Exhibit No.: Issue: Witness: Sponsoring Party: Type of Exhibit: Case No.: Date Testimony Prepared:

Economic Development Riders Nancy L. Harris MoPSC Staff True-Up Direct Testimony ER-2019-0374 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"). ¹		
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.		

¹ The purpose of the Limited Large Customer Economic Development Rider is to comply with Mo. Rev. Stat. Section 393.1640 (2018).

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1	Q.	Are there any LLCEDR customers served by Empire for the 12 months ending			
2	January 31, 2020?				
3	А.	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	А.	Paragraph 4 under the Applicability section of the LLCEDR tariff is			
14	provided belo	w:			
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 oc	cupancy.			
26	Q.	Did the Company provide an estimated revenue impact of the LLCEDR discount			
27	for this custor	ner in its direct filed case?			

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1	А.	Yes. However, Empire calculated the estimated revenue impact based on the				
2	customer bei	ng served on the LPS rate schedule and the customer is currently being served on				
3	the General	Power (GP) rate schedule rather than the LPS rate schedule. ² Additionally, as				
4	already state	d above, the customer is not currently being billed a discount under the LLCEDR				
5	tariff as of January 31, 2020. Therefore, the Company's estimated revenue impact is not					
6	accurate and not reflective of any discounts currently being applied to customers' bills.					
7	Q.	Does Staff have any other concerns with Empire's estimated revenue impact?				
8	А.	Yes. It appears that Empire applied the discount percent to the Customer's total				
9	bill amount,	which is not consistent with Section 393.1640, RSMo. The statute states that the				
10	discount sha	ll be a percentage applied to all base-rate components of the bill. The Fuel				
11	Adjustment Clause charge and Excess Facility charge are separate riders and are not part of the					
12	LPS or GP class base rates.					
13	Q.	Does this conclude your true-up direct testimony?				
14	А.	Yes.				
	1					

² Staff Data Request No. 0104.4

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric)	Case No. ER-2019-0374
Company's Request for Authority to File Tariffs Increasing Rates for Electric Service)	Case No. ER-2019-0574
Provided to Customers in its Missouri)	
Service Area)	

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)	
)	SS.
COUNTY OF COLE)	

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.

<u>/s/ Nancy L. Harris</u> NANCY L. HARRIS