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Exhibit No. 100

Staff of the Commission – Exhibit 100
Brooke Mastrogiannis
Rebuttal Testimony
File No. ER-2023-0011

Exhibit No.:	
Issue(s):	*Staff's Recommendation of Evergy Missouri West's Fuel Adjustment Rate Tariff Filing*
Witness:	*Brooke Mastrogiannis*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
Case No.:	*ER-2023-0011*
Date Testimony Prepared:	*September 21, 2022*

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

REBUTTAL TESTIMONY

OF

BROOKE MASTROGIANNIS

EVERGY MISSOURI WEST, INC.,
d/b/a EVERGY MISSOURI WEST

CASE NO. ER-2023-0011

Jefferson City, Missouri
September 2022

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REBUTTAL TESTIMONY

OF

BROOKE MASTROGIANNIS

EVERGY MISSOURI WEST, INC.,
d/b/a EVERGY MISSOURI WEST

CASE NO. ER-2023-0011

REBUTTAL TESTIMONY

OF

BROOKE MASTROGIANNIS

EVERGY MISSOURI WEST, INC.,
d/b/a EVERGY MISSOURI WEST

CASE NO. ER-2023-0011

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission ("Commission" or "PSC") as an Utility Regulatory Audit Supervisor in the Energy Resources Department.

Q. Please describe your educational background and work experience.

A. Please refer to the attached Schedule BMM-r1.

Q. Have you previously filed testimony before this Commission?

A. Yes, I have. Please refer to the attached Schedule BMM-r2 for a list of cases in which I have previously filed testimony as well as the issues that I have addressed in testimony.

Q. Have you participated in the Commission Staff's review of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's ("Evergy Missouri West") Fuel Adjustment Rate ("FAR") filing and the Staff's Recommendation in this proceeding?

A. Yes, I have.

<u>EXECUTIVE SUMMARY</u>

Q. Please summarize your rebuttal testimony in this proceeding.

A. I am sponsoring the *Staff's Recommendation* ("Staff Recommendation"), which was originally filed on July 28, 2022, in Case No. ER-2023-0011, a copy of which is attached as Schedule BMM-r3. Staff has conducted a review of all of the FAR components (fuel costs, purchased power costs, transmission costs, and off-system sales revenues) during the accumulation period[1] for Evergy Missouri West. My testimony provides an overview of Staff's Recommendation and will reiterate, as well as expand on, Staff's position.

STAFF RECOMMENDATION OF THE FAR

Q. Please describe Staff's review of the FAR.

A. Staff conducted a review of all of the FAR components (fuel costs, purchased power costs, transmission costs, and off-system sales revenues) during the accumulation period 30 ("AP 30") for Evergy Missouri West. As noted in the attached Staff Recommendation, Staff provided a brief overview of the proposed tariff sheet, a discussion on the disputed issue, a discussion on Winter Storm Uri Resettlement Adjustments, a calculation of the Fuel and Purchased Power Adjustment and the FAR, a calculation after Voltage Adjustment Factors are applied, a Staff Review, and Staff's Recommendation based on its review of the components. In its Staff Recommendation, starting on page 2, Staff explains its reasons for rejection of Evergy Missouri West's proposed tariff sheet in the Plant in Service Accounting ("PISA") Deferrals section.

OVERVIEW OF STAFF'S RECOMMENDATION TO REJECT TARIFF SHEET

Q. In its review of the proposed tariff sheet for Evergy Missouri West, has Staff examined all of the components comprising the costs in the FAR?

A. Yes.

Q. Did Staff propose rejection of the proposed tariff sheet as a result of its review? If so, why?

[1] Accumulation Period 30 is December 1, 2021 through May 31, 2022.

A. Yes. It is Staff's position that the $31 million Evergy Missouri West is proposing to defer into a PISA regulatory asset account, should instead be included in this AP 30 FAR filing.

Q. Has Staff's Recommendation changed since this Staff Recommendation was filed?

A. Yes, just slightly. Staff's original recommendation was the Commission issue an order rejecting Evergy Missouri West's proposed tariff sheet, and direct Evergy Missouri West to file a substituted tariff sheet that includes the $31 million fuel costs that Evergy Missouri West has proposed to defer to a PISA regulatory asset. However, now that Evergy Missouri West has an interim tariff in effect beginning October 1, 2022, Staff now recommends the Commission order Evergy Missouri West to file a revised tariff sheet that includes the $31 million fuel costs in this current AP30 filing.

