

Exhibit No.:
*Issues: Depreciation; Cost of Removal;
and Salvage*
Witness: Rosella L. Schad, PE, CPA
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2008-0093
Date Testimony Prepared: April 4, 2008

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

REBUTTAL TESTIMONY

OF

ROSELLA L. SCHAD, PE, CPA

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2008-0093

Jefferson City, Missouri
April 2008

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ROSELLA L. SCHAD, PE, CPA
THE EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2008-0093

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1 A. I will address the Company's request for a change in depreciation rates during
2 the period additional amortizations are possible in rate proceedings as a result of provisions
3 approved by the Commission in its Order Approving Stipulation and Agreement for Case No.
4 EO-2005-0263. In addition, I will address the Company's request for change in the cap for
5 interim cost of removal (negative net salvage) percentage in the depreciation rate calculation,
6 the Company's request to amortize certain General Plant Accounts, the Company's inclusion
7 of some reimbursements in the calculation of net salvage percentage, and, broadly, Staff's
8 concern with Empire's deficiencies in maintaining historical mortality records and
9 salvage/cost of removal data. I will also address OPC's proposal for utilizing remaining life
10 rates.

11 **REBUTTAL TO MR. DONALD S. ROFF, PE**

12 Q. What is Staff's position regarding changes in depreciation rates as
13 recommended by the Company?

14 A. It is Staff's position that there should be no current change in depreciation
15 rates because Empire is currently operating under the regulatory plan approved in
16 EO-2005-0263. Because the revenue impact of any change in depreciation rates would be
17 offset by a change in the additional amortization under the regulatory plan, any decrease or
18 increase in depreciation rates would not affect the customer rates the Commission establishes
19 in this case. The Company's Regulatory Plan approved in the Report and Order in Case
20 No. EO-2005-0263 allows for an additional amortization to meet certain credit metrics
21 during the construction phase of Iatan II.

22 The Commission previously addressed the issue of changing depreciation rates while
23 a utility is receiving rate recovery of regulatory plan amortizations in the 2006 Kansas City

1 Power & Light Company (KCPL) rate case. The Commission stated as follows in its Report
2 and Order in KCPL's Case No. ER-2006-0314 in ruling against the Staff's recommendation
3 to lower KCPL's depreciation rates: "What is more, any decrease in depreciation likely
4 would not affect rates in this case, because KCPL would be allowed additional amortization
5 to meet the credit metrics agreed to in Case No. EO-2005-0329." The same situation exists
6 in this proceeding, where any change to Empire's depreciation rates would not affect the
7 customer rates the Commission establishes in this case.

8 Q. Why would customer rates be unaffected if the Commission were to order a
9 change to Empire's depreciation rates?

10 A. Under the Company's Regulatory Plan, any increase in depreciation expense
11 would result in a smaller additional amortization and any decrease in depreciation expense
12 would result in a larger additional amortization. From the perspective of customer rates,
13 these changes are offsetting.

14 Q. What is Staff's position regarding the Company's depreciation study
15 conducted by its depreciation witness, Mr. Roff?

16 A. Empire's depreciation study utilizes inappropriate methodologies and is not
17 based upon reliable data. Therefore, it is Staff's position that the Commission should not
18 accept the results of Mr. Roff's study even absent Empire's current operation under its
19 regulatory plan. The concerns Staff has with Mr. Roff's study are with regard to the
20 proposed change in the cap for interim cost of removal (negative net salvage) percentage in
21 the depreciation rate calculation, the Company's request to amortize certain General Plant
22 Accounts, and the inclusion of some reimbursements in the calculation of net salvage
23 percentage.

1 Q. Does Staff believe that the Company has provided a sufficient analysis to
2 support its proposed change in the cap for interim cost of removal (negative net salvage)
3 percentage from 100 % to 125%?

4 A. No. In Mr. Roff's rebuttal testimony for Empire in Case No. ER-2004-0570,
5 Empire's 2004 general electric rate increase case, he indicated on pages 35-36 that he
6 examined different depreciation methodologies to mitigate the full impact of his proposal of
7 increasing depreciation expense. He made the proposal for an adjustment to limit the interim
8 net salvage percentage to negative 100% for the four accounts where the negative net salvage
9 allowances were the greatest. In the Commission's Report and Order for Case No.
10 ER-2004-0570, the Commission accepted the Company's proposal to cap the interim net
11 salvage percentage at -100%. Mr. Roff has not provided evidence in this case that the
12 interim net salvage percentage cap of -100%, approved by the Commission, is inappropriate
13 and has not provided support to change the magnitude of Empire's cap to the -125% level.
14 Because of the required rate case filing by Empire to include Iatan II in rate base in 2010 and
15 the three-year requirement for the Company to perform and submit to Staff and OPC a
16 depreciation study at that time, Staff believes it is appropriate to currently retain the interim
17 net salvage percentage cap at -100%.

18 Q. Does Staff believe it is appropriate to amortize certain General Plant Accounts
19 in lieu of applying traditional depreciation techniques, as advocated by Mr. Roff, to achieve
20 administrative efficiencies?

21 A. No. Mr. Roff noted on page 19 of his direct testimony that these asset
22 categories, selected from the General Plant functions, represent groups with many, small
23 dollar property items. In the Commission's Report and Order for Case No. ER-97-394, a

1 general electric rate case for Missouri Public Service, a Division of UtiliCorp United Inc.
2 (UtiliCorp), the Commission addressed a similar issue raised by Missouri Public Service
3 relating to high volume, low value items for which separate tracking created high
4 administrative costs, by ordering a change in the threshold for capitalization of general plant
5 accounts to allow Missouri Public Service the opportunity for additional savings and
6 administrative efficiencies. A higher capitalization threshold will reduce the administrative
7 costs of tracking inventory and maintaining recordkeeping, by allowing a utility to charge to
8 expense an item costing less than the capitalization threshold limit when purchased. Empire
9 should evaluate the costs and benefits of recommending a higher capitalization threshold if it
10 believes the administrative burdens of separately tracking its small dollar assets is too great.

