

Exhibit No.:
Issue: Demand Side Investment Mechanism
Rider
Witness: Lisa A. Starkebaum
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri Metro
Case No.: ER-2022-0149
Date Testimony Prepared: December 2, 2021

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2022-0149

DIRECT TESTIMONY

OF

LISA A. STARKEBAUM

ON BEHALF OF

EVERGY METRO, INC. d/b/a EVERGY MISSOURI METRO

**Kansas City, Missouri
December 2021**

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

In the Matter of Evergy Missouri Metro's)	
Demand Side Investment Mechanism Rider)	Case No. ER-2022-0149
Rate Adjustment and True-Up)	
Required by 20 CSR 4240-20.093(4))	

AFFIDAVIT OF LISA A. STARKEBAUM

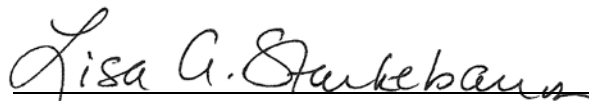
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Lisa A. Starkebaum, being first duly sworn on her oath, states:

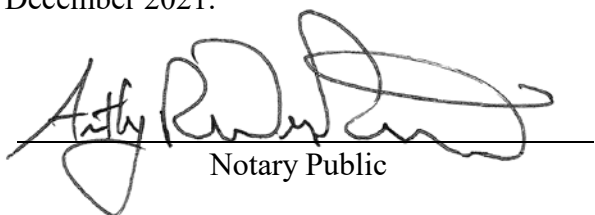
1. My name is Lisa A. Starkebaum. I work in Kansas City, Missouri, and I am employed by Evergy, Inc. as Manager, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro, consisting of __ten__ (10) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


 Lisa A. Starkebaum

Subscribed and sworn to before me this 2nd day of December 2021.


 Notary Public

My Commission expires:

4/26/2025



DIRECT TESTIMONY

OF

LISA A. STARKEBAUM

Case No. ER-2022-0149

1 **Q: Please state your name and business address.**

2 A: My name is Lisa A. Starkebaum. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy or the “Company” as Manager - Regulatory Affairs.

6 **Q: What are your responsibilities?**

7 A: My responsibilities include the coordination, preparation and review of financial
8 information and schedules associated with the Company’s compliance filings for Evergy
9 including: Evergy Kansas Central, Evergy Kansas Metro, Evergy Missouri Metro and
10 Evergy Missouri West.

11 **Q: Please describe your education.**

12 A: In 1994, I received a Bachelor of Science Degree in Finance from Northwest Missouri
13 State University in Maryville, Missouri.

14 **Q: Please provide your work experience.**

15 A: In 1995, I joined Cerner Corporation as an Accountant in the Finance Department
16 assisting with month-end close and reporting responsibilities. In 1997, I joined Aquila,
17 Inc. (“Aquila”) where I worked in the Financial and Regulatory Reporting group as an
18 Accountant, until joining Regulatory Accounting Services as a Regulatory Analyst in
19 1999. I was employed by Aquila for a total of 11 years prior to beginning my

1 employment with KCP&L in July 2008 as a part of the acquisition of Aquila, Inc., by
2 Great Plains Energy Incorporated. Since that time, I have held various positions with
3 increasing responsibilities within Regulatory Accounting Services and Regulatory
4 Affairs. As a Lead Analyst in the Regulatory Affairs department, my main areas of
5 responsibility included the preparation of FERC and jurisdictional reporting, as well as
6 assisting with the preparation of rate cases and providing rate case support. In December
7 2015, I became a Supervisor, Regulatory Affairs responsible for overseeing a team
8 dedicated to compliance reporting and was later promoted to Manager, Regulatory
9 Affairs effective June 2018. In my current position, I am responsible for overseeing
10 various reporting requirements to ensure Evergy is compliant with its jurisdictional rules
11 and regulations, in addition to the implementation of new reporting or commitments
12 resulting from various rate case orders and other regulatory filings. In addition, I oversee
13 the coordination, review and filing of various rider mechanisms.

