

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro)
and Evergy Missouri West, Inc. d/b/a) File No. EU-2020-0350
Evergy Missouri West for an Accounting)
Authority Order Allowing the Companies to)
Record and Preserve Costs Related to)
COVID-9 Expenses)

**STATEMENT OF POSITION OF THE
MISSOURI INDUSTRIAL ENERGY CONSUMERS**

COMES NOW the Missouri Industrial Energy Consumers (“MIEC”) and provides the following Statement of Position. The MIEC reserves the take additional positions based on any additional evidence provided in this case.

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

Pursuant to the historic interpretation in Missouri, Covid-19 is an extraordinary event. However, this interpretation is subject to a different interpretation by this Commission or the Missouri courts. *Direct Testimony of Greg Meyer*, p. 4.

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

There is not sufficient evidence in the record at this time for a determination regarding whether the resulting economic impact is material under the USOA. *Rebuttal Testimony of Greg Meyer*, pp. 4-5.

Issue 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 Commission extraordinary costs and financial impacts incurred as a result of the Covid-19 pandemic?

In the event that the Commission finds pursuant to Issue 1 above that the AAO should be approved, then the Commission should only allow deferral of certain costs as provided below, and should reject the AAO to the extent it seeks deferral of “lost revenues”.

Issue 3: In the event that 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?

In the event that the Commission finds that pursuant to Issue 1 above that the AAO should be approved, then the Commission should only allow deferral of certain costs as provided below, and should reject the AAO to the extent that it seeks deferral of “lost revenues”.

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?

The Company should be allowed to defer uncollectible expense only to the extent that the amount exceeds the level built into rates on a 12-month basis. *Meyer Rebuttal*, p. 13.

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)?

The Company should be allowed to defer the incentives permitted by the Commission in Case No. EO-2020-0383.

- c. Waived late payment fees/reconnection fees to the extent that they fall short of the amount included in rates?**

The Company should be allowed to defer the shortfall in late payment fees and reconnection fees only to the extent that these fees are less than the amount included in rates. *Meyer Rebuttal* at p. 15.

- d. Information technology-related costs incurred to enable employees to work from home, including hardware, licensing fees and connectivity costs?**

The Company should be allowed to defer these costs to the extent these costs are shown to be necessary due to the COVID-19 pandemic.

- 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)?**

The Company should be allowed to defer these costs to the extent these costs are shown to be necessary due to the COVID-19 pandemic.

- 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 fixed cost recovery due to the pandemic?**

The Commission should not allow the Company to defer “lost revenues” association with reduction of electric usage, nor should it allow the Company to defer pandemic-related fixed cost recovery due to the pandemic. Any deferrals should be limited to specific cost items pursuant to this Position Statement.

g. Other incremental costs or other unfavorable financial impacts resulting from the Pandemic not presently identified?

The Commission should not allow the Company to defer incremental costs or other unfavorable financial impacts not presently identified. *Meyer Rebuttal*, p. 18.

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?

Pandemic-related cost savings should be addressed in the Company's next general rate case and should be maintained in a separate regulatory liability so that auditing can be performed. *Meyer Rebuttal*, p. 19.

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

Yes, carrying costs should be excluded from the deferral period and should be considered for inclusion in Evergy's next general rate case. *Meyer Rebuttal*, p. 22

Issue 4: Should any sunset provision include the opportunity for the AAO to be extended?

Yes, the AAO should have a sunset date of February 28, 2021. The Commission should allow the AAO to be extended to the extent the Commission deems the extension is needed due to COVID-19. *Meyer Rebuttal* p. 20.

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

The Commission should order periodic reporting of reporting of information associated with the deferral. The Company should file its initial report within 30 days of a Commission Order in this case. Reports should be filed quarterly no later than 30 days after the end of each quarter. Reporting should continue until the end of the deferral period. The first quarterly report need not be required if the initial report is within days of the end of a quarter. *Meyer Direct* at p. 21.

Issue 6: Should the Commission adopt the recommendations of NHT related to extension of the moratorium on nonpayment service disconnections, arrearage maintenance programs, long-term payment deferment plans, suspend credit reporting, suspend disconnection and reconnection fees, or other customer programs?

The MIEC does not take a position on NHT's recommendations.

Issue 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.

The MIEC does not take a position on OPC's recommendations.

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

The Company should be required to follow the allocation principles set forth in the Company's cost allocation manuals regarding the accumulation of costs and the amounts accumulated and deferred and ultimately approved by the Commission. The assignment / allocation process must include Evergy Metro, Every Missouri West and Evergy Kansas

Central. Any costs assigned to Evergy Metro must then be allocated to the state jurisdictions of Kansas and Missouri, consistent with Evergy's last Missouri Metro rate case (Case No. ER-2018-0145). *Meyer Rebuttal*, pp. 22-23.

Respectfully submitted,

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**CERTIFICATE OF
SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 17th day of September, 2020, to all parties on the Commission's service list in these cases.

/s/ Diana M. Plescia