

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

In the Matter of Evergy Missouri West, Inc. d/b/a)	
Evergy Missouri West’s Demand Side Investment)	<u>File No. ER-2022-0150</u>
Mechanism Rider Rate Adjustment and True-Up)	Tariff No. JE-2022-0173
Required by 20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission and for its Staff Recommendation respectfully states:

1. On December 2, 2021, Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“EMW” or “Company”) filed with the Commission one (1) tariff sheet bearing an issue date of December 2, 2021, with an effective date of February 1, 2022, proposing to adjust charges related to Evergy Missouri West’s DSIM Rider. EMW’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.

2. On December 3, 2021, the Commission issued its *Order Directing Filing* directing Staff to file its recommendation no later than December 31, 2021.

3. Staff has completed its review of EMW’s filing in this matter and, as detailed in its Memorandum attached hereto as Appendix A, Staff recommends that the Commission approve the following tariff sheet, filed on December 2, 2021 for service on and after February 1, 2022, the requested effective date:

P.S.C. MO. No. 1
Fifth Revised Sheet No. 138.17, Cancelling Fourth Revised Sheet No. 138.17

4. The proposed change will increase residential customers’ DSIM Rider rate from \$0.00433 to \$0.00630 per kWh. For a residential customer using 1,000 kWh, this would mean an increase of \$1.97 per month. For a non-residential customer using 1,000

kWh, this filing would mean a \$1.19 increase for Small General Service, a \$1.93 increase for Large General Service, and a \$1.12 increase for Large Power Service per month.

5. Staff's recommendation to approve this Fifth Revised Sheet No. 138.17 does not constitute a review of the prudence of Evergy Missouri West's actions in relation to its DSIM.

WHEREFORE, Staff recommends the Commission issue an order approving Fifth Revised Sheet No. 138.17, Cancelling Fourth Revised Sheet No. 138.17, with an effective date of February 1, 2022.

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

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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, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 30th of December, 2021.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2022-0150 and Tariff Tracking No. JE-2022-0173

FROM: Nancy L. Harris, Utility Regulatory Auditor
Brad J. Fortson, Regulatory Compliance Manager

/s/ Nancy L. Harris / 12-30-21 /s/ Jeffrey A. Keevil / 12-30-21
Utility Regulatory Auditor / Date Staff Counsel's Office / Date

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

DATE: December 30, 2021

Evergy Missouri West Filing

On December 2, 2021, Evergy Missouri West, Inc., d/b/a Evergy Missouri West ("Evergy Missouri West") filed with the Commission one (1) tariff sheet bearing an issue date of December 2, 2021, with an effective date of February 1, 2022, proposing to adjust charges related to Evergy Missouri West's DSIM Rider. Evergy Missouri West'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 Missouri West's DSIM revenue requirement for program year 2022 is approximately \$38 million.

On December 3, 2021, the Commission issued its *Order Directing Filing* directing Staff to file its recommendation no later than December 31, 2021.

Change in Evergy Missouri West's DSIM Rates

Per 20 CSR 4240-20.093(4), Evergy Missouri West 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 Missouri West’s MEEIA Cycle 2 extension request through December 31, 2019, Evergy Missouri West’s Cycle 2 earnings opportunity (“EO”), and actual and projected costs for Evergy Missouri West’s MEEIA Cycle 3 approved in Case No. EO-2019-0133.

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 November, December, and January are forecasted data which is adjusted for actual data in the next filing.

	MEEIA Cycle 3 through Jan 2022	MEEIA Cycle 2
TD	\$ 7,231,177	\$ 27,605,471
Program Cost	\$ 30,205,764	\$ 72,299,915
EO	\$ 2,560,506	\$ 10,450,876
Total	\$ 39,997,447	\$ 110,356,262
Estimated kWh	135,178,529	266,135,153
avg cost per estimated kWh saved	\$ 0.30	\$ 0.41

Additionally, Evergy Missouri West is projecting to recover approximately \$28.6 million through December 2022 for projected PC and TD for Cycle 3 and approximately \$4.4 million¹ for projected TD for Cycle 2. Even though MEEIA Cycle 2 programs ended in December 2019, Evergy Missouri West will continue to recover TD on deemed savings until all savings are rebased in a rate case.

