with hourly TOU rate code customer data?

A. Not exactly. Even a few months of usage could have provided interesting information about the rate code, even if it has limitations in its application. Additionally, there are classes, such as the customers in a net metered class, which would have more than twelve months of data that was not provided. Additionally, it should be noted that much of this problem is due to when EMW decided to file this rate case. EMW could have waited to file when better data is available, but chose not to do so.

Q. Does this conclude your Surrebuttal/True-up Direct 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 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 / True-Up Direct 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 5th day of September 2024.

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