Exhibit No.:Issue(s):Energy Allocation FactorsWitness:Alan J. BaxSponsoring Party:MoPSC StaffType of Exhibit:Surrebuttal TestimonyCase No.:ER-2019-0374Date Testimony Prepared:March 27, 2020

# **MISSOURI PUBLIC SERVICE COMMISSION**

## **INDUSTRY ANALYSIS DIVISION**

### **ENGINEERING ANALYSIS DEPARTMENT**

SURREBUTTAL TESTIMONY

OF

ALAN J. BAX

# THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2019-0374

Jefferson City, Missouri March 2020

1		SURREBUTTAL TESTIMONY OF			
2		ALAN J. BAX			
3	THE EMPIRE DISTRICT ELECTRIC COMPANY				
4		CASE NO. ER-2019-0374			
5	Q.	Please state your name and business address.			
6	А.	My name is Alan J. Bax and my business address is Missouri Public Service			
7	Commission, P.O. Box 360, Jefferson City, MO 65102.				
8	Q.	What is your position at the Commission?			
9	А.	I am a Utility Engineering Specialist III in the Engineering Analysis			
10	Department, Industry Analysis Division.				
11	Q.	Are you the same Alan J. Bax that contributed to Staff's Cost of Service Report			
12	("COS Report") filed January 15, 2020?				
13	А.	Yes, I am.			
14	Q.	What is the purpose of your surrebuttal testimony?			
15	А.	My surrebuttal testimony responds to the rebuttal testimony filed by The Empire			
16	District Electric Company's ("Empire") witness Sheri Richard regarding Staff's calculation				
17	of its Energy	Allocation Factors ("EAF") as reflected in Staff's "COS" report and			
18	associated workpapers.				
19	Q.	Please summarize the rebuttal testimony of Empire witness Sheri Richard			
20	regarding this issue.				
21	А.	On page 39, lines 7-11, Ms. Richard contends that Staff's calculation of EAFs			
22	reflect annualized retail energy kilowatt-hours ("kWh") for the states of Missouri and Arkansas				

# Surrebuttal Testimony of Alan J. Bax

as well as the Wholesale jurisdiction, but neglect to annualize the retail energy kWhs for the
 states of Kansas and Oklahoma without providing an explanation for this disparity.

- Q. Would you agree with this assessment?
- A. No.

3

4

5 Q. Please describe the calculation of EAFs that are illustrated in the Staff's
6 COS report.

7 A. On page 34 of Staff's COS Report, there are EAFs illustrated for three 8 jurisdictions: Missouri Retail, Non-Missouri Retail and Wholesale Operations. Non-Missouri 9 Retail Operations is comprised of the summation of the other states in which Empire provides 10 retail electric service other than Missouri (Kansas, Oklahoma and Arkansas). Wholesale 11 operations is a summation of Empire's current wholesale customers in the states of Missouri 12 and Kansas. As described in Staff's COS report, the EAF for each jurisdiction is the ratio of 13 the normalized annual kWh usage of a particular jurisdiction to the total normalized Empire 14 kWh usage. The kWh usage data has been adjusted for anticipated growth, annualizations and 15 non-normal weather. In Ms. Richard's Rebuttal Testimony, she describes these adjusted kWh 16 usage amounts as "annualized retail energy kWhs".

Q. Please explain Ms. Richard's contention that Staff annualized the kWhs of the
states of Missouri and Arkansas, but does not appear to have annualized Kansas and Oklahoma.
A. What Ms. Richard is describing as the annualized retail energy kWhs for the
state of Arkansas is actually the determination of Staff's Non-Missouri Retail EAF as illustrated
in the COS report.

- 22
- Does this conclude your surrebuttal testimony?
- 23
- Yes, it does.

Q.

A.

### **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	)	Case No. ER-2019-0374
Tariffs Increasing Rates for Electric Service	)	
Provided to Customers in its Missouri	)	
Service Area	)	

### AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI	)	
	)	SS.
COUNTY OF COLE	)	

COMES NOW ALAN J. BAX and on their oath declares that they are of sound mind and lawful age; that they contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

<u>/s/ Alan J. Bax</u> ALAN J. BAX