

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Petition of The Empire District)
Electric Company d/b/a Liberty to Obtain a)
Financing Order that Authorizes the Issuance of) Case No. EO-2022-0040
Securitized Utility Tariff Bonds for)
Qualified Extraordinary Costs)

In the Matter of the Petition of The Empire District)
Electric Company d/b/a Liberty to Obtain a)
Financing Order that Authorizes the Issuance of) Case No. EO-2022-0193
Securitized Utility Tariff Bonds for Energy)
Transition Costs Related to the Asbury Plant)

LIST OF ISSUES AND PROPOSED HEARING SCHEDULE

COMES NOW The Empire District Electric Company d/b/a Liberty and submits this list of issues and proposed hearing schedule on behalf of all parties. In preparing this list of issues, the parties attempted to list all the contested issues, and attempted to obtain consensus on the descriptions of the issues. To the extent errors in issues or listed witnesses are discovered, the Commission will be advised as soon as possible. All parties do not agree that the issues listed herein are actually issues in this case. In order to prevent the need for filing multiple lists of issues, the parties have agreed to include all issues whether agreed to by opposing parties.

Parties

Staff
The Empire District Electric Company (“Liberty” or “Company”)
The Office of the Public Counsel (“OPC”)
Midwest Energy Consumers Group (“MECG”)
Renew Missouri Advocates (“RenewMO”)

List of Issues

- 1) What amounts should the Commission authorize Liberty to finance using securitized utility tariff bonds?
 - A) What amounts of qualified extraordinary costs should the Commission authorize Liberty to finance for Winter Storm Uri?
 - B) What amounts of energy transition costs should the Commission authorize Liberty to finance for Asbury?
- 2) Storm Uri
 - A) What amount of costs, if any, that Liberty is seeking to securitize would Liberty recover through customary ratemaking?
 - B) What is the appropriate method of customary ratemaking absent securitization?
 - C) Under RSMo. 393.1700.2(2)(e), what is the “customary method of financing”? What are the costs that would result “from the application of the customary method of financing and reflecting the qualified extraordinary costs in retail customer rates”?
 - D) Should Liberty’s recovery include more than 95% of fuel and purchased power costs?
 - E) Should Liberty’s recovery reflect an offset based on certain higher than normal customer revenues received by Liberty during Winter Storm Uri?
 - F) Should Liberty’s recovery reflect an offset based on revenues that Liberty’s Riverton 11 unit would have generated during Winter Storm Uri, and if so how much?
 - G) Should Liberty’s recovery reflect a disallowance based on Liberty’s resource planning?
 - H) Should Liberty’s recovery reflect a disallowance for income tax deductions for Winter Storm Uri costs?
 - I) What are the appropriate carrying costs for Winter Storm Uri?
 - J) What is the appropriate discount rate to use to calculate the net present value of Winter Storm Uri costs that would be recovered through customary ratemaking?
- 3) Asbury
 - A) How much of the amounts, if any, that Liberty is seeking to securitize for Asbury would Liberty recover through traditional ratemaking?
 - B) What is the appropriate method of customary ratemaking absent securitization?

- C) Under RSMo. 393.1700.2(1)(f), what is the “traditional method of financing”? What are the costs that would result “from the application of the traditional method of financing and recovering the undepreciated investment of facilities that may become securitized utility tariff costs from customers.”
- D) What is the net book value of the retired Asbury plant?
- E) Was it reasonable and prudent for Liberty to retire Asbury?
- F) What is the value of the Asbury environmental regulatory assets?
- G) What is the value of the Asbury fuel inventories?
- H) What are the values of the Accumulated Deferred Income Tax (ADIT) and Excess ADIT?
- I) What is the value of the Asbury AAO regulatory liability?
- J) What are the likely Asbury decommissioning costs
- K) What are the likely Asbury retirement obligations?
- L) What is the appropriate amount for Cash Working Capital?
- M) Should Liberty’s recovery reflect a disallowance of the remaining cost of the Air Quality Control System (AQCS), and if so how much?
- N) Should Liberty’s recovery reflect a disallowance for income tax deductions for Asbury abandonment?
- O) Should Liberty’s recovery reflect a disallowance for labor at Asbury?
- P) Should Liberty’s recovery include amounts for abandoned environmental capital projects?
- Q) Should Liberty’s recovery include basemat coal at Asbury?
- R) Should Liberty recovery include non-labor Asbury retirement costs?
- S) What is the amount of depreciation expense?
- T) What are the appropriate carrying costs for Asbury?
- U) What is the appropriate rate(s) of return that should be used to calculate the amount of recovery?
- V) What is the appropriate discount rate to use to calculate the net present value of Asbury costs that would be recovered through traditional ratemaking?

