

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 22nd day of February, 2023.

In the Matter of the Application of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri)
West for Authority to Implement Rate)
Adjustments Required by 20 CSR 4240-)
20.090(8) and the Company's Approved)
Fuel Purchased Power Cost Recovery)
Mechanism)

File No. ER-2023-0210
Tracking No. JE-2023-0117

ORDER REJECTING TARIFF TO CHANGE FUEL ADJUSTMENT RATES

Issue Date: February 22, 2023

Effective Date: March 1, 2023

On December 30, 2022, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (Evergy West) submitted direct testimony and a revised tariff sheet proposing a revised fuel adjustment rate (FAR) and rate adjustment mechanism true-up, and bearing an effective date of March 1, 2023. Evergy West submitted a substitute tariff sheet on January 18. On January 30, the Staff of the Commission (Staff) filed its recommendation, in which it recommended approval of the tariff sheet as substituted.

On February 8, the Office of the Public Counsel (OPC) filed a response to the tariff sheet and staff recommendation, objecting to Evergy West's proffered rate schedule. OPC argues that of the \$104.2 million Evergy West 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). OPC asks the Commission to order Evergy West to file a substitute rate schedule with a reduced FPA reflecting only those

amounts that do not include extraordinary costs, and to order the remaining balance to be deferred for consideration in a future general rate case.

On February 16, Evergy West filed its reply to OPC's response. In its reply, Evergy West argues that it does not seek to flow the entire Fuel and Purchased Power Adjustment (FPA) amount of \$104.2 million through the fuel adjustment clause (FAC). Rather, it proposes to recover \$56.3 million through the FAC. The remaining \$47.9 million would be deferred to a Plant-in-Service Accounting (PISA) regulatory asset for consideration in a future general rate case under Section 393.1655.51, RSMo, so that the FAC charge does not exceed the three percent (3.0%) compound annual growth rate (CAGR) cap. Evergy West states that its proposal is consistent with the law. On February 22, OPC filed its reply to Evergy West's reply and requested an evidentiary hearing.

The disagreement between Evergy West, Staff, and OPC raises issues about whether the proposed fuel adjustment rates comply with the Revised Statutes of Missouri and the Commission's rules. As required by Commission Rule 20 CSR 4240-20.090(8)(H), the Commission will reject the tariff revision, Tracking No. JE-2023-0117, suspend the timeline for the fuel adjustment rate (FAR) filing in this case, set a date for a prehearing conference, and order the parties to propose a procedural schedule. Because the parties disagree about whether certain revenues should be included in this FAR filing, the Commission will order the parties to determine whether there is any part of the proposed adjustment not now in question that could be included in an interim FAR tariff revision.

Because the tariff is set to become effective on March 1, 2023, the Commission finds it is reasonable to make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. The proposed tariff revision, Tracking No. JE-2023-0117, is rejected.
2. The timeline of Evergy West's fuel adjustment rate filing in File No. ER-2023-0210 is suspended.
3. A prehearing conference is scheduled for 1:00 p.m. on March 13, 2023, to be conducted via WebEx. The WebEx link and access code will be distributed by email to all counsel of record.
4. The parties shall determine whether there is any part of the proposed adjustment not now in question that could be included in an interim FAC tariff revision, and be prepared to discuss an interim tariff revision at the prehearing conference.
5. The parties shall file a proposed procedural schedule no later than March 13, 2023.
6. This order shall be effective on March 1, 2023.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Keeling, 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 22nd day of February, 2023.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

February 22, 2023

File/Case No. ER-2023-0210

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

Sincerely,

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style with a large, prominent "M" and "W".

**Morris L. Woodruff
Secretary**

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