Exhibit No.:	
Issue:	Jurisdictional Allocations; FAC Requirements; Misc. Accounting Adjustments; Cash Working Capital
Witness:	Linda J. Nunn
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Evergy Missouri West
Case No.:	ER-2024-0189
Date Testimony Prepared:	February 2, 2024

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2024-0189

DIRECT TESTIMONY

OF

LINDA J. NUNN

ON BEHALF OF

EVERGY MISSOURI WEST

Kansas City, Missouri
February 2024

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DIRECT TESTIMONY

OF

LINDA J. NUNN

CASE NO. ER-2024-0189

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Linda J. Nunn. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Evergy Metro, Inc. I serve as Manager - Regulatory Affairs for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("EMM"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW" or "Company"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("EKM"), and Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("EKC") the operating utilities of Evergy, Inc.

Q: What are your responsibilities?

A: My responsibilities include the coordination, preparation and review of financial information and schedules associated with Company rate case filings and other regulatory filings.

Q: Please describe your education.

A: I received a Bachelor of Science Degree in Business Administration with a concentration in Accounting from Northwest Missouri State University.

Q: Please provide your work experience.

A: I became a Senior Regulatory Analyst with Kansas City Power & Light ("KCP&L") in 2008, as a part of the acquisition of Aquila, Inc., by Great Plains Energy. In 2013, I was promoted to Supervisor - Regulatory Affairs. In 2018 I became Manager, Regulatory Affairs. Prior to my employment with KCP&L, I was employed by Aquila, Inc. for a total of eleven years. In addition to Regulatory, I have had experience in Accounting, Audit, and Business Services, where I had responsibility for guiding restructuring within the delivery division. In addition to my utility experience, I was the business manager and controller for two area churches. Prior to that, I was an external auditor with Ernst & Whinney.

Q: Have you previously testified in a proceeding before the Missouri Public Service Commission ("MPSC" or "Commission") or before any other utility regulatory agency?

A: Yes, I have testified before the MPSC, and I have provided written testimony in various dockets before the MPSC. I have also worked closely with many MPSC Staff on numerous filings as well as on rate case issues. Additionally, I have provided written testimony in Kansas Corporation Commission dockets.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to discuss various adjustments made to the test year revenue requirement, provide an update of the jurisdictional allocations, and provide the required information associated with requesting to continue the

Company's Fuel Adjustment Clause ("FAC"). As explained in the testimony of Company witness Ronald A. Klote, adjustments are made to the historical test year for known and measurable changes along with the annualization, normalization and amortization of certain assets, liabilities, revenues and expenses. In the following testimony, I discuss several of these adjustments.

II. JURISDICTIONAL ALLOCATIONS

Q: Have the jurisdictional allocations used in this Missouri West rate case filing changed in any significant way?

A: Regarding the allocations used to allocate costs to our three municipal customers who receive power based upon negotiated contracts, nothing has changed except for the updating of the data to the 12-months ended December 31, 2022. The allocators used to allocate costs associated with serving our five Industrial Steam customers surrounding the Lake Road Generating Station in St. Joseph, Missouri used the methodology approved by all parties in EMW's most recent electric case, Case No.ER-2022-0130 ("the 2022 Case"). The approved methodology has been consistently applied by updating the data inputs to the twelve months ended June 30, 2023.

See Schedule RAK – 6 for a listing of all proposed wholesale and electric/steam allocation factors.

III. FUEL ADJUSTMENT CLAUSE REQUIREMENTS

Q: Does the Company currently have an approved FAC?

A: Yes. The FAC was initially approved for EMW in Case No. ER-2007-0004 on May 17, 2007. Several modifications and clarifications have been made to the FAC in subsequent rate cases, all with the intent to improve the FAC and its processes.

Q: What are the rules for continuing an FAC?

A: The requirements for continuing an FAC are found in Section 386.266 RSMo. and Commission rule 20 CSR 4240-20.090 (2). The supporting information is summarized in the attached Schedules LJN - 1 through LJN - 6.

Q: Is the Company providing a system loss study in this case?

A: No. 20 CSR 4240-20.090 (13)(B) requires a system loss study be conducted no less than every four (4) years to be used in the general rate proceeding necessary to continue to utilize a Rate Adjustment Mechanism ("RAM"). The loss study provided in the 2022 Case falls within the four-year window.

Q: Has the Company met all of the filing requirements to continue the FAC 20 CSR 4240-20.090 (2)?

A: Yes.

Q: Is the Company requesting to continue the FAC?

A: Yes.

Q: Is the Company proposing to make any changes in the FAC tariff?

A: Yes, the Company is proposing to make the following changes to the FAC tariff:

- The base rate has been re-based;
- The percentage of transmission which flows through the FAC has been updated;
- Language excluding Crossroads transmission costs from the FAC has been removed;
- The listing of the Southwest Power Pool ("SPP") charge types was updated for new charge types added by SPP since the Company's last rate case as well as removed by SPP;

- The addition of SPP charge types necessitated the addition of an account under item PP, subaccount 555070; and
- Added language associated with the outcome of hedging activities implemented.

Q: Please give some background on the hedging activities.

A: In the 2022 Case, it was stipulated that the gains and losses associated with the Company's hedging activities would be recorded to a corresponding regulatory liability or asset to be addressed in the Company's next general rate case. See the discussion of Adjustment CS-141E later in this testimony for the amortization of the associated regulatory asset into the revenue requirement. See the testimony of Company witness Jessica Tucker for a more detailed discussion on this issue.

Q: What is the Company proposing for the ongoing gains and losses within this case?

A: Since the purpose of entering into a hedging program is to mitigate and level out the volatility of the fuel and purchased power markets, the benefits and costs associated with the program should also flow through the FAC. This provides for balance, consistency and ensures the appropriate level of net costs are charged to our customers. This also connects the costs expended with the associated hedging activity eliminating a customer cost mismatch.

Q: Will any of the changes to the FAC mentioned above cause any problems with the computation or administration of the FAC?

A: No. All costs and revenues associated with the proposed changes will be easily identifiable on the Company's books and records. The changes are intended to provide a more complete view of the costs incurred and revenues received by the company.

Q: Does the FAC help both customers and Company?

A: Yes. The FAC is a balanced recovery mechanism which provides the Company with recovery of the majority of its fuel and purchased power costs, and a portion of transmission costs net of off system sales above a base amount that is included in base rates, but also provides customers assurance that EMW is not over-recovering net fuel and purchased power costs. The FAC is needed to help address volatile and uncertain net fuel and purchased power costs, and to ensure the Company has an opportunity to earn a fair return in order to generally preserve the financial health of the Company. The net fuel and purchased power and transmission costs contained in the FAC for EMW represent approximately 34% of the overall costs of serving customers.

Q: Do you believe that the absence of an FAC is potentially harmful to the Company and/or the Customer?

A: Yes. Without the proposed FAC, under increasing fuel cost scenarios, the Company would not have a reasonable opportunity to earn the rate of return authorized in this case. Conversely, if net fuel and purchased power, and transmission costs turn out to be lower after the setting of base rates, then the presence of an FAC will protect customers from paying higher prices than the Company's actual experience.

The FAC is designed to provide for full and timely recovery of 95% of the changes in net fuel costs by reflecting changes in such costs in rates. The net fuel costs included in the FAC are often much more significant, volatile, uncertain and much more difficult to control than other utility costs. Additionally, a continuation of the FAC helps to keep EMW on somewhat more comparable footing with utilities operating in other states. As it stands now, EMW is already at a disadvantage as compared to other Companies around the country. As supported in the Direct Testimony of Company Witness Ann Bulkley, 93 percent of the operating companies in her proxy group are allowed to directly recover fuel and purchased power costs without any sharing at all. In addition, her discussion of adjustment mechanisms in general shows that Missouri lags behind other states in this area and that of adjustment mechanisms it allows. Ms. Bulkley identifies that although EMW has access to some regulatory mechanisms, these are limited. Removing the use of the FAC would contribute to the already challenging regulatory lag environment. The FAC continues to provide EMW with an increased opportunity to earn a fair return on equity because it mitigates to a certain extent the very significant regulatory lag which is prevalent when dealing with such large, uncertain and often volatile costs, by preventing deterioration in (or augmentation of) the utility's financial position (including relative credit standing, which is a key determinant of borrowing costs), and by ensuring recovery of actual net energy costs, which may vary substantially from expected levels.

This serves as EMW's explanation, compliant with Commission rule 20 CSR 4240-20.090(2)5, of how the FAC proposed by E MW is designed to provide the Company with a sufficient opportunity to earn a fair return on equity.

Q: What protections exist for customers with regard to the FAC?

A: Beyond the semi-annual reviews performed for each filing of the FAC changes, the FAC is also audited through a detailed prudence review by the Staff no less frequently than at eighteen (18)-month intervals. The Office of Public Counsel ("OPC") also participates in the review process. To date, no disallowances ordered by the Commission have occurred where the Company has been found to be imprudent in any aspects of the FAC.

IV. ACCOUNTING ADJUSTMENTS

<u>RB-25/CS-111 IATAN 1 & IATAN COMMON REGULATORY ASSET</u>

Q: Please explain adjustment RB-25.

A: Pursuant to the terms of the Non-Unanimous Stipulation and Agreement approved by the Commission in Case No. ER-2009-0090 EMW was authorized to create a regulatory asset to record depreciation expense and carrying costs for the Iatan Unit 1 Air Quality Control System and Iatan common plant. The regulatory asset recorded from May 1, 2009, through December 31, 2010, the true-up date in Case No. ER-2010-0356 ("2010 Case") as "Vintage 1" is amortized over 27 years. The amount deferred from January 1, 2011 through June 25, 2011, the effective date of new rates in the 2010 Case as "Vintage 2" is amortized over 25.4 years. Adjustment RB-25 establishes the anticipated rate base value as of June 30, 2024 by rolling forward the regulatory asset balance from the true-up date of the 2022 Case to the anticipated true-up date of June 30, 2024, for this current case.

Q: Was this regulatory asset included in rate base in the 2022 Case?

A: Yes.

