

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED  
August 11, 2016  
Data Center  
Missouri Public  
Service Commission

In the matter of The Empire District Electric )  
Company of Joplin, Missouri for Authority to File )  
Tariffs Increasing Rates for Electric Service )  
Provided to Customers in the Missouri Service )  
Area of the Company. )

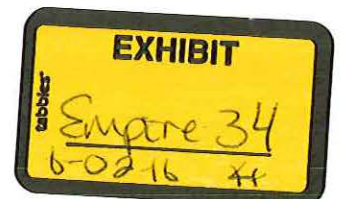
Case No. ER-2011-0004

GLOBAL AGREEMENT

COME NOW The Empire District Electric Company ("Empire"), the Staff of the Missouri Public Service Commission ("Staff"), the Missouri Department of Natural Resources (DNR), and the Office of the Public Counsel ("Public Counsel"), and for their *Global Agreement* ("Agreement") jointly state as follows:

1. The signatory parties have reached agreement as to resolution of this matter on the terms contained in this document.
2. Counsel for the City of Joplin, Missouri ("Joplin") and the Midwest Energy Users' Association (MEUA) have indicated to Staff Counsel that they do not object to resolution of this matter on the terms contained here-in.
3. Empire shall file, on or before June 3, 2011, revised tariff sheets in compliance with the specimen tariff sheets attached here-to as Appendix A. The signatories agree to support a reasonable request for expedited treatment, such that the tariff sheets become effective June 15, 2011. OPC and MEUA continue to believe that new or revised Fuel Adjustment Clause tariff

Empire Exhibit No. 34  
Date 6-2-16 Reporter KKF  
File No. ER-2016-0023



sheets should begin on the first day of a month, but given the extraordinary situation currently facing Empire, do not object to the June 15 effective date as part of this Agreement.

4. The signatories agree that the tariff sheets contained in Appendix A are designed to increase Empire's Missouri jurisdictional gross annual electric revenues in the approximate amount of \$18,685,000, exclusive of any applicable license, occupation, franchise, gross receipts taxes, or similar fees or taxes.

5. Certain assumptions underlying the Agreement are described in Appendix B.

6. If Empire purchases goods or services from an affiliate, in accord with 4 CSR 240-20.015(3)(D), Empire agrees to file for Commission approval of its Cost Allocation Manual (CAM). Empire further agrees to submit its current CAM annually to Staff and OPC at the same time it submits its documents describing in detail its affiliate transactions as required by applicable Commission rules.

7. Should the retirement of Riverton 7 or 8, or any other generating plant create a reserve deficiency under Generally Accepted Accounting Principles (GAAP), the signatories agree to support a reasonable request by Empire for accounting authority pursuant to FAS 71 to reallocate depreciation reserve to cover the cost of removal of such plant.

8. Consistent with its commitments in File No. EO-2011-0066, Empire will fulfill its obligations concerning DSM programs to be continued and added.

9. Empire's Customer Programs Collaborative will be terminated, and Empire will utilize a Demand Side Management (DSM) advisory group, which shall not have voting rights.

10. Additionally, Empire will redesign a residential lighting program and present a tariff to implement such redesigned program to the DSM advisory group. Within one year of

effective dates of rates in this case, Empire agrees to file either LED lighting tariff sheets or an update on an LED pilot study and plans for filing future tariff sheets.

11. The signatories agree that Empire shall dispose of the remaining balance of Experimental Low Income Pilot (ELIP) funds when the ELIP is discontinued at the time rates are effective as follows: ½ as additional funding for the current low income weatherization programs and ½ paid to the appropriate community action agency for use in providing energy assistance for electric service to eligible low-income, elderly, and/or disabled Empire District Electric Company customers.

12. Empire agrees to continue to fund its low-income weatherization program at an annual level of \$226,430, the level stated in Ms. McCormack's Direct Testimony. In addition, Empire will add any additional funds directed to its weatherization program from the balance in the ELIP program when it is terminated. Amounts not expended in the first weatherization program year following the effective date of rates in this case will be carried over to subsequent year/s.