11 Q. In the past has Staff included reimbursements as part of salvage in conducting
12 a depreciation study?

13 A. Yes. In the context of cost of removal and salvage analysis,
14 “reimbursements” are payments made by external parties to cover cost of removal
15 expenditures. The existence of reimbursements means that utility ratepayers do not have to
16 be the source of recovery of the costs covered by external parties’ reimbursements.
17 However, Staff can’t make a determination as to the magnitude of reimbursements from the
18 historical cost of removal/salvage data provided by the Company to Staff. Staff must request
19 further information from the Company as to the frequency and source of reimbursements the
20 Company has received and expects to receive in the future.

21 Q. Did Mr. Roff reflect reimbursements in his depreciation study?

22 A. Yes; however, he only considered reimbursements on a selective basis. As
23 noted on pages 2-3 of Mr. Roff’s Schedule DSR-3 for Account 353, Transmission

1 Station Eq. and Account 362, Distribution Station Eq., “Insurance proceeds were identified
2 and eliminated from the salvage and cost of removal analysis.” And as noted on pages 2-4 of
3 his Schedule DSR-4 for Account 355, Transmission Poles and Fixtures, Account 356,
4 Transmission Overhead Conductors and Devices, Account 364, Distribution Poles, Towers
5 and Fixtures, and Account 365, Distribution Overhead Conductors and Devices, “Third party
6 reimbursements were identified and related to additions. This treatment provides the proper
7 salvage credit.” In a three-way conference call including Company, Staff and Mr. Roff held
8 on March 26, 2008, Mr. Roff explained to Staff that the third party reimbursements were
9 payments received from government entities and that he utilizes a special calculation to
10 include them in the net salvage percentage, referred to as “Net Salvage with reimbursements”
11 in his depreciation study. He also explained that insurance proceeds the Company received
12 as reimbursements are not included in his reimbursement amounts and not included in his
13 depreciation study.

14 Q. Was Staff able to ascertain the level of reimbursements the Company has
15 received by reviewing the historical salvage/cost of removal data Staff was provided?

16 A. No. The historical salvage/cost of removal data received by the Staff did not
17 have any entries coded as reimbursements, and more specifically, did not have any indication
18 that the Company had received insurance proceeds, third party reimbursements or any other
19 type of reimbursement.

20 Q. Why does Staff have concerns regarding the historical cost of removal/salvage
21 data being maintained by the Company?

22 A. Staff has concerns regarding data maintenance by the Company because the
23 lack of data collection by the Company means the Staff can’t make a determination of what

1 amounts of reimbursements were received by the Company and, further, can't evaluate the
2 appropriateness of including reimbursements in the depreciation rate calculation.

3 Q. What is the significance to the calculation of depreciation expense when
4 utilizing salvage data that is not adjusted for reimbursements?

5 A. The significance can be large depending on the account. For example, for
6 Account 364, Distribution Poles, Towers, and Fixtures, years 2002-2006, the total
7 retirements, salvage, and cost of removal amounts from the historical cost of removal/salvage
8 data supplied to Staff were \$1,185,264, \$1,457,154, and \$1,797,365, respectively.
9 Net salvage is salvage minus cost of removal and equals \$1,457,154 minus \$1,797,365 or
10 -\$340,211. Staff's annual net salvage percentage for the period 2002-2006 is -\$340,211
11 divided by \$1,185,264 or -29%. Mr. Roff's calculation for annual net salvage percentage for
12 this account for the same time period, 2002-2006, is in the range -130% to -134%
13 (Schedule 1). (Mr. Roff caps the net salvage percentage for Account 364 at -125%). Using
14 the existing average service life of 46 years, and the net salvage percentages of -125 % for
15 Mr. Roff and -29 % for Staff, generates depreciation rates of 4.9% and 2.8%, respectively.
16 For Account 364 with a \$127 million plant balance, the annual depreciation expense under
17 each set of assumptions is \$6.2 million, and \$3.6 million, respectively. This creates a
18 difference of \$2.6 million of annual depreciation expense for this specific account. This
19 discrepancy makes it imperative that the historical cost of removal/salvage data maintained
20 by the Company be coded for reimbursements.

21 Q. Does Staff have other concerns with the historical salvage/cost of removal
22 data and historical mortality data?

1 A. Yes. Discrepancies in retirement dollar information between the historical
2 salvage/cost of removal data kept by Empire compared to the historical mortality data
3 maintained by Empire raised questions by Staff regarding whether the Company's
4 maintenance of mortality records of property and property retirements is in compliance with
5 the requirements in 4 CSR 240-20.030. For example, the historical mortality data had a
6 retirement entry for Account 343, Prime Movers, in year 2005 of \$166,823.50 (Schedule 2).
7 The corresponding historical cost of removal/salvage data for this same account and
8 transaction year had several retirement entries summing up to \$2,834,557 with credit entries
9 to cost of removal summing up to -\$2,524,897 (Schedule 2). For any given account for any
10 given year, the retirement dollars reflected in the historical cost of removal/salvage data
11 should be the exact amount of retirement dollars reflected in the historical mortality data.
12 The fact that they are not in this instance indicates there are problems with maintaining either
13 or both of these historical data sets by Empire.

14 Q. What is the significance to the calculation of annual depreciation expense
15 when the historical mortality data and the historical cost of removal/salvage data do not
16 correlate as shown above?

