

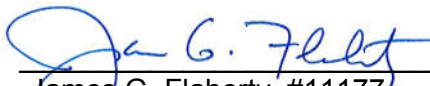
BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of The Empire District Electric)
Company Filing Compliance Reports and)
Information as Prescribed by Commission) Docket No. 21-EPDE-072-CPL
Order Dated July 9, 2020, in Docket No.)
20-EPDE-427-ACT)

COMPLIANCE FILING

The Empire District Electric Company ("Liberty-Empire"), pursuant to the requirements of the Commission's Order issued in Docket No. 20-EPDE-427-ACT ("427 Docket") on July 9, 2020, is providing the attached information in compliance with the Commission's Order.

WHEREFORE, Liberty-Empire requests the information provided be accepted by the Commission in compliance with the reporting requirements in the 427 Docket.



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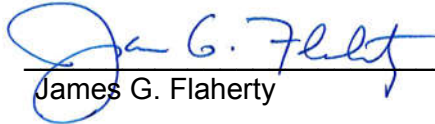
Attorneys for The Empire District Electric Company

VERIFICATION

STATE OF KANSAS
COUNTY OF FRANKLIN, ss:

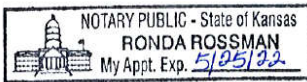
James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for The Empire District Electric Company named in the foregoing Compliance Filing and is duly authorized to make this affidavit; that he has read the foregoing and knows the contents thereof; and that the facts set forth therein are true and correct.



James G. Flaherty

SUBSCRIBED AND SWORN to before me this 8th day of September, 2020.





Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail this 8th day of September, 2020, addressed to:

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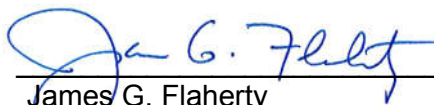
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Docket No. 20-EPDE-427-ACT

Liberty-Empire's response to Request #1. Narrative Describing Processes to Identify and Track Costs in Response to COVID-19

September 8, 2020

Introduction

Each month, Liberty-Empire continues to monitor the various expenses and revenues for variances to determine if the variances are COVID-19 related. The Company's accounting department is working closely with the Regulatory area to keep all apprised of any findings or adjustments. Entries into direct COVID-19 accounts are monitored by Accounting Managers to ensure compliance with an incremental standard.

REVENUE IMPACT:

The Company is still analyzing the best approach to capture the impact to revenue. Some analyses overall has been done and shared with executive leadership. The Company is still reviewing the proper approach to determine COVID-19 specific impacts. Correlation and regression type analyses will likely be required. As a result, outside consultants may be engaged to assist with the vetting and analysis.

COST INCREASES

Late Payment Fee Revenue

Late payment fees waived during the moratorium periods are being recorded to the Accounting Authority Order (AAO) for COVID-19 Recovery. Once a moratorium period is over, the normal process of charging and recording of fees will take place. These amounts recorded in the AAO are the actual computed late fees as though billed to the customer. A journal entry is then performed to remove from customer accounts and place the balance into the AAO for KS COVID-19.

Debit - 100000 – Temporary debit account and moved to AAO

Credit - 450020 - Forfeited Discounts - Ks

Uncollectibles/Bad Debt

Our bad debt policy follows the Reserve Methodology where the aging report is analyzed and a historical uncollectible percent is applied to each aging group and compared to the total uncollectible account. A journal entry is then recorded for Bad Debt to reflect the amount of the calculated reserve. This is performed quarterly. For COVID-19 incremental,



the Company is comparing budget to actual Bad Debt and attributing any differences to COVID-19.

Debit – 904037 - Uncollectible Accts-Electric

Credit – 144100 - Accumulated provision for uncollectible accounts

Information Technology

The Company did purchase additional equipment for Work from Home (WHF) employees. The cost for this equipment is included in our direct COVID-19 accounts. Further analysis has shown our wireless expenses increased in July as our data caps were met and overages occurred. The incremental cost for overages will be booked to the direct COVID-19 accounts. We did not include any additional purchases of wireless devices as these will have continued use.

Cleaning & Personal Protection Equipment (PPE)

Expenses related to PPE, sanitization, etc. are being booked directly to the KS COVID-19 expense account. The Company is monitoring accounts for changes which currently include the below list.

511127 – Mtce Of Structures

549120 – Exp of Misc Other Power

549222 - Misc Other Power Expense

556201 - Janitorial Exp-System Ops

556205 - Utilities - System Operations

588023 - Building Operations - Expenses

591024 - Building Maint-Line Operations

905023 - Building Operations-Cust Accts

Communication

The Company is still analyzing to determine any incremental communication expenses. The Company has been communicating extensively with our customers during this time.

COST DECREASES

Travel & Training

Our method to determine cost decreases for Training and Travel is to compare actual to budget and evaluate any decrease as COVID-19. However, the Company planned on budget reductions in this area prior to COVID-19. Executive leadership has directed 25% of the difference to be attributable to COVID-19 reductions. The Company is monitoring accounts for changes which currently include the below list.



500011 Conv & Seminar-Operations
560011 Conv & Seminar-Transm Op
580011 Conv & Seminar-Distrib Op
535011 Conv & Seminar - Hydro
546011 Conv & Seminars
588011 Conv & Seminar-Misc Distrib
593011 Conv & Seminar-Tree Trimming

Utilities

The Company is currently analyzing utilities to determine if we see any decreases. No employees have been laid off or furloughed and the Company has not closed any building. The Company has not disallowed employees from entering their office to work. The Company does have a general work-from-home directive. However, there have been reasons for employees to return to their respective work sites, thus utilities have not been cut off.

LABOR

No employees were furloughed or laid off, therefore, the Company has not witnessed any labor cost savings. Employees have been direct coding time to COVID-19 expenses for time spent working COVID-19 issues, time when sequestered and time when quarantined. Although, the Company is capturing this as direct expense, after discussion, it's been decided an incremental standard for COVID-19 recovery should only be overtime, premium time and any outside contractor time when brought in to assist with high demand.