

*Exhibit No.:*  
*Issue(s):* ADIT and EADIT,  
Sharing of Costs,  
Decommissioning Costs,  
Winter Storm Uri AAO, Interest  
Earned on Capital Subaccount  
*Witness:* Kimberly K. Bolin  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Rebuttal Testimony  
*Case Nos.:* EO-2022-0040/EO-2022-0193  
*Date Testimony Prepared:* May 13, 2022

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL & BUSINESS ANALYSIS DIVISION**

**AUDITING DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**KIMBERLY K. BOLIN**

**THE EMPIRE DISTRICT ELECTRIC COMPANY,  
d/b/a Liberty**

**CASE NOS. EO-2022-0040/EO-2022-0193**

*Jefferson City, Missouri  
May 2022*

**\*\* Denotes Confidential Information \*\***

**REBUTTAL TESTIMONY**

**OF**

**KIMBERLY K. BOLIN**

**THE EMPIRE DISTRICT ELECTRIC COMPANY,  
d/b/a Liberty**

**CASE NOS. EO-2022-0040/EO-2022-0193**

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12

**EXECUTIVE SUMMARY .....2**

**WINTER STORM URI AAO.....3**

**DECOMMISSIONING COSTS.....6**

**ASSET RETIREMENT OBLIGATIONS.....9**

**ADIT AND EXCESS ADIT .....10**

**INTEREST EARNED CAPITAL SUBACCOUNT .....12**



1           A.     Yes, numerous times. Please refer to Schedule KKB-r1, attached to this  
2 Rebuttal Testimony, for a list of the major audits in which I have assisted and filed testimony  
3 with OPC and with the Commission.

4           Q.     What knowledge, skills, experience, training and education do you have in the  
5 areas of which you are testifying as an expert witness?

6           A.     I have received continuous training at in-house and outside seminars on  
7 technical ratemaking matters, both when employed by OPC and since I began my employment  
8 at the Commission. I have been employed by this Commission or by OPC as a Regulatory  
9 Auditor for over 25 years, and have submitted testimony on ratemaking matters numerous times  
10 before the Commission. I have also been responsible for the supervision of other Commission  
11 employees in rate cases and other regulatory proceedings.

12     **EXECUTIVE SUMMARY**

13           Q.     What is the purpose of your testimony?

14           A.     The purpose of my testimony is to respond to certain calculations made by  
15 The Empire District Electric Company, d/b/a Liberty's ("Liberty") witness Charlotte T. Emery  
16 in her direct testimony concerning the securitization request for Energy Transition Costs related  
17 to the retirement of the Asbury plant. My testimony will also explain Staff's position related to  
18 the 95%/5% sharing mechanism applicable to Winter Storm Uri costs. Finally, I address the  
19 direct testimony of Liberty witness Katrina T. Niehaus concerning the return of investment  
20 earnings on the capital subaccount.

1 **WINTER STORM URI AAO**

2 Q. Under normal circumstances would Liberty include 95% of its fuel and  
3 purchased power costs in Liberty's Fuel Adjustment Clause (FAC)?

4 A. Yes. However, due to the extraordinary amount of the fuel and purchased power  
5 it incurred in February 2021 due to Winter Storm Uri, Liberty sought to defer 95% of the fuel  
6 and purchased power costs associated with this event and did not propose to include this amount  
7 in the FAC.

8 Q. Did Liberty request an Accounting Authority Order (AAO) to track and defer,  
9 to a regulatory asset, the costs associated with Winter Storm Uri?

10 A. Yes. Instead of including 95% of the total fuel and purchased power costs for  
11 February 2021 in Liberty's Fuel Adjustment Clause (FAC) as would be the normal practice,  
12 Liberty filed a request for an AAO in Case No. EU-2021-0274 seeking recovery of the amount  
13 excluded from the FAC and the additional following costs:

- 14 1) The remaining 5% of fuel and purchased power costs from February 2021;
- 15 2) carrying costs applied to the total amount of Winter Storm Uri costs at  
16 Liberty's weighted average cost of capital; and
- 17 3) other costs specially related to Winter Storm URI, including outside legal  
18 fees.

19 Q. Did the Commission grant Liberty its requested AAO for the Winter Storm Uri  
20 costs?

21 A. No, Case No. EU-2021-0274 is still pending. Liberty ultimately will not need to  
22 defer the portion of any costs covered by a financing order in this securitization case to an AAO.

Rebuttal Testimony of  
Kimberly K. Bolin

1 Q. What is an accounting authority order (AAO)?

2 A. An AAO is an accounting mechanism that permits deferral of costs from one  
3 period to another. The items deferred are booked as an asset rather than an expense, thus  
4 improving the financial picture of the utility in question during the deferral period. During a  
5 subsequent rate case, the Commission determines what portion, if any, of the deferred amounts  
6 will be recovered in rates

7 Q. If Liberty is not allowed to securitize Winter Storm Uri costs and is granted an  
8 AAO instead how would Liberty recover the costs?

9 A. In Liberty's next general rate proceeding, Liberty would likely ask to recover  
10 the amounts deferred in customer rates. At that time, the amortization period and final costs  
11 (including carrying costs) would be determined if the recovery request is granted.

12 Q. What would be an appropriate amortization period for this deferral in the context  
13 of AAO treatment?

14 A. Staff would probably recommend at least ten years, due to the magnitude of  
15 the costs.

16 Q. Would Staff recommend carrying cost be allowed?

17 A. With amortization period being at least 10 years, Staff would possibly  
18 recommend carrying costs be applied to the deferral at the applicable short-term debt rate or the  
19 long-term debt rate.

20 Q. Would Staff recommend recovery of the 5% of the fuel and purchased power in  
21 rates subsequent to an AAO?

22 A. No. If Liberty were granted an AAO instead of securitization for the entirety of  
23 the Winter Storm Uri costs, in a future rate proceeding Staff would likely recommend that only

1 95% of the fuel and purchased power costs be allowed recovery in rates. Staff believes that by  
2 not allowing the 5% of the fuel and purchased power costs that this reflects an appropriate  
3 “sharing” the financial impact of Winter Storm Uri.

