

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

In the Matter of the Application of Evergy)
Missouri West, Inc. for Authority to Implement)
Rate Adjustments Required by 20 CSR 4240-) No. ER-2023-0011
20.090(8) and the Company’s Approved Fuel and)
Purchased Power Cost Recovery Mechanism)

APPLICATION FOR REHEARING OF EVERGY MISSOURI WEST

COMES NOW, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West,” “EMW,” or the “Company”), pursuant to Sections 386.500¹ and 386.515, and 20 CSR 4240-2.160, applies for rehearing of the Report and Order (“Order”) issued on November 9, 2022 by the Public Service Commission (“Commission” or “PSC”).

In support of this Application for Rehearing, Evergy Missouri West states:

I. LEGAL PRINCIPLES THAT GOVERN APPLICATIONS FOR REHEARING

1. All decisions of the Commission must be lawful, with statutory authority to support its actions, as well as reasonable. State ex rel. Ag Processing, Inc. v. PSC, 120 S.W.3d 732, 734-35 (Mo. en banc 2003). An order’s reasonableness depends on whether it is supported by substantial and competent evidence on the record as a whole. State ex rel. Alma Tel. Co. v. PSC, 40 S.W.3d 381, 387 (Mo. App. W.D. 2001). An order must not be arbitrary, capricious, or unreasonable, and the Commission must not abuse its discretion. Id.

2. In a contested case the Commission is required to make findings of fact and conclusions of law pursuant to Section 536.090. Deaconess Manor v. PSC, 994 S.W.2d 602, 612 (Mo. App. W.D. 1999). For judicial review to have any meaning, it is a minimum requirement that the evidence, along with the explanation thereof by the Commission, make sense to the

¹ All statutory citations are to the Revised Statutes of Missouri (2016), as amended.

reviewing court. State ex rel. Capital Cities Water Co. v. PSC, 850 S.W.2d 903, 914 (Mo. App. W.D. 1993). For a Commission decision to be lawful, the Commission must include appropriate findings of fact and conclusions of law that are sufficient to permit a reviewing court to determine if it is based upon competent and substantial evidence. State ex rel. Monsanto Co. v. PSC, 716 S.W.2d 791, 795 (Mo. en banc 1986); State ex rel. Noranda Aluminum, Inc. v. PSC, 24 S.W.3d 243, 246 (Mo. App. W.D. 2000); State ex rel. A.P. Green Refractories v. PSC, 752 S.W.2d 835, 838 (Mo. App. W.D. 1988); State ex rel. Fischer v. PSC, 645 S.W.2d 39, 42-43 (Mo. App. W.D. 1982), cert. denied, 464 U.S. 819 (1983).

3. Decisions by the Commission that cause losses to a utility which are patently disproportionate to the public convenience and necessity “render the order ... unreasonable and arbitrary,” and constitute an abuse of discretion. State ex rel. Chicago, Rock Island & Pacific R.R. v. PSC, 312 S.W.2d 791, 805 (Mo. en banc 1958). See Spire Missouri, Inc. v. PSC, 618 S.W.3d 225, 234 (Mo. en banc 2021); State ex rel. Mo. Gas Energy v. PSC, 186 S.W.3d 376, 382 (Mo. App. W.D. 2005).

4. In State ex rel. GS Technologies Operating Co. v. PSC, 116 S.W.3d 680, 691-92 (Mo. App. W.D. 2003), the Court of Appeals described the requirements for adequate findings of fact when it stated:

While the Commission does not need to address all of the evidence presented, the reviewing court must not be “left ‘to speculate as to what part of the evidence the court found true or was rejected.’” ... In particular, the findings of fact must be sufficiently specific to perform the following functions:

[F]indings of fact must constitute a factual resolution of the matters in contest before the commission; must advise the parties and the circuit court of the factual basis upon which the commission reached its conclusion and order; must provide a basis for the circuit court to perform its limited function in reviewing administrative agency decisions; [and] must show how the controlling issues have been decided[.]

[St. Louis County v. State Tax Comm'n, 515 S.W.2d 446, 448 (Mo. 1974), citing Iron County v. State Tax Comm'n, 480 S.W.2d 65 (Mo. 1972)].

5. The Commission cannot simply recite facts on which it bases a “conclusory finding,” and must rather “fulfill its duty of crafting findings of fact which set out the basic facts from which it reached its ultimate conclusion” in a contested case. Noranda, 24 S.W.3d at 246. “Findings of fact that are completely conclusory, providing no insights into how controlling issues were resolved are inadequate.” Monsanto, 716 S.W.2d at 795.

6. The lawfulness of an order is determined by whether there is statutory authority to support the Commission’s order, with the appellate courts reviewing the legality of Commission decisions de novo and affording the PSC’s interpretation no deference. Kansas City Power & Light Co. v. PSC, 557 S.W.3d 460, 472-73 (Mo. App. W.D. 2018) (error for the Commission to exclude “electric vehicle charging equipment” from the § 386.020(14) definition of “electric plant”). See Missouri Pub. Serv. Comm’n v. PSC, 552 S.W.2d 532, 539 (Mo. en banc 2018) (because the proper interpretation of DSIM Rule² is a legal issue, “this Court need not afford the Commission’s interpretation any deference”).

7. A review of the record in this case demonstrates that the Report and Order failed to comply with these principles in certain respects and that rehearing should be granted as to the issues discussed below.

II. THE ORDER IS UNREASONABLE AND UNLAWFUL BECAUSE IT MISINTERPRETS SECTION 393.1655.5, CAUSING A VIOLATION OF THAT SECTION’S RATE REDUCTION AND DEFERRAL REQUIREMENTS

8. The Commission’s Order fundamentally misinterpreted Section 393.1655.5 (also referred to as “Subsection 5”), disregarding how the Missouri General Assembly intended it to be

² Demand-Side Programs Investment Mechanism Rule, 20 C.S.R. 4240-20.093.

construed with other sections of the Plant-in-Service Accounting (“PISA”) Law,³ as well as Section 386.266 which authorized the Commission to approve certain periodic rate adjustment mechanisms (“RAMs”). In failing to cite facts presented by the Company, as well as to follow its own precedents holding that adopting RAMs like the fuel adjustment clause (“FAC”) is appropriate, the PSC has ignored the intent of the PISA Law, especially Subsection 5 whose purpose is to avoid a performance penalty due to increases in rates charged under a RAM such as the FAC which are caused by fuel and purchased power (“FPP”) costs that are beyond a utility’s control.

