

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

In the Matter of Evergy Missouri West Inc.'s)	<u>File No. HT-2019-0319</u>
Tariffs Changing the Steam QCA for)	Tariff No. YH-2020-0058
Service Provided to Customers in its)	
Service Territory)	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), through the undersigned counsel, and hereby respectfully submits this *Staff Recommendation to Approve Tariff Sheet* as follows:

1. On January 15, 2020, Evergy Missouri West, Inc. (“Evergy West”) filed a tariff sheet, 43rd Revised Sheet No. 6.10, Canceling 42nd Revised Sheet No. 6.10, providing its current Quarterly Cost Adjustment (“QCA”) pursuant to the approved *Non-Unanimous Stipulation and Agreement* in File No. HR-2005-0450, and modified in File Nos. HR-2009-0092 and HR-2010-0028.

2. Evergy West’s filing included the proposed tariff sheet and supporting workpapers consisting of electronic worksheets showing Evergy West’s calculation of the QCA for the fourth quarter of 2019.

3. On January 16, 2020, the Commission directed Staff to file a recommendation regarding the proposed tariff sheet no later than February 5, 2020.

4. The proposed tariff sheet reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.7865)¹ as compared to a negative charge per million BTU of

¹ A “(bracketed amount)” represents a credit to the customer. The credit is also referred to as a “negative charge” as reflected by the brackets. In this instance, the customer will receive a credit in the amount of \$1.7865 per million BTU.

(\$1.4539) that was reflected on the previous Tariff Sheet No. 6.10. The change resulting from this filing causes an increase of the customer credit in the QCA Rider rate and reflects the net effect of:

- a. A \$1,101,659 decrease in the quarterly adjusted fuel costs when compared to the same quarter last year; and
- b. A decrease of the Reconciliation Rate ("R Factor") component of \$79,787 when compared to the same quarter last year.

5. For a steam service customer, this would mean a decrease of approximately \$332.60 for every thousand MMBTUs used. As more fully detailed in Staff's Memorandum, attached hereto as Appendix A, Staff has reviewed the data and calculations provided by Evergy West related to its proposed tariff sheet and has determined that such calculations are correct and satisfy the standards set forth in Evergy West's Tariff Sheet Nos. 6.6 through 6.10.

6. Staff has verified that Evergy West is current on its submissions and filings pursuant to 20 CSR 4240-20.090(5) and (6). 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 the QCA change in this case is solely based on the accuracy of Evergy West's calculations and is not indicative of the prudence of the fuel costs included in the QCA.

WHEREFORE, Staff recommends that the Commission issue an order approving the following tariff sheet as filed by Evergy West on January 15, 2020 to go into effect on and after March 1, 2020:

P.S.C. MO. No. 1
43rd Revised Sheet No. 6.10 Canceling 42nd Revised Sheet No. 6.10

Respectfully submitted,

/s/ Travis J. Pringle

Travis J. Pringle

Legal Counsel

Missouri Bar No. 71128

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Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 4th day of February 2020, to all counsel of record.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. HT-2019-0319 and Tariff Tracking No. YH-2020-0058
Evergy Missouri West, Inc. formerly KCP&L Greater Missouri
Operations Company

FROM: Nancy L. Harris, Utility Regulatory Auditor I
Michael L. Stahlman, Regulatory Economist III

/s/ Robin Kliethermes 2/4//2020 /s/ Travis Pringle 2/4/2020
Manager Tariff and Rate Design Dept./Date Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve the Tariff Sheet Filed to Add the Quarterly Cost Adjustment for the Fourth Quarter of 2019 to the Quarterly Cost Adjustment Rider – Steam of Evergy Missouri West, Inc. formerly KCP&L Greater Missouri Operations Company to go into effect on March 1, 2020, or to go into effect by operation of law that same date.

DATE: February 4, 2020

On January 15, 2020, Evergy Missouri West, Inc. d/b/a Evergy Missouri West filed with the Commission one (1) tariff sheet for steam service to add the quarterly cost adjustment (“QCA”) for the fourth quarter of 2019. The adjustment is required by Evergy Missouri West, Inc.’s Quarterly Cost Adjustment Rider, which the Commission approved in Case No. HR-2005-0450, and modified in Case Nos. HR-2009-0092 and HR-2010-0028.

Evergy Missouri West, Inc.’s filing included the proposed tariff sheet and supporting work papers consisting of electronic worksheets showing Evergy Missouri West, Inc.’s calculation of the QCA for the fourth quarter of 2019.

On January 16, 2020, the Commission directed Staff to file a recommendation on the pending tariff no later than February 5, 2020.

The procedure for the calculation of the QCA for steam service sales is set out in Evergy Missouri West, Inc.’s Tariff Sheet Nos. 6.6 through 6.10, which are titled “Quarterly Cost Adjustment Rider – Steam.” The QCA calculation components as described in Tariff Sheet Nos. 6.6 and 6.7 include the Current Quarterly Cost Adjustment (“CQCA”), the Reconciliation Rate or “R factor” plus any applicable reconciling adjustments. Additionally, Tariff Sheet 6.8 includes Coal Performance Standards.¹

The QCA Rider for this 43rd revision of Tariff Sheet No. 6.10 reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.7865) as compared to a negative charge per million BTU of (\$1.4539) that was reflected on the previous revision of Tariff Sheet No. 6.10.

¹ Tariff Sheets effective January 1, 2020 as a result of HR-2018-0231 no longer include Coal Performance Standards.

For a steam service customer, this would mean a decrease of approximately \$332.60 for every thousand MMBTUs used. The QCA Rider negative charge is a reduction to customer bills' to reflect the customer share of the variation in fuel cost for the most recent quarter. The QCA Rider rate reflects a decrease of \$1,101,659 in the quarterly adjusted fuel costs when compared to the same quarter last year. The Reconciliation Rate or R factor component reflects a decrease of \$79,789 when compared to the same quarter last year.

Staff reviewed the data and mathematical calculations Evergy Missouri West, Inc. provided in its worksheets and found Evergy Missouri West, Inc.'s calculations related to the filed tariff sheet to be correct, and that the calculations satisfy the standards set forth in Evergy Missouri West, Inc.'s Tariff Sheet Nos. 6.6 through 6.10. The calculations are also consistent with previous Evergy Missouri West, Inc. QCA filings.

Staff Recommendation

Staff has reviewed the filed tariff sheet and recommends approval of the following tariff sheet to go into effect for service on and after March 1, 2020, the requested effective date:

P.S.C. MO. No. 1

43rd Revised Sheet No. 6.10 Canceling 42nd Revised Sheet No. 6.10

Staff has verified that Evergy Missouri West, Inc. has filed its Annual Report and is current on its submission of its Surveillance Monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5). 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 the QCA change in this case is solely based on the accuracy of Evergy Missouri West, Inc.'s calculations, R factor adjustments, and an adjustment for Coal Performance Standards outlined above and is not indicative of the prudence of the fuel costs included in the QCA.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri)
Operations Company's Tariffs Changing) Case No. HT-2019-0319
the Steam QCA for Service Provided to)
Customers in its Service Territory)

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW NANCY L. HARRIS 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.

Nancy L. Harris
NANCY L. HARRIS

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 November, 2020.

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

Dianna L. Vaught
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri)
Operations Company's Tariff Changing the)
Steam QCA for Service Provided to)
Customers in its Service Territory)
Case No. HT-2019-0319

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Michael L. Stahlman and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

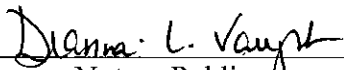
Further the Affiant sayeth not.



Michael L. Stahlman

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 3rd day of February, 2020.



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