

Exhibit No.:
Issue: Demand Side Investment Mechanism
Rider
Witness: Lisa A. Starkebaum
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri West
Case No.: ER-2020 0155
Date Testimony Prepared: December 2, 2019

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2020- 0155

DIRECT TESTIMONY

OF

LISA A. STARKEBAUM

ON BEHALF OF

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

**Kansas City, Missouri
December 2019**

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

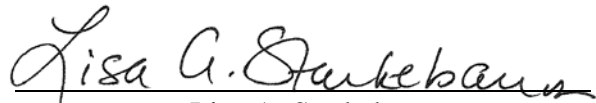
In the Matter of Evergy Missouri West's)
Demand Side Investment) Case No. ER-2020- 0155
Mechanism Rider Rate Adjustment and True-Up)
Required by 20 CSR 4240-20.093(4))

AFFIDAVIT OF LISA A. STARKEBAUM

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)


Lisa A. Starkebaum, being first duly sworn on her oath, states:

1. My name is Lisa A. Starkebaum. I work in Kansas City, Missouri, and I am employed by Evergy as Manager, Regulatory Affairs.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy consisting of seven (7) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Lisa A. Starkebaum

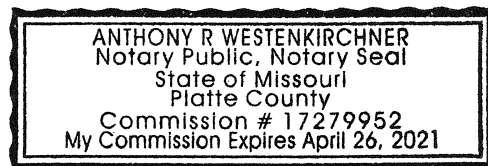
Subscribed and sworn to before me this 2nd day of December 2019.



Notary Public

My Commission expires:

4/26/2021



DIRECT TESTIMONY

OF

LISA A. STARKEBAUM

Case No. ER-2020-0155

1 **Q: Please state your name and business address.**

2 A: My name is Lisa A. Starkebaum. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy or the “Company” as Manager - Regulatory Affairs.

6 **Q: What are your responsibilities?**

7 A: My responsibilities include the coordination, preparation and review of financial
8 information and schedules associated with the Company’s compliance filings for Evergy
9 including: Evergy Kansas Central, Evergy Kansas Metro, Evergy Missouri Metro and
10 Evergy Missouri West.

11 **Q: Please describe your education.**

12 A: In 1994, I received a Bachelor of Science Degree in Finance from Northwest Missouri
13 State University in Maryville, Missouri.

14 **Q: Please provide your work experience.**

15 A: In 1995, I joined Cerner Corporation as an Accountant in the Finance Department
16 assisting with month-end close and reporting responsibilities. In 1997, I joined Aquila,
17 Inc. (“Aquila”) where I worked in the Financial and Regulatory Reporting group as an
18 Accountant, until joining Regulatory Accounting Services as a Regulatory Analyst in
19 1999. I was employed by Aquila for a total of 11 years prior to beginning my

1 employment with KCP&L in July 2008 as a part of the acquisition of Aquila, Inc., by
2 Great Plains Energy Incorporated. Since that time, I have held various positions with
3 increasing responsibilities within Regulatory Accounting Services and Regulatory
4 Affairs. As a Lead Analyst in the Regulatory Affairs department, my main areas of
5 responsibility included the preparation of FERC and jurisdictional reporting, and the
6 preparation of rate cases and rate case support for both KCP&L and GMO. In December
7 2015, I became a Supervisor, Regulatory Affairs responsible for overseeing a team
8 dedicated to compliance reporting and was later promoted to Manager, Regulatory
9 Affairs effective June 2018. In my current position, I am responsible for overseeing
10 various reporting requirements to ensure Evergy is compliant with its jurisdictional rules
11 and regulations, in addition to the implementation of new reporting or commitments
12 resulting from various rate case orders and other regulatory filings. In addition, I oversee
13 the coordination, review and filing of the various rider mechanisms.

14 **Q: Have you previously testified in a proceeding before the Missouri Public Service**
15 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**
16 **agency?**

17 A: Yes, I have testified before the MPSC, the Kansas Corporation Commission (“KCC” or
18 “Commission”), and have provided written testimony before the Public Utilities
19 Commission of Colorado. I have sponsored testimony in Missouri related to various tariff
20 filings involving rider mechanisms utilized by the Company. In addition, I have worked
21 closely with both MPSC and KCC Staff on numerous filings and rate case matters.

