

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2025-0194, Tariff Tracking No. JE-2025-0099

FROM: Brooke Mastrogiannis, Utility Regulatory Audit Supervisor

DATE: /s/ Brooke Mastrogiannis 01-28-2025  
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-2024-0189

DATE: January 28, 2025

### **Staff Recommendation**

On December 31, 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 4th Revised Sheet No. 127.34, Canceling 3rd Revised Sheet No. 127.34, bearing a proposed effective date of March 1, 2025. This tariff is to revise Evergy Missouri West’s current annual Fuel Adjustment Rates (“FARs”) (lines 16, 19, 22, and 25 on 4th Revised Sheet No. 127.34) of its Fuel Adjustment Clause (“FAC”). Evergy Missouri West also filed the direct testimony of Linda J. Nunn on December 31, 2024, and submitted to Staff work papers in support of the direct testimony and filed tariff sheet.

Staff recommends the Commission issue an order approving the 4th Revised Sheet No. 127.34, Canceling 3rd Revised Sheet No. 127.34 of the FAC for Evergy Missouri West, to become effective on March 1, 2025.

### **Accumulation Period 35 FARs**

The testimony and work papers include information supporting Evergy Missouri West’s calculation of the Fuel and Purchased Power Adjustment (“FPA”) amount of (\$23,316,556) line 11<sup>1</sup> of 4th Revised Sheet No. 127.34, for Accumulation Period 35 (“AP35”) (June 1, 2024 through November 30, 2024) reflecting the sum of:

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<sup>1</sup> 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.

1. The amount of (\$24,547,006) on line 7 of 4th Revised Sheet No. 127.34, which is equal to 95% of the difference between: a) Eversource Missouri West's Missouri jurisdiction<sup>2</sup> 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 amount<sup>3</sup> reflected on line 8 of 4th Revised Sheet No. 127.34, of \$572,520; and,
3. The interest amount reflected on line 9 of 4th Revised Sheet No. 127.34, of \$657,930.

The proposed Current Period Eversource Missouri West FAR of (\$0.00245) per kWh (line 13 4th Revised Sheet No. 127.34), is equal to Eversource Missouri West's FPA amount of (\$23,316,556) divided by the estimated Recovery Period 35 ("RP35")<sup>4</sup> Retail Net System Input ("RNSI") at the generator level<sup>5</sup> ("SRP") of 9,517,963,679 kWh (line 12 of 4th Revised Sheet No. 127.34).

Because of differences in line losses for secondary, primary, substation, and transmission voltage service levels,<sup>6</sup> 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.

The Accumulation Periods, Recovery Periods, and other specifications of Eversource Missouri West's FAC for AP35 are set out in its tariff sheets: Original Sheet No. 124 through Original Sheet No. 124.9.

Listed below are Eversource Missouri West's proposed Current Annual FARs on 4th Revised Sheet No. 127.34, and the Eversource Missouri West Current Annual FARs on 3rd Revised Sheet

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<sup>2</sup> See line 4 of 4th Revised Sheet No. 127.34 and definition of J on Original Sheet No. 124.7.

<sup>3</sup> The true-up amount was requested by Eversource Missouri West in its December 31, 2024 filing in File No. EO-2025-0193.

<sup>4</sup> RP35 includes March 1, 2025 through February 28, 2026.

<sup>5</sup> See definition of SRP on Original Sheet No. 124.8.

<sup>6</sup> 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 4th Revised Sheet No. 127.34.

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 4th Revised Sheet No. 127.34	Now Effective 3rd Revised Sheet No. 127.34	Difference
Secondary	(\$0.00345)	\$0.00567	\$0.00912 Decrease
Primary	(\$0.00336)	\$0.00553	\$0.00889 Decrease
Substation	(\$0.00333)	\$0.00547	\$0.00880 Decrease
Transmission	(\$0.00329)	\$0.00543	\$0.00872 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 \$9.12, i.e., from \$5.67 to (\$3.45).

