

Exhibit No.:  
Issue: Fuel Adjustment – True-Up  
Witness: Bethany Q. King  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Empire District Electric  
File No. EO-2014-  
Date Testimony Prepared: March 2017

**Before the Public Service Commission  
Of the State of Missouri**

**Direct Testimony**

**Of**

**Bethany Q. King**

**March 2017**



**Empire District**  
A Liberty Utilities Company

DIRECT TESTIMONY  
OF  
BETHANY Q. KING  
THE EMPIRE DISTRICT ELECTRIC COMPANY  
BEFORE THE  
PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI  
FILE NO. EO-2017-

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Bethany Q. King and my business address is 602 S. Joplin Avenue,  
3 Joplin, Missouri.

4 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR JOB TITLE?**

5 A. I am presently employed by The Empire District Electric Co. (“Empire” or “the  
6 Company”) as the Manager of Strategic Planning.

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**  
8 **BACKGROUND FOR THE COMMISSION.**

9 A. I hold a Bachelor of Science degree in computational mathematics with majors in  
10 mathematics and computer science from Missouri Southern State University.  
11 Additionally I hold an Associates of Science degree in Computer Programming  
12 from Missouri Southern State University. I was employed by St John’s Regional  
13 Medical Center from 1998 to 2006 and served in various roles in the Information  
14 Technology Department including Network Engineer. In 2006, I began my  
15 employment with Empire as an Internal Auditor specializing in Information  
16 Technology and performed various audits related to SOX compliance, customer bill  
17 recalculations, inventory audits, and information technology process audits. I joined  
18 the Supply Management Department in 2009 as an Energy Trader and was

1 promoted to Planning Analyst in January 2014. My responsibilities were assisting  
2 with the Southwest Power Pool (SPP) Integrated Marketplace implementation  
3 project, natural gas hedge activity reporting, representing Empire as a voting  
4 member of the SPP Change Working Group and the Economic Studies Working  
5 Group, and various special studies related to the SPP marketplace and annual fuel  
6 and purchase power budgets. In June 2016, I accepted the position of Planning and  
7 Energy Efficiency Analyst in the Planning and Regulatory Department where I was  
8 responsible for the development of five year demand, energy, sales, and revenue  
9 budgets for electric, gas and water segments as well as monthly variance reporting  
10 and quarterly weather normalization studies. I was promoted to Manager of  
11 Strategic Planning in October 2016. My responsible include oversight of the  
12 development of annual demand, energy, sales, and revenue budgets, integrated  
13 resource planning and energy efficiency related program administration and  
14 analysis.

15 **Q. HAVE YOU EVER TESTIFIED BEFORE THIS OR ANY OTHER STATE**  
16 **UTILITY COMMISSION?**

17 A. Yes. I have testified on behalf of Empire before the Kansas Corporation  
18 Commission and the Corporation Commission of Oklahoma. The case references  
19 are attached to this testimony as Schedule BQK-1.

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

21 A. The purpose of my testimony is to identify and explain the true-up amount included  
22 in the Company's most pending Fuel & Purchased Power Adjustment Clause  
23 ("FAC") filing. Empire is filing to adjust the Fuel Adjustment Rate ("FAR") in a

1 separate filing, and the true-up amount (with interest) is a component of the FAR.  
2 The true-up is the over or under recovery of FAC balance from the prior recovery  
3 period. In other words, the true-up adjustment of the fuel & purchased power  
4 adjustment (“FPA”), as defined by tariff, is the difference between the FPA  
5 revenues billed and the FPA revenues authorized for collection during the true-up  
6 recovery period, i.e. the true-up adjustment.