4 Q. Why should extraordinary costs associated with “acts of God,” such as Winter  
5 Storm Uri, be “shared” between ratepayers and shareholders?

6 A. The risk of extraordinary unforeseen events should not be borne by the  
7 customers entirely. To do this would insulate the utility from all risk of an unanticipated event  
8 such as a natural disaster.

9 Q. Has the Commission reflected the “sharing” of the financial impact of natural  
10 disaster extraordinary events in the past?

11 A. Yes. In Case No. WR-95-145 involving St. Louis County Water Company’s  
12 (SLCWC) unamortized flood deferrals (SLCWC is now part of Missouri-American Water  
13 Company), the Commission noted that including the unamortized balance in rate base would  
14 shield the shareholders from the risk of a natural disaster while imposing the risk entirely on  
15 the ratepayers. The Commission opined in that case that allowing SLCWC to recover the cost  
16 through amortization without including the unamortized balance in rate base allowed both the  
17 ratepayers and the shareholders to share in the risk. This regulatory treatment has been  
18 commonly accepted by the Commission for other AAOs associated with natural disasters.  
19 In this case, which is not an AAO application, excluding the 5% of fuel and purchased power  
20 costs from the securitization request while also allowing carrying costs to be accrued on  
21 the amounts will effectively “share” the impact of Winter Storm Uri between Liberty and  
22 its customers.

1 Q. Are other Staff witnesses also addressing rate treatment for the 5% of fuel and  
2 purchased power costs in this case?

3 A. Yes. Please also refer to Brooke Mastrogiannis' rebuttal testimony in this case  
4 detailing how the 5% of Winter Storm Uri fuel and purchased power costs would not be  
5 included in customer rates through the FAC if Liberty had sought normal regulatory treatment  
6 of the storm costs under that rate mechanism.

7 Q. How does Staff recommend that Liberty account for differences between the  
8 qualified extraordinary costs approved for securitization in this case, if any, with the actual  
9 qualified extraordinary costs incurred by Liberty once all current and future Winter Storm Uri  
10 extraordinary costs and revenues are known and measurable?

11 A. Staff recommends these differences be accounted for consistent with the  
12 Securitization Statute. Sections 2. (1)(g) and 2. (3)(c)k of the Statute require a future  
13 ratemaking process to reconcile any differences between the costs securitized by the utility tariff  
14 bonds and the final securitized costs incurred by the electrical corporation be reconciled. Staff  
15 recommends that Empire be ordered to track any expenses or revenues (possible settlements)  
16 and include these amounts in a regulatory asset or liability for future recovery or return to the  
17 ratepayers.

18 Q. Would such a subsequent ratemaking mechanism affect the amount of  
19 securitized utility bonds or associated securitized utility charges paid by customers?

20 A. No.

21 **DECOMMISSIONING COSTS**

22 Q. Has Liberty included any decommissioning costs in its Asbury transition costs  
23 which it seeks to securitize?



Rebuttal Testimony of  
Kimberly K. Bolin

1 A. Yes. Liberty included \$12,400,000 (Total Company)<sup>1</sup> of the decommissioning  
2 costs for phase 2 and phase 3 of Liberty's decommissioning plan for Asbury.

3 Q. Are these costs projected or actual at this time?

4 A. They are projected. Liberty's proposed decommissioning costs are based upon  
5 estimates provided by Black and Veatch<sup>2</sup>.

6 Q. What are the costs estimates for phase 2 of the demolition plan?

7 A. The estimate cost for phase 2 is \$4,000,000 (Total Company).<sup>3</sup> Phase 2 includes  
8 the development of work plan, schedules, engineering plans and specifications, etc.<sup>4</sup> Liberty  
9 anticipates that Phase 2 of the demolition plan will be complete by the 2<sup>nd</sup> quarter of 2022.<sup>5</sup>

10 A. What are the cost estimates for phase 3 of the demolition plan?

11 A. The estimated cost for phase 3 is \*\* [REDACTED] \*\* (Total Company) net of  
12 salvage value and owner's costs.<sup>6</sup> Phase 3 includes the finalization of bid documents, revision  
13 of cost estimates, bid administration, construction management, demolition of the facilities,  
14 etc.<sup>7</sup> Liberty anticipates that phase 3 of the demolition plan will be completed in 2024.<sup>8</sup>

15 Q. What estimated cost did Liberty include in its Asbury securitized balance for  
16 phase 2 and phase 3?

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<sup>1</sup> \$10,977,268 (Missouri jurisdictional).

<sup>2</sup> Attached to Empire witness Drew W. Landoll's Direct testimony in this case is a copy of the Asbury Station Demolition/Decommission Costs (Direct Schedule DWL-2).

<sup>3</sup> \$3,541,054 (Missouri jurisdictional).

<sup>4</sup> Direct testimony of Drew W. Landoll in Case No. EO-2022-0193, pg. 10, lines 4-6.

<sup>5</sup> Direct testimony of Drew W. Landoll in Case No. EO-2022-0193, pg 10, lines 6-8.

<sup>6</sup> Page 8 of Direct Schedule DWL-2 attached to the Direct Testimony of Drew W. Landoll in Case No EO-2022-0193.

<sup>7</sup> Direct testimony of Drew W. Landoll in Case No. EO-2022-0193, pg. 10, lines 10-12.

<sup>8</sup> Direct testimony of Drew W. Landoll in Case No. EO-2022-0193, pg. 10, lines 12-14.

1 A. Liberty included \$4,000,000 (Total Company) for phase 2 and \$8,400,000  
2 (Total Company) for phase 3. Liberty's total for demolition costs does not reflect any salvage  
3 value that Liberty will receive for the demolished assets.

