

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

In the Matter of The Empire District
Electric Company for Authority to
Implement Rate Adjustments Related
to the Company's Fuel and Purchase
Power Adjustment (FAC) Required in
20 CSR 4240-20.090)
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Case No. ER-2020-0311

RESPONSE TO STAFF RECOMMENDATION

COMES NOW the Missouri Office of the Public Counsel (“OPC”) and for its *Response to Staff Recommendation*, states as follows:

1. The Empire District Electric Company (“Empire”) initiated this proceeding on April 1, 2020, by filing direct testimony and a proposed tariff sheet designed to change the amount it is permitted to collect under its Fuel Adjustment Clause (“FAC”).

2. Commission Staff (“Staff”) filed its *Recommendation* regarding Empire’s filing on May 1, 2020, that recommended the Commission issue an interim rate adjustment order approving Empire’s proposed tariff sheet 8th Revised Sheet No. 17ac Canceling 7th Revised Sheet No. 17ac, as filed on April 6, 2020, to become effective June 1, 2020, subject to true-up and prudence reviews.

3. The OPC now files this response to Staff’s *Recommendation* that opposes Staff’s recommendation because Empire’s proposed 8th Revised Sheet No. 17ac Replacing 7th Revised Sheet No. 17ac includes – and thus would permit recovery of – costs not eligible for inclusion in Empire’s FAC under the terms of its tariff.

4. Specifically, Empire's proposed tariff sheet 8th Revised Sheet No. 17ac includes and permits FAC recovery for coal inventory adjustments related to the retirement of the Asbury generating facility.

5. Coal inventory adjustments are not included in the definition of Fuel Costs Incurred to Support Sales found on Original Sheet 17v of Empire's tariff P.S.C. Mo. No. 5, Section 4. Therefore, these costs are not permissible for recovery under Empire's FAC. Additional information regarding this point is included in the Memorandum prepared by the OPC's expert witnesses that has been attached to this filing.

6. The Commission should consequently reject Empire's proposed tariff sheet 8th Revised Sheet No. 17ac Replacing 7th Revised Sheet No. 17ac and order the Company to file new tariff sheets that do not include coal inventory adjustments related to the retirement of the Asbury generating facility.

WHEREFORE, the Office of the Public Counsel respectfully requests the Commission accept this *Response* and rule in the OPC's favor on all issues presented herein.

Respectfully submitted,
OFFICE OF THE PUBLIC
COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this eleventh day of May, 2020.

/s/ John Clizer