

**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 a Financing Order Authorizing the)
Financing of Extraordinary Storm Costs)
Through an Issuance of Securitized Utility)
Tariff Bonds)

File No. EF-2022-0155

STAFF MOTION FOR CLARIFICATION OR CORRECTION

COMES NOW Staff of the Missouri Public Service Commission and respectfully submits the following Motion for Clarification or Correction and in support thereof states as follows:

1. The Commission issued its *Report and Order* (“Order”) in this case on October 7, 2022.
2. The Order contains certain provisions that are unclear or possibly incorrect, and Staff therefore requests the Commission issue an order clarifying or correcting the matters set forth below.

Issue for Clarification #1

3. Under Contested Issue (1)(B), “What is the Appropriate Method of Customary Ratemaking Absent Securitization,” the Commission’s Decision (beginning on page 23 of the Order) begins with the statement that “Customarily, Evergy West would recover fuel and purchased power costs in excess of those reflected in its base rates through its FAC contained in its tariff.” However, at pages 23-24, the Decision states that “recovery through securitization requires a comparison to recovery absent securitization, which would be through Evergy West’s FAC or an AAO.”

Therefore, the Order is unclear whether the Commission found the FAC or an AAO to be the appropriate method of customary ratemaking absent securitization.

Elsewhere in the Order (page 58) the Commission stated that “the Commission will direct Evergy West to update the net present value benefit calculation, as part of their issuance advice letter, to demonstrate savings of the final bond condition as part of the issuance advice letter;” that (page 77) “The issuance advice letter will demonstrate the quantifiable net present value savings from the issuance of the securitized utility tariff bonds as compared to the customary method of financing;” and that (page 95) “To ensure that customers receive the quantifiable net present value benefits due from the proposed securitization and so that the proposed securitized utility tariff bond transaction will be in accordance with the quantifiable net present value benefits test set forth in Section 393.1700.2.(3)(c), it is necessary that (i) the issuance advice letter demonstrates that the proposed issuance of securitized utility tariff bonds and the imposition and collection of a securitized utility tariff charge are just and reasonable and in the public interest; and will provide quantifiable net present value benefits to customers as compared to recovery of the components of securitized utility tariff costs that would have been incurred absent the issuance of securitized utility tariff bonds.”

The foregoing is meant to illustrate why it is important for the Order to clearly state what the Commission found to be the appropriate method of customary ratemaking absent securitization. Without knowing which method of ratemaking (FAC or AAO) to use for purposes of comparison of net present value (NPV) savings, it is possible that issuance of the bonds could pass the NPV test when compared to one method of ratemaking and fail the NPV test when compared to the other method.

This is particularly true with rising interest rates. Therefore, clarification is needed as to what the Commission found to be the appropriate method of customary ratemaking absent securitization.

The Order contains numerous references throughout the Order to the FAC, and it appears the Order may have intended to find the FAC to be the appropriate method of customary ratemaking absent securitization. This would also be consistent with the Commission's order in the recent Empire District Electric Company case (Case Nos. EO-2022-0040 and EO-2022-0193). However, Staff requests the Commission clarify if it was the Commission's intent to find the FAC to be the appropriate method of customary ratemaking absent securitization.

Issue for Clarification #2

4. On the Cover Page of the Order and in the second Ordering Paragraph 44 (which should be renumbered as 45) the effective date of the Order is stated to be November 6, 2022. However, Ordering Paragraph 39 states "This Financing Order is effective upon issuance and is not subject to rehearing by the Commission." Precluding rehearing would conflict with Section 386.500 RSMo. and the Securitization Law, and making the Order effective upon issuance could also cause legal problems by precluding applications for rehearing and judicial review. Staff believes the sentence of Ordering Paragraph 39 quoted above should have simply said "This Financing Order is effective November 6, 2022." Staff therefore requests clarification of the Commission's intent regarding the effective date of the Order and opportunity for rehearing.

Issue for Clarification #3

5. Several paragraphs of the Order contain what appear to be incorrect references to other paragraphs of the Order; these are listed below:

(a) Findings of fact paragraph 190 refers to finding of fact number [201], which appears to actually be a reference to finding of fact 200

(b) Findings of fact paragraph 192 refers to finding of fact number [202], which appears to actually be a reference to finding of fact 200

(c) Ordering paragraph number 2 refers to ordering paragraph [22], which appears to actually be a reference to ordering paragraph 23

(d) Ordering paragraph number 5 refers to finding of fact number [196], which appears to actually be a reference to finding of fact 195, if any

(e) Ordering paragraph number 8 refers to ordering paragraph 6, which appears to actually be a reference to ordering paragraph 7

(f) Ordering paragraph number 18 refers to ordering paragraphs 6 and 22, which appears to actually be a reference to ordering paragraphs 7 and 23

(g) Ordering paragraph number 19 refers to ordering paragraph [29], which appears to actually be a reference to ordering paragraph 30

(h) Ordering paragraph number 28 refers to ordering paragraph 29, which appears to actually be a reference to ordering paragraph 30

(i) Ordering paragraph number 30 refers to ordering paragraph 27, which appears to actually be a reference to ordering paragraph 28.

Staff requests clarification or correction of the foregoing.

Issue for Clarification #4

6. The Order contains two Ordering Paragraphs numbered 44. The second Ordering Paragraph 44 should be renumbered as 45.

Issue for Clarification #5

7. In the Table of Contents of the Order, Contested Issue (8) refers to “Section 109A0910.” Staff believes this was intended to refer to “Section 10(A)(1).”

WHEREFORE, Staff respectfully requests the Commission issue an order clarifying or correcting the above issues.

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

Missouri Bar No. 33825

P. O. Box 360

Jefferson City, MO 65102

(573) 526-4887 (Telephone)

(573) 751-9285 (Fax)

Email: jeff.keevil@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 4th day of November, 2022.

/s/ Jeffrey A. Keevil