4 Q. What does Staff recommend including for the demolition costs in the securitized  
5 balance?

6 A. Staff is proposing to include \$4,000,000 (Total Company) for phase 2 costs and  
7 \$\*\* [REDACTED] \*\* for phase 3 costs. Staff believes that phase 3 costs should reflect the salvage  
8 value that Liberty expects to receive to offset the demolition costs.

9 Q. Why is Staff recommending rate recovery of decommissioning costs on an  
10 estimated basis in this proceeding?

11 A. Section 1. (7)(a) of the Securitization Statute includes the costs of  
12 decommissioning and restoring the site of the electric generating facility as an item to include  
13 in the energy transition costs. Staff has reviewed the study conducted by Black and Veatch  
14 and is comfortable with the level of detailed support provided in the estimates of the  
15 decommission costs.

16 Q. How does Staff recommend that Liberty account for differences between the  
17 energy transition costs approved for securitization in this case, if any, with the actual energy  
18 transition costs incurred by Liberty once all decommissioning costs are known and measurable?

19 A. Staff recommends these differences be accounted for consistent with the  
20 Securitization Statute. Sections 2.(1)(g) and 2.(3)(c)k of the Statute require a future ratemaking  
21 process to reconcile any differences between the costs securitized by the utility tariff bonds and  
22 the final securitized costs incurred by the electrical corporation be reconciled. Staff

1 recommends that Empire be ordered to track any expenses and include these amounts in a  
2 regulatory asset for future recovery or return to the ratepayers.

3 Q. Would such a subsequent ratemaking mechanism affect the amount of  
4 securitized utility bonds or associated securitized utility charges paid by customers?

5 A. No.

6 **ASSET RETIREMENT OBLIGATIONS**

7 Q. What is an Asset Retirement Obligation (ARO)?

8 A. An ARO is an obligation, legal or non-legal, associated with the retirement of a  
9 tangible, long-lived asset for the cost of returning a piece of property to its original condition.  
10 Retirement obligations can be recognized either when the asset is placed in service or during  
11 the operational life when its removal obligation is incurred.

12 Q. Did Liberty include AROs for asbestos and Coal Combustion Residuals (CCR)  
13 impoundment in its proposed securitization balance for the retirement of Asbury?

14 A. Yes. Liberty included AROs in the amount of \$21,281,070 (Missouri  
15 jurisdictional) for these items.

16 Q. Has Staff included the AROs in its Asbury securitized balance?

17 A. No. AROs represent one component of costs that are considered in determining  
18 the cost of removal component of utility depreciation rates. Cost of removal is allowed to be  
19 collected in rates on an ongoing basis in order for the utilities to recover over time the estimated  
20 costs of “removing” assets once they are retired and no longer needed to provide service to  
21 customers. In addition, the amounts provided by Liberty for AROs are estimated and Liberty  
22 has not provided any documentation that supports the estimation.

1 Q. Does that mean that Liberty will not recover AROs?

2 A. No. Liberty will have the opportunity to recover the AROs actually incurred in  
3 a future ratemaking process. Section 2.(1)(c) and 2.(3)(c)k of the statute allow an electrical  
4 corporation to pursue costs not included in the securitized balance in a separate proceeding such  
5 as a rate case.

6 **ADIT AND EXCESS ADIT**

7 Q. What treatment of Accumulated Deferred Income Taxes (ADIT) associated with  
8 a retired coal plant is required under the Securitization Law?

9 A. Section 2. (3) (m) of the Securitization Statute states that a financing order must  
10 provide a customer credit, based on the “net present value of the tax benefits, calculated using  
11 a discount rate equal to the expected interest rate of the securitized utility tariff bonds, for the  
12 estimated accumulated and excess deferred income taxes at the time of securitization including  
13 timing differences created by the issuance of securitized utility tariff bonds amortized over the  
14 period of the bonds multiplied by the expected interest rate on such securitized utility tariff  
15 bonds.”

16 Q. What is value of the ADIT associated with the retired Asbury plant?

17 A. Liberty’s valuation of the ADIT has a value of \$36,480,831. This is based upon  
18 Liberty’s recommended level of Asbury retirement costs to securitize of \$157,203,887. Staff’s  
19 valuation of the ADIT is based upon its recommended level of Asbury retirement costs to  
20 securitize of \$94,462,866. The differences between Liberty and Staff’s retirement costs result  
21 from differing levels of demolition costs, the AROs and the AAO liability recommended by  
22 each party.

1 Q. What level of ADIT calculated on a net present value (NPV) basis has Liberty  
2 included as an offset in the Asbury Energy Transition Cost Balance?

3 A. Liberty included \$4,747,535 as an offset to the Asbury Energy Transition Cost  
4 Balance. Liberty calculated the NPV by taking their ADIT balance of \$36,480,831 and dividing  
5 this amount by 13 years (Liberty's proposed recovery period) and subtracting this amount from  
6 the balance every year. Liberty then multiplied the yearly ending balances of the ADIT by  
7 the estimated securitization yield rate of 2.47%. Liberty then calculated the NPV value of  
8 these amounts.

9 Q. Did Liberty calculate this amount correctly?

10 A. No. Liberty's calculation effectively and inappropriately discounts the ADIT  
11 twice. Liberty's valuation of the NPV of the ADIT amount of \$36,480,831 should have resulted  
12 in a calculated NPV offset of \$30,831,327. As described above Liberty discounted the yearly  
13 amounts related to the remaining balance of ADIT, and then discounted the sum of the yearly  
14 amounts again.

15 Q. What is Staff's calculated offset for ADIT?

16 A. Staff's calculated offset for ADIT is \$22,306,686. Staff's ADIT was calculated  
17 based upon Staff's Asbury retirement costs. Staff's ADIT is lower because Staff did not  
18 include AROs in its retirement costs, had lower amounts of decommissioning costs and Staff's  
19 calculation of the AAO liability for Asbury was higher than Liberty's calculation.