Q: Please explain adjustment CS-111.

A: The Company continued the amortization of this regulatory asset based on the amortization levels originally established. The test year properly reflected the annual level of amortization expense thus the adjustment made to the test year was zero.

RB-26/CS-112 IATAN 2 REGULATORY ASSET

Q: Please explain adjustment RB-26.

A: The Order Granting an Accounting Authority Order, approved by the Commission on September 28, 2010, provided that EMW could use construction accounting during the period from the Iatan 2 commercial in-service date (August 26, 2010) through the effective date of new rates in the 2010 Case (June 25, 2011). EMW has included in a regulatory asset construction accounting impacts which included depreciation, carrying costs, operations and maintenance expenses and fuel and revenue impacts for the Iatan Unit 2 construction project. The Iatan Unit 2 regulatory asset from August 26, 2010 through December 31, 2010, the true-up date in the 2010 Case as "Vintage 1" is amortized over 47.7 years. The amount deferred from January 1, 2011, through June 25, 2011, the effective date of new rates in the 2010 Case as "Vintage 2" is amortized over 46.1 years. Adjustment RB-26 establishes the anticipated rate base value as of June 30, 2024, by rolling forward from the true-up date of the 2022 Case to the anticipated true-up date of June 30, 2024, for the current case.

Q: Was this regulatory asset included in rate base in the 2022 Case?

A: Yes.

Q: Please explain adjustment CS-112.

A: The Company continued the amortization of this regulatory asset based on the amortization levels established in and continued through previous cases. The test year properly reflected the annual level of amortization expense.

RB-50 PREPAYMENTS

Q: Please explain adjustment RB-50.

A: The Company normalized this rate base item based on a 13-month average of prepayment balances. Prepayments appear to vary during the course of the year and thus the averaging method used minimizes these fluctuations.

Q: Is there a new prepayment included in rate base in this case?

A: Yes, with the purchase of Evergy's share of the Dogwood Generating Plant, a $4.3M prepayment will become the asset of Evergy. This has been included in the balance included in rate base.

Q: What period was used for the 13-month averaging?

A: The Company used the period June 2022 through June 2023.

RB-70 CUSTOMER DEPOSITS

Q: Please explain adjustment RB-70.

A: The Company examined its customer deposit balances from June 2022 through June 2023. The analysis observed a declining balance during this period. Therefore, the Company chose to use the month ending balance at June 30, 2023 for customer deposits in rate base.

RB-71 CUSTOMER ADVANCES

Q: Please explain adjustment RB-71.

A: The Company examined customer advances balances for EMW customers from June 2022 through June 2023 and observed that the balance changed only slightly during this period. Therefore, the Company chose to use the 13-month average of customer advances for inclusion as a rate base offset.

RB-72 MATERIALS AND SUPPLIES

Q: Please explain adjustment RB-72.

A: The Company reviewed the individual materials and supplies category balances during the period June 2022 through June 2023 to determine if there was a discernable trend, either upward or downward. If there was a trend, the test year-end balance was not adjusted. Otherwise, a 13-month average was used. This calculated balance is included in rate base.

Q: Was there a new balance added to the Materials and Supplies rate base balance?

A: Yes. Just as there will be a prepaid asset that will belong to EMW once the Dogwood purchase is finalized, there will also be an addition of EMW's portion of the Dogwood materials and supplies. This level has been added to the EMW rate base for this case.

RB-86 PAY AS YOU SAVE ("PAYS") REGULATORY ASSET, R-40 PAYS REVENUE OFFSET NORMALIZATION, AND CS-135 PAYS AMORTIZATION

Q: Please describe the PAYS program.

A: Pursuant to the Amended Report and Order in File No. EO-2019-0132, the Company was required to offer a one-year Pay As You Save ("PAYS") pilot program ("Pilot") to move forward with MEEIA Cycle 3. The Pilot program (which has been extended through December 31, 2024) costs are to be recovered from customers in two ways. First, customers directly participating in the Pilot will pay a monthly service charge, as defined in the PAYS tariff. Second, a portion of the Pilot program costs will be recovered through the Company's Missouri Energy Efficiency Investment Act ("MEEIA") Demand Side Investment Mechanism ("DSIM") rider and through the Company's base retail rates. After installation of equipment and customer financing arrangements have been made, the equipment costs are recorded as a regulatory asset. The MEEIA DSIM rider will recover the difference between the 3% equipment financing costs paid by the participant and our standard weighted average cost of capital rate of return, from the point of when the participant initiates the installation of the customer equipment until when program equipment costs are included in the Company's base rates. This amount will cease to be recovered through the MEEIA DSIM rider once the regulatory asset is included in base rates. The program costs accumulated in the regulatory asset are then included in the rate base and the regulatory asset will be amortized over a period not to exceed 12 years. This will allow for recovery of a return on and of the costs recorded in the regulatory asset.

Q: Please explain adjustment RB-86.

A: Adjustment RB-86 includes the PAYS-financed regulatory asset projected at the true-up date June 30, 2024 which is included in rate base in the Company's revenue requirement proposed in this rate case.

Q: Please explain adjustment R-40.

A: Included in the revenue requirement calculation is an annualized level of PAYS revenue which includes principal and interest payments associated with the equipment installed associated with the PAYS program. Adjustment R-40 recognizes expected annualized revenue at June 30, 2024.

Q: Please explain adjustment CS-135.

A: Adjustment CS-135 reflects annualized amortization of the PAYS-financed regulatory asset expected at the true-up date over twelve years.

<u>RB-100 ENERGY EFFICIENCY/DEMAND RESPONSE COSTS</u>

Q: Please explain adjustment RB-100.

A: This regulatory asset was fully amortized in June 2020. The recovery of the Pre-MEEIA Energy Efficiency/Demand Response costs continued to be collected from customers and tracked in a prospective tracking regulatory liability account. The unamortized balance at the true-up date of the 2022 Case was consolidated and included in CS-113 to be amortized for four years. The remaining unamortized balance after the true-up date until the effective date of new rates of the 2022 Case is included as a rate base offset.

<u>RB-101/CS-101 INCOME ELIGIBLE WEATHERIZATION PROGRAM</u>

Q: Please explain adjustment RB-101.

A: In the 2022 Case the Company agreed to include the balance of unspent program funding in a regulatory liability account as a reduction to rate base. This adjustment rolls forward the unamortized deferred program costs from May 31, 2022, to June 30, 2024, as the Company continues to monitor overall spend.

Q: Please explain adjustment CS-101.

A: Per the 2022 Stipulation & Agreement, EMW agreed to continue the program funding budget at the level of $500,000 annually. The unspent fund balance at the true-up date of May 31, 2022, was authorized to amortize over four years. Vintage 1 was fully amortized on November 22, 2022. Prospective tracking was applied for the month of December 2022 before new rates took effect in January 2023. This adjustment proposes to amortize the total unspent fund balance on June 30, 2024 over four years as well as adjust the test year to the $500,000 expected spend level.

CASH WORKING CAPITAL

Q: Please discuss Cash Working Capital ("CWC").

A: CWC is included in rate base as summarized on Schedule RAK-5.

Q: Why is it necessary to calculate an amount of CWC?

A: CWC is the amount of cash required by a utility to pay the day-to-day expenses incurred to provide utility service to its customers. A lead/lag study is generally used to analyze the cash inflows from payments received by the company and the cash outflows for disbursements paid by the company. When the utility receives payment from its retail customers for utility service less quickly than it makes the disbursements for utility expenses, then the company has a positive CWC requirement. Conversely, when the utility receives payment from its retail customers for utility service more quickly than it makes the disbursements for utility expenses it has a negative CWC requirement.

Q: How did you determine the amount of CWC for this rate case?

A: We relied upon the lead lag study prepared for our last rate case. However, Payroll taxes were separated from Payroll and reflected on a separate line in the CWC calculation as well as lines were added for Bad Debt expense and PSC Assessments. These changes are consistent with how Staff reflected these issues on the final EMS in the 2022 rate case using the same lead lags for these items as Staff reflected in the EMS. The application of the individual lead lag factors to applicable amounts is shown on Schedule RAK-5.

R-21 FORFEITED DISCOUNTS

Q: Please explain adjustment R-21.

A: In R-21a, the Company normalized forfeited discounts by computing a Missouri-specific forfeited discount factor based on calendar years 2018 and 2019 forfeited discounts and revenue and applying it to Missouri jurisdictional annualized and normalized revenues which then have MEEIA, FAC, and RESRAM revenues added back in as forfeited discounts can result from late payments including all retail revenue categories. In R-21b, the Company applied the forfeited discount factor to the requested revenue increase in this rate case to obtain the annualized level of forfeited discounts that are applicable to the revenues established in this rate case proceeding.

Q: Why was the period of the calendar years 2018 and 2019 utilized versus the test year?

A: 2018 and 2019 were the last full years before the Covid 19 pandemic. During the pandemic forfeited discounts, bad debt write-offs and many other payment areas, were drastically altered to accommodate customers whose income stream was affected by the pandemic. Forfeited discounts were reinstated during the test year, but not during summer months. The test year is not representative of what the Company would expect for typical forfeited discount levels going forward.

R-82 TRANSMISSION REVENUE ANNUALIZED

Q: Please explain adjustment R-82.

A: The Company annualized transmission revenue recorded in FERC account 456100 - Trans of Elec for Others based on forecasted levels from January 2024 to June 2024 times two in order to get the most up to date data available.

Q: Has the level of transmission of electricity for others revenue changes significantly since the Company's last rate case?

A: Yes, In October of 2022, the balanced portfolio transmission credits that the Company had been receiving for projects the Company built in our zone that served the entire region ended. Since that revenue stream ended, the ongoing level of revenue expected from SPP is significantly lower.

R-99/CS-99 NUCOR REVENUE/EXPENSE

Q: Please describe the Nucor contract.