Q. What is Evergy Missouri West's reasoning for deferring $31 million in fuel and purchased power costs into a PISA regulatory asset account until the next general rate proceeding?

A. As explained in the Staff Recommendation, part of Evergy Missouri West's reasoning for deferring $31 million in fuel and purchased power costs was stated by Mr. Ives in his direct testimony:

> Including $44.6 million in the fuel adjustment rate now would cause EMW to exceed the 3 percent Compound Annual Growth Rate ("CAGR") cap under section 393.1655.5 when considering the impacts from this FAC accumulation period, the immediately preceding FAC accumulation period and the effects of the overall rate increase (driven primarily by the rebase of fuel and purchased power in base rates) resulting from the EMW's current 2022 general rate proceeding. Consistent with 393.1655.5 of the PISA statute, Evergy Missouri West therefore proposes to include $13.6 million of FAC-related costs in the fuel adjustment rate effective September 1, 2022, and defer

> the balance of $31 million for further treatment in a subsequent general rate proceeding.[2]

Q. What is Staff's position on Mr. Ives' interpretation of the PISA statute?

A. It is Staff's position that the 3% average overall rate cap computation required by PISA, which for this accumulation period is a CAGR cap of 11.6887%, prohibits using the amount of proposed re-based fuel costs under discussion in the current general rate case, which Evergy Missouri West's submitted tariff sheets in that case have been suspended until December 6, 2022. Per Section 393.1655.3, the computation of PISA caps shall use "the electrical corporation's average overall rate as of the date new base rates are set in the electrical corporation's most recent general rate proceeding concluded prior to the date the electric corporation gave notice under section 393.1400…" Because of this statutory language, the Company is required to use the ***previous*** rate case revenue requirement to calculate PISA caps, instead of using ***proposed*** re-based fuel costs from the ***current*** rate case, which have not yet been set in new base rates. Staff agrees that the PISA cap calculation should include the impacts of the current and previous FAC accumulation periods, which is consistent with PISA rate cap calculations performed in previous filings and consistent with PISA statute requirements. Continued use of the 2018 rate case revenue to compute the average overall rate, results in the Company not exceeding the 11.6887% CAGR overall cap, thus a PISA deferral is not required. By using the 2018 rate case revenue to compute the average overall rate, the Company would only hit a CAGR of 9.14%, which is under the 11.6887% CAGR. However, appropriately including the $31 million of fuel costs does cause the Company to exceed the

[2] Evergy Missouri West witness Darren Ives Direct Testimony, page 10 lines 8-17.

Large Power 2% Cap, which for this accumulation period is a CAGR of 7.6850%. This would result in separate rates for Large Power customers and Non-Large Power customers.

Q. What other reasoning did Mr. Ives provide in his direct testimony?

A. Mr. Ives' direct testimony also states:

> As I discussed above, the Company's FAC-related costs are significantly impacted by external factors outside of our control and have been subject to inflationary pressures not seen for many years due to the extraordinary events of the pandemic and Russia's war on Ukraine. As a result, consistent with 393.1655.5 of the PISA statute, the Company is seeking deferral of a portion of these costs.[3]

Q. What is Staff's position on Mr. Ives' interpretation of extraordinary costs?

A. Staff's position is that these increased fuel costs are, unfortunately, the norm for all utilities for the current time period and not uniquely extraordinary or unusual for Evergy Missouri West. In fact, the prior Accumulation Period for Evergy Missouri West (Accumulation Period 29), had a fuel and purchased power adjustment ("FPA") of $47,488,718, which is $2,884,698 ***higher*** than this current AP 30 FPA amount of $44,604,020. In addition, Ameren Missouri and Liberty have also experienced increased fuel and purchased power costs in their recent FAR filings. Ms. Starkebaum even states in her direct testimony, "When compared to the prior 29th accumulation period, the ANEC are $11.7 million lower in the 30th accumulation period than the previous 29th accumulation period. This is due to a $9.1 million, or 7%, decrease in purchased power expense and lower fuel costs of $10.7 million, or 8% driven by 41% less generation including the sale of Renewable Energy Credits. The 30th accumulation period of December through May typically has lower retail load requirements than the previous 29th accumulation period of June through November. In

[3] Darren Ives Direct Testimony page 12 lines 1—5.