9. In the Commission’s discussion of its Fuel and Purchased Power Rate Adjustment Mechanisms Rule (“FAC Rule”), 20 CSR 4240-20.090,⁴ which implemented Section 386.266, the Order committed legal error by its incomplete discussion of how its own regulations mandate the rebasing of Base Energy Costs that will cause EMW to exceed the compound annual growth rate (“CAGR”) cap of Section 393.1655.3. Indeed, the Order does not analyze or discuss Base Energy Costs which the FAC Rule defines as “fuel and purchased power costs net of fuel-related revenues determined by the commission to be included in a RAM that are also included in the revenue requirement used to set base rates in a general rate case;” See 20 CSR 4240-20.090(1)(C). In light of this , the Order provides no basis whatsoever for a reviewing court to understand how the Commission resolved the controlling issues, and its interpretation of Section 393.1655.5 is conclusory and therefore unreasonable.

10. Under the Company’s RAM approved by the Commission under Section 386.266, EMW “must rebase base energy costs in each general rate proceeding in which the FAC is continued or modified” under the FAC Rule’s Section (2). The rebasing of Base Energy Costs

³ See, e.g., §§ 393.1400, 393.1655.3

⁴ The FAC Rule was filed June 15, 2006, becoming effective January 30, 2007.

required by the FAC must be recognized as a change in rates charged under a RAM because the rebasing of such costs is required under 20 CSR 4240-20.090(2) of the FAC Rule approved by the Commission. That the Company has in fact met this requirement of the FAC Rule is shown in tariff Sheet No. 127.21 (appended hereto with all of Evergy Missouri West's FAC tariff sheets as Exhibit A) that has been approved by the Commission and has the force and effect of law setting forth a formula that expressly includes "net base energy costs ordered by the Commission in the last general rate case consistent with the costs and revenues included in the calculation of the FPA [fuel and purchased power adjustment]."

11. The first sentence of Section 393.1655.5 states that when "a change in any rates charged under a rate adjustment mechanism ... would cause" a breach of the CAGR cap, "the electrical corporation shall reduce the rates charged under that rate adjustment mechanism in an amount to ensure that" (a) the CAGR cap "is not exceeded" and (b) "the performance penalties" under Section 393.1655.3 (also referred to as "Subsection 3") "are not triggered." The second sentence of Subsection 5 provides that "[s]ums not recovered under any such mechanism" because of "any reduction in rates shall be deferred to and included in the regulatory asset arising under section 393.1400."

12. The Order erred in failing to find that the reference in Section 393.1655.5 to Section 386.266 encompasses the effects of the rebasing of energy costs in general rate cases which the Commission's FAC Rule has required for the past 15 years. The Order should have found that EMW properly included: (1) prior recovery period adjustments, (2) the current fuel adjustment rate ("FAR") filing costs, and (3) the rate increase that will occur as a matter of law when the Company's general rate case No. ER-2022-0130 concludes with the rebasing of FPP costs under Section 386.266 and the FAC Rule. The Order erroneously failed to find that the purpose of Section 393.1655.5 is to remove and defer the rate impact of costs caused by all RAMs approved by the

PSC under Sections 386.266 and 393.1030 from the rates to be established if such costs “would cause” the CAGR limits to be exceeded. Because Section 393.1655.5 incorporates the FAC Rule approved by the PSC under Section 386.266 that requires rate changes due to FPP costs in both a periodic adjustment and in the rebasing of rates, it does not matter whether the change in rates occurs in a periodic adjustment or in the rebasing of rates if the source of the change is FPP costs.

13. The Order also failed to recognize the effect of the August 30, 2022 Stipulation & Agreement (“First Stipulation”) in EMW’s pending rate case which the Commission approved on September 22, 2022.⁵ Evergy Vice President of Regulatory Affairs Darrin Ives testified at the evidentiary hearing that as a result of the First Stipulation, which resolved a number of revenue issues, EMW will rebase an increase of \$56.1 million of FPP costs under the FAC Rule, although the overall revenue requirement increase is only \$42.5 million. See Tr. 58-60 (Ives); Ex. 4 (filed Oct. 5, 2022). Without this increase in Base Energy Costs required by the FAC Rule, there would have been a \$13.6 million *reduction* in the Company’s revenue requirement (\$56.1 million minus \$42.5 million). In other words, the rebasing of Base Energy Costs under the FAC Rule is the reason why there will be an increase in rates in excess of the CAGR cap and why these costs should be deferred under Section 393.1655.5. See Tr. 58-64 (Ives).

14. However, without legal foundation, the Order improperly treats rate increases resulting from Base Energy Costs that are rebased in rates, as required by the FAC Rule, like rate increases caused by qualifying electric plant⁶ costs. Subsection 5 does not allow rate increases caused by qualifying electric plant costs (or other general cost increases not covered by a rate adjustment mechanism approved by the Commission under Section 386.266 or Section 393.1030)

⁵ Order Approving Four Partial Stipulations & Agreements at 2-3, In re Evergy Metro, Inc. and In re Evergy Mo. West, Inc., No. ER-2022-0129/-130 (Sept. 22, 2022).

⁶ Qualifying electric plant is defined in PISA Section 393.1400.1(3).

to be deferred if they exceed the CAGR limits so the Commission's mistreatment of rates increased by these costs will improperly result in a penalty to Evergy under the PISA statute.

15. The language of Section 393.1655.5 is so clear that it must be read to mandate an electric utility to make such deferrals, subject only to subsequent prudence reviews by the Commission under Section 393.1400.2(2). The Order's decision to the contrary is unlawful.

16. "Base Energy Costs" are defined under the FAC Rule as "the fuel and purchased power costs net of fuel-related revenues determined by the commission to be included in a RAM that are also included in the revenue requirement used to set base rates in a general rate case;" See 20 CSR 4240-2.090(1)(C). The FAC Rule states that a utility's request that its RAM be continued "shall include a description of how its proposed RAM shall be applied to monthly bills, the amount of the proposed change in base rates caused by the rebase of energy costs, and the estimated impact on a typical residential customer's bill resulting from the rebase of energy costs;" See 20 CSR 4240-2.090(2)(A)1.

17. Because the rebasing of energy costs in a general rate case is, under the express terms of the FAC Rule, an essential and required part of the RAM process for FPP costs through which changes in rates charged under Section 386.266 occur, there is no lawful basis to exclude the rate impacts due to such rebased costs from the deferral provisions of Section 393.1655.5 when assessing the calculation of the 3% CAGR cap under Section 393.1655.5. See Fenix Constr. Co. v. Director of Revenue, 449 S.W.3d 778, 780 n.3 (Mo. en banc 2014).⁷ The FAC Rule, approved by the Commission, has continued in effect without amendment in this respect since the PISA Law was enacted. There has been no effort to amend the FAC Rule to remove the rebasing of energy costs from the CAGR deferral calculation required by Section 393.1655.5. The Commission's

⁷ "Had the legislature intended to exempt construction activities [from taxation], it could have included terminology referencing construction activities as it has done in other statutes included in chapter 144."

failure to even mention the FAC Rule’s rebasing requirement in its Order interpreting Section 393.1655.5 leaves a reviewing court with no way to analyze how the Commission resolved a controlling issue in the case. As such, the Commission’s conclusion regarding the meaning of Section 393.1655.5 is conclusory and unreasonable, and the Order must be reheard.

