

**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 Mechanism)	<u>File No. ER-2020-0155</u>
Rider Rate Adjustment and True-Up)	Tariff No. YE-2020-0113
Required by 20 CSR 4240-20.093(4))	

STAFF RECOMMENDATION TO APPROVE TARIFFS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through the undersigned counsel, and for its *Recommendation to Approve Tariffs* respectfully states:

1. On January 10, 2020, Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West" or "Company") filed two (2) substitute tariff sheets and the supplemental testimony of Lisa A. Starkebaum. The filing included a projection of its Cycle 3 Missouri Energy Efficiency Investment Act ("MEEIA 3").

2. Staff expressed concerns regarding the components of the total Demand Side Investment Mechanism ("DSIM") rate as filed on January 10, 2020. In response, the Company filed two (2) more substitute tariff sheets on January 29, 2020, addressing Staff's concerns.

3. Staff's *Memorandum*, attached hereto as Appendix A and incorporated by reference, recommends the Commission issue an order approving the two (2) proposed tariff sheets, as substituted on January 29, 2020, for service on and after March 1, 2020, the requested effective date. Staff's recommendation comes with the acknowledgment that approval does not constitute a review of the prudence of Evergy Missouri West's actions in relation to its DSIM rider.

4. The Company's proposed changes would result in an increase to a

residential customer's DSIM Rider Rate from \$0.00373 to \$0.00504 per kWh. For residential customers using 1,000 kWh, this would mean an increase of \$1.31 per month.

5. For a non-residential customer using 1,000 kWh, this would mean a \$0.12 increase for Small General Service, a \$0.74 decrease for Large General Service, and a \$1.97 decrease for Large Power Service per month.¹

6. Staff has verified that Evergy Missouri West has filed its 2018 Annual Report and is not delinquent on any assessment. Evergy Missouri West is current on its submission of surveillance monitoring reports as required in 20 CSR 4240-20.090(6), and its periodic reports as required by 20 CSR 4240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, Staff recommends the Commission issue an order approving the following two (2) tariff sheets, as substituted January 29, 2020 for service on and after March 1, 2020, the requested effective date:

P.S.C. MO. No. 1

Tenth Revised Sheet No. 138.7, Cancelling Ninth Revised Sheet No. 138.7
First Revised Sheet No. 138.17, Cancelling Original Sheet No. 138.17

Respectfully submitted,

/s/ Travis J. Pringle
Missouri Bar No. 71128
Legal Counsel
Attorney for the Staff of the
Public Service Commission
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¹ Per the Company's MEEIA 3 application, the non-residential DSIM revenue responsibility will be allocated amongst the Small General Service, Large General Service, and Large Power Service rate classes.

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were mailed, electronically mailed, or hand-delivered to all counsel of record this 31st day of January, 2020.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2020-0155 and Tariff Tracking No. YE-2020-0113

FROM: Nancy Harris, Utility Regulatory Auditor I

/s/ Robin Kliethermes / January 31, 2020 /s/ Travis Pringle / January 31, 2020
Manager, Rate & Tariff Examination/ 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 March 1, 2020.

DATE: January 31, 2020

Evergy Missouri West Operations Filing

On December 2, 2019, Evergy Missouri West, Inc., ("Evergy Missouri West"), filed with the Commission one (1) tariff sheet bearing an issue date of December 2, 2019, and an effective date of February 1, 2020, 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. On December 3, 2019, the Commission issued its *Order Directing Notice, Establishing Intervention Date, and Directing Filing of Staff Recommendation*, which directed Staff to file its recommendation no later than January 1, 2020.

On December 23, 2019, the Company filed its *Motion to Supplement Testimony* in order to request permission to file additional testimony to request a projection of MEEIA 3 costs to be recovered in DSIM rider tariffs in light of the MEEIA 3 compliance tariffs taking effect on January 1, 2020.

