

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

In the Matter of the Second Prudence Review)
Of the Missouri Energy Efficiency Investment)
Act (MEEIA) Cycle 2 Energy Efficiency)
Programs of Evergy Metro, Inc. d/b/a)
Evergy Missouri Metro.)

File No. EO-2020-0227

**STAFF’S REPORT OF SECOND MEEIA PRUDENCE REVIEW
OF CYCLE 2 COSTS RELATED TO THE MISSOURI
ENERGY EFFICIENCY INVESTMENT ACT**

COMES NOW Staff of the Missouri Public Service Commission, by and through counsel, and presents to the Commission its report of the *Second Prudence Review of Cycle 2 Costs Related To The Missouri Energy Efficiency Investment Act for the Electric Operations of Evergy Metro, Inc., d/b/a Evergy Missouri Metro (Staff’s Report)*, filed contemporaneously herewith, for the period April 1, 2018 through December 31, 2019. As a result of its review, Staff proposes certain disallowances or adjustments as reflected in detail in the accompanying Staff Report and in support thereof states as follows:

1. Commission Rule 20 CSR 4240-20.093(11), authorized under § 393.1075.3 and § 393.1075.11, RSMo., provides that “[a] prudence review of the costs subject to the DSIM shall be conducted no less frequently than at twenty-four (24) month intervals.” Evergy Missouri Metro’s Energy Efficiency Investment Charge tariff contains similar language concerning prudence reviews.

2. Rule 20 CSR 4240-20.093(11), in part, provides: “The Staff shall file notice within ten (10) days of starting its prudence audit.” It also establishes a schedule by which certain events are to take place based on the date the Staff starts its prudence review. The Staff filed its *Notice of Start of Second MEEIA Prudence Review of Cycle 2 Energy Efficiency Programs (Notice)* on February 3, 2020. Therefore, guided by the timeline set

out in the rule when certain events are to take place, Staff's Notice included the following dates and deadlines:

Time from start of Staff prudence review to event	Event
Within 150 days (6/30/20)	Submission of Staff Recommendation to Commission regarding Staff's examination and analysis
Within 160 days (7/10/20)	Request for hearing
Within 210 days (8/29/20)	Commission Order, if no hearing requested

3. On February 3, 2020, Staff initiated its second prudence review of the costs associated with Evergy Missouri Metro's DSIM for its MEEIA Cycle 2 energy efficiency programs.

4. In accordance with 20 CSR 4240-20.093(11), Staff's Report explains the results of its examination and analyses in this case. The Staff's Energy Resources Department had primary responsibility for conducting the prudence review and developing its recommendation for the proposed adjustments reflected in Staff's Report. Staff's Report addresses prudence review of costs for Evergy Missouri Metro's Cycle 2 program costs ("Program Costs"), annual energy and demand savings, Throughput Disincentive ("TD"), and interest for the review period of April 1, 2018 through December 31, 2019 (the "Review Period"). To complete its prudence review, Staff obtained and analyzed a variety of documents, records, reports, data request responses, work papers, and emails, and had numerous phone discussions with Evergy Missouri Metro personnel. Staff's Report is filed contemporaneously herewith, in both Confidential and Public formats.

5. As a result of its review, the Staff identifies and recommends certain disallowances or adjustments for expenses for conferences and meetings; MEEIA Cycle 3 expenses; memberships and sponsorships; other expenses; and Demand Response programs during the Review Period as identified in Table 1 of the Staff Report and explained in detail therein.

WHEREFORE, pursuant to Staff's Notice, the Staff prays the Commission accept its Staff Report on the *Second Prudence Review of Cycle 2 Costs Related To The Missouri Energy Efficiency Investment Act for the Electric Operations of Evergy Metro, Inc., d/b/a Evergy Missouri Metro* filed contemporaneously herewith regarding the second prudence review of Evergy Missouri Metro's MEEIA Cycle 2 energy efficiency programs for the Review Period and issue an order directing Evergy Missouri Metro to make an Ordered Adjustment(s) as reflected in the Staff Report, to be returned to Evergy Missouri Metro's customers, in accordance with the disallowances / adjustments and supporting rationale from Staff's Report filed contemporaneously herewith.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 30th day of June, 2020.

/s/ Jeffrey A. Keevil