20 Q. Based upon Staff's recommended ADIT level of \$22,306,686 what would be the  
21 NPV of ADIT offset?

1 A. Staff recommends that the NPV of ADIT offset should be \$17,134,363.

2 Q. What amount of Excess ADIT did Liberty include in its proposed Asbury Energy  
3 Transition Costs as an offset?

4 A. Liberty included \$12,177,195 (Missouri Jurisdictional).

5 Q. What amount of Excess ADIT does Staff propose be used as offset?

6 A. Staff recommends using \$12,313,459. After discussions with Liberty and upon  
7 further review of the calculation, Liberty has noted that it inadvertently made an error within  
8 its true-up calculation for Excess ADIT.<sup>9</sup>

9 **INTEREST EARNED CAPITAL SUBACCOUNT**

10 Q. How does Liberty propose to treat earned income on any reserve or capital  
11 account?

12 A. Liberty Witness Niehaus proposes, “all amounts in the Capital Subaccount  
13 should be returned to the shareholders of Liberty.”<sup>10</sup> Also in Liberty’s proposed draft financing  
14 order Liberty states, “Upon payment of the principal amount of all securitized utility tariff  
15 bonds and the discharge of all obligations that may be paid by use of securitized utility tariff  
16 charges, all amounts in the capital subaccount, including any investment earnings, will be  
17 released to BondCo for payment to Liberty. Investment earnings in this subaccount may be  
18 released earlier in accordance with the indenture.’

19 Q. Does Staff support this proposal?

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<sup>9</sup> Response to OPC Data Request 1301 in Case No. EO-2022-0193.

<sup>10</sup> Direct testimony of Katrina A. Niehaus in Case No. EO-2022-0040, pg. 15, lines 21-23; Direct testimony of Katrina A. Niehaus in Case No. EO-2022-0040; pg. 15, lines 18-20.

Rebuttal Testimony of  
Kimberly K. Bolin

1           A.     No. Section 393.1700.2(3)(c) of the Securitization Statute Allowing Liberty to  
2 also recover all earned interest earned on amounts it contributed would allow Liberty to earn a  
3 return in excess of that authorized by the statute. The Commission should order Liberty to  
4 include in a general rate proceeding a credit to customers to account for any investment earnings  
5 returned to the Liberty from this capital subaccount.

6           Q.     Does this conclude your rebuttal testimony?

7           A.     Yes.

**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 ) Case No. EO-2022-0040  
Obtain a Financing Order that Authorizes 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 the ) Case No. EO-2022-0193  
Issuance of Securitized Utility Tariff Bonds )  
for Energy Transition Costs Related to the )  
Asbury Plant )

**AFFIDAVIT OF KIMBERLY K. BOLIN**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

COMES NOW KIMBERLY K. BOLIN and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Kimberly K. Bolin*; and that the same is true and correct according to her best knowledge and belief.

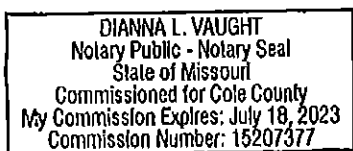
Further the Affiant sayeth not.

*Kimberly K. Bolin*  
KIMBERLY K. BOLIN

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11<sup>th</sup> day of May, 2022.

*Dianna L. Vaught*  
Notary Public





**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Ozarks Medical Center vs. Summit Natural Gas of Missouri, Inc.	GC-2022-0158	<b><u>Rebuttal</u></b> – Accounting Authority Order	Pending
The Empire District Gas Company	GR-2021-0320	<b><u>Direct</u></b> – Excess ADIT and Tax Tracker	Settled
The Empire District Electric Company	EU-2021-0274	<b><u>Rebuttal</u></b> – Winter Storm Uri AAO	Pending
The Empire District Electric Company	ER-2021-0312	<b><u>Cost of Service Report</u></b> – ARO, Amortization of Excess ADIT, Regulatory Lag and Risk Mitigation <b><u>Rebuttal</u></b> – Business Risk, Paygo, AROs, Transmission Tracker <b><u>Surrebuttal</u></b> - Non-FAC Wind Revenues, ADIT and Excess ADIT, Iatan/PCB Environmental Costs, Market Price Protection Mechanism, Winter Storm Uri	Settled
Ameren Missouri	ER-2021-0240	<b><u>Cost of Service Report</u></b> – COVID-19 AAO Cost Recovery, Rate Switching Tracker, Allocation Factors, Company Owned Life Insurance, Equity Issuance Costs, Tracker Mechanisms Proposals Policy <b><u>Surrebuttal</u></b> – Normalization of COVID-19 Costs, Allocations, AMI Software	Settled
Ameren Missouri	GR-2021-0241	<b><u>Cost of Service Report</u></b> - COVID-19 AAO Cost Recovery, AMI-Software, Allocation Factors <b><u>Surrebuttal</u></b> – Normalization of COVID-19 Costs, AMI Software	Settled
Evergy Missouri Metro and Evergy Missouri West	ET-2021-0151	<b><u>Rebuttal Report</u></b> – Accounting	Contested
Spire Missouri	GR-2021-0108	<b><u>Cost of Service Report</u></b> – COVID-19 AAO Recovery <b><u>Surrebuttal</u></b> – Trackers	Settled