22 **Q: What is the purpose of your testimony?**

1 A: The purpose of my testimony is to support the rate schedule filed by Evergy Missouri
2 West to adjust the Demand Side Investment Mechanism (“DSIM”) Rider. My testimony
3 will explain the change to the DSIM components based upon actual performance in the
4 six-month period ending October 2019, as well as forecasted performance through June
5 2020 for Program Costs and Throughput Disincentive (“TD”). In addition, Earnings
6 Opportunity (“EO”) for Cycle 2 (April 2016 through March 2019) is included in this rider
7 update. The proposed change will result in a decrease to a residential customer’s rate
8 from \$0.00373 to \$0.00227 per kWh. The proposed non-residential rate would decrease
9 from \$0.00437 to \$0.00050 per kWh.

10 **Q: What are the MEEIA rule requirements for adjustments of DSIM rates?**

11 A: The requirements for adjustment of DSIM rates are found in Commission rules 20 CSR
12 4240-20.093(4). In summary, the requirements outline that the update filing include
13 applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

- 14 A) Amount of revenue that was over-collected or under-collected through the most
15 recent recovery period by rate class.
- 16 B) Proposed positive or negative adjustments by rate class.
- 17 C) Electric utility’s short-term borrowing rate.
- 18 D) Proposed adjustments to the current DSIM rates.
- 19 E) Complete documentation for the proposed adjustments to the current DSIM rates.
- 20 F) Any additional information the Commission ordered to be provided.
- 21 G) Annual report as required by 20 CSR 4240-20.093(9).

22 As part of my Direct Testimony, I have included the information required for update of
23 the DSIM rate in the attached Schedules LAS-1 and LAS-2. In addition, the Company’s

1 2018 Demand-Side Program Annual Report for MEEIA Cycle 1, referenced in Item G
2 above, was filed on March 29, 2019 in Case No. EO-2019-0298 and the 2019 Demand-
3 Side Program Annual Report for MEEIA Cycle 2, referenced in Item G above, was filed
4 on June 28, 2019 in Case No. EO-2019-0411.

5 **Q: Are you sponsoring this information?**

6 A: Yes, I am.

7 **Q: Please explain why Evergy Missouri West has filed an adjusted DSIM rate schedule**
8 **at this time?**

9 A: The Commission's rule governing DSIM filings and submission requirements for electric
10 utilities, specifically 20 CSR 4240-20.093(4), requires Evergy Missouri West to make at
11 least annual adjustments of DSIM rates that reflect the amount of revenue that has been
12 over/under collected. Evergy Missouri West will continue to make semi-annual rate
13 adjustments. Based upon actual and estimated performance during the six-month time
14 period(s), DSIM rates may be adjusted up or down.

15 **Q: How did you develop the various DSIM rate components that make up the proposed**
16 **DSIM rate?**

17 A: As the DSIM tariff describes, the DSIM rate components consist of projected Program
18 Costs, consisting primarily of evaluation costs on the Cycle 2 Extension savings, and
19 projected TD associated with Cycle 2 for November 2019 through June 2020 and the
20 reconciliation of actual and expected Program Costs and TD for Cycle 2 through October
21 2019. Cycle 1 Program Costs and TD-NSB were fully collected during the current
22 recovery period. In addition, the EO based on verified MWh and MW savings for the
23 three program years of Cycle 2 beginning April 2016 through March 2019, including EO

1 TD adjustments, has been calculated in accordance with Tariff Sheet Nos. 138.6 and
2 138.8. One quarter of the total adjusted EO has been included in the calculation of the
3 DSIM rate in this filing. These amounts are divided by the projected retail sales,
4 excluding opt-out sales from customers, for February 2020 through July 2020, to develop
5 a rate to be used in the DSIM rate. All of this is separately distinguished between
6 Residential and Non-Residential classes.

