

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

In the Matter of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West’s Demand)	<u>Case No. ER-2023-0411</u>
Side Investment Mechanism Rider Rate)	Tariff No. JE-2023-0216
Adjustment and True-Up Required by)	
20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION TO APPROVE PROPOSED TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission and in response to the Commission’s June 7, 2023, *Order Directing Notice, Setting Intervention Deadline, and Directing Staff Recommendation* (“Order”) submits its Staff Recommendation to the Commission, and as set forth in detail in the attached appendices, and in support thereof states as follows:

1. On June 2, 2023, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) filed with the Commission one (1) tariff sheet bearing an issue date of June 2, 2023, and an effective date of August 1, 2023, proposing to adjust charges related to Evergy Missouri West’s Demand Side Investment Mechanism, (“DSIM”) Rider. These adjustments are required under Commission Rule 20 CSR 4240-20.093(4).

2. Evergy Missouri West’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.

3. As a result of the Company’s proposed change, the DSIM Rider of a residential customer using 1,000 kWh would decrease \$0.69 per month. For a non-residential customer using 1,000 kWh, this would mean: a decrease of \$0.73 for Small General Service (“SGS”); \$1.64 decrease for Large General Service (“LGS”); and a \$0.42 decrease Large Power Service (“LPS”) class. The proposed change and

Staff's review are further detailed in Staff's Memorandum, attached hereto as Appendix A.

4. After completing its review of the proposed tariff sheet, testimony, and workpapers, it is Staff's recommendation that the Commission issue an order approving the following tariff sheet, filed on June 2, 2023 for service on and after August 1, 2023, the requested affective date:

P.S.C. MO. No. 1

Eighth Revised Sheet No. 138.17, Canceling Seventh Revised Sheet No. 138.17

5. Staff's recommendation to approve this Eighth Revised Sheet No. 138.17 does not constitute a review of the prudence of Evergy Missouri West's actions in relation to its DSIM.

WHEREFORE, Staff respectfully submits its Staff Recommendation to Approve Proposed Tariff Sheet, and recommends the Commission issue an order approving the tariff sheet or allow the tariff sheet to take effect by operation of law on August 1, 2023.

Respectfully submitted,

/s/ J. Scott Stacey

J. Scott Stacey
Senior Staff Counsel
Missouri Bar No. 59027
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-522-6279
573-751-9285 (Fax)
scott.stacey@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 28th day of June, 2023.

/s/ J. Scott Stacey

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2023-0411 and Tariff Tracking No. JE-2023-0216

FROM: Justin Tevie, Economics Analyst
Krishna Poudel, Economist

/s/ Justin Tevie / 06-28-23
Economics Analyst / Date

/s/ Scott Stacey / 06-28-23
Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve Evergy Missouri West, Inc.,
d/b/a Evergy Missouri West's ("Evergy Missouri West") Proposed
Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM")
Rider Rate Effective August 1, 2023

DATE: June 28, 2023

Evergy Missouri West Filing

On June 2, 2023, Evergy Missouri West (EMW) filed with the Commission one (1) tariff sheet bearing an issue date of June 2, 2023, with an effective date of August 1, 2023, proposing to adjust charges related to Evergy Missouri West's DSIM Rider. Evergy Missouri West'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 Missouri West's DSIM revenue requirement through June 2024 is approximately \$14.8 million. This revenue requirement was reduced by an Ordered Adjustment balance with interest of (\$282,836) ordered by the Commission on July 21, 2022 in Case No. EO-2021-0416¹

On June 7, 2023, the Commission issued its *Order Directing Notice, Establishing Intervention Date, and Directing Filing of Staff Recommendation* directing Staff to file its recommendation no later than June 30, 2023.

¹ The Commission approved Order Adjustment Case Nos. EO-2020-0228 and EO-2021-0416, where the Company agreed to include in this filing a credit to resolve the alleged HER TD double-recovery issue and to return disallowed program costs from the review period of January 2020 through March 2021 plus interest.

Change in Evergy Missouri West’s DSIM Rates

Per 20 CSR 4240-20.093(4), Evergy Missouri West is required to adjust its DSIM rates no less often than annually² 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 Missouri West’s MEEIA Cycle 2 extension request through December 31, 2019, Evergy Missouri West’s Cycle 2 earnings opportunity (“EO”), actual and projected costs for Evergy Missouri West’s MEEIA Cycle 3 approved in Case No. EO-2019-0133, and Evergy Missouri West’s MEEIA Cycle 3 extension request through December 31, 2023 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. PC, EO and TD value for the months of May, June, and July are forecasted data which is adjusted for actual data in the next filing.

