

**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)	<u>File No. ER-2023-0011</u>
West for Authority to Implement Rate)	Tracking No. YE-2023-0092
Adjustments Required by)	
20 CRS 4240-20.090(8) and the Company's)	
Approved Fuel and Purchased Power Cost)	
Recovery Mechanism)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Staff Recommendation states as follows:

1. On July 1, 2022, Evergy Missouri West, Inc. d/b/a Evergy Missouri West filed a proposed revised tariff sheet with a revised fuel adjustment rate in its tariffed fuel adjustment clause (FAC) as provided by Commission Rule 20 CSR 4240-20.090(8). The Company proposed to set the fuel adjustment rate per kilowatt-hour (kWh) to \$0.00157 for the Accumulation Period ending May 2022 and the Recovery Period ending February 2022, bearing an effective date of September 1, 2022. In its filing, the Company proposed that \$31 million of extraordinary fuel costs not pass through its FAC.

2. On July 28, 2022, Staff recommended the Commission issue an order rejecting the proposed revised tariff sheet and direct the Company to file a substituted tariff sheet that excludes the \$31 million fuel costs that the Company proposed to defer to a Plant in Service Accounting (PISA) regulatory asset.

3. On August 24, 2022, the Commission issued an order rejecting the Company's proposed revised tariff sheet, assigned Tracking No. JE-2023-0005, but allowed the Company to file any revised tariff sheets necessary to implement interim fuel

adjustment rates consistent with uncontested components of the Company's proposed fuel adjustment rates.

4. On August 31, 2022, the Company filed a proposed interim tariff revision that reflected recovery of \$13.6 million of FAC-related costs in the fuel adjustment rate, after removal of the \$31 million deferral amount that is in dispute. The Company and the Staff of the Commission agreed that the proposed interim FAC tariff revision should go into effect on October 1, 2022, and that the current effective tariff rates (6th Revised Sheet No. 127.23) that went into effect on March 1, 2022, will remain in effect for an additional month through September 30, 2022. No other parties commented on, or responded to, either Staff's recommendation or the tariff revision.

5. On September 14, 2022, the Commission approved the interim tariff and stated it should become effective on October 1, 2022, assigned Tracking No. YE-2023-0047.

6. On September 30, 2022, a hearing was held for the \$31 million amount in dispute.

7. On November 9, 2022 the Commission in its Report and Order denied Evergy Missouri West's request to defer the \$31 million to a PISA regulatory asset and instead ordered Evergy Missouri West to file no later than November 21, 2022, a tariff sheet that includes the full FPA of \$44,604,020 in the FAR in its FAC with an expedited effective date of December 5, 2022.

7. On November 21, 2022, Evergy Missouri West filed an updated tariff sheet that includes the full FPA of \$44,604,020, assigned Tracking No. YE-2023-0092, for a requested expedited effective date of December 1, 2022. In its tariff filing letter,

Evergy Missouri West states: “Evergy Missouri West’s billing cycle starts on the first of each month as there is no proration of rider rates such as the FAR. In addition, any further delay in the implementation of the FAR rates, for instance January 1, 2023, would reduce the amount of time to collect the additional \$31 million in FPP costs, resulting in a larger true-up once the recovery period has ended.” Staff has no concern with this expedited effective date of December 1, 2022 for this tariff update, and Staff will reiterate that if the effective FAR rates is later than December 1, 2022, this will result in a larger amount being collected in the true-up instead of the recovery period.

8. Staff reviewed the substituted tariff sheet and workpapers Evergy Missouri West submitted on November 21, 2022. Staff has verified that Evergy Missouri West did correctly include the full FPA of \$44,604,020 as ordered by the Commission. While the change in the FAC charge proposed in this filing does not exceed the average overall rate, the proposed FAC charge applicable to Large Power customers does exceed the class average overall rate, and the FPA for the Large Power customer class has been reduced by \$7.9 million and included for recovery by all other Non-Large Power customer classes, pursuant per section 393.1655.6 RSMo. Staff recommends the Commission issue an order approving the following proposed substituted tariff sheet, with an effective date by operation of law on December 1, 2022:

P.S.C. Mo. No. 1
7th Revised Sheet No. 127.23 Cancelling 6th Revised Sheet No. 127.23

WHEREFORE, Staff submits this recommendation 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 22nd day of November, 2022.

/s/ Casi Aslin

