

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 15th day of
November, 2018.

In the Matter of The Empire District Electric)
Company's 2019 Triennial Compliance Filing)
Pursuant to 4 CSR 240-22)

File No. EO-2019-0049

ORDER GRANTING VARIANCES

Issue Date: November 15, 2018

Effective Date: November 25, 2018

The Empire District Electric Company filed an application on September 20, 2018, requesting several variances from the Commission's rules regarding the 2019 Integrated Resource Plan (IRP) triennial compliance filing it will be required to make by April 1, 2019. In particular, Empire seeks a variance from the requirements of three rules. The first is 4 CSR 240-20.094(3)(A)2. and 3., which would require the company to collect primary data to update its market potential study. Empire contends its 2016 market potential study can be adequately updated without the considerable expense of collecting new primary data. The second is 4 CSR 240-22.030(7)(A), (and the related definition of "major class" in 4 CSR 240-22.020(37)) which requires the company to forecast by cost-of-service class. Instead, Empire asks to be allowed to forecast by the seven revenue classes that it used for forecasts in its 2013 and 2016 IRP filings. The third is 4 CSR 240-22.030(4)(A)1.C., which would require the company to use end-use information in its analysis of its industrial class. Empire indicates such end-use information is not available for its industrial class.

The Commission provided notice of Empire's application for variances to potentially interested parties and directed its Staff to file a recommendation regarding the application by October 25. The Commission also directed that any other party wishing to respond to the application do so by October 25. Staff filed its recommendation on October 24, and Public Counsel responded on October 25.

Staff expresses concern that Empire did not file its request for variances in a timely manner and did not plead good cause for its delay.¹ Never-the-less, Staff believes that good cause exists and recommends the Commission grant the requested variances. Public Counsel also questions Empire's failure to request the variances within the time established by regulation, but does not oppose the granting of the requested variances, with one condition.

Public Counsel's condition concerns the requested variance from 4 CSR 240-22.030(7)(A)'s requirement to forecast based on the cost-of-service classes of the utility. Public Counsel recognizes that it is now likely too late in the process for Empire to forecast using its cost-of-service classes for its 2019 IRP triennial compliance filing, but asks that Empire commit to using the cost-of-service classes for its 2022 IRP triennial compliance filing. Empire responded to Public Counsel's filing on November 7 and agreed it would not again seek the questioned variance for its 2022 triennial filing unless Public Counsel agrees such a variance would be reasonable and appropriate.

Based on its review of the application and in consideration of the recommendations offered by Staff and by Public Counsel, including Empire's commitment to use cost-of-

¹ Commission rule 4 CSR 240-22.080(13) requires that requests for variances regarding the IRP triennial compliance filing are to be made one year before the filing date. The Commission may grant a late-filed request for variance upon a showing of good cause.

service classes in its 2022 IRP triennial filing analysis, the Commission will grant the variances requested by Empire.

Because the granted variances will affect Empire's ongoing preparation of its 2019 IRP triennial filing, the Commission will make this order effective in 10 days.

THE COMMISSION ORDERS THAT:

1. The Empire District Electric Company's Application for Variances is granted.
2. This order shall become effective on November 25, 2018.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and
Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 15th day of November 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 15, 2018

File/Case No. EO-2019-0049

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.