

Exhibit No. 2

Exhibit No.: _____
Issues: Introduction of Rebuttal Witnesses,
Wind Projects, Community Involvement
Witness: Timothy N. Wilson
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2021-0312
Date Testimony Prepared: December 2021

**Before the Public Service Commission
of the State of Missouri**

Rebuttal Testimony

of

Timothy N. Wilson

on behalf of

The Empire District Electric Company

December 2021



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FOR THE REBUTTAL TESTIMONY OF TIMOTHY N. WILSON
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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REBUTTAL TESTIMONY OF TIMOTHY N. WILSON
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2021-0312

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Timothy N. Wilson, and my business address is 602 S. Joplin Avenue,
4 Joplin, Missouri, 64801.

5 **Q. Are you the same Timothy N. Wilson who provided Direct Testimony in this**
6 **matter on behalf of The Empire District Electric Company (“Empire” or the**
7 **“Company”)?**

8 A. Yes.

9 **Q. What is the purpose of your Rebuttal Testimony in this proceeding before the**
10 **Missouri Public Service Commission (“Commission”)?**

11 A. The purpose of my rebuttal testimony is to introduce the other Company witnesses who
12 are providing rebuttal testimony, to rebut the testimony of Office of Public Counsel
13 (“OPC”) witnesses Geoff Marke and Lena Mantle regarding the Company’s investment
14 in the North Fork Ridge, Kings Point and Neosho Ridge wind projects (the “Wind
15 Projects”), and to provide testimony on the Company’s involvement in the community
16 in response to Dr. Marke’s direct testimony.

17 **II. COMPANY REBUTTAL WITNESSES**

18 **Q. Is the Company providing rebuttal testimony in response to any direct testimony**
19 **filed by other parties?**

20 A. Yes. The Company is providing rebuttal testimony in response to the following parties’
21 direct testimony: the Staff of the Commission (“Staff”), OPC, The Empire District

1 Electric SERP Retirees (“EDES”), The Empire District Electric Retirees and Spouses
2 Association, LLC (“EDRA”), and Midwest Energy Consumers Group (“MECG”).

3 **Q. Please identify the other Empire witnesses who are sponsoring rebuttal testimony**
4 **in this proceeding.**

5 A. The following additional witnesses are submitting rebuttal testimony on behalf of the
6 Company:

Witness	Issues
Aaron J. Doll	Resource Adequacy, Transmission Expense, MPPM, Asbury Retirement Date
Chad C. Hook	AMI Benefits
Charlotte T. Emery	Revenue Requirement, Rate Base, Income and Expense Adjustments, Retiree Issues, Storm Uri, Trackers
Gregory W. Tillman	Time of Use Rates, Renewable Energy Purchase Schedule, Customer Usage Data
Jon Harrison	Customer Experience
Nathaniel W. Hackney	Low-Income Weatherization
Shaen T. Rooney	Interconnection Agreements and Wildlife Permitting
Tisha Sanderson	MPPM and Revenue Requirements – Wind, AMI and Asbury
Todd Mooney	Acquisition of Wind Projects, Tax Equity Compliance, Capital Structure
Dane A. Watson	Depreciation Study
Frank Graves	Economic and Regulatory Policies Supporting Recovery of the Remaining Investment in Asbury
James A. Fallert	Pension and OPEB, SERP
John J. Reed	Return on Equity

Timothy S. Lyons	Class Cost of Service Study, Rate Design, Cash Working Capital/Lead-Lag Study
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1 **III. INVESTMENT IN WIND PROJECTS**

2 **Q. In their direct testimony, OPC witnesses Marke and Mantle are highly critical of**
3 **the Company’s investment in the Wind Projects. Does the Company have a**
4 **response to those criticisms?**

