

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 17th day of August, 2023.

In the Matter of the Application of Evergy)	
Missouri West, Inc. d/b/a Evergy Missouri)	
West for Authority to Implement Rate)	<u>File No. ER-2023-0444</u>
Adjustments Required by 20 CSR)	Tracking No. JE-2023-0229
4240-20.090(8) and the Company's)	
Approved Fuel and Purchased Power Cost)	
Recovery Mechanism)	

**ORDER APPROVING INTERIM TARIFF
TO CHANGE FUEL ADJUSTMENT RATES**

Issue Date: August 17, 2023

Effective Date: September 1, 2023

On June 30, 2023, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“the Company”) filed a tariff sheet proposing to revise its 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 \$0.00591, effective September 1, 2023, for the 32nd Accumulation Period (AP) of December 2022 through May 2023 to be recovered during the billing months of September 2023 through February 2024.

Commission Rule 20 CSR 4240-20.090(8) governs fuel and purchased power cost recovery mechanisms for electric utilities. That rule requires the Company to make periodic FAC filings that are designed to allow the Commission to review the actual total energy costs that the company has incurred during an Accumulation Period. In addition, these periodic filings are designed to adjust the FAC rates up or down, to reflect the actual energy costs incurred during the Accumulation Period. The Company’s FAC tariff calls

for two annual filings: a filing covering the six month Accumulation Period running from December through May and a second filing covering the Accumulation Period running from June through November. Any increases or decreases in rates approved by the Commission, or that take effect by operation of law, are then collected from or refunded to customers over a subsequent twelve month recovery period.

The Company provided testimony that for AP32, the Company's actual total energy costs eligible for the FAC were under-collected by approximately \$3.3 million.¹ In accordance with the Commission rule and the Company's approved FAC, the Company calculated that the FAC rate tariff designed to recover 95 percent of the energy cost differences permits recovery of approximately \$3.1 million, plus interest.²

Concurrent with its fuel adjustment rate filing, the Company submitted a FAC true-up filing in File No. EO-2023-0445. The Company's true-up filing indicates during the billing months of March 2022 through February 2023 -- designated Recovery Period (RP) 29 -- it over-collected \$384,458 from customers. However, also included in the true-up filing was a settlement amount per a *Non-Unanimous Stipulation and Agreement* filed on June 21, 2023, in the Company's AP31 Fuel Adjustment Rate (FAR) case -- File No. ER-2023-0210. During AP31, there was \$85,420,087 in costs deferred to future filings. Per the *Non-Unanimous Stipulation and Agreement*, \$45,262,522 is to be carried over to the AP32 FAR and the remaining \$40,157,565 will be included in the AP33 FAR. Although, the *Non-Unanimous Stipulation and Agreement* has not yet been approved by the Commission, the signatories -- the Company, the Staff of the Commission (Staff), and the Office of the Public Counsel (OPC) -- are in agreement that the AP31 adjustment of

¹ Direct Testimony of Lisa A. Starkebaum, p. 4.

² Direct Testimony of Lisa A. Starkebaum, p. 4.

\$45,262,522 be included in the Company's AP32 filing. Thus, the FAC amount for which the Company seeks Commission approval is \$44,878,064 – the RP29 over-recovery amount of \$384,458, offset by the AP31 adjustment of \$45,262,522.

The Company entered into a *Stipulation and Agreement* in its last general rate proceeding (File No. ER-2022-0130) that reiterated and reinforced terms established with the approval of the Special Incremental Load tariff, Schedule SIL, in File No. EO-2019-0244. Beginning in January 2023, the Company began tracking operational events at the Nucor steel plant and established a new procedure to account for hourly Nucor load data. The Company used this data to establish its Day Ahead demand bid in the Southwest Power Pool Integrated Market and track costs pursuant to the event balancing discussed in the stipulation and agreement in File No. EO-2019-0244.³

