

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of a Working Case to Consider)
Best Practices for Recovery of Past-Due Utility) File No. AW-2020-0356
Customer Payments After the COVID-19)
Pandemic Emergency)

**EVERGY MISSOURI METRO’S AND EVERGY MISSOURI WEST’S
RESPONSE TO ORDER DIRECTING FILING**

COMES NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or the “Company”),¹ and, pursuant to the Missouri Public Service Commission’s (“Commission”) “Order”) issued in the above-captioned docket on August 12, 2020 responds as follows:

1. On May 13, 2020, in response to the COVID-19 emergency, Commission issued its *Order Opening A Working Case to Consider Best Practices for Recovery of Past-Due Customer Payments the Covid-19 Emergency* to address the collection of past-due payments and other relevant concerns related to the pandemic. The Commission directed Staff to investigate and file a report by August 3, 2020
2. On July 15, 2020, Evergy filed its response to the Commission Order, *Notice of Ex Parte and Extra-Record Communications Concerns and Order Directing Responses*, which directed utilities and interested non-utility stakeholders to respond to questions submitted by Staff.
3. On August 3, 2020 Staff filed their report which summarizes comments received and provides additional background information.

¹ Effective October 7, 2019, Evergy Metro Inc. d/b/a Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company (“KCP&L”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”).

4. On August 12, 2020 the Commission issued the, *Order Directing Responses to Staff Report*, directing parties to respond to Staff's report by no later than August 31, 2020.

5. Evergy appreciates the initiative and efforts of the Commission, Staff, utilities, and other stakeholders during these unprecedented, challenging times. Evergy appreciates the opportunity and respectfully submits the following comments in response to the stakeholder recommendations described in Staff's report.

DISCONNECTION MORATORIA

1. *Implementation and extension of the disconnection moratorium for electric, gas and water utilities under the Commission's jurisdiction.*

RESPONSE: Evergy does not believe extending moratoriums is in the best long-term interest of our customers. It was evidenced during the voluntary moratorium we imposed that customers elected not to pay their electric bill if they knew they could put off paying, despite additional payment plans we have put in place and other assistance available to help them pay off balances while they were smaller.

Leaving an extended moratorium in place could contribute to increasing bad debt levels that may prove too difficult for individuals to overcome if left in place. We believe it is best to help customers stay on top of their balances while working to find the right plan for them. In March, Evergy announced a 12-month payment arrangement for customers, including those who may normally not be eligible for payment arrangements.

RECONNECTIONS

2. *Require immediate, no-cost, safe reconnections of all households currently disconnected due to an inability to pay.*

RESPONSE: Evergy currently offers a 12-month arrangement that should benefit any customer that is disconnected. The plan allows customers to reconnect with a payment of 1/12th of their balance. Evergy believes a plan that includes an initial down-payment with the remainder

spread over an appropriate time period is in the long-term best interest of our customers to assist them with staying on top of their balances.

EXTENDED AND FLEXIBLE PAYMENT PLANS

3. *Utilities should offer flexible, longer-term payment plans that consider the customer's ability to repay, do not include down payment requirements, and are renegotiable for struggling customers.*

RESPONSE: As we described in our comments submitted on July 15, 2020, as a result of the COVID pandemic Evergy has responded to provide relief for our customers in a variety of ways, including offering additional flexible payment plans. It is often a challenge for customers who acquire large balances to pay off balances along with their current month bill over a 12-month period and we believe that becomes even more difficult when payment times are extended. Even plans with small down payments or small monthly installments require the customer to pay their currently monthly bill on top of the installment.

In March 2020, Evergy began offering 12-month payment arrangements for residential and small commercial. Evergy allowed the customer to reset if a previous payment arrangement had been broken and allowed customers that had been disconnected previously to get on this payment plan. Evergy also worked with Large C&I customers on a case-by-case basis. In June, Evergy implemented the four-month plan and a one-month Pay Your Balance² plan that included credits as incentives to help customers get current more quickly.

The Company intends to offer the 12-month plan through the end of 2020 and continues to evaluate impacts of COVID-19 and considerations for extending the 12-month plan beyond 2020.

² See, *Evergy Application for Approval of COVID-19 Customer Programs and Motion for Expedited Treatment*, filed May 22, 2020; and Commission Order issued May 28, 2020; Docket No. EO-2020-0383.

