## STATE OF MISSOURI PUBLIC SERVICE COMMISSION

	At a session of the Public Service Commission held at the Commission's office in Jefferson City, Missouri on the 18 <sup>th</sup> day of August, 2021.
In the Matter of the Application of Evergy Missouri West, Inc. d/b/a Evergy Missouri West Containing Its Semi-Annual Fuel Adjustment Clause True-Up	) )
In the Matter of the Application of Evergy Missouri West Inc., d/b/a Every Missouri West for Authority to Implement Rate Adjustments Required by 20 CSR 4240- 20.090(8) and the Company's Approved Fue and Purchased Power Cost Recovery Mechanism	) ) ) <u>File No. ER-2022-0005</u> ) Tracking No. JE-2022-0002 I ) )

# ORDER APPROVING FUEL ADJUSTMENT TRUE-UP AND APPROVING TARIFF TO CHANGE FUEL ADJUSTMENT RATES

Issue Date: August 18, 2021

Effective Date: September 1, 2021

On July 1, 2021, in File No. EO-2022-0004, Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy West") sought the Commission's approval of true-up amounts related to the company's fuel adjustment clause ("FAC"), as provided by Commission Rule 20 CSR 4240-20-090(9). The true-up filing concerns Recovery Period 25, (March 1, 2020 through February 28, 2021). Evergy indicates that during that period it under-collected \$570,233 from customers. Concurrently on July 1, 2021, Evergy West filed a tariff sheet (JE-2022-0002) in File No. ER-2022-0005, which revises the current Fuel Adjustment Rates in its FAC bearing an effective date of September 1, 2021. On July 23, Evergy West filed a substitute tariff.

On August 2, 2021, the Commission's Staff (Staff) filed its Recommendation to Approve True-Up Filing in File EO-2022-0004. Based on its review and analysis of the information Evergy West filed and submitted for Recovery Period 25, Staff determined that Evergy West's calculations for the true-up amounts, including the calculation of monthly interest, were correct. Staff recommended the Commission approve Evergy West's true-up filing for Recovery Period 25, to be collected from the customers in Evergy West's proposed changes to its current period Fuel Adjustment Rates in its semi-annual FAC filing in File No. ER-2022-0005, for Accumulation Period 28.

On August 2, 2021, in File ER-2022-0005, Staff recommended approval of Tariff Sheet (JE-2022-0002) as substituted on July 23, 2021.<sup>1</sup> The changes to Fuel Adjustment Rates will result in an increase to the typical Evergy West residential customer's monthly bill (based on 1,000 kWh), before taxes, from \$0.81 to \$1.94, for an increase of \$1.13.

Evergy West's filing indicates the increased rates are designed to recover a fuel and purchased power adjustment ("FPA") of \$6,588,116, representing the total requested increase in the amount sought to be collected in customer FAC charges over the applicable recovery period. The \$6,588,116 FPA amount subject to recovery in true-up is equal to the difference between Actual Net Energy Costs and Net Base Energy Cost Evergy West experienced during the 28<sup>th</sup> Accumulation Period, to which is applied the Commission approved 95 percent sharing ratio. To the resulting amount is added the \$570,233 true-up for under-collection determined in File No. EO-2022-0004, and

<sup>&</sup>lt;sup>1</sup> Staff notes that because of the effects of the cold weather event of February 2021, Evergy West's actual total energy costs eligible for recovery through its FAC were significantly higher than the base energy costs included in its rates. Evergy West has elected to seek approval to defer \$297,316,445 in "extraordinary costs" for future recovery through an Accounting Authority Order. That application is pending in File No. EU-2021-0283.

applicable interest in the amount of \$14,148. From this amount is subtracted \$984,898 for the prudence adjustment amount ordered in File No. EO-2020-0262, the complete calculation then yielding the \$6,588,116 FPA amount subject to recovery in true-up.

On July 2, 2021, the Commission issued its Order Directing Notice and Setting Deadlines for Intervention Applications and Staff's Recommendation. No intervention applications or objections to Staff's recommendations have been filed. Section 386.266.1, RSMo (Cum. Supp. 2019), allows electrical corporations to apply to the Commission for approval of interim energy charges or periodic rate adjustments outside of general rate proceedings "to reflect increases and decreases in its prudently incurred fuel and purchased-power costs, including transportation." Unless the Commission determines a proposed adjustment is not in accordance with Section 386.266 or the rule, Commission Rule 20 CSR 4240-20.090(8)(H) requires the Commission to issue an interim rate adjustment order to approve the proposed adjustment or allow the proposed tariff sheet(s) and adjustment(s) to take effect without Commission order. Similarly, 20 CSR 4240-20.090(9)(F) provides the same 60-day timeline for a true-up filing.

On the basis of Staff's review and recommendation and Evergy West's uncontested filing, the Commission concludes Evergy West's true-up filing and amount in File No. EO-2022-0005 should be approved. In addition, based on Staff's review and recommendation, the Commission finds the proposed revised tariff, filed on July 1, 2021 and assigned Tariff No. JE-2022-0002, as substituted on July 23, 2021, complies with Evergy West's tariffs and all applicable statutes and regulations, and should be approved.

To approve the tariff by the effective date of September 1, 2021, the Commission will issue its order with an effective date fewer than 30 days from the date of issuance.

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# THE COMMISSION ORDERS THAT:

1. Evergy West's true-up filing and true-up amount for Recovery Period 25 is

approved.

2. The following revised tariff sheet, assigned JE-2022-0002, is approved,

subject to true-up and prudence review, and shall be effective on September 1, 2021.

P.S.C. MO. No. 1, 5<sup>th</sup> Revised Sheet No. 127.23 Cancelling P.S.C. MO. No. 1, 4<sup>th</sup> Revised Sheet No. 127.23

- 3. This order shall be effective on September 1, 2021.
- 4. These files shall be closed on September 2, 2021.



**BY THE COMMISSION** 

Morris L. Woodruff Secretary

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

Graham, Regulatory Law Judge

# 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 18<sup>th</sup> day of August, 2021.



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Morris L. Woodruff Secretary

# MISSOURI PUBLIC SERVICE COMMISSION

## August 18, 2021

### File/Case No. EO-2022-0004 and ER-2022-0005

#### Missouri Public Service Commission

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

Sincerely,

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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.