

Exhibit No.:
Issue(s): Southwest Power Pool
Fuel Adjustment Clause
Witness: J Luebbert
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2019-0374
Date Testimony Prepared: March 3, 2020

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

J LUEBBERT

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2019-0374

Jefferson City, Missouri
March 2020

1 **REBUTTAL TESTIMONY OF**

2 **J LUEBBERT**

3 **THE EMPIRE DISTRICT ELECTRIC COMPANY**

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5 Q. Please state your name, employment position, and business address.

6 A. J Luebbert, Utility Engineering Specialist with the Missouri Public Service
7 Commission (“Commission”), 200 Madison Street, Jefferson City, Missouri 65101.

8 Q. Please describe your educational background and relevant work experience.

9 A. I received my Bachelor of Science degree in Biological Engineering from the
10 University of Missouri in 2012. I was employed by the Missouri Department of Natural
11 Resources as an Environmental Engineer from 2012 through 2016. I have been employed by
12 the Commission since 2016 as a Utility Engineering Specialist and as Case Manager.

13 Q. Have you filed testimony with the Commission before?

14 A. Yes. I have attached Schedule JL-r1, which is a listing of all my prior cases
15 and filings.

16 Q. What is the purpose of your rebuttal testimony?

17 A. I will respond to The Empire District Electric Company (“Empire”) witness
18 Aaron Doll regarding the Company’s membership in the Southwest Power Pool (“SPP”) and
19 the responsibilities of the Company to meet SPP requirements.

20 Q. Can you provide a high level description of the purpose of Mr. Doll’s direct
21 testimony in this case?

22 A. Mr. Doll proposes changes to Empire’s Fuel Adjustment Clause (“FAC”) and
23 provides an update on Empire’s natural gas hedging methodology.

1 Q. Does Mr. Doll discuss how Empire participates in SPP and the responsibilities
2 Empire has as a Load Responsible Entity (“LRE”), and potential benefits that participation
3 affords its customers?

4 A. Yes. Mr. Doll goes into detail related to Empire’s responsibilities as a Network
5 Service Customer, IM Market Participant, and a LRE. He also discusses potential benefits to
6 customers resulting from Empire’s SPP participation. Attachment AA¹ of the SPP Open Access
7 Transmission Tariff (“OATT”) documents the responsibility of Empire as a LRE, including
8 potential penalties for failure to meet those requirements. This discussion is related to
9 Mr. Doll’s proposal to include language in Empire’s FAC Rider that would exclude revenue
10 generation by new wind facilities.

11 Q. Is Staff clear as to why Mr. Doll explains this participation and its activities in
12 the SPP and why it is relatable to this discussion of Empire’s proposed exclusionary language
13 for revenue generation by new wind facilities?

14 A. Staff is not clear as to Mr. Doll’s point as it relates to this discussion. Staff
15 surmises Mr. Doll is attempting to bolster his position that customers may receive benefits from
16 new wind generation resources even if the revenue is excluded from the FAC Rider.
17 As discussed in Staff Witness Brooke Mastrogiannis’ rebuttal testimony, Staff is opposed to
18 the exclusionary language proposed by Mr. Doll and recommends that the Commission reject
19 the change.

20 Q. On page five of Mr. Doll’s testimony does he discuss what happens when
21 Empire does not meet its resource obligations as required by SPP?

¹ <https://www.spp.org/documents/58597/attachment%20aa.pdf>.

1 A. Yes. Staff interprets his discussion to mean that if Empire is unable to meet its
2 resource obligations it could run the risk of incurring a deficiency penalty from SPP. Mr. Doll
3 does not provide any detailed information as to why he thinks Empire might not be able to meet
4 its resource adequacy requirements with SPP.

5 Q. Mr. Doll's testimony indicates that Empire may have created a situation in which
6 Empire will not be able to meet its SPP resource adequacy needs due to the retirement of Asbury
7 and will otherwise need to enter into additional capacity contracts or incur penalties from SPP.
8 Does the potential for increased costs concern Staff?

9 A. Yes. Staff is concerned that the timing of the retirement of Asbury, the addition
10 of a new capacity agreement with a customer, and the new generation resources not being
11 available could lead to a SPP resource adequacy shortfall and require Empire to enter into
12 potentially expensive short-term capacity contracts to cover this shortfall. Staff would be
13 opposed to Empire obligating its customers to additional costs if Empire did not prudently
14 manage the Asbury retirement, new capacity contracts and new generation facilities. Because
15 Empire controls the timing of the Asbury retirement, the capacity it sells to customers, and was
16 well aware of its SPP resource adequacy requirements, Staff wants to safeguard Empire's
17 customers in the event this scenario would occur. Staff recommends that the Commission order
18 Empire to provide the SPP OATT Attachment AA compliance workpapers to Staff at the time
19 that it files the workbook with SPP. Staff further recommends that the Commission order
20 Empire to document any and all costs that are incurred by Empire to avoid the deficiency
21 payment outlined in the SPP OATT Attachment AA in 2020 and 2021. Staff recommends that
22 the Commission require Empire to provide the aforementioned documentation related to costs
23 incurred to avoid deficiency payments upon filing of its next general rate case and require

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1 Empire to make the information available to Staff upon request in the next two prudence
2 reviews of Empire's FAC.

3 Q. Does this conclude your testimony?

4 A. Yes.

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) Case No. ER-2019-0374
Tariffs Increasing Rates for Electric Service)
Provided to Customers in its Missouri)
Service Area)

AFFIDAVIT OF J LUEBBERT

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW J LUEBBERT and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

J LUEBBERT

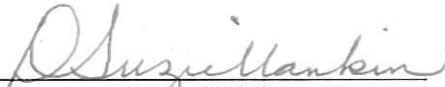


JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of March 2020.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires December 12, 2020
Commission Number: 12412070

Notary Public



J Luebbert Case Summary

Case Number	Company	Issues
EO-2015-0055	Ameren Missouri	Evaluation, Measurement, and Verification
EO-2016-0223	Empire District Electric Company	Supply-Side Resource Analysis, Transmission and Distribution Analysis, Demand-Side Resource Analysis, Integrated Resource Analysis
EO-2016-0228	Ameren Missouri	Utilization of Generation Capacity, Plant Outages, and Demand Response Program
ER-2016-0179	Ameren Missouri	Heat Rate Testing
ER-2016-0285	Kansas City Power & Light Company	Heat Rate Testing
EO-2017-0065	Empire District Electric Company	Utilization of Generation Capacity and Station Outages
EO-2017-0231	Kansas City Power & Light Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2017-0232	KCP&L Greater Missouri Operations Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0038	Ameren Missouri	Supply-Side Resource Analysis, Transmission and Distribution Analysis, Demand-Side Resource Analysis, Integrated Resource Analysis
EO-2018-0067	Ameren Missouri	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0211	Ameren Missouri	Avoided Costs and Demand Response Programs
EA-2019-0010	Empire District Electric Company	Market Protection Provision
EO-2018-0211	Ameren Missouri	Avoided Cost and Demand Response Programs
GO-2019-0115	Spire East	Policy
GO-2019-0116	Spire West	Policy
EO-2019-0132	Kansas City Power & Light Company	Avoided Cost, SPP resource adequacy requirements, and Demand Response Programs
ER-2019-0335	Ameren Missouri	Unregulated Competition Waivers and CCOS