

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

In the Matter of the Application of Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Authority To Implement Rate Adjustments Required by 20 CSR 4240-20.090(8) and the Company's Fuel And Purchase Power Cost Recovery Mechanism))))))	<u>File No. ER-2024-0382</u> Tariff No. JE-2024-0172
---	----------------------------	--

STAFF TARIFF SHEET RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its Staff Recommendation for Approval of Tariff Sheet respectfully states:

1. On June 28, 2024, in ER-2024-0282, Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West") submitted direct testimony and one tariff sheet designed to implement an adjustment to its Fuel and Purchased Power Adjustment Clause ("FAC"). On July 26, 2024, Evergy Missouri West filed a substitute tariff. It bore an issue date of June 28, 2024, and an effective date of September 1, 2024. On July 26, 2024, Evergy Missouri West filed a substitute tariff with the same issue and effective dates. Evergy Missouri West filed the substitute tariff following discussions with both MPSC Staff and the Office of the Public Counsel on July 23, 2024. The substitute tariff reflected the Company removing an adjustment related to Winter Storm Uri of \$117,070, that was originally included for recovery.

2. Concurrently on June 28, 2024, Evergy Missouri West submitted a true-up filing in File No. EO-2024-0381 to identify the net fuel costs it over- or undercharged customers during the thirty-first Recovery Period prescribed by its FAC. This amount is used when calculating the new Fuel Adjustment Rates ("FARs") in this case. A Substitute True-Up was filed on July 26, 2024.

3. The Commission ordered Staff to examine and analyze Evergy Missouri West's filings in this case, and to file its recommendation no later than July 31, 2024, as required by Rule 20 CSR 4240-20.090(8).

4. Staff's Memorandum, attached hereto as Appendix A and incorporated by reference, recommends the Commission issue an order approving the revised tariff sheet taking effect on September 1, 2024.

5. Commission Rule 20 CSR 4240-20.090(8) states: "An electric utility that has a FAC shall file proposed tariff sheet(s) to adjust its FARs following each accumulation period." The rule requires Staff to "determine if the proposed adjustment to the FARs is in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established, continued, or modified in the utility's most recent general rate proceeding."

6. If so, "Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either (1) Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs; (2) Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order; or..." the commission may reject the proposed rate sheets, suspend the timeline, set a prehearing date, and order the parties to propose a procedural schedule.

7. Evergy Missouri West's filing in this case requests Commission approval of one tariff sheet bearing an effective date of September 1, 2024, that revises the current FARs in its FAC. The filing includes testimony and work papers of Evergy Missouri West

witness Lisa A. Starkebaum supporting the Company's calculation of the Fuel and Purchased Power Adjustment ("FPA").

8. The FPA amount, subject to prudence review, is (\$6,963,226), for AP34 (December 1, 2023, through May 31, 2024). This reflects the sum of:

- a. The amount of (\$6,256,387) on line 7 of 3rd Revised Sheet No.
- b. 127.34, which is equal to 95% of the difference between: a) Evergy Missouri West's Missouri jurisdiction Actual Net Energy Costs ("ANEC") (fuel costs plus net emission costs plus purchased power costs plus transmission costs less off-system sales revenue less renewable energy credit revenue), and b) Evergy Missouri West's Missouri jurisdiction Net Base Energy Cost;
- c. The true-up amount reflected on line 8 of 3rd Revised Sheet No. 127.34, of (\$3,556,358); and
- d. The interest amount reflected on line 9 of 3rd Revised Sheet No. 127.34, of \$2,849,519.

The proposed Current Period Evergy Missouri West FAR of (\$.00075) per kWh (line 13, 3rd Revised Sheet No. 127.34), is equal to Evergy Missouri West's FPA amount of (\$6,963,226) divided by the estimated Recovery Period 34 ("RP34") Retail Net System Input ("RNSI") at the generator level ("SRP") of 9,258,966,183 kWh (line 12 of 3rd Revised Sheet No. 127.34). Staff's memo explains the differences in tariff sheet lines 14, 17, 20 and 23; and sets out in a table Evergy Missouri West's proposed Current Annual FARS together with the changes between the primary, secondary, substation, and transmission voltage service levels. The proposed changes to FARs will result in a decrease to the

typical Evergy Missouri West residential customer's monthly bill (based on 1,000 kWh) before taxes of \$7.17, i.e., from \$12.84 to \$5.67.