In her direct testimony Ms. Nunn states:

Evergy Missouri West’s Actual Net Energy Costs (“ANEC”), are less than the base energy costs included in base rates by approximately \$25.8 million. When compared to the prior 34th accumulation period, the ANEC are \$7.7 million lower in the 35th accumulation. This is due to a \$22.3 million, or 25%, decrease in purchased power expense. However, this was offset by an \$8.4 million, or 32% increase, in fuel costs as well as a \$5.7 million decrease in off-system sales revenue. The 35th accumulation period of June through November typically has higher retail load requirements than the previous 34th accumulation period of December through May. Summer weather contributed to a 9% increase in retail load demand over the 34th accumulation period.<sup>7</sup>

**Southwest Power Pool (“SPP”) Charge Types**

In Case No. ER-2022-0130, Evergy Missouri West filed a *Notice of Adding New SPP Charge Types* on November 1, 2024. The notice indicated that Evergy Missouri West does plan to file new SPP charge types in its next FAR filing to be made by January 1, 2025; therefore, the

<sup>7</sup> Evergy Missouri West witness Linda J. Nunn, Direct Testimony, page 4, line 19 through page 5, line 5.

Company filed the notice with the Commission 60 days prior to the Company including a new schedule, charge type cost, or revenue in its next FAR filing. The notice further indicated:

- On April 15, 2024, SPP submitted revisions to Attachment AE for the SPP Integrated Marketplace to update the Uninstructed Resource Deviation (“URD”) calculations. These charge types calculated URD charges based on Locational Marginal Price (“LMP”). Charges for URD are meant to discourage resources from deviating from SPP dispatch instructions. With this update, resources that are deviating large amounts will be charged larger penalties, especially during times of system stress where LMP is high. On September 15, 2024, the Federal Energy Regulatory Commission (“FERC”) approved those revisions in Docket No. ER24-1754-000 effective with operating date October 16, 2024.
- On June 21, 2024, SPP submitted revisions to Attachment AE for the SPP Integrated Marketplace to clarify the tariff terminology and calculations regarding local reliability distribution calculations. On August 29, 2024, FERC approved those revisions in Docket No. ER24-2343-000 effective with operating date October 16, 2024.
- On July 22, 2024, SPP submitted revisions to Attachment AE for the SPP Integrated Marketplace to update the make-whole payment products. Self-committed resources were not eligible for make-whole payments. Also make-whole payments were limited to the LMP. These new charge types allow all resources to recover their verified incremental energy costs. On September 15, 2024, FERC approved those revisions in Docket No. ER24-2570-000 effective with operating date October 16, 2024.

Staff issued data requests to Evergy Missouri West requesting further information to determine if these new SPP charge types demonstrated that the “cost or revenue it covers possesses the characteristics of, and is of the nature of, a cost or revenue allowed in the electric utility’s FAC by the commission in the most recent general rate proceeding,” as required by Commission Rule 20 CSR 4240-20.090(8)(D)1.B.(II). Having reviewed Evergy Missouri West’s notice and subsequent responses to Staff data requests, Staff does not challenge the inclusion of these new

SPP charge types at this time. However, Staff may question the prudence of these charge types in a future prudence review, and will continue to monitor them.

On November 26, 2024, the Office of the Public Counsel (“OPC”) filed their own response with its concerns with the new SPP charge types. On January 8, 2025, the Commission filed a *Notice Acknowledging Issue To Be Carried Forward*. That notice acknowledged OPC’s issue will be allowed to be carried forward, even with a specific case number of Eversource Missouri West’s next general rate case of FAC prudence review being unknown at this time.

### **Staff Review**

Staff reviewed Eversource Missouri West’s proposed 4th Revised Sheet No. 127.34, Canceling 3rd Revised Sheet No. 127.34, the direct testimony of Eversource Missouri West witness Linda J. Nunn 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 AP35. 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 4th 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 AP35 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 AP35.

### **Staff Recommendation**

Staff concludes that the tariff sheet complies with the Commission’s *Report and Order* in Case No. ER-2024-0189, 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 4th Revised Tariff Sheet No. 127.34, Canceling 3rd Revised Tariff Sheet No. 127.34, become effective on March 1, 2025. Based on its

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examination and analysis of the information Eversource Missouri West filed and submitted in this case, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet take effect on March 1, 2025:

P.S.C. Mo. No. 1  
4th Revised Sheet No. 127.34, Canceling 3rd 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 RP32 true-up filing in File No. EO-2025-0193 (also filed on December 31, 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 AP35.

**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 Approved Fuel    )  
and Purchased Power Cost Recovery  
Mechanism

Case No. ER-2025-0194  
Tariff No. JE-2025-0099

**AFFIDAVIT OF BROOKE MASTROGIANNIS**

STATE OF MISSOURI        )  
  )  
COUNTY OF COLE         )        ss.

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.

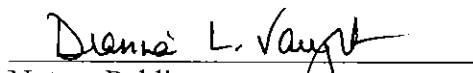
Further the Affiant sayeth not.

  
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 28th day of January 2025.

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

  
Notary Public