

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

In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro and)
Evergy Missouri West, Inc. d/b/a Evergy)
Missouri West for Approval of the Income-)
Eligible Weatherization Tariff and Automation)
of the Income-Eligible Weatherization)
Program)

Case No. ET-2022-0145
Tariff No. JE-2022-0170
Tariff No. JE-2022-0169

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Recommendation to Approve Tariff Sheets, states the following:

1. Evergy Metro, Inc., d/b/a Evergy Missouri Metro, and Evergy Missouri West, Inc., d/b/a/ Evergy Missouri West (respectively Evergy Missouri Metro and Evergy Missouri West, and collectively "Evergy") filed revised tariff sheets, tracking numbers JE-2022-0169 and JE-2022-0170, to update its Income-Eligible Weatherization (IEW) Programs, and requested a waiver from the Commission's 60-day notice requirement.
2. Evergy's application was amended on December 2, 2021, and described five updates to the IEW Program.
3. The revised tariff sheets have an effective date of December 31, 2021.

Recommendation to Approve Tariff Sheets As

4. As set forth in the Staff's Memorandum, attached hereto and incorporated by reference, Staff recommends the Commission approve the updates to Evergy's IEW Program tariffs, Tracking Numbers JE-2022-0169 and JE-2022-0170.

Recommendation to Grant the Variance from 20 CSR 4240-4.017

5. A party may request waiver of the sixty (60) day notice "for good cause." 20 CSR 4240-4.017(1)(D). Good cause may be established by filing a declaration from

the filing party that it has had no communication with the office of the Commission within the prior one hundred and fifty (150) days regarding any likely substantive issue in the case.¹

6. Evergy filed a declaration that neither company has had any communication with the Office of the Commission within the prior one hundred and fifty days regarding any likely substantive issue in the case.

7. Staff has identified no harm or prejudice that would result from the granting of a waiver of the sixty day notice requirement under 20 CSR 4240-4.017(1)(D).

8. Accordingly, Staff believes there is good cause to grant Evergy Missouri Metro's request for waivers from 20 CSR 4240-4.017(1)(D).

WHEREFORE, as set forth in Staff's Memorandum, Staff respectfully recommends the Commission issue an order approving the following tariff sheets, tracking numbers JE-2022-0170 and JE-2022-0169:

P.S.C. MO No. 7

3rd Revised Sheet No. 43, Cancelling 2nd Revised Sheet No. 43; and

P.S.C. MO No. 1

4th Revised Sheet No. R-60, Cancelling 3rd Revised Sheet No. R-60

and for such other and further relief the Commission deems just or reasonable.

¹ "Office of the Commission" means "Commissioners, a commissioner, a member of the commission's advisory staff, or the commission's regulatory law judges." 20 CSR 4240-4.015(10).

Respectfully submitted,

/s/ Curt Stokes

Curt Stokes

Chief Deputy Counsel

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**Counsel for Staff of the
Missouri Public Service Commission**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 15th day of December, 2021, to all parties and/or counsels of record.

/s/ Curt Stokes

Curt Stokes

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ET-2022-0145, Evergy Missouri Metro and
Evergy Missouri West Inc.

FROM: Kory Boustead, Research/Data Analyst, Energy Resources Dept.

/s/ Kory Boustead 12/15/2021 /s/Curt Stokes 12/15/2021
Energy Resources Department/Date Staff Counsel's Office Date

SUBJECT: Staff Recommendation for the Approval of Evergy Missouri Metro and Evergy Missouri West's Amended Application for Authorization for Approval of the Income-Eligible Weatherization Tariff, Automation of the Income-Eligible Weatherization Program, and Motion for Variance of 60-Day Notice With An Effective Date of December 31, 2021.

DATE: December 15, 2021

On December 1, 2021, Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Metro") and Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy West") (collectively "Evergy") filed their *Application for Approval of the Income-Eligible Weatherization Tariff, Automation of the Income-Eligible Weatherization Program, and Motion for Variance of 60-Day Notice*.

On December 2, 2021, the Commission issued its *Order Directing Notice, Setting Intervention Deadline, and Directing Staff Recommendation*. Staff's recommendation was due to be filed no later than December 15, 2021.

On December 2, 2021, Evergy filed an *Amended Application*.

BACKGROUND

Funding for the Evergy's income eligible weatherization ("IEW") programs was most recently renewed in Evergy's last rate cases, ER-2018-0145 and ER-2018-0146. Evergy Missouri Metro was authorized to spend \$573,888 and Evergy Missouri West was authorized to spend \$500,000 on the programs. These funds are currently collected through current customer rates. Evergy rolled over unspent IEW funds of \$116,674 and \$196,000 for Evergy Missouri Metro and Evergy Missouri West, respectively, into the 2020 budget for program year 2020. The funds are spent through social service agencies¹ whose contract terms run from January 1 through December 31 of the current year.

