

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

**LIST OF ISSUES, ORDER OF OPENING STATEMENTS,  
ORDER OF CROSS-EXAMINATION AND MOTION FOR EXTENSION TO FILE  
ORDER OF WITNESSES**

The Staff of the Missouri Public Service Commission (“Staff”) submits this list of issues, list and order of witnesses, order of opening statements and order of cross-examination. In preparing this list of issues, the parties attempted to list all contested issues, and attempted to obtain consensus on the descriptions of the issues. Not all parties agree that the issues below are issues to be decided in this case. However, to avoid the need to file multiple lists of issues, the parties have agreed to include all issues in this list, whether agreed to or not.

The parties are continuing to organize a hearing schedule, and respectfully request the Commission’s permission to file the Order of Witnesses on September 26, 2024.

**I. List of Issues**

**1. Cost of Capital**

- A. What is the appropriate value of the return on common equity (“ROE”) for the Commission to use to determine the rate of return?
- B. What is the appropriate capital structure for the Commission to use to determine the rate of return?

**2. Fuel and Purchased Power**

- A. What is the appropriate level of variable fuel expense for the Commission to order?
  - i. Should forecasted or actual gas prices be used in the fuel expense calculation?

- B. What is the appropriate level of purchased power costs and sales for resale revenue for the Commission to order?
- C. What is the appropriate level of transmission costs rights (“TCR”) and/or Auction Revenue Rights (“ARR”) revenues for the Commission to order?
  - i. In what FERC account should TCR and ARR revenues be recorded?
  - ii. Should the Company’s FAC tariff sheet be updated to reflect the account?

### **3. Fuel Adjustment Clause**

- A. What sharing ratio between EMW and its customers should the Commission order as an incentive mechanism in EMW’s FAC?
- B. At what level should Regional Transmission Organization or Independent System Operator transmission costs be included in EMW’s FAC?
  - i. What are the updated transmission costs for EMW?
- C. What is the appropriate base factor for EMW given the Commission’s determination of Issue 2?
  - i. What are the appropriate FAC Voltage Adjustment Factors for EMW?
  - ii. What, if any, Regional Transmission Organization or Independent System Operator charge types should the Commission allow EMW to include in EMW’s FAC tariff sheets?
    - a. Should Southwest Power Pool purchase power administration fees account 555070 be included in the FAC?
- D. Should the Commission order the supplemental monthly submission requirement proposed by Staff and the OPC?
- E. Should the FAC tariff sheets be modified to remove the language associated with Crossroads?

### **4. Hedging**

- A. Should EMW be allowed to include an amortization of the previously deferred hedging costs in its revenue requirement?
- B. Should EMW be allowed to include the costs, gains, and losses arising from its hedging program moving forward in its revenue requirement?
  - i. If EMW is allowed to include the costs, gains, and losses arising from its hedging program moving forward, should those hedging costs, gains, and losses be recovered through the Company’s FAC?

## **5. Crossroads Energy Center**

- A. Should the transmission costs EMW incurs to transmit energy from its Crossroads Energy Center at Clarksdale, Mississippi to its service area in Missouri due to this generating facility being located outside of EMW's regional transmission organization be included in EMW's revenue requirement?
  - i. If so, how much?
- B. If the Commission includes transmission costs in EMW's revenue requirement, at what value should the Commission include Crossroads in EMW's rate base?
- C. In this case, should the Commission determine it is prudent for Evergy to renew its firm point-to-point transmission service agreement with Entergy Corp. before it expires in February 2029?

## **6. Pensions and SERP**

- A. What's the appropriate level of pension expense to include in revenue requirement?

## **7. Payroll and Payroll Taxes**

- A. What's the appropriate level of payroll expenses and payroll taxes to be included in revenue requirement?

## **8. Severance Costs**

- A. Should severance costs be included in revenue requirement?

## **9. Inflation Bonus**

- A. should the inflation bonuses Evergy West paid out during the test year be included in its revenue requirement calculation?

## **10. Maintenance Expense**

- A. What is the appropriate level of maintenance expenses for generation, transmission and distribution to be included in revenue requirement?

