

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

In the Matter of the Application of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri)
West for Authority to Implement Rate)
Adjustments Required by)
20 CRS 4240-20.090(8) and the Company's)
Approved Fuel and Purchased Power Cost)
Recovery Mechanism)

File No. ER-2023-0011
Tracking No. JE-2023-0005

STATEMENT OF POSITION

COMES NOW the Staff of the Missouri Public Service Commission and for its *Statement of Position* states as follows:

1. Should the Commission approve Evergy Missouri West's ("EMW") request to defer \$31 million of FAC- fuel and purchased power costs for further treatment in a subsequent general rate case.

No. As stated in Staff witness Mastrogiannis rebuttal testimony, the Commission should order EMW to include the \$31 million in the FAC during this current Accumulation Period 30.¹

2. Should the Commission consider the FAC rate adjustment mechanism's requirement that fuel and purchased power costs will be rebased in EMW's general rate case (No. ER-2022-0130) in determining the amount of EMW's requested deferral in this FAC proceeding?

No. Per Section 393.1655.3, the computation of Plant in Service Accounting ("PISA") caps shall use "the electrical corporation's average overall rate as of the date new base rates are set in the electrical corporation's most recent general rate proceeding concluded prior to the date the electrical corporation gave notice under section 393.1400..." Because of this statutory language, the Company is required to use the previous rate case revenue requirement to calculate PISA caps, instead of using proposed re-based fuel costs from the current rate case, which have

¹ Staff witness Brooke Mastrogiannis Rebuttal Testimony page 3.

not yet been included in new base rates and will not be effective until December 6, 2022.

3. What is the full amount of the current FPA for the 30th accumulation period?

\$44,604,020.

4. If EMW's current FAC rate is changed to allow for full recovery of the FPA for the 30th accumulation period and no other changes were made to the rates currently in effect, what would the resulting average overall rate for EMW be?

9.14%.

- a. What is the percentage difference between this rate and EMW's average overall rate as of the date new base rates were set in EMW's most recent general rate proceeding concluded prior to the date the EMW gave notice under section 393.1400?

The average overall rate cap as of September 1, 2022 (original proposed effective date of rates in ER-2023-0011) was 11.69%. Therefore the average overall rate is 2.54% lower than the annual compound growth rate cap from the date base rates were set in EMW's most recent general rate proceeding, Case No. ER-2018-0146.

5. Does allowing for recovery of the full FPA for the 30th FAC accumulation period through EMW's FAC result in a change in the rates charged under EMW's FAC that would cause EMW's average overall rate to exceed the 3% annual compound growth rate cap set forth in section 393.1655.3 RSMo.?

No. By including the full FPA for the 30th FAC accumulation period, EMW's average overall rate cap is only 9.14%, and by using the proposed effective date of September 1, 2022, the average overall rate cap is 11.69%. Therefore, EMW's FAC average overall rate did not exceed the 3% annual compound growth rate cap.

6. Should EMW be permitted to defer any portion of the costs related to the 30th accumulation period on the basis of the company's claim that those costs are extraordinary?

*No. It is Staff's position that these costs are not extraordinary.*²

a. If so, what accounting treatment should the deferral receive?

WHEREFORE, Staff submits this *Statement of Position* for the Commission's information and consideration.

Respectfully submitted,

/s/ Casi Aslin

Casi Aslin
Senior Counsel
Missouri Bar No. 67934
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8517
casi.aslin@psc.mo.gov

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 on this 27th day of September, 2022.

/s/ Casi Aslin

² Staff witness Brooke Mastrogiannis Rebuttal testimony page 5.