

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

In the Matter of the Application of Evergy)	
Metro, Inc. d/b/a Evergy Missouri Metro)	File No. ET-2021-0151
for Approval of a Transportation)	
Electrification Program.)	

In the Matter of the Application of Evergy)	
Missouri West, Inc. d/b/a Evergy Missouri)	File No. ET-2021-0269
West for Approval of a Transportation)	
Electrification Program.)	

**EVERGY MISSOURI METRO’S AND EVERGY MISSOURI WEST’S
RESPONSE TO STAFF RECOMMENDATIONS**

COME NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or “Company”), pursuant to 20 CSR 4240-2.080, submits its Response to the *Staff Recommendation* (“Recommendation”) filed on March 29, 2021 and the *Order Directing Filing On Consolidation* (“Order”) issued by the Missouri Public Service Commission (“Commission”) on March 30, 2021.

In support of its Response, Evergy states as follows:

I. Background

1. On February 24, 2021, Evergy filed its application requesting the Commission approve transportation electrification pilot programs, pursuant to Section 393.1610, RSMo (Cum. Supp. 2020). In addition, Evergy filed associated tariff sheets with effective dates of March 26, 2021. Evergy’s application includes requests for business and public transit Electric Vehicle (“EV”) charging tariffs, residential rebates for EV charger outlet installations for homeowners and developers, commercial rebates for installation of EV infrastructure, and an increase in the cap on charging stations under its previously established Clean Charge Network. Evergy also requests a regulatory asset to capture the

\$15.6 million in combined Company expenses for the programs. Evergy’s application also requests variance of Commission rules prohibiting certain promotional practices and authority to defer costs associated with the pilot programs as a regulatory asset for consideration in future rate cases. Finally, Evergy requests the Commission find that the proposed “Clean Charge Network” expansion plan is prudent from a decisional perspective.

2. On February 25, 2021, the Commission directed notice of each case, established a deadline for intervention applications and directed the Staff of the Commission (“Staff”) to file a recommendation on Evergy’s applications by March 29, 2021. On March 17, 2021, the Commission issued orders¹ in each of these cases to suspend the tariff sheets until July 24, 2021.

3. On March 29, 2021, Staff filed its Recommendation in this matter which recommended:

. . . Staff recommends the Commission reject the tariff sheets. If the Commission does not reject the tariff sheets, Staff recommends the Commission order parties to develop and submit a proposed procedural schedule that includes adequate time for full stakeholder participation in refinement of the proposed Portfolio. Such schedule may include filing of supplemental direct testimony by Evergy to incorporate changes to the Portfolio. (Staff Recommendation, p. 2)

4. On March 30, 2021, the Commission issued its Order which directed Staff and the parties to file any responses to the Staff Recommendation to be filed by April 14, 2021.

5. For the reasons stated herein, Evergy requests that the Commission deny Staff’s recommendation to reject the proposed tariff sheets, and instead adopt Staff’s alternative recommendation to order the parties to develop and submit a proposed procedural schedule in this case. As explained below, Evergy also supports consolidation of the Evergy Missouri Metro and Evergy Missouri West cases.

¹ *Order Suspending Tariffs*, File Nos. ET-2021-0151 and ET-2021-0269 (March 17, 2021).

II. The Rate Freeze Under PISA Only Applies to Existing Rates, Not New Rates.

6. In its Staff Recommendation, Staff asserts that “Evergy’s request to establish and modify rates is contrary to 393.1655.2 RSMo, which prohibits rate modifications for a period of three years for utilities electing 393.1400’s plant in service (PISA) deferral account.” (Staff Recommendation, p. 2). This assertion is incorrect and inapplicable to the cases at hand, and should be rejected by the Commission.

7. While Section 393.1655.2 prohibits rate modifications to existing rates for a period of three years for utilities electing to utilize PISA deferral accounting, the statute does not affect in any way the authority of utilities to propose new rates for new services.² As Evergy pointed out in its Application, Section 393.1610 RSMo. authorizes the Commission to approve pilot programs “. . . to advance the electrical corporation's operational knowledge of deploying such technologies, including to gain operating efficiencies that result in customer savings and benefits as the technology is scaled across the grid or network.” (Application, p. 5) The statute permits the approval of new rates for the new services proposed in the Transportation Electrification (“TE”) pilot program. The approval of the TE pilot program will allow the Company to obtain data for these TE services. The courts have long held that the Commission has the power to grant interim or experimental rates as a matter of necessary implication.³ Approval of the pilot program will also help the Company respond to existing customer requests.

² Contrary to the assertion in the Staff Recommendation (p. 2), Evergy is not proposing to “modify” any existing rates. At present, there are not rates related to the TE pilot programs to modify, but the Company is requesting that the Commission authorize new rates for these new services.

