

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Petition of The Empire)
District Electric Company d/b/a Liberty to)
Obtain a Financing Order that Authorizes) **File No. EO-2022-0040**
the Issuance of Securitized Utility Tariff)
Bonds for Qualified Extraordinary Costs)

In the Matter of the Petition of The Empire)
District Electric Company d/b/a Liberty to)
Obtain a Financing Order that Authorizes) **File No. EO-2022-0193**
the Issuance of Securitized Utility Tariff)
Bonds for Energy Transition Costs Related)
to the Asbury Plant)

STAFF RESPONSE TO ORDER DIRECTING STAFF RESPONSE

COMES NOW Staff of the Missouri Public Service Commission, and for its Response to the *Order Directing Staff Response* (“Order”) issued by the Commission by delegation of authority on January 24, 2024, respectfully states as follows:

1. The Order directed that “No later than January 24, 2024, at 1:00 p.m., Staff shall respond to *Public Counsel’s Response to Liberty’s filings.*” The Order was issued at 10:27 a.m. on January 24, 2024, thereby allowing Staff approximately two and one-half hours to draft a response and receive the needed filing authorizations and file the document. This Response reflects Staff’s best efforts in the time allotted.

2. Although at one place in the Order the Commission refers to Public Counsel’s (“OPC”) response as a “motion,” nowhere in the OPC filing does OPC ask the Commission to do anything. The filing basically consists of OPC stating what it believes to be errors in the workpapers submitted by Liberty/Empire. The OPC filing is also unclear in several areas, and this Response is based on Staff’s best interpretation thereof.

3. In response to paragraph 5 of the OPC filing, OPC is correct in that the Commission does not explicitly state what carrying costs should be applied under traditional or customary ratemaking in its *Amended Report and Order*. On pages 21 through 22, the decision for contested issue numbers 2(a) through 2(d) only addresses the recovery/non-recovery of the five percent of fuel and purchased power. The decision is silent on the appropriate carrying costs to apply to Winter Storm Uri costs under traditional or customary ratemaking. Staff has stated that it may have recommended the use of the long-term debt rate under traditional or customary ratemaking, but the appropriate carrying cost rate would ultimately be a decision for the Commission. On page 3 of Staff's Hearing Exhibit 117c, Staff's consultant modeled carrying costs during recovery (AAO) for Winter Storm Uri at 6.766% WACC for two of the four scenarios listed in the exhibit.

4. In response to paragraph 6 of OPC's filing, the same argument applies as the *Amended Report and Order* does not state for contested issue numbers 3(a) through 3(c) what the appropriate carrying costs are to apply to Asbury under traditional or customary ratemaking. On page 3 of Staff's Hearing Exhibit 117c, Staff's consultant modeled carrying costs during recovery (AAO) for Asbury at 6.766% WACC for all four scenarios listed in the exhibit.

5. In response to paragraph 7 of OPC's *Response*, Liberty has corrected OPC's concern with the filing of the *Corrected PDF Page no. 14 of 20* filed on January 23, 2024.

WHEREFORE Staff submits this Response in compliance with the Commission's *Order Directing Staff Response* issued January 24, 2024, and prays the Commission accept same.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 24th day of January 2024.

/s/ Jeffrey A. Keevil