A: As per the Stipulation and Agreement in Case No. EO-2019-0244, an agreement was reached to approve the Special Incremental Load ("SIL") tariff to provide service to Nucor for a term of no greater than ten years. EMW agreed to monitor and report to Staff and OPC whether the revenues received under the SIL are sufficient to cover the incremental costs of providing service to Nucor. EMW has periodic reports as agreed to in the Stipulation and Agreement from the EO-2019-0244 case. According to the stipulation, if Nucor's revenues do not cover specified costs, then revenue will be imputed in the rate case so that other EMW customers do not supplement Nucor's costs.

Q: Please explain this adjustment.

A: The Company analyzed the Nucor report that was completed for Q2 2023 and determined that Nucor revenues are sufficient to cover Nucor incremental costs. Thus, since there is not a revenue shortfall, no adjustment is needed at this time. Company will analyze again at true-up.

Q: Were there any cost adjustments associated with Nucor in this case filing?

A: Nucor purchased power costs were annualized and normalized as a part of the fuel, purchased power and off-system sales adjustment.

<u>CS-11 OUT-OF-PERIOD ITEMS/MISCELLANEOUS ADJUSTMENTS</u>

Q: Please explain adjustment CS-11.

A: The Company adjusted certain expense transactions recorded during the test year from the cost-of-service filing in this rate case. The following is a listing of the various components:

<u>Remove charges from test year</u> – The Company has identified certain costs recorded during the test year for which it is not seeking recovery in this rate proceeding or which were adjustments to transactions recorded prior to the test period, netting to approximately $2.6 million. These costs for which the Company is not seeking recovery includes officer long-term incentive compensation, officer expense report items, and test year bonuses/severances.

<u>Remove deferrals from the test year</u> – The Company has removed costs recorded during the test year for which deferral accounting has been granted or ordered by the Commission, approximately $20.5 million. These deferrals are not ongoing expenses to the company and should therefore be removed from the cost

of service. The deferrals include costs related to PISA accounting, COVID 19 Accounting Authority Order ("AAO") costs, deferred depreciation on Sibley generating plant, the return on Sibley rate base, and Sibley non-fuel operating and maintenance costs deferrals.

CS-4/CS-20 BAD DEBTS

Q: Please explain adjustment CS-4.

A: This adjustment is necessary to reflect in the revenue requirement model the test year provision for bad debt expense recorded on the books of Evergy Metro Receivables Company ("EMRC").

Q: Please explain adjustment CS-20.

A: In adjustment CS-20a the Company adjusted bad debt expense applicable to the annualized and normalized revenues which then have MEEIA, FAC, and RESRAM revenues added back in as bad debts can result from write offs related to all retail revenue categories, by applying a Missouri-specific net bad debt write-off factor. In CS-20b, the Company established bad debt expense for the requested revenue adjustment in this rate case, again using the bad debt write-off factor.

Q: How was the bad debt write-off factor determined?

A: The Company examined net bad debt write-offs on a Missouri-specific basis as compared to the applicable revenues that resulted in the bad debts.

Q: Over what period was this experience analyzed?

A: Net bad debt write-offs were analyzed for the test year period of the twelve months ended June 30, 2023, while the related retail revenue was for the full calendar year of 2022

Q: Why were different periods used for the write-off percentage calculation?

A: There is a significant time lag between the date that revenue is recorded and the date that any resulting bad debt write-off is recorded due to time spent on various collection efforts. While the time expended can vary depending on circumstances, the Company assumed a six-month lag, representing the standard time span between when a customer is first billed and the time when an account is disconnected, and the receivable subsequently written off.

Q: The term "net" write-offs is used. What does it mean?

A: This term refers to accounts written off less recoveries received on accounts previously written off.

<u>CS-23 REMOVE FAC OVER/UNDER-COLLECTION</u>

Q: Please explain adjustment CS-23.

A: This adjustment reverses the amount of over and under recovery relating to the Fuel Adjustment Clause recorded during the test year. Under recoveries are recorded to FERC account 501600. This account is offset by the current year recoveries of prior under recoveries in FERC account 501610. These accounts are used because generally accepted accounting principles ("GAAP") does not allow for the recording of a regulatory asset to be offset by revenue. Therefore, negative expenses are recorded when there is an under recovery. Any over recoveries are posted to FERC account 449110 offset by a regulatory liability. All of these balances are reversed in the rate case in order to remove all impacts of the FAC from revenue requirement. Doing this allows for the rebasing of the FAC according to requirements in the Code of State Regulations.

CS-39 IT SOFTWARE MAINTENANCE

Q: Please explain adjustment CS-39.

A: Adjustment CS-39 was made to include an annualized level of contracted software maintenance costs in this rate case. EMW included an annualized June 2024 budgeted amount in account 935000 with resources 1500 and 1504 to reflect an annual level of expense. The types of maintenance contracts that were annualized include: PowerPlan system, Cascade, Sailpoint, Nokia, Box Enterprise, Microsoft Enterprise Agreement, Cisco SmartNet, Oracle support, Solarwinds, Telvent, and various hardware and software maintenance contracts.

CS-40/CS-41 TRANSMISSION AND DISTRIBUTION MAINTENANCE

Q: Please explain adjustments CS-40 and CS-41.

A: These adjustments are for the purpose of including an appropriate level of transmission and distribution maintenance expense in this case. Since maintenance levels tend to fluctuate year over year, EMW included a 3-year average (2021, 2022, and test year) of transmission and distribution maintenance expense in its direct case as being the most representative level for ongoing expense. EMW will re-evaluate maintenance levels at the true-up date to determine if any different adjustment to the test year should be made at that point.

Q: Were there any other adjustments made to the test year amounts?

A: Yes, adjustments were made to test year distribution maintenance expenses related to storm costs in the test year since the Company is proposing reserve accounting for storms over $200,000 in this rate proceeding. See adjustment CS-72 in Company witness Ronald A. Klote's testimony for the explanation of that request.

CS-42 GENERATION MAINTENANCE

Q: Please explain adjustment CS-42.

A: This adjustment is for the purpose of including an appropriate level of generation maintenance expense in this case. Since the maintenance levels tend to fluctuate year over year, EMW included a 3-year average (2021, 2022 and test year) of generation maintenance expense in its direct case as being the most representative level for ongoing expense. EMW will re-evaluate maintenance levels at the true-up date to determine if any different adjustment to the test year should be made at that point.

CS-43 MAJOR MAINTENANCE

Q: Please explain adjustment CS-43.

A: This adjustment normalizes turbine overhaul maintenance.

Q: Please describe the turbine overhaul maintenance adjustment.

A: Scheduled steam turbine overhauls are typically on a multiple-year cycle, whereas combustion turbine overhauls typically are based on number of starts and hours run. Thus, actual expense can increase considerably in years corresponding to major maintenance service. To mitigate the large variability, major maintenance expense is spread out over the service life of the related equipment through an accrual process. This method provides a more consistent measurement of annual maintenance expense.

Q: How was the turbine overhaul maintenance expense component computed?

A: An annualized accrual level was computed for each plant covered by the turbine overhaul maintenance account. Accrual amounts were analyzed using an average of past spend in addition to input from each production plant to determine a proper level of major maintenance reserve needed moving forward. It was determined to annualize the accrual at the current level recorded during June 2023, times 12 months. This is the level that was set in Case No. ER-2022-0130 ("2022 Case"). This annualized level was compared to the test year accrual to establish the annual deferral adjustment.

CS-44 ECONOMIC RELIEF PILOT PROGRAM

Q: Please explain adjustment CS-44.

A: As part of the Report and Order in Case No. ER-2016-0156 ("2016 Case"), the Economic Relief Pilot Program will be funded at $788,019 (50% from shareholders), with $394,009 included in the final revenue requirement. This issue was settled in the 2018 and 2022 cases without change to the amount. This adjustment reflects the $394,009 customer funded annualized level compared to the actual expenses for the test year.

CS-70 INSURANCE

Q: Please explain adjustment CS-70.

A: We annualized insurance costs based on premiums projected to be in effect on June 30, 2024. These premiums include the following types of coverage: property, directors and officers, workers' compensation, bonds, fiduciary liability, excess liability, crime, cyber liability, auto liability, and various others.

Q: How were the premium amounts determined for each line of insurance coverage?

A: Evergy's Risk Management department provided estimated premium amounts expected to be in place at the true-up date.

Q: How are these premium amounts allocated to the appropriate business units throughout Evergy?

A: All of the insurance types are allocated using the General Allocator, except for property which will be discussed next and LaCygne lake liability which is allocated 100% to Metro.

Q: Please describe how the property insurance premium is allocated.

A: Property insurance is allocated to the various business units within Evergy based on its 2023 replacement value provided by the Risk Management department.

Q: Does this adjustment take into consideration insurance billed to joint venture partners and affiliated companies?

A: Yes, it does. Metro's share of the replacement value was then multiplied by the percentage owned by each joint partner to determine how much is billed out from Metro for property insurance, which includes the amount billed to EMW.

Q: Does this same joint partner billing approach apply to insurance lines other than Property?

A: Yes, it does. However, the actual dollars billed in the test year to EMW was included as an addition to the premiums other than property.

Q: Please explain the adjustment amount.

A: The annualized premium amounts calculated above are increased by EMW's share of the joint partner billings, and then are compared to the test year amount to determine the adjustment.

<u>CS-75 CRITICAL NEEDS PROGRAM AND REHOUSING PILOT PROGRAM</u>

Q: Please explain adjustment No. CS-75.

A: In Case No. ER-2022-0130, the company agreed to establish programs proposed by OPC. The Critical Needs Program is to be funded through 50/50 sharing of costs between customers and shareholders for a minimum of three years at a total of $300,000 per year EMW. The Rehousing Pilot Program is be funded by a 50/50 sharing of costs between customers and shareholders for a minimum of three years for a total cost of $250,000 per year EMW.

Adjustment CS-75 establishes in revenue requirement the customer funded portion of each program. This equates to $150,000 for the Critical Needs Program and $125,000 for the Rehousing Pilot Program.

<u>CS-10 / CS-76 CUSTOMER DEPOSIT INTEREST</u>

Q: Please explain adjustment CS-10.

A: This adjustment is necessary to include test year customer deposit interest from Missouri customers in cost of service. This moves customer deposit interest expense above the line on the income statement.

