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**Issue(s)**

204 NP

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**Witness/Type of Exhibit:**  
**Sponsoring Party:**  
**Case No.:**

Mantle/Rebuttal  
Public Counsel  
ER-2019-0374

## **REBUTTAL TESTIMONY**

**OF**

**LENA M. MANTLE**

Submitted on Behalf of the Office of the Public Counsel

**EMPIRE DISTRICT ELECTRIC COMPANY**

CASE NO. ER-2019-0374

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**Denotes Confidential Information  
that has been Redacted**

March 3, 2020

**PUBLIC**

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

**AFFIDAVIT OF LENA M. MANTLE**

STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

Lena M. Mantle, of lawful age and being first duly sworn, deposes and states:

1. My name is Lena M. Mantle. I am a Senior Analyst for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

*Lena M. Mantle*  
Lena M. Mantle  
Senior Analyst

Subscribed and sworn to me this 3<sup>rd</sup> day of March 2020.



TIFFANY HILDEBRAND  
My Commission Expires  
August 8, 2023  
Cole County  
Commission #15637121

*Tiffany Hildebrand*  
Tiffany Hildebrand  
Notary Public

My Commission expires August 8, 2023.

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**REBUTTAL TESTIMONY****OF****LENA M. MANTLE, P.E.****THE EMPIRE DISTRICT ELECTRIC COMPANY  
CASE NO. ER-2019-0374**

1 **Q. What is your name?**

2 A. Lena M. Mantle.

3 **Q. Are you the same Lena M. Mantle who filed direct testimony in this case?**

4 A. Yes, I am.

5 **Q. Why are you filing rebuttal testimony?**

6 A. I explain why the Commission should reject the weather normalization rider The  
7 Empire District Electric Company's ("Empire") witness Timothy S. Lyons is  
8 proposing. I also explain why the Commission should not adopt Staff's  
9 recommended Sales Reconciliation to Levelized Expectations ("SRLE").

10 In addition, I explain why the Commission should not allow Empire to  
11 modify its fuel adjustment clause ("FAC") to include all of its transmission costs  
12 and some of its administrative costs, and I recommend that the Commission should  
13 require additional FAC monthly reporting requirements of Empire.

14 **Q. Would you summarize your recommendations in this rebuttal testimony?**

15 A. I recommend that the Commission:

- 16 1) Reject Empire's proposed weather normalization rider (WNR);  
17 2) Reject Staff's Sales Reconciliation to Levelized Expectations ("SRLE")  
18 proposal;  
19 3) Begin the rulemaking process for rules prescribing the implementation of  
20 Section 386.266.3 RSMo;  
21 4) Require Empire to retain the analysis underlying its unit commitment decisions  
22 and supply its documentation of that analysis as part of its monthly FAC  
23 reporting submissions to the Commission; and

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1 5) Order the following deadlines for Empire’s quarterly FAC surveillance report  
2 submissions:

<u>Quarter Ending:</u>	<u>Submission deadline</u>
March 31	End of May
June 30	End of August
September 30	End of November
December 31	End of February

3  
4 **Neither Empire’s Proposed Weather-Normalization Rider nor its Proposed Changes**  
5 **to its FAC are Justified**

6 **Q. Why are Empire’s proposed WNR and its proposed changes to its FAC not**  
7 **justified?**

8 A. As I testified in my direct testimony,<sup>1</sup> although I am not an attorney, on the advice  
9 of counsel my understanding is that the primary justification for allowing a utility  
10 to have a WNR is whether it is needed to provide the utility with an opportunity to  
11 earn a fair return on its equity. The statute that allows the Commission to continue  
12 Empire’s FAC, with or without modifications, is the same statute that allows the  
13 Commission to authorize an electric utility to use a WNR. That statute allows the  
14 Commission to authorize WNRs and to continue FACs if they “[are] reasonably  
15 designed to provide the utility with a sufficient opportunity to earn a fair return on  
16 equity.”

