BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro for Approval of a Special High Load Factor Market Rate Tariff

File No. EO-2023-0022

ORDER DIRECTING NOTICE AND ESTABLISHING TIME TO INTERVENE

Issue Date: November 15, 2022 Effective Date: November 15, 2022 On November 10, 2022, Evergy Missouri Metro (EMM) filed an application asking the Commission to approve a Special High Load Factor Market Rate. EMM filed exemplar tariff sheets as attachment BDL-1 to witness Brad Lutz's prefiled direct testimony. Evergy states multiple potential customers seeking to locate high load factor facilities in the Kansas City area have approached EMM. Most of these high load factor loads are data centers. EMM has requested an order be issued by March 20, 2023 such that a tariff would be effective April 19, 2023.

EMM's proposed tariff includes all of the primary rate design features that were approved for Evergy Missouri West's similar tariff approved in EO-2022-0061, and would provide an energy rate based on the Southwest Power Pool day-ahead hourly market prices.

EMM stated they will conduct a technical conference on November 22, but would be willing to conduct another for parties who intervene after the first conference.

The Commission will give notice of the application to potentially interested parties, and will set a date for the filing of applications to intervene.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall provide a copy of this order to the County Commission of each county in EMM's service area.

2. The Commission's Public Policy and Outreach Department shall make notice of this order available to the members of the Missouri General Assembly representing EMM's service area and to the media serving that area.

3. The Commission's Data Center shall provide notice of this order and a copy of the application to each party to EMM's most recent general rate case, File No. ER-2022-0129.

4. Any person or entity wishing to intervene in this matter shall file an application to do so no later than November 30, 2022.

5. This order shall be effective when issued.



BY THE COMMISSION

Morris Woodruff Secretary

Charles Hatcher, Senior Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri, on this 15th day of November, 2022.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of) Evergy Missouri Metro, Inc. d/b/a Evergy Missouri) Metro For Approval of a Special High Load Factor) Market Rate Tariff)

File No. EO-2023-0022

APPLICATION

COMES NOW Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro ("Applicant", "EMM", or "Company"), and respectfully requests authority from the Missouri Public Service Commission ("Commission") for a Special High Load Factor Market rate tariff. In support thereof, Applicant states as follows:

1. Applicant is a Missouri corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. EMM is primarily engaged in providing electric utility service in Missouri to the public in its certificated areas. EMM is an "electrical corporation" and a "public utility" under Section 386.020(15) and (43) and is subject to the jurisdiction, supervision and control of the Commission under Chapters 386 and 393. A certificate of authority for a foreign corporation to do business in Missouri was filed with the Commission in Case No. EN-2020-0063 and is incorporated by reference pursuant to 20 CSR 4240-2.060(1)(G).

2. EMM is a wholly-owned subsidiary of Evergy, Inc. EMM has no annual reports or regulatory assessment fees that are overdue.

3. EMM has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involved customer services or rates, which action, judgment or decision has occurred within three years of the date of this application.

4. In addition to undersigned counsel, communications in regard to this matter should be addressed to:

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Darrin Ives Vice President, Regulatory Affairs Evergy, Inc. 1200 Main Street Kansas City, Missouri 64105 Telephone: (816) 652-1200 E-mail: Darrin.Ives@evergy.com

Anthony R. Westenkirchner Senior Paralegal, Legal Department Evergy, Inc. 1200 Main Street Kansas City, Missouri 64105 Telephone: (816) 652-1100 E-mail: <u>Anthony.Westenkirchner@evergy.com</u>

5. Data requests concerning this Application should be addressed to: Regulatory.Affairs@evergy.com.

I. <u>BACKGROUND</u>

6. Evergy has been approached by multiple potential customers seeking to locate high load factor facilities in the Kansas City area. Most of these high load factor loads are data centers. These customer loads have the potential to be much larger and more consistent than loads currently served by EMM. There is a common need expressed by these customers for dynamic rate designs that enable them to access competitively sourced renewable energy to cost-effectively and efficiently meet energy goals.

7. The Company has developed and requests Commission approval of a proposed Special High Load Factor Market Rate tariff. This tariff is designed to meet the needs of these high load factor customers by providing an energy rate based on the day-ahead hourly price of energy observed from the Southwest Power Pool ("SPP") Integrated Marketplace. All other elements of the proposed rate are determined based on the incremental cost to serve the customers.

8. A substantially similar tariff was proposed for the Evergy Missouri West ("EMW") jurisdiction in Case No. EO-2022-0061 and was approved on March 24, 2022. The design of the

EMM Special High Load Factor Market Rate tariff includes all of the primary rate design features approved by the Commission for the EMW tariff.

9. High load factor loads represent desirable loads for the Company. When added to the system, this consistent, incremental load minimizes need for additional generation resources while expanding the sale of energy by the Company. Further, these loads are expected to provide desired economic development within the greater Kansas City area. Evergy has been working closely with a prospective data center customer and the tariff and the processes proposed in this filing would be used if they seek service under the proposed Special High Load Factor Market Rate tariff.

