

Exhibit No.:

*Issues: Report on Staff's
Second Prudence
Review of Cycle 3
Costs Related to the
Missouri Energy
Efficiency Investment
Act*

Witness: Brooke Mastrogiannis

Sponsoring Party: MoPSC Staff

Type of Exhibit: Direct Testimony

*Case No.: EO-2023-0407
and EO-2023-0408*

Date Testimony Prepared: February 27, 2024

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

DIRECT TESTIMONY

OF

BROOKE MASTROGIANNIS

**EVERGY MISSOURI WEST, INC.,
d/b/a EVERY MISSOURI WEAT
CASE NO. EO-2023-0408**

and

**EVERGY METRO, INC.,
d/b/a EVERY MISSOURI METRO
CASE NO. EO-2023-00407**

*Jefferson City, Missouri
February, 2024*

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d/b/a EVERGY MISSOURI WEST
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and
EVERGY METRO, INC.,
d/b/a EVERGY MISSOURI METRO
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1 **DIRECT TESTIMONY**
2 **OF**
3 **BROOKE MASTROGIANNIS**

4 **EVERGY MISSOURI WEST, INC.,**
5 **d/b/a EVERGY MISSOURI WEST**
6 **CASE NO. EO-2023-0408**

7 **and**

8 **EVERGY METRO, INC.,**
9 **d/b/a EVERGY MISSOURI METRO**
10 **CASE NO. EO-2023-0407**

11 Q. Please state your name and business address.

12 A. Brooke Mastrogiannis, 200 Madison Street, Jefferson City, MO 65102.

13 Q. By whom are you employed and in what capacity?

14 A. I am employed by the Missouri Public Service Commission (“Commission” or
15 “PSC”) as a Utility Regulatory Audit Supervisor.

16 Q. Please describe your educational background and work experience.

17 A. Please refer to Schedule BMM-d1 attached hereto.

18 Q. Have you previously filed testimony before this Commission?

19 A. Yes. Please refer to Schedule BMM-d1 for a list of cases in which I have
20 previously led or participated in.

21 Q. Have you participated in the Commission Staff’s audit of Evergy Metro, Inc.,
22 d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc.,
23 d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively “Evergy”), concerning
24 the Staff’s prudence review in this proceeding?

25 A. Yes, I have, with the assistance of other members of the Staff.

1 **EXECUTIVE SUMMARY**

2 Q. Please summarize your direct testimony in this proceeding.

3 A. I am sponsoring the *Staff's Recommendation (Public and Confidential)* ("Staff
4 Reports"), which were originally filed on October 27, 2023, in Case Nos. EO-2023-0407 and
5 EO-2023-0408, copies of which (both Public and Confidential) are attached hereto as
6 Schedule BMM-d3 and Confidential Schedule BMM-d4 for Evergy Missouri Metro, and as
7 Schedule BMM-d5 and Confidential Schedule BMM-d6 for Evergy Missouri West. Staff has
8 conducted a review of all of the Demand-Side Programs Investment Mechanism ("DSIM")
9 components (program costs, gross annual energy and demand savings, interest, earnings
10 opportunity, throughput disincentive, and evaluation measurement and verification) during
11 the review period.¹ My testimony provides an overview of Staff's work in each area.

12 **PRUDENCE REVIEW AND STAFF REPORT**

13 Q. Please describe Staff's prudence review.

14 A. Staff conducted a review of all of the DSIM components during the review
15 period of the energy efficiency and demand response programs for Evergy. As noted in the
16 Staff Reports, Staff provides a description of the components it reviewed, a discussion of its
17 review, a summary of any cost implications and Staff's conclusions based on its review of the
18 components. During its review, and as more fully explained below and in the Staff Reports,
19 Staff identifies certain expenses where it recommends disallowances.

20 Q. Please explain the organizational format of the Staff Reports.

¹ April 1, 2021 through March 31, 2023.

