



Evergy Missouri West
Case Name: 2023 Fuel Adjustment Clause MO West 11th Prudence Audit
Case Number: EO-2023-0277

Requestor Mantle Lena -
Response Provided January 09, 2024

Question:8078

On pg. 8, ln 3 – 6 of his rebuttal testimony Mr. Reed states “No, and under the circumstances that EMW faced as it had to make its resource planning decisions, this strategy was the best option for EMW’s customers based on what was known or reasonably knowable at the time, as demonstrated by the Company’s resource planning analyses and as discussed in by Ms. Messamore.” Please provide the month and year Mr. Reed made this determination. If the determination was made after the resource planning decisions were made and if Mr. Reed does not consider this hindsight, please explain how it is not hindsight.

RESPONSE: (do not edit or delete this line or anything above this)

Confidentiality: PUBLIC

Statement: Choose an item.

Response: First, Mr. Reed did not conduct a full prudence review of Evergy’s resource planning process as there is a rebuttable presumption of prudence that OPC and Staff did not overcome. Nonetheless, Mr. Reed does have involvement and familiarity with the Company’s processes as he has been involved with the Company’s regulatory and resource planning matters over the course of many years. Most recently, Mr. Reed provided testimony in support of the Company’s application for a Certificate of Convenience and Necessity (CCN) for the Dogwood Energy Facility Case No. EA-2023-0291 and in the Company’s securitization proceeding Case No. EF-2022-0155 related to winter storm Uri. Mr. Reed was involved with the Evergy rate case proceeding in ER-2022-0129-0130 and provided testimony on the retirement of Sibley Generating Station. Furthermore, Mr. Reed reviewed the Company’s IRP analyses through a review of the Company’s testimony submitted in several of his past engagements.

Mr. Reed’s determination as cited in the question is one he has made as part of his testimony in this proceeding. Second, this question suggests an incorrect understanding of hindsight and the difference between hindsight and conducting a retrospective review. In the context of a prudence review, decisions ought to be evaluated based on what was known and knowable at the time of the decision. OPC and Staff have not evaluated the decision to procure the mix of resources that underlie the FAC against the information that was knowable at the time those decisions were made (i.e., the alternatives available to them, then). Staff, for example, bases its position on how



past decisions have turned out. That is what is meant by the use of hindsight. Reviewing an analysis today that was prepared previously, as is suggested by the question, does not constitute hindsight. It is conducting a retrospective inquiry, which is called for under the prudence standard, although it is to be done based on what was known or reasonably knowable at the time the decisions were made. Second guessing a decision based on “how things turned out” using information that was not reasonably known or knowable at the time the decision was made, as the challenging parties are doing here, clearly meets the definition of relying on hindsight. .

Information provided by: John J. Reed

Attachment(s):

Missouri Verification:

I have read the Information Request and answer thereto and find answer to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signature /s/ *Brad Lutz*
Director Regulatory Affairs