

**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 Rider Rate)	<u>File No. ER-2022-0334</u>
Adjustment and True-Up Required by)	Tariff No. JE-2022-0266
20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and respectfully states as follows:

1. In its *Order Directing Notice, Setting Intervention Deadline, and Directing Staff Recommendation* issued in File No. ER-2022-0334 on June 2, 2022, the Commission ordered Staff to file a recommendation in that case no later than July 1, 2022.

2. Attached hereto and incorporated herein by reference is Staff's Recommendation, in which Staff recommends the Commission approve the following tariff sheet, filed on June 1, 2022 for service on and after August 1, 2022, the requested effective date:

P.S.C. MO. No. 7

Sixth Revised Sheet No. 49Y, Canceling Fifth Revised Sheet No. 49Y

3. 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 Sixth Revised Sheet No. 49Y does not constitute a review of the prudence of Evergy Metro's actions in relation to its DSIM.

WHEREFORE, Staff recommends the Commission issue an order approving the following proposed tariff sheet, to become effective on August 1, 2022, as requested by Evergy Metro, subject to both true-up and prudence reviews.

P.S.C. MO. No. 7

Sixth Revised Sheet No. 49Y, Canceling Fifth Revised Sheet No. 49Y

Respectfully submitted,

/s/ Eric Vandergriff

Eric Vandergriff

Legal Counsel

Missouri Bar No. 73984

Attorney for the Staff of the

Missouri Public Service Commission

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Attorney for the Staff of the

Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 30th day of June, 2022.

/s/ Eric Vandergriff

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2022-0334 and Tariff Tracking No. JE-2022-0266

FROM: Michelle A. Bocklage, Sr. Research/Data Analyst
Brad J. Fortson, Regulatory Compliance Manager

/s/ Michelle A. Bocklage / 6-30-22
Sr. Research/Data Analyst / Date

/s/ Eric Vandergriff / 6-30-22
Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve Evergy Metro, Inc., d/b/a Evergy Metro ("Evergy Metro") Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM") Rider Rate effective August 1, 2022.

DATE: June 30, 2022

Evergy Metro Filing

On June 1, 2022, Evergy Metro filed with the Commission one (1) tariff sheet bearing an issue date of June 1, 2022, with an effective date of August 1, 2022, proposing to adjust 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 for program year 2022 is approximately \$24.0 million.

On June 2, 2022, 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 July 1, 2022.

Change in Evergy Metro's DSIM Rates

Per 20 CSR 4240-20.093(4), Evergy Metro is required to make semi-annual adjustments of DSIM rates 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 Metro's MEEIA Cycle 2 extension request through December 31, 2019, Evergy Metro's

Cycle 2 earnings opportunity (“EO”), actual and projected costs for Evergy Metro’s MEEIA Cycle 3 approved in Case No. EO-2019-0133, and Evergy Metro’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 value for the months of May, June, and July are forecasted data which is adjusted for actual data in the next filing.

	MEEIA Cycle 3 through July 2022	MEEIA Cycle 2
TD	\$6,077,032	\$3,814,194
Program Cost	\$40,110,936	\$76,250,798
EO	\$1,815,168	\$7,904,602
Total	\$48,003,135	\$87,969,593
Estimated kWh	153,890,252	314,994,695
avg cost per estimated kWh saved	\$ 0.31	\$ 0.28

Additionally, Evergy Metro is projecting to recover approximately \$23.3 million through June 2023 for projected PC and TD for Cycle 3 and approximately \$4.3 million¹ for projected TD for Cycle 2. Staff agrees these are reasonable projections based on past projection to actual comparison.

¹ The projected \$27.6 million in additional MEEIA Cycle 2 and 3 PC and TD is not included in the cost summary table.

Projected July 2021 through June 2022	PC	TD
Cycle 3	\$ 23,261,266	\$ 5,842,495
Cycle 2		\$ 4,254,658

In total, Evergy Metro is projected to recover from ratepayers approximately \$160 million for energy efficiency programs for MEEIA Cycles 2 & 3 by the end of 2022.

	Cycles 2 & 3				
TD	\$ 9,891,225				
Program Cost	\$ 116,361,734				
EO	\$ 9,719,770				
Total	\$ 135,972,729				
	\$ 24,044,462	DSIM Revenue Requirement Aug 2022			
	\$ 160,017,191	TOTAL CYCLES 2 & 3			
	\$ 160,017,191	TOTAL PROGRAM - ALL CYCLES			

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.

Rate Class	Current MEEIA Rate/kWh	Proposed MEEIA Rate/kWh
Residential Service	\$0.00679	\$0.00478
Non-Residential – SGS	\$0.00276	\$0.00310
Non-Residential – MGS	\$0.00547	\$0.003683
Non-Residential – LGS	\$0.00407	\$0.00268
Non-Residential – LPS	\$0.00113	\$0.00274

The proposed change will decrease residential customers’ DSIM Rider rate from \$0.00679 to \$0.00478 per kWh.² For a residential customer using 1,000 kWh, this would result in a decrease of \$2.01 per month. For a non-residential customer using 1,000 kWh, the new rates would result in a \$0.34 increase for Small General Service, a \$1.79 decrease for Medium General Service, \$1.39 decrease for Large General Service, and a \$1.61 increase 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 June 1, 2022 for service on and after August 1, 2022, the requested effective date:

P.S.C. MO. No. 7
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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 Sixth Revised Sheet No. 49Y does not constitute a review of the prudence of Evergy Metro’s actions in relation to its DSIM.

² Inclusion of MEEIA Cycle 3 projected Program Costs (“PC”) and Throughput Disincentive (“TD”) in addition to projected MEEIA Cycle 2 PC, TD and EO for the 12-months ending December 31, 2022.

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AFFIDAVIT OF MICHELLE A. BOCKLAGE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW MICHELLE A. BOCKLAGE 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.


MICHELLE A. BOCKLAGE

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 29th day of June 2022.

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 BRAD J. FORSTON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BRAD J. FORSTON 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.

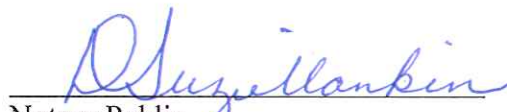


BRAD J. FORSTON

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 30th day of June 2022.

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