

Exhibit No.:
Issue(s): Fuel Adjustment Clause
Witness: Brooke Mastrogiannis
Sponsoring Party: MoPSC Staff
Type of Exhibit: Supplemental Testimony
Date Testimony Prepared: May 6, 2020

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SUPPLEMENTAL TESTIMONY

OF

BROOKE MASTROGIANNIS

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2019-0374

Jefferson City, Missouri
May 2020

1 SUPPLEMENTAL TESTIMONY OF

2 BROOKE MASTROGIANNIS

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 Brooke Mastrogiannis. My business address is 200 Madison Street,
7 Jefferson City, Missouri 65101.

8 Q. By whom are you employed and in what capacity?

9 A. I am employed by the Missouri Public Service Commission (“Commission”) as
10 a Utility Regulatory Auditor IV.

11 Q. Are you the same Brooke Mastrogiannis who has previously provided testimony
12 in this case?

13 A. Yes. I contributed to the *Staff Direct Report (Public and Confidential), Appendix*
14 *1 and Appendix 2 (Public and Confidential)* (“COS Report”) filed on January 15, 2020. I also
15 contributed to the *Staff Direct Report - Class Cost of Service (Public and Confidential),*
16 *Appendix 1, Appendix 2 (Public and Confidential) and Appendix 3* (“CCOS Report”) filed on
17 January 29, 2020. I also filed Rebuttal Revenue Requirement testimony on March 3, 2020 and
18 Rebuttal Rate Design testimony filed on March 9, 2020. I also filed True-Up Direct and
19 Surrebuttal testimony on March 27, 2020.

20 **EXECUTIVE SUMMARY**

21 Q. What is the purpose of your supplemental testimony?

22 A. I will address the Commissioner’s questions filed on April 28, 2020, specifically
23 what is the appropriate base factor for the FAC, and what evidence supports it.
24

1 **FUEL ADJUSTMENT CLAUSE**

2 Q. Does Staff support the base factor in the Global Stipulation and Agreement?

3 A. Yes. On April 15, 2020 Staff entered into a Global Stipulation and Agreement
4 which was either supported to or not objected to by all parties, except the Office of the Public
5 Counsel. If the Commission approves it, all issues in this rate case would be resolved.
6 As described below, Staff supports no change to the base factor, if the Commission approves
7 the Global Stipulation and Agreement.

8 Q. Staff's trued-up base factor calculation is \$0.02333/kWh¹. Did Staff agree to a
9 different base factor than the one recommended in its Surrebuttal Testimony in the
10 Global Stipulation and Agreement?

11 A. Yes. The Global Stipulation and Agreement reached an agreement that the base
12 factor will remain the same from what was approved in the last rate case, which is
13 \$0.02415/kWh. (See Confidential Schedule BM-sup1.)

14 Q. Why does Staff support this base factor in the Global Stipulation and
15 Agreement?

16 A. Staff supports no change to the base factor as it was approved by the
17 Commission in the last general rate case, ER-2016-0023. The base factor from the last general
18 rate case still has the same general components of Staff's recommendation proposed in this rate
19 case, i.e. only variable fuel and purchased power costs, inclusion of the pass-through SPP
20 transmission cost percentage, etc. These components would not include fixed, labor, or

¹ Staff's True-up and Surrebuttal Testimony of Brooke Mastrogiannis, page 2, filed on March 27, 2020.

1 administrative costs. Specific components of Staff's base factor calculation in this rate case are
2 addressed in *Staff's Direct Report- Class Cost of Service*, pages 38 and 39.

3 As part of its settlement consideration, Staff also reviewed the last seven
4 Fuel Adjustment Rate ("FAR") filings to compare actual costs to the net base. This review is
5 attached as BM-sup2. The reason why the last seven FARs are the only filings included in this
6 Schedule is because Staff particularly wanted to focus on the outcome of the actual versus the
7 net base energy costs for the base factor that has been in effect since the last general rate case.
8 In this review, Staff has identified that four Accumulation Periods ("AP") were under-recovered
9 and three were over-recovered.² Staff is aware these over/under recoveries are all affected by
10 the actual total energy costs, and following this rate case that will be the same scenario. This
11 appears to reflect a balanced base factor as the AP filings do not reflect consistent over-recovery
12 or under-recovery. For the reasons stated Staff supports no change to the current base factor as
13 part of the global settlement.

14 Q. If the Commission does not approve the Global Agreement, does Staff have an
15 alternative recommendation?

16 A. Yes. If the Commission does not approve the Global Agreement, Staff
17 recommends Staff's true-up base factor calculation of \$0.02333/kWh³.

18 Q. Does this conclude your supplemental testimony?

19 A. Yes, it does.

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² This does not include the most recent Empire FAR filing for AP23, since it has not yet been approved by the
Commission and the effective date is June 1, 2020.

³ Staff's True-up and Surrebuttal Testimony of Brooke Mastrogiannis, page 2, filed on March 27, 2020.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BROOKE MASTROGIANNIS and on their oath declares that they are of sound mind and lawful age; that they contributed to the foregoing Surrebuttal/True-Up Direct Testimony; and that the same is true and correct according to their best knowledge and belief.

Further the Affiant sayeth not.

/s/ Brooke Mastrogiannis
BROOKE MASTROGIANNIS

SCHEDULE BM-sup1

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY

	ER-2020-0093		ER-2019-0301		ER-2019-0095		ER-2018-0270		ER-2018-0086		ER-2017-0254		ER-2017-0092	
	<u>7th Revised Sheet No. 17ac</u>		<u>6th Revised Sheet No. 17ac</u>		<u>5th Revised Sheet No. 17ac</u>		<u>4th Revised Sheet No. 17ac</u>		<u>3rd Revised Sheet No. 17ac</u>		<u>2nd Revised Sheet No. 17ac</u>		<u>1st Revised Sheet No. 17ac</u>	
Total Energy Cost	\$	63,483,114	\$	74,862,132	\$	64,930,243	\$	84,144,071	\$	69,070,641	\$	66,508,009	\$	60,294,281
Net Base Energy Cost (TEC-B)	\$	64,887,766	\$	66,584,207	\$	67,415,208	\$	65,471,519	\$	62,822,095	\$	62,011,760	\$	71,719,486
Missouri Energy Ratio (J) (TEC-B)*J	\$	(1,404,652)	\$	8,277,925	\$	(2,484,965)	\$	18,672,552	\$	6,248,546	\$	4,496,249	\$	(11,425,205)
95%		*		*		*		*		*		*		*
True-Up Amount	\$	(1,148,900)	\$	6,901,802	\$	(2,047,187)	\$	15,532,199	\$	5,110,442	\$	3,716,245	\$	(9,371,395)
Interest	\$	(1,091,455)	\$	6,556,712	\$	(1,944,828)	\$	14,755,589	\$	4,854,920	\$	3,530,433	\$	(8,902,825)
Total FPA	\$	(2,140,520)	\$	844,601	\$	(1,224)	\$	1,076,500	\$	(1,045,682)	\$	5,816	\$	(516,561)
	\$	70,361	\$	31,323	\$	145,446	\$	(86,537)	\$	28,026	\$	(15,140)	\$	(37,172)
	\$	(3,161,614)	\$	7,432,635	\$	(1,800,606)	\$	15,745,552	\$	3,837,264	\$	3,521,108	\$	(9,456,541)

* designates a different Missouri Energy Ratio (J) for every tariff sheet