

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

In the Matter of Evergy Missouri West, Inc.,) **File No. HT-2025-0280**
d/b/a Evergy Missouri West's Tariffs Changing) Tariff No. JH-2025-0147
the QCA for Steam/Heat Service)

STAFF RECOMMENDATION TO APPROVE TARIFF

COMES NOW the Public Service Commission Staff (“Staff”), by and through counsel, and recommends that the Commission approve the tariff filed by Evergy Missouri West Inc., d/b/a Evergy Missouri West.

1. On April 15, 2025, Evergy Missouri West filed its Tariff Revision, Tracking No. JH-2025-0147.
2. Also, on April 15, 2025, the Commission issued its *Order Directing Filing*. The *Order* directed Staff to file a recommendation regarding Evergy Missouri West's tariff sheet no later than May 7, 2025.
3. As more fully explained in the attached Memorandum, Staff has reviewed the proposed tariff sheet and recommends its approval.

WHEREFORE, Staff respectfully submits this *Staff Recommendation to Approve Tariff*, and respectfully requests the Commission approve the tariff filed by Evergy Missouri West.

Respectfully submitted,

/s/ Casi Aslin

Casi Aslin
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and or counsel of record on this 7th day of May, 2025.

/s/ Casi Aslin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. HT-2025-0280 and Tariff Tracking No. JH-2025-0147

FROM: Russell Drury, Senior Utility Regulatory Specialist
Water, Sewer, Gas, & Steam Department

/s/ Russell Drury 05/07/2025
Water, Sewer, Gas, & Steam Dept. / Date

SUBJECT: Staff Recommendation to approve the Quarterly Cost Adjustment for the First Quarter of 2025 to the Quarterly Cost Adjustment Rider – Steam of Evergy Missouri West, Inc., d/b/a Evergy Missouri West

DATE: May 7, 2025

On April 15, 2025, Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“EMW”) filed with the Missouri Public Service Commission (“Commission”) the following tariff sheet, bearing an effective date of June 1, 2025:

P.S.C. MO. No. 1

64th Revised Sheet No. 6.10, Canceling 63rd Revised Sheet No. 6.10

This tariff filing revises EMW’s Quarterly Cost Adjustment Rate (“QCA Rate”) for the first quarter of 2025. Each quarter, EMW files rate adjustments to reflect the actual fuel costs above or below a base amount of \$2.4854 per Million British Thermal Units (“MMBtu”), which was determined in EMW’s last rate case, Case No. HR-2018-0231.

The procedure for the calculation of the QCA Rate for steam service sales is set out in EMW’s Tariff Sheet Nos. 6.6 through 6.10, titled “Quarterly Cost Adjustment Rider – Steam.” The Current Quarterly Cost Adjustment is the rate adjustment component designed to reflect the customer share of the variation in fuel costs for the most recent quarter.¹ The Commission approved EMW’s Quarterly Cost Adjustment Rider in Case No. HR-2005-0450, and modified it in Case Nos. HR-2009-0092, HR-2010-0028, and HR-2018-0231. EMW’s filing includes the proposed tariff sheet and supporting work papers, consisting of electronic worksheets showing EMW’s calculation of the QCA Rate for the first quarter of 2025.

¹ Evergy Missouri West Tariff, Revised Sheet No. 6.6.

On April 15, 2025, the Commission issued an *Order Directing Filing* ordering Staff to file its recommendation no later than May 7, 2025.

The table below shows the calculation of the proposed Monthly QCA Rate (“Monthly QCA Rate”) for the first quarter of 2025, effective for the billing period of June 1, 2025, through May 31, 2026, as well as the change per thousand MMBtu in cumulative rates from quarter to quarter:

Line No.	Qtr/Year	First Effective Date	Months	Last Effective Date	QCA Rate	Qtr/Year of R Factor Calculation	Reconciliation Rate (R Factor)	Cumulative Rate	Change Per 1,000 MMBtu
(1)	Q1 2025	6/1/2025	12	5/31/2026	\$ 0.2346	Q4 2022	\$ 0.0002	\$ (0.1006)	(\$187.10)
(2)	Q2 2024	9/1/2024	12	8/31/2025	\$ (0.2117)	Q1 2023	\$ 0.0010	\$ 0.2651	(\$220.90)
(3)	Q3 2024	12/1/2024	12	11/30/2025	\$ (0.1297)	Q2 2023	\$ -	\$ 0.1089	(\$156.24)
(4)	Q4 2024	3/1/2025	12	2/28/2026	\$ 0.0049	Q3 2023	\$ 0.0001	\$ 0.0865	(\$22.40)
					\$ (0.1019)		\$ 0.0013		
					Monthly QCA ¹				
(5)	Q1 2025	3/1/2025	3	5/31/2025	\$ (0.1006)				

¹ The Monthly QCA rate is a summation of the total QCA Rates and the R Factors for the previous 4 quarters.

