## BEFORE THE STATE CORPORATION COMMISSION

## OF THE STATE OF KANSAS

]

1

]

]

]

IN THE MATTER OF THE APPLICATION OF EVERGY METRO, INC., EVERGY CENTRAL, INC., AND EVERGY KANSAS SOUTH, INC. FOR APPROVAL OF TRANSPORTATION ELECTRIFICATION PORTFOLIO

] KCC Docket No. 21-EKME-320-TAR

## CROSS ANSWERING TESTIMONY OF

# ANDREA C. CRANE

### ON BEHALF OF

## THE CITIZENS' UTILITY RATEPAYER BOARD

July 2, 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"). My Direct Testimony addressed the Application filed on February 24,
9		2021, by Evergy Metro, Inc., Evergy Kansas Central, Inc., and Evergy Kansas South, Inc.
10		(collectively "Evergy" or "Company") with the Kansas Corporation Commission ("KCC"
11		or "Commission") seeking approval of a Transportation Electrification Portfolio
12		("Portfolio").
13		
14	Q.	What were your conclusions concerning the Company's Portfolio and its request to
15		defer the associated costs for future recovery from Kansas ratepayers?
16	A.	As discussed in my Direct Testimony, CURB is generally supportive of national efforts to
17		promote cleaner transportation options, including Electric Vehicles ("EVs"). In my Direct
18		Testimony, I recommended that the KCC approve the Company's request to offer two new
19		Time-of-Use ("TOU") rate structures that promote EV charging during off-peak hours. I
20		also recommended that the KCC permit the Company to defer incremental customer
21		education and administration costs associated with these two new TOU rate structures, for
22		consideration in the Company's next base rate case.

1		However, CURB has serious public policy concerns regarding the Company's
2		proposals to provide rebates for charging equipment and I recommended that the KCC
3		reject the Company's proposals to provide ratepayer-funded rebates to residential
4		customers, residential developers, and commercial customers. If the KCC decides to
5		authorize some level of rebates for EV charging equipment, then I recommended that these
6		rebates be limited to public entities including public transit systems, and that costs be
7		shared between ratepayers and shareholders. I also recommended that the KCC reject the
8		Company's proposed expansion of its Clean Charge Network ("CCN"), which has
9		previously been rejected by the KCC.
10		
11	II.	DISCUSSION OF THE ISSUES
12		A. <u>Comments on Staff Testimony</u>
12 13	Q.	A.Comments on Staff TestimonyHave you reviewed the Direct Testimony filed by Staff in this proceeding?
	<b>Q.</b> A.	
13		Have you reviewed the Direct Testimony filed by Staff in this proceeding?
13 14		Have you reviewed the Direct Testimony filed by Staff in this proceeding? Yes, I have reviewed the Direct Testimony filed by Justin T. Grady, Robert H. Glass, and
13 14 15		Have you reviewed the Direct Testimony filed by Staff in this proceeding? Yes, I have reviewed the Direct Testimony filed by Justin T. Grady, Robert H. Glass, and Leo M. Haynos. Staff recommends that the KCC approve a scaled-down version of the
13 14 15 16		Have you reviewed the Direct Testimony filed by Staff in this proceeding? Yes, I have reviewed the Direct Testimony filed by Justin T. Grady, Robert H. Glass, and Leo M. Haynos. Staff recommends that the KCC approve a scaled-down version of the rebate program and approve the TOU rates. Staff also recommends that the KCC deny the
13 14 15 16 17		Have you reviewed the Direct Testimony filed by Staff in this proceeding? Yes, I have reviewed the Direct Testimony filed by Justin T. Grady, Robert H. Glass, and Leo M. Haynos. Staff recommends that the KCC approve a scaled-down version of the rebate program and approve the TOU rates. Staff also recommends that the KCC deny the
13 14 15 16 17 18	A.	Have you reviewed the Direct Testimony filed by Staff in this proceeding? Yes, I have reviewed the Direct Testimony filed by Justin T. Grady, Robert H. Glass, and Leo M. Haynos. Staff recommends that the KCC approve a scaled-down version of the rebate program and approve the TOU rates. Staff also recommends that the KCC deny the Company's request to expand the CCN at ratepayer expense.
13 14 15 16 17 18 19	A.	Have you reviewed the Direct Testimony filed by Staff in this proceeding? Yes, I have reviewed the Direct Testimony filed by Justin T. Grady, Robert H. Glass, and Leo M. Haynos. Staff recommends that the KCC approve a scaled-down version of the rebate program and approve the TOU rates. Staff also recommends that the KCC deny the Company's request to expand the CCN at ratepayer expense. Do you agree with Staff that a scaled-down version of the rebate program is

