

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

In the Matter of Evergy Metro, Inc. d/b/a)
Evergy Missouri Metro’s Request for Authority) **Case No. ER-2022-0129**
to Implement A General Rate Increase for Electric)
Service)

In the Matter of Evergy Missouri West Inc. d/b/a)
Evergy Missouri West’s Request for Authorization to) **Case No. ER-2022-0130**
Implement A General Rate Increase for Electric)
Service)

REQUEST FOR CLARIFICATION AND MOTION FOR EXPEDITED RESPONSE

COMES NOW the Staff of the Missouri Public Service, by and through the undersigned counsel, and for its *Request For Clarification And Motion For Expedited Response*, respectfully states as follows:

1. On November 21, 2022, the Commission issued its Report and Order, containing its findings of fact, conclusions of law, and ultimate decisions on the remaining eight issues¹ heard over the course of the evidentiary hearing held August 31- September 9.
2. The Report and Order bears an effective date of December 6, 2022.
3. Typically, Staff and utilities have an open dialogue while working on compliance tariffs, with companies providing drafts along with supporting workpapers and documentation, and Staff sharing feedback to facilitate review in what is an abbreviated review period. Currently, Staff has not seen final compliance tariffs from Evergy, but from preliminary information it appears portions of the ***Report and Order*** have been interpreted differently, leading to some minor and some more major conflicting expected

¹ The bulk of the issues in the case were resolved via four stipulations and agreements, approved by the Commission on September 22, 2022.

outcomes. Attached is a more thorough memorandum on the conflicts and potential outcomes, with Staff's specific requests for clarification.

4. Staff has filed this request for clarification as soon as it became aware of the potential conflicts in interpretation. Good cause exists to expedite the response to this motion so as Evergy, Staff, and other stakeholders can continue to work together to smoothly produce and review tariffs complying with the **Report and Order** and prevent any undue delay to the effective date of rates for Evergy.

WHEREFORE, Staff respectfully requests that the Commission review and provide clarification on the issues outlined in the attached memorandum and issue an order as soon as practicable.

Respectfully submitted,

/s/ Nicole Mers

Nicole Mers, #66766

Deputy Counsel

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 2nd day of December, 2022, to all counsel of record.

/s/ Nicole Mers

MEMORANDUM

Intra-Season Design of default 2-part ToU rate structure

Paragraph 174 includes a finding of fact that [t]he Evergy 2-period TOU proposal has a 4-times price differential between on-peak and super off-peak during summer and a 2-times differential between on-peak and off-peak during winter.” This cites to Ex. 82, Winslow Direct, p. 18; and Ex. 128, Winslow Direct, p. 18.

However, the tariffs proposed by Evergy for its two-part time of use design reflect the following rates:

	Metro		West	
	On	Off	On	Off
Summer	\$ 0.35770	\$ 0.11923	\$ 0.30818	\$ 0.10273
Winter	\$ 0.08953	\$ 0.05962	\$ 0.07705	\$ 0.05136

The ratios reflected in the proposed tariff design are 3:1 summer, and 1.5:1 non-summer.¹

Staff seeks clarification of whether rates should be designed to reflect (A) the intraseason design described by Ms. Winslow, or (B) the intraseason design provided in Evergy’s proposed tariff filing initiating these rate cases.

Note, Staff does not view either interpretation as more inherently reasonable than the other.

Residential Customer Charges

In the Report and Order at page 70, the Commission ordered “In the present case, the Commission finds that \$12.00 is the appropriate residential customer charge.”

It is Staff’s understanding that Evergy intends to file draft tariffs with a customer charge in excess of \$12 for certain residential rate codes. Please clarify whether the ordered \$12 customer charge is intended for application to all residential rate codes, or only for those rate codes currently tariffed at \$11.47.

Note, Staff does not view either outcome as more inherently reasonable than the other, but did understand the Order to state that THE residential customer charge is to be \$12.

