

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

In the Matter of Evergy Missouri West, Inc.'s)	
d/b/a Evergy Missouri West Tariffs Changing)	<u>File No. HT-2022-0284</u>
the Steam QCA for Service Provided to)	Tariff No. JH-2022-0248
Customers in its Service Territory)	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (Staff), through counsel, and recommends that the Commission approve the tariff sheet Evergy Missouri West, Inc., d/b/a Every Missouri West (EMW) filed on April 15, 2022 to increase its Quarterly Cost Adjustment (QCA) Rate for the first quarter of 2022.

1. On April 15, 2022, EMW filed one proposed tariff sheet, bearing an effective date of June 1, 2022, to revise its first quarter 2022 QCA Rate, pursuant to its tariff and the approved *Non-Unanimous Stipulation and Agreement* in Case No. HR-2005-0450, and modified in Case Nos. HR-2009-0092, HR-2010-0028, and HR-2018-0231. This proposed tariff sheet is P.S.C. MO. No. 1 52nd Revised Sheet No. 6.10 Canceling P.S.C. MO. No. 1, 51st Revised Sheet No. 6.10. The Commission assigned this Tariff No. JH-2022-0248.

2. EMW's filing includes the proposed tariff sheet and supporting workpapers, consisting of electronic worksheets showing EMW's calculations.

3. On April 15, 2022, the Commission directed Staff to file a recommendation regarding the proposed tariff sheets by May 16, 2022.

4. EMW proposes a QCA Rate of \$1.0867 per Million British Thermal Unit (MMBtu), which is a \$0.4487 increase over the currently effective QCA Rate of \$0.6380 per MMBtu. This proposed QCA Rate will apply during the first quarter of 2022, which is EMW's billing period of June 1, 2022 through August 31, 2022.

5. This proposed QCA Rate for the first quarter of 2022 reflects an increase of \$1,388,200 increase in adjusted fuel costs, compared to the same fuel costs for the first quarter 2021. Lisa Starkebaum, Manager of Regulatory Affairs at EMW, explains in her cover letter with this filing that the increase in the QCA Rate is primarily driven by higher oil and natural gas prices during the first quarter of 2022, compared to the same time period in 2021.

6. The Reconciliation Rate (R Factor) component in this filing is a comparison of the balance of the reconciliation amount per QCA period from the third quarter of 2019 through the fourth quarter of 2020. The R Factor for this QCA Rate is an increase of \$1,937, compared to the first quarter of 2021.

7. The previous three QCA Rates and R Factors, added to this proposed QCA Rate and R Factor, would result in an increase of a steam customer's bill of \$149.60 for every thousand MMBtu used during the first quarter of 2022 billing period, compared to the fourth quarter of 2021 billing period, which is March 1, 2022 through May 31, 2022.

8. As more fully detailed in Staff's attached *Memorandum*, attached hereto, Staff reviewed EMW's data and calculations and determined that they are correct and satisfy the standards in EMW's tariff Sheet Nos. 6.6 through 6.10. Staff recommends that the Commission issue an order approving EMW's proposed tariff sheet P.S.C. MO. No. 1 52nd Revised Sheet No. 6.10 Canceling P.S.C. MO. No. 1, 51st Revised Sheet No. 6.10.

9. Staff verified that EMW filed its Annual Report and is current on submission of its surveillance monitoring reports. Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing. Staff's recommendation for approval of this new QCA Rate is solely based on the accuracy of EMW's calculations and

is not indicative of the prudence of the fuel costs included in the QCA Rate.

WHEREFORE, Staff recommends that the Commission approve the following proposed tariff sheet EMW filed April 15, 2022, to go into effect June 1, 2022:

P.S.C. MO. No. 1
52nd Revised Sheet No. 6.10 Canceling 51st Revised Sheet No. 6.10

Respectfully submitted,

/s/ Karen E. Bretz

Karen E. Bretz
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CERTIFICATE OF SERVICE

I certify that copies of the foregoing have been electronically mailed to all parties and/or counsel of record on this 6th day of May, 2022.

/s/ Karen E. Bretz

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File No. HT-2022-0284 and
Tariff Tracking No. JH-2022-0248

FROM: Keri Roth, Senior Research/Data Analyst, Water, Sewer, & Steam Department

<u>/s/ Keri Roth</u>	<u>05/6/2022</u>	<u>/s/ Karen Bretz</u>	<u>05/6/2022</u>
Senior Research/Data Analyst / Date		Staff Counsel Division / Date	

SUBJECT: Staff Recommendation to Approve the Tariff Sheet Filed to Add the Quarterly Cost Adjustment for the First Quarter of 2022 to the Quarterly Cost Adjustment Rider – Steam of Evergy Missouri West, Inc. d/b/a Evergy Missouri West to go into effect on June 1, 2022.

DATE: May 6 2022

On April 15, 2022, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”) filed with the Missouri Public Service Commission (“Commission”) the following tariff sheet, bearing an effective date of June 1, 2022:

P.S.C. MO. No. 1
52nd Revised Sheet No. 6.10 Canceling 51st Revised Sheet No. 6.10

This tariff filing revises the Quarterly Cost Adjustment Rate (“QCA Rate”) for the first quarter of 2022. The Commission approved EMW’s Quarterly Cost Adjustment Rider in Case No. HR-2005-0450, and modified it in Case Nos. HR-2009-0092, HR-2010-0028, and HR-2018-0231. EMW’s filing includes the proposed tariff sheet and supporting work papers, consisting of electronic worksheets showing EMW’s calculation of the QCA Rate for the first quarter of 2022.

