Exhibit No. 313

OPC – Exhibit 313
Geoff Marke
Direct
File No. ER-2024-0189

Exhibit No.:	_______________
Issue(s):	Consolidation of Affiliates/ Public Service Announcements/Customer Experience/Program Evaluation
Witness/Type of Exhibit:	Marke/Direct
Sponsoring Party:	Public Counsel
Case No.:	ER-2024-0189

DIRECT TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST

CASE NOS. ER-2024-0189

June 27, 2024

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DIRECT TESTIMONY

OF

GEOFF MARKE

EVERGY MISSOURI WEST

CASE NO.: ER-2024-0189

I. INTRODUCTION

Q. Please state your name, title and business address.

A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. What are your qualifications and experience?

A. I have been in my present position with OPC since 2014 where I am responsible for economic analysis and policy research in electric, gas, water, and sewer utility operations.

Q. Have you testified previously before the Missouri Public Service Commission?

A. Yes. A listing of the Commission cases in which I have previously filed testimony and/or comments is attached in Schedule GM-1.

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to make the following recommendations for the Commission to order Evergy West to:

1.) Consolidate Evergy Metro and Evergy West into one entity "Evergy Missouri" in the Company's next general rate proceeding;

2.) To adopt a public service announcement ("PSA") educational campaign that articulates and emphasizes "why" the Company is offering Time-of-Use ("TOU") rates in a straightforward, simple manner with input from stakeholders;

3.) Extend an invitation for OPC to be included in all future quarterly customer service experience calls that are currently taking place with the MO PSC Staff and Company; and

4.) Order a third-party impact and process evaluation over the performance of Evergy's income eligible programs and level of energy burden. The evaluation(s) should include tangible recommendations for consideration and should be submitted within a year of rates going into effect (or at least reasonably soon thereafter).

II. CONSOLIDATION OF EVERGY WEST AND EVERGY METRO

Q. Are Evergy West and Evergy Metro independent operating subsidiaries of Evergy, Inc.?

A. Technically, yes. Both Evergy Metro and Evergy West are reported to the Securities and Exchange Commission ("SEC") and Federal Energy Regulatory Commission ("FERC") as independent operating subsidiaries of GPE. However, in practice, it is common knowledge within the Missouri regulatory arena that the two companies are operated on a consolidated basis. This is also true from an RTO planning perspective where the Southwest Power Pool ("SPP") effectively treats Evergy West and Evergy Metro as one entity for resource adequacy compliance purposes.[1]

Q. How are Evergy Metro and Evergy West reported to the SEC and FERC?

A. In regards to the SEC, Evergy Metro and Evergy West file a combined Form 10-K annual report, in which Evergy Metro and Evergy West are named as wholly owned direct subsidiaries of Evergy, Inc. with significant operations.[2] It should be noted, however, there is no evidence in the 10-K report that Evergy West has a standalone financial corporate existence, for there are no Evergy West financial statement schedules, viz., Comprehensive Statement of Income, Balance Sheet, Statement of Cash Flows, and Statement of Shareholder Equity. The only information specifically separately reported to the SEC for Evergy West concerns generator ownership, credit ratings/support, regulator assets/liabilities, debt, and receivable sales agreements. Moreover, there is no statement of Evergy West stock ownership by either Evergy, Inc. or Evergy Metro.

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[1] 2023 SPP Resource Adequacy Report. Page 10 & 26.
https://www.spp.org/documents/69529/2023%20spp%20june%20resource%20adequacy%20report.pdf

[2] Page 7, Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. combined SEC Form 10-K Annual Report for the fiscal year ended December 31, 2023. https://investors.evergy.com/static-files/ac17b0c6-0ca9-4890-848b-fb4008ae56fa

Regarding the FERC, Evergy Metro and Evergy West file separate individual FERC Form 1 Annual Reports, in which Evergy Metro and Evergy West are both named as integrated, regulated electric utilities wholly owned by Evergy, Inc. and which contain financial statement, revenue reports and operating statics for both Metro and West.

Q. What is the argument for consolidation of Evergy West and Evergy Metro?

A. There are many arguments for consolidation, but for brevity, the main arguments for consolidation largely come down to cost savings.

