

**BEFORE THE 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 ) **Case No. EE-2022-0071**  
West, Inc. d/b/a Evergy Missouri )  
West Request for Waiver of Various )  
Tariffs and Regulations Related to )  
Automated Metering Infrastructure )

**STAFF RECOMMENDATION**

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

1. On January 25, 2022, Evergy Missouri Metro, Inc., and Evergy Missouri West, Inc. (collectively, “Evergy”), filed an application for variances from certain provisions of Chapter 13 of the Commission’s Rules governing service and billing requirements, and included exemplar tariffs reflecting proposed changes to disconnection and reconnection procedures. Evergy’s application here is largely based on remote disconnect capable Automated Metering Infrastructure (AMI).

2. Evergy also filed its rate cases on January 7, 2022. In the course of those rate cases, Staff investigated and identified issues with Evergy’s practice of replacing AMI installed beginning in 2014. Specifically, in the rate cases, Staff learned that Evergy has been replacing meters that were less than 7 years old.

3. Because Evergy’s meter replacements are at issue in Evergy’s currently-pending rate cases, Staff believes a decision on Evergy’s proposed waiver and exemplar tariffs is premature. Staff therefore recommends that the Commission deny at this time Evergy’s request for a variance from Commission Rules 20 CSR 4240-

13.050(9), 13.055(3)(C) and (D). Staff further recommends the Commission's order would not prohibit Evergy from refiling its variance request after Evergy's meter replacements are addressed in Evergy's rate cases ER-2022-0129 and ER-2022-0130.

**WHEREFORE**, Staff respectfully requests the Commission issue an order denying at this time Evergy's request for a variance from Commission Rules 20 CSR 4240-13.050(9), 13.055(3)(C) and (D), and further ordering that the Commission's order denying at this time would not prohibit Evergy from refiling its variance request after Evergy's meter replacements are addressed in Evergy's rate cases ER-2022-0129 and ER-2022-0130, and for such other and further relief as the Commission deems just and reasonable under the circumstances.

Respectfully submitted,

**/s/ Curt Stokes**

Curt Stokes

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**Counsel for Staff of the  
Missouri Public Service Commission**

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 17th day of June, 2022, to all parties and/or counsels of records.

**/s/ Curt Stokes**

Curt Stokes

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File, File No. EE-2022-0071  
Evergny Metro Inc., d/b/a Evergny Missouri Metro and  
Evergny Missouri West, Inc., d/b/a Evergny Missouri West

**FROM:** Deborah Ann Bernsen, Senior Research/Data Analyst, Customer Experience  
Claire M. Eubanks, PE, Engineer Manager, Engineering Analysis Department

/s/ Contessa King 06/17/2022  
Customer Experience Dept. / Date

/s/ Curtis Stokes 06/17/2022  
Staff Counsel's Office / Date

**SUBJECT:** Staff Recommendation Regarding Evergny Missouri Metro and Evergny Missouri West request for variances and implementing tariff.

**DATE:** June 17, 2022

### Overview

On September 1, 2021, Evergny Metro, Inc. d/b/a Evergny Missouri Metro (“Evergny Missouri Metro”) and Evergny Missouri West, Inc. d/b/a Evergny Missouri West (“Evergny Missouri West”) (collectively, “Evergny” or the “Company”) filed with the Missouri Public Service Commission (“Commission”) a Notice of Intended Case Filing regarding a waiver from certain regulations and tariffs related to Automated Metering Infrastructure (“AMI”). Evergny Missouri indicated the variance requests would likely pertain to rules in 20CSR 4240-2.060, 20 CSR 4240-240 Chapter 13 and the Company’s tariffs, with particular attention to issues such as notices and customer meter readings.

On January 25, 2022, approximately two weeks after filing its general rate cases, Evergny Missouri Metro and Evergny Missouri West filed its request to approve variances from portions of 20 CSR 4240 Chapter 13 (Chapter 13), and provided fourteen exemplar tariffs implementing those variances. The variances were primarily focused upon the specific methods and timing of communications with the customer prior to a disconnection of service. Evergny is seeking these variances in order to take advantage of the ability of a portion of its installed meters that are able to remotely disconnect and reconnect customers. Along with the request for variance, Evergny Missouri Metro and Evergny Missouri West included exemplar tariffs to assign new reduced disconnection and reconnection fees for customers with remote automated service capabilities.

On February 2, 2022, the Commission issued ORDER DIRECTING NOTICE, STAFF RECOMMENDATION, AND ESTABLISHING TIME FOR RESPONSES. The Commission granted an extension on April 20, 2022.

