

*Exhibit No.:*

*Issues:* *Staff's Report of Second MEEIA  
Prudence Review of Cycle 2  
Costs Related to the Missouri  
Energy Efficiency Investment  
Act*

*Witness:* *Cynthia M. Tandy*

*Sponsoring Party:* *MoPSC Staff*

*Type of Exhibit:* *Direct Testimony*

*Case No.:* *EO-2020-0227 (Consolidated  
with EO-2020-0228)*

*Date Testimony Prepared:* *August 12, 2020*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**CYNTHIA M. TANDY**

**EVERGY METRO, INC. and EVERGY MISSOURI WEST, INC.  
d/b/a EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**CASE NO. EO-2020-0227 (Consolidated with Case No. EO-2020-0228)**

*Jefferson City, Missouri  
August 2020*

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**DIRECT TESTIMONY**

**OF**

**CYNTHIA M. TANDY**

**EVERGY METRO, INC. and EVERGY MISSOURI WEST, INC.,**

**d/b/a EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**CASE NO. EO-2020-0227 (Consolidated with Case No. EO-2020-0228)**

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**OVERVIEW OF STAFF’S PROPOSED DISALLOWANCES FOR ADMINISTRATIVE  
EXPENSES.....3**

1 **DIRECT TESTIMONY**

2 **OF**

3 **CYNTHIA M. TANDY**

4 **EVERGY MISSOURI METRO**

5 **and**

6 **EVERGY MISSOURI WEST**

7 **CASE NO. EO-2020-0227 (Consolidated with Case No. EO-2020-0228)**

8 Q. Please state your name and business address.

9 A. Cynthia M. Tandy, 200 Madison Street, Jefferson City, MO 65102.

10 Q. By whom are you employed and in what capacity?

11 A. I am employed by the Missouri Public Service Commission (“Commission”  
12 or “PSC”) as a Utility Regulatory Auditor.

13 Q. Please describe your educational background and work experience.

14 A. Please refer to Schedule CMT-D1 attached hereto.

15 Q. Have you previously filed testimony before this Commission?

16 A. No, I have not. Please refer to Schedule CMT-D2 for a list of cases in which I  
17 have previously led or participated, but no testimony by me was required in those cases.

18 Q. Have you participated in the Commission Staff’s audit of Evergy Metro, Inc.,  
19 d/b/a Evergy Missouri Metro ("Evergy Missouri Metro") and Evergy Missouri West, Inc. d/b/a/  
20 Evergy Missouri West (“Evergy Missouri West”) (collectively “Evergy”), concerning the  
21 Staff’s prudence reviews in this proceeding?

22 A. Yes, I have, with the assistance of other members of the Staff.

1 **EXECUTIVE SUMMARY**

2 Q. Please summarize your direct testimony in this proceeding.

3 A. I am sponsoring certain recommended disallowances in the *Staff's Reports of*  
4 *Second Prudence Review of Cycle 2 Costs Related to the Missouri Energy Efficiency*  
5 *Investment Act* ("Staff Reports"), which were originally filed on June 30, 2020, in Case  
6 Nos. EO-2020-0227 and EO-2020-0228,<sup>1</sup> copies of which (both Public and Confidential) are  
7 attached to Staff Witness Brad J. Fortson's direct testimony. Staff has conducted a review of  
8 all of the Demand-Side Investment Mechanism ("DSIM") components (program costs, gross  
9 annual energy and demand savings, interest, earnings opportunity, and throughput disincentive)  
10 during the review periods<sup>2</sup> for Evergy Missouri Metro and Evergy Missouri West's Missouri  
11 Energy Efficiency Investment Act (MEEIA) programs. My testimony provides an overview of  
12 Staff's recommended disallowances on the administrative costs.

13 **PRUDENCE REVIEW AND STAFF REPORT**

14 Q. Please describe Staff's Prudence Review.

15 A. Staff conducted a review of all the DSIM components (program costs, gross  
16 annual energy and demand savings, interest, earnings opportunity, and throughput disincentive)  
17 during the review periods for Evergy Missouri Metro and Evergy Missouri West's MEEIA  
18 expenses. As noted in the Staff Reports, Staff provides a description of the components it  
19 reviewed, a discussion of its review, a summary of any cost implications and Staff's conclusions  
20 based on its review of the components. During its review, and as more fully explained below  
21 and in the Staff Reports, Staff identifies certain expenses where it recommends disallowances.

