

Exhibit No.: 7
Issues: Update/True-Up of Rate Base,
Revenues, and Expenses
Witness: Sheri Richard
Type of Exhibit: True-Up Direct Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2019-0374
Date Testimony Prepared: March 2020

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

True-Up Direct Testimony

of

Sheri Richard

on behalf of

**The Empire District Electric Company
a Liberty Utilities Company**

March 2020



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OF
SHERI RICHARD
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2019-0374

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TRUE-UP DIRECT TESTIMONY
OF
SHERI RICHARD
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2019-0374

1 I. **INTRODUCTION**

2 Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

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

5 Q. **BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by Liberty Utilities Service Corp. as the Director of Rates and
7 Regulatory Affairs for Liberty Utilities' Central Region, which includes The Empire
8 District Electric Company ("Liberty-Empire" or "Company"), as well as gas, water
9 and wastewater utilities serving in the Central Region.

10 Q. **ARE YOU THE SAME SHERI RICHARD THAT FILED DIRECT AND**
11 **REBUTTAL TESTIMONY IN THIS CASE ON BEHALF OF LIBERTY-**
12 **EMPIRE?**

13 A. Yes. I submitted Direct Testimony on August 14, 2019, and Corrected Direct
14 Testimony on August 23, 2019. I also submitted Rebuttal Testimony on March 3,
15 2020.

16 Q. **WHAT IS THE PURPOSE OF YOUR TRUE-UP DIRECT TESTIMONY IN**
17 **THIS PROCEEDING?**

18 A. The purpose of my true-up direct testimony is to sponsor the accounting schedules
19 that update and/or true up various components of the Company's proposed revenue
20 requirement in this case. These include an update of all rate base and plant-in-service

1 additions through January 31, 2020, and an update and/or true-up of certain known
2 and measurable changes in operating expenses and revenues that occurred between
3 March 31, 2019 and January 31, 2020.

4 **Q. ARE YOU SPONSORING ANY SCHEDULES WITH YOUR TESTIMONY?**

5 A. Yes. I am sponsoring the following schedules:

- 6 • True-Up Schedule SDR-1 – Revenue Requirement
- 7 • True-Up Schedule SDR-2 – Rate Base
- 8 • True-Up Schedule SDR-3 – Rate Base Adjustments
- 9 • True-Up Schedule SDR-4 – Operating Income
- 10 • True-Up Schedule SDR-5 – Operating Income Adjustments
- 11 • True-Up Schedule SDR-6 – Weighted Average Cost of Capital
- 12 • True-Up Schedule SDR-7 – Gross Revenue Conversion Factor
- 13 • True-Up Schedule SDR-8 – Income Taxes

14 **Q. WAS THE INFORMATION CONTAINED IN THE SCHEDULES OBTAINED**
15 **OR DERIVED FROM THE BOOKS AND RECORDS OF THE COMPANY?**

16 A. Yes. The information contained in the schedules I am sponsoring was obtained or
17 derived from the books and records of Liberty-Empire for the twelve months ended
18 March 31, 2019 and adjusted as appropriate to reflect known and measurable changes
19 as of January 31, 2020.

20 **Q. WHAT BASE RATE INCREASE IS THE COMPANY REQUESTING AS A**
21 **RESULT OF THE TRUE-UP PROCESS IN THIS CASE?**

22 A. The Company is requesting that the Commission approve a \$21,916,462 base rate
23 increase, which is an overall rate increase of 4.05%.

Line No.	Reference Schedule	General Rate Change	
1	True-Up SDR-1	Total Rate Base	\$ 1,405,055,147
2	True-Up SDR-1	Required Rate of Return	7.55%
3	True-Up SDR-1	Required Operating Income	106,139,271
4	True-Up SDR-1	Operating Income	89,447,715
5	True-Up SDR-1	Operating Income Deficiency	16,691,555
6	True-Up SDR-4	Federal and State Income Tax	5,224,907
7	True-Up SDR-1	Revenue Deficiency	\$ <u>21,916,462</u>

1

2 **II. REVENUE REQUIREMENT**

3 **Q. WHAT IS LIBERTY-EMPIRE'S CALCULATED OVERALL RATE OF**
4 **RETURN AFTER THE TRUE-UP PROCESS?**

5 A. Liberty-Empire's calculated overall rate of return at current rates is 6.37 percent. This
6 rate of return earned under the current rates is calculated by dividing adjusted test
7 year operating income by the adjusted test year rate base.

8 **Q. PLEASE SUMMARIZE THE RATE RELIEF THE COMPANY IS SEEKING**
9 **IN THIS PROCEEDING.**

10 A. Liberty-Empire is seeking to recover an annual revenue requirement of \$562.5
11 million and a current revenue deficiency of \$21.9 million.

12 **Q. PLEASE DESCRIBE SCHEDULES TRUE-UP SDR-1 THROUGH TRUE-UP**
13 **SDR-8 OF THE REVENUE REQUIREMENT MODEL.**

1 A. Schedule True-Up SDR-1 presents Liberty-Empire’s true-up revenue requirement and
2 the overall revenue requirement calculation. Schedule True-Up SDR-2 summarizes
3 the Company’s test year rate base, including pro forma adjustments calculated
4 through the true-up period and the resulting adjusted rate base. Schedule True-Up
5 SDR-4 summarizes the test year statement of operating income, including pro forma
6 adjustments and the resulting adjusted operating income. Schedule True-Up SDR-3
7 and Schedule True-Up SDR-5 reflect the individual adjustments to rate base and
8 operating income, respectively. Schedule True-Up SDR-6 presents the overall cost of
9 capital used in the calculation of the revenue requirement. Schedule True-Up SDR-7
10 calculates the Gross Revenue Conversion Factor based on the effective state and
11 federal income tax rates, and Schedule True-Up SDR-8 calculates Liberty-Empire’s
12 income tax expense based on its calculated net operating income or loss and the state
13 and federal effective tax rates presented on Schedule True-Up SDR-7.

14 **III. TRUE UP OF RATE BASE ITEMS**

15 **Q. PLEASE QUANTIFY THE RATE BASE COMPONENTS THAT ARE BEING**
16 **TRUED UP BY THE COMPANY.**

17 A. The total rate base as filed in the Company’s direct testimony was \$1,457,360,469.
18 After the update of rate base items to January 31, 2020, the Company’s total rate base
19 is \$1,405,055,147. The rate base items that were updated in the Company’s true-up
20 direct testimony are as follows:

- 21 • Electric Plant in Service
- 22 • Accumulated Depreciation
- 23 • Cash Working Capital
- 24 • Prepayments

- 1 • Materials, Supplies, and Fuel Inventories
- 2 • Regulatory Assets and Liabilities
- 3 • Customer Advances and Deposits
- 4 • Accumulated Deferred Income Taxes (“ADIT”)

5 **Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE BY THE COMPANY TO**
6 **TRUE UP THESE RATE BASE ITEMS.**

7 A. The table below provides a listing of all the rate base adjustments made by the
8 Company to true up the rate base component of its revenue requirement.

9

Rate Base		
Adjustment No.	Description	MO Adjustment Amount Increase/(Decrease)
RB ADJ 1	Plant In Service	\$117,713,439
RB ADJ 2	Removal of Common Property	(2,042,346)
RB ADJ 3	Removal of Water Inventory	(67,179)
RB ADJ 4	Pension and OPEB	9,511,403
RB ADJ 5	Low Income Pilot Program Regulatory Asset	246,851
RB ADJ 7	ADIT True up	(15,775,811)
RB ADJ 8	Accumulated Depreciation/Amortization	(25,981,394)
RB ADJ 9	Regulatory Asset & Liabilities	18,905,938
RB ADJ 10	Asset Retirement Obligations	9,180,956
RB ADJ 11	Prepayments and Materials and Supplies	335,661
RB ADJ 12	Cash Working Capital	(6,876,846)
RB ADJ 13	Customer Deposits & Advances	(364,094)
RB ADJ 14	Fuel Inventory	(799,659)
IS ADJ 45	Advertising Expense	(119)

10

11 **Q. PLEASE DESCRIBE RB ADJ 1.**

12 A. RB ADJ 1 reflects an adjustment to bring the March 31, 2019 test year balance to the
13 actual plant in service balances that are deemed used and useful as of January 31,
14 2020.

15 **Q. PLEASE DESCRIBE RB ADJ 2.**

1 A. RB ADJ 2 removed the portion of certain common plant assets on Liberty-Empire's
2 books which relate to non-electric service at January 31, 2020. The impact of this
3 adjustment is a decrease in the Missouri jurisdictional plant of \$4,882,321 and the
4 associated decrease in accumulated depreciation of \$2,839,974.

5 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, RB ADJ 3?**

6 A. No. Please refer to Company witness Leigha Palumbo's True-Up Direct Testimony
7 for details regarding RB ADJ 3 – Water Inventory.

8 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, RB ADJ 4?**

9 A. No. Please refer to Company witness James A. Fallert's True-Up Direct Testimony
10 for details surrounding RB ADJ 4 – Pension and OPEB.

11 **Q. PLEASE DESCRIBE RB ADJ 5.**

12 A. RB ADJ 5 adjusted the low income pilot program regulatory asset balance at test year
13 to reflect the budget cap outlined in ER-2016-0023 of \$250,000, as the actual
14 program assistance costs incurred by the Company through January 31, 2020
15 exceeded this amount.

