

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

In the Matter of the Third Prudence Review of )  
Costs Subject to the Commission-Approved )  
Fuel Adjustment Clause of Evergy Metro, Inc. ) **Case No. EO-2020-0XXX**  
d/b/a Evergy Missouri Metro )

**STAFF’S NOTICE OF START OF THIRD FUEL ADJUSTMENT CLAUSE  
PRUDENCE REVIEW**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its Notice of Start of Third Fuel Adjustment Clause Prudence Review, respectfully states to the Missouri Public Service Commission (“Commission”):

1. The tariff of Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”), f/k/a Kansas City Power & Light Company (“KCP&L”), provides as part of its fuel adjustment clause (“FAC”) that “[p]rudence reviews of the costs subject to this Rider FAC shall occur no less frequently than every eighteen months.”<sup>1</sup> This comports with 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 Metro Tariff P.S.C. MO. No. 7, Second Revised Sheet No. 50.19 (Applicable to Service Provided June 8, 2017 through December 5, 2018) and Original Tariff Sheet 50.30 (Applicable to Service Provided December 6, 2018 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 Metro's FAC for the period July 1, 2018 through December 31, 2019. This review period corresponds to the 7<sup>th</sup> through 9<sup>th</sup> sequential accumulation periods and their associated recovery periods<sup>2</sup> for Evergy Missouri Metro's FAC.

4. Staff initiated this prudence review of the costs and revenues associated with Evergy Missouri Metro's Commission-approved FAC on March 2, 2020. Staff plans to file its recommendation and report on its review of this prudence review period of July 1, 2018 through December 31, 2019, by Friday, August 28, 2020, within the 180 day requirement of the rule. This is Staff's third prudence review of Evergy Missouri Metro's FAC. Staff filed its recommendations and reports to the Commission for prior prudence reviews of Evergy Missouri Metro's FAC as follows:

<b>Review Number</b>	<b>File Number</b>	<b>Review Period</b>
1	EO-2017-0231	September 29, 2015 through December 31, 2016
2	EO-2019-0068	January 1, 2017 through June 30, 2018

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<sup>2</sup> AP 9's recovery period falls outside of this prudence review period, as AP9's billing months are April 2020 through March 2021.

5. In each of Evergy Missouri Metro’s general electric rate cases where the Commission has approved Evergy Missouri Metro to have or continue to have a FAC, the accumulation periods have remained the same—two six-month accumulation periods each year, January-June and July-December.

6. The following table identifies Evergy Missouri Metro’s Commission-approved FAC tariff sheets which were applicable for electric service provided to its customers during the review period July 1, 2018 through December 31, 2019:

<b>July 1, 2018 through December 5, 2018</b>	<b>December 6, 2018 through December 31, 2019</b>
Second Revised Sheet No. 50.11	Original Sheet No. 50.21
Second Revised Sheet No. 50.12	Original Sheet No. 50.22
Second Revised Sheet No. 50.13	Original Sheet No. 50.23
Second Revised Sheet No. 50.14	Original Sheet No. 50.24
Second Revised Sheet No. 50.15	Original Sheet No. 50.25
Second Revised Sheet No. 50.16	Original Sheet No. 50.26
Second Revised Sheet No. 50.17	Original Sheet No. 50.27
Second Revised Sheet No. 50.18	Original Sheet No. 50.28
Second Revised Sheet No. 50.19	Original Sheet No. 50.29
4th Revised Sheet No. 50.20	Original Sheet No. 50.30
	1st Revised Sheet No. 50.31
	2nd Revised Sheet No. 50.31

7. Staff initiated its third prudence review of the costs and revenues associated with Evergy Missouri Metro’s Commission-approved FAC on March 2, 2020. Staff plans to file its recommendation to the Commission regarding the Staff’s examination and analysis in this case by August 28, 2020.

8. 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 Metro's Total Book Costs of Fuel Consumed in Evergy Missouri Metro's Generating Units
  2. Evergy Missouri Metro's FAC Cost Recovery from Customers (Revenues)
  3. Costs and Revenues Associated with Evergy Missouri Metro'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. 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**, the Staff of the Missouri Public Service Commission hereby provides notice that it started its third prudence review of the costs and revenues associated with Evergy Missouri Metro's Commission-approved fuel adjustment clause on March 2, 2020, for the review period of July 1, 2018, through December 31, 2019, and that it plans to file its recommendation regarding the Staff's examination and analysis in this case by August 28, 2020.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 2<sup>nd</sup> day of March, 2020.

**/s/ Jeffrey A. Keevil**