

The Empire District Electric Company

Missouri Jurisdiction

Docket No. ER-2019-0374

IS ADJ 1 - Uncollectible Expense

Line No.	FERC (a)	GL Account (b)	Description (c)	Reference (d)	Total Missouri Adjustment (e)
<u>ANNUALIZED UNCOLLECTIBLE EXPENSE ADJUSTMENT</u>					
1			Missouri Update Period Revenues - Unadjusted (1)	WP 4.1	475,347,330
2			Missouri 5 Year Average Uncollectible Expense Ratio	W/P IS ADJ 1.1	0.40%
3			Annualized Uncollectible Expense:		<u>1,910,437</u>
4	904	904037	Missouri Uncollectible Expense 3/31/19 Balance	W/P IS ADJ 1.1	<u>2,141,939</u>
5	904	904037	Missouri Annualized Uncollectible Expense Adjustment:	Line 3 - Line 4	<u>(231,502)</u>
<u>UNCOLLECTIBLE EXPENSE FOR RATE INCREASE ADJUSTMENT</u>					
6			Requested Revenue Increase	Schedule 1 Line 12	21,916,462
7			Missouri 5 Year Average Uncollectible Expense Ratio	W/P IS ADJ 1.1	0.40%
8	904	904037	Missouri Uncollectible Expense Rate Increase Adjustment:		<u>88,083</u>
9	904	904037	Total Uncollectible Expense Adjustment:	Line 5 + Line 8	<u>\$ (143,419)</u>

Source: See reference column (d).

Purpose: To determine the adjustment to annualize bad debt expense.



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IS ADJ 1.1 - Uncollectible Expense Ratio

Line No.	Year (TME) (a)	Reference (b)	Total Company Ending Balance (c)	Missouri Allocation Factor (d)	Missouri Jurisdiction Balance (e)
REVENUES (1)					
1	3/31/2019	WP 4.1	\$ 594,108,452	Direct Assigned	\$ 514,937,306
2	3/31/2018	4ST03-18	541,379,625	Direct Assigned	488,360,062
3	3/31/2017	4ST03-17	505,661,915	Direct Assigned	456,309,220
4	3/31/2016	4ST03-16	498,435,195	Direct Assigned	443,391,272
5	3/31/2015	4ST03-15	504,366,795	Direct Assigned	451,483,700
6	5-Year Average - Revenues:		<u>528,790,396</u>		<u>470,896,312</u>
UNCOLLECTIBLE EXPENSE					
7	3/31/2019	WP Bad Debt Rev Comp 0319	2,387,119	Direct Assigned	2,141,939
8	3/31/2018	WP Bad Debt Rev Comp 0318	1,733,727	Direct Assigned	1,585,362
9	3/31/2017	WP Bad Debt Rev Comp 0317	1,701,446	Direct Assigned	1,546,009
10	3/31/2016	WP Bad Debt Rev Comp 0316	1,956,945	Direct Assigned	1,711,335
11	3/31/2015	WP Bad Debt Rev Comp 0315	2,807,843	Direct Assigned	2,478,096
12	5-Year Average - Uncollectible Expense:		<u>\$ 2,117,416</u>		<u>\$ 1,892,548</u>
13	5 Year Average Uncollectible Expense Ratio:		<u>0.40%</u>		<u>0.40%</u> WP IS ADJ 1

Source: See reference column (b).

Purpose: To determine the 5 year average bad debt expense percentage.