On December 30, 2019, the Commission issued its *Order Granting Variance of Commission Rule 20 CSR 4240-20.093 and Granting Evergy's Motion to Supplement Testimony*, directing the Company to file new DSIM tariffs by January 10, 2020. Additionally, the Commission noted that the effective date of the tariffs (once approved) would be March 1, 2020. On January 10, 2020, the Company filed two (2) tariff sheets bearing an issue date of January 10, 2020 and an effective date

of March 1, 2020.¹ On January 29, 2020, the Company filed with the Commission two (2) substitute tariff sheets. The substitute tariff sheets address Staff’s concern regarding the components of the total DSIM rate as filed on January 10th.

Change in Evergy Missouri West’s DSIM Rates

Per 20 CSR 4240-20.094(4), Evergy Missouri West is required to make annual adjustments of DSIM rates to reflect the amount of revenue that has been over/under collected.

The current MEEIA mechanism rate per class of customer is collected through a line item on current bills and is 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 through December 31, 2019 per the *Stipulation and Agreement* filed in EO-2019-0133 and Evergy Missouri West’s calculation of its earnings opportunity for program years 1 through 3 of MEEIA Cycle 2.²

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 kWh of energy supplied to customers under the Company’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	\$0.00373	\$0.00504
Non-Residential – SGS	\$0.00437	\$0.00449
Non-Residential – LGS	\$0.00437	\$0.00363
Non-Residential – LPS	\$0.00437	\$0.00240

The proposed change will increase residential customers’ DSIM Rider rate from \$0.00373 to \$0.00504 per kWh.³ For a residential customer using 1,000 kWh, this would mean an increase of

¹ On January 10, 2020, the Company also withdrew the tariff sheet that was filed on December 2, 2019.

² Per the Stipulation and Agreement filed in EO-2019-0133 to extend the MEEIA Cycle 2 program into program year 4 (PY4), the PY4 budgets and savings targets will be scaled accordingly if PY4 does not extend through 12/31/2019.

³ Inclusion of MEEIA Cycle 3 projected PC and TD in addition to projected MEEIA Cycle 2 PC, TD and EO for the 12-months ending December 31, 2020.

\$1.31 per month. For a non-residential customer using 1,000 kWh, this would mean a \$.12 increase for Small General Service, a \$.74 decrease for Large General Service, and a \$1.97 decrease for Large Power Service per month.⁴

Staff's recommendation to approve this Tenth Revised Sheet No. 138.7 and First Revised Sheet No. 138.17 does not constitute a review of the prudence of Evergy Missouri West's actions in relation to its DSIM Rider.

Staff Recommendation

The Commission Staff's Tariff/Rate Design Department has reviewed the filed tariff sheets and recommends the Commission issue an order approving the following tariff sheets, filed on January 10, 2020 and substituted on January 29, 2020, for service on and after March 1, 2020, the requested effective date.

P.S.C. MO. No. 1

Tenth Revised Sheet No. 138.7, Cancelling Ninth Revised Sheet No. 138.7
First Revised Sheet No. 138.17, Cancelling Original 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 240-20.090(10). Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the DSIM Rider rate changes in this case are solely based on the accuracy of Evergy Missouri West's calculations and is not indicative of prudence.

⁴ Per the Company's MEEIA Cycle 3 application, the non-residential DSIM revenue responsibility will be allocated amongst the Small General Service, Large General Service and Large Power Service rate classes.

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

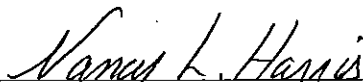
In the Matter of Evergy Missouri West, Inc.)	Case No. <u>ER-2020-0155</u>
d/b/a Evergy Missouri West's Demand Side)	Tariff No. <u>YE-2020-0113</u>
Investment Mechanism Rider Rate)	
Adjustment and True-Up Required by)	
20 CSR 4240-20.093(4))	

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Nancy L. Harris, 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.

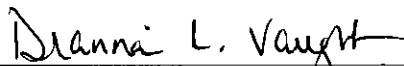
Further the Affiant sayeth not.



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 31st day of January, 2020.



Notary Public

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