December 2021, weather was warmer than normal by 305 heating degree days, resulting in a 7% decrease in demand." Therefore, Staff reiterates its position that this Accumulation Period's fuel and purchased power costs should not be considered as extraordinary costs.

Q. Is there anything in addition that Staff would like to point out to the Commission?

A. Yes. Staff would like to remind the Commission that by approving the Company's request to defer the $31 million to a subsequent general rate proceeding it would result in the $31 million not being in base rates for possibly up to four years from the effective date of rates in the Company's current general rate case. RSMo 386.266.5.(3) requires a utility to file a general rate case with effective dates of new rates to be no later than four years after the effective date of the Commission order implementing the adjustment mechanism. This is extremely important to note since it is Staff's understanding that the $31 million would accrue interest at the Company's weighted average cost of capital over that entire period costing ratepayers much more. Additionally, when the $31 million and applicable carrying costs are deferred to the next rate case and included in rate base, the Company would earn an additional return on that amount costing ratepayers even more than what it would in a FAR filing.

Q. Does this conclude your prepared rebuttal testimony in this proceeding?

A. Yes, it does.

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 for Authority to Implement Rate Adjustments Required by 20 CSR 4240-20.090(8) and the Company's Approved Fuel and Purchased Power Cost Recovery Mechanism	)))))))	Case No. ER-2023-0011

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Brooke Mastrogiannis*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Brooke Mastrogiannis
BROOKE MASTROGIANNIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of September 2022.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D Suzie Mankin
Notary Public

Brooke Mastrogiannis

Education and Employment Background

I am a Utility Regulatory Audit Supervisor in the Energy Resources Department of the Missouri Public Service Commission. I have been employed by the Missouri Public Service Commission since May 2014. I previously was a Utility Regulatory Auditor in the Auditing Unit of the Utility Services Department, and a Utility Management Analyst in the Consumer and Management Analysis Unit. I have been in my current position since May 2020.

I received a Bachelor of Science degree in Accounting from Lincoln University, in Jefferson City, MO in May of 2012. I then continued to further my education and received my Masters of Business Administration with an emphasis in Accounting in December 2013. In earning these degree's I completed numerous core Accounting and Business classes.

Prior to joining the Commission, I was employed by the State of Missouri - Department of Natural Resources from June 2013 to May 2014 as an Accounting Specialist. My duties entailed: reviewing and monitoring expense account forms to ensure employees followed correct procedures, prepared and set up project and job codes so they could be coded correctly on employee's time sheets, analyzed and prepared necessary cash draws, and also prepared financial information or reports to facilitate budget information and execution.

Brooke Mastrogiannis
Case Participation
Utility Regulatory Supervisor

Company Name	Case Number	Testimony/Issues
The Empire District Electric Company	ER-2014-0351	January 2015 Cost of Service Report- Plant in Service, Depreciation Reserve, Prepayments, Materials and Supplies, Customer Deposits, Customer Deposit Interest, Customer Advances, Amortization of Electric Plant, Amortization of PeopleSoft Intangible Asset, Corporate Franchise Taxes, Depreciation Expense, Amortization Expense, Dues and Donations, EEI Dues, Advertising Expense, Outside Services, and Postage.
Seges Partners Mobile Home Park L.L.C.	SR-2015-0106	January 2015 Staff Report- Rate Base, Revenues, Purchased Sewer Costs, Payroll and Payroll Taxes, Management Fee, Postage, Telephone Expense, Maintenance Expense, Insurance, Outside Services, PSC Assessment, and Rate Case Expense
The Empire District Electric Company	ER-2014-0351	March 2015 Surrebuttal Testimony- Advertising Expense, Customer Advances, and EEI Dues.
Ozark International, Inc.	WR-2015-0192	September 2015 Staff Report- Payroll, Telephone and Cell Phone Expense, Auto Expense, Insurance Expense, Bank Service Charges, Customer Deposits, Customer Deposit Interest, PSC Assessment, Revenues, Miscellaneous Income, Contract Labor, General Maintenance Expense, Electric Expense, Returned Check Fees, Outside Services, Dues and Subscriptions, and Credit Card Fees
Hillcrest Utility Operating Company, Inc.	WR-2016-0064	March 2016 Staff Report- Customer Service and Business Operations Review
Cannon Home Association	SR-2016-0112	April 2016 Staff Report- Customer Service and Business Operations Review
Roy-L Utilities, Inc.	WR-2016-0109	May 2016 Staff Report- Customer Service and Business Operations Review
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202	August 2016 Staff Report- Customer Service and Business Operations Review
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202	October 2016 Rebuttal Testimony- Collection of Bad Debt

