

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-2022-0335  
Date Testimony Prepared: June 1, 2022

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2022-0335**

**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**ON BEHALF OF**

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

**Kansas City, Missouri  
June 2022**

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

In the Matter of Evergy Missouri West's )  
Demand Side Investment Mechanism Rider ) Case No. ER-2022-0335  
Rate Adjustment and True-Up )  
Required by 20 CSR 4240-20.093(4) )

**AFFIDAVIT OF LISA A. STARKEBAUM**

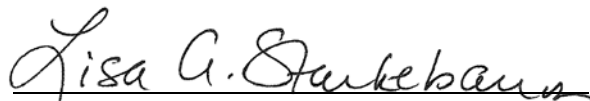
**STATE OF MISSOURI )**  
**) ss**  
**COUNTY OF JACKSON )**

Lisa A. Starkebaum, being first duly sworn on her oath, states:

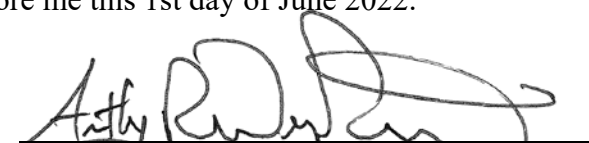
1. My name is Lisa A. Starkebaum. I work in Kansas City, Missouri, and I am employed by Evergy, Inc. as Manager, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri West, consisting of consisting of ten (10) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Lisa A. Starkebaum

Subscribed and sworn to before me this 1st day of June 2022.

  
\_\_\_\_\_  
Notary Public

My Commission expires:

4/26/2025



**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**Case No. ER-2022-0335**

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 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?**

1 A: The purpose of my testimony is to support the rate schedule filed by Evergy Missouri  
2 West to adjust the Demand Side Investment Mechanism (“DSIM”) Rider. My testimony  
3 will explain the change to the DSIM components based upon actual performance in the  
4 six-month period ending April 2022, as well as forecasted performance through June  
5 2023 for Cycle 3 Program Costs (“PC”) and Cycle 2 and Cycle 3 Throughput  
6 Disincentive (“TD”). The budget caps and floors for the 2023 projected PC amounts as  
7 agreed to in the MEEIA Cycle 3 extension Non-Unanimous Stipulation and Agreement,  
8 Case No. EO-2019-0132 are included in this rider update. In addition, Earnings  
9 Opportunity (“EO”) for Cycle 2 for the three program years beginning April 2016  
10 through March 2019, the EO for the Cycle 2 extension program year April 2019 through  
11 December 2019 and the EO for Cycle 3 2020 program year is included in this rider  
12 update. The proposed change in rates will result in a decrease to a residential customer’s  
13 rate from \$0.00630 to \$0.00399 per kWh, or a decrease of \$2.31 for every 1,000 kWh  
14 used. Please see the table below for a comparison by rate schedule of proposed DSIM  
15 rates to currently effective rates and the impact to a customer using 1,000 kWh.

<b>Rate Schedule</b>	<b>Total Current DSIM ER-2022-0150 (\$/kWh)</b>	<b>Total Proposed DSIM (\$/kWh)</b>	<b>Change Increase/ (Decrease) (\$/kWh)</b>	<b>Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)</b>
Residential Service	\$0.00630	\$0.00399	(\$0.00231)	(\$2.31)
Non-Res Service – SGS	\$0.00445	\$0.00517	\$0.00072	\$0.72
Non-Res Service – LGS	\$0.00627	\$0.00603	(\$0.00024)	(\$0.24)
Non-Res Service – LPS	\$0.00390	\$0.00367	(\$0.00023)	(\$0.23)

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

2 A: The requirements for adjustment of DSIM rates are found in Commission rules 20 CSR  
3 4240-20.093(4). In summary, the requirements outline that the update filing include  
4 applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

5 A) Amount of revenue that was over-collected or under-collected through the most  
6 recent recovery period by rate class.

7 B) Proposed positive or negative adjustments by rate class.

8 C) Electric utility's short-term borrowing rate.

9 D) Proposed adjustments to the current DSIM rates.

10 E) Complete documentation for the proposed adjustments to the current DSIM rates.

11 F) Any additional information the Commission ordered to be provided.

12 G) Annual report as required by 20 CSR 4240-20.093(9).

13 As part of my Direct Testimony, I have included the information required for update of  
14 the DSIM rate in the attached Schedules LAS-1 and LAS-2. The 2021 Demand-Side  
15 Program Annual Report for MEEIA Cycle 3, referenced in Item G above, was filed on  
16 March 31, 2022, in Case No. EO-2022-0271.