Based upon its investigation and analysis of the variance request, Staff recommends at this time that the Commission deny Evergy's request for a variance from Commission Rules 20 CSR 4240-13.050(9), 13.055(3)(C) and (D).

### **Staff Review**

Evergy's variance request focuses upon the notification provisions of Chapter 13 prior to a disconnection of service. The specific variances requested are from Commission Rules 20 CSR 4240-13.050(9), 13.055(3)(C) and (D). The requested variances apply only to Evergy Missouri Metro and Evergy Missouri West customers who receive service through an AMI meter with remote service disconnect (AMI-SD) capabilities. Evergy will continue to operate under its existing tariffs and Chapter 13 rules for notification and charges for customers served by meters without this AMI-SD capability.

Evergy indicates in its filing that Evergy Missouri West has 180,051 AMI-SD meters and Evergy Metro has 159,414 AMI-SD meters as of September 1, 2021.<sup>1</sup> Evergy asserts that the Commission's rules and Evergy's tariffs prohibit the company and its customers from fully realizing the AMI meter's capability to remotely disconnect and reconnect service.<sup>2</sup> This feature allows the Company to disconnect and reconnect without a technician visiting the residence. Under the provisions of Chapter 13, the Company must attempt to contact the customer in-person at the residence or leave a hangtag, except in situations where the safety of the employee is endangered. If the specific variances to Chapter 13 are granted, Evergy will not be required to contact the customer at the residence in advance of a disconnect for non-payment. Evergy is also proposing additional alternative methods to contact the customer in advance to take the place of the former trip and a reduction in the charges associated with disconnection/reconnection.

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<sup>1</sup> Variance Application page 4 footnote 7.

<sup>2</sup> Variance Application, Section II, Chapter 13 Variances Requested, 14.

### **Staff Analysis**

After Evergy filed its Application for Variances, Staff, OPC and the Company held a number of meetings to discuss the details of the Application. In addition, Staff issued twenty-six data requests to obtain additional clarification. Staff's discovery efforts focused upon a number of topics considered important to the evaluation of Evergy's request to seek variance from the Commission Rules 20 CSR 4240-13.050(9), 13.055(3)(C) and (D). Staff's analysis also addressed concerns about the potential of undue or unreasonable preferences or advantages in violation of Section 393.130.3, RSMo (2016) that could occur depending on the outcome of Evergy's rate cases.

These areas included methods of communication with the customer, present field collection and notification practices, proposed remote disconnection and reconnection processes and timeframes. Staff also reviewed the proposed practices for the elderly, disabled and those participating in the medical registry. Evergy and Staff initiated discussions on methods to monitor the effectiveness of the Company's efforts to communicate with the customer regarding collection actions.

As discussions and discovery continued, Staff obtained additional information regarding the continued plan for deployment of AMI-SD meters to all of Evergy's Missouri customers. Only minimal information was included in the Company's application regarding this and additional discovery has provided further information pertinent to this variance request.

Evergy Missouri Metro and Evergy Missouri West initially replaced AMR<sup>3</sup> meters with AMI meters in portions of its service territories from 2014 to 2016.<sup>4</sup> As of September of 2018, Evergy Missouri Metro's AMI meter penetration was approximately 98% and Evergy Missouri West was somewhat less than 60%.<sup>5</sup> Customers in the remaining portions of the service territories received either AMI or AMI-SD meters between 2019 and 2020. As of January 2022, Evergy Missouri Metro and Evergy Missouri West have 1,225 Non-AMI meters remaining.<sup>6</sup>

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<sup>3</sup> Automated meter reading is a metering system that allows a utility representative to read the meter device from a handheld device or vehicle at a distance, such as the sidewalk, rather than having a manual meter reader record the number off the display screen.

<sup>4</sup> The Smart Grid Demonstration project included installation of AMI meters in 2010 and 2011, approximately 2.11% of its meter population (Surrebuttal Testimony of Geoff Marke, Schedule GM-6, ER-2018-0145).

<sup>5</sup> Surrebuttal Testimony of Darrin Ives in ER-2018-0145 and ER-2018-0146, page 21 lines 10-11.

<sup>6</sup> Based on data provide in response to Staff Data Request 2s in EE-2022-0071.

Staff requested further spreadsheets of meter exchanges including field notes indicating the reason for the meter exchanges.<sup>7</sup> From Staff analysis of this information, it appears that one of the top reasons for exchanges was due to the customer being in arrears. As noted in the Staff Direct testimony of Claire M. Eubanks in Case Nos. ER-2022-0129 and ER-2022-0130, the majority (99%) of meters already changed out were less than 7 years old. These particular replaced meters have a design life of twenty plus years. This has led Staff to be concerned that meters are being changed out with little regard to meter age or condition, but solely to gain a new remote disconnect capability.

