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

In the Matter of The Empire District Electric ) Company's Submission of Its Interim Report ) Regarding Participation in the Southwest Power ) Pool, Inc. )

File No. EO-2012-0269

## JOINT MOTION OF THE EMPIRE DISTRICT ELECTRIC COMPANY, THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION, AND THE OFFICE OF THE PUBLIC COUNSEL TO MODIFY STIPULATION AND AGREEMENT AND ORDER GRANTING MOTION FOR APPROVAL OF UNANIMOUS STIPULATION AND AGREEMENT

**COMES NOW** The Empire District Electric Company ("Empire" or "Company"), the Staff of the Missouri Public Service Commission ("Staff"), and the Office of the <u>Public Counsel</u> ("Public Counsel") and, for their Joint Motion to Modify the Stipulation and Agreement and Order Granting Motion for Approval of Unanimous Stipulation And Agreement in this case, state as follows to the Missouri Public Service Commission ("Commission"):

1. On August 28, 2013, Empire filed a Motion for Approval of Stipulation and Agreement and a Stipulation and Agreement in this case. In its Motion, Empire represented that it filed the Motion on behalf of all parties to the proceeding, and filed the Stipulation and Agreement on behalf of all parties other than Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company neither of which objected to the Stipulation and Agreement. On September 11, 2013 (effective October 11, 2013), the Commission issued its Order Granting Motion for Approval of Unanimous Stipulation and Agreement stating among other things: "The Stipulation and Agreement is approved and the provisions set out therein are incorporated into this order."

Among other things, the Stipulation and Agreement approved on September 11,
2013, required Empire to conduct a cost/benefit study examining continued participation in SPP

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versus operation as a standalone utility for completion by May 1, 2018 (Sec. II.E(1) and (4)). A schedule to the Stipulation and Agreement (Attachment A) summarized the significant dates for meetings concerning the content and planning of the study. (A revised Attachment A is being filed with this Joint Motion, showing significant cost/benefit study and other important dates regarding the matter of Empire's continued participation in SPP).

3. On October 27, 2016, Empire met with representatives of the Staff and Public Counsel to discuss the Preliminary Analysis Plan pursuant to Sec.II.E(1) of the August 28, 2013 Stipulation and Agreement. As a part of that meeting, Empire provided the Staff and Public Counsel representatives with a current estimate of Empire's continuing liability for Southwest Power Pool, Inc. ("SPP") Schedule 11 liabilities should Empire withdraw from the SPP. These liabilities upon exit would total at least be <u>\*\*</u> <u>\*\*</u> (See the attached <u>Joint Motion</u> <u>Attachment A</u>). Empire further provided an estimate of the cost associated with performing the study called for by the Stipulation and Agreement. That estimate was approximately <u>\*\*</u> <u>\*\*</u>.

4. Although neither the Staff nor Public Counsel has independently verified the information provided by Empire, after examination of these materials, the Staff and Public Counsel agree with the Company's recommendation that there is only limited value to conducting the cost/benefit study at this time, rather than as originally contemplated in the Stipulation and Agreement and that any such limited value does not offset the cost associated with the study.

5. <u>2018 Interim Report</u>. Accordingly, Empire, the Staff, and Public Counsel request that the Commission issue an order stating that the Company is not required to perform the cost/benefit study associated with the 2018 Interim Report and that the Company is not

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required to produce the 2018 Interim Report as otherwise required by Section II.E(4) of the Stipulation and Agreement.

