

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

In the matter of The Empire District)
Electric Company for Authority to File)
Tariffs Increasing Rates for Electric)
Service Provided to Customers in the)
Company’s Missouri Service Area) **File No. ER-2014-0351**

JOINT MOTION FOR CLARIFICATION OF REPORT AND ORDER

COME NOW the Staff of the Missouri Public Service Commission and The Empire District Electric Company (“Empire”), by and through counsel, and for their motion for clarification of the Commission’s Report and Order issued on June 24, 2015, respectfully state:

1. In its Report and Order the Commission has ordered that a revenue neutral adjustment be made to the Residential rate class of 25% of the 8.1% identified rate class revenue deficiency¹. This adjustment amounts to an approximate 2% increase to the Residential class on a revenue neutral basis before the 3.9% rate increase is to be applied.
2. The Report and Order does not identify the rate class(es) that are to benefit from the 2% revenue neutral increase applied to the Residential rate class.
3. Staff and Empire seek clarification from the Commission as to whether the MEGC rate design is to be applied to the Staff’s detailed BIP Class Cost of Service Study Results, and if so, how.

¹ Report and Order in ER-2014-0351, p. 20. “The Commission finds that the increase to residential rates by 25% of the needed 8.1% revenue neutral adjustment is just and reasonable.”

4. MECG's position was that each class be moved 25% closer to its cost of service.²

5. Staff and Empire note that the joint position of the parties recommended that the Large Power (LP), Total Electric Building (TEB), and General Power (GP) rate classes receive the off-setting revenue neutral decrease, proportionate to the current revenues of each of those classes.³

6. MECG's Class Cost of Service Study results indicated that the Special Contract-Praxair (SC-P) was slightly over-contributing to cost of service. MECG recommended that the SC-P's class revenue requirement be slightly decreased on a revenue neutral basis.

7. Staff's detailed-BIP Class Cost of Service Study results indicated that the SC-P class was slightly under-contributing to cost of service. Staff and the joint position statement recommended that the SC-P's class revenue requirement be held constant on a revenue-neutral basis, rather than to make the slight increase indicated by Staff's Class Cost of Service Study results.

8. Staff and Empire believe that the Commission may have intended that the Small Heating (SH), Commercial Building (CB), Large Power (LP), Total Electric Building (TEB), and General Power (GP) rate classes receive the off-setting revenue neutral decrease to these classes' revenue requirements by approximately 25% of the

² It was unclear in MECG's prefiled testimony whether MECG recommended an affirmative rate decrease to the Lighting and Feed Mill (PFM) classes. However, MECG agreed with the customer impact estimate jointly prepared by Staff and Empire that did not include an affirmative reduction to these classes in describing MECG's position.

³ Six parties signed the *Non-Unanimous Stipulation and Agreement on Certain Issues* and filed it on April 8, 2015: The Empire District Electric Company, Staff, Office of the Public Counsel, City of Joplin, Missouri Department of Economic Development-Division of Energy, and Midwest Energy Users' Association.

over-contribution identified for each of those classes under Staff's detailed BIP study, consistent with MECCG's rate design recommendation.

9. Staff and Empire also believe that the Commission may have intended that the SC-P class' revenue requirement be held constant on a revenue-neutral basis, as opposed to increasing the SC-P class' revenue requirement on a revenue-neutral basis, as indicated under Staff's Class Cost of Service Study results.

10. Staff and Empire are of the understanding that the Commission would have explicitly included language in its Report and Order identifying any affirmative rate decreases it intended to order as a result of this rate increase case.

11. The class revenue responsibilities that would result from applying the understanding of Staff and Empire of the Commission's Report and Order are provided in column F of the attached Appendix A. Also included for reference in column D of Appendix A are the revenue responsibilities that were provided in the June 15th *Joint Filing in Response to Order Directing Filing of Estimates of Residential Customer Class Revenue Neutral Interclass Shift*. Staff and Empire seek clarification as to whether the Report and Order is designed to produce the revenue responsibilities contained in the June 15th *Joint Filing* or the revenue responsibilities contained in column F of Appendix A.

WHEREFORE, the Staff and Empire pray the Commission clarify its Report and Order as set forth above.

Respectfully submitted,

THE EMPIRE DISTRICT ELECTRIC
COMPANY

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 26th day of June, 2015.

