

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

In the Matter of The Empire District)
Electric Company’s Request for Authority)
to File Tariffs Increasing Rates for Electric)
Service Provided to Customers in its)
Missouri Service Area)

Case No. ER-2019-0374

**PUBLIC COUNSEL’S MOTION TO MODIFY TEST YEAR TO INCLUDE
ISOLATED ADJUSTMENTS RELATED TO RETIREMENT OF ASBURY**

COMES NOW the Office of Public Counsel (Public Counsel) and, for its motion to modify the trued-up, updated test year the Commission ordered for this case, states:

1. In its October 17, 2019, order by which it set the procedural schedule in this case the Commission, in paragraph 3, ordered, “The parties joining the procedural schedule have agreed to the Company’s proposed test year of the twelve-month period ending with March 31, 2019, updated to September 30, 2019, and trued-up to include known and measurable information through January 31, 2020.” As the Commission stated in the first paragraph of that order, “OPC is not a joint party to the proposed procedural schedule.”

2. On November 13, 2019, The Empire District Electric Company filed its *Updated Asbury Informational Notice* in which it stated the following:

1. On August 9, 2019, Liberty-Empire filed its Informational Notice herein, stating that the retirement of Asbury would occur no later than June of 2020.

2. At this time, although the exact retirement date remains unknown, based on current coal supplies and other factors, the Company believes the plant will be retired no later than March of 2020.

3. On December 3, 2019, Public Counsel broached to the Commission’s Staff and to Empire the prospect of including isolated adjustments for the retirement of Asbury in the updated, trued-up test year. Public Counsel was then informed that Empire now anticipates Asbury will be retired by no later than the beginning of March 2020.

4. According to the ordered procedural schedule, the effective date of new rates in this case is July 11, 2020.

5. From when Empire filed its *Informational Notice* on August 9, 2019, wherein it disclosed that it anticipated retiring Asbury by June of 2020, Public Counsel anticipated the retirement date would be near to June of 2020 and, therefore, with Empire's proposed test year true-up cutoff date of January 31, 2020, and the operation of law date for new rates of July 11, 2020, Public Counsel did not view it practicable then to propose isolated adjustments to include the impacts of retiring Asbury in this case. However, by its November 13, 2019, *Updated Asbury Informational Notice*, Empire has materially changed the date by which it anticipates it will retire Asbury to less than 30 days after the true-up cutoff date of January 31, 2020. Because of this material change, Public Counsel believes it practicable and prudent to include in this case isolated adjustments for the retirement of Asbury by March of 2020.

6. Based on Empire witness Todd Tarter's workpapers, Empire's new Fuel Adjustment Clause ("FAC") base is calculated based on fuel costs of \$20,324,757 and energy market revenues of \$23,603,333 for Asbury. Removing the impacts of retiring Asbury from that FAC base (\$23,603,333 - \$20,324,757) would increase it from \$0.02488 to \$0.02548/kWh.

7. Based on information that Empire has provided, Public Counsel estimates that the potential impact on Empire from retiring Asbury would be to reduce Empire's expenses by millions of dollars per year and, concomitantly, also act to reduce Empire's revenue requirement.

8. While the above changes in Empire's FAC base and revenue requirement do not capture all the rate case impacts of retiring Asbury, with Empire having proposed tariff sheets

designed to recover revenues of \$564.7 million annually, an increase of \$26.5 million,¹ the impacts of Asbury in this rate case are material.

9. Before filing this motion Public Counsel approached the other parties in this case about including isolated adjustments for retiring Asbury, and considered their input.

WHEREFORE, Public Counsel moves the Commission to modify the ordered test year to include isolated adjustments related to the retirement of Asbury, as well as updates to September 30, 2019, and true-up through January 31, 2020.

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 9th day of December 2019.

/s/ Nathan Williams

¹ Empire witness Sheri Richard corrected direct testimony, p. 10., ll. 6-7.