

**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) **File No. HT-2021-0351**
Changing the Steam QCA for Service) **Tariff No. YH-2022-0208**
Provided to Customers in Service Territory)

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Public Service Commission (Staff), through counsel, and recommends that the Commission approve the tariff sheet Evergy Missouri West, Inc., d/b/a Evergy Missouri West (Evergy) filed on January 18, 2022 to increase its Monthly Quarterly Cost Adjustment (QCA) Rate for the fourth quarter of 2021.

1. On January 18, 2022, Evergy filed one proposed tariff sheet, bearing an effective date of March 1, 2022, to revise its fourth quarter 2021 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 51st Revised Sheet No. 6.10 Canceling P.S.C. MO. No. 1 50th Revised Sheet No. 6.10. The Commission assigned it Tariff No. YH-2022-0208.

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

3. On January 19, 2022, the Commission directed Staff to file a recommendation regarding Evergy's proposed tariff sheet by February 10, 2022.

4. Evergy's proposed monthly QCA Rate is \$0.6380 per million British Thermal Units (MMBtu), compared to the currently effective QCA Rate of \$0.3389 per MMBtu.

This proposed QCA Rate will apply during the fourth quarter of 2021, which is Evergy's billing period of March 1, 2022 through May 31, 2022.

5. The proposed QCA Rate for the fourth quarter of 2021 reflects an increase of \$838,980 in adjusted fuel costs, compared to the same fuel costs for the fourth quarter of 2020. Lisa Starkebaum, Manager of Regulatory Affairs at Evergy, explains in her cover letter with this filing that the increase in the QCA Rate is primarily driven by higher natural gas prices during the fourth quarter of 2021, compared to the same time period in 2020.

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 second quarter of 2019 through the third quarter of 2020. The R Factor for this QCA Rate is an increase of \$25,146, compared to the fourth quarter of 2020.

7. The previous three QCA Rates and R Factors, added to this proposed QCA Rate and R Factor, would result in a decrease of a steam customer's bill of \$276.70 for every thousand MMBtu for the fourth quarter of 2021 billing period, compared to the third quarter of 2021 billing period, which is December 1, 2021 through February 28, 2022.

8. As more fully detailed in Staff's *Memorandum*, attached hereto, Staff reviewed Evergy's calculations and determined that these calculations are correct and satisfy the standards in Evergy's tariff Sheet Nos. 6.6 through 6.10. Staff recommends that the Commission issue an order approving Evergy's proposed tariff sheet P.S.C. MO. No. 1 51st Revised Sheet No. 6.10 Canceling P.S.C. MO. No. 1 50th Revised Sheet No. 6.10.

9. Staff verified that Evergy 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 this QCA Rate in this case is solely based on the accuracy of Evergy'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 proposed tariff Sheet 6.10 Evergy filed on January 18, 2022, to go into effect March 1, 2022:

P.S.C. MO. No. 1
51st Revised sheet No. 6.10 Canceling 50th 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 emailed to all parties and/or counsel of record on this 10th day of February, 2022.

/s/ Karen E. Bretz

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File
File No. HT-2021-0351, Tariff Tracking No. YH-2022-0208
Eversource Missouri West, Inc.

FROM: Matthew J. Barnes, Lead Senior Regulatory Auditor
Water, Sewer, & Steam Department

/s/ Matthew J. Barnes 02/10/2022 /s/ Karen Bretz 02/10/2022
Lead Senior Regulatory Auditor / 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 2021 to the Quarterly Cost Adjustment Rider – Steam of Eversource Missouri West, Inc. d/b/a Eversource Missouri West to go into effect on March 1, 2022.

DATE: February 10, 2022

On January 18, 2022, Eversource Missouri West, Inc. d/b/a Eversource Missouri West (“EMW”) filed with the Missouri Public Service Commission (“Commission”) the following tariff sheet, bearing an effective date of March 1, 2022:

P.S.C. MO. No. 1
51st Revised Sheet No. 6.10 Cancelling 50th Revised Sheet No. 6.10.

This tariff filing revises the Quarterly Cost Adjustment Rate (“QCA Rate”) for the fourth quarter of 2021. 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 fourth quarter of 2021.

On January 19, 2022, the Commission directed Staff to file a recommendation on the pending tariff no later than February 10, 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 fourth quarter of 2021, effective for the billing period of March 1, 2022 through May 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)	Q1 2021	6/1/2021	12	5/31/2022	\$ 0.0911	Q1 2021	\$ 0.0004	\$ (0.3425)	\$ 279.30
(2)	Q2 2021	9/1/2021	12	8/31/2022	\$ (0.0616)	Q2 2021	\$ 0.0015	\$ (0.2369)	\$ 105.60
(3)	Q3 2021	12/1/2021	12	11/30/2022	\$ 0.3822	Q3 2021	\$ (0.0002)	\$ 0.3389	\$ 575.80
(4)	Q4 2021	3/1/2022	12	2/28/2023	\$ 0.2229	Q4 2021	\$ 0.0017	\$ 0.6380	\$ 299.10
					\$ 0.6346		\$ 0.0034		
					Monthly QCA¹				
(5)	Q4 2021	3/1/2022	3	5/31/2022	\$ 0.6380				

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 \$0.6380, compared to the current Monthly QCA Rate of \$0.3389 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 fourth quarter 2021 reflects an increase of \$838,980 in adjusted fuel costs, when compared to the same fuel costs for the Monthly QCA Rate for the fourth quarter 2020. 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 \$25,146 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.

¹ Natural gas cost approximately \$5.16 per MMBtu in fourth quarter 2021, compared to approximately \$2.66 per MMBtu in fourth quarter 2020.

² The R Factor in this filing is a comparison of the balance of the Reconciliation amount per QCA period from 2nd Quarter 2019 through the 3rd Quarter 2020.

Customer Billing Comparison

The following table compares, per thousand MMBtu, the proposed cost for customers receiving steam service for the period March 1, 2022 through May 31, 2022³ to the current period of December 1, 2021 through February 28, 2022⁴:

Q3 2021 Billing	Q4 2021 Billing	Difference
\$ 575.80	\$ 299.10	\$ (276.70)

The previous three QCA Rates and R Factor, rates added to this proposed QCA Rate and R Factor rate, results in a decrease of a steam customer's bill of \$276.70 for every thousand MMBtu for the billing period March 1, 2022 through May 31, 2022, compared to the third quarter billing period.

Staff Recommendation

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

P.S.C. MO. No. 1
51st Revised Sheet No. 6.10 Canceling 50th 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, 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 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.

³ \$0.6360 per MMBtu.

⁴ \$0.3389 per MMBtu.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.,)
d/b/a Evergy Missouri West Tariffs Changing)
the Steam QCA for Service Provided to)
Customer's in Service Territory)

File No. HT-2021-0351
Tracking No. YH-2022-0208

AFFIDAVIT OF MATTHEW J. BARNES

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Matthew J. Barnes, 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, under penalty of perjury.

Further the Affiant sayeth not.

Matthew J. Barnes
Matthew J. Barnes

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 10th day of February, 2022.

Dianna L. Vaught
Notary Public