17 Recent history shows that Empire has earned a fair return on equity without  
18 a WNR and without the categories of costs and revenues that Empire is requesting  
19 that its FAC be modified to include. The graph below, derived from Commission-  
20 required FAC quarterly surveillance reports Empire submitted to the Commission,  
21 shows that Empire has been successful in earning above a fair return on equity, well  
22 above the 9.25% OPC is recommending in its witness David Murray’s direct

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<sup>1</sup> Page 5.

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1 testimony, for the 12 months ending totals for each of the quarters ended March  
2 2018 through December 2019, without a WNR and without the new categories of  
3 costs and revenues Empire is proposing to add to its FAC.

4 \*\*

5  
6 \*\*

7 **Q. Is the fact that Empire has earned more than a fair return on its equity during**  
8 **each of the annual periods ending the first quarter of 2018 through the third**  
9 **quarter of 2019 the only reason why this Commission should not authorize**  
10 **Empire to use a WNR or continue its FAC with added new categories of costs**  
11 **and revenues?**

12 A. No. While it is the primary reason, further reasons follow.

13 **Further Reasons Why the Commission Should Reject Empire's Weather**  
14 **Normalization Rider**

15 **Q. Would you provide a brief description of the weather normalization rider**  
16 **Empire is proposing?**

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1 A. In the simplest terms, Empire's proposed WNR calculates, for each customer for  
2 each billing month, what Empire believes the customer's usage would have been if  
3 the weather had been consistent with the weather used to determine normalized  
4 revenues. The WNR charge would be the customer's base rates applied to a  
5 calculated adjustment to "non-base usage" based on the difference between normal  
6 weather and actual weather. The methodology used assumes weather is the sole  
7 reason for all changes to a customer usage above a base amount.

8 **Q. Why is Empire requesting a weather normalization rider in this case?**

9 A. This is the first rate case in which Empire could request a WNR. In his direct  
10 testimony, Empire witness Lyon testifies, "The Weather Normalization Rider  
11 [Empire is proposing] will help to mitigate a basic misalignment between the  
12 structure of utility rates and the structure of utility costs."<sup>2</sup> He goes on to testify  
13 that this misalignment occurs because much of electric utility cost are fixed yet the  
14 revenue to cover those costs is collected from customers based on customer usage,  
15 which fluctuates across time.<sup>3</sup>

16 **Q. Do you agree that this misalignment occurs?**

17 A. Yes. However, the existence of a misalignment of when costs are incurred and  
18 revenues are received is not sufficient justification for the Commission to approve  
19 a WNR. As I showed in the graph above, this misalignment has not prevented  
20 Empire from earning more than a fair return and therefore it is not necessary for  
21 Empire to have a WNR for it to have an opportunity to earn a fair return. In addition,  
22 the design of Empire's WNR is ill-conceived.

23 **Q. How is it ill-conceived?**

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<sup>2</sup> Direct testimony, page 51.

<sup>3</sup> Id., page 52.

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1 A. Primarily, it will confuse customers. It is very complicated, and it will be next to  
2 impossible for customers to be able to understand their electric bills. Section  
3 386.266.5 RSMo. requires a WNR amount to be separately disclosed on each  
4 customer's bill, yet according to Empire's response to OPC data request 8029  
5 Empire has not yet decided on how to approach presenting its WNR to its customers  
6 on their bills.

7 Empire's proposed WNR would result in WNR charges that change every  
8 month on each customer's bill based on the actual weather and that customer's  
9 usage during the previous month.

10 To decipher their bills, customers would have to understand the concept of  
11 heating and cooling degree days. They would have to understand that "normal"  
12 weather used in the calculation of their WNR charge is different than the normal  
13 weather that they find on well-known weather web-sites. They would likely be  
14 confused if their WNR charge for one month is different from that of another month  
15 when the "difference from normal weather" is the same.<sup>4</sup>

16 It would be confusing to customers because all usage above a base usage is  
17 considered to be weather sensitive usage. A customer would know when their  
18 household electricity usage changes, such as another person joining the household,  
19 but all of this additional usage would be "normalized" for weather.

