

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held by telephone
and internet audio conference
on the 27th day of January, 2021.

In the Matter of the Ninth Prudence Review of	)	
Costs Subject to the Commission-Approved	)	<u>File No. EO-2020-0262</u>
Fuel Adjustment Clause of Evergy Missouri	)	
West, Inc. d/b/a Evergy Missouri West	)	

**ORDER APPROVING UNANIMOUS PARTIAL
STIPULATION AND AGREEMENT**

Issue Date: January 27, 2021

Effective Date: February 6, 2021

This case concerns the ninth fuel adjustment clause (FAC) prudence review for Evergy Missouri West, Inc. d/b/a Every Missouri West and Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro (collectively referred to as “Evergy”). On October 21, 2020, the Commission set a procedural schedule, including dates for an evidentiary hearing. On January 15, 2021, Evergy, the Staff of the Commission, the Office of the Public Counsel, and Sierra Club (collectively referred to as “Signatories”) filed a *Unanimous Partial Stipulation and Agreement*.¹

The agreement resolves the issues raised by Sierra Club. The Signatories have agreed that with regard to generating unit self-commit decisions based on economic reasons, Evergy will generate a contemporaneous net margin analysis of each decision and will retain that analysis until the next FAC prudence review case is closed. Evergy will also retain and provide specific data underlying each net margin analysis as identified

¹ Although the agreement was titled as a “unanimous” agreement, there are parties that did not sign the agreement.

in the agreement and will provide the complete set of net margin analyses and underlying data upon receipt of a data request. The Signatories also agreed with regard to Evergy's generating unit self-commit decisions that are driven by environmental or engineering reasons, Evergy will not be required to conduct a net margin analysis but will retain a record of the applicable environmental or engineering reason for the operation of the unit until the next FAC prudence review case is closed.

Commission regulations allow non-signatory parties seven days to object to a nonunanimous stipulation and agreement.² If no party timely objects, the Commission may treat the agreement as unanimous.³ More than seven days have elapsed since the agreement was filed and no party objected. Thus, the Commission will treat the agreement as unanimous.

After reviewing the unopposed agreement, the Commission determines that its terms are a reasonable resolution of the issues addressed by the agreement and it should be approved. Because the evidentiary hearing on the remaining contested issues began on January 27, 2021, the Commission finds that this order should become effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. The *Unanimous Partial Stipulation and Agreement* filed on January 15, 2021, is approved as a resolution of the specific issues set out in that agreement. The signatory parties are ordered to comply with the terms of the agreement.

² 20 CSR 4240-2.115(2)(B).

³ 20 CSR 4240-2.115(2)(C).

A copy of the *Unanimous Partial Stipulation and Agreement* is attached to this order and incorporated by reference.

2. This order shall become effective on February 6, 2021.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Dippell, Senior Regulatory Law Judge

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

In the Matter of the Ninth Prudence Review of Costs	)	
Subject to the Commission-Approved Fuel Adjustment	)	File No. EO-2020-0262
Clause of Evergy Missouri West Inc., d/b/a Evergy	)	
Missouri West	)	

In the Matter of the Third Prudence Review of Costs	)	
Subject to the Commission-Approved Fuel Adjustment	)	File No. EO-2020-0263
Clause of Evergy Metro, Inc., d/b/a Evergy Missouri	)	
Metro	)	

UNANIMOUS PARTIAL STIPULATION AND AGREEMENT

COME NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively referred to as “Evergy” or the “Company”), Staff (“Staff”) for the Missouri Public Service Commission (“Commission”), the Office of the Public Counsel (“OPC”), and Sierra Club (“Sierra Club”) (collectively the “Signatories”), by and through their counsel, and for this Unanimous Partial Stipulation and Agreement (“Stipulation”), respectfully state as follows to the Commission:

BACKGROUND

1. This docket was established pursuant to the provisions of 20 CSR 4240-20.090(11)(B) so Staff for the Commission could conduct a prudence review of the costs and revenues associated with the Company’s Fuel Adjustment Clause (“FAC”).

2. On December 18, 2020, Evergy filed a *Partial Stipulation and Agreement* (“Partial Stipulation”) between Evergy, Staff, and OPC in this docket.

3. Parties to this docket have continued to engage in settlement discussions. As a result of said settlement discussions, the Signatories have negotiated and authorized the filing of

this Stipulation, and the Signatories request that the Commission approve it to resolve all issues raised by the Sierra Club in this proceeding, as detailed below.

4. The negotiation of this Stipulation as a resolution of these issues does not constitute a waiver, dismissal, or admission by any party to this agreement as to any claim that the costs involved were either prudently or imprudently incurred or included in the FAC of either Evergy Missouri Metro or Evergy Missouri West.

AGREEMENTS

5. Pursuant to the Commission's approval of this Stipulation: For generating unit self-commit decisions based on economic reasons, the Company agrees to generate a contemporaneous net margin analysis of each decision and will retain that analysis until the next FAC prudence review docket is closed. The Company also agrees to retain and provide the data underlying each net margin analysis, identified in 5(a) and 5(b), below. The Company agrees to provide the complete set of net margin analyses and underlying data upon receipt of a data request. For generating unit self-commit decisions that are driven by environmental or engineering reasons, the Company does not conduct a net margin analysis but will retain a record of the applicable environmental or engineering reason for the operation of the unit until the next FAC prudence review docket is closed. The net margin analysis will consist of the following:

- a. For self-commit decisions made on a day-ahead ("DA") basis, the sum of unit start-up costs, if applicable, and the net margin of every hour of the unit's minimum run time, with each hour calculated as:

$$[\text{DA locational marginal price ("LMP")} \times \text{DA megawatts ("MW")}] - [\text{DA unit cost per MW} \times \text{DA MW}]$$

- b. For self-commit decisions made on a real-time (“RT”) basis, the sum of unit start-up costs, if applicable, and the net margin of every hour of the unit’s minimum run time, with each hour calculated as:

$$[\text{RT LMP} \times \text{RT MW}] - [\text{RT unit cost per MW} \times \text{RT MW}]$$

GENERAL PROVISIONS

6. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the testimony of their witnesses, and the witnesses of the parties who do not oppose this Stipulation, on the issues that are resolved by this Stipulation.

7. This Stipulation is being entered into solely for the purpose of settling the issues in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories of this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, method of cost determination or cost allocation or revenue-related methodology.

8. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories of this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same. No Signatory shall assert the terms of this agreement as a precedent in any future proceeding.

9. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation

unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

10. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed or authorized in writing by all of the Signatories.

11. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

12. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

13. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo.

§536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

WHEREFORE, the Signatories respectfully request the Commission issue an order in this case approving the Stipulation subject to the specific terms and conditions contained therein.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to counsel for all parties this 15th day of January 2021.

/s/ Roger W. Steiner

Roger W. Steiner

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 27th day of January, 2021.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

January 27, 2021

File/Case No. EO-2020-0262

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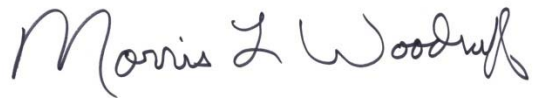
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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in dark ink, reading "Morris L. Woodruff". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.