## **11. Regulatory Assessments**

- A. What level of regulatory assessment costs should be included in revenue requirement?

## **12. Advertising Expense**

- A. What level of advertising expense, if any, should be included in the revenue requirement?
- B. Should the Company be required to make accounting changes associated with advertising expenses?

## **13. FAC Deferral**

- A. What amount of amortization expense associated with the FAC deferral should be included in the revenue requirement?

## **14. Common Use Billings**

- A. What is the appropriate method to annualize common use billings?
- B. What level of annualization should be included in the revenue requirement calculation?

## **15. Kansas City Earning Tax**

- A. What level of Kansas City Earnings Tax Expense should the Commission recognize when determining Evergy West's revenue requirement?

## **16. Bad Debt Expense**

- A. Should bad debt expense be grossed-up for the revenue requirement change the Commission finds for Evergy West in this case?
- B. What level of bad debt expense should the Commission recognize in EMW's revenue requirement?
- C. Should forfeited discount revenue be grossed-up consistent with the gross-up of bad debt expense?

## **17. O&M**

- A. Should the O&M ratio reflect an average of multiple years or the last known O&M amount for calendar year 2023?

**18. Dues and Donations**

- A. What level of dues and donations expense should the Commission recognize in Evergy West's revenue requirements?

**19. Rate Case Expense**

- A. What level of rate case expense should be included in rates?

**20. Depreciation**

- A. What depreciation rates should be ordered by the Commission?
- B. Is Evergy Missouri West required to maintain an accurate CPR in accordance with Commission Rule 20 CSR 4240-20.030(3)(1)(I), which includes the vintage year?

**21. Time of Use Education and Marketing**

- A. Did the Company properly comply with the Commission's order from the prior rate case to engage and educate its customers with regard to TOU rate implementation?
- B. What, if any, amount of EMW expenditures related to the education and outreach costs associated with TOU rate implementation should EMW be permitted to recover?
- C. Should the Commission order EMW to continue its education and marketing campaign and undertake the public service announcements as articulated in the testimony of Dr. Geoff Marke.
- D. Should Evergy conduct additional education and outreach efforts to educate residential net metering customers of TOU rate availability?

**22. Greenwood**

- A. Should a portion of plant, reserve and depreciation expense of the Greenwood solar facility be allocated to EMM?

**23. Prepayments**

- A. What level of prepayments should be included in rate base?

## **24. Net Operating Loss Carryforward**

- A. Does EMW have a Net Operating Loss Carryforward (NOLC)?
  - i. Should the balance of Accumulated Deferred Income Tax (“ADIT”) or Excess Accumulated Deferred Income Taxes (“EADIT”) in rate base be reduced by the book balance of the NOLC, if it exists

## **25. EADIT**

- A. What amount of EADIT amortization should be included in rates?

## **26. Income Taxes**

- A. Should the calculation of EMW’s income tax expense include a tax deduction for tax losses associated with asset dispositions?

## **27. Revenues**

- A. What are appropriate current revenues and billing determinants for establishing rates in this case?
  - i. EMW rate switching adjustment: Should the residential current revenues be modified by Evergy’s proposed adjustment related to the difference in calculated bills for the period July 2022 – June 2023?
  - ii. Should Staff’s residential interclass rate switch reduction of \$380,818 to rate case revenues be approved?
  - iii. Should the blocking percentage for the actual blocks and the weather normalized blocks be the same?
  - iv. What method should be utilized to measure customer growth?
  - v. Should net metering and parallel generation customer usage be adjusted for weather normalization?
  - vi. Should the bill counts be provided by Evergy for test year and update period in the next general rate case?
  - vii. Should EMW be ordered to review 20% of individual bills for the TOU rate codes for the shoulder months going forward?
    - a. If so, when should those results be provided?

## **28. Revenue Tracker**

- A. Should the Commission approve EMW’s request for a tracker associated with TOU rate revenue?