In its *Staff Recommendation for Rejection of Tariff Sheet* filed on July 31, 2023, Staff stated that it disagreed with the Company's procedure related to operational events. Staff recommended the Commission issue an order rejecting the proposed revised tariff sheet and directing the Company to file a substitute tariff sheet that includes a \$48,018.52 reduction adjustment to purchased power expense – reflecting the portion of the proposed adjustment that is not in question. On August 4, 2023, Staff filed a *Revised Staff Recommendation for Rejection of Tariff Sheet* in which it corrected an error in its previous calculations. However, the correction did not result in changes to the Company's proposed rates and did not alter Staff's ultimate recommendation.

Commission Rule 20 CSR 4240-20.090(8)(H) authorizes the Commission to reject the proposed tariff sheets, suspend the timeline of the FAR adjustment filing, set a

³ Direct Testimony of Lisa A. Starkebaum, pp. 8-9.

prehearing date, order the parties to propose a procedural schedule, and order the electric utility to file tariff sheets to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question.

On August 10, 2023, the Company filed a *Response to Staff Recommendation for Rejection of Tariff Sheet* and a substitute 1st Revised Sheet No. 127.34. In its response, the Company stated that it has provided the substitute revised tariff sheet and updated workpapers to Staff and OPC and that Staff agrees with the substitute revised tariff sheet. The substitute revised tariff sheet reflects a \$48,018.52 reduction in purchased power expense that reduces the Actual Net Energy Costs to \$124,394,491 as the amount of the proposed adjustment not in question, resulting in a current period FAR of \$0.00591.

The Commission determines that the original tariff sheets filed on June 30, 2023, to implement an adjustment to the FAR have not been shown to be in accordance with the provisions of Commission Rule 20 CSR 4240-20.090(8) or Section 386.266, RSMo, and should be rejected. However, as the Company has filed a substitute tariff sheet on August 10, 2023, to implement an interim FAR with the amount not in dispute, the Commission need not reject the tariff sheet pending the determination of the correct FAR. Therefore, the Commission finds the substitute tariff sheet will implement an interim FAR representing the amount not currently in dispute and should be approved to become effective on September 1, 2023. The Commission will also suspend the timeline of the FAR adjustment filing, set a prehearing conference, and order the parties to submit a proposed procedural schedule.

Because the Company and Staff are in agreement on the substitute revised tariff sheet and because no other parties have responded to either Staff's recommendation or

the substitute revised tariff sheet, the Commission finds it reasonable to make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. The interim tariff sheet filed as a substitute tariff sheet on August 10, 2023, and assigned Tracking No. JE-2023-0229, is approved to become effective on September 1, 2023:

P.S.C. MO. No. 1

1st Revised Sheet No. 127.34, Canceling Original Sheet No. 127.34

2. The timeline of Evergy Missouri West's fuel adjustment rate filing is suspended.

3. A prehearing conference is scheduled for 2:00 p.m. on September 7, 2023, to be conducted by WebEx telephone and video conference. The WebEx link and access code will be distributed by email to all counsel of record.

4. The parties shall file a proposed procedural schedule no later than September 21, 2023.

5. This order shall be effective on September 1, 2023.



BY THE COMMISSION

Nancy Dippell

Nancy Dippell
Secretary

Rupp, Chm., Coleman, Holsman, Kolkmeier
and Hahn CC., concur.

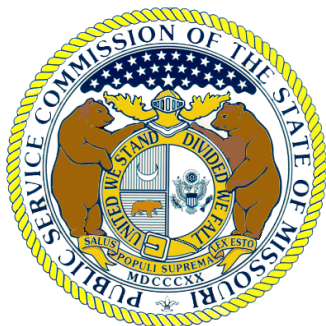
Seyer, Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 17th day of August, 2023.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

August 17, 2023

File/Case No. ER-2023-0444

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in black ink that reads "Nancy Dippell". The signature is written in a cursive, flowing style.

**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.