

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

In the Matter of the Joint Application of Evergy )  
Metro, Inc. d/b/a Evergy Missouri Metro and )  
Evergy Missouri West, Inc. d/b/a Evergy Missouri ) **File No. ET-2020-0133**  
West for a Variance from the Commission’s Billing )  
And Payment Standards )

**STAFF RECOMMENDATION**

**COMES NOW** Staff of the Missouri Public Service Commission and submits the attached Staff Recommendation in Memorandum form, and further states as follows:

1. On November 12, 2019, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West, (“Evergy West”) (collectively, “Company”) filed a request for a variance from the Commission’s billing and payment standards (“Application”).

2. The Company’s Application seeks a variance from Commission Rule 20 CSR 4240-13.020 (9)(A) which reads in applicable part:

(9) Every bill for residential utility service shall clearly state—

(A) The beginning and ending meter readings of the billing period and the dates of these readings

3. For customers on time-of-use (“TOU”) rates with AMI meters, the Company requests that the Commission allow the Company to include the interval billing data provided by the AMI meter on the customer’s bill without also providing the beginning and ending meter reads for the billing period.

4. As discussed in more detail in the Staff Recommendation Memorandum, the TOU rate currently offered to Residential customers for Evergy West and Evergy Metro contains three different time intervals. Since the Company rounds each of the

intervals and then sums the usage for the three intervals, the total monthly kWh from interval usage (TOU) *is higher than the actual metered usage* for the same time period. Staff is not aware of any situation in which the rounding difference will result in less kWh than the actual metered usage.

5. Staff's concern is that simply omitting the metered usage from the customer's bill is not appropriate when customers are getting billed for more kWh usage than they are actually using. Staff notes that the use of interval billing using AMI technology should *not* cause a disconnect between billed and metered usage, but rather should be able to show customers in which time intervals their metered usage was consumed. Staff inquired of the Company regarding the possibility of scaling down the TOU interval usage in order to match the metered usage, essentially negating the rounding, and the Company stated that its billing system provides no systematic way to match TOU billed usage with the meter read usage.

**WHEREFORE**, based on Staff's review provided in the attached Staff Recommendation Memorandum, Staff recommends the Commission reject the Company's variance request.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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Attorney for the Staff of the  
Missouri Public Service Commission  
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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 on this 26th day of February, 2020.

**/s/ Jeffrey A. Keevil**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
Case No. ET-2020-0133

**FROM:** Joseph P. Roling, Regulatory Economist II  
Tariff/Rate Design Unit

/s/ Robin Kliethermes / 02-26-2020  
Tariff / Rate Design Manager / Date

/s/ Jeffrey A. Keevil / 02-26-2020  
Staff Counsel's Office / Date

**SUBJECT:** Staff Recommendation to Deny Evergy MO Metro and Evergy MO West  
Request for a variance from the Commission's billing and payment standards

**DATE:** February 26, 2020

### BACKGROUND

On November 12, 2019, Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Metro") and Evergy Missouri West, Inc., d/b/a Evergy Missouri West, ("Evergy West") (collectively, "Company") filed a request for a variance from the Commission's billing and payment standards ("application"). The Commission issued notice of this application, and ordered Staff to file a Recommendation no later than November 27, 2019.

On November 27, 2019, Staff filed a Request for Extension of Time to File Staff Recommendation.

On December 9, 2019 the Commission granted the Staff's request for extension of time and ordered Staff to file a Recommendation no later than February 26, 2020.

The Company's application seeks a variance from Commission Rule 20 CSR 4240-13.020 (9)(A) which reads in applicable part:

- (9) Every bill for residential utility service shall clearly state—
  - (A) The beginning and ending meter readings of the billing period and the dates of these readings.

The application further states that the Company will continue to comply with 20 CSR 4240-13.020(9)(A) for customers with non-AMI meters in place. However, for customers on time-of-use ("TOU") rates with AMI meters, the Company requests that the Commission allow the Company to include the interval billing data provided by the AMI meter on the customer's bill without also providing the beginning and ending meter reads for the billing period.

The Company states that utility bills issued with beginning and ending registered reads are losing relevance as utilities are adopting TOU rates, dynamic rates, and installing interval or electronic meters for billing purposes. The Company further provides that its TOU rate has three daily

pricing periods (off-peak, super off-peak, on-peak) and a different rate is applied to each period. As a result, it is necessary to have interval meter data (i.e., the usage within each of the three daily pricing periods) in order to bill a customer using a TOU rate. The beginning and ending registered meter reads measuring the cumulative usage over the month are not relevant to the calculation of the customer's bill under a TOU rate. What is important is the number of kWh consumed in each time period (e.g., on peak, off-peak or super off-peak). Due to rounding, the cumulative sum of a meter's interval data and the total usage indicated by the difference between its beginning and ending reads can produce slightly different totals when used to calculate a customer's usage. Though the difference is small, showing both the interval usage and beginning and ending meter reads on a customer's bill could produce different results and could cause confusion for the customer.