/s/ Robert S. Berlin

	[A]	[B]	[C]	[D]	[E]	[F]	[G] = [F] - [D]
Class/Rate	Current Rates		Joint Exhibit		Report & Order		Diff Between Jt Exh and R&O
	Rate	Revenue	MECG rate design on MECG CCoS		MECG rate design on Staff CCoS		
			Rate	Revenue	Rate	Revenue	
Residential							
Customer Charge	\$ 12.52	\$ 19,047,577	\$ 12.52	\$ 19,047,577	\$ 12.52	\$ 19,047,577	
Summer First Block Energy	0.1149	30,383,886	0.1232	32,581,363	0.1225	32,404,189	
Summer Second Block Energy	0.1149	34,240,046	0.1232	36,716,415	0.1225	36,516,756	
Winter First Block Energy	0.1149	58,441,758	0.1232	62,668,486	0.1225	62,327,703	
Winter Second Block Energy	0.0934	57,952,352	0.1002	62,146,762	0.0996	61,805,501	
Pre-MEEIA	0.0003	456,717	0.0004	676,617	0.0004	676,617	
Total Residential		\$ 200,522,337		\$ 213,837,221		\$ 212,778,344	\$ (1,058,877)
Commercial							
Customer Charge	21.32	\$ 4,516,599	21.82	\$ 4,622,523	22.00	\$ 4,660,656	
Summer First Block Energy	0.1237	3,840,970	0.1266	3,930,707	0.1276	3,962,999	
Summer Second Block Energy	0.1237	10,394,085	0.1266	10,636,922	0.1276	10,724,309	
Winter First Block Energy	0.1237	7,731,650	0.1266	7,912,285	0.1276	7,977,288	
Winter Second Block Energy	0.1112	15,309,222	0.1138	15,665,794	0.1147	15,796,583	
Excess Facility		5,107		5,107		5,107	
Pre-MEEIA	0.0003	84,806	0.0004	125,638	0.0004	125,638	
Total Commercial		\$ 41,882,439		\$ 42,898,976		\$ 43,252,581	\$ 353,606
Small Heating							
Customer Charge	21.3200	\$ 766,497	22.1179	\$ 795,183	21.9900	\$ 790,584	
Summer First Block Energy	0.1194	746,315	0.1239	774,246	0.1231	769,630	
Summer Second Block Energy	0.1194	2,634,913	0.1239	2,733,524	0.1231	2,717,227	
Winter First Block Energy	0.1194	1,542,579	0.1239	1,600,310	0.1231	1,590,769	
Winter Second Block Energy	0.0892	4,255,872	0.0925	4,415,147	0.0920	4,388,511	
Pre-MEEIA	0.0003	23,690	0.0004	35,096	0.0004	35,096	
Total Small Heating		\$ 9,969,867		\$ 10,353,506		\$ 10,291,817	\$ (61,690)
General Power							
Customer Charge	67.000	\$ 1,346,700	67.570	\$ 1,358,157	68.070	\$ 1,368,207	
Summer First Energy Block	0.0870	\$ 11,348,843	0.0877	\$ 11,445,373	0.0884	\$ 11,530,163	
Summer Second Energy Block	0.0683	8,843,059	0.0689	8,918,154	0.0694	8,984,186	
Summer Tail Energy Block	0.0617	3,276,001	0.0622	3,303,611	0.0627	3,328,566	
Winter First Energy Block	0.0752	17,462,113	0.0758	17,610,726	0.0764	17,740,763	
Winter Second Energy Block	0.0619	13,828,740	0.0624	13,947,145	0.0629	14,049,911	
Winter Tail Energy Block	0.0614	4,822,896	0.0619	4,863,742	0.0624	4,899,874	
Summer Billing Demand	7.0700	6,284,930	7.1300	6,338,268	7.1800	6,382,716	
Winter Billing Demand	5.5100	8,851,783	5.5600	8,932,108	5.6000	8,996,368	
Facilities Demand	2.0000	6,302,820	2.0100	6,334,334	2.0300	6,397,362	
Min Adj Revenue		233,902		233,902		233,902	
Excess Facilities		316,815		316,815		316,815	
Pre-MEEIA	0.0003	212,394	0.0004	314,658	0.0004	314,658	
Total General Power		\$ 83,130,996		\$ 83,916,992		\$ 84,543,490	\$ 626,498
Total Electric Building							
Customer Charge	66.990	\$ 744,393	68.540	\$ 761,612	68.270	\$ 758,616	
Summer First Energy Block	0.102	5,948,147	0.104	6,085,737	0.104	6,062,309	
Summer Second Energy Block	0.080	4,741,272	0.081	4,850,945	0.081	4,831,808	
Summer Tail Energy Block	0.072	724,971	0.074	741,741	0.073	738,847	
Winter First Energy Block	0.078	10,096,364	0.079	10,329,909	0.079	10,289,975	
Winter Second Energy Block	0.063	6,916,240	0.064	7,076,224	0.064	7,049,076	
Winter Tail Energy Block	0.062	1,400	0.063	1,432	0.063	1,427	
Summer Billing Demand	3.300	1,333,149	3.376	1,363,987	3.360	1,357,388	
Winter Billing Demand	2.710	2,479,465	2.773	2,536,819	2.760	2,525,212	
Facilities Demand	1.997	3,523,894	2.043	3,605,407	2.040	3,599,772	
Min Adj Revenue		60,033		60,033		60,033	
Excess Facilities		25,859		25,859		25,859	
Pre-MEEIA	0.0003	95,401	0.0004	141,335	0.0004	141,335	
Total Electric Building		\$ 36,690,587		\$ 37,581,039		\$ 37,441,656	\$ (139,383)
Large Power							
Customer Charge	247.7300	\$ 112,965	250.2301	\$ 114,105	251.3800	\$ 114,629	
Summer First Energy Block	0.0671	12,063,478	0.0678	12,185,224	0.0681	12,241,464	