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

18 A: Yes, I am.

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

21 A: The Commission's rule governing DSIM filings and submission requirements for electric  
22 utilities, specifically 20 CSR 4240-20.093(4), requires Evergy Missouri West to make at  
23 least annual adjustments of DSIM rates that reflect the amount of revenue that has been

1 over/under collected. Evergy Missouri West’s DSIM tariff requires two semi-annual rate  
2 adjustments to become effective February 1 and August 1 of each year. Based upon  
3 actual and estimated performance during the six-month time period(s), DSIM rates may  
4 be adjusted up or down.

5 **Q: Please describe the various DSIM rate components that make up the proposed**  
6 **DSIM rate.**

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

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

16 A: As the DSIM tariff for MEEIA Cycle 3 describes, the DSIM rate components consist of  
17 projected PC and TD for MEEIA Cycle 3 programs for May 2022 through June 2023 as  
18 well as the reconciliation of actual and expected PC and TD for Cycle 3 through April  
19 2022. The MEEIA Cycle 3 costs included in this filing are the current forecasted levels  
20 of program participation and related costs.

21 Also included for recovery in the calculation of the DSIM rates are projected TD  
22 associated with MEEIA Cycle 2 for May 2022 through December 2022 as well as the  
23 reconciliation of actual and expected PC, TD and EO for Cycle 2 through April 2022.

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

2 A: Consistent with the current DSIM rates effective February 1, 2022, the EO included in  
3 this filing is based on verified MWh and MW savings for the three program years of  
4 Cycle 2 beginning April 2016 through March 2019, including EO TD adjustments, and  
5 for the Cycle 2 extension program year April 2019 through December 2019, including  
6 EO TD adjustments, which has been calculated in accordance with Tariff Sheet Nos.  
7 138.6 and 138.8. The MEEIA Cycle 2 tariff provides for the recovery of the EO over 24  
8 months. The Company took the total adjusted EO and divided that amount by the four  
9 semi-annual rate update periods and has included an EO amount for the current Effective  
10 Period (“EP”), or six-months beginning July 2022, plus the succeeding EP as described  
11 on tariff Sheet No. 138.11. An EO amount totaling \$(280,926) for Cycle 2 representing  
12 EO TD adjustments has been included in the calculation of the DSIM rate in this filing.  
13 In addition, the EO included in this filing is based on verified MWh and MW savings for  
14 the 2020 program year of Cycle 3, including EO TD adjustments, which has been  
15 calculated in accordance with Tariff Sheet Nos. 138.16 and 138.18. The MEEIA Cycle 3  
16 tariff provides for the recovery of the EO over 12 months. The Company took the total  
17 adjusted EO and divided that amount by the 12 months and has included an EO amount  
18 for the current Effective Period (“EP”), or six-months beginning August 2022, plus the  
19 succeeding EP as described on tariff Sheet No. 138.11. An EO amount totaling  
20 \$1,499,620 for Cycle 3 has been included in the calculation of the DSIM rate in this  
21 filing. The sum of the PC, TD and EO amounts are divided by the projected billed retail  
22 kWh sales, excluding opt-out sales, by rate class for August 2022 through July 2023 to  
23 develop the proposed DSIM rates.



1 **Q: Is there anything additional that should be mentioned that impacts this semi-annual**  
2 **filing?**

3 A: Yes. The Company has applied the Net To Gross (“NTG”) Factors effective January 1,  
4 2022 based on the latest EM&V report for Plan Year 1 (2020) that was filed with the  
5 MPSC on July 26, 2021 in Case No. EO-2019-0132. However, the Company has not yet  
6 made a compliance filing to reflect these updated NTG factors in the tariff but is  
7 preparing to do so subsequent to this filing.

8 **Q: What guidelines are provided within the Company’s DSIM rider tariff with respect**  
9 **to updates to NTG factors?**

10 A: Evergy Missouri West’s Tariff Sheet No. 138.16, the section entitled “Other DSIM  
11 Provisions”, provides the following:

12 *"MEEIA Cycle 3 NTG Factors by program will be updated prospectively no later than 24*  
13 *months after the commencement of the Plan based on EM&V net-to-gross percentages*  
14 *for each program determined for Year 1 and annually thereafter upon finalization of*  
15 *each subsequent program year EM&V report."*

16 **Q: What impact does the change in NTG factors have on ratepayers?**

17 A: The updated NTG factors utilized in the TD calculation are lower in all instances and is  
18 therefore a benefit to ratepayers.