20 Another problem is that Empire's proposed WNR does not take into  
21 consideration that Empire's "permanent" or "base" rates the Commission will set  
22 in this case. These are the same "base" rates Empire is proposing to use to calculate  
23 its WNR charge. These rates include the recovery of fuel costs that are included in  
24 the revenue requirement set in this case. Empire will recover incremental changes  
25 to its fuel costs through its FAC charges. This will create as mismatch since  
26 Empire's FAC charges will be based on actual incremental changes in fuel-related

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<sup>4</sup> Two 30-day periods could have the same measure of difference from "normal" despite a very different weather pattern since this measurement is an aggregate of weather across about 30 days.



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1 costs that Empire incurs, which are not weather normalized, *i.e.*, they will be based  
2 on actual weather, not normal weather; however, by operation of Empire's  
3 proposed WNR those same costs are included in Empire's "permanent" or "base"  
4 rates and would be weather normalized.

5 Empire has also not carefully considered other technical aspects of its  
6 proposed WNR, aspects such as the following:

7 (1) Does the WNR work appropriately in billing months where both heating  
8 and cooling occur?

9 (2) How does the WNR work with budget billing?

10 (3) At what mean daily temperature for each of the customer classes does  
11 heating and cooling begin, *i.e.*, does the residential class really begin heating  
12 on a day with a mean daily temperature is 65 degrees as Empire proposes  
13 in its WNR or is the appropriate mean daily temperature really 60 degrees  
14 that Empire uses when weather-normalizing residential usage for  
15 determining its revenues in this case?

16 (4) Would the WNR apply to estimated bills? Would the WNR not apply until  
17 the first bill based on an accurate meter read after Empire estimates a bill?

18 Given all of these problems with Empire's proposed WNR, and that Empire does  
19 not need a WNR to be able to earn a fair return, I recommend the Commission reject  
20 Empire's proposed WNR.

21 **Staff's Proposed Substitute for Empire's Weather Normalization Rider is Not**  
22 **Justified**

23 **Q. Has Staff proposed a rate mechanism that it says is designed to account for the**  
24 **effects of weather and conservation on Empire's revenues?**

25 A. Yes. Staff is proposing a rate mechanism entitled, "Sales Reconciliation to  
26 Levelized Expectations" or "SRLE."<sup>5</sup> My understanding is Staff's intent for this

<sup>5</sup> Staff Class Cost of Service Report, page 3.

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1 mechanism is to ensure that Empire receives revenues consistent with normalized  
2 usage as determined in this case.

3 **Q. Is Staff's proposed Sales Reconciliation to Levelized Expectations mechanism**  
4 **justified?**

5 A. No. While Staff's proposed mechanism remedies some of the problems with  
6 Empire's proposed WNR, Empire still does not need such a mechanism to have an  
7 opportunity to earn a fair return. Further, no one has advised me that the  
8 Commission has the authority for an electric company to implement one.  
9 Therefore, I recommend the Commission also reject Staff's SRLE.

10 **Q. You are recommending that the Commission reject both Empire's and Staff's**  
11 **mechanisms intended to weather-normalize Empire's revenues. Do you**  
12 **recommend that the Commission do anything regarding weather normalizing**  
13 **electric utility rates at this time?**

14 A. Yes, I recommend that the Commission begin its rulemaking process for a rule  
15 prescribing the implementation of such a mechanism for electric and gas utilities  
16 that request such a mechanism as provided for in section 386.266.3 RSMo. Such a  
17 rule would provide consistency in mechanisms and reporting requirements that  
18 would help Staff and other parties review the implementation and true-up of such a  
19 mechanism.

