

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

In the Matter of Evergy Metro,)	
Inc., d/b/a Evergy Missouri Metro's)	
Demand Side Investment Mechanism)	<u>File No. ER-2020-0388</u>
Rider Rate Adjustment and True-Up)	Tariff No. JE-2020-0210
Required by 20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION TO APPROVE PROPOSED TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its *Staff Recommendation to Approve Proposed Tariff Sheet* respectfully states as follows:

1. On June 1, 2020, Evergy Missouri Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Metro" or "Company"), filed with the Commission one (1) tariff sheet bearing an issue date of June 1, 2020, and an effective date of August 1, 2020, proposing to adjust charges related to Evergy Metro's Demand Side Investment Mechanism ("DSIM") Rider. These adjustments are required under Commission Rule 20 CSR 4240-20.093(4).

2. Evergy Metro's filing also included the Direct Testimony of Lisa A. Starkebaum and work papers consisting of electronic worksheets showing its calculation of the proposed rates.

3. As a result of the Company's proposed change, the DSIM Rider Rate of a residential customer using 1,000 kWh would increase \$0.51 per month. For a non-residential customer using 1,000 kWh, this would mean a \$0.78 increase for Small General Service, a \$0.14 decrease for Medium General Service, a \$0.17 increase for Large General Service, and a \$0.74 increase for Large Power Service per month. The proposed change, and Staff's review, is further detailed in *Staff's Memorandum*, attached, hereto as Appendix A.

4. After completing its review of the proposed tariff sheet, testimony and workpapers, it is Staff's recommendation that the Commission issue an order approving the following tariff sheet, filed on June 1, 2020, for service on and after August 1, 2020, the requested effective date:

P.S.C. MO. No. 1

Second Revised Sheet No. 49Y, Cancelling First Revised Sheet No. 49Y

WHEREFORE, Staff respectfully submits its *Staff Recommendation to Approve Proposed Tariff Sheet* for the Commission's information and consideration.

Respectfully Submitted,

/s/ Travis J. Pringle

Travis J. Pringle

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Missouri Bar No. 71128

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Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of July, 2020.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2020-0388 and Tariff Tracking No. JE-2020-0210

FROM: Joseph P. Roling, Regulatory Economist II

/s/ Robin Kliethermes / 07-01-20 /s/ Travis Pringle / 07-01-20
Manager, Rate & Tariff Examination/ Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve Evergy Missouri Metro, Inc., d/b/a Evergy Missouri Metro's ("Evergy Missouri Metro") Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM") Rider Rate effective August 1, 2020.

DATE: July 1, 2020

Evergy Missouri Metro Operations Filing

On June 1, 2020, Evergy Missouri Metro, Inc. ("Evergy Metro" or "Company"), filed with the Commission one (1) tariff sheet bearing an issue date of June 1, 2020, and an effective date of August 1, 2020, proposing to adjust charges related to Evergy Metro's DSIM Rider. Evergy Metro's filing also included the Direct Testimony of Lisa A. Starkebaum and work papers consisting of electronic worksheets showing its calculation of the proposed rates.

On June 2, 2020, the Commission issued its *Order Directing Notice, Establishing Intervention Date, and Directing Filing of Staff Recommendation*, directing Staff to file its recommendation no later than July 1, 2020.

Change in Evergy Missouri Metro's DSIM Rates

Per 20 CSR 4240-20.094(4), Evergy Metro is required to make annual adjustments of DSIM rates to reflect the amount of revenue that has been over/under collected.

The current Missouri Energy Efficiency Investment Act ("MEEIA") mechanism rate per class of customer is collected through a line item on current bills and is based on an annual level of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. In addition to reconciliations for prior periods, this adjustment includes Evergy Metro's MEEIA Cycle 2 extension through December 31, 2019

per *Stipulation and Agreement* filed in Case No. EO-2019-0132 and Evergy Metro’s calculation of its Earnings Opportunity (“EO”) for program years 1 through 3 of MEEIA Cycle 2.¹

Listed below are the current MEEIA rates and the new MEEIA rates for the proposed DSIM Rider. The proposed DSIM Rider rate changes are applicable to all non-lighting kWh of energy supplied to customers under the Company’s retail rate schedules, excluding kWh of energy supplied to “opt-out” customers.

Rate Class	Current MEEIA Rate/kWh	Proposed MEEIA Rate/kWh
Residential Service	\$0.00589	\$0.00640
Non-Residential – SGS	\$0.00447	\$0.00525
Non-Residential – MGS	\$0.00384	\$0.00370
Non-Residential – LGS	\$0.00292	\$0.00309
Non-Residential – LPS	\$0.00208	\$0.00282

The proposed change will increase residential customers’ DSIM Rider rate from \$0.00589 to \$0.00640 per kWh.² For a residential customer using 1,000 kWh, this would mean an increase of \$0.51 per month. For a non-residential customer using 1,000 kWh, this would mean a \$0.78 increase for Small General Service, a \$0.14 decrease for Medium General Service, a \$0.17 increase for Large General Service, and a \$0.74 increase for Large Power Service per month.³

Staff’s recommendation to approve this Second Revised Sheet No. 49Y does not constitute a review of the prudence of Evergy Metro’s actions in relation to its DSIM Rider.

¹ Per the *Stipulation and Agreement* filed in Case No. EO-2019-0132 to extend the MEEIA Cycle 2 program into program year 4 (PY4), the PY4 budgets and savings targets will be scaled accordingly if PY4 does not extend through 12/31/2019.

² Inclusion of MEEIA Cycle 3 projected Program Costs (“PC”) and Throughput Disincentive (“TD”) in addition to projected MEEIA Cycle 2 PC, TD and EO for the 12-months ending December 31, 2020.

³ Per the Company’s MEEIA Cycle 3 application, the non-residential DSIM revenue responsibility will be allocated among the Small General Service, Medium General Service, Large General Service, and Large Power Service rate classes.

Staff Recommendation

The Commission Staff's Tariff/Rate Design Department has reviewed the filed tariff sheets and recommends the Commission issue an order approving the following tariff sheet, filed on June 1, 2020, for service on and after August 1, 2020, the requested effective date:

P.S.C. MO. No. 1
Second Revised Sheet No. 49Y, Cancelling First Revised Sheet No. 49Y

Staff has verified that Evergy Metro is not delinquent on any assessment and has filed its Annual Report. Evergy Metro is current on its submission of its Quarterly Surveillance Monitoring reports as required by 20 CSR 4240-20.090(6). Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the DSIM Rider rate changes in this case is solely based on the accuracy of Evergy Metro's calculations and is not indicative of prudence.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc.)
d/b/a Evergy Missouri Metro's Demand) Case No. ER-2020-0388
Side Investment Mechanism Rider Rate)
Adjustment and True-Up Required by)
20 CSR 4240-20.093(4))

AFFIDAVIT OF JOSEPH P. ROLING

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COME NOW JOSEPH P. ROLING and on his oath declares 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, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Joseph P. Roling
JOSEPH P. ROLING