BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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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

STAFF'S PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

COMES NOW The Staff of the Missouri Public Service Commission and files

Staff's Proposed Findings of Fact and Conclusions of Law.

Findings of Fact

- Evergy Missouri West (EMW) is a Missouri certified electrical corporation defined by Subsection 386.020(15), RSMo, and is authorized to provide electric service to portions of Missouri.
- The Office of Public Counsel is a party to this case pursuant to Section 386.710(2), RSMo and by Commission Rule 20 CSR 4240-2.101(10).
- Staff is a party to this case pursuant to Section 386.071, RSMo and Commission Rule 20 CSR 4240-2.010(10).
- 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, the resulting overall average rate for EMW would be 9.14%.
- 5. The full amount of the current FPA for the 30th accumulation period is \$44,604.020.
- On December 31, 2018, EMW elected to make the deferrals set forth in Section 393.1400.5 RSMo effective January 1, 2019 through, at least, December 31, 2013.

Conclusions of Law

1. Section 393.1655(3), RSMo states:

This subsection shall apply to electrical corporations that have a general rate proceeding pending before the commission as of the later of February 1, 2018, or August 28, 2018. If the difference between (a) the electrical corporation's average overall rate at any point in time while this section applies to the electrical corporation, and (b) 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, reflects a compound annual growth rate of more than three percent, the electrical corporation shall not recover any amount in excess of such three percent as a performance penalty.

EMW's current rate case, Case No. ER-2022-0130 has not concluded and will not

conclude until December 6, 2022.

2. Section 393.1655(5), RSMo states:

If a change in any rates charged under a rate adjustment mechanism approved the commission under sections 386.266 and 393.1030 would cause an electrical corporation's average overall rate to exceed the compound annual growth rate limitation charged under that rate adjustment mechanism in an amount sufficient to ensure that the compound annual growth rate limitation set forth in subsection 3 or 4 of this section is not exceeded due to the application of the rate charged under such mechanism pursuant to this subsection shall be deferred to and included in the regulatory asset arising under section 393.1400 or, if applicable, under the regulatory and ratemaking treatment ordered by the commission under section 393.1400, and recovered through an amortization in base rates in the same manner as deferrals under that section or order are recovered in base rates.

EMW's average overall rate cap of September 1, 2022 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. This rate does not exceed the 3% annual compound growth rate cap.

3. Section 393.1655, RSMo does not allow for the deferral of any portion of the costs

related to the 30th accumulation period, even if the costs were considered

extraordinary. EMW should include the \$31 million in the FAC during the current

Accumulation Period 30.

WHEREFORE, Staff submits these Proposed Findings of Fact and Conclusions of Law for the Commission's information and consideration.

Respectfully submitted,

<u>/s/ Casi Aslin</u> 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 21st day of October, 2022.

<u>/s/ Casi Aslin</u>