18. The Order violates Missouri’s longstanding statutory interpretation rules of construing statutes *in pari materia* and in harmony rather than to create conflicts. “All consistent statutes relating to the same subject are *in pari materia* and are construed together as though constituting one act, whether adopted at different dates or separated by long or short intervals.” State ex rel. Rothermich v. Gallagher, 816 S.W.2d 194, 200 (Mo en banc 1991). “The rule of construction in such instances proceeds upon the supposition that the statutes in question are to be read consistently and harmoniously in their several parts and provisions.” Id. See Neske v. City of St. Louis, 218 S.W.3d 417, 424 (Mo. en banc 2007). This approach is consistent with Missouri’s “primary rule of statutory interpretation [which] is to determine the legislature’s intent by considering the plain and ordinary meaning of the words used in the statute and by giving each word, clause, sentence, and section of the statute meaning.” Id. Given this “cardinal rule” of statutory interpretation, there is no need to resort to the concept of *expressio unius est exclusio alterius*, given Subsection 5’s explicit citation to Section 386.266 pursuant to which the FAC Rule and its rebasing requirement were adopted. Cf. McCoy v. Hershewe Law Firm, P.C., 366 S.W.3d 586, 593 (Mo. App. W.D. 2012).

19. The Order’s failure to find that both the periodic rate adjustments and the rebasing of Base Energy Costs are changes in rates charged under a RAM approved by the Commission under Section 386.266 is error. The Commission’s Order does not give effect to the “plain and ordinary meaning” of Subsection 5. It reaches an “illogical result” by equating rate increases caused by Base Energy Costs that reflect natural gas and other fuel commodity prices and

wholesale electricity prices over which the utility has very little control with rate increases caused by other costs not reflected in a RAM approved under Section 386.266 or Section 393.1030, such as a utility's construction of a generation resource or other grid modernization projects listed in PISA Section 393.1400.4 that are subject to a much greater degree of control by the utility. Consequently, the Order produces an "unjust, absurd" and "confiscatory" result by allowing an increase in fuel and purchased power costs required by rebasing under the FAC Rule to trigger a performance penalty under PISA Section 393.1655.3. See J.S. v. Beaird, 28 S.W.3d 875, 876 (Mo. en banc 2000); McAlister v. Strohmeier, 395 S.W.3d 546, 552 (Mo. App. W.D. 2013); State ex rel. Killingsworth v. George, 168 S.W.3d 621, 623 (Mo. App. E.D. 2005). The outcome is entirely inconsistent with "the purpose of the whole act [which] must be considered." Neske v. City of St. Louis, 218 S.W.3d 417, 424 (Mo. en banc 2007); State ex rel. Office of Public Counsel v. PSC, 331 S.W.3d 677, 683-84 (Mo. App. 2011) (rejecting attacks on environmental cost recovery mechanism under Section 386.266).

20. The Order is also inconsistent with the Commission's FAC Rule which it promulgated under Section 386.266.10 "to govern the structure, content and operation of such rate adjustments, and the procedure for the submission, frequency, examination, hearing and approval of such rate adjustments." Although the Order's Conclusions of Law cite other definitions in Section (1) of the FAC Rule to support its narrow and incomplete analysis, it fails to analyze, let alone cite, Section (1)(C) which clearly states that Base Energy Costs that are used in the rebase process include fuel and purchased power costs that are determined by the Commission to be included in a RAM and are also included in the revenue requirement used to set base rates in a general rate case. See Concl. of Law G-H, Order at 14-16.

21. The Order's failure to follow Section (1)(C) which recognizes that Base Energy Costs emanate from "fuel and purchased power costs" that have been "determined by the

commission to be included in a RAM” and are “used to set base rates in a general rate case” demonstrates why the Order is both unlawful and unreasonable. This error is particularly obvious in the PSC’s Conclusion of Law I which narrowly relies on the definition of the “fuel and purchased power adjustment (FPA) amount” in Section (1)(K) of the FAC Rule, but ignores Section (1)(C)’s definition of Base Energy Costs. See Concl. of Law I, Order at 16.

22. The errors in the Conclusions of Law are compounded in the Order’s Decision section. Instead of looking at the purpose of Section 393.1655.5 to avoid a breach of the CAGR limit and a performance penalty that would be caused by FPP costs that are included in rates charged to customers under Section 386.266 and the FAC Rule, the Order finds that to allow a deferral “the Commission must agree with EMW’s position that because there is no language in Section 393.1655.5 that excludes consideration of base energy costs required in a general rate case from the calculation of the 3% CAGR cap, the Commission can consider rebasing of base energy costs in a future general rate case.” See Decision (first sentence), Order at 18 [emphasis added].

23. Although no one disputes the fact that there is no such exclusionary language in Section 393.1655.5, the point that the Order misses is that the broad language of Subsection 5 includes such Base Energy Costs because they are required to be included in rate changes under the FAC Rule’s Section (2), and because the FAC Rule has been incorporated into Subsection 5 as it is a rate adjustment mechanism approved by the Commission under Section 386.266. Section (1)(C) of this regulation, specifically established under Section 386.266.10 “to govern the structure, content and operation of such rate adjustments,” plainly defines Base Energy Costs as “fuel and purchased power costs ... determined by the commission to be included in a RAM that are also included in the revenue requirement used to set base rates in a general rate case;”.

24. Because EMW’s Base Energy Costs are RAM costs that “would cause” the CAGR cap to be exceeded, they fall within Subsection 5’s dual mandate: (1) That the utility “shall reduce

the rates charged” under that RAM “to ensure” that the CAGR cap is not breached, and (2) that such sums “shall be deferred to” a regulatory asset under PISA Section 393.1400. See § 393.1655.5.

25. The Order is erroneous in looking for and effectively requiring exclusionary language. To the contrary, the Order should have recognized that the FAC Rule carries out the purpose of Section 386.266 to allow rate adjustment mechanisms. This is because the FAC Rule is a RAM “approved by the commission under section[] 386.266,” as referenced in Subsection 5, which requires changes in rates due to FPP costs in both a periodic adjustment and in the rebasing of rates. The Commission has ample authority under Subsection 5 to carry out its mandate and its conclusion to the contrary is error. See Order at 18-19.

26. This authority is reflected in the Commission’s prior orders approving fuel adjustment clauses for its electric utilities. The PSC has found that the “price of coal, natural gas, nuclear fuel, and oil ... are established by national or international markets” and that the utility “does not have control over commodity prices.” See Report & Order at 28-30, In re Kansas City Power & Light Co., No. ER-2014-0370 (Sept. 2, 2015). It also found that utilities “cannot control the fundamentals that drive the short and long-term fuel markets, so fuel costs are beyond the control of [a utility’s] management” and are “volatile.” Id.