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Missouri-American Water Company	WR-2020-0344	<b><u>Cost of Service Report</u></b> – Future Test Year, Credit Card Fee Expense, Amortization of Excess ADIT, COVID-19 AAO Recovery <b><u>Rebuttal</u></b> – Future Test Year, COVID-19 AAO Recovery, Amortization of Excess ADIT, Affiliate Transactions, AFUDC Rate <b><u>Surrebuttal</u></b> – Future Test Year, COVID-19 AAO, Tax Cut and Jobs Act of 2017, Outside Services, COVID Impacts on Revenue	Settled
Spire Missouri, Inc.	GU-2020-0376	<b><u>Rebuttal</u></b> – Accounting Authority Order, Lost Revenues	Settled
Evergy Metro, Inc., d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West	EU-2020-0350	<b><u>Rebuttal</u></b> – Accounting Authority Order, Lost Revenue, Carrying Costs	Contested
Empire District Electric Company	ER-2020-0311	<b><u>Rebuttal</u></b> – Coal Inventory Adjustment <b><u>Surrebuttal</u></b> – Coal Inventory Adjustment	Settled
Empire District Electric Company	ER-2019-0374	<b><u>Direct</u></b> – Overview of Staff’s Filing <b><u>Cost of Service Report</u></b> – Executive Overview, Test year/True-Up Period, Vegetation Management Tracker Regulatory Asset, Iatan and Plum Point Carrying Costs, Stub Period Tax Cut/Removal of Tax Impact, Tornado AAO, Rate Case Expense Sharing, Credit Card Fees, Clearing Accounts <b><u>Rebuttal</u></b> – Asset Retirement Obligations, AAO and Tracker Policy, Affiliate Transactions <b><u>Surrebuttal/True-Up</u></b> – Unamortized Balance of Joplin AAO, Credit Card Fees, Payroll Test year, Rate Case Expense Sharing, LED Lighting, Low-Income Pilot Program Amortization, Affiliate Transactions <b><u>Supplemental</u></b> – Jurisdictional Allocations, Rate Case Expense, Management Expense, Pension and OPEBs, Affiliate Transactions, Software Maintenance	Contested

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Confluence Rivers Utility Operating Co., Inc.	WA-2019-0299	<b><u>Surrebuttal</u></b> – Quality of Service <b><u>Direct</u></b> – Net Book Value of Plant	Contested
Osage Utility Operating Co., Inc.	WA-2019-0185	<b><u>Surrebuttal</u></b> – Rate Base, Acquisition Incentive	Contested
Spire Inc.	GO-2019-0115 and GO-2019-116	<b><u>Staff Direct Report</u></b> – Blanket Work Orders and Current Income Taxes	Contested
Empire District Electric Company and Liberty Utilities	AO-2018-0179	<b><u>Direct</u></b> – Moneypool <b><u>Surrebuttal</u></b> - Moneypool	Contested
Confluence Rivers Utility Operating Company, Inc.	WM-2018-0116 and SM-2018-0117	<b><u>Direct</u></b> – Rate Base, Roy L Utilities	Settled
Spire Missouri Inc.	GO-2016-0332, GO-2016-0333, GO-2017-0201, GO-2017-0202 GO-2018-0309 and GO-2018-0310	<b><u>Direct</u></b> – Removal of Plastic Main and Service Line Replacement Costs	Contested
Missouri-American Water Company	WR-2017-0285	<b><u>Cost of Service Report</u></b> – Pension/OPEB Tracker, FAS 87 Pension Costs, FAS 106 OPEBs Costs, Franchise Taxes <b><u>Rebuttal</u></b> – Defined Contribution Plan, Cloud Computing, Affiliate Transaction Rule (Water Utility) <b><u>Surrebuttal</u></b> – Rate Case Expense	Settled
Missouri-American Water Company	WO-2018-0059	<b><u>Direct</u></b> – ISRS Overview, Accumulated Deferred Income Taxes, Reconciliation	
Missouri Gas Energy and Laclede Gas Company	GO-2016-0332 and GO-2016-0333	<b><u>Rebuttal</u></b> – Inclusion of Plastic Main and Service Line Replacements	Contested
Empire District Electric Company/Liberty Utilities	EM-2016-0213	<b><u>Rebuttal</u></b> – Overview of Transaction, Ratemaking /Accounting Conditions, Access to Records <b><u>Surrebuttal</u></b> – OPC Recommended Conditions, SERP	Settled
Hillcrest Utility Operating Company, Inc.	WR-2016-0064	<b><u>Direct</u></b> – Partial Disposition Agreement	Contested

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Empire District Electric Company	ER-2016-0023	<b><u>Requirement Report</u></b> – Riverton Conversion Project and Asbury Air Quality Control System <b><u>Direct</u></b> – Overview of Staff’s Revenue Requirement Report and Overview of Staff’s Rate Design Filing	Settled
Missouri-American Water Company	WR-2015-0301	<b><u>Report on Cost of Service</u></b> – Corporate Allocation, District Allocations <b><u>Rebuttal</u></b> – District Allocations, Business Transformation <b><u>Surrebuttal</u></b> – District Allocations, Business Transformation, Service Company Costs	Settled
Empire District Electric Company	ER-2014-0351	<b><u>Direct</u></b> – Overview of Staff’s Filing <b><u>Rebuttal</u></b> - ITC Over-Collection, Cost of Removal Deferred Tax Amortization, State Flow-Through <b><u>Surrebuttal</u></b> – Unamortized Balance of Joplin Tornado, ITC Over-Collections, Cost of Removal Deferred Tax Amortization, State Flow-Through, Transmission Revenues and Expenses	Settled
Brandco Investments/ Hillcrest Utility Operating Company, Inc.	WO-2014-0340	<b><u>Rebuttal</u></b> – Rate Base and Future Rates	Settled
Lake Region Water & Sewer	WR-2013-0461	<b><u>Direct</u></b> – Overview of Staff’s Filing <b><u>Report on Cost of Service</u></b> – True-Up, Availability Fees, Sewer Operating Expense, Sewer Equipment Maintenance Expense <b><u>Surrebuttal</u></b> – Availability Fees <b><u>True-Up Direct</u></b> – Overview of True-Up Audit <b><u>True-Up Rebuttal</u></b> – Corrections to True-Up	Contested