16 **Q. IS THE COMPANY STILL RECOMMENDING RB ADJ 6 AS DESCRIBED
17 IN YOUR DIRECT TESTIMONY?**

18 A. No. The Company has removed RB ADJ 6 from its true-up revenue requirement
19 calculation as the discounts that it anticipated providing to customers in accordance
20 with the provisions of Senate Bill 564 related to economic development (RSMo.
21 393.1640) did not occur during the true-up period. It is anticipated these customers
22 will begin receiving discounts in early to mid-2020.

23 **Q. PLEASE DESCRIBE RB ADJ 7.**

1 A. RB ADJ 7 trued up the test year amount of accumulated deferred income taxes
2 included in rate base to actuals as recorded in the Company's books and records at
3 January 31, 2020.

4 **Q. PLEASE DESCRIBE RB ADJ 8.**

5 A. RB ADJ 8 trued up the test year balances of accumulated depreciation/amortization
6 for the plant in service to the actual amounts as of January 31, 2020.

7 **Q. PLEASE DESCRIBE RB ADJ 9.**

8 A. RB ADJ 9 reflects a net adjustment to increase rate base by \$18,905,938, which is
9 comprised of a net increase in regulatory assets of \$5,041,535 and a net decrease in
10 regulatory liabilities of \$13,864,403. This adjustment reflects the true-up of various
11 regulatory assets and liabilities to the balances at January 31, 2020. In addition to the
12 update of balances to January 31, the Company has removed the Tax Cut and Jobs
13 Act ("TCJA") tax regulatory liability, as well as, the regulatory asset related to the
14 Missouri Energy Efficiency Act ("MEEIA"). Refer to my previously filed Direct
15 Testimony for the Company's proposal of the treatment regarding the TCJA
16 regulatory liability. The Company is no longer seeking recovery of the regulatory
17 asset related to MEEIA in this current case.

18 **Q. PLEASE DESCRIBE RB ADJ 10.**

19 A. RB ADJ 10 increased the Missouri jurisdictional rate base for the actual amount of
20 Asset Retirement Obligations ("ARO") settlements paid out as of January 31, 2020,
21 which are currently not being recovered in Missouri retail rates.

22 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, RB ADJ 11?**

23 A. No. Please refer to Company witness Leigha Palumbo's True-Up Direct Testimony
24 for details surrounding RB ADJ 11 – Prepayments and Materials.

1 **Q. PLEASE DESCRIBE RB ADJ 12.**

2 A. RB ADJ 12 represents the cash working capital based on the Company's revenue
3 requirement at January 31, 2020. See Company witness Timothy Lyons' rebuttal
4 testimony filed on March 3, 2020 for updates reflected in the methodology for the
5 lead lag study. In addition, see witness Lyons' True-Up Direct Testimony.

6 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, RB ADJ 13?**

7 A. No. Company witness Leigha Palumbo is sponsoring RB ADJ 13 – Customer
8 Advances and Deposits for true-up.

9 **Q. ARE YOU SPONSORING THE TRUE-UP ADJUSTMENT, RB ADJ 14?**

10 A. No. Company witness Leigha Palumbo is sponsoring RB ADJ 14 – Fuel Inventories
11 for true-up.

12 **Q. PLEASE DESCRIBE IS ADJ 45.**

13 A. As discussed in my rebuttal testimony, IS ADJ 45 removes certain costs
14 recommended by Staff witness Angela Niemeier related to advertising expense,
15 which occurred in the test year from the Company's rate base.

16 **IV. TRUE-UP OF REVENUES**

17 **Q. PLEASE QUANTIFY THE REVENUES THAT ARE BEING TRUED UP BY**
18 **THE COMPANY.**

19 A. The total amount of adjusted revenues filed in the Company's direct testimony was
20 \$538,145,269. The Company has trued up specific retail revenue accounts to the true-
21 up period, January 31, 2020. In addition, the Company has adjusted other revenues
22 for known and measurable changes as of January 31, 2020. This resulted in a total
23 amount of operating revenues of \$540,607,670 for the true-up period.

1 **Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE BY THE COMPANY TO**
2 **TRUE-UP REVENUES.**

3 A. The table below provides a listing of all the revenue true-up adjustments made by the
4 Company.

Revenue		
Adjustment No.	Description	MO Adjustment Amount Increase/(Decrease)
IS ADJ 10	EDR Revenues	\$365,294
IS ADJ 12	Fuel and Purchased Power Revenues	37,046,640
IS ADJ 14	Customer Annualization	1,578,809
IS ADJ 15	Weather Normalization	(2,656,822)
IS ADJ 21	MO ITC Revenues	160,218
IS ADJ 31	Franchise Fees	(9,319,510)
IS ADJ 33	Unbilled Revenues	5,497,448
IS ADJ 34	Tax Rate Change	12,024,852
IS ADJ 38	Rent Revenues	(1,048)
IS ADJ 46	Other Revenues	(11,679)
IS ADJ 47	Rate Class Switches	2,156,517
IS ADJ 49	Retail Revenue True up	(39,584,700)
IS ADJ 51	Fuel Adjustment Clause (“FAC”) Revenues	(5,203,205)

7

8 **Q. IS THE COMPANY CONTINUING TO PROPOSE IS ADJ 9 AS FILED IN**
9 **YOUR DIRECT TESTIMONY.**

10 A. No. As mentioned above, the discounts that it anticipated providing to customers in
11 accordance with the provisions of Senate Bill 564 related to economic development
12 (RSMo. 393.1640) did not occur during the true-up period. Therefore, the Company
13 removed the adjustment for anticipated load growth as a result of the anticipated
14 expansion of the two industrial customers.

15 **Q. PLEASE DESCRIBE IS ADJ 10.**

1 A. IS ADJ 10 increased operating revenues to account for the economic development
2 discounts, as of January 31, 2020, provided to customers in accordance with Liberty-
3 Empire’s Tariff Sheet No. 22 “Economic Development Rider – Schedule EDR”.

4 **Q. PLEASE DESCRIBE IS ADJ 12.**

5 A. IS ADJ 12 increased test year operating revenues based on the Company’s fuel
6 production model with updates, as discussed in Company witness Aaron Doll’s
7 Supplemental Direct Testimony. Additionally, see Company witness Todd Tarter’s
8 Direct, Rebuttal, and Surrebuttal Testimonies for further discussion on the production
9 model and base fuel calculations.

10 **Q. PLEASE DESCRIBE IS ADJ 14.**

11 A. IS ADJ 14 increased the operating revenues by annualizing the number of Liberty-
12 Empire customers and their related usage as of January 31, 2020.

13 **Q. PLEASE DESCRIBE IS ADJ 15.**

14 A. IS ADJ 15 adjusted the twelve months of revenues ending January 31, 2020 for
15 abnormal temperatures during the true-up period. This period resulted in overall
16 higher than normal sales and revenues, so therefore, the weather normalization
17 adjustment, IS ADJ 15, decreased Missouri jurisdiction base rate revenues to reflect a
18 more weather normal true-up period.

19 **Q. PLEASE DESCRIBE IS ADJ 21.**

20 A. IS ADJ 21 trued up the proposed increase in annual operating revenues to reflect
21 amortization of the revenues associated with the investment tax credits balance at
22 January 31, 2020, which was directed in the Report and Order in ER-2014-0351.

23 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, IS ADJ 31?**

1 A. No. Company witness Leigha Palumbo is sponsoring IS ADJ 31 – Franchise Fee
2 Revenues for true-up.

3 **Q. PLEASE DESCRIBE IS ADJ 33.**

4 A. IS ADJ 33 removed the revenues at January 31, 2020 that were not billed to or
5 received from customers during the true-up period.

6 **Q. PLEASE DESCRIBE IS ADJ 34.**

7 A. IS ADJ 34 trued up operating revenues to reflect only the Ordered¹ annual amount of
8 the deferred revenues related to the change in the federal income tax rate as a result of
9 TCJA.

10 **Q. PLEASE DESCRIBE IS ADJ 38.**

11 A. IS ADJ 38 adjusts test year rent revenues to the balance at September 30, 2019 as
12 recommended by Staff witness Caroline Newkirk in Staff’s Direct Report filed on
13 January 15, 2020, which serves to more appropriately reflect the balance of that
14 account, as agreed to in my rebuttal testimony.

15 **Q. PLEASE DESCRIBE IS ADJ 46.**

16 A. IS ADJ 46 adjusts test year total Company balances for certain Other Revenues to
17 reflect a normalized balance based on a three-year average ending September 2019,
18 as recommended by Staff witness Caroline Newkirk, and as agreed to in my rebuttal
19 testimony.

20 **Q. PLEASE DESCRIBE IS ADJ 47.**

21 A. IS ADJ 47 adjusts for customers that switched rate classes during the true-up period
22 ending January 2020, as proposed by Staff witness Michelle A. Bocklage in Staff’s
23 Direct Report filed on January 15, 2020, and as agreed to in my rebuttal testimony.

¹ Report and Order File No. ER-2018-0092

1 **Q. PLEASE DESCRIBE IS ADJ 49.**

2 A. IS ADJ 49 trued up the test year retail/tariff revenue accounts to the actual balances at
3 the end of the true-up period, January 31, 2020.

4 **Q. PLEASE DESCRIBE IS ADJ 51.**

5 A. IS ADJ 51 removes the January 2020 true-up period FAC revenues, in order to be
6 able to calculate new retail rates.

