

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

In the Matter of Evergy Metro,)	
Inc., d/b/a Evergy Missouri Metro’s)	
Demand Side Investment Mechanism)	<u>File No. ER-2024-0351</u>
Rider Rate Adjustment and True-Up)	Tariff No. JE-2024-0163
Required by 20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION TO APPROVE PROPOSED TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and for its *Staff Recommendation to Approve Proposed Tariff Sheet* respectfully states as follows:

1. On May 31, 2024, Evergy Missouri Metro, Inc., d/b/a Evergy Missouri Metro (“Evergy Metro” or “Company”), filed with the Commission one (1) tariff sheet bearing an issue date of May 31, 2024, and an effective date of August 1, 2024, proposing to adjust charges related to Evergy Metro’s Demand Side Investment Mechanism (“DSIM”) Rider. These adjustments are required under Commission Rule 20 CSR 4240-20.093(4).

2. 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.

3. As a result of the Company’s proposed change, the DSIM Rider Rate will decrease from \$0.00389 to \$0.00329 per kWh. For a residential customer using 1,000 kWh, this will result in a decrease of \$0.60 per month. As shown in the table below, the new rates will result in rate increases or decreases for all Non-Residential rate classes per 1,000 kWh.

Rate Schedule	Total Proposed DSIM (\$/kWh)	Total Current DSIM ER-2024-0351 (\$/kWh)	Change Increase/ (Decrease) (\$/kWh)	Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)
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

4. The proposed change and Staff's review are further detailed in *Staff's Memorandum*, attached hereto as Appendix A.

5. After completing its review of the proposed tariff sheet, testimony and workpapers, it is Staff's recommendation that the Commission issue an order approving the following tariff sheet, issued on May 31, 2024, 2020, with an effective date of August 1, 2024.

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

WHEREFORE, Staff respectfully submits its *Staff Recommendation to Approve Proposed Tariff Sheet* for the Commission's information and consideration.

Respectfully Submitted,

/s/ Paul T. Graham #30416

Senior Staff Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Mo 65102-0360
(573) 522-8459
Paul.graham@psc.mo.gov

**ATTORNEY FOR THE STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION
Certificate of Service**

CERTIFICATE OF SERVICE

The undersigned certifies by his signature below that on June 28, 2024, he filed the above captioned pleading in the EFIS file of the Missouri Public Service Commission.

/s/ Paul T. Graham

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2024-0351, Tariff Tracking No. JE-2024-0163

FROM: Justin Tevie, Economics Analyst, Tariff/Rate Design Dept.
Brad J. Fortson, Manager, Energy Resources Dept.

/s/ Justin Tevie / 06-28-2024
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 August 1, 2024.

DATE: June 28, 2024

Evergy Metro Filing

On May 31, 2024, Evergy Metro, Inc., d/b/a Evergy Missouri Metro (“Evergy Metro”) filed with the Commission one (1) tariff sheet bearing an issue date of May 31, 2024, with an effective date of August 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 June 2025 is approximately \$18.5 million. This revenue requirement was reduced by an Ordered Adjustment balance with interest of (\$83,165), ordered by the Commission on July 21, 2022, in Case No. EO-2021-0417.¹

On May 31, 2024, 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 June 30, 2024.

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-2019-0132, and Evergy Metro’s MEEIA Cycle 3 extension request through June 30, 2025, 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 June 2025	MEEIA Cycle 2
TD	\$ 23,563,575	\$ 45,342,418
Program Cost	\$ 63,562,857	\$ 67,774,562
EO	\$ 7,590,407	\$ 7,845,674
Total	\$ 94,716,840	\$ 120,962,653
Estimated kWh Saved	244,811,627	314,994,695
Avg Cost per Estimated kWh Saved	\$ 0.39	\$ 0.38

Additionally, Evergy Metro is projecting to recover approximately \$12.8 million through June 2025 for projected PC and TD for Cycle 3 costs. Staff agrees these are reasonable projections based on past projection to actual comparison.

Projected through June 2025	PC (Ext)	TD	Total Projected
Cy 3 PC & TD	\$ 7,493,739	\$ 5,338,241	\$ 12,831,980

In total, Evergy Metro will recover from ratepayers approximately \$234 million for energy efficiency programs for MEEIA Cycles 2 and 3 by June 2025, as shown in the chart below.

	Cycles 2 & 3	
TD	\$ 68,905,993	
Program Cost	\$ 131,262,912	
EO	\$ 15,436,081	
Total	\$ 215,604,986	
		DSIM Revenue Requirement June 2025
	\$ 18,527,510	
	\$ 234,132,496	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-2024-0351 (\$/kWh)	Change Increase/ (Decrease) (\$/kWh)	Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)
Residential Service	\$0.00329	\$0.00389	(\$0.00060)	(\$0.60)
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Non-Res Service – LPS	\$0.00187	\$0.00129	\$0.00058	\$0.58

The proposed change will decrease residential customers’ DSIM Rider rate from \$0.00389 to \$0.00329 per kWh.³ For a residential customer using 1,000 kWh, this would result in a decrease

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 April 2024, as well as forecasted performance through June 2025.

of \$0.60 per month. As shown in the above table, the new rates would result in rate increases or decreases 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 May 31, 2024 for service on and after August 1, 2024, the requested effective date:

P.S.C. MO. No. 7
Tenth Revised Sheet No. 49Y, Canceling Ninth 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 Tenth 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 Evergy Metro, Inc. d/b/a)
Evergy Missouri Metro's Demand Side) File No. ER-2024-0351
Investment Mechanism Rider Rate)
Adjustment and True-Up Required by)
20 CSR 4240-20.093(4))

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BRAD J. FORTSON 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.

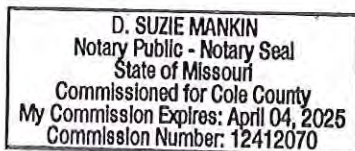
Further the Affiant sayeth not.



BRAD J. FORTSON

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 27th day of June 2024.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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Evergy Missouri Metro's Demand Side) File No. ER-2024-0351
Investment Mechanism Rider Rate)
Adjustment and True-Up Required by)
20 CSR 4240-20.093(4))

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 27th day of June 2024.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070



Notary Public