***continued*, Brooke Mastrogiannis**

Company Name	Case Number	Testimony/Issues
Kansas City Power and Light Company	EO-2016-0124	January 2017 Management Audit Report- Employee Expense Account Process and Internal Audit Activities
Terre Du Lac Utilities Corporation	WR-2017-0110	April 2017 Staff Report- Customer Service and Business Operations Review
Indian Hills Utility Operating Company, Inc.	WR-2017-0259	July 2017 Staff Report- Customer Service and Business Operations Review
Spire Missouri, Inc.	GR-2017-0215	December 2017 Rebuttal Testimony- Performance Metrics Incentive Proposal
Ameren Missouri	EO-2018-0155	April 2018 Staff Report- First MEEIA Cycle 2 Prudence Review
Liberty Utilities LLC	WR-2018-0170	April 2018 Staff Report- Normalized and Annualized Revenues, Miscellaneous Revenues, Bad Debt Expense, Outside Services/Contract Maintenance, DNR Fees, Meter Reading Expense, Transportation Expense, and Property Taxes
KCPL Greater Missouri Operations	ER-2018-0146	June 2018 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause and Renewable Energy Rider Surrebuttal Testimony- Fuel Adjustment Clause
The Empire District Electric Company	EO-2018-0244	September 2018 Staff Report- Fuel Adjustment Clause Prudence Review
KCPL	EO-2018-0363	November 2018 Staff Report- First MEEIA Cycle 2 Prudence Review
KCPL Greater Missouri Operations	EO-2018-0364	November 2018 Staff Report- First MEEIA Cycle 2 Prudence Review
KCPL	EO-2019-0068	February 2019 Staff Report- Fuel Adjustment Clause Prudence Review
KCPL Greater Missouri Operations	EO-2019-0067	February 2019 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2019-0257	August 2019 Staff Report- Fuel Adjustment Clause Prudence Review

***continued*, Brooke Mastrogiannis**

Company Name	Case Number	Testimony/Issues
Ameren Missouri	EO-2019-0376	October 2019 Staff Report- Second MEEIA Cycle 2 Prudence Review
The Empire District Electric Company	EO-2020-0059	February 2020 Staff Report- Fuel Adjustment Clause Prudence Review
The Empire District Electric Company	ER-2019-0374	January 2020 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause Surrebuttal Testimony- Fuel Adjustment Clause
Evergy Missouri Metro	EO-2020-0227	June 2020 Staff Report- Second MEEIA Cycle 2 Prudence Review
Evergy Missouri West	EO-2020-0228	June 2020 Staff Report- Second MEEIA Cycle 2 Prudence Review
Evergy Missouri West	EO-2020-0262	August 2020 Staff Report- Fuel Adjustment Clause Prudence Review
Evergy Missouri Metro	EO-2020-0263	August 2020 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2021-0060	February 2021 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2021-0157	May 2021 Staff Report- First MEEIA Cycle 3 Prudence Review
The Empire District Electric Company	EO-2021-0281	August 2021 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	ER-2021-0240	September 2021 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause Surrebuttal Testimony- Fuel Adjustment Clause
The Empire District Electric Company	ER-2021-0312	October 2021 Direct Testimony- Fuel Adjustment Clause Rebuttal Testimony- Fuel Adjustment Clause Surrebuttal Testimony- Fuel Adjustment Clause
Evergy Missouri West	EO-2021-0416	October 2021 Staff Report- First MEEIA Cycle 3 Prudence Review
Evergy Missouri Metro	EO-2021-0417	October 2021 Staff Report- First MEEIA Cycle 3 Prudence Review

