

Exhibit No.: 1012
Issue: Commissioner Questions - Asbury
Witness: Timothy N. Wilson
Type of Exhibit: Supplemental Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2019-0374
Date Testimony Prepared: May 2020

**Before the Public Service Commission
of the State of Missouri**

Supplemental Testimony to Address Commissioner Questions

of

Timothy N. Wilson

on behalf of

**The Empire District Electric Company
a Liberty Utilities Company**

May 6, 2020



SUPPLEMENTAL TESTIMONY TO ADDRESS COMMISSIONER QUESTIONS
OF
TIMOTHY N. WILSON
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2019-0374

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Timothy N. Wilson. My business address is 602 S. Joplin Avenue,
4 Joplin, Missouri.

5 **Q. Are you the same Timothy N. Wilson who filed direct testimony in this matter on**
6 **behalf of The Empire District Electric Company (“Empire”)?**

7 A. Yes.

8 **Q. What is the purpose of your supplemental testimony in this proceeding?**

9 A. My supplemental testimony addresses certain questions directed to Empire by the
10 Missouri Public Service Commission (“Commission”). In particular, I address
11 questions 1 and 2 regarding Issue 13 - Asbury that were contained within the
12 “Commissioner Questions” issued April 28, 2020.

13 **II. RESPONSES TO COMMISSIONER QUESTIONS**

14 **Q. What is your response to Asbury question #1 from the Commissioners which**
15 **read “what is the status of the plan for the decommissioning, reuse, and**
16 **repurposing of Asbury?”**

17 A. The Asbury Power Plant was de-designated from the Market at the end of March 1,
18 2020. The Company has identified certain Asbury assets to be reused and/or
19 repurposed for the operations and maintenance of other generation units. The

1 Company continues to evaluate the ultimate plan for the remaining Asbury assets.
2 For accounting purposes the assets currently not utilized elsewhere in the Company
3 have been removed from service as of March 1, 2020. In general, the office buildings,
4 maintenance shop, fire system, cooling lake, fencing, impoundment, parking lots and
5 others are to remain. For further discussion on the Accounting treatment of Asbury
6 please refer to Company Witness Sheri Richard Supplemental Testimony to respond
7 to Commissioner questions.

8 **Q. Asbury question #2 from the Commissioners reads: “what is the status of the**
9 **study being performed by Black & Veatch to ‘search for a potential buyer of the**
10 **asset as well as explore both the costs of retirement and removal of the asset?’ as**
11 **referenced in Tim Wilson’s testimony.” What is your response to this question?**

12 **A.** Black and Veatch has completed the first phase of the study. The goal of Phase 1 was
13 to develop an initial Plant Retirement Plan which would be used to support the
14 preferred plan for the plant final disposition by analyzing multiple options. The
15 company is still in the process of working through the final stages of Phase 1. Phase 2
16 will be the creation of the final plan based on the Company’s decision on the ultimate
17 disposition of the facility.

18 Phase 1 included: (1) a workshop to engage the various internal stakeholders in order
19 to align all parties and identify critical issues; (2) an Isolation study to establish an
20 initial plan to isolate and place plant systems in a safe condition and continued use for
21 repurposed items; (3) an Order of magnitude Estimate for the demolition of the power
22 plant and non-repurposed assets; and (4) a Market Valuation to determine a fair
23 market valuation of the operating facility for a potential buyer. The results of the
24 Phase 1 study has provided the Company bookends of the final disposition of the

1 plant. These bookends are (a) selling on the market as an operating facility or (b)
2 completely dismantle the unit. The costs for these bookends were \$134M and \$36M
3 respectively. Based upon the cost it is evident an acceptable market does not exist
4 for the unit as an operating coal fired power plant which is over 50 years old.
5 Therefore, the Company will not be pursuing this path any further. The Company
6 will however still work with Black and Veatch, and others, to find possible buyers of
7 individual pieces of equipment to reduce the dismantlement costs. The Company has
8 received proposals to do additional studies to explore the possibility of utilizing the
9 campus for new technologies including battery storage and solar. At this time, the
10 Company has not moved forward with these studies. Black and Veatch will perform
11 one additional study under Phase 1 which will be to analyze the risks and costs
12 associated with abandoning-in-place instead of full dismantlement. Once complete,
13 the Company will make a decision and move onto Phase 2.

14 **Q. Does this conclude your supplemental testimony?**

15 A. Yes.

VERIFICATION OF TIMOTHY N. WILSON

Timothy N. Wilson, under penalty of perjury, declares that the foregoing supplemental testimony is true and correct to the best of his knowledge, information, and belief.

/s/Timothy N. Wilson _____

Timothy N. Wilson
Vice President, Electric Operations