

**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'S RESPONSE TO OPC'S REPLY TO EMPIRE'S  
RESPONSE TO OPC'S MOTION TO MODIFY TEST YEAR**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Response* in this matter hereby states:

1. The Office of the Public Counsel (OPC) filed a *Reply to Empire's Response to Public Counsel's Motion to Modify Test Year to Include Isolated Adjustments Related to Retirement of Asbury* on December 26, 2019. The Commission has permitted responses to this *Reply* through January 3, 2020. Staff now provides its input.

2. OPC states in its *Reply* that the purpose of its *Motion* from which the *Reply* stems is to include in Empire's present rate case all of the material impacts of Empire retiring its Asbury energy center on Empire's revenue requirement, which is to be used to ultimately set the rates for Empire at the conclusion of this proceeding. OPC has suggested that accounting for these elements may be accomplished by either using isolated adjustments or by extending the true-up cutoff for the present rate proceeding from January 31, 2019 to March 1, 2019.

3. Based upon Empire's current representation of the planned retirement date for Asbury, Staff's position is that it would be appropriate to incorporate the impact of that retirement in Empire's revenue requirement established in the rate proceeding. Staff has reviewed the arguments set forth by OPC and Empire regarding rate treatment of the

Asbury retirement and has determined that the most appropriate approach to capturing the material impacts on revenue requirement of Empire retiring Asbury is to include isolated adjustments in the present case for those elements which will be known and measurable by no later than the March 27, 2020 surrebuttal/true-up testimony filing date ordered in this proceeding. For any elements of the Asbury retirement which will not be known and measurable by March 27, 2020, Staff would recommend that an accounting authority order (AAO) be ordered to track those amounts for potential inclusion in the next general rate case proceeding filed by The Empire District Electric Company. The components of Empire's revenue requirement which should be directly adjusted in this case as an isolated adjustment due to the Asbury retirement will be identified by Staff in its pre-filed direct testimony and will be updated as necessary in succeeding testimony.

4. The alternative of pushing back the true-up cutoff date to March 1, 2020 as discussed by OPC in its *Reply* would not be the most appropriate approach for reflecting the Asbury retirement in this proceeding. This case has an effective date of rates of July 11, 2020 and to push back the procedural schedule at this time would constrain the parties' abilities to litigate this matter as well as the Commission's ultimate consideration of the issues. In fact, OPC has recommended that the date for Empire to provide true-up information on all material cost of service components through March 1, 2019 under its alternative proposal be set in the midst of the current ordered dates in this case for the evidentiary hearing, which would result in the same witnesses being assigned to review true-up data and testify at hearing over a seven business day period.

5. As Empire itself has already done, all parties should present in direct testimony their recommendations concerning rate treatment of Asbury in this case. Included in those recommendations, if applicable, should be a listing of all revenue requirement impacts of the Asbury retirement which the party recommends should be included in rates established in this proceeding as isolated adjustments. If any party disagrees with another party's proposal as to what specific Asbury isolated adjustments are appropriate to include in this case, such arguments should be presented in their succeeding rounds of pre-filed testimony. If any party believes additional isolated adjustments past January 31, 2020 should be considered in this case - assuming Commission approval to treat the Asbury retirement as an isolated adjustment - those arguments should be presented in their direct or succeeding rounds of prefiled testimony in this proceeding as well.

**WHEREFORE**, Staff prays that the Commission will accept *Staff's Response*; will not extend the true-up cutoff date or modify the ordered procedural schedule in the present rate case (ER-2019-0374); will permit the parties to identify all known and measurable material impacts resulting from the retirement of Asbury in pre-filed testimony; will permit the parties to identify all material impacts not known and measurable by the true-up cutoff date for recommendation for inclusion in an accounting authority order; and will grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted

**/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 3rd day of January, 2020, to all counsel of record.

**/s/Whitney Payne**