1 A. The Staff Reports have been organized by topic as follows:

2 I. Executive Summary

3 II. MEEIA Programs

4 III. Prudence Review Process

5 IV. Prudence Review Standard

6 V. Billed Revenue

7 VI. Nexant Tracking Software

8 VII. Actual Program Costs

9 VIII. Throughput Disincentive

10 IX. Earnings Opportunity

11 X. Interest Costs

12 The Actual Program Costs section explains each specific recommended adjustment
13 made by Staff for the review period. Signed affidavits for all Staff members who are
14 responsible for a portion of the Staff Reports and for whom those portions constitute direct
15 testimony in this proceeding are attached to the Staff Reports. The individual Staff member(s)
16 responsible for each area of Staff's direct case and/or adjustment is identified in the Staff
17 Reports following the written discussion he or she authored, and is the expert witness with
18 respect to that section of the Staff Reports. Staff may have a different or additional
19 expert/witness for rebuttal or surrebuttal testimony in a given area if this case proceeds to
20 evidentiary hearings.

21 **OVERVIEW OF STAFF'S PROPOSED DISALLOWANCES**

22 Q. In its review of the DSIMs for Evergy in Case Nos. EO-2023-0407 and
23 EO-2023-0408, has Staff examined all of the components comprising the costs of the energy
24 efficiency and demand response programs?

1 A. Yes.

2 Q. Is Staff proposing adjustments as a result of its review?

3 A Yes, as proposed in the charts below. However it should be noted that Staff is
4 updating its recommended disallowance in the Evergy Missouri West chart below.

5 **EVERGY MISSOURI METRO (Case No. EO-2023-0407)**

Costs	Explanation of Costs	Recommended Disallowance
Administrative Program Expenses	Page 15	\$ 70,680.48
Implementation Contractors Expenses	Page 19	\$ 6,549.15
Total		\$ 77,229.63

7 **EVERGY MISSOURI WEST (Case No. EO-2023-0408)**

Costs	Explanation of Costs	Recommended Disallowance
Administrative Program Expenses	Page 17	\$ 4,265.30
Implementation Contractors Expenses	Page 20	\$ 13,121.19
Business Demand Response	Page 23	\$ 1,143,651.18
Total		\$ 1,161,037.67

8
9 Q. Why is the recommended Ordered Adjustment amount in your direct testimony
10 different from Staff's recommended disallowance in the Staff Report from this case?

11 A. As explained in Staff witness Jordan Hull's direct testimony, Nucor-Maryville
12 is not part of the Schedule SIL tariff. Therefore Staff's recommended Ordered Adjustment for
13 Business Demand Response is now \$1,143,651.18 (including interest), for a total
14 recommended Ordered Adjustment for Evergy Missouri West of \$1,161,037.67.

15 Q. Are there individual Staff witnesses sponsoring these adjustments?

1 A. Yes. Staff expert Cynthia M. Tandy² provided a detailed explanation for the
2 proposed disallowance as related to: administrative program expenses and Implementation
3 Contractor expenses, starting on page 14 through page 19 of the Evergy Missouri West Staff
4 Report. Also in the Evergy Missouri West Staff Report, Staff expert Jordan T. Hull provided
5 a detailed explanation for the proposed disallowance as related to the business demand
6 response expenses starting on page 21 through page 22. Staff expert Amanda C. Conner
7 provided a detailed explanation for the proposed disallowance as related to: administrative
8 program expenses and implementation contractor expenses; starting on page 14 through
9 page 19 of the Evergy Missouri Metro Staff Report.

10 Q. Does this conclude your direct testimony in this proceeding?

11 A. Yes, it does.

² Staff witness Amanda C. Conner is sponsoring Ms. Tandy's disallowances from the EMW Staff Report in her direct testimony.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Second Prudence)
Review of the Missouri Energy Efficiency) File No. EO-2023-0407
Investment Act (MEEIA) Cycle 3 Energy)
Efficiency Programs of Evergy Metro, Inc.)
d/b/a Evergy Missouri Metro)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Brooke Mastrogiannis*; and that the same is true and correct according to her best knowledge and belief.

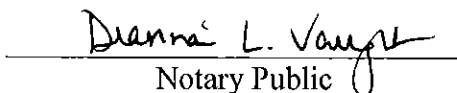
Further the Affiant sayeth not.