7 **V. TRUE-UP OF EXPENSES**

8 **Q. PLEASE QUANTIFY THE OPERATING EXPENSE COMPONENTS THAT**
9 **ARE BEING TRUED UP BY THE COMPANY.**

10 A. The total amount of operating expenses, inclusive of income taxes, as filed in the
11 Company's direct testimony was \$449,102,403. The Company has trued up specific
12 expense accounts to the true-up period of, January 31, 2020 for certain known and
13 measurable changes. This results in a total amount of operating expenses, inclusive of
14 income taxes, of \$451,159,955 for the true-up period. The expenses that were
15 updated in the Company's true-up direct testimony are as follows:

- 16 • Operation and Maintenance Expenses
- 17 • Depreciation Expense
- 18 • Amortization Expense
- 19 • Taxes Other Than Income Taxes
- 20 • Interest on Customer Deposits
- 21 • Income Taxes

22 **Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE BY THE COMPANY TO**
23 **TRUE UP THESE EXPENSE ITEMS.**

SHERI RICHARD
TRUE-UP DIRECT TESTIMONY

- 1 A. The table below provides a listing of all the expense true-up adjustments made by the
2 Company.

Expenses		
Adjustment No.	Description	MO Adjustment Amount Increase/(Decrease)
IS ADJ 1	Uncollectible Expense	\$(143,419)
IS ADJ 2	Acquisition Costs	(102,449)
IS ADJ 4	Overtime	462,212
IS ADJ 5	Payroll	3,126,575
IS ADJ 6	Medical, Dental, Vision	704,654
IS ADJ 7	Annualize Depreciation/Amortization Expense	4,009,889
IS ADJ 8	Normalize Maintenance of Boiler Plant	475,602
IS ADJ 11	Pension and OPEB	6,378,592
IS ADJ 12	Fuel and Purchased Power	25,013,429
IS ADJ 13	Interest on Customer Deposits	792,434
IS ADJ 16	Insurance Premiums	(912,163)
IS ADJ 17	Non-Deductible	(20,199)
IS ADJ 18	Property Tax	7,059,755
IS ADJ 19	Low Income Pilot Amortization	50,000
IS ADJ 20	MO Solar Initiative Amortization	1,447,635
IS ADJ 22	Rate Case Expense	222,736
IS ADJ 24	Unprotected Excess ADIT	(8,540,550)
IS ADJ 26	Riverton Tracker Amortization	2,743,547
IS ADJ 27	Regulatory Asset/Liability Amortization	(418,327)
IS ADJ 28	Protected Excess ADIT	(2,263,671)
IS ADJ 29	Plum Point Contract	266,275
IS ADJ 30	Credit Card Payment Fees	1,297,266
IS ADJ 32	Franchise Taxes	(9,923,690)
IS ADJ 35	ARO Amortization	2,530,466
IS ADJ 36	Riverton O&M	5,649,230
IS ADJ 37	Income Taxes	4,705,440
IS ADJ 39	Normalize Outside Services	(177,565)
IS ADJ 40	Amortization Expense	(206,083)
IS ADJ 41	SWPA Amortization	109,385
IS ADJ 42	Tornado Accounting Authority Order (“AAO”) Amortization	183,564
IS ADJ 43	Annualize Lease Expense	4,913
IS ADJ 44	PSC Assessment	55,908
IS ADJ 45	Advertising Expenses	(5,159)
IS ADJ 48	Retention Bonuses	1,021,080
IS ADJ 50	Annualize Postage Expense	98,404

3

- 4 Q. **PLEASE DESCRIBE IS ADJ 1.**

1 A. IS ADJ 1 reflects a normalized amount of uncollectible expense at January 31, 2020
2 based on a five-year average historical uncollectible percentage. The uncollectible
3 percentage was also applied to the revenue deficiency as of January 2020, as shown
4 in True-Up Schedule SDR-1.

5 **Q. PLEASE DESCRIBE IS ADJ 2.**

6 A. IS ADJ 2 removes merger related transition and acquisition costs incurred during the
7 test year from the revenue requirement, as required in the stipulation and agreement
8 in Case No. EM-2016-0213.

9 **Q. IS THE COMPANY CONTINUING TO PROPOSE IS ADJ 3 AS FILED IN**
10 **YOUR DIRECT TESTIMONY?**

11 A. No. This adjustment was filed in the Company's direct filing to capture additional
12 labor costs associated with open positions that the Company reasonably anticipated
13 filling before the end of the true-up period. This adjustment is no longer included as
14 the positions that have been filled by January 31, 2020 are being captured within the
15 IS ADJ 5 for payroll.

16 **Q. PLEASE DESCRIBE IS ADJ 4.**

17 A. IS ADJ 4 increased operating expenses by reflecting a normalized amount of labor
18 costs associated with overtime pay, which is based on a two-year average overtime
19 percentage that was applied to the annualized payroll calculated in IS ADJ 5 at
20 January 31, 2020.

21 **Q. PLEASE DESCRIBE IS ADJ 5.**

22 A. IS ADJ 5 annualized payroll based on the prorated base salaries at January 31, 2020
23 for the direct and indirect employees of Liberty-Empire. The test year payroll has
24 been updated by the Company from its direct filing, as this adjustment excluded

1 certain product codes that should have been included. Additionally, in the direct
2 filing, the Company did not exclude incentive pay from the test year balance to
3 appropriately compare the base salaries of the true-up period. This adjustment now
4 reflects these changes.

5 **Q. PLEASE DESCRIBE IS ADJ 6.**

6 A. IS ADJ 6 trued up the test year healthcare (medical, dental, and vision) claim expense
7 accounts to the balances at January 31, 2020.

8 **Q. PLEASE DESCRIBE IS ADJ 7.**

9 A. IS ADJ 7 annualized depreciation and amortization expense based on the plant in
10 service at January 31, 2020, less the removal of common plant that was reflected in
11 true-up adjustment RB ADJ 2.

12 **Q. PLEASE DESCRIBE IS ADJ 8.**

13 A. IS ADJ 8 increased operating expenses by normalizing the test year expenses
14 associated with the maintenance of boiler plants based on a five-year average ending
15 January 2020.

16 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, IS ADJ 11?**

17 A. No. Company witness James A. Fallert is sponsoring IS ADJ 11 – Pension and OPEB
18 for true-up.

19 **Q. PLEASE DESCRIBE IS ADJ 12.**

20 A. IS ADJ 12 increased operating expenses based on the Company's fuel production
21 model with updates as discussed in Company witness Aaron Doll's Supplemental
22 Direct Testimony. Additionally, see Company witness Todd Tarter's Direct, Rebuttal,
23 and Surrebuttal Testimonies for further discussion on the production model and base
24 fuel calculations.

1 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, IS ADJ 13?**

2 A. No. Company witness Leigha Palumbo is sponsoring IS ADJ 13 – Interest on
3 Customer Deposits for true-up.

4 **Q. PLEASE DESCRIBE IS ADJ 16.**

5 A. IS ADJ 16 annualized Liberty-Empire’s insurance expense based on new insurance
6 premiums that went into effect after the test year. This adjustment also normalized the
7 test year level of injuries and damages claims and workers’ compensation payments
8 by utilizing a five-year average of actual payments.

9 **Q. PLEASE DESCRIBE IS ADJ 17.**

10 A. IS ADJ 17 removed certain costs recorded during the test year that the Company does
11 not seek to recover from its Missouri retail customers. This adjustment was updated
12 for additional costs disallowed by Staff in their direct testimony.

13 **Q. PLEASE DESCRIBE IS ADJ 18.**

14 A. IS ADJ 18 annualized increases in property taxes associated with the actual plant in
15 service at January 31, 2020, less the true-up common plant reflected in RB ADJ 2.

16 **Q. PLEASE DESCRIBE IS ADJ 19.**

17 A. IS ADJ 19 reflects the updated annual amortization expense for the low income pilot
18 regulatory asset balance that reflects the budget cap outlined in ER-2016-0023 of
19 \$250,000, with a proposed five-year amortization.

20 **Q. PLEASE DESCRIBE IS ADJ 20.**

21 A. IS ADJ 20 reflects the updated annual amortization expense for the Missouri solar
22 initiative regulatory asset balance at January 31, 2020, with a proposed ten-year
23 amortization.

24 **Q. PLEASE DESCRIBE IS ADJ 22.**

1 A. IS ADJ 22 was trued up to reflect annual amortization expense for the actual costs
2 incurred for rate case expense through January 31, 2020, in addition, to what is
3 expected to be incurred through the end of this proceeding, with a proposed two-year
4 amortization period.

5 **Q. IS THE COMPANY CONTINUING TO PROPOSE IS ADJ 23 AS FILED IN**
6 **YOUR DIRECT TESTIMONY?**

7 A. No. The Company has removed IS ADJ 23 from its true-up revenue requirement
8 calculation as the discounts that it anticipated providing to customers in accordance
9 with the provisions of Senate Bill 564 related to economic development (RSMo.
10 393.1640) did not occur during the true-up period. Therefore, the Company also
11 removed the adjustment related to the amortization expense associated with RB ADJ
12 6.

13 **Q. PLEASE DESCRIBE IS ADJ 24.**

14 A. IS ADJ 24 reflects the annual amortization of unprotected excess ADIT calculated
15 based on the Average Rate Assumption Method or ARAM, with a proposed three-
16 year flow back to customers.

17 **Q. IS THE COMPANY CONTINUING TO PROPOSE IS ADJ 25 AS FILED IN**
18 **YOUR DIRECT TESTIMONY?**

19 A. No. As stated above, the Company is no longer seeking recovery of the regulatory
20 asset for Missouri Energy Efficiency Investment Act (“MEEIA”) in RB ADJ 9.
21 Therefore, the Company is also not including the amortization expense adjustment
22 related to RB ADJ 9.