## 6. Extension of 2018 Interim Report (Cost/Benefit Study) and 2019 Interim

**Period**. Empire, the Staff, and Public Counsel further request that the Commission issue an order providing that the "interim and conditional" approval described in Section II.A(1) of the Stipulation and Agreement be extended until August 1, 2022, and the dates for the associated 2018 Interim Report and 2019 Interim Period also be extended for identical three year periods. If the Commission does not issue an order to terminate or extend its interim approval prior to 24 months before the end of the 2022 Interim Period, the 2022 Interim Period shall automatically be extended under the same terms and conditions from year-to-year ("Extended Interim Period") unless otherwise ordered by the Commission. This requested extension would result in the following revised deadlines respecting the Stipulation and Agreement:

EVENT	DATE
Previous Interim Period – from October 11, 2013 (effective date of	October 11, 2013 –
Order approving Stipulation and Agreement) to August 1, 2019	August 1, 2019
2019 Interim Period becomes 2022 Interim Period	
Stipulation and Agreement, Sec. II.A(1), II.A(2)(d)	
2018 Interim Report becomes 2021 Interim Report	
Stipulation and Agreement, Sec. II.A(1)	
Beginning and End Dates of Period Subject to 2021 Interim Report	January 1, 2019 –
(Cost/Benefit Study)	December 31, 2020
Stipulation and Agreement, Sec. II.E(1) and Attachment A	
End Date for Preliminary Analysis Plan for 2021 Interim Report	October 30, 2019
(Cost/Benefit Study) To Be Provided to Staff and Public Counsel Stipulation and Agreement, Sec. II.E(1) and Attachment A	

End Date for Empire to Contact Staff and Public Counsel about Form of Data for 2021 Interim Report (Cost/ Benefit Study) <i>Stipulation and Agreement, Sec. II.E(1)</i>	December 31, 2019
Finalize Analysis Plan after Consultation with Any Party to File No. EO-2012-0269. Empire shall provide regular reports of progress and, if requested, reasonable details of the actual analysis (Written report of the results of the analysis shall comprise the 2021 Interim Report (Cost/Benefit Study)). <i>Stipulation and Agreement, Sec. II.E(2)</i> and <i>Attachment A</i>	February 3, 2020
2021 Interim Report Filing Deadline (comparison of actual costs and estimated benefits associated with Empire's participation in SPP from 1/1/19 to 12/31/20 with the estimated costs and benefits associated with Empire operating as a standalone utility during the same period, at a minimum). Deadline for filing case with the Commission respecting whether to continue to participate in SPP. <i>Stipulation and Agreement, Sec. II.E(1), II.E(4)</i> and <i>Attachment A</i>	April 30, 2021
Reference to End Date of New Interim Period <i>Stipulation and Agreement, Sec. II.A(1), II.A(2)(d), II.B(2)(a), II.E(1),</i> and <i>II.E(4)</i> and <i>Attachment A</i>	August 1, 2022
Beginning and End Dates of the Interim Period are from the effective date of the Order approving this Joint Motion to the End Date of the New Interim Period <i>Stipulation and Agreement, Sec. II.A(1)</i>	January, 2017 – August 1, 2022
Withdrawal Period from SPP if Commission Rescinds Its Approval of Empire's Continued Participation in SPP – withdrawal by end of 2022 Interim Period or Extended Interim Period <i>Stipulation and Agreement, Sec. II.F(2)</i>	24 months

7. There are Paragraphs in the Stipulation and Agreement and Joint Motion To

Modify, both filed on August 28, 2013, not containing dates, and, as a consequence, these are not

Paragraphs for which any change is being requested. These paragraphs are to remain in effect,

unchanged. Rather than recite in detail these Paragraphs for which change is not being

requested, the Joint Movants identify these Paragraphs in the outline of the Stipulation and

Agreement directly below. Those Paragraphs identified above for which modification is being

requested are indicated by an asterisk below:

#### **II. Stipulations**

- A. Interim and Conditional Approval of Empire's Participation in SPP
  - \*(1) Approval/Term
  - (2) Approval Provisions
    - (a) Service Agreement Provision (Agreement between Empire and SPP)
    - (b) Transmission Costs and Revenues (See Sec. II.D)
    - (c) Continued and Further Participation in SPP (See Sec. II.E)
    - \*(d) SPP Geographic Scope Provision (Filing with Commission under certain conditions required)
    - (e) Withdrawal from SPP (See Sec. II.F)
    - (f) Joint Operating Agreements Provision (SPP to use commercially reasonable efforts for benefit of SPP members and Mo. ratepayers)
- B. Service Agreement
  - (1) Purpose of Service Agreement Relationship between the Service Agreement and FERC Determined Incentives (Ensure Commission, not FERC, sets Empire's unbundled retail transmission rates)
  - (2) Network Transmission Service under SPP Open Access Transmission Tariff ("OATT") (Empire is subject to all non-rate terms and conditions of the SPP OATT and Sec. II.B(2)(a) - (f) identify rate terms and conditions of the SPP OATT that apply to Empire)
    - \*(a) SPP Administrative Charges (Empire subject to such charges of SPP)
    - (b) Charges Related to SPP Cost Allocation for Base Plan Transmission Upgrades (Empire subject to such charges of SPP)
    - (c) Charges Related to SPP Cost Allocation for Economic Balanced Portfolio of Transmission Upgrades (Empire subject to such charges of SPP)
    - (d) Cost for Supplemental Upgrades (Empire subject to such charges of SPP)
    - (e) Costs and Revenues Related to the Operation of the SPP Power Markets (Empire subject to such charges of SPP)
    - (f) Charges for Ancillary Services (Empire subject to such charges of SPP)
- C. Unanticipated FERC Actions Subsequent to Approval by the Commission (Commission has right to rescind its approval of participation in SPP)
- D. Transmission Costs and Revenues
  - (1) Securitizing Empire Transmission Revenues (Prior approval of Commission needed)
- (2) Affiliated Transmission Company (Prior approval of Commission needed) E. Continued and Further Participation in SPP
- \*(1) Study of Benefits and Costs of RTO Participation
- \*(2) Consultation with Other Parties
- (3) Resolution of Conflicts Regarding the Study (Empire ultimately has responsibility)

\*(4) Filing with the Commission (No later than April 30, 2021 regarding continued RTO participation)

F. Withdrawal from SPP

- (1) Timeliness of Withdrawal from SPP
- \*(2) Possible Extension of the Interim Period (Exit period of at least 24 months)
- (3) Possible Exit Obligations
- (4) Possible Change in SPP Participation (File with Commission for authorization)

G. Effect of Negotiated Settlement

(1) - (9) Subparagraphs (contains standard cautionary/limiting language)H. Commission Approval of the Stipulation

(1) - (5) Subparagraphs (contains standard language re Commission action) I. Miscellaneous

(1) Counterparts

(2) Successors and Assigns

(3) Section and Subsection Captions (have no meaning in themselves)

(4) Notices

8. <u>Update Meetings</u>. Lastly, Empire requests that the Commission issue an order directing that, assuming Empire has not earlier requested withdrawal from continued participation in SPP or that withdrawal from continued participation in SPP has not otherwise occurred, Empire will contact and meet with the Staff and Public Counsel should an event occur in the SPP footprint that Empire believes significantly affects Empire's position within SPP.

9. No Objection. Counsel for Southwest Power Pool, Inc., Dogwood Energy, LLC,

Kansas City Power & Light Company, and KCP&L Greater Missouri Operations Company have indicated that their clients do not object to the relief requested by this Joint Motion.

WHEREFORE, Empire, the Staff, and Public Counsel request that the Commission issue an order, which would, among other things, (1) relieve Empire of its obligation to conduct and file the cost/benefit study described herein for purposes of and which would have constituted the 2018 Interim Report, (2) establish the date of April 30, 2021 as the deadline for Empire to file a 2021 Interim Report, containing a completed cost/benefit study, and Empire's case whether to continue to participate in SPP, and (3) extend the "interim and conditional" approval end date for Empire to continue to participate in SPP from August 1, 2019 until August 1, 2022,

dependent upon the conditions outlined above.

Respectfully submitted,

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# **CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on February 15, 2017, to the following:

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