Summer Second Energy Block	0.0363	2,726,866	0.0367	2,754,386	0.0368	2,766,680	
Winter First Energy Block	0.0596	19,319,785	0.0602	19,514,762	0.0605	19,605,044	
Winter Second Energy Block	0.0350	4,689,847	0.0354	4,737,178	0.0355	4,759,525	
Summer Billing Demand	13.7000	7,284,816	13.8383	7,358,335	13.9000	7,391,163	
Winter Billing Demand	7.5700	7,190,738	7.6464	7,263,307	7.6800	7,295,227	
Facilities Demand	1.6490	2,524,131	1.6656	2,549,605	1.6700	2,556,276	
Transformer Adj.	0.3420	31,480	0.3420	31,480	0.3420	31,480	
Min Adj Revenue		181,265		181,265		181,265	
Excess Facilities		1,040,979		1,040,979		1,040,979	
Pre-MEEIA	0.0003	118,879	0.0004	176,117	0.0004	176,117	
Total Large Power		\$ 57,285,229		\$ 57,906,741		\$ 58,159,848	\$ 253,107
Feed Mill/Grain Elev (PFM)							
Customer Charge	27.6500	\$ 2,986	27.6500	\$ 2,986	27.6500	\$ 2,986	
Summer First Block Energy	0.1802	4,064	0.1802	4,064	0.1802	4,064	
Summer Second Block Energy	0.1802	37,540	0.1802	37,540	0.1802	37,540	
Winter First Block Energy	0.1802	7,569	0.1802	7,569	0.1802	7,569	
Winter Second Block Energy	0.1637	61,014	0.1637	61,014	0.1637	61,014	
Pre-MEEIA	0.0003	174	0.0004	258	0.0004	258	
Total PFM		\$ 113,347		\$ 113,431		\$ 113,431	\$ -

SC-Praxair							
Customer Charge	246.4700	\$ 2,958	253.5900	\$ 3,043	255.9700	\$ 3,072	
Summer - On Peak	0.0515	152,001	0.0530	156,398	0.0535	157,874	
Summer - Shoulder	0.0416	227,662	0.0428	234,229	0.0432	236,418	
Summer - Off Peak	0.0321	342,784	0.0330	352,715	0.0333	356,025	
Winter - On Peak	0.0365	640,621	0.0376	659,050	0.0379	665,368	
Winter - Off Peak	0.0303	701,848	0.0312	722,000	0.0315	728,949	
Facilities Demand	0.4980	48,846	0.4980	48,846	0.5000	49,042	
Summer - Billing Demand	23.9500	569,567	24.6400	585,976	24.8700	591,446	
Winter - Billing Demand	16.2700	896,513	16.7400	922,411	16.9000	931,227	
Excess Facilities		864		864		864	
Pre-MEEIA	0.0003	0	0.0004	-	0.0004	-	
Total CS-Praxair		\$ 3,583,662		\$ 3,685,532		\$ 3,720,285	\$ 34,753
Total All Lights		\$ 7,691,306		\$ 7,691,306		\$ 7,691,306	
Rounding		(7,971)		2,055		(5,960)	(8,016)
Total Revenue Produced		\$ 440,861,799		\$ 457,986,799		\$ 457,986,799	\$ (0)