

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

In the Matter of the True-Up of The Empire District)
Electric Company's Fuel Adjustment Clause (FAC)) **File No. EO-2018-0271**

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation states as follows:

1. On April 2, 2018, The Empire District Electric Company ("Empire" or "Company") filed its seventeenth (17th) fuel adjustment clause true-up filing under the provisions of 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

2. In the attached Staff Memorandum, marked as Appendix A, based on its examination and analysis of information filed and submitted by Empire, Staff recommends the Commission approve Empire's true-up filing for Recovery Period 17 ("RP17") (billing months of June 2017 through November 2017), during which Empire under-recovered \$1,076,500 from its customers.

3. The under-recovered amount of \$1,076,500 is the true-up amount for RP17, which along with interest for RP17 are both included in the calculation of the Fuel and Purchased Power Adjustment ("FPA") amount included in Empire's Accumulation Period 19 ("AP19") adjustment filing, also filed on April 2, 2018, in File No. ER-2018-0270.

4. Staff has verified that Empire has filed its 2016 annual report¹ and is not delinquent on any assessment. Empire is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as

¹ The Commission approved Empire's request for an extension of time to May 15, 2018, to file its 2017 annual report.

required by 4 CSR 240-3.161(5). Other than as noted in the attached Staff Memorandum, Staff is not aware of any other matter before the Commission that affects or is affected by Empire's true-up filing.

WHEREFORE, Staff recommends the Commission approve Empire's RP17 true-up filing for the billing months of June 2017 through November 2017, during which period Empire under-recovered \$1,076,500 from its customers, for inclusion in the calculation of the FPA amount included in the Company's AP19 rate adjustment filing in File No. ER-2018-0270.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
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Missouri Public Service Commission
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 2nd day of May, 2018.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. EO-2018-0271
The Empire District Electric Company

FROM: Brooke Richter, Utility Regulatory Auditor IV
Catherine Lucia, Utility Regulatory Auditor IV
Kory Boustead, Rate and Tariff Examiner II

DATE: /s/ John A. Rogers 05/02/2018 /s/ Bob Berlin 05/02/2018
Energy Resources Department / Date Staff Counsel Department / Date

SUBJECT: Staff's Analysis of and Recommendation Concerning The Empire District Electric Company's Seventeenth Fuel Adjustment Clause True-up Filing Under the Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

DATE: May 2, 2018

Summary

On April 2, 2018, The Empire District Electric Company ("Empire" or "Company") filed with the Missouri Public Service Commission ("Commission") in the form of direct testimony and supporting schedule by Jill M. Schwartz, its seventeenth true-up filing under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

Accumulation Period 17 ("AP17") includes the time period September 1, 2016 through February 28, 2017 and is followed by Recovery Period 17 ("RP17") which includes the billing months of June 2017 through November 2017. The true-up amount of \$1,076,500 identified in this filing is the result of an under-recovery of the Fuel and Purchased Power Adjustment ("FPA") amount for AP17 during RP17.

The true-up amount of \$1,076,500 for RP17 is included in the calculation of the Fuel and Purchased Power ("FPA") amount included in the Company's Accumulation Period 19 ("AP19") adjustment filing, also filed on April 2, 2018, in File No. ER-2018-0270, which Empire filed in compliance with its FAC.¹

¹ The Empire District Electric Company's P.S.C. Mo. No. 5, Section 4, Original Sheet No. 17ab tariff sheet:

The Commission's Staff ("Staff") examined the direct testimony of Jill M. Schwartz, the supporting schedules and work papers Empire provided with its application in this case, and the monthly information Empire has submitted to the Commission. Staff also reviewed and agrees with Empire's monthly interest calculations for RP17.

Staff Recommendation

Based on its examination and analysis of information Empire filed and submitted in this case, Staff recommends the Commission approve Empire's RP17 true-up filing for the billing months June 2017 through November 2017 during which Empire under-recovered \$1,076,500 from its customers for inclusion in the calculation of the FPA amount included in the Company's AP19 adjustment filing in File No. ER-2018-0270.

Staff has verified that Empire has filed its 2016 annual report and is not delinquent on any assessment. The Company has filed a request for extension of time in which to file their 2017 annual report. This request has been approved and the annual report is due on May 15, 2018. Empire is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except as noted herein.

TRUE-UP OF FPA: In conjunction with an adjustment to its FAR, the Company will make a true-up filing with an adjustment to its FAC on the first Filing Date that occurs after completion of each Recovery Period. The true-up adjustment shall be the difference between the FPA revenues billed and the FPA revenues authorized for collection during the true-up recovery period, i.e. the true-up adjustment. Any true-up adjustments or refunds shall be reflected in item T above and shall include interest calculated as provided for in item I above.

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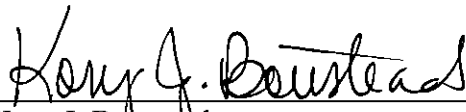
In the Matter of the True-Up of The Empire)
District Electric Company's Fuel Adjustment) File No. ER-2018-0271
Clause (FAC))
)

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

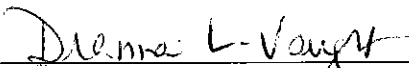
COMES NOW, Kory J. Boustead and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



Kory J. Boustead

Subscribed and sworn to be this 2nd day of May, 2018.



Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 28, 2019
Commission Number: 15207377

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In the Matter of the True-Up of The Empire)
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)

AFFIDAVIT OF CATHERINE F. LUCIA

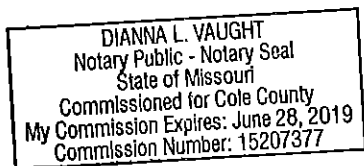
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Catherine F. Lucia and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Catherine F. Lucia
Catherine F. Lucia

Subscribed and sworn to be this 2nd day of May, 2018.



Dianna L. Vaught
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the True-Up of The Empire)
District Electric Company's Fuel Adjustment) **File No. ER-2018-0271**
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)

AFFIDAVIT OF BROOKE RICHTER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

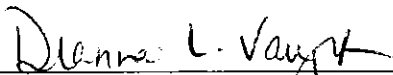
COMES NOW, Brooke Richter and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



Brooke Richter

Subscribed and sworn to be this 2nd day of May, 2018.



Notary Public