

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION]
OF EVERGY METRO, INC., EVERGY]
CENTRAL, INC., AND EVERGY KANSAS] KCC Docket No. 21-EKME-320-TAR
SOUTH, INC. FOR APPROVAL OF]
TRANSPORTATION ELECTRIFICATION]
PORTFOLIO]

TESTIMONY IN SUPPORT OF NON-UNANIMOUS PARTIAL
SETTLEMENT AGREEMENT

ANDREA C. CRANE

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

July 30, 2021

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Andrea C. Crane and my business address is 2805 E. Oakland Park Boulevard,
4 #401, Fort Lauderdale, FL 33308.

5
6 **Q. Did you previously file testimony in this proceeding?**

7 A. Yes, on June 25, 2021, I filed Direct Testimony on behalf of the Citizens’ Utility Ratepayer
8 Board (“CURB”). On July 2, 2021, I filed Cross Answering Testimony on behalf of
9 CURB. These testimonies addressed CURB’s recommendations relating to the
10 Application filed on February 24, 2021 by Evergy Metro, Inc., Evergy Kansas Central,
11 Inc., and Evergy Kansas South, Inc. (collectively “Evergy” or “Company”) with the Kansas
12 Corporation Commission (“KCC” or “Commission”) seeking approval of a Transportation
13 Electrification Portfolio (“Portfolio”).

14
15 **Q. Please summarize the conclusions and recommendations contained in your Direct
16 Testimony and Cross Answering Testimony.**

17 A. My Direct Testimony described the four major components of the Company’s proposed
18 Portfolio: (1) an Electric Vehicle (“EV”) component that included rebates to various
19 customers for the installation of equipment for faster EV charging; (2) two new proposed
20 Time-of-Use (“TOU”) rate classes to promote off-peak charging of EVs; (3) customer
21 education and administration costs associated with both the customer rebates and with the

1 new TOU rate structures; and (4) expansion of the Company’s Clean Charge Network
2 (“CCN”). In addition, in its Application, the Company also sought authorization to defer
3 the costs associated with the rebates and with customer education and administration and
4 to recover those costs in the next base rate case through a five-year amortization.

5 I recommended that the KCC approve the Company’s request to offer two new
6 TOU rate structures that promote EV charging during off-peak hours. I also recommended
7 that the KCC permit the Company to defer incremental customer education and
8 administration costs associated with these two new TOU rate structures, for consideration
9 in the Company’s next base rate case. However, I recommended that the KCC reject the
10 Company’s proposals to provide ratepayer-funded rebates to residential customers,
11 residential developers, and commercial customers. I also recommended that the KCC reject
12 the Company’s proposed expansion of its CCN, which was previously rejected by the KCC.
13 In my Cross Answering Testimony, I expressed concerns about certain aspects of the
14 recommendations filed by the KCC Staff and by ChargePoint.

15
16 **II. DISCUSSION OF THE ISSUES**

17 **A. Summary of the Settlement Agreement**

18 **Q. Did the parties subsequently engage in settlement negotiations?**

19 A. Yes, they did. After the filing of Rebuttal Testimony, the parties engaged in extensive
20 settlement negotiations. As a result, the Company, KCC Staff, CURB and National
21 Resource and Defense Counsel (“NRDC”) were able to reach a Non-Unanimous Partial
22 Settlement Agreement (“Settlement Agreement”). ChargePoint and American Fuel &

1 Petrochemical Manufacturers (“AFPM”) are not signatories to the Settlement Agreement.

2
3 **Q. Please summarize the terms of the Settlement Agreement.**

4 A. The Settlement Agreement authorizes the Company to establish a five-year pilot program
5 to provide rebates to residential and commercial customers that install equipment for fast
6 charging of EVs.¹ Consistent with the recommendation of CURB, the Settlement
7 Agreement does not include the Residential Developer Rebate program.

8 With regard to the Residential Rebate Program, the Settlement Agreement provides
9 for rebates of \$500 or \$250 depending upon the rate schedule selected by the customer,
10 with higher rebates for customers that select an EV or TOU rate. In addition, the Settlement
11 Agreement authorizes the Company to spend up to \$10 million on the Commercial Rebate
12 Program. \$1.6 million of this amount will be targeted to underserved areas and the parties
13 will attempt to come to an agreement on what constitutes an “underserved” area prior to
14 the evidentiary hearing in this case. If the parties are unable to agree on what constitutes
15 an underserved area, then the parties will include arguments regarding the appropriate
16 definition of underserved areas in their briefs to be filed in this case, for determination by
17 the Commission.

18 In addition, depending on the results of the initial program, the Settlement
19 Agreement provides for the Commercial Rebate Program budget to be increased to \$15.4
20 million through an expedited process at the request of Evergy, with the concurrence of

1 To the extent an issue is not specifically addressed in the Settlement Agreement, the signatories have agreed to the provisions outlined in the Application.