BROOKE MASTROGIANNIS

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 26th day of February 2024.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Second Prudence)
Review of the Missouri Energy Efficiency) File No. EO-2023-0408
Investment Act (MEEIA) Cycle 3 Energy)
Efficiency Programs of Evergy Missouri)
West, Inc. d/b/a Evergy Missouri West)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
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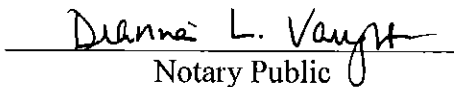
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BROOKE MASTROGIANNIS

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DIANNA L. VAUGHT
Notary Public - Notary Seal
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Commissioned for Cole County
My Commission Expires: July 18, 2027
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Notary Public

Brooke Mastrogiannis

Education and Employment Background

I am a Utility Regulatory Audit Supervisor in the Energy Resources Department of the Missouri Public Service Commission. I have been employed by the Missouri Public Service Commission since May 2014. I previously was a Utility Regulatory Auditor in the Auditing Unit of the Utility Services Department, and a Utility Management Analyst in the Consumer and Management Analysis Unit. I have been in my current position since May 2020.

I received a Bachelor of Science degree in Accounting from Lincoln University, in Jefferson City, MO in May of 2012. I then continued to further my education and received my Masters of Business Administration with an emphasis in Accounting in December 2013. In earning these degree's I completed numerous core Accounting and Business classes.

Prior to joining the Commission, I was employed by the State of Missouri - Department of Natural Resources from June 2013 to May 2014 as an Accounting Specialist. My duties entailed: reviewing and monitoring expense account forms to ensure employees followed correct procedures, prepared and set up project and job codes so they could be coded correctly on employee's time sheets, analyzed and prepared necessary cash draws, and also prepared financial information or reports to facilitate budget information and execution.

**Brooke Mastrogiannis
Case Participation
Utility Regulatory Audit Supervisor**

Company Name	Case Number	Testimony/Issues
The Empire District Electric Company	ER-2014-0351	January 2015 Cost of Service Report- Plant in Service, Depreciation Reserve, Prepayments, Materials and Supplies, Customer Deposits, Customer Deposit Interest, Customer Advances, Amortization of Electric Plant, Amortization of PeopleSoft Intangible Asset, Corporate Franchise Taxes, Depreciation Expense, Amortization Expense, Dues and Donations, EEI Dues, Advertising Expense, Outside Services, and Postage.
Seges Partners Mobile Home Park L.L.C.	SR-2015-0106	January 2015 Staff Report- Rate Base, Revenues, Purchased Sewer Costs, Payroll and Payroll Taxes, Management Fee, Postage, Telephone Expense, Maintenance Expense, Insurance, Outside Services, PSC Assessment, and Rate Case Expense
The Empire District Electric Company	ER-2014-0351	March 2015 Surrebuttal Testimony- Advertising Expense, Customer Advances, and EEI Dues.
Ozark International, Inc.	WR-2015-0192	September 2015 Staff Report- Payroll, Telephone and Cell Phone Expense, Auto Expense, Insurance Expense, Bank Service Charges, Customer Deposits, Customer Deposit Interest, PSC Assessment, Revenues, Miscellaneous Income, Contract Labor, General Maintenance Expense, Electric Expense, Returned Check Fees, Outside Services, Dues and Subscriptions, and Credit Card Fees
Hillcrest Utility Operating Company, Inc.	WR-2016-0064	March 2016 Staff Report- Customer Service and Business Operations Review
Cannon Home Association	SR-2016-0112	April 2016 Staff Report- Customer Service and Business Operations Review
Roy-L Utilities, Inc.	WR-2016-0109	May 2016 Staff Report- Customer Service and Business Operations Review
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202	August 2016 Staff Report- Customer Service and Business Operations Review

**cont'd Case Participation
Brooke Mastrogiannis**

Company Name	Case Number	Testimony/Issues
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202	October 2016 Rebuttal Testimony- Collection of Bad Debt
Kansas City Power and Light Company	EO-2016-0124	January 2017 Management Audit Report- Employee Expense Account Process and Internal Audit Activities
Terre Du Lac Utilities Corporation	WR-2017-0110	April 2017 Staff Report- Customer Service and Business Operations Review
Indian Hills Utility Operating Company, Inc.	WR-2017-0259	July 2017 Staff Report- Customer Service and Business Operations Review
Spire Missouri, Inc.	GR-2017-0215	December 2017 Rebuttal Testimony- Performance Metrics Incentive Proposal
Ameren Missouri	EO-2018-0155	April 2018 Staff Report- First MEEIA Cycle 2 Prudence Review
Liberty Utilities, LLC	WR-2018-0170	April 2018 Staff Report- Normalized and Annualized Revenues, Miscellaneous Revenues, Bad Debt Expense, Outside Services/Contract Maintenance, DNR Fees, Meter Reading Expense, Transportation Expense, and Property Taxes
KCPL Greater Missouri Operations	ER-2018-0146	June 2018 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause and Renewable Energy Rider Surrebuttal Testimony- Fuel Adjustment Clause
The Empire District Electric Company	EO-2018-0244	September 2018 Staff Report- Fuel Adjustment Clause Prudence Review
KCPL	EO-2018-0363	November 2018 Staff Report- First MEEIA Cycle 2 Prudence Review
KCPL Greater Missouri Operations	EO-2018-0364	November 2018 Staff Report- First MEEIA Cycle 2 Prudence Review
KCPL	EO-2019-0068	February 2019 Staff Report- Fuel Adjustment Clause Prudence Review
KCPL Greater Missouri Operations	EO-2019-0067	February 2019 Staff Report- Fuel Adjustment Clause Prudence Review

