

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-2024-0351  
Date Testimony Prepared: May 31, 2024

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2024-0351**

**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**ON BEHALF OF**

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

**Kansas City, Missouri  
May 2024**



**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**Case No. ER-2024-0351**

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 Metro, Inc. 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.

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

2 A: The purpose of my testimony is to support the rate schedule filed by Evergy Missouri  
3 Metro to adjust the Demand Side Investment Mechanism (“DSIM”) Rider. My testimony  
4 will explain the change to the DSIM components based upon actual performance in the  
5 six-month period ending April 2024, as well as forecasted performance through June  
6 2025 for Cycle 3 Program Costs (“PC”) and Cycle 3 Throughput Disincentive (“TD”).  
7 The budget caps and floors for the 2024 projected PC amounts as agreed to in the MEEIA  
8 Cycle 3 extension Non-Unanimous Stipulation and Agreement, Case No. EO-2019-0132,  
9 which were approved by the Commission on November 16, 2023 are included in this  
10 rider update. In addition, Earnings Opportunity (“EO”) for Cycle 2 for the three program  
11 years beginning April 2016 through March 2019, the EO for the Cycle 2 extension  
12 program year April 2019 through December 2019 and the EO for Cycle 3 2020, 2021,  
13 2022 and 2023 program years are included in this rider update. The proposed change in  
14 rates will result in a decrease to a residential customer’s rate from \$0.00389 to \$0.00329  
15 per kWh, or a decrease of \$0.60 for every 1,000 kWh used. Please see the table below  
16 for a comparison by rate schedule of proposed DSIM rates to currently effective rates and  
17 the impact to a customer using 1,000 kWh.

<b>Rate Schedule</b>	<b>Total Proposed DSIM (\$/kWh)</b>	<b>Total Current DSIM ER-2024-0184 (\$/kWh)</b>	<b>Change Increase/ (Decrease) (\$/kWh)</b>	<b>Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)</b>
Residential Service	\$0.00329	\$0.00389	(\$0.00060)	(\$0.60)
Non-Res Service – SGS	\$0.00152	\$0.00205	(\$0.00053)	(\$0.53)
Non-Res Service - MGS	\$0.00372	\$0.00327	\$0.00045	\$0.45
Non-Res Service – LGS	\$0.00173	\$0.00274	(\$0.00101)	(\$1.01)
Non-Res Service – LPS	\$0.00187	\$0.00129	\$0.00058	\$0.58

18

1 **Q: Please explain the projected costs.**

2 A: Evergy's MEEIA Cycle 3 Portfolio was originally approved in Case No. EO-2019-0132  
3 for Program Years 1-3 beginning 2020 and has since been extended twice. On May 12,  
4 2022, the Commission approved extending Cycle 3 through December 2023 (Program  
5 Year 4) and on November 16, 2023, the Commission approved extending Cycle 3  
6 through December 2024 (Program Year 5). The budget caps and floors for the 2024  
7 projected PC amounts as agreed to in the MEEIA Cycle 3 extension Non-Unanimous  
8 Stipulation and Agreement, Case No. EO-2019-0132, and approved by the Commission  
9 on November 16, 2023 are included in this rider update.

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. The 2023 Demand-Side

1 Program Annual Report for MEEIA Cycle 3, referenced in Item G above, was filed on  
2 March 29, 2024, in Case No. EO-2024-0267.

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

4 A: Yes, I am.

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

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

14 **Q: Please describe the various DSIM rate components that make up the proposed**  
15 **DSIM rate.**

16 A: As the MEEIA Cycle 3 DSIM tariff describes, the DSIM rate components consist of 1)  
17 Program Costs ("PC"), Throughput Disincentive ("TD") and Earnings Opportunity  
18 ("EO") for the MEEIA Cycle 3 Plan, as well as PC, TD and EO for the MEEIA Cycle 2  
19 Plan; 2) Reconciliations, with interest, to true-up differences between revenues billed  
20 under the DSIM rider and total actual monthly amounts for PC, TD, EO and any  
21 remaining true-ups or unrecovered amounts for Cycle 2, Cycle 3; and 3) any Ordered  
22 Adjustments ("OA") for Cycle 2 and Cycle 3.

1 In addition, as noted in the MEEIA Cycle 3 extension Non-Unanimous  
2 Stipulation and Agreement, Case No. EO-2019-0132, approved by the Commission on  
3 November 16, 2023, the MEEIA Cycle 4 planning costs through December 2023 are  
4 included in this rider update. The Cycle 4 Program Costs Reconciliation calculation has  
5 been added to Schedule LAS-2 workpapers.

