

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

In the Matter of Evergy Missouri West, Inc.,)	
d/b/a Evergy Missouri West's Request for)	<u>Case No. HR-2026-0109</u>
Authority to Implement A General Rate Increase)	Tracking No. JE-2026-0077
For Steam/Heat Service)	

RECOMMENDATION TO APPROVE TARIFF

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its recommendation that the Commission approve the tariff sheet filed by Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy") states the following:

1. On December 30, 2025, Evergy, Staff, and the Office of Public Counsel ("OPC") filed a *Joint Motion for Order Recognizing Extension of Tariff Effective Date* requesting the Commission issue an order recognizing a change in the proposed effective date of Evergy's proposed tariff revision (JE-2026-0077) from January 1, 2026 to January 18, 2026. This date change was intended to allow further communication between the parties in an effort to address questions and concerns of Staff and OPC.

2. On December 31, 2025, the Commission issued its *Order Acknowledging Suspension of Tariff Sheet*.

3. As more fully detailed in the attached Memorandum, Staff has reviewed Evergy's tariff sheet P.S.C. MO. No. 1 4th Revised Sheet No. 2, cancelling P.S.C. MO. No. 1, 3rd Revised Sheet No. 2. Staff recommends that the Commission allow Evergy's tariff to go into effect on or after January 18, 2026.

WHEREFORE, Staff respectfully submits this Staff Recommendation to Approve Tariff, and respectfully requests the Commission approve the tariff filed by Evergy and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Casi Aslin

Casi Aslin
Missouri Bar No. 67934
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8517
casi.aslin@psc.mo.gov

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 16th day of January, 2026.

/s/ Casi Aslin

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. HR-2026-0109
Eversource Missouri West, Inc.

FROM: Matthew Young – Auditing Department
Amanda Arandia – Engineering Analysis Department
Jarrod J. Robertson – Water, Sewer, Gas and Steam Department

/s/ Jarrod Robertson / 1-16-2026
Case Manager / Date

SUBJECT: Staff's Recommendation to Approve Request for Rate Increase

DATE: January 16, 2026

EXECUTIVE SUMMARY & CASE BACKGROUND

On October 20, 2025, Eversource Missouri West, Inc. ("Eversource") filed a *Notice of Intended Case Filing*, with the Public Service Commission ("Commission"), stating Eversource's intent to file tariffs to initiate a general rate case proceeding seeking an increase in its steam/heat rates, 60 days from the date of this notice. Also in this filing, Eversource declared revenue requirement would be an issue in the upcoming rate case, and that it may seek a waiver, pursuant to CSR 4240-4.017(1)(D) so that it may file earlier than 60 days from the date of this Notice.

On December 8, 2025, Eversource filed a *Notice of Stipulation and Agreement and Request for Variance*, containing a Notice of Settlement, and five (5) Executed Settlement Letters, as well as a standalone filing, *Stipulation and Agreement*. The Notice of Settlement involved Eversource and its five (5) steam customers, Ag Processing, Inc. ("AGP"), Albaugh, L.L.C. ("Albaugh"), Nestle Purina Pet Care ("Nestle"), Omnium (Land O' Lakes, Inc.) ("Omnium"), and Triumph Foods ("Triumph"), acknowledging support of the settlement and subsequent rate increase to be effective, January 1, 2026. Five settlement execution letters, corresponding to each of the five customers previously mentioned, were attached to this filing. The *Stipulation and Agreement* ("Agreement") states that Eversource has been authorized by each of its steam customers to file said Agreement, representing each customer supports its approval, and while Eversource apprised Staff of the Public Service Commission ("Staff") and the Office of Public Counsel ("OPC") of this Agreement, Staff

and OPC did not participate in the negotiations leading up to its filing. Attached to this Agreement were three revised tariff sheets, containing the proposed rates with no issue or effective date.

On December 16, 2025, Staff filed a *Response to Filing*, respectfully requesting the Commission reject Evergy Missouri West's December 8, 2025, filing.

On December 17, 2025, the Commission filed an *Order Shortening Time for Responses to Staff Response to Filing*, to a deadline of December 19, 2025.

Also, on December 17, 2025, the Office of Public Counsel ("OPC") filed its *Suggestions in Support of Staff's Response to Filing*.

On December 19, 2025, Evergy filed *Tariff Revision (JH-2026-0077)*, which contained a Letter of Transmittal, two revised tariff sheets, one a proposal and the other a read-line version, and a separate filing, *Reply to Staff and OPC Responses*, which provided an Evergy West Steam Revenue Requirement Model and a letter requesting the Commission order Staff to review the exemplar tariffs so that the Company can file compliance tariff that can go into effect as soon as possible.

