

**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 and Evergy Metro, Inc. d/b/a Evergy )  
Missouri Metro for Permission and Approval )  
of a Certificate of Public Convenience and )  
Necessity for Natural Gas Electrical )  
Production Facilities )

**File No. EA-2025-0075**

**STATEMENT OF POSITIONS**

**COMES NOW**, the Staff of the Missouri Public Service Commission, and for its  
Statement of Positions states as follows:

**I. List of Issues**

A. Does the evidence establish that (1) the advanced 710 megawatt (“MW”) combined cycle gas turbine (“CCGT”) generating facility to be located in Sumner County, Kansas (“Viola”), (2) a 440 MW simple-cycle gas turbine (“SCGT”) generating facility located in Nodaway County, Missouri (“Mullin Creek #1”), and (3) the 710 MW CCGT generation facility to be located in Reno County, Kansas (“McNew”) (collectively, “Projects”) for which Evergy Missouri West is seeking a certificate of convenience and necessity (“CCN”) are necessary or convenient for the public service?

**Based on Staff’s review: 1) the Projects are needed; 2) EMW is qualified to construct, install, own, operate, maintain, and otherwise control and manage the Projects; 3) EMW has the financial ability to undertake the Projects; 4) Staff cannot determine that the Projects are economically feasible; and 5) the Projects are in the public interest with the conditions recommended by Staff. Based on this analysis, Staff recommends the Commission approve the CCNs with the conditions recommended by Staff. However, because Staff cannot determine that the Projects are economically feasible, Staff recommends the Commission reject EMW’s request for decisional prudence. (Staff Recommendation Report, p. 4).**

1. Should the Commission find that the Projects satisfy the first *Tartan* Factor of need?

**Yes. In evaluating whether a project is needed under the Tartan factors, Staff considers (a) is the project both important to the public convenience and desirable for the public welfare or (b) is the project effectively a necessity because the lack of the service is**

such an inconvenience. Evergy asserts in this case that the need for the Project(s) is driven by EMW's and EMM's need for physical capacity and energy, and Evergy's ability to respond to projected load development in Missouri. Staff concludes that the additional capacity is effectively a necessity because the lack of the service is such an inconvenience. (Staff Recommendation Report, p. 7, 19).

2. Should the Commission find that the Projects satisfy the second *Tartan* Factor of economic feasibility?

**No.** The lack of detail and specificity, transparency and inclusion of generic assumptions in the IRP render the CCN application inadequate to justify the economic feasibility of the projects. The utility should be able to prove that each project listed in the CCN is economically feasible, especially if cost increases deviate significantly from the assumptions included in the IRP or if circumstances are reasonably expected to limit revenues from generation. EMW has not demonstrated that the projects are economically feasible. While Staff concludes that additional capacity is effectively a necessity because the lack of the service is such an inconvenience, the economic analyses provided by EMW are flawed, and deciding to move forward with the Projects based upon the results of such analysis introduces unnecessary risk for ratepayers. Staff's recommended conditions for approval of these CCNs would provide the Commission, as well as other parties to a general rate case, additional data points for determination of the prudence of the decision to move forward with the projects. (Staff Recommendation Report, p. 45-46).

3. Should the Commission find that the Projects satisfy the third *Tartan* Factor of ability to finance?

**Yes.** With the consideration of Evergy's and EMW's financial capacity, the Applicants have the financial ability to purchase and operate the Projects and it is reasonable to conclude that EMW has the financial ability to purchase, operate, manage, maintain, and control the Projects. (Staff Recommendation Report, p. 20-24).

4. Should the Commission find that the Projects satisfy the fourth *Tartan* Factor of qualified to construct?

**Yes.** Staff concludes that Evergy has staff with the construction skills and the technical knowledge, expertise, and abilities that are needed to construct and to bring new natural gas-fired generating units on line and function and Evergy is qualified to construct,

**install, own, operate, maintain, and otherwise control and manage the Projects. (Staff Recommendation Report, p. 20).**

5. Should the Commission find that the Projects are in the public interest and satisfies the fifth *Tartan* Factor?

**Yes, subject to Staff's conditions. The Projects are in the public interest with the conditions recommended by Staff. Staff's public interest assessment for this case involves the evaluation of the other Tartan Criteria: need for the project, the project's economic feasibility, the company's qualifications to construct and operate the project, and the company's financial ability to finance the project. Staff evaluates each criterion separately, and then balances each when recommending whether or not a project promotes the public interest. Staff also reviews considerations not included within the Tartan Criteria, which in this case are: the in-service criteria, the site of construction evaluations, and public engagement. Finally, Staff recommends a number of conditions to the granting of the CCN. (Staff's Recommendation Report, p. 47 and 52).**

- B. If the Commission grants the CCN for the Projects, what conditions, if any, should the Commission impose on the CCN?

