STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 31st day of October, 2018.

In the Matter of The Empire District Electric Company's Revised Economic Development Rider Tariff Sheets

File No. ET-2019-0029 Tariff No. JE-2019-0002

ORDER APPROVING STIPULATION AND AGREEMENT AND TARIFF

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Issue Date: October 31, 2018

Effective Date: November 28, 2018

On July 2, 2018, The Empire District Electric Company ("Empire") filed a tariff sheet under Tariff Tracking No. JE-2019-0002 to modify Empire's existing economic development rider that was established in a prior rate case, File No. ER-2012-0345. The tariff revisions are intended to implement an alternative method for estimating baseline usage pursuant to the mechanism of the economic development rider tariff operation. On July 30, 2018, the Commission's Staff filed a Motion to Suspend Tariff Sheet and Open New Docket, stating that a substantive dispute existed regarding the proposed tariff sheet and recommending that the Commission suspend the tariff sheet to provide an opportunity for parties to file information pertaining to the revised tariff sheet. The Commission suspended the effective date of the tariff sheet until November 28, 2018.

On September 12, 2018, Staff filed a Recommendation and Memorandum stating that Staff's investigation had alleviated any concerns regarding the tariff sheet and recommending that the Commission approve the tariff. Staff is satisfied with Empire's assurances that non-participating customers will continue to be held harmless from the revenue impact of offering certain customer discounts pursuant to the economic development rider.

On October 18, 2018, Empire and the Office of the Public Counsel ("OPC") filed a Stipulation and Agreement ("Agreement"), in which Empire and OPC agreed that Empire would file annual reports documenting compliance with economic development rider tariffs and statutes and redacted copies of economic development rider contracts. Empire and OPC request that the Commission approve Empire's tariff sheet subject to the terms of the Agreement.

The Agreement is non-unanimous in that it was not signed by all parties. However, Commission Rule 4 CSR 240-2.115(2) provides that other parties have seven days in which to object to a non-unanimous stipulation and agreement. If no party files a timely objection to a stipulation and agreement, the Commission may treat it as a unanimous stipulation and agreement. More than seven days have passed since the Agreement was filed, and no party has objected. Therefore, the Commission will treat the Agreement as a unanimous stipulation and agreement.

After reviewing the Agreement, the Commission independently finds and concludes that the Agreement is a reasonable resolution of the issues addressed by the Agreement and that such Agreement should be approved. The Commission will also approve the unopposed tariff revisions under Tariff Tracking No. JE-2019-0002.

THE COMMISSION ORDERS THAT:

1. The Stipulation and Agreement filed on October 18, 2018, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement, which is

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incorporated herein in its entirety as if fully set forth. A copy of the stipulation and agreement is attached to this order.

2. The tariff sheet filed on July 2, 2018, by The Empire District Electric Company, Tariff Tracking Number JE-2019-0002, is approved to become effective on November 28, 2018. The specific tariff sheet approved is:

P.S.C. Mo. No. 5 Sec. 4, 1st Revised Sheet No. 22, canceling Sec. 4, Original Sheet No. 22

3. This order shall be effective on November 28, 2018.

4. This file shall be closed on November 29, 2018.



Morris I Wooduf

Morris L. Woodruff Secretary

Silvey, Chm., Kenney, Hall, Rupp, and Coleman, CC., concur.

Bushmann, Senior Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of The Empire District Electric Company's Revised Economic Development Economic Development Rider Tariff Sheets

Case No. ET-2019-0029

STIPULATION AND AGREEMENT

COMES NOW, the Office of the Public Counsel (OPC), and The Empire District Electric Company (Empire) (collectively "the Signatories"), by and through counsel, and states as follows:

Background

Empire filed a revised Economic Development Rider (EDR) tariff sheet on July 2,
2018. The Staff of the Public Service Commission (Staff) moved to suspend the tariff to determine whether or not the proposed revision conflicted with prior stipulations and agreements.

2. After determining that Empire's proposed EDR modification does not conflict with prior stipulations and agreements, Staff recommended that Empire's revised EDR tariff sheet be approved.

3. The OPC concurred with Staff, but also requested that the Public Service Commission (Commission) approve further conditions within Empire's EDR tariff. The OPC asked that the Commission condition Empire's EDR tariff on a requirement to annually file reports demonstrating that approved subsidized rates are indeed resulting in economic development outcomes.

Agreement Amongst the Signatories

4. Empire and the OPC agree that Empire will file annual reports documenting compliance with EDR tariffs and statutes.

5. Empire will file with the Commission the actual EDR contracts upon execution, with customer names and other customer identifying information redacted. Confidential versions will be provided to Staff, OPC, and the Division of Energy (DE) subject to execution of appropriate non-disclosure agreements by Staff, OPC and DE.

Filing of annual reports will occur in the applicable SB 564 docket for Empire, Case
No. EO-2019-0046.

WHEREFORE, the Signatories request that the Commission approve Empire's EDR tariff sheet revisions subject to the terms hereof.

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

<u>/s/ Caleb Hall</u> Caleb Hall, #68112 Senior Counsel <u>Caleb.hall@ded.mo.gov</u> 200 Madison Street, Suite 650 Jefferson City, MO 65102 P: (573) 751-4857 F: (573) 751-5562

Attorney for the Office of the Public Counsel

BRYDON, SWEARENGEN & ENGLAND, P.C.

<u>/s/ Diana C. Carter</u> Diana C. Carter #50527 <u>dcarter@brydonlaw.com</u> 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102 P: (573) 635-7166 F: (573) 635-3847

Attorney for The Empire District Electric Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 18th day of October, 2018, with notice of the same being sent to all counsel of record.

/s/ Caleb Hall

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 31st day of October 2018.



Morris L. Woodruff Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 31, 2018

File/Case No. ET-2019-0029

Missouri Public Service Commission Staff Counsel Department 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102

staffcounselservice@psc.mo.gov

Office of the Public Counsel Marc Poston 200 Madison Street, Suite 650 P.O. Box 2230 Jefferson City, MO 65102 opcservice@ded.mo.gov Empire District Electric Company, The Diana C Carter 312 E. Capitol Avenue P.O. Box 456 Jefferson City, MO 65102 DCarter@brydonlaw.com

Missouri Public Service

Commission Whitney Payne 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 whitney.payne@psc.mo.gov

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

orris I Woodruff

Morris L. Woodruff Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.