

Roger W. Steiner Corporate Counsel Telephone: 816-556-2314 Fax: 816-556-2787 roger.steiner@evergy.com

August 10, 2023

Ms. Nancy Dippell Secretary/Chief Regulatory Law Judge Missouri Public Service Commission 200 Madison Street, Suite 100 Jefferson City, MO 65102

Re: Substitute - Tariff Schedule to Adjust FAC Rate of Evergy Missouri West (Case No. ER-2023-0444)

Dear Ms. Dippell:

On June 30, 2023, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (formerly KCP&L Greater Missouri Operations Company or "KCP&L-GMO") or the "Company" filed proposed rate schedules to adjust charges related to the Company's approved Fuel Adjustment Clause ("FAC"), Case No. ER-2023-0444, for the 32nd accumulation period.

On July 31, 2023, Staff for the Missouri Public Service Commission ("Staff") filed its *Staff Recommendation for Rejection of Tariff Sheet* ("Recommendation") recommending the Commission issue an order rejecting the proposed tariff and direct Evergy Missouri West to file a substitute tariff sheet that includes a \$48,018.52 reduction in purchased power costs. This issue exists due to a difference in methodology between Evergy and Staff around Schedule SIL, in EO-2019-0244, and specific tracking of operations events at Nucor.

The Company is making this substitute tariff filing to include this reduction in purchased power expense and to only reflect the amount not now in question of \$124,394,491 in Actual Net Energy Costs ("ANEC") as detailed in Staff's Recommendation. The proposed rate schedule bears an issue date of June 30, 2023, and an effective date of September 1, 2023.

The Company also filed a true-up of its 29th accumulation period on June 30, 2023, Case No. EO-2023-0445. Staff filed its *Staff Recommendation to Approve True-Up Filing* on July 31, 2023 recommending the Commission approve Evergy Missouri West's true-up filing reflecting a total under-recovery of \$44,878,064. The true-up includes a settlement amount related to Missouri West's 31st accumulation period, Case No. ER-2023-0210. In a Non-Unanimous Stipulation and Agreement filed on June 21, 2023, parties agreed to include the amount of the 31st accumulation period Fuel and Purchased Power Adjustment (FPA) disputed balance of \$85,420,087 that does not exceed the 2% Large Power PISA cap in this 32nd accumulation period filing with the remainder included in the 33rd accumulation period filing. After performing the PISA calculations, the amount in additional FPA that was included in this 32nd accumulation period is \$45,262,522.

Copies of the proposed FAC-related rate schedules and all supporting materials described in this letter will be served electronically, this date, on the Commission's General Counsel, the Office of Staff Counsel, the Office of Public Counsel, and each party to Case No. ER-2022-0130.

Please provide a copy of all correspondence, notices, orders, and other communications that relate to this filing to the following as well as undersigned counsel:

Lisa A. Starkebaum Manager - Regulatory Affairs Evergy, Inc. 1200 Main Street – 19th Floor Kansas City, Missouri 64105 Phone: (816) 652-1277 Fax: (816) 556-2110 Email: <u>lisa.starkebaum@evergy.com</u>

Respectfully submitted,

|s| Roger W. Steiner

Roger W. Steiner Corporate Counsel

cc: Office of the General Counsel Office of Staff Counsel Office of the Public Counsel



Roger W. Steiner Corporate Counsel Telephone: 816-556-2314 Fax: 816-556-2787 roger.steiner@evergy.com

June 30, 2023

Ms. Nancy Dippell Secretary/Chief Regulatory Law Judge Missouri Public Service Commission 200 Madison Street, Suite 100 Jefferson City, MO 65102

Re: Tariff Schedule to Adjust FAC Rate of Evergy Missouri West

Dear Ms. Dippell:

Pursuant to 20 C.S.R. 4240-20.090(8) of the regulations of the Missouri Public Service Commission ("Commission"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West or the "Company" hereby submits proposed rate schedules to adjust charges related to the Company's approved Fuel Adjustment Clause ("FAC"). The proposed rate schedule bears an issue date of June 30, 2023, and an effective date of September 1, 2023.

This FAC tariff filing for the 32nd accumulation period covering December 2022 through May 2023, Evergy Missouri West's actual FAC includable costs exceeded the base energy costs included in base rates by approximately \$3.3 million. In accordance with the Commission's rule and the Company's approved FAC, Evergy Missouri West is filing the FAC tariff that provides for a change in rates to recover 95% of those cost changes, or approximately \$3.1 million. This amount is before true-up, interest or any other adjustments.

In addition, a true-up filing is being made concurrent with this filing covering the 29th accumulation period of June 2021 through November 2021 and its corresponding recovery period of March 2022 through February 2023. The proposed 29th accumulation period true-up amount results in an over-recovery of \$384,458 to be refunded to customers. However, also included in this true-up filing is a settlement amount related to Missouri West's 31st accumulation period, Case No. ER-2023-0210. In a Non-Unanimous Stipulation and Agreement filed on June 21, 2023, parties agreed to include the amount of the 31st accumulation period Fuel and Purchased Power Adjustment (FPA) disputed balance of \$85,420,087 that does not exceed the 2% Large Power PISA cap. After performing the PISA calculations, the amount in additional FPA that can be included in this 32nd accumulation period is \$45,262,522. Therefore, the total 29th accumulation period true-up filing amounts to \$44,878,064 (the 29th accumulation period over-recovery of \$384,458 offset by the additional 31st accumulation period FPA of \$45,262,522).

Ms. Dippell Secretary/CRLJ Page 2

In summary, all of these amounts combined including interest of \$4.5 million result in a total 32nd accumulation period Fuel and Purchased Power Adjustment ("FPA") of \$52.5 million. The proposed FAC rate for residential customers is a charge of \$0.00856 per kWh. Based on usage of 1,000 kWh per month, the customer will see a monthly charge of \$8.56. This represents a decrease of \$0.29 compared to the current monthly FAC charge of \$8.85.

In Case No. EO-2019-0047, the Company elected to make the plant in service accounting ("PISA") deferrals permitted under section 393.1400 RSMo, effective January 1, 2019. The Company performed the PISA calculations to determine the impact, if any, of this semi-annual FAR filing on the Average Overall Rate and Class Average Overall Rate for the Large Power customer class as set forth in the rule under the provisions of section 393.1655 RSMo, rate cap limitations. As explained in direct testimony, there are no PISA adjustments impacting this FAR filing.

Direct Testimony and supporting schedules of Lisa A. Starkebaum are submitted concurrently herewith along with schedules containing the information required by 20 C.S.R. 4240-20.090(8), including all workpapers that support the proposed rate schedules.

Copies of the proposed FAC-related rate schedules and all supporting materials described in this letter will be served electronically, this date, on the Commission's General Counsel, the Office of Staff Counsel, the Office of Public Counsel, and each party to Case No. ER-2022-0130.

Please provide a copy of all correspondence, notices, orders, and other communications that relate to this filing to the following as well as undersigned counsel:

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Respectfully submitted,

|s| Roger W. Steiner

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