

Exhibit No.:  
Issues: Fuel Adjustment Clause  
Witness: David C. Roos  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Surrebuttal Testimony  
Case No.: ER-2014-0351  
Date Testimony Prepared: March 24, 2015

**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**DAVID C. ROOS**

**THE EMPIRE DISTRICT ELECTRIC COMPANY**

**CASE NO. ER-2014-0351**

*Jefferson City, Missouri  
March 2015*

**\*\* Denotes Highly Confidential Information \*\***

**NP**

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

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

Case No. ER-2014-0351

**AFFIDAVIT OF DAVID C. ROOS**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

David C. Roos, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 3 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
David C. Roos

Subscribed and sworn to before me this 24<sup>th</sup> day of March, 2015.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 28, 2018 Commission Number: 14942086
--

  
\_\_\_\_\_  
Notary Public

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

**SURREBUTTAL TESTIMONY**

**OF**

**DAVID C. ROOS**

**THE EMPIRE DISTRICT ELECTRIC COMPANY**

**CASE NO. ER-2014-0351**

13 Q. Please state your name and business address.

14 A. My name is David C. Roos and my business address is Missouri Public Service  
15 Commission, P.O. Box 360, Jefferson City, MO 65102.

16 Q. What is your position at the Commission?

17 A. I am a Regulatory Economist III in the Energy Unit of the Regulatory Review  
18 Division.

19 Q. Are you the same David C. Roos that contributed to Staff's Revenue  
20 Requirement Cost of Service Report ("COS") filed on January 29, 2015, and to Staff's Rate  
21 Design and Class Cost of Service Report ("CCOS") filed on February 11, 2015, and who filed  
22 rebuttal testimony on March 9, 2015?

23 A. Yes, I am.

24 Q. What is the purpose of your surrebuttal testimony?

25 A. The purpose of my surrebuttal testimony is to provide Staff's revised (March  
26 19, 2015) calculation, after corrections and updates, of the Base Factor for The Empire  
27 District Electric Company's ("Empire") Fuel Adjustment Clause ("FAC") which was  
28 originally contained in the CCOS and subsequently updated in my rebuttal testimony. I also  
29 provide a list of Empire sub-accounts that are included in the FAC and sub-accounts that are  
explicitly excluded from the FAC. This surrebuttal testimony responds to Empire witness

Surrebuttal Testimony of  
David C. Roos

1 Aaron J. Doll's rebuttal testimony and includes the updates provided by Staff witness Kim  
2 Bolin in her response to Empire witnesses Todd W. Tartar's and Aaron J. Doll's rebuttal  
3 testimonies.

4 **Staff's Revised FAC Base Factor**

5 Q. What revisions did Staff make to its calculation of Empire's Base Factor since  
6 the filing of rebuttal testimony?

7 A. Staff made the following revisions:

8 (1) Staff updated the Base Factor calculation using revised, annualized revenues for  
9 sales for resale in sub-accounts 447.113, 447.124, 447.133, and 447.143. The revised,  
10 annualized total company amount for these four subaccounts is \*\* \_\_\_\_\_ \*\*, which is  
11 \*\* \_\_\_\_\_ \*\* from Staff's previous estimate.

12 (2) Staff has included the annualized revenues of \*\* \_\_\_\_\_ \*\* in sub-account  
13 457.137 for Southwest Power Pool ("SPP") Schedule 7 Firm PTP as an offset to net account  
14 565 transmission expenses.

15 (3) Staff inadvertently excluded some of SPP's integrated market (IM) expenses in  
16 account 555. These costs are now included as an offset to off-system sales in account 447.  
17 The amount of net off-system sales is \*\* \_\_\_\_\_ \*\*

18 (4) Staff has revised the net system input (NSI) to account for customer growth. The  
19 revised NSI is \*\* \_\_\_\_\_ \*\* which is \*\* \_\_\_\_\_ \*\*  
20 from Staff's previous estimate.

21 Q. What is Empire's Base Factor after corrections and updates?

22 A. Empire's Base Factor after corrections and updates is \$0.02754 per kWh.

23 Q. What is the difference between Staff's Base Factor filed in rebuttal and the  
24 Base Factor for this surrebuttal testimony?

Surrebuttal Testimony of  
David C. Roos

1           A.     Staff's Base Factor filed in its rebuttal was \$0.02443 per kWh, whereas the  
2 Base Factor for this surrebuttal testimony is \$0.02754 per kWh, for an increase of \$0.00311  
3 per kWh. A comparison of Staff's revised Base Factor with Empire's current FAC Base  
4 Factor and the Company's proposed Base Factor is provided on HC Schedule DCR-S1.

5     **List of FAC Sub-Accounts**

6           Q.     What Empire sub-accounts did Staff use to calculate the Base Factor for the  
7 FAC?

8           A.     A list of Empire sub-accounts that Staff used to calculate the Base Factor is  
9 provided in Schedule DCR-S2. This schedule shows the sub-accounts that Staff included in  
10 the calculation of the Base Factor and specific sub-accounts that are excluded from the  
11 calculation.

