

Exhibit No.:  
Issue: Demand Side Investment Mechanism  
Rider  
Witness: Lisa A. Starkebaum  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Evergy Missouri West  
Case No.: ER-2024-0352  
Date Testimony Prepared: May 31, 2024

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2024-0352**

**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**ON BEHALF OF**

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

**Kansas City, Missouri  
May 2024**



**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**Case No. ER-2024-0352**

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.

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

23 A: The purpose of my testimony is to support the rate schedule filed by Evergy Missouri  
24 West to adjust the Demand Side Investment Mechanism (“DSIM”) Rider. My testimony

1 will explain the change to the DSIM components based upon actual performance in the  
2 six-month period ending April 2024, as well as forecasted performance through June  
3 2025 for Cycle 3 Program Costs (“PC”) and Cycle 3 Throughput Disincentive (“TD”).  
4 The budget caps and floors for the 2024 projected PC amounts as agreed to in the MEEIA  
5 Cycle 3 extension Non-Unanimous Stipulation and Agreement, Case No. EO-2019-0132,  
6 which were approved by the Commission on November 16, 2023 are included in this  
7 rider update. In addition, Earnings Opportunity (“EO”) for Cycle 2 for the three program  
8 years beginning April 2016 through March 2019, the EO for the Cycle 2 extension  
9 program year April 2019 through December 2019 and the EO for Cycle 3 2020, 2021,  
10 2022 and 2023 program years are included in this rider update. The proposed change in  
11 rates will result in a decrease to a residential customer’s rate from \$0.00359 to \$0.00234  
12 per kWh, or a decrease of \$1.25 for every 1,000 kWh used. Please see the table below for  
13 a comparison by rate schedule of proposed DSIM rates to currently effective rates and the  
14 impact to a customer using 1,000 kWh.

| Rate Schedule         | Total Proposed DSIM (\$/kWh) | Total Current DSIM ER-2024-0186 (\$/kWh) | Change Increase/ (Decrease) (\$/kWh) | Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$) |
|-----------------------|------------------------------|------------------------------------------|--------------------------------------|----------------------------------------------------------------|
| Residential Service   | \$0.00234                    | \$0.00359                                | (\$0.00125)                          | (\$1.25)                                                       |
| Non-Res Service – SGS | \$0.00179                    | \$0.00243                                | (\$0.00064)                          | (\$0.64)                                                       |
| Non-Res Service – LGS | \$0.00173                    | \$0.00475                                | (\$0.00302)                          | (\$3.02)                                                       |
| Non-Res Service – LPS | \$0.00069                    | \$0.00263                                | (\$0.00194)                          | (\$1.94)                                                       |

15

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

17 **A:** Evergy’s MEEIA Cycle 3 Portfolio was originally approved in Case No. EO-2019-0132  
18 for Program Years 1-3 beginning 2020 and has since been extended twice. On May 12,  
19 2022, the Commission approved extending Cycle 3 through December 2023 (Program

1 Year 4) and on November 16, 2023, the Commission approved extending Cycle 3  
2 through December 2024 (Program Year 5). The budget caps and floors for the 2024  
3 projected PC amounts as agreed to in the MEEIA Cycle 3 extension Non-Unanimous  
4 Stipulation and Agreement, Case No. EO-2019-0132, and approved by the Commission  
5 on November 16, 2023 are included in this rider update.

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

7 A: The requirements for adjustment of DSIM rates are found in Commission rules 20 CSR  
8 4240-20.093(4). In summary, the requirements outline that the update filing include  
9 applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

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

18 As part of my Direct Testimony, I have included the information required for update of  
19 the DSIM rate in the attached Schedules LAS-1 and LAS-2. The 2023 Demand-Side  
20 Program Annual Report for MEEIA Cycle 3, referenced in Item G above, was filed on  
21 March 29, 2024, in Case No. EO-2024-0268.