27. When EMW’s predecessor was granted an FAC, the Commission concluded: “The price of natural gas, coal, and railroad freight rates to transport that coal are established by national, and in some cases, international markets. Aquila does not have control over those prices. Similarly, Aquila does not have control over the prices it must pay for purchased power.” See Report & Order at 36, In re Aquila, Inc., No. ER-2007-0004 (May 17, 2007). The PSC similarly found in approving an FAC for Empire District Electric Company: “Natural gas and spot purchased power are traded in competitive markets. As a result, Empire has little control over the

market price it pays for those commodities.” See Report & Order at 38-40, In re Empire Dist. Elec. Co., No. ER-2008-0093 (July 30, 2008).

28. The question is whether rebasing FPP costs in general rate cases driven by Base Energy Costs, as defined in the FAC Rule’s Section 1(C), are rate changes that the PISA Law intended to be considered in the CAGR calculation. Given that Base Energy Costs are “fuel and purchased power costs determined by the PSC to be included in a RAM that are also included in the revenue requirement used to set base rates in a general rate case,” the resulting rebased rate changes must be considered in the CAGR assessment. This is because Section 393.1655.5 applies to “changes in any rates charged under a rate adjustment mechanism approved by the commission [emphasis added]” under Section 386.266. The Order’s failure to recognize that costs which are rebased in a general rate case are part of the calculation is error and, therefore, unlawful and unreasonable.

29. The Order’s final point that the “triggering mechanism for deferral” under Section 393.1655 “has not been met” overlooks the “would cause” language in the first sentence of Subsection 5. See Order at 19. The statute does not state that a change in rates charged under a RAM “has caused” the CAGR cap to be exceeded. In the Company’s situation, as the uncontested facts showed, it is the decision to be issued shortly in its pending general rate case No. ER-2022-0130 that “would cause” the CAGR limitation to be breached. The Order’s finding to the contrary is error as it is unlawful, unjust, and unreasonable.

III. THE ORDER FAILED TO CITE RELEVANT FACTS THAT WOULD HAVE LED TO A LAWFUL DECISION AND INSTEAD CITED FACTS THAT ARE IN ERROR OR IRRELEVANT TO THIS CASE

30. Because the purpose of Section 393.1655.5 is to prevent an electric utility from being assessed a performance penalty when changes in rates charged under a rate adjustment mechanism authorized under Section 386.266 cause the CAGR limit to be exceeded, findings of

fact regarding the costs that caused and would cause changes in EMW's rates should have been included in the Order. Even though the facts presented by the Company were not challenged by any party, the Order contained few if any relevant facts regarding the increases in fuel and purchased power costs that are or would be charged to customers under RAMs approved by the Commission. As a result, the Order is based on inadequate findings of fact which do not sufficiently articulate the basic facts that would have supported proper Conclusions of Law and a lawful Decision. State ex rel. GS Technologies Operating Co. v. PSC, 116 S.W.3d 680, 691-92 (Mo. App. W.D. 2003).

31. The Order failed to find that high natural gas prices, as well as high electricity prices have affected and continue to affect EMW. See Ex. 1, Ives Direct at 7-8; Tr. 65-67 (Ives). The Order omitted any discussion regarding the reports of the Market Monitoring Unit of SPP, the regional transmission organization ("RTO") that EMW belongs to, which stated that the average gas price at the Panhandle Eastern hub remained high "with an average of \$6.02/MMBtu in spring 2022, up over double (145%) from \$2.45/MMBtu in spring 2021." See State of the Market Spring 2022 Report at 2, SPP Market Monitoring Unit (July 20, 2022). Day-ahead average prices rose to \$31.66/MWh in the spring of 2022, a 98% increase, with real-time average prices rising to \$29.37/MWh, a 112% increase. Id. at 2. The RTO's "highest prices, both on-peak and off-peak, were found in the southeast portion of the SPP footprint" which included "western Missouri" and EMW's service territory. Id. at 2.

32. The Order failed to find that the dramatic rise in natural gas and wholesale power prices well after Winter Storm Uri in February 2021 demonstrated "the unique inflationary period" that has caused EMW's FPP costs to exceed the PISA annual 3% CAGR caps. See Ex. 1, Ives Direct at 8-9. As Mr. Ives testified, based on reports from the SPP Market Monitor and the U.S.

Energy Information Administration, “these prices are high, they’re abnormally high, and they are expected to persist for a period of time to be abnormally high.” See Tr. 66 (Ives).

33. The Order erroneously found that EMW did not state how it calculated (“arrived at”) the \$31 million that it initially proposed be deferred under Section 393.1655.5. See Finding of Fact 26, Order at 10. To the contrary, Mr. Ives provided evidence in pre-filed testimony and in live testimony that explained how the initial \$31 million was calculated, and how it is now expected to be in a range of \$11 million to \$19 million, based on issues that were settled in EMW’s general rate case. See Ex. 1 at 10-12, 14 (Ives Direct); Tr. at 50-59. See also Ex. 2 at 10 (Starkebaum Direct). The specific calculations are contained in Exhibits 3 and 4 that were admitted into evidence. See Tr. 73 (Ex. 3 admitted); Order Admitting into Evidence EMW Ex. No. 4 (Oct. 7, 2022).

34. EMW performed the PISA calculations to determine the impact on the Average Overall Rate and Class Average Overall Rate for the Large Power customer class. The CAGR cap provisions applied to this FAR filing are 11.6887% for the average overall rate cap and 7.6850% for the class average overall rate cap for Large Power customers. See Ex. 2, Starkebaum Direct at 11-12. After deferral, the FAC charge proposed does not exceed the average overall rate by more than 11.6887%. Id. In its July 1, 2022 filing, EMW estimated that the overall CAGR rate cap of 12.55% at December 6, 2022 would be exceeded because of (a) the increase in FPP costs from the 29th Accumulation Period and the 30th Accumulation Period, and (b) the rebasing of FPP/base energy costs in retail base rates in the pending general rate case No. ER-2022-0130 (“2022 Rate Case”), under the Commission’s FAC Rule, 20 CSR 4240-20.090(2), would amount to approximately 16.0%. See Ex. 1, Ives Direct at 11. The cost increases from the two FAC accumulations periods were, respectively, \$39.2 million and \$33.2 million. The cost increase

caused by the rebasing of base energy costs was estimated at \$47.6 million. The total estimated increase was \$120 million. Id.

35. Mr. Ives explained at the evidentiary hearing that the table on page 11 of his testimony showed the 29th Accumulation Period as “FAC Accumulation – Part 1” and the 30th Accumulation Period as “FAC Accumulation – Part 2.” See Tr. 56-57 (Ives). Exhibit 3 updated the effect of the rebasing of base energy costs in the 2022 Rate Case, given the Stipulation and Agreement filed in that proceeding on August 30, 2022, and approved by the Commission. See Order Approving Four Partial Stipulations and Agreements, Nos. ER-2022-0129/-130 (Sept. 22, 2022). At the request of the Regulatory Law Judge, a supplementary version of Exhibit 3 was prepared that shows the formulas that supported the calculations and was marked as Exhibit 4. See Tr. 86-88, 106; EMW Proposed Findings of Fact 15-17.

