# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Application of Evergy	)	
Kansas Central, Inc. and Evergy Kansas	)	
South, Inc. for Approval to Make Certain	)	25-EKCE-294-RTS
Changes in their Charges for Electric	)	
Service Pursuant to K.S.A 66-117.	)	

**DIRECT TESTIMONY** 

PREPARED BY

**DOUGLAS W. HALL** 

**UTILITIES DIVISION** 

KANSAS CORPORATION COMMISSION

June 4, 2025

# 1 I. Introduction, Qualifications, and Purpose of Testimony

- 2 Q. What is your name?
- 3 A. My name is Douglas W. Hall.
- 4 Q. By whom and in what capacity are you employed?
- 5 A. I am employed by the Kansas Corporation Commission ("KCC" or "Commission")
- as a Senior Rate Analyst in the Audit Section within the Utilities Division.
- 7 Q. What is your business address?
- 8 A. 1500 SW Arrowhead Road, Topeka, Kansas, 66604-4027.
- 9 Q. What is your educational background and professional experience?
- 10 A. I hold a bachelor's degree in both Economics and Mathematics from Colorado State
- University. I began my career at the KCC as a Research Economist in October of
- 12 2019. I became a Rate Analyst with the KCC in August 2020, and have been a
- Senior Rate Analyst since November 2022.
- 14 Q. Have you previously submitted testimony before this Commission?
- 15 A. Yes, I have submitted testimony in Docket Nos. 20-SPEE-169-RTS, 22-EKME-
- 16 254-TAR, and 23-EKCE-775-RTS. I have also contributed substantively to several
- 17 Report and Recommendations as a member of Commission Staff in other dockets.
- 18 Q. What is the purpose of your testimony?
- 19 A. The purpose of my testimony is to provide Staff's response to the proposal of
- 20 Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (together, "Evergy")
- 21 for changing the General Terms and Conditions ("GTC") of service, and for
- requesting a waiver to the Commission's Electric, Natural Gas and Water Billing

- 1 Standards ("Billing Standards") which are supported by Evergy witness Mr.
- 2 Bradley D. Lutz.

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## 3 II. Executive Summary

- 4 Q. Please provide an executive summary of your testimony.
- 5 A. Throughout this testimony, I will explain that Staff supports the proposed changes
- to Section 13 and Section 9 of Evergy's GTC. Staff also supports Evergy's request
- 7 for a waiver of the Commission's Billing Standards.

# 8 III. Proposed Changes to General Rules and Regulations

# 9 General Terms & Conditions ("GTC") Schedule Index

10 Q. Please describe Evergy's proposed changes to the GTC Schedule Index.

11 A. The proposed changes to Evergy's GTC add the Kansas Energy Efficiency

12 Investment Act ("KEEIA") programs to the index of the GTC under the entry of

Section 13, and the proposed Stay Connected program under Section 14. Staff

notes that Section 13 already exists as a component of the GTC, and that this change

simply modifies the index to be consistent with the actual contents of the GTC.

Similarly, if the Stay Connected pilot program is approved, the corresponding tariff

will need to be referenced in the index of the GTC. Therefore, Staff supports the

proposed changes to the index for Section 13 (KEEIA programs) and, if approved

by the Commission, Section 14 (Stay Connected program).

<sup>&</sup>lt;sup>1</sup> Direct Testimony of Brad Lutz on Behalf of Evergy Kansas Central and Evergy Kansas South, pp. 24-25 (Jan. 31, 2025) (Lutz Direct).

#### Section 9

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	2	Q.	Please describ	e Evergy's	proposed changes t	to Section 9 of the GT
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A. Evergy proposes a change to Section 9.07 of its GTC concerning master metering, which is the use of a single meter in serving all the tenants of multi-unit housing.<sup>2</sup>

The tariff reads as follows, with emphasis on the proposed changes:

Master metering is prohibited in new multi-unit residential dwellings, apartment complexes, and mobile home courts. Existing master metered facilities are not required to convert to individual metering unless renovation takes place and it is economically feasible to convert to individual meters. To fall within the definition of a renovated building, the cost of renovation shall be fifty percent or more of the value of the building. Evidence of the cost of renovation and the value of the building may be required by Evergy. Exception to this shall only be granted by permission of the Commission after request by the customer. Customers with master metered facilities must furnish electric service to tenants in or on such multiple occupancy premises on a rent inclusion basis; i.e., as an incident of the tenancy and without a specific or separate charge for the electric service so furnished by the Customer to the tenant, or a variable rental on account thereof.

There are three major proposed changes concerning the obligation of an owner and/or developer when such housing is renovated. Staff will address these changes one by one.

First, the current text requiring conversion to individual meters only in cases where "it is economically feasible to convert to individual meters" is proposed for removal. The current language is problematic, since no quantitative criterion or specific circumstance is provided to demonstrate what qualifies as economically feasible. If a property owner or developer believes that it is not economically

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<sup>&</sup>lt;sup>2</sup> Lutz Direct, p. 25.

feasible to convert to individual metering, the tariff already provides that an exception to the individual meter requirement can be granted by the Commission. Therefore, Staff supports this proposed deletion.