Q. Can you provide examples in how cost savings would materialize from consolidation of Evergy Metro and Evergy West?

A. I can.

1.) Most immediately, Evergy West ratepayers would benefit financially from reduced market risk due to the gains in Evergy Metro's excess generation;

2.) Long-term, consolidation should increase economies of scale in attracting capital at a lower cost with more opportunities to balance capital structure; and

3.) Additionally, operational and regulatory complexity/redundancy should be minimized by functioning as one utility as opposed to two.

Q. Will there be costs associated with such a consolidation?

A. Sure. Again, I think of several obvious examples:

1.) Consolidation of rates will necessarily mean there will be winners and losers at least in the short-term within and between customers classes;

2.) The opportunity cost in time necessary in unbundling Evergy Metro's assets between Kansas and Missouri which will almost certainly include a coordinated effort with the Kansas Corporation Commission ("KCC") as well as reconciling different approved mechanisms and surcharges across the two Missouri affiliates (e.g., securitization, RESRAM, etc…);

3.) The likely cost of issuing new debt at higher interest rates and/or make whole payments as a result of consolidation from unbundling Evergy Metro across the two states.

Q. Is there a benefit in having Evergy Metro and West as separate entities?

A. No. Having two entities with separate class cost of service studies should more closely align the regulatory principle of cost causation. However, given the apparent roadblock in data access between the Company and the Commission's Staff as it pertains to an accurate class cost of service study, one could hardly say that this is a benefit that exists today.

Q. Is it the case the consolidation is always in the best interest of customers/shareholders?

A. Absolutely not. Circumstances and details matter. For example, are the utilities contiguous? Do they share personnel? Is there a potential for reduced local accountability and responsiveness? Will consolidation result in a muted price signal that minimizes the regulatory principle of cost causation and enables the potential for gold plating of assets? These are all real risks associated with the consolidation of utilities.

Q. Do those specific concerns apply to this situation?

A. No. In my experience, those concerns are more accurately leveled at the appropriateness of consolidating water or gas utilities in Missouri whose distribution and operating assets are uniquely local unlike the fungibility of electricity operating on a grid.

Q. Does the Company have experience with consolidation of rates and utilities?

A. Yes. Actually, quite a lot in both Missouri (St. Joseph Power & Light ("L&P") and Missouri Public Service ("MPS")) and in Kansas (Westar's North and South jurisdictions).

Q. Has OPC raised this issue in the past?

A. Yes. In addition to raising this issue in past Integrated Resource Planning ("IRP") dockets, OPC filed testimony recommending the consolidation of Kansas City Power & Light (now known as Evergy Metro) and KCPL-Greater Missouri Operations (now known as Evergy West) Metro in Case Nos. ER-2018-0145/0146. Item #16 in the non-unanimous partial stipulation and agreement filed September 19, 2018 states:

Consolidation Study

> The Company will perform a study investigating the consolidation of KCP&L and GMO rates and will make a recommendation regarding consolidation of rates in these dockets within two years of the date of approval of this Stipulation. KCP&L and GMO will provide quarterly stakeholder updates concerning the study.[3]

A little over two-years later the Company filed a rate consolidation study on October, 31, 2020 that concluded the Company was ready to move forward with consolidation of rates.[4] The opening paragraph of Section VII of the study titled Conclusion & Recommendations states:

> This study confirms that full consolidation of the rates of Evergy Missouri West and Evergy Missouri Metro is a practical action and will require research, analysis, planning, and regulatory approval to be successful. Evergy supports further consolidation of rates following the phased plan identified in Section V previously.[5]

Q. Has there been any action towards consolidation since that study was filed four years ago?

A. No.

Q. What has occurred in the intermediate period?

A. Our Commission has treated Metro and West as one utility in at least one cost impactful docket, the Company's Missouri Energy Efficiency Investment Act ("MEEIA") application, and the SPP began treating both Missouri affiliates as one entity for resource adequacy planning purposes.

However, the lack of consolidation efforts combined with poor resource planning over many years has resulted in Evergy West hemorrhaging money against a volatile market due to

[3] Case Nos. ER-2018-0145/0146 non-unanimous partial stipulation and agreement 9/19/2018 p. 9.

[4] See GM-2 Evergy (2020) Rate Consolidation Study. 10/31/2020

[5] *Ibid*. p. 23

management's inability to have enough energy to cover its customers' load. In fact, the total excess fuel related costs that Evergy West customers have been asked to shoulder over the last four prudence periods is approximately $750 million dollars. Those costs do not include the $314.6 million in Storm Uri related costs that necessitated statutory changes in the form of securitization to cover. If Uri-related costs are added to the equation the costs leveled at captive ratepayers since the Company prematurely stranded the Sibley Power Plant (after ratepayers had invested scrubbers) without a reliable substitute exceeds a billion dollars.

