

**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) Case No. ER-2024-0189
General Rate Increase for Electric)
Service)

**MOTION FOR RECONSIDERATION OR, IN THE ALTERNATIVE,
APPLICATION FOR REHEARING**

COMES NOW the Office of the Public Counsel (“OPC”) and for its *Motion for Reconsideration or, in the Alternative, Application for Rehearing*, states as follows:

The Commission issued its *Report and Order* in the above styled case on December 4, 2024. The Commission’s decision in that *Report and Order* is unjust and unreasonable, in that, the Commission’s decision would result in a departure from the sound principles of utility regulation. The OPC therefore requests the Commission reconsider its *Report and Order*, or, in the alternative, order a rehearing pursuant to Commission rule 20 CSR 4240-2.160.

Abandoning Sound Regulatory Principles

In 2007, this Commission made the decision that a 95/5 sharing ratio for Evergy West’s FAC was necessary to protect Every West’s access to capital in order to allow them to build additional generation.¹ In the decade since that decision was rendered, Evergy West chose not to build the additional generation necessary to close

¹ Ex. 300P, Direct Testimony of Lena M. Mantle, pg. 34 lns. 12 - 16, ER-2024-0189 EFIS Item No. 364

the Company's shortfall.² Now, seventeen years later, this Commission has followed the same faulty argument again by issuing an order that bases the entirety of its decision solely on the idea that "[i]f the Commission changed the FAC sharing mechanism to 75/25 as requested by OPC, then EMW would likely have a more difficult time attracting capital to build the capacity [it needs]."³ Given the historical precedent before the Commission and the projected capital expenditures outlined below, the OPC regrettably expects that the current generation shortfall will remain an issue for the foreseeable future.

The Commission's failure to hold Evergy West accountable for its inaction in addressing the Company's chronic lack of generation has already harmed customers and will further impact affordability and reliability moving forward. However, there are even more negative implications arising from the rationale adopted by the Commission to continue permitting that inaction. The Commission has not based its decision in this case on the reasonableness, or lack thereof, of the Company's resource planning. Instead, the only determining factor to the Commission's decision appears to be implications it would have from a Wall Street investor's perspective. Whether intentional or not, this order prioritizes Wall Street investors at the expense of captive customers and thus signals a dangerous departure from basic foundations of economic regulation.

² *Id.* at pg. 16 lns. 2 – 6

³ Report and Order, pg. 10, ER-2024-0189 EFIS Item No. 442.

Utilities, just like any business, need to have “skin in the game” in order to operate efficiently. If you get the rewards, you should also have some of the risks. If utility management benefits from the outcome of their decisions, they should also be held accountable for their mistakes. This is true regardless of what justifications the regulators offer to support their actions. However, the Commission has now created a risk-free “cheat code” by claiming that unquantifiable savings in the form of potential access to capital (for utilities that are already investment grade) trumps tangible quantifiable costs to ratepayers (to date, over a \$1 billion in fuel related costs over the past six FAC review periods). The unintended consequences of this should be clear as any rational utility will now invoke perceived challenges to capital as an ultimate defense to the criticism of any imprudent action, no matter how egregious. Meanwhile, problems with affordability will continue to become more pronounced moving forward, especially in light of the fact the Company’s capital investment plans still do not cover its generation shortfall today, let alone the future.