### **STAFF ANALYSIS**

As shown in Attachment 1, a sample bill<sup>1</sup>, the TOU rate currently offered to Residential customers for Evergy West and Evergy Metro contains three different time intervals. Since the Company rounds each of the intervals and then sums the usage for the three intervals the total monthly kWh from interval usage (187.7211 kWh) is higher than the actual metered usage (187.4208 kWh) for the same time period. Staff is not aware of any situation that the rounding difference will result in less kWh than the actual metered usage.

This creates a disconnect between billed usage and metered usage. Although the rounding difference noted above, 0.3003 kWh, may be small for a single customer, Evergy Metro and Evergy West have approximately 540,000 residential customers. This small difference multiplied over 12 months for all residential customers' results in a mismatch of approximately 1.9 million kWh and \$336,642<sup>2</sup> revenue annually. Further, in response to Staff data requests the Company provided the rounding difference may be as high as 2 kWh. If the rounding resulted in 2 kWh per month per customer it would result in a mismatch of as high as 12.9 million kWh and \$2,285,622 revenue annually.

Staff's concern is that simply omitting the metered usage from the customer's bill is not appropriate when customers are getting billed for more or less kWh usage than they are actually using. Staff notes that the use of interval billing using AMI technology should not cause a disconnect between billed and metered usage, but rather be able to show customers in which time intervals their metered usage was consumed. Staff inquired of the Company regarding the possibility of scaling down the TOU interval usage in order to match the metered usage, essentially

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<sup>1</sup> Only Evergy West sample bills were provided. No sample bills were provided for Evergy Metro. *See* Attachment 1.

<sup>2</sup> Revenue was calculated by taking an average of both On Peak and Off Peak Summer Rate by the additional kWh to come up with the impact to revenue.

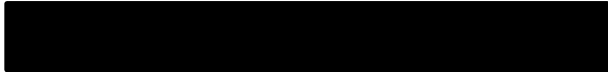
negating the rounding, and the Company stated that its billing system provides no systematic way to match TOU billed usage with the meter read usage.

**STAFF RECOMMENDATION**

Staff has reviewed the information submitted related to the Company's request for variance from the Commission's billing and payment standards, 20 CSR 4240-13.020 (9)(A) and based on Staff's review provided above recommends the Commission reject the variance request.

Staff has verified that the Company has filed its annual report and is not delinquent on any assessment.

Attachment 1:



Residential Time of Use - TRTOU

**Billing Details** - service from 10/01/2019 to 11/12/2019

Customer Chg .....	\$16.06
Energy Chg On Peak 19.1964 kWh at \$0.26575 per kWh (for 42 of 30 days) .....	\$5.10
Energy Chg Off Peak 138.6675 kWh at \$0.10422 per kWh (for 42 of 30 days) .....	\$14.45
Energy Chg Super Off Peak 29.8572 kWh at \$0.04495 per kWh (for 42 of 30 days) .....	\$1.34
DSIM Chg 10-02-2019-11-12-2019 for 187.7211 kWh at \$0.00362 per kWh .....	\$0.68
FAC Chg 10-02-2019-11-12-2019 for 187.7211 kWh at \$0.00073 per kWh .....	\$0.14
Subtotal .....	\$37.77
Kansas City Franchise Fee .....	\$2.41

**Current Charges** ..... **\$40.18**

Meter	Start Read Date	End Read Date	Days	End Read	Start Read (-)	Read Difference (x)	Meter Multiplier (-)	kWh Used
[Redacted]	10/03	11/13	41	12,057,0060	11,869,5852	187,4208	1.0000	187,4208

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

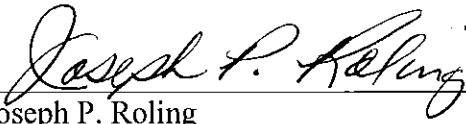
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West for a Variance from the Commission's Billing )  
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**AFFIDAVIT OF JOSEPH P. ROLING**

STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

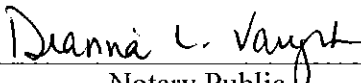
**COMES NOW** Joseph P. Roling and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Joseph P. Roling

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 25<sup>th</sup> day of February, 2020.

  
\_\_\_\_\_  
Notary Public

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: July 18, 2023  
Commission Number: 15207377