Q: Please explain adjustment CS-76.

A: The Company annualized customer deposit interest in accordance with the Company's tariff, which states that the interest rate established for each year for customer deposits will be based on the December 1 prime rate published in the *Wall*

Street Journal, plus 100 basis points ("bps"). The rate used in this adjustment for Missouri deposits is the prime rate of 7% at December 1, 2023 plus 100 bps to equal 8%.

Q: What customer deposit balance was this interest rate applied to?

A: The interest rate was applied to the customer deposit balance determined in adjustment RB-70, discussed earlier in this testimony.

CS-9/CS-78 ACCOUNTS RECEIVABLE SALES FEES

Q: Please explain adjustments CS-9 and CS-78.

A: The test year level of bank fees is first included in cost of service through adjustment CS-9, wherein fees recorded during the test year on EMRC's books are moved to the income statement in the revenue requirement model. The Company then annualized these fees by using the total fees for June 2023, dividing by 30 days and multiplying by 365. The June 2023 level was utilized due to the rapidly rising interest rates. This is the best representation of what to expect going forward that is available at this time. This annualized level was compared to the amount included in CS-9 to attain the appropriate adjustment.

CS-80 RATE CASE COSTS

Q: Please explain adjustment CS-80.

A: Rate case expense is the incremental cost incurred by the utility to prepare and file a rate case. The Company annualized rate case costs by including projected costs for the current rate proceeding normalized over four years which will be trued-up as part of the true-up process in this rate case. Annualized rate case costs were then compared to rate case expense included in the test year to properly reflect rate case expense in cost of service in this rate case.

Q: How was rate case cost related to the current Missouri rate proceeding estimated?

A: EMW estimated costs based on the consultants and attorneys it anticipates will be used in this case and based on the scope of work anticipated.

Q: In making this estimate did EMW anticipate a full rate case, including hearings, briefs, etc., as opposed to a settled case?

A: Yes, a full rate case was assumed.

CS-85 REGULATORY ASSESSMENTS

Q: Please explain adjustment CS-85.

A: The Company annualized Missouri regulatory assessments based on quarterly assessments projected to June 30, 2024. EMW annualized FERC Schedule 12 fees based upon budgeted fees for 2024.

CS-86 SCHEDULE 1A FEES

Q: Please explain adjustment CS-86.

A: EMW annualized SPP Schedule 1-A fees based upon projected rates for June 2024 times the 12 months projected June 2024 volumes.

Secondly, the North American Electric Reliability Corporation ("NERC") fees were annualized using the most recent quarterly NERC assessment multiplied times four.

Thirdly, the Midcontinent Independent System Operator ("MISO") fees were annualized by taking the 12 months projected June 2024 MISO Schedule 10 Energy and Demand fees and adding to that the 12 months projected MISO RTO Administration Fees on Point-to-Point services.

This total as compared to the test year amount produces the adjustment.

CS-89 METER REPLACEMENT

Q: Please explain adjustment CS-89.

A: Adjustment CS-89 adjusts the test year for any change in the meter reading contract rate associated with AMI meters. This adjustment annualizes the composite meter reading cost per meter based on January through June 2023. This annualization is compared to the test year per books amount.

CS-90 ADVERTISING

Q: Please explain adjustment CS-90.

A: According to past precedence, any expenses such as event sponsorships and public image advertising are removed with this adjustment. After review of the test year, the Company determines that all advertising costs recorded above-the-line during the test year are allowable in rates.

Q: Please describe what types of advertising costs typically are allowed for recovery in a rate proceeding.

A: As per past Commission practice, advertising costs that are allowed for recovery include items that provide customer information such as bill inserts that provide customer service contact information, billing practices, cold weather rule information, "call before you dig" advertisements, etc.

CS-92 DUES AND DONATIONS

Q: Please explain adjustment CS-92

A: This adjustment removes certain types of dues and donations from the test year cost of service that relate to sponsorships or rotary memberships.

CS-95 AMORTIZATION OF MERGER TRANSITION COSTS

Q: Please explain this adjustment.

A: As per the Stipulation and Agreement in Case No. EM-2018-0012, merger of Great Plains Energy Incorporated. and Westar Energy, Inc., this adjustment amortizes the total allowed transition costs over a ten-year period. The adjustment amount is zero as the test year already includes a full year amortization.

CS-98 MEEIA

Q: Please explain why EMW is making this adjustment.

A: In Case No. EO-2015-0241, the Company was granted a Demand Side Investment Mechanism ("DSIM") rider in its MEEIA cycle 2 filing. The Company continues to collect these program costs through MEEIA cycle 3. Since these costs are collected outside of base rates, they need to be eliminated from the cost of service to be set in this case. This adjustment removes MEEIA related expenses recorded during the test year from its cost of service.

CS-113 PROSPECTIVE TRACKING AMORTIZATION

Q: Please explain adjustment CS-113.

A: Adjustment CS-113 provides for prospective tracking of a regulatory asset or liability that will be amortized over an appropriate period in a future case. Pursuant to the Non-Unanimous Stipulation and Agreement in the 2016 case:

> In each future GMO general rate case, the Signatories agree that the balance of each amortization relating to regulatory assets or liabilities that remains, after full recovery by GMO (regulatory asset) or full credit to GMO customers (regulatory liability), shall be applied as offsets to other amortizations which do not expire before GMO's new rates from that rate case take effect. In the event no other amortization expires before GMO's new rates from that rate case take effect, then the remaining unamortized balance shall be a new regulatory liability or asset that is amortized over an appropriate period of time. For example, the Demand Side Management

> ("DSM") amortizations, once fully recovered, will be used to offset (reduce) other vintages of DSM amortizations, each reducing other vintages as those become fully recovered and, in the event no other vintages remain to be amortized, the DSM amortizations will be applied to other amortizations that do not end before new rates take effect.

This adjustment includes the regulatory assets and liabilities that were prospectively tracked after May 31, 2022, the true-up date in the 2022 Case, through December 31, 2022.

Q: Please discuss the regulatory assets of adjustment CS-113.

A: The prospectively tracked regulatory assets are associated with regulatory liabilities that have been fully amortized after June 30, 2018, the true-up date of Case No. ER-2018-0146, ("2018 Case"). The unamortized balance at May 31, 2022, the true-up date of the 2022 Case was consolidated with the prospectively tracking regulatory liabilities to be amortized for fours year in the 2022 Case. The remaining unamortized balance from June to December 2022 is addressed in this rate case.

The following is a listing of the regulatory liabilities and prospective tracking periods.

- L&P Ice Storm AAO: June 2022 – December 2022
- Transource – Transferred Asset Value: June 2022 – December 2022
- Transource Account Review: June 2022 – December 2022
- L&P Revenue Phase-In: June 2022 – December 2022

The total amount of the prospective tracking regulatory assets is $2,094,218.

Q: Please discuss the regulatory liabilities of adjustment CS-113.

A: The first component addressed the prospective tracking regulatory liability associated with lease abatement for 1 KC Place. The over-refunded amount prospectively tracked as a regulatory asset from June 30, 2016 to February 22, 2017, the effective date of new rates in the 2016 Case was authorized to be amortized for 4 years in the 2018 Case. The amortization ended in November 30, 2022. It was then prospectively tracked as a regulatory liability for the month of December 2022 before the new rates took effect in January 2023. The second component addresses the prospectively tracking regulatory liabilities associated with the regulatory assets that have been fully amortized after June 30, 2018, the true-up date of the 2018 Case. The unamortized balance at May 31, 2022, the true-up date of the 2022 Case was consolidated with the prospectively tracking regulatory assets to be amortized for four years in the 2022 Case. The remaining unamortized balance from June to December 2022 is addressed in this rate case. The following is a listing of the regulatory liabilities and prospective tracking periods.

- DSM Advertising Costs: June 2022 – December 2022
- DSM Program Costs: June 2022 - December 2022
- Iatan 2 and Common O&M Tracker: June 2022 – December 2022

The total amount of the prospective tracking regulatory liabilities is $2,332,702.

After offsetting the assets of $2,094,218, the Company also proposes to combine the unamortized balance at June 2024 from the 2022 Case in the amount of $924,619 and amortize the net total balance of $1,163,104 over four years.

CS-116 RENEWABLE ENERGY STANDARDS COSTS

Q: Please explain adjustments CS-116.

A: EMW filed tariff sheets in Case No. EO-2014-0151 to establish a Renewable Energy Standard Rate Adjustment Mechanism ("RESRAM") which was approved by the Commission and became effective December 1, 2014. Since these costs are recovered through the RESRAM, they should not be included in the cost of service for the current rate case filing. Adjustment CS-116 removes the RESRAM expenses that were recorded during the test year ending June 30, 2023.

CS-131 AMORTIZATION OF ELECTRIFICATION DEFERRED ASSET

Q: Please explain adjustment CS-131.

A: Pursuant to the Report and Order in File No. EO-2021-0269, the Company was authorized to use a regulatory asset tracking mechanism to track and defer the Transportation Electrification Pilot Program costs (incentive rebates and other program costs such as customer education and program administration) for recovery of prudently incurred costs for inclusion in rates in future rate cases. The Company was authorized to amortize the deferred balance at May 31, 2022, the true-up date of the 2022 Case over four years. The Company is proposing a 4-year period to amortize total balance in the regulatory asset at June 30, 2024, which includes the remaining unamortized balance at June 30, 2024, from the 2022 Case, actual deferred program costs after the true-up date of the 2022 Case and projected costs through June 30, 2024.

Q: Please explain the Commercial EV Charging Rebates regulatory liability.

A: In the Stipulation and Agreement Regarding Programs and Electric Vehicle Charging Tariffs in the 2022 Case, parties agreed that Business EV Charging Service, Schedule BEVCS “” is subject to no carbon free option. Revenues from the BEVCS rate, net of the applicable Fuel Adjustment Clause (“FAC”) base factor, shall offset deferrals under the Commercial EV Charger Rebate program. Pursuant to the Stipulation and Agreement in the 2022 Case, the Company will record revenues from the Business EV Charging Service Carbon Free Energy Options programs in a regulatory liability account with interest at the average commercial paper rate to be returned to customers in the next rate case(s). The regulatory liability account 254660 is set up to record the revenues net of FAC base factor. The balance in the regulatory liability account then offsets the balance of the regulatory asset account 182910 where costs associated with the EV Charger Rebates are deferred.