20 **Further Reasons Why the Commission Should Reject Certain Requested**  
21 **Modifications to Empire's FAC**

22 **Q. What modifications to its FAC is Empire requesting?**

23 A. Empire witness Aaron J. Doll, in his direct testimony, requests the Commission to  
24 approve continuing Empire's FAC with the following modifications to Empire's  
25 FAC:

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- 1 1. Change the off-system sales revenue definition with the intent of excluding
- 2 revenues from wind projects prior to when the projects are included in Empire's
- 3 revenue requirement;<sup>6</sup>
- 4 2. Remove the percentages associated with the Southwest Power Pool ("SPP") and
- 5 Mid-continental Independent System Operator ("MISO") network transmission
- 6 service costs so that Empire would recover all of these transmission costs it
- 7 incurs through its FAC;<sup>7</sup>
- 8 3. Include SPP Schedule 1A Tariff Administration and Schedule 12 FERC
- 9 Assessment costs so that Empire would recover changes in them through its
- 10 FAC;<sup>8</sup> and
- 11 4. Include Auction Revenue Rights ("ARR") and Transmission Congestion Rights
- 12 ("TCR") costs and revenues so that Empire would recover the net of them
- 13 through its FAC.<sup>9</sup>

14 In his supplemental direct testimony, Mr. Doll also requests that Empire's FAC be  
15 modified to include transmission revenues.

16 **Q. What do you mean when you say a cost is included or excluded from a FAC?**

17 A. The Commission rule 20 CSR 4240-20.090(1)(C) states that the Commission  
18 determines fuel and purchased power costs net of fuel-related revenues to be  
19 included in the FAC as well as within in the revenue requirement used to set base  
20 (or permanent) rates. When I refer to an included cost or revenue, I am referring to  
21 a cost or revenue that is in the revenue requirement that the Commission has  
22 designated to be tracked for FAC purposes. The net difference between the actual  
23 costs and revenues tracked during a FAC accumulation period and their projected  
24 net difference included in the utility's revenue requirement is charged or returned

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<sup>6</sup> Page 3.

<sup>7</sup> Page 7.

<sup>8</sup> Page 11.

<sup>9</sup> Page 11.

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1 to the customers, minus an incentive the Commission also designates by means of  
2 the FAC charge. Excluded costs and revenues are still included in determining the  
3 utility's revenue requirement used to set rates in the case, but they are not tracked  
4 for the recovery/return of the difference through the FAC charge.

5 **Q. Do you agree with any of Mr. Doll's recommendations?**

6 A. I agree with two of these recommendations if they are modified as I testify in my  
7 direct testimony. Transmission revenues should be included in Empire's FAC, but  
8 only those transmission revenues that are consistent with the transmission costs that  
9 already are included in Empire's FAC.<sup>10</sup> In addition, I agree with Mr. Doll's  
10 recommendation that Empire's FAC tariff be modified to make certain that  
11 revenues from Empire's wind projects are excluded from its FAC, but only as long  
12 as Empire agrees to make certain that all of the wind projects costs are also excluded  
13 from its FAC.<sup>11</sup>

14 **Q. What are Mr. Doll's reasons for modifying Empire's FAC to include all of**  
15 **Empire's SPP transmission costs?**

16 A. Mr. Doll provides three reasons for why all SPP transmission costs should be  
17 included in its FAC. First, Mr. Doll states that the transmission costs should be  
18 included in it because "[t]he relationship between investment in the transmission  
19 system and improved reliability and economic operations is clear."<sup>12</sup> Second, he  
20 cites to the costs of resolving seam issues, and his third reason is that Empire gets  
21 to recover some or all of its transmission costs in the other states in which it  
22 provides electric service.

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<sup>10</sup> Pages 14 – 16.

<sup>11</sup> Pages 19 - 21.

<sup>12</sup> Direct testimony of Aaron J. Doll, page 7.