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

8 A: As the DSIM tariff for MEEIA Cycle 3 describes, the DSIM rate components consist of  
9 projected PC and TD for MEEIA Cycle 3 programs for May 2024 through June 2025 as  
10 well as the reconciliation of actual and expected PC, TD, EO and OA for Cycle 3 through  
11 April 2024. The MEEIA Cycle 3 costs included in this filing are current forecasted  
12 levels of program participation and related costs. Also included for recovery in the  
13 calculation of the DSIM rates are the reconciliation of actual and expected PC, TD, EO  
14 and OA for Cycle 2 through April 2024 as well as the actual planning costs for Cycle 4  
15 through December 2023.

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

17 A: Consistent with the current DSIM rates effective February 1, 2024, the EO included in  
18 this filing is based on verified MWh and MW savings for the three program years of  
19 Cycle 2 beginning April 2016 through March 2019, including EO TD adjustments, and  
20 for the Cycle 2 extension year April 2019 through December 2019, including EO TD  
21 adjustments, which has been calculated in accordance with Tariff Sheet Nos. 49M and  
22 49P. The MEEIA Cycle 2 tariff provides for the recovery of the EO over 24 months.  
23 The Company took the total adjusted EO and divided that amount by the four semi-

1 annual rate update periods and has included an EO amount for the current Effective  
2 Period (“EP”), or six-months beginning July 2024, plus the succeeding EP as described  
3 on tariff Sheet No. 49S. An EO amount totaling (\$28,317) for Cycle 2 representing EO  
4 TD adjustments has been included in the calculation of the DSIM rate in this filing. In  
5 addition, the EO included in this filing is (1) based on verified MWh and MW savings  
6 for the 2020, 2021 and 2022 program years of Cycle 3, including EO TD adjustments  
7 and (2) based on actual program cost spend for the 2023 program year, which has been  
8 calculated in accordance with Tariff Sheet Nos. 49X and 49Z. The MEEIA Cycle 3 tariff  
9 provides for the recovery of the EO over 12 months. The Company took the total  
10 adjusted EO and divided that amount by the 12 months and has included an EO amount  
11 for the current Effective Period (“EP”), or six-months beginning July 2024, plus the  
12 succeeding EP as described on tariff Sheet No. 49S. An EO amount totaling \$3,280,263  
13 for Cycle 3 has been included in the calculation of the DSIM rate in this filing. The sum  
14 of the PC, TD, EO and OA amounts are divided by the projected billed retail kWh sales,  
15 excluding opt-out sales, by rate class for August 2024 through July 2025 to develop the  
16 proposed DSIM rates.

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

21 **A:** Evergy Missouri Metro’s DSIM Rider mechanism and the Commission’s rules provide  
22 two mechanisms to ensure that amounts billed to customers do not exceed Evergy  
23 Missouri Metro’s actual, prudently incurred DSM Program Costs, TD and performance

1 incentive or EO. First, at the end of each recovery period, the Company is required to  
2 true up amounts billed to customers through the DSIM Rider based upon Program Cost  
3 and TD actually incurred during that six-month period. Per MEEIA rule 20 CSR 4240-  
4 20.093(4), these adjustments will be supported by complete documentation and  
5 workpapers that demonstrate the need for DSIM rate adjustment. All proposed  
6 adjustments and supporting documentation are subject to review by MPSC Staff and all  
7 MEEIA stakeholders. Second, per MEEIA rule 20 CSR 4240-20.093(11), Evergy  
8 Missouri Metro's DSIM is subject to periodic prudence reviews by MPSC Staff to ensure  
9 that only prudently incurred Program Costs and TD are billed to customers. These two  
10 mechanisms serve as checks to ensure that the Company's customers pay only the  
11 prudently incurred, actual Program Costs and TD resulting from implementation of  
12 MEEIA DSM programs.

13 **Q: Has Evergy Missouri Metro made any adjustments to the DSIM calculation?**

14 A: No, there are no changes to the DSIM calculation in this filing. However, in Case No.  
15 ER-2023-0183 the Company agreed as noted in the MEEIA Cycle 3 extension Non-  
16 Unanimous Stipulation and Agreement, in Case No. EO-2019-0132 effective January  
17 2023, to discontinue the Home Energy Report ("HER") program. Projected PC amounts  
18 for January 2023 and thereafter reflects this change.

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

20 A: Yes, Evergy Missouri Metro has been through six prudence reviews.

21 **Q: Are there any issues impacting this filing as a result of the prudence reviews**  
22 **conducted by MPSC Staff?**

1 A: No, there are no impacts to this filing. Most recently, in the sixth prudence review  
2 covering the period of April 2021 to March 2023, Case No. EO-2023-0407, Staff  
3 recommended a disallowance of \$6,549 in contractor expenses and \$70,680 in  
4 membership fees for a total disallowance of \$77,230 plus interest. The Company disputes  
5 these alleged disallowances and filed a Request for Hearing. On November 8, 2023, the  
6 Commission ordered a prehearing conference for December 6, 2023. On January 19,  
7 2024, the Commission ordered a procedural schedule with evidentiary hearing for May  
8 29, 2024 and initial briefs due June 17, 2024. On May 28, 2024, the Commission ordered  
9 to cancel the procedural schedule while parties work to file a stipulation and agreement  
10 by June 19, 2024.