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Empire District Electric Company	ER-2012-0345	<p><b><u>Direct</u></b>- Overview of Staff's Filing  <b><u>Report on Cost of Service</u></b>- SWPA Hydro Reimbursement, Joplin Tornado AAO Asset, SPP Revenues, SPP Expenses, Regulatory Plan Amortization Impacts, SWPA Amortization, Tornado AAO Amortization  <b><u>Rebuttal</u></b>- Unamortized Balance of Joplin Tornado AAO, Rate Case Expense, True-Up and Uncontested Issues  <b><u>Surrebuttal</u></b>- Unamortized Balance of Joplin Tornado AAO, SPP Transmission Expense, True-Up, Advanced Coal Investment Tax Credit</p>	Settled
Missouri-American Water Company	WR-2011-0337	<p><b><u>Direct</u></b>- Overview of Staff's Filing  <b><u>Report on Cost of Service</u></b>- True-Up Recommendation, Tank Painting Tracker, Tank Painting Expense  <b><u>Rebuttal</u></b>- Tank Painting Expense, Business Transformation  <b><u>Surrebuttal</u></b>- Tank Painting Tracker, Acquisition Adjustment</p>	Settled
Missouri-American Water Company	WR-2010-0131	<p><b><u>Report on Cost of Service</u></b>- Pension/OPEB Tracker, Tank Painting Tracker, Deferred Income Taxes, FAS 87 Pension Costs, FAS 106 – Other Post-Employment Benefits, Incentive Compensation, Group Insurance and 401(k) Employer Costs, Tank Painting Expense, Dues and Donations, Advertising Expense, Promotional Items, Current and Deferred Income Tax Expense</p>	Settled
Empire District Gas Company	GR-2009-0434	<p><b><u>Report on Cost of Service</u></b>- Prepaid Pension Asset, Pension Tracker Asset/Liability, Unamortized Accounting Authority Order Balances, Pension Expense, OPEBs, Amortization of Stock Issuance Costs, Amortization of Accounting Authority Orders  <b><u>Direct</u></b>- Overview of Staff's Filing</p>	Settled
Laclede Gas Company	GT-2009-0056	<p><b><u>Surrebuttal Testimony</u></b>- Tariff</p>	Contested

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Missouri-American Water Company	WR-2008-0311 & SR-2008-0312	<b><u>Report on Cost of Service</u></b> – Tank Painting Tracker, Lobbying Costs, PSC Assessment <b><u>Direct</u></b> – Overview of Staff’s Filing <b><u>Rebuttal</u></b> – True-Up Items, Unamortized Balance of Security AAO, Tank Painting Expense, Fire Hydrant Painting Expense <b><u>Surrebuttal</u></b> – Unamortized Balance of Security AAO, Cedar Hill Waste Water Plant, Tank Painting Expense, Fire Hydrant Painting Expense	Settled
Missouri Gas Utility, Inc.	GR-2008-0060	<b><u>Report on Cost of Service</u></b> – Plant-in Service/Capitalization Policy, Plant-in Service/Purchase Price Valuation, Depreciation Reserve, Revenues, Uncollectible Expense	Settled
Laclede Gas Company	GR-2007-0208	<b><u>Direct</u></b> - Test Year and True-Up, Environmental costs, AAOs, Revenue, Miscellaneous Revenue, Gross receipts Tax, Gas Costs, Uncollectibles, EWCR, AMR, Acquisition Adjustment	Settled
Kansas City Power and Light Company	ER-2006-0314	<b><u>Direct</u></b> - Gross Receipts Tax, Revenues, Weather Normalization, Customer Growth/Loss Annualization, Large Customer Annualization, Other Revenue, Uncollectible (Bad Debt) Expense, Payroll, A&G Salaries Capitalization Ratio, Payroll Taxes, Employer 401 (k) Match, Other Employee Benefits <b><u>Surrebuttal</u></b> - Uncollectible (Bad Debt) Expense, Payroll, A&G Salaries Capitalization Ratio, Other Employee Benefits	Contested
Missouri Gas Energy	GR-2006-0204	<b><u>Direct</u></b> - Payroll, Incentive Compensation, Payroll Taxes, Employee Benefits, Lobbying, Customer & Governmental Relations Department, Collections Contract	Settled

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

**WHILE EMPLOYED WITH THE OFFICE OF THE PUBLIC COUNSEL**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Missouri Gas Energy	GU-2005-0095	<b><u>Rebuttal</u></b> - Accounting Authority Order <b><u>Surrebuttal</u></b> - Accounting Authority Order	Contested
The Empire District Electric Company	ER-2004-0570	<b><u>Direct</u></b> - Payroll	Settled
Missouri American Water Company & Cedar Hill Utility Company	SM-2004-0275	<b><u>Direct</u></b> - Acquisition Premium	Settled
Missouri Gas Energy	GR-2004-0209	<b><u>Direct</u></b> - Safety Line Replacement Program; Environmental Response Fund; Dues & Donations; Payroll; Customer & Governmental Relations Department Disallowance; Outside Lobbyist Costs <b><u>Rebuttal</u></b> - Customer Service; Incentive Compensation; Environmental Response Fund; Lobbying/Legislative Costs <b><u>True-Up</u></b> - Rate Case Expense	Contested
Osage Water Company	ST-2003-0562 / WT-2003-0563	<b><u>Direct</u></b> - Payroll <b><u>Rebuttal</u></b> - Payroll; Lease Payments to Affiliated Company; alleged Legal Requirement of a Reserve	Case Dismissed
Missouri American Water Company	WR-2003-0500	<b><u>Direct</u></b> - Acquisition Adjustment; Water Treatment Plant Excess Capacity; Retired Treatment Plan; Affiliated Transactions; Security AAO; Advertising Expense; Customer Correspondence	Settled
Empire District Electric	ER-2002-424	<b><u>Direct</u></b> - Dues & Donations; Memberships; Payroll; Security Costs <b><u>Rebuttal</u></b> - Energy Traders' Commission <b><u>Surrebuttal</u></b> - Energy Traders' Commission	Settled

