

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

In the Matter of Evergy Metro, Inc. d/b/a	)	
Evergy Missouri Metro for Authority to	)	
Implement Rate Adjustments Required by	)	<b><u>File No. ER-2025-0039</u></b>
20 CSR 4240-20.090(8) and the	)	Tariff No. JE-2025-0011
Company's Approved Fuel Purchased	)	
Power Cost Recovery Mechanism	)	

**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 July 31, 2024, Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Missouri Metro"), filed with the Missouri Public Service Commission ("Commission") one tariff sheet, P.S.C. MO. No. 7 3rd Revised Sheet No. 50.42, bearing a proposed effective date of October 1, 2024, and cancelling P.S.C. MO. No. 7 2nd Revised Sheet No. 50.42. The Commission assigned the new tariff sheet Tariff Tracking No. JE-2025-0011 and ordered Staff to file its recommendation by August 30, 2024. In this tariff sheet, Evergy Missouri Metro proposes to revise its Fuel Adjustment Rates (FARs) of its Fuel Adjustment Clause (FAC) for Accumulation Period 18 (AP18). AP18 was January 1, 2024 through July 31, 2024. Staff recommends that the Commission approve 3rd Revised Sheet No. 50.42, Canceling the 2nd Revised Sheet No. 50.42, and change the FAR.

2. Concurrently on July 31, 2024, Evergy Missouri Metro submitted a true-up filing in File No. EO-2025-0038 to identify the net fuel costs it over- or under-recovered from customers during the fifteenth Recovery Period prescribed by its FAC. This amount is used when calculating the new Fuel Adjustment Rates (FARs) in this case.

3. The Commission ordered Staff to examine and analyze Evergy Missouri Metro's filings in this case, and to file its recommendation no later than August 30, 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 sheets taking effect on October 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 sheet, suspend the timeline, set a prehearing date, and order the parties to propose a procedural schedule.

7. Evergy Missouri Metro's filing in this case requests Commission approval of one tariff sheet bearing an effective date of October 1, 2024, that revises the current FARs in its FAC. The filing includes testimony and work papers of Evergy Missouri Metro's 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 \$8,590,226, for AP18 (January 1, 2024, through July 31, 2024). This reflects the sum of:

- a. 5% of the difference between the ANEC and the B for AP18, which is \$6,347,118 (line 7);
- b. The true-up amount for Recovery Period 15 (“RP15”) of \$1,809,350<sup>1</sup> (line 8); and,
- c. The interest amount of \$433,758 (line 9), which is the interest for AP18.

The proposed FAR of \$0.00097 per kWh (line 13), is equal to the FPA amount of \$8,590,226 (line 11) divided by the estimated recovery period retail net system input (“NSI”) of 8,868,794,365 kWh (line 12). This proposed FAR would be in effect for Recovery Period 18, which is Evergy Missouri Metro’s billing months of October 2024 through September 2025. Because of differences in line losses for transmission, substation, primary and secondary voltage service levels, lines 15, 19, 23, and 27 reflect different FARs for service taken at transmission, substation, primary and secondary voltage service levels, respectively. Staff’s memorandum outlines its investigation, results and conclusions concerning voltage level FARs. The memorandum sets out in tabular form Evergy Missouri Metro’s proposed AP18 FARs, the current AP17 FARs, and the difference between them for transmission, substation, primary, and secondary voltage service. Based on a monthly usage of 1,000 kWh per month, the proposed change to the secondary FAR would result in an increase of the FAR of a typical Evergy Missouri Metro residential customer’s bill by \$0.72 per month, from \$0.15 to \$0.87.

9. After reviewing Evergy Missouri Metro’s filings, including the testimony of Lisa A. Starkebaum, Staff has verified that the actual fuel costs, net emissions

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<sup>1</sup> See Staff Recommendation in File No. EO-2025-0038.

allowances, purchased power costs and transmission costs, and renewable energy credit revenues match the fuel costs, net emissions allowances, purchased power costs, and transmission costs, and renewable energy credit revenues on line 1 of Evergy Missouri Metro's proposed 3rd Revised Sheet No. 50.42 filed on July 31, 2024, along with Ms. Starkebaum's supporting work papers. Staff also reviewed Evergy Missouri Metro's monthly interest rates that are applied to 95% of the jurisdictional monthly cumulative under/over-recovery of base fuel and purchased power costs and verified that the monthly interest rates and calculations of monthly interest amounts are correct.

