

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of The Empire)
District Electric Company for Approval of Its) Case No. EO-2018-0092
Customer Savings Plan)

**REPLY TO STAFF’S AND EMPIRE’S RESPONSES
TO REQUEST FOR LOCAL PUBLIC HEARING**

COMES NOW the Office of the Public Counsel and states that the Commission, despite Staff’s and Empire’s respective assertions “that the Commission typically does not hold local public hearings for such an application filing [seeking regulatory validation of a plan]” and “the Commission has not traditionally conducted formal local public hearings concerning the selection of generation resources,” held two local public hearings in Case No. EO-2005-0329 where Kansas City Power & Light Company sought, and obtained, approval for a plan involving future ratemaking treatment in conjunction with the construction of Iatan 2. Further, in the last sentence of the first paragraph of its application Empire itself states why such local public hearings are appropriate: “Empire is seeking regulatory validation of the Customer Savings Plan given the substantial expenditures involved and in light of the *impact on the communities it serves, its customers, and its employees.*” (Emphasis added). Certainly the Commission wants to obtain the input of those Missourians who will be most affected by Empire’s plan should it be implemented.

Empire’s plan entails early retirement of Empire’s 213 MW (nameplate capacity) coal-fired Asbury generating plant on which it just spent \$124 million in 2014 for environmental upgrades, the elimination of about 55 positions at that plant near Joplin, Missouri, and the

construction of 800 MW (nameplate capacity) of wind generation somewhere in the vicinity of Empire's multi-state service territory at a cost of about \$1.4 billion.

Asbury is approximately 15% of Empire's owned accredited generation capacity, and, if built, this 800 MW (nameplate capacity) of wind generation will essentially double Empire's net plant in its ratebase to about \$3 billion. By Empire's own estimates, if implemented in rates, its plan would increase its Missouri retail customers' bills in 2020 and 2021, by about \$12,488,796 and \$5,145,695, respectively.¹ Empire's "Open House" proposal is insufficient as information provided at them, like public comments made to the Commission, are not part of the evidentiary record in the case. Local public hearings are.

As it did in Case No. EO-2005-0329, this office requests that the local public hearings be scheduled early enough to allow the Office of the Public Counsel (and other interested parties) sufficient time to review the transcript of those hearings and prepare responses to the public testimony before the Commission acts on Empire's application. The Office of the Public Counsel concurs with Staff that, "[the Commission] should require Empire to provide sufficient notice to the public in advance of any date set for a local public hearing"; however, with the current schedule it is unlikely that Empire can do so by bill inserts, and will have to resort to other means such as putting notice on its website.

The Office of the Public Counsel does not oppose extending the procedural schedule so the local public hearings may be held before rebuttal testimony is filed, currently scheduled for February 7, 2018. The ordered procedural schedule in this case is expedited at Empire's request, although Algonquin Power & Utilities Corp. already had this type of plan in mind for Empire

¹ Empire witness Macias direct testimony, Direct Attachment GEM-1, pp. 1-2.

when Liberty Utilities (Central) Co. sought Commission authority to acquire Empire in February 2016, and acquired it by January 1, 2017.

WHEREFORE, the Office of the Public Counsel replies to Staff and Empire as set forth above.

Respectfully,

/s/ Nathan Williams

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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 3rd day of January 2018.

/s/ Nathan Williams