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Witness: Alan J. Bax
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

ALAN J. BAX

Evergy Metro, Inc. d/b/a Evergy Missouri Metro
Case No. ER-2026-0143

Jefferson City, Missouri
August 2026

REBUTTAL TESTIMONY

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Q. Please state your name and business address.

A. Alan J. Bax, 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 an Associate Engineer in the Energy Analysis Department of the Industry Analysis Division.

Q. Are you same Alan J. Bax who previously filed Direct Testimony in this case?

A. Yes.

Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of this Rebuttal Testimony is to discuss the Direct Testimony filed by Evergy Missouri Metro ("EMM") witness John Wolfram, as corrected, regarding jurisdictional allocations; more specifically, his recommendation regarding the determination of demand allocation factors reflected in his Direct Testimony.

CORRECTED DIRECT TESTIMONY OF EVERGY WITNESS JOHN WOLFRAM

Q. What was the recommendation made by witness John Wolfram regarding demand allocation factors for EMM?

A. On page 6, lines 10-17 of his Corrected Direct Testimony, Mr. Wolfram states, "[t]wo Demand allocators are used for transmission and production costs by the Company [EMM] in this case. One is calculated as the average of the coincident peak demand for twelve months ("12 CP"). The Company proposes using the 12 CP allocator for Transmission demand costs. The other demand allocator is calculated as the average of (i) the average of coincident peak demands for four months ("4 CP") and (ii) the 12 CP amount.[1] The Company proposes using this allocator for production demand costs."

Q. Do you agree with Mr. Wolfram's proposal?

A. No. Mr. Wolfram acknowledges that this aforementioned approach represents a change from what the Commission approved in the EMM's most recent rate filing.[2] In fact, Mr. Wolfram notes on Page 8, lines 10-14, that between 1985 and 2022, in twelve different rate proceedings, the Staff, along with intervenors in those cases, as well as all associated Commission Orders (whether the respective cases were settled or otherwise) have implemented a demand allocator in Missouri based on a 4 CP methodology. Mr. Wolfram readily

[1] References herein to and demand allocation of "*n* CP means the use of *n* months of Coincident Peak demand to determine the apportionment of demand costs for integer n between 1 and 12.

[2] The Commission's approved methodology (4 CP) for determining demand allocation factors has been consistently applied since the "Wolf Creek case" (ER-85-128).

admits on Page 13, lines 11-12 that a "…seasonal peak determination is more appropriate than using a 12 CP…." Staff continues to recommend in the current case that the demand allocation factor be determined using a 4 CP methodology for both transmission and production costs, as described more in depth in the Rebuttal Testimony of Staff witness Keith Majors.

Q. If a seasonal peak determination is more appropriate, then why is Mr. Wolfram introducing yet another new approach in his determination of demand allocation factors?

A. Mr. Wolfram describes his approach as being "novel, but simple and straightforward that enables an equitable, consistent allocation of demand costs between the Missouri and Kansas retail jurisdictions", which would allow EMM to achieve "jurisdictional harmony".[3,4] Mr. Wolfram opines that Missouri and Kansas employing differing methodologies in the respective states regarding the calculation of the demand allocation factors can lead to EMM experiencing irrational results or unreasonable outcomes. He suggests, in part, that an "arithmetic average" of the differing methodologies (4 CP in Missouri and 12 CP in Kansas) be accepted by each state in an effort to reduce the likelihood of such occurrences. However, as explained further below, Mr. Wolfram agrees with the reasoning cited consistently by the Missouri Commission in its determination of demand allocation

[3] Corrected Direct Testimony of Company Witness John Wolfram, Page 19-Lines 18-20.
[4] Corrected Direct Testimony of Company Witness John Wolfram, Page 10-Line 10.

factors. Therefore, taking an average of the differing methodologies employed in the respective states is not appropriate in addressing Mr. Wolfram's contention.

Q. What are the differing methodologies utilized in the respective state jurisdictions identified by Mr. Wolfram?

Q. The Missouri Commission has consistently approved the use of a 4 CP methodology, as described in my Direct Testimony, in each corresponding rate case involving EMM, or its predecessor, dating back to the 1980s. This was the compromise accepted by the MOPSC at that time.[5] However, the Kansas Commission changed its position to a 12 CP, beginning in 1985 and continuing in 2006. Mr. Wolfram indicates that in 2023 the "…KCC accepted a settlement in which the parties agreed that for purposes of allocating capacity-related generation and transmission plant costs between Missouri and Kansas jurisdictions, an average of a 4 CP and a 12 CP would be used for everything but Wolf Creek and transmission, which will be based on a 12 CP demand allocator."[6] Mr. Wolfram continues on Page 9, lines 8-10 to state "The Company proposes to allocate demand in this case using the arithmetic average of the 4 CP and 12 CP calculations, except for Transmission, which will use 12 CP."

Q. Did Mr. Wolfram analyze the same Federal Energy Regulatory Commission ("FERC") tests in his Direct Testimony as you illustrated in your

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[5] In the "Wolf Creek case" in the 1980s, Missouri was promoting a single peak methodology (1 CP) and Kansas was promoting a 7 CP prior to 1983. A 4 CP was ordered by the Missouri Commission in the Wolf Creek Case, Case No. ER-85-128.
[6] Corrected Direct Testimony of John Wolfram – Page 8, Line 19 to Page 9, Line 2.