On April 15, 2022, the Commission directed Staff to file a recommendation on the pending tariff no later than May 16, 2022. The procedure for the calculation of the QCA Rate for steam service sales is set out in EMW’s Tariff Sheet Nos. 6.6 through 6.10, titled “Quarterly Cost Adjustment Rider – Steam.”

The table below shows the calculation of the proposed Monthly QCA Rate (“Monthly QCA Rate”) for the first quarter of 2022, effective for the billing period of June 1, 2022 through August 31, 2022:

Line No.	Qtr/Year	First Effective Date	Months	Last Effective Date	QCA Rate	Qtr/Year	Reconciliation Rate (R Factor)	Cumulative Rate	Change Per 1,000 MMBtu
(1)	Q2 2021	9/1/2021	12	8/31/2022	\$ (0.0616)	Q2 2021	\$ 0.0015	\$ (0.2369)	\$ 105.60
(2)	Q3 2021	12/1/2021	12	11/30/2022	\$ 0.3822	Q3 2021	\$ (0.0002)	\$ 0.3389	\$ 575.80
(3)	Q4 2021	3/1/2022	12	2/28/2023	\$ 0.2229	Q4 2021	\$ 0.0017	\$ 0.6380	\$ 299.10
(4)	Q1 2022	6/1/2022	12	5/31/2023	\$ 0.5391	Q1 2022	\$ 0.0011	\$ 1.0867	\$ 448.70
					\$ 1.0826		\$ 0.0041		
					Monthly QCA¹				
(5)	Q1 2022	6/1/2022	3	8/31/2022	\$ 1.0867				

¹ The Monthly QCA rate is a summation of the total QCA Rates and the R Factors for the previous 4 quarters.

This tariff filing reflects a proposed Monthly QCA Rate per Million British Thermal Unit (“MMBtu”) of \$1.0867, compared to the current Monthly QCA Rate of \$0.6380 per MMBtu.

Comparison of Fuel Costs and R Factor for the Proposed Monthly QCA Rate Compared to the Monthly QCA Rate the Same Quarter Previous Year

The proposed Monthly QCA Rate for the first quarter 2022 reflects an increase of \$1,388,200 in adjusted fuel costs, when compared to the same fuel costs for the Monthly QCA Rate for the first quarter 2021. This increase is primarily due to the increase in natural gas prices since the same quarter the prior year.¹ The Reconciliation Rate component or “R Factor” reflects an increase of \$1,937 when compared to the same quarter last year.²

Staff reviewed the data and calculations EMW provided in its worksheets and determined that EMW’s calculations related to the filed tariff sheet are correct, and that the calculations satisfy the standards set forth in EMW’s Tariff Sheet Nos. 6.6 through 6.10. The calculations are also consistent with previous EMW QCA Rate filings.

Customer Billing Comparison

The following table compares, per thousand MMBtu, the proposed cost for customers receiving steam service for the period June 1, 2022 through August 31, 2022³ to the current period

¹ Natural gas cost approximately \$4.95 per MMBtu in first quarter 2022, compared to approximately \$2.69 per MMBtu in first quarter 2021.

² The R Factor in this filing is a comparison of the balance of the Reconciliation amount per QCA period from third quarter 2019 through fourth quarter 2020.

³ \$1.0867 per MMBtu.

of March 1, 2022 through May 31, 2022⁴:

Q4 2021 Billing	Q1 2022 Billing	Difference
\$299.10	\$ 448.70	\$ 149.60

The previous three QCA Rates and R Factor, rates added to this proposed QCA Rate and R Factor rate, results in an increase of a steam customer's bill of \$149.60 for every thousand MMBtu for the billing period June 1, 2022 through August 31, 2022, compared to the 2021 fourth quarter billing period.

Staff Recommendation

Staff recommends the Commission approve EMW's proposed filed tariff sheet with the effective date of June 1, 2022:

P.S.C. MO. No. 1
52nd Revised Sheet No. 6.10 Canceling 51st Revised Sheet No. 6.10

Staff has verified that EMW filed its Annual Report and is current on its submission of its Surveillance Monitoring reports. Staff is not aware of any other matter pending before the Commission that affects this tariff filing. Staff's basis for Commission approval of the QCA Rate in this case is solely on the accuracy of EMW's calculations and R Factor adjustments outlined above and is not indicative of the prudence of the fuel costs included in EMW's QCA Rate filing.

⁴\$0.6380 per MMBtu.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

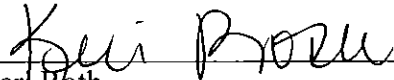
In the Matter of Evergy Missouri West,) Case No. HT-2022-0284
Inc.'s d/b/a Evergy Missouri West Tariffs) Tracking No. JH-2022-0248
Changing the Steam QCA for Service)
Provided to Customers in its Service)
Territory)

AFFIDAVIT OF KERI ROTH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

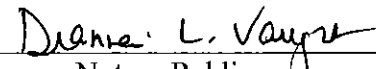
COMES NOW Keri Roth and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


Keri Roth

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 4th day of May, 2022.


Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377