On December 23, 2025, Evergy filed a *Motion for Expedited Treatment*, requesting the Commission issue an order that permits the Tariffs to become effective on January 1, 2026. Later same day, the Commission filed an *Order Shortening Time for Responses to Stipulation and Agreement and Request for Variance*, with a filing deadline of December 30, 2025.

On December 30, 2025, a *Joint Motion for Order Recognizing Extension of Tariff Effective Date (JH-2026-0077)*, was filed on the behalf of Evergy, Staff and OPC, requesting the Commission issue an order recognizing Evergy's extension of the effective date of tariff revision JE-2026-0077 from January 1, 2026, to January 18, 2026, in furtherance of resolving Staff's and OPC's questions,

and which relieves the Parties in this case from responding to Evergy's Motion for Expedited Treatment as unnecessary.

On December 31, 2025, the Commission filed its *Order Acknowledging Suspension of Tariff Sheet* and relieving all parties from needing to respond to the Commission's order, issued December 23, 2025.

REVENUE REQUIREMENT

On December 8, 2026, Evergy filed an Agreement and explained that Evergy and all of its steam heat customers have agreed to increase base tariffed rates sufficient to recover \$18,973,072 annually as a substitute for a Staff Assisted Rate Case proceeding. The Agreement also states that there will be no change to the Quarterly Cost Adjustment ("QCA") base rate. To support the Agreement, Evergy provided Staff and the Office of the Public Counsel ("OPC") a revenue requirement model supporting a \$19,582,877 ongoing cost of service, although its customers have negotiated with Evergy to set ongoing rates \$609,805 below what Evergy would request in a rate case.

In most aspects, Evergy's revenue requirement model for steam operations is the same model Evergy used to support its true-up case for its electric operations in docket ER-2024-0189. In the 2024 electric docket Evergy's model was based on a 12-month test year ending June 30, 2023, and reflected a true-up of known and measurable changes through June 30, 2024. To reflect ongoing electric operations, Evergy made a series of income statement adjustments to the test year and supporting rate base values at the true-up date. Evergy's current revenue requirement model for the steam business reflects the same values for the test year and many of the same adjustments Evergy supported costs that are allocated between the electric and steam jurisdictions.

However, the current steam model contains adjustments that are only related to steam operations and were not supported by Evergy through workpapers, testimony, discovery, etc. during the audit of electric operations in ER-2024-0189. Since Staff has not had an opportunity to audit and review

these steam adjustments, Staff cannot provide an opinion on if they are just and reasonable. Unsupported Evergy adjustments reflected in its steam model include:

- CS-24S & CS-24S1 – Fuel & PP Energy
- CS-80 – Rate Case Expense
- CS-85 – Regulatory Assessments
- Ongoing Depreciation Rates
- Fuel Inventory
- Pension (ERISA) Tracker
- Other minor cost items

To evaluate the steam cost of service at a high level, Staff altered Evergy's model to reflect Staff's ER-2024-0189 true-up positions on rate base, revenues, expenses, income taxes, jurisdictional allocators, and capital structure to the extent positions were taken. Some items in the steam revenue requirement model were not relevant to the electric case, so there is not a Staff position to reflect. Inserting Staff's electric positions into Evergy's steam model resulted in a \$163,326 increase to the revenue requirement. To reiterate, Evergy's steam model reflecting Staff's ER-2024-0189 positions still includes Evergy's adjustments for steam operations that have not been supported by workpapers, testimony, and discovery necessary for an audit by Staff.

Also embedded in Evergy's steam revenue requirement model is a change in depreciation rates that is not addressed in the Agreement. Staff's position on ongoing depreciation rates is explained in the Depreciation portion of this memo. Reverting the depreciation rates in the model to the Commission-approved percentages reduces the cost of service by approximately \$162,000. Staff's high-level analysis does not produce a revenue requirement supported by Staff, but indications show that Evergy's cost of service for its steam business is reasonably expected to approximate, or exceed, the revenue underlying the Agreement.

DEPRECIATION

Staff's understanding is that Evergy is not requesting a change in depreciation rates at this time as the stipulation contains no mention of such request. Evergy shall continue using Commission approved depreciation rates as ordered in File No. ER-2004-0034, herein attached as Schedule AA-1.