23 **Q. PLEASE DESCRIBE IS ADJ 26.**

1 A. IS ADJ 26 reflects the updated annual amortization expense for the Riverton 12
2 Tracker regulatory asset balance at January 31, 2020, with a proposed five-year
3 amortization.

4 **Q. PLEASE DESCRIBE IS ADJ 27.**

5 A. IS ADJ 27 was trued up to reflect the annualized amortization expense for certain
6 regulatory assets that were fully amortized by January 2020, and for additional
7 amortization incurred for the 2019 vintage costs related to the DSM regulatory asset
8 (less the removal of the costs from IS ADJ 45) that started amortizing in January
9 2020.

10 **Q. PLEASE DESCRIBE IS ADJ 28.**

11 A. IS ADJ 28 reflects the annual amortization of protected excess ADIT associated with
12 the TCJA.

13 **Q. PLEASE DESCRIBE IS ADJ 29.**

14 A. IS ADJ 29 increased the test year balance to the annualized amount of costs
15 associated with the new contracted demand charge for Liberty-Empire's Plum Point
16 generating unit, effective September 2019.

17 **Q. PLEASE DESCRIBE IS ADJ 30.**

18 A. IS ADJ 30 proposes to increase operating expenses by an estimated annualized
19 amount of fees paid by residential and commercial customers based on the number of
20 credit card payments received in the last 12 months ending January 2020, multiplied
21 by the per transaction fee of \$2.25 and \$13.00, for residential and commercial
22 customers, respectively. For further discussion on this credit card fee proposal, refer
23 to the Direct, Rebuttal, and Surrebuttal Testimonies of Company witnesses Sheri
24 Richard and Brent Baker.

1 **Q. ARE YOU SPONSORING TRUE-UP ADJUSTMENT, IS ADJ 32?**

2 A. No. Company witness Leigha Palumbo is sponsoring IS ADJ 32 – Franchise Tax for
3 true-up.

4 **Q. PLEASE DESCRIBE IS ADJ 35.**

5 A. IS ADJ 35 reflects the updated annual amortization expense for the various AROs
6 that were settled and paid at January 31, 2020, and presented in RB ADJ 6.

7 **Q. PLEASE DESCRIBE IS ADJ 36.**

8 A. IS ADJ 36 trued up the non-labor operation and maintenance expenses associated
9 with Liberty-Empire's Riverton 12 generation unit to January 31, 2020 balances in
10 order to normalize the level of expenses included in the calculation of base rates.

11 **Q. PLEASE DESCRIBE IS ADJ 37.**

12 A. IS ADJ 37 trued up the test year income taxes based on the pro forma operating
13 income reflected in the Company's true-up revenue requirement at January 31, 2020.

14 **Q. PLEASE DESCRIBE IS ADJ 39.**

15 A. IS ADJ 39 trued up the test year non-rate case related outside services utilizing a five-
16 year average for these accounts, as proposed by Staff witness Courtney Barron in
17 Staff's Direct Report filed on January 15, 2020, and as agreed to in my rebuttal
18 testimony.

19 **Q. PLEASE DESCRIBE IS ADJ 40.**

20 A. IS ADJ 40 reduced amortization expense for the various intangible plant that was
21 fully amortized as of January 31, 2020, as proposed by Staff witness Courtney Barron
22 in Staff's Direct Report filed on January 15, 2020, and as discussed in my rebuttal
23 testimony.

24 **Q. PLEASE DESCRIBE IS ADJ 41.**

1 A. IS ADJ 41 adjusted the annual amortization expense related to the SWPA Hydro
2 regulatory liability established in Case No. ER-2011-0004, as proposed by Staff
3 witness Angela Niemeier in Staff's Direct Report filed on January 15, 2020, and as
4 agreed to in my rebuttal testimony.

5 **Q. PLEASE DESCRIBE IS ADJ 42.**

6 A. IS ADJ 42 increased amortization expense for the annualized amount included in the
7 regulatory assets for the Tornado AAO that was approved in Case No. EU-2011-
8 0387, as proposed by Staff witness Kim Bolin in Staff's Direct Report filed on
9 January 15, 2020, and as agreed upon in my rebuttal testimony.

10 **Q. PLEASE DESCRIBE IS ADJ 43.**

11 A. IS ADJ 43 annualized lease expenses for additional leases entered into after the test
12 year end and for differences in payment terms for any existing leases, as proposed by
13 Staff witness Courtney Barron in Staff's Direct Report filed on January 15, 2020, and
14 as agreed to in my rebuttal testimony.

15 **Q. PLEASE DESCRIBE IS ADJ 44.**

16 A. IS ADJ 44 annualized operating expenses by including the difference between the test
17 year amount and the most recent PSC Assessment issued for the fiscal year July 2019
18 to June 2020, as proposed by Staff witness Angela Niemeier in Staff's Direct Report
19 filed on January 15, 2020, and as agreed to in my rebuttal testimony.

20 **Q. PLEASE DESCRIBE IS ADJ 45.**

21 A. As discussed in my rebuttal testimony, IS ADJ 45 removes certain costs
22 recommended by Staff witness Angela Niemeier related to advertising expense
23 incurred in the test year from the Company's revenue requirement, .

24 **Q. PLEASE DESCRIBE IS ADJ 48.**

1 A. IS ADJ 48 increased operating expenses by including an annualized amount of
2 retention bonuses paid to linemen, and other qualified employees, that started after
3 the test year end. See Company witness Jeff Westfall's Direct and True-Up Direct
4 Testimonies, as well as, my direct testimony for further discussion on retention
5 bonuses.

6 **Q. PLEASE DESCRIBE IS ADJ 50.**

7 A. IS ADJ 50 annualized test year postage expense to reflect the postal increase that
8 went into effect in January 2019, as recommended by Staff witness Angela Niemeier,
9 and as agreed to in my rebuttal testimony.

10 **VI. TRUE-UP CAPITAL STRUCTURE, COST OF DEBT, & ROE**

11 **Q. WHAT IS THE CAPITAL STRUCTURE BEING USED BY THE COMPANY**
12 **IN ITS TRUE-UP REVENUE REQUIREMENT?**

13 A. The capital structure utilized in the Company's true-up revenue requirement consists
14 of 53.07 percent common equity and 46.93 percent long-term debt based on Liberty-
15 Empire's capital structure as of January 31, 2020.

16 **Q. WHAT COST OF DEBT AND ROE IS BEING USED IN TRUE-UP?**

17 A. The cost of debt of 4.85 percent is based on the Liberty-Empire's debt as reflected in
18 its books and records at January 31, 2020, and the return on equity ("ROE") being
19 used is 9.95 percent. The cost of debt and the return on equity are the same as
20 reflected in the Company's application.

21 **VII. CURRENT REVENUE DEFICIENCY**

22 **Q. PLEASE EXPLAIN THE REVENUE DEFICIENCY SUMMARY**
23 **SCHEDULES THAT ARE ATTACHED TO YOUR TRUE-UP TESTIMONY.**

1 A. As shown by those schedules and stated previously, the Company's revenue
2 deficiency as trued up to January 31, 2020 is \$21,916,462. Please note that the true-up
3 schedules and resulting revenue deficiency were prepared consistent with the
4 methodology and positions Liberty-Empire used in direct testimony, in addition to
5 what was accepted by the Company in rebuttal testimony.

6 **Q. DOES THIS CONCLUDE YOUR TRUE-UP DIRECT TESTIMONY?**

7 A. Yes.

VERIFICATION OF SHERI RICHARD

Sheri Richard, under penalty of perjury, declares that the foregoing true-up direct testimony is true and correct to the best of her/his knowledge, information, and belief.

/s/ Sheri Richard

Sheri Richard

Director, Rates and Regulatory Affairs



The Empire District Electric Company
 Missouri Jurisdiction
 Docket No. ER-2019-0374
 True-Up Schedule SDR-1 Revenue Requirement

True-Up Revenue Requirement as of 1/31/2020					
Line No.	Description	Reference	3/31/2019 Test Year End	Pro Forma Adjustments	Adjusted Test Year End
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	Rate Base	Schedules 2 & 3	1,301,068,347	103,986,800	1,405,055,147
2	Revenues	Schedules 4 & 5	538,554,855	2,052,815	540,607,670
3	Expenses	Schedules 4 & 5	395,553,192	51,794,497	447,347,689
4	Operating Income (Loss) Before Taxes	(Line 2 - Line 3)	143,001,663	(49,741,682)	93,259,981
5	Income Taxes	Schedule 4	9,911,046	(6,098,781)	3,812,266
6	Operating Income (Loss) After Taxes	(Line 4 - Line 5)	133,090,617	(43,642,902)	89,447,715
7	Current Rate of Return	(Line 6 / Line 1)	10.23%		6.37%
8	Rate of Return Requested	Schedule 6	7.50%	0.06%	7.55%
9	Required Net Operating Income	(Line 1 x Line 8)	97,522,879	60,832	106,139,271
10	Income Deficiency	(Line 9 - Line 6)	(35,567,738)	43,703,734	16,691,555
11	Gross Revenue Conversion factor	Schedule 7	1.313027	1.313027	1.313027
12	Revenue Deficiency	(Line 10 x Line 11)	(46,701,398)	57,384,180	21,916,462
13	Revenue Deficiency %	(Line 12 / Line 2)	-8.67%		4.05%
14	Revenue Requirement	(Line 2 + Line 12)	491,853,457	59,436,994	562,524,132



