

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

In the Matter of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West's Tariffs)	<u>File No. HT-2020-0326</u>
Changing the Steam QCA for Service)	Tariff No. JH-2020-0181
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 April 15, 2020, Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy West"), filed a tariff sheet, 44th Revised Sheet No. 6.10, Canceling 43rd 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, HR-2010-0028 and HR-2018-0231.

2. Evergy West's filing included the proposed tariff sheet and supporting workpapers consisting of electronic worksheets showing Evergy West's calculations.

3. On April 22, 2020, the Commission directed Staff to file a recommendation regarding the proposed tariff sheet no later than May 14, 2020.

4. The proposed tariff sheet reflects a negative charge per million British Thermal Units ("BTU") of (\$1.6023)¹ as compared to a negative charge per million BTU of (\$1.7865) that was reflected on the previous Tariff Sheet No. 6.10. The change

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.

resulting from this filing causes an decrease of the customer credit in the QCA Rider rate and reflects the net effect of:

- a. A \$447,155 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 \$132,137 when compared to the same quarter last year.

5. For a steam service customer, this would mean an increase of approximately \$184.20 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 April 15, 2020, to go into effect on and after June 1, 2020:

P.S.C. MO. No. 1
44th Revised Sheet No. 6.10 Canceling 43rd Revised Sheet No. 6.10

Respectfully submitted,

/s/ Jamie S. Myers

Jamie S. Myers

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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 14th day of May 2020, to all counsel of record.

/s/ Jamie S. Myers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. HT-2020-0326 and Tariff Tracking No. JH-2020-0181
Every 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 5/14/2020 /s/Jamie S. Myers 5/14/2020
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 First Quarter of 2020 to the Quarterly Cost Adjustment Rider – Steam of Every Missouri West, Inc. formerly KCP&L Greater Missouri Operations Company to go into effect on June 1, 2020, or to go into effect by operation of law that same date.

DATE: May 14, 2020

On April 15, 2020, Every Missouri West, Inc. d/b/a Every Missouri West filed with the Commission one (1) tariff sheet for steam service to add the quarterly cost adjustment (“QCA”) for the first quarter of 2020. The adjustment is required by Every 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, HR-2010-0028, and HR-2018-0231¹.

Every Missouri West, Inc.’s filing included the proposed tariff sheet and supporting work papers consisting of electronic worksheets showing Every Missouri West, Inc.’s calculation of the QCA for the first quarter of 2020.

On April 22, 2020, the Commission directed Staff to file a recommendation on the pending tariff no later than May 14, 2020.

The procedure for the calculation of the QCA for steam service sales is set out in Every 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

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

Nos. 6.6 and 6.7 include the Current Quarterly Cost Adjustment (“CQCA”), the Reconciliation Rate or “R factor” plus any applicable reconciling adjustments.

The QCA Rider for this 44th revision of Tariff Sheet No. 6.10 reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.6023) as compared to a negative charge per million BTU of (\$1.7865) that was reflected on the previous revision of Tariff Sheet No. 6.10.

For a steam service customer, this would mean an increase of approximately \$184.20 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 \$447,155 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 \$132,137 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 June 1, 2020, the requested effective date:

P.S.C. MO. No. 1

44th Revised Sheet No. 6.10 Canceling 43rd 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 Evergy Missouri West, Inc's)
d/b/a Evergy Missouri West Tariffs Changing) **File No. HT-2020-0326**
the Steam QCA for Service Provided to Customers) **Tariff No. JH-2020-0181**
in its Service Territory)

AFFIDAVIT OF NANCY L. HARRIS AND MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) **ss.**
COUNTY OF COLE)

COME NOW NANCY L. HARRIS AND MICHAEL L. STAHLMAN and on their oath declare that they are of sound mind and lawful age; that they contributed to the foregoing *Staff Recommendation* in Memorandum form; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further your Affiants sayeth not.

/s/ Nancy L. Harris
Nancy L. Harris

/s/ Michael L. Stahlman
Michael L. Stahlman