17 A. The first significance is that mortality characteristics may be flawed, leading
18 to problems in the resulting determination of average service life, and secondly the net
19 salvage percentage may misrepresent the cost of removal/salvage experienced. Ultimately,
20 the calculated depreciation rate may produce too little or too much annual depreciation
21 expense. In this specific case, a net salvage percentage of $-\$2,524,897/\$166,823.50$ equals
22 1514% and a net salvage percentage of $-\$2,524,897/\$2,834,557$ equals 89%. In addition, in
23 an e-mail sent January 11, 2008 by the Company to Staff (Schedule 3), the Company

1 described additional errors for the retirement entries in the historical mortality data. They
2 noted that an additional \$142, 837 is a regular retirement for Account 343 and should have
3 been included with the \$166, 823 for 2005. Data discrepancies uncovered by Staff indicate
4 that the Company is not properly maintaining historical mortality data and cost of
5 removal/salvage data as required by 4 CSR 240-20.030.

6 Q. Does Staff believe that the data depended upon by Mr. Roff to perform a
7 depreciation study has sufficient integrity?

8 A. No. These entries noted above of \$2,834,557 and -\$2,524,897 for retirement
9 and cost of removal amounts, respectively, and the net salvage percentage of 89% also show
10 up in Mr. Roff's depreciation study for 2005 in Account 343 (Schedule 4). The
11 Company indicated to Staff the regular retirements for Account 343 should equal the sum of
12 \$166,823 + \$142,837, or \$309,660. This is not equal to the retirement amount of \$2,834,557
13 utilized by Mr. Roff in his depreciation study analysis. On pages 7-8 of Mr. Roff's direct
14 testimony, he stated in part:

15 A depreciation study consists of four distinct, yet
16 related phases—data collection, analysis, evaluation and rate
17 calculation. Data collection refers to the gathering of historical
18 accounting information for use in the other phases. Company
19 personnel were responsible for this effort. Analysis refers to
20 the statistical processing of the data collected in the first phase.
21 There are two separate analysis procedures, one for life, and
22 one for salvage and cost of removal, and these were done by
23 me. The evaluation phase incorporates the information
24 developed in the data collection and analysis phases to
25 determine the applicability of the historical relationships
26 developed in these phases to the future, and was conducted
27 jointly by DSR and Company personnel. The rate calculation
28 phase merely utilizes the parameters developed in the other
29 phases in the computation of the recommended depreciation
30 rates and was accomplished by me.

1 It is Staff's belief that the data depended upon by Mr. Roff to perform a depreciation study
2 does not have sufficient integrity.

3 Q. Did Staff perform a depreciation study for Empire in this proceeding?

4 A. Yes, though the Staff recommends that Empire's currently authorized
5 depreciation rates not be changed at this time due to its current receipt of regulatory plan
6 amortizations in rates. However, Staff is not confident in the results of its depreciation study
7 because of several concerns with the Company's recordkeeping. The Company has informed
8 Staff in Staff's Data Request 256 (Schedule 5) that Empire cannot code retirements that are
9 not regular retirements as anything other than a regular retirement. The Company has also
10 informed Staff in Staff's Data Request 257 (Schedule 6) that Empire can not code
11 reimbursements separate from salvage and that Empire must manually review
12 reimbursements from salvage. In addition, in an e-mail sent January 9, 2008 by the
13 Company to Staff (Schedule 7), the Company described an error in trying to develop
14 historical mortality data files for Staff in this rate case and noted that the files given to
15 Mr. Roff appeared to have the entries correct. Staff has concerns that the Company is not
16 maintaining historical data files that meet the requirements of the Commission's rules;
17 i.e., the e-mail correspondences received as part of Company's response to Staff's Data
18 Request No. 227 (Schedule 8) between Mr. Roff and the Company indicate that Mr. Roff had
19 to ask for clarification and guidance on data entries, adjustments, and balances of historical
20 mortality data and cost of removal/salvage data he received from Company personnel in
21 order to perform a depreciation study. The Staff has serious concerns that the data has not
22 been properly maintained by the Company, per Commission rules, and that the data

1 underlying the Company's depreciation study as well as Staff's depreciation study are
2 unreliable.

3 Q. Is the Company's current depreciation study submission in compliance with
4 4 CSR 240-3.175?

5 A. No. 4 CSR 240-3.175 requires an estimated date of final retirement and
6 surviving dollar investment for each warehouse, electric generating facility, combustion
7 turbine, general office building or other large structure. Staff did not find any estimated date
8 of final retirements for any facility as part of Empire's current depreciation study submission.

9 Q. When was the last time Staff performed a depreciation study for Empire?

10 A. Staff conducted a depreciation study for Empire in Case No. ER-2004-0570.

11 Q. When were the Company's currently ordered depreciation rates established?

12 A. The Company's currently depreciation rates were ordered in Case No.
13 ER-2006-0315 and were the same rates established by the Report and Order in Case
14 No. ER-2004-0570.

15 **REBUTTAL TO MR. WILLIAM W. DUNKEL**

16 Q. What change in technique has OPC witness, William W. Dunkel, proposed in
17 his direct testimony?

18 A.. According to his direct testimony, Mr. Dunkel has recommended that the
19 Commission order depreciation rates in this case calculated using the Remaining Life
20 technique, as shown in Mr. Dunkel's Schedule WWD-1, page 1 of 2. Empire's current
21 depreciation rates are based on the Whole Life technique.

22 Q. Does Staff consider this change in technique to be a change in Commission
23 policy?

1 A. Yes. The Commission has rejected the use of remaining life
2 depreciation method in previous rate cases. A change in technique was addressed by the
3 Commission in it's Report and Order for Case No. ER-97-394; the Commission stated:

4 The OPC supports the position of Staff and adds that Utilicorp
5 has failed to demonstrate any shortcomings of the current
6 method in Missouri, that is, the whole life technique. OPC
7 maintains that, as Utilicorp is the party wishing to alter the
8 Commission's long-standing policy, it is incumbent on
9 Utilicorp to prove by substantial and convincing evidence that
10 such a change is desirable and of benefit to the ratepayers. The
11 OPC is of the opinion that Utilicorp has not proffered sufficient
12 evidence to warrant such a change in Commission policy. The
13 Commission agrees with the points made by the Staff and
14 OPC. The Commission does not find sufficient evidence to
15 warrant alteration of its long-standing use of the whole-life
16 technique.