CS-132 AMORTIZATION OF SIBLEY REGULATORY ASSET AND LIABILITY

Q: Please explain the regulatory liability amortization.

A: As in the Amended Report and Order in the 2022 rate case, the Commission found the appropriate NPV at June 30, 2018, for the Sibley Units was $190,833,490:

> The Commission will calculate the return portion of the regulatory liability based on OPC's June 30, 2018, Sibley NBV of $190,833,490 multiplied by an 8.73 percent rate of return over the period rate payers have been paying the current rates, December 6, 2018, through November 30, 2022.
>
> The regulatory liability represents costs paid by customers since the 2018 rate case for Sibley related costs that ended upon its retirement in November 2018 that are now being credited to customers. The regulatory liability includes $39,020,260 of labor and non-labor O&M costs and a return of $66,639,055 for a total of $105,659,315.
>
> ….. the Commission finds the proper amortization period over which the revenue liability should be credited to customers is the same period over which it was collected from customers, four years.

Q: Please explain the regulatory asset amortization.

A: As in the Amended Report and Order in the 2022 rate case the Company was allowed unrecovered investment associated with the Sibley unit retirements:

> The NBV of the Sibley properties at November 30, 2022, represents the unrecovered depreciation expense or EMW's unrecovered investment. Since the Commission has found the appropriate NBV for the Sibley properties at June 30, 2018, to be $190,833,490, the

> NBV at November 30, 2022, can be determined by reducing the June 30, 2018, NBV by the depreciation expense closed to the accumulated depreciation reserve through November 30, 2022 (53 months of depreciation expense). This includes the recognition of depreciation expense of Sibley between June 30, 2018, and the retirement date, November 13, 2018, and the deferral provision of the. Stipulation and Agreement in the 2018 rate case. The NBV at November 30, 2022, is $145,067,295.
>
> The Commission will also allow EMW to recover a return of its investment in decommissioning and dismantling costs associated with the retirement of the Sibley properties that were not reflected in the June 30, 2018, plant in-service balances. These costs are $37,186,380. Including the return of these costs in EMW's NBV supports the Commission's practice of not allowing terminal net salvage values in depreciation rates. Therefore, the total regulatory asset is $182,253,675
>
> ......The Commission finds it appropriate to set the amortization period for the unrecovered investment in the Sibley Units at eight years.

Q: Please explain adjustment CS-132

A: The adjustments for the regulatory liability and regulatory asset associated with the Sibley Unit Retirements in CS-132 are necessary to reflect annualized amortization in the test year.

CS-133 AMORTIZATION OF REGULATORY ASSET – CUSTOMER EDUCATION REGARDING RATE DESIGN

Q: Please explain adjustment CS-133.

A: In the Non-Unanimous Partial Stipulation and Agreement Regarding Class Revenue Shifts in the 2018 case, EMW was required to develop a customer education plan regarding the rate design decided in the case. Prudently incurred costs (including marketing, education, evaluation and administration costs) associated with this customer education plan were authorized to be deferred to a regulatory asset and recovered in the Company's next rate case. The costs deferred at May 31, 2022, the true-up date, were authorized to be amortized over 4 years as a result of the 2022 Case. Adjustment CS-133 is necessary to reflect a full year's amortization in this rate case.

CS-134 AMORTIZATION OF REGULATORY ASSET – TOU PROGRAM <u>COSTS</u>

Q: Please explain adjustment CS-134.

A: The Non-Unanimous Partial Stipulation and Agreement Concerning Rate Design Issues in the 2018 Case included a number of requirements regarding the initiation and implementation of Time of Use ("TOU") rates. The stipulation provided that EMW is authorized to defer for recovery prudently incurred program costs (including marketing, education, evaluation and administration costs) associated with the TOU service to be offered by EMW. The stipulation also stated that in the next EMW rate case, the Company is authorized to recover prudently incurred program costs at the level represented by the percentage of customers enrolled in the TOU service at the time of filing of the rate cases compared to the target level, not to exceed 100% recovery of costs. The stipulation stated that EMW will need to demonstrate that such percentage is not simply a result of transferring customers to a lower rate but based on efforts directly related to changing customer behavior through marketing and education. The balance at May 31, 2022, the true-up date in the 2022 Case, for the deferred costs associated with the TOU service was authorized to be amortized over four years. Adjustment CS-134 is necessary to reflect a full year's amortization in this rate case

CS-136 COVID AAO AMORTIZATION

Q: Please explain this adjustment.

A: On May 6, 2020, EMW filed an application for an AAO to allow the Company to defer costs associated with the COVID-19 pandemic in a regulatory asset, beginning on March 1, 2020. Pursuant to EU-2020-0350, EMW was granted an AAO to defer, in a regulatory asset, specified costs associated with the COVID-19 pandemic netted against specified savings, also associated with the pandemic from March 1, 2020 continuing through March 31, 2021. Pursuant to the 2022 Case, the deferred costs were authorized to be amortized over 4 years. Adjustment CS-136 is necessary to reflect a full year's amortization in this rate case.

CS-138 AMORTIZATION OF REGULATORY ASSET –TOU PROGRAM COSTS

Q: Please explain this adjustment.

A: Pursuant to the Amended Report and Order in the 2022 Case, the Commission authorized the tracking of costs associated with the implementation of time of use rates. Adjustment CS-138 takes the anticipated deferred balance at June 30, 2024, and establishes a four-year amortization in the current revenue requirement.

CS-139 AMORTIZATION OF REGULATORY LIABILITY – LOW INCOME SOLAR SUBSCRIPTION PROGRAM

Q: Please explain this adjustment.

A: In the Stipulation and Agreement Regarding Programs and Electric Vehicle Charging Tariffs in the 2022 Rate Case, parties agreed on the Low-Income Solar Subscription Pilot:

> As part of the Low-Income Solar Subscription Pilot ("LI SSP"), it is the Company's goal that no subscribing residential customer shall at any time pay more than the average retail rate for power. Any costs incurred through the LI SSP in excess of the revenues

> generated will be shared between customers and shareholders with shareholders bearing 50 percent of the cost and customers bearing the remaining 50 percent.

Pursuant to the Stipulation and Agreement in the 2022 Rate Case, revenues from the Company's low-income solar subscription project will be recorded by the Company in a regulatory liability account with interest at the average commercial paper rate to be returned to customers in the Company's next rate case(s).

The program is expected to be implemented in the second quarter of 2024. This adjustment is a placeholder for use if needed.

CS-140 AMORTIZATION OF REGULATORY LIABILITY – EXCESS <u>MAINTENANCE RESERVE</u>

Q: Please explain this adjustment.

A: In the Stipulation and Agreement in the 2022 Rate Case, parties agreed that the Company should utilize Staff's true-up accounting schedule amounts for major maintenance and amortize the excess reserve balance of $30,715,250 over 4 years. Adjustment CS-140 is necessary to reflect annualized amortization in the test year.

<u>CS-141 AMORTIZATION OF HEDGING GAINS AND LOSSES</u>

Q: Please explain this adjustment.

A: In the Stipulation and Agreement in the 2022 Case, parties agreed that hedging activity cost and gains will be deferred into the Company's regulatory/liability accounts for future rate treatment determination. CS-141 takes the anticipated regulatory asset balance for the hedging losses at June 30, 2024, and establishes a four-year amortization in the revenue requirement.

Q: Does this conclude your testimony?

A: Yes, it does.

**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	))))	Case No. ER-2024-0189

AFFIDAVIT OF LINDA J. NUNN

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Linda J. Nunn, being first duly sworn on his oath, states:

1. My name is Linda J. Nunn. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Manager – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri West consisting of thirty-six (36) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Linda J. Nunn

Linda J. Nunn

Subscribed and sworn before me this 2nd day of February 2024.

Anthony R. Westenkirchner

Notary Public

My commission expires: 4/26/2025

ANTHONY R. WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2025
PLATTE COUNTY
COMMISSION #17279952

Requirements to Establish, Continue or Modify the Rate Adjustment Mechanism ("RAM")
Evergy Missouri West ("EMW")

20 CSR 4240-20.090

(2) Establishment, Continuance, or Modification of a RAM. An electric utility may only file a request with the commission to establish, continue, or modify a RAM in a general rate proceeding and must rebase base energy costs in each general rate proceeding in which the Fuel Adjustment Clause ("FAC") is continued or modified. Any party in a general rate proceeding may seek to continue, modify, or oppose the RAM. The commission shall approve, modify, or reject such request only after providing the opportunity for a full hearing in a general rate proceeding. The commission shall consider all relevant factors that may affect the costs or overall rates and charges of the petitioning electric utility.

(A) The electric utility shall file the following supporting information, in electronic format, where available, with all links and formulas intact, as part of, or in addition to, its direct testimony:

1. An example of the notice to be provided to customers during the pendency of the general rate proceeding where the RAM is under consideration, which shall be approved by the commission. The notice 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 Schedule LJN – 2.

2. An example customer bill(s) covering all of the electric utility's rate classes showing how the proposed RAM shall be separately identified on affected customers' bills in accordance with section (12);

See Schedule LJN – 3.

3. Proposed RAM tariff sheets;

See Schedule LJN - 4

4. A detailed description of the design and intended operation of the proposed RAM;

The design and intended operation of the FAC is the same as approved in Case No. ER-2022-0130. The changes proposed in this filing are for the amounts contained in base rates as well as the changes listed in the body of my Direct Testimony.

Some key features of the FAC include:

- The FAC factor is based upon historical differences between the cost of fuel, energy and certain transmission costs net of off-system sales revenue built into base rates and the actual net costs of these items as incurred during the two six-month accumulation periods.
- There is 95% recovery of the difference between these actual net costs and the amounts built into base rates.

