

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

In the Matter of the Evergy Metro, Inc. d/b/a)	
Evergy Missouri Metro's Demand Side)	
Investment Mechanism Rider Rate)	<u>Case No. ER-2023-0183</u>
Adjustment and True-Up Required by)	Tariff No. JE-2023-0098
20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and in response to the Commission's December 5, 2022, *Order Directing Notice, Setting Intervention Deadline, and Directing Staff Recommendation* ("Order") submits its *Staff Recommendation* to the Commission as set forth in detail in the attached appendices, and in support thereof states as follows:

1. On December 2, 2022, Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro"), filed a tariff sheet, with supporting testimony, to adjust charges related to its approved Demand Side Investment Mechanism ("DSIM") Rider. The Tariff sheet bears an effective date of February 1, 2023.
2. On December 5, 2022, the Commission ordered that any person wishing to intervene in this matter may do so by December 22, 2022. As of December 22, 2022, no parties have objected or moved to intervene in this matter.
3. On December 5, 2022, the Commission ordered that Staff shall file its recommendation or status report no later than December 30, 2022.
4. Staff's recommendation is attached hereto as Appendix A. As discussed in Staff's Memorandum, Staff examined the tariff sheet, supporting direct testimony, and Evergy Missouri Metro's letter.

5. In summary, Staff recommends that the Commission issue an order approving the tariff sheet or allow the tariff sheet to take affect by operation of law on February 1, 2023. Staff's recommendation to approve the tariff sheet does not constitute a prudence review of Evergy Missouri Metro's actions in relation to its DSIM.

6. Staff's recommendation, as set forth in Appendix A, fully explains the circumstances and facts that led Staff to make these conclusions.

7. Staff also notes that Evergy Missouri Metro has filed its annual report and is not delinquent on any assessments. Evergy Missouri Metro is also current on its submission of its Quarterly Surveillance Monitoring reports as required in 20 CSR 4240-20.090(10).

WHEREFORE, for the reasons stated above and in Staff's attached Memorandum, incorporated herein as Appendix A, Staff recommends the Commission issue an order approving the tariff sheet or allow the tariff sheet to take affect by operation of law on February 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

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 30th day of December, 2022.

/s/ J. Scott Stacey

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2023-0183 and Tariff Tracking No. JE-2023-0098

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

/s/ Nancy L. Harris / 12-30-22 /s/ Scott Stacey / 12-30-22
Senior Utility Regulatory Auditor / Date 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 February 1, 2023.

DATE: December 30, 2022

Evergy Metro Filing

On December 2, 2022, Evergy Metro (EM) filed with the Commission one (1) tariff sheet bearing an issue date of December 2, 2022, with an effective date of February 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 for program year 2023 is approximately \$15.5 million. This revenue requirement was reduced by an Ordered Adjustment with interest of (\$569,821), ordered by the Commission on July 21, 2022 in Case No. EO-2021-0417.¹

On December 5, 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 December 30, 2022.

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 annually² to reflect the amount of revenue that has been over/under collected.

¹ 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.

² 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 November, December, and January are forecasted data which is adjusted for actual data in the next filing.

	MEEIA Cycle 3 through Jan 2023	MEEIA Cycle 2
TD	\$ 18,273,577	\$ 44,926,981
Program Cost	\$ 44,851,168	\$ 67,774,562
EO	\$ 2,006,571	\$ 7,845,674
Total	\$ 65,131,316	\$ 120,547,217
Estimated kWh	182,096,905	314,994,695
avg cost per estimated kWh saved	\$ 0.36	\$ 0.38

Additionally, Evergy Metro is projecting to recover approximately \$16.6 million through December 2023 for projected PC and TD for Cycle 3 costs. Staff agrees these are reasonable projections based on past projection to actual comparison.

	PC	TD
Projected		
Cy 3 PC & TD	\$ 12,798,250	\$ 3,833,161

In total, Evergy Metro is projected to recover from ratepayers approximately \$201 million for energy efficiency programs for MEEIA Cycles 2 and 3 by the end of 2023. As shown in the chart below.

	Cycles 2 & 3	
TD	\$ 63,200,558	
Program Cost	\$ 112,625,730	
EO	\$ 9,852,245	
Total	\$ 185,678,533	
		DSIM Revenue Requirement Dec 2023
	\$ 15,492,074	
	\$ 201,170,607	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-2022-0334 (\$/kWh)	Change Increase/ (Decrease) (\$/kWh)	Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)
Residential Service	\$0.00315	\$0.00478	(\$0.00163)	(\$1.63)
Non-Res Service – SGS	\$0.00236	\$0.00310	(\$0.00074)	(\$0.74)
Non-Res Service - MGS	\$0.00227	\$0.00368	(\$0.00141)	(\$1.41)
Non-Res Service – LGS	\$0.00164	\$0.00268	(\$0.00104)	(\$1.04)
Non-Res Service – LPS	\$0.00040	\$0.00113	(\$0.00073)	(\$0.73)

The proposed change will decrease residential customers’ DSIM Rider rate from \$0.00478 to \$0.00315 per kWh.³ For a residential customer using 1,000 kWh, this would result in a decrease of \$1.63 per month. The new rates would result in rate decreases for all Non-Residential rate classes as shown in the table above. For a non-residential customer using 1,000 kWh, this would result in bill decreases ranging from (\$0.73) to (\$1.04).

³ 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, 2023.

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, 2022 for service on and after February 1, 2023, the requested effective date:

P.S.C. MO. No. 7

Seventh Revised Sheet No. 49Y, Canceling Sixth 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 Seventh 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-2023-0183</u>
Investment Mechanism Rider Rate)	<u>Tracking No. JE-2023-0098</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.

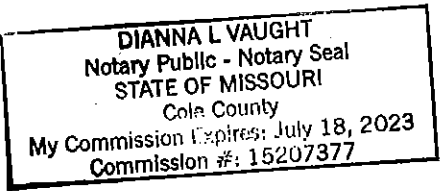
Further the Affiant sayeth not.

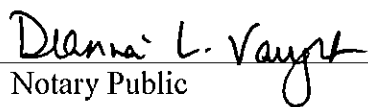


NANCY L. HARRIS

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 30th day of December, 2022.





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-2023-0183
Investment Mechanism Rider Rate) Tracking No. JE-2023-0098
Adjustment and True-Up Required by)
20 CSR 4240-20.093(4))

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.

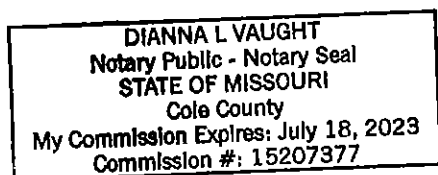
Further the Affiant sayeth not.

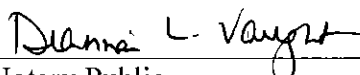


BRAD J. FORTSON

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 28th day of December, 2022.





Notary Public