PERCENTAGE-BASED ACCOUNT CREDIT

4. *Establish a percentage-based account credit for customers expressing financial hardship due to the pandemic.*

RESPONSE: In June, Evergy implemented a four-month plan and a one-month Pay Your Balance plan that included credits as incentives to help customers get current more quickly. Rather than the credits being based on financial hardship, we offered these plans and credits to all residential accounts that met the arrears criteria for the program. The “one-month plan” was a percentage for customers who pay off their balance due in one month to return to current status and would receive a bill credit in the month after the balance has been paid off equal to 10% of the balance paid, up to \$100. In addition, the “four-month plan” available to customers with balances due that include at least \$250, provides an upfront credit of \$25 when the customer makes a 25% installment in the first month of the agreement. If the customer complies with the agreement by paying the remaining three installments plus the charges for service provided in each of the subsequent three months, the customer will receive a credit in the month after the customer completes the agreement of 50% of the final installment amount, up to \$75 (equating to a total credit potential of \$100 for this program). Evergy also continues to offer the 12-month plan without an incentive credit but has a lower monthly payment requirement.

LATE PAYMENT FEES & SECURITY DEPOSITS

5. *Utilities should not be allowed to charge late payment fees through the end of the Governor’s state of emergency, with at least a 60-day grace period following.*

RESPONSE: Evergy is waiving late and security deposits fees thru December 31, 2020 and continues to evaluate the impacts of COVID-19 and considerations for extending these practices beyond 2020.

CREDIT AND DATA REPORTING

6. *Restrict utilities from reporting nonpayment, late payments, or any other debt to credit bureaus and reporting agencies.*

RESPONSE: Evergy is currently not reporting nonpayment, late payments, or other debt or any other debt to credit bureaus and reporting agencies. Evergy has no concerns with this recommendation.

ARREARAGES, DEBT FORGIVENESS, AND BILL ASSISTANCE

7. *Recommendations submitted by parties called for utilities arrearage forgiveness measures and bill assistance.*

RESPONSE: In addition to implementing a four-month plan and a one-month Pay Your Balance plan that included credits as incentives to help customers get current more quickly, Evergy committed up to \$1,000,000 to Dollar Aide, Project Deserve and other programs that assist customers with energy payments. Please see Exhibit 2 in Evergy's previous filing in this docket.³

REQUIRE VERBAL EXPRESSION OF FINANCIAL HARDSHIP

8. *Utilities should be prohibited from requiring customers to provide documentation to access the protections and programs being implemented.*

RESPONSE: In June Evergy implemented a four-month plan and a one-month Pay Your Balance plan that included credits as incentives to help customers get current more quickly. Rather than the credits being based on financial hardship, we offered these plans and credits to all residential accounts that met the arrears criteria for the program. There was no burden of proof on customers for either of these programs. The same approach applies to the 12-month arrangement offering.

³ See, *Evergy Missouri Metro and Evergy Missouri West Comments*, Exhibit 2, filed July 15, 2020; Docket No. AW-2020-0356.

Three programs, Dollar-Aide, Income Eligible Weatherization and Economic Relief Pilot Program (“ERPP”), offered by Evergy have been in place for many years prior to COVID. Each of these programs has guidelines that include documentation, including income verification by the partnering agencies that oversee the programs.

REQUIRE CREATION OF VOLUNTARY CUSTOMER-FUNDED PROGRAMS

9. *The Commission should require any utilities, that don't have programs, to create voluntary programs allowing customers to decide to pay extra on their bills in order to provide aid to struggling customers.*

RESPONSE: During times of need, Dollar-Aide helps eligible individuals and families by assisting with their utility bills to avoid loss of service. The program has helped thousands of families in the Evergy community. To make all tax-deductible donations go farther, Evergy matches every dollar with an additional 50-cent energy credit donation.

Last year, Evergy customers, employees and the company match raised more than \$140,000 for this specific program to help our community. As of July 31, 2020, \$108,000 has been raised this year. Evergy anticipates that the total funds raised in 2020 will exceed the amount raised in 2019. In May Evergy announced that it is committing up to \$1,000,000 to Dollar Aide, Project Deserve and other programs that assist customers with energy payments.

In addition, this May Evergy announced Evergy Emergency Grants to help non-profit agencies on the front lines that have remained open and are delivering essential services to its communities. Eligible agencies align with Evergy’s focus areas of community vitality and environmental leadership, have continued to provide most if not all of their services and have had their costs increase and revenues reduced due to the pandemic. Evergy has pledged \$400,000 and already has awarded grants to multiple agencies.