- Items considered in the FAC are non-labor generating plant fuel costs, purchased power energy and short-term capacity charges, emission allowance costs and revenue amortizations, transportation costs, and certain transmission costs. These costs are offset by off system sales revenues, and the net revenues from the sale of renewable energy credits. Carrying costs are calculated monthly at the Company's short term debt rate.
- The under or over recovery will be accumulated for 6 months. The collection period for the accumulation is 12 months.
- The base amount in the current tariff is $0.02983 per kWh.
- The proposed base amount for EMW FAC base rate is $0.02948 per kWh.
- The accumulation of actual net energy costs (ANEC) is compared to the base factor. The difference is the Fuel Adjustment Rate ("FAR").
- The FAR as designed in the rate schedule will be applied to customer bills on a per kilowatt-hour ("kWh") basis, as adjusted for voltage level (to take into account varying line losses at different service voltage levels).
- There are four voltage levels identified in the FAC tariff, primary, secondary, substation and transmission.
- The FAR formula includes the ability to accommodate adjustments made as a result of the true-up process or any prudence disallowances occurring as a result of prudence reviews.

5. A detailed explanation of how the proposed RAM is reasonably designed to provide the electric utility a sufficient opportunity to earn a fair return on equity;

See the body of my Direct Testimony.

6. A detailed explanation of how the proposed FAC shall be trued-up for over- and under-billing, or how and when the refundable portion of the proposed IEC shall be trued-up;

Each month there is an accrual to reflect the over/under recovered current month FAC fuel costs in General Ledger Account 182700 or 254651. The accrual calculation is Total FAC Actual Energy Costs less Base Energy Costs times the jurisdictional factor, times 95%.

After the defined 6-month accumulation periods (June-November and December-May) a filing in accordance with 20 CSR 4240-20.090(8)(A) is made with the Missouri Public Service Commission requesting a new cost adjustment factor. The collection/return periods for these FAC factors are 12-month periods (March-February and September-August).

Activity in account 182700 or 254651 is manually tracked by accumulation period and separately identifies the accrual recovery, interest and over/under recovery balance for each open accumulation period.

After the 12-month recovery period is complete, a true-up filing is made, and any remaining over/under recovery identified is included as part of the next FAR filing.

7. A detailed description of how the electric utility's monthly short-term borrowing rate will be defined and how it will be applied, during the accumulation period and the recovery period, to over- and under-billed amounts and prudence disallowances;

The short-term borrowing rate is defined as daily SOFR plus the applicable Margin. The daily amounts are averaged to get an annual rate for that month. This rate divided by 12 is applied monthly to the outstanding FAC balances one month in arrears. The applicable margin is for Eurodollar Advances as defined in the Pricing Schedule of the current EMW Revolving Credit Agreement.

8. A detailed description of how the proposed RAM is compatible with the requirement for prudence reviews in section (11);

EMW's FAC is compatible with the requirement for prudence reviews for several reasons. EMW's FAC is based on actual fuel and purchased power costs, including transportation and emissions costs and revenues, net of actual off-system sales revenues and the net revenues associated with the sale of RECs, which simplifies the prudence review. The fuel and purchased power costs included in the FAC are well defined in the FAC tariff, including specific references to the Federal Energy Regulatory Commission ("FERC") accounts in which the costs are recorded. Moreover, 20 CSR 4240-20.090(5), requires the filing monthly of all the supporting data for the fuel and purchased power costs, revenues, plant generation, and related information, all of which can be used as part of the prudence review process. These reports are currently being submitted by EMW on a monthly basis. This includes providing monthly fuel burn and generating statistics for each of the generating plants. All contracts for fuel, transportation, and purchased power will also be available for review in connection with the prudence review process. 20 CSR 4240-20.090 sets forth the definitions, structure, operation, and procedures relevant to a Fuel Adjustment Clause. Section (11) is specific to prudence reviews, requiring a review no less frequently than at eighteen (18)-month intervals.

The Company agrees that prudence reviews should occur no less frequently than at 18-month intervals. This requirement is also in the FAC tariff.

The Company anticipates that parties to any prudence review proceeding would apply the standard of determining whether decisions were prudent given the facts known at the time those decisions were made, as opposed to a "hindsight" review. If Staff or other parties believe that the evidence supports a prudence adjustment, they have the opportunity to bring that proposal to the Commission for an evidentiary hearing and decision.

9. A detailed explanation of the fuel and purchased power costs, including transportation, that are to be considered in determining the amount to be recovered under the proposed RAM with identification of the specific account and any other designation ordered by the commission where that cost will be recorded on the electric utility's book and records.

The FERC Code of Federal Regulations is the basis for the Company's accounting codes. Fuel used in the production of steam for the generation of electricity is included in FERC account 501. Fuel used in other power generation (Combustion Turbines) is included in FERC account 547. Purchased Power is in FERC account 555. Transmission of electricity by others is included in FERC account 565. Emission Allowance costs and amortizations are in FERC accounts 509, and the gains and losses on the sale of Renewable Energy Credits ("REC") are reflected in FERC accounts 411.8 and 411.9.

Please see the proposed tariff sheets included in Schedule LJN - 4 for the complete listing of all costs that need to be considered for recovery under the proposed continuation of the RAM along with the specific accounts that will be used for each cost item on the Company's utility books and records.

Accounts provided were known as of the time of this filing; however, they may be revised in the future as business needs arise.

10. A detailed explanation of the fuel related revenues that are to be considered in determining the amount to be recovered under the proposed RAM with identification of the specific account and any other designation ordered by the commission where that revenue will be recorded on the electric utility's books and records;

The FERC Code of Federal Regulations is the basis for the Company's accounting codes. Sales for resale are recorded in FERC account 447. Revenues from the sale of emission allowances and RECs are recorded in FERC accounts 509, 411.8 and 411.9 as an offset to expense.

Please see the proposed tariff sheets included in Schedule LJN - 6 for the complete listing of all revenue accounts that need to be considered in the determination of the amount eligible for recovery under the proposed continuation of the RAM along with the specific accounts that will be used for each revenue item on the Company's utility books and records.

This accounting process, and the information used to support the recording of these entries, creates a paper audit trail to enable the audit of the accounts.

11. A detailed explanation of any incentive feature in the proposed RAM with the expected benefit and cost each feature is intended to produce for both the electric utility and its Missouri retail customers;

In the Report and Order for Case No. ER-2007-0004 issued May 17, 2007, the Commission explains the reasoning for allowing only 95% of FAC eligible costs to be collected from customers,

> "The Commission also finds after-the-fact prudence reviews alone are insufficient to assure Aquila will continue to take reasonable steps to keep its fuel and purchased power costs down, and the easiest way to ensure a utility retains the incentive to keep fuel and purchased power costs down is to not allow a 100% pass through of those costs.
> The Commission finds allowing Aquila to pass 95% of its prudently incurred fuel and purchased power costs, above those included in its base rates, through its fuel adjustment clause is appropriate. With a 95% pass-through, the Commission finds Aquila will be protected from extreme fluctuations in fuel and purchased power cost yet retain a significant incentive to take all reasonable actions to keep its fuel and purchased power costs as low as possible, and still have an opportunity to earn a fair return on its investment." (page 54)

> "The Commission concludes that a 95% pass-through would not violate Section 386.266.4(1), in that it would still afford Aquila a sufficient opportunity to earn a fair return on equity." (page 55)

The 95% pass-through feature remained unchanged in the settlement of Rate Case. Nos. ER-2009-0090, ER-2010-0356, ER-2012-0175, ER-2016-0156, ER-2018-0146 and ER-2022-0130.

12. A detailed explanation of any rate volatility mitigation feature in the proposed RAM;

See the Direct Testimony of Jessica L. Tucker in this case for a discussion of the FAC and mitigation of market risk/price volatility. In addition, accumulating the FAC adjustment for a 6-month period with a corresponding 12-month revenue recovery period lessens rate volatility.

13. A detailed explanation of any feature of the proposed RAM and any existing electric utility policy, procedure, or practice that ensures only prudent fuel and purchased power costs and fuel-related revenues are recovered through the proposed RAM, including, but not limited to, utilization of competitive bidding or other sourcing or sales practices;

The Company's FAC expenses are subject to periodic Prudence Reviews to ensure that only prudently incurred fuel and purchased power costs are collected from customers through the FAC. Rules and procedures for contracts are outlined in the Sarbanes Oxley documentation.
The Company's books and records are audited annually by an independent public accounting firm. The Company's internal audit staff performs periodic audits on the controls in place associated with the FAC.

14. A detailed explanation of any change to the electric utility's business risk resulting from implementation of the proposed RAM, in addition to any other changes in business risk the electric utility may experience;

See the Direct Testimony of Ann E. Bulkley.

15. A level of efficiency for each of the electric utility's generating units determined by the results of heat rate/efficiency tests or monitoring that were conducted or obtained on each of the electric utility's steam generators, including nuclear steam generators, heat recovery steam generators, steam turbines and combustion turbines within twenty-four (24) months preceding the filing of the general rate increase case.

> **A. The results should be filed in a table format by generating unit type, rated megawatt (MW) output rating, the numerical value of the latest result and the date of the latest result;**
>
> **B. The electric utility shall provide documentation of the actual test/monitoring procedures. The electric utility may, in lieu of filing the documentation of these procedures with the commission, provide them to the staff, OPC, and to other parties as part of the workpapers it provides in connection with its direct case filing. If the electric utility submits the results in workpapers, it will provide a statement in its testimony as to where the results can be found in workpapers;**

See the Direct Testimony of Hsin Foo.

16. Information that shows that the electric utility has in place a long-term resource planning process;

See the Direct Testimony of Hsin Foo.

17. If the electric utility proposes to include emissions allowances costs or sales revenue in the proposed FAC and not in an environmental cost recovery mechanism, a detailed explanation of its emissions management policy, and its forecasted environmental investments, emissions allowances purchases, and emissions allowances sales;

See Direct Testimony of Jessica L. Tucker for the discussion of the allowance purchases and sales and the direct testimony of Hsin Foo for the explanation of forecasted environmental investments.

