

**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 )	<b><u>File No. HT-2022-0284</u></b>
the Steam QCA for Service Provided to )	Tariff No. JH-2023-0017
Customers in its Service Territory )	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET**

**COMES NOW** the Staff of the Missouri 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 (EMW) filed on July 15, 2022 to increase its Quarterly Cost Adjustment (QCA) Rate for the second quarter of 2022.

1. On July 15, 2022, EMW filed one proposed tariff sheet, bearing an effective date of September 1, 2022, to revise its second quarter 2022 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 53rd Revised Sheet No. 6.10 Canceling P.S.C. MO. No. 1, 52nd Revised Sheet No. 6.10. The Commission assigned this Tariff No. JH-2023-0017.

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

3. On July 15, 2022, the Commission directed Staff to file a recommendation regarding the proposed tariff sheets by August 11, 2022.

4. EMW proposes a QCA Rate of \$1.9315 per Million British Thermal Unit (MMBtu), which is a \$0.8448 increase over the currently effective QCA Rate of \$1.0867 per MMBtu. This proposed QCA Rate will apply during the second quarter of 2022, which

is EMW's billing period of September 1, 2022 through November 30, 2022.

5. This proposed QCA Rate for the second quarter of 2022 reflects an increase of \$2,270,483 increase in adjusted fuel costs, compared to the same fuel costs for the second quarter 2021. Lisa Starkebaum, Manager of Regulatory Affairs at EMW, 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 second quarter of 2022, compared to the same time period in 2021.

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 fourth quarter of 2019 through the first quarter of 2021. The R Factor for this QCA Rate is a decrease of \$11,485, compared to the second quarter of 2021.

7. The previous three QCA Rates and R Factors, added to this proposed QCA Rate and R Factor, would result in an increase of a steam customer's bill of \$396.10 for every thousand MMBtu used during the second quarter of 2022 billing period, compared to the first quarter of 2022 billing period, which is June 1, 2022 through August 31, 2022.

8. As more fully detailed in Staff's attached *Memorandum*, attached hereto, Staff reviewed EMW's data and calculations and determined that they are correct and satisfy the standards in EMW's tariff Sheet Nos. 6.6 through 6.10. Staff recommends that the Commission issue an order approving EMW's proposed tariff sheet P.S.C. MO. No. 1 53rd Revised Sheet No. 6.10 Canceling P.S.C. MO. No. 1, 52nd Revised Sheet No. 6.10.

9. Staff verified that EMW filed its Annual Report and is current on submission of its surveillance monitoring reports. 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 new QCA Rate 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 Rate.

**WHEREFORE**, Staff recommends that the Commission approve the following proposed tariff sheet EMW filed July 15, 2022, to go into effect September 1, 2022:

P.S.C. MO. No. 1  
53rd Revised Sheet No. 6.10 Canceling 52nd Revised Sheet No. 6.10

Respectfully submitted,

**/s/ Karen E. Bretz**

Karen E. Bretz  
Deputy Director  
Missouri Bar No. 70632  
Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
573-751-5472 (Voice)  
573-751-9285 (Fax)  
[Karen.Bretz@psc.mo.gov](mailto:Karen.Bretz@psc.mo.gov)

**CERTIFICATE OF SERVICE**

I certify that copies of the foregoing have been electronically mailed to all parties and/or counsel of record on this 26th day of July, 2022.

**/s/ Karen E. Bretz**

# MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File No. HT-2022-0284  
and Tariff Tracking No. JH-2023-0017

**FROM:** Keri Roth, Senior Research/Data Analyst, Water, Sewer & Steam Department

/s/ Keri Roth                      07/26/2022                      /s/ Karen Bretz    07/26/2022  
Senior Research/Data Analyst / Date                      Staff Counsel Division / Date

**SUBJECT:** Quarterly Cost Adjustment for the Second Quarter of 2022 to the Quarterly Cost Adjustment Rider – Steam of Evergy Missouri West, Inc. d/b/a Evergy Missouri West

**DATE:** July 26, 2022

On July 15, 2022, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”) filed with the Missouri Public Service Commission (“Commission”) the following tariff sheet, bearing an effective date of September 1, 2022:

P.S.C. MO. No. 1

53<sup>rd</sup> Revised Sheet No. 6.10 Canceling 52<sup>nd</sup> Revised Sheet No. 6.10

This tariff filing revises the Quarterly Cost Adjustment Rate (“QCA Rate”) for the second quarter of 2022. 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 second quarter of 2022.

On July 15, 2022, the Commission directed Staff to file a recommendation on the pending tariff no later than August 11, 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 second quarter of 2022, effective for the billing period of September 1, 2022 through November 30, 2022:

**APPENDIX A**

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)	Q3 2021	12/1/2021	12	11/30/2022	\$ 0.3822	Q3 2021	\$ (0.0002)	\$ 0.3389	\$ 575.80
(2)	Q4 2021	3/1/2022	12	2/28/2023	\$ 0.2229	Q4 2021	\$ 0.0017	\$ 0.6380	\$ 299.10
(3)	Q1 2022	6/1/2022	12	5/31/2023	\$ 0.5391	Q1 2022	\$ 0.0011	\$ 1.0867	\$ 448.70
(4)	Q2 2022	9/1/2022	12	8/31/2023	\$ 0.7874	Q2 2022	\$ (0.0027)	\$ 1.9315	\$ 844.80
					<b>\$ 1.9316</b>		<b>\$ (0.0001)</b>		
					<b>Monthly QCA<sup>1</sup></b>				
(5)	Q2 2022	9/1/2022	3	11/30/2022	<b>\$ 1.9315</b>				

<sup>1</sup> 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 \$1.9315, compared to the current Monthly QCA Rate of \$1.0867 per MMBtu.

**Comparison to the Monthly QCA Rate for the Same Quarter of the Previous Year**

The proposed Monthly QCA Rate for the second quarter 2022 reflects an increase of \$2,270,483 in adjusted fuel costs, when compared to the same fuel costs for the Monthly QCA Rate for the second quarter 2021. This increase is primarily due to the increase in natural gas prices since the same quarter the prior year.<sup>1</sup> The Reconciliation Rate component or “R Factor” reflects a decrease of \$11,485 when compared to the same quarter last year.<sup>2</sup>

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.

**Customer Billing Comparison**

The following table compares, per thousand MMBtu, the proposed cost for customers

<sup>1</sup> Natural gas cost approximately \$7.17 per MMBtu in second quarter 2022, compared to approximately \$2.83 per MMBtu in second quarter 2021.

<sup>2</sup> The R Factor in this filing is a comparison of the balance of the Reconciliation amount per QCA period from fourth quarter 2019 through first quarter 2021.

receiving steam service for the period September 1, 2022 through November 30, 2022<sup>3</sup> to the current period of June 1, 2022 through August 31, 2022<sup>4</sup>:

<b>Q1 2022 Billing</b>	<b>Q2 2022 Billing</b>	<b>Difference</b>
\$448.70	\$ 844.80	\$ 396.10

The previous three QCA rates and R Factor rates, added to this proposed QCA Rate and R Factor rate, results in an increase of a steam customer's bill of \$396.10 for every thousand MMBtu for the billing period September 1, 2022 through November 30, 2022, compared to the 2022 first quarter billing period.

**Staff Recommendation**

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

P.S.C. MO. No. 1

53<sup>rd</sup> Revised Sheet No. 6.10 Canceling 52<sup>nd</sup> 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. 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.

---

<sup>3</sup> \$1.9315 per MMBtu.

<sup>4</sup> \$1.0867 per MMBtu.