The Empire District Electric Company

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True-Up Schedule SDR-2 Rate Base

Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	Pro Forma Adjustments (d)	Adjusted Test Year End (e) = (c) + (d)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524	112,831,119	2,563,462,643
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)	(23,141,420)	(894,307,105)
4	Net Plant in Service		1,579,465,839	89,689,699	1,669,155,538
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-	(6,876,846)	(6,876,846)
7	Prepayments (13-Month Average)	WP 2.4	7,478,372	(657,414)	6,820,958
8	Materials, Supplies, and Fuel Inventories (13-Month Average)	WP 2.3	46,853,981	126,238	46,980,219
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	(332,594)	(13,760,146)
11	Customer Advances	WP 2.9	(4,103,516)	(31,500)	(4,135,016)
12	Regulatory Assets	WP 2.6	63,409,608	24,698,411	88,108,019
13	Regulatory Liabilities	WP 2.7	(153,525,684)	13,146,617	(140,379,066)
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	(15,775,811)	(240,858,513)
15	Total Rate Base		1,301,068,347	103,986,800	1,405,055,147



The Empire District Electric Company

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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description	Reference	3/31/2019 Test Year End	Plant Additions RB ADJ 1	Common Plant RB ADJ 2
	(a)	(b)	(c)	(d)	(e)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524	117,713,439	(4,882,321)
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)		2,839,974
4	Net Plant in Service		1,579,465,839	117,713,439	(2,042,346)
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-	-	-
7	Prepayments	WP 2.4	7,478,372	-	-
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981	-	-
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	-	-
11	Customer Advances	WP 2.9	(4,103,516)	-	-
12	Regulatory Assets	WP 2.6	63,409,608	-	-
13	Regulatory Liabilities	WP 2.7	(153,525,684)	-	-
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	-	-
15	Total		1,301,068,347	117,713,439	(2,042,346)



The Empire District Electric Company

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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description	Reference	3/31/2019 Test Year End	Water Inventory RB ADJ 3	Pension/OPEB RB ADJ 4
	(a)	(b)	(c)	(f)	(g)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524	-	-
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)	-	-
4	Net Plant in Service		1,579,465,839	-	-
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-	-	-
7	Prepayments	WP 2.4	7,478,372	-	-
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981	(67,179)	-
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	-	-
11	Customer Advances	WP 2.9	(4,103,516)	-	-
12	Regulatory Assets	WP 2.6	63,409,608	-	10,229,189
13	Regulatory Liabilities	WP 2.7	(153,525,684)	-	(717,786)
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	-	-
15	Total		1,301,068,347	(67,179)	9,511,403



The Empire District Electric Company

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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description	Reference	3/31/2019 Test Year End	Low Income Pilot Program RB ADJ 5	SBEDR RB ADJ 6
	(a)	(b)	(c)	(h)	(i)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524	-	-
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)	-	-
4	Net Plant in Service		1,579,465,839	-	-
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-	-	-
7	Prepayments	WP 2.4	7,478,372	-	-
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981	-	-
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	-	-
11	Customer Advances	WP 2.9	(4,103,516)	-	-
12	Regulatory Assets	WP 2.6	63,409,608	246,851	
13	Regulatory Liabilities	WP 2.7	(153,525,684)	-	-
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	-	-
15	Total		1,301,068,347	246,851	-



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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	ADIT True-Up RB ADJ 7 (j)	A/D True-up RB ADJ 8 (k)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524	\$ -	\$ -
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)	-	(25,981,394)
4	Net Plant in Service		1,579,465,839	-	(25,981,394)
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-	-	-
7	Prepayments	WP 2.4	7,478,372	-	-
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981	-	-
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	-	-
11	Customer Advances	WP 2.9	(4,103,516)	-	-
12	Regulatory Assets	WP 2.6	63,409,608	-	-
13	Regulatory Liabilities	WP 2.7	(153,525,684)	-	-
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	(15,775,811)	-
15	Total		1,301,068,347	\$ (15,775,811)	\$ (25,981,394)



The Empire District Electric Company

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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description	Reference	3/31/2019 Test Year End	Regulatory Assets/Liabilities True-Up RB ADJ 9	Asset Retirement Obligations RB ADJ 10
	(a)	(b)	(c)	(l)	(m)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524	\$ -	\$ -
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)		
4	Net Plant in Service		1,579,465,839	-	-
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-	-	-
7	Prepayments	WP 2.4	7,478,372	-	-
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981	-	-
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	-	-
11	Customer Advances	WP 2.9	(4,103,516)	-	-
12	Regulatory Assets	WP 2.6	63,409,608	5,041,535	9,180,956
13	Regulatory Liabilities	WP 2.7	(153,525,684)	13,864,403	-
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	-	-
15	Total		1,301,068,347	\$ 18,905,938	\$ 9,180,956



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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description	Reference	3/31/2019 Test Year End	Prepayments & Materials RB ADJ 11	CWC RB ADJ 12
	(a)	(b)	(c)	(n)	(o)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524	\$ -	\$ -
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)	-	-
4	Net Plant in Service		1,579,465,839	-	-
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-	-	(6,876,846)
7	Prepayments	WP 2.4	7,478,372	(657,414)	-
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981	993,075	-
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	-	-
11	Customer Advances	WP 2.9	(4,103,516)	-	-
12	Regulatory Assets	WP 2.6	63,409,608	-	-
13	Regulatory Liabilities	WP 2.7	(153,525,684)	-	-
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	-	-
15	Total		1,301,068,347	\$ 335,661	\$ (6,876,846)



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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description	Reference	3/31/2019 Test Year End	Customer Advances & Deposits RB ADJ 13	Annualized Fuel Inventories RB ADJ 14
	(a)	(b)	(c)	(p)	(q)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524		
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)		
4	Net Plant in Service		1,579,465,839	-	-
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-		
7	Prepayments	WP 2.4	7,478,372		
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981		(799,659)
9	Additions and Deductions:				
10	Customer Deposits	WP 2.8	(13,427,551)	(332,594)	
11	Customer Advances	WP 2.9	(4,103,516)	(31,500)	
12	Regulatory Assets	WP 2.6	63,409,608		
13	Regulatory Liabilities	WP 2.7	(153,525,684)		
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)		
15	Total		1,301,068,347	\$ (364,094)	\$ (799,659)



The Empire District Electric Company

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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description	Reference	3/31/2019 Test Year End	Advertising Expenses WP IS ADJ 45	Total Pro Forma Adjustments
	(a)	(b)	(c)	(r)	(s) = (d) thru (r)
1	Plant in Service:				
2	Plant in Service	WP 2.1	2,450,631,524		112,831,119
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)		(23,141,420)
4	Net Plant in Service		1,579,465,839	-	89,689,699
5	Working Capital:				
6	Cash Working Capital	WP 2.10	-		(6,876,846)
7	Prepayments	WP 2.4	7,478,372		(657,414)
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981		126,238
9	Additions and Deductions:				-
10	Customer Deposits	WP 2.8	(13,427,551)		(332,594)
11	Customer Advances	WP 2.9	(4,103,516)		(31,500)
12	Regulatory Assets	WP 2.6	63,409,608	(119)	24,698,411
13	Regulatory Liabilities	WP 2.7	(153,525,684)		13,146,617
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)		(15,775,811)
15	Total		1,301,068,347	\$ (119)	103,986,800



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True-Up Schedule SDR-3 Rate Base Adjustments

Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	Adjusted Test Year End (o) = (c) + (n)
1	Plant in Service:			
2	Plant in Service	WP 2.1	2,450,631,524	2,563,462,643
3	Accumulated Depreciation/Amortization	WP 2.2	(871,165,685)	(894,307,105)
4	Net Plant in Service		1,579,465,839	1,669,155,538
5	Working Capital:			
6	Cash Working Capital	WP 2.10	-	(6,876,846)
7	Prepayments	WP 2.4	7,478,372	6,820,958
8	Materials, Supplies, and Fuel Inventories	WP 2.3	46,853,981	46,980,219
9	Additions and Deductions:			-
10	Customer Deposits	WP 2.8	(13,427,551)	(13,760,146)
11	Customer Advances	WP 2.9	(4,103,516)	(4,135,016)
12	Regulatory Assets	WP 2.6	63,409,608	88,108,019
13	Regulatory Liabilities	WP 2.7	(153,525,684)	(140,379,066)
14	Accumulated Deferred Income Taxes	WP 2.5	(225,082,702)	(240,858,513)
15	Total		1,301,068,347	1,405,055,147



The Empire District Electric Company
 Missouri Jurisdiction
 Docket No. ER-2019-0374
 True-Up Schedule SDR-4 Operating Income

Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	Pro Forma Adjustments (d)	Adjusted Test Year End Current Rates (e) = (c) + (d)	Rate Increase Requested (f)	Adjusted Test Year End Proposed Rates (g) = (e) + (f)
REVENUES							
1	Residential	Schedule 5	\$ 247,334,429	(22,343,508)	\$ 224,990,921		
2	Commercial	Schedule 5	171,333,658	(10,943,809)	160,389,849		
3	Industrial	Schedule 5	81,413,350	(1,080,516)	80,332,834		
4	Public Street & Hwy Lighting	Schedule 5	3,864,366	(30,752)	3,833,614		
5	Other Public Authorities	Schedule 5	10,991,502	(584,033)	10,407,469		
6	Resale - Municipalities	Schedule 5	-	-	-		
7	Interdepartmental	Schedule 5	329,179	1,520	330,699		
8	Total Retail Revenues		515,266,485	(34,981,099)	480,285,386		
9	Total Other Revenues	Schedule 5	(1,500,536)	(293,054)	(1,793,590)		
10	Resale - SPP Integrated Market	Schedule 5	24,788,906	37,326,968	62,115,874		
11	Total Electric Operating Revenues		\$ 538,554,855	\$ 2,052,815	\$ 540,607,670	21,916,462	\$ 562,524,132
OPERATION AND MAINTENANCE EXPENSES							
12	Production Expenses	Schedule 5	185,955,973	33,857,943	219,813,915		219,813,915
13	Transmission Expenses	Schedule 5	22,316,120	1,461,603	23,777,723		23,777,723
14	Distribution Expenses	Schedule 5	22,641,086	1,782,996	24,424,082		24,424,082
15	Customer Accounts Expenses	Schedule 5	8,414,222	1,682,845	10,097,067		10,097,067
16	Customer Assistance Expenses	Schedule 5	4,253,278	1,435,664	5,688,942		5,688,942
17	Sales Expenses	Schedule 5	141,448	8,310	149,758		149,758
18	Administrative and General Expenses	Schedule 5	866,381	278,644	1,145,025		1,145,025
19	Other Administrative and General Expenses	Schedule 5	47,859,335	6,590,506	54,449,842		54,449,842
20	Depreciation Expense	Schedule 5	68,165,979	3,349,943	71,515,922		71,515,922
21	Amortization Expense	Schedule 5	3,598,034	3,167,893	6,765,927		6,765,927
22	Taxes other than Income Taxes	Schedule 5	31,341,337	(2,614,285)	28,727,052		28,727,052
23	Interest on Customer Deposits		-	792,434	792,434		792,434
24	Total Operation and Maintenance Expenses		\$ 395,553,192	51,794,497	\$ 447,347,689	\$ -	\$ 447,347,689
	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ (49,741,682)	\$ 93,259,981	\$ 21,916,462	\$ 115,176,443
	Income Taxes		9,911,046	(6,098,781)	3,812,266	5,224,913	9,037,178
	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ (43,642,902)	\$ 89,447,715	\$ 16,691,549	\$ 106,139,265

TRUE-UP SCHEDULE SDR-5



The Empire District Electric Company
 Missouri Jurisdiction
 Docket No. ER-2019-0374
 True-Up Schedule SDR-5 Operating Income Adjustment Summary

Line No.	Description	Reference	3/31/2019 Test Year End	Uncollectible Expense WP IS ADJ 1	Acquisition Costs WP IS ADJ 2	Open Positions WP IS ADJ 3	Overtime WP IS ADJ 4	Payroll WP IS ADJ 5	Medical, Dental, Vision WP IS ADJ 6	Annualize Depreciation Expense WP IS ADJ 7
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
REVENUES										
1	Residential	WP 4.1	\$ 247,334,429							
2	Commercial	WP 4.1	171,333,658							
3	Industrial	WP 4.1	81,413,350							
4	Public Street & Hwy Lighting	WP 4.1	3,864,366							
5	Other Public Authorities	WP 4.1	10,991,502							
6	Resale - Municipalities	WP 4.1	-							
7	Interdepartmental	WP 4.1	329,179							
8	Total Retail Revenues		515,266,485	-	-	-	-	-	-	-
9	Total Other Revenues	WP 4.1	(1,500,536)							
10	Resale - SPP Integrated Market	WP 4.1	24,788,906							
11	Total Electric Operating Revenues		\$ 538,554,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATION AND MAINTENANCE EXPENSES										
12	Production Expenses	WP 4.2	185,955,973				142,084	962,978		
13	Transmission Expenses	WP 4.2	22,316,120				23,381	157,959		
14	Distribution Expenses	WP 4.2	22,641,086				101,915	659,999		
15	Customer Accounts Expenses	WP 4.2	8,414,222	(143,419)			59,668	379,952		
16	Customer Assistance Expenses	WP 4.2	4,253,278				18,337	116,763		
17	Sales Expenses	WP 4.2	141,448				1,135	7,175		
18	Administrative and General Expenses	WP 4.2	866,381							
19	Other Administrative and General Expenses	WP 4.2	47,859,335		(102,449)		83,172	624,622	704,654	
20	Depreciation Expense	WP 4.3	68,165,979							3,349,943
21	Amortization Expense	WP 4.4	3,598,034							659,946
22	Taxes other than Income Taxes	WP 4.5	31,341,337				32,522	217,128		
23	Interest on Customer Deposits		-							
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ (143,419)	\$ (102,449)	\$ -	\$ 462,212	\$ 3,126,575	\$ 704,654	\$ 4,009,889
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ 143,419	\$ 102,449	\$ -	\$ (462,212)	\$ (3,126,575)	\$ (704,654)	\$ (4,009,889)
26	Income Taxes		9,911,046							
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ 143,419	\$ 102,449	\$ -	\$ (462,212)	\$ (3,126,575)	\$ (704,654)	\$ (4,009,889)

TRUE-UP SCHEDULE SDR-5



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Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	Normalize Maintenance of Boiler Plant WP IS ADJ 8 (k)	Customer Load Growth WP IS ADJ 9 (l)	EDR Revenues WP IS ADJ 10 (m)	Pension and OPEB WP IS ADJ 11 (n)	Fuel & Purchased Power WP IS ADJ 12 (o)	Interest on Customer Deposits WP IS ADJ 13 (p)
REVENUES									
1	Residential	WP 4.1	\$ 247,334,429						
2	Commercial	WP 4.1	171,333,658						
3	Industrial	WP 4.1	81,413,350		-	365,294			
4	Public Street & Hwy Lighting	WP 4.1	3,864,366						
5	Other Public Authorities	WP 4.1	10,991,502						
6	Resale - Municipalities	WP 4.1	-						
7	Interdepartmental	WP 4.1	329,179						
8	Total Retail Revenues		515,266,485	-	-	365,294	-	-	-
9	Total Other Revenues	WP 4.1	(1,500,536)					(280,328)	
10	Resale - SPP Integrated Market	WP 4.1	24,788,906					\$ 37,326,968	
11	Total Electric Operating Revenues		\$ 538,554,855	\$ -	\$ -	\$ 365,294	\$ -	\$ 37,046,640	\$ -
OPERATION AND MAINTENANCE EXPENSES									
12	Production Expenses	WP 4.2	185,955,973	475,602				23,733,165	
13	Transmission Expenses	WP 4.2	22,316,120					1,280,264	
14	Distribution Expenses	WP 4.2	22,641,086						
15	Customer Accounts Expenses	WP 4.2	8,414,222						
16	Customer Assistance Expenses	WP 4.2	4,253,278						
17	Sales Expenses	WP 4.2	141,448						
18	Administrative and General Expenses	WP 4.2	866,381						
19	Other Administrative and General Expenses	WP 4.2	47,859,335				6,378,592		
20	Depreciation Expense	WP 4.3	68,165,979						
21	Amortization Expense	WP 4.4	3,598,034						
22	Taxes other than Income Taxes	WP 4.5	31,341,337						
23	Interest on Customer Deposits		-						\$ 792,434
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ 475,602	\$ -	\$ -	\$ 6,378,592	\$ 25,013,429	\$ 792,434
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ (475,602)	\$ -	\$ 365,294	\$ (6,378,592)	\$ 12,033,211	\$ (792,434)
26	Income Taxes		9,911,046						
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ (475,602)	\$ -	\$ 365,294	\$ (6,378,592)	\$ 12,033,211	\$ (792,434)

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Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	Customer Annualization WP IS ADJ 14 (q)	Weather Normalized Revenue WP IS ADJ 15 (r)	Insurance Premiums WP IS ADJ 16 (s)	Non-Deductible WP IS ADJ 17 (t)	Property Tax WP IS ADJ 18 (u)	Low Income Pilot Amortization WP IS ADJ 19 (v)
REVENUES									
1	Residential	WP 4.1	\$ 247,334,429	\$ 1,454,077	\$ (3,073,722)				
2	Commercial	WP 4.1	171,333,658	124,731	416,900				
3	Industrial	WP 4.1	81,413,350	-	-				
4	Public Street & Hwy Lighting	WP 4.1	3,864,366						
5	Other Public Authorities	WP 4.1	10,991,502						
6	Resale - Municipalities	WP 4.1	-						
7	Interdepartmental	WP 4.1	329,179						
8	Total Retail Revenues		515,266,485	1,578,809	(2,656,822)	-	-	-	-
9	Total Other Revenues	WP 4.1	(1,500,536)						
10	Resale - SPP Integrated Market	WP 4.1	24,788,906						
11	Total Electric Operating Revenues		\$ 538,554,855	\$ 1,578,809	\$ (2,656,822)	\$ -	\$ -	\$ -	\$ -
OPERATION AND MAINTENANCE EXPENSES									
12	Production Expenses	WP 4.2	185,955,973						
13	Transmission Expenses	WP 4.2	22,316,120						
14	Distribution Expenses	WP 4.2	22,641,086						
15	Customer Accounts Expenses	WP 4.2	8,414,222			(4,334)			
16	Customer Assistance Expenses	WP 4.2	4,253,278						50,000
17	Sales Expenses	WP 4.2	141,448						
18	Administrative and General Expenses	WP 4.2	866,381						
19	Other Administrative and General Expenses	WP 4.2	47,859,335			(907,829)	(20,199)		
20	Depreciation Expense	WP 4.3	68,165,979						
21	Amortization Expense	WP 4.4	3,598,034						
22	Taxes other than Income Taxes	WP 4.5	31,341,337					7,059,755	
23	Interest on Customer Deposits		-						
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ -	\$ -	\$ (912,163)	\$ (20,199)	\$ 7,059,755	\$ 50,000
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ 1,578,809	\$ (2,656,822)	\$ 912,163	\$ 20,199	\$ (7,059,755)	\$ (50,000)
26	Income Taxes		9,911,046						
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ 1,578,809	\$ (2,656,822)	\$ 912,163	\$ 20,199	\$ (7,059,755)	\$ (50,000)

