

FILED
May 7, 2015
Data Center
Missouri Public
Service Commission

Exhibit No.:
Issues: Fuel Adjustment Clause
Witness: David C. Roos
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: ER-2014-0351
Date Testimony Prepared: March 24, 2015

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

SURREBUTTAL TESTIMONY

OF

DAVID C. ROOS

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2014-0351

*Jefferson City, Missouri
March 2015*

**** Denotes Highly Confidential Information ****

NP

~~Staff~~ Exhibit No. 223
Date 4-14-15 Reporter KF
File No. ER-2014-0351

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

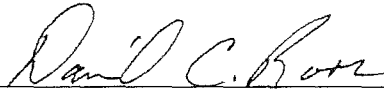
In the Matter of The Empire District)
Electric Company for Authority to File)
Tariffs Increasing Rates for Electric)
Service Provided to Customers in the)
Company's Missouri Service Area.)

Case No. ER-2014-0351

AFFIDAVIT OF DAVID C. ROOS

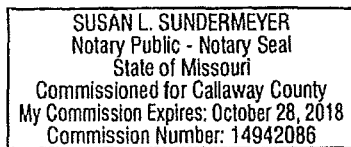
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

David C. Roos, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 3 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



David C. Roos

Subscribed and sworn to before me this 24th day of March, 2015.





Notary Public

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

SURREBUTTAL TESTIMONY

OF

DAVID C. ROOS

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2014-0351

Q. Please state your name and business address.

A. My name is David C. Roos and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102.

Q. What is your position at the Commission?

A. I am a Regulatory Economist III in the Energy Unit of the Regulatory Review Division.

Q. Are you the same David C. Roos that contributed to Staff's Revenue Requirement Cost of Service Report ("COS") filed on January 29, 2015, and to Staff's Rate Design and Class Cost of Service Report ("CCOS") filed on February 11, 2015, and who filed rebuttal testimony on March 9, 2015?

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to provide Staff's revised (March 19, 2015) calculation, after corrections and updates, of the Base Factor for The Empire District Electric Company's ("Empire") Fuel Adjustment Clause ("FAC") which was originally contained in the CCOS and subsequently updated in my rebuttal testimony. I also provide a list of Empire sub-accounts that are included in the FAC and sub-accounts that are explicitly excluded from the FAC. This surrebuttal testimony responds to Empire witness

Surrebuttal Testimony of
David C. Roos

1 | Aaron J. Doll's rebuttal testimony and includes the updates provided by Staff witness Kim
2 | Bolin in her response to Empire witnesses Todd W. Tartar's and Aaron J. Doll's rebuttal
3 | testimonies.

4 | **Staff's Revised FAC Base Factor**

5 | Q. What revisions did Staff make to its calculation of Empire's Base Factor since
6 | the filing of rebuttal testimony?

7 | A. Staff made the following revisions:

8 | (1) Staff updated the Base Factor calculation using revised, annualized revenues for
9 | sales for resale in sub-accounts 447.113, 447.124, 447.133, and 447.143. The revised,
10 | annualized total company amount for these four subaccounts is ** _____ ** , which is
11 | ** _____ ** from Staff's previous estimate.

12 | (2) Staff has included the annualized revenues of ** _____ ** in sub-account
13 | 457.137 for Southwest Power Pool ("SPP") Schedule 7 Firm PTP as an offset to net account
14 | 565 transmission expenses.

15 | (3) Staff inadvertently excluded some of SPP's integrated market (IM) expenses in
16 | account 555. These costs are now included as an offset to off-system sales in account 447.
17 | The amount of net off-system sales is ** _____ **

18 | (4) Staff has revised the net system input (NSI) to account for customer growth. The
19 | revised NSI is ** _____ ** which is ** _____ **
20 | from Staff's previous estimate.

21 | Q. What is Empire's Base Factor after corrections and updates?

22 | A. Empire's Base Factor after corrections and updates is \$0.02754 per kWh.

23 | Q. What is the difference between Staff's Base Factor filed in rebuttal and the
24 | Base Factor for this surrebuttal testimony?

Surrebuttal Testimony of
David C. Roos

1 A. Staff's Base Factor filed in its rebuttal was \$0.02443 per kWh, whereas the
2 Base Factor for this surrebuttal testimony is \$0.02754 per kWh, for an increase of \$0.00311
3 per kWh. A comparison of Staff's revised Base Factor with Empire's current FAC Base
4 Factor and the Company's proposed Base Factor is provided on HC Schedule DCR-S1.

5 **List of FAC Sub-Accounts**

6 Q. What Empire sub-accounts did Staff use to calculate the Base Factor for the
7 FAC?

8 A. A list of Empire sub-accounts that Staff used to calculate the Base Factor is
9 provided in Schedule DCR-S2. This schedule shows the sub-accounts that Staff included in
10 the calculation of the Base Factor and specific sub-accounts that are excluded from the
11 calculation.