**cont'd Case Participation
Brooke Mastrogiannis**

Company Name	Case Number	Testimony/Issues
Ameren Missouri	EO-2019-0257	August 2019 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2019-0376	October 2019 Staff Report- Second MEEIA Cycle 2 Prudence Review
The Empire District Electric Company	EO-2020-0059	February 2020 Staff Report- Fuel Adjustment Clause Prudence Review
The Empire District Electric Company	ER-2019-0374	January 2020 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause Surrebuttal Testimony- Fuel Adjustment Clause
Evergy Missouri Metro	EO-2020-0227	June 2020 Staff Report- Second MEEIA Cycle 2 Prudence Review
Evergy Missouri West	EO-2020-0228	June 2020 Staff Report- Second MEEIA Cycle 2 Prudence Review
Evergy Missouri West	EO-2020-0262	August 2020 Staff Report- Fuel Adjustment Clause Prudence Review
Evergy Missouri Metro	EO-2020-0263	August 2020 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2021-0060	February 2021 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2021-0157	May 2021 Staff Report- First MEEIA Cycle 3 Prudence Review
The Empire District Electric Company	EO-2021-0281	August 2021 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	ER-2021-0240	September 2021 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause Surrebuttal Testimony- Fuel Adjustment Clause
The Empire District Electric Company	ER-2021-0312	October 2021 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause Surrebuttal Testimony- Fuel Adjustment Clause

**cont'd Case Participation
Brooke Mastrogiannis**

Company Name	Case Number	Testimony/Issues
Evergy Missouri West	EO-2021-0416	October 2021 Staff Report- First MEEIA Cycle 3 Prudence Review
Evergy Missouri Metro	EO-2021-0417	October 2021 Staff Report- First MEEIA Cycle 3 Prudence Review
Evergy Missouri Metro	EO-2022-0064	February 2022 Staff Report- Fuel Adjustment Clause Prudence Review
Evergy Missouri West	EO-2022-0065	February 2022 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2022-0236	August 2022 Staff Report- Fuel Adjustment Clause Prudence Review
The Empire District Electric Company	EO-2023-0087	February 2023 Staff Report- Fuel Adjustment Clause Prudence Review
Evergy Missouri West	ER-2023-0210	Rebuttal Testimony- Fuel Adjustment Clause; Fuel Adjustment Rate Filing
Ameren Missouri	EO-2023-0180	April 2023 Staff Report- Second MEEIA Cycle 3 Prudence Review
Evergy Missouri Metro	EO-2023-0276	August 2023 Staff Report- Fuel Adjustment Clause Prudence Review Direct Testimony- November 2023 Rebuttal Testimony- December 2023 Surrebuttal Testimony- January 2024
Evergy Missouri West	EO-2023-0277	August 2023 Staff Report- Fuel Adjustment Clause Prudence Review Direct Testimony- November 2023 Rebuttal Testimony- December 2023 Surrebuttal Testimony- January 2024
Evergy Missouri Metro	EO-2023-0407	October 2023 Staff Report- Second MEEIA Cycle 3 Prudence Review
Evergy Missouri West	EO-2023-0408	October 2023 Staff Report- Second MEEIA Cycle 3 Prudence Review

**cont'd Case Participation
Brooke Mastrogiannis**

Company Name	Case Number	Testimony/Issues
Evergy Missouri West	ER-2023-0444	Direct Testimony- October 2023- Fuel Adjustment Clause; Fuel Adjustment Rate Filing Rebuttal Testimony- November 2023- Fuel Adjustment Clause; Fuel Adjustment Rate Filing