***continued*, Brooke Mastrogiannis**

Company Name	Case Number	Testimony/Issues
Evergy Missouri Metro	EO-2022-0064	February 2022 Staff Report- Fuel Adjustment Clause Prudence Review
Evergy Missouri West	EO-2022-0065	February 2022 Staff Report- Fuel Adjustment Clause Prudence Review
Ameren Missouri	EO-2022-0236	August 2022 Staff Report- Fuel Adjustment Clause Prudence Review

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File
File No. ER-2023-0011, Tariff Tracking No. JE-2023-0005

FROM: Lisa Wildhaber, Lead Senior Utility Regulatory Auditor

<u>/s/ Lisa Wildhaber 07/28/2022</u>	*<u>/s/ Casi Aslin 07/28/2022</u>*
Energy Resources Department / Date	Staff Counsel Department / Date

SUBJECT: 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-2018-0146

DATE: July 28, 2022

Staff Recommendation

On July 1, 2022, Evergy Missouri West, Inc., d/b/a Evergy Missouri West ("Evergy Missouri West" or "Company") filed one (1) tariff sheet, 7th Revised Sheet No. 127.23, Canceling 6th Revised Sheet No. 127.23, bearing a proposed effective date of September 1, 2022, to revise Evergy Missouri West's current annual Fuel Adjustment Rates ("FARs") (lines 16 19, 22, and 25 on 7th Revised Sheet No. 127.23) of its Fuel Adjustment Clause ("FAC"). Evergy Missouri West also filed the direct testimony of Darrin R. Ives and Lisa A. Starkebaum on July 1, 2022, and submitted work papers to Staff in support of the direct testimony and filed tariff sheet.

Staff recommends the Commission issue an order rejecting the proposed tariff, 7th Revised Sheet No. 127.23, and direct Evergy Missouri West to file a substituted tariff sheet that includes the $31 million fuel costs that Evergy Missouri West has proposed to defer to a Plant in Service Accounting ("PISA") regulatory asset, which is explained further in the section entitled "PISA Deferrals" below. Under Commission Rule 20 CSR 4240-20.090(8) (H)3, the Commission can 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. If the Commission supports Staff's position that the $31 million in fuel costs must be included in the FAR filing, but timing prevents inclusion in the current FAR, Staff recommends including the $31 million in the next FAR filing.

APPENDIX A

PISA Deferrals Permitted Under Section 393.1400, RSMo, and Limitations on Rate Modifications Permitted Under Section 393.1655, RSMo

On December 31, 2018, Evergy Missouri West elected to make the deferrals set forth in Section 393.1400.5 RSMo effective January 1, 2019 through, at least, December 31, 2023.

Relating to the $44.6 million Fuel and Purchased Power Adjustment amount on line 11 of the proposed tariff, Mr. Ives states in his direct testimony:

> Including $44.6 million in the fuel adjustment rate now would cause EMW to exceed the 3 percent Compound Annual Growth Rate ("CAGR") cap under section 393.1655.5 when considering the impacts from this FAC accumulation period, the immediately preceding FAC accumulation period and the effects of the overall rate increase (driven primarily by the rebase of fuel and purchased power in base rates) resulting from the EMW's current 2022 general rate proceeding. Consistent with 393.1655.5 of the PISA statute, Evergy Missouri West therefore proposes to include $13.6 million of FAC-related costs in the fuel adjustment rate effective September 1, 2022, and defer the balance of $31 million for further treatment in a subsequent general rate proceeding.[1]

