

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

In the Matter of the Seventh Prudence Review)	
of Costs Subject to the Commission-Approved)	Case No. EO-2018-0244
Fuel Adjustment Clause of The Empire)	
District Electric Company)	

MOTION FOR EVIDENTIARY HEARING

COMES NOW the Office of the Public Counsel (“OPC”) and for its Motion for Evidentiary Hearing, states as follows:

1. On March 9, 2018, the Commission’s Staff notified the Commission that the Staff started its sixth prudence audit of Empire District Electric Company’s (“Empire”) fuel adjustment clause (“FAC”) for the period September 1, 2016 through February 28, 2018, as authorized by 4 CSR 240-20.090(7).
2. On March 21, 2018, the Commission issued an order requiring the Staff to file its recommendation no later than September 5, 2018, and requiring any request for a hearing to be filed no later than September 17, 2018.
3. The Staff filed its Seventh Prudence Audit Report with the Commission on September 5, 2018, which states the Staff found no instances of imprudence.
4. In EO-2017-0065, the OPC raised concerns regarding Empire’s fuel purchasing practices. The OPC alleged that Empire’s purchasing practices during the audit period that directly resulted in higher FAC is imprudent. The Commission found in Empire’s favor and determined, generally, prudence issues need to be raised contemporaneously with the occurrence of the costs.

5. On March 27, 2018, the OPC filed an appeal of the Commission's order at the Missouri Western District Court of Appeals, identified as case number WD81627. Argument has not been heard, nor has a decision been issued in that case as of the date of this filing.

6. The OPC hereby requests that this matter be set for an evidentiary hearing to address these issues. In particular, the OPC wishes to renew its concerns regarding Empire's financial hedging decisions which appear to continue to utilize inflexible natural gas hedge purchasing policies. Empire's policy is to acquire a predetermined fixed percentage of gas hedges based on its projected natural gas volume, even when it could have acquired gas for less with modifications to its purchasing decisions. Empire's inflexible policies resulted in additional costs to ratepayers reflected in its seeking rate recovery in its FAC of its unnecessarily high natural gas hedging losses. Also the OPC has concerns related to Empire's natural gas physical hedging activities as reflected by the above-market prices of its longterm natural gas supply purchases. The OPC has raised these issues in ER-2016-0023 and EO-2017-0065.

7. Before setting this matter for a hearing, OPC requests the Commission order the parties to appear in a pre-hearing conference to discuss and hopefully agree upon a procedural schedule.

WHEREFORE, the Office of the Public Counsel respectfully requests an evidentiary hearing and an order directing the parties to appear in a pre-hearing conference to discuss a procedural schedule.

Respectfully,

/s/Hampton 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 17th day of September, 2018.

/s/Hampton Williams