

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

In the Matter of the Application of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri)
West for a Financing Order Authorizing the) File No. EF-2022-0155
Financing of Extraordinary Storm Costs)
Through an Issuance of Securitized Utility)
Tariff Bonds)

MECG STATEMENT OF POSITION

COMES NOW, the Midwest Energy Consumers Group, (“MECG”) and submits its statement of position:

Issue 4: How should the Securitized Utility Tariff Charge (“SUTC”) be allocated?

Position:

Any securitized costs approved should be allocated among retail customer classes using the method as proposed in the Company’s direct testimony of Bradley Lutz (customer class revenue allocations adopted by the Commission in EMW’s most recently concluded general rate proceeding, ER-2018-0146).¹ This method is consistent with the provisions of the securitization statute discussing allocation among retail customer classes at Section 393.1700.2(3)(c)h, RSMo.:

A financing order issued by the commission, after a hearing, to an electrical corporation shall include all of the following elements:

...

h. How securitized utility tariff charges will be allocated among retail customer classes. The initial allocation shall remain in effect until the electrical corporation completes a general rate proceeding, and once the commission's order from that general rate proceeding becomes final, all subsequent applications of an adjustment mechanism regarding securitized utility tariff charges shall incorporate changes in the allocation of costs to customers as detailed in the commission's order from the electrical corporation's most recent general rate proceeding;²

¹ Lutz Direct, pp. 8-9.

² Section 393.1700.2(3)(c)h, RSMo.

To comply with this provision, Evergy's initial testimony asked that the Commission allocate the revenue requirement to each of the Company's rate classes based on customer class revenue allocations from the most recent general rate case. Specifically, in its Direct testimony, the Company allocated the total first year revenue requirements to each of the Company's rate classes based on the class revenues set at the conclusion of ER-2018-0146, the Company's last general rate proceeding. Then, the Company used the energy billing determinants from the conclusion of the ER-2018-0146 case to calculate the class per kWh Charge for each class, dividing total class securitization revenue requirement for each customer rate class by the kWh sales for that customer rate class.³

However, in its Surrebuttal testimony, the Company has acquiesced to the Staff's proposal to treat the SUTC as a fuel adjustment clause ("FAC") charge. The Commission should reject this approach. This is not an FAC case; it is a securitization case. The language of the securitization statute talks about the allocation of costs and subsequent adjustments in the context of how those allocations would be done in a "general rate proceeding." Only the approach presented in the Company's direct testimony satisfies that requirement.

MECG agrees that all customers should pay a portion of the securitized charges under Section 393.1700.1 RSMo. The Commission should order the Company to develop rates for each customer class using the methodology from its direct testimony. With that change, the method of allocation proposed by the Company in direct testimony remains reasonable, consistent with the statute, and should be adopted by the Commission.

³ Lutz Direct, pp. 8-9.

Remaining Issues

MECG does not currently have a position on these issues, but reserves the right to base a final position on the evidence presented at hearing. MECG supports the approval of securitized utility tariff bonds only to the extent that there are quantifiable present value benefits of securitizing the costs compared to traditional ratemaking.

WHEREFORE, MECG respectfully submits its statement of position.

Respectfully,

/s/ Tim Opitz

Tim Opitz, Mo. Bar No. 65082

Opitz Law Firm, LLC

308 E. High Street, Suite B101

Jefferson City, MO 65101

T: (573) 825-1796

tim.opitz@opitzlawfirm.com

ATTORNEY FOR MIDWEST
ENERGY CONSUMERS GROUP

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 26th day of July 2022:

/s/ Tim Opitz
