BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Tariff Filing of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro Case No. ET-2025-0286 Tracking No. JE-2025-0134

STAFF RECOMMENDATION

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COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its Staff Recommendation in this matter respectfully states as follows:

1. On April 18, 2025, the Commission issued an Order Suspending Tariff Sheets and Directing a Staff Recommendation ("Order") in this matter, which ordered Staff to file its recommendation no later than May 14, 2025. Filed concurrently herewith, in memorandum form, is Staff's recommendation, which is incorporated herein by reference.

2. As discussed in detail in the accompanying Staff recommendation memorandum, Staff cannot recommend approval for the following reasons:

- The proposed billing practices are not consistent with the Net Metering and Easy Connection Act, although it is consistent with the recently-approved billing practices at Evergy Missouri West ("EMW"),
- II. The proposed change in availability and billing calculation provisions of the rate sheets of the tariff, outside of a general rate case, is likely inconsistent with Missouri law concerning single issue ratemaking and required consideration of all relevant factors in lawful ratemaking. This issue is distinct from the EMW tariff change, in that the requested EMM tariff change is outside of a general rate case, and

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III. There is an improper heading on tariff sheet 30, which must be cured should the Commission order the tariff sheets to take effect.

WHEREFORE Staff respectfully submits its Staff Recommendation and prays the

Commission issue such orders as it deems just and reasonable under the circumstances.

Respectfully submitted,

/s/ Tracy D. Johnson

Tracy D. Johnson Deputy Counsel Missouri Bar No. 65991

Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102 (573) 526-5343 (Telephone) (573) 751-9285 (Fax) tracy.johnson@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 14th day of May, 2025.

<u>/s/ Tracy D. Johnson</u>

MEMORANDUM

- TO: Missouri Public Service Commission Official Case File, Case No. ET-2025-0286 In the Matter of the Tariff Filings of Evergy Metro, Inc. d/b/a Evergy Missouri Metro
- **FROM:** Claire M. Eubanks, P.E., Engineer Manager, Engineering Analysis Sarah L.K. Lange, Economist, Tariff/Rate Design

<u>/s/ Claire M. Eubanks, P.E. / 05-14-2025</u> Engineering Analysis / Date

- **SUBJECT:** Staff Report on EMM's tariffs to implement TOU options for Net-metered customers
- **DATE:** May 14, 2025

SUMMARY

Staff reviewed the tariff revisions proposed by Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("EMM"). From a practical standpoint, Staff understands the benefit of alignment of the treatment of net metering customers on higher-differential time-based rate plans in Evergy's Missouri jurisdictions. Staff cannot recommend approval for the following reasons:

- 1. The proposed billing practices are not consistent with the Net Metering and Easy Connection Act, although it is consistent with the recently-approved billing practices at Evergy Missouri West ("EMW"),
- 2. The proposed change in availability and billing calculation provisions of the rate sheets of the tariff, outside of a general rate case, is likely inconsistent with Missouri law concerning single issue ratemaking and required consideration of all relevant factors in lawful ratemaking. This issue is distinct from the EMW tariff change, in that the requested EMM tariff change is outside of a general rate case, and
- 3. There is an improper heading on tariff sheet 30, which must be cured should the Commission order the tariff sheets to take effect.

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OVERVIEW

On March 21, 2025, Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("EMM") filed eight (8) tariff sheets with a proposed effective date of April 21, 2025. The following tariff sheets were assigned Tariff Tracking No. JE-2025-0134:

<u>PSC MO. No. 7</u>

2nd Revised Sheet No. 5D Canceling 1st Revised Sheet No. 5D 1st Revised Sheet No. 5E Canceling Original Sheet No. 5E 3rd Revised Sheet No. 7 Canceling 2nd Revised Sheet No. 7 1st Revised Sheet No. 7B Canceling Original Sheet No. 7B 2nd Revised Sheet No. 7F Canceling 1st Revised Sheet No. 7F 5th Revised Sheet No. 30 Canceling 4th Revised Sheet No. 30¹ 7th Revised Sheet No. 34A Canceling 6th Revised Sheet No. 34A 5th Revised Sheet No. 34C Canceling 4th Revised Sheet No. 34C

Staff recommended the Commission open this docket to allow additional parties the opportunity to respond the proposed tariff revisions. EMM and Renew Missouri Advocate d/b/a Renew Missouri ("Renew Missouri") responded to Staff's Motion to suspend both citing the recent *Unanimous Stipulation and Agreement*, approved by the Commission on December 4th, 2024, as part of EMW's general rate case. EMM also pointed out that similar tariffs for EMW were, at that time, scheduled to go into effect by operation of law.²

DISCUSSION

Consistent with Staff's concerns in ER-2024-0189 and ER-2024-0319, Staff highlights the major changes contemplated by the EMM tariffs and the existing statutory language implementing the Net Metering and Easy Connection Act (386.890 RSMo.). The relevant language from 386.890 RSMo is:

3. A retail electric supplier shall: ...

(2) Offer to the customer-generator a tariff or contract that is identical in electrical energy rates, rate structure, and monthly charges to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator but shall not charge the customer-generator any additional standby, capacity, interconnection, or other fee or

¹ Staff notes the currently effective tariff reflects this sheet as PSC MO. No. 7 10th Revised Sheet No. 30

² As described in Staff's routing memorandum filed April 15, 2025, under tariff tracking JE-2025-0135, the EMW tariff filing was to correct errors made by EMW in its compliance tariff filings for ER-2024-0189. Staff recommended the corrected EMW tariffs go into effect by operation of law on April 18, 2025, which has occurred.

