

**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	)	<b><u>File No. HT-2020-0326</u></b>
Changing the Steam QCA for Service	)	Tariff No. JH-2021-0009
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 July 15, 2020, Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW"), filed a tariff sheet, 45<sup>th</sup> Revised Sheet No. 6.10, Canceling 44<sup>th</sup> Revised Sheet No. 6.10, providing its current Quarterly Cost Adjustment ("QCA") pursuant to 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.

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

3. On July 15, 2020, the Commission directed Staff to file a recommendation regarding the proposed tariff sheet no later than August 14, 2020.

4. The proposed tariff sheet reflects a negative charge per million British Thermal Units ("BTU") of (\$1.3082)<sup>1</sup> as compared to a negative charge per million BTU of (\$1.6023) that was reflected on the previous Tariff Sheet No. 6.10.

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<sup>1</sup> A "(bracketed amount)" represents a credit to the customer. The credit is also referred to as a "negative charge" as reflected by the brackets.

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

- a. A \$155,149 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 \$109,147 when compared to the same quarter last year.

5. For a steam service customer, this would mean an increase of approximately \$294.10 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 EMW related to its proposed tariff sheet and has determined that such calculations are correct and satisfy the standards set forth in EMW's Tariff Sheet Nos. 6.6 through 6.10.

6. Staff has verified that EMW 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 EMW'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 EMW on July 15, 2020, to go into effect on and after September 1, 2020:

P.S.C. MO. No. 1  
45th Revised Sheet No. 6.10 Canceling 44<sup>th</sup> Revised Sheet No. 6.10

Respectfully submitted,

**/s/ Jamie S. Myers**

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Missouri Bar No. 68291  
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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 14<sup>th</sup> day of August 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-2021-0009  
Evergny Missouri West, Inc. formerly KCP&L Greater  
Missouri Operations Company

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

/s/ Robin Kliethermes 8/14/2020  
Regulatory Compliance Manager/Date

/s/ Jamie Myers 8/14/2020  
Staff Counsel Division / Date

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

**DATE:** August 14, 2020

On July 15, 2020, Evergny Missouri West, Inc. d/b/a Evergny Missouri West (“EMW”) filed with the Commission one (1) tariff sheet for steam service to add the quarterly cost adjustment (“QCA”) for the second quarter of 2020. The adjustment is required by Evergny 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-2018-0231<sup>1</sup>.

EMW’s filing included the proposed tariff sheet and supporting work papers consisting of electronic worksheets showing EMW’s calculation of the QCA for the second quarter of 2020.

On July 15, 2020, the Commission directed Staff to file a recommendation on the pending tariff no later than August 14, 2020.

The procedure for the calculation of the QCA for steam service sales is set out in EMW’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.

The QCA Rider for this 45<sup>th</sup> revision of Tariff Sheet No. 6.10 reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.3082) as compared to a negative charge per million BTU of (\$1.6023) that was reflected on the previous revision of Tariff Sheet No. 6.10.

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<sup>1</sup> Tariff Sheets effective on or after January 1, 2020, as a result of Case No. HR-2018-0231, no longer include Coal Performance Standards.

For a steam service customer, this would mean an increase of approximately \$294.10 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 \$155,149 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 \$109,147 when compared to the same quarter last year.

Staff reviewed the data and mathematical calculations EMW provided in its worksheets and found EMW's calculations related to the filed tariff sheet to be 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 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 September 1, 2020, the requested effective date:

**P.S.C. MO. No. 1**

45th Revised Sheet No. 6.10 Canceling 44th Revised Sheet No. 6.10

Staff has verified that EMW 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 EMW'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.                    )  
d/b/a Every Missouri West's Tariffs Changing the        )  
Steam QCA for Service Provided to Customers            )  
In the Service Territory                                            )  
**File No. HT-2020-0326**

**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 to Approve Tariff Sheet, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Nancy L. Harris  
Nancy L. Harris

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**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 to Approve Tariff Sheet, 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.

/s/ Michael L. Stahlman  
Michael L. Stahlman