36. Both Exhibit 3 and Exhibit 4 show that the overall CAGR rate cap of 12.55% would be exceeded because (a) the increase in FPP costs from the 29th Accumulation Period and the 30th Accumulation, and (b) the rebasing of FPP/base energy costs in retail base rates in the pending general rate case No. ER-2022-0130 (“2022 Rate Case”), under the Commission’s FAC Rule, 20 CSR 4240-20.090(2), would amount to approximately 17.2%. See Ex. 3 & 4.

37. The Order also erroneously omits any discussion of the fact that the August 30, 2022 First Stipulation in EMW’s pending rate case, which the Commission approved in September,⁸ is the reason why the 12.55 CAGR rate cap will be breached. As discussed above, Mr. Ives testified that as a result of the First Stipulation, which resolved a number of revenue issues, EMW will rebase \$56.1 million in FPP costs under the FAC Rule, although the overall revenue requirement increase is only \$42.5 million. See Tr. 58-60 (Ives); Ex. 4. Without the

⁸ Order Approving Four Partial Stipulations & Agreements at 2-3, In re Evergy Metro, Inc. & In re Evergy Mo. West, Inc., No. ER-2022-0129/-130 (Sept. 22, 2022).

increase in Base Energy Costs required by the FAC Rule, there would have been a \$13.6 million reduction in the Company's revenue requirement (\$56.1 million minus \$42.5 million). The Order fails to acknowledge that the rebasing of Base Energy Costs under the FAC Rule is why there will be an increase in rates in excess of the CAGR cap. See Tr. 58 (Ives).

38. The actual deferral amount required under PISA Section 393.1655.5 will be below the \$31.0 million initially requested by EMW. Depending on the decisions made by the Commission in the 2022 Rate Case, the deferral amount will range between \$11 million and \$19 million. See Tr. at 70-71 (Ives). The Order fails to acknowledge that EMW modified its \$31 million deferral request, consistently referring to the original amount. See Order at 3-4, 7 (Finding of Fact 9), 10 (Finding of Fact 26), 19. The Order never cites the change in EMW's position, as stated in Mr. Ives' testimony at the hearing that settlements in the rate case had reduced the deferral to a range of \$11 million to \$19 million, based on the range of the Company and Staff positions and recommendations as litigated by the parties during the hearing. See Tr. at 70-71 (Ives). Such failure is error.

39. The Order erroneously states that in "documents accompanying its tariff sheets to change its fuel adjustment rates, EMW did not mention the \$31 million it claims are 'extraordinary' fuel and purchased power costs to be deferred, as required by Commission Rule 20 CSR 4240-20.090(8)(A)2.A(XI)" See Finding of Fact 26, Order at 10. To the contrary, the Company's July 1, 2022 cover letter submitting the tariff states that its deferral request is consistent with "section XI of the Commission's FAC rule given the extraordinary circumstances surrounding the Company's fuel cost not to pass through the FAC" See EMW Letter to PSC Sec'y Woodruff at 3 (July 1, 2022) (EFIS Item 1). It concluded that "this section of the FAC rule allows the utility to request a deferral of 'extraordinary costs' that would otherwise flow through the FAC." Id.

40. The Order contains findings of fact related to EMW's affiliate Every Metro, Inc. which are irrelevant to the Company's deferral request in this case. See Findings of Fact 20-22, Order at 9-10. Similarly irrelevant is the Order's finding that EMW did not claim that a force majeure event occurred. That was never the basis of the Company's deferral request nor is it a requirement for deferral. See Finding of Fact 24, Order at 10.

41. The cumulative effect of these erroneous findings of fact with the omission of highly relevant and probative facts have led to the Commission's misinterpretation and application of Section 393.1655.5 and the incongruous legal analysis in its Conclusions of Law and its Decision.

WHEREFORE, Every Missouri West respectfully requests that this Application for Rehearing be granted.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to the Staff of the Commission and to the Office of the Public Counsel this 18th day of November 2022.

/s/ Roger W. Steiner

Attorney for Evergy Missouri West

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1
Canceling P.S.C. MO. No. _____

Original Sheet No. 127.13
Sheet No. _____

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)**

DEFINITIONS

ACCUMULATION PERIODS, FILING DATES AND RECOVERY PERIODS:

An accumulation period is the six calendar months during which the actual costs and revenues subject to this rider will be accumulated for the purposes of determining the Fuel Adjustment Rate (“FAR”). The two six-month accumulation periods each year through four years from the effective date of this tariff sheet, the two corresponding twelve-month recovery periods and the filing dates will be as shown below. Each filing shall include detailed work papers in electronic format to support the filing.

Accumulation Periods

June – November
December – May

Filing Dates

By January 1
By July 1

Recovery Periods

March – February
September – August

A recovery period consists of the months during which the FAR is applied to customer billings on a per kilowatt-hour (kWh) basis.

COSTS AND REVENUES:

Costs eligible for the Fuel and Purchased Power Adjustment (“FPA”) will be the Company’s allocated Jurisdictional costs for the fuel component of the Company’s generating units, purchased power energy charges including applicable Southwest Power Pool (“SPP”) charges, emission allowance costs and amortizations, cost of transmission of electricity by others associated with purchased power and off-system sales, all as incurred during the accumulation period. These costs will be offset by jurisdictional off-system sales revenues, applicable SPP revenues, and revenue from the sale of Renewable Energy Certificates or Credits (“REC”). Eligible costs do not include the purchased power demand costs associated with purchased power contracts in excess of one year. Likewise, revenues do not include demand or capacity receipts associated with power contracts in excess of one year.

APPLICABILITY

The price per kWh of electricity sold to retail customers will be adjusted (up or down) periodically subject to application of the Rider FAC and approval by the Missouri Public Service Commission (“MPSC” or “Commission”).

