

**Exhibit No.:**

**Issue(s):**

**Witness/Type of Exhibit:**

**Sponsoring Party:**

**Case No.:**

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Rate Base and  
Depreciation  
Robinett/Rebuttal  
Public Counsel  
ER-2019-0374

**REBUTTAL TESTIMONY**

**OF**

**JOHN A. ROBINETT**

Submitted on Behalf of the Office of the Public Counsel

**EMPIRE DISTRICT ELECTRIC COMPANY**

CASE NO. ER-2019-0374

March 3, 2020



**REBUTTAL TESTIMONY  
OF  
JOHN A. ROBINETT  
EMPIRE DISTRICT ELECTRIC COMPANY**

**CASE No. ER-2019-0374**

1 **Q. Are you the same John A. Robinett who filed direct testimony on behalf of the Missouri**  
2 **Office of the Public Counsel (“OPC”) in this proceeding?**

3 A. Yes.

4 **Q. What is the purpose of your rebuttal testimony?**

5 A. I address items related to the Asbury facility and how the Commission Staff has treated  
6 those items in this case given Empire’s notice announcing that the unit will be retired  
7 March 1, 2020.

8 **Q. Would you briefly summarize your recommendations?**

9 A. As I stated in my direct testimony in this case, it is my recommendation that all expenses  
10 and revenues associated with the Asbury facility be removed from the cost of service as  
11 the unit will no longer be providing power or benefits to its consumers by the time rates  
12 for this case become effective July 11, 2020.

13 **Staff’s Position on Asbury**

14 **Q. Has Staff included costs for Asbury in their Staff Report Cost of Service?**

15 A. Yes, for the purposes of Staff’s direct case, Staff has modeled and included expenses and  
16 revenue for Asbury as if was going to continue to operate into the future.

17 **Q. Do you have any specific citations that confirm this claim?**

18 A. Yes. At page 62 of the Staff Report, Staff witness Mr. Charles T. Poston, PE

19 Staff assumed continued operation of Empire’s Asbury plant in its model to  
20 calculate variable fuel expense. Please see Section XIII of the Report, “Isolated

1 Adjustments – Retirement of Asbury,” for a discussion of Staff’s overall position  
2 regarding rate treatment of Asbury in this proceeding.  
3 Additionally at page 71 Staff witness Ms. Ashley Sarver states:

4 The Asbury maintenance expense is based on a five-year overhaul schedule of the  
5 boiler and turbine. Staff’s adjustment is based upon a five-year average of operation  
6 and maintenance costs.

7 **Q. Did Staff indicate it would be willing to perform isolated adjustments for Asbury’s**  
8 **retirement?**

9 A. Yes. Staff witness Ms. Kimberly Bolin states as much on page 106 of the Staff Report.

10 Staff recommends that isolated adjustments to certain rate base related financial impacts of the  
11 retirement of the Asbury plant be included in this case. The amount of these adjustments  
12 will be known and measurable at the time of the Asbury retirement, well before the  
13 operation-of-law date in this proceeding. Accordingly, Staff intends to adjust plant-in-  
14 service and the accumulated depreciation reserve to reflect the retirement of the Asbury  
15 plant. Staff also intends to remove Asbury depreciation expense from this case. In  
16 addition, Staff will also remove any fuel inventory associated with Asbury from rate base.  
17 These adjustment amounts will be quantified and supported in Staff’s surrebuttal/true-up  
18 testimony filing scheduled for March 27, 2019.

19 **Q. Do you anticipate Staff making these adjustments?**

20 A. No. I say so because of the Commission ORDER DENYING MOTION FOR  
21 RECONSIDERATION issued February 19, 2020, which stated:

22  
23 The Commission will not modify the test year, nor allow isolated adjustments for  
24 Asbury’s retirement to be addressed in this general rate proceeding. The  
25 Commission will address the impacts of Asbury’s retirement in Empire’s next rate  
26 proceeding, which Empire states it will file upon the conclusion of this proceeding.

27 **Q. What message is the Commission sending by this order?**

1 A. In my opinion the Commission is setting a bad precedent of setting rates that are known to  
2 include a generation unit that will be retired during the pendency of the current case. The  
3 Commission is knowingly setting rates on a prospective basis that do not reflect the reality  
4 going forward.

5 **Q. Are you supportive of Ms. Bolin's recommendation of a tracker related to operations  
6 and maintenance expense?**

7 A. Yes. However, I would set up the tracker differently. I would not include any maintenance  
8 expense for Asbury in this case and allow Empire to track maintenance expense for Asbury  
9 to be considered for potential recovery in a future rate proceeding.

10 **Q. What issue does Staff not address that was addressed by Dr. Geoff Marke's direct  
11 testimony?**

12 A. Staff is silent on how to treat unrecovered plant that exists at the time of the retirement.

13 **Q. Have you calculated an updated estimate of the reserve shortfalls for Asbury?**

14 A. I have estimated a reserve shortfall for Asbury based on the supplemental response of  
15 Empire to OPC data request number 8501 and 8500. Total reserve shortfall projection is  
16 \$198,258,730 at February 29, 2020. However, this value does not contain any amounts  
17 related to the dismantlement costs of the facility. Non-Air Quality Control Systems  
18 (AQCS) under recovered plant is approximately \$100,208,221 and under recovered plant  
19 for AQCS equipment is approximately \$97,807,254.

20 **Q. When was the Asbury Facility retired?**

21 A. I do not know if it has been retired. At the time of this filing, Empire has yet to put out a  
22 press release announcing that Asbury was retired.

23 **Q. Does this conclude your rebuttal testimony?**

1 A. Yes, it does.