

# EXHIBIT

Exhibit No.:

Issue(s):

Witness/Type of Exhibit:

Sponsoring Party:

Case No.:

Fuel Adjustment Clause

Mantle/Rebuttal

Public Counsel

ER-2014-0351

FILED

May 7, 2015

Data Center

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Service Commission

## REBUTTAL TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2014-0351

Marc 9, 2015

CPC Exhibit No. 304  
Date 4-14-15 Reporter XF  
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 ) Case No. ER-2014-0351  
 Rates for Electric Service Provided to Customers )  
 in the Company's Missouri Service Area. )

**AFFIDAVIT OF LENA MANTLE**

**STATE OF MISSOURI** )  
 ) ss  
**COUNTY OF COLE** )

Lena Mantle, of lawful age and being first duly sworn, deposes and states:

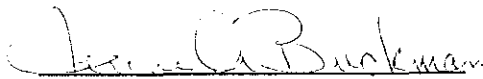
1. My name is Lena Mantle. I am a Senior Analyst for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
 Lena M. Mantle  
 Senior Analyst

Subscribed and sworn to me this 9<sup>th</sup> day of March 2015.



JERENE A. BUCKMAN  
 My Commission Expires  
 August 23, 2017  
 Cole County  
 Commission #13754037

  
 Jerene A. Buckman  
 Notary Public

My Commission expires August 23, 2017.

**REBUTTAL TESTIMONY**

**OF**

**LENA M. MANTLE**

**THE EMPIRE DISTRICT ELECTRIC COMPANY**

**CASE NO. ER-2014-0351**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Lena M. Mantle and my business address is P.O. Box 2230, Jefferson City,  
3 Missouri 65102. I am a Senior Analyst for the Office of the Public Counsel (“OPC”).

4 **Q. ARE YOU THE SAME LENA M. MANTLE THAT PROVIDED DIRECT**  
5 **TESTIMONY IN THIS CASE?**

6 A. Yes, I am.

7 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

8 A. In his direct testimony, the Empire District Electric Company (“Empire”) witness W. Scott  
9 Keith proposes that the balance in the investment tax credit (“ITC”) recovery tracking  
10 account be included in the fuel adjustment clause (“FAC”) calculation as a reduction in  
11 energy costs. My testimony addresses this issue.

12 **Q. WHY WAS THE ITC RECOVERY TRACKING ACCOUNT SET UP?**

13 A. According to the Commission-approved *Nonunanimous Stipulation and Agreement* filed in  
14 Empire’s last rate case, Case No. ER-2012-0345, Empire was authorized to set up an  
15 account to track the revenue related to recovery of an Iatan 2 ITC tax liability.

16 **Q. WHY IS THIS AN ISSUE IN THIS CASE?**

17 A. On page 22 of his direct testimony Mr. Keith states that as a result of the approval of the  
18 *Nonunanimous Stipulation and Agreement*, Empire recovered more than the ITC tax

1 liability amount. The issue in this case is how to handle the over-recovery shown in this  
2 account.

3 **Q. WHAT IS MR. KEITH'S RECOMMENDATION REGARDING THIS OVER-**  
4 **RECOVERY?**

5 A. On page 23 of his direct testimony, Mr. Keith provides the following recommendation:

6 Empire recommends that the balance in the ITC recovery account at  
7 February 28, 2015, be included in the FAC calculation at that date as a  
8 reduction in energy costs. This treatment will ensure the return of this  
9 money to Empire's Missouri customers, and eliminates the swings in cost  
10 recovery that ultimately takes place trying to reflect this sort of non-  
11 recurring issue in a general rate case using a historical test year to establish  
12 a revenue requirement.

13 **Q. IS THE FAC THE APPROPRIATE PLACE TO RETURN SUCH A BALANCE TO**  
14 **CUSTOMERS?**

15 A. No, it is not. According to § 386.266, RSMo., the FAC is to reflect increases and decreases  
16 to electric utilities' prudently incurred fuel and purchased-power costs including  
17 transportation. The over-collection of a tax liability is not a fuel, purchased-power or  
18 transportation cost. Therefore the FAC should not be used to return the over-collection of  
19 any cost that is not a fuel, purchased power or transportation cost.

20 **Q. WHAT IS THE APPROPRIATE TREATMENT OF THIS OVER-RECOVERY?**

21 A. OPC witness Keri Roth provides a description of the appropriate treatment of this over-  
22 recovery beginning on page 7 of her direct testimony filed in this case

23 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

24 A. Yes, it does.