

**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 Tariffs Changing) **File No. HT-2023-0360**
the Steam QCA for Service Provided to) **Tariff No. JH-2024-0049**
Customers in Service Territory)

STAFF RECOMMENDATION TO APPROVE TARIFF

COMES NOW the Public Service Commission Staff (“Staff”), by and through counsel, and recommends that the Commission approve the tariff filed by Evergy Missouri West Inc., d/ba Evergy Missouri West.

1. On October 16, 2023, Evergy Missouri West filed its Tariff Revision, Tracking No. JH-2024-0049.

2. On October 17, 2023, the Commission issued its *Order Directing Filing*. The *Order* directed Staff to file a recommendation regarding Evergy Missouri West’s tariff sheets no later than November 14, 2023.

3. As more fully explained in the attached Memorandum, Staff has reviewed the proposed tariff sheet and recommends its approval.

WHEREFORE, Staff respectfully submits this *Staff Recommendation to Approve Tariff*, and respectfully requests the Commission approve the tariff filed by Evergy Missouri West.

Respectfully submitted,

/s/ Casi Aslin

Casi Aslin
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and or counsel of record on this 2nd day of November 2023.

/s/ Casi Aslin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. HT-2023-0360 and Tariff Tracking No. JH-2024-0049

FROM: Melanie Clark, Lead Senior Utility Regulatory Auditor
Water, Sewer & Steam Department

/s/ Melanie Clark 11/02/2023
Water, Sewer & Steam Dept. / Date

SUBJECT: Staff Recommendation to approve the Quarterly Cost Adjustment for the Third Quarter of 2023 to the Quarterly Cost Adjustment Rider – Steam of Evergy Missouri West, Inc., d/b/a Evergy Missouri West

DATE: November 2, 2023

On October 16, 2023, Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“EMW”) filed with the Missouri Public Service Commission (“Commission”) the following tariff sheet, bearing an effective date of December 1, 2023:

P.S.C. MO. No. 1

58th Revised Sheet No. 6.10 Canceling 57th Revised Sheet No. 6.10

This tariff filing revises the Quarterly Cost Adjustment Rate (“QCA Rate”) for the third quarter of 2023. Each quarter, EMW files rate adjustments to reflect the actual fuel costs above or below a base amount of \$2.4854 per million BTU, which was determined in EMW’s last rate case, Case No. HR-2018-0231.

The procedure for the calculation of the QCA Rate for steam service sales is set out in EMW’s Tariff Sheet Nos. 6.6 through 6.10, titled “Quarterly Cost Adjustment Rider – Steam.” The Current Quarterly Cost Adjustment is the rate adjustment component designed to reflect the customer share of the variation in fuel costs for the most recent quarter.¹ The Commission approved EMW’s Quarterly Cost Adjustment Rider in Case No. HR-2005-0450, and modified it in Case Nos. HR-2009-0092, HR-2010-0028, and HR-2018-0231. EMW’s filing includes the proposed tariff sheet and supporting work papers, consisting of electronic worksheets showing EMW’s calculation of the QCA Rate for the third quarter of 2023.

¹ Evergy Missouri West Tariff, Revised Sheet No. 6.6.

On October 17, 2023, the Commission issued an *Order Directing Filing* ordering Staff to file its recommendation no later than November 14, 2023.

The table below shows the calculation of the proposed Monthly QCA Rate (“Monthly QCA Rate”) for the third quarter of 2023, effective for the billing period of December 1, 2023 through February 29, 2024, as well as the change per thousand MMBtu in cumulative rates from quarter to quarter:

