

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

In the Matter of the Application of Evergy Metro, )  
Inc. d/b/a Evergy Missouri Metro and Evergy )  
Missouri West, Inc. d/b/a Evergy Missouri West ) File No. EU-2020-0350  
For an Accounting Authority Order Allowing the )  
Companies to Record and Preserve Costs Related )  
To COVID-19 Expenses )

**STATEMENT OF POSITIONS OF  
THE NATIONAL HOUSING TRUST**

COMES NOW the National Housing Trust (“NHT”), by and through its undersigned counsel, and submits its *Statement of Positions* in the above-referenced case.

ISSUES

- 1. Is the Covid 19 pandemic an extraordinary event within the scope of the Uniform System of Accounts as it has been historically interpreted and applied by the Commission or as subsequently modified by Missouri courts?**

NHT Position: NHT does not take a position on this issue here, but retains its right to take a position based on the evidence provided at hearing or later in the course of this case.

**OPC/MECG/SC Issue:**

- a. Is the resulting economic impact material within the scope of the Uniform System of Accounts?**

NHT Position: NHT does not take a position on this issue here, but retains its right to take a position based on the evidence provided at hearing or later in the course of this case.

- 2. Should the Commission approve the Application for an accounting authority order (“AAO”) permitting Evergy to accumulate and defer to a regulatory asset for consideration of recovery in future rate case proceedings before the Missouri Public Service Commission (“Commission”) extraordinary costs and financial impacts incurred as a result of the coronavirus disease (“COVID-19”) pandemic?**

NHT Position: The Commission should approve the Application for an AAO if and only if certain conditions are placed upon such approval in the form of various actions to ensure least-cost practices and consumer protections to assist customers affected by the COVID-19 pandemic.

These specific actions and consumer protections, discussed in the Rebuttal Testimony of NHT expert witness Roger Colton, include:

- 1) Enacting a moratorium on disconnections for nonpayment until 180 days have passed beyond the date on which COVID-19 has resulted in the public availability of a vaccine, along with a suspension of late fees for the same period;
- 2) Allowance for income-eligible customers to enter into an Arrearage Management Program (AMP) through which they can earn credits to retire their arrears over a 12-month period with eligibility set at 200% of the Federal poverty level, along with allowance for long-term deferred payment payment plans;
- 3) Expansion of Evergy’s Economic Relief Pilot Program, targeting relief to the extremely poor, using “Express Lane Eligibility,” and expanding use of grassroots outreach;
- 4) Expending all approved income-eligible energy efficiency funds and contributing new usage reduction funds to weatherization service providers in order to assist customers in arrears;
- 5) Adopting certain administrative procedures, such as suspending the credit reporting of unpaid utility bills, meeting the needs of Limited English-Proficient Customers, and engaging in proper data collection and public reporting practices.

In addition, the following conditions should be placed on Evergy’s cost recovery as part of the approval of an AAO:

- 1) The Commission should recognize those costs associated with the Economic Relief Pilot Program (ERPP) and Arrearage Management Program (AMP) that are already included in rates and prevent double recovery of such costs;
- 2) Changes in revenues and expenses that are recoverable through future rates should reflect only those *net* changes in revenues and expenses;
- 3) The tracking of COVID-19 related revenues and expenses should take into account the normal variation in expenses that Evergy normally experiences;
- 4) Evergy should not be allowed to recover revenues/earnings attributable to decreased demand.

**3. If the Commission determines that an AAO or other deferral accounting mechanism should be ordered in connection with the COVID-19 pandemic, what items should be deferred?**

- a. **Uncollectible expense in excess of amounts included in rates in the most recent general rate cases of Evergy Missouri Metro and Evergy Missouri West, respectively?**
- b. **Costs incurred in connection with the one- and four-month Pandemic payment plan incentives that the Commission permitted the Company to implement in Case No. EO-2020-0383 (including credits awarded as incentives and costs related to customer communications)?**
- c. **Waived late payment fees / reconnection fees to the extent that they fall short of the amount included in rates?**
- d. **Information technology-related costs incurred to enable employees to work from home, including hardware, licensing fees and connectivity costs?**
- e. **Costs incurred to protect employees unable to work from home, including cleaning supplies, personal protective equipment, temperature testing, employee sequestration preparation (and employee sequestration if that becomes necessary)?**
- f. **Lost revenues associated with the reduction of electric usage during the Pandemic? As an alternative, should the Commission order the deferral of pandemic-related lost fixed cost recovery due to the pandemic?**
- g. **Other incremental costs or other unfavorable financial impacts resulting from the Pandemic not presently identified?**
- h. **What pandemic-related savings should be booked as a regulatory liability or included as an offset to the regulatory asset related to the pandemic- financial impacts?**

**i. Should carrying costs be excluded during the deferral period and be considered for inclusion in rates in Evergy's next general rate case?**

NHT Position: It is NHT's position that Evergy should not be allowed to defer items f, g, and i. With respect to item f, NHT expert witness recommended against deferral of lost revenues association with reduction in electric usage due to the pandemic. With respect to items g and i, NHT believes these items are worded excessively broadly and may allow for deferrals that may adversely impact customers.