9. After reviewing Evergy Missouri West's filings, including the testimony of Lisa A. Starkebaum, Staff has verified that the actual fuel and purchased power costs, less off-system sales revenues, match the fuel and purchased power costs, less off-system sales revenues, in Evergy Missouri West's proposed 3rd Revised Tariff Sheet No. 127.34. Staff reviewed Evergy Missouri West's monthly interest rates that are applied to 95% of the jurisdictional monthly cumulative under-/over- recovery of base fuel and purchased power costs for AP34 and verified that the monthly interest rates and calculations of monthly interest amounts are correct. Staff also concluded that the information filed with the proposed tariff sheet and work papers includes sufficient data to calculate Evergy Missouri West's FARs based on the actual fuel, purchased power, emission allowance and transmission costs net of off-system sales revenue and renewable energy credit revenue provided by Evergy Missouri West for AP34.

10. Staff concludes that the tariff sheet complies with the Commission's *Report and Order* in Case No. ER-2022-0130, Commission Rule 20 CSR 4240-20.090, Section 393.1400.5 RSMo, and Evergy Missouri West's FAC, as embodied in its tariff.

11. Staff has verified that Evergy Missouri West is not delinquent on any assessment and has filed its 2023 Annual Report. Evergy Missouri West is current on its submission of its Surveillance Monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5). Except for Evergy Missouri West's RP31 true-up filing in File No. EO-2024-0381 (also filed on June 28, 2024), Staff is not aware of any other matter pending before the Commission

that affects or is affected by this tariff filing. Staff's recommendation for the Current Period FARs is based solely on the accuracy of Evergy Missouri West's calculations, and is not indicative of the prudence of the fuel costs during AP34.

WHEREFORE, Staff recommends the Commission issue an order approving the following tariff sheet, to take effect on September 1, 2024:

P.S.C. Mo. No. 1
3rd Revised Sheet No. 127.34, as substituted July 26, 2024,
Canceling 2nd Revised Sheet No. 127.34

Respectively submitted,

/s/ Paul T. Graham

Paul T. Graham #30416

Senior Staff Counsel

P.O. Box 360

Jefferson City, Mo 65102-0360

(573) 522-8459

Paul.graham@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 31st day of July, 2024.

/s/ Paul T. Graham

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2024-0382, Tariff Tracking No. JE-2024-0172

FROM: Brooke Mastrogiannis, Utility Regulatory Audit Supervisor

DATE: /s/ Brooke Mastrogiannis / July 31, 2024
Energy Resources Department / Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates Related to Evergy Missouri West, Inc.’s, d/b/a Evergy Missouri West Fuel Adjustment Clause Pursuant to the Commission’s Report and Order in Case No. ER-2022-0130

DATE: July 31, 2024

Staff Recommendation

On June 28, 2024, Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“Evergy Missouri West”) filed one (1) tariff sheet, P.S.C. Mo. No. 1 3rd Revised Sheet No. 127.34, Canceling 2nd Revised Sheet No. 127.34, bearing a proposed effective date of September 1, 2024. This tariff is to revise Evergy Missouri West’s current annual Fuel Adjustment Rates (“FARs”) (lines 16, 19, 22, and 25 on 3rd Revised Sheet No. 127.34) of its Fuel Adjustment Clause (“FAC”). Evergy Missouri West also filed the direct testimony of Lisa A. Starkebaum on June 28, 2024, and submitted to Staff work papers in support of the direct testimony and filed tariff sheet.

Subsequently, on July 26, 2024, Evergy Missouri West filed a substitute tariff sheet, following discussion with Missouri PSC Staff and the Office of the Public Counsel on July 23, 2024. This substitute tariff reflected the Company removing an adjustment related to Winter Storm Uri of \$117,070 that they originally included for recovery on line 8 of its proposed 3rd Revised Sheet. No. 127.34, and also reflected in its true-up filing in File No. EO-2024-0381.