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<sup>1</sup> These cases were consolidated into Case No. EO-2020-0227 on August 5, 2020, in the Commission's *Order Consolidating Cases and Setting Procedural Schedule*.

<sup>2</sup> Both reports covered the Review Period of April 1, 2018 through December 31, 2019.

**OVERVIEW OF STAFF'S PROPOSED DISALLOWANCES FOR ADMINISTRATIVE EXPENSES**

Q. In its review of Evergy Missouri Metro and Evergy Missouri West's MEEIA programs for this Review Period, what disallowances are you recommending?

A. I have made recommended disallowances due to: 1) certain administrative expenses were determined to not be directly related to MEEIA; 2) certain Cycle 3 expenses were recorded in Cycle 2; and 3) lack of documentation for certain costs. The disallowances I am recommending are as proposed in the charts below:

**EVERGY MISSOURI METRO**

<b>Costs</b>	<b>Explanation of Costs</b>	<b>Disallowed Cost</b>	<b>Interest</b>	<b>Total Disallowance</b>
Conferences and Meetings	Report Page 14	\$ 2,456.86	\$ 98.87	\$ 2,555.73
Cycle 3 Expenses	Report Page 15	\$ 1,786.42	\$ 57.28	\$ 1,843.70
Memberships/Sponsorship/Assn Fees	Report Page 17	\$14,559.00	\$418.78	\$14,977.78
Other Expenses	Report Page 18	\$ 1,526.08	\$ 31.00	\$ 1,557.08
<b>Total Disallowed Costs</b>		<b>\$20,328.36</b>	<b>\$605.93</b>	<b>\$20,934.29</b>

**EVERGY MISSOURI WEST**

<b>Costs</b>	<b>Explanation of Costs</b>	<b>Disallowed Cost</b>	<b>Interest</b>	<b>Total Disallowance</b>
Conferences and Meetings	Report Page 13	\$ 2,610.38	\$123.73	\$ 2,734.11
Cycle 3 Expenses	Report Page 15	\$ 673.75	\$ 12.07	\$ 685.82
Memberships/Sponsorship/Assn Fees	Report Page 16	\$ 7,059.00	\$217.04	\$ 7,276.04
Other Expenses	Report Page 17	\$ 954.52	\$ 21.96	\$ 976.48
<b>Total Disallowed Costs</b>		<b>\$11,297.65</b>	<b>\$374.80</b>	<b>\$11,672.45</b>

Direct Testimony of  
Cynthia M. Tandy

1 Q. Are you providing any additional information with your direct testimony in  
2 regard to the administrative costs that were disallowed?

3 A. Yes, attached hereto as Schedules CMT-D3 and CMT-D3A are work sheets that  
4 provide more detail on the disallowed administrative costs.

5 Q. Are any other Staff witnesses providing direct testimony in this case?

6 A. Yes. Staff witness Brad J. Fortson is sponsoring the Staff Reports and provides  
7 an overview of Staff's direct case and Staff witness J Luebbert provides direct testimony on  
8 recommended disallowances for Demand Response.

9 Q. Does this conclude your direct testimony in this proceeding?

10 A. Yes, it does.

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

In the Matter of the Second Prudence )  
Review of the Missouri Energy Efficiency ) Case No. EO-2020-0227  
Investment Act (MEEIA) Cycle 2 Energy )  
Efficiency Programs of Evergy Metro, Inc. )  
d/b/a Evergy Missouri Metro )

**AFFIDAVIT OF CYNTHIA M. TANDY**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW CYNTHIA M. TANDY** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Cynthia M. Tandy*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Cynthia M. Tandy  
**CYNTHIA M. TANDY**

## **Educational Background and Work Experience of Cynthia M. Tandy**

My educational background includes a Master of Business Administration degree from William Woods University in Fulton, Missouri and a Bachelor of Science degree in Accounting (with a minor in Economics) from Lincoln University in Jefferson City, Missouri.