It is Staff's position that the 3% average overall rate cap computation required by PISA, which for this accumulation period is a CAGR cap of 11.6887%, prohibits using the amount of proposed re-based fuel costs under discussion in the current general rate case, which Evergy Missouri West's submitted tariff sheets in that case have been suspended until December 6, 2022. Per Section 393.1655.3, the computation of PISA caps shall use "the electrical corporation's average overall rate as of the date new base rates are set in the electrical corporation's most recent general rate proceeding concluded prior to the date the electric corporation gave notice under section 393.1400…" Because of this statutory language, the Company is required to use the previous rate case revenue requirement to calculate PISA caps, instead of using proposed re-based fuel costs from the current rate case, which have not yet been set in new base rates. Staff agrees that the PISA cap calculation should include the impacts of the current and previous FAC accumulation periods, which is consistent with PISA rate cap calculations performed in previous filings and consistent with PISA statute requirements. Continued use of the 2018 rate case revenue to compute the average overall rate results in the Company not exceeding

[1] Evergy Missouri West witness Darren Ives Direct Testimony, page 10 lines 8—17.

the 11.6887% CAGR overall cap, thus a PISA deferral is not required. However, appropriately including the $31 million of fuel costs does cause the Company to exceed the Large Power 2% Cap, which for this accumulation period is a CAGR of 7.6850%. This would result in separate rates for Large Power customers and Non-Large Power customers.

Mr. Ives' testimony also states:

> As I discussed above, the Company's FAC-related costs are significantly impacted by external factors outside of our control and have been subject to inflationary pressures not seen for many years due to the extraordinary events of the pandemic and Russia's war on Ukraine. As a result, consistent with 393.1655.5 of the PISA statute, the Company is seeking deferral of a portion of these costs.[2]

Staff's position is that these increased fuel costs are, unfortunately, the norm for all utilities for the current time period and not uniquely extraordinary or unusual for Evergy Missouri West. In addition, Staff reminds the Commission that approving the Company's request to defer the $31 million to a subsequent general rate proceeding would result in the $31 million not being in base rates for possibly up to four years from the completion of the Company's current general rate case, in compliance with RSMo 386.266.5.(3) requiring a utility to file a general rate case with effective dates of new rates to be no later than four years after the effective date of the Commission order implementing the adjustment mechanism. Further, the $31 million would accrue interest over that entire period costing ratepayers much more.

Winter Storm Uri Resettlement Adjustments

During this Accumulation Period 30 ("AP30") the Company included adjustments to the previously reported impact of Winter Storm Uri due to resettlements of both costs and revenues from the Southwest Power Pool ("SPP"). As explained in the Company's FAR filing for Accumulation Period 28, in order to identify the extraordinary costs associated with Winter Storm Uri, Evergy Missouri West established a baseline to approximate the normal conditions for the month of February 2021. They did so by calculating a three-year average baseline using actual February costs for the years 2018, 2019, and 2020 and compared to the actual costs and revenues that were incurred for February 2021. When compared to the three-year historic average for the

[2] Darren Ives Direct Testimony page 12 lines 1—5.

month of February, with costs and revenues updated through February 2022 resulting from SPP resettlements, Evergy Missouri West incurred approximately $296.6 million of extraordinary costs in excess of the three-year average. This amounts to a $3.2 million increase from the $293.4 million excluded from the previous 29th accumulation period. This $3.2 million increase in Winter Storm Uri costs has been included in the current AP30 FAR calculation as the activity flowed through the general ledger in December 2021 and February 2022. In her direct testimony, Lisa A. Starkebaum explains that this is expected to be the final adjustment to February 2021 actual costs related to Winter Storm Uri, stating: "Yes, the Company does not expect any additional resettlements from SPP. Future adjustments due to Winter Storm Uri would be the result of a FERC order."[3]

Accumulation Period 30 FARs

The testimony and work papers include information supporting Evergy Missouri West's calculation of the Fuel and Purchased Power Adjustment ("FPA") amount of $13,604,020 (line 11.2[4] of 7th Revised Sheet No. 127.23) for AP30 (December 1, 2021 through May 31, 2022) reflecting the sum of:

1. The amount of $43,690,267 on line 7 of 7th Revised Sheet No. 127.23, which is equal to 95% of the difference between: a) Evergy Missouri West's Missouri jurisdiction[5] Actual Net Energy Costs ("ANEC") (fuel costs plus net emission costs plus purchased power costs plus transmission costs less off-system sales revenue less renewable energy credit revenue), and b) Evergy Missouri West's Missouri jurisdiction Net Base Energy Cost;
2. The true-up amount[6] reflected on line 8 of 7th Revised Sheet No. 127.23, of $522,660;
3. The interest amount reflected on line 9 of 7th Revised Sheet No. 127.23, of $551,984;