Staff recommends the Commission issue an order approving the 3rd Revised Sheet No. 127.34, as substituted on July 26, 2024, canceling 2nd Revised Sheet No. 127.34 of the FAC for Evergy Missouri West, to become effective on September 1, 2024.

Accumulation Period 34 FARs

The testimony and work papers include information supporting Eversource Missouri West's calculation of the Fuel and Purchased Power Adjustment ("FPA") amount of (\$6,963,226) line 11¹ of 3rd Revised Sheet No. 127.34, as substituted on July 26, 2024, for Accumulation Period 34 ("AP34") (December 1, 2023 through May 31, 2024) reflecting the sum of:

1. The amount of (\$6,256,387) on line 7 of 3rd Revised Sheet No. 127.34, which is equal to 95% of the difference between: a) Eversource Missouri West's Missouri jurisdiction² Actual Net Energy Costs ("ANEC") (fuel costs plus net emission costs plus purchased power costs plus transmission costs less off-system sales revenue less renewable energy credit revenue), and b) Eversource Missouri West's Missouri jurisdiction Net Base Energy Cost;
2. The true-up amount³ reflected on line 8 of 3rd Revised Sheet No. 127.34, of (\$3,556,358); and,
3. The interest amount reflected on line 9 of 3rd Revised Sheet No. 127.34, of \$2,849,519.

The proposed Current Period Eversource Missouri West FAR of (\$.00075) per kWh (line 13 3rd Revised Sheet No. 127.34), is equal to Eversource Missouri West's FPA amount of (\$6,963,226) divided by the estimated Recovery Period 34 ("RP34")⁴ Retail Net System Input ("RNSI") at the generator level⁵ ("S_{RP}") of 9,258,966,183 kWh (line 12 of 3rd Revised Sheet No. 127.34).

Because of differences in line losses for secondary, primary, substation, and transmission voltage service levels,⁶ tariff sheet lines 14, 17, 20, and 23 reflect different current period FARs for service taken at secondary, primary, substation, and transmission voltage service levels.

¹ Line 11 is the FPA amount subject to prudence review, line 11.1 is the PISA amount deferred to a PISA regulatory asset account, and line 11.2 is the FPA amount subject to recover in true-up.

² See line 4 of 3rd Revised Sheet No. 127.34 and definition of J on Original Sheet No. 127.31.

³ The true-up amount was requested by Eversource Missouri West in its June 28, 2024 filing in File No. EO-2024-0381.

⁴ RP34 includes September 1, 2024, through August 31, 2025.

⁵ See definition of S_{RP} on Original Sheet No. 127.32.

⁶ The voltage adjustment factors (VAFs) for Eversource Missouri West for primary, secondary, substation and transmission voltage service levels are included on lines 26 through 29 of 3rd Revised Sheet No. 127.34.

The Accumulation Periods, Recovery Periods, and other specifications of Evergy Missouri West’s FAC for AP34 are set out in its tariff sheets: Original Sheet No. 127.24 through Original Sheet No. 127.33.

Listed below are Evergy Missouri West’s proposed Current Annual FARs on 3rd Revised Sheet No. 127.34, and the Evergy Missouri West Current Annual FARs on 2nd Revised Sheet No. 127.34 together with the changes between them for primary, secondary, substation, and transmission voltage service levels.

Evergy Missouri West Current Annual Fuel Adjustment Rate \$ per kWh			
Service	Proposed 3rd Revised Sheet No. 127.34	Now Effective 2nd Revised Sheet No. 127.34	Difference
Secondary	\$0.00567	\$0.01284	\$0.00717 Decrease
Primary	\$0.00553	\$0.01253	\$0.00700 Decrease
Substation	\$0.00547	\$0.01239	\$0.00692 Decrease
Transmission	\$0.00543	\$0.01229	\$0.00686 Decrease

The proposed changes to FARs will result in a decrease to the typical Evergy Missouri West residential customer’s monthly bill (based on 1,000 kWh) before taxes of \$7.17, i.e., from \$12.84 to \$5.67.