Second, the following sentence has been proposed for addition to Section 9.07: "Evidence of the cost of renovation and the value of the building may be required by Evergy." Currently, there is a clear line separating instances when individual metering is required and when it is not; this definition is based on the value of the building and the cost of the renovation. It is not difficult to imagine instances where substantial work is to be completed on a building, but that work does not qualify as a renovation by the definition in Section 9.07 of Evergy's GTC. It is reasonable for Evergy to have the option to require proof regarding the cost of renovation and the value of the building to ensure compliance with the GTC. At present, the customer can request that the Commission grant an exception to the individual metering requirement. The proposed changes, while not altering this language, clarify that it is the customer that must make the request. Therefore, Staff supports this proposed change.

Third, Evergy has proposed a requirement that master metered facilities "furnish electric service to tenants in or on such multiple occupancy premises on a rent inclusion basis." Rent inclusion basis means that the cost of electricity is incorporated into the flat amount paid to the property owner or landlord, as opposed to permitting a separate or variable charge for electric service. Rent inclusion is already required in Evergy Metro's GTC in Section 9.04.C, which addresses resale and redistribution of electricity. It could be argued that furnishing electric service

to tenants on a rent inclusion basis may introduce moral hazard, where a tenant may consume more electricity since it is being provided at a fixed monthly rate. However, this is offset by the possibility of increased rent in future leases; customers can reasonably presume that overuse of electricity will result in higher costs that will be incorporated into future rent.

There are benefits to providing utility service on a rent inclusion basis when individual metering is not an option. A set monthly price will benefit some tenants for budgeting purposes. Further, attempting to break out costs per tenant would lead to error-prone estimates. When a customer's usage cannot be individually and accurately metered, it makes more sense for them to face an upfront price than to be subjected to guesswork. For these reasons, Staff agrees with the proposed changes in Section 9 regarding master metering.

# IV. Request for Waiver to the Commission's Billing Standards

- 14 Q. Please describe why Evergy is requesting a waiver to the Commission's Billing Standards.
- A. Evergy is also requesting a waiver to the Commission's Billing Standards, specifically Section I.D.(3) which states that, "For general changes in rates or tariffs, the utility must prorate customer's bills during the billing month a charge in rates or tariffs becomes effective." Evergy states that changing the rates based on the billing cycle will simplify presentation to the customer and avoid any unnecessary confusion.<sup>3</sup>

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<sup>&</sup>lt;sup>3</sup> Lutz Direct, pp. 26-27.

Evergy also requested a waiver to the Billing Standards in Docket No. 23
EKCE-775-RTS for the same reason set forth in the instant application.<sup>4</sup> The waiver was agreed upon by all signatories in the Joint Motion for Approval of Unanimous Settlement Agreement, specifically as an undisputed issue.<sup>5</sup> The Commission issued an Order that accepted the Settlement Agreement in its entirety.<sup>6</sup>

Staff continues to support this request as reasonable and recommends that Evergy's request for a waiver to the Billing Standards be approved.

## V. Conclusion

## 10 **Recommendation**

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- Q. Please summarize Staff's recommendations.
- A. Staff recommends that the proposed changes to the GTC Schedule Index be accepted for Section 13 (KEEIA programs), and for Section 14 (Stay Connected program) if the pilot program is approved by the Commission. Staff also recommends that the request for waiver to the Billing Standards be approved.
- 16 Q. Does this conclude your testimony?
- 17 A. Yes. Thank you.

<sup>&</sup>lt;sup>4</sup> Direct Testimony of Brad Lutz, p. 67, Docket No. 23-EKCE-775-RTS (23-775) (Apr. 25, 2023).

<sup>&</sup>lt;sup>5</sup> Joint Motion for Approval of Unanimous Settlement Agreement, p. 18, Docket 23-775 (Sep. 29, 2023).

<sup>&</sup>lt;sup>6</sup> Order Approving Unanimous Settlement Agreement, p. 13, Docket 23-775-RTS (Nov. 21, 2023).

STATE OF Illinois) ) ss. COUNTY OF Will)

#### **VERIFICATION**

Douglas Hall being duly sworn upon his oath deposes and states that he is a Senior Rate Analyst of the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that (he/she) has read and is familiar with the foregoing Direct Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Douglas Hall

Senior Rate Analyst

State Corporation Commission of the

State of Kansas

OFFICIAL SEAL HALI CAST

NOTARY PUBLIC, STATE OF ILLINOIS MY COMMISSION EXPIRES: 06/07/2027

#### 25-EKCE-294-RTS

I, the undersigned, certify that a true copy of the attached Direct Testimony has been served to the following by means of electronic service on June 6, 2025.

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