17 Q. Does OPC provide evidence on why it supports a change to its earlier position
18 on the appropriate depreciation technique to be used in a depreciation study and provide any
19 substantial and convincing evidence that such a change is desirable and of benefit to the
20 ratepayers?

21 A. No. However, Mr. Dunkel notes on page 9, lines 13-14, of his direct
22 testimony that his changes to annual depreciation accruals are \$1,153,610 less than
23 Mr. Roff's proposal.

24 Q. Is it Staff's recommendation that the Company's currently ordered
25 depreciation rates should be ordered in this case?

26 A. Yes.

27 Q. If the Commission accepts Empire's depreciation study and Empire's
28 underlying depreciation and net salvage calculations, how will that affect Empire's rate
29 revenues now and in the future?

1 A. As previously noted any ordered changes to depreciation rates will not change
2 Empire's rate revenues at this time as any change to depreciation expense will be offset in its
3 entirety by a corresponding change in the additional amortization amount included in
4 Empire's rates. Although proposed changes to rate revenues will be reviewed in all future
5 rate cases filed by Empire, the inclusion of the additional amortizations are possible in
6 Empire rate proceedings as a result of provisions approved by the Commission in its Order
7 Approving Stipulation and Agreement for Case No. EO-2005-0263. Changing Empire's
8 depreciation rates in this proceeding will not mean that these rates cannot be re-examined in
9 future Empire rate proceedings. However, adoption of the Company's current depreciation
10 rate proposal will set a precedent for changes to Commission's existing practices regarding
11 depreciation of some plant accounts, including amortization of certain selected accounts in
12 lieu of traditional depreciation approaches. The Staff prefers that the Commission wait until
13 the expiration of Empire's current regulatory plan to consider any proposed changes to
14 Empire's depreciation rates. This would also provide the Company an opportunity to fix
15 some of the observed problems in maintaining its depreciation related data bases in
16 accordance with the Commission rules, and allow the Commission to consider changes to
17 Empire's existing rates based upon more reliable data.

18 Q. Does this conclude your rebuttal testimony?

19 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric)
Company of Joplin, Missouri's Application for)
Authority to File Tariffs Increasing Rates for)
Electric Service Provided to Customers in the)
Missouri Service Area of the Company)

Case No. ER-2008-0093

AFFIDAVIT OF ROSELLA L. SCHAD, P.E., C.P.A

STATE OF MISSOURI)

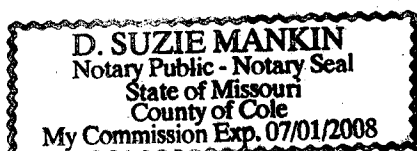
) ss.

COUNTY OF COLE)

Rosella L. Schad, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 13 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

Rosella L. Schad
Rosella L. Schad

Subscribed and sworn to before me this 3rd day of April, 2008.



D. Suzie Mankin
Notary Public

DEPRECIATION SPECIALTY RESOURCES

DEPRECIATION SYSTEM - DSALVG01 RELEASE 7.0

STUDY AS OF DECEMBER 31 , 2006

PAGE 2

THE EMPIRE DISTRICT ELECTRIC COMPANY
ACCOUNT NO.: 36400000
DISTR - POLES, TOWERS & F

6-18-2007

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
2000-2006	32136117.	1528406.	1342728.	4.%	221057.	14.%	2542933.	166.%	-148.%	-152.%
2001-2006	30574250.	1319378.	1285986.	4.%	210271.	16.%	2169758.	164.%	-144.%	-149.%
2002-2006	25718961.	1185264.	1253229.	5.%	203925.	17.%	1797365.	152.%	-130.%	-134.%
2003-2006	23317630.	1048232.	1043779.	4.%	196088.	19.%	2326974.	222.%	-199.%	-203.%
2004-2006	20804877.	860762.	1035078.	5.%	148336.	17.%	1864365.	217.%	-194.%	-199.%
2005-2006	16553324.	541724.	833400.	5.%	68547.	13.%	1141795.	211.%	-193.%	-198.%
2006	10568761.	262230.	158707.	2.%	15795.	6.%	603853.	230.%	-223.%	-224.%

USE

1997

2002

2006

ER-2008-0093
The Empire District Electric Company

Empire's Historical Cost of Removal/Salvage Data					
Account	TransYr	Add	Ret	Reimb	Salvage COR
343	2005		166823.5		0.0 0.0
343	2005		276334.0		0.0 -276334.0
343	2005		153160.0		0.0 -153160.0
343	2005		2095403.0		0.0 -2095403.0
343	2005		142837.0		0.0 0.0
Total			2834557.5		-2524897.0

Empire's Historical Mortality Data				
T-Yr	Acct	Code	V-Yr	Amt
2005	343	R	1978	(166,823.50)
2005	343	A	1999	(804,637.00)
2005	343	A	1999	(23,608.40)
2005	343	A	1999	828,245.40
2005	343	A	2005	(100,000.00)
2005	343	A	2005	(40,987.20)
2005	343	A	2005	186.70
2005	343	A	2005	258.30
2005	343	A	2005	778.60
2005	343	A	2005	2,480.00
2005	343	A	2005	6,471.20
2005	343	A	2005	19,511.50
2005	343	A	2005	38,533.00
2005	343	A	2005	74,307.60
2005	343	A	2005	100,000.00
2005	343	A	2005	148,699.40
2005	343	A	2005	670,309.00

Schad, Rosella

From: Julie Steward [JAndrews@empiredistrict.com]
Sent: Friday, January 11, 2008 10:18 AM
To: Schad, Rosella
Cc: Angela Cloven; Martha Thomas
Subject: RE: Questions
Attachments: Acct 343 2005 Ret for Rosella.xls

Rosella,

I found the entry you were talking about in the SV & COR data file. I'm attaching the detailed backup for that file. As you will see, the \$142,837 was part of the same asset as the amounts that were excluded (highlighted) and that is why it was excluded also. But it is a regular retirement and should have been included along with the \$166,823 for 2005.