The FAR is the result of dividing the FPA by forecasted Missouri retail net system input (“SRP”) for the recovery period, expanded for Voltage Adjustment Factors (“VAF”), rounded to the nearest \$0.00001, and aggregated over two accumulation periods. The amount charged on a separate line on retail customers’ bills is equal to the current annual FAR multiplied by kWh billed.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1 Original Sheet No. 127.14
Canceling P.S.C. MO. No. _____ Sheet No. _____

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)

FORMULAS AND DEFINITIONS OF COMPONENTS

FPA = 95% * ((ANEC – B) * J) + T + I + P

ANEC = Actual Net Energy Costs = (FC + E + PP + TC – OSSR – R)

FC = Fuel Costs Incurred to Support Sales:
The following costs reflected in Federal Energy Regulatory Commission (“FERC”) Account Number 501:
Subaccount 501000: coal commodity and transportation, side release and freeze conditioning agents, dust mitigation agents, accessorial charges as delineated in railroad accessorial tariffs [additional crew, closing hopper railcar doors, completion of loading of a unit train and its release for movement, completion of unloading of a unit train and its release for movement, delay for removal of frozen coal, destination detention, diversion of empty unit train (including administration fee, holding charges, and out-of-route charges which may include fuel surcharge), diversion of loaded coal trains, diversion of loaded unit train fees (including administration fee, additional mileage fee or out-of-route charges which may include fuel surcharge), fuel surcharge, held in transit, hold charge, locomotive release, miscellaneous handling of coal cars, origin detention, origin re-designation, out-of-route charges (including fuel surcharge), out-of-route movement, pick-up of locomotive power, placement and pick-up of loaded or empty private coal cars on railroad supplied tracks, placement and pick-up of loaded or empty private coal cars on shipper supplied tracks, railcar storage, release of locomotive power, removal, rotation and/or addition of cars, storage charges, switching, trainset positioning, trainset storage, and weighing], applicable taxes, natural gas costs, fuel quality adjustments, fuel adjustments included in commodity and transportation costs, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), oil costs for commodity, propane costs, storage, taxes, fees, and fuel losses, coal and oil inventory adjustments, and insurance recoveries, subrogation recoveries and settlement proceeds for fuel expenses in the 501 Accounts.
Subaccount 501020: the allocation of the allowed costs in the 501000, 501300, and 501400 accounts attributed to native load;
Subaccount 501030: the allocation of the allowed costs in the 501000, 501300, and 501400 accounts attributed to off-system sales;
Subaccount 501300: fuel additives and consumable costs for Air Quality Control Systems (“AQCS”) operations, such as ammonia, hydrated lime, lime, limestone, limestone inventory adjustment, powder activated carbon, urea, propane, sodium bicarbonate, calcium bromide, sulfur, and RESPond, or other consumables which perform similar functions;
Subaccount 501400 and 501420: residual costs and revenues associated with combustion byproducts, slag and ash disposal costs and revenues including contractors, materials and other miscellaneous expenses.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1
Canceling P.S.C. MO. No. _____

Original Sheet No. 127.15

Sheet No. _____

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)**

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

The following costs reflected in FERC Account Number 547:

Subaccount 547000: natural gas and oil costs for commodity, transportation, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), storage, taxes, fees and fuel losses, and settlement proceeds, insurance recoveries, subrogation recoveries for fuel expenses,

Subaccount 547020: the allocation of the allowed costs in the 547000 and 547300 accounts attributed to native load;

Subaccount 547030: the allocation of the allowed costs in the 547000 and 547300 accounts attributed to off-system sales;

Subaccount 547300: fuel additives and consumable costs for Air Quality Control Systems ("AQCS") operations, such as ammonia or other consumables which perform similar functions.

E = Net Emission Costs:

The following costs and revenues reflected in FERC Account Number 509:

Subaccount 509000: NOx and SO₂ emission allowance costs, including any associated broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers) offset by revenue amortizations and revenues from the sale of NOx and SO₂ emission allowances.

PP = Purchased Power Costs:

The following costs or revenues reflected in FERC Account Number 555:

Subaccount 555005: capacity charges for capacity purchases one year or less in duration;

Subaccount 555000: purchased power costs, energy charges from capacity purchases, insurance recoveries, and subrogation recoveries for purchased power expenses, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), and charges and credits related to the SPP Integrated Marketplace ("IM") or other IMs, excluding the amounts associated with purchased power agreements associated with the Renewable Energy Rider tariff.

Subaccount 555030: the allocation of the allowed costs in the 555000 account attributed to purchases for off-system sales;

Subaccount 555035: purchased power costs associated with the WAPA agreement.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1
Canceling P.S.C. MO. No. _____

Original Sheet No. 127.16
Sheet No. _____

For Missouri Retail Service Area

<p>FUEL ADJUSTMENT CLAUSE – Rider FAC FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE (Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)</p>
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FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

TC = Transmission Costs:

The following costs reflected in FERC Account Number 565:

Subaccount 565000: non-SPP transmission used to serve off-system sales or to make purchases for load, excluding any transmission costs associated with the Crossroads Power Plant and 47.20% of the SPP transmission service costs which includes the schedules listed below as well as any adjustments to the charges in the schedules below:

- Schedule 7 – Long Term Firm and Short Term Point to Point Transmission Service
- Schedule 8 – Non Firm Point to Point Transmission Service
- Schedule 9 – Network Integration Transmission Service
- Schedule 10 – Wholesale Distribution Service
- Schedule 11 – Base Plan Zonal Charge and Region Wide Charge

excluding amounts associated with portions of purchased power agreements dedicated to specific customers under the Renewable Energy Rider tariff.

Subaccount 565020: the allocation of the allowed costs in the 565000 account attributed to native load;

Subaccount 565027: the allocation of the allowed costs in the 565000 account attributed to transmission demand charges;

Subaccount 565030: the allocation of the allowed costs in account 565000 attributed to off-system sales.

OSSR = Revenues from Off-System Sales:

The following revenues or costs reflected in FERC Account Number 447:

Subaccount 447020: all revenues from off-system sales. This includes charges and credits related to the SPP IM, excluding (1) the amounts associated with purchased power agreements associated with the Renewable Energy Rider tariff, and (2) off-system sales revenues from full and partial requirements sales to municipalities that are served through bilateral contracts in excess of one year. Additional revenue will be added at an imputed 75% of the unsubscribed portion associated with the Solar Subscription Rider valued at market price;

Subaccount 447012: capacity charges for capacity sales;

Subaccount 447030: the allocation of the includable sales in account 447020 not attributed to retail sales.

Subaccount 447035: the off-systems sales revenues associated with the WAPA agreement.

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

R = Renewable Energy Credit Revenue:
Revenues reflected in FERC account 509000 from the sale of Renewable Energy Credits that are not needed to meet the Renewable Energy Standard.

