

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 24<sup>th</sup> day of August, 2022.

In the Matter of the Application of Evergy	)	
Missouri West, Inc. d/b/a Evergy Missouri	)	
West for Authority to Implement Rate	)	<b><u>File No. ER-2023-0011</u></b>
Adjustments Required by 20 CSR 4240-	)	Tracking No. JE-2023-0005
20.090(8) and the Company's Approved	)	
Fuel and Purchased Power Cost Recovery	)	
Mechanism	)	

**ORDER REJECTING TARIFF TO CHANGE FUEL ADJUSTMENT RATES**

Issue Date: August 24, 2022

Effective Date: August 24, 2022

On July 1, 2022, Evergy Missouri West, Inc. d/b/a Evergy Missouri West filed a tariff sheet proposing to revise its fuel adjustment rate in its tariffed fuel adjustment clause (FAC) as provided by Commission Rule 20 CSR 4240-20.090(8). Evergy Missouri West proposes to set the fuel adjustment rate per kilowatt hour (kWh) to \$0.00157 for the Accumulation Period ending May 2022 and the Recovery Period ending February 2022, effective September 1, 2022.

Commission Rule 20 CSR 4240-20.090(8) governs fuel and purchased power cost recovery mechanisms for electric utilities. That rule requires Evergy Missouri West to make periodic FAC filings that are designed to allow the Commission to review the actual total energy costs that the company has incurred during an Accumulation Period. In addition, these periodic filings are designed to adjust the FAC rates up or down, to reflect the actual energy costs incurred during the Accumulation Period. Evergy Missouri West's FAC tariff calls for two annual filings: a filing covering the six month Accumulation Period

running from December through May; and, a second filing covering the Accumulation Period running from June through November. Any increases or decreases in rates approved by the Commission, or that take effect by operation of law, are then collected from or refunded to customers over a subsequent twelve-month recovery period.

Evergy Missouri West provided testimony that for Accumulation Period 30 from December 2021 through May 2022, Evergy Missouri West's actual total energy costs eligible for the FAC were under-collected by approximately \$46 million.<sup>1</sup> Under normal circumstances, Evergy Missouri West would file a FAC rate tariff designed to recover 95 percent of the energy cost differences, or approximately \$43.7 million, plus approximately \$562,000 in interest.<sup>2</sup> However, due to "extraordinary costs" resulting from the February 2021 cold weather event (Winter Storm Uri), Evergy Missouri West is seeking approval to defer collection of \$31 million of its total energy costs until its next general rate case.<sup>3</sup>

Concurrent with its fuel adjustment rate filing, Evergy Missouri West submitted a FAC true-up filing in File No. EO-2023-0010 that identified an under-collection of \$351,155 (\$522,660 under-collected actual fuel costs, less an ordered adjustment/refund of \$160,892 plus \$10,613 interest related to Evergy Missouri West's 9<sup>th</sup> FAC prudence review, File No. EO-2020-0262) for Recovery Period 27 of Evergy Missouri West's FAC.

On July 28, 2022, Staff recommended the Commission issue an order rejecting the proposed revised tariff sheet and direct Evergy Missouri West to file a substituted tariff

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<sup>1</sup> Direct Testimony of Lisa A. Starkebaum, (filed July 1, 2022), page 5.

<sup>2</sup> Direct Testimony of Lisa A. Starkebaum, (filed July 1, 2022), pages 5-6.

<sup>3</sup> Direct Testimony of Lisa A. Starkebaum, (filed July 1, 2022), page 10.

sheet that includes the \$31 million fuel costs that Evergy Missouri West as proposed to defer to a Plant in Service Accounting (PISA) regulatory asset.

On August 15, 2022, the Office of the Public Counsel (OPC) filed a pleading seeking summary determination on the question of whether any portion of the fuel and purchased power costs incurred by Evergy Missouri West during the FAC accumulation period under review in this matter should be deferred. In the alternative, the pleading requests an expedited procedural schedule that would ensure that this matter is decided before the December 6, 2022, expiration of the suspension of Evergy Missouri West's tariff sheets offered in its current rate case (File No. ER-2022-0130). Per Commission rule, the parties have until August 25, 2022, to respond to OPC's motion.

**THE COMMISSION ORDERS THAT:**

1. The proposed revised tariff sheet, assigned Tracking No. JE-2023-0005, is rejected.
2. The timeline of Evergy Missouri West's fuel adjustment rate filing in ER-2023-0011 is suspended.
3. A prehearing conference is scheduled for 3:00 p.m. on September 7, 2022, to be conducted by WebEx telephone and video conference. The WebEx link and access code will be distributed by email to all counsel of record.
4. The parties shall file a proposed procedural schedule no later than September 12, 2022.
5. Evergy Missouri West may file any revised tariff sheets necessary to implement interim fuel adjustment rates consistent with uncontested components of Evergy Missouri West's proposed fuel adjustment rates.

6. This order shall be effective on August 24, 2022.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff  
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and  
Kolkmeier CC., concur.

Seyer, Regulatory Law Judge


**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 24<sup>th</sup> day of August, 2022.**



  
**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**August 24, 2022**

**File/Case No. ER-2023-0011**

**Missouri Public Service Commission**

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**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

*Sincerely,*



**Morris L. Woodruff  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.