18. For each power generating unit the electric utility owns or controls, in whole or in part, the electric utility shall file graphs, accompanied by the data supporting the graphs, for each month over the immediately preceding five (5) years, showing the monthly equivalent availability factor, the monthly equivalent forced outage rate, and the length and timing of each planned outage of that unit; and

Please see Schedules LJN – 5 and LJN – 6 for the required information.

19. Authorization for the staff to release to all parties to the general rate proceeding in which the establishment, continuation, or modification of a RAM is requested, the previous five (5) years of historical surveillance monitoring reports the electric utility submitted in EFIS.

EMW authorizes the Staff to release to all parties to this case its previous five years of historical surveillance monitoring reports in accordance with 20 CSR 4240-20.090(2)(A)19.

IMPORTANT NOTICE

evergy

Evergy has filed a rate increase request with the Missouri Public Service Commission (“PSC”). The increase would total approximately 13.42% in the territory served as Evergy Missouri.

For the average residential customer the proposed increase would be approximately $17 per month.

Evergy has also asked the PSC to continue the Fuel Adjustment Clause (“FAC”). The FAC allows Evergy to adjust customers’ bills two times per year based on the varying cost of fuel and power purchased in the current volatile market. Any increase or decrease in fuel costs is reflected in the FAC. This means the customer bill is based on more current fuel costs.

A local public hearing (or evidentiary hearing) has been set before the PSC at ____o'clock, on (date) at ________, (address), City, Missouri. The hearing will be held in a facility that meets the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional accommodations to participate in this hearing should call the Public Service Commission's hotline at **1-800-392-4211** (voice) or Relay Missouri at 711 before the hearing.

Consumers wishing to comment of the rate proposal may also: Mail a written comment to the Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102; Electronically submit a comment to the PSC by accessing the PSC's Electronic Filing and Information System at ***efis.psc.mo.gov/mpsc*** (please reference case number ________); or Contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102, telephone **573-751-4857** or toll-free **866-922-2959**, ***opcservice@ded.mo.gov***. Comments are viewable by the public. Do not include any information in a public comment that you do not wish to be made public.

SCHEDULE LJN-3
CONTAINS CONFIDENTIAL INFORMATION
NOT AVAILABLE TO THE PUBLIC.

ORIGINAL FILED UNDER SEAL.

RESERVED FOR FUTURE USE

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EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No.	1	7th	Revised Sheet No. 127.10
Canceling P.S.C. MO. No.	1	6th	Revised Sheet No. 127.10

For Missouri Retail Service Area

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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	Filing Dates	Recovery Periods
June – November	By January 1	March – February
December – May	By July 1	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 (“S_{RP}”) 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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 2nd Revised Sheet No. 127.14

Canceling P.S.C. MO. No. 1 1st Revised Sheet No. 127.14

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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.

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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 SO_2 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 SO_2 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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 2nd Revised Sheet No. 127.16

Canceling P.S.C. MO. No. 1 1st Revised Sheet No. 127.16

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 2nd Revised Sheet No. 127.17

Canceling P.S.C. MO. No. 1 1st Revised Sheet No. 127.17

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASE POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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.

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No.	1	2nd	Revised Sheet No. 127.21
Canceling P.S.C. MO. No.	1	1st	Revised Sheet No. 127.21

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided December 6, 2018 through January 8, 2023)

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} x 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}

Single Accumulation Period Secondary Voltage FAR_{Sec} = FAR * VAF_{Sec}
Single Accumulation Period Primary Voltage FAR_{Prim} = FAR * VAF_{Prim}
Single Accumulation Period Substation Voltage FAR_{Sub} = FAR * VAF_{Sub}
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

FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

Where:

FPA = Fuel and Purchased Power Adjustment

S_{RP} = 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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 1st Revised Sheet No. 127.24

Canceling P.S.C. MO. No. 1 Original Sheet No. 127.24

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided January 9, 2023 through the Day Prior to the Effective Date of Tariff Sheets 124 through 124.10)

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	Filing Dates	Recovery Periods
June – November	By January 1	March – February
December – May	By July 1	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, reservation charges, 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, 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 or costs associated with service provided to customers taking energy through Schedule MKT. 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 not served under Schedule MKT will be adjusted (up or down) in March and September 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 (“S_{RP}”) 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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No.	1	1st	Revised Sheet No. 127.25
Canceling P.S.C. MO. No.	1		Original Sheet No. 127.25

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided the Effective January 9, 2023 through the Day Prior to the Effective Date of Tariff Sheets 124 through 124.10)

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, excluding decommissioning and retirement costs, Incurred to support sales and revenues associated with the Company's in-service generating plants:
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], unit train maintenance, leases, depreciation and applicable taxes, natural gas costs including reservation charges, 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, 501400 and 501420 accounts attributed to native load;
Subaccount 501030: the allocation of the allowed costs in the 501000, 501300, 501400 and 501420 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.

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 547027: natural gas reservation charges;

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 SO_2 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 SO_2 emission allowances.

PP = Purchased Power Costs:
The following costs or revenues reflected in FERC Account Number 555:
Subaccount 555000: purchased power costs, energy charges from capacity purchases of any duration, 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, including energy, revenue neutrality, make whole and

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 1st Revised Sheet No. 127.27

Canceling P.S.C. MO. No. 1 Originial Sheet No. 127.27

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided January 9, 2023 through the Day Prior to the Effective Date of Tariff Sheets 124 through 124.10)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

PP = Purchased power Costs (continued):

out of merit payments and distributions, over collected losses payments and distributions, Transmission Congestion Rights (“TCR”) and Auction Revenue Rights (“ARR”) settlements, virtual energy costs, revenues and related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, load/export charges, ancillary services including non-performance and distribution payments and charges and other miscellaneous SPP Integrated Market charges including uplift charges or credits, excluding (1) the amounts associated with purchased power agreements (“PPA”) associated with the Renewable Energy Rider tariff; (2) amounts associated with the purchase of power for customers served under the MKT Schedule; and (3) net costs associated with wind PPA entered into after May 2019 whose costs exceed their revenues resulting in a net loss.

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

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.

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 74.57% 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.

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
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FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

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, or other IMs, including, energy, ancillary services, revenue sufficiency (such as make whole payments and out of merit payments and distributions), revenue neutrality payments and distributions, over collected losses payments and distributions, TCR and ARR settlements, demand reductions, virtual energy costs and revenues and related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, generation/export charges, ancillary services including non-performance and distribution payments and SPP uplift revenues or credits, excluding (1) off-system sales revenues from full and partial requirements sales to municipalities that are served through bilateral contracts in excess of one year, and (2) the amounts associated with purchased power agreements associated with the Renewable Energy Rider tariff and (3) net costs associated with wind PPA entered into after May 2019 whose costs exceed their revenues resulting in a net loss.

Notwithstanding anything to the contrary contained in the tariff sheets for Rider FAC, factors PP and OSSR shall not include costs and revenues for any undersubscribed portion of a permanent Solar Subscription Rider resource allocated to shareholders under the approved stipulation in File No. ER-2022-0130.

Subaccount 447012: capacity charges for capacity sales one year or less in duration;

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.

R = Renewable Energy Credit Revenue:

Revenues reflected in FERC account 509000 and gains or losses to be recorded in FERC accounts 411800 and 411900 from the sale of Renewable Energy Credits (RECs) that are not needed to meet the Missouri Renewable Energy Standards less the cost associated with making the sale.

FUEL ADJUSTMENT CLAUSE – Rider FAC
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(Applicable to Service Provided January 9, 2023 through the Day Prior to the Effective Date of Tariff Sheets 124 through 124.10)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

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.

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

Day Ahead Ramp Capability Up Amount
Day Ahead Ramp Capability Down Amount
Day Ahead Ramp Capability Up Distribution Amount
Day Ahead Ramp Capability Down Distribution Amount
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 Ramp Capability Up Amount
Real Time Ramp Capablity Down Amount
Real Time Ramp Capability Up Distribution Amount

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service Provided January 9, 2023 through the Day Prior to the Effective Date of Tariff Sheets 124 through 124.10)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

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

Real Time Ramp Capability Down Distribution Amount
Real Time Ramp Capability Non-Performance Amount
Real Time Ramp Capability Non-Performance 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
Auction Revenue Rights Monthly Payback Amount
Auction Revenue Annual Payback Amount
Auction Revenue Rights Annual Closeout 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
Day Ahead Combined Interest Resource Adjustment Amount
Real Time Combined Interest Resource Adjustment Amount

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
(Applicable to Service ProvidedJanuary 9, 2023 through the Day Prior to the Effective Date of Tariff Sheets 124 through 124.10)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

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

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.

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.
N e t Base Energy costs will be calculated as shown below:

S_{AP} x Base Factor (“BF”)

S_{AP} = Net system input (“NSI”) in kWh for the accumulation period, at the generation level, excluding the energy used by customers served under the MKT Schedule.

BF = Company base factor costs per kWh: $0.02983

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.

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
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FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

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}

Single Accumulation Period Secondary Voltage FAR_{Sec} = FAR * VAF_{Sec}
Single Accumulation Period Primary Voltage FAR_{Prim} = FAR * VAF_{Prim}
Single Accumulation Period Substation Voltage FAR_{Sub} = FAR * VAF_{Sub}
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

Where:

FPA = Fuel and Purchased Power Adjustment

S_{RP} = Forecasted Missouri jurisdictional recovery period retail NSI in kWh, at the generation level, excluding the energy used by customers served under the MKT Schedule.

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

FUEL ADJUSTMENT CLAUSE – Rider FAC
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(Applicable to Service Provided January 9, 2023 through the Day Prior to the Effective Date of Tariff Sheets 124 through 124.10)

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.

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	Filing Dates	Recovery Periods
June – November	By January 1	March – February
December – May	By July 1	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, reservation charges, 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, and the cost described below associated with the company's hedging programs all as incurred during the accumulation period. These costs will be offset by jurisdictional off-system sales revenues, applicable SPP revenues, 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 or costs associated with service provided to customers taking energy through Schedule MKT. 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 not served under Schedule MKT will be adjusted (up or down) in March and September 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 ("S_{RP}") 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.