1 KCC Staff and CURB. The Settlement Agreement lays out the parameters that will be
2 considered when evaluating whether to support an increase in the Commercial Rebate
3 Program budget, including a) the number of EVs in each territory and the number of public
4 chargers that are available, b) the number of public charging ports that have become
5 available without the assistance of the rebate program, and c) the extent to which actual
6 experience tracks with the Electric Power Research Institute’s (“EPRI”) current medium
7 run projections for EVs. If the signatories are unable to agree on expansion of the
8 Commercial Rebate Program budget, then the Settlement Agreement calls for resolution
9 by the KCC based on a 120-day expedited process.

10 The Settlement Agreement includes a budget for Customer Education and Program
11 Administration of \$2.3 million. The Settlement Agreement states that internal labor costs
12 will not be included in the deferred asset related to Customer Education and Program
13 Administration costs and there will be no offset to the deferred asset for any incremental
14 revenues related to the Commercial Rebate Program.

15 Finally, the Settlement Agreement provides for the approval of the Transit and
16 Business EV rates as proposed in the Application.

17 Reporting is a significant part of the Settlement Agreement, which provides for
18 annual reports for both the Residential Rebate Program and the Commercial Rebate
19 Program. The Settlement Agreement also requires Evergy to perform Evaluation,
20 Measurement and Verification (“EMV”) studies for both the Residential Rebate Program
21 and the Commercial Rebate Program, and to provide the signatories with both preliminary
22 and final reports on the results of each EMV. The Settlement Agreement also requires

1 Evergy to provide a technical paper on how AMI data is disaggregated and assumptions
2 used to disaggregate EV charging specifically. The Company will also use the results of
3 the pilot to develop a presentation by June 2024 on future rate designs that are applicable
4 to EV charging.

5
6 **Q. Are there any issues that are not resolved by the Settlement Agreement?**

7 A. Yes, Staff and CURB continue to oppose the Company’s proposed expansion of its CCN
8 program. Therefore, the parties have agreed to litigate that issue before the KCC in this
9 proceeding.

10
11 **B. Analysis of the Settlement Agreement**

12 **Q. Are you familiar with the standards used by the KCC to evaluate a settlement that is**
13 **proposed to the Commission?**

14 A. Yes, I am. The KCC has adopted five guidelines for use in evaluating settlement
15 agreements. These include: (1) Has each party had an opportunity to be heard on its reasons
16 for opposing the settlement? (2) Is the agreement supported by substantial evidence in the
17 record as a whole? (3) Does the agreement conform to applicable law? (4) Will the
18 agreement result in just and reasonable rates? (5) Are the results of the agreement in the
19 public interest, including the interests of customers represented by any party not consenting
20 to the agreement?

21 I understand that CURB counsel will address item 3, i.e., does the settlement
22 conform to applicable law, in opening statement at the upcoming hearing. Since I am not

1 an attorney, it is more appropriate for CURB counsel to address this issue than for me to
2 address it. However, I will discuss the remaining four guidelines below.

3
4 **Q. Has each party had an opportunity to be heard on its reasons for opposing the
5 settlement?**

6 A. Yes, the Settlement Agreement is the result of vigorous negotiation. While not all parties
7 are signatories to the Settlement Agreement, all parties had the opportunity to participate
8 in settlement negotiations, voice their opinions, and advocate for their positions. While
9 three parties to this proceeding are not signatories, I am unaware of any active opposition
10 to specific provisions of the Settlement Agreement. Moreover, the signatories to the
11 Settlement Agreement are the Company, KCC Staff, NRDC and CURB, which among
12 them represent both the Company's investors and the utility's ratepayers.

13
14 **Q. Is the Stipulation supported by substantial evidence in the record?**

15 A. Yes, it is. The Settlement Agreement is based largely on the position filed by KCC Staff
16 in this case. KCC Staff supported the Residential Rebate Program and a scaled-down
17 version of the Commercial Rebate Program. KCC Staff also expressed the need to obtain
18 as much information as possible regarding how and when residential customers were
19 charging their EVs. The Settlement Agreement provides for larger rebates for residential
20 customers that agree to utilize EV or TOU rates. It also includes significant reporting
21 requirements that will help the Commission and the parties assess the impact of the
22 program on both the EV market and on the Company's load profile. The Settlement

1 Agreement includes a scaled-down version of the Commercial Rebate Program, but also
2 provides a path for expansion of the program up to the \$15.4 million requested by the
3 Company assuming certain conditions are met. In addition, the Settlement Agreement
4 provides that at least \$1.6 million of the Commercial Rebate Program will be directed
5 toward underserved areas, which will satisfy the Company's objective to address the
6 perceived need for charging stations in certain select geographic areas. Therefore, the
7 Settlement Agreement is closely related to KCC Staff's recommendation, but has the
8 potential to go beyond those recommendations and to mirror a program closely aligned
9 with the Company's Application if certain conditions are met.

