

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

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

POSITION STATEMENT OF CITY OF JOPLIN

The City of Joplin takes a position only on the issues designated below. For its Position Statement, Joplin states:

1. Does the Commission have authority to grant Empire's requests?
 - a. Position Statement: The Commission does not have the authority to grant Empire's requests.
 - b. Order Requested: The Commission should reject Empire's requests.
 - c. Relevant Law: Section 393.130, RSMo.
 - d. Facts Relevant:
 - i. Retail utility rates should reflect only the costs necessary for the utility to provide safe, adequate, and reliable utility service.¹
 - ii. Empire is requesting approval for additional generation which is not needed by its customers.²

2. Which of Empire's requests, if any, should the Commission grant?:
 - a. Position: The Commission should reject all of Empire's requests.
 - b. Order Requested: The Commission should reject all of Empire's requests.
 - c. Relevant Law: Section 393.130, RSMo.
 - d. Facts Relevant:

¹ Mantle Surrebuttal, p. 15.

² Mertens Direct pp. 16-17; Riley Rebuttal, pp. 7-8.

- i. Empire is seeking pre-approval of its plan which would significantly impact retail customer's rates outside of a rate case, which is not permitted by Missouri law.
- ii. There are numerous uncertainties³ in Empire's proposal, any of one of which should cause the Commission to deny Empire's requests: Identification of Contractor for Wind Project;⁴ Identification of Tax Equity Partner;⁵ Location of Wind Projects;⁶ Transmission Costs;⁷ Market Prices in the SPP Market;⁸ Generation mix at SPP;⁹ Frequency of Negative Market Prices;¹⁰ among others.
- iii. Empire's requests contain numerous flawed assumptions including: no negative market prices¹¹ and annual revenue requirement filings with PSC.¹²
- iv. Empire's requests exclude other known information such as Asbury's dismantlement costs.¹³
- v. The risk of such flawed assumptions and uncertainties falls on Empire's retail customers.¹⁴

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

³ See generally, Mantle Surrebuttal, Schedule LMM-S-1.

⁴ Meyer Rebuttal, p. 4.

⁵ Meyer Rebuttal, p. 4.

⁶ Meyer Rebuttal, p. 4.

⁷ Meyer Rebuttal, p. 4.

⁸ Mantle Rebuttal, p. 6; Meyer Rebuttal, p. 10.

⁹ Mantle Rebuttal p. 13; Meyer Rebuttal, p. 16.

¹⁰ Mantle, pp. 8-9; Meyer Rebuttal, pp. 16-17.

¹¹ Mantle, pp. 8-9; Meyer Rebuttal, pp. 16-17.

¹² Mantle Rebuttal, p. 5; Meyer Rebuttal, p. 11.

¹³ Robinett Rebuttal, p. 10.

¹⁴ Marke Rebuttal, p. 2; Mantle Rebuttal, pp. 4,18; Rogers Rebuttal, pp. 12,16.

- a. Position: The Commission should reject Empire's request to retire Asbury for the reasons set forth above in Paragraphs 1 and 2.
 - b. Order Requested: The Commission should reject Empire's request to retire Asbury.
 - c. Facts Relevant:
 - i. The cost to keep Asbury in compliance is between \$20-30 million.¹⁵
 - ii. The cost of the new wind projects is \$1.5 billion.¹⁶
 - iii. Asbury underwent significant, and costly, upgrades in 2008, 2012, and 2014.¹⁷
 - iv. Asbury's current retirement date is 2035.¹⁸
 - v. Dismantling Asbury would cost an additional \$24 million.¹⁹
4. Should Empire be required to make any additional filings in relation to the CSP?
If so, what filings?
- a. Position: The Commission should reject Empire's request to approve the CSP for the reasons set forth above in Paragraphs 1 and 2.
5. Should the Commission impose any requirements in regard to tax equity financing? If so, what requirements?
- a. Position: The Commission should reject Empire's request to approve the CSP for the reasons set forth above in Paragraphs 1 and 2.
6. What conditions, if any, should be applied to the Asbury Employees?

¹⁵ Mertens Direct, p. 15.

¹⁶ Marke Rebuttal, p. 5.

¹⁷ Robinett Rebuttal, pp. 2-5.

¹⁸ Robinett Rebuttal, p. 5.

¹⁹ Robinett Rebuttal, p. 10.

- a. Position: Joplin supports Hyman's proposals that (1) the Company should provide displaced employees with opportunity to enter positions at Empire or its affiliates with no reduction in salaries, or in the alternative, should offer retraining for another career, and (2) Empire should work with the Division of Workforce Development to sponsor retraining opportunities for plant employees that seek employment outside of Empire or its affiliates, as well as to residents of the communities affected by the Asbury plant closure.²⁰
- b. Order Requested: If the Commission allows Empire to retire Asbury, then it should also order the conditions outlined in (a).
- c. Facts Relevant:
 - i. Empire currently has 55 employees at Asbury, whose current positions will be eliminated if Asbury is retired.²¹

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

- a. Position: Joplin supports Hyman's proposals that (1) Empire should provide a one-time contribution to local school districts to both mitigate the effects of lost property tax revenues and allow these districts to revise their budgets, and (2) Empire should pursue available federal funding opportunities for assisting communities surrounding coal-fired power plants.
- b. Order Requested: If the Commission allows Empire to retire Asbury, then it should also order the conditions outlined in (a).

²⁰ Hyman Rebuttal, pp. 12-13.

²¹ Human Rebuttal, p. 11.

c. Facts Relevant:

- i. The retirement of Asbury will lead to lost property tax revenue.²²

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

a. Position: There should be requirements associated with the TCJA of 2017, as outlined by Staff in ER-2018-0228:

- i. the Commission should order Empire to file tariffs reducing its rates for every class and category of service by the percentage reduction in the federal-state effective income tax rate stated in Staff's "Motion to Open Rate Case and to Require Company to Show Cause;" and
- ii. the Commission should order Empire to quantify and track all TCJA rate impacts from January 1, 2018, going forward; and
- iii. the Commission should order Empire to quantify and track its excess protected and unprotected ADIT for future flow back to ratepayers and to advise the Commission how best that flow-back might be accomplished; and
- iv. the Commission should order Empire to identify and quantify all other impacts of the TCJA.

b. Order Requested: See 8(a), above.

c. Relevant Law: Section 386.390, RSMo.

d. Facts Relevant:

- i. The TCJA reduced the federal tax rate from 35% to 21% for Empire.²³

²² Hyman Rebuttal, pp. 11-12.

²³ Meyer Rebuttal, p. 23.

Other Issues

The City of Joplin does not take a position on any other issue at this time, but reserves the right to do so as additional evidence is presented to the Commission, and reserves the right to cross-examine any witness on, and to brief, any issue.

WHEREFORE, the City of Joplin respectfully submits its Statement of Position.

Respectfully submitted,

BLITZ, BARDGETT & DEUTSCH, L.C.

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CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing were sent by email to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

/s/ Stephanie S. Bell