

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

In the Matter of the Application of The Empire)
District Electric Company for Approval of Its) File No. EO-2018-0092
Customer Savings Plan)

RENEW MISSOURI’S STATEMENT OF POSITIONS

COMES NOW Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) and submits the following statement of positions:

1. Does the Missouri Public Service Commission (“Commission”) have authority to grant Empire’s requests?

Renew Missouri Position:

The Commission has the statutory authority to regulate public utilities in Missouri (Section 386.250 RSMo). “The Commission’s powers to regulate in the public interest are “broad and comprehensive” and include the authority “to order improvements[.]” (*In the Matter of the Application of KCP&L Greater Missouri Operations Company*, 515 S.W.3d 745, 758 (Mo. App. W.D. 2016) (citing *StopAquila.Org v. Aquila, Inc.*, 180 S.W.3d 24, 34-35 (Mo. App. W.D. 2005)). Among the Commission’s powers to fulfill its duties, the Commission can make a variety of determinations including orders under the specific provisions noted by Empire in its application (Doc. No. 2, p. 1). The Commission can “prescribe uniform methods of keeping accounts, records and books, to be observed by ... electrical corporations[.]” (Section 393.140(4) RSMo). The Commission can also “prescribe by order the accounts in which particular outlays and receipts shall be entered, charged or credited” (Section 393.140(8) RSMo). It can “require any or all ... electrical corporations ... to carry a proper and adequate depreciation account in accordance with such rules, regulations and forms of account as the commission may prescribe.” (Section 393.240.1 RSMo). The Commission may also “ascertain and determine and by order fix the proper and

adequate rates of depreciation of the several classes of property of such corporation, person or public utility” (Section 393.240.2 RSMo).

Empire is asking for an indication that the Commission supports the direction the company proposes to embrace in meeting the energy needs of its customers and save them \$325 million dollars over the next 20 years. In support of its application, Empire provided cost-benefit testimony explaining that its proposal is supported by the Generation Fleet Savings Analysis (“GFSA”) showing that retiring Asbury and replacing it with up to 800 MW of wind will generate 20-year Net Present Value (“NPV”) revenue requirement savings of \$325 million, compared to the company’s current resource plan (Doc. No. 72, p. 3). Furthermore, the company’s proposal is supported by additional public policy justifications including environmental benefits, economic benefits, and, under certain circumstances, increased property tax revenues collected by Missouri taxing authorities (Doc. No. 59, pp. 7-8; Doc. No. 59, pp. 11-12; Doc. No. 60, p. 5).

For those economic and policy reasons, the Commission should, and – pursuant to the statutory provisions described above – can encourage Empire’s planned investments in wind generation in conjunction with its plan to retire the Asbury generating facility.

2. Which of Empire’s requests, if any, should the Commission grant?

Renew Missouri Position:

The Commission should encourage Empire’s planned investments in wind generation in conjunction with its plan to retire the Asbury generating facility by (1) authorizing Empire to record its investment in, and the costs to operate, the Wind Projects in an account so that those costs may be considered in a future rate case; (2) authorizing Empire to record the undepreciated balance of the Asbury facility so that it may be considered in subsequent rate cases; and (3) order Empire to track and record the cost savings from the federal tax changes so that those savings may

be considered in a future rate case (Doc. No. 60). In addition, Renew Missouri does not oppose the following requests: approval of depreciation rates so that depreciation can begin as soon as the assets are placed in service; approval of variances to the Commission's affiliate transaction rules necessary for Empire and affiliates to implement the Customer Savings Plan; and issuance of an order that is effective by June 30, 2018, so that Empire can take advantage of a limited window of opportunity to bring these savings to customers.

3. What requirements should be applied to the Asbury regulatory asset?

Renew Missouri Position:

In its order authorizing Empire to record the undepreciated balance of the Asbury facility so that it may be considered in subsequent rate cases, the Commission should order the balance of the deferral to be reduced each month by the full amount of the continued rate recovery of the "return on" and "return of" Asbury plant investment up to the point new customer rates are ordered for Empire (Doc. No. 53, p. 8). Renew Missouri understands Empire is willing to implement this condition (Doc. No. 68, p. 7).

4. Should Empire be required to make any additional filings in relation to the CSP? If so, what filings?

Renew Missouri Position:

Renew Missouri did not identify specific additional filings the Commission should impose in relation to the CSP but reserves the right to make recommendations based on the evidence presented at hearing.

5. Should the Commission impose any requirements in regard to tax equity financing? If so, what requirements?

Renew Missouri Position:

Renew Missouri did not identify specific requirements the Commission should impose in regard to tax equity financing but reserves the right to make recommendations based on the evidence presented at hearing.

6. What conditions, if any, should be applied to the Asbury Employees?

Renew Missouri Position:

Renew Missouri did not identify specific conditions the Commission should impose in regard to Asbury employees but reserves the right to make recommendations based on the evidence presented at hearing.

7. Should the Commission require conditions related to any impacts on local property taxes? If so, what conditions?

Renew Missouri Position:

Renew Missouri did not identify specific conditions the Commission should impose related to any impacts on local property taxes but reserves the right to make recommendations based on the evidence presented at hearing.

8. Should there be any requirements associated with the Tax Cuts and Jobs Act of 2017? If so, what requirements?

Renew Missouri Position:

Yes, the Commission should order Empire to track and record the cost savings from the federal tax changes so that those savings may be considered in a future rate case (Doc. No. 60).

9. Should there be any requirements associated with potential conservation impacts of the Wind Projects? If so, what requirements?

Renew Missouri Position:

Renew Missouri did not identify specific requirements the Commission should impose associated with potential conservation impacts of the wind projects but reserves the right to make recommendations based on the evidence presented at hearing.

10. Should the Commission grant waivers of its affiliate transaction rules for the affiliate agreements associated with the CSP?

Renew Missouri Position:

Renew Missouri does not oppose approval of variances to the Commission's affiliate transaction rules necessary for Empire and affiliates to implement the Customer Savings Plan.

WHEREFORE, Renew Missouri respectfully files its *Statement of Positions*.

Respectfully Submitted,

/s/ Tim Opitz

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 4th day of April 2018:

/s/ Tim Opitz