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

1 A: Evergy Missouri West’s DSIM Rider mechanism and the Commission’s rules provide  
2 two mechanisms to ensure that amounts billed to customers do not exceed Evergy  
3 Missouri West’s actual, prudently incurred DSM Program Costs and TD and  
4 performance incentive or EO. First, at the end of each recovery period, the Company is  
5 required to true up amounts billed to customers through the DSIM Rider based upon  
6 Program Cost and TD actually incurred during that six-month period. Per MEEIA rule  
7 20 CSR 4240-20.093(4), these adjustments will be supported by complete documentation  
8 and workpapers that demonstrate the need for DSIM rate adjustment. All proposed  
9 adjustments and supporting documentation are subject to review by MPSC Staff and all  
10 MEEIA stakeholders. Second, per MEEIA rule 20 CSR 4240-20.093(11), Evergy  
11 Missouri West’s DSIM is subject to periodic prudence reviews by MPSC Staff to ensure  
12 that only prudently incurred Program Costs and TD are billed to customers. These two  
13 mechanisms serve as checks to ensure that the Company’s customers pay only the  
14 prudently incurred, actual Program Costs and TD resulting from implementation of  
15 MEEIA DSM programs.

16 **Q: Has Evergy Missouri West made any adjustments regarding the Home Energy**  
17 **Report program?**

18 A: Yes. Staff has noted in its Staff Recommendations for the previous three semi-annual  
19 DSIM rate updates, Case Nos. ER-2021-0153, Case No. ER-2021-0411 and Case No.  
20 ER-2022-0150, concerns regarding the level of reported savings attributable to Home  
21 Energy Reports (“HER”). The Company believes that it has calculated the DSIM rate  
22 updates consistent with the tariffs approved by the Commission in Case No. EO-2019-  
23 0132; therefore, no adjustments are included for the months through December 2022.

1           However, the Company has agreed as noted in the MEEIA Cycle 3 extension Non-  
2           Unanimous Stipulation and Agreement, in Case No. EO-2019-0132 effective January  
3           2023, to discontinue the HER program. Projected PC amounts for January 2023 through  
4           June 2023 reflect this change.

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

6   A:   Yes, Evergy Missouri West has been through four prudence reviews and its fifth  
7           prudence review was initiated in June 2021 and is ongoing.

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

10  A:   Yes.

11           Based on its examination and analysis of costs in the fourth prudence review  
12           covering the period of April 2018 through December 2019, Case No. EO-2020-0228,  
13           Staff believes the Company was imprudent in implementation of the Residential  
14           Programmable Thermostat program and implementation of the Demand Response  
15           Incentive program. Staff also believes the Company acted imprudently by not calling  
16           more demand response events. The Company disputes each of the Staff's findings and  
17           believes that it has operated the programs in a prudent manner, consistent with the tariffs  
18           approved by the Commission. On May 4, 2022, the Commission issued its Report and  
19           Order concluding that the Company acted imprudently in giving away thermostats to  
20           customers who did not ultimately participate in the program and ordered an adjustment  
21           amounting to \$116,665 plus interest be refunded in the Company's next DSIM Rider rate  
22           adjustment filing. Evergy Missouri West has included a refund of \$116,665 plus interest  
23           of \$11,757 in this filing.

1           On October 28, 2021, Staff issued its Report and Recommendation in the  
2           Company's fifth prudence review initiated by Staff on June 4, 2021, in Case No. EO-  
3           2021-0416. This prudence review covers the period of January 2020 through March 2021  
4           for Cycle 3 costs and Cycle 2 Long-Lead Projects. In its Report, Staff recommended the  
5           disallowance of \$23,014 of program costs including interest and \$1,577,602 of  
6           throughput disincentive related to the Company's Home Energy Report program. The  
7           Company disputes Staff's alleged disallowances. On November 2, 2021, the Company  
8           filed a request for hearing regarding Staff's Report. Parties filed a joint proposed  
9           procedural schedule in this case on November 30, 2021. The Company filed its third  
10          status report on May 23, 2022, stating that the parties have been conducting settlement  
11          discussions and requested additional time to file a settlement agreement or another status  
12          report by June 6, 2022.

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

15   A:    The Company requests the Commission approve the rate schedule to become effective  
16          August 1, 2022.

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

18   A:    Yes, it does.