

**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-2021-0351</u>
Changing the Steam QCA for Service)	Tariff No. JH-2021-0183
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, 2021, Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW"), filed a tariff sheet, 48th Revised Sheet No. 6.10, Canceling 47th 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 April 19, 2021, the Commission directed Staff to file a recommendation regarding the proposed tariff sheet no later than May 14, 2021.

4. On April 21, 2021, EMW filed a substitute tariff sheet and updated supporting workpapers that reflected a March 2021 fuel cost reduction that was not known at the time of EMW's April 15, 2021 filing.

5. The proposed tariff sheet reflects a negative charge per million British Thermal Units ("BTU") of (\$0.3425)¹ as compared to a negative charge per million

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.

BTU of (\$0.6218) that was reflected on the previous Tariff Sheet No. 6.10. 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 \$465,255 increase in the quarterly adjusted fuel costs when compared to the same quarter last year; and
- b. An increase of the Reconciliation Rate ("R Factor") component of \$25,371 when compared to the same quarter last year.

6. For a steam service customer, this would mean an increase of \$279.30 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 substitute 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.

7. 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 substitute tariff sheet as filed by EMW on April 21, 2021, to go into effect on and after June 1, 2021:

P.S.C. MO. No. 1
48th Revised Sheet No. 6.10 Canceling 47th Revised Sheet No. 6.10

Respectfully submitted,

/s/ Jamie S. Myers

Jamie S. Myers

Associate Counsel

Missouri Bar No. 68291

Attorney for the Staff of the

Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 526-6036 (Telephone)

(573) 751-9285 (Fax)

jamie.myers@psc.mo.gov

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 2021, to all counsel of record.

/s/ Jamie S. Myers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. HT-2021-0351 and Tariff Tracking No. JH-2021-0183
Evergy Missouri West, Inc. d/b/a Evergy Missouri West

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

/s/Robin Kliethermes 05/14/2021 /s/Jamie S. Myers 05/14/2021
Regulatory Compliance Manager/Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve the Tariff Sheet Filed to Add the Quarterly Cost Adjustment for the First Quarter of 2021 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, 2021, or to go into effect by operation of law that same date.

DATE: May 14, 2021

On April 15, 2021, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”) filed with the Commission one (1) tariff sheet for steam service to add the quarterly cost adjustment (“QCA”) for the first quarter of 2021. The adjustment is required by EMW’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-2018-0231.¹

Evergy Missouri West, Inc.’s filing included the proposed tariff sheet and supporting work papers consisting of electronic worksheets showing EMW’s calculation of the QCA for the first quarter of 2021. This filing was revised by EMW on April 21, 2021 to reflect a March 2021 fuel cost reduction that was not known at the time of the original filing. A substitute tariff sheet and updated supporting work papers were also submitted on April 21, 2021.

On April 19, 2021, the Commission directed Staff to file a recommendation on the pending tariff no later than May 14, 2021.

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

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

Adjustment (“CQCA”), the Reconciliation Rate or “R factor” plus any applicable reconciling adjustments.

The QCA Rider for this 48th revision of Tariff Sheet No. 6.10 reflects a negative charge per million British Thermal Units (“BTU”) of (\$0.3425) as compared to a negative charge per million BTU of (\$0.6218) that was reflected on the previous revision of Tariff Sheet No. 6.10.

For a steam service customer, this would mean a billing credit reduction which is effectively a billing increase of \$279.30 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 an increase of \$465,255 in the quarterly adjusted fuel costs when compared to the same quarter last year. The Reconciliation Rate or R factor component reflects an increase of \$25,371 when compared to the same quarter last year.²

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 June 1, 2021, the requested effective date:

P.S.C. MO. No. 1
48th Revised Sheet No. 6.10 Canceling 47th 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 and R factor adjustments outlined above and is not indicative of the prudence of the fuel costs included in the QCA.

² A two week natural gas curtailment during February, a tube leak, and coal mill issues all contributed to increased fuel costs for the first quarter of 2021.

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d/b/a Evergy Missouri West Tariffs Changing)	<u>Case No. HT-2021-0351</u>
the Steam QCA for Service Provided to)	Tariff No. JH-2021-0183
Customers 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 declares 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 the Affiants sayeth not.

/s/ Nancy L. Harris
NANCY L. HARRIS

/s/ Michael L. Stahlman
MICHAEL L. STAHLMAN