14 **Q: Have you previously testified in a proceeding before the Missouri Public Service**
15 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**
16 **agency?**

17 A: Yes, I have testified before the MPSC, the Kansas Corporation Commission (“KCC” or
18 “Commission”) and have provided written testimony before the Public Utilities
19 Commission of Colorado. I have sponsored testimony in Missouri related to various tariff
20 filings involving rider mechanisms utilized by the Company. In addition, I have worked
21 closely with both MPSC and KCC Staff on numerous filings and rate case matters.

22 **Q: What is the purpose of your testimony?**

1 A: The purpose of my testimony is to support the rate schedule filed by Evergy Missouri
2 Metro to adjust the Demand Side Investment Mechanism (“DSIM”) Rider. My testimony
3 will explain the change to the DSIM components based upon actual performance in the
4 six-month period ending October 2021, as well as forecasted performance through
5 December 2022 for Cycle 3 Program Costs (“PC”) and Cycle 2 and Cycle 3 Throughput
6 Disincentive (“TD”). In addition, Earnings Opportunity (“EO”) for Cycle 2 for the three
7 program years beginning April 2016 through March 2019, the EO for the Cycle 2
8 extension program year April 2019 through December 2019 and the EO for Cycle 3 2020
9 program year is included in this rider update. The proposed change in rates will result in
10 an increase to a residential customer’s rate from \$0.00589 to \$0.00679 per kWh, or an
11 increase of \$0.90 for every 1,000 kWh. Please see the table below for a comparison by
12 rate schedule of proposed DSIM rates to currently effective rates and the impact to a
13 customer using 1,000 kWh.

Rate Schedule	Total Current DSIM ER-2021-0410 (\$/kWh)	Total Proposed DSIM (\$/kWh)	Change Increase/ (Decrease) (\$/kWh)	Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)
Residential Service	\$0.00589	\$0.00679	\$0.00090	\$0.90
Non-Res Service – SGS	\$0.00228	\$0.00276	\$0.00048	\$0.48
Non-Res Service - MGS	\$0.00498	\$0.00547	\$0.00049	\$0.49
Non-Res Service – LGS	\$0.00364	\$0.00407	\$0.00043	\$0.43
Non-Res Service – LPS	\$0.00260	\$0.00274	\$0.00014	\$0.14

14

1 **Q: What are the MEEIA rule requirements for adjustments of DSIM rates?**

2 A: The requirements for adjustment of DSIM rates are found in Commission rules 20 CSR
3 4240-20.093(4). In summary, the requirements outline that the update filing include
4 applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

5 A) Amount of revenue that was over-collected or under-collected through the most
6 recent recovery period by rate class.

7 B) Proposed positive or negative adjustments by rate class.

8 C) Electric utility's short-term borrowing rate.

9 D) Proposed adjustments to the current DSIM rates.

10 E) Complete documentation for the proposed adjustments to the current DSIM rates.

11 F) Any additional information the Commission ordered to be provided.

12 G) Annual report as required by 20 CSR 4240-20.093(9).

13 As part of my Direct Testimony, I have included the information required for update of
14 the DSIM rate in the attached Schedules LAS-1 and LAS-2. In addition, the Company's
15 2020 Demand-Side Program Annual Report for MEEIA Cycle 2, referenced in Item G
16 above, was filed on June 29, 2020 in Case No. EO-2020-0418. The 2020 Demand-Side
17 Program Annual Report for MEEIA Cycle 3, referenced in Item G above, was filed on
18 March 31, 2021 in Case No. EO-2021-0323.

19 **Q: Are you sponsoring this information?**

20 A: Yes, I am.

21 **Q: Please explain why Evergy Missouri Metro has filed an adjusted DSIM rate**
22 **schedule at this time?**

1 A: The Commission’s rule governing DSIM filings and submission requirements for electric
2 utilities specifically 20 CSR 4240-20.093(4) requires Evergy Missouri Metro to make at
3 least annual adjustments of DSIM rates that reflect the amount of revenue that has been
4 over/under collected. Evergy Missouri Metro’s DSIM tariff requires two semi-annual
5 rate adjustments to become effective February 1 and August 1 of each year. Based upon
6 actual and estimated performance during the six-month time period(s), DSIM rates may
7 be adjusted up or down.