¹ Also known as Community Action Agencies ("CAA"s).

The social service agencies provide energy conservation measures as defined in the cooperative agreement to Evergy customers on a first come, first served basis. In addition, the social service agencies are currently administering the conservation programs in conformance with the existing program procedures and in conformance with the Missouri Department of Natural Resources Division of Energy (“DE”).

The social service agencies had difficulty spending the IEW budgets in 2020 and 2021 due to the impact of COVID-19 on their ability to perform IEW upgrade projects. The recent COVID-19 pandemic resulted in social service agencies inability to spend funds because social distancing restrictions reduced the amount of home visits and inspections.

Even prior to COVID19, many of the social service agencies were having challenges spending their budgets due to limiting income requirements, difficulty in attracting and keeping qualified workers, the lengthy approval process, issues with home repairs that prevent weatherization from occurring (such as leaking roofs and asbestos), term of service, annual electricity consumption requirements and restrictions limiting work in homes that have had IEW projects performed within the past twenty years.

Evergy seeks to revise the current IEW tariffs to address the six key challenges the agencies are currently facing. First, Evergy proposes to broaden the scope around income requirements currently set forth by the U.S. Department of Energy’s (“DOE”) Weatherization Assistance Program (“WAP”). Currently applicants must be at or below 200% of the poverty income guidelines to qualify for assistance. Evergy is proposing to also include the Low-Income Energy Assistance Program (“LIHEAP”) criteria, of which is set at 60% of state median income today. The current IEW income guidelines prevent approximately 40% of households that apply from qualifying for weatherization assistance. Since the administrative functions and the funding for IEW programs are not federally sourced, the agencies do not need to adhere to the same guidelines for spending the Evergy funds as necessary for spending federally administered or sourced funds. Therefore, agencies will not have to adhere to the US DOE guidelines for Evergy weatherization projects, which may be solely funded by Evergy.

Secondly, agencies, at their discretion, can use Evergy funds to weatherize properties that have historically been passed over due to reasonable health and hazard conditions.

The third and fourth adjustments Evergy proposes are to remove the years of service and kWh requirements. The IEW program was previously offered within Evergy’s Missouri Energy Efficiency Investment Act (“MEEIA”) portfolio. However, since the IEW program is no longer a part of Evergy’s MEEIA portfolio, this requirement is no longer necessary.

The fifth change Evergy is seeking will remove the barrier for homes to participate that have been weatherized in the past 20 years; allowing upgrades as identified and needed through the agency process regardless of previous IEW projects.

The final tariff adjustment that Evergy proposes will allow agencies to use a portion of the budgeted funds to attract and retain talent, as well as to incentivize their staff. With these proposed changes, Evergy believes the agencies will be able to utilize more of the program's budget and service more customers. Agencies would be able to qualify more customers, as well as attract and retain more qualified workers.

Evergy will continue to comply with the merger stipulation and agreement to pay agencies \$300,000 per year for ten years, which is payable in June or July, and is used for administrative costs. This would assure agencies that they can depend on this funding that has already been planned and budgeted for administrative tasks. To facilitate the proposed changes, Evergy would amend current social service agency cooperative agreements.

Evergy Missouri Metro has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involved customer services or rates, which action, judgment or decision has occurred within three years of the date of this application.

Evergy Missouri West has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involved customer services or rates, which action, judgment or decision has occurred within three years of the date of this application, except for Docket No. EC-2020-0252, Barbara Edwards v. Evergy Missouri West.

RECOMMENDATION

Staff has reviewed the tariff sheets Evergy filed December 1, 2021 and recommends the Commission approve the Income-Eligible Weatherization Tariff, Automation of the Income-Eligible Weatherization Program and Motion for Variance of 60-Day Notice.

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|--|---|-------------------------|
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| Metro, Inc. d/b/a Evergy Missouri Metro |) | Tariff No. JE-2022-0170 |
| And Evergy Missouri West, Inc. d/b/a |) | Tariff No. JE-2022-0169 |
| Evergy Missouri West for Approval of the |) | |
| Income-Eligible Weatherization Tariff and |) | |
| Automation of the Income-eligible |) | |
| Weatherization Program |) | |

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Kory J. Boustead, and on her oath states 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.

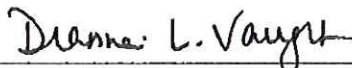
Further the Affiant sayeth not.



Kory J. Boustead

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 15th day of December, 2021.



Notary Public

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| DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: July 18, 2023 Commission Number: 15207377 |
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