

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the Matter of the Application of Evergy )  
Metro, Inc. d/b/a Evergy Kansas Metro for )  
Approval of its 2022 Energy Efficiency Rider ) Docket No. 22-EKME-464-TAR  
for Program Costs Incurred January 1 Through )  
December 31, 2021. )

**NOTICE OF FILING OF STAFF'S REPORT AND RECOMMENDATION**  
**(PUBLIC VERSION)**

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively), and files its Report and Recommendation (R&R) regarding the Application of Evergy Metro., Inc. d/b/a Evergy Kansas Metro (Evergy Metro) requesting to recover \$160,242 through its Energy Efficiency Rider (EER). Assuming an average residential customer usage of 1,059 kWh per month, Evergy Metro's proposed EER factor would decrease customer bills by \$0.07 per month, or \$0.84 annually.

Staff performed an audit of Evergy Metro's Application and did not discover any improper or unnecessary costs. As well, Staff found the rates to be accurate. As such, Staff hereby files the attached R&R dated May 17, 2022, recommending the Commission approve Evergy Metro's EER amount of \$160,242 with conditions described in greater detail in Staff's R&R.

WHEREFORE, Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Jared R. Jevons

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**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**REDACTED VERSION**

**TO:** Dwight D. Keen, Chair  
Susan K. Duffy, Commissioner  
Andrew J. French, Commissioner

**FROM:** Tim Rehagen, Senior Auditor  
Justin Grady, Chief of Revenue Requirements, Cost of Service and Finance  
Jeff McClanahan, Director of Utilities

**DATE:** May 19, 2022

**SUBJECT:** Docket No. 22-EKME-464-TAR – In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Kansas Metro for Approval of its 2022 Energy Efficiency Rider for Program Costs Incurred January 1 Through December 31, 2021.

**EXECUTIVE SUMMARY**

On March 31, 2022, Evergy Kansas Metro (Evergy Metro) filed an Application seeking recovery of \$160,242 through its Energy Efficiency Rider (EER). This amount consists of \$213,940 of 2021 demand-side management (DSM) costs for energy efficiency programs; and \$53,698 of over-recovered costs from two years prior (2019 DSM costs included in Docket No. 20-EKME-410-TAR). Assuming the average residential customer uses 1,059 kWh per month, Evergy Metro's proposed EER factor would decrease their bill by \$0.07 per month, or \$0.84 annually. Per the Suspension Order dated April 14, 2022, a Commission Order is due in this Docket by November 28, 2022. However, a Commission Order will need to be issued no later than June 30, 2022 in order to facilitate an effective date of July 1, 2022 for the proposed EER factor.

**BACKGROUND:**

The Evergy Metro (formerly Kansas City Power & Light) EER was established in the Stipulation and Agreement filed in Docket No. 07-KCPE-905-RTS. The rider enables Evergy Metro to recover its demand-side management program costs and is consistent with the Commission's policy directives on cost recovery established in the Order in Docket No. 08-GIMX-441-GIV.<sup>1</sup> The current filing is Evergy Metro's fifteenth Application for an EER. All previous filings were approved by the Commission either fully or partially after the identification and correction of minor errors as recommended by Staff. Since the adoption of the EER in 2007, Evergy Metro has

<sup>1</sup> See Final Order, Docket No. 08-GIMX-441-GIV, pp. 10–15, 37–38 (Nov. 14, 2008).

adjusted its EER factor annually except for Docket Nos. 15-KCPE-448-TAR (15-448 Docket), 16-KCPE-439-TAR (16-439 Docket), 17-KCPE-446-TAR (17-446 Docket), 18-KCPE-420-TAR (18-420 Docket) and 20-EKME-410-TAR (20-410 Docket).<sup>2</sup> In the 15-448, 16-439, 17-446 and 20-410 Dockets, Evergy Metro requested (and was granted) permission to defer the amounts for recovery until the next filing year. In the 18-420 Docket, Evergy Metro requested deferral of the amount for recovery and stated that in its upcoming general rate case, Docket No. 18-KCPE-480-RTS (18-480 Docket), it would propose that the amount for recovery be amortized through its base rates.<sup>3</sup> Evergy Metro also requested permission to defer the amount for recovery in the 18-420 Docket to a future EER filing in the event that the Commission denied Evergy Metro's request to amortize the unrecovered costs through its base rates.<sup>4</sup> In Docket No. 18-KCPE-124-TAR, the Parties unanimously agreed that the unrecovered DSM costs from the 18-420 Docket should be recovered through Evergy Metro's EER rather than through its base rates.<sup>5</sup> Therefore, Evergy Metro sought recovery of those costs in Docket No. 19-KCPE-398-TAR (19-398 Docket).<sup>6</sup> The Commission approved Evergy Metro's Application in the 19-398 Docket.<sup>7</sup>

