

Exhibit No.:
Issue: Fuel Adjustment
Witness: Bryan S. Owens
Type of Exhibit: Direct Testimony
Sponsoring Party: Empire District Electric
File No.
Date Testimony Prepared: September 2016

**Before the Public Service Commission
Of the State of Missouri**

Direct Testimony

Of

Bryan S. Owens

September 2016



DIRECT TESTIMONY
OF
BRYAN S. OWENS
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI
FILE NO.

1 **INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Bryan S. Owens and my business address is 602 S. Joplin Avenue,
4 Joplin, Missouri.

5 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR JOB TITLE?**

6 A. I am employed by The Empire District Electric Company (“Empire” or the
7 “Company”) as Assistant Director of Planning and Regulatory.

8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
9 **BACKGROUND FOR THE COMMISSION.**

10 A. I graduated from the University of Missouri, Kansas City with a Bachelor of
11 Liberal Arts degree in 1996. In 1998, I earned a Bachelor of Science degree in
12 Accounting from the University of Missouri, Kansas City.

13 I began my professional career in 1998, when I joined the accounting firm of
14 KPMG, LLP. I was employed at KPMG from August 1998 to July 2001, as a
15 senior auditor and senior tax specialist performing financial statement audits and
16 preparing federal and state tax returns for individuals and corporations.

17 In July 2001, I joined Overland Consulting, Inc., in Overland Park, Kansas. I was
18 employed at Overland Consulting, Inc. from July 2001 to June 2004, as a senior

1 consultant performing audits of utility Federal Energy Regulatory Commission
2 (“FERC”) financial statements as part of general rate case reviews supporting the
3 California Public Utilities Commission.

4 In May 2003, I earned my Certified Public Accountant certificate in Missouri.

5 In June 2004, I joined Aquila, Inc., in Kansas City, Missouri. I was employed with
6 Aquila, Inc. from June 2004 to July 2008, as a senior regulatory analyst preparing
7 rate case filings and managing compliance filings for several state jurisdictions
8 including Missouri, Kansas, and Colorado.

9 In July 2008, Aquila, Inc. was acquired by Black Hills Corporation and Great
10 Plains Energy, Inc. I was briefly employed with Kansas City Power & Light
11 Company (a wholly owned subsidiary of Great Plains Energy, Inc.) before joining
12 Black Hills Corporation in December 2008, as Manager, Colorado Electric
13 Regulatory Affairs. In this role, I was responsible for providing various financial
14 analyses in support of utility operations and managing regulatory filings for the
15 electric utility operations of Black Hills/Colorado Electric Utility Company, L.P.

16 In July 2010, I obtained my Colorado Certified Public Accounting license.

17 In November 2014, I joined Empire as Assistant Director of Planning and
18 Regulatory.

19 **Q. HAVE YOU EVER TESTIFIED BEFORE THIS OR ANY OTHER STATE**
20 **UTILITY COMMISSION?**

21 **A.** Yes. I have testified as a witness before the Colorado Public Utilities Commission
22 in Docket Nos. 14AL-0393, 13A-0446E, and 12AL-1052E, and I submitted written
23 testimony before the Arkansas Public Service Commission, the Colorado Public

1 Utilities Commission, the Kansas Corporation Commission, the Missouri Public
2 Service Commission (“Commission”), and the Oklahoma Corporation
3 Commission.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. My testimony will support the Fuel & Purchased Power Adjustment Clause
6 (“FAC”) rate schedules that have been filed by Empire to reflect the actual energy
7 costs that Empire has incurred during the six-month period March 2016 through
8 August 2016. This six-month period is an Accumulation Period specified in
9 Empire’s FAC tariff that was approved by the Missouri Public Service Commission
10 (“Commission”) in its Report and Order issued in File No. ER-2014-0351.

