

# EXHIBIT

Exhibit No.:

OPC010

Issue(s):

Vegetation Management  
Expense and Trackers /  
Advanced Coal Tax Credit (ITC)  
Over-Collection /  
Iatan 2, Iatan Common, & Plum Point Operations &  
Maintenance (O&M) Expense and  
Trackers (Generation Plant O&M Trackers)/  
May 2011 Tornado Deferrals/  
Iatan 1, Iatan 2, & Plum Point Carrying Costs/  
Southwestern Power Administration (SWPA)  
Hydro Reimbursement/  
Bad Debt Expense/  
Riverton 12 Long-Term Maintenance  
Contract Tracker (LTM)

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August 11, 2016  
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Witness/Type of Exhibit:

Roth/Direct

Sponsoring Party:

Public Counsel

Case No.:

ER-2016-0023

## DIRECT TESTIMONY

OF

KERI ROTH

Submitted on Behalf of the Office of the Public Counsel

**EMPIRE DISTRICT ELECTRIC COMPANY**

CASE NO. ER-2016-0023

April 1, 2016

OPC Exhibit No. 10  
Date 6-2-16 Reporter KKF  
File No. ER-2016-0023

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

In the Matter of The Empire District )  
 Electric Company's Request for )  
 Authority to Implement a General ) Case No. ER-2016-0023  
 Rate Increase for Electric Service )

**AFFIDAVIT OF KERI ROTH**

STATE OF MISSOURI )  
 ) ss  
 COUNTY OF COLE )

Keri Roth, of lawful age and being first duly sworn, deposes and states:

1. My name is Keri Roth. I am a Public Utility Accountant II for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

*Keri Roth*  
 \_\_\_\_\_  
 Keri Roth  
 Public Utility Accountant II

Subscribed and sworn to me this 1<sup>st</sup> day of April 2016.



JERENE A. BUCKMAN  
 My Commission Expires  
 August 23, 2017  
 Cole County  
 Commission #13754037

*Jerene A. Buckman*  
 \_\_\_\_\_  
 Jerene A. Buckman  
 Notary Public

My Commission expires August, 2017.

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**DIRECT TESTIMONY**  
**OF**  
**KERI ROTH**  
**EMPIRE DISTRICT ELECTRIC COMPANY**  
**CASE NO. ER-2016-0023**

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. Keri Roth, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

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

5 A. I am employed by the Missouri Office of the Public Counsel ("OPC" or "Public Counsel")  
6 as a Public Utility Accountant.

7 **Q. On whose behalf are you testifying?**

8 A. I am testifying on behalf of the OPC.

9 **Q. What is the nature of your duties at the OPC?**

10 A. My duties include performing audits and examinations of the books and records of public  
11 utilities operating within the state of Missouri.

12 **Q. Please describe your educational background.**

13 A. I graduated in May 2011 from Lincoln University in Jefferson City with a Bachelor of  
14 Science Degree in Accounting.

15 **Q. Have you received specialized training related to public utility accounting?**

16 A. Yes. In addition to being employed by the OPC since September 2012, I have also attended  
17 the NARUC Utility Rate School held by Michigan State University.

1 **Q. Have you previously filed testimony before the Missouri Public Service Commission**  
2 **(“Commission” or “PSC”)?”**

3 **A. Yes. Please refer to Schedule KNR-1, attached to this testimony, for a listing of cases in**  
4 **which I have submitted testimony.**

5 **Q. What is the purpose of your direct testimony?**

6 **A. In this testimony, I sponsor OPC’s positions regarding Empire’s:**

- 7 • Vegetation management expense and tracker amortizations from Case No. ER-2014-  
8 0351;
- 9 • Advanced Coal Project Investment Tax Credit (ITC) over-collection;
- 10 • Iatan 2, Iatan Common, and Plum Point operations and maintenance (O&M)  
11 expense and tracker amortizations from Case No. ER-2014-0351;
- 12 • May 2011 tornado deferrals;
- 13 • Iatan 1, Iatan 2, and Plum Point carrying costs;
- 14 • Southwestern Power Administration (SWPA) hydro reimbursement;
- 15 • Bad debt expense; and
- 16 • Riverton 12 O&M expense and tracker.