10. Staff concludes that the tariff sheet complies with the Commission's *Order Approving Stipulations and Agreements* and *Order Approving Compliance Tariffs* in Case No. ER-2022-0129, Commission Rule 20 CSR 4240-20.090 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements), and Evergy Missouri Metro's FAC in its tariff.

11. Staff verified that Evergy Missouri Metro is not delinquent on any assessment and filed its 2023 Annual Report. Evergy Missouri Metro is current on its submission of its Surveillance Monitoring reports, required by 20 CSR 4240-20.090(6), and its monthly reports, required by 20 CSR 4240- 20.090(5). Except for Evergy Missouri Metro's RP15 true-up filing in File No. EO-2025-0038, Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the Current Period FARs in this case is solely based on the accuracy of Evergy Missouri Metro's calculations and is not indicative of the prudence of the actual net energy costs incurred during AP18.

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

P.S.C. MO. No. 7  
Canceling P.S.C. MO. No. 7

3rd Revised Sheet No. 50.42  
2nd Revised Sheet No. 50.42

Respectively Submitted,

/s/ Paul T. Graham

Paul T. Graham #30416

Senior Staff Counsel

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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 29th day of August, 2024.

/s/ Paul T. Graham

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case  
File No. ER-2025-0039, Tariff Tracking No. JE-2025-0011

**FROM:** Stacy Henderson Senior Utility Regulatory Auditor

/s/ Stacy Henderson August 29, 2024  
Energy Resources Department / Date

**SUBJECT:** Staff Recommendation for Tariff Sheet Filed to Change Rates Related to Evergy Metro, Inc., d/b/a Evergy Missouri Metro's Fuel Adjustment Clause Pursuant to the Commission's *Order Approving Stipulations and Agreements* and *Order Approving Compliance Tariffs* in Case No. ER-2022-0129.

**DATE:** August 29, 2024

On July 31, 2024, Evergy Metro, Inc., d/b/a Evergy Missouri Metro ("Evergy Missouri Metro"), filed with the Missouri Public Service Commission ("Commission") one tariff sheet, P.S.C. MO. No. 7 3rd Revised Sheet No. 50.42, bearing a proposed effective date of October 1, 2024, and cancelling P.S.C. MO. No. 7 2nd Revised Sheet No. 50.42. The Commission assigned the new tariff sheet Tariff Tracking No. JE-2025-0011 and ordered Staff to file its recommendation by August 30, 2024. In this tariff sheet, Evergy Missouri Metro proposes to revise its Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 18 ("AP18"). AP18 was January 1, 2024, through July 31, 2024. Staff recommends that the Commission approve 3rd Revised Sheet No. 50.42, Canceling the 2<sup>nd</sup> Revised Sheet No. 50.42, and change the FAR.

Evergy Missouri Metro's July 31, 2024, filing includes the testimony of Evergy Missouri Metro witness Lisa A. Starkebaum, Manager – Regulatory Affairs at Evergy Missouri Metro, and associated work papers. Evergy Missouri Metro's calculation of its Fuel and Purchased Power Adjustment ("FPA") is \$8,590,226, as shown on line 11 of proposed 3rd Revised Sheet No. 50.42. This FPA divided by the estimated retail sales of 8,868,794,365 kWh (line 12) results in a FAR of \$0.00097 per kWh (line 13). This proposed AP18 FAR of \$0.00097 per kWh is \$0.00113 more than the Accumulation Period 17 ("AP17") FAR of (\$0.00016)/kWh on line 13 of 2nd Revised Sheet No. 50.42.

### **Calculation of Total Company Fuel and Purchased Power Difference**

Evergy Missouri Metro's work papers for AP18 contain data and calculations for Actual Net Energy Cost ("ANEC") of \$151,039,699 (line 1), and Net Base Energy Cost ("B") of \$138,603,979 (line 2). For this filing, B equals sales of 7,578,128,999 kWh for January 2024 through June 2024 (line 2.2), multiplied by the Base Factor ("BF") of \$0.01829. The difference between ANEC and B is \$12,435,719 and this is the amount on line 3, Total Fuel and Purchased Power Difference.

