

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

In the Matter of The Empire District)	
Electric Company's Request for)	
Authority to File Tariffs Increasing)	<u>Case No. ER-2019-0374</u>
Rates for Electric Service Provided)	
To Customers in its Missouri)	
Service Area)	

ADDITIONAL MOTION FOR CLARIFICATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Additional Motion for Clarification* in this matter hereby states:

The Commission issued a *Report and Order* in this matter on July 1, 2020 and an *Amended Report and Order* on July 23, 2020. Within its original *Order* and the *Amended Order*, the Commission makes certain statements for which Staff cannot ascertain the intended outcome. Staff outlines these concerns here for consideration:

1. At paragraph 82, the *Amended Order* states "Empire's current rate design is that contained in the compliance tariffs filed on August 15, 2016, as substituted on August 26, 2016, and approved to become effective as of September 14, 2016 in its last rate case, File No. ER-2016-0023."

a. Empire's rates as of September 14, 2016 did not include the per-kWh credit created in Case No. ER-2018-0366.

2. At paragraph 482, the *Amended Order* states "The appropriate level of billing determinants to be used in the calculation of retail rate revenue for the test year are included in the true-up workpapers of Michelle Bocklage and Byron Murray, and the level of retail revenue is provided in Staff's True-Up Accounting Schedules."

a. The level of retail revenue provided in Staff's True-Up Accounting schedules indicated the revenue generated by each rate class pursuant to the rates generated in File No. ER-2016-0023, net of the credits provided under Case No. ER-2018-0366.

- b. The *Amended Order* did not otherwise address the treatment of the credits provided under Case No. ER-2018-0366 for rate design purposes, nor did it address the continuation or elimination of the tariff sheets, which affects these credits.
3. Under the “Decision” paragraph on page 49, the *Amended Order* states, “the Commission finds that it is not appropriate to make any changes to the revenue requirement allocations at this time.”
 - a. Staff seeks clarification as to whether the revenue requirement allocations that are not to be changed at this time are those allocations as they existed prior to or after the reductions effectuated by the credits provided under Case No. ER-2018-0366.
4. Under the “Decision” paragraph on page 49, the *Amended Order* states, “Any increase or decrease should be applied to each energy block in proportion to the revenue generated by that block.”
 - a. Staff seeks clarification as to whether the decreases within each class should be applied proportionately to the magnitude of the energy block charges as they exist in the tariff promulgated pursuant to File No. ER-2016-0023, or those rates net of the credits provided under Case No. ER-2018-0366.
5. Staff requests that the Commission identify which sequence of adjustments best articulate the Commission’s intentions in this manner:¹

Option A

- (1) Reflect the approximate reduction of \$18.1 million in the class revenue requirements associated with the ER-2018-0366 credits generated by the trued up billing determinants;
- (2) Proportionately adjust Class Revenue Requirements to achieve the revenue requirement ordered in this case, net of the ER-2018-0366 credit values;
- (3) Remove the amount of each ER-2018-0366 credit from each energy charge rate ordered in ER-2016-0023, then proportionately adjust each remaining energy charge rate to recover the class revenue requirement;

¹ While the Commission did not explicitly order the treatment of pre-MEEIA charges and lighting rate schedules, Staff plans to treat these items as it has in prior cases. These issues were not disputed by any party.

(4) Eliminate the ER-2018-0366 tariff references and credits.

Option B

- (1) Reflect the approximate reduction of \$18.1 million in the class revenue requirements associated with the ER-2018-0366 credits generated by the trued up billing determinants;
- (2) Proportionately adjust Class Revenue Requirements to achieve the revenue requirement ordered in this case, net of ER-2018-0366 credit values;
- (3) Proportionately adjust each energy charge ordered in ER-2016-0023 to recover the class revenue requirement;
- (4) Eliminate the ER-2018-0366 tariff references and credits.

Option C

- (1) Proportionately adjust Class Revenue Requirements to achieve the revenue requirement ordered in this case, net of ER-2018-0366 credit values;
- (2) Proportionately adjust each energy charge ordered in ER-2016-0023 to recover the class revenue requirement;
- (3) Maintain the ER-2018-0366 tariff references and credits.

Option D

- (1) Remove an amount of approximately \$19.5 to \$17 million² from Class Revenue Requirements in proportion to the rates ordered in ER-2016-0023;
- (2) Remove the amount of each ER-2018-0366 credit from each energy charge rate ordered in ER-2016-0023, then proportionately adjust each remaining energy charge rate to recover the class revenue requirement;
- (3) Eliminate the ER-2018-0366 tariff references and credits.

Option E

- (1) Remove and amount of approximately \$19.5 to \$17 million³ from Class Revenue Requirements in proportion to the rates ordered in ER-2016-0023;
- (2) Proportionately adjust each energy charge ordered in ER-2016-0023 to recover the class revenue requirement;
- (3) Eliminate the ER-2018-0366 tariff references and credits.

² The parties are still working to determine the precise amount as ordered.

³ The parties are still working to determine the precise amount as ordered.

WHEREFORE, Staff prays that the Commission will accept Staff's *Additional Motion for Clarification*; issue an Order clarifying which of the provided options best articulates the Commission's *Order and Amended Order*; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 29th day of July, 2020, to all counsel of record.

/s/ Whitney Payne