Julie

From: Schad, Rosella [mailto:rosella.schad@psc.mo.gov]
Sent: Thursday, January 10, 2008 4:14 PM
To: Julie Steward
Cc: Angela Cloven; Martha Thomas
Subject: RE: Questions

Line 785 has a retirement for \$142,837.00

From looking at Don Roff's workpapers for account 353 and 362, the reimbursements must have just not been entered in his reimbursement column, but yet subtracted from his salvage dollars. I will take a look at the file you sent him.

*Rosella Schad, PE, CPA
Engineering & Management Services
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65102
rosella.schad@psc.mo.gov
(573) 751-1854
(573) 526-0145 (fax)*

From: Julie Steward [mailto:JAndrews@empiredistrict.com]
Sent: Thursday, January 10, 2008 3:54 PM
To: Schad, Rosella
Cc: Angela Cloven; Martha Thomas
Subject: Questions

Rosella,

4/2/2008

In response to your question about Account 362, please refer to the file I sent to Don Roff titled "Acct 353, 362 Reimb 2000-2006.xls." The salvage amounts in 2003-2005 were reimbursements.

I can't locate the 2005 retirement in Account 343 for \$142,837 in the data I sent to you. Can you tell me what line number it is in the data I sent to you?

Julie

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4/2/2008

Acct 343 2005 Ret for Rosella.xls

FERC Code	Trans Date	Month	T-Year	Asset ID	Retire Amt	Proceeds	Removal
3430	2005-11-29	11	2005	C08052	166,823.50	0.00	0.00
3430	2005-12-31	12	2005	00061094	276,334.00	0.00	-276,334.00
3430	2005-12-31	12	2005	00061094	153,160.00	0.00	-153,160.00
3430	2005-12-31	12	2005	00061094	2,095,403.00	0.00	-2,095,403.00
3430	2005-12-31	12	2005	00061094	142,837.00	0.00	0.00

STUDY AS OF DECEMBER 31 , 2006

PAGE 1

THE EMPIRE DISTRICT ELECTRIC COMPANY
ACCOUNT NO.: 34300000
OTR - Prime Movers

4-25-2007

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1993	0.	8300.	0.	0.0%	0.	0.0%	12450.	150.0%	-150.0%	-150.0%
1996	0.	1615733.	0.	0.0%	650.	0.0%	314408.	19.0%	-19.0%	-19.0%
1997	0.	48463.	0.	0.0%	1089.	2.0%	228023.	471.0%	-468.0%	-468.0%
1998	0.	591480.	0.	0.0%	307.	0.0%	47498.	8.0%	-8.0%	-8.0%
1999	0.	52189.	0.	0.0%	0.	0.0%	94495.	181.0%	-181.0%	-181.0%
2000	0.	234288.	0.	0.0%	0.	0.0%	15629.	7.0%	-7.0%	-7.0%
2001	0.	17779189.	0.	0.0%	12693096.	71.0%	0.	0.0%	71.0%	71.0%
2003	0.	387858.	0.	0.0%	0.	0.0%	7680.	2.0%	-2.0%	-2.0%
2005	0.	2834557.	0.	0.0%	0.	0.0%	-2524897.	-89.0%	89.0%	89.0%
2006	0.	833000.	0.	0.0%	0.	0.0%	26142.	3.0%	-3.0%	-3.0%
	0.	24385057.	0.	0.0%	12695142.	52.0%	-1778571.	-7.0%	59.0%	59.0%

USE

1997

2002

2006

Schad, Rosella

From: ACloven@empiredistrict.com
Sent: Wednesday, February 06, 2008 5:00 PM
To: Schad, Rosella
Cc: ACloven@empiredistrict.com
Subject: Case No. ER-2008-0093 - Data Request No. 0256
Attachments: Response - Feb 6 2008 3_59PM.html

Missouri Public Service Commission**Respond Data Request**

Data Request No.	0256
Company Name	Empire District Electric Company, The-Investor(Electric)
Case/Tracking No.	ER-2008-0093
Date Requested	1/17/2008
Issue	Expense - Operations - Depreciation
Requested From	Angela Cloven
Requested By	Rosella Schad
Brief Description	Retirement Coding
Description	In an e-mail to Rosella Schad from Julie Steward on Friday, 1-11-08 at 9:18AM, a spreadsheet was provided that was titled Acct 343 2005 Ret for Rosella.xls. 1. With regard to the items excluded (Asset 00061094 on the spreadsheet), why do the highlighted amounts get excluded from retirements? 2. Is the term "regular retirement" applicable for this asset, and if not does the Company's software have a coding for an asset that is not a regular retirement? 3. How do these retirement amounts eventually get removed from plant balances? 4. With regard to the dollars noted as "Removal", which we spoke about at length at the beginning of the Staff/EDE January 3rd, 2008 site visit, can the Company's software code these dollars as "Salvage" ("Proceeds")? 5. If it can, why is the entry a Removal credit instead of a Salvage credit?
Response	Provided by: Julie Steward – 1) These items were reclassifications from Plant in Service to Inventory. 2) This was not a "regular retirement." We do not have a code for an asset that is not a regular retirement. 3) Even though they are not "regular retirements," they are removed from Plant in Service using the same method as regular retirements. The only method we have to remove assets from Plant in Service is with a retirement. 4&5) The process of placing an asset into Inventory requires an RM "Return Material" code to record the material as an Inventory item. A salvage code could have been used, but the item would not have been properly recorded to Inventory.
Objections	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains

no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **ER-2008-0093** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Empire District Electric Company, The-Investor(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Empire District Electric Company, The-Investor(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security : Public