Item 2, rates available to customers prior to June 6, 2023

At page 69, the Order states “residential rates for Evergy are authorized to be Evergy’s 2-period TOU proposed rate as the default rate beginning six months after the tariffs become effective. Staff’s low-differential rate is approved as an opt-in rate, without a lead-in time. Evergy’s additional residential TOU proposals are also authorized on an opt-in basis, without a lead-in time.”

¹ Paragraph 177 of the Order states “Staff did not support Evergy’s proposed opt-in TOU rates because Staff viewed Evergy’s TOU rates as not being cost-based. However, Staff stated that Evergy’s 2-period TOU rate structure is the less objectionable of the residential TOU rates proposed by Evergy,” citing to Exhibit 243, Sarah Lange Rebuttal at page 52. Ms. Lange’s testimony at page 52 was the conclusion of her analysis of the tariff-proposed 2-period ToU design, not the conflicting design described by Ms. Winslow.

Further, at page 70, the Order states “Evergy will eliminate the identified residential rate codes and transition customers to the identified existing codes.”

It is Staff’s understanding that Evergy intends to file compliance tariffs for the RTOD and ROU rate codes, which it had proposed to eliminate, for service between December 6, 2022, and June 5, 2023.

Staff seeks clarification as to whether the Evergy-proposed consolidations should be incorporated into the rates for service between December 6, 2022, and June 5, 2023.

Note, Staff does not view either outcome as more inherently reasonable than the other given the minimal duration of the availability of non-ToU rates, but did understand the Order to state that Evergy’s proposed consolidations be implemented.

Default rate schedule customers currently served on the 3-part ToU Rate schedule after June 6, 2023

Page 69 of the Order provides “Existing 3-period TOU customers shall be allowed to stay on their existing TOU rate during the transition of non TOU residential customers to the 2-period TOU rate.”

Please clarify whether existing 3-period TOU customers shall be allowed to stay on the 3-part TOU rate after June 6, 2023, or if they should be defaulted to the 2-part rate on June 6, 2023.

Note, Staff suggests that allowing customers to remain on the opt-in ToU rate is a reasonable outcome.

Default rate schedule after June 6, 2023 for net metering customers, customers without AMI meters due to opt-out of AMI metering, and customers without AMI meters due to technological barriers

The order at page 69 includes the statement that “The Commission is not approving any traditional ratemaking structure for residential customers to be used after the six-month educational period.” Please clarify the rate structure or billing arrangement that should be applicable to net metering customers, customers without AMI meters due to opt-out of AMI metering, and customers without AMI meters due to technological barriers for residential service after June 6, 2023. Per 11/22 email from Brad Lutz, 9 EMM and 43 EMW customers do not have AMI, (8 and 31 opted out, respectively).

Staff seeks clarification on the rate schedules applicable to each of the referenced subsets of customers.

Staff respectfully suggests the Residential General non-Space Heating rates remain available for customers without AMI meters, and that customers with net metering be defaulted after June 6, 2023 to the low-differential ToU rate.

Inter-Season Design of Residential Rates

The Stipulation and Agreement filed August 30, 2022 at page 2 included “Signatories agree that Staff’s true-up revenues and billing determinants as reflected in the true-up direct workpapers of Kim Cox will be utilized to set base rates. These revenues are shown in Figure 1 below. The billing determinants will be attached as Exhibit 2 to this Agreement: [Figure 1 omitted].” The Residential classes’ revenues, by season, are provided below for each utility.

Metro	Energy Charge Revenue	Energy Charge & Customer Charge Revenue	West	Energy Charge Revenue	Energy Charge & Customer Charge Revenue
Summer	\$ 140,230,796	\$ 152,345,703	Summer	\$ 151,303,219	\$ 164,860,109
Non-Summer	\$ 155,684,727	\$ 179,914,541	Non-Summer	\$ 185,721,595	\$ 212,835,375
Summer	47.4%	45.9%	Summer	44.9%	43.6%
Non-Summer	52.6%	54.1%	Non-Summer	55.1%	56.4%

