In the Matter of the True-Up of The Empire District) Electric Company's Fuel Adjustment Clause (FAC))

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation states as follows:

1. On September 27, 2017, The Empire District Electric Company ("Empire" or "Company") filed its sixteenth (16th) fuel adjustment clause true-up filing under the provisions of 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

2. In the attached Staff Memorandum, marked as Appendix A, based on its examination and analysis of information filed and submitted by Empire, Staff recommends the Commission approve Empire's true-up filing for Recovery Period 16 ("RP16") (billing months of December 2016 through May 2017), during which Empire over-recovered \$1,045,682 from its customers.

3. The over-recovered amount of \$1,045,682 is the true-up amount for RP16, which along with interest for RP16 are both included in the calculation of the Fuel and Purchased Power Adjustment ("FPA") amount included in Empire's Accumulation Period 18 ("AP18") adjustment filing, also filed on September 27, 2017, in File No. ER-2018-0086.

4. Staff has verified that Empire has filed its 2016 annual report and is not delinquent on any assessment. Empire is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Other than as noted in the attached Staff Memorandum,

Staff is not aware of any other matter before the Commission that affects or is affected by Empire's true-up filing.

WHEREFORE, Staff recommends the Commission approve Empire's RP16 true-up filing for the billing months of December 2016 through May 2017, during which period Empire over-recovered \$1,045,682 from its customers, for inclusion in the calculation of the FPA amount included in the Company's AP18 rate adjustment filing in File No. ER-2018-0086.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin Deputy Staff Counsel Missouri Bar No. 51709 Attorney for the Staff of the Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65012 (573) 526-7779 (Telephone) (573) 751-9285 (Fax) bob.berlin@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 27th day of October, 2017.

/s/ Robert S. Berlin

<u>MEMORANDUM</u>

- TO: Missouri Public Service Commission Official Case File File No. EO-2018-0087 The Empire District Electric Company
 FROM: Ron Irving, Utility Regulatory Auditor I Catherine Lucia, Utility Regulatory Auditor IV Dana Eaves, Utility Regulatory Auditor V
 DATE: /s/ John A. Rogers 10/27/2017 /s/ Bob Berlin 10/27/2017 Energy Resources Department / Date Staff Counsel Department / Date
 SUBJECT: Staff'a Applying of and Department dation Concerning The Empire District Staff'a Applying of and Department dation Concerning The Empire District Counsel Department / Date
- **SUBJECT:** Staff's Analysis of and Recommendation Concerning The Empire District Electric Company's Sixteenth Fuel Adjustment Clause True-up Filing Under the Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).
- **DATE:** October 27, 2017

On September 27, 2017, The Empire District Electric Company ("Empire" or "Company") filed with the Missouri Public Service Commission ("Commission") in the form of direct testimony and supporting schedule by Bethany Q. King, its sixteenth true-up filing under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

Accumulation Period 16 ("AP16") includes the time period March 1, 2016 through August 31, 2016 and is followed by Recovery Period 16 ("RP16") which includes the billing months of December 2016 through May 2017. The true-up amount of (\$1,045,682) identified in this filing is the result of an over-recovery of the Fuel and Purchased Power Adjustment ("FPA") amount for AP16 during RP16.

The true-up amount of (\$1,045,682) for RP16 is included in the calculation of the Fuel and Purchased Power ("FPA") amount included in the Company's Accumulation Period 18 ("AP18") adjustment filing, also filed on September 27, 2017, in File No. ER-2018-0086, which Empire filed in compliance with its FAC.¹

¹ The Empire District Electric Company's P.S.C. Mo. No. 5, Section 4, Original Sheet No. 17ab tariff sheet: <u>TRUE-UP OF FPA</u>: In conjunction with an adjustment to its FAR, the Company will make a true-up filing with an adjustment to its FAC on the first Filing Date that occurs after completion of each Recovery Period. The true-up adjustment shall be the difference between the FPA revenues billed and the FPA revenues authorized for collection during the true-up recovery period, i.e. the true-up

MO PSC CASE NO. EO-2018-0087 October 27, 2017 Page 2 of 2

The Commission's Staff ("Staff") examined the direct testimony of Bethany Q. King, the supporting schedules and work papers Empire provided with its application in this case, and the monthly information Empire has submitted to the Commission. Staff also reviewed and agrees with Empire's monthly interest calculations for RP16.

Based on its examination and analysis of information Empire filed and submitted in this case, Staff recommends the Commission approve Empire's RP16 true-up filing for the billing months December 2016 through May 2017 during which Empire over-recovered \$1,045,682 from its customers for inclusion in the calculation of the FPA amount included in the Company's AP18 adjustment filing in File No. ER-2018-0086.

Staff has verified that Empire has filed its 2016 annual report and is not delinquent on any assessment. Empire is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except as noted herein.

adjustment. Any true-up adjustments or refunds shall be reflected in item T above and shall include interest calculated as provided for in item I above.

In the Matter of the True-Up of The Empire District) Electric Company's Fuel Adjustment Clause (FAC))

Case No. EO-2018-0087

AFFIDAVIT OF DANA E. EAVES

State of Missouri)) ss. County of Cole)

COMES NOW Dana E. Eaves and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Dana E. Eaves

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 $2\pi\mu$ day of October, 2017.

NOTARY PUBLIC

| DIANNA L. VAUGHT |
|--------------------------------------|
| Notary Public - Notary Seal |
| State of Missouri |
| Commissioned for Cole County |
| My Commission Expires: June 28, 2019 |
| Commission Number: 15207377 |

In the Matter of the True-Up of The Empire District Electric Company's Fuel Adjustment Clause (FAC) Case No. EO-2018-0087

AFFIDAVIT OF RON IRVING

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State of Missouri)) ss. County of Cole)

COMES NOW Ron Irving and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Ron Irving

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 $2\pi h$ day of October, 2017.

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 28, 2019

In the Matter of the True-Up of The Empire District) <u>Case No</u> Electric Company's Fuel Adjustment Clause (FAC))

<u>Case No. EO-2018-0087</u>

AFFIDAVIT OF CATHERINE LUCIA

State of Missouri)) ss. County of Cole)

COMES NOW Catherine Lucia and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Recommendation; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Catherine Lucia

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 $\frac{2}{2}$ day of October, 2017.

NOTARY PUBLIC

| DIANNA L. VAUGHT |
|--------------------------------------|
| Notary Public - Notary Seal |
| State of Missouri |
| Commissioned for Cole County |
| My Commission Expires: June 28, 2010 |
| Commission Number: 15207377 |