10
11 **Q. Will the Settlement Agreement result in just and reasonable rates?**

12 A. Yes, it will. While there will be no rate change immediately as a result of the Settlement
13 Agreement, the Company will be permitted to establish a regulatory asset for the rebate
14 costs and for its costs of customer education and administration. The Settlement
15 Agreement reflects potential costs of up to \$1.55 million for the Residential Rebate
16 Program and of up to \$15.4 million for the Commercial Rebate Program. In addition, the
17 Settlement Agreement provides for recovery of up to \$2.3 million in customer education
18 and administrative costs, for a total potential cost over five years of \$19.25 million,
19 assuming maximum expansion of the Commercial Rebate Program. While these costs are
20 not insignificant, recovery of this amount should not cause undue harm to ratepayers, and
21 will allow the parties to gain significant knowledge regarding EV charging, which may
22 result in future quantitative benefits to Evergy ratepayers. Moreover, the program costs

1 will be subject to the normal review process in a base rate case, prior to their recovery from
2 Kansas ratepayers.

3
4 **Q. Is the Settlement Agreement in the public interest?**

5 A. Yes, the Settlement Agreement is a reasonable compromise of the issues in this case, is in
6 the public interest, and should be approved by the KCC. The parties have agreed to a
7 limited pilot rebate program, which should provide important information about how,
8 where, and when EV customers charge their vehicles. In addition, a portion of the
9 Commercial Rebate Program will be specifically targeted to underserved areas. The
10 Settlement Agreement also provides for a modest expansion of the Commercial Rebate
11 Program if certain parameters are met. This will ensure that any expansion is directly
12 linked to results of the initial program and will provide for controlled expansion based on
13 actual experience. Moreover, the Company agreed not to pursue the Residential Developer
14 Rebate Program, which I believe offered no value to ratepayers as discussed in my Direct
15 Testimony. The Settlement Agreement also provides for two new rates (Transit and
16 Business EV rates) that will promote efficient charging of EVs by certain users.

17 The Settlement Agreement will allow the parties, and the Commission, to obtain
18 important information about EV charging and usage without committing ratepayer funds
19 to a long-term investment in a competitive market. If the Residential Rebate Program and
20 Commercial Rebate Programs are successful, it is my hope and expectation that by the end
21 of the five-year pilot period, the competitive market will have made the need for further
22 utility rebates unnecessary. Alternatively, at the end of five years, we may learn that these

1 rebates have had little impact on the development of the EV market. In any event, the
2 parties will have five years of data and experience on which to base future decisions
3 regarding the utility's role in the EV market, information which hopefully will ensure that
4 future decisions continue to be in the public interest.

5
6 **Q. Does CURB's support of the Settlement Agreement mean that CURB is no longer**
7 **concerned about the policy issues raised in your Direct and Cross Answering**
8 **Testimonies?**

9 A. No, not at all. In my Direct Testimony and Cross Answering Testimony, I raised important
10 policy issues regarding the utility's role in promoting EVs. Specifically, I expressed
11 concerns about the Company using ratepayer funds to support a competitive business
12 enterprise. CURB also questioned whether ratepayer funds should be used to provide
13 rebates to customers who, in many cases, are relatively affluent relative to other customers
14 and who may purchase an EV without the financial rebates offered by the utility. CURB's
15 concerns regarding the use of ratepayer funds to jump-start a competitive EV market are
16 unchanged. Nevertheless, we realize that there is a fair degree of uncertainty regarding the
17 EV market over the next five years and the potential impact of EV charging on the electric
18 utility grids. Therefore, we believe that it is reasonable to support a limited, pilot program
19 at this time in order to gain additional information about the charging of EV vehicles,
20 information that will help the parties to make important decisions in the future.
21 Accordingly, while CURB supports the Settlement Agreement, CURB continues to believe
22 that the EV charging market should be left primarily to the competitive market.

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C. Conclusions and Summary

Q. Please summarize your testimony.

A. I support the Settlement Agreement as being in the public interest and recommend that it be approved by the KCC. A limited, pilot rebate program will allow the Company to obtain valuable information about EV charging over the next five years, as this market develops. In addition, the Settlement Agreement ensures that a portion of the rebates will be directed to underserved markets and provides for a limited expansion of the Commercial Rebate Program if certain conditions are met. The Settlement Agreement will also provide two new EV charging rates for Transit and Business EV customers. The extensive reporting requirements, coupled with the requirements for EMV studies, will provide the parties and the KCC with important information that can be used in five years to reassess the impact of EV charging on the electric utility. Finally, I continue to oppose Evergy’s proposed expansion of the CCN at this time, and I look forward to litigating that issue before the KCC.

Q. Does this conclude your testimony?

A. Yes, it does.

VERIFICATION

STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)


Andrea C. Crane, President of The Columbia Group, Inc., upon being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board, that she has read and is familiar with the foregoing Testimony in Support of Non-Unanimous Partial Settlement Agreement of Andrea C. Crane, and that the statements made therein are true and correct to the best of her knowledge, information and belief.

SIGNED this 30th day of July, 2021.



ANDREA C. CRANE

SUBSCRIBED AND SWORN TO before me by Andrea C. Crane on this 30th day of July, 2021.



**NOTARY PUBLIC IN AND FOR THE
STATE OF FLORIDA**

My Commission Expires: 05/23



CERTIFICATE OF SERVICE

21-EKME-320-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 30th day of July, 2021, to the following:

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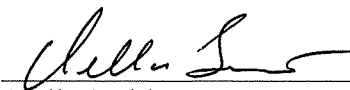
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