

Exhibit No.:
Issue: Revenues;
Jurisdictional Allocations
Witness: Roy M. Boltz, Jr.
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: ER-2001-299
Date Testimony Prepared: August 7, 2001

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

TRUE-UP DIRECT TESTIMONY
OF
ROY M. BOLTZ, JR.

FILED
AUG 7 2001
Missouri Public
Service Commission

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2001-299

Jefferson City, Missouri
August 2001

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1 **TRUE-UP DIRECT TESTIMONY**

2 **OF**

3 **ROY M. BOLTZ, JR.**

4 **CASE NO. ER-2001-299**

5 **THE EMPIRE DISTRICT ELECTRIC COMPANY**

6 Q. Please state your name and business address.

7 A. Roy M. Boltz, Jr.

8 Q. By whom are you employed and in what capacity?

9 A. I am a Regulatory Auditor with the Missouri Public Service Commission
10 (Commission).

11 Q. Are you the same Roy M. Boltz, Jr. who has previously filed direct and
12 surrebuttal testimony in this case?

13 A. Yes, I am.

14 Q. What is the purpose of this true-up direct testimony?

15 A. The purpose of this testimony is to explain various items cost of service
16 that were reviewed during the Staff's true-up audit of The Empire District Electric
17 Company (Empire or Company).

18 **REVENUES**

19 Q. Please explain adjustment S-1.2.

20 A. Income Statement adjustment S-1.2 annualizes revenues for
21 ICI Explosives for known and measurable changes occurring during Staff's true-up
22 period through June 30, 2001. Staff witness Janice Pyatte of the Energy Department

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of Roy M. Boltz, Jr.

1 determined the quantification of this adjustment. Please refer to Janice Pyatte's direct
2 true-up testimony for an explanation of this adjustment.

3 Q. Please explain adjustment S-1.4.

4 A. Adjustment S-1.4 annualizes interruptible credits and excess facilities
5 charges for known and measurable changes through Staff's true-up period ending
6 June 30, 2001. Staff witness Janice Pyatte determined the quantification of this
7 adjustment. Please refer to Janice Pyatte's direct true-up testimony for an explanation of
8 this adjustment.

9 Q. Please explain adjustment S-1.7.

10 A. Adjustment S-1.7 increases Missouri jurisdictional revenues for an
11 unexplained difference in starting points between the Staff and the Company for
12 revenues. See Janice Pyatte's direct true-up testimony for an explanation of this
13 adjustment.

14 Q. Please explain adjustment S-1.6.

15 A. This adjustment annualizes revenues to reflect the known and measurable
16 customer additions since the end of the test year (December 31, 2000), through June 30,
17 2001, the end of the Staff's true-up period. This adjustment reflects the additional
18 revenue that would have been received had these customers been served by the Empire
19 for an entire year. The average monthly customers for each month of the test year were
20 adjusted to the June 30, 2001 level. The differences between June 30, 2001 customers
21 and customers billed in each month of the test year were multiplied by the average
22 adjusted kilowatt hours (KWH) per customer in that month. The change in KWH each
23 month was multiplied by the average adjusted cost per KWH to obtain an annualized

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1 revenue amount. This annualized revenue amount, less the revenue adjustment amount
2 calculated for the test year customer growth, yields the adjustment for known and
3 measurable customer additions from December 31, 2000 to June 30, 2001, the Staff's
4 true-up period.

5 **JURISDICTIONAL ALLOCATIONS**

6 Q. Have Staff's jurisdictional allocations changed due to the true-up audit of
7 the Company's books and records through June 30, 2001?

8 A. Yes. Staff witness Alan Bax of the Engineering Section of the
9 Commission's Energy Department has updated the 12CP (Coincident Peak) allocation
10 factor and fuel allocation factor through June 30, 2001. These allocation factors are used
11 in the Staff's Accounting Schedules to arrive at the recommended revenue requirement
12 associated with the true-up audit.

13 Q. Does this conclude your direct true-up testimony?

14 A. Yes, it does.

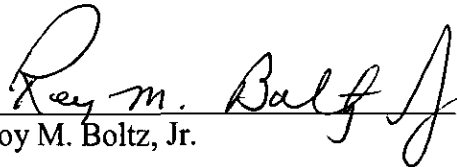
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of the Empire)
District Electric Company for a General Rate)
Increase)
Case No. ER-2001-299

AFFIDAVIT OF ROY M. BOLTZ, JR.

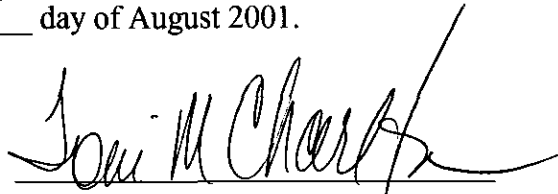
STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

Roy M. Boltz, Jr., being of lawful age, on his oath states: that he has participated in the preparation of the foregoing True-Up Direct Testimony in question and answer form, consisting of 3 pages to be presented in the above case; that the answers in the foregoing True-Up Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Roy M. Boltz, Jr.

Subscribed and sworn to before me this 6th day of August 2001.



TONI M. CHARLTON
NOTARY PUBLIC STATE OF MISSOURI
COUNTY OF COLE
My Commission Expires December 28, 2004