## 29. Rate Design/Class Cost of Service

- A. What is the appropriate allocation of revenue requirement among the rate classes?
- B. Should the Commission order EMW to provide information in its next general rate case for conduct of a distribution customer cost study, as described in Sarah Lange rebuttal testimony at page 42?
- C. What are reasonable CCOS results to inform ratemaking in this case?
  - i. What is reasonable allocation for production plant, transmission plant, and distribution plant?
  - ii. What is the appropriate allocation method for allocating fuel expenses?
  - iii. Are adjustments for residential TOU revenues appropriate?
  - iv. Are adjustments for Crossroads transmission revenues appropriate?
- D. What are the appropriate rate structures and rate designs for the Residential customers of the company?
  - i. What is the appropriate customer charge for Residential customers?
  - ii. What is the appropriate approach to enable residential net metering customers to fully participate in time-of-use rates?
  - iii. Should Evergy's current marketing names for its residential rate plans should be reflected in EMW's tariff?
  - iv. Should the rates currently found at sheet 146.1, provision A as applicable to General Use rate code "MORG" be increased consistent with the Commission's order in this case and retained on or around sheet 146.3 as "Monthly rate for customers who have opted out of AMI metering"?
  - v. Should sheets 146 – 146.2, titled "Residential Service" should be modified to reflect service under the default residential rate plan, RPKA, currently tariffed at sheet 146.9-146.11, with the "Availability" provisions and "Applicability" provisions throughout the residential service tariff sheets revised to remove obsolete language related to rate plan transitions and eliminations?
  - vi. Should the Commission order the company to remove the Residential Other Use tariff?
- E. What are the appropriate rate structures and rate designs for the non-Residential customers of the company?
  - i. What are the appropriate customer charges for non-Residential customers?
  - ii. What are the appropriate facilities charges for non-Residential customers?

- iii. Should a peak time overlay be applied to the Hours-Use energy charges?
- iv. Should Seasonal Energy be eliminated within the Hours-Use energy charge?
- v. Should the company retain the separately metered Small General Service rate?
- vi. Should the company evaluate and make recommendations concerning the Primary Discount Rider in future case?
- vii. Should the company eliminate the Eliminate Thermal Storage Pilot Program?
- viii. Shall the company state its preferred changes to rate structures for consideration and input of stakeholders?
- F. Should EMW's proposed changes to the municipal street lighting tariff language be implemented?
  - i. Shall the company file MDCA contracts?
- G. What is the appropriate charge for AMI Opt-out?

### **30. Other tariff cleanup**

- A. Should the "Economic Development Rider," tariff at sheets 120-123, and the Real-Time Pricing program at sheet 73, be removed?
- B. Should the Commission order the following updates:
  - i. Update Missouri Energy Efficiency Investment Act (MEEIA) margin rates.
  - ii. Update Standby Service Rider rates consistent with changes made to underlying rate schedules.
  - iii. Update Community Solar distribution service rates.
  - iv. Update EV-related rates (CCN, BEVCS, and ETS) to coincide with the overall ordered percentage increase or based on increase ordered for the associated class.
  - v. Update lighting rates and other miscellaneous rate schedules to coincide with the overall ordered percentage increase.

### **31. Other Tariff Changes**

- A. Should the Commission order EMW's requested changes to the following items for the compliance tariff filings in this case?
  - i. Service Agreements Discontinuance of Service?
  - ii. Supplying and Taking Service?
  - iii. Installations?
  - iv. Metering – Multiple metering terms?



- v. Meter Reading, Billing, Complaint Procedures?
- vi. Electric Power and Energy Curtailment Plan naming and rule reference?
- vii. Extension of Electric Facilities?

**32. Future Margin Rate Direct Testimony**

- A. Should EMW be ordered to file in its direct testimony in future rate case its proposed MEEIA margin rates?

**33. Right of Way**

- A. Should EMW prioritize using highway right of ways vs acquiring adjacent private property for new/existing system upgrades/expansions?