At the present time, Evergy is projecting a schedule of replacing its meters at a rate of 120,000 meters annually and to complete its AMI to AMI-SD exchanges by the end of 2024. However, as of January 2022, Evergy Missouri Metro and Evergy Missouri West have only 1,225 non-AMI meters remaining. This apparent disparity between the number of meters Evergy projects to replace annually and the number of non-AMI meters left to replace is consistent with an intent by Evergy to continue or expand its practice of premature meter retirements.

**Timing of the Filing and Concern of Undue or Unreasonable Preference or Advantage**

As noted earlier, Evergy filed its Intent to File An Application for Variances on September 1, 2021. Evergy filed its rate cases (ER-2022-0129 and ER-2022-0130) on January 7, 2022. Its Application for Variances (EE-2022-0071) was not filed until January 25, 2022. Evergy is presently in the middle of rate cases, ER-2022-0129 and ER-2022-0130, with Evergy and other parties filing direct testimony in early to mid-June. At this time, hearings are scheduled for late August to early September 2022, with an operation of law date of December 6, 2022. Given Evergy's meter change-outs to AMI-SD meters, Staff believes that this filing for variances would be more appropriately filed after a decision in the pending rate cases. Staff has raised the issue of the premature retirement of AMI meters without remote disconnect capability in its direct testimony in the rate cases. A Commission decision on this issue has the potential to affect the Company's AMI-SD remote meter deployment. If there are any changes to the Company's AMI-SD remote

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<sup>7</sup> Evergy response to Staff Data Request No. 0283 in ER-2022-0129 and response to Staff Data Request 296 in ER-2022-0130.

meter deployment, Staff is concerned that the change must not result in any undue or unreasonable preference or advantage to any customers.

### **Differences Between Filings**

In Evergy's Application, section II. Chapter 13 Variances Requested, No. 10, Evergy states that Ameren also requested variances in EE-2019-0382 to support the deployment of AMI meters. While Ameren's variance request focused upon the similar provisions of Chapter 13 regarding advance personal notification of the customer, the information filed and circumstances related to the change-outs of meters are very different.

The following table highlights some of the differences in the requests and information provided by Ameren and Evergy in their individual Application for Variances.

	<b>Ameren</b>	<b>Evergy</b>
Purpose	Seeking to maximize benefits related to AMI-SD meters. Upgrade all AMR meters (installed beginning 1995, will be obsolete) to AMI-SD, provided schedules.	Seeking to maximize benefits related to newer AMI-SD meters recently installed, only changing out AMI w/o SD installed from 2014-2020.
When	Proposed July 2020-2025 described in Smart Meter Plan submitted.	Provided minimal info in filing. Staff had to conduct discovery. Company intends to complete the replacement of non-SD meters by the end of 2024.
Benefits	Details on reduced O&M costs, theft, safety, etc.	Cited some of same benefits but no costs provided.

Ameren included a detailed separate document to thoroughly explain its Smart Meter Deployment as a part of its Variance Application in ER-2019-0382.<sup>8</sup> Ameren was moving from AMR meters to the AMI-SD with remote capabilities since its AMR technology was going to become obsolete and no longer supported by technology. Ameren Missouri's Smart Meter Report included detailed information on expenditures and geographically based deployment schedules to reach the most densely populated areas first.

However, Evergy included minimal information in its Application for Variance regarding its anticipated change-out of AMI meters without remote capabilities to AMI-SD meters. As noted

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<sup>8</sup> In the Matter of Union Electric Company d/b/a Ameren Missouri's Request for a Waiver of Various Tariffs and Regulations to Enable the Deployment of Automated Metering Infrastructure Beginning in 2020.

earlier, Evergy began to change its meters to AMI (without SD features) over the period of years 2014 through 2020. Evergy is now changing out these meters again this time to AMI-SD meters.

In Summary, Ameren was replacing soon to be obsolete AMR meters with AMI-SD meters. Evergy is replacing non-obsolete AMI that are less than eight years old.

### **Staff Recommendation**

At this time, Staff recommends that the Commission deny Evergy's request for a variance from Commission Rules 20 CSR 4240-13.050(9), 13.055(3)(C) and (D) for its customers with AMI-SD meters.

Staff also recommends that Evergy consider refiling this variance request after Commission decisions are rendered on the present Evergy rate cases ER-2022-0129 and ER-2022-0130. Issues have been raised in Staff's direct testimony filed on June 8, 2022 regarding Evergy's premature replacement of AMI meters without remote capabilities. Because of the timing of the variance request, and information that will be heard and decided in the pending rate case, the Staff believes that this request would be better reviewed after Evergy's rate cases are decided.