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> charge that would not otherwise be charged if the customer were not an eligible customergenerator; and ...

> 5. Consistent with the provisions in this section, the net electrical energy measurement shall be calculated in the following manner:

(1) For a customer-generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the customer-generator's consumption and production of electricity;

(2) If the electricity supplied by the supplier exceeds the electricity generated by the customer-generator during a billing period, the customer-generator shall be billed for the net electricity supplied by the supplier in accordance with normal practices for customers in the same rate class;

(3) If the electricity generated by the customer-generator exceeds the electricity supplied by the supplier during a billing period, the customer-generator shall be billed for the appropriate customer charges for that billing period in accordance with subsection 3 of this section and shall be credited an amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated during the billing period, with this credit applied to the following billing period;

(4) Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve months after their issuance or when the customer-generator disconnects service or terminates the net metering relationship with the supplier;

EMM's proposed tariff alters the determination of net electrical energy as follows:

1. For a Customer-Generator, the Company shall measure the net electrical energy produced or consumed during the billing period *for the applicable TOU period (peak/off-peak/super off-peak)* in accordance with normal metering practices, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the Customer-Generator's consumption and production of electricity;

2. If the electricity supplied by the Company exceeds the electricity generated by the Customer-Generator *during a TOU period*, the Customer-Generator shall be billed for the net electricity supplied by the Company in accordance with normal practices;

3. If the electricity generated by the Customer-Generator exceeds the electricity supplied by the Company *during a given TOU period*, the Customer-Generator shall be billed for the appropriate Customer charges for that billing period in accordance with the Company Obligation section of this tariff and shall be credited for the excess kilowatt-hours generated *during the TOU period* at the rate identified in Schedule Parallel Generation

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Contract Service, Sheet 31 in the following billing period. This rate is calculated from the Company's avoided fuel cost.

4. The Customer-Generator shall be billed for the appropriate Customer charges for the billing period in accordance with the Company Obligations section of the Company Net Metering Interconnect Application Agreement tariff;

5. Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve (12) months after their issuance, or when the Customer-Generator disconnects service or terminates the net metering relationship with the Company.

Commission rules define billing period as "a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected, or final bills."³ EMM tariffs define "pricing periods" for each individual TOU rate plan (i.e. peak, off-peak, super off-peak).

In the recent EMW case, Mr. Lutz claimed that the Company's approach "preserves the current Net Metering tariff and its alignment with Statute"⁴ yet also claimed that "Section 386.890 RSMo, prevents us from netting usage by time period. The statute refers to netting the consumption and production of electricity by customer-generators over a billing period, approximately 30 days, not a daily TOU time period."⁵ Given that the Company is proposing to alter the determination of net excess generation it does not appear to align with 386.890 RSMo.

Staff notes that EMM's proposal alters the availability section of the Residential Peak Adjustment Service (Schedule RPKA), Residential Time of Use – Three Period (Schedule RTOU), Residential High Differential Time of Use (Schedule RTOU-3), and Residential Time of Use – Two Period (Schedule RTOU-2), and alters the calculations of bills for customers taking service on those rate schedules that are net-metering customers. In the EMW case, these changes were considered in a general rate case, and were ordered to have been implemented in a general rate case. The Commission has not here, concerning EMM, had an opportunity to consider all relevant factors, and it is not clear that the Commission may lawfully order changes to the calculation of customer bills or changes in the availability of rate schedules to customers.

³ 20 CSR 4240-13.015(1)(C)

⁴ ER-2024-0189, Rebuttal testimony of Brad Lutz, page 26, line 6-7.

⁵ ER-2024-0189, Rebuttal testimony of Brad Lutz, page 24, line 9-12.

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CONCLUSION

In conclusion, Staff cannot recommend approval for the following reasons:

- 1. The proposed billing practices are not consistent with the Net Metering and Easy Connection Act, although it is consistent with the recently-approved billing practices at Evergy Missouri West ("EMW"),
- 2. The proposed change in availability and billing calculation provisions of the rate sheets of the tariff, outside of a general rate case, is likely inconsistent with Missouri law concerning single issue ratemaking and required consideration of all relevant factors in lawful ratemaking. This issue is distinct from the EMW tariff change, in that the requested EMM tariff change is outside of a general rate case, and
- 3. There is an improper heading on tariff sheet 30, which must be cured should the Commission order the tariff sheets to take effect.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Tariff Filings of Evergy) Metro, Inc. d/b/a Evergy Missouri Metro)

File No. ET-2025-0286

AFFIDAVIT OF CLAIRE M. EUBANKS, PE

STATE OF MISSOURI) SS. COUNTY OF COLE

COMES NOW CLAIRE M. EUBANKS, PE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

CLAIRE M. EUBANKS. PE

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 _____/2th day of May 2025.

D. SUZIE MANKIN otary Public - Notary Seal State of Missouri Commission Commission Expires: / emmission No

Notary Public (

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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In the Matter of the Tariff Filings of Evergy Metro, Inc. d/b/a Evergy Missouri Metro

File No. ET-2025-0286

AFFIDAVIT OF SARAH L.K. LANGE

STATE OF MISSOURI)) SS. COUNTY OF COLE)

COMES NOW SARAH L.K. LANGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sanh L.K. Lange SARAH L.K. LANGE

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 $22\frac{4}{2}$ day of May 2025.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri **Commissioned for Cole County** My Commission Expires: April 04, 2029 Commission Number: 12412070

<u>Notary Public</u>