

Exhibit No. 22

Exhibit No.: _____
Issue(s): MPPM and Revenue
Requirements – PAYGO, AMI, and Asbury
Witness: Tisha Sanderson
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2021-0312
Date Testimony Prepared: January 2022

**Before the Public Service Commission
of the State of Missouri**

Surrebuttal Testimony

of

Tisha Sanderson

on behalf of

The Empire District Electric Company

January 2022



TABLE OF CONTENTS
SURREBUTTAL TESTIMONY OF TISHA SANDERSON
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2021-0312

SUBJECT	PAGE
I. INTRODUCTION	1
II. ASBURY RETIREMENT AAO	2
III. PAYGO.....	3
IV. STRANDED METERS	4

SURREBUTTAL TESTIMONY OF TISHA SANDERSON
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2021-0312

1 **I. INTRODUCTION**

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

3 A. My name is Tisha Sanderson. My business address is 602 South Joplin Avenue, Joplin,
4 MO, 64802.

5 **Q. Are you the same Tisha Sanderson who provided Direct and Rebuttal Testimony in**
6 **this matter on behalf of The Empire District Electric Company (“Empire” or the**
7 **“Company”)?**

8 A. Yes. I explained the basis and calculation of revenue requirements for the critical
9 investments supporting the Company’s ongoing pivot towards a more customer centric,
10 economic, and technologically advanced service model, namely:

- 11 • the commissioning of 600 Mw of new wind generation (the “Wind Farms”);
- 12 • the retirement of the Asbury Coal Plant (“Asbury”); and
- 13 • the deployment of Advanced Metering Infrastructure (“AMI”).

14 When combined, these investments result in sustainable long-term savings for our
15 customers over the next two decades. In the immediate timeframe, they also act to
16 significantly reduce the amount of the increase being sought in this case.

17 My direct and rebuttal testimonies also covered the Market Price Protection
18 Mechanism (“MPPM”) approved by the Commission in Case No. EA-2019-0010 where
19 the Company secured the Certificates of Convenience and Necessity for the three wind
20 projects (the “CCN case”). The MPPM represents an added safeguard that the Commission

1 ordered, and the Company implemented to mitigate potential customer risks stemming
2 from the deployment of wind projects. While it is in the early days for the wind projects,
3 the MPPM further supports the wind projects performance in the expected range of
4 customer benefits.

5 **Q. What is the purpose of your Surrebuttal Testimony in this proceeding?**

6 A. I address the following issues contained in the rebuttal testimonies of the witnesses listed
7 below:

<u>Rebuttal Testimony</u>	
<u>Sponsoring Party</u>	<u>Description</u>
Staff Witness McMellen	Asbury Retirement AAO
Staff Witness Bolin	PAYGO
OPC Witness Marke	Stranded Meters

8

9 **II. ASBURY RETIREMENT AAO**

10 **Q. What is Staff's position regarding when the Asbury Retirement AAO liability should**
11 **begin?**

12 A. Staff asserts the liability should include expenses starting January 1, 2020.

13 **Q. Does the Company agree with the January 1, 2020 date?**

14 A. No. As stated in my rebuttal testimony, Asbury was not de-designated from the market and
15 retired until March 2020, therefore it would be inappropriate to return costs back to
16 customers while the facility remained in service for the months of January and February
17 2020. For further discussion surrounding the March 2020 retirement date of Asbury, please
18 refer to Company witness Aaron J. Doll's rebuttal testimony.

1 **Q. Do you agree with Staff witness McMellen rebuttal testimony page 3 that the amounts**
2 **tracked related to the Asbury AAO should continue after the Company's ordered**
3 **update period of June 30, 2021?**

4 A. Yes, it is appropriate, and the Company has requested in this proceeding that the Asbury
5 AAO continue as outlined by the Commission in the last rate case. The AAO balance
6 should be considered for recovery in a future proceeding. Please refer to Surrebuttal
7 Testimony of Company witnesses Timothy N. Wilson and Charlotte T. Emery who provide
8 further discussion related to the Company's decision to pursue securitization of the AAO
9 components of the Asbury generating plant.

10 **III. PAYGO**

11 **Q. What is Staff witness Bolin's recommendation regarding PAYGO?**

12 A. As outlined starting on page 12 of Ms. Bolin's rebuttal testimony Staff has proposed to
13 include the PAYGO revenues in the FAC. However, if the Commission decides that the
14 PAYGO revenues should not be included in the FAC, then the revenues should be included
15 in the revenue requirement, and ongoing levels tracked against the amount included in the
16 revenue requirement. If the Commission decides to include the PAYGO revenues in the
17 FAC, customers will automatically receive the benefits of the PAYGO revenues and a
18 tracker will not be needed.

19 **Q. Do you agree with Ms. Bolin's recommendations?**

20 A. Yes. As discussed in the rebuttal testimony of Company witness Todd Mooney starting on
21 page 5, the Company does not believe the approach OPC witness Riley recommends
22 surrounding PAYGO is necessary. However, like Ms. Bolin, if the Commission decides
23 to exclude PAYGO from the FAC, I believe a revenue amount needs to be included in the

1 Revenue Requirement and a tracker established to track the differences between the
2 amount included in the Revenue Requirement and the actual PAYGO amounts.

3 **IV. STRANDED METERS**

4 **Q. Please summarize OPC witness Dr. Geoff Marke’s recommendations on page 26 of**
5 **his rebuttal testimony surrounding the recovery of the remaining undepreciated**
6 **balance related to stranded meters.**

7 A. Dr. Marke recommends that the Commission disallow a “return on” but not a “return of”
8 the stranded meter asset investments the Company is requesting to keep as a regulatory
9 asset.

10 **Q. Should the Company be allowed a full return on the balance of the undepreciated**
11 **meters?**

12 A. Yes, the Company should be allowed to earn a return on the stranded meter costs for the
13 reasons cited in my rebuttal testimony.

14 **Q. Could the Commission’s disallowance of a return on the undepreciated meters that**
15 **Empire replaced with its AMI investment dissuade the utility from exploring**
16 **alternatives that could provide customers savings and other benefits?**

17 A. Yes, denying companies the opportunity to fully recover prudently invested costs could
18 deter future investments and efficient deployment strategies as discussed in the Surrebuttal
19 Testimony of Company witness Chad C. Hook.

20 **Q. Does this conclude your Surrebuttal Testimony?**

21 A. Yes, at this time.

VERIFICATION

I, Tisha Sanderson, under penalty of perjury, on this 20th day of January, 2022, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Tisha Sanderson