

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

In the Matter of the Application of Kansas)
City Power & Light Company for)
Authority to Extend the Transfer of) Case No. EO-2012-0135
Functional Control of Certain Transmission)
Assets to the Southwest Power Pool, Inc.)

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company for)
Authority to Extend the Transfer of) Case No. EO-2012-0136
Functional Control of Certain Transmission)
Assets to the Southwest Power Pool, Inc.)

**JOINT MOTION OF EVERGY MISSOURI METRO, EVERGY MISSOURI WEST,
STAFF, PUBLIC COUNSEL, AND DOGWOOD ENERGY
TO FURTHER MODIFY STIPULATION AND AGREEMENTS**

COMES NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”),
Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively,
“Evergy” or the “Companies”)¹ the Staff of the Missouri Public Service Commission (“Staff”), and
Dogwood Energy, LLC (“Dogwood”) (individually, “Party” and collectively, “Parties”) hereby file
this *Joint Motion to Further Modify Stipulation and Agreements* (“Joint Motion”) and state as follows:

1. On June 19, 2013, the Commission approved separate Stipulation and Agreements in
the above captioned dockets, which were filed on May 16, 2013 (“May 16, 2013 Stipulations”).
Section II.E(4) of the May 16, 2013 Stipulations contains a provision requiring KCP&L (now known
as Evergy Missouri Metro) and GMO (now known as Evergy Missouri West) to file a pleading by June
30, 2017 regarding its continued participation in a regional transmission organization or its operation
under an independent coordinator of transmission. Attachment A to each of the May 16, 2013

¹ Effective October 7, 2019, Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light
Company (“KCP&L”) and Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri
Operations Company (“GMO”).

Stipulations sets forth certain dates for meetings, in particular, with the Staff and OPC concerning the content and planning of the benefit-cost studies and the associated Interim Reports.

2. On August 22, 2016, the Companies filed a motion to be excused from conducting the benefit-cost studies and filing the 2017 Interim Reports. The Companies argued that their exit fee obligations from the Southwest Power Pool (“SPP”), combined with the positive benefit-cost ratios shown by various analyses that had been performed by SPP, made incurring the cost to perform the benefit-cost studies unwarranted at that time. On September 14, 2016, the Commission in an Order Granting Motion to Relieve KCP&L and GMO of Stipulation Requirements (“September 14, 2016 Order”) approved the Companies’ motion to modify the separate Stipulation and Agreements, relieving the Companies of their obligation to conduct the impending benefit-cost studies and to file the related 2017 Interim Reports.

3. On August 23, 2019, the Companies filed a motion to further modify Stipulations and requested an order that the Companies not be required to perform the analysis needed to produce the 2020 Interim Report nor provide the Interim Report. No party opposed the motion and the Commission issued an order granting the modification on October 30, 2019. The October 30, 2019 Order also provided that the Companies file additional information regarding the benefits of SPP participation in its June 30, 2020 application for continued SPP participation. This information included an estimate of the benefits and costs of remaining in the SPP by looking at the load ratio share approximation methodology as suggested by the Commission. The ordered information was filed in these dockets on June 30, 2022.

4. On June 30, 2022, the Companies filed a motion to further modify Stipulations and requested that the Commission issue an order providing that the “interim and conditional” approval described in Section II.A(1) of the May 16, 2013 Stipulations be extended until September 30, 2024,

and the dates for the associated 2021 Interim Period also be extended for an identical three-year period, to be identified as the 2024 Interim Period. No party opposed the motion and the Commission issued an order granting the modifications on September 30, 2020.

5. Evergy convened Stakeholder meetings to discuss the matters specified in restated and amended Ordering paragraphs 3 and 4, as required by the Joint Motion to Modify Stipulations² that was filed and approved in 2020. As a result of those meetings and related discussions, general consensus was reached on additional modifications to the terms and conditions of Evergy's SPP participation.

6. Specifically, this Joint Motion requests an Order that would continue Evergy's longstanding SPP participation. In the requested Order, the Commission would not, as it had in the past, extend its permission and authority to transfer functional control of Evergy's transmission to SPP for a fixed term. Instead, the Commission would grant indefinite permission for Evergy to participate in SPP with the condition that the Commission retains the authority to open further proceedings regarding Evergy's SPP participation.

7. Approval of the Joint Motion is supported by the following:

- a. Evergy represents that SPP indicated that Evergy would owe SPP the estimated lump-sum exit fees detailed below in Table A:

² See, *ORDER GRANTING MOTION TO MODIFY STIPULATION AND AGREEMENT REQUIREMENTS*, September 30, 2020; Docket No. EO-2012-0135 et al.

