

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-2020- 0154  
Date Testimony Prepared: December 2, 2019

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2020- 0154**

**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**ON BEHALF OF**

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

**Kansas City, Missouri  
December 2019**

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

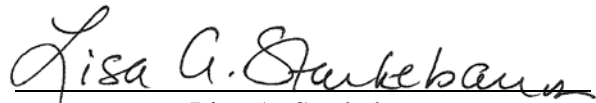
In the Matter of Evergy Missouri Metro's )  
Demand Side Investment ) Case No. ER-2020- 0154  
Mechanism Rider Rate Adjustment and True-Up )  
Required by 20 CSR 4240-20.093(4) )

**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 as Manager, Regulatory Affairs.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy consisting of seven ( 7 ) 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.

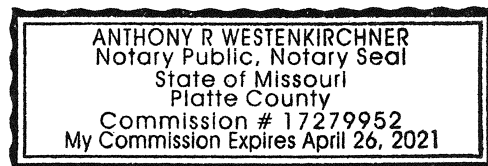
  
\_\_\_\_\_  
Lisa A. Starkebaum

Subscribed and sworn to before me this 2nd day of December 2019.

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

My Commission expires:

4/26/2021



**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**Case No. ER-2020-0154**

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, and the  
6 preparation of rate cases and rate case support for both KCP&L and GMO. 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 the 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 2019, as well as forecasted performance through June  
5 2020 for Program Costs and Throughput Disincentive (“TD”). In addition, the Earnings  
6 Opportunity (“EO”) for Cycle 2 (April 2016 through March 2019) is included in this rider  
7 update. The proposed change will result in an increase to a residential customer’s rate  
8 from \$0.00362 to \$0.00386 per kWh. The proposed non-residential rate would decrease  
9 from \$0.00252 to \$0.00119 per kWh.

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

11 A: The requirements for adjustment of DSIM rates are found in Commission rules 20 CSR  
12 4240-20.093(4). In summary, the requirements outline that the update filing include  
13 applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

- 14 A) Amount of revenue that was over-collected or under-collected through the most  
15 recent recovery period by rate class.
- 16 B) Proposed positive or negative adjustments by rate class.
- 17 C) Electric utility’s short-term borrowing rate.
- 18 D) Proposed adjustments to the current DSIM rates.
- 19 E) Complete documentation for the proposed adjustments to the current DSIM rates.
- 20 F) Any additional information the Commission ordered to be provided.
- 21 G) Annual report as required by 20 CSR 4240-20.093(9).

22 As part of my Direct Testimony, I have included the information required for update of  
23 the DSIM rate in the attached Schedules LAS-1 and LAS-2. In addition, the Company’s

1 2018 Demand-Side Program Annual Report for MEEIA Cycle 1, referenced in Item G  
2 above, was filed on March 29, 2019 in Case No. EO-2019-0297 and the 2019 Demand-  
3 Side Program Annual Report for MEEIA Cycle 2, referenced in Item G above, was filed  
4 on June 28, 2019 in Case No. EO-2019-0410.

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

6 A: Yes, I am.

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

9 A: The Commission's rule governing DSIM filings and submission requirements for electric  
10 utilities specifically 20 CSR 4240-20.093(4) requires Evergy Missouri Metro to make at  
11 least annual adjustments of DSIM rates that reflect the amount of revenue that has been  
12 over/under collected. Evergy Missouri Metro will continue to file semi-annual rate  
13 adjustments. Based upon actual and estimated performance during the six-month time  
14 period(s), DSIM rates may be adjusted up or down.

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

17 A: As the DSIM tariff describes, the DSIM rate components consist of projected Program  
18 Costs, consisting primarily of evaluation costs on the Cycle 2 Extension savings, and  
19 projected TD associated with Cycle 2 for November 2019 through June 2020 and the  
20 reconciliation of actual and expected Program Costs and TD for Cycle 2 through October  
21 2019. Cycle 1 Program Costs and TD-NSB were fully collected during the current  
22 recovery period. In addition, the EO based on verified MWh and MW savings for the  
23 three program years of Cycle 2 beginning April 2016 through March 2019, including EO

1 TD adjustments, has been calculated in accordance with Tariff Sheet Nos. 49M and 49P.  
2 One quarter of the total adjusted EO has been included in the calculation of the DSIM  
3 rate in this filing. These amounts are divided by the projected retail sales, excluding opt-  
4 out sales from customers, for February 2020 through July 2020, to develop a rate to be  
5 used in the DSIM rate. All of this is separately distinguished between Residential and  
6 Non-Residential classes.

7 **Q: Please describe the impact of the change in costs and how it will affect Evergy**  
8 **Missouri Metro customers.**

9 A: At this time, based on actual performance experienced through October 2019 and  
10 forecasts through June 2020, the proposed residential DSIM rate will be higher than the  
11 current rate of \$0.00362 per kWh and will become \$0.00386 per kWh. For a residential  
12 customer using 1,000 kWh's, this would mean an increase of \$0.24 per month. The  
13 proposed DSIM rate will decrease for the non-residential class from \$0.00252 per kWh to  
14 \$0.00119 per kWh. For a non-residential customer this would mean a decrease of \$1.33  
15 for every 1,000 kWh's used. The increase in the Residential DSIM rate is primarily the  
16 result of an increase in program costs and TD due to higher participation in residential  
17 programs during the extension of MEEIA Cycle 2 programs through December 31, 2019  
18 than originally forecasted plus the inclusion of Cycle 2 EO. The decrease in the Non-  
19 Residential DSIM rate is the net result of a decrease in program costs and TD due to  
20 lower participation in non-residential programs during the extension through December  
21 31, 2019 than originally forecasted, offset by the inclusion of Cycle 2 EO.

22 **Q: If the rate schedule filed by Evergy Missouri Metro is approved, what safeguards**  
23 **exist to ensure that the revenues the Company bills to its customers do not exceed**

1        **actual DSM Program Costs, TD/TD-NSB incurred, as well as the earnings**  
2        **opportunity or performance incentive?**

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

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

20    A:    No.

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

22    A:    Yes, Evergy Missouri Metro has been through three prudence reviews.



1           In the first prudence review, initiated by Staff on January 15, 2016 in Case No.  
2           EO-2016-0183, Staff recommended seminar training costs of \$6,000 plus interest be  
3           returned to customers in the semi-annual DSIM rate update filed on November 30, 2016.  
4           The second prudence review was initiated by Staff on February 1, 2017 in Case No. EO-  
5           2017-0209. Staff found no instances of imprudence but recommended the Commission  
6           approve an adjustment of \$4,723 plus interest resulting from a calculation error found in  
7           the Company's performance incentive award amount for Cycle 1 be returned to  
8           customers in the semi-annual DSIM rate update filed on June 1, 2018.

9           Most recently, in the third prudence review initiated by Staff on June 4, 2018 in  
10          Case No. EO-2018-0363, the Company, Staff and the Office of the Public Counsel  
11          entered into a Unanimous Stipulation and Agreement dated February 20, 2019 which  
12          was approved by the Commission on March 6, 2019. As a result of this agreement, the  
13          Company included the Ordered Adjustment which reduced proposed costs for recovery  
14          by \$8,500 plus carrying costs of \$187 in the rider rate effective August 1, 2019, Case No.  
15          ER-2019-0375.

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

18   A:    The Company requests the Commission approve the rate schedule to become effective  
19          February 1, 2020.

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

21   A:    Yes, it does.