This tariff filing reflects a proposed Monthly QCA Rate per MMBtu of (\$0.1006) compared to the current Monthly QCA Rate of \$0.0865 per MMBtu.

EMW QCA Rates and Reports

Due to delays in billing and accounting processes, preliminary quarterly reports provided at the time of QCA Rate may not be complete and reflective of actual fuel costs. To resolve this, the billing report provided to the Department of Energy by EMW is utilized for actual fuel costs for the QCA Rate if the quarterly report is incomplete.

Also included on EMW quarterly reports is an Auxiliary Electric Power Allocation the Commission approved in Case No. ER-2022-0130.² This allocated credit is not utilized in the calculation of EMW’s QCA Rate as an actual fuel cost.

Comparison to the Monthly QCA Rate for the Same Quarter of the Previous Year

The proposed Monthly QCA Rate for the first quarter 2025 reflects a decrease of \$441,973 in adjusted fuel costs, when compared to the same fuel costs for the Monthly QCA Rate for the first quarter 2024. The company states the decrease in the QCA rate is driven by lower natural gas

² Evergy Missouri West Electric Steam Allocations Manual, pages 5 and 11.

prices.³ The Reconciliation Rate component or “R Factor” reflects a decrease of \$34,208 when compared to the same quarter last year.⁴

Staff reviewed the data and calculations EMW provided in its worksheets and determined that EMW’s calculations related to the filed tariff sheet are correct, and that the calculations satisfy the standards set forth in EMW’s Tariff Sheet Nos. 6.6 through 6.10. The calculations are also consistent with previous EMW QCA Rate filings.

Customer Billing Comparison

The following table compares, per thousand MMBtu, the proposed cost for customers receiving steam service for the period June 1, 2025 through August 31, 2025,⁵ to the current period of March 1, 2025, through May 31, 2025⁶:

Billing Comparison from Q4 2024 to Q1 2025		
Q4 2024 Billing	Q1 2025 Billing	Difference
(\$22.40)	(\$187.10)	(\$164.70)

Adding the previous three QCA rates and R Factor rates, this proposed QCA Rate and R Factor rate results in a decrease of a steam customer’s bill of \$164.70 for every thousand MMBtu for the billing period June 1, 2025 through August 31, 2025, compared to the 2024 fourth quarter billing period.

Staff Recommendation

Staff recommends the Commission approve EMW’s proposed filed substitute tariff sheet with the effective date of June 1, 2025:

P.S.C. MO. No. 1

64th Revised Sheet No. 6.10, Canceling 63rd Revised Sheet No. 6.10

³ Natural gas cost approximately \$2.62 per MMBtu in the first quarter 2024, compared to approximately \$3.65 per MMBtu in first quarter 2025.

⁴ The R Factor in this filing is a comparison of the balance of the reconciliation amount per QCA period from the first quarter 2023 through fourth quarter 2024.

⁵ (\$0.1006) per MMBtu.

⁶ \$0.0865 per MMBtu.

Staff has verified that EMW filed its Annual Report and is current on its submission of its Surveillance Monitoring reports. Staff is not aware of any other matter pending before the Commission that affects this tariff filing. Staff's basis for Commission approval of the QCA Rate in this case is solely on the accuracy of EMW's calculations and R Factor adjustments outlined above and is not indicative of the prudence of the fuel costs included in EMW's QCA Rate filing.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.'s)
d/b/a Evergy Missouri West Tariffs Changing)
the Steam QCA for Service Provided to)
Customers in its Service Territory)

File No. HT-2025-0280

AFFIDAVIT OF RUSSELL DRURY

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW RUSSELL DRURY and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



RUSSELL DRURY

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 7th day of May 2025.





Notary Public