**CASE PARTICIPATION  
OF  
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**WHILE EMPLOYED WITH THE OFFICE OF THE PUBLIC COUNSEL**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Laclede Gas Company	GR-2002-356	<b><u>Direct</u></b> - Advertising Expense; Safety Replacement Program and the Copper Service Replacement Program; Dues & Donations; Rate Case Expense <b><u>Rebuttal</u></b> - Gas Safety Replacement Program / Deferred Income Taxes for AAOs	Settled
Missouri-American Water Company	WO-2002-273	<b><u>Rebuttal</u></b> - Accounting Authority Order <b><u>Cross-Surrebuttal</u></b> - Accounting Authority Order	Contested
Environmental Utilities	WA-2002-65	<b><u>Direct</u></b> - Water Supply Agreement <b><u>Rebuttal</u></b> - Certificate of Convenience & Necessity	Contested
Warren County Water & Sewer	WC-2002-160 / SC-2002-155	<b><u>Direct</u></b> - Clean Water Act Violations; DNR Violations; Customer Service; Water Storage Tank; Financial Ability; Management Issues <b><u>Surrebuttal</u></b> - Customer Complaints; Poor Management Decisions; Commingling of Regulated & Non-Related Business	Contested
Laclede Gas Company	GR-2001-629	<b><u>Direct</u></b> - Advertising Expense; Safety Replacement Program; Dues & Donations; Customer Correspondence	Settled
Gateway Pipeline Company	GM-2001-585	<b><u>Rebuttal</u></b> - Acquisition Adjustment; Affiliated Transactions; Company's Strategic Plan	Contested
Empire District Electric	ER-2001-299	<b><u>Direct</u></b> - Payroll; Merger Expense <b><u>Rebuttal</u></b> - Payroll <b><u>Surrebuttal</u></b> - Payroll	Settled
Osage Water Company	SR-2000-556/ WR-2000-557	<b><u>Direct</u></b> - Customer Service	Contested



**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

**WHILE EMPLOYED WITH THE OFFICE OF THE PUBLIC COUNSEL**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
St. Louis County Water Company	WR-2000-844	<b><u>Direct</u></b> - Main Incident Expense	Settled
Missouri American Water Company	WR-2000-281/ SR-2000-282	<b><u>Direct</u></b> - Water Plant Premature Retirement; Rate Case Expense <b><u>Rebuttal</u></b> - Water Plant Premature Retirement <b><u>Surrebuttal</u></b> - Water Plant Premature Retirement	Contested
Laclede Gas Company	GR-99-315	<b><u>Direct</u></b> - Advertising Expense; Dues & Donations; Miscellaneous Expense; Items to be Trued-up	Contested
St. Joseph Light & Power	HR-99-245	<b><u>Direct</u></b> - Advertising Expense; Dues & Donations; Miscellaneous Expense; Items to be Trued-up <b><u>Rebuttal</u></b> - Advertising Expense <b><u>Surrebuttal</u></b> - Advertising Expense	Settled
St. Joseph Light & Power	ER-99-247	<b><u>Direct</u></b> - Merger Expense; Rate Case Expense; Deferral of the Automatic Mapping/Facility Management Costs <b><u>Rebuttal</u></b> - Merger Expense; Rate Case Expense; Deferral of the Automatic Mapping/Facility Management Costs <b><u>Surrebuttal</u></b> - Merger Expense; Rate Case Expense; Deferral of the Automatic Mapping/Facility Management Costs	Settled
Laclede Gas Company	GR-98-374	<b><u>Direct</u></b> - Advertising Expense; Gas Safety Replacement AAO; Computer System Replacement Costs	Settled
Missouri Gas Energy	GR-98-140	<b><u>Direct</u></b> - Payroll; Advertising; Dues & Donations; Regulatory Commission Expense; Rate Case Expense	Contested

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

**WHILE EMPLOYED WITH THE OFFICE OF THE PUBLIC COUNSEL**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Gascony Water Company, Inc.	WA-97-510	<b><u>Rebuttal</u></b> - Rate Base; Rate Case Expense; Cash Working Capital	Settled
Union Electric Company	GR-97-393	<b><u>Direct</u></b> - Interest Rates for Customer Deposits	Settled
St. Louis County Water Company	WR-97-382	<b><u>Direct</u></b> - Interest Rates for Customer Deposits, Main Incident Expense	Settled
Associated Natural Gas Company	GR-97-272	<b><u>Direct</u></b> - Acquisition Adjustment; Interest Rates for Customer Deposits <b><u>Rebuttal</u></b> - Acquisition Adjustment; Interest Rates for Customer Deposits <b><u>Surrebuttal</u></b> - Interest Rates for Customer Deposits	Contested
Missouri-American Water Company	WA-97-45	<b><u>Rebuttal</u></b> - Waiver of Service Connection Charges	Contested
Imperial Utility Corporation	SC-96-427	<b><u>Direct</u></b> - Revenues, CIAC <b><u>Surrebuttal</u></b> - Payroll; Uncollectible Accounts Expense; Rate Case Expense, Revenues	Settled
St. Louis Water Company	WR-96-263	<b><u>Direct</u></b> -Main Incident Repairs <b><u>Rebuttal</u></b> - Main Incident Repairs <b><u>Surrebuttal</u></b> - Main Incident Repairs	Contested
Steelville Telephone Company	TR-96-123	<b><u>Direct</u></b> - Depreciation Reserve Deficiency	Settled

**CASE PARTICIPATION  
OF  
KIMBERLY K. BOLIN**

**WHILE EMPLOYED WITH THE OFFICE OF THE PUBLIC COUNSEL**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Missouri-American Water Company	WR-95-205/ SR-95-206	<b><u>Direct</u></b> - Property Held for Future Use; Premature Retirement of Sewer Plant; Depreciation Study Expense; Deferred Maintenance <b><u>Rebuttal</u></b> - Property Held for Future Use; Premature Retirement of Sewer Plant; Deferred Maintenance <b><u>Surrebuttal</u></b> - Property Held for Future Use; Premature Retirement of Sewer Plant	Contested
St. Louis County Water Company	WR-95-145	<b><u>Rebuttal</u></b> - Tank Painting Reserve Account; Main Repair Reserve Account <b><u>Surrebuttal</u></b> - Main Repair Reserve Account	Contested

**The Empire District Electric Company**  
**EO-2022-0193**  
**Missouri Asbury Securitization**  
**Asbury (Retired Portion) ADIT NPV**  
**10 year**