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1 **Q. Do you agree Mr. Doll’s first justification, regarding the relationship between**  
2 **transmission investment and reliability, is sufficient to include all of Empire’s**  
3 **SPP transmission costs in its FAC?**

4 A. No. While I have no reason to disagree with Mr. Doll that there is a relationship  
5 between Empire’s investment in its transmission system and improved reliability  
6 and economic operation, this is not a justification as to why all of Empire’s  
7 transmission costs should be included in its FAC. It is justification for why  
8 Empire’s transmission costs and revenues should be included in its revenue  
9 requirement used to set rates in this case. Section 386.266.1 RSMo states that the  
10 purpose of a FAC is to “reflect increases and decreases in [Empire’s] prudently  
11 incurred fuel and purchased power costs, including transmission.” In its *Report*  
12 *and Order* in Case No. ER-2014-0258, the Commission included the following in  
13 its Conclusions of Law:

14 [This] clause limits the costs that can be flowed through the FAC for  
15 recovery between rate cases. It allows for recovery of transportation  
16 costs, which has been determined to include transmission costs, but  
17 such transmission costs are limited to those connected to purchased  
18 power costs.”<sup>13</sup>

19 In the Commission’s Decision in that same *Report and Order*, the Commission  
20 found:

21 In fact, the policy underlying the FAC statute is clear on its face.  
22 The statute is meant to insulate the utility from unexpected and  
23 uncontrollable fluctuations in transportation costs of *purchased*  
24 *power*.<sup>14</sup>

25 Empire is proposing to modify its FAC to include its SPP transmission costs that  
26 are not directly related to its purchased power. Because not all SPP transmission

<sup>13</sup> ER-2014-0258, *In the Matter of Union Electric Company, d/b/a Ameren Missouri’s Tariff to Increase Its Revenues for Electric Service*, pages 114 – 115.

<sup>14</sup> *Id.*, page 115 (emphasis added).

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1 costs are directly related to purchased power, the Commission should not allow all  
2 of these costs to be included in Empire's FAC.

3 **Q. Can you explain the next reason Mr. Doll provides for modifying Empire's**  
4 **FAC to include its transmission costs?**

5 A. Yes. The second reason Mr. Doll provides is that Associated Electric Cooperative  
6 Incorporated ("AECI"), Midcontinent Independent System Operator ("MISO"),  
7 and SPP are currently working to resolve seams issues associated with transmission  
8 costs of purchasing energy from and selling energy to utilities in these organizations  
9 with a goal of increasing benefits to customers of all these entities.<sup>15</sup>

10 **Q. Is this an appropriate reason to include all of Empire's transmission costs in**  
11 **its FAC?**

12 A. While it is an admirable goal, it does not justify including all of Empire's  
13 transmission costs in its FAC. Resolving seams issues would likely reduce  
14 Empire's transmission costs and it may increase the amount of energy Empire  
15 purchases from and sales it makes into other markets. Empire would be able to  
16 pass through its FAC some of the transmission costs associated with purchasing  
17 energy from these other markets, but that is not a sufficient reason to include all of  
18 Empire's SPP transmission costs in its FAC.

19 **Q. Does Empire's current FAC include transmission costs for power purchased**  
20 **from MISO?**

21 A. Empire's current FAC allows 50% of MISO transmission costs associated with:  
22 i. Network transmission service;  
23 ii. Point-to-point transmission service;  
24 iii. System control and dispatch; and  
25 iv. Reactive supply and voltage control.<sup>16</sup>

<sup>15</sup> Direct testimony of Aaron J. Doll, page 8.

<sup>16</sup> The Empire District Electric Company, P.S.C. Mo. No. 5, Section 4, Original Sheet No. 17x.

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1 **Q. Why is only 50% of MISO transmission costs included in Empire's FAC?**

2 A. Empire incurs MISO transmission costs for 100 megawatts ("MW") of the Plum  
3 Point Power Plant in Arkansas. Empire owns a 50 MW share of that plant and has  
4 a purchased power contract for the capacity and generation of another 50 MW.  
5 Since the purchased power contract is for 50% of its total capacity of the Plum Point  
6 Power Plant, Empire is currently able to include 50% of its MISO costs in its FAC.

