

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

In the Matter of KCP&L Greater Missouri Operations            )  
Company’s Request for Authority to Implement                )       File No. ER-2016-0156  
A General Rate Increase for Electric Service                 )

**NOTICE TO RESUME FUEL HEDGING**

COMES NOW, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West” or the “Company”)<sup>1</sup> and hereby respectfully submit this *Notice to Resume Fuel Hedging* (“Notice”). In support thereof, the Company states as follows:

1. On September 20, 2016, parties to this docket filed a *Non-Unanimous Stipulation and Agreement* (“Agreement”) which was approved on September 28, 2016, by the Missouri Public Service Commission’s (“Commission”) *Order Approving Stipulations and Agreements, Rejecting Tariffs, Cancelling True-Up Hearings, and Ordering Filing of Compliance Tariffs* (“Order”). The Agreement included the stipulation that:

The Signatories agree that GMO will suspend all of its hedging activities associated with natural gas (cross-hedging related to purchased power and natural gas fuel hedging). Upon approval of this Stipulation, GMO will expeditiously proceed to unwind all of its hedges associated with natural gas. Any gains or losses from the unwinding of the natural gas hedges will be flowed through GMO’s Fuel Adjustment Clause (“FAC”) without disallowance.

The Signatories agree GMO may resume its natural gas fuel hedging activities (but not use natural gas derivatives to cross-hedge purchased power) should the market place and/or other factors change such that resuming natural gas fuel hedging activities would be warranted. GMO agrees to notify the Commission Staff and the Office of the Public Counsel (“Public Counsel”) if GMO decides to resume its natural gas fuel hedging activities.

In the event GMO resumes natural gas fuel hedging activities, GMO will record all hedging gains to FERC Account 254, Regulatory Liability

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<sup>1</sup> Effective October 7, 2019, Evergy Missouri West, Inc. d/b/a Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”).

and hedging losses to FERC Account 182.3 Other Regulatory Assets or FERC Account 186, Deferred Debits.<sup>2</sup>

2. Due to changes in the natural gas market and current Southwest Power Pool conditions and after discussions with Staff, the Office of the Public Counsel, Missouri Department of Economic Development – Division of Energy (“DE”), Midwest Energy Consumers Group (“MECG”), and Missouri Industrial Energy Consumers (“MIEC”), the Company intends to institute hedging transactions of natural gas and purchased power (including cross-hedging) for the settlement periods January 2022 through April of 2022.

3. For the requested resumption of hedging transactions, of natural gas and purchased power (including cross-hedging), the Company will record all hedging gains to FERC Account 254, Regulatory Liability and hedging losses to FERC Account 182.3 Other Regulatory Assets or FERC Account 186, Deferred Debits, as specified in the Agreement. Consistent with the Agreement, all parties are free to argue for the ratemaking treatment of any amounts deferred under this language and the ongoing treatment of hedging costs.

4. For any hedging transactions for the periods following the January to April 2022 time period, the Company expects to work with parties to establish a long-term hedging and cross-hedging policy.

**WHEREFORE**, for the reasons stated above, the Company respectfully submits this Notice as information to the Commission and the parties.

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<sup>2</sup> See, *Non-Unanimous Stipulation and Agreement*, p.3, Section 5., dated September 20, 2016.

Respectfully submitted,

*/s/ Roger W. Steiner*

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**Attorney for Evergy Missouri West**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all parties of record on this 17<sup>th</sup> day of December 2021.

*/s/ Roger W. Steiner*

Attorney for Evergy Missouri West