

Exhibit No.:
Issue: DSIM Rider
Witness: Leigh Anne Jones
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri Metro and Evergy Missouri
West
Case No.: EO-2023-0369/0370
Date Testimony Prepared: April 29, 2024

MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: EO-2023-0369/0370

DIRECT TESTIMONY

OF

LEIGH ANNE JONES

ON BEHALF OF

**EVERGY MISSOURI METRO and
EVERGY MISSOURI WEST**

**Kansas City, Missouri
April 2024**

DIRECT TESTIMONY

OF

LEIGH ANNE JONES

Case Nos. EO-2023-0369/0370

1

I. INTRODUCTION

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

3 A: My name is Leigh Anne Jones. My business address is 1200 Main Street, Kansas
4 City, Missouri 64105.

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

6 A: I am employed by Evergy Metro, Inc. and serve as Senior Director, Corporate
7 Accounting for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy
8 Missouri Metro”), Evergy Missouri West, Inc. d/b/a Evergy Missouri West
9 (“Evergy Missouri West”), Evergy Metro, Inc. d/b/a Evergy Kansas Metro
10 (“Evergy Kansas Metro”), and Evergy Kansas Central, Inc. and Evergy South, Inc.,
11 collectively d/b/a as Evergy Kansas Central (“Evergy Kansas Central”) the
12 operating utilities of Evergy, Inc.

13 **Q: Who are you testifying for?**

14 A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West
15 (collectively, the “Company”).

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

17 A: My responsibilities include oversight of various accounting tasks such as
18 accounting for energy efficiency programs, leases, equity compensation, debt,
19 equity, investments, and pension and post-retirement.

1 **Q: Please describe your education, experience, and employment history.**

2 A: I have a Bachelor of Science Degree in Accounting from William Jewell College.
3 I joined KCP&L in 2001 and held positions of progressive responsibility in
4 Accounting in the areas of external reporting, technical accounting research and
5 corporate accounting. In 2016 I was promoted to Director, Accounting and in 2023
6 I was promoted to my current position of Senior Director, Corporate Accounting.

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

10 A: No.

11 **Q: What is the purpose of your direct testimony?**

12 A: The purpose of my direct testimony is to support the Company’s Demand Side
13 Investment Mechanism (“DSIM”) Rider included in this filing and explain the
14 changes proposed.

15 **Q: How is the DSIM Rider structured?**

16 A: The proposed recovery mechanism includes the same cost components as the
17 current mechanism:

- 18 ▪ The timely, contemporaneous recovery of program costs
- 19 ▪ The timely, contemporaneous recovery of a throughput disincentive
20 (“TD”) reflective of the lost margin revenues resulting from deemed
21 kWh savings from energy efficiency measures installed; (the TD
22 component is adjusted annually based on final evaluation,

1 measurement and verification (“EM&V”) savings in the earnings
2 opportunity (“EO”) calculation)

- 3 ▪ The timely recovery of an EO based on verified kWh energy and
4 kWh demand savings following the EM&V process.

5 We also propose to continue using a semi-annual DSIM Rider that projects using a
6 12-month rolling forecast of program costs, TD and includes EO after finalization
7 of the EM&V with reconciliation of actual program costs, TD and DSIM revenues
8 billed in the prior recovery period. Monthly interest on any over- or under-
9 recoveries of program costs and TD will be credited to customers’ or our benefit
10 based on our short-term borrowing rate.

11 **Q: How has the Company evaluated the financial impact and DSIM of the**
12 **proposed MEEIA Cycle 4 Plan?**

13 A: The Company has developed a comprehensive financial model, based on
14 reasonable assumptions, which computes the estimated DSIM Rider rates for each
15 customer class over the expected recovery periods. Key components of this model
16 include:

- 17 1) Annual program cost budgets for each program over the four years
18 of proposed Cycle 4 and charged directly or allocated to customer
19 classes as appropriate;
- 20 2) Throughput disincentive is estimated based on the annual kWh
21 energy savings targets for each program, allocated to customer
22 classes. These allocated kWh savings are spread to monthly periods
23 throughout the recovery periods using loadshapes for each program

1 to estimate the impact on monthly kWh sales which are multiplied
2 by net margin rates for each customer class.

3 3) Earnings opportunity at the targets requested in this case are
4 allocated across customer classes and included for recovery over 12
5 months following final EM&V reports.