Rationale : NA

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Schad, Rosella

From: ACloven@empiredistrict.com
Sent: Wednesday, February 06, 2008 5:01 PM
To: Schad, Rosella
Cc: ACloven@empiredistrict.com
Subject: Case No. ER-2008-0093 - Data Request No. 0257
Attachments: Response - Feb 6 2008 4_00PM.html

Missouri Public Service Commission**Respond Data Request**

Data Request No.	0257
Company Name	Empire District Electric Company, The-Investor(Electric)
Case/Tracking No.	ER-2008-0093
Date Requested	1/17/2008
Issue	Expense - Operations - Depreciation
Requested From	Angela Cloven
Requested By	Rosella Schad
Brief Description	Reimbursement Coding
Description	In an e-mail to Rosella Schad from Julie Steward on Thursday, 1-10-08 at 3:54PM, the response referred to a file provided to Don Roff titled "Acct 353, 362 Reimb 2000-2006.xls " and that salvage amounts in 2003-2005 were reimbursements. Does the Company"s software have a coding for salvage proceeds that are reimbursements?
Response	Provided by: Julie Steward - There is no special coding for reimbursements; they are coded SV. We must manually review the SV items for reimbursements.
Objections	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **ER-2008-0093** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Empire District Electric Company, The-Investor(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Empire District Electric**

4/2/2008

Company, The-Investor(Electric) and its employees, contractors, agents or others employed by or acting in its behalf.

Security : Public

Rationale : NA

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Schad, Rosella

From: Julie Steward [JAndrews@empiredistrict.com]
Sent: Wednesday, January 09, 2008 2:08 PM
To: Schad, Rosella
Cc: Martha Thomas
Subject: Credit Cost of Removal

Rosella,

Martha told me you had questions about the 2002 credits to COR. It appears that the COR numbers which are credits in the depreciation data should be debits for the transaction year 2002. At that time I prepared that file, I keyed those numbers from the report AMEC020_REG and they are credits on that report. I checked 1999-2003 and all of the other years I keyed from the reports are OK. For the more recent data 2004-2006, I used a query to get the COR amounts.

I checked Don's workpapers from the last depreciation study in 2004 and he used the 2002 COR amounts correctly.

I'm sorry about the confusion.

Julie

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Missouri Public Service Commission**Respond Data Request**

Data Request No.	0227
Company Name	Empire District Electric Company, The-Investor(Electric)
Case/Tracking No.	ER-2008-0093
Date Requested	12/19/2007
Issue	Expense - Operations - Depreciation
Requested From	Angela Cloven
Requested By	Rosella Schad
Brief Description	Correspondence with Depreciation Consultant
Description	Please provide a copy of all correspondence and communication between the Company and its depreciation consultant, including but not limited to draft and final project status reports, memorandums, e-mails, and letters that document expected and/or completed work activities and depreciation responsibilities of the depreciation consultant for the Company.
Response	Provided by: Julie Steward and Laurie Delano - Response will be provided on CD and sent by Fed-Ex.
Objections	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **ER-2008-0093** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Empire District Electric Company, The-Investor(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Empire District Electric Company, The-Investor(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security :	Public
Rationale :	NA

With Proprietary and Highly Confidential Data Requests a Protective Order must be on file.

From: Julie Steward
Sent: Monday, April 16, 2007 9:40 AM
To: 'Don Roff'
Subject: RE: Depreciation Data
Don,

I sent the 2003 data separately for the last study so I do know I have it. I'll get it organized and send it as soon as I can. I'm glad to hear the 04-06 data is ok.

Julie

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]
Sent: Monday, April 16, 2007 9:09 AM
To: Julie Steward
Subject: RE: Depreciation Data

Julie:

I have a small problem. The depreciation study data from the prior study goes through year-end 2002. I need the 2003 transactions. Is this readily available?

Any questions, please call me at (469) 964 - 9090.

Thanks.

By the way, the 2004 - 2006 data is fine!!!

Don

From: Julie Steward [mailto:JAndrews@empiredistrict.com]
Sent: Friday, April 13, 2007 4:17 PM
To: Don Roff
Subject: RE: Depreciation Data

I used the same format specified for our last study. "A" means addition and "R" means retirement.

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]
Sent: Friday, April 13, 2007 3:32 PM
To: Julie Steward
Subject: RE: Depreciation Data

Julie:

I am a little confused regarding the data files. Explain to me, what an A record and an R record means to you in how you organized the data?

Don

From: Julie Steward [mailto:JAndrews@empiredistrict.com]
Sent: Friday, April 13, 2007 11:43 AM
To: donald.roff@verizon.net

Subject: Depreciation Data

Don,

Attached is the depreciation data except for the plant balance reconciliations, the authorized depreciation rates and the retirement dates for the generating units. I'm having the first two items scanned so I can send them to you electronically. The retirement dates will be discussed at a meeting this afternoon. I'll get these items to you as soon as I can.

Julie Steward
Property Records Accountant
The Empire District Electric Company
417-625-6552

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From: Julie Steward
Sent: Monday, April 16, 2007 10:52 AM
To: 'Don Roff'
Subject: RE:
Don,

As soon as I can get it scanned, I'll send it.

Julie

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]
Sent: Monday, April 16, 2007 10:47 AM
To: Julie Steward
Subject: RE:

Julie:

Thanks! Could you send the Report ID AMAS2030 for the twelve months ending 2003?

Don

From: Julie Steward [mailto:JAndrews@empiredistrict.com]
Sent: Monday, April 16, 2007 9:42 AM
To: Don Roff
Subject:

Don,

Here's what I found for 2003. If there's anything else you need, please let me know.