7 **Q. PLEASE BRIEFLY EXPLAIN THE FAC PROCESS.**

8 A. The Commission’s rule governing fuel and purchased power cost recovery  
9 mechanisms for electric utilities – specifically 4 CSR 240-20.090(5) – requires  
10 Empire to make periodic FAC filings designed to enable Commission review of the  
11 actual fuel costs, purchased power costs, cost of consumables associated with the  
12 power plants’ air quality control system (“AQCS”), net cost of emission  
13 allowances, revenue from the sale of renewable energy credits (“REC”) and off-  
14 system sales revenues (collectively referred to as total energy costs) the Company  
15 has incurred during an Accumulation Period. In addition, these periodic filings are  
16 designed to adjust the FAC rates up or down, to reflect the actual energy costs  
17 incurred during the Accumulation Period. Empire’s FAC tariff calls for two annual  
18 filings: a filing covering the six-month Accumulation Period running from  
19 September through February and a second filing covering the Accumulation Period  
20 running from March through August. Any increases or decreases in rates approved  
21 by the Commission, or that take effect by operation of law, are then collected from  
22 or refunded to customers over two six-month Recovery Periods: June through  
23 November and December through May. In this instance, Empire is seeking an

1 increase in its FAC rates to reflect 95% of the difference between the base energy  
2 costs built into its base Missouri rates and Empire's actual Missouri energy costs  
3 for the Accumulation Period, plus a true-up of the costs recovered during the  
4 Recovery Period ending November 30, 2016. This recovery via FAC rates will be  
5 reflected on the Missouri customers' bills over the six-month Recovery Period  
6 running from June 2017 through November 2017.

7 **Q. WHAT WAS THE TIMING OF THE ACCUMULATION AND RECOVERY**  
8 **RELATING TO THIS TRUE-UP?**

9 A. The Accumulation Period was from September 1, 2016 through February 28, 2016.  
10 The Recovery Period for that Accumulation Period was June 1, 2016 through  
11 November 30, 2016.

12 **Q. WHY WOULD THERE BE A DIFFERENCE BETWEEN WHAT WAS**  
13 **ACCUMULATED (PLUS OVER- OR UNDER-RECOVERY) AND THE**  
14 **AMOUNT BILLED DURING THE RECOVERY PERIOD?**

15 A. The FAR is calculated based on projected kWh sales for the recovery period. Since  
16 the projected sales can vary from actual, such as due to weather, once the actual  
17 sales are recorded, a difference exists between the estimate and the actual kWh  
18 billed. This difference is "trued-up" in the subsequent FAC filing.

19 **Q. WHAT WAS THE OVER- OR UNDER-RECOVERY FOR THE**  
20 **RECOVERY PERIOD AT ISSUE IN THIS FILING?**

21 A. The FAC was under-collected by \$5,816. As indicated above, the true-up amount  
22 during the Recovery Period is due to the difference between actual and estimated  
23 kWh sales. The true-up amount is the net difference between the FPA revenues

1 billed and the FPA revenues authorized for collection during the true-up recovery  
2 period. Schedule BQK-2, which is attached to this testimony, contains details of the  
3 calculations that produce the amount to be recovered from customers.

4 **Q. HOW WILL THAT AMOUNT BE REFLECTED IN CUSTOMER RATES?**

5 A. As mentioned earlier, the true-up amount plus interest is a component of the FAR.  
6 As defined in the FAC tariff, the true-up amount plus interest is added into the  
7 FPA. The adjustment to the FAR rate is being filed concurrently in a separate  
8 docket.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

10 A. Yes, it does.

**Cases with Filed Written Testimony of Bethany Q. King**

**Before the Kansas Corporation Commission**

- Energy Cost Adjustment ACA Docket

17-EPDE-226-ACA

**Before the Oklahoma Corporation Commission**

- Rate Cause

PUD 201600468

Schedule BQK-2

Period 15

Accumulation Period

	<u>(Over)/Under</u>
Sep-15	(604,980.75)
Oct-15	(1,181,628.60)
Nov-15	(371,273.32)
Dec-15	(142,558.15)
Jan-16	(835,246.32)
Feb-16	<u>(926,005.01)</u>

True Up Period #13

(225,111.99)	
(4,286,804.14)	Acct 182362
	or 254162

Recovery Period

Jun-16	583,933.53
Jul-16	820,886.05
Aug-16	859,012.11
Sep-16	789,260.50
Oct-16	672,800.06
Nov-16	<u>566,727.84</u>
	4,292,620.09

Balance

<u>5,815.95</u>	Acct 182363
	or 254163