17  
18 **Q. Does your testimony address most, if not all, expense trackers authorized by the**  
19 **Commission for Empire?**

20 **A. Yes.**

21 **Q. Should any of these expense trackers be specifically included in Empire’s rate base?**

22 **A. The only tracker that should be included is the prepaid pension asset as it represents an**  
23 **actual shareholder prepayment of funds contributed to Empire’s pension plan. These funds**  
24 **cannot be used for general corporate purchases.**

25 The impact of the other expense trackers is reflected in the Cash Working Capital (CWC)  
26 component of Empire’s rate base. To the extent Empire can show these expense trackers are  
27 not reflected in the CWC component of rate base, and Empire can justify why expense

1           trackers should be included in rate base, OPC will consider rate base inclusion later in this  
2           case. In making this determination, OPC will consider the appropriateness in charging  
3           Empire's ratepayers a return on these trackers.

4  
5           **II. VEGETATION MANAGEMENT EXPENSE AND TRACKERS**

6           **Q. How long has Empire's vegetation management/infrastructure inspection tracker been**  
7           **in place?**

8           A. Empire's first vegetation management/infrastructure inspection tracker was authorized and  
9           established in its 2008 rate case, numbered ER-2008-0093. Since Empire's 2008 rate case, a  
10           new vegetation management tracker has been authorized by the Commission in Case Nos.  
11           ER-2010-0130, ER-2011-0004, and ER-2012-0345. However, in ER-2010-0130, the  
12           infrastructure inspection part of the tracker was eliminated.

13           **Q. Did Empire combine the balances of the vegetation management trackers from its**  
14           **2008, 2010, and 2011 rate cases with the vegetation management tracker balance from**  
15           **the 2012 rate case?**

16           A. Yes.

17           **Q. Please identify the vegetation management expense trackers currently being recovered**  
18           **in Empire's utility rates.**

19           A. Empire's response to OPC Data Request 1103 provided the following information shown in  
20           the chart below:

Tracker	Commission Order(s)*	Amortization Start Date	Amortization End Date	Monthly Amortization	Balance @ 10/31/2015
Veg./Infrastructure Inspection Tracker – ER-2008-0093	ER-2008-0093 ER-2010-0130 ER-2014-0351	Sep-2010	Sep-2015	\$24,376	Balance transferred to Account 182348
Veg. Tracker – ER-2010-0130	ER-2010-0130 ER-2011-0004 ER-2014-0351	Jun-2011	Dec-2016	\$30,716	Balance transferred to Account 182348
Veg. Tracker – ER-2011-0004	ER-2011-0004 ER-2012-0345 ER-2014-0351	Apr-2013	Mar-2018	\$83,977	Balance transferred to Account 182348
Veg. Tracker – ER-2012-0345	ER-2012-0345 ER-2014-0351	Aug-2015	Jul-2020	\$86,036**	\$3,776,316
<b>Total</b>				<b>\$86,036</b>	<b>\$3,776,316</b>
<p>*First Commission Order listed is for tracker authorization. Second Commission Order listed is for authorization for recovery of cost balances (Veg. Tracker – ER-2012-0345 balance includes balances from previous trackers). Third Commission Order listed is for authorization to transfer balance of tracker to vegetation tracker in Case No. ER-2012-0345.            **Monthly amortization includes previous trackers.</p>					

1

2 **Q. Was the vegetation management tracker discontinued in Case No. ER-2014-0351?**

3 A. Yes. Per page 3 of the *Revised Stipulation and Agreement and List of Issues* attached to the  
 4 Commission's *Report and Order*:

5 8. **Vegetation Management Tracker:** The Signatories agree  
 6 that the trackers will be discontinued, with the accumulated balance  
 7 to be trued up in Empire's next general rate case.  
 8

9 **Q. What is the balance of the vegetation management tracker to be trued up, as**  
 10 **authorized in the 2014 rate case?**

11 A. As of July 31, 2015 the balance to be trued up is a regulatory liability of \$1,319,525.

1 **Q. What is OPC's recommendation regarding the vegetation management tracker**  
2 **balance?**

3 A. OPC recommends combining the balances of the respective trackers into one single tracker  
4 to make it easier and more efficient to monitor all the trackers in one balance rather than  
5 two. OPC also recommends a 5-year amortization period for these trackers, which is  
6 typically used for deferred debits with no discernible benefit period.

7 **Q. What is the proposed combined tracker amortization balance?**

8 A. The total balance of the vegetation management tracker through the true-up date of March  
9 31, 2016 is \$2,026,611.

