

The Empire District Electric Company
EO-2022-0193
Missouri Asbury Securitization
Asbury Securitization Costs

Line No.	Description	Company		OPC		
		Total		Total		
		Asbury (Retired Plant) Proposed ER-2022-0193		Asbury (Retired Plant) Proposed OPC Balances		
1	Net Retired Asbury Plant	\$	159,414,474	\$	139,838,566	Line 29
2	Asbury Environmental Regulatory Assets		1,494,657	\$	-	Addressed in future case
3	Asbury Fuel Inventories		1,532,832	\$	(3,947,465)	Sanderson, McMellen WP
4	Asbury Excess ADIT		(12,177,195)	\$	(16,934,393)	Sanderson Testimony
5	Asbury AAO Liability		(41,677,324)	\$	(116,646,983)	This Schedule page 2
6	Asbury ADIT		(36,480,831)	\$	(32,275,034)	Sanderson Testimony
7	Additional Asbury Decommissioning Costs (Phase 2) (1)		3,541,054	\$	3,541,054	Black & Veatch
8	Additional Asbury Decommissioning Costs (Phase 3) (1)		7,436,214	\$	3,364,140	Black & Veatch
9	Additional Asbury Asset Retirement Obligation Costs - Asbestos		2,807,540	\$	-	Addressed in future case
10	Additional Asbury Asset Retirement Obligation Costs - CCR Impoundment		18,473,530	\$	-	Addressed in future case
11	Total Asbury Costs to Securitize: (2)	\$	<u>104,364,952</u>	\$	<u>(23,060,115)</u>	
	Carry charges on Rate Base balance @ 6.77%			\$	(1,183,380)	\$29,965,309@6.77% for 7 months
	Total due ratepayer			\$	<u>(24,243,495)</u>	
	Asbury plant balance January 1, 2020	\$	217,663,073			Sanderson Testimony
	Accumulated Depreciation	\$	(62,618,776)			Sanderson Testimony
	Cash Working Capital	\$	(15,205,731)			This Schedule page 5
	Asbury Rate Base (Net)	\$	<u>139,838,566</u>			Net rate base

		Liabilities through Jun-21	Liabilities extended through May 2022	Total Liabilities	
15	Return on Asbury	\$ (10,958,602)	\$ (6,361,467)	\$ (17,320,069)	Page 3
16					
17	Revenue from Scrap Removal	\$ (10,248)		\$ (10,248)	
18	SPP rev/exp outside of the FAC	\$ -			
19	Depreciation Expense	\$ (16,298,010)	\$ (9,959,895)	\$ (26,257,905)	Page 6
20	Other O&M Expenses	\$ (5,931,161)	\$ (3,624,598)	\$ (9,555,759)	Jun-22
21	Labor Expense	\$ (4,337,820)	\$ (2,650,890)	\$ (6,988,710)	Jun-22
22	Return on Coal Inventory	\$ (422,004)	\$ (244,973)	\$ (666,977)	page 7
23	Fed/State Income tax on Asbury & Coal profit			\$ (2,956,013)	Page 3
24	Property Taxes	\$ (2,860,004)	\$ (5,720,008)	\$ (8,580,012)	three years
25	Non labor Asbury Retirement Costs	\$ -		\$ -	
26	Tax on Abandonment 2019 & 2020 -	<u>\$ (16,504,355)</u>		<u>\$ (16,504,355)</u>	
27		<u>\$ (57,322,204)</u>		<u>\$ (88,840,048)</u>	
28					
29		\$ 1.313		\$ 1.313	
30					
31	Regulatory Liability	\$ (75,264,054)	\$ -	\$ (116,646,983)	Page 2
32					
33	Net Regulatory Asset	\$ 60,627,047		\$ 19,244,118	Net Asbury plus Coal
34	ADIT	\$ (32,275,034)		\$ (32,275,034)	Sanderson testimony
35	Excess ADIT	\$ (16,934,393)		\$ (16,934,393)	Sanderson testimony
36	Removal of AQCS improvements	\$ (122,412,831)			
37					
38	Remaining Asbury Plant to Amortize	<u>\$ (110,995,211)</u>		<u>\$ (29,965,309)</u>	

