

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of The)
Empire District Electric Company for) File No. EA-2019-0010
Certificates of Convenience and Necessity)
Related to Wind Generation Facilities)

ORDER ADMITTING LATE-FILED EXHIBIT 401

Issue Date: April 25, 2019

Effective Date: April 25, 2019

During the hearing on April 9, 2019, procedures were established for objections and responses regarding the cross-examination of the Division of Energy's witness, Martin Hyman. As directed, the Staff of the Commission filed written cross-examination questions for Mr. Hyman on April 9, 2019, and the Division of Energy filed verified written responses to those questions on April 11, 2019. The Commission set a deadline for objections until April 15, 2019, and no objections were received. The Commission will mark the *Missouri Division of Energy Witness Martin R. Hyman's Responses to Staff's Written Cross Examination Questions* filed on April 15, 2019, as Exhibit 401, for identification purposes, and admit it into evidence.

THE COMMISSION ORDERS THAT:

1. Exhibit 401, the *Missouri Division of Energy Witness Martin R. Hyman's Responses to Staff's Written Cross Examination Questions* filed on April 15, 2019, and attached to this order is admitted into evidence.
2. This order is effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Nancy Dippell, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 25th day of April, 2019.

APR 25 2019

BEFORE THE PUBLIC SERVICE
COMMISSION OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Application of The)
Empire District Electric Company for) File No. EA-2019-0010
Certificates of Convenience and Necessity)
Related to Wind Generation Facilities)

**MISSOURI DIVISION OF ENERGY WITNESS MARTIN R. HYMAN'S
RESPONSES TO STAFF'S WRITTEN CROSS EXAMINATION QUESTIONS**

COMES NOW the Missouri Department of Economic Development – Division of Energy (“DE”), and in response to the Missouri Public Service Commission (“Commission”) Staff’s *Written Cross Examination Questions* filed on April 9, 2019, respectfully submits the answers and affidavit of DE witness Mr. Martin R. Hyman:

1. What is your understanding of provision 17(a) in the Non-Unanimous Stipulation and Agreement?

My understanding of provision 17(a) is that it reaffirms the commitment of The Empire District Electric Company (“Empire” or “Company”) to protections contained in an agreement with the union employees at the Asbury plant. Most of the employees at the Asbury plant are members of IBEW #1474.

2. Please briefly explain the employee protections in the IBEW #1474 agreement.

The Division of Energy’s Manager of Energy Policy and Resources reviewed the confidential agreement at the offices of Brydon, Swearngen & England, the law offices representing Empire. My understanding is that the agreement states that the union employees will be offered job opportunities if the Asbury plant is closed, the Company’s

Division of
Energy Exhibit No. 401
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relocation policy will apply for those affected employees who may need to move within the Company, and that the agreement includes mention of training opportunities.

3. In your opinion, how do the inclusion of provision 17 (a) and the other terms and conditions of the Non-Unanimous Stipulation and Agreement align with the interests of the Division of Energy?

Our office's interests are addressed by the stipulation in a number of ways. Provision 17(a) ensures that, if the Asbury plant is sold or retired for economic reasons, the union workers at that plant will be offered employment and training opportunities. On the whole, the stipulation enables the Company to pursue the addition of approximately 600 MW of wind generation, almost 300 MW of which will be located in southwest Missouri. This additional wind generation will improve the diversity and security of the state's energy supply and create the opportunity for more affordable rates for Empire's customers. The projects will also support local economic development through construction and operations jobs, more spending in local economies, and state and local tax revenues. The market price protection mechanism provides additional affordability-related benefits in the unlikely event that the wind projects do not create net positive outcomes for ratepayers over the first ten years of operations.

These outcomes are consistent with the Division of Energy's goals to move towards a more affordable, reliable, and diverse portfolio of energy resources. Additionally, we have interest in ensuring that Asbury-related workforce development opportunities and local economic impacts are addressed, as was discussed in my testimony in Case No. EO-2018-0092 (the "Customer Savings Plan" case).

4. In your opinion, how do the inclusion of provision 17(a) and the other terms and conditions of the Non-Unanimous Stipulation and Agreement promote the public interest?

Provision 17(a) promotes the public interest by providing opportunities for union workers at the Asbury plant if that plant is sold or retired for economic reasons. These opportunities support not only those workers, but their families and the Missouri economy. More broadly, the stipulation promotes the public interest by enabling investment in in-state wind generation that will improve the diversity and security of the state's energy supply, create the opportunity for more affordable rates for Empire's customers, and support local economic development. The market price protection mechanism further promotes the public interest by making rates more affordable in the unlikely event that the wind projects do not perform as expected.

WHEREFORE, the Division of Energy respectfully offers the answers and affidavit of DE witness Mr. Martin R. Hyman to *Staff's Written Cross Examination Questions*.

Respectfully submitted,

/s/ Rochelle L. Reeves
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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been emailed to the certified service list this 11th day of April, 2019.

/s/ Rochelle L. Reeves

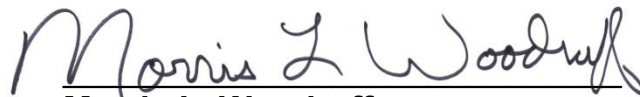
STATE OF MISSOURI

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 25th day of April 2019.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

April 25, 2019

File/Case No. EA-2019-0010

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

Sincerely,

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style with a large initial "M".

**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.