Direct Testimony in recommending the Commission continue its consistent approval of adopting a 4 CP methodology in this current rate proceeding?

Q. Yes. Beginning on page 12 and continuing onto Page 13, Line 3, Mr. Wolfram briefly describes the same FERC tests that I more fully illustrated in my Direct Testimony.

Q. What were his results?

A. On Page 13 – Lines 5-13, Mr. Wolfram indicates using test period demand data to compare 12 CP to several other CP demand scenarios. Mr. Wolfram admits that the results of these tests indicate that "…using a seasonal peak determination is more appropriate than using 12 CP for determining the Demand allocator. **This is the case in every scenario for all jurisdictions**" (emphasis added). Hence, Mr. Wolfram agrees, as has been the situation in every associated rate case since 2006 in which EMM or its predecessor hired a consultant or otherwise, that EMM or its predecessor is a seasonal peaking utility.

Q. What is a seasonal peaking utility?

A. A utility that experiences its monthly peaks in the four summer months of a calendar year (June-September) is often referred to as a "Summer Season Peaking Utility." A utility that experiences its greatest peaks in one or more of the remaining eight months of a calendar year is referenced as a "Winter Season Peaking Utility." As described in my Direct Testimony, I recommended the Missouri Commission to continue using a 4 CP allocation methodology based on the peaks EMM recorded in the four summer months of calendar year 2025.

Q. Mr. Wolfram acknowledges applying the same FERC tests described in your Direct Testimony in his analyses of the recorded peaks in each jurisdiction and concluded that the test results were illustrative in utilizing a 4 CP methodology?

A. Yes, as I have previously indicated. On Page 13, lines 16-17, Mr. Wolfram acknowledged the results of the FERC tests "…were a strong indicator for appropriate development of the Demand allocator." Nonetheless, Mr. Wolfram indicates that the EMM's goal is to achieve "jurisdictional harmony" and identifies a few examples of utilities with similar multiple jurisdictions in which the same methodology was used in each jurisdiction such as Liberty Utilities d/b/a The Empire District Electric Company ("Empire") utilizing the 12 CP allocator to assign capacity costs in both Missouri and in Kansas.[7]

Q. Why has the Missouri Commission consistently adopted a 12 CP methodology concerning Empire?

A. Empire has consistently experienced similar peaks in both winter and summer months. As explained in my Direct Testimony, the adoption of a 12 CP methodology is appropriate for a utility like Empire that experiences similar monthly peaks in both winter and summer months. The results of these FERC tests being

[7] Staff notes that Liberty Utilities d/b/a The Empire District Electric Company serves retail customers in four states (Missouri, Kansas, Oklahoma, and Arkansas). In addition, Empire also has a wholesale jurisdiction.

applied to Empire's peaks have consistently underscored the usage of a 12 CP methodology in Empire rate cases.

Q. Historically, in the last general rate increase case requested by EMM (ER-2022-0129), Mr. Wolfram discusses the effects of Winter Storm Uri. Did the peaks experienced by EMM during that time frame have an effect on the results of the FERC tests in that case?

A. No. The results of the FERC tests applied to the monthly peaks in that case were very strong in that the summer seasonal peaks dominated the winter seasonal peaks as confirmed by Mr. Wolfram.[8]

Q. Mr. Wolfram has claimed that differing methodologies employed by the respective states in determining demand allocation factors resulted in a situation in which EMM provided an amount of revenues back to the states that was in excess of the level of revenues EMM received as a result of off-system sales it experienced during Winter Storm Uri in February 2021. Would you agree with this assessment?

A. No, not particularly. The Missouri Commission has consistently approved the utilization of the energy allocation factor as the appropriate method to distribute revenues experienced from off-system energy sales in all rate cases dating to the 1980s. In contrast, the state of Kansas has utilized several

[8] Case No. ER-2022-0129 – Rebuttal Testimony of John Wolfram – Page 3 Line 23 to Page 4 Line 3: "…The results of the FERC tests provided in Schedule JW-2 of my direct testimony show that any of the CP approaches considered is more appropriate than the use of the 12 CP approach…." Moreover, on Page 5 Lines 12-14, Mr. Wolfram states, "…As I stated in direct testimony, the FERC

approaches in association with its rate cases over the years, which includes a novel approach called an unused energy allocator. Each of these differing approaches approved by the Kansas Commission in allocating revenues experienced from off-system "energy" sales has included some component of demand in its calculation. However, Mr. Wolfram's conclusion that the situation experienced regarding the self-described excessive revenues returned to Missouri and Kansas that EMM expressed during Winter Storm Uri were the result of the differing demand allocation factors employed by each state is not correct. For a further explanation of this topic, please see the Rebuttal Testimony of Staff witness Keith Majors.

Q. Does this conclude your Rebuttal Testimony?

A. Yes, it does.

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test results indicate that using a seasonal peak determination is more appropriate than using 12 CP for determining the demand allocator…"

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service	))))	Case No. ER-2026-0143

AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ALAN J. BAX and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony Alan J. Bax*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Alan J Bax
ALAN J. BAX

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 6th day of August 2026.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2029
Commission Number: 12412070

D Suzie Mankin
Notary Public