- 4) What are the estimated upfront and ongoing financing costs associated with securitizing qualified extraordinary costs associated with Winter Storm Uri and the energy transition costs associated with Asbury?
- 5) Would issuance of securitized utility tariff bonds and imposition of securitized utility tariff charges provide quantifiable net present value benefits to customers as compared to recovery of the securitized utility tariff costs that would be incurred absent the issuance of bonds?
 - A) What is the appropriate discount rate to use to calculate net present value of securitized utility tariff costs that would be recovered for Winter Storm Uri and Asbury through securitization?
- 6) Regarding any designated staff representatives, who may be advised by a financial advisor or advisors, what provisions or procedures should the Commission order to implement the requirements of Section 393.1700.2(3)(h)?
- 7) What other conditions, if any, are appropriate and not inconsistent with Section 393.1700, RSMo (Supp. 2021), to be included in the financing order?

Order of Opening Statements (Monday)

Liberty

MECG

RenewMO

Staff

OPC

Order of Cross Examination

For Liberty Witnesses: RenewMO, MECG, Staff, and OPC

For Staff Witnesses McMellen, Bolin, and Lange: RenewMO, MECG, Liberty, and OPC

For Staff Witnesses Fortson, Hull, Luebbert, and Davis: RenewMO, MECG, OPC, and Liberty

For OPC Witnesses: MECG, Staff, RenewMO, and Liberty

For RenewMO Witness: MECG, Liberty, Staff, and OPC

Order of Witnesses/Hearing Schedule

Monday	Tuesday	Wednesday	Thursday	Friday
Opening Statements	Dr. Brian Mushimba (Liberty)	Michael Mosindy ³ (Liberty)	Frank C. Graves (Liberty) ⁴	Sarah L.K. Lange (Staff)
John J. Reed (Liberty)	Shaen T. Rooney (Liberty)	Brad Fortson (adopting Brooke Mastrogiannis) (Staff)	Katrina T. Niehaus ⁵ (Liberty)	Dr. Geoff Marke (OPC)
Aaron J. Doll (Liberty)	Drew W. Landoll (Liberty)	Jordan T. Hull (Staff)	Mark Davis (Staff) ⁶	David Murray (OPC)
Charlotte T. Emery (adopting Matthew DeCoursey and Karen S. Hall) (Liberty)	Amanda C. McMellen (Staff)	J Luebbert (Staff)	John A. Robinett (OPC)	James Owen (Renew Missouri)
John P. Olsen ¹ (Liberty)	Kimberly K. Bolin (Staff)	<i>If time allows:</i> Sarah L.K. Lange (Staff)	John S. Riley (OPC)	
<i>If time allows:</i>	<i>If time allows:</i>		<i>If time allows:</i>	
Shaen T. Rooney ² (Liberty)	Brad Fortson (adopting Brooke Mastrogiannis) (Staff)	John A. Robinett (OPC)	Dr. Geoff Marke (OPC)	
	Jordan T. Hull (Staff)	Lena M. Mantle (OPC)	David Murray (OPC)	
	J Luebbert (Staff)	John S. Riley (OPC)	James Owen (Renew Missouri)	
	Sarah L.K. Lange (Staff)	Dr. Geoff Marke (OPC)		

¹ John Olsen is only available to testify on Monday, Wednesday, or Thursday.

² Shaen Rooney is not available to testify on Thursday.

³ Michael Mosindy is not available to testify Monday-Tuesday.

⁴ Frank Graves is not available to testify Monday-Wednesday.

⁵ Katrina Niehaus is not available to testify Monday-Tuesday.

⁶ Mark Davis is not available to testify on Wednesday.

WHEREFORE, The Empire District Electric Company d/b/a Liberty respectfully submits this list of issues and proposed hearing schedule on behalf of all parties.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 2nd day of June, 2022, and sent by electronic transmission to all counsel of record.

/s/ Diana C. Carter