

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

In the Matter of Evergy West, Inc.)	
d/b/a Evergy Missouri West’s Demand)	
Side Investment Mechanism Rider Rate)	<u>File No. ER-2024-0352</u>
Adjustment and True-Up Required by)	Tariff No. JE-2024-0164
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 West, Inc., d/b/a Evergy Missouri West (“Evergy Missouri West” 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 Missouri West’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 \$0.00359 to \$0.00234 per kWh. For a residential customer using 1,000 kWh, this will result in a decrease of \$1.25 per month. For a non-residential customer using 1,000 kWh, this will mean a per month \$0.64 decrease for Small General Service, a \$3.02 decrease for Large General Service, and a \$1.94 decrease for Large Power Service..

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, with an effective date of August 1, 2024.

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

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
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ATTORNEY FOR THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

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-2024-0352 and Tariff Tracking No. JE-2024-0164

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 Missouri West, Inc., d/b/a Evergy Missouri West's ("Evergy Missouri West") Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM") Rider Rate effective August 1, 2024.

DATE: June 28, 2024

Evergy Missouri West Filing

On May 31, 2024, Evergy Missouri West, Inc., d/b/a Evergy Missouri West ("Evergy Missouri West") 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 to adjust charges related to Evergy Missouri West's DSIM Rider. Evergy Missouri West'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 Missouri West's DSIM revenue requirement through June 2025 is approximately \$13.7 million. This revenue requirement was reduced by an Ordered Adjustment balance with interest of (\$77,018) ordered by the Commission on July 21, 2022 in Case No. EO-2021-0416.¹

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 28, 2024.

¹ The Commission approved Order Adjustment Case Nos. EO-2020-0228 and EO-2021-0416, where the Company agreed to include in this filing a credit 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.

Change in Evergy Missouri West’s DSIM Rates

Per 20 CSR 4240-20.093(4), Evergy Missouri West is required to adjust its DSIM rates no less often than annually² to reflect the amount of revenue that has been over/under collected.

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 Missouri West’s MEEIA Cycle 2 extension request through December 31, 2019, Evergy Missouri West’s Cycle 2 earnings opportunity (“EO”), actual and projected costs for Evergy Missouri West’s MEEIA Cycle 3, approved in Case No. EO-2019-0133 and Evergy Missouri West’s MEEIA Cycle 3 extension request through December 31, 2023, 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 May, June, and July are forecasted data, which are adjusted for actual data in the next filing.

	MEEIA Cycle 3 through June 2025	MEEIA Cycle 2	MEEIA Cycle 1
TD	\$ 16,855,583	\$ 32,348,376	\$ 2,365,128
Program Cost	\$ 70,220,047	\$ 72,299,915	\$ 9,347,462
EO	\$ 10,807,505	\$ 10,400,157	
Total	\$ 97,883,136	\$ 115,048,448	\$ 11,712,590
Estimated kWh	277,735,200	266,135,153	
avg cost per estimated kWh saved	\$ 0.35	\$ 0.43	

Additionally, Evergy Missouri West is projecting to recover approximately \$7 million through June 2025 for projected Cycle 3 PC and approximately \$3.7 million for projected TD

² Evergy Missouri West makes semi-annual adjustments to its DSIM rates.

for Cycle 3. Staff agrees these are reasonable projections based on past projections to actuals comparison.

Projected thru June 2025		
Cy 3 PC & TD	\$ 6,999,075	3,672,035

In total, Evergy Missouri West is projected to recover from ratepayers approximately \$226.5 million for energy efficiency programs for MEEIA Cycles 2 and 3 by June 2025.

	Cycles 2 & 3			
TD	\$ 49,203,959			
Program Cost	\$ 142,445,456			
EO	\$ 21,207,662			
Total	\$ 212,857,077			
	\$ 13,669,883	DSIM Revenue Requirement June 2025		
	\$ 226,526,960	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 Missouri West’s retail rates schedules, excluding kWh of energy supplied to “opt-out” customers as stated in Tariff Sheet 138.09.

Rate Schedule	Total Proposed DSIM (\$/kWh)	Total Current DSIM ER-2024-0352 (\$/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)

The proposed change will decrease residential customers' DSIM Rider rate from \$0.00359 to \$0.00234 to per kWh.³ For a residential customer using 1,000 kWh, this would mean a decrease of \$1.25 per month. For a non-residential customer using 1,000 kWh, this would mean a \$0.64 decrease for Small General Service, a \$3.02 decrease for Large General Service, and a \$1.94 decrease for Large Power Service per month.

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. 1

Tenth Revised Sheet No. 138.17, Cancelling Ninth Revised Sheet No. 138.17

Staff has verified that Evergy Missouri West is not delinquent on any assessment and has filed its Annual Report. Evergy Missouri West 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. 138.17 does not constitute a review of the prudence of Evergy Missouri West's actions in relation to its DSIM.

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.

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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.

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

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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
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Notary Public