The Accumulation Periods, Recovery Periods, and other specifications of Evergy Missouri Metro's FAC are set out in its tariff sheets designated Original Sheet Nos. 50.32 through 50.42.

### **Calculation of FPA Amount**

Evergy Missouri Metro's work papers and proposed 3rd Revised Sheet No. 50.42 show the FPA amount of \$8,590,226 on line 11 is the sum of:

1. 95% of the difference between the ANEC and the B for AP18, which is \$6,347,118 (line 7);
2. The true-up amount for Recovery Period 15 ("RP15") of \$1,809,350<sup>1</sup> (line 8); and,
3. The interest amount of \$433,758 (line 9), which is the interest for AP18<sup>2</sup>.

### **Calculation of FAR**

The proposed FAR of \$0.00097 per kWh (line 13), is equal to the FPA amount of \$8,590,226 (line 11) divided by the estimated recovery period retail net system input ("NSI") of 8,868,794,365 kWh (line 12). This proposed FAR would be in effect for Recovery Period 18, which is Evergy Missouri Metro's billing months of October 2024 through September 2025.

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<sup>1</sup> See Staff Recommendation in File No. EO-2025-0038.

<sup>2</sup> Interest is defined on Evergy Missouri Metro, P.S.C.MO. No. 7, Original Sheet No. 50.39 as:

Interest applicable to (i) the difference between Missouri Retail ANEC and B for all kWh of energy supplied during an AP 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.

**Voltage Level FARs**

Because of differences in line losses for transmission, substation, primary and secondary voltage service levels<sup>3</sup>, lines 15, 19, 23, and 27 reflect different FARs for service taken at transmission, substation, primary and secondary voltage service levels, respectively.

The proposed FARs for transmission, substation, primary, and secondary service voltage levels are on lines 17, 21, 25, and 29. They are the sum of the current period FARs and Evergy Missouri Metro’s prior period FARs.

Listed below are Evergy Missouri Metro’s proposed AP18 FARs, the current AP17 FARs, and the difference between them for transmission, substation, primary, and secondary voltage service.

<b>Proposed and Current Annual Fuel Adjustment Rates \$ per kWh</b>			
<b>Service</b>	<b>Proposed AP18 Annual FAR</b>	<b>Current AP17 Annual FAR</b>	<b>Difference</b>
<b>Transmission</b>	\$0.00084	\$0.00015	\$0.00069 increase
<b>Substation</b>	\$0.00084	\$0.00014	\$0.00070 increase
<b>Primary</b>	\$0.00085	\$0.00014	\$0.00071 increase
<b>Secondary</b>	\$0.00087	\$0.00015	\$0.00072 increase

Based on a monthly usage of 1,000 kWh per month, the proposed change to the secondary FAR would result in an increase of the FAR of a typical Evergy Missouri Metro residential customer’s bill<sup>4</sup> by \$0.72 per month, from \$0.15 to \$0.87.

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<sup>3</sup> The voltage adjustment factors (“VAFs”) for transmission, substation, primary and secondary voltage service levels are included on lines 30 through 33, respectively, of 3rd Revised Sheet No. 50.42.

<sup>4</sup> All residential customers take service at secondary voltage.



In her direct testimony Ms. Starkebaum states:

Evergy Missouri Metro's Actual Net Energy Costs ("ANEC") is higher than the base energy costs included in base rates by approximately \$6.7 million. When compared to the prior 17th accumulation period, the ANEC is \$5.7 million higher. This is due to a \$53.3 million, or 63%, increase in purchased power, which is offset by a \$35.3 million, or 27%, decrease in fuel costs as well as a \$12.8 million or 14% increase in off-system sales revenue. Purchased power requirements were impacted by Wolf Creek's 26<sup>th</sup> refueling outage, from March 28 through May 11, 2024. Overall, natural gas prices have decreased for the 18th accumulation period of January through June 2024. The published NYMEX natural gas contract settlement price averaged \$2.07 which is \$0.65, or 24%, lower than the prior 17th accumulation period average of \$2.71. However, the under-recovery experienced in the month of January 2024 was driven by Winter Storm Heather which resulted in increased natural gas prices between January 13 and January 16, 2024.<sup>5</sup>

