

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 17th
day of October, 2018.

In the Matter of the Propriety of the)	
Rate Schedules for Gas Service of)	<u>File No. GR-2018-0229</u>
Empire District Gas Company)	Tariff No. YG-2019-0050

NOTICE THAT TARIFFS WILL BE ALLOWED TO GO INTO EFFECT

Issue Date: October 17, 2018

On September 24, 2018, The Empire District Gas Company filed nine tariff sheets that were assigned Tariff File No. YG-2019-0050. Those tariffs would reduce Empire Gas' base rate revenue by \$773,566 to reflect part of the effect of the Tax Cuts and Jobs Act of 2017 on a going-forward basis. Empire Gas' tariff carries an effective date of October 24.

The Commission directed its Staff to file a recommendation regarding Empire Gas' tariff by October 12, and also ordered that any other party wishing to file a recommendation do so by October 12.

Staff filed its recommendation and memorandum recommending approval of the tariff on October 12. Staff's explains that the tariff proposed by Empire Gas addresses only one issue arising from the Tax Cuts and Jobs Act, the going-forward rate reduction. The tariff does not address, nor will approval of the tariff resolve, the issue of the flow-back of excess Accumulated Deferred Income Tax (ADIT), which the Commission has addressed in other cases involving the Tax Cuts and Jobs Act. Staff recommends the Commission take further action to address that issue.

The Missouri School Boards' Association also filed a recommendation on October 12. The School Boards' Association supports Staff's recommendation with regard to approval of Empire's filed tariff reduction dollar amount, but it does not support the single factor reduction for each rate schedule. Instead, it argues the resultant tax reduction to the School Transportation Program should be consistently applied to the fixed monthly charges and the non-supply volumetric charges. Tax benefits should not be passed through on a volumetric basis, nor should the benefits be credited to or through the PGA gas cost factor. Despite its expressions of concern, the School Boards' Association does not ask the Commission to suspend Empire Gas' tariff, and urges the Commission to quickly move this process to its conclusion so consumers can begin receiving the benefits of the Tax Cuts and Jobs Act.

The Commission hereby gives notice that The Empire District Gas Company's tariff will go into effect by operation of law on its proposed October 24, 2018 effective date. The Commission will address Staff's concerns about the flow-back of excess ADIT, as well as issues regarding the treatment of Empire Gas' earnings back to the effective date of the Tax Cuts and Jobs Act, in a subsequent order.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and
Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 17th day of October 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 17, 2018

File/Case No. GR-2018-0229

Missouri Public Service Commission

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.