The Columbia Group, Inc.

without addressing the larger issue of public policy. The fundamental policy question in 1 this case is whether Evergy should be using ratepayer funds to promote a competitive 2 product. In my Direct Testimony, I concluded that the use of ratepayer funds to provide 3 rebates to select customers, and utility ownership of charging stations, was not an 4 appropriate use of ratepayer funds. While some of the goals of these activities may be 5 admirable, such as promoting a cleaner environment, Evergy's function is to provide 6 electricity to customers in its service territory – not to promote a competitive product 7 simply because it is environmentally friendly. 8

Evergy should let the competitive market, or government agencies, determine the
 most appropriate way to support development of the EV market. If public intervention is
 determined to be necessary, such intervention should be undertaken by federal, state, and/or
 local governments, not by monopolistic utilities with captive ratepayers, some of whom
 have difficulty covering their own energy bills.

Finally, even Dr. Glass admits that "[i]t is difficult to imagine many situations where a \$500 rebate for installing a 240V plug is going to make much of a difference in the decision to buy [an EV]."<sup>1</sup> It is similarly difficult to imagine many situations where a \$250 rebate is going to make a difference to a residential developer as to whether or not to install a 240V outlet in a new home.

19

<sup>1</sup> Testimony of Dr. Glass, page 10, lines 7-8.

### Q. Please comment on Staff's recommendation that expansion of the CCN should not be 1 approved at this time?

2

A. I agree with Staff's conclusion that the KCC should not authorize expansion of the CCN 3 at this time. However, Staff's conclusion is somewhat based on legal and procedural 4 concerns. Staff largely ignores the prior proceeding before the KCC where the CCN 5 program was fully vetted, and ultimately rejected, by the KCC. While I understand that a 6 prior KCC decision does not permanently preclude all future commissions from reaching 7 a different outcome, there is nothing in this case to support a finding that is different from 8 the KCC's findings in Docket No. 16-KCPE-160-MIS ("16-160 Docket"). In fact, the 9 most significant relevant change between the 16-160 Docket and now has been the 10 enactment of House Bill ("HB") 2145 which exempts private or public entities providing 11 EV charging services from being classified as public utilities, provided that the electricity 12 used for the electric vehicle charging service is purchased through a retail electric supplier 13 in the certified territory of the supplier. This legislation eliminates a major obstacle to the 14 expansion of EV charging stations by private entities and facilitates a competitive market 15 for EV charging services. 16

- 17
- 18

#### **B**. **Response to ChargePoint Testimony**

#### Have you reviewed the Direct Testimony of Justin D. Wilson on behalf of **Q**. 19 **ChargePoint?** 20

Yes, I have. I find ChargePoint's testimony to be self-serving. ChargePoint supports using A. 21 ratepayer funds to support a competitive activity – namely one provided by ChargePoint. 22

The Columbia Group, Inc.

### KCC Docket No. 21-EKME-320-TAR

In addition, while ChargePoint recommends using ratepayer funds to promote these activities, ChargePoint opposes any requirement that participants provide usage information to Evergy, arguing that such information is competitively sensitive. This is exactly why Evergy should not be in the business of promoting a competitive activity – because it creates conflicts of interest between a regulated monopoly utility and the competitive market. Being lost in the discussion are the ratepayers who would ultimately bear the costs associated with promotion of these competitive activities.

In addition, Mr. Wilson recommends that site hosts be permitted to establish the prices and pricing policies for EV charging services provided at the utility-owned chargers.<sup>2</sup> This provision would also blur the distinction between the competitive activity and regulated public utility service, would weaken the authority of the KCC, and would effectively result in the reselling of regulated electric service.

Finally, Mr. Wilson states that "treating the customer meter as the point of demarcation of responsibility is a result of tradition and not of any particular law."<sup>3</sup> While I will not comment on the legal issues surrounding the point of demarcation, I believe that the demarcation point is more than just "tradition." Allowing Evergy to use ratepayer funds to promote a specific product behind the meter is at odds with the nature of a regulated monopoly public utility.

- 19
- 20

<sup>2</sup> Testimony of Mr. Wilson, page 18, lines 8-9.