10 **Q. What is Empire's historical expense level for vegetation management?**

11 A. Based on historical cost information from October 2009 through September 2015 provided  
12 by Empire to the Staff of the Public Service Commission's ("Staff") Data Request 44 and  
13 Empire's "Vegetation Tracker Report TME July 2015" workpaper, the actual vegetation  
14 management expense for this period is:

- 15
- 16 • \$9,874,942 for the twelve months ending September 2010;
- 17 • \$12,226,465 for the twelve months ending September 2011;
- 18 • \$12,802,277 for the twelve months ending September 2012;
- 19 • \$11,435,002 for the twelve months ending September 2013;
- 20 • \$11,219,229 for the twelve months ending September 2014; and
- 21 • \$11,244,541 for the twelve months ending September 2015.
- 22
- 23

24 **Q. What is OPC's annualized level of vegetation management expense?**

25 A. Based on the observed decreasing cost trend subsequent to September 2012, OPC  
26 recommends using a 2-year average of vegetation management expense of \$11,231,885  
27 booked to Accounts 571, 593, and 594.



1 **III. ADVANCED COAL TAX CREDIT (ITC) OVER-COLLECTION**

2 **Q. What is the ITC?**

3 A. The ITC is the result of an investment tax credit related to Empire's investments in the Iatan  
4 2 generation plant located in Iatan, MO, co-owned with majority owner Kansas City Power  
5 & Light Company ("KCPL"). Empire's application for the credit was initially denied  
6 because KCPL had been awarded the full amount of the tax credits. A binding arbitration  
7 panel ruled the credits should be reallocated to the Iatan 2 co-owners. The Internal Revenue  
8 Service granted the reallocations, amounting to \$17,712,500 being available to Empire.

9 **Q. Has the Commission authorized the tracking of revenue related to the recovery of an**  
10 **Iatan 2 ITC tax liability?**

11 A. Yes. The Commission approved the *Stipulation and Agreement* from the 2012 rate case  
12 including authorization to track the tax liability of \$266,150.

13 **Q. Did Empire over-collect for its ITC tax liability?**

14 A. Yes. This is shown in Empire's response to OPC Data Request 1113 in Case No. ER-2014-  
15 0351.

16 **Q. In Empire's 2014 rate case, did the Commission order Empire to issue a refund to**  
17 **customers through rates via an amortization?**

18 A. Yes. Per the *Revised Stipulation and Agreement and List of Issues* attached to the  
19 Commission's *Report and Order*, on page 9:

20 27. **ITC Balance:** The Signatories agree Empire will refund  
21 through rates via an amortization over 24 months, to begin with the  
22 effective date of rates in this case, the ITC over-collection balance as  
23 of December 31, 2014, of \$205,593. Additional over-recovery of the  
24 ITC from January 2015 through the effective date of rates for this  
25 case will be reviewed during Empire's next rate case.

1 Q. How much did Empire over-recover from January 2015 through July 2015?

2 A. Empire over-recovered an additional \$160,218 during that time period.

3 Q. What will be the unamortized balance of ITC over-recovery at March 31, 2016, the  
4 true-up date in the current case?

5 A. As of March 31, 2016, the unamortized balance of ITC over-recovery will be \$297,280.

6 Q. What is OPC's recommended amortization period for the unamortized balance?

7 A. OPC recommends the unamortized balance of \$297,280 be refunded back to customers  
8 through rates over 24 months.

9  
10 **IV. IATAN 2, IATAN COMMON, & PLUM POINT OPERATIONS &**  
11 **MAINTENANCE (O&M) EXPENSE AND TRACKERS**  
12 **(GENERATION PLANT O&M TRACKERS)**

13 Q. How long have the generation plant O&M trackers been in place?

14 A. The trackers were initially authorized in 2011. The *Non-Unanimous Global Agreement of*  
15 *Case No. ER-2011-0004* states:

16 g. Authorize a tracker mechanism related to Plum Point and Iatan 2  
17 and Common plant operating expense. The tracker will exclude  
18 consumables and SO2 emission allowances which are recovered  
19 through the FAC. Empire shall record a regulatory asset or liability  
20 for the difference between the actual expense and annual costs of  
21 \$2,518,440, Missouri jurisdictional, for Plum Point. Empire shall  
22 record a regulatory asset or liability for the difference between actual  
23 expense and annual costs of \$2,818,683, Missouri jurisdictional, for  
24 Iatan 2 and Common.  
25

1 Q. Did Empire combine the balances of the trackers from the 2011 rate case with the  
 2 tracker balances from the 2012 rate case for Iatan 2, Iatan Common, and Plum Point,  
 3 separately?