11 **EXECUTIVE SUMMARY**

12 **Q. PLEASE PROVIDE AN OVERVIEW OF YOUR TESTIMONY IN**
13 **SUPPORT OF THE FAC RATE SCHEDULES FILED BY EMPIRE.**

14 A. The Commission’s rule governing fuel and purchased power cost recovery
15 mechanisms for electric utilities – specifically 4 CSR 240-20.090(4) – requires
16 Empire to make periodic FAC filings that are designed to enable Commission
17 review of the actual fuel costs, purchased power costs, cost of consumables
18 associated with the power plants’ air quality control system (“AQCS”), net cost of
19 emission allowances, revenue from the sale of renewable energy credits (“REC”), a
20 portion of transmission costs and off-system sales margins (collectively referred to
21 as total energy costs) that the Company has incurred during an Accumulation
22 Period. In addition, these periodic filings are designed to adjust the FAC rates up
23 or down, to reflect the actual energy costs incurred during the Accumulation

1 Period. Empire's FAC tariff calls for two annual filings: a filing covering the six-
2 month Accumulation Period running from September through February and a
3 second filing covering the Accumulation Period running from March through
4 August. Any increases or decreases in rates that are approved by the Commission,
5 or that take effect by operation of law, are then collected from or refunded to
6 customers over two six-month Recovery Periods: June through November and
7 December through May.

8 Since the implementation of Empire's FAC, the variable cost of fuel and purchased
9 power used by the Company's Missouri customers has varied from the base fuel
10 and energy cost established in rates. For the Accumulation Period March 2016
11 through August 2016, Empire's actual total energy costs eligible for the FAC have
12 been lower than the base energy costs included in the Company's Missouri rates by
13 approximately \$9,371,395. In accordance with the FAC tariff, Empire has retained
14 5% of the overall decrease in Missouri variable energy costs during that six-month
15 period. Therefore, in accordance with the Commission's FAC rule and Empire's
16 approved FAC tariff, the Company has filed FAC rate schedules that are designed
17 to refund 95 percent of the energy cost differences of approximately \$8,902,825 to
18 its Missouri jurisdictional customers.

19 In addition, Empire also seeks to refund approximately \$516,561 which is further
20 described in the true-up testimony that is provided in a separate filing, of over-
21 recovered energy costs from the Recovery Period ending May 31, 2016. This
22 brings the total net refund to approximately \$9,456,550 including interest. This
23 total represents the Fuel and Purchased Power Adjustment ("FPA").

1 As reflected in the rate schedules filed by the Company, Empire has developed two
2 Fuel Adjustment Rates (“FAR”) designed to recover the FPA, each of which is
3 based on forecasted retail Missouri sales over the next Recovery Period: a FAR of
4 \$(0.00449) per kilowatt-hour (kWh) for primary service, and a FAR of \$(0.00456)
5 per kWh for secondary service have been developed for this filing. These FARs
6 will enable Empire to refund over a Recovery Period ending May 2017 the
7 difference between base energy costs built into its rates and the total energy costs
8 that were actually incurred during the Accumulation Period and the true-up of fuel
9 and energy costs during the Recovery Period ended May 31, 2016.

10 **Q. DOES THE EMPIRE FAC TARIFF INCLUDE PROVISIONS THAT ARE**
11 **DESIGNED TO LIMIT EMPIRE’S FAC RECOVERIES TO THE ACTUAL**
12 **COST OF ENERGY?**

13 A. Yes. The Empire FAC and the Commission’s rule governing FACs include two
14 safeguards that limit FAC recovery to actual, prudently-incurred energy costs. The
15 first safeguard is a true-up process that ensures that the FAC collections during the
16 Recovery Period do not exceed actual energy costs incurred during the
17 Accumulation Period. The second safeguard involves a requirement that Empire’s
18 energy costs be subjected to periodic Prudence Reviews, which will ensure that
19 only prudently-incurred energy costs are passed through to customers using the
20 FAC. Empire’s operation of the FAC has been audited by the Commission’s staff
21 through February 28, 2015 and no disallowances have been recommended.

22 **THE PROPOSED FAC RATE ADJUSTMENT**

23 **Q. WHY HAS EMPIRE FILED FAC-RELATED RATE SCHEDULES AT THIS**

1 **TIME?**

2 A. The Commission's rules – specifically 4 CSR 240-20.090(4) – and Empire's FAC
3 tariff require the Company to make periodic FAC filings that enable the
4 Commission to review Empire's actual fuel, purchased power, AQCS costs, a
5 portion of transmission costs, off-system sales, REC revenue, and net costs of
6 emissions allowances so that Empire's FAC rates can be adjusted to reflect the
7 actual energy costs the Company incurs to provide electric service to its Missouri
8 customers. Empire's Missouri FAC tariff calls for two FAC adjustment filings per
9 year: a filing covering the six-month Accumulation Period running from September
10 through February and a second filing covering the Accumulation Period running
11 from March through August. Empire is seeking a decrease in its FAC rates to
12 reflect 95% of the difference between the base energy costs built into its base
13 Missouri rates and Empire's actual Missouri energy costs for the Accumulation
14 Period, plus a true-up of the costs recovered during the Recovery Period ending
15 May 31, 2016. This recovery via FAC rates will be reflected on the Missouri
16 customers' bills over the six-month Recovery Period running from December 2016
17 through May 2017.

