

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. EO-2023-0244

FROM: Cynthia M. Tandy, Lead Senior Utility Regulatory Auditor

DATE: /s/ Cynthia M. Tandy / 03-01-2023 /s/ Casi Aslin / 03-01-2023
Energy Resources Department / Date Staff Counsel's Office / Date

SUBJECT: Staff's Analysis of and Recommendation Concerning Evergy Metro, Inc.,
d/b/a Evergy Missouri Metro Fuel Adjustment Clause True-up Filing
Under the Provisions in 20 CSR 4240-20.090(9).

DATE: March 1, 2023

Staff Recommendation

Staff recommends that the Missouri Public Service Commission ("Commission") approve the true-up filing for Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Missouri Metro"), for Recovery Period 12 ("RP12") during which Evergy Missouri Metro over-collected \$1,010,906¹ from its customers. There was one ordered adjustment from Case No. EO-2022-0064 in the True-Up for RP12.

Discussion

On January 31, 2023, Evergy Missouri Metro filed with the Commission its fuel adjustment clause ("FAC") true-up² for RP12 under the provisions of its FAC tariff sheets and 20 CSR 4240-20.090(9). RP12 began October 1, 2021 and ended September 30, 2022. It was preceded by Accumulation Period 12 ("AP12"), which began January 1, 2021 and ended June 30, 2021.

Evergy Missouri Metro's filing is supported by the direct testimony and supporting schedules of Lisa A. Starkebaum, Manager - Regulatory Affairs at Evergy Missouri Metro. The Missouri Public Service Commission Staff ("Staff") reviewed Ms. Starkebaum's direct testimony and supporting schedules, as well as the monthly information Evergy Missouri Metro submitted to the Commission in accordance with 20 CSR 4240-20.090(9).

¹ Lisa A. Starkebaum's testimony, on page 5, lines 12-16, discusses a total true-up of (\$1,010,906) to be refunded to customers, which includes AP12 True-Up of (\$278,946), an ordered adjustment of (\$703,825) plus interest of (\$28,134). The difference of the true-up amount on line 8 in the proposed tariff sheet of (\$278,946) compared to the over-collected true-up amount stated here of (\$1,010,906), is explained further below on page 2.

² True-ups are defined on Evergy Missouri Metro, P.S.C.MO. No. 7, Original Sheet No. 50.30 as,

After completion of each RP, the Company shall make a true-up filing by the filing date of its next FAR filing. Any true-up adjustments shall be reflected in component "T" above. Interest on the true-up adjustment will be included in component "I" above. The true-up amount shall be the difference between the revenues billed and the revenues authorized for collection during the RP as well as any corrections identified to be included in the current FAR filing. Any corrections included will be discussed in the testimony accompanying the true-up filing.

The RP12 true-up amount is the result of an over-collection (due to the customers) of \$278,946 during RP12. However, Ms. Starkebaum explains in her testimony that in the Company's fourth FAC prudence review, Case No. EO-2022-0064, the Commission approved³ the Non-Unanimous Partial Stipulation and Agreement⁴, where the Company agreed, with no admission of imprudence, to a one-time FAC Prudence Adjustment of \$703,825 for 2017 vintage expired RECs, plus interest of \$28,134. Based on the true-up amount of (\$278,946) and the Prudence Adjustment of (\$703,825) and interest on that Prudence Adjustment of (\$28,134), the total true-up adjustment due to be refunded to customers is \$1,010,906.

The interest of (\$404,809) on line 9 of P.S.C. MO. No. 7 9th Revised Sheet No. 50.31 includes the interest⁵ for RP12 of (\$28,134) from the Commission Order stated above and Accumulation Period 15 ("AP15") of (\$376,675). Ms. Starkebaum provides supporting work papers for the true-up amount of (\$1,010,906). Staff agrees with Evergy Missouri Metro's calculations for this over-collection of \$1,010,906 during RP12.

Staff Review

Based on its review and analysis of the information Evergy Missouri Metro filed and submitted for RP12, Staff determined that Evergy Missouri Metro's calculations for the true-up amount for RP12 are correct. However, Staff reserves its right to pursue this issue in other cases before the Commission.

Staff recommends the Commission approve Evergy Missouri Metro's true-up filing for RP12, during which Evergy Missouri Metro over-collected \$1,010,906 from its customers. The over-collection amount is included in Evergy Missouri Metro's proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2023-0245, also filed on January 31, 2023, for AP15, which began July 1, 2022 and ended December 31, 2022.

Staff verified that Evergy Missouri Metro filed its 2021 Annual Report and is not delinquent on any assessment. Evergy Missouri Metro is current on its submission of its Surveillance Monitoring reports, as required by 20 CSR 4240-20.090(6), and its periodic reports, as required by 20 CSR 4240-20.090(5). With the exception of Evergy Missouri Metro's proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2023-0245, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

³ The Commission's *Order Approving Stipulation and Agreement*, filed on September 14, 2022.

⁴ *Non-Unanimous Partial Stipulation and Agreement*, filed on July 25, 2022.

⁵ Interest is defined on Evergy Missouri Metro, P.S.C.MO. No. 7, Original Sheet No. 50.28 as: Interest applicable to (i) the difference between Missouri Retail ANEC and B for all kWh of energy supplied during an AP until those costs have been recovered; (ii) refunds due to prudence reviews ("P"), if any; and (iii) all under- or over-recovery balances created through operation of this FAC, as determined in the true-up filings ("T") provided for herein. Interest shall be calculated monthly at a rate equal to the weighted average interest paid on the Company's short-term debt, applied to the month-end balance of items (i) through (iii) in the preceding sentence.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro) File No. EO-2023-0244
Containing Its Semi-Annual Adjustment)
Clause True-Up)

In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro for) File No. ER-2023-0245
Authority to Implement Rate Adjustments) Tariff No. JE-2023-0139
Required by 20 CSR 4240-20.090(8) and)
the Company's Approved Fuel Purchased)
Power Cost Recovery Mechanism)

AFFIDAVIT OF CYNTHIA M. TANDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CYNTHIA M. TANDY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

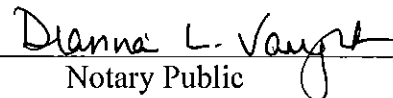


CYNTHIA M. TANDY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 1st day of March, 2023.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377



Notary Public