13. As part of any order approving this Agreement, the signatories request that the Commission:

- a. Order Empire to continue utilizing its existing depreciation rates for all plant accounts other than the Iatan 2 plant accounts.
- b. Order Empire to utilize the depreciation rates described in Appendix C for the Iatan 2 plant accounts.
- c. Order Empire to create the subaccounts identified below, and:
  1. To assign the \$37,312,953 of regulatory amortizations collected by Empire through June 15, 2011, to newly created accounts 311.05, 312.05, 314.05, 315.05, and 316.05 on a dollar weighted Missouri jurisdictional cost basis of the additions to plant accounts resulting from the construction of Iatan 2, and assigning to accounts 311.06, 312.06, 314.06, 315.06, and 316.06 the depreciation expense accruals resulting from applying the ordered depreciation rates to plant-in-service for Iatan 2.

2. To record in its books the reserve transfers for Iatan 2 updated through June 15, 2011 as follows:

311.05	Structures and Improvements	10.47%
312.05	Boiler Plant Equipment	46.92%
314.05	Turbogenerator Units	7.82%
315.05	Accessory Electrical Equip	7.80%
316.05	Misc Power Plant Equip	<u>26.99%</u>
<b>TOTAL</b>		<b>100%</b>

- d. Authorize continued amortization of the DSM regulatory asset for costs incurred during the Regulatory Plan for a term of 10 years. The costs of the DSM market potential study will be included in the regulatory asset.
- e. Authorize an amortization for DSM program costs incurred after the end of the Regulatory Plan and prior to any program implementation under MEEIA for a term of six years.
- f. Authorize a tracker mechanism for the Southwest Power Administration (SWPA) payment associated with the capacity restrictions to be implemented for the Ozark Beach hydro facility. Empire shall track both the payment and associated Federal and State income taxes.
- g. Authorize a tracker mechanism related to Plum Point and Iatan 2 and Common plant operating expenses. The tracker will exclude consumables and SO2 emission allowances which are recovered through the FAC. Empire shall record a regulatory asset or liability for the difference between the actual expense and annual costs of \$2,518,440, Missouri jurisdictional, for Plum Point. Empire shall record a regulatory asset or liability for the difference between the actual expense and annual costs of \$2,818,683, Missouri jurisdictional, for Iatan 2 and Common.

14. The signatories agree to the admission of all pre-filed testimony into the evidentiary record in this matter, without the witnesses taking the stand.

15. General provisions:

Contingent Waiver of Rights

This Agreement is being entered into solely for the purpose of settling the issues in this case. Unless otherwise explicitly provided herein, none of the signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the signatories shall be prejudiced or bound in any manner by the terms of this Agreement in this or any other proceeding regardless of whether this Agreement is approved.

This Agreement has resulted from extensive negotiations among the parties, and the terms hereof are interdependent. If the Commission does not approve this Agreement unconditionally and without modification, then this Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

In the event the Commission accepts the specific terms of this Agreement without condition or modification, the signatories waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Agreement without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Agreement.

#### Right to Disclose

The Staff may file suggestions or a memorandum in support of this Agreement. Each of the parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive memorandum, which shall also be served on all parties. The contents of any suggestions or memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories, whether or not the Commission approves and adopts this Agreement.

WHEREFORE, the signatories respectfully request that the Commission admit into the evidentiary record in this proceeding all of the written testimony which was pre-filed in this matter by any party hereto and issue its Order approving the specific terms and conditions of this agreement, and include in that Order, the items described in paragraph 13, here-in.

Respectfully submitted,

THE EMPIRE DISTRICT ELECTRIC  
COMPANY

/s/ Diana C. Carter

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 27<sup>th</sup> day of May, 2011.

/s/ Sarah Kliethermes\_\_\_\_\_