11 In the previous fifth prudence review covering the period of January 2020 through  
12 March 2021, Case No. EO-2021-0417, Staff recommended a disallowance of \$51,361 of  
13 program costs including interest and \$1,771,159 of throughput disincentive related to the  
14 Company's HER program. On July 21, 2022, the Commission approved the Stipulation  
15 and Agreement filed on July 1, 2022 where the Company agreed and in DSIM filing,  
16 Case No. ER-2023-0183 included a credit of \$20,464 to return disallowed program costs  
17 from the review period of January 2020 through March 2021 and a credit of \$459,718 to  
18 resolve the alleged HER TD double-recovery issue.

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

21 A: The Company requests the Commission approve the rate schedule to become effective  
22 August 1, 2024.

1 Q: Does that conclude your testimony?

2 A: Yes, it does.

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

P.S.C. MO. No. 7 10th Revised Sheet No. 49Y  
 Canceling P.S.C. MO. No. 7 9th Revised Sheet No. 49Y

For Missouri Retail Service Area

DEMAND SIDE INVESTMENT MECHANISM RIDER (Cycle 3) Schedule DSIM (Continued)
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**Discontinuing the DSIM:**

The Company reserves the right to discontinue the entire MEEIA Cycle 3 portfolio, if the Company determines that implementation of such programs is no longer reasonable due to changed factors or circumstances that have materially and negatively impacted the economic viability of such programs as determined by the Company, upon no less than thirty days' notice to the Commission. As a result of these changes, the Company may file to discontinue this DSIM. Similar to Program discontinuance, the Company would file a notice indicating that it is discontinuing the DSIM Rider. This notice would include a methodology for recovery of any unrecovered Program Costs and TD.

**DEMAND SIDE INVESTMENT MECHANISM CHARGE:**

Effective upon Commission approval in Case No. EO-2019-0132 MEEIA Cycle 3 Filing.

DSIM Components and Total DSIM

Rate Schedule	Cycle	NPC/PE (\$/kWh)	NTD/PE (\$/kWh)	NEO/PE (\$/kWh)	NOA/PE (\$/kWh)	Total DSIM (\$/kWh)
<b>Residential Service</b>	Cycle 2	0.00000	0.00005	(0.00002)	0.00000	0.00003
	Cycle 3	0.00170	0.00087	0.00071	(0.00003)	0.00325
	Cycle 4	0.00001	0.00000	0.00000	0.00000	0.00001
	<b>Total</b>	<b>0.00171</b>	<b>0.00092</b>	<b>0.00069</b>	<b>(0.00003)</b>	<b>0.00329</b>
<b>Non-Residential Service - SGS</b>	Cycle 2	0.00000	0.00003	0.00000	0.00000	0.00003
	Cycle 3	0.00040	0.00071	0.00038	0.00000	0.00149
	Cycle 4	0.00000	0.00000	0.00000	0.00000	0.00000
	<b>Total</b>	<b>0.00040</b>	<b>0.00074</b>	<b>0.00038</b>	<b>0.00000</b>	<b>0.00152</b>
<b>Non-Residential Service - MGS</b>	Cycle 2	0.00000	0.00004	0.00001	0.00000	0.00005
	Cycle 3	0.00186	0.00136	0.00044	0.00000	0.00366
	Cycle 4	0.00001	0.00000	0.00000	0.00000	0.00001
	<b>Total</b>	<b>0.00187</b>	<b>0.00140</b>	<b>0.00045</b>	<b>0.00000</b>	<b>0.00372</b>
<b>Non-Residential Service - LGS</b>	Cycle 2	0.00000	0.00004	0.00001	0.00000	0.00005
	Cycle 3	0.00064	0.00057	0.00046	0.00000	0.00167
	Cycle 4	0.00001	0.00000	0.00000	0.00000	0.00001
	<b>Total</b>	<b>0.00065</b>	<b>0.00061</b>	<b>0.00047</b>	<b>0.00000</b>	<b>0.00173</b>
<b>Non-Residential Service - LPS</b>	Cycle 2	0.00000	0.00001	0.00002	0.00000	0.00003
	Cycle 3	0.00135	0.00013	0.00034	0.00000	0.00182
	Cycle 4	0.00002	0.00000	0.00000	0.00000	0.00002
	<b>Total</b>	<b>0.00137</b>	<b>0.00014</b>	<b>0.00036</b>	<b>0.00000</b>	<b>0.00187</b>