4 A. Yes.

5 Q. Please identify the O&M expense trackers currently being recovered in Empire's  
 6 utility rates.

7 A. Empire's response to OPC Data Request 1103 provided the following information shown in  
 8 the chart below:

Tracker	Commission Order(s)*	Amortization Start Date	Amortization End Date	Monthly Amortization	Balance @ 10/31/2015
PP O&M Tracker – ER-2011-0004	ER-2011-0004 ER-2012-0345 ER-2014-0351	Apr-2013	Mar-2016	\$1,933	Balance transferred to Account 182374
IatanII OM Tracker – ER-2011-0004	ER-2011-0004 ER-2012-0345 ER-2014-0351	Apr-2013	Mar-2016	\$3,007	Balance transferred to Account 182375
IatCom OM Tracker – ER-2011-0004	ER-2011-0004 ER-2012-0345 ER-2014-0351	Apr-2013	Mar-2016	\$71,945	Balance transferred to Account 182376
PP O&M Tracker – ER-2012-0345	ER-2012-0345 ER-2014-0351	Aug-2015	Jul-2020	(\$17,796)**	(\$841,865)
IatanII OM Tracker – ER-2012-0345	ER-2012-0345 ER-2014-0351	Aug-2015	Jul-2020	(\$17,324)**	\$486,323
IatCom OM Tracker – ER-2012-0345	ER-2012-0345 ER-2014-0351	Aug-2015	Jul-2020	\$48,598**	\$21,163
<b>Total</b>				<b>\$13,478</b>	<b>(\$334,379)</b>

\*First Commission Order listed is for tracker authorization. Second Commission Order listed is for authorization for recovery of cost balances (Trackers from Case No. ER-2012-0345 includes balances from previous trackers). Third Commission Order listed is for authorization to transfer

balance of tracker to trackers in Case No. ER-2012-0345.

\*\*Monthly amortization includes previous trackers.

1

2 **Q. Was the generation plant O&M trackers discontinued in the 2014 rate case?**

3 A. Yes. Per the *Revised Stipulation and Agreement and List of Issues* attached to the  
4 Commission's *Report and Order*, on page 3:

5 9. **Iatan 2/Iatan Common/Plum Point O&M Trackers:** The  
6 Signatories agree that the trackers will be discontinued, with the  
7 accumulated balances to be trued up in Empire's next general rate  
8 case.  
9

10 **Q. What is OPC's recommendation regarding the tracker balances?**

11 A. OPC recommends combining the balances of the respective trackers into single trackers for  
12 Iatan 2, Iatan Common, and Plum Point to make it easier and more efficient to monitor all  
13 the trackers in three balances rather than six. OPC also recommends amortizing the trackers  
14 over five years.

15 **Q. What is the proposed combined Iatan 2 tracker balance?**

16 A. The total balance of the Iatan 2 trackers, through March 31, 2016, is an under-collection of  
17 \$705,418.

18 **Q. What is the proposed combined Iatan Common tracker amortization balance?**

19 A. The total balance of the Iatan Common trackers, through March 31, 2016, is an over-  
20 collection of \$296,771.

21 **Q. What is the proposed combined Plum Point tracker amortization balance?**

1 A. The total balance of the Plum Point trackers, through March 31, 2016, is an over-collection  
2 of \$212,788.

3 **Q. What is the level of generation plant O&M expense OPC is recommending?**

4 A. Based on historical cost information from October 2011 to September 2015, provided by  
5 Empire to OPC Data Request 1104, OPC recommends the Iatan 2 O&M expense level be  
6 set using a 4-year average to the amount of \$1,098,229, the Iatan Common O&M expense  
7 level be set using a 5-year average to the amount of \$1,405,467, and the Plum Point O&M  
8 expense level be set using a 5-year average to the amount of \$1,500,232.

9  
10 **V. MAY 2011 TORNADO DEFERRALS**

11 **Q. When did Empire receive authorization to defer costs related to the Joplin tornado**  
12 **from May 2011?**

13 A. The Commission authorized Empire to defer O&M expenses related to repair, restoration,  
14 and rebuild, in addition to depreciation and carrying charges, from the May 2011 tornado in  
15 Case No. EU-2011-0387.

16 **Q. Has Empire begun to amortize these costs?**

17 A. Yes. Empire received authorization to amortize these costs over a 10-year period. Empire  
18 began amortizing the costs in April 2013.

