

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

In the Matter of The Empire District        )  
Electric Company's d/b/a Liberty        )  
(Empire) Fuel Costs Related to the        )  
Extraordinary Weather Event of 2021.    )

**Case No. EU-2021-0274**

**STAFF'S POSITION STATEMENT**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and hereby tenders this *Position Statement* in satisfaction of the Commission's *Order Adopting Procedural Schedule* issued herein on December 15, 2021:

***Issue:***

Should the Commission grant an AAO permitting Empire to track and defer, beginning February 2021, to a regulatory asset: (1) the remaining 5% of extraordinary fuel and purchased power costs from February 2021 that was not deferred as a result of Case No. ER-2021-0032; (2) carrying costs on the total February 2021 fuel and purchased power expenditures at the Company's weighted average cost of capital; and (3) other costs specifically related to Winter Storm Uri, including outside legal fees?

***Staff's Position:***

Yes, but only in part. While Staff recommends that the Commission approve Empire's request for an AAO, Staff is opposed to including the carrying costs in the deferral at this time because inclusion of carrying costs in a deferral has rarely been authorized by the Commission and is essentially a ratemaking determination. Therefore, Staff recommends the Commission wait until Empire's next general rate case proceeding to decide whether carrying costs should be applied to the deferred balance. Staff also recommends that any increased margin revenues received by Empire during February 2021 should offset the amount of the additional costs Empire is seeking to defer.

**WHEREFORE**, the Staff of the Missouri Public Service Commission tenders this *Position Statement* in satisfaction of the Commission's *Order Adopting Procedural Schedule* issued herein on December 15, 2021.

Respectfully submitted,

s/ Kevin A. Thompson  
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**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **24<sup>th</sup> day of January, 2022**, 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/ Kevin A. Thompson