18 **Q. HOW HAVE EMPIRE'S AVERAGE ENERGY COSTS CHANGED OVER**
19 **THE COST INCLUDED IN BASE RATES DURING THE**
20 **ACCUMULATION PERIOD?**

21 A. Empire's average energy costs per kWh have decreased below the level built into
22 its base electric rates, which is why the FAC rate schedules filed by the Company
23 seek a decrease in the rates charged to the Missouri customers. More specifically,

1 Empire's Missouri base rates included an average cost of energy per kWh of net
2 system production of \$0.02684 during the Accumulation Period of March 2016
3 through August 2016. Empire actually incurred average energy costs of \$0.02256
4 per kWh during the Accumulation Period. This represents an overall decrease in
5 average energy costs of \$0.00428 per kWh during the Accumulation Period, or
6 about 15.93 percent lower than the average cost built into base rates. Pursuant to
7 Empire's FAC tariff, Empire is requesting to refund its Missouri customers the net
8 of 95 percent of this cost decrease plus approximately \$516,561 of over recovered
9 energy cost and \$37,163 of interest expense from the Recovery Period ending May
10 31, 2016, or an average of \$(0.00429) per kWh sold during the upcoming Recovery
11 Period.

12 **Q. PLEASE BRIEFLY DESCRIBE THE REASONS FOR THE DECREASE IN**
13 **THE AVERAGE ENERGY COST DURING THE ACCUMULATION**
14 **PERIOD?**

15 A. As previously noted, the average total energy cost for the period was about 15.93
16 percent lower than the base. Contributing to this result was the completion of the
17 Riverton Unit 12 conversion from simple cycle to a combined cycle unit. The unit
18 became available for commercial use in the Southwest Power Pool's Integrated
19 Marketplace ("SPP IM") on May 1, 2016. The unit has had strong availability and
20 a favorable position in the SPP IM during the Accumulation Period of March 2016
21 through August 2016. Additionally, fuel and market prices (primarily lower natural
22 gas prices) during the Accumulation Period, were lower than what was utilized to
23 develop the current FAC base factor and amplify the favorable position of Riverton

1 Unit 12 Combined Cycle in the SPP IM thus far.

2 **Q. HOW DOES THE MONTHLY FAC CHANGE FOR A TYPICAL**
3 **RESIDENTIAL CUSTOMER?**

4 A. For Missouri residential customers using 1,000 kWh per month, the electric bill
5 will decrease by approximately \$2.48 per month over the six-month period
6 December 2016 through May 2017, when the current FAC credit factor of
7 \$(0.00456) is applied to their bill and the previous FAC credit factor of \$(0.00207)
8 is eliminated from their bill.

9 **Q. DID THE AVERAGE ENERGY COST VARY FROM EXPECTATIONS?**

10 A. The actual total energy cost per megawatt-hour was below Empire's forecast for
11 this time-period by approximately 17.58 percent.

12 **Q. DO YOU EXPECT THE AVERAGE ENERGY COSTS ELIGIBLE FOR**
13 **THE FAC TO BE HIGHER OR LOWER THAN THE BASE DURING THE**
14 **NEXT ACCUMULATION PERIOD FROM SEPTEMBER 2016 THROUGH**
15 **FEBRUARY 2017?**

16 A. Based on the current budget, the current FAC base factor, and the existing FAC
17 components, we expect the total energy costs eligible for the FAC to be about
18 0.714% lower than the base cost built into Missouri electric rates.

19 **Q. DO YOU BELIEVE EMPIRE'S FUEL ADJUSTMENT CLAUSE IS**
20 **REASONABLE AND APPROPRIATE?**

21 A. Yes. The design of the Commission's rule governing the FAC was the subject of
22 much discussion and debate prior to being approved by the Commission. In
23 addition, there was much discussion and debate concerning Empire's FAC tariff in

1 Case No. ER-2008-0093. This was the case in which the Commission ultimately
2 approved Empire's initial FAC tariff. Additional discussions have occurred in
3 subsequent cases. Empire's FAC filing is being made in accordance with the
4 Commission's rules governing the FAC and in accordance with the FAC tariff
5 approved for Empire.

