

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

In the Matter of the Sixth Prudence Review of )  
Costs Subject to the Commission-Approved )  
Fuel Adjustment Clause of The Empire District )  
Electric Company.

**Case No. EO-2017-0065**

**STAFF POSITION STATEMENTS**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and submits Staff's position statements regarding the joint list of issues filed August 14, 2017 in the above-captioned case:

**JOINT ISSUE 1:** *Was Empire's natural gas hedging policy that caused costs to be incurred for the period of March 1, 2015 through August 31, 2016 imprudent?*

**Staff position:** No. The Staff did not identify any instances of imprudence in its prudence review report.

**JOINT ISSUE 2a:** *If the Commission finds that Empire's hedging policy was imprudent, should the Commission order a refund to Empire's customers?*

**Staff position:** No. Empire conducted its gas hedging activities in accordance with its risk management policy.

**JOINT ISSUE 2b:** *If so, what should be the amount of the refund?*

**Staff position:** No refund is due. See Staff position 2a.

**EMPIRE ISSUE 3:** *Should Empire change its hedging policy (as set forth in its Risk Management Policy)?*

**Staff position:** No. Staff believes the additional issues propounded by Empire are beyond the scope of this proceeding and should not be addressed by the Commission at this time.

EMPIRE ISSUE 3a: *If so, what changes should be made? Should Empire cease all hedging activities at this time?*

Staff position: No. See Staff position 3. above.

EMPIRE ISSUE 3b: *If Empire is directed to cease hedging at this time, under what circumstances should Empire resume hedging activities?*

Staff position: See Staff position 3. above.

EMPIRE ISSUE 4: *Should a mechanism be put in place to allow stakeholders and/or the Commission to review and approve a utility's hedging plan prior to implementation?*

Staff position: No. See Staff position 3. above.

**WHEREFORE**, the Staff of the Missouri Public Service Commission prays the Commission accept its statements of position.

Respectfully submitted,

**/s/ Robert S. Berlin**

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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 17<sup>th</sup> day of August 2017.

**/s/ Robert S. Berlin**