Costs and revenues not specifically detailed in Factors FC, PP, E, TC, OSSR, or R shall not be included in the Company's FAR filings; provided however, in the case of Factors PP, TC or OSSR, the market settlement charge types under which SPP or another centrally administered market (e.g., PJM or MISO) bills/credits a cost or revenue need not be detailed in Factors PP or OSSR for the costs or revenues to be considered specifically detailed in Factors PP or OSSR; and provided further, should the SPP or another centrally administered market (e.g. PJM or MISO) implement a new market settlement charge type not listed below or a new schedule not listed in TC:

- A. The Company may include the new schedule, charge type cost or revenue in its FAR filings if the Company believes the new schedule, charge type cost or revenue possesses the characteristics of, and is of the nature of, the costs or revenues listed below or in the schedules listed in TC, as the case may be, subject to the requirement that the Company make a filing with the Commission as outlined in B below and also subject to another party's right to challenge the inclusion as outlined in E. below;
- B. The Company will make a filing with the Commission giving the Commission notice of the new schedule or charge type no later than 60 days prior to the Company including the new schedule, charge type cost or revenue in a FAR filing. Such filing shall identify the proposed accounts affected by such change, provide a description of the new charge type demonstrating that it possesses the characteristics of, and is of the nature of, the costs or revenues listed in factors PP, TC or OSSR as the case may be, and identify the preexisting schedule, or market settlement charge type(s) which the new schedule or charge type replaces or supplements;
- C. The Company will also provide notice in its monthly reports required by the Commission's fuel adjustment clause rules that identifies the new schedule, charge type costs or revenues by amount, description and location within the monthly reports;
- D. The Company shall account for the new schedule, charge type costs or revenues in a manner which allows for the transparent determination of current period and cumulative costs or revenues;
- E. If the Company makes the filing provided for in B above and a party challenges the inclusion, such challenge will not delay approval of the FAR filing. To challenge the inclusion of a new schedule or charge type, a party shall make a filing with the Commission based upon that party's contention that the new schedule, charge type costs or revenues at issue should not have been included, because they do not possess the characteristics of the schedules, costs or revenues listed in Factors PP, TC or OSSR, as the case may be. A party wishing to challenge the inclusion of a schedule or charge type shall include in its filing the reasons why it believes the Company did not show that the new schedule or charge type possesses the characteristics of the costs or revenues listed in Factors TC, PP or OSSR, as the case may be, and its filing shall be made within 30 days of the Company's filing under B above. In the event of a timely challenge, the Company shall bear the burden of proof to support its decision to include a new schedule or charge type in a FAR filing. Should such challenge be upheld by the Commission, any such costs will be refunded (or revenues retained) through a future FAR filing in a manner consistent with that utilized for Factor P; and

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1
Canceling P.S.C. MO. No. _____

Original Sheet No. 127.18
Sheet No. _____

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASE POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tarff Sheet and Thereafter)**

FORMULAS AND DEFINITIONS OF COMPONENTS (Continued)

F. A party other than the Company may seek the inclusion of a new schedule or charge type in a FAR filing by making a filing with the Commission no less than 60 days before the Company's next FAR filing date of January 1 or July 1. Such a filing shall give the Commission notice that such party believes the new schedule or charge type should be included because it possesses the characteristics of, and is of the nature of, the costs or revenues listed in factors PP, TC or OSSR, as the case may be. The party's filing shall identify the proposed accounts affected by such change, provide a description of the new schedule or charge type demonstrating that it possesses the characteristics of, and is of the nature of, the schedules, costs or revenues listed in factors PP, TC or OSSR as the case may be, and identify the preexisting schedule or market settlement charge type(s) which the new schedule or charge type replaces or supplements. If a party makes the filing provided for by this paragraph F and a party (including the Company) challenges the inclusion, such challenge will not delay inclusion of the new schedule or charge type in the FAR filing or delay approval of the FAR filing. To challenge the inclusion of a new schedule or charge type, the challenging party shall make a filing with the Commission based upon that party's contention that the new schedule or charge type costs or revenues at issue should not have been included, because they do not possess the characteristics of the schedules, costs or revenues listed in Factors PP, TC, or OSSR, as the case may be. The challenging party shall make its filing challenging the inclusion and stating the reasons why it believes the new schedule or charge type does not possess the characteristic of the costs or revenues listed in Factors PP, TC or OSSR, as the case may be, within 30 days of the filing that seeks inclusion of the new schedule or charge type. In the event of a timely challenge, the party seeking the inclusion of the new schedule or charge type shall bear the burden of proof to support its contention that the new schedule or charge type should be included in the Company's FAR filings. Should such challenge be upheld by the Commission, any such costs will be refunded (or revenues retained) through a future FAR filing in a manner consistent with that utilized for Factor P.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1

Original Sheet No. 127.19

Canceling P.S.C. MO. No. _____

Sheet No. _____

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

SPP IM charge/revenue types that are included in the FAC are listed below:

- Day Ahead Regulation Down Service Amount
- Day Ahead Regulation Down Service Distribution Amount
- Day Ahead Regulation Up Service Amount
- Day Ahead Regulation Up Service Distribution Amount
- Day Ahead Spinning Reserve Amount
- Day Ahead Spinning Reserve Distribution Amount
- Day Ahead Supplemental Reserve Amount
- Day Ahead Supplemental Reserve Distribution Amount
- Real Time Contingency Reserve Deployment Failure Amount
- Real Time Contingency Reserve Deployment Failure Distribution Amount
- Real Time Regulation Service Deployment Adjustment Amount
- Real Time Regulation Down Service Amount
- Real Time Regulation Down Service Distribution Amount
- Real Time Regulation Non-Performance
- Real Time Regulation Non-Performance Distribution
- Real Time Regulation Up Service Amount
- Real Time Regulation Up Service Distribution Amount
- Real Time Spinning Reserve Amount
- Real Time Spinning Reserve Distribution Amount
- Real Time Supplemental Reserve Amount
- Real Time Supplemental Reserve Distribution Amount
- Day Ahead Asset Energy
- Day Ahead Non-Asset Energy
- Day Ahead Virtual Energy Amount
- Real Time Asset Energy Amount
- Real Time Non-Asset Energy Amount
- Real Time Virtual Energy Amount
- Transmission Congestion Rights Funding Amount
- Transmission Congestion Rights Daily Uplift Amount
- Transmission Congestion Rights Monthly Payback Amount
- Transmission Congestion Rights Annual Payback Amount
- Transmission Congestion Rights Annual Closeout Amount
- Transmission Congestion Rights Auction Transaction Amount
- Auction Revenue Rights Funding Amount
- Auction Revenue Rights Uplift Amount

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1

Original Sheet No. 127.20

Canceling P.S.C. MO. No. _____

Sheet No. _____

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)**

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

SPP IM charge/revenue types that are included in the FAC (continued)

- Auction Revenue Rights Monthly Payback Amount
- Auction Revenue Annual Payback Amount
- Auction Revenue Rights Annual Closeout Amount
- Day Ahead Virtual Energy Transaction Fee Amount
- Day Ahead Demand Reduction Amount
- Day Ahead Demand Reduction Distribution Amount
- Day Ahead Grandfathered Agreement Carve Out Daily Amount
- Grandfathered Agreement Carve Out Distribution Daily Amount
- Day Ahead Grandfathered Agreement Carve Out Monthly Amount
- Grandfathered Agreement Carve Out Distribution Monthly Amount
- Day Ahead Grandfathered Agreement Carve Out Yearly Amount
- Grandfathered Agreement Carve Out Distribution Yearly Amount
- Day Ahead Make Whole Payment Amount
- Day Ahead Make Whole Payment Distribution Amount
- Miscellaneous Amount
- Reliability Unit Commitment Make Whole Payment Amount
- Real Time Out of Merit Amount
- Reliability Unit Commitment Make Whole Payment Distribution Amount
- Over Collected Losses Distribution Amount
- Real Time Joint Operating Agreement Amount
- Real Time Reserve Sharing Group Amount
- Real Time Reserve Sharing Group Distribution Amount
- Real Time Demand Reduction Amount
- Real Time Demand Reduction Distribution Amount
- Real Time Pseudo Tie Congestion Amount
- Real Time Pseudo Tie Losses Amount
- Unused Regulation Up Mileage Make Whole Payment Amount
- Unused Regulation Down Mileage Make Whole Payment Amount
- Revenue Neutrality Uplift Distribution Amount