Julie Steward
Property Records Accountant
The Empire District Electric Company
417-625-6552

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From: Julie Steward
Sent: Monday, April 16, 2007 11:42 AM
To: 'Don Roff'
Subject: AMAS2030 Dec 2003

Attachments: Sch 7 Supplement 2003.xls
Don,

I couldn't get the report scanned that you need so I just keyed it into Excel. It is attached.

Julie Steward
Property Records Accountant
The Empire District Electric Company
417-625-6552

From: Julie Steward
Sent: Wednesday, April 18, 2007 9:02 AM
To: 'Don Roff'
Subject: RE: General Plant
Don,

The penciled-in numbers on AMAS2030 are correct. The differences are due to Capital Lease entries. They have been credited to accounts 391 and 397 and debited to account 105 but our Asset Management system doesn't recognize. Sorry about the confusion.

Julie

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]
Sent: Wednesday, April 18, 2007 8:26 AM
To: Julie Steward
Subject: General Plant

Julie:

I have a question. When I combine the 2002 depreciation study data, the 2003 activity and the 2004-2006 activity for General Plant, I get the following surviving balances:

For Account 391.0	\$7,294,314.1
For Account 391.1	\$4,586,602.0
For Account 391.2	\$3,152,074.0

Which totals to \$15,032,990.

The AMAS2030 report for 2006 shows either \$15,092,699.1 or \$14,852,114.0.

Am I missing something, and which balance is correct?

When I do the same combination for Account 397, I get a balance of \$8,966,143.4
Compared to the AMAS2030 report of either \$8,642,938 or \$8,331,938.

Which is correct. For all the other General Plant accounts, I tie to the AMAS2030 report.

Thanks for your assistance.

Don

From: Julie Steward
Sent: Friday, April 13, 2007 11:43 AM
To: 'donald.roff@verizon.net'
Subject: Depreciation Data

Attachments: 1992 - 2006 Salvage and COR for DRoff.xls; Depreciable Plt Bal 12-31-06.xls; Dist Prop Types 2004-2006.xls; Gen Prop Types 2004-2006.xls; Mass Property 2004-2006 for DRoff.xls; Plant Acct Prop Types 2004-2006.xls; Plant Data 2004-2006 for DRoff.xls; Trans Prop Types 2004-2006.xls; amec020_dec2004_reg.xls; 12-05_amec020_reg.xls; 12-06_amec020_reg.xls
Don,

Attached is the depreciation data except for the plant balance reconciliations, the authorized depreciation rates and the retirement dates for the generating units. I'm having the first two items scanned so I can send them to you electronically. The retirement dates will be discussed at a meeting this afternoon. I'll get these items to you as soon as I can.

Julie Steward
Property Records Accountant
The Empire District Electric Company
417-625-6552

From: Julie Steward
Sent: Friday, April 13, 2007 4:17 PM
To: 'Don Roff'

Subject: RE: Depreciation Data

I used the same format specified for our last study. "A" means addition and "R" means retirement.

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]

Sent: Friday, April 13, 2007 3:32 PM

To: Julie Steward

Subject: RE: Depreciation Data

Julie:

I am a little confused regarding the data files. Explain to me, what an A record and an R record means to you in how you organized the data?

Don

From: Julie Steward [mailto:JAndrews@empiredistrict.com]

Sent: Friday, April 13, 2007 11:43 AM

To: donald.roff@verizon.net

Subject: Depreciation Data

Don,

Attached is the depreciation data except for the plant balance reconciliations, the authorized depreciation rates and the retirement dates for the generating units. I'm having the first two items scanned so I can send them to you electronically. The retirement dates will be discussed at a meeting this afternoon. I'll get these items to you as soon as I can.

Julie Steward

Property Records Accountant

The Empire District Electric Company

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From: Julie Steward
Sent: Monday, May 14, 2007 4:02 PM
To: 'Don Roff'
Subject: RE: Coal Cars
Don,

What we have in Asset Mgmt for Asbury Trains in A/C 312 is a lump sum of \$5,580,296.31 with an acquisition date of 9/1/1989. Is that what you needed?

Julie

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]
Sent: Monday, May 14, 2007 10:23 AM
To: Julie Steward
Subject: Coal Cars

Julie:

I have one small request. Would it be possible to obtain the surviving balance by vintage year for the Coal Cars (unit train)?

Thanks. I hope that you are well!

Don

From: Julie Steward
Sent: Thursday, May 31, 2007 1:24 PM
To: 'Don Roff'
Cc: Martha Thomas
Subject: Reimbursements

Attachments: Acct 355, 356, 364, 365 Reimb 2000-06.xls
Don,

Attached are the reimbursements for Accounts 355, 356, 364 and 365 for the past six years. If you need anything else or have questions, please let me know.

Julie Steward
Property Records Accountant
The Empire District Electric Company
417-625-6552

From: Julie Steward
Sent: Thursday, May 31, 2007 2:35 PM
To: 'Don Roff'
Subject: RE: Reimbursements
Don,

Are you talking about the insurance recoveries for the 2003 tornado damage in accounts 353 and 362?

Julie

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]
Sent: Thursday, May 31, 2007 2:26 PM
To: Julie Steward
Subject: RE: Reimbursements

Julie:

Thanks. I wanted to say I enjoyed our meeting on Tuesday. It was good to see you. I also believe you were going to provide a summary of insurance "recoveries". Was my understanding correct?

Regards,

Don

From: Julie Steward [mailto:JAndrews@empiredistrict.com]
Sent: Thursday, May 31, 2007 1:24 PM
To: Don Roff
Cc: Martha Thomas
Subject: Reimbursements

Don,

Attached are the reimbursements for Accounts 355, 356, 364 and 365 for the past six years. If you need anything else or have questions, please let me know.