	MEEIA Cycle 3 through June 2024	MEEIA Cycle 2
TD	\$ 14,108,233	\$ 32,348,376
Program Cost	\$ 56,254,178	\$ 72,299,915
EO	\$ 5,332,852	\$ 10,400,157
Total	\$ 75,695,263	\$ 115,048,448
Estimated kWh	252,206,773	266,135,153
avg cost per estimated kWh saved	\$ 0.30	\$ 0.43

² Evergy Missouri West makes semi-annual adjustments to its DSIM rates.

Additionally, Evergy Missouri West is projecting to recover approximately \$12.4 million through June 2024 for projected PC Cycle 3 and approximately \$2.8 million for projected TD for Cycle 3. Staff agrees these are reasonable projections based on past projection to actual comparison.

Projected thru June 2024		
Cy 3 PC & TD	\$ 12,386,284	\$ 2,734,567

In total, Evergy Missouri West is projected to recover from ratepayers approximately \$205.5 million for energy efficiency programs for MEEIA Cycles 2 & 3 by June 2024. Including Cycle 1, the MEEIA program total cost is approximately \$217.2 million.

	Cycles 2 & 3				
TD	\$ 46,456,609				
Program Cost	\$ 128,554,093				
EO	\$ 15,733,009				
Total	\$ 190,743,711				
	\$ 14,762,124	DSIM Revenue Requirement June 2024			
	\$ 205,505,835	TOTAL CYCLES 2 & 3			
	\$ 217,218,425	TOTAL PROGRAM - ALL CYCLES			

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 Evergy Missouri West’s retail rates schedules, excluding kWh of energy supplied to “opt-out” customers.

Rate Schedule	Total Proposed DSIM (\$/kWh)	Total Current DSIM ER-2023-0184 (\$/kWh)	Change Increase/ (Decrease) (\$/kWh)	Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)
Residential Service	\$0.00224	\$0.00293	(\$0.00069)	(\$0.69)
Non-Res Service – SGS	\$0.00179	\$0.00252	(\$0.00073)	(\$0.73)
Non-Res Service – LGS	\$0.00277	\$0.00441	(\$0.00164)	(\$1.64)
Non-Res Service – LPS	\$0.00162	\$0.00204	(\$0.00042)	(\$0.42)

The proposed change will decrease residential customers’ DSIM Rider rate from \$0.00293 to \$0.00224 per kWh.³ For a residential customer using 1,000 kWh, this would mean a decrease of \$0.69 per month. For a non-residential customer using 1,000 kWh, this would mean a \$0.73 decrease for Small General Service, a \$1.64 decrease for Large General Service, and a \$0.42 decrease for Large Power Service per month.

Staff Recommendation

The Commission Staff’s Tariff/Rate Design Department and Energy Resources Department have reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, filed on June 2, 2023 for service on and after August 1, 2023, the requested effective date:

P.S.C. MO. No. 1
 Eighth Revised Sheet No. 138.17, Cancelling Seventh Revised Sheet No. 138.17

Staff has verified that Evergy Missouri West is not delinquent on any assessment and has filed its Annual Report. Evergy Missouri West 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 Eighth Revised Sheet No. 138.17 does not constitute a review of the prudence of Evergy Missouri West’s actions in relation to its DSIM.

³ Inclusion of MEEIA Cycle 3 projected Program Costs (“PC”) and Throughput Disincentive (“TD”) in addition to projected MEEIA Cycle 2 PC, TD and EO based on actual performance in the six-month period ending April 2023, as well as forecasted performance through June 2024.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

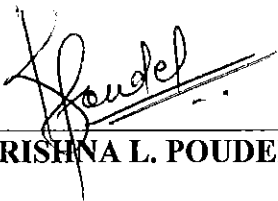
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Adjustment and True-Up Required by)	
20 CSR 4240-20.093(4))	

AFFIDAVIT OF KRISHNA L. POUDEL, PhD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KRISHNA L. POUDEL, PhD 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.

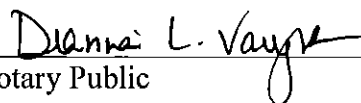


KRISHNA L. POUDEL, PhD

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 28th day of June, 2023.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

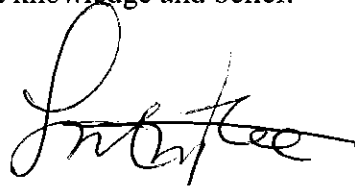
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AFFIDAVIT OF JUSTIN TEVIE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW JUSTIN TEVIE 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.



JUSTIN TEVIE

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 27th day of June, 2023.

DIANNA L VAUGHT Notary Public - Notary Seal STATE OF MISSOURI Cole County My Commission Expires: July 18, 2023 Commission #: 15207377
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Dianna L. Vaught
Notary Public