**Staff recommends the Commission approve the projects, subject to the following conditions, and that the Commission deny EMW's request for decisional prudence.**

#### **Economic Conditions**

1. **The Applicants should re-model the capacity expansion aspect of its IRP and allow the model to select the retirement dates;**
2. **Given that the costs of these projects are very high, the Applicants should delay the retirements of their generation assets and conform to the model's selection date, to reduce the cost burden on rate payers;**
3. **The Applicants should consider establishing a range of values for each level of the critical uncertain factor to make the results more robust; and**
4. **The Applicants should lower the annual capacity factor in the capacity expansion model for Viola, McNew, and Mullin Creek to no greater than the maximum allowable to comply with the EPA GHG regulation and allow the model to select alternative generation resources to meet resource adequacy requirements.**

## Engineering Conditions

1. EMW shall file in this docket a site-specific Emergency Action Plan, as well as an Operations and Maintenance Plan for McNew, Mullin Creek #1, and Viola within 60-days of that facility being placed in service.
2. EMW shall provide quarterly reporting of the progress of construction of the Projects. This report shall include, but not be limited to: quarterly progress reports on permitting, plans, specifications, and construction progress for the Projects.
3. EMW shall utilize the in-service criteria set forth in Staff's Recommendation Report Confidential Schedule 4.

**(Staff Recommendation Report, p. 53-54).**

- C. Should the Commission grant Evergy Missouri West's request that its decision to acquire, construct, own and operation the Projects is prudent under Section 2(C) of Commission Rule 20 CSR 4240-20.045?

**No. Given the uncertainty that still exists with the costs of completing this project, the cost of natural gas pipeline infrastructure, ongoing costs of firm transportation of natural gas, and the unreliability of EMW's projections of market revenue, as well as the inflationary and competitive forces regarding material and supply chain disruptions from tariffs on steel and aluminum, it is inappropriate to determine the decision to move forward with this project is prudent. Staff recommends the Commission reject EMW's request for decisional prudence. If the Commission decides to approve EMW's application, it is appropriate to withhold the determination of prudence of this project until EMW includes the project in rates proposed in a general rate case where all factors can be reviewed. The Commission does not need to make this determination in the context of this case. Based on the information that EMW has provided and Staff has reviewed, it is not possible to determine that moving forward with the project is a prudent decision. The economic analyses provided by EMW are flawed, and deciding to move forward with the Projects based upon the results of such analysis introduces unnecessary risk for ratepayers. Staff's recommended conditions for approval of these CCNs would provide the Commission, as well as other parties to a general rate case, additional data points for determination of the prudence of the decision to move forward with the projects. (Staff Recommendation Report, p. 54-57).**

- D. Should the Commission grant Evergy Missouri West's requested variances from Commission Rules 20 CSR 4240-20.045(3)(C), 6(I), and 6(J) so that Evergy Missouri West's plans for restoration of safe and adequate service, as well as as-built drawing, can be provided closer to the time when the Projects will commence commercial operations?

**Yes, subject to Staff's conditions. EMW has included within its Application and Direct Testimony the minimum filing requirements of Commission Rules 20 CSR 4240-2.060, 20 CSR 4240-20.045(3), and 20 CSR 4240-20.045(6). Confidential Schedule 1 includes the filing requirements and Staff's review. In summary: to ensure the Commission and Staff receive a site-specific Emergency Action Plan and Operations and Maintenance Plan, Staff recommends the Commission order EMW to file in this docket a site-specific Emergency Action Plan and Operations and Maintenance Plan for McNew, Mullin Creek #1, and Viola within 60-days of that facility being placed in service. Additionally, in order to facilitate tracking the status of various phases of completion: Staff recommends the Commission order EMW to provide quarterly reporting of the progress of construction of the Projects. This report shall include, but not be limited to: quarterly progress reports on permitting, plans, specifications, and construction progress for the Projects. (Staff Recommendation Report, p. 6).**

- E. Should the Commission authorize Evergy Missouri West to implement construction accounting pursuant to Section 393.140(4), RSMo?

**Evergy requested approval of construction accounting for the Projects. Construction accounting, also known as plant in service accounting ("PISA"), is the deferral of depreciation and return on plant that is in service but is not currently reflected in rates. Under current Missouri Statute 393.1400, PISA is not allowed for natural gas generating units. However, with the passage of Senate Bill 4, signed by Missouri Governor Michael Kehoe on March 26, 2025, electric utilities can utilize PISA for new natural gas generating units. Senate Bill 4 will be effective August 28, 2025; therefore, the Commission does not need to grant EMW and EMM construction accounting since PISA will now be available for natural gas generating units. (Staff Recommendation Report, p. 57).**

**WHEREFORE,** Staff respectfully submits this Statement of Positions for the Commission's information and consideration.

Respectfully submitted,

**/s/ Travis J. Pringle**

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Missouri Public Service Commission**

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been transmitted by electronic mail to all parties and/or counsel of record this 23<sup>rd</sup> day of May, 2025.

**/s/ Travis J. Pringle**