Table A: 2022 SPP-Provided Estimate³

	2022 SPP-Provided Estimate
Missouri West	** [REDACTED] **
Metro	** [REDACTED] **
Kansas Central	** [REDACTED] **
Total	** [REDACTED] **

- b. In addition, under SPP’s FERC-approved tariff, a member who exits SPP remains obligated to pay its pro-rata share of transmission costs to cover already constructed regionally allocated transmission projects. SPP estimates that Evergy’s exit fees would currently be ** [REDACTED] [REDACTED] ** and that estimate would only decrease at the depreciation rates of transmission in service as presented to Staff and OPC in a meeting with Evergy on March 13, 2023.
- c. With respect to the overall benefits of SPP participation, SPP estimates that it provided \$3.787 billion of net savings and benefits in 2022, which implies (based on Evergy’s load-share ratio in SPP) that Evergy received \$700.6 million in savings and benefits from its SPP membership in 2022.
- d. If Evergy were to leave SPP and join another RTO, it would expect to be responsible for an allocation of the transmission charges arising from already

³ Based on 2022 Present Value over 40 years of assumed asset life – includes Evergy share of existing and authorized upgrades.

built/approved RTO transmission projects in the new RTO, the costs of which, are allocated regionally, having already been responsible to pay via an exit fee its pro-rata share of regionally allocated transmission project charges completed or approved prior to an exit from SPP.

- e. If Evergy were to leave SPP, its Western Kansas generating assets (primarily wind generation) would remain in SPP unless Evergy incurred significant costs to “pseudo tie” one or more of these assets to its new RTO. Assuming status quo, and absent such an arrangement (or a similarly costly acquisition of firm transmission service out of SPP into the new RTO), Evergy would be required to obtain additional capacity within the new RTO and consequently face an uncertain cost exposure. Evergy represents that it would incur SPP “through and out” charges in order to “pseudo tie” all of its non-Evergy territory Kansas-based assets into another RTO.

8. Changing the default participation in the May 16,2013 Stipulations term from a fixed term to an indefinite term, but with ongoing Commission authority to require that the question be reexamined, is supported by an existing condition to SPP participation added by the Commission in its 2020 Order. The 2020 Order requires Evergy to meet with Stakeholders should an event(s) or circumstance(s) occur in the SPP footprint that Evergy believes significantly affects its position within SPP, and that a Stakeholder can request such a meeting for the same reason, with mechanisms to make further filings and for the Commission to provide for further proceedings if it believes it should do so.

9. The Joint Movants request that the Commission issue an *Order Granting Motion to Further Modify Stipulation and Agreements* that will amend and restate Ordering Paragraphs 3 and 4⁴ to read, in its entirety, as follows:

Evergy's authority to continue the transfer of functional control of its transmission system to SPP is granted subject to the following conditions:

- A. The Commission approves Evergy's continued RTO participation in SPP. The extended permission granted in this order is also subject to the provisions of paragraphs J and K of this order.
- B. Evergy shall acknowledge that the Service Agreement's primary function is to ensure that the Commission continues to set the transmission component of Evergy's rates to serve its Missouri Bundled Retail Load. To the extent that FERC offers incentive "adders" for participation in an RTO or in an ICT to the rate of return allowed for providing Transmission Service, as defined in the SPP Open Access Transmission Tariff ("OATT"), to wholesale customers within the Evergy zone, such incentive adders shall not apply to the transmission component of rates set for Missouri Bundled Retail Load by the Commission.
- C. Currently, FERC requires Bundled Retail Load served by SPP Transmission Owners to take Transmission Service under the SPP's OATT. If, at some point, Evergy is not required to take Transmission Service for Missouri Bundled Retail Load under the OATT, the Service Agreement shall be terminated concurrently with the point in time when Evergy is no longer required to take Transmission Service for Missouri Bundled Retail Load under the OATT. Termination of the Service Agreement under this provision shall not affect Evergy's membership participation status in the SPP and the Commission shall continue to have jurisdiction over the transmission component of the rates set for Missouri Bundled Retail Load. As a participant in the SPP, Evergy may remain subject to charges from the SPP for Bundled Retail Load under the OATT that are assessed ratably to all load-serving utilities who are participants in the SPP, but who are not taking Transmission Service for their Bundled Retail Load under the OATT. No ratemaking treatment has been adopted for these changes.
- D. The Service Agreement (unless it is terminated pursuant to its terms) shall continue in its current form; provided that the Commission may rescind its approval of Evergy's participation in the SPP and may require Evergy to withdraw from participation in the SPP if the Commission determines

⁴ See, *ORDER GRANTING MOTION TO MODIFY STIPULATION AND AGREEMENT REQUIREMENTS*, September 30, 2020; Docket No. EO-2012-0135 et al.

withdrawal is in the public interest for reasons that include, but are not limited to, the following:

- (i) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on SPP, that has the effect of precluding the Commission from continuing to set the transmission component of Evergy's rates to serve its Missouri Bundled Retail Load; or
 - (ii) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on Evergy, that has the effect of amending, modifying, changing, or abrogating in any material respect any term or condition of the Service Agreement previously approved by the Commission and by FERC.
 - (iii) Evergy shall immediately notify the Stakeholders if Evergy becomes aware of the issuance of any order, rule, or regulation amending, modifying, changing, or abrogating any term or condition of the Service Agreement. Any stakeholder is free to make a filing with the Commission as a result of an action by FERC as described in this provision.
- E. Unless ordered otherwise by the Commission, any order issued by the Commission that, on a basis provided for in paragraph D(i) or D(ii), terminates the Commission's approval of Evergy's participation in the SPP shall be effective when Evergy has re-established functional control of its transmission system as a transmission provider or transfers functional control to another entity depending on further orders of the Commission and the FERC.
- F. If Evergy desires to securitize the revenues associated with its transmission system, it shall obtain additional prior permission and approval from the Commission.
- G. If Evergy decides to seek any fundamental change in its membership participation or membership status in the SPP, it shall seek prior approval from the Commission no later than five business days after its filing with the FERC for authorization of that change.
- H. For transmission facilities located in Evergy's certificated service territory that are constructed by an Evergy affiliate and that are subject to regional cost allocation by SPP, for ratemaking purposes in Missouri, the costs allocated to Evergy by SPP shall be adjusted by an amount equal to the difference between: (i) the annual revenue requirement for such facilities that would have resulted if Evergy's Commission-authorized ROE and capital structure had been applied and there had been no construction work in progress (CWIP) (if applicable), or other FERC Transmission Rate Incentives, including Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities and

(ii) the annual FERC-authorized revenue requirement for such facilities. The ratemaking treatment established in this provision will, unless otherwise agreed or ordered, continue as long as Evergy's transmission system remains under SPP's functional control.

- I. Evergy shall provide the Stakeholders a presentation on the current and near-term plans for Evergy and its affiliates regarding local and regional transmission construction in Missouri annually at a mutually convenient time and location.
- J. Evergy shall convene a Stakeholder meeting should an event(s) or circumstance(s) occur in the SPP footprint or that of an adjacent RTO of which Evergy is aware that Evergy believes significantly affects its position in SPP. Evergy shall apprise Stakeholders by email of such events that may affect its position in SPP. Any Stakeholder can request such a meeting be convened for the same reason. If, because of such a meeting, Evergy agrees that a further filing respecting its RTO participation should be made, it may make such a filing and it may include a cost-benefit study with its filing if it believes a cost-benefit study is warranted. If because of such a meeting Evergy does not agree that such a filing should be made or that such a filing should be made but that a cost-benefit study is not warranted, any Stakeholder can petition the Commission to enter, after hearing, its order requiring a further filing with or without a cost-benefit study.
- K. Any cost-benefit study to be submitted, pursuant to a Commission order under paragraph J, will at a minimum examine continued participation in SPP versus participation in MISO or another RTO as appropriate for a range of years of not less than five (5) nor more than twenty (20) years. With respect to any such cost-benefit study, Evergy shall work with Staff and OPC and give them substantive input regarding the development of the specific methodology, inputs, outputs, and other features to be included in such a cost-benefit study. Evergy shall also advise and update SPP and MISO regarding the cost-benefit study. If any difference of opinion regarding the scope, particular details or preliminary assumptions that are necessary to and part of such a cost-benefit study arises, Evergy shall ultimately have responsibility for, and the burden of presenting a study in support of whatever position it deems appropriate and necessary at the time of its filing respecting its further RTO participation or operation as an ICT. Accordingly, Evergy is entitled to maintain a level of independence and control of any such cost-benefit study, while other parties retain their right to oppose Evergy's positions or to provide alternative positions. Subject to any applicable privilege recognized by law and the provisions of the Commission's rule regarding confidential information, Staff and OPC shall be given access to data necessary for, and used in, preparing any such cost-benefit study, and shall be given the opportunity to have meaningful input in the preparation of any such cost-benefit study. Furthermore, Evergy shall advise and update the appropriate RTO(s) regarding such a cost-benefit study. Evergy will also provide regular reports regarding the progress and, if requested, reasonable details of the study to any party to this case that requests

such updates or information. To maintain its independence and control of such cost-benefit study, Evergy shall act as the project manager for such cost-benefit study and shall engage and direct the work of Evergy or consultants assigned or retained to perform the cost- benefit study.

10. Counsel for SPP has indicated that SPP does not object to the relief requested in the Joint Motion.

11. Counsel for the Office of the Public Counsel (“OPC”) has indicated that OPC does not object to the relief requested in the Joint Motion.

WHEREFORE, the Companies and the Parties request that the Commission issue an order as described above.

Respectfully submitted,

/s/ Roger W. Steiner

Roger W. Steiner, MO #39586
Evergy, Inc.
1200 Main Street, 16th Floor
Kansas City, MO 64105
Telephone: (816) 556-2314
Facsimile: (816) 556-2110
Email: Roger.Steiner@evergy.com

**Attorney for Evergy Missouri Metro and
Evergy Missouri West**

/s/ Nicole Mers

Nicole Mers
Deputy Counsel
Missouri Bar No. 66766
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65012
(573) 751-6651 (Telephone)
(573) 751-9285 (Fax)
Nicole.mers@psc.mo.gov

**Attorney for the Staff of the Missouri Public
Service Commission**

/s/ Carl J. Lumley

Carl J. Lumley, MO #32869
130 S. Bemiston, Suite 200
Clayton, Missouri 63105
(314) 725-8788
(314) 725-8789 (Fax)
Email: clumley@chgolaw.com

Attorney for Dogwood Energy, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all parties of record on this 27th day of June 2023.

/s/ Roger W. Steiner

Roger W. Steiner