

Exhibit No.:
Issue(s):
Witness/Type of Exhibit:
Sponsoring Party:
Case No.:

Rate Case Expense
Roth/Rebuttal
Public Counsel
ER-2012-0345

REBUTTAL TESTIMONY

OF

KERI ROTH

Submitted on Behalf of the Office of the Public Counsel

EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2012-0345

January 16, 2013

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**REBUTTAL TESTIMONY
OF
KERI ROTH**

**EMPIRE DISTRICT ELECTRIC COMPANY
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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Keri Roth, PO Box 2230, Jefferson City, Missouri 65102-2230.

Q. ARE YOU THE SAME KERI ROTH THAT HAS PREVIOUSLY FILED DIRECT
TESTIMONY IN THIS CASE?

A. Yes.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of this Rebuttal Testimony is to address the Company's request for
ratemaking treatment of rate case expense.

1 **III. RATE CASE EXPENSE**

2 Q. WHAT IS THE AMOUNT OF RATE CASE EXPENSE COMPANY HAS PAID TO-
3 DATE?

4 A. The most recent response to MPSC Staff Data Request No. 73 states as of the end of
5 October 2012 Company has paid invoices totaling \$183,926.40.

6
7 Q. HAVE YOU REVIEWED COMPANY'S ESTIMATED COSTS TO DEVELOP AND
8 PROCESS THE INSTANT CASE?

9 A. Yes. The Rate Case Expense workpaper provided by Company identified the estimated
10 cost of the instant case as \$500,000.

11
12 Q. PLEASE SUMMARIZE THE PUBLIC COUNSEL'S POSITION ON THIS ISSUE.

13 A. Public Counsel believes that the amount of rate case expense included in the development
14 of the Company's rates should only include a normalized annual level of charges.

15
16 Q. WHAT IS THE ANNUALIZED AMOUNT OF RATE CASE EXPENSE YOU ARE
17 PROPOSING THAT THE COMPANY RECEIVE?

18 A. As of the time this testimony is given, the Company has incurred rate case expense costs
19 of \$183,926.40 through October 2012. The costs are a moving target in that they will

1 continue to be incurred through the end of true-up. Currently, the amount of rate case
2 expense Public Counsel is proposing is \$91,963.20, based on a two-year normalization.
3 However, this amount will change based on additional rate case expense costs the
4 Company will incur through the end of true-up. Public Counsel will update their
5 response as additional information is received.
6

7 Q. DOES PUBLIC COUNSEL STILL SUPPORT ITS RATE CASE EXPENSE
8 TESTIMONY FROM PRIOR CASES IN THAT COSTS, e.g., CONSULTANT,
9 ATTORNEY, ETC., DEEMED TO BE IMPRUDENT OR UNNECESSARILY
10 INCURRED SHOULD BE DISALLOWED IN THEIR ENTIRITY AND THAT THE
11 REMAINING ACTIVE CASE COSTS SHOULD BE SHARED EQUALLY
12 BETWEEN SHAREHOLDERS AND RATEPAYERS?

13 A. Yes.
14

15 Q. PLEASE EXPLAIN.

16 A. Due to the ongoing investigation docket opened by the Commission, Case No. AW-
17 2011-0330, which I understand is being utilized by the Commission to gather
18 information concerning the proper ratemaking of costs associated with this issue, Public
19 Counsel believes it likely that the concerns we have with this issue and its costs will be

1 addressed there. Therefore, for purposes of the current case, I recommend that the
2 Commission authorize Company recovery of its rate case expense based on the historical
3 ratemaking for these costs which consists of a normalization of only the active case
4 costs.

5

6 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

7 A. Yes, it does.