Julie Steward
Property Records Accountant
The Empire District Electric Company
417-625-6552

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From: Julie Steward

Sent: Thursday, May 31, 2007 3:12 PM

To: 'Don Roff'

Subject: RE: Reimbursements

Yes, there were but it looks like it will be next week before I can get to that.

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]

Sent: Thursday, May 31, 2007 3:09 PM

To: Julie Steward

Subject: RE: Reimbursements

Yes and if there were any other such recoveries!

From: Julie Steward [mailto:JAndrews@empiredistrict.com]

Sent: Thursday, May 31, 2007 2:35 PM

To: Don Roff

Subject: RE: Reimbursements

Don,

Are you talking about the insurance recoveries for the 2003 tornado damage in accounts 353 and 362?

Julie

-----Original Message-----

From: Don Roff [mailto:donald.roff@verizon.net]

Sent: Thursday, May 31, 2007 2:26 PM

To: Julie Steward

Subject: RE: Reimbursements

Julie:

Thanks. I wanted to say I enjoyed our meeting on Tuesday. It was good to see you. I also believe you were going to provide a summary of insurance "recoveries". Was my understanding correct?

Regards,

Don

From: Julie Steward [mailto:JAndrews@empiredistrict.com]

Sent: Thursday, May 31, 2007 1:24 PM

To: Don Roff

Cc: Martha Thomas

Subject: Reimbursements

Don,

Attached are the reimbursements for Accounts 355, 356, 364 and 365 for the past six years. If you need anything else or have questions, please let me know.

Julie Steward

Property Records Accountant
The Empire District Electric Company
417-625-6552

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From: Julie Steward
Sent: Monday, June 18, 2007 10:10 AM
To: 'droff@deloitte.com'
Subject: Reimbursements Accts 353 and 362

Attachments: Acct 353, 362 Reimb 2000-06.xls
Don,

Attached are the reimbursements for accounts 353 and 362 for 2000-2006. If you need anything else, please let me know.

Julie Steward
Property Records Accountant
The Empire District Electric Company
417-625-6552

EMPIRE DISTRICT

2006 Depreciation Study Questions

1. Account 353 – What was salvaged in 2003 and 2004?
There were some transformers and a frequency changer salvaged but most of the amounts recorded as salvage were insurance reimbursements. See “Acct 353 Proceeds 2003-4.xls”
2. Account 354 – What is expected Average Service Life (ASL)?
In the last study, the ASL was 65 years.
3. Account 361 – What was salvaged in 2004 and 2005?
The amounts recorded as salvage were insurance reimbursements from storm damage. See “Acct 361 Proceeds 2004-5.xls”
4. Account 362 – What was salvaged in 2004 and 2005?
The amounts recorded as salvage were insurance reimbursements from storm damage. See “Acct 362 Proceeds 2004-5.xls”
5. Account 364 – What was salvaged in 2005?
There was some wire and cable salvaged but most of the amounts recorded as salvage were reimbursements. See “Acct 364 Proceeds 2005.xls”
6. Account 364 – What was large addition in 2006?
The majority of the jobs involved are in the process of being unitized so we don't know the exact units of property at this point. Normally anchors, pole fixtures, guys and poles make up this account. See “Acct 364 Lg Adds 2006.xls”
7. Account 367 – What is approximate split between direct buried and cable in conduit?
This detail is not maintained in our Fixed Asset System.
8. Account 368 – Explain large retirement in 2005.
Transformers make up the largest dollar amount of retirements. See “Acct 368 Ret 2005.xls”
9. Account 369 – What is approximate split between overhead and underground (\$; number of services)?
Overhead services make up 77% of the number of services and underground services make up 23% of the number of services installed. For the dollar amounts of services the split is 32% for overhead and 68% for underground.
See “Acct 369 OH UG Split.xls”

10. Account 370 – Why small retirements in 2000, 2003 and 2004 and no retirements in 2002 and 2006? Explain large retirement in 2005.
Meter retirements are done on an annual basis but are not done every year. The large retirement in 2005 reflected the amount of meters reported to us to retire.
11. Account 371 – What are assets? The assets are mainly poles, private lights and cable.
See “Acct 371 Assets 2004-2006.xls”
12. Account 373 – What are primary components? (Poles, wire, lights, etc.)
The assets are mainly poles, cable, street lights. See “Acct 373 Assets 2004-2006.xls”
13. Account 390 – What is expected ASL of building?
In the last study, the ASL was 40 years.
14. Account 391.2 – What are primary components? Computer Equipment
15. Account 392 – Explain 2005 and 2006 Cost of Removal (COR) “reversal”.
“Reversals” of COR were coded incorrectly. They actually were salvage due to a vehicle sale or trade-in.
What are primary components? (Cars, trucks, vans, trailers)
Passenger cars, light trucks, heavy pickups, heavy duty trucks, trailers.
16. Account 394 – What are primary components?
The primary components are miscellaneous tools and equipment and testing equipment. See “Acct 394 Assets 2004-2006.xls”
17. Account 395 – Why no retirements since 1990?
There were none reported.
18. Account 396 – What are primary components?
Centermount trucks
19. Account 397 – What was retired in 2005?
Emergency Management System

What are primary components?
The primary components are radios, telephone equipment, towers, antennas, computer equipment, the Emergency Management System and microwave equipment. See “Acct 397 Assets 2004-2006.xls”
20. Account 398 – What are primary components?
The primary components are signs and ice machines. See “Acct 398 Assets 2004-2006.xls”

21. Account 311, 312 and 314 – What was retired and salvaged in 2004?
The retirements and salvage amounts pertain to 1993 flood damage at the Riverton Plant and insurance reimbursements. See “Acct 311-312-314 Ret 2004.xls”
22. Other Production – What was retired and salvaged in 2001?
The Other Production retirements and salvage in 2001 reflected the sale of a portion of State Line Combined Cycle to Westar.