After an early retirement from OATS, Inc., Columbia, Missouri, in November 2018, I started a new career as a Utility Regulatory Auditor I and then promoted to Auditor II with the Energy Resource Department of the Missouri Public Service Commission. Since that point, my experience includes Prudence Reviews, MEEIA Prudence Review, True-ups and FAR filings with four consisting of PISA calculations.

My prior work experience includes 20 years in the public transportation business and consulting. From 1998 to 2018, I held the position of Finance Director for OATS, Inc., Columbia, Missouri. During those 20 years, I was one of three administrative personnel with oversight responsibility for the \$30 million dollar company. OATS provides transportation services in 87 of the 114 counties in Missouri through eight regional offices. OATS is the largest rural public transportation provider in the United States. As Finance Director I had the privilege of working with various forms of funding and regulatory requirements with the federal government, State of Missouri and over 1,000 other agencies throughout Missouri.

Prior to working at OATS, I was employed for over a year as the Controller with the Missouri Development Finance Board. This is a quasi-government agency that handles bond issuances, large tax credits for economic development projects in Missouri, infrastructure and guarantee loan programs. I was involved in all these programs.

Earlier, as the Controller for the Jefferson City Area Chamber of Commerce, I handled all the accounting functions of the Chamber along with two economic development organizations and the Jefferson City Convention and Visitors Bureau for four years.

My prior experience was in the secretarial areas as a support staff for many different levels of the organizations, such as the Department of Elementary and Secondary Education. I also handled the Food Distribution Program in the 1980s in the southern part of Missouri.



**CASE PROCEEDING PARTICIPATION**  
 CYNTHIA M. TANDY, REGULATORY AUDITOR

PARTICIPATION		ISSUE	LEAD STAFF	STATUS
COMPANY	CASE NUMBER			
EMPIRE	ER-2020-0059	FAC PRUDENCE REVIEW (8th)		
EMPIRE	EO-2019-0302	19th FAC TRUE-UP	LEAD	
EMPIRE	EO-2020-0094	20th FAC TRUE-UP	LEAD	
EMPIRE	EO-2020-0312	21st FAC TRUE-UP		
EMPIRE	ER-2019-0301	FAR FILING-6th REVISED (21st AP)	LEAD	
EMPIRE	ER-2020-0093	FAR FILING-7th REVISED (22nd AP)	LEAD	
EMPIRE	ER-2020-0311	FAR FILING-8th REVISED (23rd AP)		*
KCPL	EO-2019-0068	FAC PRUDENCE REVIEW (2nd)		
EVERGY MO METRO (prior KCPL)	EO-2020-0263	FAC PRUDENCE REVIEW (3rd)		**
KCPL	EO-2020-0026	8th FAC TRUE-UP (5th AP)		
EVERGY MO METRO (prior KCPL)	EO-2020-0220	9th FAC TRUE-UP (6th AP)	LEAD	
EVERGY MO METRO (prior KCPL)	EO-2021-0023	10th FAC TRUE-UP (7th AP)	LEAD	**
KCPL	ER-2020-0025	FAR FILING-2nd REVISED (8th AP)		
EVERGY MO METRO (prior KCPL)	ER-2020-0221	FAR FILING-3rd REVISED (9th AP)	LEAD	
EVERGY MO METRO (prior KCPL)	ER-2021-0025	FAR FILING-4th REVISED (10th AP)	LEAD	**
EVERGY MO METRO (prior KCPL)	EO-2020-0227	MEEIA PRUDENCE REVIEW (2nd)		*
KCPL GMO	EO-2019-0067	FAC PRUDENCE REVIEW (8th)		
EVERGY MO WEST (prior KCPL GMO)	EO-2020-0262	FAC PRUDENCE REVIEW (9th)		**
KCPL GMO	ER-2019-0199	20th FAC TRUE-UP		
KCPL GMO	ER-2019-0414	21st FAC TRUE-UP		
EVERGY MO WEST (prior KCPL GMO)	EO-2020-0188	22nd FAC TRUE-UP		
EVERGY MO WEST (prior KCPL GMO)	EO-2020-0420	23rd FAC TRUE-UP		**
KCPL GMO	ER-2019-0198	FAR FILING-4th REVISED (23rd AP)		
KCPL GMO	ER-2019-0413	FAR FILING-1st (24th AP)		
EVERGY MO WEST (prior KCPL GMO)	ER-2020-0189	FAR FILING-2nd REVISED (25th AP)		
EVERGY MO WEST (prior KCPL GMO)	ER-2020-0421	FAR FILING-3rd REVISED (26th AP)		**
EVERGY MO WEST (prior KCPL GMO)	EO-2020-0228	MEEIA REVIEW (CYCLE 2) (2nd)		*
UNION ELECTRIC (AMEREN UE)	EO-2019-0257	FAC PRUDENCE REVIEW (7th)		
UNION ELECTRIC (AMEREN UE)	ER-2019-0153	26th FAC TRUE-UP		
UNION ELECTRIC (AMEREN UE)	EO-2019-0289	27th FAC TRUE-UP		
UNION ELECTRIC (AMEREN UE)	ER-2020-0020	28th FAC TRUE-UP	LEAD	
UNION ELECTRIC (AMEREN UE)	ER-2020-0144	29th FAC TRUE-UP		
UNION ELECTRIC (AMEREN UE)	ER-2021-0024	30th FAC TRUE-UP		**
UNION ELECTRIC (AMEREN UE)	ER-2019-0152	FAR FILING-5th REVISED (29th AP)		
UNION ELECTRIC (AMEREN UE)	ER-2019-0287	FAR FILING-6th REVISED (30th AP)		
UNION ELECTRIC (AMEREN UE)	ER-2020-0019	FAR FILING-7th REVISED (31th AP)	LEAD	
UNION ELECTRIC (AMEREN UE)	ER-2020-0143	FAR FILING-8th REVISED (32nd AP)		
UNION ELECTRIC (AMEREN UE)	ER-2021-0022	FAR FILING-9th REVISED (33rd AP)		**
UNION ELECTRIC (AMEREN UE)	EO-2019-0376	MEEIA REVIEW (CYCLE 2)		

