Exhibit No.:

Issue: Economic Development Riders

Witness: Nancy L. Harris
Sponsoring Party: MoPSC Staff

Type of Exhibit: True-Up Direct Testimony

Case No.: ER-2019-0374
Date Testimony Prepared: March 27, 2020

# MISSOURI PUBLIC SERVICE COMMISSION INDUSTRY ANALYSIS DIVISION TARIFF AND RATE DESIGN DEPARTMENT

# TRUE-UP DIRECT TESTIMONY

**OF** 

**NANCY L. HARRIS** 

THE EMPIRE DISTRICT ELECTRIC COMPANY

**CASE NO. ER-2019-0374** 

Jefferson City, Missouri March 2020

## 1 TRUE-UP DIRECT TESTIMONY OF 2 **NANCY L. HARRIS** 3 THE EMPIRE DISTRICT ELECTRIC COMPANY 4 **CASE NO. ER-2019-0374** 5 Q. Please state your name and business address. 6 A. My name is Nancy L. Harris and my business address is Missouri Public Service 7 Commission, P.O. Box 360, Jefferson City, Missouri, 65102. 8 Q. By whom are you employed and in what capacity? 9 A. I am employed by the Missouri Public Service Commission ("Commission") 10 as a Utility Regulatory Auditor of the Tariff and Rate Design Department of the Industry 11 Analysis Division. A copy of my credentials is attached to the Staff's Cost of Service Report 12 ("COS Report") filed on January 15, 2020, in this matter, to which I contributed. 13 Q. What is the purpose of your testimony? 14 A. The purpose of my testimony is to address the true-up revenue impact of 15 customers served on The Empire District Electric Company's ("Empire" or "Company") 16 Limited Large Customer Economic Development Rider ("LLCEDR").<sup>1</sup> 17 Q. Did Staff calculate a revenue impact of the customers served on Empire's 18 LLCEDR tariff in its direct-filed case? 19 A. No. Staff's direct-filed case included the 12 months ending September 2019 and 20 one LLCEDR customer was estimated to start service in September 2019. Therefore, there 21 were no customer bills in September 2019 that received a discount under the LLCEDR tariff.

<sup>&</sup>lt;sup>1</sup> The purpose of the Limited Large Customer Economic Development Rider is to comply with Mo. Rev. Stat. Section 393.1640 (2018).

1	Q.	Are there any LLCEDR customers served by Empire for the 12 months ending		
2	January 31, 20	)20?		
3	A.	In response to Staff Data Request No. 0104.4, Staff found that the one LLCEDR		
4	customer that	was estimated to begin service in September 2019; did receive a bill in September		
5	of 2019, but it	was for 0 kWh usage and \$0. The first bill the customer received that contained		
6	usage was on	March 3, 2020 for service from February 2, 2020. However, Staff learned that		
7	the customer	is not currently receiving a discount under the LLCEDR tariff. The Company		
8	asserts that this is due to the customer not reaching full production level loading yet			
9	The Company	did not provide an estimated time for when the customer would reach full		
10	production level.			
11	Q.	Does the LLCEDR tariff specify at which time the discount should apply to a		
12	customer's bill?			
13	A.	Paragraph 4 under the Applicability section of the LLCEDR tariff is		
14	provided below:			
15 16 17 18 19 20 21 22		4. Service under this Rider shall begin on the date when the meter associated with the qualifying incremental load is permanently set. However, if the permanent meter is set prior to occupancy and operation of the associated facility, the Customer will notify the Company when operation begins and service of this Rider shall begin at such time as operation begins. If the qualifying incremental load is measured rather than metered, service under this Rider shall begin upon notification to the Company by the Customer when operation begins.		
23	Staff h	as submitted a follow-up data request to determine whether the customer's meter		
24	currently in pl	ace is its permanent meter, a temporary construction meter or was set prior to the		
25	customer's occupancy.			
26	Q.	Did the Company provide an estimated revenue impact of the LLCEDR discount		
27	for this custon	ner in its direct filed case?		

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- A. Yes. However, Empire calculated the estimated revenue impact based on the customer being served on the LPS rate schedule and the customer is currently being served on the General Power (GP) rate schedule rather than the LPS rate schedule.<sup>2</sup> Additionally, as already stated above, the customer is not currently being billed a discount under the LLCEDR tariff as of January 31, 2020. Therefore, the Company's estimated revenue impact is not accurate and not reflective of any discounts currently being applied to customers' bills.
  - Q. Does Staff have any other concerns with Empire's estimated revenue impact?
- A. Yes. It appears that Empire applied the discount percent to the Customer's total bill amount, which is not consistent with Section 393.1640, RSMo. The statute states that the discount shall be a percentage applied to all base-rate components of the bill. The Fuel Adjustment Clause charge and Excess Facility charge are separate riders and are not part of the LPS or GP class base rates.
  - Q. Does this conclude your true-up direct testimony?
- 14 A. Yes.

<sup>&</sup>lt;sup>2</sup> Staff Data Request No. 0104.4

# **BEFORE THE PUBLIC SERVICE COMMISSION**

## **OF THE STATE OF MISSOURI**

In the Matter of The Empire Dis	)	)		
Company's Request for Authorit	)	) Case No. ER-2019-0374		
Tariffs Increasing Rates for Elec	)			
Provided to Customers in its Mis	)			
Service Area		)		
AFF	IDAVIT OF N	JANCY L.	HARRIS	
STATE OF MISSOURI	)			
COUNTY OF COLE	) ss )	<b>5.</b>		

COMES NOW NANCY L. HARRIS and on their oath declares that they are of sound mind and lawful age; that they contributed to the foregoing True-Up Direct Testimony; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Nancy L. Harris NANCY L. HARRIS