**REQUIRE MORE COMPREHENSIVE UTILITY
TRACKING & REPORTING OF DATA**

10. *The Commission should require more comprehensive utility tracking and reporting of data on residential customer overdue bills, disconnections, and repayment efforts, while still respecting billpayer privacy.*

RESPONSE: Since the onset of COVID, Evergy has voluntarily been providing regular and comprehensive reporting of data on customer overdue bills, disconnections and repayment efforts. Evergy believes the data that we are currently providing to Staff and the Missouri Office of Public Counsel is at an aggregate enough level to protect the privacy of our customers and the integrity of our financial information. Any additional requests for data, changes to reports, or billing systems may require significant effort and time.

CUSTOMER OUTREACH

11. *Utilities should continue to refer customers to assistance agencies and to establish clear communications about new utility policies and programs. This should include distributing marketing materials effectively and in multiple languages and communicating information new polices to customers with arrearages via multiple communication channels.*

RESPONSE: Please see the relevant Exhibit 3 in Evergy’s previous filing in this docket⁴ for the customer communication plan initiated by Evergy to promote customer awareness of Evergy’s COVID-19 alternative customer programs. This robust customer communication plan includes direct outreach to customers via multiple channels (including e-mail, postcards and outbound phone calls). Evergy began sending e-mails on June 15, 2020; and through June 25, 2020 had sent e-mails advising of the availability of payment plan incentives to approximately 85,000 customers system-wide in both Missouri and Kansas. Evergy began mailing postcards on June 22, 2020; and through June 25, 2020 had mailed post cards advising of the availability of

⁴ See, *Evergy Missouri Metro and Evergy Missouri West Comments*, Exhibit 3, filed July 15, 2020; Docket No. AW-2020-0356.

payment plan incentives to approximately 30,000 customers. Outbound calls advising of the availability of payment plan incentives were targeted to approximately 15,500 customers through June 25, 2020.

Additionally, Evergy's customer outreach efforts include partnerships with organizations that continue to provide support such as food distribution. Evergy provided approximately 16,500 flyers about MO Summer ECIP funding, as well as LIHEAP applications for those receiving food. Various back-to-school events that typically target low-income households, have been scheduled over the next upcoming weeks, of which Evergy will provide the same flyers and applications to those events for distribution. Also, a video was created for Evergy.com and social media pages that talk through key points of how to apply for LIHEAP (summer ECIP) and to promote the increase of assistance dollars from \$300 to \$600 per qualifying household; English and Spanish versions created.

INVESTIGATE HOW UTILITIES COULD CONTRIBUTE TO MISSOURI'S ECONOMIC RECOVERY

12. *CGA suggests Missouri should seize the opportunity to determine whether its utilities can provide near term projects that are economically beneficial and compliant with Commission law.*

RESPONSE: In May of this year Evergy announced it is committing \$2.2 million to help agencies, communities and customers respond to and recover from the COVID-19 pandemic, bringing its 2020 planned community giving to more than \$8 million. As part of this, Evergy's Hometown Economic Recovery Program focuses on efforts in Evergy communities that will help build back our local economies. Areas of eligibility include small business and entrepreneurial efforts, business attraction and retention, and workforce training and development. Evergy will award grants to nonprofit agencies totaling \$800,000.

In addition, Evergy's recently announced Sustainability Transformation Plan ("STP") that is expected to deploy infrastructure, equipment and technology over the next five years will be a major investment and will result in job growth for our economy. The transformation to a modern digital grid and the advanced energy technologies it supports will increase demand for a highly skilled workforce.

ENERGY EFFICIENCY

13. *Energy efficiency recommendations include expanding low-income energy efficiency offers and better connecting customers who are payment troubled due to COVID-19, as well as expanding access to comprehensive whole house energy efficiency and retrofit opportunities. Staff recommends the companies continue to strive toward assisting in making energy efficiency more accessible to all customers, especially high-risk customers due to COVID-19 through the collaborative discussion process with stakeholders.*

RESPONSE: Evergy currently offers an energy efficiency benefit for income eligible renters as part of the income eligible multi-family program. This program incents building owners and managers to invest in efficient individual unit upgrades, as well as whole building improvements, such as, hallway lighting and central cooling. The program is approved to spend over \$10 million dollars through 2025.

In the course of 2020, Evergy has pivoted a few demand side management programs to allow for more accessibility to high risk and vulnerable customers. Some examples include a focus on "virtual" energy walkthroughs with income qualified target customers, a new pilot for providing full service energy efficiency advice for non-profit businesses, a re-focused effort to provide incentives to small businesses and online sales of LED bulbs to get access to reduced price lighting for residential customers.