19 **Q. What does OPC believe to be the unamortized balance remaining in account 182.3 –**  
20 **Other Regulatory Assets?**

21 A. As of September 2015, OPC believes the remaining unamortized balance to be \$3,018,860.

22 **Q. Does OPC recommend including this amount in rate base?**

1 A. No.

2 **Q. What is the annualized amount of amortization OPC recommends including in the**  
3 **cost of service?**

4 A. OPC has made an adjustment to include an annual amortization of \$402,515 based on the  
5 authorized 10-year amortization period.

6  
7 **VI. IATAN 1, IATAN 2, & PLUM POINT CARRYING COSTS**

8 **Q. What is OPC's position on this issue?**

9 A. OPC will address this issue in rebuttal testimony.

10  
11 **VII. SOUTHWESTERN POWER ADMINISTRATION (SWPA) HYDRO**  
12 **REIMBURSEMENT**

13 **Q. What is the SWPA hydro reimbursement?**

14 A. As described in Staff's "Cost of Service Report" in the 2014 rate case: "On September 16,  
15 2010, Empire received payment in the amount of \$26,563,700 from the SWPA, to  
16 compensate Empire for the expected financial impact of the future reduction in capacity at  
17 its Ozark Beach hydroelectric plant. The reduction in capacity at Ozark Beach is due to the  
18 Energy and Water Development Act of 2006, federal legislation which requires a decrease  
19 in available head waters at Ozark Beach."

20 **Q. Did Empire agree to flow the SWPA payment back to customers over a 10-year period**  
21 **via a tracker mechanism?**

1 A. Yes, in the 2011 rate case.

2 **Q. What is the remaining balance to be returned to customers?**

3 A. As of September 30, 2015, OPC believes the remaining balance to be returned to customers  
4 is \$11,149,905.

5 **Q. How does OPC recommend treating the remaining balance?**

6 A. Consistent with OPC's position on the deferred debit expense trackers, this deferred credit  
7 revenue tracker also should not be used to reduce Empire's rate base. OPC recommends the  
8 continuation of the 10-year amortization period.

9  
10 **VIII. BAD DEBT EXPENSE**

11 **Q. Has Empire changed its bad debt write-off policy or procedures since the last rate**  
12 **case?**

13 A. No. In response to Staff Data Request 66, Empire witness Rob Sager states, "No changes  
14 have been made to the Bad Debt write-off policy or procedures since the last rate case."  
15 OPC's bad debt adjustment is based on Empire's response to Staff Data Request 66.1 and  
16 its' Bad Debt workpaper. In response to Staff Data Request 206 in Case No. ER-2012-  
17 0345, Empire states: "The final bill is due 21 days from the statement mailing date. If  
18 unpaid, on the second day after the due date, a collection notice is sent advising the  
19 customer the account will be turned over to a collection agency if unpaid or suitable  
20 arrangements are not made within 10 days. After the 10 days, any accounts that remain  
21 unpaid are written off and sent to a collection agency."

22 **Q. What level of bad debt expense is Empire proposing to include in its cost of service in**  
23 **this rate case?**

1 A. In its direct filing, Empire proposes a 5-year average of actual bad debt write-offs. When  
2 multiplied by Empire's proposed annual retail revenues of \$458,465,188, this results in an  
3 annualized bad debt expense of \$2,429,407. Based on the level of bad debt expense  
4 included in the Staff's ER-2014-0351 "Accounting Schedule 09, Income Statement", Line  
5 111 of \$2,253,726, Empire's proposed bad debt expense adjustment is \$176,681.

6 **Q. Can a 5-year average of bad debt write-offs be an appropriate method to normalize**  
7 **bad debt or uncollectible accounts expense?**

8 A. Yes, depending on the volatility or trend in the underlying data. For example, when there is  
9 significant volatility in an expense and no trend toward an increase or a decrease, a 5-year  
10 average may be appropriate. In fact, sometimes the volatility in an expense can be so great  
11 as to require an even longer averaging period.

12 **Q. What level of bad debt expense is OPC proposing to include in its cost of service in this**  
13 **rate case?**

14 A. OPC is proposing a 3-year average of actual bad debt write-offs. When multiplied by  
15 Empire's proposed annual retail revenues of \$456,465,188, this results in an annualized bad  
16 debt expense of \$2,329,647. Based on the level of bad debt expense included in the Staff's  
17 ER-2014-0351 "Accounting Schedule 09, Income Statement", Line 111 of \$2,253,726,  
18 OPC's proposed normalized level of bad debt expense adjustment is \$75,920.