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

23 A: Yes, I am.

1 **Q: Please explain why Evergy Missouri West has filed an adjusted DSIM rate schedule**  
2 **at this time?**

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

10 **Q: Please describe the various DSIM rate components that make up the proposed**  
11 **DSIM rate.**

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

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

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

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

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

12 A: Consistent with the current DSIM rates effective February 1, 2024, the EO included in  
13 this filing is based on verified MWh and MW savings for the three program years of  
14 Cycle 2 beginning April 2016 through March 2019, including EO TD adjustments, and  
15 for the Cycle 2 extension program year April 2019 through December 2019, including  
16 EO TD adjustments, which has been calculated in accordance with Tariff Sheet Nos.  
17 138.6 and 138.8. The MEEIA Cycle 2 tariff provides for the recovery of the EO over 24  
18 months. The Company took the total adjusted EO and divided that amount by the four  
19 semi-annual rate update periods and has included an EO amount for the current Effective  
20 Period (“EP”), or six-months beginning July 2024, plus the succeeding EP as described  
21 on tariff Sheet No. 138.11. An EO credit amount totaling (\$14,455) for Cycle 2  
22 representing EO TD adjustments has been included in the calculation of the DSIM rate in  
23 this filing. In addition, the EO included in this filing is (1) based on verified MWh and  
24 MW savings for the 2020, 2021 and 2022 program years of Cycle 3, including EO TD



1 adjustments and (2) based on actual program cost spend for the 2023 program year,  
2 which has been calculated in accordance with Tariff Sheet Nos. 138.16 and 138.18. The  
3 MEEIA Cycle 3 tariff provides for the recovery of the EO over 12 months. The  
4 Company took the total adjusted EO and divided that amount by the 12 months and has  
5 included an EO amount for the current Effective Period (“EP”), or six-months beginning  
6 July 2024, plus the succeeding EP as described on tariff Sheet No. 138.11. An EO  
7 amount totaling \$4,192,808 for Cycle 3 has been included in the calculation of the DSIM  
8 rate in this filing. The sum of the PC, TD, EO and OA amounts are divided by the  
9 projected billed retail kWh sales, excluding opt-out sales, by rate class for August 2024  
10 through July 2025 to develop the proposed DSIM rates.

11 **Q: If the rate schedule filed by Evergy Missouri West is approved, what safeguards**  
12 **exist to ensure that the revenues the Company bills to its customers do not exceed**  
13 **actual DSM Program Costs and TD incurred, as well as the earnings opportunity or**  
14 **performance incentive?**

15 A: Evergy Missouri West’s DSIM Rider mechanism and the Commission’s rules provide  
16 two mechanisms to ensure that amounts billed to customers do not exceed Evergy  
17 Missouri West’s actual, prudently incurred DSM Program Costs and TD and  
18 performance incentive or EO. First, at the end of each recovery period, the Company is  
19 required to true up amounts billed to customers through the DSIM Rider based upon  
20 Program Cost and TD actually incurred during that six-month period. Per MEEIA rule  
21 20 CSR 4240-20.093(4), these adjustments will be supported by complete documentation  
22 and workpapers that demonstrate the need for DSIM rate adjustment. All proposed  
23 adjustments and supporting documentation are subject to review by MPSC Staff and all  
24 MEEIA stakeholders. Second, per MEEIA rule 20 CSR 4240-20.093(11), Evergy

1 Missouri West’s DSIM is subject to periodic prudence reviews by MPSC Staff to ensure  
2 that only prudently incurred Program Costs and TD are billed to customers. These two  
3 mechanisms serve as checks to ensure that the Company’s customers pay only the  
4 prudently incurred, actual Program Costs and TD resulting from implementation of  
5 MEEIA DSM programs.

6 **Q: Has Evergy Missouri West made any adjustments to the DSIM calculation?**

7 A: No, there are no changes to the DSIM calculation in this filing. However, in Case No.  
8 ER-2023-0184 the Company agreed as noted in the MEEIA Cycle 3 extension Non-  
9 Unanimous Stipulation and Agreement, in Case No. EO-2019-0132 effective January  
10 2023, to discontinue the Home Energy Report (“HER”) program. Projected PC amounts  
11 for January 2023 and thereafter reflects this change.

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

13 A: Yes, Evergy Missouri West has been through six prudence reviews.

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

16 A: No, there are no impacts to this filing. Most recently in the sixth prudence review  
17 covering the period of April 2021 to March 2023, Case No. EO-2023-0408, Staff  
18 recommended a disallowance of \$4,265 in membership fees, \$13,121 in contractor  
19 expenses, and \$1,143,651 in demand response payments for a total disallowance of  
20 \$1,161,038 plus interest. The Company disputes these alleged disallowances and filed a  
21 Request for Hearing. On November 8, 2023, the Commission ordered a prehearing  
22 conference for December 6, 2023. On January 19, 2024, the Commission ordered a  
23 procedural schedule with evidentiary hearing for May 29, 2024, and initial briefs due

1 June 17, 2024. On May 28, 2024, the Commission ordered to cancel the procedural  
2 schedule while parties work to file a stipulation and agreement by June 19, 2024.

