

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

**IN THE MATTER OF THE JOINT APPLICATION)
OF EVERGY KANSAS CENTRAL, INC., EVERGY)
KANSAS SOUTH, INC., AND EVERGY METRO,)
INC. FOR APPROVAL TO MAKE CERTAIN)
CHANGES IN THEIR CHARGES FOR ELECTRIC)
SERVICE)**

**DOCKET NO.
23-EKCE-775-RTS**

CROSS-ANSWERING TESTIMONY

GLENN A. WATKINS

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

SEPTEMBER 5, 2023

1 **I. INTRODUCTION**

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

3 A. My name is Glenn A. Watkins. My business address is 6377 Mattawan Trail,
4 Mechanicsville, Virginia 23116.

5
6 **Q. Have you previously filed testimony in this proceeding?**

7 A. Yes. I filed direct testimony in this proceeding on August 29, 2023.

8
9 **Q. What is the purpose of your cross-answering testimony?**

10 A. The purpose of this testimony is to respond to the direct testimonies of: Kansas Industrial
11 Consumers Group, et. al. witness Jessica York; Department of Defense witness Dr. Larry
12 Blank; Atmos Energy witness Paul Raab; Sinclair El Dorado Refining witness Brian
13 Collins; and Walmart witness Lisa Perry on issues concerning class cost of service and
14 class revenue apportionment.

15
16 **Q. Do you have an overarching disagreement with the above referenced witnesses as it
17 relates to class cost of service?**

18 A. Yes. Each of the above referenced witnesses, who represent large volume customers, either
19 support or do not object to Evergy’s allocation of production plant based on its so-called
20 4-CP/Average & Excess approach.¹ In my direct testimony, I provided a detailed
21 explanation of how Evergy’s production plant is planned, built, and operated such that the

¹ See: Direct Testimony of witness York, page 10, lines 9-12; Direct Testimony of witness Blank, page 23, lines 14-19; Direct Testimony of witness Raab, page 6, line 23 through page 7, line 1; Direct Testimony of witness Collins, page 12, lines 22-23; and Direct Testimony of witness Perry, page 8, lines 11-12.

1 Company's allocation of production plant is clearly at odds with cost causation.
2 Furthermore, I explained how the Company's production plant allocation factor (the so-
3 called 4-CP/A&E factor) is nothing more than a 4-CP allocation factor and is at direct odds
4 with the Company's own intention to consider both energy usage and peak load
5 requirements. As such, I disagree with these witnesses' support of the Company's method
6 to allocate production plant.

7

8 **Q. Do your disagreements with the above referenced witnesses carry forward to their**
9 **recommended class revenue apportionments?**

10 A. Yes. Each of the above referenced witnesses' recommended revenue apportionments are
11 based largely on the results of their acceptance of the Company's allocation of production
12 plant. Therefore, I disagree with these witnesses' class revenue apportionments.

13

14 **Q. Is there any specific issue in Ms. York's direct testimony that warrants a correction?**

15 A. Yes. On page 9, line 23 through page 10, line 2 of her direct testimony, Ms. York states:

16 The [Peak and Average ("P&A")] method double counts the average
17 demand component of the allocator – once in the average demand
18 component, and once in the peak demand component of the allocator.
19

20 Ms. York's assertion is based on her contention that because peak demand includes average
21 hourly demand, there is a double counting of average hourly demand within the P&A
22 methodology. This assertion is simply incorrect. While, by mathematical definition, there
23 is no doubt that the average hourly demand is less than the peak hourly demand, there is
24 no double count in that these two are distinctly different concepts. With respect to average
25 hourly demand, this is the exact same percentage across classes as annual energy usage. In

1 fact, this method could more accurately be named “Peak Hour & Annual Energy.”
2 Nonetheless, the Peak & Average naming convention has been used for decades. As such,
3 average hourly demand and energy usage measure the utilization of resources over time.
4 Peak demand measures the highest level of demand placed on the system and is
5 conceptually the amount of load on a system at a single point in time (one hour). As a
6 matter of physics, these concepts are totally different in that average hourly demand
7 measures utilization throughout the year, while peak demand measures peak load for one
8 hour.

9 As an analogy, consider the average fuel consumption of a motor vehicle over time
10 compared to the fuel burned by it during peak load. Over the course of a year, a vehicle
11 will burn a certain amount of fuel over the course of thousands of miles and hours of use.
12 This will equate to average miles per gallon. However, when that vehicle is towing a large
13 trailer or has a heavy load, the fuel burned (load) at that point in time is much greater than
14 average fuel consumption. The concepts are entirely distinct: one being energy usage over
15 time (measured as kWh) and the other being peak load (measured as kW) at a specific point
16 in time.

17

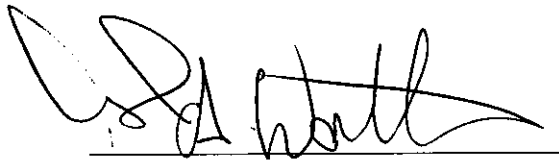
18 **Q. Does this complete your cross answering testimony?**

19 A. Yes.

VERIFICATION

COMMONWEALTH OF VIRGINIA)
)
COUNTY OF HANOVER) ss:

Glenn A. Watkins, being duly sworn upon his oath, deposes and states that he is a consultant for the Citizens' Utility Ratepayer Board, that he has read and is familiar the foregoing *Cross Answering Testimony*, and that the statements made herein are true and correct to the best of his knowledge, information, and belief.



Glenn A. Watkins

SUBSCRIBED AND SWORN to before me this 5th day of September, 2023.



Jennifer R. Dolen
Notary Public

My Commission expires: October 31, 2026
Reg. # 7315146



CERTIFICATE OF SERVICE

23-EKCE-775-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 5th day of September, 2023, to the following:

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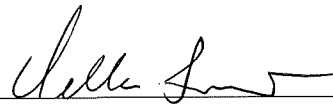
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