12          Q.     Does this conclude your testimony?

13          A.     Yes.

**Schedule DCR-S1**

**Is Deemed**

**Highly Confidential**

**In Its Entirety**

**SCHEDULE DCR-S2**  
**List of Sub-Accounts Included and Excluded for FAC**

<u>GL</u>	<u>Descriptions</u>	<u>GL</u>	<u>Descriptions</u>	<u>GL</u>	<u>Descriptions</u>
<u>501</u>	<u>Included:</u>	<u>506</u>	<u>Included:</u>	<u>555</u>	<u>Included:</u>
501042	Fuel - Coal	506127	Limestone Expense - Iatan	555430	Direct Purchases
501045	Fuel - Oil	506128	Powdered Activated Carbon	555431	Purchase Power Tolling Fees
501054	Fuel - Natural Gas	506129	Ammonia Expense	555432	Energy Imbalance
501183	Sales Of Ash	506201	Limestone Expense	555437	Interrupt Svc Compensation
501211	Ineffect (Gain)/Loss Deriv Steam	506202	Ammonia Expense	555800	DA Asset Energy
501212	Effective (Gn)/Lss Deriv Steam	506203	Powdered Activated Carbon	555810	DA Non-Asset Energy
501216	NonFAS133Deriv(Gain)/LossSteam	506204	Lime Expense	555820	DA Virtual Energy
501300	Fuel - Tires			555840	DA Reg-Up
501401	Ops Mtis-Fuel Handling	<u>548</u>	<u>Included:</u>	555850	DA Reg-Down
501607	Fuel Adm E Trader Commission	548202	Ammonia Expense	555860	DA Spinning
				555870	DA Supplemental
<u>501</u>	<u>Excluded:</u>	<u>447</u>	<u>Included:</u>	555880	DA Other
501011	Conv & Seminar-Fuel	447113	Gen Ark Off-Sys Sale-Resale	555900	RT Asset Energy
501400	Ops Labor-Fuel Handling	447124	Gen Ks Off-System Sale-Resale	555910	RT Non-Asset Energy
501601	Fuel Administration - Asbury	447133	Gen Mo Off-Sys Sale-Resale	555920	RT Virtual Energy
501604	Fuel Administration - Riverton	447143	Gen Ok Off-Sys Sales-Resale	555940	RT Reg-Up
501605	Fuel Administration Plum Point	447810	SPP IM Revenue - AR	555950	RT Reg-Down
		447820	SPP IM Revenue - KS	555960	RT Spinning
<u>547</u>	<u>Included:</u>	447830	SPP IM Revenue - MO	555970	RT Supplemental
547205	Natural Gas SLCC Tolling	447840	SPP IM Revenue - OK	555980	RT Other
547206	Nat Gas-Tolling SLCC Ineffectiv			555990	TCR Activity
547207	Combust Turb Fuel Natural Gas			555995	ARR Activity
547208	Combust Turb Fuel Sales - Nat Gas	<u>447</u>	<u>Excluded:</u>	<u>555</u>	<u>Included:</u>
547210	Combust Turb Fuel Natural Gas	447430	Aec - Off-Sys-Missouri	565413	Trans Of Electricity By Others
547211	Ineffect (Gain)/Loss Deriv Gas	447540	Oklahoma G R D A Off-System	565414	SPP Fixed Chg - Native Load Exclude S1-A
547212	Effective (Gain)/Loss Deriv Gas	447610	Energy Imbalance - Arkansas	565416	Non SPP Fixed Chg -Native Load
547213	Fuel - No 2 Oil Fuel	447620	Energy Imbalance - Kansas	565417	PP Non SPP Var - Native Load
547301	NonFAS133 Deriv (Gain)/Loss	447630	Energy Imbalance - Missouri	565418	Gen Non SPP Var - Native Load
547607	Fuel Adm E Traders Commission	447640	Energy Imbalance - Oklahoma	565419	Off Sys Sales Trans Costs
<u>547</u>	<u>Excluded:</u>	<u>457</u>	<u>Included:</u>	<u>565</u>	<u>Excluded:</u>
547605	Fuel Adm State Line	457133	Oth EI Rev-Reg & Freq Response	565414	SPP Schedule 1-A only
547606	Fuel Adm Energy Center	457135	Oth EI Rev-Oper ReservSpinning	565415	SPP Var Chg Schedule 12
547210	Natural gas and fixed transportation &	457136	Oth EI Rev-Oper Reserv Supplm	<u>456</u>	<u>Included:</u>
		457137	Ot EI RvOffSys LTFSTF PTP Trms	456071	Misc Elec Rev-Green Credits-AR
		457138	Ot EI RvOffSys NhFrm PTP Trms	456072	Misc Elec Rev-Green Credits-KS
<u>411</u>	<u>Included:</u>	457139	Ot EI RvOffSys NITS Rev	456073	Misc Elec Rev-Green Credits-MO
411800	Gains-Disposition Emmiss Allow	457140	Oth EI Rev-Off-Sys Losses	456074	Misc Elec Rev-Green Credits-OK
		457141	Sch 11 NITS		
<u>509</u>	<u>Included:</u>	457142	Sch 11 PTP		
509052	Emission Allowance Exp	457160	Sch 1 PTP		

**Removed from List:**  
924XXX Ins. premium for replacement power

**List of Sub-Accounts Included and Excluded for FAC**