

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by telephone and internet audio conference on the 10<sup>th</sup> day of March, 2021.

In the Matter of the Application of Evergy )  
Missouri Metro, Inc. d/b/a Evergy Missouri ) **File No. EO-2021-0243**  
Metro Containing Its Semi-Annual Fuel )  
Adjustment Clause True-Up )

In the Matter of Evergy Metro, Inc. d/b/a Evergy )  
Missouri Metro for Authority to Implement Rate )  
Adjustments Required by 20 CSR 4240- ) **File No. ER-2021-0244**  
20.090(8) and the Company's Approved Fuel ) Tracking No. JE-2021-0155  
and Purchased Power Cost Recovery )  
Mechanism. )

**ORDER APPROVING THE ANNUAL FUEL ADJUSTMENT CLAUSE  
TRUE-UP FOR RECOVERY PERIOD 8, AND APPROVING A TARIFF  
FOR ACCUMULATION PERIOD 11**

Issue Date: March 10, 2021

Effective Date: April 1, 2021

On January 29, 2021, Evergy Metro, Inc., d/b/a Evergy Missouri Metro (Evergy Missouri Metro) submitted an application in File Number EO-2021-0243 concerning its eighth fuel adjustment clause (FAC) true-up filing for Recovery Period (RP) 8 to recognize an under-collection of \$996,289 from its customers. Also on January 29, 2021, Evergy Missouri Metro submitted one tariff sheet, tracking number JE-2021-0155, in File Number ER-2021-0244, to implement an adjustment to its Fuel and Purchased Power Adjustment Clause (FAC). The submitted tariff bears an effective date of April 1, 2021. The Fuel and Purchased Power Adjustment, subject to prudence review, is (\$2,188,900), representing the total requested decrease in the amount sought to be collected in customer FAC charges over the applicable recovery period.

The Commission directed notice of the filings and set an intervention deadline. No applications to intervene were received in either case. The Staff of the Commission (Staff) filed its recommendations in both cases on February 26, 2021, Commission rules allow parties ten days to respond to pleadings unless otherwise ordered. Ten days have elapsed and no party has objected to either recommendation.

### **FAC True-Up**

In its true-up filing in File Number EO-2021-0243, Evergy Missouri Metro reported an under-recovery from customers of \$996,289 during its RP8, which began October 1, 2019 and ended September 30, 2020. Based on its review and analysis of the information Evergy Missouri Metro filed and submitted for RP8, Staff determined that Evergy Missouri Metro's calculations for the true-up amount for RP8 are correct. Staff recommends the Commission approve Evergy Missouri Metro's true-up filing for RP8. The under-collection amount is included in Evergy Missouri Metro's proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2021-0244, for Accumulation Period 11, which began July 1, 2020, and ended December 31, 2020.

Neither the governing statute<sup>1</sup> nor any other law requires a hearing before approving an unopposed application.<sup>2</sup> The Commission acts on evidence that is not formally adduced because this is a non-contested case.<sup>3</sup> There is no evidentiary record.<sup>4</sup>

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<sup>1</sup> Section 386.266, RSMo 2016. This section provides for a hearing when the FAC is approved, modified or rejected. It does not require a hearing when semi-annual true-ups are filed by the company.

<sup>2</sup> Section 536.010(4), RSMo 2016, defines a contested case as "a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be determined after hearing." *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

<sup>3</sup> *State ex rel. Public Counsel v. Public Service Commission*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

<sup>4</sup> *State ex rel. Public Counsel v. Public Service Commission*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

Consequently, the Commission bases its decision on the parties' verified filings. Based on the Commission's review of the verified filings, the Commission will approve Evergy Missouri Metro's application and authorize Evergy Missouri Metro to include the calculated amounts in its next FAC accumulation period.

### **FAC Tariff**

With regard to Evergy Missouri Metro's request to approve its FAC tariff in File Number ER-2021-0244, the proposed rate schedules are designed to recover from customers 95 percent of the company's net fuel and purchased power cost increases or decreases. The testimony and work papers provided by Evergy Missouri Metro support its calculation of the Fuel and Purchased Power Adjustment (FPA) amount of (\$2,188,899), for AP11, which is the sum of:

1. 95% of the difference between the Actual Net Energy Cost and the Net Base Energy Cost for AP11, which is (\$2,989,240);<sup>5</sup>
2. The true-up amount for RP8 of \$996,289;<sup>6</sup>
3. The interest amount of \$3,156, which includes all interest for RP8 and AP11, as well as interest on the prudence adjustment and a correcting entry;<sup>7</sup> and,
4. The prudence adjustment amount of (\$199,104).<sup>8</sup>

Based on a monthly usage of 1,000 kWh per month, the change to the monthly Fuel Adjustment Rate (FAR) will result in a decrease of the FAR of a typical Evergy

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<sup>5</sup> Line 7 of proposed Tariff PSC MO No 7, 5<sup>th</sup> Revised Sheet No. 50.31 Canceling 4<sup>th</sup> Revised Sheet No. 50.31.

