

**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)	<u>File No. ER-2023-0210</u>
West for Authority to Implement Rate)	Tracking No. JE-2023-0117
Adjustments Required by)	
20 CSR 4240-20.090(8) and the Company’s)	
Approved Fuel and Purchased Power Cost)	
Recovery Mechanism)	

NON-UNANIMOUS STIPULATION AND AGREEMENT

COME NOW, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”, “Evergy”, or the “Company”), Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), and the Office of the Public Counsel (“OPC”) (collectively, “Signatories”) by and through their respective counsel, and for their *Non-Unanimous Stipulation and Agreement* (“Stipulation”), respectfully state to the Commission:

BACKGROUND

1. On December 30, 2022, EMW submitted direct testimony and a revised tariff sheet proposing a revised fuel adjustment rate and bearing an effective date of March 1, 2023. Also on December 30, 2022, EMW initiated a rate adjustment mechanism true-up, to be included in the proposed fuel adjustment rate. EMW submitted a substitute tariff sheet on January 18. On January 30, the Staff filed its recommendation, in which it recommended approval of the tariff sheet as substituted.

2. On February 8, OPC filed a response to the tariff sheet and staff recommendation, objecting to EMW’s proffered rate schedule. OPC argued that of the \$104.2 million EMW seeks to recover as fuel and purchased power adjustment (“FPA”) costs, \$85,420,087 of this amount represents extraordinary costs that should instead be deferred for consideration in a later rate case pursuant to 20 CSR 4240-20.090(8)(A)2.A(XI).

3. On February 22, 2023, the Commission rejected the tariff revision, Tracking No. JE-2023-0117, suspended the timeline for the fuel adjustment rate (“FAR”) filing in this case, set a date for a prehearing conference, and ordered the parties to propose a procedural schedule.

4. At a prehearing conference on March 13, 2023, the Commission ordered the parties to make a filing no later than March 17, 2023, as to whether the parties had come to an agreement regarding the amount “not in question” to be included in an interim adjusted FAR. On March 17, 2023, OPC filed its Motion Regarding Amount not in Question in which it made an interim FAR rate proposal. The Staff and EMW filed separate responses to OPC’s interim FAR rate proposal, each indicating that no agreement had been reached regarding what part of the proposed adjustment is not in question.

5. On March 17, 2023, EMW, Staff and OPC filed a joint proposed schedule and an amended joint proposed procedural schedule which was adopted by the Commission.

6. The proposed FAR rates were contested by OPC, and placed all amounts of EMW’s proposal greater than \$18,755,192 in question. On April 12, 2023, the Commission directed EMW to file tariff sheets to implement proposed interim FAR rates in the amount that was not now in question until the Commission approves new Fuel Adjustment Rates. On April 17, 2023, EMW filed the interim tariffs, as directed by the Commission.

7. Following the filing of testimony, EMW, Staff, and OPC entered into discussions to determine if the matter could be resolved.

8. The Signatories agree to the following terms and conditions regarding the revised tariffs filed by EMW, which will resolve this case in its entirety upon approval of compliance tariffs filed in conformance herewith.

AGREEMENTS

9. The current tariff sheet 127.23 will not be modified so that the “FPA Subject to Recover in True-Up” is \$18,755,192. This \$18,755,192 will consist of:

True-Up Amount	220,443
Interest	2,510,702
Prudence Adjustment Amount	(48,796)
31 st AP Costs Recovered	16,072,843
TOTAL	18,755,192

10. The FAR, which should be \$0.00211/ kWh, will be calculated using the annual usage of 8,886,493,752 kWh.

11. EMW will leave this current tariff sheet in effect until the AP32 tariff sheets become effective.

12. The remaining AP31 costs of \$85,420,087 (which is after application of 95% customer responsibility percentage) will be included in the filing to change the FAR for AP32.

- Using Evergy’s estimations for AP32, this should not result in the Company hitting the 3% overall rate PISA cap.
- If this causes AP32 to hit the PISA cap, then the amount above the PISA cap will instead be deferred, with short-term interest, until the FAR changes for recovery of costs for AP33.
- Using Evergy’s estimations for AP32, this does result in an exceedance of the 2% large power rate PISA cap.
- The amount that results from the exceedance of the 2% large power cap will be deferred for all customers (estimated to be approximately \$40 million in AP32 filing), with short-term interest, until the FAR changes for recovery of costs for AP33.

Interest will be included using the current interest rate specified in the FAC tariff.

13. The True-up periods for AP31, AP32, and AP33 will follow the normal calculation in its appropriate periods (AP34, AP35, AP36) based on the agreed amounts above.

14. The Signatories request the Commission provide an opportunity to present this Stipulation to the Commission on the record.

15. The Signatories agree that each party's pre-filed testimony will be offered for acceptance onto the evidentiary record.

16. No non-signatory parties have indicated that they object to the Stipulation.

17. The following non-signatory parties have indicated that they do not object:

- City of St. Joseph, Missouri
- Dogwood Energy, LLC
- Renew Missouri
- Sierra Club

GENERAL PROVISIONS

18. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the testimony of their witnesses, and the witnesses of the parties who do not oppose this Stipulation, on the issues that are resolved by this Stipulation.

19. This Stipulation is being entered into solely for the purpose of settling the issues in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, method of cost determination or cost allocation or revenue-related methodology.

20. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same.

21. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

22. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

23. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.090 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

24. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues in this case explicitly set forth above, all pre-filed testimony will be offered into the record as exhibits, and the Signatories each waive their respective rights to call, examine and cross-examine witnesses pursuant to RSMo. §536.070(2), to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §386.500, and their respective rights to judicial review pursuant to §386.510. This

waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

25. The Signatories shall also have the right to provide, at any agenda meeting or an On-the-Record presentation which this *Stipulation* is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that each Signatory shall, to the extent reasonably practicable, provide the other parties with advance notice of the agenda meeting or On-the-Record presentation for which the response is requested. Signatory's oral explanations shall be subject to public disclosure, except to the extent they refer to matters that are privileged or protected from disclosure pursuant to the Commission's rules on confidential information.

26. This Stipulation does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the Stipulation's approval. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

WHEREFORE, the Signatories respectfully request the Commission to issue an order in this case approving this Stipulation subject to the specific terms and conditions contained herein.

Respectfully submitted,

/s/ Roger W. Steiner

Roger W. Steiner, MBN 39586
Evergy, Inc.
1200 Main Street
Kansas City, MO 64105
Phone: (816) 556-2791
Fax: (816) 556-2787
roger.steiner@evergy.com

James M. Fischer, MBN 27543
Fischer & Dority, P.C.
101 Madison, Suite 400
Jefferson City, MO 65101
Phone: (573) 353-8647
jfischerpc@aol.com

**ATTORNEYS FOR EVERGY
MISSOURI WEST**

/s/ John Clizer

John Clizer (#69043)
Senior Counsel
Missouri Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102
Telephone: (573) 751-5324
Facsimile: (573) 751-5562
E-mail: john.clizer@opc.mo.gov

**ATTORNEY FOR OFFICE OF THE
PUBLIC COUNSEL**

/s/ Casi Aslin

Casi Aslin
Missouri Bar No. 67934
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8517 (Telephone)
(573) 751-9285 (Fax)
casi.aslin@psc.mo.gov (e-mail)

ATTORNEY FOR STAFF

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to the counsel or record for all parties this 21st day of June 2023.

/s/ Roger W. Steiner _____

Roger W. Steiner