Q. Will those high related fuel costs keep continuing?

A. Yes. Again, Evergy West does not have enough resources to regularly and efficiently meet its load.

Q. Will ratepayers have to continue to pay for this continued managerial inaction?

A. It remains to be seen whether the Company will ever be held accountable for its actions or if their continued market losses are dismissed as one-off outliers for the period in question (the historical record of market losses and the numerous regulatory filings the OPC has put out for years raising concerns around this issue clearly run at odds against this narrative).

As of this writing, the Commission has not ruled on the imprudence accusations leveled against the Company in its most recent fuel adjustment clause case EO-2023-0277.

Q. Has Evergy West taken action to mitigate these excessive costs to ratepayers?

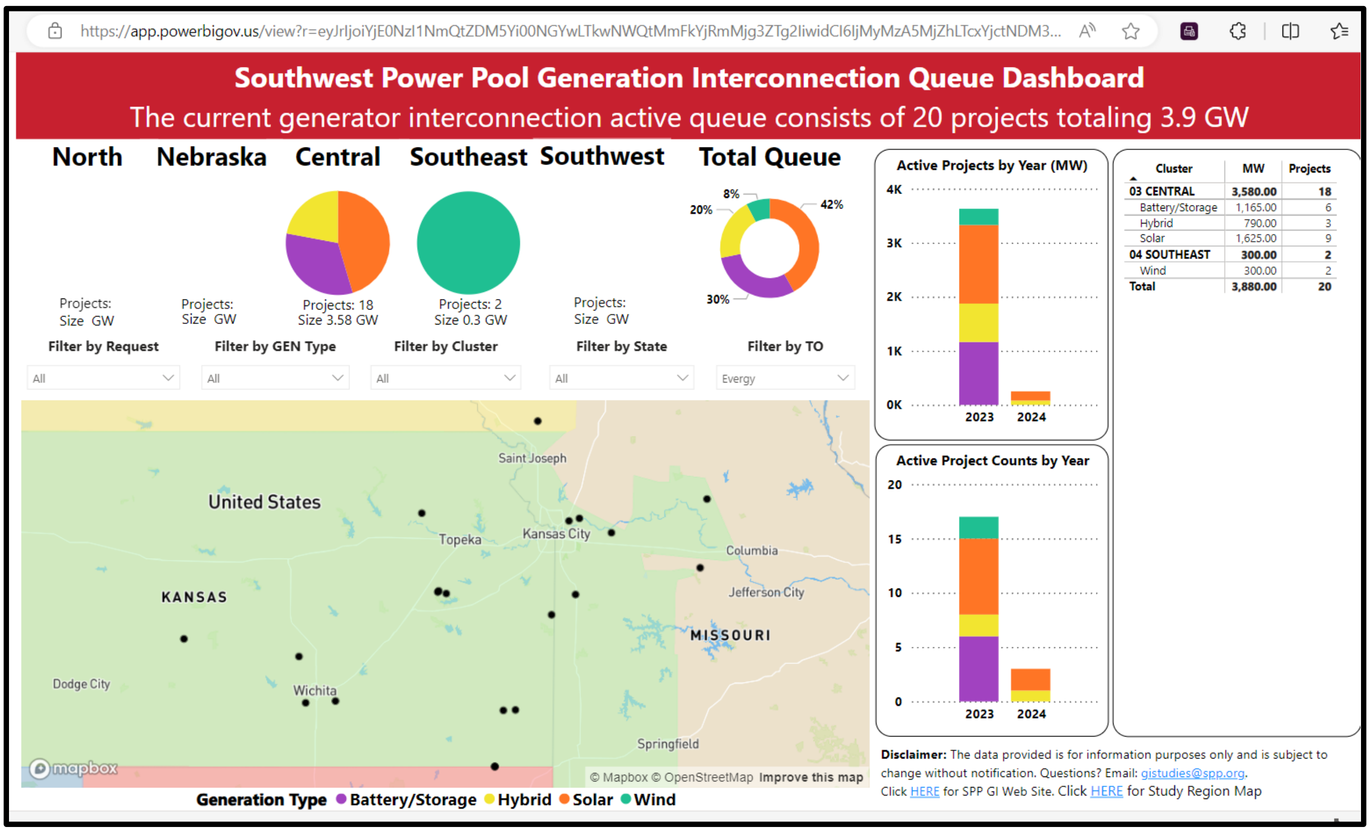
A. Not in any meaningful way.