Cycle 3 Projected Program Costs (PPC)	
	2. PPC
Total	\$ 20,663,335
Cycle 3 Projected Throughput Disincentive	
	2. PTD
Total	7,987,921
Total Cy 3 PC & TD	28,651,256

¹ The projected \$12.4 million in additional MEEIA Cycle 2 and 3 TD is not included in the table and will increase the average cost per avoided kWh included in the table.

At the end of 2022, Evergy Missouri West is projected to recover from ratepayers approximately \$188.4 million for energy efficiency programs for MEEIA Cycles 2 & 3.

	Cycles 2 & 3			
TD	\$ 34,836,648			
Program Cost	\$ 102,505,679			
EO	\$ 13,011,382			
Total	\$ 150,353,709			
	\$ 38,007,577	DSIM Revenue Requirement Feb 2022		
	\$ 188,361,286	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 Missouri West’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	\$0.00433	\$0.00630
Non-Residential – SGS	\$0.00326	\$0.00445
Non-Residential – LGS	\$0.00434	\$0.00627
Non-Residential – LPS	\$0.00278	\$0.00390

The proposed change will increase residential customers’ DSIM Rider rate from \$0.00433 to \$0.00630 per kWh.² For a residential customer using 1,000 kWh, this would mean an increase of \$1.97 per month. For a non-residential customer using 1,000 kWh, this would mean a \$1.19 increase for Small General Service, a \$1.93 increase for Large General Service, and a \$1.12 increase for Large Power Service per month.

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.

In Staff's Recommendation in ER-2021-0153, Staff first notified the Commission of concerns with the Company's reported savings attributable to Home Energy Reports ("HER"). Staff stated that it would further review the level of reported kWh savings in the Company's next prudence review. Staff initiated a prudence review on June 4, 2021 in Case No. EO-2021-0416, and Staff has submitted its Recommendation in that case. An evidentiary hearing is scheduled for April 2022 in that case. The Company has made no adjustment or changes in this current DSIM filing to account for any of Staff's concerns noted in EO-2021-0416.

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 December 2, 2021 for service on and after February 1, 2022, the requested effective date:

P.S.C. MO. No. 1
Fifth Revised Sheet No. 138.17, Cancelling Fourth Revised Sheet No. 138.17

Staff has verified that Evergy Missouri West is not delinquent on any assessment and has filed its Annual Report. Evergy Missouri West 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 Fifth Revised Sheet No. 138.17 does not constitute a review of the prudence of Evergy Missouri West's actions in relation to its DSIM.

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Investment Mechanism Rider Rate)
Adjustment and True-Up Required by)
20 CSR 4240-20.093(4)

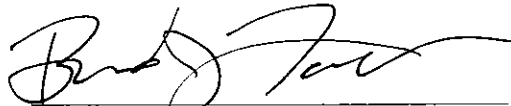
File No. ER-2022-0150

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Brad J. Fortson, 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.

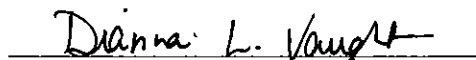
Further the Affiant sayeth not.



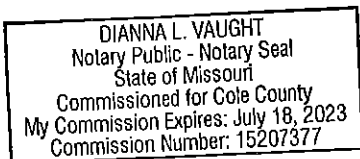
Brad J. Fortson

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 21st day of December, 2021.



Notary Public



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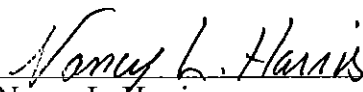
File No. ER-2022-0150

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

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.

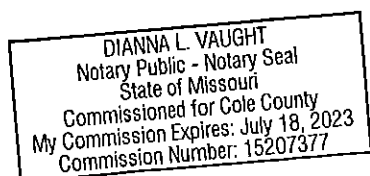
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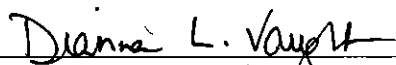


Nancy L. Harris

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 30th day of December, 2021.





Notary Public