[3] Evergy Missouri West witness Lisa A. Starkebaum Direct Testimony page 9, lines 12-13.
[4] Line 11 is the FPA amount subject to prudence review, line 11.1 is the PISA amount deferred to a PISA regulatory asset account, and line 11.2 is the FPA amount subject to recover in true-up.
[5] See line 4 of 7th Revised Sheet No. 127.23 and definition of J on Original Sheet No. 127.21.
[6] The true-up amount was requested by Evergy Missouri West in its July1, 2022 filing in File No. EO-2023-0010.

4. The Commission-ordered prudence adjustment amount from Case No. EO-2020-0262 reflected on line 10 of 7th Revised Sheet No. 127.23, of ($160,892); and
5. The proposed PISA Deferral per Section 393.1400 reflected on line 11.1 of 7th Revised Sheet No. 127.23 of ($31,000,000), as explained above.

The proposed Current Period Evergy Missouri West FAR of $0.00157 per kWh (line 13 of 7th Revised Sheet No. 127.23) is equal to Evergy Missouri West's FPA amount of $13,604,020 divided by the estimated Recovery Period 30 ("RP30")[7] Retail Net System Input ("RNSI") at the generator level[8] ("S_{RP}") of 8,659,609,098 kWh (line 12 of 7th Revised Sheet No. 127.23).

Because of differences in line losses for secondary, primary, substation, and transmission voltage service levels,[9] tariff sheet lines 14, 17, 20, and 23 reflect different current period FARs for service taken at secondary, primary, substation, and transmission voltage service levels.

The Accumulation Periods, Recovery Periods, and other specifications of Evergy Missouri West's FAC for AP30 are set out in its tariff sheets identified in the following table:

For Service Provided December 6, 2018 and Thereafter
Original Sheet No. 127.13
Original Sheet No. 127.14
Original Sheet No. 127.15
Original Sheet No. 127.16
Original Sheet No. 127.17
Original Sheet No. 127.18
Original Sheet No. 127.19
Original Sheet No. 127.20
Original Sheet No. 127.21
Original Sheet No. 127.22

[7] RP30 includes September 1, 2022 through August 31, 2023.

[8] See definition of S_{RP} on Original Sheet No. 127.22.

[9] The voltage adjustment factors (VAFs) for Evergy Missouri West for primary, secondary, substation and transmission voltage service levels are included on lines 26 through 29 of 7th Revised Sheet No. 127.23.

Listed below are Evergy Missouri West's proposed Current Annual FARs on 7th Revised Sheet No. 127.23, and the Evergy Missouri West Current Annual FARs on 6th Revised Sheet No. 127.23 together with the changes between them for primary, secondary, substation, and transmission voltage service levels.

Evergy Missouri West Current Annual Fuel Adjustment Rates $ per kWh			
Service	**Proposed 7th Revised Sheet No. 127.23**	**Currently Effective 6th Revised Sheet No. 127.23**	**Difference**
Secondary	$0.00737	$0.00650	$0.00087 Increase
Primary	$0.00726	$0.00641	$0.00085 Increase
Substation	$0.00716	$0.00632	$0.00084 Increase
Transmission	$0.00715	$0.00631	$0.00084 Increase

The proposed changes to FARs will result in an increase to the typical Evergy Missouri West residential customer's monthly bill (based on 1,000 kWh) before taxes of $0.87, i. e., from $6.50 to $7.37.

In her direct testimony Ms. Starkebaum states:

> Evergy Missouri West's Actual Net Energy Costs ("ANEC"), less the $3.2 million in SPP resettlements of February 2021 related to Winter Storm Uri, exceeds the base energy costs included in base rates by approximately $46 million. When compared to the prior 29th accumulation period, the ANEC are $11.7 million lower in the 30th accumulation period than the previous 29th accumulation period. This is due to a $9.1 million, or 7%, decrease in purchased power expense and lower fuel costs of $10.7 million, or 8%, driven by 41% less generation including the sale of Renewable Energy Credits ("RECs").The 30th accumulation period of December through May typically has lower retail load requirements than the previous 29th accumulation period of June through November. In December 2021, weather was warmer than normal by 305 heating degree days, resulting in a 7% decrease in demand. However, this decrease in demand was offset by higher natural gas prices. For December 2021 through May 2022, the published NYMEX natural gas contract settlement price averaged $5.48, which is 22% higher than the $4.51 averaged in June through November 2021.