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P.S.C. MO. No. 1 Original Sheet No. 124.1

Canceling P.S.C. MO. No. Original 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, excluding decommissioning and retirement costs, Incurred to support sales and revenues associated with the Company's in-service generating plants:
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], unit train maintenance, leases, depreciation and applicable taxes, natural gas costs including reservation charges, fuel quality adjustments, fuel hedging costs, 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), and margins (cash or collateral used to secure or maintain the Company's hedge position with a brokerage or exchange), 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 ~~and 501420~~ accounts attributed to native load;
Subaccount 501030: the allocation of the allowed costs in the 501000, 501300~~,~~ and 501400 ~~and 501420~~ 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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 Original Sheet No. 124.2

Canceling P.S.C. MO. No. Originial 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, hedging costs for natural gas, oil, and natural gas used to cross-hedge purchase power for sales, and settlement proceeds, insurance recoveries, subrogation recoveries for fuel expenses, and broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), and margins (cash or collateral used to secure or maintain the Company's hedge position with a brokerage or exchange).

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

Subaccount 547027: natural gas reservation charges;

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 SO_2 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 SO_2 emission allowances.

Subaccounts 411.8 and 411.9: gains or losses of emission allowances recorded in the current FAC accumulation period.

PP = Purchased Power Costs:
The following costs or revenues reflected in FERC Account Number 555:
Subaccount 555000: purchased power costs, energy charges from capacity purchases of any duration, insurance recoveries, and subrogation recoveries for purchased power expenses, hedging costs including broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), and margins (cash or collateral used to secure or maintain the Company's hedge position with a brokerage or exchange), charges and credits related to the SPP Integrated Marketplace ("IM") or other IMs, including energy, revenue neutrality, make whole and

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P.S.C. MO. No. 1 Original Sheet No. 124.3

Canceling P.S.C. MO. No. Originial 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):

PP = Purchased power Costs (continued):

out of merit payments and distributions, over collected losses payments and distributions, Transmission Congestion Rights ("TCR") and Auction Revenue Rights ("ARR") settlements, virtual energy costs, revenues and related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, load/export charges, ancillary services including non-performance and distribution payments and charges and other miscellaneous SPP Integrated Market charges including uplift charges or credits, excluding (1) the amounts associated with purchased power agreements ("PPA") associated with the Renewable Energy Rider tariff; (2) amounts associated with the purchase of power for customers served under the MKT Schedule; and (3) net costs associated with wind PPA entered into after May 2019 whose costs exceed their revenues resulting in a net loss.

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

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.

Subaccount 555070: SPP purchased power administration fees.

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 ~~74.57~~69.88% 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.

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):

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, or other IMs, including, energy, ancillary services, revenue sufficiency (such as make whole payments and out of merit payments and distributions), revenue neutrality payments and distributions, over collected losses payments and distributions, TCR and ARR settlements, demand reductions, virtual energy costs and revenues and related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, generation/export charges, ancillary services including non-performance and distribution payments and SPP uplift revenues or credits, hedging costs, excluding (1) off-system sales revenues from full and partial requirements sales to municipalities that are served through bilateral contracts in excess of one year, and (2) the amounts associated with purchased power agreements associated with the Renewable Energy Rider tariff and (3) net costs associated with wind PPA entered into after May 2019 whose costs exceed their revenues resulting in a net loss.

Notwithstanding anything to the contrary contained in the tariff sheets for Rider FAC, factors PP and OSSR shall not include costs and revenues for any undersubscribed portion of a permanent Solar Subscription Rider resource allocated to shareholders under the approved stipulation in File No. ER-2022-0130.

Subaccount 447012: capacity charges for capacity sales one year or less in duration;

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.

R = Renewable Energy Credit Revenue:

Revenues reflected in FERC account 509000 and gains or losses to be recorded in FERC accounts 411800 and 411900 from the sale of Renewable Energy Credits (RECs) that are not needed to meet the Missouri Renewable Energy Standards less the cost associated with making the sale.

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):

Hedging costs are defined as realized losses and costs (including broker commissions, fees, and margins) minus realized gains associated with mitigating volatility in the Company's cost of fuel, fuel additives, fuel transportation, emission allowances, transmission and power purchases or sales, including but not limited to, the Company's use of derivatives whether over-the counter or exchange traded including, without limitation, futures or forward contracts, puts, calls, caps, floors, collars, swaps, TCRs, virtual energy transactions, or similar instruments

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.

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

Day Ahead Ramp Capability Up Amount
Day Ahead Ramp Capability Down Amount
Day Ahead Ramp Capability Up Distribution Amount
Day Ahead Ramp Capability Down Distribution Amount
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 Ramp Capability Up Amount
Real Time Ramp Capablity Down Amount
Real Time Ramp Capability Up Distribution Amount
Day Ahead Uncertainty Reserve Amount
Day Ahead Uncertainty Reserve Distribution Amount
Real Time Uncertainty Reserve Amount
Real Time Uncertainty Reserve Distribution Amount
Real Time Uncertainty Reserve Non-Performance Amount
Real Time Uncertainty Reserve Non-Performance Distribution Amount
Transmission Congestion Rights Administration Service (1-A2)
Integrated Marketplace Clearing Administration Service (1-A3)
Integrated Marketplace Facilitation Administration Service (1-A4)

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
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FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

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

Real Time Ramp Capability Down Distribution Amount
Real Time Ramp Capability Non-Performance Amount
Real Time Ramp Capability Non-Performance 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
Auction Revenue Rights Monthly Payback Amount
Auction Revenue Annual Payback Amount
Auction Revenue Rights Annual Closeout 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
Day Ahead Combined Interest Resource Adjustment Amount
Real Time Combined Interest Resource Adjustment Amount

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 ________ Original Sheet No. 124.7

Canceling P.S.C. MO. No. ________ ________ Originial 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)

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.

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.
N e t Base Energy costs will be calculated as shown below:

S_{AP} x Base Factor (“BF”)

S_{AP} = Net system input (“NSI”) in kWh for the accumulation period, at the generation level, excluding the energy used by customers served under the MKT Schedule.

BF = Company base factor costs per kWh: $0.02948

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 MO West~~GMO~~.

T = True-up amount as defined below.

FUEL ADJUSTMENT CLAUSE – Rider FAC
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FORMULAS AND DEFINITIONS OF COMPONENTS (continued):

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}

Single Accumulation Period Secondary Voltage FAR_{Sec} = FAR * VAF_{Sec}
Single Accumulation Period Primary Voltage FAR_{Prim} = FAR * VAF_{Prim}
Single Accumulation Period Substation Voltage FAR_{Sub} = FAR * VAF_{Sub}
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

Where:

FPA = Fuel and Purchased Power Adjustment

S_{RP} = Forecasted Missouri jurisdictional recovery period retail NSI in kWh, at the generation level, excluding the energy used by customers served under the MKT Schedule.

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

FUEL ADJUSTMENT CLAUSE – Rider FAC
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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.

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

P.S.C. MO. No. 1 ______ Original Sheet No. 124.10

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:			
1	Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)		
2	Net Base Energy Cost (B)	-	
	2.1 Base Factor (BF)		$0.02948
	2.2 Accumulation Period NSI (S_{AP})		
3	(ANEC-B)		
4	Jurisdictional Factor (J)	x	
5	(ANEC-B)*J		
6	Customer Responsibility	x	
7	95% *((ANEC-B)*J)		
8	True-Up Amount (T)	+	
9	Interest (I)	+	
10	Prudence Adjustment Amount (P)	+	
11	Fuel and Purchased Power Adjustment (FPA)	=	
	11.1 PISA Deferral (Sec. 393.1400)		
	11.2 FPA Subject to Recover in True-Up		
12	Estimated Recovery Period Retail NSI (S_{RP})	÷	
13	**Current Period Fuel Adjustment Rate (FAR)**	**=**	
14	Current Period FAR_{Sec} = FAR x VAF_{Sec}		
15	Prior Period FAR_{Sec}	+	
16	Current Annual FAR_{Sec}	=	
17	Current Period FAR_{Prim} = FAR x VAF_{Prim}		
18	Prior Period FAR_{Prim}	+	
19	Current Annual FAR_{Prim}	=	
20	Current Period FAR_{Sub} = FAR x VAF_{Sub}		
21	Prior Period FAR_{Sub}	+	
22	Current Annual FAR_{Sub}	=	
23	Current Period FAR_{Trans} = FAR x VAF_{Trans}		
24	Prior Period FAR_{Trans}	+	
25	Current Annual FAR_{Trans}	=	
26	VAF_{Sec} = 1.0766		
27	VAF_{Prim} = 1.0503		
28	VAF_{Sub} = 1.0388		
29	VAF_{Trans} = 1.0300		

Evergy Metro, Inc. d/b/a Evergy Missouri Metro and
Evergy Missouri West, Inc. d/b/a Evergy Missouri West

Docket No.: ER-2024-0189
Date: February 2, 2024

CONFIDENTIAL INFORMATION

The following information is provided to the Missouri Public Service Commission under CONFIDENTIAL SEAL:

Document/Page	**Reason for Confidentiality from List Below**
Schedule LJN-3	1

Rationale for the "confidential" designation pursuant to 20 CSR 4240-2.135 is documented below:

1. Customer-specific information;

2. Employee-sensitive personnel information;

3. Marketing analysis or other market-specific information relating to services offered in competition with others;

4. Marketing analysis or other market-specific information relating to goods or services purchased or acquired for use by a company in providing services to customers;

5. Reports, work papers, or other documentation related to work produced by internal or external auditors, consultants, or attorneys, except that total amounts billed by each external auditor, consultant, or attorney for services related to general rate proceedings shall always be public;

6. Strategies employed, to be employed, or under consideration in contract negotiations;

7. Relating to the security of a company's facilities; or

8. Concerning trade secrets, as defined in section 417.453, RSMo.

9. Other (specify) ____.

Should any party challenge the Company's assertion of confidentiality with respect to the above information, the Company reserves the right to supplement the rationale contained herein with additional factual or legal information.