

Exhibit No.:
Issue: Revenues
Witness: Curt Wells
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2006-0315
Date Testimony Prepared: July 28, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

CURT WELLS

EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2006-0315

**Jefferson City, Missouri
July 2006**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

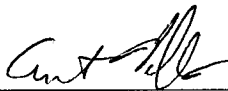
In the matter of The Empire District Electric)
Company of Joplin, Missouri for authority to file)
tariffs increasing rates for electric service provided)
to customers in the Missouri service area of the)
Company.)

Case No. ER-2006-0315

AFFIDAVIT OF CURT WELLS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

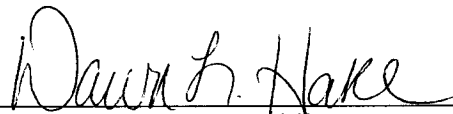
Curt Wells, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 3 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge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



Curt Wells

Subscribed and sworn to before me this 27th day of July 2006.





DAWN L. HAKE Notary Public
My Commission Expires
March 16, 2009
Cole County
Commission #09407649

My commission expires _____

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Q. Please state your name and business address.

A. My name is Curt Wells and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Curt Wells who has submitted direct testimony in this case?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony presents changes the Staff has made to its revenue calculations in response to the direct testimony (revenue requirement) of the Office of Public Counsel (OPC) witness Barbara Meisenheimer in which she highlights the importance of “imputing” the revenues associated with both Praxair and Explorer Pipeline. Staff agrees with OPC and, in response, this testimony describes the changes I made to Missouri retail revenue.

Q. What prompted you to make these revisions to Missouri retail rate revenue by class?

A. The direct testimony (revenue requirement) of OPC witness Barbara Meisenheimer caused me to re-examine the computation of revenues associated with both Praxair and Explorer Pipeline. The specific section of her testimony at issue is entitled “IV. Stipulated Discounts”; it is contained on page 12, line 12 though page 13, line 13.

Rebuttal Testimony
Of Curt Wells

1 Q. What specific information did you receive from Ms. Meisenheimer?

2 A. Ms. Meisenheimer's testimony and a subsequent conversation directed me to
3 documentation specifying the ratemaking treatment of the special discounts that Praxair and
4 Explorer Pipeline should receive on their electricity bills. The specific provisions are
5 contained in Section 2 (Praxair) and Section 3 (Explorer) on pages 11-12 of the Non-
6 Unanimous Stipulation and Agreement Regarding Fuel and Purchased Power Expense
7 (Stipulation) in Case No. ER-2004-0570.

8 Q. Please briefly describe the ratemaking treatment of the special discounts
9 provided to Praxair and Explorer Pipeline that is specified in the Stipulation.

10 A. The ratemaking treatment specified in the Stipulation is that the special
11 discounts provided to Praxair and Explorer should be "imputed" when computing revenues.
12 This means that revenues should be computed as if such discounts did not exist. By imputing
13 revenues in this way, the stipulated discounts should "...not affect the rates of Empire's other
14 Missouri retail customers or be recovered from Empire's other Missouri ratepayers..."
15 [Stipulation, page 12].

16 Q. Have you imputed revenues for Praxair and Explorer Pipeline as specified in
17 the Stipulation?

18 A. Yes. The revenues shown for Praxair and the Large Power class (to which
19 Explorer belongs) on Schedule CW-1 (Revision 1) represent imputed dollars, i.e. dollars prior
20 to the inclusion of any special discounts.

21 Q. Did you make any other revisions to Missouri retail rate revenues?

22 A. Yes. In the process of imputing revenues for Explorer Pipeline, I discovered a
23 computational error in the Large Power class annualization that I have corrected.

Rebuttal Testimony
Of Curt Wells

1 Q. Does this conclude your rebuttal testimony?

2 A. Yes, it does.

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**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2006-0315
SUMMARY OF ANNUALIZED AND NORMALIZED RATE REVENUE**

MISSOURI RETAIL

Rate Schedule	As Billed Rate Rev w/o taxes	Rate Change Annualization	Large Customer Annualizations	Normalization for Weather & Days	Additional Rev from Cust Growth	Total MO Normalized Rev
RG-Residential	\$126,103,253	\$3,994,474	0	(\$2,891,387)	\$2,392,021	\$129,598,362
CB-Commercial	\$27,717,632	\$728,654	0	(\$444,381)	\$158,050	\$28,159,955
SH-Small Heating	\$6,563,318	\$192,068	0	(\$14,419)	\$187,238	\$6,928,204
PFM-Feed Mill/Grain Elev	\$55,563	\$1,480	0	(\$349)	\$0	\$56,694
MS-Traffic Signals	\$56,168	\$1,412	0	(\$13)	\$0	\$57,566
GP-General Power	\$50,942,434	\$1,140,913	0	(\$397,689)	\$1,947,949	\$53,633,607
TEB-Total Electric Bldg	\$21,708,864	\$514,964	0	(\$178,751)	\$528,154	\$22,573,232
LP-Large Power	\$34,731,211	\$0	\$1,574,809	\$0	\$0	\$36,306,020
SC-P PRAXAIR	\$2,395,456	\$56,774	0	\$0	\$0	\$2,452,230
SPL-Municipal St Lighting	\$1,208,852	\$33,550	0	\$0	\$0	\$1,242,402
PL-Private Lighting	\$3,285,279	\$90,841	0	(\$10,923)	\$0	\$3,365,197
LS-Special Lighting	\$158,026	\$3,442	0	\$40	\$0	\$161,508
Missouri Billed Rate Revenue	\$274,926,056	\$6,758,571	\$1,574,809	(\$3,937,872)	\$5,213,413	\$284,534,977
Other Rate Revenue						
CP-Cogeneration Purchase	(\$165)					(\$165)
Excess Facilities Charges	\$1,721,892		\$19,751			\$1,741,643
Special Credits	(\$474,450)		\$131,538			(\$342,912)
MO Other Rate Revenue	\$1,247,277	\$0	\$151,289	\$0	\$0	\$1,398,566
MO Rev from Permanent Rates	\$276,173,333	\$6,758,571	\$1,726,098	(\$3,937,872)	\$5,213,413	\$285,933,543
Interim Energy Charges	\$6,305,092	\$2,461,266				\$8,766,358
Accounting Adjustment No.		S-1.5	S1.8,S-1.9,S-1.10	S-1.6,S-1.7	S-1.2	S-1.11