

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

|  |   |                                     |
|--|---|-------------------------------------|
| In the Matter of Evergy Metro, Inc. d/b/a Evergy | ) |                                     |
| Missouri Metro’s Demand Side Investment          | ) | <b><u>File No. ER-2022-0149</u></b> |
| Mechanism Rider Rate Adjustment and True-Up      | ) | Tariff No. JE-2022-0172             |
| Required by 20 CSR 4240-20.093(4)                | ) |                                     |

**STAFF RECOMMENDATION**

**COMES NOW** Staff of the Missouri Public Service Commission and for its Staff Recommendation respectfully states:

1. On December 2, 2021, Evergy Metro, Inc., d/b/a Evergy Missouri Metro (“Evergy Metro” or “Company”) filed with the Commission one (1) tariff sheet bearing an issue date of December 2, 2021, with an effective date of February 1, 2022, proposing to adjust charges related to Evergy Metro’s DSIM Rider. Evergy Metro’s filing also included the Direct Testimony of Lisa A. Starkebaum and work papers consisting of electronic worksheets showing its calculation of the proposed rates.

2. On December 3, 2021, the Commission issued its *Order Directing Filing* directing Staff to file its recommendation no later than December 30, 2021.

3. Staff has completed its review of Evergy Metro’s filing in this matter and, as detailed in its Memorandum attached hereto as Appendix A, Staff recommends that the Commission approve the following tariff sheet, filed on December 2, 2021 for service on and after February 1, 2022, the requested effective date:

P.S.C. MO. No. 7  
Fifth Revised Sheet No. 49Y, Cancelling Fourth Revised Sheet No. 49Y

4. The proposed change will increase residential customers’ DSIM Rider rate from \$0.00589 to \$0.00679 per kWh. For a residential customer using 1,000 kWh, this would mean an increase of \$0.90 per month. For a non-residential customer

using 1,000 kWh, this filing would mean a \$0.48 increase for Small General Service, a \$0.49 increase for Medium General Service, a \$0.43 increase for Large General Service, and a \$0.14 increase for Large Power Service per month.

5. Staff's recommendation to approve this Fifth Revised Sheet No. 49Y does not constitute a review of the prudence of Evergy Metro's actions in relation to its DSIM.

**WHEREFORE**, Staff recommends the Commission issue an order approving Fifth Revised Sheet No. 49Y, Cancelling Fourth Revised Sheet No. 49Y, with an effective date of February 1, 2022.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

Jeffrey A. Keevil

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Attorney for the Staff of the  
Missouri Public Service Commission

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 30<sup>th</sup> day of December, 2021.

**/s/ Jeffrey A. Keevil**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
File No. ER-2022-0149 and Tariff Tracking No. JE-2022-0172

**FROM:** Michelle A. Bocklage, Senior Research/Data Analyst- Tariff/Rate Design Dept.  
Brad J. Fortson, Regulatory Compliance Manager- Energy Resources Dept.

/s/ Michelle A. Bocklage / 12-30-21                      /s/ Jeffery A. Keevil / 12-30-21  
Industry Analysis Division / Date                      Staff Counsel's Office / Date

**SUBJECT:** Staff Recommendation to Approve Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Metro") Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM") Rider Rate effective February 1, 2022.

**DATE:** December 30, 2021

### Evergy Metro Filing

On December 2, 2021, Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Metro") filed with the Commission one (1) tariff sheet bearing an issue date of December 2, 2021, with an effective date of February 1, 2022, proposing to adjust charges related to Evergy Metro's DSIM Rider. Evergy Metro's filing also included the Direct Testimony of Lisa A. Starkebaum and work papers consisting of electronic worksheets showing its calculation of the proposed rates. As filed, Evergy Metro's DSIM revenue requirement for program year 2022 is approximately \$32.1 million.

On December 3, 2021, the Commission issued its *Order Directing Filing* directing Staff to file its recommendation no later than December 30, 2021.

### Change in Evergy Metro's DSIM Rates

Per 20 CSR 4240-20.093(4), Evergy Metro is required to make semi-annual adjustments of DSIM rates to reflect the amount of revenue that has been over/under collected.

The current Missouri Energy Efficiency Investment Act ("MEEIA") mechanism rate per class of customer is collected through a line item on current bills based on an annual level of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. In addition to reconciliations for prior periods, this adjustment includes Evergy Metro's MEEIA Cycle 2 extension request through December 31, 2019, Evergy Metro's Cycle 2 earnings opportunity ("EO"), and actual and projected costs for Evergy Metro's MEEIA Cycle 3 approved in Case No. EO-2019-0132.

