

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

In the Matter of Evergy Missouri Metro,)	
Inc., d/b/a Evergy Missouri Metro’s)	
Demand Side Investment Mechanism)	<u>File No. ER-2024-0184</u>
Rider Rate Adjustment and True-Up)	Tariff No. JE-2024-0083
Required by 20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION TO APPROVE TARIFF

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and for its *Recommendation to Approve Tariff* respectfully states:

1. On December 1, 2023, Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Metro” or “Company”) filed one (1) tariff sheet and the direct testimony of Lisa A. Starkebaum. As filed, Evergy Metro’s Demand Side Investment Mechanism (DSIM) revenue requirement through December 2024 is approximately \$21 million. This revenue requirement was reduced by an Ordered Adjustment balance with interest of (\$146,648), ordered by the Commission on July 21, 2022, in Case No. EO-2021-0417.

2. Staff’s Memorandum, attached hereto as Appendix A and incorporated by reference, recommends the Commission issue an order approving the one (1) proposed tariff sheet, for service on and after February 1, 2024, the requested effective date. Staff’s recommendation comes with the acknowledgment that approval does not constitute a review of the prudence of Evergy Metro’s actions in relation to its DSIM rider.

3. The proposed change will increase residential customers’ DSIM Rider rate from \$0.00196 to \$0.00389 per kWh.³ For a residential customer using 1,000 kWh, this would result in an increase of \$1.93 per month.

4. 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 in 20 CSR 4240-20.090(10). Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, Staff recommends the Commission issue an order approving the following tariff sheet, for service on and after February 1, 2024, the requested effective date:

P.S.C. MO. No. 7

Ninth Revised Sheet No. 49Y, Canceling Eight Revised Sheet No. 49Y

Respectfully submitted,

/s/ Nicole Mers

Nicole Mers

Missouri Bar 66766

Deputy Staff Counsel

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 2nd day of January 2024.

/s/ Nicole Mers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2024-0184, Tariff Tracking No. JE-2024-0083

FROM: Justin Tevie, Economics Analyst, Tariff/Rate Design Dept.
Krishna L. Poudel, PhD, Economist, Energy Resources Dept.

/s/ Justin Tevie / 01-02-2024
Tariff/Rate Design Dept. / Date

SUBJECT: Staff Recommendation to Approve Evergy Metro, Inc., d/b/a Evergy Missouri Metro (“Evergy Metro”) Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism (“DSIM”) Rider Rate effective February 1, 2024.

DATE: January 2, 2024

Evergy Metro Filing

On December 1, 2023, Evergy Metro, Inc., d/b/a Evergy Missouri Metro (“Evergy Metro”) filed with the Commission one (1) tariff sheet bearing an issue date of December 1, 2023, with an effective date of February 1, 2024, proposing adjustments to 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. As filed, Evergy Metro’s DSIM revenue requirement through December 2024 is approximately \$21 million. This revenue requirement was reduced by an Ordered Adjustment balance with interest of (\$146,648), ordered by the Commission on July 21, 2022, in Case No. EO-2021-0417.¹

On December 4, 2023, 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 December 30, 2023.

Change in Evergy Metro’s DSIM Rates

Per 20 CSR 4240-20.093(4), Evergy Metro is required to adjust its DSIM rates no less often than annually² to reflect the amount of revenue that has been over/under collected.

¹ The Commission approved Order Adjustments in Case Nos. EO-2020-0227 and EO-2021-0417, where the Company agreed to include in this filing a credits to resolve the alleged HER TD double-recovery issue and to return disallowed program costs from the review period of January 2020 through March 2021 plus interest.

² Evergy Metro makes semi-annual adjustments to its DSIM rates.

The current Missouri Energy Efficiency Investment Act (“MEEIA”) mechanism rate per class of customer is collected through a line item on current bills 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 Cycle 2 earnings opportunity (“EO”), actual and projected costs for Evergy Metro’s MEEIA Cycle 3 approved in Case No. EO-2019-0133, and Evergy Metro’s MEEIA Cycle 3 extension request through December 31, 2024, approved in Case No. EO-2019-0132.