For item h, the Commission should ensure that any pandemic-related savings are fully accounted for in some form, whether they are booked as a regulatory liability or included as an offset to the regulatory asset related to the pandemic-financial impacts. Evergy's tracking of COVID-19 expenses and revenues should include not only changes in expenses, but should include changes in revenue as well. Changes in expenses can be decreases as well as increases; similarly, changes in revenues can be increases as well as decreases. However, any AAO that might be approved in this proceeding should not allow Evergy to track and recover revenues lost to decreased demand. NHT does not take a position on whether pandemic-related savings are accounted for as a regulatory liability or as an offset to a regulatory asset

For all other items, NHT takes no position but retains its right to take a position based on the evidence provided at hearing or later in the course of this case.

**4. Should the Commission adopt a sunset provision in connection with the AAO and, if so, how should it be structured? Should any sunset provision include the opportunity for the AAO to be extended?**

NHT Position: NHT does not take a position on this issue here, but retains its right to take a position based on the evidence provided at hearing or later in the course of this case.

**5. If the Commission adopts an AAO for some or all of the costs and revenues associated with the COVID-19, should the Commission order periodic reporting of information associated with the deferral? If so, what information should be reported and how often?**

NHT Position: Yes. The Commission should order the collection and public reporting of certain metrics associated with the AAO, as explained in pages 114-116 of the Rebuttal Testimony of NHT expert witness Roger Colton. NHT recommends that periodic reporting of the following monthly data be publicly reported, both for residential customers as a whole, as well as for participants in Evergy's EERP and for participants in Evergy's AMP:

- 1) The amount of billed revenue;
- 2) The amount of receipts actually collected;
- 3) The number of accounts in arrears;
- 4) The dollars of arrears;
- 5) The number of accounts paid in-full and on-time;
- 6) The number of accounts disconnected for nonpayment;
- 7) The number of accounts receiving a notice of disconnection for nonpayment;
- 8) The average income of ERPP participants by agreed-upon poverty ranges (e.g., 0-50% FPL; 51-100% FPL; 101-150% FPL);
- 9) The number of ERPP participants who entered the bill discount program with unpaid account balances;
- 10) The dollars of unpaid account balances for ERPP participants at the time those participants entered the ERP;
- 11) The number of ERPP participants by agreed-upon poverty ranges;
- 12) The aging of arrears (both in terms of number of accounts; and number of dollars);
- 13) Average usage (along with average bills);

- 14) The number of final bills;
- 15) The number of final bills disaggregated by those with unpaid balances and those with no unpaid balance;
- 16) The number of customers receiving an Evergy hardship grant;
- 17) A distribution of hardship grants by \$50 ranges;
- 18) The average arrearage of Evergy customers receiving a hardship grant;
- 19) A distribution of arrearages of customers receiving a hardship grant in \$50 ranges;
- 20) The number of customers receiving a hardship grant for whom the arrearage was \$0 after receiving the grant;
- 21) The number of customers who were denied a hardship grant because the grant, or any combination of grant and payments, would not reduce the arrearage to \$0; and
- 22) The number of each of these occurring at a multifamily property OR at the same number address (e.g. at 1234 Main Street exclusive of any apartment number) as an indicator that these accounts are likely at a multifamily property

**6. Should the Commission adopt the recommendations of NHT related to extension of the moratorium on nonpayment service disconnections, arrearage management programs, long-term payment deferment plans, expansion of the Economic Relief Program, income-eligible energy efficiency plans, suspend credit reporting, suspend disconnection and reconnection fees, or other customer programs?**

NHT Position: Yes. The Commission should adopt those recommendations found in Roger Colton's Rebuttal Testimony in this case. NHT incorporates by reference its position on issue 2 above.

**7. Should the Commission adopt any of the customer-specific recommendations of OPC including: 1) waiving disconnection and reconnection fees; 2) ceasing full credit reporting; 3) waiving late payment fees and deposits; 4) expanding payment plans to**

**12 months or greater; and 5) establishing an arrearage matching program, dollar-for-dollar on bad debt for eligible customers.**

NHT Position: Yes. NHT believes OPC's customer-specific recommendations will assist customers affected by COVID-19, however NHT's positions contain some differences in the specifics of program details regarding the AMP and payment plans. NHT's specific positions on these items can be found in Roger Colton's testimony.

**8. What, if any, other conditions should the Commission adopt in connection with the AAO?**

If the Commission adopts any other conditions, it should be guided by certain principles to ensure: (1) that the interests of Evergy investors in recovering the costs attributable to COVID-19 are balanced against the co-equal interests of ratepayers in ensuring that those costs are just and reasonable; (2) that Evergy take all reasonable and prudent actions to minimize and mitigate the costs incurred as a result of COVID-19; (3) that Evergy take each reasonable and prudent step that would result in the least-cost provision of utility service; and (4) that Evergy take each reasonable and prudent step to ensure that it is operating in an efficient fashion toward customers who are unable-to-pay during the COVID-19 pandemic.

Respectfully Submitted,

/s/ Andrew J. Linhares  
Andrew J. Linhares, Mo. Bar No. 63973  
3115 South Grand Blvd., Suite 600  
St. Louis, MO 63118  
T: (314) 471-9973  
[andrew@renewmo.org](mailto:andrew@renewmo.org)

COUNSEL FOR THE NATIONAL  
HOUSING TRUST

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 16<sup>th</sup> day of September 2020:

*/s/ Andrew J. Linhares* \_\_\_\_\_