3 In the previous fifth prudence review covering the period of January 2020 through  
4 March 2021, Case No. EO-2021-0416, Staff recommended a disallowance of \$23,014 of  
5 program costs including interest and \$1,577,602 of throughput disincentive related to the  
6 Company's HER program. On July 21, 2022, the Commission approved the Stipulation  
7 and Agreement filed on July 1, 2022 where the Company agreed and in DSIM filing,  
8 Case No. ER-2023-0184 included a credit of \$14,796 to return disallowed program costs  
9 from the review period of January 2020 through March 2021 and a credit of \$407,674 to  
10 resolve the alleged HER TD double-recovery issue.

11 **Q: What action is Evergy Missouri West requesting from the Commission with respect**  
12 **to the rate schedule that the Company has filed?**

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

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

16 A: Yes, it does.

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

P.S.C. MO. No. 1 10th Revised Sheet No. 138.17  
 Canceling P.S.C. MO. No. 1 9th Revised Sheet No. 138.17

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

**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-2019-0133 (consolidated in EO-2019-0132)  
 MEEIA Cycle 3 Filing.

DSIM Components and Total DSIM

| Rate Schedule                         | Cycle        | NPC/PE<br>(\$/kWh) | NTD/PE<br>(\$/kWh) | NEO/PE<br>(\$/kWh) | NOA/PE<br>(\$/kWh) | Total DSIM<br>(\$/kWh) |
|---------------------------------------|--------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| <b>Residential Service</b>            | Cycle 2      | 0.00000            | 0.00005            | 0.00000            | 0.00000            | 0.00005                |
|                                       | Cycle 3      | 0.00105            | 0.00049            | 0.00076            | (0.00002)          | 0.00228                |
|                                       | Cycle 4      | 0.00001            | 0.00000            | 0.00000            | 0.00000            | 0.00001                |
|                                       | <b>Total</b> | <b>0.00106</b>     | <b>0.00054</b>     | <b>0.00076</b>     | <b>(0.00002)</b>   | <b>0.00234</b>         |
| <b>Non- Residential Service - SGS</b> | Cycle 2      | 0.00000            | 0.00003            | 0.00001            | 0.00000            | 0.00004                |
|                                       | Cycle 3      | 0.00078            | 0.00056            | 0.00040            | 0.00000            | 0.00174                |
|                                       | Cycle 4      | 0.00001            | 0.00000            | 0.00000            | 0.00000            | 0.00001                |
|                                       | <b>Total</b> | <b>0.00079</b>     | <b>0.00059</b>     | <b>0.00041</b>     | <b>0.00000</b>     | <b>0.00179</b>         |
| <b>Non- Residential Service - LGS</b> | Cycle 2      | 0.00000            | 0.00004            | 0.00001            | 0.00000            | 0.00005                |
|                                       | Cycle 3      | 0.00035            | 0.00062            | 0.00070            | 0.00000            | 0.00167                |
|                                       | Cycle 4      | 0.00001            | 0.00000            | 0.00000            | 0.00000            | 0.00001                |
|                                       | <b>Total</b> | <b>0.00036</b>     | <b>0.00066</b>     | <b>0.00071</b>     | <b>0.00000</b>     | <b>0.00173</b>         |
| <b>Non- Residential Service - LPS</b> | Cycle 2      | 0.00000            | 0.00002            | 0.00001            | 0.00000            | 0.00003                |
|                                       | Cycle 3      | (0.00030)          | 0.00017            | 0.00077            | 0.00000            | 0.00064                |
|                                       | Cycle 4      | 0.00002            | 0.00000            | 0.00000            | 0.00000            | 0.00002                |
|                                       | <b>Total</b> | <b>(0.00028)</b>   | <b>0.00019</b>     | <b>0.00078</b>     | <b>0.00000</b>     | <b>0.00069</b>         |