

**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       | ) | <b><u>Case No. ER-2023-0410</u></b> |
| Investment Mechanism Rider Rate           | ) | <u>Tariff No. JE-2023-0215</u>      |
| Adjustment and True-Up Required by        | ) |                                     |
| 20 CSR 4240-20.093(4)                     | ) |                                     |

**STAFF RECOMMENDATION TO APPROVE PROPOSED TARIFF SHEET**

**COMES NOW** the Staff of the Missouri Public Service Commission and in response to the Commission's June 7, 2023, *Order Directing Notice, Setting Intervention Deadline, and Directing Staff Recommendation* ("Order") submits its Staff Recommendation to the Commission, and as set forth in detail in the attached appendices, and in support thereof states as follows:

1. On June 2, 2023, Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Metro") filed with the Commission one (1) tariff sheet bearing an issue date of June 2, 2023, and an effective date of August 1, 2023, proposing to adjust charges related to Evergy Metro's Demand Side Investment Mechanism, ("DSIM") Rider. These adjustments are required under Commission Rule 20 CSR 4240-20.093(4).

2. 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.

3. As a result of the Company's proposed change, the DSIM Rider of a residential customer using 1,000 kWh would decrease \$1.19 per month. For a non-residential customer using 1,000 kWh, this would mean: a decrease of \$0.80 for Small General Service ("SGS"); \$0.43 decrease for Medium General Service ("MGS"); \$0.19 decrease for Large General Service ("LGS"); and an increase of \$0.02 for

Large Power Service (“LPS”) class. The proposed change and Staff’s review are further detailed in Staff’s Memorandum, attached hereto as Appendix A.

4. After completing its review of the proposed tariff sheet, testimony, and workpapers, it is Staff’s recommendation that the Commission issue an order approving the following tariff sheet, filed on June 2, 2023 for service on and after August 1, 2023, the requested affective date:

P.S.C. MO. No. 7

Eighth Revised Sheet No. 49Y, Canceling Seventh Revised Sheet No. 49Y

5. Staff’s recommendation to approve this Eighth Revised Sheet No. 49Y does not constitute a review of the prudence of Evergy Metro’s actions in relation to its DSIM.

**WHEREFORE**, Staff respectfully submits its Staff Recommendation to Approve Proposed Tariff Sheet, and recommends the Commission issue an order approving the tariff sheet or allow the tariff sheet to take effect by operation of law on August 1, 2023.

Respectfully submitted,

**/s/ J. Scott Stacey**

J. Scott Stacey  
Senior Staff Counsel  
Missouri Bar No. 59027  
Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
573-522-6279  
573-751-9285 (Fax)  
[scott.stacey@psc.mo.gov](mailto:scott.stacey@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 28<sup>th</sup> day of June, 2023.

**/s/ J. Scott Stacey**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
Case No. ER-2023-0410 and Tariff Tracking No. JE-2023-0215

**FROM:** Nancy L. Harris, Utility Regulatory Auditor  
Krishna Poudel, Economist

/s/ Nancy L. Harris / 06-28-23

Senior Utility Regulatory Auditor / Date

/s/ Scott Stacey / 06-28-23

Staff Counsel's Office / Date

**SUBJECT:** Staff Recommendation to Approve Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Metro") Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM") Rider Rate Effective August 1, 2023.

**DATE:** June 28, 2023

### Evergy Metro Filing

On June 2, 2023, Evergy Missouri Metro ("Evergy Metro") filed with the Commission one (1) tariff sheet bearing an issue date of June 2, 2023, with an effective date of August 1, 2023, 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 through June 2024 is approximately \$11 million. This revenue requirement was reduced by an Ordered Adjustment balance with interest of (\$341,210), ordered by the Commission on July 21, 2022 in Case No. EO-2021-0417.<sup>1</sup>

On June 7, 2023, 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 June 30, 2023.

### Change in Evergy Metro's DSIM Rates

Per 20 CSR 4240-20.093(4), Evergy Metro is required to adjust its DSIM rates no less often than annually<sup>2</sup> to reflect the amount of revenue that has been over/under collected.

---

<sup>1</sup> The Commission approved Order Adjustments in Case Nos. EO-2020-0227 and EO-2021-0417, where the Company agreed to include in this filing a credits to resolve the alleged HER TD double-recovery issue and to return disallowed program costs from the review period of January 2020 through March 2021 plus interest.

<sup>2</sup> Evergy Metro makes semi-annual adjustments to its DSIM rates.