In her direct testimony Ms. Starkebaum states:

Evergy Missouri West’s Actual Net Energy Costs (“ANEC”), are less than the base energy costs included in base rates by approximately \$6.6 million. When compared to the prior 33rd accumulation period, the ANEC are \$23.3 million lower in the 34th accumulation. This is due to a \$14.6 million, or 36%, decrease in fuel costs, as well as a \$11.5 million, or 11%, decrease in purchased power expense. In addition, there is approximately a \$2.4 million or 32% decrease in off-system sales revenue. The 34th accumulation period of December 2023 through May 2024 typically has lower retail load requirements than the previous 33rd accumulation period of June 2023 through November 2023. In addition, winter weather was 22% warmer than normal with 563 fewer degree days contributing to a 10% decrease in retail load demand over the 33rd

accumulation period. Purchased power requirements and lower off-system sales revenue were also impacted by lower natural gas prices. For December 2023 through May 2024, the published NYMEX natural gas contract settlement price averaged \$2.11, which is 20% lower than the \$2.63 averaged in 33rd accumulation period.⁷

Staff Review

Staff reviewed Eversource Missouri West's proposed 3rd Revised Sheet No. 127.34, as substituted on July 26, 2024, Canceling 2nd Revised Sheet No. 127.34, the direct testimony of Eversource Missouri West witness Lisa A. Starkebaum and the work papers in this filing, in addition to Eversource Missouri West's monthly information reports filed in compliance with 20 CSR 4240-20.090(5) for AP34. Staff verified that the actual fuel and purchased power costs, less off-system sales revenues, match the fuel and purchased power costs, less off-system sales revenues, in Eversource Missouri West's proposed 3rd Revised Tariff Sheet No. 127.34. Staff reviewed Eversource Missouri West's monthly interest rates that are applied to 95% of the jurisdictional monthly cumulative under-/over- recovery of base fuel and purchased power costs for AP34 and verified that the monthly interest rates and calculations of monthly interest amounts are correct.

The information filed with the proposed tariff sheet and work papers includes sufficient data to calculate Eversource Missouri West's FARs based on the actual fuel, purchased power, emission allowance and transmission costs net of off-system sales revenue and renewable energy credit revenue provided by Eversource Missouri West for AP34.

Staff Recommendation

Staff concludes that the tariff sheet complies with the Commission's *Report and Order* in Case No. ER-2022-0130, Commission Rule 20 CSR 4240-20.090, Section 393.1400.5 RSMo, and Eversource Missouri West's FAC, as embodied in its tariff.

Eversource Missouri West requested that the 3rd Revised Tariff Sheet No. 127.34, as substituted on July 26, 2024, Canceling 2nd Revised Tariff Sheet No. 127.34, become effective on September 1, 2024. Based on its examination and analysis of the information Eversource Missouri

⁷ Eversource Missouri West witness Lisa A. Starkebaum, Direct Testimony, page 5, line 8 through 22.

File No. ER-2024-0382
Tariff Tracking No. JE-2024-0172
Eversource Missouri West
July 31, 2024
Page 5 of 5

West filed and submitted in this case, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet take effect on September 1, 2024:

P.S.C. Mo. No. 1
3rd Revised Sheet No. 127.34, as substituted July 26, 2024, Canceling 2nd
Revised Sheet No. 127.34

Staff has verified that Eversource Missouri West is not delinquent on any assessment and has filed its 2023 Annual Report. Eversource Missouri West is current on its submission of its Surveillance Monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5). Except for Eversource Missouri West's RP31 true-up filing in File No. EO-2024-0382 (also filed on June 28, 2024), Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing. Staff's recommendation for the Current Period FARs is based solely on the accuracy of Eversource Missouri West's calculations, and is not indicative of the prudence of the fuel costs during AP34.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri West) File No. ER-2024-0382
for Authority to Implement Rate Adjustments)
Required by 20 CSR 4240-20.090(8) and the)
Company's Approved Fuel and Purchased Power)
Cost Recovery Mechanism)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BROOKE MASTROGIANNIS 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.

Further the Affiant sayeth not.


BROOKE MASTROGIANNIS

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 31st day of July 2024.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public