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

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| In the Matter of Evergy Missouri West,<br>Inc. d/b/a Evergy Missouri West's<br>Notice of Change in its Preferred<br>Resource Plan | )<br>)<br>)<br>) | Case No. EO-2023-0115 |

**PUBLIC COUNSEL RESPONSE TO**
**EVERGY'S CHANGE IN ITS PREFERRED PLAN**

**COMES NOW** the Office of the Public Counsel (""Public Counsel") and for its Response to Evergy Missouri West, Inc. d/b/a Evergy Missouri West's ("Evergy") Change in its Preferred Plan, states::

On September 26, 2022, Evergy filed its Notice of Change in its Preferred Resource Plan, wherein Evergy states that it "is changing its 150 MW wind additions in 2024, to a 198.6 MW wind addition in 2023." Evergy made this change due to its proposal to acquire the Persimmon Creek wind farm.[1] Public Counsel provides this response and the attached Memorandum to highlight the impact on customers due to Evergy's timing of the proposed generation resource acquisition under the revised Preferred Resource Plan.

Typically, under traditional utility accounting, utilities time large capital investment to go into service immediately ***before*** new rates in a general rate case become effective to allow the utility to begin receiving a return of the investment and a return on the investment with as little regulatory lag as possible. For electric generation investments, at the same time the utility begins

[1] *See* Case No. EA-2022-0328

to recover a return on its investment under traditional accounting, customers also benefit from revenues earned by energy sales into the market as offsets to customer bills.

As explained in the attached Memorandum from Ms. Lena Mantle, P.E., under plant-in-service accounting (PISA),[2] Evergy's new resource acquisition strategy significantly shifts costs and risks to public ratepayers. Evergy seeks to acquire the $246 million wind farm and begin selling energy into the market in January 2023, one month ***after*** new rates take effect.[3] Evergy may not file its next general rate case for another four years as required due to Evergy's fuel adjustment clause.[4] During those four years, Evergy will defer 85% of plant depreciation and an 8.25% return on that depreciation with no indication that Evergy intends to defer the four years of revenues generated from the wind farm.

This is a substantial change to the traditional trade-offs between shareholders and public ratepayers regarding electric generation investments, and a significant shift in costs and risks from Evergy's shareholders to Missouri homes and businesses. Not only will shareholders earn substantially more off the Missouri public from the deferrals, it appears Evergy intends to also retain the revenues gained that would normally work to help ease the ratepayers' burden. .

WHEREFORE, the Office of the Public Counsel respectfully provides the attached Memorandum to highlight for the Commission this shift in risk to

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[2] § 393.1400 RSMo.

[3] Evergy filed its 60-day general rate case notice and its request for proposal (RFP) for the wind generation both in November 2021, with a proposed historical test year in the rate case of the 12-months ending June 30, 2021, updated for known and measurable changes through May 31, 2021.

[4] § 386.266 RSMo.

Missouri homes and businesses and the substantial gains Evergy will realize due to its decision to change its resource plan to increase revenues immediately after new rates take effect.

Respectfully submitted,

**/s/ Marc Poston**
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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 7th day of October 2022.

**/s/ Marc Poston**