6 **Q. PLEASE DESCRIBE HOW EMPIRE IS PROPOSING TO REFUND THE**
7 **ENERGY COST DECREASES EXPERIENCED DURING THE MARCH**
8 **2016-AUGUST 2016 ACCUMULATION PERIOD?**

9 A. The FAC rate schedule filed by Empire will refund the energy cost decrease
10 actually incurred during the Accumulation Period by applying the negative Fuel
11 Adjustment Rate or FAR of \$(0.00449) for primary and \$(0.00456) for secondary
12 service to the actual Missouri retail kWh sales that take place during the December
13 1, 2016 to May 31, 2017 Recovery Period. The proposed FARs were calculated in
14 accordance with Empire's authorized FAC tariff. I have attached to my testimony,
15 as Schedule BSO-1, a copy of one of Empire's approved FAC tariff sheets. In
16 addition to the tariff sheet, I have included as page 2 of Schedule BSO-1 a monthly
17 analysis of the energy costs and energy cost recovery that has taken place during
18 the Accumulation Period. Schedule BSO-1 contains the basic information and
19 FAC formula that Empire used to calculate the FARs that have been included in the
20 proposed revised FAC rate schedule sheet 17ac. The Empire FAC tariff and the
21 formula included therein were approved by the Commission in File No. ER-2016-
22 0023.

23 **Q. HOW WERE THE VARIOUS VALUES USED TO DETERMINE THE**

1 **PROPOSED FARS THAT ARE SHOWN ON SCHEDULE BSO-1**
2 **DEVELOPED?**

3 A. The data upon which Empire based the values for each of the variables in the
4 approved FAR formula are included on the schedule, and came from Empire's
5 books and records. Schedule BSO-1 contains all of the basic information that is
6 required to calculate the proposed change in the FAR. In addition, I have filed the
7 detailed information required by 4 CSR 240-3.161(7) (A) with this testimony as a
8 separate set of supporting workpapers. Additional information about the true-up
9 amount was filed concurrently in a separate docket. In addition, as required by 4
10 CSR 240-3.161(7) (B), I have separately provided to all parties of record in Case or
11 File Nos. ER-2008-0093, ER-2010-0130, ER-2011-0004, ER-2012-0345, ER-
12 2014-0351, and ER-2016-0023 with a set of these workpapers.

13 **Q. IS EMPIRE IN COMPLIANCE WITH THE PROVISIONS OF THE**
14 **COMMISSION'S FAC RULE CONCERNING PERIODIC REPORTING**
15 **AND SURVEILLANCE?**

16 A. Yes. Empire has complied with all of the Commission's rules, 4 CSR 240-3.161(5)
17 and (6), governing periodic reports and surveillance using the Commission's
18 electronic filing system and provided all of the parties to Case or File Nos. ER-
19 2008-0093, ER-2010-0130, ER-2011-0004, ER-2012-0345, ER-2014-0351, and
20 ER-2016-0023 with copies of the periodic compliance reports and copies of
21 surveillance reports at the same time they were filed with the Commission.

22 **Q. IF FAC SHEET 17ac IS APPROVED BY THE COMMISSION, WHAT**
23 **SAFEGUARDS EXIST TO ENSURE THAT THE FAC REVENUE**

1 **COLLECTED BY EMPIRE DOES NOT EXCEED THE ACTUAL TOTAL**
2 **ENERGY COST INCURRED BY EMPIRE DURING THE**
3 **ACCUMULATION PERIOD?**

4 A. As I mentioned earlier, Empire’s FAC and the Commission’s rules provide two
5 mechanisms designed to limit the FAC amounts collected from customers to
6 Empire’s actual, prudently-incurred energy costs. First, at the end of each
7 Recovery Period the Company is required to true-up the amounts collected from
8 customers through the FAR with the total energy costs that were actually incurred
9 during the Accumulation Period to which the FAR applies. In addition, Empire’s
10 energy costs will be subjected to periodic Prudence Reviews to ensure that only
11 prudently-incurred energy costs are collected from customers through the FAC.
12 These two mechanisms serve as checks that ensure that Empire’s Missouri
13 customers pay only the prudently-incurred, actual cost of energy used to provide
14 electric service in Missouri (less the 5% Empire absorbs or retains) – no more and
15 no less.

