

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 West)
for Authority to Implement Rate Adjustments) **File No. ER-2023-0011**
Required by 20 CSR 4240-20.090(8) and the) Tracking No. YE-2023-0092
Company's Approved Fuel and Purchased)
Power Cost Recovery Mechanism)

ORDER APPROVING TARIFF TO CHANGE FUEL ADJUSTMENT RATES

Issue Date: November 28, 2022

Effective Date: December 1, 2022

On July 1, 2022,¹ Evergy Missouri West, Inc. d/b/a Evergy Missouri West (EMW) filed proposed rate schedules to adjust charges related to its approved Fuel Adjustment Clause (FAC), as provided by Commission Rule 20 CSR 4240-20.090(8). In that filing, EMW proposed to defer \$31 million from recovery through the Fuel Adjustment Rate (FAR) and record this amount to a Plant in Service Accounting (PISA) regulatory asset account for consideration in a subsequent general rate case.

On July 28, the Staff of the Commission (Staff) filed its *Staff Recommendation* recommending the Commission issue an order rejecting the proposed tariff and directing EMW to file a tariff sheet that includes the \$31 million in fuel and purchased power (FPP) costs in its Accumulation Period (AP) 30 filing.

On August 24, the Commission issued its *Order Rejecting Tariff to Change Fuel Adjustment Rates* and allowed EMW to file any revised tariff sheets necessary to implement interim fuel adjustment rates consistent with any uncontested components of EMW's proposed fuel adjustment rates.

¹ Unless otherwise noted, all dates refer to the year 2022.

On August 31, EMW filed an interim FAC tariff revision, which the Commission approved on September 24, with rates effective October 1. An evidentiary hearing was held on September 30 regarding the \$31 million amount in dispute.

The Commission issued a *Report and Order* on November 9 in which it denied EMW's request to defer the \$31 million pursuant to Section 393.1655, RSMo, to be included in a PISA regulatory asset and recovered in rates in a subsequent general rate case. Further, the Commission ordered EMW to file, no later than November 21, a tariff sheet that included the full Fuel and Purchased Power Adjustment (FPA) of \$44.6 million in the FAR in its FAC with an expedited effective date of December 5.

On November 21, EMW made a tariff filing as ordered with a FPA of \$44.6 million. The proposed rate schedule bears an issue date of November 21 and an effective date of December 1.

EMW requested a December 1 effective date, rather than the expedited effective date of December 5 stated in the *Report and Order*, to be consistent with the treatment of all other EMW rider tariff updates. EMW's billing cycle starts on the first of each month, as there is no proration of rider rates such as the FAR. EMW stated in its filing that any further delay in the implementation of the FAR rates, for instance to January 1, 2023, would reduce the amount of time to collect the additional \$31 million in FPP costs, resulting in a larger true-up once the recovery period has ended. Therefore, EMW is seeking an effective date of December 1 for this tariff update. No party objected to the tariff filing, including the change in effective date to December 1.

On November 22, Staff filed its *Staff Recommendation* in which it recommended the Commission issue an order approving the proposed substitute tariff sheet. Staff reviewed the substitute tariff sheet and workpapers EMW submitted on November 21.

Staff verified that EMW correctly included the full FPA of \$44,604,020 as ordered by the Commission. Staff noted that while the change in the FAC charge proposed in this filing does not exceed the average overall rate, the proposed FAC charge applicable to Large Power customers does exceed the class average overall rate, and the FPA for the Large Power customer class has been reduced by \$7.9 million and included for recovery by all other Non-Large Power customer classes, pursuant to Section 393.1655.6, RSMo.

The proposed change in per kilowatt hour (kWh) rates, compared to the current interim rates that became effective on October 1, are as follows:

Voltage	Proposed 8th Revised Sheet No. 127.23	Interim (Now Effective) 7th Revised Sheet No. 127.23	Impact
Secondary	\$0.01238	\$0.00737	\$0.00501 Increase
Primary	\$0.01220	\$0.00726	\$0.00494 Increase
Substation	\$0.01203	\$0.00716	\$0.00487 Increase
Transmission	\$0.01200	\$0.00715	\$0.00485 Increase

The revised proposed FAC charge for residential customers is \$0.01238 per kWh. Based on usage of 1,000 kWh per month, a residential customer will see a monthly charge of \$12.38. This represents an increase of \$5.01 to an EMW residential customer's monthly bill compared to the current interim FAC rates. In comparison to the prior AP29, this revised AP30 FAC charge represents an increase of \$5.88 over the AP29 FAC charge of \$6.50 per month.

The Commission received no responses to EMW's proposed tariff filing or to the Staff's recommendation that it be approved.

On the basis of Staff's review and recommendation and EMW's uncontested filing, the Commission finds the proposed revised tariff, filed on November 21 and assigned Tracking No. YE-2023-0092, complies with the Commission's *Report and Order*. Based upon the reasons given by EMW, the Commission will approve the tariff to be effective on its December 1 effective date and will absolve EMW from compliance with the Commission's previous order that the tariff bear a December 5 effective date. Further, so that the tariff may take effect on December 1, the Commission finds it reasonable to make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. The following proposed revised tariff sheet, assigned Tracking No. YE-2023-0092, is approved, subject to true-up and prudence review, and shall be effective on December 1, 2022:

P.S.C. MO. No. 1
8th Revised Sheet No. 127.23, Canceling 7th Revised Sheet No. 127.23

2. This order shall be effective on December 1, 2022.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

Kenneth J. Seyer, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 28th day of November, 2022.

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 28th day of November, 2022.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 28, 2022

File/Case No. ER-2023-0011

**Missouri Public Service
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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 initial "M".

**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.