Line No.	Qtr/Year	First Effective Date	Months	Last Effective Date	QCA Rate	Qtr/Year	Reconciliation Rate (R Factor)	Cumulative Rate	Change Per 1,000 MMBtu
(1)	Q4 2022	3/1/2023	12	2/29/2024	\$ 0.7184	Q4 2022	\$ (0.0138)	\$ 2.7350	\$ 480.00
(2)	Q1 2023	6/1/2023	12	5/31/2024	\$ 0.1032	Q1 2023	\$ (0.0058)	\$ 2.2922	\$ (442.80)
(3)	Q2 2023	9/1/2023	12	8/31/2024	\$ 0.0074	Q1 2023	\$ 0.0028	\$ 1.5177	\$ (774.50)
(4)	Q3 2023	12/1/2023	12	11/30/2024	\$ 0.0102	Q2 2023	\$ 0.0163	\$ 0.8387	\$ (679.00)
					\$ 0.8392		\$ (0.0005)		
					Monthly QCA¹				
(5)	Q3 2023	12/1/2023	3	2/29/2024	\$ 0.8387				

¹ The Monthly QCA rate is a summation of the total QCA Rates and the R Factors for the previous 4 quarters.

This tariff filing reflects a proposed Monthly QCA Rate per Million British Thermal Unit (“MMBtu”) of \$0.8387, compared to the current Monthly QCA Rate of \$1.5177 per MMBtu.

Comparison to the Monthly QCA Rate for the Same Quarter of the Previous Year

The proposed Monthly QCA Rate for the third quarter 2023 reflects a decrease of \$1,915,778 in adjusted fuel costs, when compared to the same fuel costs for the Monthly QCA Rate for the third quarter 2022. The company states this decrease is due to overall lower fuel costs when compared to the same time period in 2022.² The Reconciliation Rate component or “R Factor” reflects an increase of \$37,326 when compared to the same quarter last year.³

Staff reviewed the data and calculations EMW provided in its worksheets and determined that EMW’s calculations related to the filed tariff sheet are correct, and that the calculations satisfy

² Natural gas cost approximately \$2.55 per MMBtu in third quarter 2023, compared to approximately \$8.20 per MMBtu in third quarter 2022.

³ The R Factor in this filing is a comparison of the balance of the reconciliation amount per QCA period from second quarter 2021 through second quarter 2022.

the standards set forth in EMW's Tariff Sheet Nos. 6.6 through 6.10. The calculations are also consistent with previous EMW QCA Rate filings.

Customer Billing Comparison

The following table compares, per thousand MMBtu, the proposed cost for customers receiving steam service for the period December 1, 2023 through February 29, 2024⁴ to the current period of October 1, 2023 through December 31, 2023:⁵

Billing Comparison from Q2 2023 to Q3 2023			
Q2 2023	Q3 2023		
Billing	Billing	Difference	
\$ (774.50)	\$ (679.00)	\$ 95.50	

The previous three QCA rates and R Factor rates, added to this proposed QCA Rate and R Factor rate, results in an increase of a steam customer's bill of \$95.50 for every thousand MMBtu for the billing period December 1, 2023 through February 29, 2024, compared to the 2023 second quarter billing period.

Staff Recommendation

Staff recommends the Commission approve EMW's proposed filed tariff sheet with the effective date of December 1, 2023:

P.S.C. MO. No. 1

58th Revised Sheet No. 6.10 Canceling 57th Revised Sheet No. 6.10

Staff has verified that EMW filed its Annual Report and is current on its submission of its Surveillance Monitoring reports. Staff is not aware of any other matter pending before the Commission that affects this tariff filing. Staff's basis for Commission approval of the QCA Rate in this case is solely on the accuracy of EMW's calculations and R Factor adjustments outlined above and is not indicative of the prudence of the fuel costs included in EMW's QCA Rate filing.

⁴ \$0.8387 per MMBtu.

⁵ \$1.5177 per MMBtu.

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Inc.'s d/b/a Evergy Missouri West Tariffs)	File No. HT-2023-0360
Changing the Steam QCA for Service)	Tariff No. JH-2024-0049
Provided to Customers in its Service Territory)	

AFFIDAVIT OF MELANIE CLARK

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Melanie Clark, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

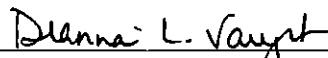
Further the Affiant sayeth not.



MELANIE CLARK

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 1st day of November 2023.



Notary Public

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: July 18, 2027 Commission Number: 15207377