8 **Q: Please describe the various DSIM rate components that make up the proposed**
9 **DSIM rate.**

10 A: As the MEEIA Cycle 3 DSIM tariff describes, the DSIM rate components consist of 1)
11 Program Costs (“PC”), Throughput Disincentive (“TD”) and Earnings Opportunity
12 (“EO”) for the MEEIA Cycle 3 Plan, as well as PC, TD and EO for the MEEIA Cycle 2
13 Plan; 2) Reconciliations, with interest, to true-up differences between revenues billed
14 under the DSIM rider and total actual monthly amounts for PC, TD, EO and any
15 remaining true-ups or unrecovered amounts for Cycle 2 and Cycle 3; and 3) any Ordered
16 Adjustments.

17 **Q: How did you develop the various DSIM rate components that make up the proposed**
18 **DSIM rate?**

19 A: As the DSIM tariff for MEEIA Cycle 3 describes, the DSIM rate components consist of
20 projected PC and TD for MEEIA Cycle 3 programs for November 2021 through
21 December 2022 as well as the reconciliation of actual and expected PC and TD for Cycle
22 3 through October 2021. The MEEIA Cycle 3 costs included in this filing are current
23 forecasted levels of program participation and related costs.

1 Also included for recovery in the calculation of the DSIM rates are projected TD
2 associated with MEEIA Cycle 2 for November 2021 through December 2022 as well as
3 the reconciliation of actual and expected PC, TD and EO for Cycle 2 through October
4 2021.

5 **Q: Please describe the amount of EO that has been included in this filing.**

6 A: Consistent with the current DSIM rates effective August 1, 2021, the EO included in this
7 filing is based on verified MWh and MW savings for the three program years of Cycle 2
8 beginning April 2016 through March 2019, including EO TD adjustments, and for the
9 Cycle 2 extension year April 2019 through December 2019, including EO TD
10 adjustments, which has been calculated in accordance with Tariff Sheet Nos. 49M and
11 49P. The MEEIA Cycle 2 tariff provides for the recovery of the EO over 24 months.
12 The Company took the total adjusted EO and divided that amount by the four semi-
13 annual rate update periods and has included an EO amount for the current Effective
14 Period (“EP”), or six-months beginning July 2021, plus the succeeding EP as described
15 on tariff Sheet No. 49S. An EO amount totaling \$264,705 for Cycle 2 has been included
16 in the calculation of the DSIM rate in this filing. In addition, the EO included in this
17 filing is based on verified MWh and MW savings for the 2020 program year of Cycle 3,
18 including EO TD adjustments, which has been calculated in accordance with Tariff Sheet
19 Nos. 49X and 49Z. The MEEIA Cycle 3 tariff provides for the recovery of the EO over
20 12 months. The Company took the total adjusted EO and divided that amount by the 12
21 months and has included an EO amount for the current Effective Period (“EP”), or six-
22 months beginning February 2022, plus the succeeding EP as described on tariff Sheet
23 No. 49S. An EO amount totaling \$1,617,435 for Cycle 3 has been included in the

1 calculation of the DSIM rate in this filing. The sum of the PC, TD and EO amounts are
2 divided by the projected billed retail kWh sales, excluding opt-out sales, by rate class for
3 February 2022 through January 2023 to develop the proposed DSIM rates.

4 **Q: If the rate schedule filed by Evergy Missouri Metro is approved, what safeguards**
5 **exist to ensure that the revenues the Company bills to its customers do not exceed**
6 **actual DSM Program Costs, TD incurred, as well as the earnings opportunity or**
7 **performance incentive?**

