

FILED  
September 1, 2017  
Data Center  
Missouri Public  
Service Commission



Empire Exhibit No. 114  
Date 8-24-17 Reporter AG  
File No. 60-2017-0065

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 18<sup>th</sup> day of  
November, 2015.

In the Matter of The Empire District Electric Company )  
for Authority to Implement Rate Adjustments Related ) File No. ER-2016-0080  
to the Company's Fuel and Purchase Power ) Tariff No. JE-2016-0098  
Adjustment (FAC) Required in 4 CSR 240-20.090(4) )

**ORDER REGARDING FUEL ADJUSTMENT CLAUSE TARIFF**

Issue Date: November 18, 2015

Effective Date: December 1, 2015

On October 1, 2015, The Empire District Electric Company ("Empire"), submitted an application and tariff designed to implement an adjustment to its Fuel and Purchased Power Adjustment Clause ("FAC"). In accordance with Empire's FAC, the proposed rate schedules are designed to recover from customers 95 percent of the company's net cost increases or decreases. Empire's requested adjustment would result in a decrease in the bill of a typical residential customer of approximately \$1.51 per month. Empire also submitted a true-up filing in File No. ER-2016-0082 to identify the net fuel costs it over-charged or under-charged customers during the 12<sup>th</sup> recovery period prescribed by its FAC, which amount was used when calculating the fuel adjustment rates in this case. No persons or entities have applied to intervene in this case.

The Commission's Staff filed a recommendation regarding Empire's tariff on November 2, 2015. Staff verified that Empire's actual fuel and purchased power costs match the fuel and purchased power costs included in the company's calculated rates set

in the submitted tariff. Staff advises the Commission to approve the tariff submitted by Empire to become effective on its December 1, 2015 effective date.

Staff has verified that Empire is not delinquent on any assessment and has filed its 2014 Annual Report. Empire is current on the filing of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except as noted herein.

The Commission's rule regarding FACs requires the Commission to issue an order approving or rejecting the company's tariff within 60 days of its filing.<sup>1</sup> If the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo Supp. 2013, and the FAC mechanism established in the most recent general rate proceeding, the Commission is required to approve the rate adjustment or allow the proposed tariff implementing the adjustment go into effect by operation of law.<sup>2</sup>

Neither the governing statute<sup>3</sup> nor any other law requires a hearing before approving the unopposed application.<sup>4</sup> Because this is a non-contested case, the Commission acts on evidence that is not formally adduced and preserved.<sup>5</sup> There is no evidentiary record.<sup>6</sup> Consequently, the Commission bases its decision on the parties' verified filings.

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<sup>1</sup> Commission Rule CSR 240-20.090(4).

<sup>2</sup> *Id.*

<sup>3</sup> Section 386.266, RSMo Supp. 2013. This section provides for a hearing when the FAC is approved, modified or rejected. It does not require a hearing when annual true-ups are filed by the company. Commission Rule 4 CSR 240-20.090(5) states the Commission may hold a hearing if needed, but one is not required.

<sup>4</sup> Section 536.010(4), RSMo Supp. 2013, defines a contested as "a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be determined after hearing." *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

<sup>5</sup> *State ex rel. Public Counsel v. Public Service Comm'n*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

<sup>6</sup> *Id.*

The Commission has reviewed Empire's tariff filings and Staff's verified recommendation and memorandum, and finds that the tariff sheet implementing the FAC rate adjustment is in compliance with the Commission's order establishing the FAC and with all applicable statutes and regulations. Therefore, the Commission will approve Empire's proposed tariff.

**THE COMMISSION ORDERS THAT:**

1. The Empire District Electric Company's tariff filing, assigned Tariff Tracking No. JE-2016-0098, is approved to be effective December 1, 2015, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

**P.S.C. Mo. No. 5**

Sec. 4, 1<sup>st</sup> Revised Sheet No. 17t, Canceling Sec. 4, Original Sheet No. 17t

2. This order shall become effective on December 1, 2015.
3. This file shall be closed on December 2, 2015.

**BY THE COMMISSION**



*Morris L. Woodruff*

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney,  
Rupp, and Coleman, CC., concur.

Bushmann, Senior Regulatory Law Judge

THE EMPIRE DISTRICT ELECTRIC COMPANY

P.S.C. Mo. No. 5 Sec. 4 1st Revised Sheet No. 17t

Canceling P.S.C. Mo. No. 5 Sec. 4 Original Sheet No. 17t

For ALL TERRITORY

FUEL & PURCHASE POWER ADJUSTMENT CLAUSE  
RIDER FAC  
For service on and after July 26, 2015

	Accumulation Period Ending		Aug 31, 2015
1	Total Energy Cost (TEC) = (FC + PP + E - OSSR - REC)		69,754,928
2	Net Base Energy Cost (B)	-	74,062,163
	2.1 Base Factor (BF)		0.02798 *
	2.2 Accumulation Period NSI (SAP)		2,646,735,001
3	(TEC-B)		(4,307,235)
4	Missouri Energy Ratio (J)	*	82.24%
5	(TEC - B) * J		(3,542,264)
6	Fuel Cost Recovery	*	95.00%
7	(TEC - B) * J * 0.95		(3,365,151)
8	True-Up Amount (T)	+	(183,134)
9	Prudence Adjustment Amount (P)	+	
10	Interest (I)	+	(9,469)
11	Fuel and Purchased Power Adjustment (FPA)	=	(3,557,753)
12	Forecasted Missouri NSI (SRP)	÷	2,196,228,827
13	Current Period Fuel Adjustment Rate (FAR) to be applied Beginning Dec 01, 2015	=	(0.00162)
14	Current Period FAR <sub>PRIM</sub> = FAR x VAF <sub>PRIM</sub>		(0.00170)
15	Current Period FAR <sub>SEC</sub> = FAR x VAF <sub>SEC</sub>		(0.00172)
16	VAF <sub>PRIM</sub> = 1.0466		1.0466
17	VAF <sub>SEC</sub> = 1.0622		1.0622

\* The base factor 0.02798 is the weighted average for the Accumulation Period. The base factor changed from 0.02831 to 0.02684 during the Accumulation Period on July 26, 2015 (ER-2014-0351).