Using the 2-part ToU proposed tariff rates of Evergy, adjusted to reflect the \$12 customer charge approved by the Commission, the Residential classes’ revenues, by season, that result are provided below for each utility:

Metro	Energy Charge Revenue	Energy Charge & Customer Charge Revenue	West	Energy Charge Revenue	Energy Charge & Customer Charge Revenue
Summer	\$ 166,902,892	\$ 183,675,180	Summer	\$ 186,807,125	\$ 205,584,213
Non-Summer	\$ 128,130,428	\$ 128,106,550	Non-Summer	\$ 156,001,953	\$ 155,918,344
Summer	56.6%	58.9%	Summer	54.5%	56.9%
Non-Summer	43.4%	41.1%	Non-Summer	45.5%	43.1%

Evergy designed optional rates for a small subset of customers that would have lowered those customers’ non-summer bills below current levels, but increased summer bills to make up the difference. The Order applies these rates to all customers. This creates an inconsistency, that unaddressed, would result in the one-time collection by each utility significantly in excess of the ordered revenue requirement during the period December 6, 2022 – December 5, 2023. This is because the rates in effect from December 6, 2022 – June 5, 2023 will collect the existing seasonal revenue allocation, THEN the rates in effect from June 6, 2023 – December 5, 2023 will collect a significant reallocation of the same revenue requirement. The over-collection projected for Evergy Missouri Metro is approximately \$23 million more than the ordered revenue requirement, and Evergy Missouri West projected over-collection is approximately \$28.5 million more than the ordered revenue requirement.

Staff seeks clarification as to:

Whether to design residential non-ToU rates and ToU rates to be in effect from December 6, 2022 – June 5, 2023 and residential rates in effect on and after June 6, 2023 should align to (A) Evergy’s current seasonal revenue responsibility or (B) the seasonal revenue responsibility proposed by Evergy for its 2-part ToU rate, or (C) a combination of seasonal revenue responsibilities that will result in the collection of revenues in excess of the revenue requirements ordered by the Commission for the period December 6, 2022 – December 5, 2023.

Staff notes the following:

1. Staff is confident the Commission did not intend approach “C”, but clarification is necessary to avoid that result through application of either approach “A” or approach “B.”
2. If the revenue shift proposed by Evergy is implemented, average non-summer bills for residential customers of Evergy Missouri Metro will decrease by approximately 5%, and average summer bills for residential customers of Evergy Missouri Metro will increase by approximately 14%. Similar figures are expected for Evergy Missouri West.

3. The low-differential Staff design reflects the current seasonal revenue alignment and is based on the current residential non-ToU rates. However, it will be revised to reflect the non-ToU rates for service prior to June 5, 2023. Thus, if Evergy's proposed seasonal revenue realignment is not incorporated into the non-ToU rates for service prior to June 5, 2023, customers would be able take service on the low-differential rate during the summer for a lower average \$/kWh, then switch to the 2-part design during the non-summer for a lower average \$/kWh, creating a revenue disparity that would be absorbed by other customers in a future rate case going forward.
4. Given the calculation of the PISA rate cap, Staff is unaware of a means for the cap to be imposed on revenues collected due to a seasonal alignment difference.

Design of Non-Residential Rates

The Order did not specifically address the design of surviving non-residential rate codes. ***Please clarify whether the Large Power Service rates should be increased by an equal percentage to each rate element, or through some other method.***

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d/b/a Evergy Missouri West's Request for) Case No. ER-2022-0130
Authority to Implement a General Rate)
Increase for Electric Service)

AFFIDAVIT OF SARAH L.K. LANGE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW SARAH L.K. LANGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Memorandum*; and that the same is true and correct according to her best knowledge and belief.

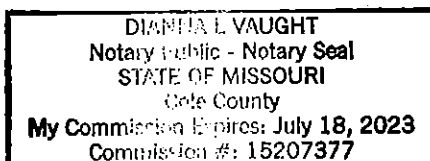
Further the Affiant sayeth not.




SARAH L.K. LANGE

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 2nd day of December, 2022.





Notary Public