

Exhibit No.:
Issue(s):
Witness/Type of Exhibit:
Sponsoring Party:
Case No.:

Prepayments
Conner/Surrebuttal
Public Counsel
ER-2016-0023

SURREBUTTAL TESTIMONY

OF

AMANDA C. CONNER

Submitted on Behalf of the Office of the Public Counsel

EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2016-0023

May 16, 2016

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OF
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EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2016-0023

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2 **I. INTRODUCTION**

3 **Q. Please state your name and business address.**

4 A. Amanda C. Conner, PO Box 2230, Jefferson City, Missouri 65102.

5 **Q. Are you the same Amanda Conner who filed direct testimony in this case?**

6 A. Yes.

7 **Q. What is the purpose of this surrebuttal testimony?**

8 A. The purpose of this surrebuttal testimony is so the Office of Public Counsel (“OPC”) can
9 respond to rebuttal testimony from Empire District Electric Company (“Empire”) witness
10 James Wood regarding the issue of rate base prepayments.

11

12 **II. PREPAYMENTS**

13 **Q. Please summarize the issue.**

14 A. Empire is proposing to include, in its rate base prepayments, expenses related to the
15 operations of Iatan, Plum Point and the Kansas City Power and Light (“KCP&L”) land
16 lease. OPC has seen no evidence these payments are required to be paid in advance.

17

1 **Q. Did Empire file rebuttal against your direct testimony?**

2 A. No, Empire filed rebuttal testimony against Missouri Public Service Commission Staff's
3 ("Staff") direct testimony regarding this issue. I am filing surrebuttal testimony because
4 OPC and Staff have the same position.

5 **Q. Was this issue raised in Empire's last rate case?**

6 A. Yes. Staff took issue with these accounts being included in prepayments in the last rate
7 case, No. ER-2014-0351 asserting that these are cash accounts and not actual investment
8 in utility assets; therefore excluded from rate base. Empire's share of Iatan, Plum Point
9 and KCP&L land lease operation and maintenance ("O&M") expenses were removed
10 from prepayments in that case. This is the position both OPC and Staff have taken in this
11 rate case as well. These accounts are considered normal O&M expense accounts and
12 OPC sees no reason why they would be considered rate base prepayments.

13 **Q. What evidence does OPC need to change its position on this issue?**

14 A. OPC would reconsider its position on this issue if it was provided with documentation,
15 such a contract, signifying an agreement requiring Empire to prepay its share of O&M
16 expenses for Iatan, Plum Point, and KCP&L land lease. If these documents are provided,
17 OPC will consider the prudence of Empire agreeing to prepay normal O&M expenses.

18 **Q. Does this conclude your testimony?**

19 A. Yes.
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