³ State ex rel. Laclede Gas Company v. Public Service Commission, 535 S.W.2d 561, 567 (Mo.App.1976). See also State ex rel. Watts Engineering Co. v. Public Service Commission, 269 Mo. 525, 191 S.W. 412 (Mo. banc 1917); State ex rel. Washington University v. Public Service Commission, 308 Mo. 328, 272 S.W. 971 (Mo. banc 1925); State ex rel. City of St. Louis v. Public Service Commission, 317 Mo. 815, 296 S.W. 790 (Mo. banc 1927); State ex rel. McKittrick v. Missouri Public Service Commission, 352 Mo. 29, 175 S.W.2d 857 (Mo. banc 1943).

8. Staff has recommended that the Commission order the parties in a pending Empire TE case to develop a procedural schedule for resolving the issues in the case⁴ and the parties have recently done so.⁵ There is no reasonable basis to handle Evergy's filing differently from a procedural perspective.

III. The Staff Recommendation To Reject Evergy's Application and Tariffs Is Overly Broad

9. The Staff Recommendation asserts that the Commission should reject both the Company's tariffs and its entire Application. (Staff Recommendation, p. 2; Memorandum, page 3 of 3) Staff's Recommendation is overly broad and its adoption would result in a waste of the Commission's and the parties' limited resources. As previously mentioned, the Commission has already suspended the Company's tariffs and there is no need to "reject" them. The Commission will consider the competent and substantial evidence in the whole record, and presumably authorize appropriate tariffs at the end of the case. There is no need to reject the tariffs at this juncture of the proceeding.

10. More importantly, there are substantive issues in these cases related to rebates, program design, deferral of costs, and policy issues that need to be resolved by the Commission that are not affected by the rates themselves. For example, the Staff Recommendation raises a number of substantive issues related to free ridership, load building, the Renewal Energy Credit ("REC") acquisition/retirement program, and the need to optimize customer behaviors to avoid additional distribution, transmission or generation capacity or assets. The Staff Recommendation also raises concerns regarding the Company's proposed budget for the TE programs, deferral of program costs

⁴ See *Staff Recommendation*, p. 2, Re Empire District Electric Company's Application for Approval of a Transportation Electrification Portfolio for Electric Customers in its Missouri Service Area, Case No. ET-2020-0390 (filed January 15, 2020).

⁵ *Motion To Modify Procedural Schedule*, Re The Empire District Electric Company's Application for Approval of a Transportation Electrification Portfolio for Electric Customers in its Missouri Service Area, File No. ET-2020-0390 (filed March 30, 2021).

and its amortization period. Finally, the Staff Recommendation suggests that the Staff has concerns regarding pre-approval of decisional prudence of the TE programs, and the Company's requested variances. While the evidence in the proceeding will demonstrate that such concerns are not meritorious, such substantive issues may be considered and resolved by the Commission, if necessary, in these pending cases.

11. It would be unfortunate if the Commission rejected the Company's Application and tariffs at this juncture and effectively pushed off the resolution of the important issues related to the proposed rebates, program design and budget, and the important policy issues to some future rate case. As the Commission knows, typical Evergy rate cases involve many ratemaking and policy issues. Leaving the issues in these TE cases for resolution in the next rate cases (which may not be resolved for almost two years) would not be an efficient use of the Commission's or the stakeholders' limited resources, and may not allow the current Commissioners to be instrumental in resolving the important policy issues raised in these dockets as the electric industry in Missouri responds to evolving customer needs as the transportation industry electrifies.

IV. Response to Consolidation Recommendation

12. The Company agrees with Staff that the two cases should be consolidated, as stated in its April 7, 2021 filing in these dockets.

13. The Commission should schedule a prehearing conference to allow the parties to discuss an appropriate procedural schedule that would allow for the resolution of the case by end of 2021. With this goal in mind, Evergy proposes the following procedural schedule for consideration by the Commission and the parties:

EVENT	DATE
Staff/Intervenor Rebuttal Testimony	June 1
Evergy Surrebuttal Testimony	July 1
Last Day to Request Discovery	July 12
Settlement Conference	July 19
List of Issues, List of Witnesses, and Order of Cross-Examination	July 23
Position Statements	July 30
Hearing	August 9-11
Initial Brief	August 27
Reply Brief	September 13

WHEREFORE, Evergy respectfully requests that the Commission consolidate the Evergy Missouri Metro and Evergy Missouri West TE cases, and schedule a prehearing conference to allow the parties to discuss a proposed procedural schedule in these cases.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to the Staff of the Commission and to the Office of the Public Counsel this 14th day of April 2021.

/s/ Robert J. Hack

Attorney for Evergy Missouri Metro and Evergy
Missouri West