Q. What do you mean?

A. Putting aside the small incremental value of the addition of the Dogwood facility and the Commission's correct decision to reject the historically poor performing Persimmon Creek Wind Farm, the Company has put forward in their IRP that they plan to build resources to meet load in the future, but details are largely absent.

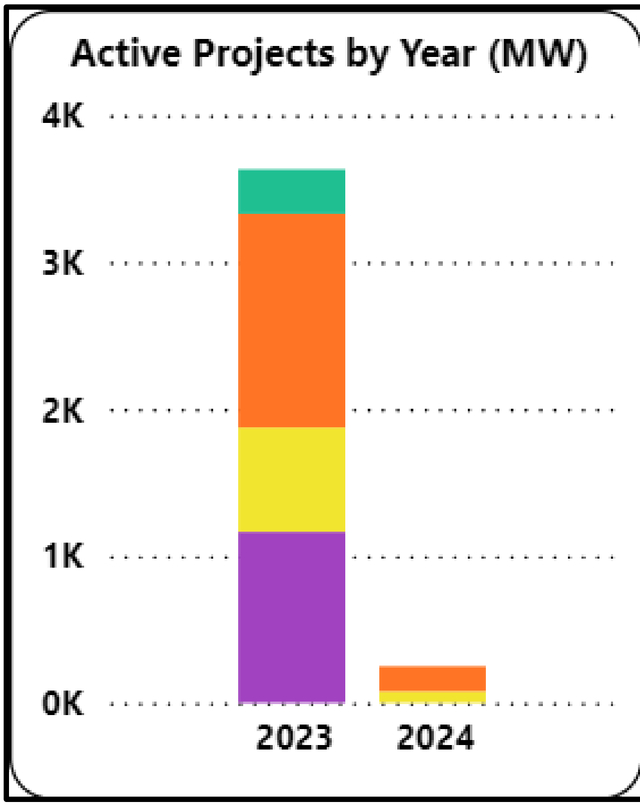
More troubling, from my vantage point, is the absence of any dispatchable thermal generation in the SPP generation interconnection que. As the Commission is well aware, building a power plant is a time and labor-intensive activity that requires many regulatory and market hurdles. The absence of any actual requests submitted to date to the SPP to build thermal generation suggests to me that Evergy is more than willing to continue to let ratepayers bleed money as long as the Commission continues to condone this behavior. Figure 1 and Figure 2 provide a graphical illustration of Evergy's project currently in the SPP generation interconnection que.

Figure 1: Southwest Power Pool Generation Interconnection Que Dashboard: Evergy 6/25/2024[6]



[6] SPP (2024) Generation Interconnection https://www.spp.org/engineering/generator-interconnection/ . Select hyperlink titled: GI Queue Dashboard.

Figure 2: Southwest Power Pool Generation Interconnection Projects in Que: Evergy 6/25/2024[7]



Cluster	MW	Projects
03 CENTRAL	**3,580.00**	**18**
Battery/Storage	1,165.00	6
Hybrid	790.00	3
Solar	1,625.00	9
04 SOUTHEAST	**300.00**	**2**
Wind	300.00	2
Total	**3,880.00**	**20**

Additionally, the Company has taken no action towards consolidation since they filed its Rate Consolidation Study almost four years ago.

Q. Can we guarantee a project will be approved if it is in the SPP interconnection que?

A. No. Nor can we guarantee how quickly an application will be reviewed. Currently there are 415 applications already in the que with generation totaling 84.2 GW.

Q. Will specific projects be given priority for approval by SPP, such as in Evergy West's case?

A. No. Not according to the "Guidelines for the SPP GIP Process and Business Practices" document outlining SPP Tariff Attachment V, effective 5/1/2024. That document includes a section titled Queue Priority which states:

[7] *Ibid.*

All Interconnection Requests within the same DISIS Queue Cluster Window shall have equal priority.

After satisfying all the requirements of Section 8.9 of the GIP to enter into the Interconnection Facilities Study, an Interconnection Facilities Study Queue (IFS) position will be assigned based on date and time those requirements are met.[8]

Q. How long has SPP taken to process applications today?

A. A 2024 Generator Interconnection Scorecard report was released by Advanced Energy United that attempted to answer that question across each RTO/ISO in the United States. As it pertains to the SPP, the report states:

SPP: Backlog 5 years and growing, with no evidence that reforms are making a difference.

