

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

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West’s Request for)
Authority to Implement a General Rate)
Increase for Electric Service) **File No. ER-2022-0130**

**STAFF’S NOTICE OF START OF FOURTH RESRAM PRUDENCE REVIEW
AND REQUEST FOR VARIANCE**

COMES NOW Staff of the Missouri Public Service Commission, by and through undersigned counsel, and for its *Notice of Start of Fourth RESRAM Prudence Review* (“Notice”), informs the Commission that, as part of this general rate proceeding, Staff has initiated its fourth RESRAM (“Renewable Energy Standard Rate Adjustment Mechanism”) prudence review as required by Evergy Missouri West, Inc. d/b/a Evergy Missouri West’s (“EMW” or “Company”) tariff and Commission Rule 20 CSR 4240-20.100(6)(A)11 and 20.100(6)(A)26. In further support, Staff states as follows:

Notice

1. EMW’s RESRAM was approved by the Commission in Case No. EO-2014-0151 and became effective December 1, 2014.¹
2. Commission Rule 20 CSR 4240-20.100(6)(A)26 provides in part that “A prudence review of the costs subject to the RESRAM shall be conducted no less frequently than at intervals established in the rate proceeding in which the RESRAM is established.”

¹ See *Order Approving Tariff Filing In Compliance With Commission Order* (EFIS Item No. 55), issued November 18, 2014, in Case No. EO-2014-0151.

3. EMW's RESRAM tariff (P.S.C. MO. No. 1, 2nd Revised Sheet No. 137.2)

states in pertinent part:

PRUDENCE REVIEWS:

A prudence review shall be conducted no less frequently than at twenty four (24) month intervals. A prudence review shall also be conducted concurrent with any general rate case filed by the Company. Any costs which are determined by the Commission to have been imprudently incurred or incurred in violation of the terms of this Rider RESRAM shall be credited to customers through future adjustments to the RRR. Adjustments by Commission order, if any, pursuant to any prudence review shall be included in the RESRAM determination in OA above. Such amounts shall include monthly interest at the Company's monthly short-term borrowing rate. (Emphasis added)

4. Further, Commission Rule 20 CSR 4240-20.100(6)(A)11 provides in part

that:

Commission approval of proposed rate schedules, to establish or modify a RESRAM, shall in no way be binding upon the commission in determining the ratemaking treatment to be applied to RES compliance costs **during a subsequent general rate proceeding when the commission may undertake to review the prudence of such costs.** (Emphasis added)

5. Pursuant to the foregoing rules and tariff provisions, Staff is undertaking its fourth RESRAM prudence review of EMW's RESRAM as part of the Company's general rate proceeding, Case No. ER-2022-0130. Staff last completed a prudence review of EMW's RESRAM in Case No. EO-2020-0214, for the period of January 1, 2018 through December 31, 2019. In the current case, Staff's prudence review will cover the period of January 1, 2020 through December 31, 2021.

6. Commission Rule 20 CSR 4240-20.100(6)(A)20 provides for intervention as follows:

A person or entity granted intervention in a rate proceeding in which a RESRAM is approved by the commission shall be a party to any subsequent related periodic adjustment proceeding or prudence review, without the necessity of applying to the commission for intervention; and the commission shall issue an order identifying them. **In any subsequent general rate proceeding, such person or entity must seek and be granted status as an intervenor to be a party to that case.** (Emphasis added)

Since EMW's RESRAM was initially approved in a separate proceeding, Case No. EO-2014-0151, and this prudence review is being done in the context of EMW's general rate case proceeding, Staff believes that the language in bold above applies to this proceeding.

Variance

7. Staff is filing this Notice per Commission Rule 20 CSR 4240-20.100(6)(A)26.B, which provides in part that "The staff shall file notice within ten (10) days of starting its prudence audit." However, Rule 20 CSR 4240-20.100(6)(A)26.B also contains other timelines, such as when Staff's recommendation is to be submitted and when the Commission is to issue an order, which are out of place in a general rate proceeding although they could be useful in a stand-alone prudence review proceeding. Rule 20 CSR 4240-20.100(11) provides in part that "the commission may grant a variance from any provision of this rule for good cause shown." Since Staff plans to conduct its RESRAM prudence review as part of its direct case in EMW's general rate case proceeding and any RESRAM prudence issues may be addressed by the parties in their prefiled testimony and at hearing as to be set forth in an approved procedural schedule, Staff requests the Commission grant a variance from the timeline provisions set forth in Rule 20 CSR 4240-20.100(6).

WHEREFORE, Staff prays the Commission accept this Notice of the start of its fourth EMW RESRAM prudence review as part of EMW's general rate case proceeding and grant the variance requested above.

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, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 22nd day of February 2022.

/s/ Jeffrey A. Keevil