7 **Q: Please describe the impact of the change in costs and how it will affect Evergy**
8 **Missouri West customers.**

9 **A:** At this time, based on actual performance experienced through October 2019 and
10 forecasts through June 2020, the proposed residential DSIM rate will be lower than the
11 current rate of \$0.00373 per kWh and will become \$0.00227 per kWh. For a residential
12 customer using 1,000 kWh's, this would mean a decrease of \$1.46 per month. The
13 proposed DSIM rate will decrease for the non-residential class from \$0.00437 per kWh to
14 \$0.00050 per kWh. For a non-residential customer this would mean a decrease of \$3.87
15 for every 1,000 kWh's used. The decrease in the residential DSIM rate is primarily the
16 result of a net decrease in program costs due to lower projected costs in January through
17 June 2020 resulting from the end of the MEEIA Cycle 2 extension through December 31,
18 2019. This decrease is offset in part by increased TD due to higher participation in
19 residential programs during the extension of MEEIA Cycle 2 programs than originally
20 forecasted plus the inclusion of Cycle 2 EO. The decrease in the non-residential DSIM
21 rate is the net result of a decrease in program costs and TD due to lower participation in
22 non-residential programs during the extension through December 31, 2019 than
23 originally forecasted, offset by the inclusion of Cycle 2 EO.

1 **Q: If the rate schedule filed by Evergy Missouri West is approved, what safeguards**
2 **exist to ensure that the revenues the Company bills to its customers do not exceed**
3 **actual DSM Program Costs and TD/TD-NSB incurred, as well as the earnings**
4 **opportunity or performance incentive?**

5 A: Evergy Missouri West's DSIM Rider mechanism and the Commission's rules provide
6 two mechanisms to ensure that amounts billed to customers do not exceed Evergy
7 Missouri West's actual, prudently incurred DSM Program Costs and TD/TD-NSB and
8 performance incentive or EO. First, at the end of each recovery period, the Company is
9 required to true up amounts billed to customers through the DSIM Rider based upon
10 Program Cost and TD/TD-NSB actually incurred during that six-month period. Per
11 MEEIA rule 20 CSR 4240-20.093(4), these adjustments will be supported by complete
12 documentation and workpapers that demonstrate the need for DSIM rate adjustment. All
13 proposed adjustments and supporting documentation is subject to review by MPSC Staff
14 and all MEEIA stakeholders. Second, per MEEIA rule 20 CSR 4240-20.093(11), Evergy
15 Missouri West's DSIM is subject to periodic prudence reviews by MPSC Staff to ensure
16 that only prudently incurred Program Costs and TD/TD-NSB are billed to customers.
17 These two mechanisms serve as checks to ensure that the Company's customers pay only
18 the prudently incurred, actual Program Costs and TD/TD-NSB resulting from
19 implementation of MEEIA DSM programs.

20 **Q: Has Evergy Missouri West made any adjustments to previously filed costs included**
21 **in the current DSIM rate?**

22 A: No.

23 **Q: Has Evergy Missouri West been subject to any prudence reviews by MPSC Staff?**

1 A: Yes, Evergy Missouri West has been through three prudence reviews.

2 Prudence reviews have been performed in Case Nos. EO-2015-0180 and EO-
3 2017-0210. In those prudence reviews, Staff found no instances of imprudence on the
4 part of GMO.

5 Most recently, in the third prudence review initiated by Staff on June 4, 2018 in
6 Case No. EO-2018-0364, the Company, Staff and the Office of the Public Counsel filed a
7 Unanimous Stipulation and Agreement dated February 20, 2019 which was approved by
8 the Commission on March 6, 2019. As a result of this agreement, the Company included
9 the Ordered Adjustment which reduced proposed costs for recovery by \$8,500 plus
10 carrying costs of \$187 in the rider rate effective August 1, 2019, Case No. ER-2019-
11 0397.

12 **Q: What action is Evergy Missouri West requesting from the Commission with respect**
13 **to the rate schedule that the Company has filed?**

14 A: The Company requests the Commission approve the rate schedule to become effective
15 February 1, 2020.

16 **Q: Does that conclude your testimony?**

17 A: Yes, it does.