

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

In the Matter of Evergy Missouri West, Inc.,)
d/b/a Evergy Missouri West’s Tariffs Changing) **File No. HT-2024-0296**
the Steam QCA for Service Provided to) **Tariff No. JH-2024-0148**
Customers in Service Territory)

STAFF RECOMMENDATION TO APPROVE TARIFF

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

1. On April 15, 2024, Evergy Missouri West filed its Tariff Revision, Tracking No. JH-2024-0148.
2. On April 15, 2024, the Commission issued its *Order Directing Filing*. The *Order* directed Staff to file a recommendation regarding Evergy Missouri West’s tariff sheets no later than May 9, 2024.
3. As more fully explained in the attached Memorandum, Staff has reviewed the proposed tariff sheet and recommends its approval.

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

Respectfully submitted,

/s/ Casi Aslin
Casi Aslin
Missouri Bar No. 67934
Attorney for the Staff of the
Missouri Public Service Commission
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Jefferson City, MO 65102
(573) 751-8517
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and or counsel of record on this 7th day of May, 2024.

/s/ Casi Aslin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. HT-2024-0296 and Tariff Tracking No. JH-2024-0148

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

/s/ Melanie Clark / May 7, 2024
Water, Sewer & Steam Dept. / Date

SUBJECT: Staff Recommendation to approve the Quarterly Cost Adjustment for the First Quarter of 2024 to the Quarterly Cost Adjustment Rider – Steam of Evergy Missouri West, Inc., d/b/a Evergy Missouri West

DATE: May 7, 2024

On April 15, 2024, Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“EMW”) filed with the Missouri Public Service Commission (“Commission”) the following tariff sheet, bearing an effective date of June 1, 2024:

P.S.C. MO. No. 1

60th Revised Sheet No. 6.10 Canceling 59th Revised Sheet No. 6.10

This tariff filing revises EMW’s Quarterly Cost Adjustment Rate (“QCA Rate”) for the first quarter of 2024. Each quarter, EMW files rate adjustments to reflect the actual fuel costs above or below a base amount of \$2.4854 per Million British Thermal Units (“MMBtu”), which was determined in EMW’s last rate case, Case No. HR-2018-0231.

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

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

sheet and supporting work papers, consisting of electronic worksheets showing EMW’s calculation of the QCA Rate for the first quarter of 2024.

On April 15, 2024, the Commission issued an *Order Directing Filing* ordering Staff to file its recommendation no later than May 9, 2024.

The table below shows the calculation of the proposed Monthly QCA Rate (“Monthly QCA Rate”) for the first quarter of 2024, effective for the billing period of June 1, 2024 through August 31, 2024, as well as the change per thousand MMBtu in cumulative rates from quarter to quarter:

Line No.	Qtr/Year	First Effective Date	Months	Last Effective Date	QCA Rate	Qtr/Year	Reconciliation Rate (R Factor)	Cumulative Rate	Change Per 1,000 MMBtu
(1)	Q2 2023	9/1/2023	12	8/31/2024	\$ 0.0074	Q1 2023	\$ 0.0028	\$ 1.5177	\$ (774.50)
(2)	Q3 2023	12/1/2023	12	11/30/2024	\$ 0.0102	Q2 2023	\$ 0.0163	\$ 0.8387	\$ (679.00)
(3)	Q4 2023	3/1/2024	12	2/28/2025	\$ 0.0147	Q3 2023	\$ 0.0127	\$ 0.1615	\$ (677.20)
(4)	Q1 2024	6/1/2024	12	5/31/2025	\$ 0.4090	Q4 2023	\$ 0.0129	\$ 0.4860	\$ 324.50
					\$ 0.4413		\$ 0.0447		
					Monthly QCA¹				
(5)	Q1 2024	6/1/2024	3	9/30/2024	\$ 0.4860				

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

This tariff filing reflects a proposed Monthly QCA Rate per MMBtu of \$0.4860, compared to the current Monthly QCA Rate of \$0.1615 per MMBtu.

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

The proposed Monthly QCA Rate for the first quarter 2024 reflects an increase of \$789,193 in adjusted fuel costs, when compared to the same fuel costs for the Monthly QCA Rate for the first quarter 2023. The company states this increase is due to higher natural gas prices experienced for the January 13-16, 2024, timeframe as a result of Winter Storm Heather. Natural gas prices have since decreased.² The Reconciliation Rate component (“R Factor”) reflects an increase of \$50,777 when compared to the same quarter last year.³

² Natural gas cost approximately \$2.24 per MMBtu in fourth quarter 2023, compared to approximately \$3.42 per MMBtu in first quarter 2024.

³ The R Factor in this filing is a comparison of the balance of the reconciliation amount per QCA period from fourth quarter 2022 through fourth quarter 2023.

Staff reviewed the data and calculations EMW provided in its worksheets and determined that EMW’s calculations related to the filed tariff sheet are correct, and that the calculations satisfy the standards set forth in EMW’s Tariff Sheet Nos. 6.6 through 6.10. The calculations are also consistent with previous EMW QCA Rate filings.

Customer Billing Comparison

The following table compares, per thousand MMBtu, the proposed cost for customers receiving steam service for the period June 1, 2024 through August 31, 2024⁴ to the current period of March 1, 2024 through May 31, 2024:⁵

Billing Comparison from Q4 2023 to Q1 2024		
Q4 2023 Billing	Q1 2024 Billing	Difference
\$ (677.20)	\$ 324.50	\$1,001.70

The previous three QCA rates and R Factor rates, added to this proposed QCA Rate and R Factor rate, results in an increase of a steam customer’s bill of \$1,001.70 for every thousand MMBtu for the billing period June 1, 2024 through August 31, 2024, compared to the 2023 fourth quarter billing period.

Staff Recommendation

Staff recommends the Commission approve EMW’s proposed filed tariff sheet with the effective date of June 1, 2024:

P.S.C. MO. No. 1

60th Revised Sheet No. 6.10 Canceling 59th Revised Sheet No. 6.10

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

⁴ \$0.4860 per MMBtu.

⁵ \$0.1615 per MMBtu.

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File No. HT-2024-0296
Tariff No. JH-2024-0148

AFFIDAVIT OF MELANIE CLARK

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

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

Further the Affiant sayeth not.

Melanie Clark
MELANIE CLARK

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 7th day of May 2024.

Dianna L. Vaught
Notary Public

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