

**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	)	<u>Case No. ER-2019-0374</u>
Service Provided to Customers in its	)	
Missouri Service Area	)	

**PUBLIC COUNSEL'S REPLY TO EMPIRE'S RESPONSE TO  
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 reply to Empire's response to Public Counsel's motion to modify the true-up, updated test year the Commission ordered for this case, states:

1. This reply is filed on December 26, 2019, within the no later than December 26, 2019, filing deadline the Commission ordered in its Friday, December 20, 2019, *Order Directing Public Counsel to Respond Filing*.

2. The goal for which Public Counsel filed its December 9, 2019, *Motion to Modify Test Year to Include Isolated Adjustments Related to Retirement of Asbury*, is to include in this case all of the material impacts of Empire retiring its Asbury energy center on Empire's revenue requirement the Commission uses for setting Empire's electric rates in this case. Public Counsel is indifferent as to whether that goal is accomplished by isolated adjustments or by changing the procedural schedule to move the true-up cutoff to March 1, 2019—the date which Empire stated in the last sentence of paragraph five of its response that it will retire Asbury—"More specifically, Liberty-Empire will retire the plant on March 1, 2020."

3. No party is in a better position than Empire to identify the categories of costs and revenues for which isolated adjustments should be made due to Empire's retirement of its Asbury

power plant, the FERC accounts and subaccounts where they should be posted, and the amounts to post. Public Counsel is able to identify the following categories::

- a. Annualized, normalized fuel costs (coal, other fuels, and additives);
- b. Annualized, normalized SPP revenues;
- c. Annualized, normalized operations and maintenance expenses;
- d. Return of Empire's capital investment in Asbury (includes depreciation);
- e. Return on Empire's capital investment in Asbury;
- f. Property taxes;
- g. Cash working capital;
- h. Income tax gross-up; and
- i. accumulated deferred income taxes

Public Counsel is not opposed to including any other material isolated adjustments specific to Empire retiring Asbury that Public Counsel has not included in the above list.

4. Because Empire's March 1, 2020, retirement of Asbury is known and measurable, parties can perform fuel run modeling without Asbury.

5. Because Public Counsel's goal is to include in this case the impacts of Empire retiring its Asbury energy center on Empire's revenue requirement the Commission uses for setting Empire's electric rates in this case, Public Counsel suggests the alternative of extending the true-up date from January 31, 2020, to March 1, 2020, and, concomitantly extending the true-up cutoff (date by which Empire provides true-up documentation) from March 13, 2020, to April 16, 2020, then adding a true-up hearing on or about Tuesday, April 28, 2020, if needed—a date between the ordered hearing dates and initial briefs. If adopted the discovery cutoff date for true-up should be

extended past the ordered April 9, 2020, date. Public Counsel suggests that cutoff date be Monday, April 27, 2020.

**WHEREFORE**, Public Counsel replies to Empire’s response as set for above, continues to move 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, and, alternatively, moves the Commission to modify the procedural schedule as Public Counsel suggests in paragraph five above, *i.e.*, extend the true-up date 29 days from January 31, 2020, to March 1, 2020, concomitantly extend the true-up cutoff 34 days from March 13, 2020, to April 16, 2020, add a true-up hearing on or about Tuesday, April 28, 2020, if needed, and extend the discovery cutoff date for true-up information from the currently ordered discovery cutoff date of April 9, 2020, to Monday, April 27, 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 26<sup>th</sup> day of December 2019.

/s/ Nathan Williams