5 A. Yes. While Empire witness Doll’s rebuttal testimony addresses some of the specific
6 criticisms of Dr. Marke and Ms. Mantle, I would like to provide my concerns about
7 their testimony from a big picture perspective. The Company brought its blueprint for
8 the Wind Projects to this Commission for its consideration over three years ago, and
9 the Commission, after a very thorough vetting, authorized the Company to record its
10 capital investment to acquire wind generation assets as utility plant in service subject
11 to audit in the Company’s next general rate case. *See* July 11, 2018 Report and Order
12 in File No. EO-2018-0092. The Company then brought the Wind Projects to the
13 Commission for certificates of convenience and public necessity (“CCN”) in File No.
14 EA-2019-0010, which the Commission again approved by a June 19, 2021 Report and
15 Order.

16 **Q. Has the OPC been satisfied with those Commission decisions?**

17 A. No. Despite that the Commission granted the three CCNs for the Wind Projects and
18 approved the Market Price Protection Mechanism (“MPPM”) as part of the CCNs, OPC
19 now seeks to relitigate the grant of the CCNs and the very terms of the MPPM. For
20 example, Ms. Mantle claims the Wind Projects are “speculative” (p. 12), and both Ms.
21 Mantle and Dr. Marke continue to critique the potential amount of revenue generated
22 from the sale of energy generated from the Wind Projects into the Southwest Power

1 Pool's Integrated Marketplace, issues that the MPPM was expressly designed to
2 address.

3 **Q. Is this the first time those issues have been raised?**

4 A. No. These are all issues that have been considered by the Commission in these prior
5 two dockets and are not properly the subject of this rate case. In fact, OPC witness
6 Marke acknowledges that his recommendation "may very well have no impact in this
7 case" and is provided only as "notice that OPC may pursue future cost disallowances."
8 (Marke Dir., p. 55).

9 **Q. What is Empire's position as to the Wind Projects?**

10 A. We continue to strongly believe that the Wind Projects are a critical part of Empire's
11 generation future and urge the Commission to focus on the issues at hand in this case,
12 which is working through how best to include their costs in rates and how to share back
13 with customers the revenues they generate, be it from energy sales or sales of
14 Renewable Energy Credits.

15 **IV. COMMUNITY INVOLVEMENT**

16 **Q. Dr. Marke asserts throughout his direct testimony that Empire is not a good
17 community partner and compares Empire to some utilities that have egregious
18 operating records. How do you respond?**

19 A. I adamantly disagree with Dr. Marke's unfair and inaccurate assessment as to Empire's
20 quality of service, community involvement and other inappropriate comparisons.

21 **Q. Has Empire experienced any of the following: (a) been charged with
22 manslaughter (b) confessed to federal corruption and racketeering charges (c)
23 paid fines in excess of \$200 Million to resolve a criminal investigation (d) paid**

1 **millions in fines for explaining its rates improperly (e) or have a nuclear fallout**
2 **where Empire’s customers will be paying for generations?**

3 A. No. However, Dr. Marke infers that because Empire’s J.D. Power Scores fall below
4 those companies that did experience such events, we must be operating worse than
5 those companies.

6 **Q. What does it mean if Empire’s J.D. Power scores fall below these companies?**

7 A. It is something of which Empire must be aware. We look to other utilities to benchmark
8 our progress and learn from practices of top performers. This keeps our focus on
9 continuous improvement. However, the scores also must be viewed in context, as
10 every utility is somewhat different. This includes service area characteristics, customer
11 demographics, technology platforms, cost of service, short and long-term
12 organizational goals and initiatives, to name a few. All of these factors and more can
13 impact J.D. Power survey responses in the key areas the survey measures. Please refer
14 to the Rebuttal Testimony of Empire witness Jon Harrison for additional discussion on
15 Empire’s J.D. Power scores.