16 **Q. WHAT ACTION IS EMPIRE REQUESTING FROM THE COMMISSION**
17 **WITH RESPECT TO THE FAC RATE SCHEDULE THAT THE**
18 **COMPANY HAS FILED?**

19 A. As provided by 4 CSR 240-20.090(4), Staff has thirty (30) days from the date the
20 FAC rate schedule is filed to conduct a review and to make a recommendation to
21 the Commission as to whether the rate schedule complies with the Commission’s
22 FAC rules, the requirements of Section 386.266, RSMo, and Empire’s approved
23 FAC. The Commission has sixty (60) days from the date of Empire’s filing to

1 either approve the rate schedule or to allow it to take effect by operation of law.
2 Empire believes its FAC filing satisfies all of the requirements of applicable
3 statutes, the Commission's rules, and Empire's approved FAC. Empire requests
4 that, following Staff's review, the Commission approve revised FAC sheet 17ac to
5 be effective as of December 1, 2016, which is the first day of the Recovery Period
6 prescribed in Empire's FAC tariff.

7 **Q. IS EMPIRE REQUESTING ANY OTHER CHANGES TO THE FAC**
8 **TARIFF AT THIS TIME?**

9 A. No other changes to the FAC tariff sheets are being requested at this time.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

11 A. Yes, it does.

THE EMPIRE DISTRICT ELECTRIC COMPANY

P.S.C. Mo. No. 5 Sec. 4 1st Revised Sheet No. 17ac

Canceling P.S.C. Mo. No. 5 Sec. 4 Original Sheet No. 17ac

For ALL TERRITORY

FUEL & PURCHASE POWER ADJUSTMENT CLAUSE
RIDER FAC
For service on and after September 14, 2016

	Accumulation Period Ending		Aug 31, 2016
1	Total Energy Cost (TEC) = (FC + PP + E – OSSR - REC)		60,294,292
2	Net Base Energy Cost (B)	-	71,719,486
	2.1 Base Factor (BF)		0.02684
	2.2 Accumulation Period NSI (S _{AP})		2,672,112,000
3	(TEC-B)		(11,425,194)
4	Missouri Energy Ratio (J)	*	82.02%
5	(TEC - B) * J		(9,371,385)
6	Fuel Cost Recovery	*	95.00%
7	(TEC - B) * J * 0.95		(8,902,816)
8	True-Up Amount (T)	+	(516,561)
9	Prudence Adjustment Amount (P)	+	
10	Interest (I)	+	(37,164)
11	Fuel and Purchased Power Adjustment (FPA)	=	(9,456,541)
12	Forecasted Missouri NSI (S _{RP})	÷	2,205,063,123
13	Current Period Fuel Adjustment Rate (FAR) to be applied Beginning December 1, 2016	=	(0.00429)
14	Current Period FAR _{PRIM} = FAR x VAF _{PRIM}		(0.00449)
15	Current Period FAR _{SEC} = FAR x VAF _{SEC}		(0.00456)
16	VAF _{PRIM} = 1.0464		1.0466
17	VAF _{SEC} = 1.0657		1.0622

DATE OF ISSUE September 30, 2016

DATE EFFECTIVE December 1, 2016

ISSUED BY Kelly S. Walters, Vice President, Joplin, MO

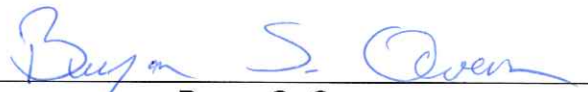
The Empire District Electric Company
Fuel Adjustment Clause
Cost Adjustment Factor Calculation
For Accumulation Period Ending Aug 16

