

**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**

**STAFF MOTION TO CLARIFY**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Staff"), through counsel, and for its *Motion to Clarify*, respectfully states:

1. The Commission issued an *Order* on February 19, 2020, in response to a filing of the Office of the Public Counsel (OPC), which included the statement, "nor allow isolated adjustments for Asbury's retirement to be addressed in this general rate proceeding." Previously the Commission's *Order* issued January 28, 2020, in response to a filing of OPC, included the statement, "The parties will be ordered to submit a list of items to be included in an AAO [accounting authority order] to address the impacts resulting from Asbury's retirement." Staff now asks for clarification as to whether any impact of the Asbury retirement beyond consideration of an AAO for the financial effects of the retirement should be included in the evidence presented by the parties to this matter, or whether the Commission orders the parties to forgo all evidence in this proceeding other than an AAO in favor of deferring all ratemaking determinations for Asbury retirement impacts to Empire's next general rate proceeding subsequent to the present matter.

2. Staff notes that the Commission in its *Order Establishing Test Year* issued in Case No. WR-93-212, on May 18, 1993, stated, "Based upon this order, there are three (3) ways to adjust test year data. First, there is an updated period to a date certain,

usually coincident with Staff's field audit and prefiled direct testimony. This is a "test year as updated." Second is a "true-up" which brings the rate base, expense and revenue matching forward to a date beyond the test year as updated. Third are proposed "isolated adjustments" or changes to isolated items, such as those involving wages and employee benefits, which are presented to the Commission during the evidentiary hearing for a determination of whether they are known and measurable and therefore whether or not the test year number should be adjusted for the change." Elsewhere within the *Order Establishing Test Year* for Case No. WR-93-212, it states "The Company's request as to employee wages and benefits extends beyond the end of the test year as updated and is, therefore, an evidentiary question. This type of isolated adjustment can be presented to the Commission and the Commission will consider whether this isolated change is known and measurable. An issue to be considered in this determination will be whether the proposed adjustment affects the matching of rate base, expense and revenue." The language quoted above has been interpreted by Staff as indicating that issues concerning potential inclusion of isolated adjustments are evidentiary questions and will be considered by the Commission on a case-by-case basis based upon the unique facts of each case. Staff agrees with this approach to consideration of isolated adjustments, and has consistently followed it in past rate cases as well as in the current rate proceeding. Staff now seeks clarification to determine if a new policy, as opposed to the case-by-case determination of rate treatment of isolated adjustments is to be followed.

3. Staff appreciates the Commission's attention to this matter and awaits further direction regarding this matter.

**WHEREFORE**, Staff prays that the Commission will accept *Staff's Motion to Clarify*, will clarify whether the parties should include recommendations such as isolated adjustments related to the scheduled retirement of Asbury in their presentation of evidence for the matter at hand; will clarify whether the policy of case-by-case determination should continue to apply to Staff's recommendations concerning isolated adjustments; and will grant such other and further relief as the Commission considers just in the circumstances.

**/s/ Whitney Payne**

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 20th day of February, 2020, to all counsel of record.

**/s/Whitney Payne**