6 This financial model and additional documentation have been provided as
7 workpapers supporting the Company's filing.

8 **Q: Why is this DSIM Rider recovery mechanism still appropriate?**

9 A: The Company's DSIM Rider recovery mechanism as proposed continues to meet
10 the criteria set forth in the MEEIA statute and rules and regulations. It provides for
11 timely recovery of all reasonable and prudent costs of delivering cost-effective
12 demand-side programs. It ensures that utility financial incentives are aligned with
13 customers through the inclusion of the throughput incentive and earnings
14 opportunity based on verifiable energy and demand savings determined in a
15 rigorous Evaluation, Measurement & Verification process. The DSIM Rider
16 provides for the reasonable, appropriate apportioning of costs to each customer
17 class. The semi-annual adjustment provides for timely updates based on the latest
18 projection of program performance and adjustments for any over- or under-
19 recovery of each cost component by customer class.

20 **Q: How has the proposed TD calculation been enhanced in the Company's**
21 **proposed mechanism?**

22 A: In recognition of Evergy's adoption of time-of-use ("TOU") based rate schedules
23 for its residential customers, the Company proposes to segment the calculation of

1 TD related to residential program energy savings by Evergy’s TOU pricing periods
2 and end use measure categories (heating, ventilation and air conditioning
3 (“HVAC”) and other).

4 **Q: Why was this enhancement considered necessary or appropriate?**

5 A: The Company determined that this change was a reasonable response to the recent
6 transition of between 15-20% of its residential customers to “high differential”
7 TOU rates (3-period, 2-period and high-differential rate classes). Even the
8 remaining 80-85% of residential customers that are in the default reclassification
9 of a peak adjustment rate schedule will see some difference in rates during peak
10 periods. This along with the fact that there is a significant portion of the anticipated
11 energy savings (kWh) expected to be derived from measures that impact customer
12 usage during peak periods aligned with the TOU rate blocks (4-8 PM).

13 **Q: How has the Company proposed to implement this change with regard to the**
14 **Residential Net Margin Rate (“NMR”) utilized in the TD calculation?**

15 A: The Company proposes to use a weighted average of the pricing period (peak, off-
16 peak and super off-peak) for each monthly residential rate schedules (Residential
17 Peak Adjustment Service, 3-Period, 2-Period and High-Differential schedules) less
18 the fuel adjustment clause base factor based on the relative adoption of each
19 schedule.

20 **Q: How will the kWh savings be spread to the pricing periods?**

21 A: The hourly load shapes for residential end use measures will be summarized to each
22 pricing period for each month for heating, ventilation and air conditioning (HVAC)
23 and Other end use categories within residential programs.

1 **Q: How did the Company determine to summarize the hourly load shapes into**
2 **the HVAC and Other end use categories?**

3 A: Based on a review of the separate end use measure load shapes the Company
4 determined that the HVAC category, consisting of residential cooling and
5 residential heating end use measures, made up a substantial proportion
6 (approximately 76%) of the anticipated savings in the Whole Home Efficiency and
7 Income Eligible programs. This category also includes the end use measure
8 categories that have the most significant variability in savings by month and by
9 time of use pricing period as compared to all other end use measure categories that
10 were relatively flat throughout the months and pricing periods.

11 **Q: Are there any proposed changes to the earnings opportunity metrics and/or**
12 **recovery in MEEIA Cycle 4?**

13 A: The earnings opportunity matrix is discussed in detail in Witness File's testimony,
14 but the recovery of the achieved EO in the DSIM is continuing the same process as
15 the current mechanism (annual amount recovered over 12 months following
16 EM&V finalization).

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

18 A: Yes, it does.

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

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro's Notice of Intent to File an) File No. EO-2023-0369
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism)

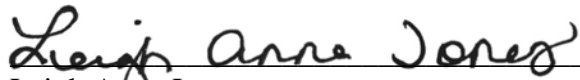
In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West's Notice of Intent to File an) File No. EO-2023-0370
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism)

AFFIDAVIT OF LEIGH ANNE JONES

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

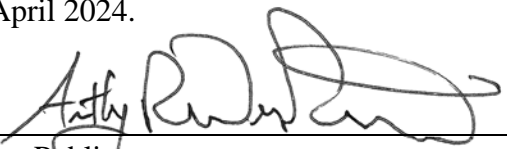
Leigh Anne Jones, being first duly sworn on his oath, states:

1. My name is Leigh Anne Jones. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Senior Director, Corporate Accounting.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of six (6) 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.



Leigh Anne Jones

Subscribed and sworn before me this 29th day of April 2024.



Notary Public

My commission expires: 4/26/2025