		Accumulation Period						Prior Period Adj	Total
		Mar 16	Apr 16	May 16	June 16	July 16	Aug 16		
Generation	[FC]	\$ 9,419,657.56	\$ 7,379,558.78	\$ 10,618,816.16	\$ 13,735,131.46	\$ 14,802,322.80	\$ 14,348,889.43	\$ 70,304,376.19	
Fuel - AQCS	[FC]	\$ 185,363.43	\$ 58,777.70	\$ 148,067.47	\$ 251,147.06	\$ 285,694.22	\$ 224,506.81	\$ 1,153,556.69	
Native Load Cost	[PP]	\$ 5,768,934.34	\$ 6,423,847.66	\$ 6,330,852.44	\$ 13,339,882.51	\$ 14,083,310.22	\$ 14,929,378.05	\$ 60,876,205.22	
Transmission Costs	[PP]	\$ 476,229.76	\$ 426,524.11	\$ 433,258.33	\$ 284,606.53	\$ 471,490.62	\$ 450,541.73	\$ 2,542,651.08	
Net of Emission Allow.	[E]			\$ (11.53)				\$ (11.53)	
EDE Sales	[OSSR]	\$ (7,237,004.51)	\$ (6,954,664.30)	\$ (8,560,445.68)	\$ (17,319,620.77)	\$ (16,720,414.01)	\$ (17,626,754.25)	\$ (74,418,903.52)	
Renewable Energy Credit Revenues	[REC]	\$ (163,593.37)	\$ -	\$ -				\$ (163,593.37)	
Total Energy Cost		\$ 8,449,587.21	\$ 7,334,043.95	\$ 8,970,537.19	\$ 10,291,146.79	\$ 12,922,403.85	\$ 12,326,561.77	\$ 60,294,280.76	
Net Base Energy Rate		\$ 0.02684	\$ 0.02684	\$ 0.02684	\$ 0.02684	\$ 0.02684	\$ 0.02684		
NSI kwh		384,368,000	350,466,000	376,762,000	499,367,000	539,118,000	522,031,000	2,672,112,000	
Base Energy Cost (B)		\$ 10,316,437.12	\$ 9,406,507.44	\$ 10,112,292.08	\$ 13,403,010.28	\$ 14,469,927.12	\$ 14,011,312.04	\$ 71,719,486.08	
Missouri Retail kwh Sales		296,281,061	268,674,943	287,699,126	383,868,568	412,509,453	399,870,546	2,048,903,697	
Total System kwh Sales		360,585,914	328,429,794	352,621,650	466,386,201	503,214,647	488,024,972	2,499,263,178	
Missouri Energy Ratio (J)		0.8217	0.8181	0.8159	0.8231	0.8197	0.8194		
Fuel & PP Cost Recovery (Over)/Under {[(FC + PP + E - OSSR - REC - B) * J] * 0.95}		\$ (1,457,291.04)	\$ (1,610,708.25)	\$ (884,979.92)	\$ (2,433,306.10)	\$ (1,205,079.58)	\$ (1,311,460.15)	\$ (8,902,825.04)	
(Over)/Under Adjustment (T)							\$ (516,561.03)	\$ (516,561.03)	
Interest (Expense)/Income (I)		\$ (4,214.81)	\$ (5,625.45)	\$ (5,767.15)	\$ (6,613.67)	\$ (7,466.77)	\$ (7,475.77)	\$ (37,163.62)	
Fuel & Purchased Power Adjustment {[(FC + PP + E - OSSR - REC - B) * J] * 0.95} + T + I + P (FPA)		\$ (1,461,505.85)	\$ (1,616,333.70)	\$ (890,747.07)	\$ (2,439,919.77)	\$ (1,212,546.35)	\$ (1,318,935.92)	\$ (516,561.03)	
For Recovery Period									
Forecasted NSI kwh (a)								2,478,967,000	
Forecasted Missouri Retail kwh Sales (b)								2,065,050,511	
Forecasted Total System kwh Sales (c)								2,321,562,597	
Forecasted Missouri Ratio								88.95%	
Forecasted Missouri NSI kwh (S)=a*(b/c)								2,205,063,123	
Cost Adjustment Factor (FAR=FPA./S)								-0.00429	
FAR - Primary and above								-0.00449	
Primary Expansion Factor		1.0466							
FAR - Secondary								-0.00456	
Secondary Expansion Factor		1.0622							

AFFIDAVIT OF BRYAN S. OWENS

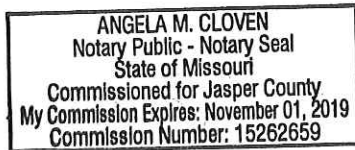
STATE OF MISSOURI)
) ss
COUNTY OF JASPER)


On the 29th day of September, 2016, before me appeared Bryan S. Owens, to me personally known, who, being by me first duly sworn, states that he is the Assistant Director of Planning and Regulatory of The Empire District Electric Company and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge and belief.



Bryan S. Owens

Subscribed and sworn to before me this 29th day of September, 2016.





Notary Public

My commission expires: 11/01/2019.