Status:           \*           In Hearing  
                      \*\*          In Process (working on case)

**EVERGY MISSOURI METRO, INC.**

<u>conferences/meetings</u>			<u>MEEIA III</u>			<u>memberships/sponsorships</u>		
<u>cost</u>	<u>program</u>	<u>total interest</u>	<u>cost</u>	<u>program</u>	<u>total interest</u>	<u>cost</u>	<u>program</u>	<u>total interest</u>
Apr-18 \$	403.22	344.91 resi/58.31 busi	Apr-18			Apr-18		
May-18			May-18 \$	271.45	business	May-18 \$	500.00	residential
Jun-18 \$	512.87	business	Jun-18			Jun-18		
Jul-18			Jul-18			Jul-18		
Aug-18 \$	32.79	business	Aug-18			Aug-18		
Sep-18 \$	249.49	residential	Sep-18			Sep-18		
Oct-18 \$	582.17	310.94 resi/271.23 busi	Oct-18			Oct-18		
Nov-18			Nov-18			Nov-18 \$	3,300.00	business
Dec-18			Dec-18 \$	282.25	business	Dec-18 \$	2,000.00	business
Jan-19			Jan-19 \$	586.66	business	Jan-19		
Feb-19			Feb-19			Feb-19		
Mar-19			Mar-19			Mar-19 \$	3,000.00	residential
Apr-19			Apr-19			Apr-19		
May-19 \$	260.72	business	May-19 \$	74.39	business	May-19 \$	2,759.00	business
Jun-19			Jun-19 \$	501.30	business	Jun-19		
Jul-19			Jul-19 \$	50.00	business	Jul-19 \$	3,000.00	business
Aug-19			Aug-19			Aug-19		
Sep-19			Sep-19 \$	20.37	business	Sep-19		
Oct-19 \$	415.60	business	Oct-19			Oct-19		
Nov-19			Nov-19			Nov-19		
Dec-19			Dec-19			Dec-19		
\$	2,456.86	\$ 98.87	\$	1,786.42	\$ 57.28	\$	14,559.00	\$ 418.78