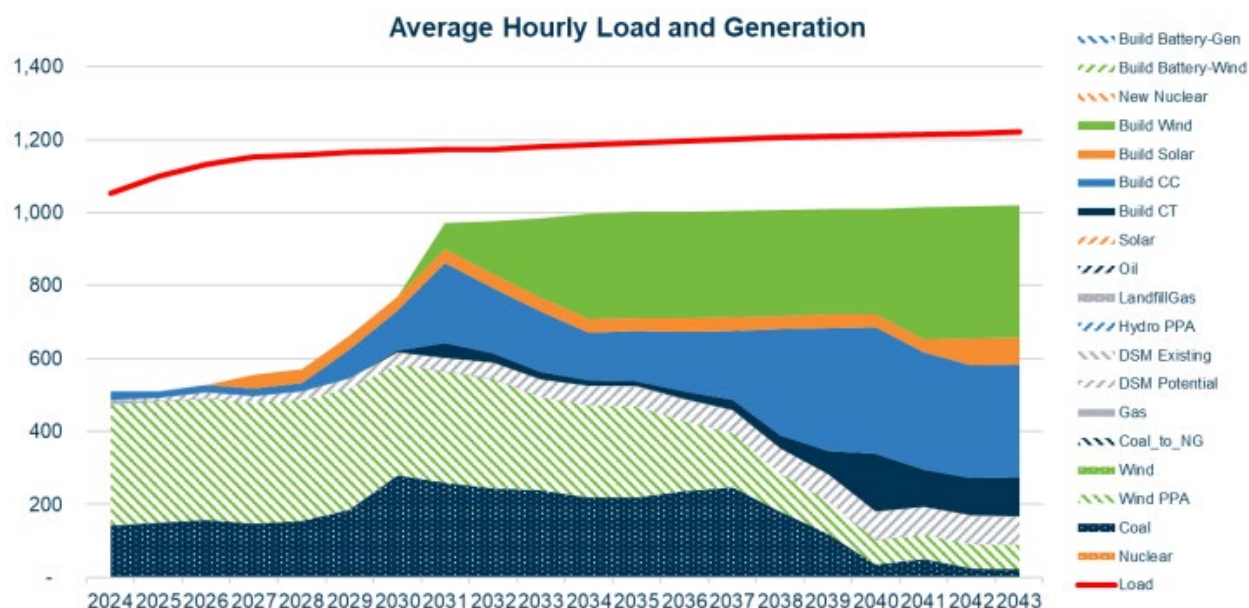
Leaving Underlying Problems Unresolved

Evergy’s own most recent IRP shows the Company “does not plan to have enough generation to meet its customers’ energy load in any year throughout the 20-year planning horizon.”⁴ It is necessary to note that this IRP included the current gas power generation for which the Company has filed the CCN cases that the

⁴ Ex. 302, Surrebuttal Testimony of Lena M. Mantle, pg. 19 lns. 6 – 9, ER-2024-0189 EFIS Item No. 178

Commission cites in its *Report and Order*.⁵ Thus, even with these additions, the Company is still planning on being short on generation for the next two decades, as can be seen in Figure One:

Figure 1: Evergy West IRP Projection



Moreover, this modeling does not include any of the projected hyper-scale load that is currently projected to come online in the near term.⁶ The importance of these facts should be self-evident.

The Commission’s *Report and Order* states: “EMW is currently attempting to build more capacity to serve its customers.”⁷ What the Commission appears to have failed to recognize is that the relatively small amount of additional generation the Company is currently building is nowhere near enough to extricate Evergy West from

⁵ Evergy West Integrated Resource Planning Executive Summary, pgs. 6 – 7, EO-2024-0154 EFIs Item No. 25.

⁶ Comments of the Public Counsel, pgs. 10 – 11, EO-2024-0154 EFIs Item No. 33.

⁷ Report and Order, pg. 10, ER-2024-0189 EFIS Item No. 442.

the hole it has been digging itself for the past seventeen years. The continued exposure to the SPP energy market that will come from Evergy's deliberate decision to not do what is necessary to get out of this hole will undoubtedly result in increased energy bills for all customers; an outcome that will have implications for economic development in this State moving forward. Thus, absent Commission reconsideration in this case, the OPC will be forced to wait for the next opportunity to raise this issue which remains glaringly unresolved.

WHEREFORE, the Office of the Public Counsel respectfully requests the Commission reconsider the *Report and Order* issued on December 4, 2024, or, in the alternative, order a new hearing to address the issues raised herein, as well as any other relief that is just and reasonable under the circumstances.

Respectfully submitted,

By: /s/ John Clizer
John Clizer (#69043)
Senior Counsel
Missouri Office of the Public
Counsel
P.O. Box 2230
Jefferson City, MO 65102
Telephone: (573) 751-5324
Facsimile: (573) 751-5562
E-mail: john.clizer@opc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this thirteenth day of December, 2024.

 /s/ John Clizer