JSR-S-01,

ROR calculations on Asbury		
	\$ 217,663,073.00	
	\$ 62,618,776.00	
	\$ 155,044,297.00	
Less ADIT	\$ (52,536,441.00)	
	\$ 102,507,856.00	
Monthly ROR 2016 rate case Dec. 13,2019-sep 15,2020	0.624%	
	9	
Return	\$ 5,753,765.96	
	\$ 102,507,856.00	\$ 102,507,856.00
6.77%/12 21 months	0.56417%	0.56417%
Months	9	11
	\$ 5,204,836.39	\$ 6,361,466.70
		Fed/State Tax
Total Return AAO	\$ 10,958,602.35	\$ 17,320,069.04

ROR on Coal	
\$ 3,947,465.00	
0.624%	
9	
\$ 221,571.21	
\$ 2,414,632.00	\$ 2,414,632.00
0.56417%	0.56417%
9	11
\$ 200,432.54	\$ 149,848.04
\$ 571,851.78	
23.84%	
\$ 136,329	

ROE Calculations				
	4.75%	4.85%	4.85%	
	\$ 106,455,321.00	\$ 106,455,321.00	\$ 106,455,321.00	
ROE/month	0.39583%	0.40425%	0.40425%	
# months	9	9	11	
	\$ 3,792,470.81	\$ 3,873,110.72	\$ 4,733,801.99	\$ 12,399,383.51
	23.84%	23.84%	23.84%	23.84%
Fed/State Tax	\$ 904,125	\$ 923,350	\$ 1,128,538	\$ 2,956,013

				To June 2022
1				
2	Asbury AAO June 30,2021	Empire	OPC Adjustments	
3				
4	Plant in Service	\$ (217,663,073)	\$ 217,663,073	Asbury
5	Remaining Plant	\$ (2,277,616)		Exclude from the AAO
6	Accumulated Depreciation	\$ 62,618,776	\$ (62,618,776)	Less Asbury Accum Depr
7	Remaining Plant Accumulated Depreciation	\$ (90,624)		Exclude from the AAO
8	Fuel Invenories			
9	Cash Working Capital	\$ (128,983)	\$ (15,205,731)	Page 4
10	ADIT	\$ (63,372)	\$ -	Addressed on line 16
11	Excess ADIT	\$ 878,783	\$ -	Addressed on line 17
12				\$ 155,044,297.00
13	Net Rate Base/ Regulatory Asset	\$ 159,414,474	\$ 139,838,566	
14	Asbury Environmental Reg. Assets	\$ 1,494,657		future rate case
15	Coal Inventory	\$ 1,532,832	\$ (3,947,465)	ER-2019-0374
16	Asbury ADIT (NPV @ 13 yrs)	\$ (4,747,535)	\$ (32,275,034)	Sanderson Testimony
17	Asbury Excess ADIT	\$ (12,177,195)	\$ (16,934,393)	Sanderson Testimony
18	AAO Liabilities	\$ (41,677,324)	\$ (116,646,983)	*
19	Asbury Decommissioning Costs(Phase 2)88.53%	\$ 3,541,054	\$ 3,541,054	\$4 million Adjusted
20	Asbury Decommissioning Costs(Phase 3)88.53%	\$ 7,436,214	\$ 3,364,140	Salvage value of \$4,705,000 per B&V
21	ARO Asbestos	\$ 2,807,540	\$ -	future rate case
22	CCR Impoundment 88.53%	\$ 18,473,530	\$ -	future rate case
23	Asbury Energy Transition Costs to Securitize	\$ 136,098,247	\$ (23,060,115)	
	Carry charges on negative balance June-Dec		\$ (1,183,380.00)	\$29,416,458@6.77% for 7 months
	Total Securitization		\$ (24,243,495)	
				Extended to June 2022
15	Return on Asbury	\$ (14,486,088)	\$ (10,958,602)	\$ (6,361,467) \$ (17,320,069) *
16				
17	Revenue from Scrap Removal	\$ (10,248)	\$ (10,248)	\$ (10,248)
18	SPP rev/exp outside of the FAC	\$ -	\$ -	
19	Depreciation Expense	\$ (13,914,240)	\$ (16,298,010)	\$ (9,959,895) \$ (26,257,905) *
20	Other O&M Expenses	\$ (5,931,161)	\$ (5,931,161)	\$ (3,624,598) \$ (9,555,759) *
21	Labor Expense		\$ (4,337,820)	\$ (2,650,890) \$ (6,988,710) *
22	Return on Coal Inventory		\$ (422,004)	\$ (244,973) \$ (666,977) *
23	Fed/State Income tax on Asbury & Coal profit			\$ (2,956,013)
24	Property Taxes	\$ (2,860,004)	\$ (2,860,004)	\$ (5,720,008) \$ (8,580,012) *
25	Non labor Asbury Retirement Costs	\$ 3,290,545	\$ -	\$ -
26	Tax on Abandonment 2019 & 2020 -		\$ (16,504,355)	\$ (16,504,355) *
27		\$ (33,911,196)	\$ (57,322,204)	\$ (88,840,048)
28				
29		1.313	1.313	1.313
30				
31	Regulatory Liability	\$ (44,526,314)	\$ (75,264,054)	\$ - \$ (116,646,983)
32				
33	Net Regulatory Asset		\$ 60,627,047	\$ 19,244,118
34	ADIT		\$ (32,338,406)	\$ (32,275,034)
35	Excess ADIT		\$ (16,055,610)	\$ (16,934,393)
36	Removal of AQCS improvements		\$ (122,412,831)	
37				
38	Remaining Asbury Plant to Amortize	\$ 159,140,741	\$ (110,179,800)	\$ (29,965,309)
	Balance when considering the AQCS assets			\$ (152,378,140)