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Line No.	Description	Reference	3/31/2019 Test Year End	MO Solar Initiative Amortization Expense WP IS ADJ 20	MO ITC Revenues WP IS ADJ 21	Rate Case Expense WP IS ADJ 22	SBEDR Amortization WP IS ADJ 23	Unprotected Excess ADIT WP IS ADJ 24	MEEIA Amortization WP IS ADJ 25	Reg. Asset Amortization WP IS ADJ 26
	(a)	(b)	(c)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)
REVENUES										
1	Residential	WP 4.1	\$ 247,334,429		\$ 62,897					
2	Commercial	WP 4.1	171,333,658		57,811					
3	Industrial	WP 4.1	81,413,350		35,148					
4	Public Street & Hwy Lighting	WP 4.1	3,864,366		835					
5	Other Public Authorities	WP 4.1	10,991,502		3,528					
6	Resale - Municipalities	WP 4.1	-							
7	Interdepartmental	WP 4.1	329,179							
8	Total Retail Revenues		515,266,485	-	160,218	-	-	-	-	-
9	Total Other Revenues	WP 4.1	(1,500,536)							
10	Resale - SPP Integrated Market	WP 4.1	24,788,906							
11	Total Electric Operating Revenues		\$ 538,554,855	\$ -	\$ 160,218	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATION AND MAINTENANCE EXPENSES										
12	Production Expenses	WP 4.2	185,955,973							2,743,547
13	Transmission Expenses	WP 4.2	22,316,120							
14	Distribution Expenses	WP 4.2	22,641,086							
15	Customer Accounts Expenses	WP 4.2	8,414,222							
16	Customer Assistance Expenses	WP 4.2	4,253,278	1,447,635						
17	Sales Expenses	WP 4.2	141,448							
18	Administrative and General Expenses	WP 4.2	866,381			222,736				
19	Other Administrative and General Expenses	WP 4.2	47,859,335							
20	Depreciation Expense	WP 4.3	68,165,979							
21	Amortization Expense	WP 4.4	3,598,034							
22	Taxes other than Income Taxes	WP 4.5	31,341,337							
23	Interest on Customer Deposits		-							
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ 1,447,635	\$ -	\$ 222,736	\$ -	\$ -	\$ -	\$ 2,743,547
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ (1,447,635)	\$ 160,218	\$ (222,736)	\$ -	\$ -	\$ -	\$ (2,743,547)
26	Income Taxes		9,911,046					(8,540,550)		
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ (1,447,635)	\$ 160,218	\$ (222,736)	\$ -	\$ 8,540,550	\$ -	\$ (2,743,547)

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Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	O&M Trackers Amortization WP IS ADJ 27 (ad)	Protected Excess ADIT WP IS ADJ 28 (ae)	Plum Point Contract WP IS ADJ 29 (af)	Credit Card Fees WP IS ADJ 30 (ag)	Franchise Fees WP IS ADJ 31 (ah)	Franchise Taxes WP IS ADJ 32 (ai)	Unbilled Revenue WP IS ADJ 33 (aj)
REVENUES										
1	Residential	WP 4.1	\$ 247,334,429					(6,480,880)		3,189,956
2	Commercial	WP 4.1	171,333,658					(2,648,547)		1,979,204
3	Industrial	WP 4.1	81,413,350					(190,084)		329,787
4	Public Street & Hwy Lighting	WP 4.1	3,864,366							(1,499)
5	Other Public Authorities	WP 4.1	10,991,502							
6	Resale - Municipalities	WP 4.1	-							
7	Interdepartmental	WP 4.1	329,179							
8	Total Retail Revenues		515,266,485	-	-	-	-	(9,319,510)	-	5,497,448
9	Total Other Revenues	WP 4.1	(1,500,536)							
10	Resale - SPP Integrated Market	WP 4.1	24,788,906							
11	Total Electric Operating Revenues		\$ 538,554,855	\$ -	\$ -	\$ -	\$ -	\$ (9,319,510)	\$ -	\$ 5,497,448
OPERATION AND MAINTENANCE EXPENSES										
12	Production Expenses	WP 4.2	185,955,973	(224,322)		266,275				
13	Transmission Expenses	WP 4.2	22,316,120							
14	Distribution Expenses	WP 4.2	22,641,086							
15	Customer Accounts Expenses	WP 4.2	8,414,222				1,297,266			
16	Customer Assistance Expenses	WP 4.2	4,253,278	(194,004)						
17	Sales Expenses	WP 4.2	141,448							
18	Administrative and General Expenses	WP 4.2	866,381							
19	Other Administrative and General Expenses	WP 4.2	47,859,335							
20	Depreciation Expense	WP 4.3	68,165,979							
21	Amortization Expense	WP 4.4	3,598,034							
22	Taxes other than Income Taxes	WP 4.5	31,341,337						(9,923,690)	
23	Interest on Customer Deposits		-							
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ (418,327)	\$ -	\$ 266,275	\$ 1,297,266	\$ -	\$ (9,923,690)	\$ -
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ 418,327	\$ -	\$ (266,275)	\$ (1,297,266)	\$ (9,319,510)	\$ 9,923,690	\$ 5,497,448
26	Income Taxes		9,911,046		(2,263,671)					
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ 418,327	\$ 2,263,671	\$ (266,275)	\$ (1,297,266)	\$ (9,319,510)	\$ 9,923,690	\$ 5,497,448

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True-Up Schedule SDR-5 Operating Income Adjustment Summary

Line No.	Description	Reference	3/31/2019 Test Year End	Tax Rate Change Jan-Mar WP IS ADJ 34	Asset Retirement Obligations WP IS ADJ 35	Riverton O&M Adjustment WP IS ADJ 36	Income Tax Adjustment WP IS ADJ 37	Normalize Rent Revenues WP IS ADJ 38	Normalize Outside Services WP IS ADJ 39	Annualize Amortization Expense WP IS ADJ 40
	(a)	(b)	(c)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(aq)
REVENUES										
1	Residential	WP 4.1	\$ 247,334,429	5,827,963						
2	Commercial	WP 4.1	171,333,658	4,269,306						
3	Industrial	WP 4.1	81,413,350	1,765,926						
4	Public Street & Hwy Lighting	WP 4.1	3,864,366	161,657						
5	Other Public Authorities	WP 4.1	10,991,502							
6	Resale - Municipalities	WP 4.1	-							
7	Interdepartmental	WP 4.1	329,179							
8	Total Retail Revenues		515,266,485	12,024,852	-	-	-	-	-	-
9	Total Other Revenues	WP 4.1	(1,500,536)					(1,048)		
10	Resale - SPP Integrated Market	WP 4.1	24,788,906							
11	Total Electric Operating Revenues		\$ 538,554,855	\$ 12,024,852	\$ -	\$ -	\$ -	\$ (1,048)	\$ -	\$ -
OPERATION AND MAINTENANCE EXPENSES										
12	Production Expenses	WP 4.2	185,955,973			5,649,230				
13	Transmission Expenses	WP 4.2	22,316,120							
14	Distribution Expenses	WP 4.2	22,641,086							
15	Customer Accounts Expenses	WP 4.2	8,414,222							
16	Customer Assistance Expenses	WP 4.2	4,253,278							
17	Sales Expenses	WP 4.2	141,448							
18	Administrative and General Expenses	WP 4.2	866,381							
19	Other Administrative and General Expenses	WP 4.2	47,859,335						(177,565)	
20	Depreciation Expense	WP 4.3	68,165,979							
21	Amortization Expense	WP 4.4	3,598,034		2,530,466					(206,083)
22	Taxes other than Income Taxes	WP 4.5	31,341,337							
23	Interest on Customer Deposits		-							
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ -	\$ 2,530,466	\$ 5,649,230	\$ -	\$ -	\$ (177,565)	\$ (206,083)
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ 12,024,852	\$ (2,530,466)	\$ (5,649,230)	\$ -	\$ (1,048)	\$ 177,565	\$ 206,083
26	Income Taxes		9,911,046				4,705,440			
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ 12,024,852	\$ (2,530,466)	\$ (5,649,230)	\$ (4,705,440)	\$ (1,048)	\$ 177,565	\$ 206,083