<sup>3</sup> Testimony of Mr. Wilson, page 5, lines 20-21.

The Columbia Group, Inc.

## 1 C. <u>Summary</u>

### 2 Q. Please summarize your Cross Answering Testimony.

A. Staff's proposals, although a vast improvement over those filed by Evergy in its
Application, do not address the important public policy issue – whether regulated
monopoly ratepayers should be forced to subsidize a competitive entity. I contend that
they should not and I continue to recommend that the KCC reject the residential, residential
developer, and commercial rebates proposed by Evergy. In addition, in view of the KCC's
prior rejection of the CCN, as well as the enactment of HB 2145, the Company's proposed
CCN expansion should be denied.

The KCC should also reject the proposed modifications to the rebate programs 10 proposed by ChargePoint. However, in the event that the KCC does approve some level 11 of rebates to some customer classes, then participants should be required to share usage 12 information with Evergy, in order to evaluate the effectiveness of the proposed program, 13 including costs and benefits. The sharing of usage data would also provide maximum 14 15 transparency to rate payers as well as information that may be helpful in designing future rates or grid enhancements, if any. In the event that the KCC approves some or all of the 16 proposed rebate programs, CURB also recommends that Evergy be required to periodically 17 18 report the results of the rebate programs, and to work with the KCC Staff and CURB to determine the impact of the rebate programs on Kansas ratepayers. 19

20

21 Q. Does this conclude your Rebuttal Testimony?

22 A. Yes, it does.

7

### VERIFICATION

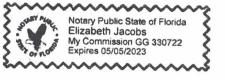
STATE OF FLORIDA ) ) ss: COUNTY OF BROWARD )

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 Cross Answering Testimony 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 2nd day of July, 2021.

**SUBSCRIBED AND SWORN TO** before me by Andrea C. Crane on this 2nd day of July, 2021.

NOTARY PUBLIC IN AND FOR THE STATE OF FLORIDA



My Commission Expires: 5 5 1023

### **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 2<sup>nd</sup> day of July, 2021, to the following:

C. EDWARD PETERSON C. EDWARD PETERSON, ATTORNEY AT LAW 5522 ABERDEEN FAIRWAY, KS 66205 ed.peterson2010@gmail.com

CATHRYN J. DINGES, CORPORATE COUNSEL EVERGY KANSAS CENTRAL, INC 818 S. KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 <u>Cathy.Dinges@evergy.com</u>

AMBER HOUSHOLDER, REGULATORY AFFAIRS, MGR EVERGY KANSAS CENTRAL, INC 818 S. KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 amber.housholder@evergy.com

LARRY WILKUS, DIRECTOR, RETAIL RATES EVERGY KANSAS CENTRAL, INC FLOOR #10 818 S. KANSAS AVE TOPEKA, KS 66601-0889 <u>larry.wilkus@evergy.com</u>

LESLIE WINES EVERGY KANSAS CENTRAL, INC 818 S. KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 <u>leslie.wines@evergy.com</u>

ANTHONY WESTENKIRCHNER, SENIOR PARALEGAL EVERGY METRO, INC D/B/A EVERGY KANSAS METRO ONE KANSAS CITY PLACE 1200 MAIN ST., 19<sup>th</sup> FLOOR KANSAS CITY, MO 64105 anthony.westenkirchner@evergy.com BRIAN G. FEDOTIN, GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <u>b.fedotin@kcc.ks.gov</u>

CARLY MASENTHIN, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <u>c.masenthin@kcc.ks.gov</u>

MICHAEL NEELEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 m.neeley@kcc.ks.gov

SCOTT DUNBAR KEYES & FOX LLP 1580 LINCOLN STREET SUITE 880 DENVER, CO 80203 SDUNBAR@KFWLAW.COM

JENNIFER S. GRIFFIN LATHROP GPM LLP 314 EAST HIGH STREET JEFFERSON CITY, MO 65101 jennifer.griffin@lathropgpm.com

GLENDA CAFER, ATTORNEY MORRIS LAING EVANS BROCK & KENNEDY 800 SW JACKSON SUITE 1310 TOPEKA, KS 66612-1216 <u>GCAFER@MORRISLAING.COM</u>

THOMAS J. CONNORS, Attorney at Law TITUS CONNORS, LLC 6600 W. 95<sup>th</sup> ST., STE. 200 OVERLAND PARK, KS 66212 tommy@tituslawkc.com

Della Smith Senior Administrative Specialist