

Exhibit No.:
Issue(s): Fuel Inventories
Witness: Amanda C. McMellen
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal/True-up
Testimony
Case No.: ER-2019-0374
Date Testimony Prepared: March 27, 2020

MISSOURI PUBLIC SERVICE COMMISSION
FINANCIAL AND BUSINESS ANALYSIS DIVISION
AUDITING DEPARTMENT

SURREBUTTAL / TRUE-UP TESTIMONY

OF

AMANDA C. MCMELLEN

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2019-0374

Jefferson City, Missouri
March 2020

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**TABLE OF CONTENTS OF
SURREBUTTAL / TRUE-UP TESTIMONY OF
AMANDA C. MCMELLEN
THE EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2019-0374**

FUEL INVENTORY1
TRUE-UP TESTIMONY2

1 **SURREBUTTAL / TRUE-UP TESTIMONY OF**

2 **AMANDA C. MCMELLEN**

3 **THE EMPIRE DISTRICT ELECTRIC COMPANY**

4 **CASE NO. ER-2019-0374**

5 Q. Please state your name and business address.

6 A. Amanda C. McMellen, 200 Madison Street, Suite 440, Jefferson City, MO
7 65101.

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

9 A. I am a Regulatory Auditor V with the Missouri Public Service Commission
10 (“Commission”).

11 Q. Are you the same Amanda C. McMellen who contributed to Staff’s Revenue
12 Requirement Cost of Service Report filed January 15, 2020 in this case?

13 A. Yes, I am.

14 Q. What is the purpose of your surrebuttal testimony?

15 A. My surrebuttal testimony will address the rebuttal testimony of The Empire
16 District Electric Company (“Empire” or Company”) witness Todd W. Tartar regarding fuel
17 inventories.

18 **FUEL INVENTORY**

19 Q. On page 15, lines 9-23 of his rebuttal testimony, Empire witness Tartar takes
20 issue with the amount of coal inventory days included in rate base for Asbury. How does Staff
21 respond?

22 A. First, to clarify Staff did use 18 days of coal inventory for Asbury in its
23 calculation. Although 60 days of coal inventory has been used in the past, Staff believes that

1 is no longer appropriate to represent an ongoing level for Asbury based on its reported
2 retirement date of March 1, 2020. Based on Empire's response to Staff Data Request No. 0210,

3 ** _____

4 _____ . ** Also, Empire's response to Staff Data
5 Request No. 0044 shows ** _____ .

6 _____ .
7 _____

8 _____ ** The Company's response to Staff
9 Data Request No. 0041 did not include any coal mix for Asbury for January or February 2020
10 and very little for December 2019. Therefore, Staff believes it is appropriate to use the most
11 current information as of the end of the true-up period of January 31, 2020 to represent an
12 appropriate level of coal inventory of 18 days for Asbury.

13 Q. On page 16, lines 5-15 of his rebuttal testimony, Empire witness Tartar states
14 Staff took the MMBtu fuel use for Plum Point and divided it in half although the MMBtu value
15 was already the Plum Point ownership portion. How does Staff respond?

16 A. Staff agrees with Empire witness Tartar. In error, Staff divided the MMBtu's in
17 half when calculating the Company's ownership portion of fuel use for Plum Point. The amount
18 of MMBtu's used in its calculation already reflected Empire's ownership portion. Staff has
19 corrected this error which is reflected in the updated revenue requirement.

20 **TRUE-UP TESTIMONY**

21 Q. How did Staff true-up fuel expense?

22 A. Staff witness Charles T. Poston, PE utilized updated values in the production
23 cost modeling to produce normalized fuel expense, purchased power, and energy sales outputs.

Surrebuttal / True-Up Testimony of
Amanda C. McMellen

1 He further discusses the true-up related to fuel in his surrebuttal testimony. Staff has included
2 fuel expense, purchased power, and energy sales in the cost of service reflecting coal and coal
3 transportation prices, variable gas (spot and hedge), oil, and demand charges for Plum Point
4 and natural gas as of January 31, 2020.

5 Q. Does this conclude your surrebuttal / true-up testimony?

6 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric)
Company's Request for Authority to File)
Tariffs Increasing Rates for Electric Service)
Provided to Customers in its Missouri)
Service Area)

Case No. ER-2019-0374

AFFIDAVIT OF AMANDA C. McMELLEN

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW AMANDA C. McMELLEN 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, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Amanda C. McMellen
AMANDA C. McMELLEN