19 **Q. Is there an indication that Empire's annual level of bad debt as a percentage of**  
20 **revenues is decreasing?**

21 A. Yes, Empire's bad debt write-off ratio for the twelve months ended September 2015 is 0.41  
22 percent. Using this figure, OPC would be recommending a decrease in test year expense of  
23 \$370,277.



1 Q. Has a 3-year average of actual bad debt write-offs been previously recommended to  
2 the Commission when Empire's bad debt expense was increasing?

3 A. Yes. In the direct testimony filed in Case No. ER-2002-424 by Charles Hyneman while he  
4 still worked for Staff, it was recommended that a 3-year average was appropriate. Mr.  
5 Hyneman, now a member of OPC, explained his rationale for this adjustment at page 5,  
6 lines 10 – 17 in his direct testimony:

7 Adjustment S-70.1 adjusts bad debt expense to reflect a three-year  
8 average of actual bad debt write-offs. An analysis performed by  
9 the Staff indicated that Empire's bad debt writeoffs have  
10 increased significantly over the last few years. To reflect this  
11 increase in an annualized level, the Staff is proposing a three-  
12 year average of actual writeoffs as opposed to a more typical  
13 five-year average. The Staff averaged the actual writeoffs for 2000,  
14 2001 and the first six months of 2002 times two and subtracted this  
15 amount from Empire's per book bad debt accrual. (emphasis added)  
16

17 Q. Does OPC propose to update its bad debt expense adjustment?

18 A. Yes. If Empire's updated bad debt write-off continues to decrease, then the most recent  
19 twelve months of data may be appropriate to normalize this expense. Likewise, if the bad  
20 debt ratios reverse recent trend and start to increase, OPC may propose to use a longer  
21 averaging period, such as a 5-year period.  
22

23 **IX. RIVERTON 12 LONG-TERM MAINTENANCE CONTRACT**  
24 **TRACKER (LTM)**

25 Q. How long has the LTM tracker been in place?

1 A. The tracker has been in place since the 2014 rate case. Per the *Revised Stipulation and*  
2 *Agreement and List of Issues* attached to the Commission's *Report and Order*, on page 3:

3 10. **Riverton 12 O&M Tracker:** The Signatories agree that the  
4 tracker for Riverton 12 Long-Term Maintenance Contract shall be  
5 established, with the base set at \$2.7 million, Missouri jurisdictional  
6

7 **Q. What is the balance of the Riverton 12 LTM tracker?**

8 A. The balance of the tracker is a regulatory liability of \$788,957.

9 **Q. Has the Commission authorized treatment for the balance of the tracker?**

10 A. Yes. Item No. 10 – "Riverton 12 O&M Tracker", as previously mentioned above, goes on  
11 to state:

12 Fluctuations in actual charges above and below this annual level of  
13 expense (base) will be recorded in a regulatory asset/liability  
14 account. The balance recorded in the regulatory asset/liability  
15 account at the time of Empire's next Missouri general rate case will  
16 be amortized over three years, and the revenue requirement  
17 associated with the tracker will be taken into account during  
18 Empire's next Missouri rate case.  
19

20 **Q. Did OPC agree to the establishment of the tracker in Case No. ER-2014-0351?**

21 A. Yes.

22 **Q. Does OPC recommend re-basing the tracker in the current case?**

23 A. No. At this time, OPC does not believe there is sufficient actual information to justify a re-  
24 base. OPC will re-evaluate the base level in the next general rate case when additional  
25 historical cost information becomes available.

Direct Testimony of  
Keri Roth  
Case No. ER-2016-0023

1 **Q. Does this conclude your direct testimony?**

2 **A. Yes.**

**CASE PARTICIPATION  
OF  
KERI ROTH**

<u>Company Name</u>	<u>Case No.</u>
Empire District Electric Company	ER-2012-0345
Emerald Pointe Utility Company	SR-2013-0016
Lake Region Water & Sewer Company	WR-2013-0461
Summit Natural Gas of Missouri, Inc.	GR-2014-0086
Hickory Hills Water & Sewer Company, Inc.	WR-2014-0167/SR-2014-0166
Empire District Electric Company	ER-2014-0351
Laclede Gas Company	GO-2015-0178
Missouri Gas Energy	GO-2015-0179
Missouri American Water Company	WR-2015-0301