> Lastly, the Company experienced a decrease in off-system sales revenues of $7.8 million, or 70%, compared to the prior 29th accumulation period.[10]

Staff Review

Staff reviewed Evergy Missouri West's proposed 7th Revised Sheet No. 127.23, canceling 6th Revised Sheet No. 127.23, the direct testimony of Evergy Missouri West witnesses Lisa A. Starkebaum and Darrin R. Ives, and the work papers in this filing, in addition to Evergy Missouri West's monthly information reports filed in compliance with 20 CSR 4240-20.090(5) for AP30. Staff verified that the actual fuel and purchased power costs less off-system sales revenues match the fuel and purchased power costs less off-system sales revenues in Evergy Missouri West's proposed 7th Revised Tariff Sheet No. 127.23[11]. Staff reviewed Evergy Missouri West's monthly interest rates that are applied to 95% of the jurisdictional monthly cumulative under-/over- recovery of base fuel and purchased power costs for AP30 and verified that the monthly interest rates and calculations of monthly interest amounts are correct.

The information filed with the proposed tariff sheet and work papers includes sufficient data to calculate Evergy Missouri West's FARs based on the actual fuel, purchased power, emission allowance and transmission costs net of off-system sales revenue and renewable energy credit revenue provided by Evergy Missouri West for AP30.

Attachment A includes three charts providing a summary of Evergy Missouri West's thirty (30) FAC rate adjustment filings. Chart 1 illustrates a) Evergy Missouri West's actual net energy cost, net base energy cost and under- (over-) recovery amounts for each accumulation period, and b) that there have been twenty-five (25) accumulation periods with under-recovered amounts and five (5) accumulation periods with over-recovered amounts (AP10, AP16, AP17, AP18, and AP26). Chart 2 illustrates Evergy Missouri West's FAC cumulative under-recovered amount at the end of each accumulation period with the cumulative under-recovered amount through AP30 of approximately $418 million. Chart 3 illustrates Evergy Missouri

[10] Evergy Missouri West witness Lisa A. Starkebaum, Direct Testimony, pg. 6, ln. 20 through pg. 7, ln. 14.
[11] Due to resettlement adjustments for Winter Storm Uri, the actual December 2021 and February 2022 amounts are adjusted in this proposed 7th Revised Sheet No. 127.23.

West's FAC cumulative under-recovered percentage at the end of each accumulation period with the cumulative under-recovered percentage through AP30 of approximately 13%.

Staff Recommendation

Evergy Missouri West requests that it's proposed 7th Revised Sheet No. 127.23, cancelling 6th Revised Tariff Sheet No. 127.23, become effective on September 1, 2022. The Company filed the tariff sheet with 60 days' notice. Although the Company's filing is timely, for the reasons discussed above, Staff recommends that the Commission issue an order rejecting the proposed tariff rate sheets and issue an order directing Evergy Missouri West to file a substituted tariff sheet that includes the $31 million costs in this AP 30 filing. If the Commission supports Staff's position that the $31 million in fuel costs must be included in the FAR filing, but timing prevents inclusion in the current FAR, Staff recommends including the $31 million in the next FAR filing.

Staff has verified that Evergy Missouri West is not delinquent on any assessment and has filed its 2021 Annual Report. Evergy Missouri West is current on its submission of its Surveillance Monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5). Except for Evergy Missouri West's RP26 true-up filing in File No. EO-2023-0010 (also filed on July 1, 2022) and File Nos. EU-2021-0283 and EF-2022-0155, which the overall impact is unknown at this time, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing. Staff's recommendation for the Current Period FARs is based solely on the accuracy of Evergy Missouri West's calculations, and is not indicative of the prudence of the fuel costs during AP 30.