

**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) Case No. ER-2019-0374
Service Provided to Customers in its Missouri Service Area)

RESPONSE TO COMMISSION ORDER

COMES NOW The Empire District Electric Company (“Empire” or “Company”), and
for its Response to Commission Order, respectfully states as follows to the Missouri Public
Service Commission (“Commission”):

1. On August 17, 2020, Empire submitted revised rate schedules designed to
comply with the Commission’s *Amended Report and Order*, issued July 23, 2020, effective
August 2, 2020, as clarified, and the Commission’s *Order Directing the Filing of
Compliance Tariffs* issued and effective August 12, 2020.

2. On September 1, 2020, the Staff of the Commission filed a recommendation
stating as follows:

Staff reviewed the compliance tariff book, as substituted on August 28. Staff
recommends that the Commission approve the compliance tariff book, as
substituted in compliance with its *Amended Report and Order*, and which
incorporates a fictitious name change along with the AMI tariff changes as
approved in Case No AO-2020-0237.

3. On September 3, 2020, the Commission issued its *Order Directing The Empire
District Electric Company to Respond Regarding its Compliance Tariff*, posing five questions to
be answered by Empire:

- Does Empire’s compliance tariff follow option (A) as proposed in Staff’s clarification motion, or option (A) as clarified by the Commission with the Commission’s additional language?
- What is the total revenue requirement (dollars to be collected from customers on an annual basis) based upon the Commission’s Order in this case?
- What is the total revenue requirement increase or decrease in this case?

- Did Empire calculate its compliance tariff rates by applying the revenue requirement increase/decrease to its ER-2016-0023 rates or to the ER-2016-0023 rates net of the ER-2018-0366 TCJA credits?
- When allocating the revenue requirement increase/decrease in this case between rate classes, did Empire apply the class cost of service allocations authorized by the Commission in ER-2016-0023?

Empire's answers to these five questions are set forth below.

4. Empire's compliance tariff sheets follow option (A) as clarified by the Commission with the Commission's additional language. Empire interprets the clarifying language as establishing that the cost allocations from ER-2016-0023 used to develop the existing revenue allocations and rates remain in effect until the Commission changes those allocations in a future proceeding.

5. Based on Staff's EMS run compiled to comply with the Commission's orders in this case, the total revenue requirement is \$506,139,297, of which the total amount to be collected from customers through base rates is \$465,814,708.

6. The total revenue requirement increase or decrease resulting from this case is an increase of \$992,376.

7. Empire calculated its compliance tariff rates by proportionately applying the revenue requirement increase to its ER-2016-0023 rates net of the ER-2018-0366 TCJA credits.

8. The class cost of service allocations authorized by the Commission in ER-2016-0023 established the revenue allocation and resulting rates in that case. Empire applied those rates to the billing determinants established in the Commission's order in this case, to develop the beginning revenue for the purpose of calculating rates in this case. The TCJA credits established in ER-2018-0366 were then netted with the ER-2016-0023 rate revenue. And, finally, the resulting tax-adjusted revenue for each class was proportionately adjusted to bring the final revenue for each class to the authorized revenue requirement.

WHEREFORE, Empire submits its Response to Commission Order and requests such relief as is just and proper under the circumstances.

Respectfully submitted,

/s/ Diana C. Carter

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 4th day of September, 2020, with notification of the same being sent to all counsel of record.

/s/ Diana C. Carter