**34. Property Tax**

- A. What is the appropriate level of Missouri property tax to be included in rates?
- B. What base level of property taxes should the Commission approve for Evergy to track property tax?
- C. What amount of property tax deferrals should be included in EMW's revenue requirement or rate base amortization used to set customer rates in this case?
- D. Should budgeted property taxes be included in the deferred property taxes associated with the property tax tracker?

**35. Wholesale Transmission Revenue Credit**

- A. Should the Commission accept EMW's revenue reduction to adjust utility transmission revenues in its cost of service to reflect Commission-authorized v. FERC-authorized ROEs?

**36. Transource Missouri Incentives Adjustment**

- A. Should the adjustments to transmission expense for Transource incentives, as proposed by EMW be adopted, or the transmission expense adjustments as calculated by Staff?

**37. Storm Reserve**

- A. Should the Commission establish a storm reserve for EMW?

### **38. Injuries and Damages**

- A. Should the Commission establish an injuries and damages reserve for EMW?

### **39. Critical Infrastructure Program (“CIP) and Cyber Security Tracker**

- A. What level of CIP/cyber-security expense should the Commission recognize in EMW’s revenue requirement?
- B. Should a tracker be implemented for EMW’s CIP/cyber-security expense that varies from the level of CIP/cyber-security expense the Commission recognizes in EMW’s revenue requirement?

### **40. Schedule SIL**

- A. What is the appropriate reduction, if any, to revenue requirement based upon the Schedule SIL hold-harmless requirement?
  - i. Should the actual purchased power costs incurred to serve customers on Schedule SIL be utilized to determine the appropriate revenue shortfall?
  - ii. What is the correct amount of under recovery to be calculated?
  - iii. Is the under recovery adjustment necessary?
  - iv. Should capacity costs be included in the cost of servicing the NUCOR contract?
  - v. Should actual real-time market prices (for Cimarron Bend III wind farm) be utilized to determine the revenue shortfall?

### **41. Customer Complaint Reporting Requirements**

- A. Is EMW fully in compliance with Commission Rule 20 CSR 4240-13.040?
- B. What, if any, changes should the Commission order EMW to make regarding its retention of customer complaint information?

### **42. Income Eligible Program Evaluation**

- A. Should the Commission order EMW to evaluate their critical medical needs program and file the results of that evaluation in its next rate case?
  - i. Should the Commission order this study to be done in conjunction with other participating utilities?

**43. Prospective consolidation of Evergy service territories**

- A. Should the Commission order EMW to file, in a new docket, its position on consolidation in detail to include, without limitation, estimated time-frame, specific deliverables, and meaningful actions that would need to occur to consolidate its Missouri affiliates?
- B. Should the Commission order EMW to provide periodic on-the-record presentations with status reports on the progress of consolidation and penalties for non-compliance?

**II. Order of Opening Statements**

Parties reserve the opportunity for issue-specific mini-openings as each issue is taken up.

Evergy  
 Staff  
 MEGC  
 Renew Missouri  
 Sierra Club  
 Nucor  
 Google  
 Velvet Tech  
 OPC

**III. Order of Cross-Examination**

<b>Evergy Witnesses</b>	<b>Staff Witnesses</b>	<b>OPC Witness</b>
Google Velvet Tech Nucor Renew Missouri Sierra Club MEGC Staff OPC	OPC MEGC Sierra Club Renew Missouri Nucor Velvet Tech Google Evergy	Staff MEGC Sierra Club Renew Missouri Nucor Velvet Tech Google Evergy
<b>Renew Missouri Witness</b>	<b>MEGC</b>	
MEGC Sierra Club Nucor Velvet Tech Google Staff OPC Evergy	Renew Missouri Sierra Club Nucor Velvet Tech Google Staff OPC Evergy	

**WHEREFORE**, the Staff respectfully requests that the Commission accept this List of Issues, Order of Opening Statements, Order of Cross Examination and Motion for Extension to File Order of Witnesses.

Respectfully Submitted,

**/s/ Travis J. Pringle**

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**ATTORNEY FOR THE STAFF OF THE  
MISSOURI PUBLIC SERVICE COMMISSION**

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel and/or parties of record this 19th day of September 2024.

**/s/ Travis J. Pringle**