16 **Q. Is Dr. Marke accurate in his characterization that Empire is not a reasonable**
17 **corporate steward of its Missouri service territory?**

18 A. Absolutely not. We value and embrace our role in the communities that we serve.

19 **Q. In what ways does Empire support the communities it serves beyond providing**
20 **safe and reliable energy?**

21 A. At Empire, we focus on helping people live better lives today so they can prosper
22 tomorrow. This means going beyond providing the safe, reliable energy our customers
23 depend on to live their daily lives. One of the ways Empire supports the communities
24 it serves is through Empire’s Business and Community Development department.

1 These team members are the single Empire point of contact for key accounts, helping
2 to ensure these important businesses and facilities have the service they need to
3 maintain operations. This supports jobs, safety, and economic development. They also
4 serve as the Empire contact for community leaders and other critical community
5 organizations such as schools and hospitals. They represent Empire at various
6 community functions; they serve on boards of directors; they facilitate donations and
7 volunteerism; and more.

8 Here are just a few examples of the organizations our BCD team supports through
9 board and committee membership and volunteerism on behalf of Empire:

- 10 • HBA Southwest Missouri Foundation;
- 11 • Rotary Clubs including Joplin, Neosho, Webb City, Branson, and Aurora;
- 12 • Memberships in each chamber of commerce in our service territory;
- 13 • Taney County Partnership; and
- 14 • Branson Christmas Coalition.

15 **Q. Does Empire make financial donations to support community organizations and**
16 **initiatives?**

17 A. Each year, Empire makes sizable financial donations to a number of organizations. We
18 also support a number of community events through financial sponsorships. Empire
19 has a long history of contributing to the United Way, which provides support to a
20 number of non-profits in our service area. We hold an annual employee giving drive
21 and the company also contributes funds. Here a just a few examples of other
22 organizations we supported in 2021 through financial donations:

- 23 • Ronald McDonald House,
- 24 • Ozark Trails Coalition,

- 1 • Boy Scouts of America,
- 2 • MOCAPS,
- 3 • Crowder College Foundation,
- 4 • Southwest Baptist University,
- 5 • Missouri Southern State University scholarships,
- 6 • Watered Garden homeless shelter,
- 7 • Community Clinic, Joplin,
- 8 • Spiva Center for the Arts,
- 9 • Lafayette House women's shelter,
- 10 • Project Graduation,
- 11 • Shop with a Cop (various locations),
- 12 • Columbus Days,
- 13 • Emancipation in the Park, and
- 14 • Joplin Memorial Run.

15 We also hold an annual event called Christmas Elves. This event encourages employees
16 and customers to support our elderly neighbors who are in need and live alone. Each
17 year, we work with our area community agencies to support close to 200 customers
18 with either gifts or gift cards during the holidays. This program was started by Empire
19 approximately 30 years ago, and we proudly continue this tradition.

20 We also support initiatives that improve quality of life of our customers and the
21 community at large. An example is our new walking trail that we added this year to
22 Empire Park at our Ozark Beach Hydroelectric Dam.

23 **Q. Does Empire support and encourage employee volunteerism?**

1 A. Yes. We value and embrace our role that we play in our communities that we serve.
2 The Liberty organization supports employee volunteerism through its Liberty Days
3 program that allows employees to take up to three days each year to support local
4 organizations. Employees are encouraged to participate. It's not uncommon for Liberty
5 departments throughout our organization to select specific non-profits to support
6 through Liberty Days. You'll see our Liberty team members driving in area Christmas
7 parades, greeting kids at an elementary school on the first day, cleaning up trash in our
8 precious waterways, painting walls at a non-profit, giving presentations about safety or
9 educating citizens about projects at schools and civic clubs. These are not hallmarks
10 of a company that does not care about its community, rather it is evidence of our strong
11 commitments to our communities, which are also where we live and raise our families.

12 **Q. Does this conclude your Rebuttal Testimony at this time?**

13 A. Yes.

VERIFICATION

I, Timothy N. Wilson, under penalty of perjury, on this 20th day of December, 2021,
declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Timothy N. Wilson