<sup>6</sup> Line 8 of proposed Tariff PSC MO No 7, 5<sup>th</sup> Revised Sheet No. 50.31 Canceling 4<sup>th</sup> Revised Sheet No. 50.31.

<sup>7</sup> Line 9 of proposed Tariff PSC MO No 7, 5<sup>th</sup> Revised Sheet No. 50.31 Canceling 4<sup>th</sup> Revised Sheet No. 50.31.

<sup>8</sup> Line 10 of proposed Tariff PSC MO No 7, 5<sup>th</sup> Revised Sheet No. 50.31 Canceling 4<sup>th</sup> Revised Sheet No. 50.31. Lisa A. Starkebaum explains in her testimony that this filing includes an ordered Prudence Adjustment credit of \$199,104 related to disallowed Montrose fuel costs. The Montrose Prudence Adjustment was directed in the *Order Approving Partial Stipulation and Agreement*, File No. EO-2020-0262.

Missouri Metro residential customer's bill by \$.67 per month, from \$.53 to (\$.14). This FAR will be in effect for Recovery Period 11, which is Evergy Missouri Metro's billing months of April 2021 through March 2022. Staff verified that Evergy Missouri Metro's actual fuel and purchased power costs match the fuel and purchased power costs included in the company's calculated rates set in the submitted tariff.

Per Staff's Recommendation, effective January 1, 2019, Evergy Missouri Metro elected to make plant in service accounting (PISA) deferrals permitted under Section 393.1400, RSMo, and further refined under Section 393.1655, RSMo (Supp. 2018).<sup>9</sup> Staff found there are no PISA adjustments impacting this FAR filing.

The Commission's rule regarding FACs requires the Commission to issue an order regarding the company's tariff within 60 days of its filing.<sup>10</sup> If the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo 2016, and the FAC mechanism established in the most recent general rate proceeding, the Commission is required to approve the rate adjustment or allow the proposed tariff implementing the adjustment go into effect by operation of law.<sup>11</sup>

The Commission has reviewed Evergy Missouri Metro's tariff filings and Staff's verified recommendations and memoranda and finds that the tariff sheet implementing the FAC rate adjustment is in compliance with the Commission's order establishing the FAC and with all applicable statutes and regulations. Therefore, the Commission will approve Evergy Missouri Metro's proposed tariff, effective April 1, 2021.

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<sup>9</sup> File No. EO-2019-0047.

<sup>10</sup> Commission Rule 20 CSR 4240-20.090(8)(H).

<sup>11</sup> Commission Rule 20 CSR 4240-20.090(8)(H).

Commission Rule 20 CSR 4240-20.090(4), requires an order be issued within 60 days of the tariff filing, which was January 29, 2021. Without Commission action, the tariff will become effective by operation of law on April 1, 2021. So that this order concerning the true-up amounts and the tariff are concurrently effective, this order will be made effective in less than thirty days.

**THE COMMISSION ORDERS THAT:**

1. The true-up amount for Recovery Period 8 is established for Evergy Missouri Metro as an under-collection of \$996,289 from its customers and shall be reflected in the rate adjustment in Commission File No. ER-2021-0244.

2. Giving due credit for the \$996,289 under-collection established in Commission File No. EO-2021-0243, applicable interest, and the prudence adjustment described in the body of this order, a Fuel Adjustment Amount of \$(2,188,899) is established, to be recovered in the FAR for Recovery Period 11, which is Evergy Missouri Metro's billing months of April 2021 through March 2022.

3. Evergy Missouri Metro's tariff filing, assigned Tariff Tracking Number JE-2021-0155, is approved to be effective April 1, 2021, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

**P.S.C. MO. No. 7**

5<sup>th</sup> Revised Sheet No. 50.31 Canceling 4<sup>th</sup> Revised Sheet No. 50.31

4. This order shall become effective on April 1, 2021.

5. These files shall close on April 2, 2021.



**BY THE COMMISSION**

*Morris L. Woodruff*

Morris L. Woodruff  
Secretary

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

Graham, Regulatory Law Judge