12 Q. Does this conclude your testimony?

13 A. Yes.

Schedule DCR-S1

Is Deemed

Highly Confidential

In Its Entirety

SCHEDULE DCR-S2
List of Sub-Accounts Included and Excluded for FAC

<u>GL</u>	<u>Descriptions</u>	<u>GL</u>	<u>Descriptions</u>	<u>GL</u>	<u>Descriptions</u>
501	<u>Included:</u>	506	<u>Included:</u>	555	<u>Included:</u>
501042	Fuel - Coal	506127	Limestone Expense - Iatan	555430	Direct Purchases
501045	Fuel - Oil	506128	Powdered Activated Carbon	555431	Purchase Power Tolling Fees
501054	Fuel - Natural Gas	506129	Ammonia Expense	555432	Energy Imbalance
501183	Sales Of Ash	506201	Limestone Expense	555437	Interrupt Svc Compensation
501211	Ineffect (Gain)Loss Deri Steam	506202	Ammonia Expense	555800	DA Asset Energy
501212	Effective (Gn)Lss Deriv Steam	506203	Powdered Activated Carbon	555810	DA Non-Asset Energy
501216	NonFAS133Deriv(Gain)/LossSteam	506204	Lime Expense	555820	DA Virtual Energy
501300	Fuel - Tires			555840	DA Reg-Up
501401	Ops Mtls-Fuel Handling	548	<u>Included:</u>	555850	DA Reg-Down
501607	Fuel Adm E Trader Commission	548202	Ammonia Expense	555860	DA Spinning
				555870	DA Supplemental
501	<u>Excluded:</u>	447	<u>Included:</u>	555880	DA Other
501011	Conv & Seminar-Fuel	447113	Gen Ark Off-Sys Sale-Resale	555900	RT Asset Energy
501400	Ops Labor-Fuel Handling	447124	Gen Ks Off-System Sale-Resale	555910	RT Non-Asset Energy
501601	Fuel Administration - Asbury	447133	Gen Mo Off-Sys Sale-Resale	555920	RT Virtual Energy
501604	Fuel Administration - Riverton	447143	Gen Ok Off-Sys Sales-Resale	555940	RT Reg-Up
501605	Fuel Administration Plum Point	447810	SPP IM Revenue - AR	555950	RT Reg-Down
		447820	SPP IM Revenue - KS	555960	RT Spinning
547	<u>Included:</u>	447830	SPP IM Revenue - MO	555970	RT Supplemental
547205	Natural Gas SLCC Tolling	447840	SPP IM Revenue - OK	555980	RT Other
547206	Nat Gas-Tolling SLCC Ineffectiv			555990	TCR Activity
547207	Nat Gas-Tolling SLCC Effective	447	<u>Excluded:</u>	555995	ARR Activity
547208	Comb Turb Fuel Sales - Nat Gas	447430	Aec - Off-Sys-Missouri		
547210	Combust Turb Fuel Natural Gas	447540	Oklahoma G R D A Off-System	565	<u>Included:</u>
547211	Ineffect (Gain)Loss Deriv Gas	447610	Energy Imbalance - Arkansas	565413	Trans Of Electricity By Others
547212	Effective (Gain)Loss Deriv Gas	447620	Energy Imbalance - Kansas	565414	SPP Fixed Chg - Native Load Exclude S1-A
547213	Fuel - No 2 Oil Fuel	447630	Energy Imbalance - Missouri	565416	Non SPP Fixed Chg -Native Load
547301	NonFAS133 Deriv (Gain)/Loss	447640	Energy Imbalance - Oklahoma	565417	PP Non SPP Var - Native Load
547607	Fuel Adm E Traders Commission			565418	Gen Non SPP Var - Native Load
		457	<u>Included:</u>	565419	Off Sys Sales Trans Costs
547	<u>Excluded:</u>	457133	Oth EI Rev-Reg & Freq Response		
547605	Fuel Adm State Line	457135	Oth EI Rev-Oper ReservSpinning	565	<u>Excluded:</u>
547606	Fuel Adm Energy Center	457136	Oth EI Rev-Oper Reserv Supplem	565414	SPP Schedule 1-A only
547210	Natural gas and fixed transportation &	457137	Ot EI RvOffSys LTFSTF PTP Trns	565415	SPP Var Chg Schedule 12
		457138	Ot EI RvOffSys NnFrm PTP Trns	456	<u>Included:</u>
411	<u>Included:</u>	457139	Ot EI RvOffSys NITS Rev	456071	Misc Elec Rev-Green Credits-AR
411800	Gains-Disposition Emmiss Allow	457140	Oth EI Rev-Off-Sys Losses	456072	Misc Elec Rev-Green Credits-KS
		457141	Sch 11 NITS	456073	Misc Elec Rev-Green Credits-MO
509	<u>Included:</u>	457142	Sch 11 PTP	456074	Misc Elec Rev-Green Credits-OK
509052	Emission Allowance Exp	457160	Sch 1 PTP		

Removed from List:

924XXX Ins. premium for replacement power

List of Sub-Accounts Included and Excluded for FAC