Successful interconnection applications in SPP have recently progressed through the queue very slowly. Both LBNL data (Figure 5) and interconnection customers indicate that projects take 2-4 years to move through the queue (one reports a just-signed agreement that took six years). This is considerably longer than SPP's official timeline, which estimates the process should take less than a year and a half.

Today's backlog is five years and growing, with interconnection agreements in 2018-2020 having come to a virtual standstill (Figure 5).[9]

[8] Southwest Power Pool (2024) Guidelines for the SPP GIP Process and Business Practices https://opsportal.spp.org/documents/studies/GuidelinesAndBusinessPracticesForGIP.pdf p. 9.

[9] Wilson, J. et al. (2024) Generator Interconnection Scorecard: Ranking Interconnection Outcomes and Processes of the Seven U.S. Regional Transmission System Operators. Advanced Energy United. https://gridstrategiesllc.com/wp-content/uploads/2024/03/AEI-2024-Generation-Interconnection-Scorecard.pdf p. 29.

Q. Was consolidation of Evergy West and Metro raised in the FAC docket that is currently in front of the Commission?

A. Yes. There was a fair amount of conversation between Evergy West witness Darrin Ives and Commissioner Jason Holsman on this possibility.

Q. Did Evergy West witness Darrin Ives provide an estimated timetable for approval?

A. He did. He suggested it would take nine years to implement. The following Q&A transcript from that docket is as follows:

Holsman: Okay. If you made the determination that it was in the best interest of the Company and the ratepayers to unify the two sides, realistically at breakneck speed, how quickly could it be accomplished?

Ives: I've -- I've asked myself that question for at least five or more years now probably.

Holsman: What would it require? Would it require action by this Commission, action by the Kansas Commission? Would FERC need to be involved because it's across state lines?

Ives: Yeah. I think likely both. And -- and the difficult -- the difficult step in the process from my perspective and where I've grappled with it is what do we do with Metro. The fact that the generation at Metro serves both Kansas and Missouri customers. So, you know, you would think if that generation just served Missouri Metro, combining them would be, you know, a huge benefit, right. West is looking for energy and capacity; Metro has some, you know, a better stack available today, but how does Kansas get compensated for that. Because their customers have paid for that generation to come in over the last 50 or a hundred years. And how do -- how do they ensure, as we go through that process, that their customers get treated fairly. So it's not just that both have to do it. We'd probably have to go through it together with both of them so we don't end up getting different answers that leave a bunch of dollars stranded to our shareholders to cover because the states took different positions in separating it out.

Holsman: One, three, five years, ten years?

Ives: Over five for sure

Holsman: Over five years.

Ives: **<u>I'd for sure, closer to ten. I was going to say -- I was going to get really specific and say nine, but that's probably too specific</u>**. (emphasis added)

Holsman: So -- so combining them would be an endeavor that would extend beyond new generation if you were going to build it. You said 2029 would be target the IRP for natural gas plants. So your quickest route to increased capacity generation for West is either new construction or PPAs at this juncture?

Ives: Yes. I mean, from our perspective it's outlined in our recently-filed IRP, right, our ability to make some inroads with some additional renewable resources, both -- both from a wind and a solar standpoint and get started on natural gas construction. You know, and I would add -- we're talking about Missouri West today. We show we need natural gas also in our Kansas jurisdiction, Central which is the old West Star. We show we need it in Metro. So ultimately there's a lot of gas in that three-year period that we need to get constructed.[10]

Q. Do you agree with that sentiment?

A. No. Evergy, Inc. is the product of many separate and independent smaller utilities that have been consolidated, rebranded, and/or merged across the two states. Just in the past nine years Darrin Ives has provided regulatory management support for the following affiliates, many of which no longer exist through consolidation: MPS, St. Joseph L&P, KCPL-MO, KCPL-KS, KCPL-GMO, Westar, Evergy Missouri Metro, Evergy Missouri West, Evergy Kansas Central, and Evergy Kansas Metro. If we go back to 2007 you could add Aquila, Inc..

At this point, the Company should be well versed in how to effectively move forward (beginning with rates) with consolidation. I see no reason why the Company cannot make this a priority if the Commission holds it accountable.

Q. How long do you think it would take?

A. The process can start now and the benefits can start to be realized incrementally—in some case very quickly (e.g., next filed rate case).