The current EER filing involves (1) \$213,940 of unrecovered DSM costs incurred during the calendar year 2021; and (2) \$53,698 of over-recovered costs from two years prior (2019 DSM costs included in Docket No. 20-EKME-410-TAR). The cost-recovery of these charges are reflected in Evergy Metro's revised tariff sheet, "Schedule EE," which contains the new EER rates for each customer class. If approved, Evergy Metro's new EER will be in effect from July 1, 2022 through June 30, 2023.

#### **ANALYSIS:**

Staff performed an audit of Evergy Metro's EER Application. At Staff's request, Evergy Metro provided workpapers in support of the Application, including invoices for the projects that make up the 2021 program costs and general ledger/journal entry support for the 2021 program costs. Staff confirmed that the costs for these programs were properly recorded by Evergy Metro for the period of January 1, 2021 through December 31, 2021. In its audit of the Application, Staff did not discover any improper or unnecessary costs.<sup>8</sup>

Historically, Evergy Metro has calculated the EER rates presented on the tariff sheet "Schedule EE" by utilizing the demand allocator and kWh consumption data included in the Class Cost of

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<sup>2</sup> Order Approving Evergy Metro's 2020 Energy Efficiency Rider, Docket No. 20-EKME-410-TAR, p. 2-3 (June 30, 2020).

<sup>3</sup> Application of Kansas City Power & Light 2018 Energy Efficiency Rider, Docket No. 18-KCPE-420-TAR, pp. 3 (Mar. 29, 2018).

<sup>4</sup> *Id.* at 4.

<sup>5</sup> Joint Motion to Approve Settlement Agreement, Docket No. 18-KCPE-124-TAR, p. 5 (July 6, 2018).

<sup>6</sup> Application of Kansas City Power & Light Company, Docket No. 19-KCPE-398-TAR, p. 2 (Mar. 29, 2019).

<sup>7</sup> Order Approving KCP&L Company Energy Efficiency Rider, Docket No. 19-KCPE-398-TAR, p. 4 (June 6, 2019).

<sup>8</sup> Staff discovered an error in Exhibit B, Page 2 of the Application, where the budgeted amount for the A/C Cycling (Programmable Thermostat) program is shown as \*\*\*[REDACTED]\*\*\*. However, in Docket No. 20-KCPE-154-MIS, the proposed three-year budget for the A/C Cycling program (for 2020 through 2022) was approved by the Commission, with the 2021 budgeted amount being \*\*\*[REDACTED]\*\*\*. Evergy agreed that the \*\*\*[REDACTED]\*\*\* amount should have been included in Exhibit B, Page 2 of the Application for this program. However, the correction of this error has no effect on the 2022 EER calculation since the 2021 A/C Cycling program costs did not exceed \*\*\*[REDACTED]\*\*\*.

Service Study from the most recent rate case. In the present Docket, Evergy Metro calculated the EER rates by utilizing the demand allocator and kWh consumption data from its Class Cost of Service Study filed in the 18-480 Docket. As with all previous EER Dockets, Evergy Metro derived an EER rate for each customer class with the exception of the off-peak and other lighting classes. Staff reviewed the rates and found them to be accurate.

**RECOMMENDATION:**

Staff recommends the Commission approve Evergy Metro's EER amount of \$160,242 with the following conditions:

1. Evergy Metro shall file its next EER on or before March 31, 2023, to include costs incurred for Commission-approved programs from January 1, 2022 through December 31, 2022. In this filing, Evergy Metro shall also include a true-up calculation to true-up the amounts collected from July 1, 2021, to June 30, 2022, versus the amounts intended to be collected during that time period.

## **CERTIFICATE OF SERVICE**

22-EKME-464-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation, Public Version, was served via electronic service this 19th day of May, 2022, to the following:

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