7 **Q. Does Empire's current FAC include transmission costs for power purchased**  
8 **from MISO?**

9 A. Yes. While Empire's current FAC tariff sheets do not specifically mention AECI,  
10 its FAC tariff sheets do include costs of another market should Empire purchase  
11 power from another market, if those costs are of an equivalent nature to those  
12 identified for SPP market costs.<sup>17</sup>

13 **Q. Mr. Doll discusses, as an example of the benefit of the work between Empire**  
14 **and MISO, a settlement with MISO that could have been returned to**  
15 **customers had the Commission included all transmission costs in its FAC.<sup>18</sup>**  
16 **Is this a valid reason for transmission costs to be included in Empire's FAC**  
17 **prospectively?**

18 A. No, it is not. As provided above, the FAC statute limits the costs that are included  
19 in a FAC, and the Commission has determined that limit is the transmission costs  
20 connected to purchased power. The provision of a refund of transmission costs that  
21 were not included in a FAC is irrelevant to whether or not the cost should, on a  
22 going forward basis be included in the FAC. The determination of which costs  
23 should be included is whether or not the cost was connected to purchased power,  
24 not whether or not the costs are likely to be refunded.

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<sup>17</sup> *Id.*, Original Sheet No. 17w.

<sup>18</sup> Direct testimony of Aaron Doll, pages 9 and 10.

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1 **Q. What is Mr. Doll's final reason for including all SPP and MISO transmission**  
2 **costs in Empire's FAC?**

3 A. Mr. Doll testifies that Empire's transmission costs are included in a fuel mechanism  
4 or tracker in the other jurisdictions where it provides electric service.<sup>19</sup> However,  
5 in response to OPC data request 8007 attached to this testimony as Schedule  
6 LMM-R-1, Mr. Doll states that, contrary to his direct testimony, Empire's fuel  
7 mechanisms in other states do not include transmission costs. In his response he  
8 states that "most or all" of Empire's transmission costs are recovered in these other  
9 states through "separate, independent recovery mechanisms."

10 Therefore, not including all transmission costs in a FAC mechanism is  
11 consistent with the practice in the other states where Empire provides electric  
12 service.

13 **Q. What is Mr. Doll's justification for why SPP Schedule 1A Tariff**  
14 **Administration and Schedule 12 FERC<sup>20</sup> Assessment costs should be included**  
15 **in Empire's FAC?**

16 A. Mr. Doll provides no justification.

17 **Q. Are SPP Schedule 1A Tariff Administration and Schedule 12 FERC**  
18 **Assessment costs fuel, purchased power or transportation costs?**

19 A. No. These are SPP and FERC administrative charges that should not be included  
20 in the FAC of a Missouri electric utility.

21 **Q. Mr. Doll's final recommended modification to Empire's FAC is to include**  
22 **Auction Revenue Rights ("ARR") and Transmission Congestion Rights**  
23 **("TCR") costs and revenues in Empire's FAC. Should they be included in**  
24 **Empire's FAC?**

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<sup>19</sup> *Id.*, pages 10 and 11.

<sup>20</sup> Federal Energy Regulatory Commission.



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1 A. No. According to Mr. Doll, TCRs and ARR, are financial hedges that entitle the  
2 owner to a stream of hourly revenues or charges based on energy market prices.<sup>21</sup>  
3 He does not tie these costs to either fuel or purchased power. His only justification  
4 is that they are SPP costs Empire incurs and, therefore, they should be included in  
5 Empire's FAC. This justification is insufficient, and is inconsistent with Section  
6 386.266 RSMo which defines the costs to be included in the FAC to be fuel and  
7 purchased power costs, including transportation. The Commission should not  
8 allow Empire to include TCR and ARR costs in its FAC.

