

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

In the Matter of the Application of Evergy West,)	
Inc. d/b/a Evergy Missouri West for Authority)	
To Implement Rate Adjustments Required by)	<u>File No. ER-2023-0444</u>
20 CSR 4240-20.090(8) and the Company's)	Tracking No. JE-2023-0229
Approved Fuel and Purchased Power Cost)	
Recovery Mechanism)	

**REVISED STAFF RECOMMENDATION
FOR REJECTION OF TARIFF SHEET**

COMES NOW Staff of the Missouri Public Service Commission and for its Revised Staff Recommendation for Rejection of Tariff Sheet respectfully states:

1. On July 31, 2023, Staff filed a Staff Memorandum to recommend the Commission reject Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“Evergy Missouri West” or “EMW”) proposed tariff sheet, P.S.C. Mo. No. 1 1st Revised Sheet No. 127.34, Canceling Original Sheet No. 127.34, bearing a proposed effective date of September 1, 2023. In addition, Staff recommended that the Commission issue an order rejecting the proposed 1st Revised Sheet No. 127.34, and direct EMW to file a substitute tariff sheet that includes a \$48,018.52 reduction adjustment to purchased power expense.

2. Staff is filing this Revised Staff Recommendation to correct an error in its calculation. Staff erroneously removed the \$48,018.52 from the fuel and purchased power adjustment line 11 of the tariff sheet, instead of removing this amount from line 1, the Actual Net Energy Costs. Therefore, there should be no changes to the EMW proposed rates, and lines 13 through 25 of EMW’s proposed 1st Revised Sheet No. 127.34, will remain the same.

7. Further explanation of this revised recommendation is provided in Staff's Memorandum attached as Appendix A.

WHEREFORE Staff respectfully submits this Revised Recommendation and recommends the Commission issue an order **REJECTING** the proposed 1st Revised Sheet No. 127.34, and directing Evergy Missouri West to file a substitute tariff sheet that includes a \$48,018.52 reduction adjustment to purchased power expense as discussed in Staff's Memorandum attached.

Respectfully submitted,

/s/ Ron Irving
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and/or counsel of record on this 4th day of August 2023.

/s/ Ron Irving

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2023-0444, Tariff Tracking No. JE-2023-0229

FROM: Brooke Mastrogiannis, Utility Regulatory Audit Supervisor

DATE: /s/ Brooke Mastrogiannis 08-04-2023 /s/ Ron Irving 08-04-2023
Energy Resources Department / Date Staff Counsel Department / Date

SUBJECT: Revised Staff Recommendation for Rejection 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-2020-0130

DATE: August 4, 2023

Revised Staff Recommendation

On July 31, 2023, Staff filed a Staff Memorandum to recommend the Commission reject Evergy Missouri West, Inc., d/b/a Evergy Missouri West ("Evergy Missouri West" or "EMW") proposed tariff sheet, P.S.C. Mo. No. 1 1st Revised Sheet No. 127.34, Canceling Original Sheet No. 127.34¹, bearing a proposed effective date of September 1, 2023. Staff also recommended the Commission issue an order rejecting the proposed 1st Revised Sheet No. 127.34, and direct Evergy Missouri West to file a substitute tariff sheet that includes a \$48,018.52 reduction adjustment to purchased power expense. This is the result of Staff's interpretation of the Nucor adjustment from the stipulation and agreement in Case No. EO-2019-0244, accounting for additional purchased power costs caused by operational events as described in paragraph 7d of the Stipulation & Agreement. Under Commission Rule 20 CSR 4240-20.090(8)(H)3,² the Commission can reject the proposed tariff sheets, suspend the timeline of the Fuel Adjustment Rate (FAR) adjustment filing, set a prehearing date, and order the parties to propose a procedural

¹ The currently effective tariff sheet is 9th Revised Sheet No. 127.23, as it is in effect until August 2023.

² Commission Rule 20 CSR 4240-20.090(8)(H)3. states:

H. Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either – 1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs; 2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order; or 3. If it determines the adjustment to the FARs is not in accordance with the provisions of this rule, section 386.266 RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding, reject the proposed tariff sheets, suspend the timeline of the FAR adjustment filing, set a prehearing date, and order the parties to propose a procedural schedule. The Commission may order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question.

schedule. Staff then suggested the interim adjusted FAR in this filing to reflect any part of the proposed adjustment that is not in question would reduce the Actual Net Energy Costs (ANEC) to \$124,394,491, resulting in the current period FAR on line 13 to be \$0.00590, and the rates on lines 16, 19, 22, and 25 would be reflected accordingly. Subsequent to the original Staff Memorandum, it has come to Staff's attention that there was an error in the calculation, therefore Staff is filing this revised Memorandum to show the results of the corrected the error.

Staff had erroneously removed the suggested amount in dispute of \$48,019 from the fuel and purchased power adjustment line 11 of the tariff sheet, instead of removing it from line 1, the ANEC. This results in the table that was illustrated on page 3 of the Original Staff Memorandum to be incorrect. Instead, there should be no changes to EMW's proposed rates, and lines 13 through 25 of EMW's proposed 1st Revised Sheet No. 127.34 would remain the same. The proposed changes to FARs would result in a decrease to the typical Eversource Missouri West residential customer's monthly bill (based on 1,000 kWh) before taxes of \$.29, i.e. from \$8.85 to \$8.56.

Summary

As explained above, Staff still recommends the Commission issue an order rejecting the proposed 1st Revised Sheet No. 127.34, and issue an order directing Eversource Missouri West to file a substitute tariff sheet that includes a \$48,018.52 reduction adjustment to purchased power expense, which is the result of Staff's interpretation of the Nucor adjustment from the stipulation and agreement in Case No. EO-2019-0244, accounting for additional purchased power costs caused by operational events as described in paragraph 7d of the Stipulation & Agreement. If the Commission chooses to reject the proposed tariff sheets and instead order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question, Staff wants to point out that the interim adjusted FAR in this filing to reflect any part of the proposed adjustment that is not in question would reduce the ANEC to \$124,394,491, resulting in the current period FAR on line 13 to remain the same at \$0.00591, and the rates on lines 14 through 25 of EMW's proposed 1st Revised Sheet No. 127.34 would also remain the same.