SCHEDULE C

		Other expenses		SUMMARY	
	<u>cost</u>	<u>program</u>			
Apr-18	\$ 25.07	business			
May-18	\$ 49.05	business			
Jun-18					
Jul-18					
Aug-18	\$ 60.00	business			
Sep-18	\$ 172.36	business			
Oct-18					
Nov-18					
Dec-18					
Jan-19					
Feb-19					
Mar-19	\$ 374.97	business			
Apr-19	\$ 6.94	business			
May-19					
Jun-19					
Jul-19					
Aug-19	\$ 33.23	business			
Sep-19	\$ 367.06	117.95 resi/249.11 busi			
Oct-19	\$ 13.89	business			
Nov-19	\$ 423.51	business			
Dec-19					
	<u>\$ 1,526.08</u>		<u>\$ 31.00</u>	<u>total disallowance</u>	<u>total interest</u>
				<u>\$ 20,328.36</u>	<u>\$ 605.93</u>

1526.08

31

**EVERGY MISSOURI WEST, INC.**

Conferences/Meetings				MEEIA III				Memberships/Sponsorships			
<u>Month</u>	<u>Disallowance</u>	<u>classification</u>	<u>interest total</u>	<u>Month</u>	<u>Disallowance</u>	<u>Classification</u>	<u>interest total</u>	<u>Month</u>	<u>Disallowance</u>	<u>Classification</u>	<u>interest total</u>
Apr-18	\$ 74.81	business		Apr-18				Apr-18	\$ 29.00	business	
May-18				May-18				May-18	\$ 64.00	business	
Jun-18	\$ 1,063.02	business		Jun-18				Jun-18			
Jul-18	\$ 10.00	residential		Jul-18				Jul-18			
Aug-18	\$ 376.20	bus/res (25.00)		Aug-18				Aug-18	\$ 29.00	business	
Sep-18	\$ 263.69	business		Sep-18				Sep-18	\$ 60.00	business	
Oct-18	\$ 561.94	business		Oct-18				Oct-18	\$ 29.00	business	
Nov-18				Nov-18				Nov-18	\$ 3,029.00	business	
Dec-18				Dec-18	\$ 8.20	business		Dec-18	\$ 500.00	business	
Jan-19				Jan-19				Jan-19	\$ 379.00	business	
Feb-19				Feb-19				Feb-19			
Mar-19				Mar-19				Mar-19			
Apr-19				Apr-19				Apr-19			
May-19	\$ 260.72	business		May-19				May-19	\$ 2,500.00	business	
Jun-19				Jun-19	\$ 657.18	business		Jun-19			
Jul-19				Jul-19				Jul-19			
Aug-19				Aug-19				Aug-19			
Sep-19				Sep-19	\$ 8.37	business		Sep-19	\$ 70.00	business	
Oct-19				Oct-19				Oct-19			
Nov-19				Nov-19				Nov-19	\$ 70.00	business	
Dec-19				Dec-19				Dec-19	\$ 300.00	business	
	<u>\$ 2,610.38</u>		<u>\$ 123.73</u>		<u>\$ 673.75</u>		<u>\$ 12.07</u>		<u>\$ 7,059.00</u>		<u>\$ 217.04</u>

**EVERGY MISSOURI WEST, INC.**

2020

Other			SUMMARY	
Month	Disallowance	Classification interest total	total disallowance	total interest
Apr-18				
May-18				
Jun-18				
Jul-18	19.88	residential		
Aug-18	\$ 60.00	business		
Sep-18	\$ 172.36	business		
Oct-18				
Nov-18				
Dec-18				
Jan-19				
Feb-19				
Mar-19				
Apr-19	\$ 6.94	business		
May-19	\$ 295.00	business		
Jun-19				
Jul-19				
Aug-19	\$ 33.23	business		
Sep-19	\$ 367.11	business		
Oct-19				
Nov-19				
Dec-19				
	<u>\$ 954.52</u>	<u>\$ 22.87</u>	\$ 11,297.65	\$ 375.71

\$ 11,297.65