

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

In the Matter of the Prudence Review)
of the Steam Operations of Evergy Missouri,)
West, Inc. d/b/a Evergy Missouri West)

File No. HO-2023-0XXX

STAFF’S NOTICE OF START OF PRUDENCE REVIEW

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Notice of Start of Prudence Review, respectfully states as follows:

1. The tariff of Evergy Missouri West, Inc. d/b/a Every Missouri West (“EMW” or “Company”) provides EMW with a rate adjustment mechanism to reflect changes in fuel costs for its steam systems, permitting quarterly adjustments identified as Quarterly Cost Adjustments (“QCA”).

2. EMW’s tariff, under P.S.C. MO. No. 1, 1st Revised Sheet Nos. 6.8 and 6.9 (see attached Exhibit A), provides as part of its operations a two-step approach regarding prudence reviews of its implementation of the QCA.

3. Under Step 1, Staff will review to ascertain (A) that the concept of aligning of Company and customers’ interests is working as intended, and (B) that no significant level of imprudent costs is apparent.

4. In consideration of Step 1 results, and if deemed necessary, Staff may proceed with Step 2, which is a full prudence review.

5. The full prudence review is to be completed no later than 225 days after the end of the year, which in this instance would be August 13, 2023.

6. Pursuant to Step 1, Staff reviewed the Company’s financials regarding the QCA increases and ascertained that it was not apparent that no significant level of imprudent costs existed, and notified EMW on or around March 15, 2023.

7. Following its ascertainment, Staff has determined that a full prudence review under Step 2 is necessary, and plans to conduct a prudence review of the costs and revenues associated with EMW's steam operations for the period of January 1, 2022 through December 31, 2022.

8. Staff may change its examination approach during this review, and in any future prudence reviews, based on the particular circumstances existing at the time of the review. Staff's Water, Sewer, and Steam Department is responsible for this prudence review. Staff plans to file its recommendation at the conclusion of its prudence review covering the following topics, though Staff reserves the right to expand the scope of this prudence review based upon the information uncovered during its review:

Section 1: Standard of Prudence

A. The standard requires documentation and includes other Commission principles as appropriate.

Section 2: Audit Scope

A. Presently Known Areas to Review

1. Fuel Costs: Coal

WHEREFORE, the Staff of the Missouri Public Service Commission hereby provides notice that it started its prudence review of Evergy Missouri West's steam operations on April 14, 2023, for the review period of January 1, 2022 through December 31, 2022, and that it plans to file a recommendation regarding Staff's examination and analysis in this case no later than August 13, 2023.

Respectfully Submitted,

/s/ Travis J. Pringle

Travis J. Pringle

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 14th day of April, 2023.

/s/ Travis J. Pringle