

**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         )  
Rates for Electric Service Provided         )  
To Customers in its Missouri                 )  
Service Area                                        )

**Case No. ER-2019-0374**

**FINAL RECONCILIATION**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, on behalf of all parties to this proceeding, and presents this *Final Reconciliation* of the issues presently reserved for hearing in this matter and hereby states:

1. The valuations included in this *Final Reconciliation* are compiled of submissions from Staff, Empire, the Office of the Public Counsel and The Empire District Electric Company, SERP Retirees, LLC. Inclusion of these valuations in the *Reconciliation* should not be seen as any parties' agreement to the appropriateness of these valuations.

2. The valuations presented here are based on the parties' individual positions in this matter and do not reflect settlement of any issues. Should a settlement be reached at some point in the future these valuations may not be applicable to any party's settled position.

**WHEREFORE**, Staff prays that the Commission will accept this *Final Reconciliation*; and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

**/s/ Whitney Payne**

Whitney Payne

Senior Counsel

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Missouri Public Service Commission

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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 10th day of April, 2020, to all counsel of record.

**/s/ Whitney Payne**

**Empire District Electric Company**  
**ER-2019-0374**  
**Revenue Requirement Reconciliation**

Line No.			
1	Company Revenue Requirement Per Reconciliation		<b>\$21,915,956</b>
2	Unreconciled Difference (due to Rounding)		\$506
3	<b>Company Revenue Requirement</b>		<b>\$21,916,462</b>
4			
5	<b>Rate of Return &amp; Capital Structure</b>		
6	Value of Capital Structure Issue - Staff / Company	(492,129)	
7	Capital Structure impact on Interest Expense Deduction	527,684	
8	Rev. Req. Value of Return on Equity	(6,696,760)	
9	Rev. Req. Value of Cost of Debt	(2,445,516)	
10			
11	<b>Sub-Total Rate of Return and Capital Structure Differences</b>		<b>(\$9,106,721)</b>
12			
13	<b>Rate Base Issues :</b>		
14	Plant not at Issue Allocations	12,920	
15	Common Plant	103,847	
16	Depreciation Reserve not at issue Allocations	75,355	
17	Common Plant Depreciation Reserve	(54,618)	
18	Cash Working Capital	425,341	
19	Materials and Supplies	(20,948)	
20	Prepayments	502	
21	Fuel Inventory	(278,451)	
22	May 2011 Tornado Storm Deferral	(117,603)	
23	Regulatory Asset/Carrying Costs-latan 1	(56,823)	
24	Regulatory Asset/Carrying Costs-latan 2	(623,105)	
25	Regulatory Asset/Carrying Costs-Plum Point	(3,738)	
26	DSM/Pre-MEEIA Costs	(2,726)	
27	MEEIA Energy Efficiency Costs	(12,567)	
28	Prepaid Pension Asset	(199,727)	
29	Riverton 12 Tracker	49,877	
30	FAS 158 Pen Reg Asset	86,597	
31	Mo FAS106 Reg Asset	(5,450)	
32	Reg Pension Costs Amortzation	(63,911)	
33	ARO	(847,076)	
34	Deferred Income Taxes-Accumulated	(61,647)	
35	Return of Excess Deferred Tax	(3,277)	
36	OPEB tracker	5,835	
37	Pension Tracker	(81,735)	
38	Reg OPEB Costs Amortization	(363)	
39	Fuel construction Acctg latan 2	653,612	
40	<b>Sub Total - Rate Base Issues</b>		<b>(\$1,019,880)</b>
41			
42	<b>Income Statement - Revenue Issues</b>		
43	Booked Revenue - Unadjusted	(1,962,369)	
44	To remove unbilled	11,888,689	
45	To remove franchise tax	603,828	
46	To remove FAC	11,843,759	
47	Billing Adjustment	(12,843,089)	
48	To adjust for customers that switched rate classes	2,151,276	
49	Weather Normalization and 365 days	1,894,023	
50	Customer Growth	(1,293,330)	
51	To remove for Income tax	19,784,522	
52	Switched rate classes - Large Power	(572,626)	
53	To adjust for update period	(22,623,109)	
54	EDR Revenues	365,287	
55	Remove MO non-jurisdictional SPP transmission revenue	2,096,984	
56	Normalize SPP transmission revenues	456,571	
57	Normalize other direct assigned revenue	(712)	
58	Normalize other electric revenue	69,461	
59	Normalize rent revenue	40,192	
60	To remove tax period stub period revenue reduction	(11,728,212)	
61	Annualize SPP IM sales	36,422,210	
62	Annualize SPP IM sales (ancillary & misc)	(1,617,531)	
63	MO ITC Revenue	160,215	
64	<b>Sub Total - Revenue Adjustments</b>		<b>\$35,136,037</b>

