



Liberty Utilities (The Empire District Electric Company)

Case No. ER-2021-0312

Office Public Counsel Data Request - 2052

Data Request Received: 2021-12-06

Response Date: 2022-01-13

Request No. 2052

Witness/Respondent: Tim Wilson

Submitted by: Geoff Marke, Geoff.Marke@opc.mo.gov

REQUEST:

Please provide each and every cost-benefit study and analysis related to Liberty's planned PISA investments. If there is no such study or analysis, why, explained in detail, is there not one?

OBJECTION SERVED VIA EMAIL 12/14/2021:

Empire objects to this DR on the bases that it is vague, unduly burdensome, and overly broad and seeks information which is not relevant and/or is not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, in that the DR does not define "PISA investments," is unlimited in time, assumes a requirement for a "cost-benefit study" on every "planned PISA investment," and does not demonstrate any relationship to any capital investment at issue in this rate case proceeding.

Subject to this objection and without waiving the same, Empire responds to the request with regard to its planned PISA investments with costs at issue in this rate case proceeding.

RESPONSE: ATTACHMENT CONFIDENTIAL PURSUANT TO 20 CSR 4240-2.135(2)(A)5

Empire conducts a cost-benefit analysis by following its "Capital Expenditures Planning and Management Policy" (CapEx Policy) for project justification and approvals and a budgeting process.

The CapEx policy is attached for reference, [LU Capital Expenditure Planning and Management Policy FINAL 3-19-20 CONFIDENTIAL.pdf](#). The intent of the policy is to: provide appropriate documentation; provide the appropriate information on necessity, scope, cost, and schedule; documentation of the approval process; establishes procedures to address changes, material variances, ongoing reporting, and closeout; and retain records in accordance with regulatory requirements and needs. This policy is used across the Company for consistent evaluation of capital projects across the

business units. The policy is not limited to the initial justification and approval; it also includes requirements for monthly reporting, project close out, and internal cost change order approvals. The CapEx Policy is separate from and in addition to the budgeting process.

While it is unclear whether this process falls within OPC's intended definition of a "Cost-Benefit Study" as requested in the DR, the Company has a robust and mature policy for project justifications. Included in the attached policy are the required templates that are created for each applicable project.