

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Tenth Prudence Review of)
Costs Subject to the Commission-Approved)
Fuel Adjustment Clause of Evergy Missouri) **Case No. EO-2022-XXXX**
West, Inc. d/b/a Evergy Missouri West)

STAFF’S NOTICE OF START OF TENTH PRUDENCE REVIEW

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Notice of Start of Tenth Prudence Review, respectfully states to the Missouri Public Service Commission (“Commission”):

1. The tariff of Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”), f/k/a KCP&L Greater Missouri Operations Company (“GMO”) provides as part of its fuel adjustment clause (“FAC”) that “prudence reviews of costs subject to this FAC shall occur no less frequently than every eighteen months.”¹ This tracks the language of both Commission Rule 20 CSR 4240-20.090(11) and § 386.266.5(4) RSMo.

2. Commission Rule 20 CSR 4240-20.090(11)(B), in part, provides: “The staff shall file notice within ten (10) days of starting its [rate adjustment mechanism] prudence review.” It also establishes the following schedule of dates by which certain events are to take place keyed off of the date Staff initiates its prudence review:

¹ Evergy Missouri West Tariff P.S.C. MO. No. 1, Original Tariff Sheet 127.22 (Applicable to Service Provided December 6, 2018 and Thereafter).

Time from start of Staff prudence review to event	Event
Within 180 days	Submission of Staff recommendation to Commission regarding Staff's examination and analysis
Within 190 days	Request for hearing
Within 210 days	Commission Order, if no hearing requested

3. Staff plans to conduct a prudence review of the costs and revenues associated with Evergy Missouri West's FAC for the period December 1, 2019 through May 31, 2021. This review period corresponds to the 26th through 28th sequential accumulation periods and their associated recovery periods² for Evergy Missouri West's FAC.

4. Staff initiated this prudence review of the costs and revenues associated with Evergy Missouri West's Commission-approved FAC on September 1, 2021. Staff plans to file its recommendation and report on its review of this prudence review period of December 1, 2019 through May 31, 2021, by Monday February 28, 2022, within the 180 day requirement of the rule. This is Staff's tenth prudence review of Evergy Missouri West's FAC. Staff filed its recommendations and reports to the Commission for prior prudence reviews of Evergy Missouri West's FAC as follows:

² AP 28's recovery period falls outside of this prudence review period, as AP28's billing months are September 2021 through August 2022.

Review Number	File Number	Review Period
1	EO-2009-0115	June 1, 2007 through May 31, 2008
2	EO-2010-0167	June 1, 2008 through May 31, 2009
3	EO-2011-0390	June 1, 2009 through November 30, 2010
4	EO-2013-0325	December 1, 2010 through May 31, 2012
5	EO-2014-0242	June 1, 2012 through November 30, 2013
6	EO-2016-0053	December 1, 2013 through May 31, 2015
7	EO-2017-0232	June 1, 2015 through November 30, 2016
8	EO-2019-0067	December 1, 2016 through May 31, 2018
9	EO-2020-0262	June 1, 2018 through November 30, 2019

5. In each of Missouri Evergy West’s general electric rate cases where the Commission has approved Missouri Evergy West to have or continue to have a FAC, the accumulation periods have remained the same—two six-month accumulation periods each year, June-November and December-May.

6. The following table identifies Missouri Evergy West’s Commission-approved FAC tariff sheets which were applicable for electric service provided to its customers during the review period December 1, 2019 through May 31, 2021:

December 6, 2018 through May 31, 2021
Original Sheet No. 127.13
Original Sheet No. 127.14
Original Sheet No. 127.15
Original Sheet No. 127.16
Original Sheet No. 127.17
Original Sheet No. 127.18
Original Sheet No. 127.19
Original Sheet No. 127.20
Original Sheet No. 127.21
Original Sheet No. 127.22
3rd Revised Sheet No. 127.23
4 th Revised Sheet No. 127.23
5 th Revised Sheet No. 127.23

7. Staff initiated its tenth prudence review of the costs and revenues associated with Missouri Evergy West’s Commission-approved FAC on September 1, 2021. Staff plans to file its recommendation to the Commission regarding the Staff’s examination and analysis in this case by February 28, 2022.

8. Staff may change its examination approach during this review, and in future prudence reviews as well, based on the particular circumstances existing at the time of the review. The Staff’s Energy Resources Department is responsible for this prudence review. The Staff plans to file its recommendation at the conclusion of its prudence review covering the following topics:

Section 1 - Standard of Prudence

A. The standard requires documentation and includes other Commission principles as appropriate.

Section - 2 Audit Scope

- A. Presently Known Areas To Review
 - 1. Missouri Evergy West's Total Book Costs of Fuel Consumed in Missouri Evergy West's Generating Units
 - 2. Missouri Evergy West's FAC Cost Recovery from Customers (Revenues)
 - 3. Costs and Revenues Associated with Missouri Evergy West's Fuel Hedging Program
 - 4. Purchased Power Energy Charges, Including Applicable Transmission Fees
 - 5. Southwest Power Pool Variable Costs
 - 6. Emission Allowance Costs and Revenues
 - 7. Off System Sales

- B. Tests/Investigations to Address/Discover Other Significant Items Impacting Fuel and Purchased Power Cost Recovery Amount
 - 1. Comparison of Base Fuel Components and Amounts to Claimed Cost Components and Amounts
 - 2. Plant Outages
 - 3. Heat Rates
 - 4. Fuel, Freight and Transportation / Purchase Power Contracts
 - 5. Self-Commitment of Certain Generation Facilities

WHEREFORE, the Staff of the Missouri Public Service Commission hereby provides notice that it started its ninth prudence review of the costs and revenues associated with Missouri Evergy West's Commission-approved fuel adjustment clause on September 1, 2021, for the review period of December 1, 2019 through May 31,

2021, and that it plans to file its recommendation regarding the Staff's examination and analysis in this case by February 28, 2022.

Respectfully submitted,

/s/ Kevin A. Thompson

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of September, 2021.

/s/ Kevin A. Thompson