Asbury ADIT 
**Projected 4/30/2022**  
**(22,306,686) Ties to Workpaper**

Year	Estimated Total Deferred Taxes	Balance ADIT	Plant Retirement
			Customer Net Tax Benefit
	(22,306,686)	(22,306,686)	
1	(2,230,668.62)	(20,076,018)	(2,230,669)
2	(2,230,668.62)	(17,845,349)	(2,230,669)
3	(2,230,668.62)	(15,614,680)	(2,230,669)
4	(2,230,668.62)	(13,384,012)	(2,230,669)
5	(2,230,668.62)	(11,153,343)	(2,230,669)
6	(2,230,668.62)	(8,922,674)	(2,230,669)
7	(2,230,668.62)	(6,692,006)	(2,230,669)
8	(2,230,668.62)	(4,461,337)	(2,230,669)
9	(2,230,668.62)	(2,230,669)	(2,230,669)
10	(2,230,668.62)	-	(2,230,669)
	(22,306,686)		

**Total NPV ADIT (19,553,254)**  
 10 year

Prepared by: Kim Bolin

**The Empire District Electric Company**  
**EO-2022-0193**  
**Missouri Asbury Securitization**  
**Asbury (Retired Portion) ADIT NPV**  
**13 year**

Asbury ADIT **Projected 4/30/2022**  
**(22,306,686)**

Year	Estimated Total Deferred Taxes	Balance ADIT	Plant Retirement
			Customer Net Tax Benefit
	(22,306,686)	(22,306,686)	
1	(1,715,899)	(20,590,787)	(1,715,899)
2	(1,715,899)	(18,874,888)	(1,715,899)
3	(1,715,899)	(17,158,989)	(1,715,899)
4	(1,715,899)	(15,443,090)	(1,715,899)
5	(1,715,899)	(13,727,191)	(1,715,899)
6	(1,715,899)	(12,011,293)	(1,715,899)
7	(1,715,899)	(10,295,394)	(1,715,899)
8	(1,715,899)	(8,579,495)	(1,715,899)
9	(1,715,899)	(6,863,596)	(1,715,899)
10	(1,715,899)	(5,147,697)	(1,715,899)
11	(1,715,899)	(3,431,798)	(1,715,899)
12	(1,715,899)	(1,715,899)	(1,715,899)
13	(1,715,899)	-	(1,715,899)
	(22,306,686)		
<b>Total NPV ADIT</b>			<b>(18,882,796)</b>
13 year			

Prepared by; Kim Bolin

**The Empire District Electric Company**  
**EO-2022-0193**  
**Missouri Asbury Securitization**  
**Asbury (Retired Portion) ADIT NPV**  
**15 year**

Asbury ADIT **Projected 4/30/2022**  
**(22,306,686)**

Year	Estimated Total Deferred Taxes	Balance ADIT	Plant Retirement
			Customer Net Tax Benefit
	(22,306,686)	(22,306,686)	
1	(1,487,112.41)	(20,819,574)	(1,487,112)
2	(1,487,112.41)	(19,332,461)	(1,487,112)
3	(1,487,112.41)	(17,845,349)	(1,487,112)
4	(1,487,112.41)	(16,358,237)	(1,487,112)
5	(1,487,112.41)	(14,871,124)	(1,487,112)
6	(1,487,112.41)	(13,384,012)	(1,487,112)
7	(1,487,112.41)	(11,896,899)	(1,487,112)
8	(1,487,112.41)	(10,409,787)	(1,487,112)
9	(1,487,112.41)	(8,922,674)	(1,487,112)
10	(1,487,112.41)	(7,435,562)	(1,487,112)
11	(1,487,112.41)	(5,948,450)	(1,487,112)
12	(1,487,112.41)	(4,461,337)	(1,487,112)
13	(1,487,112.41)	(2,974,225)	(1,487,112)
14	(1,487,112.41)	(1,487,112)	(1,487,112)
15	(1,487,112.41)	(0)	(1,487,112)
	(22,306,686.17)		

**Total NPV ADIT** **(18,453,200)**  
15 year

Prepared by: Kim Bolin

**The Empire District Electric Company**  
EO-2022-0193  
Missouri Asbury Securitization  
Asbury (Retired Portion) ADIT

Line No.	Description (a)	Total	Missouri Jurisdictional Allocation	Total Missouri	Tax Rate	ADIT
		Asbury (Retired Plant) Proposed ER-2022-0193		Asbury (Retired Plant) Proposed ER-2022-0193		
1	Net Retired Asbury Plant	\$ 159,414,474	100.00%	\$ 159,414,474	23.8401%	\$ (38,004,570)
2	Asbury Environmental Regulatory Assets	1,494,657	100.00%	1,494,657	23.8401%	(356,328)
3	Asbury Fuel Inventories	1,532,832	100.00%	1,532,832	23.8401%	(365,429)
4	Asbury ADIT	-	100.00%	-		-
5	Additional Asbury Decommissioning Costs (Phase 2) (1)	4,000,000	88.53%	3,541,054	23.8401%	(844,191)
6	Additional Asbury Decommissioning Costs (Phase 3) (1)	3,800,000	88.53%	3,364,002	23.8401%	(801,981)
7	Additional Asbury Asset Retirement Obligation Costs - Asbestos	-	88.53%	-	23.8401%	-
8	Additional Asbury Asset Retirement Obligation Costs - CCR Impoundment	-	88.53%	-	23.8401%	-
9	Asbury AAO Liability	(75,779,097)	100.00%	(75,779,097)	23.8401%	18,065,813
10	<b>Total Asbury Costs to Securitize: (2)</b>	<u>\$ 94,462,866</u>		<u>\$ 93,567,922</u>		<u>\$ (22,306,686)</u>

**Footnote:**

(1) - From Black and Veatch Demo Cost Estimate - November 2021 Memo.

(2) - All costs represent the Missouri jurisdictional actuals as of 1/31/2022 except for the additional projected decommissioning and ARO costs.

Prepared by: Kim Bolin