### **Staff Review**

Staff reviewed the proposed 3rd Revised Sheet No. 50.42 filed on July 31, 2024, Ms. Starkebaum's direct testimony and all the accompanying work papers, as well as Evergy Missouri Metro's monthly information reports filed in compliance with 20 CSR 4240-20.090(5) for AP18. Staff verified that the actual fuel costs, net emissions allowances, purchased power costs and transmission costs, and renewable energy credit revenues match the fuel costs, net emissions allowances, purchased power costs, and transmission costs, and renewable energy credit revenues on line 1 of Evergy Missouri Metro's proposed 3rd Revised Sheet No. 50.42 filed on July 31, 2024, along with Ms. Starkebaum's supporting work papers. Staff also reviewed Evergy Missouri Metro's monthly interest rates that are applied to 95% of the jurisdictional monthly cumulative under/over-recovery of base fuel and purchased power costs and verified that the monthly interest rates and calculations of monthly interest amounts are correct.

### **Staff Recommendation**

Evergy Missouri Metro timely filed its 3rd Revised Sheet No. 50.42 on July 31, 2024, and it complies with the Commission's *Order Approving Stipulations and Agreements* and *Order Approving Compliance Tariffs* in Case No. ER-2022-0129, Commission Rule 20 CSR

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<sup>5</sup> Evergy Missouri Metro witness Lisa A. Starkebaum, Direct Testimony, page 5, lines 5-17.

4240-20.090 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements), and Evergy Missouri Metro's FAC in its tariff.

Commission Rule 20 CSR 4240-20.090(8)(H)<sup>6</sup> provides in part:

- (H) 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
  3. If it determines the adjustment to the FARs is not in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding, reject the proposed rate sheets, suspend the timeline of the FAR adjustment filing, set a prehearing date, and order the parties to propose a procedural schedule. The commission may order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question;

Evergy Missouri Metro requests that its proposed 3rd Revised Sheet No. 50.42, filed July 31, 2024, become effective on October 1, 2024. The Company filed the tariff sheet with 60 days' notice. Staff, therefore, recommends the Commission issue an order approving the following proposed revised tariff sheet become effective on October 1, 2024:

P.S.C. Mo. No. 7  
3rd Revised Sheet No. 50.42, Cancelling 2nd Revised Sheet No. 50.42

Staff verified that Evergy Missouri Metro is not delinquent on any assessment and filed its 2023 Annual Report. Evergy Missouri Metro is current on its submission of its Surveillance Monitoring reports, required by 20 CSR 4240-20.090(6), and its monthly reports, required by 20 CSR 4240-20.090(5). Except for Evergy Missouri Metro's RP15 true-up filing in File No. EO-2025-0038, Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the Current Period FARs in this case is solely based on the accuracy of Evergy Missouri Metro's calculations and is not indicative of the prudence of the actual net energy costs incurred during AP18.

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<sup>6</sup> Effective January 30, 2019.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

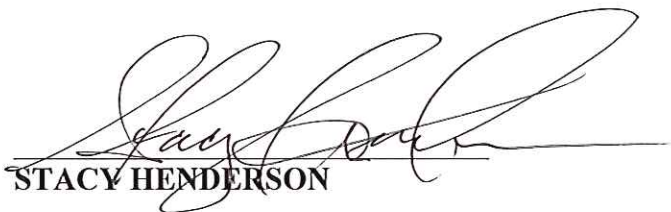
In the Matter of Evergy Metro, Inc. d/b/a )  
Evergy Missouri Metro for Authority to ) File No. ER-2025-0039  
Implement Rate Adjustments Required by )  
20 CSR 4240-20.090(8) and the Company's )  
Approved Fuel and Purchased Power Cost )  
Recovery Mechanism )

**AFFIDAVIT OF STACY HENDERSON**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW STACY HENDERSON** 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.

  
STACY HENDERSON

**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 28<sup>th</sup> day of August 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