RATE AND TARIFF MATTERS

Evergy has submitted tariff sheet P.S.C. MO. No. 1, 4th Revised Sheet No. 2, cancelling P.S.C. MO. No. 1, 3rd Revised Sheet No. 2. This tariff sheet was filed December 19, 2025, with a proposed effective date of January 1, 2026. On December 31, 2025, the Commission suspended the effective date until January 18, 2026. Staff has reviewed the tariff sheet and has no proposed edits.

OTHER ISSUES

Evergy is a corporation that is in “good standing” with the Missouri Secretary of State.

Evergy is current with annual report filings with the Commission through calendar year 2024, as documented on the Commission’s Electronic Filing and Information System (“EFIS”).

Evergy is current on its annual assessment quarterly payments through the first quarter of fiscal year 2025.

Evergy has other pending cases before the Commission, but none that would impact this decision.

STAFF RECOMMENDATIONS AND CONCLUSIONS

Based on its limited review and because Evergy represents in the Agreement that each steam customer supports its approval, Staff recommends the Commission approve Evergy’s request for a rate increase and approve Evergy’s tariff sheet P.S.C. MO No. P.S.C. MO. No. 1, 4th Revised Sheet No. 2.

ATTACHMENTS

A. AA-1 Depreciation Schedule

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI


In the Matter of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West's Request for)	Case No. HR-2026-0109
Authority to Implement a General Rate)	
Increase for Steam/Heat Service)	

AFFIDAVIT OF MATTHEW R. YOUNG

STATE OF MISSOURI)
)
COUNTY OF Jackson) ss.

COMES NOW MATTHEW R. YOUNG 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.

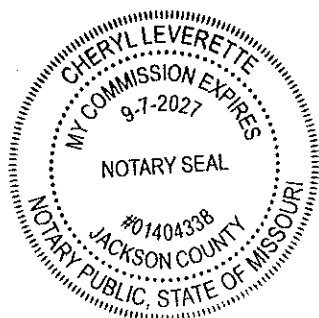
Further the Affiant sayeth not.

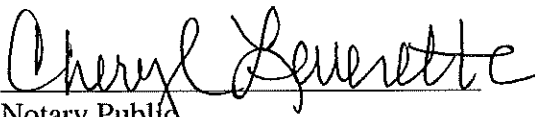


MATTHEW R. YOUNG

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 14th day of January 2026.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West's Request for)	Case No. HR-2026-0109
Authority to Implement a General Rate)	
Increase for Steam/Heat Service)	

AFFIDAVIT OF AMANDA ARANDIA

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

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

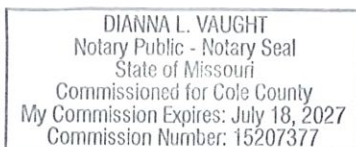
Further the Affiant sayeth not.

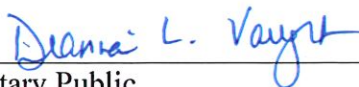


AMANDA ARANDIA

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 13th day of January 2026.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West's Request for)
Authority to Implement a General Rate)
Increase for Steam/Heat Service)

Case No. IIR-2026-0109

AFFIDAVIT OF JARROD J. ROBERTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JARROD J. ROBERTSON 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.

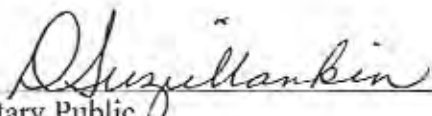
Further the Affiant sayeth not.


JARROD J. ROBERTSON

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 14th day of January 2026.




Notary Public

EVERGY MISSOURI WEST, INC INDUSTRIAL STEAM DEPRECIATION RATES AS ORDERED IN CASE NO. ER-2004-0034				
ACCOUNT NUMBER	ACCOUNT	DEPRECIATION RATE (%)	AVERAGE SERVICE LIFE (Years)	IOWA CURVE
STEAM PRODUCTION PLANT				
31109	Structures and Improvements	2.22	45	R0.5
31209	Boiler Plant Equipment	2.22	45	R2
31409	Turbogenerator Units	2.22	45	R4
31509	Accessory Electric Equipment	2.63	38	R1.5
31609	Miscellaneous Power Plant Eq.	2.86	35	R5
STEAM DISTRIBUTION PLANT				
37509	Structures and Improvements	2.22	45	R0.5
37609	Mains	2.27	44	R2
37909	Measuring and Regulating Station Eq. - City Gate	2.27	44	R3
38009	Services	2.27	44	S5
38109	Meters	4.00	25	L4