	Test Year	CWC Calculations annualized amount		Annual	Extended to June 2022
CASH WORKING CAPITAL - CWC					
1 Tax on Asbury profit	\$7,488,711	\$ 1,785,308.70	45.04	365 319.96 0.87660274	\$ 1,565,006.50 \$ 3,782,099.04 *
2 Fuel inventory		\$ 3,947,465.00	45.04	365 319.96 0.876603	\$ 3,460,359.66 \$ 8,362,535.85 *
3 Tax on fuel profit	Profit \$ 288,382.00	\$ 68,750.27	45.04	365 319.96 0.876603	\$ 60,266.69 \$ 145,644.51
4 Property taxes		\$ 2,860,004.00	45.04	181.24 136.2 0.373150685	\$ 1,067,212.45 \$ 2,579,096.76
Payroll		\$ 2,891,880.00	45.04	12 33.04 0.090520548	\$ 261,774.56 \$ (632,621.86)
5 interest	\$ 160,772,062.00 52.5%*.0376	\$ 3,176,663.00	45.04	91.11 46.07 0.126219178	\$ 400,955.79 \$ 968,976.50

Deduction from Plant Balance \$ 15,205,730.79

	Asbury	Coal
	\$ 156,824,597	\$ 3,947,465
	52.55%	52.55%
	3.76%	3.76%
INTEREST	\$ 3,098,665.85	\$ 77,997

Profit on Coal @ \$3,947,465

Profit on Asbury @ \$106,650,281

DEPRECIATION EXPENSE

Per Staff Accounting Schedules. Depreciation Expense

ER-2019-0374 for Asbury	\$	11,179,375
ER-2021-0312 for remaining plant	\$	314,035
Annualized depreciation for AAO	\$	10,865,340
Monthly	\$	905,445
January 2020 through June 2021	\$	16,298,010
through June 2022	\$	9,959,895
	\$	26,257,905

			2020	2021	2022	
Profit on Coal @ \$3,947,465	Jan -Sept 2020	7.484%	\$ 221,571			
	Oct - Dec 2020	6.77%	\$ 66,811			
			<u>\$ 288,382</u>	\$ 267,243	\$ 111,351	\$ 666,976

	\$102,507,856		2020	2021	2022	
Profit on Asbury @ \$106,650,281	Jan.- Sept 2020	7.484%	\$ 5,753,766			
	Oct- Dec 2020	6.77%	\$ 1,734,945	\$ 6,939,782	\$ 2,891,576	
			\$ 7,488,711	\$ 6,939,782	\$ 2,891,576	\$ 17,320,069

INTEREST		Asbury	Coal
\$	155,044,297	\$ 155,044,297	\$ 3,947,465
		52.55%	52.55%
		3.76%	3.76%
INTEREST	\$	3,063,489	\$ 77,997