

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

In the Matter of the Eleventh Prudence )  
Review of Costs Subject to the Commission- )  
Approved Fuel Adjustment Clause of Evergy )  
Missouri West, Inc. d/b/a Evergy Missouri )  
West )

**Case No. EO-2023-XXXX**

**STAFF’S NOTICE OF START OF ELEVENTH PRUDENCE REVIEW**

**COMES NOW** Staff of the Missouri Public Service Commission, by and through counsel, and for its Notice of Start of Eleventh 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 the costs subject to this FAC shall occur no less frequently than every eighteen months.”<sup>1</sup> 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:

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<sup>1</sup> Evergy Missouri West Tariff P.S.C. MO. No. 1, Original Tariff Sheet 127.33 (Applicable to Service Provided January 9, 2023 and Thereafter).

<b>Time from start of Staff prudence review to event</b>	<b>Event</b>
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 June 1, 2021 through November 30, 2022. This review period corresponds to the 29<sup>th</sup> through 31<sup>st</sup> sequential accumulation periods and their associated recovery periods<sup>2</sup> for Evergy Missouri West's FAC. Staff takes note that certain costs from the 31<sup>st</sup> accumulation period are currently in dispute pending a Commission decision in Case No. ER-2023-0210.

4. Staff initiated this prudence review of the costs and revenues associated with Evergy Missouri West's Commission-approved FAC on March 3, 2023. Staff plans to file its recommendation and report on its review of this prudence review period of June 1, 2021 through November 30, 2022, by Wednesday August 30, 2023, within the 180 day requirement of the rule. This is Staff's eleventh 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:

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<sup>2</sup> AP 31's recovery period falls outside of this prudence review period, as AP 31's billing months are March 2023 through February 2024.

<b>Review Number</b>	<b>File Number</b>	<b>Review Period</b>
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
10	EO-2022-0065	December 1, 2019 through May 31, 2021

5. In each of Evergy Missouri West’s general electric rate cases where the Commission has approved Evergy Missouri 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. Staff initiated its eleventh prudence review of the costs and revenues associated with Evergy Missouri West’s Commission-approved FAC on March 3, 2023. Staff plans to file its recommendation to the Commission regarding the Staff’s examination and analysis in this case by August 30, 2023.

7. 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. Evergy Missouri West's Total Book Costs of Fuel Consumed in Evergy Missouri West's Generating Units
  2. Evergy Missouri West's FAC Cost Recovery from Customers (Revenues)
  3. Costs and Revenues Associated with Evergy Missouri 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. Renewable Energy Credit Revenues; and
  8. 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**, Staff of the Missouri Public Service Commission hereby provides notice that it started its eleventh prudence review of the costs and revenues associated with Evergy Missouri West's Commission-approved fuel adjustment clause on March 3, 2023, for the review period of June 1, 2021 through November 30, 2022, and that it plans to file its recommendation regarding the Staff's examination and analysis in this case by August 30, 2023.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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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 3rd day of March, 2023.

**/s/ Jeffrey A. Keevil**