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 values for the months of May, June, and July are forecasted data which is adjusted for actual data in the next filing.

|  | MEEIA Cycle 3<br>through June<br>2024 | MEEIA Cycle 2  |
|--|---------------------------------------|----------------|
| TD                                     | \$ 19,788,552                         | \$ 45,342,418  |
| Program Cost                           | \$ 49,648,467                         | \$ 67,774,562  |
| EO                                     | \$ 3,440,807                          | \$ 7,845,674   |
| Total                                  | \$ 72,877,826                         | \$ 120,962,653 |
| Estimated kWh<br>Saved                 | 214,447,152                           | 314,994,695    |
| Avg Cost per<br>Estimated kWh<br>Saved | \$ 0.34                               | \$ 0.38        |

Additionally, Evergy Metro is projecting to recover approximately \$11.9 million through June 2024 for projected PC and TD for Cycle 3 costs. Staff agrees these are reasonable projections based on past projection to actual comparison.

| Projected through<br>June 2024 | PC (Ext)     | TD           | Total Projected |
|--------------------------------|--------------|--------------|-----------------|
| Cy 3 PC & TD                   | \$ 8,444,389 | \$ 3,503,103 | \$ 11,947,492   |

In total, Evergy Metro will recover from ratepayers approximately \$204 million for energy efficiency programs for MEEIA Cycles 2 and 3 by June 2024. As shown in the chart below.

|              |                |                                   |
|--------------|----------------|-----------------------------------|
|              | Cycles 2 & 3   |                                   |
| TD           | \$ 65,130,970  |                                   |
| Program Cost | \$ 117,423,029 |                                   |
| EO           | \$ 11,286,481  |                                   |
| Total        | \$ 193,840,479 |                                   |
|              |                | DSIM Revenue Requirement Dec 2023 |
|              | \$ 11,004,793  |                                   |
|              | \$ 204,845,272 | TOTAL CYCLES 2 & 3                |

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 Schedule         | Total Proposed DSIM (\$/kWh) | Total Current DSIM ER-2023-0183 (\$/kWh) | Change Increase/ (Decrease) (\$/kWh) | Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$) |
|-----------------------|------------------------------|--|--------------------------------------|--|
| Residential Service   | \$0.00196                    | \$0.00315                                | (\$0.00119)                          | (\$1.19)   |
| Non-Res Service – SGS | \$0.00156                    | \$0.00236                                | (\$0.00080)                          | (\$0.80)   |
| Non-Res Service - MGS | \$0.00184                    | \$0.00227                                | (\$0.00043)                          | (\$0.43)   |
| Non-Res Service – LGS | \$0.00145                    | \$0.00164                                | (\$0.00019)                          | (\$0.19)   |
| Non-Res Service – LPS | \$0.00042                    | \$0.00040                                | \$0.00002                            | \$0.02   |

The proposed change will decrease residential customers’ DSIM Rider rate from \$0.00315 to \$0.00196 per kWh.<sup>3</sup> For a residential customer using 1,000 kWh, this would result in a decrease of \$1.19 per month. As shown in the above table, the new rates would result in rate decreases for all Non-Residential rate classes except the Large Power Service class which will have a \$0.02 increase per 1,000 kWh.

<sup>3</sup> Inclusion of MEEIA Cycle 3 projected Program Costs (“PC”) and Throughput Disincentive (“TD”) in addition to projected MEEIA Cycle 2 PC, TD and EO based on actual performance in the six-month period ending April 2023, as well as forecasted performance through June 2024.

**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 2, 2023 for service on and after August 1, 2023, the requested effective date:

P.S.C. MO. No. 7

Eighth Revised Sheet No. 49Y, Canceling Seventh Revised Sheet No. 49Y

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

**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       | ) | <u>Case No. ER-2023-0410</u>   |
| Investment Mechanism Rider Rate           | ) | <u>Tariff No. JE-2023-0215</u> |
| Adjustment and True-Up Required by        | ) |                                |
| 20 CSR 4240-20.093(4)                     | ) |                                |

**AFFIDAVIT OF NANCY L. HARRIS**

STATE OF MISSOURI     )  
  )  
COUNTY OF COLE     )     ss.

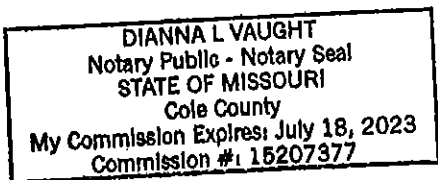
**COMES NOW NANCY L. HARRIS** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

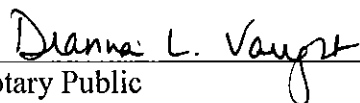
Further the Affiant sayeth not.

  
\_\_\_\_\_  
NANCY L. HARRIS

**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 27<sup>th</sup> day of June, 2023.



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



**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

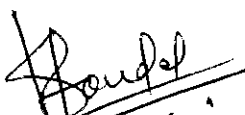
In the Matter of Evergy Metro, Inc. d/b/a )  
Evergy Missouri Metro's Demand Side ) Case No. ER-2023-0410  
Investment Mechanism Rider Rate ) Tariff No. JE-2023-0215  
Adjustment and True-Up Required by )  
20 CSR 4240-20.093(4) )

**AFFIDAVIT OF KRISHNA L. POUDEL, PhD**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW KRISHNA L. POUDEL, PhD** 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.

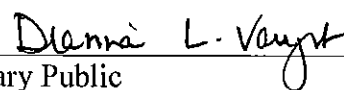
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**KRISHNA L. POUDEL, PhD**

**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 28<sup>th</sup> day of June, 2023.

DIANNA L VAUGHT  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Cole County  
My Commission Expires: July 18, 2023  
Commission #: 15207377

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