[10] Case No. EO-2023-0276/0277 Transcript of Proceedings Evidentiary Hearing. P. 87-90.

More to the point, it should have started years ago. At a minimum the Company has been sitting on this issue for at least four years (the length of time since the consolidation study was filed) without any activity.

Q. What will it take to move this process along?

A. The Company could commit to this process with clear deliverable dates and could propose reasonable consequences for inaction to hold them accountable in rebuttal testimony.

Absent that, I believe it will take a Commission order and some "stick" provision that holds the Company financially accountable if they continue to stall out on the process and impede what is obviously in the public's interest.

Q. Why do you suggest there has to be penalty provision tied to any Commission order?

A. Because the Company will not do anything otherwise. The radio silence on this topic for four years is a testament to that. Furthermore, I would be negligent in my duties if I didn't point out the obvious regulatory frustration that has manifested itself the last few years between Staff, OPC and Evergy. Look no further than the volume of cases that have gone to hearing in the past two years that are Evergy-specific. Whether these are complaint cases leveled at the utility by the Commission's Staff, managerial imprudence issues surrounding the FAC, or the fall-out and the subsequent stop-and-start implementation and reversal of time-of-use rates, I have very little confidence any regulatory action will occur. Too often, it is far easier for utilities to drag their feet and wait out a Commissioner's term.

Q. What would be an appropriate penalty?

A. A necessary first start would be to adopt OPC witness Lena Mantle's recommendation to change the ratio of the FAC sharing mechanism from 95/5 to 75/25. Clearly the current ratio is not working because Evergy West is not held accountable for its inactions. An adjustment to the sharing mechanism is a practical and straightforward attempt on a going forward basis to incentivize the Company to do its job.

However, I fear that may not be enough. Evergy should be required to provide a proposed schedule with deliverable dates before this Commission that include penalties in the form of reduced basis points to its return on equity if deliverable dates are not met. I am open to feedback from the Staff, Evergy and other parties on the specifics and will update my testimony accordingly.

Q. Can you summarize the issue?

A. The Commission currently has a study conducted by the utility four years ago where Evergy gave their affirmation that consolidation is ultimately in the best interest of all parties (ratepayers, shareholders, regulators, management) with a general breakdown of issues/concerns that need to be addressed. The Commission also has empirical evidence that Evergy West is bleeding money and will continue to bleed money because it has not built generation, prematurely retired more than 25% of its generation with no replacement while it was experiencing load growth, is not building generation (see the SPP generation interconnection que above) and is not utilizing the assets it has bought to mitigate that shortfall.[11] To mitigate the reliability shortfall Evergy has created many actions will be required. Consolidating Evergy Metro and Evergy West into one entity is one necessary step that has to be undertaken or the problem will be magnified moving forward.

Q. What is your recommendation to the Commission?

A. This should not be a contentious issue. Evergy management *should* file rebuttal testimony agreeing to a path forward. In fact, they should take this time to articulate a clear path forward with decision-points, deliverable dates, and appropriate financial penalties if they fail to deliver in a timely fashion. They have certainly had enough time for that.

Absent that initiative or if the Company takes a reverse position from its study, I recommend that the Commission open a separate docket to start that process with explicit opportunity

[11] Look no further than the three independent third-party studies surrounding Time-of-Use rates that showed that energy and demand savings could be achieved at greater levels than the Company's proposed MEEIA application or the recent investment in Dogwood.

for input from parties surrounding the schedule and accountability provisions to ensure this obvious benefit to all parties is not indefinitely delayed. Finally, the Commission should approve Ms. Mantle's ratio adjustment to the FAC sharing mechanism. The ratio has clearly not worked in practice with this Company and reform is warranted.

III. PUBLIC SERVICE ANNOUNCEMENTS

Q. What are public service announcements?

A. Public Service Announcements (PSAs) are a type of advertising similar to a conventional commercial in some respects but differ in that commercials are largely centered on increasing the public's awareness of the brand while PSAs are designed around a goal of changing attitudes and behaviors.

Q. Do you have an illustrative example of an appropriate public service announcement?

A. Safety comes to mind. Many electric utilities have produced PSAs emphasizing the importance of safety, especially with children, over downed power lines. Figure 3 provides an illustrative example of a well-known electric PSA targeted at children, Louie the Lighting Bug.

