BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri Operations Company's Request for Authorization to) Implement A General Rate Increase for Electric Service

Case No. ER-2018-0146

NOTICE OF ADDING NEW SPP CHARGE TYPES AND REQUEST FOR RULE VARIANCE

)

)

COMES NOW and Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West" or the "Company")¹, by and through counsel and pursuant to RSMo. 20 CSR 4240-20.090(8)(D)1A and (22), files this Notification of Adding new SPP Charge Types and Request for Rule Variance ("Notification"). In this regard, the Company respectfully states to the Missouri Public Service Commission ("Commission"):

1. Commission Rule 20 CSR 4240-20.090(8)(D)1A provides that Evergy Missouri West file a notice in its last rate case 60 days prior to the Company including a new schedule, charge type cost or revenue in its next Fuel Adjustment Rate ("FAR") filing. As detailed below, the Company does plan to file new Southwest Power Pool ("SPP") charge types in its upcoming FAR filing on December 31, 2020.

2. SPP has added new charge types for the SPP Integrated Market ("IM") effective August 1, 2020 related to Combined Interest Resource ("CIR") modeling which allows Jointly Owned Units ("JOUs") to model units as a single resource with combined interests, rather than as individual units. The new charge types which will be included in the FAR related to the JOUs changes are as follows:

¹ Effective October 7, 2019, Evergy Metro Inc. d/b/a Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company and Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company.

- Day-Ahead Combined Interest Resource Adjustment Amount (DaCirAdjDlyAmt)
- Real Time Combined Interest Resource Adjustment Amount (*RtCirAdjDlyAmt*)
- 3. Commission Rule 20 CSR 4240-20.090(8)(D)1B requires the following information

be included in the Company's notice:

B. The filing shall include, but is not be limited to: (I) Identification of the account affected by the change; (II) A description of the new market settlement type or schedule demonstrating 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; and (III) Identification of the preexisting schedule, or market settlement type which the new settlement type or schedule replaces or supplements;

These adjustment Combined Interest Resource ("CIRs") charge types are related to generator output, and will be recorded to FERC Account Number 447 and included in the FAR calculation within revenues from off-system sales and FERC Account Number 555 – Purchased Power. These charges are the same as what was previously reported on the SPP Settlement Statements; however, for those units registered as CIRs, the allocation of the settlement dollars to those CIRs will represent their designated ownership percentages; therefore, the Company believes these new charge types are just a supplement to the existing settlement types. The types of activity that will be included in each of these charge types are as follows:

 (i) <u>Day-Ahead Combined Interest Resource Adjustment Amount</u>: Day-Ahead Asset Energy, Day-Ahead Regulation Up, Day-Ahead Regulation Down, Day-Ahead Spinning Reserve, Day-Ahead Supplemental Reserve, Day-Ahead Regulation Up Distribution Amount, Day-Ahead Regulation Down Distribution Amount, Day-Ahead Spinning Reserve Distribution Amount, Day-Ahead Supplemental Reserve Distribution Amount, Day-Ahead Make Whole Payment, Day-Ahead Make Whole Payment Distribution Amount, Day-Ahead Demand Reduction, Day-Ahead Grandfathered Agreement Carve Out Daily Distribution Amount, Day-Ahead Grandfathered Agreement Carve Out Monthly Distribution Amount, and Day-Ahead Grandfathered Agreement Carve Out Yearly Distribution Amount.

(ii) Real-Time Combined Interest Resource Adjustment Amount: Real-Time Energy, Real-Time Regulation Up, Real-Time Regulation Down, Real-Time Spinning Reserve, Real-Time Supplemental Reserve, Real-Time Regulation Up Distribution Amount, Real-Time Regulation Down Distribution Amount, Real-Time Spinning Reserve Distribution Amount, Real-Time Supplemental Reserve Distribution Amount, Real-Time Make Whole Payment Amount, Real-Time Make Whole Payment Distribution Amount, Out of Merit Energy, Real-Time Regulation Non-Performance, Real-Time Contingency Deployment Failure, Real-Time Regulation Deployment Adjustment Amount, Unused Regulation-Up Mileage Make Whole Payment Amount, Unused Regulation-Down Mileage Make Whole Payment Amount, Real-Time Regulation Non-Performance Distribution Amount, Real-Time Contingency Deployment Failure Distribution Amount, Real-Time Over Collected Losses Distribution Amount, Real-Time Reserve Sharing Group Distribution Amount, and Real-Time Demand **Response Distribution Amount.**