The table below provides a summary of the cumulative throughput disincentive (“TD”), program costs (“PC”), and earnings opportunity (“EO”) for Cycle 2 and Cycle 3 and average cost per estimated kilowatt hour (kWh) saved. PC, EO and TD values for the months of November, December and January are forecasted data, which is adjusted for actual data in the next filing.

	MEEIA Cycle 3 through Dec 2024	MEEIA Cycle 2
TD	\$ 21,530,255	\$ 45,342,418
Program Cost	\$ 57,299,714	\$ 67,774,562
EO	\$ 3,440,807	\$ 7,845,674
Total	\$ 82,270,777	\$ 120,962,653
Estimated kWh Saved	227,822,477	314,994,695
Avg Cost per Estimated kWh Saved	\$ 0.36	\$ 0.38

Additionally, Evergy Metro is projecting to recover approximately \$16.6 million through December 2024 for projected PC and TD for Cycle 3 costs. Staff agrees these are reasonable projections based on past projection to actual comparison.

Projected through Dec 2024	PC (Ext)	TD	Total Projected
Cy 3 PC & TD	\$ 13,031,162	\$ 3,503,103	\$ 16,534,265

In total, Evergy Metro will recover from ratepayers approximately \$224 million for energy efficiency programs for MEEIA Cycles 2 and 3 by December 2024, as shown in the chart below.

	Cycles 2 & 3	
TD	\$ 66,872,673	
Program Cost	\$ 125,074,276	
EO	\$ 11,286,481	
Total	\$ 203,233,430	
		DSIM Revenue Requirement Dec 2024
	\$ 20,829,392	
	\$ 224,062,822	TOTAL CYCLES 2 & 3

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 kilowatt hours (kWh) of energy supplied to customers under Evergy Metro’s retail rates schedules, excluding kWh of energy supplied to “opt-out” customers as stated in Tariff Sheet 49.

Rate Schedule	Total Proposed DSIM (\$/kWh)	Total Current DSIM ER-2024-0410 (\$/kWh)	Change Increase/ (Decrease) (\$/kWh)	Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)
Residential Service	\$0.00389	\$0.00196	\$0.00193	\$1.93
Non-Res Service – SGS	\$0.00205	\$0.00156	\$0.00049	\$0.49
Non-Res Service - MGS	\$0.00327	\$0.00184	\$0.00143	\$1.43
Non-Res Service – LGS	\$0.00274	\$0.00145	\$0.00129	\$1.29
Non-Res Service – LPS	\$0.00129	\$0.00042	\$0.00087	\$0.87

The proposed change will increase residential customers’ DSIM Rider rate from \$0.00196 to \$0.00389 per kWh.³ For a residential customer using 1,000 kWh, this would result in an increase

³ Inclusion of MEEIA Cycle 3 projected Program Costs (“PC”) and Throughput Disincentive (“TD”) in addition to projected MEEIA Cycle 2 PC, TD and EO based on actual performance in the six-month period ending October 2023, as well as forecasted performance through December 2024.

of \$1.93 per month. As shown in the above table, the new rates would result in rate increases for all Non-Residential rate classes per 1,000 kWh.

Staff Recommendation

The Commission Staff's Tariff/Rate Design Department and Energy Resources Department have reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, filed on December 1, 2023 for service on and after February 1, 2024, the requested effective date:

P.S.C. MO. No. 7
Ninth Revised Sheet No. 49Y, Canceling Eight 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 in 20 CSR 4240-20.090(10). Staff's recommendation to approve this Ninth Revised Sheet No. 49Y does not constitute a review of the prudence of Evergy Metro's actions in relation to its DSIM.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)	
d/b/a Ameren Missouri's Electric Service)	Case No. ER-2024-0184
Tariffs Adjustment Relating to MEEIA)	Tariff No. JE-2024-0083
EEIC Rider)	

AFFIDAVIT OF JUSTIN TEVIE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JUSTIN TEVIE 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.

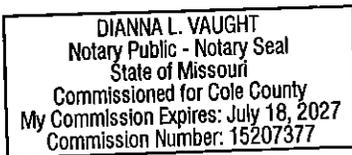
Further the Affiant sayeth not.



JUSTIN TEVIE

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 29th day of December 2023.



Dianna L. Vaught
Notary Public