10. The Company Direct Testimony of Mr. Bradley D. Lutz is filed concurrently with this Application to further explain the proposed tariff.

11. A prospective customer has several options around the country which could be a final location for the project. The timely approval of the Special High Load Factor Market Rate tariff is necessary to support the customer's business case and help Missouri be the selected site for the project although Evergy does not anticipate filing an MKT contract for Commission approval before 2025. Further, with this rate in place, EMM will be able to attract other potential new customers to the area.

12. For more information about the expected economic development impact of these high-load factor customers and the design case in particular, please see the Direct Testimony of EMM witness G. Subash Alias, Chief Executive Officer of the Missouri Partnership.

13. Concurrent with this application, EMM has filed a Special High Load Factor Market Rate tariff ("Schedule MKT").

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II. <u>APPROVAL OF SPECIAL HIGH LOAD FACTOR MARKET RATE TARIFF</u>

14. The Company requests Commission approval of the proposed Schedule MKT tariff. This tariff is designed to meet the needs of these high load factor customers by providing an energy rate based on the day-ahead hourly price of energy observed from the SPP Integrated Marketplace. All other elements of the proposed rate are determined based on the incremental cost to serve the customers.

15. Each customer receiving service under the Schedule MKT rate will have unique pricing for all non-energy components of the rate. These individual rate elements as well as all specific terms and conditions for the rate will be based on the individual customer project and memorialized in an associated Market Rate contract. If the Schedule MKT tariff is approved, all subsequent Market Rate contracts will be filed for review and approval prior to the time each customer receives service under Schedule MKT. An example of this Market Rate contract, based on the design case customer, is attached to the testimony of Mr. Lutz as Confidential Schedule BDL-2, although each future Market Rate contract will be unique to capture the details of the respective load.

III. <u>PROCEDURAL SCHEDULE</u>

16. Applicant believes that this verified Application and testimony will provide the Commission with sufficient facts and information to make a proper disposition of this Application without a hearing. Should the Commission believe a hearing is necessary, Applicant proposes the following schedule:

- November 10, 2022 Application and Direct Testimony
- November 22, 2022 Technical Conference (EMM would be willing to conduct another technical conference for parties who intervene after the first conference has been held)

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- December 20, 2022 Rebuttal Testimony
- January 17, 2023 Surrebuttal Testimony
- January 30, 2023 Hearing
- February 13, 2023 Initial Brief
- March 2, 2023 Reply Brief
- March 20, 2023 Report and Order
- April 19, 2023 Effective Date of Tariff Sheet(s)
- 17. Applicant filed a 60-day Notice of Filing pursuant to 20 CSR 4240-4.020(2) on July18, 2022.

WHEREFORE, EMM requests the Commission enter an appropriate Order by March 20, 2023, approving the Schedule MKT tariff so that it is effective no later than April 19, 2023 and authorizing Applicant for all relief necessary to implement the rate.

Respectfully submitted,

[s] Roger W. Steiner

Roger W. Steiner MBN#39586 Evergy, Inc. 1200 Main Street Kansas City, Missouri 64105 Telephone: (816) 556-2314 E-mail: <u>Roger.Steiner@evergy.com</u>

James M. Fischer MBN#27543 Fischer & Dority, P.C. 101 Madison Street, Suite 400 Jefferson City, MO 65101 Telephone: (573) 636-6758 E-mail: jfischerpc@aol.com

ATTORNEY FOR EVERGY MISSOURI METRO

VERIFICATION

STATE OF MISSOURI)) COUNTY OF JACKSON)

SS

Bradley D. Lutz, being first duly sworn, on his oath and in his capacity as Director – Regulatory Affairs of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro, states that he is authorized to execute this Application on behalf of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro, and has knowledge of the matters stated in this Application, and that said matters are true and correct to the best of his knowledge, information and belief.

Bradley D. Lutz

Subscribed and sworn to before me this 10th day of November 2022.

Notary Public

My Commission Expires:

2025

ANTHONY R. WESTENKIRCHNER OTARY SEAL RY PUBLIC - N 26. 2025

CERTIFICATE OF SERVICE

I hereby certify that a true and copy of the foregoing application was emailed on this 10th day of November 2022, to the Office of the General Counsel and the Office of the Public Counsel.

<u>|s|</u> Roger W. Steiner

Roger W. Steiner

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 15th day of November, 2022.



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Morris L. Woodruff Secretary

MISSOURI PUBLIC SERVICE COMMISSION November 15, 2022

File/Case No. EO-2023-0022

Missouri Public Service Commission

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Sierra Club

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Renew Missouri

Legal Department 409 Vandiver Drive, Building 5, Suite 205 Columbia, MO 65201

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

orris I Woodulf

Morris L. Woodruff Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.