4. The Company has already expanded the current charge types included in the FAC tariff where appropriate to reflect the JOUs impacts. For example, the Company already had Day Ahead Asset Energy and has added Day Ahead Asset Energy (CIRs) as these are the same charge types. The adjustment CIR charge types above are not already included in the Company's FAC tariff. However, these charges would be consistent with revenue or purchased power produced by any other resources currently settling with SPP.

5. The Company does not believe notice is required pursuant to 20 CSR 4240-20.090 (8)(D)1A as there are truly no new charge types for new market products or services, rather there is only a consolidation of previously approved charge types. To the extent notice is required, Evergy Missouri West seeks a variance from the requirement that notice be provided at least 60 days prior to the due date for the electric utility's next FAR filing.

6. The Company will update the lists of charge types listed in its Fuel Adjustment Clause ("FAC") tariffs in its next general rate case.

7. The Company already made a notice filing in Docket number EO-2021-0125 on October 30, 2020 of the new SPP charge types described above.

8. The Company requests a variance for good cause under 20 CSR 4240-20.090 (22) of the provision of the rule that requires a filing of the new charge types 60 days before a FAR filing. The Company's FAR filing is due by January 1, 2021. The Company has already provided notice of the SPP charge type changes to Staff and OPC in the 0125 docket. This filing was made as soon as possible after the Company realized that a filing in the Company's last rate case was necessary under the Commission rule. Should parties wish to contest the inclusion of the SPP charge types in the FAC, this variance will not impact their ability to do so.

9. The Company also seeks a variance of the notice requirement of 20 CSR 4240-4.017(1). No communication with the office of the Commission regarding the SPP charge type changes or any substantive issue likely to be in the case has occurred within the prior one hundred fifty (150) days. See attached affidavit. Moreover, the 60-day notice requirement of 20 CSR 4240-4.017(1) is duplicative of the 60 day notice requirement contained in the rule. Accordingly, good cause exists, pursuant to 20 CSR 4240-4.017(1)(D), to grant a waiver of 20 CSR 4240-4.017(1), should it be applicable.

WHEREFORE, the Company submits to the Commission and its Secretary this Notification.

Respectfully submitted,

<u>|s| Roger W. Steiner</u>

Robert J. Hack MBN#36496 Roger W. Steiner MBN#39586 Evergy, Inc. 1200 Main Street, 16th Floor Kansas City, Missouri 64105 Telephone: (816) 556-2791 Telephone: (816) 556-2314 Facsimile: (816) 556-2780 E-mail: <u>Rob.Hack@evergy.com</u> E-mail: <u>Roger.Steiner@evergy.com</u>

ATTORNEY FOR EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

VERIFICATION

STATE OF MISSOURI)) ss COUNTY OF JACKSON)

Darrin Ives, being first duly sworn, on his oath and in his capacity as Vice President – Regulatory Affairs of Evergy, Inc., states that he is authorized to execute this document on behalf of Evergy Missouri Metro and Evergy Missouri West, and has knowledge of the matters stated in this document, that said matters are true and correct to the best of his knowledge, information and belief, and that Evergy Missouri Metro nor Evergy Missouri West has had no communication with the Office of the Commission within the prior 150 days regarding any substantive issues likely to arise in this case.

Darrin Ives

Subscribed and sworn to before me this 23rd day of November 2020 Notary Public

My Commission Expires: 26/2021



CERTIFICATE OF SERVICE

I hereby certify that a true and copy of the foregoing application was emailed on this 23rd day of November 2020, to the Office of the General Counsel and the Office of the Public Counsel.

|s| Roger W. Steiner

Roger W. Steiner