

**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 Permission)
and Approval of a Certificate of Public)
Convenience and Necessity)
Authorizing It to Purchase, Own,)
Operate, Maintain and Otherwise)
Control and Manage an Existing Wind)
Generation Facility in Oklahoma)

Case No. EA-2022-0328

PUBLIC COUNSEL’S RESPONSE TO APPLICATION

COMES NOW the Office of the Public Counsel (“Public Counsel”) for its Response to Application, and states:

1. On August 18, 2022, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy”) filed an application for a certificate of public convenience and necessity (“CCN”) that would authorize Evergy to purchase the Persimmon Creek wind farm in the state of Oklahoma for \$245,700,000.

2. Evergy intends to seek recovery of the wind farm costs by adding the costs to Evergy’s rate base in a future general rate case.

3. If the Commission approves the application, Public Counsel requests the Commission condition its approval on Evergy adhering to certain recordkeeping and reporting conditions regarding the Persimmon Creek CCN. In particular, Public Counsel requests the Commission order Evergy to track revenues from energy sales and all production tax credits (“PTCs”) generated, and provide monthly reporting of costs and revenues from Persimmon Creek.

4. Evergy intends to take possession and begin operating Persimmon Creek in January 2023,¹ before wind costs and revenues are included in rates, potentially several years before rate recovery. The PISA statute protects Evergy from regulatory lag associated with the \$246 million price tag because Evergy may defer 85% of depreciation and associated return until the wind farm is included in rate base, after which Evergy will recover 100% of depreciation and return associated with the Persimmon Creek acquisition (§ 393.1400.2(1)).

5. The revenues Evergy will earn from generating energy and the PTCs realized by Evergy from Persimmon Creek will initially benefit only Evergy shareholders, and not ratepayers, because these items will not be included in the calculation of Evergy's revenue requirement until after the next rate case. This creates a lopsided benefit for Evergy in that Evergy's customers will be required to pay higher rates in the future for the deferred depreciation and return during these initial years, but Evergy has not proposed to also defer the revenues and PTCs that will be realized in the initial years.

6. Public Counsel requests that the Commission order Evergy to track Persimmon Creek revenues and PTCs so that this information is available to the Commission and other parties.² These amounts could be relevant for future considerations of revenue requirement, prudence reviews, and changes in business risk associated with PISA. Public Counsel also requests the Commission order Evergy to include Persimmon Creek costs and revenues in

¹ See Evergy West's Integrated Resource Plan and Notification of Preferred Resource Plan Change, September 2022, Case No. EO-2023-0115, p. 5.

² Section 393.170.3 RSMo provides that when approving a CCN application "[t]he commission may by its order impose such condition or conditions as it may deem reasonable and necessary."

the Company's ongoing monthly reporting of costs and revenues associated with its purchased power agreements.³

WHEREFORE, the Office of the Public Counsel respectfully requests the Commission condition any approval of the requested CCN on Evergy tracking all revenues and PTCs from Persimmon Creek, and to include Persimmon Creek costs and revenues in its monthly reporting to the Commission.

Respectfully submitted,

/s/ Marc Poston

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 28th day of September 2022.

/s/ Marc Poston

³ Public Counsel may also take future positions and make future recommendations regarding issues raised by other parties.