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Line No.	Description	Reference	3/31/2019 Test Year End	SWPA Amortization WP IS ADJ 41	Annualize Tornado AAO Amortization WP IS ADJ 42	Annualize Lease Expense WP IS ADJ 43	PSC Assessment WP IS ADJ 44	Advertising Expenses WP IS ADJ 45
	(a)	(b)	(c)	(ar)	(as)	(at)	(au)	(av)
REVENUES								
1	Residential	WP 4.1	\$ 247,334,429					
2	Commercial	WP 4.1	171,333,658					
3	Industrial	WP 4.1	81,413,350					
4	Public Street & Hwy Lighting	WP 4.1	3,864,366					
5	Other Public Authorities	WP 4.1	10,991,502					
6	Resale - Municipalities	WP 4.1	-					
7	Interdepartmental	WP 4.1	329,179					
8	Total Retail Revenues		515,266,485	-	-	-	-	-
9	Total Other Revenues	WP 4.1	(1,500,536)					
10	Resale - SPP Integrated Market	WP 4.1	24,788,906					
11	Total Electric Operating Revenues		\$ 538,554,855	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATION AND MAINTENANCE EXPENSES								
12	Production Expenses	WP 4.2	185,955,973	109,385				
13	Transmission Expenses	WP 4.2	22,316,120					
14	Distribution Expenses	WP 4.2	22,641,086					
15	Customer Accounts Expenses	WP 4.2	8,414,222					(71)
16	Customer Assistance Expenses	WP 4.2	4,253,278					(4,432)
17	Sales Expenses	WP 4.2	141,448					
18	Administrative and General Expenses	WP 4.2	866,381				55,908	
19	Other Administrative and General Expenses	WP 4.2	47,859,335			4,913		(656)
20	Depreciation Expense	WP 4.3	68,165,979					
21	Amortization Expense	WP 4.4	3,598,034		183,564			
22	Taxes other than Income Taxes	WP 4.5	31,341,337					
23	Interest on Customer Deposits		-					
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ 109,385	\$ 183,564	\$ 4,913	\$ 55,908	\$ (5,159)
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ (109,385)	\$ (183,564)	\$ (4,913)	\$ (55,908)	\$ 5,159
26	Income Taxes		9,911,046					
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ (109,385)	\$ (183,564)	\$ (4,913)	\$ (55,908)	\$ 5,159

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Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	Miscellaneous Revenues WP IS ADJ 46 (aw)	Rate Class Switches WP IS ADJ 47 (ax)	Retention Bonuses WP IS ADJ 48 (ay)	Update Revenues to True-Up WP IS ADJ 49 (az)	Postage Expense WP IS ADJ 50 (aaa)
REVENUES								
1	Residential	WP 4.1	\$ 247,334,429				(21,327,321)	
2	Commercial	WP 4.1	171,333,658		5,197		(13,240,855)	
3	Industrial	WP 4.1	81,413,350		2,151,320		(4,386,640)	
4	Public Street & Hwy Lighting	WP 4.1	3,864,366				(166,759)	
5	Other Public Authorities	WP 4.1	10,991,502				(468,401)	
6	Resale - Municipalities	WP 4.1	-					
7	Interdepartmental	WP 4.1	329,179				5,276	
8	Total Retail Revenues		515,266,485	-	2,156,517	-	(39,584,700)	-
9	Total Other Revenues	WP 4.1	(1,500,536)	(11,679)				
10	Resale - SPP Integrated Market	WP 4.1	24,788,906					
11	Total Electric Operating Revenues		\$ 538,554,855	\$ (11,679)	\$ 2,156,517	\$ -	\$ (39,584,700)	\$ -
OPERATION AND MAINTENANCE EXPENSES								
12	Production Expenses	WP 4.2	185,955,973					
13	Transmission Expenses	WP 4.2	22,316,120					
14	Distribution Expenses	WP 4.2	22,641,086			1,021,080		2
15	Customer Accounts Expenses	WP 4.2	8,414,222					93,783
16	Customer Assistance Expenses	WP 4.2	4,253,278					1,367
17	Sales Expenses	WP 4.2	141,448					
18	Administrative and General Expenses	WP 4.2	866,381					
19	Other Administrative and General Expenses	WP 4.2	47,859,335					3,253
20	Depreciation Expense	WP 4.3	68,165,979					
21	Amortization Expense	WP 4.4	3,598,034					
22	Taxes other than Income Taxes	WP 4.5	31,341,337					
23	Interest on Customer Deposits		-					
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ -	\$ -	\$ 1,021,080	\$ -	\$ 98,404
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ (11,679)	\$ 2,156,517	\$ (1,021,080)	\$ (39,584,700)	\$ (98,404)
26	Income Taxes		9,911,046					
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ (11,679)	\$ 2,156,517	\$ (1,021,080)	\$ (39,584,700)	\$ (98,404)



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Line No.	Description (a)	Reference (b)	3/31/2019 Test Year End (c)	FAC Revenues WP IS ADJ 51 (aab)	Total Missouri Pro Forma Adjustments (aac) = (d) thru (aab)	Adjusted Test Year End (ay) = (c) + (ax)
REVENUES						
1	Residential	WP 4.1	\$ 247,334,429	(1,996,479)	(22,343,508)	\$ 224,990,921
2	Commercial	WP 4.1	171,333,658	(1,907,556)	(10,943,809)	160,389,849
3	Industrial	WP 4.1	81,413,350	(1,151,268)	(1,080,516)	80,332,834
4	Public Street & Hwy Lighting	WP 4.1	3,864,366	(24,987)	(30,752)	3,833,614
5	Other Public Authorities	WP 4.1	10,991,502	(119,160)	(584,033)	10,407,469
6	Resale - Municipalities	WP 4.1	-	-	-	-
7	Interdepartmental	WP 4.1	329,179	(3,756)	1,520	330,699
8	Total Retail Revenues		515,266,485	(5,203,205)	(34,981,099)	480,285,386
9	Total Other Revenues	WP 4.1	(1,500,536)		(293,054)	(1,793,590)
10	Resale - SPP Integrated Market	WP 4.1	24,788,906		37,326,968	62,115,874
11	Total Electric Operating Revenues		\$ 538,554,855	\$ (5,203,205)	\$ 2,052,815	\$ 540,607,670
OPERATION AND MAINTENANCE EXPENSES						
12	Production Expenses	WP 4.2	185,955,973		33,857,943	219,813,915
13	Transmission Expenses	WP 4.2	22,316,120		1,461,603	23,777,723
14	Distribution Expenses	WP 4.2	22,641,086		1,782,996	24,424,082
15	Customer Accounts Expenses	WP 4.2	8,414,222		1,682,845	10,097,067
16	Customer Assistance Expenses	WP 4.2	4,253,278		1,435,664	5,688,942
17	Sales Expenses	WP 4.2	141,448		8,310	149,758
18	Administrative and General Expenses	WP 4.2	866,381		278,644	1,145,025
19	Other Administrative and General Expenses	WP 4.2	47,859,335		6,590,506	54,449,842
20	Depreciation Expense	WP 4.3	68,165,979		3,349,943	71,515,922
21	Amortization Expense	WP 4.4	3,598,034		3,167,893	6,765,927
22	Taxes other than Income Taxes	WP 4.5	31,341,337		(2,614,285)	28,727,052
23	Interest on Customer Deposits		-		792,434	792,434
24	Total Operation and Maintenance Expenses		\$ 395,553,192	\$ -	\$ 51,794,497	\$ 447,347,689
25	Operating Income/(Loss) Before Taxes		\$ 143,001,663	\$ (5,203,205)	\$ (49,741,682)	\$ 93,259,981
26	Income Taxes		9,911,046		(6,098,781)	3,812,266
27	Operating Income/(Loss) After Taxes		\$ 133,090,617	\$ (5,203,205)	\$ (43,642,902)	\$ 89,447,715



The Empire District Electric Company

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True-Up Schedule SDR-6 Weighted Average Cost of Capital

Line No.	Description (a)	Capital Per Books 1/31/2020 (b)	Staff Pro Forma Adjustments (c)	Adjusted Capital 1/31/2020 (d) = (b) + (c)	Capital Ratio (e)	Cost Rate (f)	Rate of Return (g) = (e) x (f)
1	Long Term Debt	\$ 780,000,000	\$ -	\$ 780,000,000	46.93%	4.85%	2.27%
2	Trust Preferred Stock	-	-	-	0.00%	0.00%	0.00%
3	Common Equity	842,107,842	39,857,705	881,965,547	53.07%	9.95%	5.28%
4	Total Capital	<u>\$ 1,622,107,842</u>	<u>\$ 39,857,705</u>	<u>\$ 1,661,965,547</u>	<u>100.00%</u>		<u>7.55%</u>



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True-Up Schedule SDR-7 Gross Revenue Conversion Factor

Line No.	Description (a)	Reference (b)	Rate (c)	Factor (d)
1	Effective State Income Tax	WP 7.1	3.60%	3.60%
2	Federal Taxable Income	1 - Line 1		96.40%
3	Effective Federal Income Tax	WP 7.1	20.25%	20.25%
4	Operating Income	Line 2 - Line 3		76.16%
5	Gross Revenue Conversion Factor	1 / Line 4		1.3130



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True-Up Schedule SDR-8 Income Tax Calculation

Line No.	Description (a)	Reference (b)	Adjusted Federal (c)	Adjusted State (d)	Total Taxes (e) = (c) + (d)
1	Net Operating Income/(Loss) Before Tax		\$ 93,259,981	\$ 93,259,981	
2	Effective Tax Rates		20.25%	3.60%	
3	Tax - Subtotal	Line 1 x Line 2	18,880,510	3,352,789	
4	Interest Synchronization - Tax Impact	WP 8.1	(6,468,195)	(1,148,618)	
5	Taxes - Total	Line 3 + Line 4	\$ 12,412,315	\$ 2,204,171	\$ 14,616,486
6	Deferred Taxes	Schedule 2	240,858,513	-	240,858,513
7	Current Taxes	Line 5 - Line 6	(228,446,198)	2,204,171	(226,242,027)
8	Taxes - Total	Line 7 + Line 6	\$ 12,412,315	\$ 2,204,171	14,616,486
9	Excess ADIT Amortization	Schedule 5	\$ (10,804,220)	\$ -	(10,804,220)
10	Adjusted Taxes - Total		\$ 1,608,095	\$ 2,204,171	3,812,266