Evergy meets at least quarterly with the DSM advisory group stakeholders to discuss the results and directions of all energy efficiency programs including marketing. Evergy would

welcome more discussion and thoughts on continuing to provide access to high risk customers for energy efficiency and other relevant offers.

LOW-INCOME WEATHERIZATION/PROGRAMS

14. *Customer Service Representatives should actively review customer accounts should actively review customer accounts when a customer requests a deferred payment arrangement. If the customer account shows a higher than average use – the CSR should refer the customer to LIWAP and provide information on how to access assistance.*

RESPONSE: Low Income Weatherization Assistance Program (LIWAP) and weatherization tips are commonly suggested by CSRs when customers call with high bill concerns. If the customer is calling for payment arrangements, Evergy’s COVID programs offer an extensive amount of payment arrangement options as well as guidance on how and where to seek financial assistance.

15. *Utilities should utilize a collaborative process to engage state Low-income Home Energy Assistance Program (“LIHEAP”) providers and other utility assistance providers in developing or expanding on affordably programs.*

RESPONSE: Evergy has an ongoing relationship with the agencies that manage weatherization funds and communicates often with them on their needs, ways we can help partner with them and to keep communication channels open.

16. *Revisions to Low-income Home Energy Assistance Program (“LIHEAP”) should include: increasing Missouri’s LIHEAP eligibility guidelines above the current 135% of the poverty level; increase the benefit amount of the current maximums for each household size; allow payment of past-due heating bills with LIHEAP funds, prior to the heating season; and redefine the definition of “crisis” currently being used by Missouri LIHEAP using broader definitions used in other states that allow for more flexibility and assistance to those in need.*

RESPONSE: Evergy supports increasing Missouri’s LIHEAP eligibility guidelines above the current 135% poverty level and has brought this to the attention of the Missouri Department of Social Services. Evergy agrees that the definition of “crisis” currently being used by Missouri LIHEAP needs to be revised to offer more flexibility and provide clarity. Additionally, Evergy

offers the following recommendations: increase summer Energy Crisis Intervention Program (“ECIP”) to levels equivalent to winter ECIP; allow customer pledges in full benefit amount and not just the amount of delinquency; and extend the energy assistance season beyond March 31st to further assist customers during cold weather season.

ACCOUNTING AUTHORITY ORDERS

17. *Sierra Club offered that utilities should wait until they have a clearer and fuller picture of the costs and savings from operations during the COVID-19 before seeking recovery. Sierra Club also offered suggestions on terms and conditions in which Accounting Authority Orders (“AAO”) should be approved.*

RESPONSE: The circumstances that exist in conjunction with the COVID-19 pandemic clearly meet the Commission’s standard for approval of an accounting authority order. Recognizing these circumstances, many state commission jurisdictions have already granted similar accounting treatment for utilities in other states. The COVID-19 pandemic has caused Evergy to incur extraordinary costs that are not currently included in base rates and those extraordinary costs will continue to be incurred for an undetermined period of time into the future. On May 6 Evergy requested an AAO permitting it to identify, track, document, accumulate, and defer in a regulatory asset from March 1, 2020 forward certain items. It is unknown at this time how long the extraordinary impacts associated with COVID-19 will continue. These items will be tracked and deferred for consideration by the Commission for rate recovery in the operating utilities’ next general rate cases. Please refer to Docket No. EU-2020-0350 for details on Evergy’s AAO application that has already been filed.

CREATE A LOW-INCOME WORKING GROUP

18. *The Commission is encouraged to establish a state-wide workgroup with a specific focus on working collaboratively with low-income customers.*

RESPONSE: The Evergy MEEIA demand side management team is currently working to create a Low-Income Leadership Advisory Collaborative (LILAC) in order to further foster development of programs related to energy savings and support tools for customers among various key stakeholders in the KC area. If the Commission were to establish a state-wide workgroup, Evergy welcomes the opportunity to participate and work collaboratively to support low-income customers.

WHEREFORE, Evergy Missouri Metro and Evergy Missouri West respectfully submit the attached responses pursuant to the Commission's Order.

Respectfully submitted,

/s/ Robert J. Hack

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**Attorneys for Evergy Missouri Metro and
Evergy Missouri West**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served upon all counsel for Staff and the Office of the Public Counsel on this 31st day of August 2020, via e-mail.

/s/ Robert J. Hack

Robert J. Hack