8 A: Evergy Missouri Metro's DSIM Rider mechanism and the Commission's rules provide
9 two mechanisms to ensure that amounts billed to customers do not exceed Evergy
10 Missouri Metro's actual, prudently incurred DSM Program Costs, TD and performance
11 incentive or EO. First, at the end of each recovery period, the Company is required to
12 true up amounts billed to customers through the DSIM Rider based upon Program Cost
13 and TD actually incurred during that six-month period. Per MEEIA rule 20 CSR 4240-
14 20.093(4), these adjustments will be supported by complete documentation and
15 workpapers that demonstrate the need for DSIM rate adjustment. All proposed
16 adjustments and supporting documentation are subject to review by MPSC Staff and all
17 MEEIA stakeholders. Second, per MEEIA rule 20 CSR 4240-20.093(11), Evergy
18 Missouri Metro's DSIM is subject to periodic prudence reviews by MPSC Staff to ensure
19 that only prudently incurred Program Costs and TD are billed to customers. These two
20 mechanisms serve as checks to ensure that the Company's customers pay only the
21 prudently incurred, actual Program Costs and TD resulting from implementation of
22 MEEIA DSM programs.

1 **Q: Has Evergy Missouri Metro made any adjustments to previously filed costs included**
2 **in the current DSIM rate?**

3 A: No. Staff has noted in its Staff Recommendations for the previous two semi-annual
4 DSIM rate updates, Case Nos. ER-2021-0152 and ER-2021-0410, concerns regarding the
5 level of reported savings attributable to Home Energy Reports (“HER”). However, the
6 Company believes that it has calculated the DSIM rate updates consistent with the tariffs
7 approved by the Commission; therefore, no adjustments are included in this current
8 DSIM rate update filing.

9 **Q: Has Evergy Missouri Metro been subject to any prudence reviews by MPSC Staff?**

10 A: Yes, Evergy Missouri Metro has been through four prudence reviews and its fifth
11 prudence review was initiated in June 2021.

12 In the first prudence review, initiated by Staff on January 15, 2016 in Case No.
13 EO-2016-0183, Staff recommended seminar training costs of \$6,000 plus interest be
14 returned to customers in the semi-annual DSIM rate update filed on November 30, 2016.

15 The second prudence review was initiated by Staff on February 1, 2017 in Case
16 No. EO-2017-0209. Staff found no instances of imprudence but recommended the
17 Commission approve an adjustment of \$4,723 plus interest resulting from a calculation
18 error found in the Company’s performance incentive award amount for Cycle 1 be
19 returned to customers in the semi-annual DSIM rate update filed on June 1, 2018.

20 In the third prudence review initiated by Staff on June 4, 2018 in Case No. EO-
21 2018-0363, the Company, Staff and the Office of the Public Counsel entered into a
22 Unanimous Stipulation and Agreement dated February 20, 2019 which was approved by
23 the Commission on March 6, 2019. As a result of this agreement, the Company included

1 the Ordered Adjustment which reduced proposed costs for recovery by \$8,500 plus
2 carrying costs of \$187 in the rider rate effective August 1, 2019, Case No. ER-2019-
3 0375.

4 Based on its examination and analysis of costs in the fourth prudence review,
5 Case No. EO-2020-0227, Staff believes the Company was imprudent in implementation
6 of the Residential Programmable Thermostat program and implementation of the
7 Demand Response Incentive program. Staff also believes the Company acted
8 imprudently by not calling more demand response events. The Company disputes each of
9 the Staff's findings and believes that it has operated the programs in a prudent manner,
10 consistent with the tariffs approved by the Commission. As of December 2, 2021, this
11 case is not yet resolved.

12 On October 28, 2021, Staff issued its Report and Recommendation in the
13 Company's fifth MEEIA prudence review initiated by Staff on June 4, 2021 in Case No.
14 EO-2021-0417. This prudence review covers the period of January 2020 through March
15 2021 for Cycle 3 costs and Cycle 2 Long-Lead Projects. In its Report, Staff
16 recommended the disallowance of \$51,361 of program costs including interest and
17 \$1,771,159 of throughput disincentive related to the Company's Home Energy Report
18 program. The Company disputes Staff's alleged disallowances. On November 2, 2021,
19 the Company filed a request for hearing regarding Staff's Report. Parties filed a joint
20 proposed procedural schedule in this case on November 30, 2021.

1 **Q: What action is Evergy Missouri Metro requesting from the Commission with**
2 **respect to the rate schedule that the Company has filed?**

3 A: The Company requests the Commission approve the rate schedule to become effective
4 February 1, 2022.

5 **Q: Does that conclude your testimony?**

6 A: Yes, it does.