

*Exhibit No.:*  
*Issue(s):* *Overview of Staff's Filing;*  
*Acquisition Costs*  
*Witness:* *Keith D. Foster*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *GR-2021-0320*  
*Date Testimony Prepared:* *March 17, 2022*

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL & BUSINESS ANALYSIS DIVISION**

**AUDITING DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**KEITH D. FOSTER**

**THE EMPIRE DISTRICT GAS COMPANY,  
d/b/a Liberty (Empire)**

**CASE NO. GR-2021-0320**

*Jefferson City, Missouri*  
*March 2022*

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REBUTTAL TESTIMONY OF  
KEITH D. FOSTER  
THE EMPIRE DISTRICT GAS COMPANY,  
d/b/a Liberty (Empire)  
CASE NO. GR-2021-0320**

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **KEITH D. FOSTER**

4 **THE EMPIRE DISTRICT GAS COMPANY,**  
5 **d/b/a Liberty (Empire)**

6 **CASE NO. GR-2021-0320**

7 Q. Please state your name and business address.

8 A. Keith D. Foster, 200 Madison Street, Suite 440, Jefferson City, MO 65101.

9 Q. By whom are you employed and in what capacity?

10 A. I am a Utility Regulatory Supervisor for the Missouri Public Service  
11 Commission (“Commission”), a member of Commission Staff (“Staff”).

12 Q. Are you the same Keith D. Foster who filed direct testimony on  
13 January 24, 2022, in this case?

14 A. Yes, I am.

15 **EXECUTIVE SUMMARY**

16 Q. Please summarize your rebuttal testimony in this proceeding.

17 A. I am sponsoring Staff’s Rebuttal Accounting Schedules in this proceeding.  
18 I also briefly describe a small acquisition costs adjustment that was not included in the direct  
19 filing. In addition, I provide in this rebuttal testimony a list of corrections and updates to  
20 Staff’s direct revenue requirement calculation for the Empire District Gas Company (“Empire”)  
21 in this proceeding.

22 **ACQUISITION COSTS ADJUSTMENT**

23 Q. Did Empire include an adjustment to remove, from the test year, acquisition  
24 costs of \$709 in account 930299?

1           A.     Yes, this was included as EXP ADJ 6 in Empire’s revenue requirement model.  
2 Staff overlooked making this adjustment for its direct filing.

3           Q.     Is Staff now including an adjustment to remove this expense in this  
4 rebuttal filing?

5           A.     Yes, Staff has included a negative \$709 adjustment to remove this cost from test  
6 year expense.

7     **CORRECTIONS AND UPDATES TO STAFF’S DIRECT FILING**

8           Q.     Is Staff aware of corrections and updates that need to be made to Staff’s direct  
9 revenue requirement?

10          A.     Yes. After the direct filing on January 24, 2022, Staff became aware of certain  
11 corrections and updates that need to be made to the direct revenue requirement amount.

12          Q.     What are the corrections and updates?

13          A.     In addition to the Acquisition Costs adjustment addressed in this testimony, the  
14 following issues will be corrected or updated and reflected in Staff’s revenue requirement  
15 included in Staff’s Rebuttal Accounting Schedules:

16               ○ Cash Working Capital (CWC) Income Tax Expense Lags – Corrections to  
17 application of CWC expense lags for Income Taxes – See Courtney Horton’s  
18 rebuttal testimony for further explanation of the corrections.

19               ○ Rate Case Expense – Update to include most currently provided invoices – See  
20 Angela Niemeier’s rebuttal testimony for further explanation of the updates.

21               ○ Incentive Compensation – Update to include incentive compensation based on  
22 more detailed information provided by Empire and a correction to include all

Rebuttal Testimony of  
Keith D. Foster

1 employees contributing to Empire – See Caroline Newkirk’s rebuttal testimony  
2 for further explanation of the updates and correction.

3 ○ Transportation Class Revenues – Corrections to calculations of Transportation  
4 Class Revenues – See Joseph P. Roling’s rebuttal testimony for further  
5 explanation of the corrections.

6 Q. What is Staff’s revised revenue requirement?

7 A. Staff’s revised revenue requirement is \$1,105,813.

8 Q. Does this conclude your rebuttal testimony in this proceeding?

9 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of The Empire District Gas )  
Company's d/b/a Liberty Request to File Tariffs ) Case No. GR-2021-0320  
to Change its Rates for Natural Gas Service )

**AFFIDAVIT OF KEITH D. FOSTER**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW KEITH D. FOSTER** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Keith D. Foster*; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.

  
\_\_\_\_\_  
**KEITH D. FOSTER**

**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 16<sup>th</sup> day of March, 2022.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
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Notary Public