Should FERC require any item covered by components FC, E, PP, TC, OSSR or R to be recorded in an account different than the FERC accounts listed in such components, such items shall nevertheless be included in component FC, E, PP, TC, OSSR or R. In the month that the Company begins to record items in a different account, the Company will file with the Commission the previous account number, the new account number and what costs or revenues that flow through the Rider FAC to be recorded in the account.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1

Original Sheet No. 127.21

Canceling P.S.C. MO. No. _____

Sheet No. _____

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)**

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

B = Net base energy costs ordered by the Commission in the last general rate case consistent with the costs and revenues included in the calculation of the FPA. Net Base Energy costs will be calculated as shown below:

$$S_{AP} \times \text{Base Factor ("BF")}$$

S_{AP} = Net system input ("NSI") in kWh for the accumulation period, at the generation level.

BF = Company base factor costs per kWh: \$0.02240

J = Missouri Retail Energy Ratio = Retail kWh sales/total system kWh
Where: total system kWh equals retail and full and partial requirement sales associated with GMO.

T = True-up amount as defined below.

I = Interest applicable to (i) the difference between Missouri Retail ANEC and B for all kWh of energy supplied during an accumulation period until those costs have been recovered; (ii) refunds due to prudence reviews ("P"), if any; and (iii) all under- or over-recovery balances created through operation of this FAC, as determined in the true-up filings ("T") provided for herein. Interest shall be calculated monthly at a rate equal to the weighted average interest paid on the Company's short-term debt, applied to the month-end balance of items (i) through (iii) in the preceding sentence.

P = Prudence adjustment amount, if any.

FAR = FPA/S_{RP}

$$\text{Single Accumulation Period Secondary Voltage } FAR_{Sec} = FAR * VAF_{Sec}$$

$$\text{Single Accumulation Period Primary Voltage } FAR_{Prim} = FAR * VAF_{Prim}$$

$$\text{Single Accumulation Period Substation Voltage } FAR_{Sub} = FAR * VAF_{Sub}$$

$$\text{Single Accumulation Period Transmission Voltage } FAR_{Trans} = FAR * VAF_{Trans}$$

Annual Secondary Voltage FAR_{Sec} = Aggregation of the two Single Accumulation Period Secondary Voltage FARs still to be recovered

Annual Primary Voltage FAR_{Prim} = Aggregation of the two Single Accumulation Period Primary Voltage FARs still to be recovered

Annual Substation Voltage FAR_{Sub} = Aggregation of the two Single Accumulation Period Substation Voltage FARs still to be recovered

Annual Transmission Voltage FAR_{Trans} = Aggregation of the two Single Accumulation Period Transmission Voltage FARs still to be recovered

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1
Canceling P.S.C. MO. No. _____

Original Sheet No. 127.22
Sheet No. _____

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)**

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

Where:

- FPA = Fuel and Purchased Power Adjustment
- SRP = Forecasted recovery period retail NSI in kWh, at the generation level.
- VAF = Expansion factor by voltage level
 - VAF_{Sec} = Expansion factor for lower than primary voltage customers
 - VAF_{Prim} = Expansion factor for primary to substation voltage customers
 - VAF_{Sub} = Expansion factor for substation to transmission voltage customers
 - VAF_{Trans} = Expansion factor for transmission voltage customers

TRUE-UPS

After completion of each recovery period, the Company shall make a true-up filing by the filing date of its next FAR filing. Any true-up adjustments shall be reflected in component “T” above. Interest on the true-up adjustment will be included in component “I” above.

The true-up amount shall be the difference between the revenues billed and the revenues authorized for collection during the RP as well as any corrections identified to be included in the current FAR filing. Any corrections included will be discussed in the testimony accompanying the true-up filing.

PRUDENCE REVIEWS

Prudence reviews of the costs subject to this Rider FAC shall occur no less frequently than every eighteen months, and any such costs which are determined by the Commission to have been imprudently incurred or incurred in violation of the terms of this Rider FAC shall be returned to customers. Adjustments by Commission order, if any, pursuant to any prudence review shall be included in the FAR calculation in component “P” above unless a separate refund is ordered by the Commission. Interest on the prudence adjustment will be included in component “I” above.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1 Original Sheet No. 127.23
 Canceling P.S.C. MO. No. _____ Sheet No. _____

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC
 FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
 (Applicable to Service Provided the Effective Date of This Tariff Sheet and Thereafter)**

Accumulation Period Ending:			GMO
1	Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)		\$0
2	Net Base Energy Cost (B)	-	\$0
	2.1 Base Factor (BF)		\$0.02240
	2.2 Accumulation Period NSI (S _{AP})		0
3	(ANEC-B)		\$0
4	Jurisdictional Factor (J)	x	0%
5	(ANEC-B)*J		\$0
6	Customer Responsibility	x	95%
7	95% *((ANEC-B)*J)		\$0
8	True-Up Amount (T)	+	\$0
9	Interest (I)	+	\$0
10	Prudence Adjustment Amount (P)	+	\$0
11	Fuel and Purchased Power Adjustment (FPA)	=	\$0
12	Estimated Recovery Period Retail NSI (S _{RP})	÷	0
13	Current Period Fuel Adjustment Rate (FAR)	=	\$0.00000
14	Current Period FAR _{Sec} = FAR x VAF _{Sec}		\$0.00000
15	Prior Period FAR _{Sec}	+	\$0.00000
16	Current Annual FAR _{Sec}	=	\$0.00000
17	Current Period FAR _{Prim} = FAR x VAF _{Prim}		\$0.00000
18	Prior Period FAR _{Prim}	+	\$0.00000
19	Current Annual FAR _{Prim}	=	\$0.00000
20	Current Period FAR _{Sub} = FAR x VAF _{Sub}		\$0.00000
21	Prior Period FAR _{Sub}	+	\$0.00000
22	Current Annual FAR _{Sub}	=	\$0.00000
23	Current Period FAR _{Trans} = FAR x VAF _{Trans}		\$0.00000
24	Prior Period FAR _{Trans}	+	\$0.00000
25	Current Annual FAR _{Trans}	=	\$0.00000
26	VAF _{Sec} = 1.0426		
27	VAF _{Prim} = 1.0268		
28	VAF _{Sub} = 1.0133		
29	VAF _{Trans} = 1.0100		