

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Petition of The Empire)
District Electric Company d/b/a Liberty to)
Obtain a Financing Order that Authorizes) **File No. EO-2022-0040**
the Issuance of Securitized Utility Tariff)
Bonds for Qualified Extraordinary Costs)

In the Matter of the Petition of The Empire)
District Electric Company d/b/a Liberty to)
Obtain a Financing Order that Authorizes) **File No. EO-2022-0193**
the Issuance of Securitized Utility Tariff)
Bonds for Energy Transition Costs Related)
to the Asbury Plant)

ORDER DIRECTING RESPONSE

Issue Date: August 3, 2022

Effective Date: August 3, 2022

Based on agenda discussions, the Commission has stated its positions on the various issues presented by the parties for resolution. Those decisions have not yet been finalized in an order, but the Commission will require the assistance of the parties in determining the exact dollar amounts that should be included in the financing order resulting from those decisions. To that end, the Commission will direct Staff to work with the other parties to file scenarios calculating the numbers for the following costs using the following positions:

1. Total Amount to be Securitized.

This will be the total of Winter Storm Uri qualified extraordinary costs and Asbury energy transition costs.

2. Total Amount of Winter Storm Uri qualified extraordinary costs, assuming application of the 5 percent adjustment proposed by Staff, with no other

disallowances. Carrying costs to be calculated using the long-term rate of 4.65 percent.

3. Total Amount of Asbury energy transition costs, assuming the following:

- No prudence disallowances
- The net book value of the retired Asbury plant is \$159,414,474.
- The Missouri jurisdictional value of the Asbury environmental regulatory assets updated through May 2022 is \$1,643,357.
- The value of the Asbury fuel inventories is \$1,532,832.
- The value of the ADIT is \$22,306,688.
- The Excess ADIT balance is (\$12,173,189).
- Phase 2 decommissioning costs for Asbury in the amount of \$3,541,054 are to be included in the securitization.
- Phase 3 decommissioning costs for Asbury in the amount of \$5,665,687 are to be included in the securitization, but those amounts are to be offset by the estimated net salvage value.
- Liberty may recover Asbury Retirement Obligations amounting to \$2,837,588 for Asbestos, and \$18,445,096 for Combustion Residuals Impoundment.
- The value of Cash Working Capital is (\$128,939).
- The remaining cost of the ACQS will not be disallowed.
- Income tax deductions for Asbury abandonment will not be disallowed.
- Cost of labor at Asbury will not be disallowed.

- Amounts for abandoned environmental capital projects will include recovery of the cost capital projects, but not a return on those costs.
 - Recovery allowed for non-labor Asbury retirement costs in the amount adjusted by Staff's adjustments to decommissioning costs and retirement obligations.
 - Depreciation expense is (\$24,349,929) as calculated by Staff.
 - Accrued carrying cost for May 2022 through December 2022, based on Staff's rate of return of 4.65 percent based on long-term debt.
4. In addition, the value of the Asbury AAO regulatory liability will need to be calculated for issue 3 I.

THE COMMISSION ORDERS THAT:

1. The Commission's Staff shall file the above described scenarios no later than August 8, 2022.
2. If any party disagrees with the Staff's scenarios, they may file separate scenarios no later than August 9, 2022.
3. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Morris L. Woodruff, Chief Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 3rd day of August, 2022.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 3rd day of August, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

August 3, 2022

File/Case No. EO-2022-0040 and EO-2022-0193

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.