The table below provides a summary of the cumulative throughput disincentive (“TD”), program costs (“PC”), and earnings opportunity (“EO”) for Cycle 2 and Cycle 3 and average cost per estimated kilowatt hour (kWh) saved.

|                             | Eversource                   |                          |
|-----------------------------|------------------------------|--------------------------|
|                             | MEEIA 3 through January 2022 | MEEIA Cycle 2            |
| TD                          | \$ 9,599,131.00              | \$ 39,007,844.00         |
| Program Cost                | \$ 27,406,544.00             | \$ 67,774,562.00         |
| EO                          | \$ 2,086,450.91              | \$ 10,766,766            |
| <b>Total</b>                | <b>\$ 37,005,675.00</b>      | <b>\$ 106,782,406.00</b> |
| Estimated kWh               | 135,930,606.00               | 314,994,695.26           |
| Avg. cost per estimated kWh | .0029                        | .0037                    |

Additionally, Eversource is projecting to recover approximately \$26.7 million through December 2022 for projected PC and TD for Cycle 3 and approximately \$5.4 million for projected TD for Cycle 2. Even though MEEIA Cycle 2 programs ended in December 2019, Eversource will continue to recover TD on deemed savings until all savings are rebased in a rate case. At the end of 2022, Eversource is projected to recover from ratepayers approximately \$175.8 million for energy efficiency programs for MEEIA Cycles 2 & 3.

Listed below are the current MEEIA rates and the new MEEIA rates for the proposed DSIM Rider. The proposed DSIM Rider rate changes are applicable to all non-lighting kilowatt hours (kWh) of energy supplied to customers under Eversource’s retail rates schedules, excluding kWh of energy supplied to “opt-out” customers.

| Rate Class            | Current MEEIA Rate/kWh | Proposed MEEIA Rate/kWh |
|-----------------------|------------------------|-------------------------|
| Residential Service   | \$0.00589              | \$0.00679               |
| Non-Residential – SGS | \$0.00228              | \$0.00276               |
| Non-Residential – MGS | \$0.00498              | \$0.00547               |
| Non-Residential – LGS | \$0.00364              | \$0.00407               |
| Non-Residential – LPS | \$0.00260              | \$0.00274               |

The proposed change will increase residential customers' DSIM Rider rate from \$0.00589 to \$0.00679 per kWh.<sup>1</sup> For a residential customer using 1,000 kWh, this would mean an increase of \$0.90 per month. For a non-residential customer using 1,000 kWh, this would mean a \$0.48 increase for Small General Service, an increase of \$0.49 for Medium General Service, an increase of \$0.43 for Large General Service, and an increase of \$0.14 for Large Power Service per month.

In Staff's Recommendation in ER-2021-0152, Staff first notified the Commission of concerns with the Company's reported savings attributable to Home Energy Reports ("HER"). Staff stated that it would further review the level of reported kWh savings in the Company's next prudence review. Staff initiated a prudence review on June 4, 2021 in Case No. EO-2021-0417, and Staff has submitted its Recommendation in that case. An evidentiary hearing is scheduled for April 5-6, 2022 in that case. The Company has made no adjustment or changes in this current DSIM filing to account for any of Staff's concerns noted in EO-2021-0417.

### **Staff Recommendation**

The Commission Staff's Tariff/Rate Design Department and Energy Resources Department have reviewed the filed tariff sheet and recommend the Commission issue an order approving the following tariff sheet, filed on December 2, 2021 for service on and after February 1, 2022, the requested effective date:

P.S.C. MO. No. 7  
5<sup>th</sup> Revised Sheet No. 49Y, Cancelling 4<sup>th</sup> Revised Sheet No. 49Y

Staff has verified that Evergy Metro is not delinquent on any assessment and has filed its Annual Report. Evergy Metro is current on its submission of its Quarterly Surveillance Monitoring reports as required in 20 CSR 4240-20.090(10). Staff's recommendation to approve this Fifth Revised Sheet No. 49Y does not constitute a review of the prudence of Evergy Metro's actions in relation to its DSIM.

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<sup>1</sup> Inclusion of MEEIA Cycle 3 projected Program Costs ("PC") and Throughput Disincentive ("TD") in addition to projected MEEIA Cycle 2 PC, TD and EO for the 12-months ending December 31, 2022.



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**OF THE STATE OF MISSOURI**

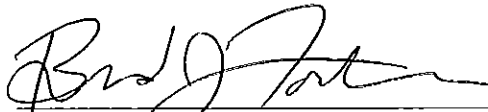
In the Matter of Evergy Metro, Inc. d/b/a )  
Evergy Missouri Metro’s Demand Side ) File No. ER-2022-0149  
Investment Mechanism Rider Rate )  
Adjustment and True-Up Required by )  
20 CSR 4240-20.093(4) )

**AFFIDAVIT OF BRAD J. FORTSON**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW** Brad J. Fortson, and on his oath declares that he is of sound mind and lawful age, that he contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

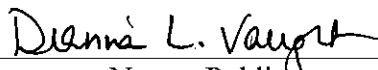
Further the Affiant sayeth not.

  
\_\_\_\_\_  
Brad J. Fortson

**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 29<sup>th</sup> day of December, 2021.

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: July 18, 2023  
Commission Number: 15207377

  
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Notary Public