9 **Staff's Additional FAC Reporting Requirements**

10 **Q. Did you review Staff's recommended additional FAC reporting requirements**  
11 **that it provided in its Cost of Service Report<sup>22</sup> in this case?**

12 A. Yes.

13 **Q. Do you have any suggestions regarding these reporting requirements?**

14 A. Yes. First of all, the OPC and other parties to this case should also receive the  
15 notices and be provided with a copy of this additional reported information.

16 Second, the Commission has expressed concern about the impact of  
17 Missouri electric utilities self-scheduling of generation units in their respective  
18 regional transmission organizations. In the concurrent Union Electric Company  
19 d/b/a Ameren Missouri rate case, Case No. ER-2019-0335, Staff included reporting  
20 requirements in its rebuttal testimony that would provide information regarding  
21 Ameren Missouri's decisions on offering its generation into MISO.<sup>23</sup> While  
22 Empire has significantly fewer units than Ameren Missouri over which it has  
23 control to offer into the SPP market, Empire does make decisions regarding the  
24 offering of some generating units into the SPP. Therefore, I am recommending that

<sup>21</sup> Direct testimony of Aaron J. Doll, page 12.

<sup>22</sup> Staff Cost of Service Report, page 99.

<sup>23</sup> Case No. ER-2019-0335, Rebuttal testimony of Shawn E. Lange, page 2.

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1 the Commission require Empire to retain the analysis underlying its unit  
2 commitment decisions and to supply its documentation of the analysis with its  
3 monthly FAC reporting submissions to the Commission, and copy the OPC and  
4 other parties in this case. This information will be invaluable for the prudence  
5 reviews Staff and other parties conduct, and would treat Empire equally with  
6 Ameren Missouri.

7 The last recommendation is necessary due to revisions to the Commission's  
8 FAC rule 20 CSR 4240-20.090 that became effective on January 30, 2019. One of  
9 the changes in the section related to quarterly surveillance report submissions is  
10 that, for electric utilities with foreign ownership that do not make 10-K filings with  
11 the Security and Exchange Commission ("SEC"), the deadlines for the submission  
12 of surveillance reports are to be set in general rate proceedings. Empire is a wholly-  
13 owned, indirect subsidiary of Algonquin Power & Utilities Corp., a foreign  
14 company that does not make 10-K filings with the SEC. Therefore, the  
15 Commission needs to set the deadline for the submission of the quarterly FAC  
16 surveillance reports. I could find no recommendation in the Staff report for when  
17 these submissions should be made.

18 **Q. Did Empire propose deadlines for these submissions?**

19 A. I could not find a proposal in Empire's direct filing.

20 **Q. What do you recommend?**

21 A. I recommend the Commission order the following deadlines for Empire's quarterly  
22 FAC surveillance reports:

<u>Quarter Ending:</u>	<u>Submission deadline</u>
March 31	End of May
June 30	End of August
September 30	End of November
December 31	End of February

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1           With the exception of one submission, Empire has provided its quarterly FAC  
2           surveillance reports by these deadlines since Algonquin acquired it.

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

4   **A.    Yes, it does.**



**The Empire District Electric Company**

**A Liberty Utilities Company**

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OPC Data Request – 8007

Data Request Received: 09/17/19

Request No. 8007

Date of Response: 10/07/19

Respondent: Aaron Doll

Submitted by: Lena Mantle

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**REQUEST:**

Empire witness Doll's Direct testimony has three transmission recovery mechanisms on page 11. Are the Kansas Transmission Delivery Charge rider, the Oklahoma Southwest Power Pool Transmission Tariff, or the Arkansas Transmission Cost Recovery rider part of a fuel adjustment mechanism for the applicable state or are they separate, independent recovery mechanisms?

**RESPONSE:**

They are separate, independent recovery mechanisms that allow for the recovery of most or all of transmission expense incurred as a result of Network Service.