Figure 3: Louis the Lighting Bug—Play It Safe Around Electricity

Q. Is there an appropriate PSA topic that Evergy should be messaging to the public?

A. Yes. Customers need to know that they have some degree of control over the price they are paying. TOU rates enables behavior that will almost assuredly result in savings to participants, and at a large enough scale to non-participants as well.

A cursory review of any online criticism of Evergy or the Missouri Public Service Commission in the deployment of TOU rates this past year clearly shows that there is a vocal minority of customers who clearly do not fully understand *why* these rate options are being offered in the first place. I believe it also reasonable to assume that there is a silent majority that does not fully understand why TOU rates are being offered.

Q. Do you have any evidence to support that assumption?

A. The assumption is largely based on my professional experience working in this field, but I can point to a specific anecdotal example. At a June 5, 2024 Low-Income Work Group sponsored by the Missouri Energy Efficiency Advisory Collaborative held in Jefferson City a presentation was given by Amanda Wilson of the Local Initiatives Support Corporation ("LISC") of Kansas City titled "Time of Use Rate Changes & Communication Best Practices." During that presentation, Ms. Wilson provided recommended messaging approaches to marginalized communities around Evergy's pricing options. I raised the question of whether or not anyone in the collective collaborative knew why we were offering TOU rates. The immediate response I received from the room (full of low-income advocates and community representatives) was a perplexed response of "*why* are we doing this?"

If your local ambassadors don't know why they are promoting TOU rates I think it is generally safe to assume that the public they are advocating for doesn't understand either.

Q. Do you believe that is a problem?

A. Yes. A big one. This is problematic on at least three levels.

1. The failure to address this issue from the onset means that more resources and more controlled messaging is necessary to minimize the damage that has already been done this past year with the multiple start/stop "change rates outside of a rate case" actions that were ultimately adopted.

2. Failure to promote TOU rates that result in meaningful savings to customers means that the now12-year (to date) investment of AMI hardware, software and LTE network has not been prudent. The espoused benefits have never (and may never) materialize. To rectify this, customers need to be engaged in a meaningful conversation for why we are doing what we are doing.

3. Failure to promote and properly educate customers on TOU rates means that we will need to make more capital investments in generation, transmission, and distribution

than we otherwise should because we have chosen to not use the assets we are already paying for. This is especially offensive given the fact that Evergy West is bleeding money due to its inability to properly manage its capital investment allocation to ensure enough energy to support its customers' needs. TOU rates could mitigate those costs but I struggle to see how any meaningful change will occur given the current predicament we find ourselves in.

Q. What are you recommending to the Commission?

A. I recommend that the Commission order the Company to explain to the public through PSAs in the most easily understood means necessary the four following items:

1. Exactly *why* time-of-use ("TOU") rates are being offered and encouraged (Value statement);
2. That the TOU option allows for choice (which previously did not exist);
3. That customers should save money in the short (monthly bill savings) and long (deferred capital investments) term if they adjust their behavior (and often if they don't change at all); and
4. That savings do not require excessive actions on the customers part (e.g., you don't need to turn off your AC in the summer, etc…).

Furthermore, I recommend that the Commission order the Company to meet periodically with OPC and Staff on content of the campaign and the Company provide periodic updates to the Commission as well as an in-person presentation at an Agenda.

To date, the focus on TOU education has been on what plan works best for a specific customer. The problem with that is obvious. Customers were never told why these plans were being offered to begin with. It is completely understandable why the public, at large, questioned the

Company's motivation and why regulators[12] and the consumer advocate office[13] continue to be frustrated with the accompanying educational messaging surrounding the rate offerings.

IV. OPC PARTICIPATION IN QUARTERLY CUSTOMER SERVICE EXPERIENCE REVIEW

Q. Does the PSC Staff meet on a quarterly basis with the Company on their customer service experience and metrics?

A. Yes. These discussions are in place (to varying degrees) with utilities across the state. The quarterly calls are an excellent forum for regulators and utilities to keep abreast of consumer related complaints as well as a forum to discuss customer service-related changes. An open and active dialogue likely mitigates many issues that would otherwise be subject to Commission discretion in a contested hearing.

Q. Is the OPC represented in those meeting today?

A. Not with Evergy. We are active participates in quarterly calls with Liberty and Ameren Missouri.

Q. Please expound upon your experience working with Liberty and Ameren Missouri?

A. It has been a positive experience. On a practical level, my experience with other utilities who are having continuous periodic dialogues with Staff and OPC has resulted in emphasizing a proactive approach as opposed to a reactive approach to customer service related issues. Again, in my opinion, this has resulted in cost savings to customers (through front-end sensemaking) and risk reduction to the Company in terms of potential future litigation.

