

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held by telephone
and internet audio conference
on the 26th day of August,
2020.

In the Matter of the Third Prudence)	
Review of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West's)	<u>File No. EO-2020-0214</u>
RESRAM as required by 20 CSR)	
4240-20.100(6)11 and 20.100(6)26)	

**ORDER ACCEPTING STAFF'S REPORT
ON THIRD PRUDENCE REVIEW**

Issue Date: August 26, 2020

Effective Date: September 25, 2020

On January 30, 2020, the Commission's Staff filed Notice of Start of Third RESRAM Prudence Review of Evergy Missouri West, Inc. d/b/a Evergy Missouri West (EMW) for the period January 1, 2018, through December 31, 2019. On July 24, 2020, the Commission's Staff filed its Report. Staff found no evidence that EMW's management of renewable energy standard compliance costs during the most recent review period was imprudent.

Commission Rule 20 CSR 240-20.100(6)(A)26.B requires Staff to file a notice of the commencement of a prudence audit and to file its recommendation no later than 180 days thereafter. Pursuant to the same rule, other parties to the case have 190 days after initiation of the prudence audit to request a hearing. The rule requires the Commission to issue an order no later than 210 days after the staff commences its prudence audit if no party to the prudence audit proceeding requests a hearing within 190 days of the

Staff's commencement of the audit. No party has done so. Therefore, the Commission may now consider Staff's report and recommendation.

Staff's report states the Commission first authorized a Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) for GMO (now operating as EMW) in File EO-2014-0151. The report states that Staff reviewed the following major cost categories included for recovery in EMW's RESRAM:

- Solar Rebates – Costs associated with the payment of solar rebates to participating customers.
- Contractors – Administrative costs for contractors employed to administer the solar rebate program and third party contractors employed to randomly audit solar installations.
- Renewable Energy Credits (RECs) – Costs associated with the retirement of RECs.
- Solar RECs (S-RECs) – Costs associated with the retirement of RECs generated by solar sources.
- North American Renewables Registry (NAR) – Administrative costs associated with registering RECs and S-RECs.
- Carrying Costs – Financing charges applicable to RES compliance costs based on the Company's short-term debt rate.
- St. Joseph Landfill – Fuel and Non-Fuel O&M Expenses.

For the review period of January 1, 2018, through December 31, 2019, Staff did not find evidence that EMW's management of RES compliance costs was imprudent. The Commission finds Staff's report and recommendation regarding its prudence review of EMW's RESRAM to be reasonable. No party has requested a hearing or otherwise objected to Staff's recommendation. Therefore, the Commission will accept Staff's report.

THE COMMISSION ORDERS THAT:

1. Staff's Report regarding its prudence audit of the costs subject to Evergy Missouri West, Inc., d/b/a Evergy Missouri West's Renewable Energy Standard Rate Adjustment Mechanism is accepted.

2. This order shall be effective on September 25, 2020.
3. This file shall be closed on September 26, 2020.



BY THE COMMISSION

Morris L. Woodruff

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Graham, Regulatory Law Judge