65			
66	<b>Income Statement - Expense Issues</b>		
67	Test Year Allocation Differences	(11,044,496)	
68	Adjust Fuel Expense to Staff's Annualized Level	(30,462,454)	
69	Fly Ash Revenue	4,139	
70	SPP Transmission expense	(1,453,147)	
71	Plum Point Entergy Contract	1,159,043	
72	SPP Expense (Ancillary & Misc.)	688,156	
73	Postage Expense	167	
74	Credit Card Fees	(233,160)	
75	Bad Debt Expense	(57,827)	
76	Riverton 12 Asset Amortization	2,828,904	
77	Advertising Expense	(25,051)	
78	Executive Travel	(768)	
79	Outside Services	177,561	
80	Property Insurance	(95,891)	
81	Excess Liability, EPLI, EIM & Vehicle Insurance	358,861	
82	Fiduciary Insurance	(542)	
83	Comprehensive Bond Insurance	(133)	
84	Worker's Compensation Insurance	120,839	
85	Injuries and Damages	(386,977)	
86	Rate Case Expense	(315,714)	
87	Employer's 401(K) Match	(74,873)	
88	Employee Benefits	(580,010)	
89	Directly Allocated APUC Costs	(754,391)	
90	Indirectly Allocated APUC Costs	(448,105)	
91	Annualize Software Maintenance	(149,061)	
92	Non-Deductible Expense	20,199	
93	Lease Expense	151	
94	Acquisition Costs	(2,567)	
95	Payroll & Overtime	(1,840,631)	
96	Incentive Compensation	1,244,990	
97	Retention Bonuses	(1,021,059)	
98	Pensions & OPEBs	(8,709,412)	
99	Plant Operations & Maintenance	(7,209,245)	
100	Dues and Donations	(178,129)	
101	Depreciation Expense	2,432,221	
102	Amortization Expense	(2,922,993)	
103	Taxes Other Than Income	8,251,537	
104	Payroll Taxes	70,944	
105	<b>Total Oper. &amp; Maint. Expense</b>		<b>(\$50,608,923)</b>
106			
107	Impact on Income Tax Expense of Depreciation Difference	732,682	
108	<b>Sub Total - Expense Adjustments</b>		<b>\$732,682</b>
109			
110	Tax Depreciation in Excess of S/L	(2,226,235)	
111	Nondeductible Expenses	182,436	
112	CIAC	(18,581)	
113	Book Amortization Expense	(479,802)	
114	Intangible Amortization	0	
115	Tax Depreciation in Excess of S/L	0	
116	Amortization of Deferred Income Tax	(708,472)	
117	<b>Total of Deferred Tax &amp; Amortization</b>		<b>(\$3,250,655)</b>
118	<b>Total Value of All Issues</b>		<b>(\$28,117,460)</b>
119	Unreconciled Difference		\$99,623
120	<b>Staff Revenue Requirement</b>		<b>(\$6,101,375)</b>

121	<b>Staff Revenue Requirement</b>		<b>(\$6,101,375)</b>
122			
123	<b>OPC Option 1 - Recovery of Pre-Asbury AQCS</b>		
124			
125	<b>Rate of Return &amp; Capital Structure</b>		
126	Value of Capital Structure Issue - Staff /OPC	(5,611,995)	
127	Rev. Req. Value of Return on Equity	2,412,254	
128	Rev. Req. Value of Cost of Debt	692,552	
129	<b>Sub-Total Rate of Return and Capital Structure Differences</b>		<b>(\$2,507,189)</b>
130			
131	<b>Rate Base Issues :</b>		
132	Cash Working Captial	(1,083,214)	
133	Accumulated Deferred Income Taxes	(241,911)	
134	TJCA Stub Period Rate Base Reduction	(1,079,495)	
135	<b>Sub Total - Rate Base Issues</b>		<b>(\$2,404,620)</b>
136			
137	<b>Income Statement - Expense Issues</b>		
138	Affiliated Transactions	(100,000,000)	
139	Credit Card Fees	(1,064,102)	
140	Depreciation Expense	(11,179,375)	
141	Management Expense	(3,707,884)	
142	Amortizaiton of Pre-AQCS Asbury Investment	6,453,619	
143	Asbury Expenses	(10,500,000)	
144	<b>Sub Total - Expense Adjustments</b>		<b>(\$119,997,742)</b>
145	<b>Total Value of All Issues</b>		<b>(\$124,909,551)</b>
146	Unreconciled Difference-due to Rounding		
147	<b>OPC Option 1 Revenue Requirement</b>		<b>(\$131,010,926)</b>
148			
149	<b>OPC Issues Option 2 - Non Recovery of Asbury</b>		
150			
151	<b>Rate of Return &amp; Capital Structure</b>		
152	Value of Capital Structure Issue - Staff /OPC	(5,611,995)	
153	Rev. Req. Value of Return on Equity	2,412,254	
154	Rev. Req. Value of Cost of Debt	692,552	
155	<b>Sub-Total Rate of Return and Capital Structure Differences</b>		<b>(\$2,507,189)</b>
156			
157	<b>Rate Base Issues :</b>		
158	Cash Working Captial	(1,083,214)	
159	Accumulated Deferred Income Taxes	(241,911)	
160	TJCA Stub Period Rate Base Reduction	(1,079,495)	
161	Removal of Asbury Plant	(21,801,887)	
162	<b>Sub Total - Rate Base Issues</b>		<b>(\$24,206,507)</b>
163			
164	<b>Income Statement - Expense Issues</b>		
165	Affiliated Transactions	(100,000,000)	
166	Credit Card Fees	(1,064,102)	
167	Depreciation Expense	(11,179,375)	
168	Management Expense	(3,707,884)	
169	Asbury Expenses	(10,500,000)	
170	<b>Sub Total - Expense Adjustments</b>		<b>(\$126,451,361)</b>
171	<b>Total Value of All Issues</b>		<b>(\$153,165,057)</b>
172	Unreconciled Difference-due to Rounding		
173	<b>OPC Option 2 Revenue Requirement</b>		<b>(\$159,266,432)</b>
174			
175	<b>EDE SERP Issue</b>		
176	Staff Revenue Requirement		<b>(\$6,101,375)</b>
177			
178	SERP External Funding	592,099	
179			
180	<b>EDE SERP Revenue Requirement</b>		<b>(\$5,509,276)</b>