Q. Do you have specific concerns related to Evergy as it pertains to this topic?

A. Not necessarily. Of course, not having a seat at the table in those discussions places me in the awkward position of "not knowing what I don't know."

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[12] See GM-3.

[13] See GM-4.

I do have an overall concern about the potential erosion of a "human element" associated with all of our utilities' customer service experience moving forward. The most obvious example would be replacing in-house staff with virtual artificial intelligence ("AI") related substitutes. Given the affordability concerns around customers current rates and the enormous costs likely to be imposed on captive customers moving forward, future affordability will become more and more of a challenge for many customers, and a challenge for utilities and the Commission as well. Further dialogue is warranted as to whether operational activities currently executed by human beings should be eliminated and/or minimized and whether or not there are any potential unintended consequences that could inhibit that transition if ultimately selected.

Q. What is your recommendation to the Commission?

A. Assuming this issue doesn't settle out beforehand, I would recommend that the Commission order Evergy to extend an invitation for the OPC to be included in the Staff and Company periodic discussions surrounding customer experience.

V. INCOME ELIGIBLE PROGRAM EVALUATIONS AND ENERGY BURDEN STUDY

Q. What bill assistance programs are in place for Evergy West?

A. There are several programs in place. First, there are short and long-term savings programs administered by public and non-profit agencies with federal funding that help Evergy West customers. Most notably the Low-Income Home Energy Assistance Program ("LIHEAP") and Low-Income Weatherization Assistance Program ("LIWAP"). There are also utility/ratepayer funded programs in the form of the Economic Relief Pilot Program, the Rehousing Program, the Critical Medical Needs Program, and, to a lesser extent budget billing. Additionally, there are programs in place through the Company's approved MEEIA that specialize in specific outreach to income eligible customers (see KC Lilac). [14]

Q. How has the Company performed with these programs?

A. Overall, much better than it has previously. In some respects much better than other utilities to date. This is a welcome turn of events and one that I hope will continue to evolve. Evergy deserves praise for their engagement with regulators and the OPC and for their work in securing partnerships with the Kansas City Housing Authority and United Way in delivering programs to customers. Furthermore, I feel as though the Company's outreach has evolved and is beginning to result in favorable outcomes for the Company in both customer and regulator/stakeholder perception.

Q. Do you have any recommendations as it pertains to the income eligible programs currently being offered?

A. Not programmatically. I recommend that the Commission order a third-party impact/process evaluation of its flagship income eligible program (the Economic Relief Pilot Program), a third-party study examining the level and concentration of energy burden in its territory and that the Company begin the process of joint evaluation of the Critical Medical Needs Program(s) across the state.

Q. Are you proposing three separate studies?

A. Yes. But I am not opposed to combining two studies if feasible.

Q. Do you expect this to be a contentious issue?

A. Not at all. We have conducted routine studies like this for other utilities. We are just long overdue in implementing this process for Evergy West (and Metro).

[14] Evergy (2024) Research and Pilot Programs. Kansas City Low-Income Leadership Assistance Collaborative (KC-LILAC) https://www.evergy.com/ways-to-save/programs-link/research-and-pilot-program

Q. Have you had talks with the Company on the need for this?

A. I have. I have also had talks with each of our utilities and stakeholders surrounding the evaluation of the Critical Medical Needs Program—a program which is supported by funding from multiple utilities. As such, there is a certain degree of herding cats in getting all utilities on the same page regarding a joint evaluation, but that process is currently being undertaken by me through our quarterly income eligible collaborative meetings.

Q. What do you recommend the Commission do?

A. On the off chance that this issue does not settle, I would recommend that the Commission order the Company to complete the following studies within one year of rates going into effect (or at least reasonably soon thereafter). This includes the following independent third-party studies examining:

- A process and impact evaluation of the Economic Relief Pilot and Rehousing programs.
- An energy burden study across the Company's Missouri service territory; and
- A joint process and impact evaluation over the Critical Medical Needs Program.

Q. Does this conclude your testimony?

A. Yes.

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 GEOFF MARKE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my direct testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Geoff Marke
Geoff Marke
Chief Economist

Subscribed and sworn to me this 27th day of June 2024.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.